

A MARKET VALUATION OF:
APPIAN Way
APARTMENTS

MARKET VALUATION OF: APPIAN WAY APARTMENTS

Located at:
8465 Patriot Boulevard
North Charleston, Dorchester County, SC 29420

Effective Date: June 24, 2024
Report Date: October 14, 2024

Prepared for:
Barrett Bock
Senior Analyst
Lincoln Avenue Communities
401 Wilshire Boulevard, 11th Floor
Santa Monica, CA 90401

Prepared by:
Novogradac
6700 Antioch Road, Suite 450
Merriam, KS 66204
913-677-4600





October 14, 2024

Barrett Bock
Senior Analyst
Lincoln Avenue Communities
401 Wilshire Boulevard, 11th Floor
Santa Monica, CA 90401

Re: Appraisal of Appian Way Apartments
8465 Patriot Boulevard
North Charleston, Dorchester County, SC 29420

Dear Barrett Bock:

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, Appian Way Apartments ("Subject"). The Subject is an existing 204-unit multifamily LIHTC property proposed for acquisition/rehabilitation through LIHTC funding. As requested, we are providing a written appraisal report that includes the following value estimates, which are described and defined below. This letter serves as an introduction to the attached appraisal. Thus, the value opinions expressed in this introduction letter must be taken in context with the full appraisal report. We previously performed an appraisal on the Subject property in June 2024. We are concurrently preparing an application market study. We have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the previous three-year period.

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

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

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

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

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

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

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

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

As a result of our analysis, the value of the Subject's underlying land, "**As If Vacant**", of the fee simple interest, as of June 24, 2024, is:

TWO MILLION SIX HUNDRED THOUSAND DOLLARS
(\$2,600,000)

As a result of our analysis of the Subject's restricted scenario, the fee simple market value "**As Is**", as of June 24, 2024, is:

THIRTY-NINE MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$39,500,000)

As a result of our analysis of the Subject's hypothetical unrestricted scenario, the fee simple market value "**As Is**", as of June 24, 2024, is:

FORTY-ONE MILLION THREE HUNDRED THOUSAND DOLLARS
(\$41,300,000)

We requested a copy of the soil and subsoil report, as well as the Environmental Site Assessment (ESA); however, the reports were not provided at the time of the report. It is an extraordinary assumption of the report that no adverse conditions are present at the Subject site. Further, no issues were identified upon site inspection; however, no specific tests were performed. Nonetheless, Novogradac is not experts in this field and further analysis is beyond the scope of this report.

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

The Subject is not currently exempt from real estate taxes. According to the borrower, after the sale, the owner will partner with a non-profit entity and the property will be fully exempt from real estate taxes. Thus, the Subject will benefit from a tax exemption under Section 12-37-220 of the Code of Laws of South Carolina, which states all property of nonprofit housing corporations or instrumentalities of these corporations when the property is devoted to providing housing to low or very low-income residents shall be exempt from ad valorem taxation. As such, it is an extraordinary assumption of this report that the Subject will be fully exempt from real estate taxes after the sale and there will be a no tax liability except for the direct special assessments in the restricted scenario. After the sale transaction, we assume the general partner of a typical buyer of the Subject property would be a non-profit entity and the Subject would continue to receive tax-exempt status. For the purposes of our unrestricted analysis, we have used a hypothetical condition for the Subject assuming unrestricted, conventional operations. The use of extraordinary assumptions may impact assignment results.

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

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

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

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

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

Respectfully submitted,
Novogradac



Rachel B. Denton, MAI
Partner
SC Certified General Appraiser #8708
Expiration: 6/30/2026
Rachel.Denton@novoco.com
(913) 312-4612

TABLE OF CONTENTS

| | |
|--|------------|
| Executive Summary | 2 |
| Factual Description | 6 |
| Regional and Local Area Analysis | 10 |
| Economic Analysis | 11 |
| Demographic Analysis | 15 |
| Primary Market Area Map | 15 |
| Neighborhood Analysis | 18 |
| Analysis of the Subject | 23 |
| Description of the Site | 23 |
| Description of the Improvements | 25 |
| Assessment Value and Taxes | 28 |
| Zoning | 29 |
| Competitive Rental Analysis..... | 32 |
| General Market Information..... | 32 |
| Survey of Comparable Projects..... | 32 |
| Property Characteristics | 80 |
| Market Characteristics | 83 |
| Highest and Best Use..... | 89 |
| Highest and Best Use As If Vacant | 90 |
| Conclusion..... | 90 |
| Appraisal Methodology..... | 92 |
| Land Valuation..... | 94 |
| Income Capitalization Approach..... | 106 |
| Income Analysis | 106 |
| Explanation of Expenses | 107 |
| Direct Capitalization | 113 |
| Sales Comparison Approach | 121 |
| Improved Valuation..... | 121 |
| Reconciliation | 136 |
| Addendum A Assumptions and Limiting Conditions, Certification | |
| Addendum B Qualifications of Consultants | |
| Addendum C Subject Photos | |
| Addendum D Rent Roll | |
| Addendum E Financials | |
| Addendum F Floor Plans | |

I. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Property Appraised:

Appian Way Apartments (Subject) is an existing 204-unit LIHTC development located at 8465 Patriot Boulevard, North Charleston, South Carolina 29420. The property was originally constructed in 2007 and is proposed to undergo renovations financed with funding from the sale of the property. The Subject consists of nine three-story garden-style residential buildings offering a total of 204 one, two, and three-bedroom units. The Subject's units are restricted to households earning 60 percent of AMI, or less. According to a recent rent roll, dated June 11, 2024, the Subject is currently 99.5 percent occupied and maintains a short waiting list.

Recent Operation:

The Subject is currently operating as a LIHTC property. According to a recent rent roll, dated June 11, 2024, the Subject is currently 99.5 percent occupied and maintains a short waiting list. The Subject's historical financial statements indicate vacancy and collection loss of 0.2 to 0.9 percent over the last three years.

Tax Map ID:

The Subject property is identified by the following parcel number: 172-00-00-111.000.

Land Area:

The Subject site is 12.66 acres or 551,470 square feet.

Legal Interest Appraised:

The property interest appraised is fee simple, subject to any and all encumbrances, if applicable, for each value estimate.

Current Rents and Unit Mix:

The following table details the current rents and unit mix for the Subject's units according to information provided by property management. All 204 of the Subject's units are restricted at 60 percent AMI.

RENT ROLL ANALYSIS*

| Unit Type | Unit Size (SF) | Number of Units | Asking Rent | Minimum Tenant Paid Rent | Maximum Tenant Paid Rent | Average Tenant Paid Rent | Vacant Units | Vacancy Rate |
|-----------------|----------------|-----------------|-------------|--------------------------|--------------------------|--------------------------|--------------|--------------|
| @60% AMI | | | | | | | | |
| 1BR / 1 BA | 741 | 24 | \$1,109 | \$994 | \$1,049 | \$1,020 | 0 | 0.0% |
| 2BR / 2 BA | 926 | 84 | \$1,339 | \$1,170 | \$1,236 | \$1,205 | 1 | 1.2% |
| 3BR / 2 BA | 1,097 | 96 | \$1,543 | \$1,343 | \$1,424 | \$1,367 | 0 | 0.0% |
| Total | | 204 | | | | | 1 | 0.5% |

*Rent Roll Effective 6/11/2024

Ownership History of the Subject:

Current ownership is vested in 8465 Patriot Boulevard, LP. There have been no known transfers in the past three years. There is a pending purchase and sale agreement dated May 31, 2024 between 8465 Patriot Boulevard, LP (seller) and Lincoln Capital Acquisition, LLC (buyer) in an arm's length transaction and a purchase price of \$23,000,000. According to the client, the estimated closing date is June 30, 2025. This purchase price appears to provide a buyer's advantage given our concluded value of \$39,500,000. It should be

noted that according to the client, the purchase price was primarily driven by market capitalization rates.

**Highest and Best Use
“As If Vacant”:**

The highest and best use for the property as if vacant would be to construct an affordable multifamily development utilizing tax credit equity, favorable financing, or other gap subsidies, consistent with the regulatory agreement in place.

**Highest and Best Use
“As Improved”:**

The Subject site is currently improved with a 204-unit affordable development. There are no alternative uses that could reasonably be expected to provide a higher present value than the existing use. The value produced by the existing improvements exceeds the value of the site, as if vacant. For these reasons, the existing use is concluded to be maximally productive, and the highest and best use of the property as improved.

Effective Date:

The Subject was inspected by Novogradac on June 24, 2024, and this will serve as the effective date for the report.

Capitalization Rate Reconciliation:

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

CAPITALIZATION RATE SELECTION SUMMARY

| Method | Indicated Rate |
|-------------------------|----------------|
| Market Extraction | 5.25% |
| The PWC Investor Survey | 5.25% |
| Debt Coverage Ratio | 6.83% |
| Band of Investment | 7.44% |

The various approaches indicate a range from 5.25 to 7.44 percent. We reconciled a 5.25 percent capitalization rate based primarily upon the market-extracted rate.

Operating Expense Reconciliation:

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

TOTAL EXPENSES PER UNIT

| Subject Expenses | |
|---------------------------------------|---------|
| 2023 (Audited) | \$8,359 |
| 2022 (Audited) | \$7,789 |
| 2021 (Audited) | \$6,753 |
| Comparable Properties | |
| Comp 1 | \$4,877 |
| Comp 2 | \$8,958 |
| Comp 3 | \$9,270 |
| Comp 4 | \$6,093 |
| Subject Conclusions | |
| Restricted - As Is With Tax Exemption | \$6,523 |
| Unrestricted - As Is | \$8,202 |

TOTAL EXPENSES PER UNIT LESS TUR

| Subject Expenses | |
|---------------------------------------|---------|
| 2023 (Audited) | \$5,480 |
| 2022 (Audited) | \$5,015 |
| 2021 (Audited) | \$4,224 |
| Comparable Properties | |
| Comp 1 | \$3,834 |
| Comp 2 | \$4,781 |
| Comp 3 | \$7,263 |
| Comp 4 | \$3,568 |
| Subject Expenses | |
| Restricted - As Is With Tax Exemption | \$4,872 |
| Unrestricted - As Is | \$4,803 |

Strengths and Weaknesses:

Based upon our market research, demographic calculations and analysis, we believe the Subject property is well positioned and accepted in the market. Strengths of the Subject include the positive demographics in the local area. Weaknesses include the Subject's inferior unit sizes relative to several comparables.

Third Party Reports:

We were provided with a Property Condition Assessment (PCA) report dated June 13, 2024 and prepared by Partner Engineering and Science, Inc. Based on the report, critical repairs totaled \$28,640, or \$140 per unit. According to the client, these repairs are currently being completed; as such, our values assume that all repairs have been completed.

Indications of Value:

LAND VALUE ESTIMATE

| | Units | Price/Unit | Indicated Value (Unrounded) | Discount of LURA | Indicated Value (Rounded) |
|---------|-------|------------|-----------------------------|------------------|---------------------------|
| Subject | 204 | \$14,000 | \$2,856,000 | (\$285,600) | \$2,600,000 |

DIRECT CAPITALIZATION ANALYSIS

| Scenario | Cap Rate | Net Operating Income | Indicated Value (Rounded) |
|---------------------------------------|----------|----------------------|---------------------------|
| Restricted - As Is With Tax Exemption | 5.25% | \$2,071,811 | \$39,500,000 |
| Unrestricted - As Is | 5.25% | \$2,167,427 | \$41,300,000 |

SALES COMPARISON APPROACH

| Scenario | Number of Units | Value per unit | Indicated Value (Rounded) |
|---------------------------------------|-----------------|----------------|---------------------------|
| Restricted - As Is With Tax Exemption | 204 | \$200,000 | \$40,800,000 |
| Unrestricted - As Is | 204 | \$210,000 | \$42,800,000 |

EGIM ANALYSIS

| Scenario | EGIM | Effective Gross Income | Indicated Value (Rounded) |
|---------------------------------------|-------|------------------------|---------------------------|
| Restricted - As Is With Tax Exemption | 11.50 | \$3,402,605 | \$39,100,000 |
| Unrestricted - As Is | 10.75 | \$3,840,660 | \$41,300,000 |

Exposure Period:

Nine to Twelve Months

II. FACTUAL DESCRIPTION

FACTUAL DESCRIPTION

Appraisal Assignment and Valuation Approach

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

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

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

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

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

Property Identification

The Subject property is located at 8465 Patriot Boulevard, North Charleston, South Carolina 29420. The Subject is identified by the Dorchester County Assessor’s Office as parcel number 172-00-00-111.

Intended Use and Intended User

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

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

Property Interest Appraised

The property interest appraised is fee simple estate.

Date of Inspection and Effective Date of Appraisal

The Subject was inspected by Novogradac on June 24, 2024, and this will serve as the effective date for the report.

Scope of the Appraisal

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

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

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

Extraordinary Assumptions (EA) and Hypothetical Conditions (HC)

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

We requested a copy of the soil and subsoil report, as well as the Environmental Site Assessment (ESA); however, the reports were not provided at the time of the report. It is an extraordinary assumption of the report that no adverse conditions are present at the Subject site. Further, no issues were identified upon site inspection; however, no specific tests were performed. Nonetheless, Novogradac is not experts in this field and further analysis is beyond the scope of this report.

The Subject is not currently exempt from real estate taxes. According to the borrower, after the sale, the owner will partner with a non-profit entity and the property will be fully exempt from real estate taxes. Thus, the Subject will benefit from a tax exemption under Section 12-37-220 of the Code of Laws of South Carolina, which states all property of nonprofit housing corporations or instrumentalities of these corporations when the property is devoted to providing housing to low or very low-income residents shall be exempt from ad valorem taxation. As such, it is an extraordinary assumption of this report that the Subject will be fully exempt from real estate taxes after the sale and there will be a no tax liability except for the direct special assessments in the restricted scenario. After the sale transaction, we assume the general partner of a typical buyer of the Subject property would be a non-profit entity and the Subject would continue to receive tax-exempt status. For the purposes of our unrestricted analysis, we have used a hypothetical condition for the Subject assuming unrestricted, conventional operations. The use of extraordinary assumptions may impact assignment results.

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

No other hypothetical conditions or extraordinary assumptions were necessary to complete the valuation for the Subject. We have included a more in depth summary of any limiting conditions in the of this report.

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

Market Value Definition

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

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price

is not affected by undue stimulus. Implicit in this definition is the consummation of sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

Compliance and Competency Provision

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

Unavailability of Information

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

Furniture, Fixtures, and Equipment

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

Ownership and History of Subject

Current ownership is vested in 8465 Patriot Boulevard, LP. There have been no known transfers in the past three years. There is a pending purchase and sale agreement dated May 31, 2024 between 8465 Patriot Boulevard, LP (seller) and Lincoln Capital Acquisition, LLC (buyer) in an arm's length transaction and a purchase price of \$23,000,000. According to the client, the estimated closing date is June 30, 2025. This purchase price appears to provide a buyer's advantage given our concluded value of \$39,500,000. It should be noted that according to the client, the purchase price was primarily driven by market capitalization rates.

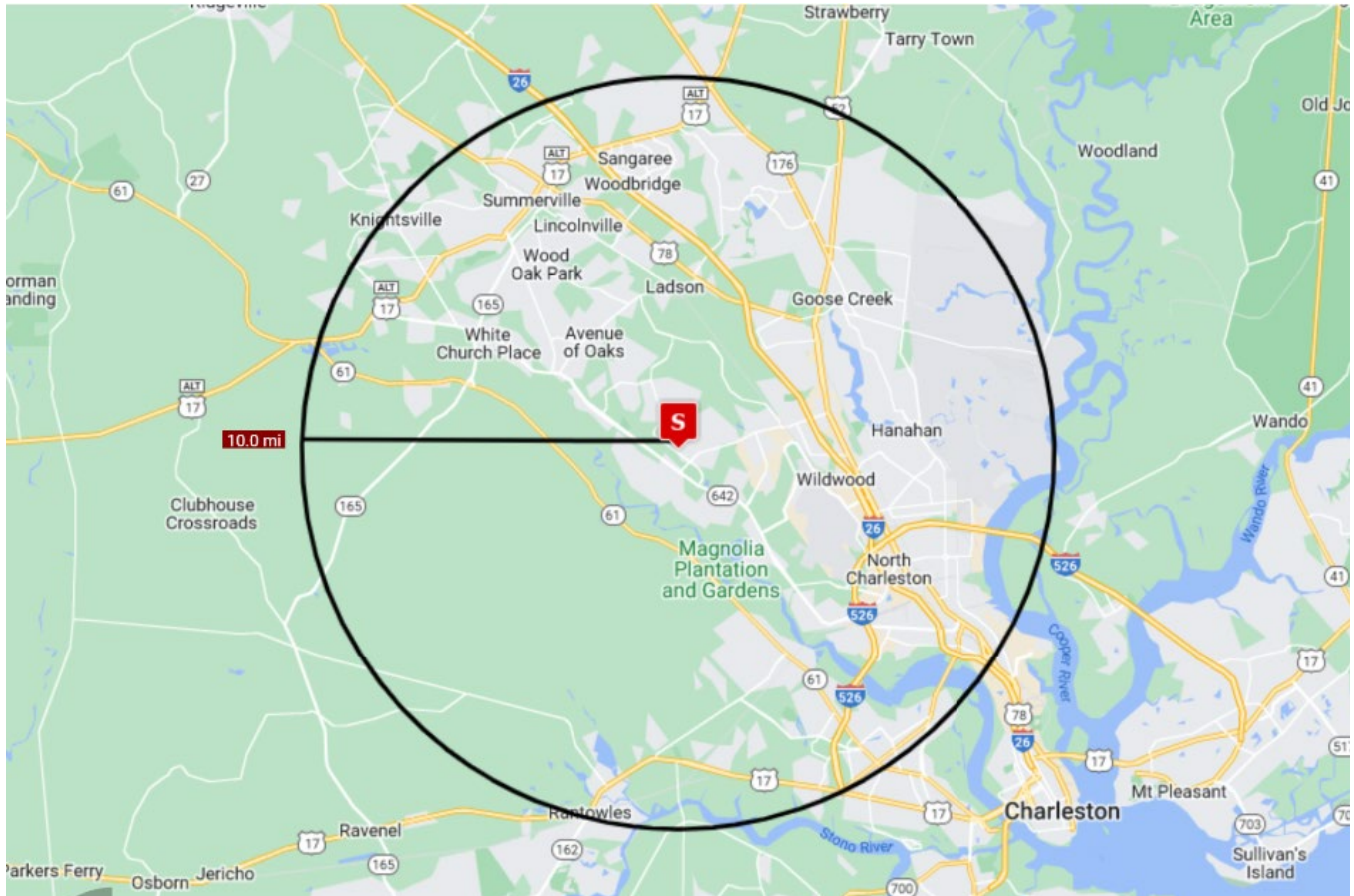
2 - 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990.

III. REGIONAL AND LOCAL AREA ANALYSIS

REGIONAL AND LOCAL AREA ANALYSIS

Regional Map

The Subject is located in the city of North Charleston, within Dorchester County, South Carolina. The city of North Charleston and Dorchester County are located in the Charleston - North Charleston, SC Metropolitan Statistical Area (MSA). A regional map indicating the location of the Subject is shown following.



Source: Google Maps, June 2024

The Subject is located in the city of North Charleston, within Dorchester County, South Carolina. The city of North Charleston and Dorchester County are located in the Charleston - North Charleston, SC Metropolitan Statistical Area (MSA), which is comprised of Berkeley, Charleston, and Dorchester Counties. According to the US Census Bureau, North Charleston had a population of 121,469 persons in 2023.

ECONOMIC ANALYSIS

Major Employers

The following table lists the major employers for Dorchester County. It should be noted that the number of employees was not available.

MAJOR EMPLOYERS – DORCHESTER COUNTY, SOUTH CAROLINA

| Employer Name | Industry |
|-------------------------------------|-----------------------|
| Builder Services Group, Inc. | Construction |
| Dorchester County | Government |
| Dorchester School District | Education |
| Food Lion | Retail |
| Key West Boats | Manufacturing |
| Kion Group | Manufacturing |
| Mau Inc. | Professional Services |
| Presbyterian Home of South Carolina | Healthcare |
| Publix Super Market | Retail |
| Bosch | Manufacturing |
| SC Department of Disabilities | Government |
| Scout Boats | Manufacturing |
| Showa Denko Carbon, Inc. | Manufacturing |
| Spherion Staffing, LLC | Professional Services |
| Sportsman Boats | Manufacturing |
| TA Operating Corporation | Retail |
| Town of Summerville | Government |
| Walmart | Retail |

Source: Dorchester County Economic Development, retrieved June 2024

Dorchester County's major employers are primarily concentrated within the healthcare, manufacturing, education, and government sectors. Overall, the major employers are heavily reliant on the healthcare and government sectors, which are historically known to exhibit greater stability during recessionary periods.

Employment Expansion/Contractions

We contacted the Charleston and Dorchester County Economic Development Departments to inquire about recent business expansions or contractions in the region. Additionally, we conducted internet research on recent business developments in the area. We found evidence of the following employment expansions in the area.

- In February 2024, MOONDOG Animation Studio announced an expansion in Charleston County with a \$90,000 investment that would create 20 new jobs in five years. The expected date of completion was not available at the time of this report.
- In November 2023, IronLink Logistics, a logistics service company, announced the establishment of operation in Charleston County. The \$16.45 million investment is expected to bring 250 new jobs to the area. The expected date of completion was not available.
- In November 2023, Carpenters Woodworks and Restoration, a family-owned business specializing in woodworking and restoration, announced the expansion of its operation in Charleston County. This \$1.54 million investment is expected to create 20 new jobs.
- In November 2023, QuicksortRx, a software-enabled service company that provides management solutions for health systems, announced its expansions in Charleston County. The \$220,000 investment will create 41 new jobs over the next three years.

- In September 2023, Frampton Construction, a full-service construction firm, announced the expansion of its regional headquarters in Charleston County. The company's \$150,000 investment is expected to create 19 new jobs.
- Scout Boats expanded its existing operations in Dorchester County with a \$10 million investment consisting of a new 35,000-square foot facility in 2024 that will support the production of the company's new 67 LX series.

WARN Notices

We reviewed the Worker Adjustment and Retraining Notification Act (WARN) notices published by the South Carolina Department of Workforce Development for January 2022 to year-to-date 2024. There have been no WARN notices issued for Dorchester County since 2022.

Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA from 2007 to April 2024.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

| Year | MSA | | | | USA | | | |
|----------|------------------|----------|-------------------|--------|------------------|----------|-------------------|--------|
| | Total Employment | % Change | Unemployment Rate | Change | Total Employment | % Change | Unemployment Rate | Change |
| 2007 | 302,115 | - | 4.8% | - | 146,046,667 | - | 4.6% | - |
| 2008 | 300,885 | -0.4% | 6.0% | 1.2% | 145,362,500 | -0.5% | 5.8% | 1.2% |
| 2009 | 289,693 | -3.7% | 9.5% | 3.5% | 139,877,500 | -3.8% | 9.3% | 3.5% |
| 2010 | 298,962 | 3.2% | 9.4% | -0.1% | 139,063,917 | -0.6% | 9.6% | 0.3% |
| 2011 | 308,175 | 3.1% | 8.7% | -0.7% | 139,869,250 | 0.6% | 9.0% | -0.7% |
| 2012 | 318,178 | 3.2% | 7.5% | -1.2% | 142,469,083 | 1.9% | 8.1% | -0.9% |
| 2013 | 325,009 | 2.1% | 6.1% | -1.3% | 143,929,333 | 1.0% | 7.4% | -0.7% |
| 2014 | 334,555 | 2.9% | 5.4% | -0.8% | 146,305,333 | 1.7% | 6.2% | -1.2% |
| 2015 | 345,667 | 3.3% | 5.1% | -0.3% | 148,833,417 | 1.7% | 5.3% | -0.9% |
| 2016 | 355,215 | 2.8% | 4.2% | -0.9% | 151,435,833 | 1.7% | 4.9% | -0.4% |
| 2017 | 356,654 | 0.4% | 3.6% | -0.6% | 153,337,417 | 1.3% | 4.3% | -0.5% |
| 2018 | 365,625 | 2.5% | 2.9% | -0.7% | 155,761,000 | 1.6% | 3.9% | -0.4% |
| 2019 | 379,436 | 3.8% | 2.3% | -0.5% | 157,538,083 | 1.1% | 3.7% | -0.2% |
| 2020 | 365,033 | -3.8% | 5.8% | 3.5% | 147,794,750 | -6.2% | 8.1% | 4.4% |
| 2021 | 380,691 | 4.3% | 3.6% | -2.2% | 152,580,667 | 3.2% | 5.4% | -2.7% |
| 2022 | 395,473 | 3.9% | 2.8% | -0.8% | 158,291,083 | 3.7% | 3.6% | -1.7% |
| 2023 | 414,588 | 4.8% | 2.5% | -0.3% | 161,036,583 | 1.7% | 3.6% | -0.0% |
| 2024* | 421,667 | 1.7% | 2.8% | 0.2% | 160,727,750 | -0.2% | 3.9% | 0.3% |
| Apr-2023 | 412,743 | - | 1.9% | - | 161,075,000 | - | 3.1% | - |
| Apr-2024 | 427,124 | 3.5% | 2.4% | 0.5% | 161,590,000 | 0.3% | 3.5% | 0.4% |

Source: U.S. Bureau of Labor Statistics, June 2024

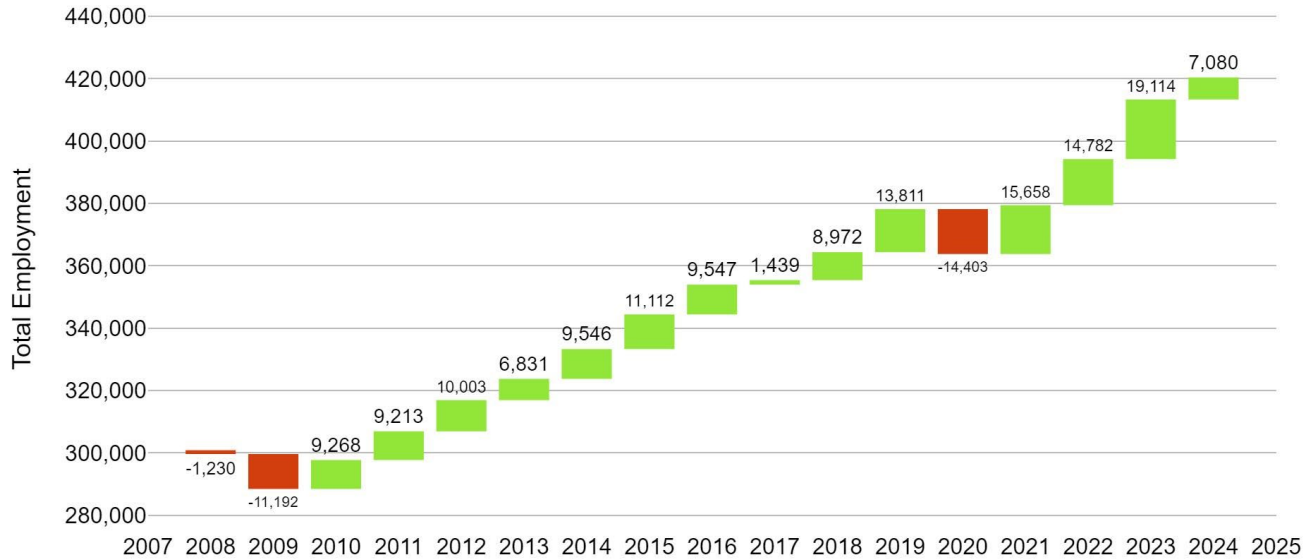
*2024 YTD Average is through April

Employment in the MSA declined by 3.8 percent in 2020 amid the pandemic, compared to 6.2 percent across the nation. The MSA subsequently recovered all pandemic-related job losses, and employment levels are currently at a post-recessionary record. As of April 2024, employment in the MSA is increasing at an annualized rate of 3.5 percent, compared to 0.3 percent growth across the nation.

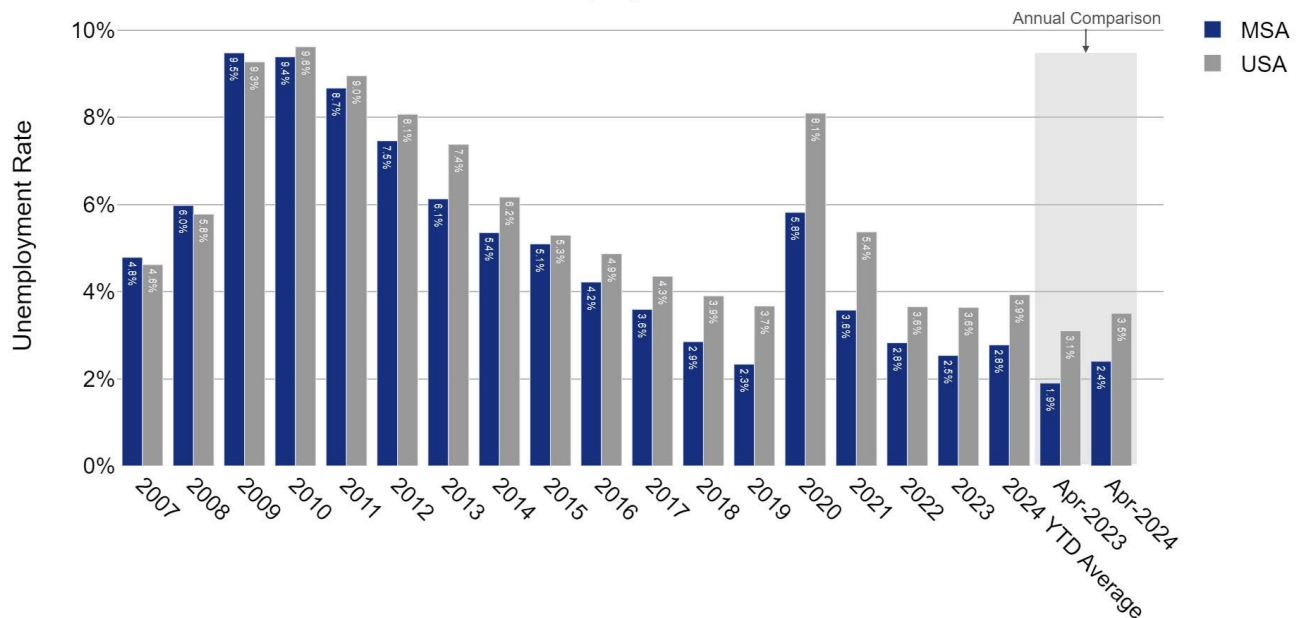
The MSA unemployment rate increased modestly by 3.5 percentage points in 2020 amid the pandemic, reaching a high of 5.8 percent. For comparison, the national unemployment rate rose by 4.4 percentage points and reached a high of 8.1 percent over the same time period. According to the latest labor statistics, dated April 2024, the current MSA unemployment rate is 2.4 percent. This is below the current national unemployment rate of 3.5 percent.

The following tables provide more illustration of the changes in employment and unemployment rate trends in the MSA.

MSA Job Growth



Unemployment Rate



Employment by Industry

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

2023 - EMPLOYMENT BY INDUSTRY

| Industry | PMA | | USA | |
|---|-----------------|------------------|--------------------|------------------|
| | Number Employed | Percent Employed | Number Employed | Percent Employed |
| Healthcare/Social Assistance | 5,885 | 13.0% | 22,115,876 | 13.6% |
| Retail Trade | 4,884 | 10.8% | 16,983,329 | 10.4% |
| Manufacturing | 4,815 | 10.6% | 16,269,811 | 10.0% |
| Accommodation/Food Services | 4,283 | 9.4% | 10,883,169 | 6.7% |
| Construction | 3,615 | 8.0% | 11,436,301 | 7.0% |
| Admin/Support/Waste Management Services | 3,313 | 7.3% | 7,195,078 | 4.4% |
| Professional/Scientific/Tech Services | 3,180 | 7.0% | 13,955,403 | 8.6% |
| Public Administration | 3,169 | 7.0% | 7,857,180 | 4.8% |
| Transportation/Warehousing | 2,974 | 6.5% | 9,030,239 | 5.5% |
| Educational Services | 2,735 | 6.0% | 14,946,247 | 9.2% |
| Other Services | 1,779 | 3.9% | 7,645,568 | 4.7% |
| Finance/Insurance | 1,218 | 2.7% | 8,135,144 | 5.0% |
| Real Estate/Rental/Leasing | 1,013 | 2.2% | 2,901,274 | 1.8% |
| Information | 729 | 1.6% | 3,143,826 | 1.9% |
| Arts/Entertainment/Recreation | 698 | 1.5% | 3,578,110 | 2.2% |
| Wholesale Trade | 583 | 1.3% | 3,029,965 | 1.9% |
| Utilities | 408 | 0.9% | 1,335,595 | 0.8% |
| Management of Companies/Enterprises | 57 | 0.1% | 216,588 | 0.1% |
| Agriculture/Forestry/Fishing/Hunting | 43 | 0.1% | 1,800,335 | 1.1% |
| Mining | 34 | 0.1% | 572,355 | 0.4% |
| Total Employment | 45,415 | 100.0% | 163,031,393 | 100.0% |

Source: Esri Demographics 2023, Novogradac, July 2024

Employment in the PMA is concentrated in healthcare/social assistance, retail trade, and manufacturing, which collectively comprise 34.3 percent of local employment. The large share of PMA employment in the retail trade and manufacturing is notable as both industries are historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare/social assistance industry, which typically exhibits greater stability during economic recessions. Relative to the nation, the PMA features comparatively greater employment in the admin/support/waste management services, accommodation/food services, and public administration industries. Conversely, the PMA is underrepresented in the educational services, finance/insurance, and professional/scientific/tech services sectors.

Conclusion

Employment in the PMA is concentrated in healthcare/social assistance, retail trade, and manufacturing, which collectively comprise 34.3 percent of local employment. The large share of PMA employment in manufacturing and retail trade is notable as these industries are historically volatile, and prone to contraction during economic recessions. However, the PMA also has a significant share of employment in the healthcare/social assistance industry, which typically exhibits greater stability during recessionary periods. Relative to the nation, the PMA features comparatively greater employment in the admin/support/waste management services, accommodation/food services, and public administration industries. Conversely, the PMA is underrepresented in the educational services, finance/insurance, and professional/scientific/tech services sectors. Employment in the MSA declined by 3.8 percent in 2020 amid the pandemic, compared to 6.2 percent across the nation. The MSA subsequently recovered all pandemic-related job losses, and employment levels are currently at a post-recessionary record. As of April 2024, employment in the MSA is increasing at an annualized rate of 3.5 percent, compared to 0.3 percent growth across the nation.

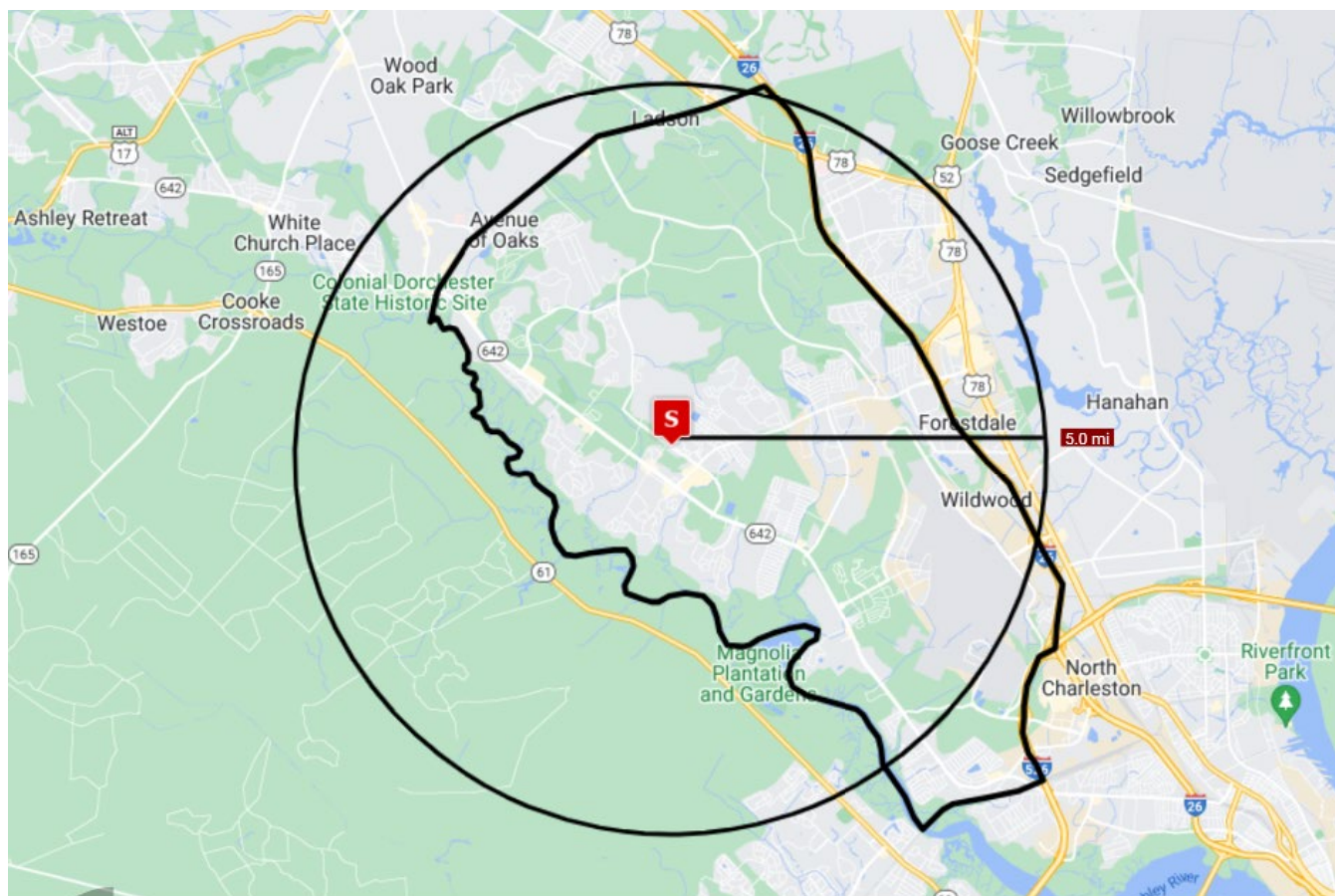
DEMOGRAPHIC ANALYSIS

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

Primary Market Area (PMA)

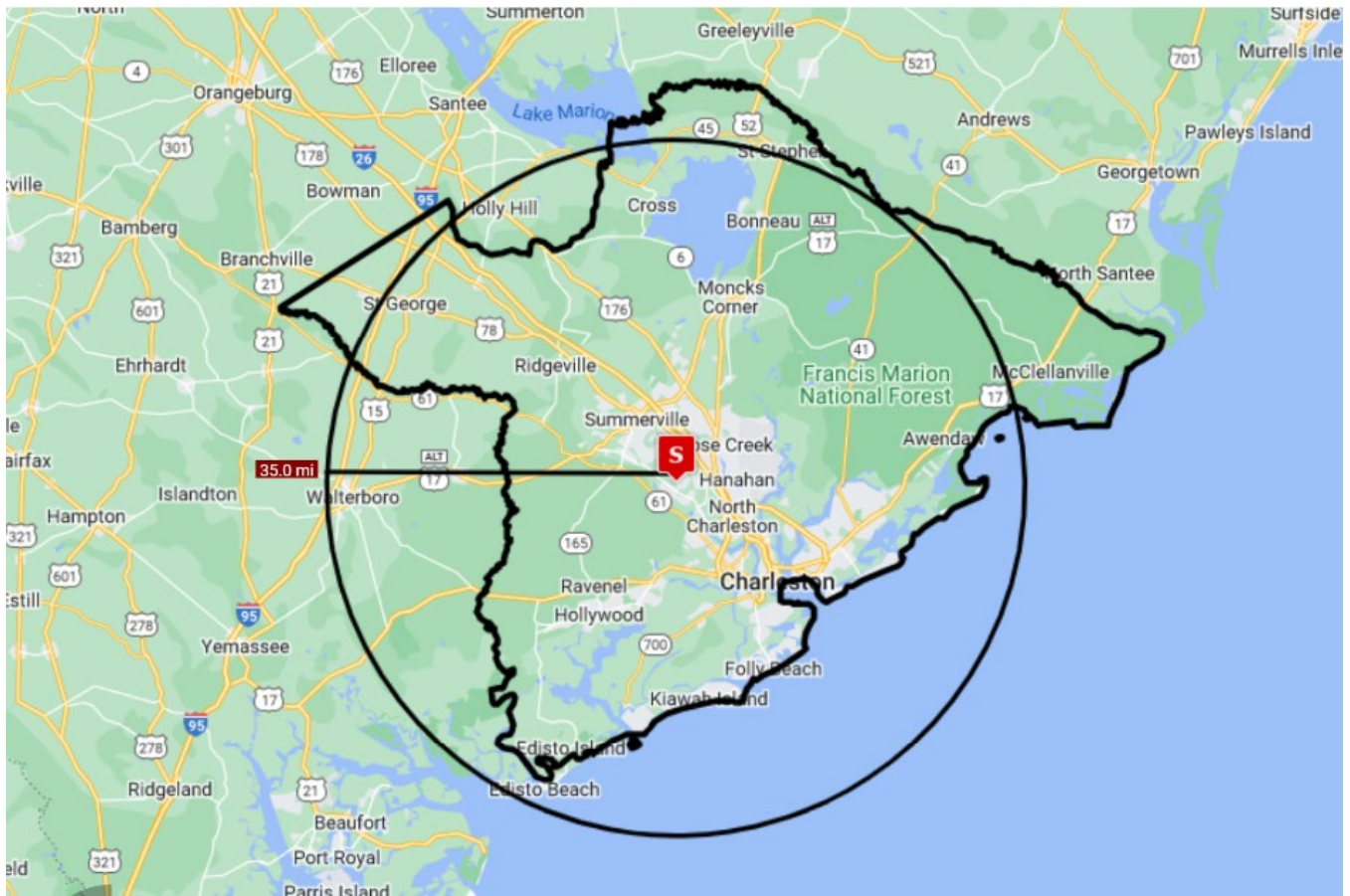
We determined the Primary Market Area (PMA) based on our conversations with local market participants including property managers, as well as our physical inspection of the market. The PMA is generally defined as the central portion of the city of North Charleston. The PMA boundaries are: Ladson Road to the north, Interstate 26 to the east, railroad tracks to the south, and the Ashley River to the west. The PMA encompasses approximately 43 square miles. We believe that additional support will originate from areas outside of the established PMA. We estimate a leakage of 10 percent. To provide a broader economic context for the Subject, we also include a Secondary Market Area (SMA). The secondary market area (MSA) for the Subject is the Charleston - North Charleston, SC Metropolitan Statistical Area, which consists of Berkeley, Charleston, and Dorchester Counties in South Carolina. The MSA is 2,887 square miles. We include economic indicators for the SMA regarding employment and unemployment trends. In addition, our demographic analysis utilizes the SMA as an additional area of comparison for population and household trends.

PRIMARY MARKET AREA MAP



Source: Google Maps, June 2024

SECONDARY MARKET AREA MAP



Source: Google Maps, June 2024

Population and Households

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

POPULATION

| Year | PMA | | MSA | | USA | |
|------|--------|---------------|---------|---------------|-------------|---------------|
| | Amount | Annual Change | Amount | Annual Change | Amount | Annual Change |
| 2010 | 67,909 | - | 664,607 | - | 308,730,056 | - |
| 2023 | 89,389 | 2.4% | 846,250 | 2.1% | 337,460,311 | 0.7% |
| 2028 | 92,287 | 0.6% | 890,377 | 1.0% | 342,629,524 | 0.3% |

Source: Esri Demographics 2023, Novogradac, June 2024

HOUSEHOLDS

| Year | PMA | | MSA | | USA | |
|------|--------|---------------|---------|---------------|-------------|---------------|
| | Amount | Annual Change | Amount | Annual Change | Amount | Annual Change |
| 2010 | 25,409 | - | 260,019 | - | 116,709,667 | - |
| 2023 | 35,021 | 2.9% | 339,569 | 2.4% | 129,912,564 | 0.9% |
| 2028 | 36,416 | 0.8% | 359,857 | 1.2% | 133,092,836 | 0.5% |

Source: Esri Demographics 2023, Novogradac, June 2024

Historical population growth in the PMA exceeded the MSA between 2010 and 2023. Both geographic areas experienced population growth greater than the nation during the same time period. According to ESRI demographic projections, annualized PMA growth is expected to slow to 0.6 percent through 2028, which is below growth expectations for the MSA and above the nation.

Historical household growth in the PMA exceeded the MSA between 2010 and 2023. Both geographic areas experienced household growth greater than the nation during the same time period. According to ESRI demographic projections, annualized PMA growth is expected to slow to 0.8 percent through 2028, which is below growth expectations for the MSA and above the nation.

Household Income

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

MEDIAN HOUSEHOLD INCOME

| Year | PMA | | MSA | | USA | |
|------|----------|---------------|----------|---------------|----------|---------------|
| | Amount | Annual Change | Amount | Annual Change | Amount | Annual Change |
| 2010 | \$49,829 | - | \$49,800 | - | \$55,535 | - |
| 2023 | \$61,807 | 1.8% | \$75,862 | 4.0% | \$72,604 | 2.4% |
| 2028 | \$68,363 | 2.1% | \$83,531 | 2.0% | \$82,410 | 2.7% |

Source: Esri Demographics 2023, Novogradac June 2024

As of 2023, the median income in the PMA is below the surrounding MSA. Relative to the nation, household income in the PMA declined slightly from 89.7 percent of the national median income in 2010 to 85.1 in 2023. According to ESRI demographic projections, annualized PMA growth is expected to accelerate to 2.1 percent through 2028, which is similar to projected growth in the surrounding MSA and below the overall nation.

Conclusion

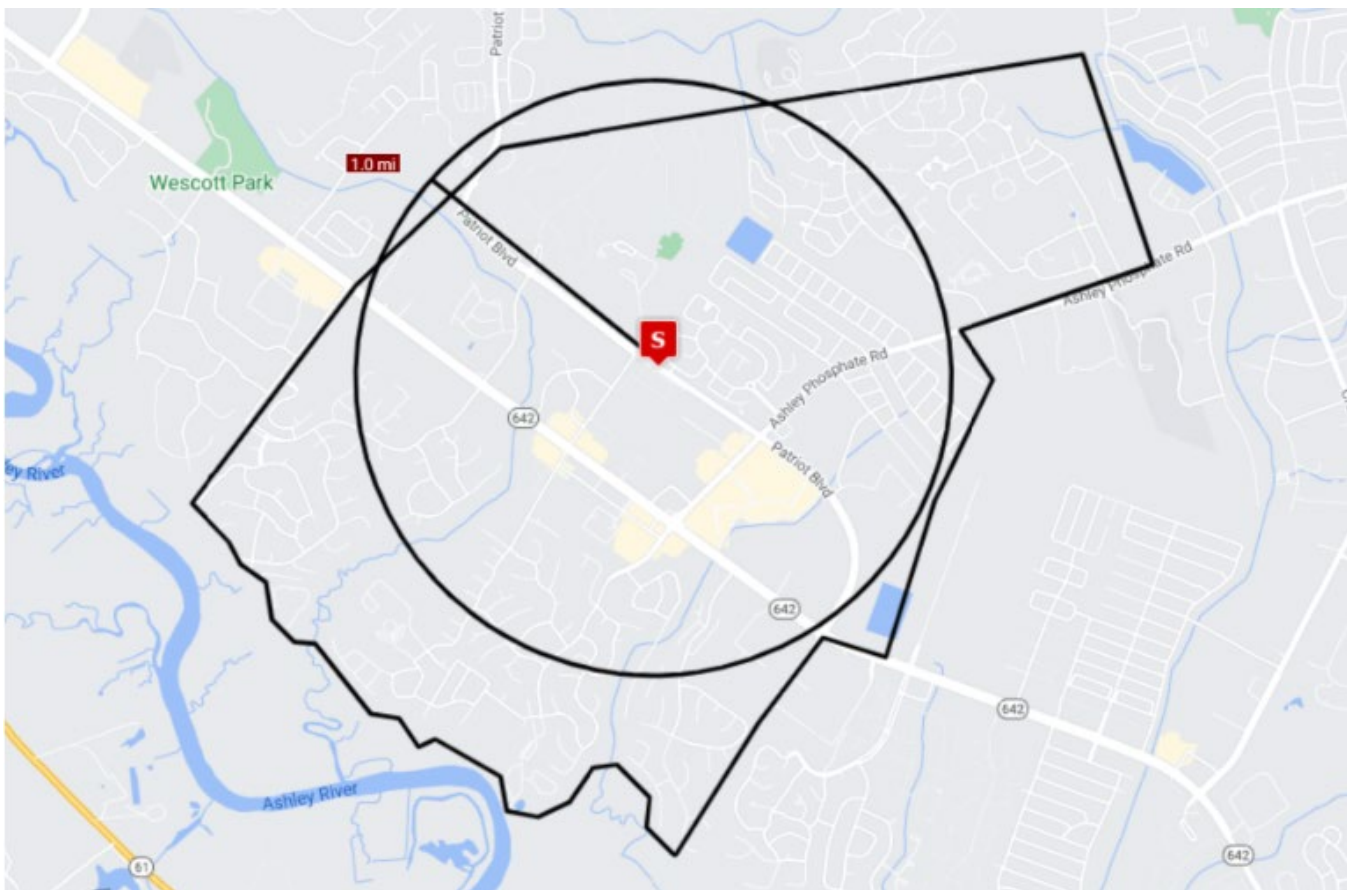
Population in the PMA increased at an annualized rate of 2.4 percent between 2010 and 2023. Comparatively the MSA and the nation experienced an annualized growth rate of 0.7 percent. The percentage of renter households in the PMA rose between 2010 and 2023 and is estimated to be 45.5 percent as of 2023. This is more than the estimated 35 percent renter households across the overall nation. The median income in the PMA as of 2023 is below the MSA and overall nation. According to ESRI demographic projections, population, household, and median income levels are all expected to rise through 2028. Overall, the combination of rising population and median household income bodes well for future demand for multifamily housing.

NEIGHBORHOOD ANALYSIS

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

Location and Boundaries

The Subject is located in the central portion of North Charleston. General neighborhood boundaries include East Fairway Woods Drive and Riverbluff Parkway to the north, Sandlapper Parkway and Ashley Phosphate Road to the east, Dorchester Road and Patriot Boulevard to the south, and a neighborhood tree line to the west. The following map illustrates these boundaries in relation to the Subject site. A map of the Subject's neighborhood follows.



Source: Google Earth, July 2024

Predominate Land Uses

The Subject is located in the northern portion of North Charleston, a mixed-use neighborhood defined by single-family homes and commercial uses. Land use in the northern portion of the Subject's neighborhood consists of vacant land followed by the North Charleston Aquatic Center, the Dorchester County Library, and Fort Dorchester High School, all in average condition. Land use in the eastern portion of the Subject's neighborhood consists of single-family homes in average condition, in addition to a house of worship and a Sunoco gas station, both in average condition. Neighborhood uses south of the Subject consist of Frankie's Fun Park, Delta Oaks Mobile Home Park, in addition to commercial and retail uses further south, as well as single-family homes, all ranging from average to good condition. Neighborhood uses to the west of the Subject consists of a Domino's Pizza, in addition to commercial uses and single-family homes in average to good condition. Commercial uses appeared to be 90 percent occupied and were in average condition. According to Zillow.com, single-family homes in the Subject's neighborhood are listed for sale between \$190,000 and \$1.05 million, with most listed around \$340,000. Overall, the Subject site is a good location for an affordable multifamily development.

Accessibility

The Subject site is accessible from the southeast side of Appian Way and the southwest side of Patriot Boulevard. Appian Way is a lightly travelled, two-lane road that traverses north/south and intersects with Patriot Boulevard. Patriot Boulevard is a moderately travelled four-lane street that primarily traverses west/east and intersects with Ashley Phosphate Road approximately 0.4 miles east of the Subject. Ashley Phosphate Road is a highly travelled, seven-lane road that traverses west/east and provides access to Interstate 26, approximately 3.5 miles northeast of the Subject. Interstate 26 is a heavily travelled highway that traverses northwest/southeast and provides access to the nearby cities of Charleston, located approximately 13.5 miles to the southeast, and Summerville to the northwest. Overall, access is considered good, while traffic flow is light to moderate.

Neighborhood Housing Stock

Single-family homes in the Subject's neighborhood generally exhibit fair condition. According to Zillow, the median home value in the Subject's zip code is \$327,733.

NEIGHBORHOOD ANALYSIS

| | 0.5 Mile Radius | PMA |
|-------------------------------|-----------------|-----------|
| | 2023 | 2023 |
| Owner-Occupied Housing Units | 37.8% | 50.0% |
| Renter-Occupied Housing Units | 56.0% | 41.7% |
| Vacant Housing Units | 6.2% | 8.2% |
| 2023 Median Household Income | \$37,494 | \$61,807 |
| 2023 - 2028 MHI Annual Growth | 1.4% | 2.1% |
| 2023 Median Home Value | \$327,733 | \$308,058 |

Source: Esri Demographics 2023, Novogradac June 2024

As indicated in the previous table, the percentage of renter households within a 0.5-mile radius of the Subject site is higher than that of the PMA as a whole. According to 2023 data provided by ESRI, approximately 37.8 percent of the occupied housing units within 0.5 miles of the Subject are owner-occupied, compared to 50.0 percent in the PMA. The median household income within a 0.5-mile radius of the Subject is slightly higher than the PMA, and is projected to increase by 1.4 percent annually through 2028.

Public Transportation

Public transportation is provided by the Charleston Area Regional Transportation Authority (CARTA). CARTA connects Charleston-area transit riders to destinations including but not limited to work, school, healthcare, tourist attractions, and the airport. The nearest bus stop to the Subject is located approximately 0.4 miles southeast of the Subject at the intersection of Ashley Phosphate Road and Patriot boulevard. Fixed route one-

way fares are \$2.00 per ride with low-income fares for \$1.25 per ride, and seniors ride for \$1.00 during all hours of service. The earliest time of operation starts at 5:40am and ends at 10:20pm, Monday through Friday.

Healthcare

The nearest full service hospital to the Subject is the Summerville Medical Center, a 124-bed, acute-care hospital located approximately 4.2 miles northwest of the Subject site. The hospital offers various services including emergency, cardiac, imaging, women's and pediatric, orthopedic, and stroke services. Overall, access to healthcare services is considered good.

Crime Statistics

The following table shows personal and property crimes for the PMA and MSA as an index, meaning an index of 100 is average. Any number above 100 is above average compared to the national crime index, while any number below 100 indicates lower than average crime.

| 2023 CRIME INDICES | | |
|------------------------|------------|------------|
| | PMA | MSA |
| Total Crime* | 173 | 152 |
| Personal Crime* | 159 | 142 |
| Murder | 169 | 163 |
| Rape | 144 | 121 |
| Robbery | 111 | 96 |
| Assault | 177 | 161 |
| Property Crime* | 175 | 154 |
| Burglary | 181 | 159 |
| Larceny | 171 | 154 |
| Motor Vehicle Theft | 196 | 148 |

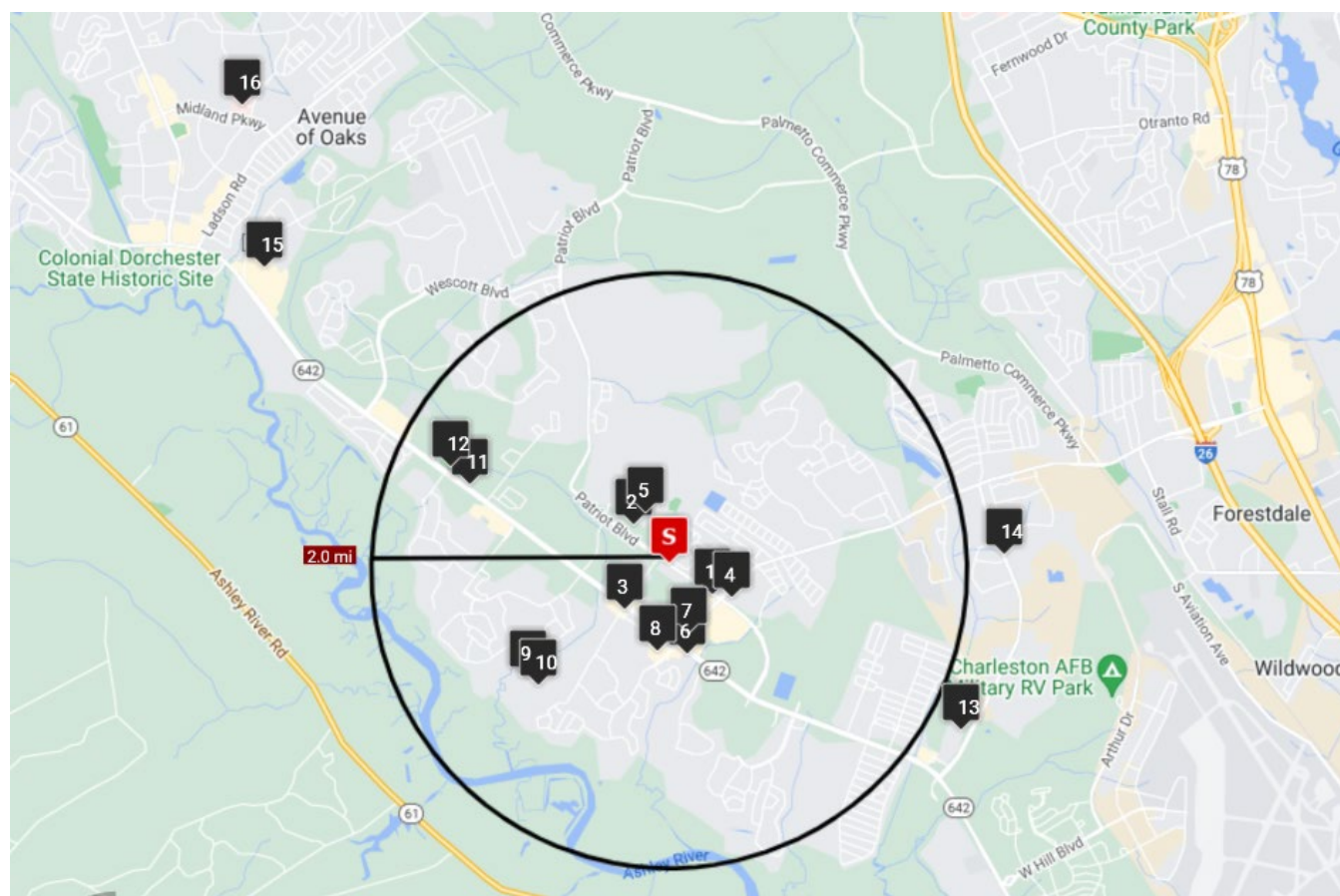
Source: Esri Demographics 2023, Novogradac June 2024

*Unweighted aggregations

Total crime indices in the PMA are above the national average slightly above the surrounding MSA. The Subject does not offer security features, similar to four of the comparables. The majority of the comparables offer at least one security feature. Based on interviews with property managers, as well as observations during the site inspection, crime does not seem to significantly affect the Subject's neighborhood. Thus, we do not believe the Subject's lack of security features will create a marketing disadvantage.

Proximity to Local Services

The following tables and maps illustrate the Subject's proximity to necessary services. Map numbers correspond with the *Locational Amenities Map*, presented below.



Source: Google Earth, July 2024

LOCATIONAL AMENITIES

| # | Service or Amenity | Distance to Subject | # | Service or Amenity | Distance to Subject |
|---|-----------------------------|---------------------|----|------------------------------|---------------------|
| 1 | Sunoco Gas Station | 0.4 miles | 9 | Eagle Nest Elementary School | 1.2 miles |
| 2 | Dorchester County Library | 0.4 miles | 10 | River Oaks Middle School | 1.2 miles |
| 3 | United Bank | 0.4 miles | 11 | Fire Department | 1.5 miles |
| 4 | Fort Dorchester High School | 0.4 miles | 12 | Wescott Park | 1.6 miles |
| 5 | Bus Stop | 0.4 miles | 13 | United States Postal Service | 2.3 miles |
| 6 | CVS Pharmacy | 0.5 miles | 14 | NCPD North Bureau | 2.3 miles |
| 7 | Dollar Tree | 0.5 miles | 15 | Walmart Supercenter | 3.4 miles |
| 8 | Publix Super Market | 0.6 miles | 16 | Summerville Medical Center | 4.2 miles |

Conclusion

The Subject is located in the central portion of North Charleston, a primarily residential neighborhood defined by single-family homes and commercial uses in average to good condition. Commercial uses appeared to be 90 percent occupied and were in average condition. The Subject site is designated as “Car Dependent” by WalkScore with a score of 45, indicating a car is required for daily errands. According to Zillow.com, single-family homes in the Subject's neighborhood are listed for sale between \$190,000 and \$1.05 million, with most listed around \$340,000. Overall, the Subject site is a good location for an affordable multifamily development.

IV. ANALYSIS OF THE SUBJECT

ANALYSIS OF THE SUBJECT

DESCRIPTION OF THE SITE

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



Source: Google Maps, June 2024

| | |
|--------------------------|--|
| Size: | The Subject site is 12.66 acres or 551,470 square feet. |
| Shape: | The Subject site is L-shaped. |
| Frontage: | The Subject site has frontage along the southwest side of Patriot Boulevard and the southeast side of Appian Way. |
| Topography | The Subject site exhibits level topography. |
| Utilities: | All utilities are available to the site. |
| Visibility/Views: | The Subject site has good visibility along Patriot Boulevard and Appian Way. Views to the north and east of the Subject consist of vacant, undeveloped land and single-family homes in average condition. Views to the south of the Subject consist of additional vacant land followed |

by Frankie's Fun Park, and a mobile home park, all in average condition. Views to the west consist of commercial and retail uses in generally average condition. Overall, visibility and views are considered good.

Access and Traffic Flow:

The Subject site is accessible from the southeast side of Appian Way and the southwest side of Patriot Boulevard. Appian Way is a lightly travelled, two-lane road that traverses north/south and intersects with Patriot Boulevard. Patriot Boulevard is a moderately travelled four-lane street that primarily traverses west/east and intersects with Ashley Phosphate Road approximately 0.4 miles east of the Subject. Ashley Phosphate Road is a highly travelled, seven-lane road that traverses west/east and provides access to Interstate 26, approximately 3.5 miles northeast of the Subject. Interstate 26 is a heavily travelled highway that traverses northwest/southeast and provides access to the nearby cities of Charleston, located approximately 13.5 miles to the southeast, and Summerville to the northwest. Overall, access is considered good, while traffic flow is light to moderate.

Environmental, Soil and Subsoil Conditions and Drainage:

We requested a copy of the soil and subsoil report, as well as the Environmental Site Assessment (ESA); however, the reports were not provided at the time of the report. It is an extraordinary assumption of the report that no adverse conditions are present at the Subject site. Further, no issues were identified upon site inspection; however, no specific tests were performed. Nonetheless, Novogradac is not experts in this field and further analysis is beyond the scope of this report.

Flood Plain:

According to Flood Insights and Flood Insurance Rate Map Community Panel Number 45035C0436E, dated July 18, 2017, the Subject site is located in Zone X. Zone X is defined as an area outside 500-year floodplain, which is determined to be outside the 0.2 percent annual chance floodplains. Further analysis is beyond the scope of this market study and Novogradac.

LURA:

The Subject is a LIHTC property that is currently operating in its extended use compliance period. The Subject is encumbered by a LURA, which restricts the use of the site to 204 multifamily units. The LURA requires that the Subject offer 240 units LIHTC-restricted to households earning 60 percent of the AMI or less. The LURA was effective as of September 1, 2005, and has a 15-year mandatory compliance period and a 15-year additional compliance period.

Detrimental Influences:

We are unaware of any detrimental influences that may adversely affect the marketability of the Subject.

Conclusion:

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

DESCRIPTION OF THE IMPROVEMENTS

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

Property Improvements: Appian Way Apartments (Subject) is an existing 204-unit LIHTC development located at 8465 Patriot Boulevard, North Charleston, South Carolina 29420. The property was originally constructed in 2007 and is proposed to undergo renovations financed with funding from the sale of the property. The Subject consists of nine three-story garden-style residential buildings offering a total of 204 one, two, and three-bedroom units. The Subject's units are restricted to households earning 60 percent of AMI, or less. According to a recent rent roll, dated June 11, 2024, the Subject is currently 99.5 percent occupied and maintains a short waiting list.

Year Built or Date of Construction: The Subject was originally built in 2007. The Subject is proposed to undergo renovations with funding from the financing of the sale of the property.

Property Layout and Curb Appeal: Based on an inspection of the Subject, the property offers a functional property layout and exhibits good curb appeal.

Current Rents and Unit Mix: The following table details the current rents and unit mix for the Subject's units according to information provided by property management. All 204 of the Subject's units are restricted at 60 percent AMI.

RENT ROLL ANALYSIS*

| Unit Type | Unit Size (SF) | Number of Units | Asking Rent | Minimum Tenant Paid Rent | Maximum Tenant Paid Rent | Average Tenant Paid Rent | Vacant Units | Vacancy Rate |
|-----------------|----------------|-----------------|-------------|--------------------------|--------------------------|--------------------------|--------------|--------------|
| @60% AMI | | | | | | | | |
| 1BR / 1 BA | 741 | 24 | \$1,109 | \$994 | \$1,049 | \$1,020 | 0 | 0.0% |
| 2BR / 2 BA | 926 | 84 | \$1,339 | \$1,170 | \$1,236 | \$1,205 | 1 | 1.2% |
| 3BR / 2 BA | 1,097 | 96 | \$1,543 | \$1,343 | \$1,424 | \$1,367 | 0 | 0.0% |
| Total | | 204 | | | | | 1 | 0.5% |

*Rent Roll Effective 6/11/2024

Parking: The Subject offers 302 surface parking spaces included in the rent.


Unit Layout: We inspected the Subject, as well as reviewed floor plans for the Subject property and the unit sizes and layout appear functional and market oriented.

UNITS INSPECTED

| Unit # | Bedroom | Status | Condition |
|--------|---------|--------|-----------|
| 411 | 1BR/1BA | Vacant | Average |
| 708 | 2BR/2BA | Vacant | Average |
| 510 | 3BR/2BA | Vacant | Average |

| | |
|---|---|
| Utility Structure: | Tenants are responsible for electric cooking, electric water heating, electric heating, and general electric expenses including air conditioning. The landlord is responsible for water, sewer, and garbage expenses, and all common area utility expenses. The utility structure varies among the comparable properties; we have adjusted the comparables' rents in accordance with the utility schedule obtained from SC State Housing Finance and Development Authority, effective February 5, 2024, which is the most recent available. |
| Americans With Disabilities Act of 1990: | We assume the property does not have any violations of the Americans With Disabilities Act of 1990. |
| PCR: | We were provided with a Property Condition Assessment (PCA) report dated June 13, 2024 and prepared by Partner Engineering and Science, Inc. Based on the report, critical repairs totaled \$28,640, or \$140 per unit. According to the client, these repairs are currently being completed; as such, our values assume that all repairs have been completed. |
| Remaining Economic Life: | The economic life of new multifamily properties is typically 60 years. The Subject's actual age is 17 years based upon the original construction date of 2007. The Subject has been reasonably maintained with ongoing updates and capital repairs. Based on our physical inspection, and taking the Subject's recent renovation into account, the effective age of the Subject property "as is" is estimated to be approximately 15 years with a remaining economic life of approximately 45 years. |
| Quality of Construction: | At the time of the inspection, the Subject was in average/typical condition overall. The Subject appears to have been completed in a manner consistent with the information provided, using average-quality materials in a professional manner. |
| Functional Utility: | Based on our site inspection, the Subject does not appear to suffer from functional obsolescence. |
| Conclusion: | The Subject is an average quality multifamily property. Based on our site inspection, the Subject does not appear to suffer from functional obsolescence and it provides adequate utility for its intended use. |

APPIAN WAY APARTMENTS – NORTH CHARLESTON, SOUTH CAROLINA – APPRAISAL

| Appian Way Apartments | | | | | | | | | | | |
|------------------------|-------|---|-------|-----------|---------|----------------------|---|--------------|---------------------|--------------|-----------|
| Location | | 8465 Patriot Boulevard North Charleston, SC 29420 Dorchester County | | | | |  | | | | |
| Units | | 204 | | | | | | | | | |
| Vacant Units | | 1 | | | | | | | | | |
| Vacancy Rate | | 0.50% | | | | | | | | | |
| Type | | Garden (3 stories) | | | | | | | | | |
| Year Built / Renovated | | 2007 / n/a | | | | | | | | | |
| Market | | | | | | | | | | | |
| Program | | @60% | | | | | Leasing Pace | | Less than two weeks | | |
| Annual Turnover Rate | | 43% | | | | | Change in Rent (Past Year) | | Kept at max | | |
| Units/Month Absorbed | | N/A | | | | | Concession | | None | | |
| Section 8 Tenants | | 56% | | | | | | | | | |
| Utilities | | | | | | | | | | | |
| A/C | | not included – central | | | | | Other Electric | | not included | | |
| Cooking | | not included – electric | | | | | Water | | included | | |
| Water Heat | | not included – electric | | | | | Sewer | | included | | |
| Heat | | not included – electric | | | | | Trash Collection | | included | | |
| Unit Mix (face rent) | | | | | | | | | | | |
| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max rent? |
| 1 | 1 | Garden (3 stories) | 24 | 741 | \$1,109 | \$0 | @60% | Yes | 0 | 0.00% | yes |
| 2 | 2 | Garden (3 stories) | 84 | 926 | \$1,339 | \$0 | @60% | Yes | 1 | 1.20% | yes |
| 3 | 2 | Garden (3 stories) | 96 | 1,097 | \$1,543 | \$0 | @60% | Yes | 0 | 0.00% | yes |
| Amenities | | | | | | | | | | | |
| In-Unit | | Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Exterior Storage Ceiling Fan Garbage Disposal Oven Refrigerator Walk-In Closet | | | | Security | | none | | | |
| Property | | Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management Playground Swimming Pool | | | | Premium | | none | | | |
| Services | | none | | | | Other | | none | | | |

ASSESSMENT VALUE AND TAXES

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

Real estate taxes for a property located in Dorchester County are based upon a property's assessed valuation for each tax year. Real estate taxes in this county represent ad valorem taxes, meaning a tax applied in proportion to value. The tax appraised value is multiplied by an assessment ratio to determine an assessed value. The assessment ratio is six percent of the tax appraised value. The real estate taxes to an individual property may be determined by multiplying the assessed value for the property by the levy rate. The levy rate for Summerville is \$436.90 per \$1,000 of assessed value. The primary approaches used to value multifamily properties in Dorchester County are the income and sales comparison approaches. Under South Carolina law, counties must revalue real property every five years and the last revaluation occurred in 2022. The value of real property may not be increased more than 15 percent when revalued by the county, unless an assessable transfer of interest (ATI) occurs, which includes any sale or transfer of property to a third party. When an ATI occurs, the value of the property for tax purposes can be increased to its current market value, without regard to the 15 percent cap. The Subject is currently owned by a non-profit and is tax exempt. The current assessed value for the Subject is shown in the table below.

SUBJECT CURRENT ASSESSMENT AND TAX BURDEN

| Tax Year | Total Market Value | Market Value Per Unit | Total Taxable Value | Taxable Value Per Unit | Assessment Ratio | Total Assessed Value | Assessed Value Per Unit | Millage Rate | Total Ad Valorem Taxes | Direct Assessments | Total Taxes | Taxes Per Unit |
|----------|--------------------|-----------------------|---------------------|------------------------|------------------|----------------------|-------------------------|--------------|------------------------|--------------------|-------------|----------------|
| 2023 | \$14,423,328 | \$70,703 | \$9,454,150 | \$46,344 | 6.0% | \$567,240 | \$2,781 | 436.90 | \$247,827 | \$20,703 | \$268,530 | \$1,316 |

The Subject is not currently exempt from real estate taxes. According to the borrower, after the sale, the owner will partner with a non-profit entity and the property will be fully exempt from real estate taxes. Thus, the Subject will benefit from a tax exemption under Section 12-37-220 of the Code of Laws of South Carolina, which states all property of nonprofit housing corporations or instrumentalities of these corporations when the property is devoted to providing housing to low or very low-income residents shall be exempt from ad valorem taxation. As such, it is an extraordinary assumption of this report that the Subject will be fully exempt from real estate taxes after the sale and there will be a no tax liability except for the direct special assessments in the restricted scenario. After the sale transaction, we assume the general partner of a typical buyer of the Subject property would be a non-profit entity and the Subject would continue to receive tax-exempt status. For the purposes of our unrestricted analysis, we have used a hypothetical condition for the Subject assuming unrestricted, conventional operations. The use of extraordinary assumptions may impact assignment results.

Reasonable Assessment and Taxes “Unrestricted”

For comparison, we obtained assessments of like properties in the Subject's market area, illustrated in the following table.

COMPARABLE ASSESSMENTS

| Property | Type | Year Built | Number of Units | Assessed Value | Assessed Value Per Unit |
|-----------------------------|---------------|------------|-----------------|--------------------|-------------------------|
| Lake Pointe | LIHTC | 2014 | 56 | \$95,300 | \$1,702 |
| Azalea Park Apartments | LIHTC | 2003 | 64 | \$115,890 | \$1,811 |
| Willow Trace At Willow Hill | LIHTC | 2007 | 48 | \$160,730 | \$3,349 |
| Willow Trace | LIHTC | 2003 | 56 | \$187,830 | \$3,354 |
| The Waters At Oakbrook* | LIHTC/ Market | 2022 | 216 | \$1,271,690 | \$5,887 |
| LIHTC Average | | | | \$366,288 | \$3,221 |
| Bridge Pointe | Market | 2004 | 130 | \$510,410 | \$3,926 |
| The Grove At Oakbrook | Market | 2002 | 280 | \$1,103,340 | \$3,941 |
| Oakbrook Village | Market | 2006 | 192 | \$793,500 | \$4,133 |
| Cedar Grove | Market | 2002 | 248 | \$1,029,330 | \$4,151 |
| Kilnsea Village Apartments | Market | 2013 | 312 | \$1,639,210 | \$5,254 |
| Silvana Oaks Apartments | Market | 2009 | 208 | \$1,231,410 | \$5,920 |
| Market Average | | | | \$1,051,200 | \$4,554 |

The market rate comparables above indicate assessments ranging from \$3,926 to \$5,920 per unit, with an average of \$4,554. Given the age and condition of the Subject relative to the comparables, we estimate an assessed value per unit of \$4,000, slightly below the average among the comparables in the unrestricted valuation scenario. The following table details the Subject's estimated tax burden for the unrestricted scenario.

PROPERTY TAX ESTIMATE - AS UNRESTRICTED

| Property | Implied Market Value Per Unit | Assessment Ratio | Assessed Value Per Unit | Total Assessed Value | Millage Rate | Estimated Tax Burden | Special Assessments | Total Taxes | Estimated Tax Burden Per Unit |
|----------|-------------------------------|------------------|-------------------------|----------------------|--------------|----------------------|---------------------|-------------|-------------------------------|
| Subject | \$66,667 | 6% | \$4,000 | \$816,000 | 43.69% | \$356,510 | \$20,703 | \$377,213 | \$1,849 |

We have estimated property taxes of \$377,213, including special assessments, or \$1,849 per unit in the as unrestricted scenario.

As noted previously, in the "As Is" restricted scenario, we have assumed that the Subject will have a tax-exempt status. As such, our tax estimate equates to \$20,703 for special assessments in the "As Is" restricted scenario. The following table details the Subject's estimated tax burden for the restricted scenario.

PROPERTY TAX ESTIMATE - AS RESTRICTED

| Property | Market Value Per Unit | Assessment Ratio | Assessed Value Per unit | Total Assessed Value | Millage Rate | Estimated Tax Burden | Special Assessments | Total Taxes | Estimated Tax Burden Per Unit |
|----------|-----------------------|------------------|-------------------------|----------------------|--------------|----------------------|---------------------|-------------|-------------------------------|
| Subject | \$46,343 | 6% | \$2,781 | \$567,238 | 43.69% | - | \$20,703 | \$20,703 | \$101 |

ZONING

Current Zoning

The Subject site is located in the Multifamily Residential District (R-2). The R-2 District is intended to encourage the formation and continuance of a stable, healthy environment for single and multi-family dwellings and to discourage any encroachment of commercial, industrial, or other uses. Multifamily dwellings are permitted with a minimum lot area of 1,500 square feet per dwelling unit or a maximum allowable density of 29.0 units per acre. Parking requirements are 1.25 spaces per one-bedroom unit and 2.0 spaces per two-bedroom or larger units; this equates to 390 total parking spaces, or 1.91 spaces per unit, for the Subject. The Subject is developed to a density of 16.1 units per acre and offers approximately 1.5 parking spaces per unit. Based on the current zoning, the Subject represents a legal, non-conforming use as improved due to lack of parking.

Potential Zoning Changes

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

V. COMPETITIVE RENTAL ANALYSIS

COMPETITIVE RENTAL ANALYSIS

GENERAL MARKET INFORMATION

New Supply

We contacted Andrew Bock, the Deputy Director of the North Charleston Planning and Zoning Department and were provided with the following details regarding current development projects. We also searched CoStar for ongoing or proposed development. The following table details our findings.

PLANNED DEVELOPMENT

| Property Name | City | Rent Structure | Tenancy | Total Units | Competitive Units | Construction Status |
|-----------------------|------------------|----------------|---------|-------------|-------------------|---------------------|
| Cottages at Ingleside | North Charleston | Market | Family | 260 | 0 | Under Construction |
| The Willow | North Charleston | Market | Family | 338 | 0 | Under Construction |

Source: CoStar, June 2024

LIHTC Competition / Recent and Proposed Construction

According to the South Carolina Housing and Economic Development Authority, between 2020 and 2024 year-to-date, one project has been awarded LIHTC funding in the Subject's PMA. The project is detailed following.

- Blue House Commons was allocated LIHTC funding in 2021 for the construction of an existing 120-unit LIHTC multifamily development located at 9345 Blue House Road in Ladson. The development will offer one, two, and three-bedroom units at the 60 percent AMI and is currently under construction. This development will be competitive with the Subject.

SURVEY OF COMPARABLE PROJECTS

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

Description of Property Types Surveyed/Determination of Number of Units

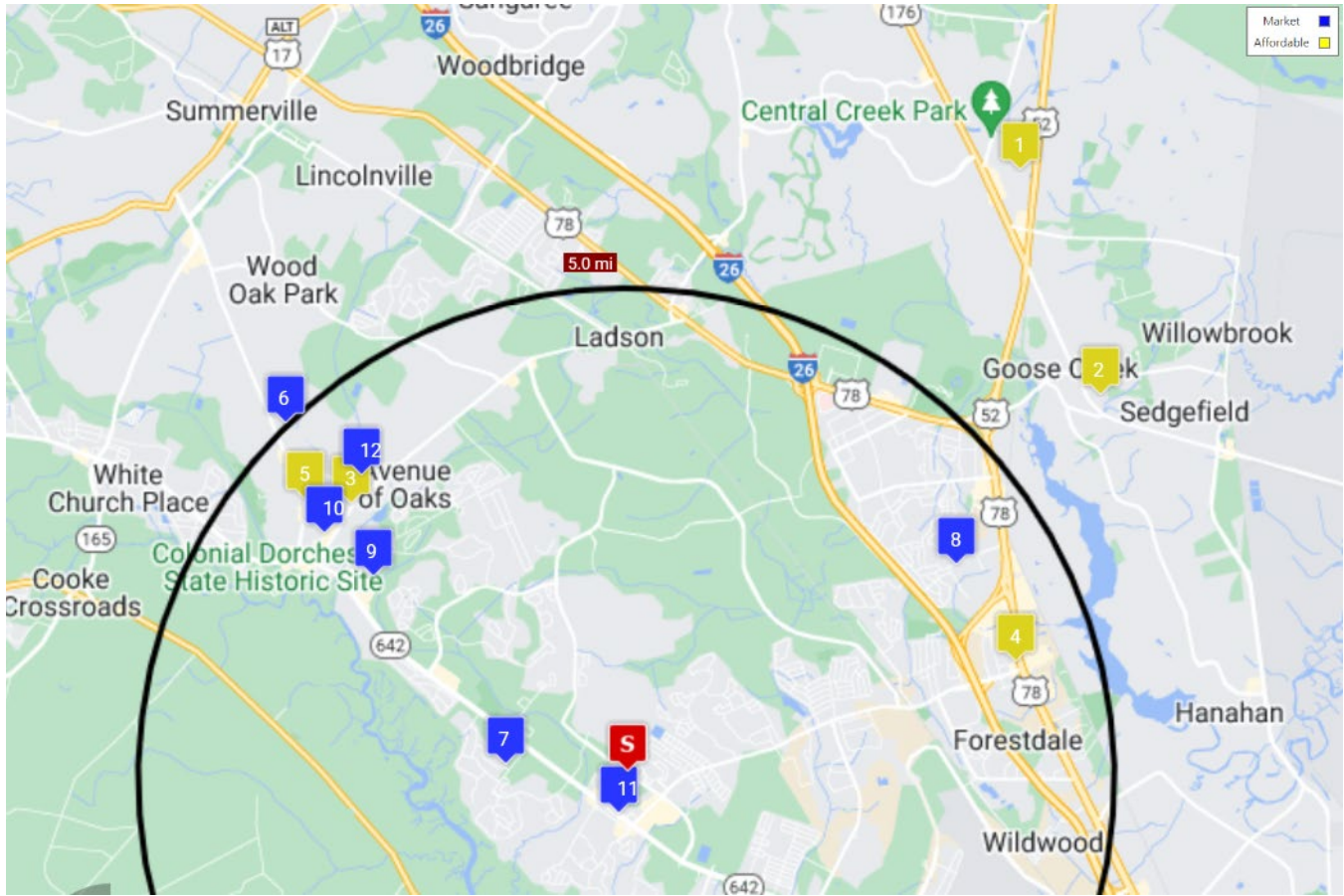
To evaluate the competitive position of the Subject, we surveyed a total of 2,326 units in 12 rental properties. The availability of the LIHTC data is considered fair. We included five affordable developments located between 3.9 and 7.3 miles from the Subject site, all of which are located outside the PMA. It should be noted that there is a general lack of non-subsidized family LIHTC developments within the PMA. As such, we expanded our search to include five LIHTC developments located outside the PMA, within 7.3 miles of the Subject. The availability of the market rate data is considered average. We included seven market rate properties located between 0.4 and 5.0 miles from the Subject site, four of which are located outside the PMA (Bridge Pointe, Jamison Park, Oakbrook Village, and The Grove At Oakbrook). There is a general lack of market rate multifamily developments in average condition, similar to the Subject. As such, we expanded our search to include four market rate comparables located outside the PMA, within 5.0 miles of the Subject. Overall, we believe the availability of data is adequate to support our conclusions.

The comparable properties were chosen primarily based on location, age, condition, design, and amenities. Several properties were excluded for various reasons. The following table illustrates the properties that are excluded from the supply analysis of this report.

EXCLUDED PROPERTIES

| Property Name | Rent Structure | Tenancy | Reason for Exclusion |
|---------------------------------|----------------|---------|----------------------|
| Alston Lake | LIHTC | Family | Unable to contact |
| Companion on the Ashley | LIHTC | Senior | Dissimilar tenancy |
| Willow Trace | LIHTC | Family | Unable to contact |
| Pinebrook, Inc. | Section 8 | Family | Subsidized rents |
| Brackenbrook Apartments | Market | Family | Inferior condition |
| Colonial Village at Waters Edge | Market | Family | Inferior condition |
| Donaree Village | Market | Family | Inferior condition |
| Harborstone Apartments | Market | Family | Superior condition |
| North Village | Market | Family | Inferior condition |
| Peppertree Apartments | Market | Family | Inferior condition |
| Regency Square Apartments | Market | Family | Inferior condition |
| St. James Crossing | Market | Family | Inferior condition |
| The Wilder | Market | Family | Superior condition |
| Waverly Place | Market | Family | Inferior condition |
| Wedgewood Townhouses | Market | Family | Inferior condition |

The following pages include individual comparable property profiles, along with a summary table. A map of the comparables, in relation to the Subject, is included on the following page.



Source: Google Maps, June 2024

COMPARABLE PROPERTIES

| # | Property Name | City | Rent Structure | Distance to Subject |
|----|------------------------------------|------------------|----------------|---------------------|
| 1 | Etiwan Place* | Goose Creek | LIHTC | 7.3 miles |
| 2 | Hallmark At Timberlake Apartments* | Goose Creek | LIHTC | 6.1 miles |
| 3 | Palms On Ashley River* | Ladson | LIHTC | 3.9 miles |
| 4 | Rivers Place Apartments* | North Charleston | LIHTC | 4.1 miles |
| 5 | The Waters At Oakbrook* | Summerville | LIHTC/ Market | 4.3 miles |
| 6 | Bridge Pointe* | Summerville | Market | 5.0 miles |
| 7 | Cedar Grove | North Charleston | Market | 1.3 miles |
| 8 | Jamison Park* | North Charleston | Market | 3.9 miles |
| 9 | Kilnsea Village Apartments | Summerville | Market | 3.3 miles |
| 10 | Oakbrook Village* | Summerville | Market | 4.0 miles |
| 11 | Silvana Oaks Apartments | Summerville | Market | 0.4 mile |
| 12 | The Grove At Oakbrook* | Summerville | Market | 4.0 miles |

*Located outside PMA

APPIAN WAY APARTMENTS – NORTH CHARLESTON, SOUTH CAROLINA – APPRAISAL

AMENITY MATRIX

| | Subject | Etiwan Place | Hallmark At Timberlake Apartments | Palms On Ashley River | Rivers Place Apartments | The Waters At Oakbrook | Bridge Pointe | Cedar Grove | Jamison Park | Kilnsea Village Apartments | Oakbrook Village | Silvana Oaks Apartments | The Grove At Oakbrook |
|----------------------|-----------|--------------|-----------------------------------|-----------------------|-------------------------|------------------------|---------------|-------------|--------------|----------------------------|------------------|-------------------------|-----------------------|
| Rent Structure | LIHTC | LIHTC | LIHTC | LIHTC | LIHTC | LIHTC/Market | Market | Market | Market | Market | Market | Market | Market |
| Tenancy | Family | Family | Family | Family | Family | Family | Family | Family | Family | Family | Family | Family | Family |
| Building | | | | | | | | | | | | | |
| Property Type | Garden | Garden | Garden | Garden | Garden | Garden | Various | Garden | Garden | Garden | Garden | Garden | Garden |
| # of Stories | 3–stories | 3–stories | 3–stories | 3–stories | 3–stories | 3–stories | 2–stories | 3–stories | 3–stories | 3–stories | 3–stories | 3–stories | 3–stories |
| Year Built | 2007 | 2019 | 2008 | 2005 | 2016 | 2022 | 2004 | 2002 | 2001 | 2013 | 2006 | 2009 | 2002 |
| Year Renovated | n/a | n/a | n/a | 2024 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Courtyard | no | yes | no | yes | no | no | no | no | no | no | no | yes | no |
| Utility Structure | | | | | | | | | | | | | |
| Cooking | no | no | no | no | no | no | no | no | no | no | no | no | no |
| Water Heat | no | no | no | no | no | no | no | no | no | no | no | no | no |
| Heat | no | no | no | no | no | no | no | no | no | no | no | no | no |
| Other Electric | no | no | no | no | no | no | no | no | no | no | no | no | no |
| Water | yes | no | yes | yes | no | no | no | yes | no | no | no | no | no |
| Sewer | yes | no | yes | yes | no | no | no | yes | no | no | no | no | no |
| Trash | yes | yes | yes | yes | yes | yes | yes | yes | no | yes | no | no | no |
| Unit Amenities | | | | | | | | | | | | | |
| Balcony/Patio | yes | yes | no | no | no | yes | yes | yes | yes | yes | yes | yes | yes |
| Blinds | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Carpeting | yes | yes | yes | yes | yes | yes | yes | yes | yes | no | yes | yes | yes |
| Hardwood | no | no | no | no | yes | no | no | no | no | yes | yes | no | no |
| Central A/C | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Ceiling Fan | yes | yes | no | yes | yes | no | yes | yes | yes | yes | no | yes | yes |
| Coat Closet | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | no | yes |
| Exterior Storage | yes | yes | no | no | no | no | yes | no | yes | no | yes | yes | yes |
| Fireplace | no | no | no | no | no | no | no | no | no | no | no | no | yes |
| Vaulted Ceilings | no | no | no | no | no | no | yes | no | no | no | no | no | yes |
| Walk-In Closet | yes | yes | yes | yes | no | no | yes | yes | yes | yes | yes | no | yes |
| Washer/Dryer | no | no | no | no | no | no | no | no | yes | yes | yes | no | no |
| W/D Hookup | no | yes | yes | yes | yes | yes | yes | yes | yes | no | yes | yes | yes |
| Kitchen | | | | | | | | | | | | | |
| Dishwasher | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | no | yes | yes |
| Disposal | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | no | yes | yes |
| Microwave | no | yes | no | yes | yes | yes | yes | no | yes | yes | yes | no | no |
| Oven | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Refrigerator | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Community | | | | | | | | | | | | | |
| Business Center | no | yes | yes | no | yes | yes | yes | no | yes | no | yes | yes | yes |
| Community Room | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Central Laundry | yes | yes | yes | yes | yes | yes | yes | no | yes | no | no | yes | yes |
| On-Site Mgmt | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Recreation | | | | | | | | | | | | | |
| Exercise Facility | yes | yes | no | no | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Playground | yes | no | yes | yes | yes | yes | yes | yes | no | yes | yes | yes | yes |
| Swimming Pool | yes | no | yes | yes | no | yes | yes | yes | yes | yes | yes | yes | yes |
| Picnic Area | no | yes | no | yes | no | yes | yes | no | yes | yes | yes | yes | yes |
| Sport Court | no | no | no | no | no | yes | no | no | no | no | no | no | no |
| Tennis Court | no | no | no | no | no | no | no | yes | no | no | no | no | no |
| Sauna | no | no | no | no | no | no | no | no | no | yes | no | no | no |
| Theatre | no | no | no | no | no | no | no | no | no | yes | no | no | no |
| Volleyball Court | no | no | no | no | no | no | no | yes | no | no | no | no | no |
| WiFi | no | no | no | yes | no | no | yes | no | no | no | no | yes | yes |
| Service Coordination | no | no | no | no | no | no | yes | no | no | no | no | no | no |
| Security | | | | | | | | | | | | | |
| Intercom (Buzzer) | no | no | no | no | yes | no | no | no | no | yes | no | no | no |
| Limited Access | no | no | no | no | yes | no | no | no | no | yes | no | no | no |
| Patrol | no | no | yes | no | no | no | no | no | no | no | no | no | yes |
| Perimeter Fencing | no | no | no | no | no | no | no | yes | no | yes | no | yes | no |
| Video Surveillance | no | no | no | yes | no | yes | no | no | no | no | no | no | yes |
| Parking | | | | | | | | | | | | | |
| Garage | no | no | no | no | no | no | yes | yes | yes | no | yes | yes | yes |
| Garage Fee | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$85 | \$0 | \$125 | \$0 | \$150 | \$175 | \$125 |
| Off-Street Parking | yes | yes | yes | no | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Off-Street Fee | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

PROPERTY PROFILE REPORT

Etiwan Place

| | |
|------------------------|--|
| Effective Rent Date | 6/28/2024 |
| Location | 109 Central Avenue Goose Creek, SC 29445 Berkeley County |
| Distance | 7.3 miles |
| Units | 60 |
| Vacant Units | 0 |
| Vacancy Rate | 0.0% |
| Type | Garden (3 stories) |
| Year Built/Renovated | 2019 / N/A |
| Marketing Began | N/A |
| Leasing Began | 12/01/2019 |
| Last Unit Leased | 1/01/2020 |
| Major Competitors | None |
| Tenant Characteristics | Mixed local tenancy |
| Contact Name | Elijah |
| Phone | (843) 297-4350 |



Market Information

| | |
|----------------------|-----------------------|
| Program | @50%, @60% |
| Annual Turnover Rate | 3% |
| Units/Month Absorbed | 60 |
| HCV Tenants | 15% |
| Leasing Pace | Within two weeks |
| Annual Chg. in Rent | Increased to 2024 max |
| Concession | None |
| Waiting List | Yes; 175 households |

Utilities

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

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 2 | 2 | Garden (3 stories) | 8 | 1,063 | \$1,068 | \$0 | @50% | Yes | 0 | 0.0% | yes | None |
| 2 | 2 | Garden (3 stories) | 34 | 1,063 | \$1,305 | \$0 | @60% | Yes | 0 | 0.0% | yes | None |
| 3 | 2 | Garden (3 stories) | 5 | 1,251 | \$1,225 | \$0 | @50% | Yes | 0 | 0.0% | yes | None |
| 3 | 2 | Garden (3 stories) | 13 | 1,251 | \$1,499 | \$0 | @60% | Yes | 0 | 0.0% | yes | None |

Unit Mix

| @50% | Face Rent | Conc. | Concd. Rent | Util. Adj. | Adj. Rent | @60% | Face Rent | Conc. | Concd. Rent | Util. Adj. | Adj. Rent |
|-----------|-----------|-------|-------------|------------|-----------|-----------|-----------|-------|-------------|------------|-----------|
| 2BR / 2BA | \$1,068 | \$0 | \$1,068 | \$0 | \$1,068 | 2BR / 2BA | \$1,305 | \$0 | \$1,305 | \$0 | \$1,305 |
| 3BR / 2BA | \$1,225 | \$0 | \$1,225 | \$0 | \$1,225 | 3BR / 2BA | \$1,499 | \$0 | \$1,499 | \$0 | \$1,499 |

Amenities

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

Comments

The contact reported the property rarely has moveouts.

Trend Report

Vacancy Rates

| | | | |
|------|------|-------|------|
| 2Q21 | 4Q21 | 2022 | 2024 |
| 0.0% | 1.7% | 10.0% | 0.0% |

Trend: @50%

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2021 | 2 | 0.0% | \$725 | \$0 | \$725 | \$725 |
| 2021 | 4 | 0.0% | \$740 | \$0 | \$740 | \$740 |
| 2022 | 2 | 0.0% | \$779 | \$0 | \$779 | \$779 |
| 2024 | 2 | 0.0% | \$1,068 | \$0 | \$1,068 | \$1,068 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2021 | 2 | 0.0% | \$825 | \$0 | \$825 | \$825 |
| 2021 | 4 | 0.0% | \$870 | \$0 | \$870 | \$870 |
| 2022 | 2 | 0.0% | \$1,027 | \$0 | \$1,027 | \$1,027 |
| 2024 | 2 | 0.0% | \$1,225 | \$0 | \$1,225 | \$1,225 |

Trend: @60%

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2021 | 2 | 0.0% | \$935 | \$0 | \$935 | \$935 |
| 2021 | 4 | 0.0% | \$930 | \$0 | \$930 | \$930 |
| 2022 | 2 | 8.8% | \$995 | \$0 | \$995 | \$995 |
| 2024 | 2 | 0.0% | \$1,305 | \$0 | \$1,305 | \$1,305 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-----------|-------|-------------|-----------|
| 2021 | 2 | 0.0% | \$1,050 | \$0 | \$1,050 | \$1,050 |
| 2021 | 4 | 7.7% | \$1,100 | \$0 | \$1,100 | \$1,100 |
| 2022 | 2 | 23.1% | \$1,100 | \$0 | \$1,100 | \$1,100 |
| 2024 | 2 | 0.0% | \$1,499 | \$0 | \$1,499 | \$1,499 |

Trend: Comments

| | |
|------|--|
| 2Q21 | The contact reported no issues to collections or occupancy due to the COVID-19 pandemic. Further, the contact reported high demand for affordable housing in the area. |
| 4Q21 | N/A |
| 2Q22 | The contact reported a strong demand for affordable housing in the area. |
| 2Q24 | The contact reported the property rarely has moveouts. |

PROPERTY PROFILE REPORT

Hallmark At Timberlake Apartments

| | |
|------------------------|--|
| Effective Rent Date | 6/28/2024 |
| Location | 901 Redbank Road Goose Creek, SC 29445 Berkeley County |
| Distance | 6.1 miles |
| Units | 224 |
| Vacant Units | 2 |
| Vacancy Rate | 0.9% |
| Type | Garden (3 stories) |
| Year Built/Renovated | 2008 / N/A |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | Collins Park |
| Tenant Characteristics | None identified |
| Contact Name | Becky |
| Phone | 843-820-2528 |



Market Information

| | |
|----------------------|----------------------------------|
| Program | @60% |
| Annual Turnover Rate | 16% |
| Units/Month Absorbed | N/A |
| HCV Tenants | 50% |
| Leasing Pace | Within two weeks |
| Annual Chg. in Rent | Kept at max |
| Concession | None |
| Waiting List | Yes; approximately 50 households |

Utilities

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

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (3 stories) | 20 | 701 | \$1,076 | \$0 | @60% | Yes | 1 | 5.0% | yes | None |
| 2 | 2 | Garden (3 stories) | 102 | 969 | \$1,286 | \$0 | @60% | Yes | 0 | 0.0% | yes | None |
| 3 | 2 | Garden (3 stories) | 102 | 1,101 | \$1,480 | \$0 | @60% | Yes | 1 | 1.0% | yes | None |

Unit Mix

| @60% | Face Rent | Conc. | Concd. Rent | Util. Adj. | Adj. Rent |
|-----------|-----------|-------|-------------|------------|-----------|
| 1BR / 1BA | \$1,076 | \$0 | \$1,076 | \$0 | \$1,076 |
| 2BR / 2BA | \$1,286 | \$0 | \$1,286 | \$0 | \$1,286 |
| 3BR / 2BA | \$1,480 | \$0 | \$1,480 | \$0 | \$1,480 |

Hallmark At Timberlake Apartments, continued

Amenities

| | | | |
|------------------------------|----------------------------------|----------|----------|
| In-Unit | | Security | Services |
| Blinds | Carpeting | Patrol | None |
| Central A/C | Coat Closet | | |
| Dishwasher | Garbage Disposal | | |
| Oven | Refrigerator | | |
| Walk-In Closet | Washer/Dryer hookup | | |
| Property | | Premium | Other |
| Business Center/Computer Lab | Clubhouse/Meeting Room/Community | None | Dog park |
| Central Laundry | Off-Street Parking | | |
| On-Site Management | Playground | | |
| Swimming Pool | | | |

Comments

The property manager reported the rents are at the 2023 maximum allowable levels. The contact also reported strong demand for affordable housing in the area, and that Housing Choice Vouchers are accepted at the property.

Hallmark At Timberlake Apartments, continued

Trend Report

Vacancy Rates

| | | | |
|------|------|------|------|
| 2021 | 4Q21 | 3Q22 | 2024 |
| 0.0% | 5.8% | 4.5% | 0.9% |

Trend: @60%

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-----------|-------|-------------|-----------|
| 2021 | 2 | 0.0% | \$825 | \$0 | \$825 | \$825 |
| 2021 | 4 | 5.0% | \$825 | \$0 | \$825 | \$825 |
| 2022 | 3 | 10.0% | \$956 | \$0 | \$956 | \$956 |
| 2024 | 2 | 5.0% | \$1,076 | \$0 | \$1,076 | \$1,076 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2021 | 2 | 0.0% | \$991 | \$0 | \$991 | \$991 |
| 2021 | 4 | 5.9% | \$990 | \$0 | \$990 | \$990 |
| 2022 | 3 | 3.9% | \$1,141 | \$0 | \$1,141 | \$1,141 |
| 2024 | 2 | 0.0% | \$1,286 | \$0 | \$1,286 | \$1,286 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2021 | 2 | 0.0% | \$1,089 | \$0 | \$1,089 | \$1,089 |
| 2021 | 4 | 5.9% | \$1,144 | \$0 | \$1,144 | \$1,144 |
| 2022 | 3 | 3.9% | \$1,312 | \$0 | \$1,312 | \$1,312 |
| 2024 | 2 | 1.0% | \$1,480 | \$0 | \$1,480 | \$1,480 |

Trend: Comments

| | |
|------|--|
| 2021 | The property manager reported the rents are not at the maximum allowable levels. However, the contact stated higher rents are achievable. Further, the contact reported strong demand for affordable housing in the area. |
| 4Q21 | N/A |
| 3Q22 | The property manager reported the rents are at the 2022 maximum allowable levels. All of the vacant units at the property are pre-leased from the waiting list. The contact also reported strong demand for affordable housing in the area, and that Housing Choice Vouchers are accepted at the property. |
| 2024 | The property manager reported the rents are at the 2023 maximum allowable levels. The contact also reported strong demand for affordable housing in the area, and that Housing Choice Vouchers are accepted at the property. |

Photos



PROPERTY PROFILE REPORT

Palms On Ashley River

| | |
|------------------------|---|
| Effective Rent Date | 6/24/2024 |
| Location | 4370 Ladson Rd Ladson, SC 29456 Dorchester County |
| Distance | 3.9 miles |
| Units | 192 |
| Vacant Units | 12 |
| Vacancy Rate | 6.2% |
| Type | Garden (3 stories) |
| Year Built/Renovated | 2005 / 2024 |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | None identified |
| Tenant Characteristics | Mixed tenancy |
| Contact Name | Kathy |
| Phone | 843-281-7967 |



Market Information

| | |
|----------------------|---------------------------------|
| Program | LIHTC |
| Annual Turnover Rate | 22% |
| Units/Month Absorbed | N/A |
| HCV Tenants | 47% |
| Leasing Pace | Within three weeks |
| Annual Chg. in Rent | Increased up to 8% since 4Q2023 |
| Concession | None |
| Waiting List | None |

Utilities

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

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 2 | 2 | Garden (3 stories) | 96 | 1,082 | \$1,339 | \$0 | @60% | No | 10 | 10.4% | yes | None |
| 3 | 2 | Garden (3 stories) | 96 | 1,322 | \$1,543 | \$0 | @60% | No | 2 | 2.1% | yes | None |

Unit Mix

| @60% | Face Rent | Conc. | Concd. Rent | Util. Adj. | Adj. Rent |
|-----------|-----------|-------|-------------|------------|-----------|
| 2BR / 2BA | \$1,339 | \$0 | \$1,339 | \$0 | \$1,339 |
| 3BR / 2BA | \$1,543 | \$0 | \$1,543 | \$0 | \$1,543 |

Palms On Ashley River, continued

Amenities

| | | | |
|----------------------------------|--------------------|--------------------|----------|
| In-Unit | | Security | Services |
| Blinds | Carpeting | Video Surveillance | None |
| Central A/C | Coat Closet | | |
| Dishwasher | Ceiling Fan | | |
| Garbage Disposal | Microwave | | |
| Oven | Refrigerator | | |
| Vinyl Plank Flooring | Walk-In Closet | | |
| Washer/Dryer hookup | | | |
| Property | | Premium | Other |
| Clubhouse/Meeting Room/Community | Courtyard | None | None |
| Central Laundry | On-Site Management | | |
| Picnic Area | Playground | | |
| Swimming Pool | Wi-Fi | | |

Comments

The contact stated that the property accepts Housing Choice Vouchers. The contact noted that the property offers surface parking on a first-come-first-served basis included in the cost of rent. The contact was unable to comment on the elevated vacancy at the property. The contact noted that the property usually maintains a waiting list; however, there were none on the list at the time of interview.

Trend Report

Vacancy Rates

| | |
|------|------|
| 4Q23 | 2Q24 |
| N/A | 6.2% |

Trend: @60%

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-----------|-------|-------------|-----------|
| 2023 | 4 | N/A | \$1,232 | \$0 | \$1,232 | \$1,232 |
| 2024 | 2 | 10.4% | \$1,339 | \$0 | \$1,339 | \$1,339 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2023 | 4 | N/A | \$1,419 | \$0 | \$1,419 | \$1,419 |
| 2024 | 2 | 2.1% | \$1,543 | \$0 | \$1,543 | \$1,543 |

Trend: Comments

| | |
|------|---|
| 4Q23 | N/A |
| 2Q24 | The contact stated that the property accepts Housing Choice Vouchers. The contact noted that the property offers surface parking on a first-come-first-served basis included in the cost of rent. The contact was unable to comment on the elevated vacancy at the property. The contact noted that the property usually maintains a waiting list; however, there were none on the list at the time of interview. |

Photos



PROPERTY PROFILE REPORT

Rivers Place Apartments

| | |
|------------------------|---|
| Effective Rent Date | 6/21/2024 |
| Location | 7511 Rivers Avenue North Charleston, SC 29406 Charleston County |
| Distance | 4.1 miles |
| Units | 48 |
| Vacant Units | 0 |
| Vacancy Rate | 0.0% |
| Type | Garden (3 stories) |
| Year Built/Renovated | 2016 / N/A |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | Colilns Park, Hallmark Timberlake |
| Tenant Characteristics | Mixed tenancy with majority families |
| Contact Name | Kim |
| Phone | 843-764-9602 |



Market Information

| | |
|----------------------|--------------------------------|
| Program | @50%, @60% |
| Annual Turnover Rate | 4% |
| Units/Month Absorbed | 24 |
| HCV Tenants | 50% |
| Leasing Pace | Pre-leased |
| Annual Chg. in Rent | Increased to 2024 max |
| Concession | None |
| Waiting List | Yes; up to two years in length |

Utilities

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

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (3 stories) | 6 | 850 | \$862 | \$0 | @50% | Yes | 0 | 0.0% | yes | None |
| 1 | 1 | Garden (3 stories) | 6 | 850 | \$1,059 | \$0 | @60% | Yes | 0 | 0.0% | yes | None |
| 2 | 2 | Garden (3 stories) | 2 | 1,140 | \$1,025 | \$0 | @50% | Yes | 0 | 0.0% | yes | None |
| 2 | 2 | Garden (3 stories) | 22 | 1,140 | \$1,262 | \$0 | @60% | Yes | 0 | 0.0% | yes | None |
| 3 | 2 | Garden (3 stories) | 2 | 1,272 | \$1,167 | \$0 | @50% | Yes | 0 | 0.0% | yes | None |
| 3 | 2 | Garden (3 stories) | 10 | 1,272 | \$1,441 | \$0 | @60% | Yes | 0 | 0.0% | yes | None |

Unit Mix

| @50% | Face Rent | Conc. | Concd. Rent | Util. Adj. | Adj. Rent | @60% | Face Rent | Conc. | Concd. Rent | Util. Adj. | Adj. Rent |
|-----------|-----------|-------|-------------|------------|-----------|-----------|-----------|-------|-------------|------------|-----------|
| 1BR / 1BA | \$862 | \$0 | \$862 | \$0 | \$862 | 1BR / 1BA | \$1,059 | \$0 | \$1,059 | \$0 | \$1,059 |
| 2BR / 2BA | \$1,025 | \$0 | \$1,025 | \$0 | \$1,025 | 2BR / 2BA | \$1,262 | \$0 | \$1,262 | \$0 | \$1,262 |
| 3BR / 2BA | \$1,167 | \$0 | \$1,167 | \$0 | \$1,167 | 3BR / 2BA | \$1,441 | \$0 | \$1,441 | \$0 | \$1,441 |

Rivers Place Apartments, continued

Amenities

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

Comments

The contact stated that the property accepts Housing Choice Vouchers. The contact noted that the rents are at the max allowable rates.

Rivers Place Apartments, continued

Trend Report

Vacancy Rates

| | | | |
|------|------|------|------|
| 2022 | 3Q22 | 1Q24 | 2Q24 |
| 6.2% | 6.2% | 6.2% | 0.0% |

Trend: @50%

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-----------|-------|-------------|-----------|
| 2022 | 2 | 50.0% | \$770 | \$0 | \$770 | \$770 |
| 2022 | 3 | 0.0% | \$770 | \$0 | \$770 | \$770 |
| 2024 | 1 | 0.0% | \$770 | \$0 | \$770 | \$770 |
| 2024 | 2 | 0.0% | \$862 | \$0 | \$862 | \$862 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2022 | 2 | 0.0% | \$923 | \$0 | \$923 | \$923 |
| 2022 | 3 | 0.0% | \$923 | \$0 | \$923 | \$923 |
| 2024 | 1 | 0.0% | \$923 | \$0 | \$923 | \$923 |
| 2024 | 2 | 0.0% | \$1,025 | \$0 | \$1,025 | \$1,025 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2022 | 2 | 0.0% | \$1,067 | \$0 | \$1,067 | \$1,067 |
| 2022 | 3 | 0.0% | \$1,067 | \$0 | \$1,067 | \$1,067 |
| 2024 | 1 | 0.0% | \$1,067 | \$0 | \$1,067 | \$1,067 |
| 2024 | 2 | 0.0% | \$1,167 | \$0 | \$1,167 | \$1,167 |

Trend: @60%

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2022 | 2 | 0.0% | \$924 | \$0 | \$924 | \$924 |
| 2022 | 3 | 0.0% | \$924 | \$0 | \$924 | \$924 |
| 2024 | 1 | 0.0% | \$924 | \$0 | \$924 | \$924 |
| 2024 | 2 | 0.0% | \$1,059 | \$0 | \$1,059 | \$1,059 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-----------|-------|-------------|-----------|
| 2022 | 2 | 0.0% | \$1,108 | \$0 | \$1,108 | \$1,108 |
| 2022 | 3 | 13.6% | \$1,108 | \$0 | \$1,108 | \$1,108 |
| 2024 | 1 | 13.6% | \$1,108 | \$0 | \$1,108 | \$1,108 |
| 2024 | 2 | 0.0% | \$1,262 | \$0 | \$1,262 | \$1,262 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2022 | 2 | 0.0% | \$1,281 | \$0 | \$1,281 | \$1,281 |
| 2022 | 3 | 0.0% | \$1,281 | \$0 | \$1,281 | \$1,281 |
| 2024 | 1 | 0.0% | \$1,281 | \$0 | \$1,281 | \$1,281 |
| 2024 | 2 | 0.0% | \$1,441 | \$0 | \$1,441 | \$1,441 |

Trend: Comments

| | |
|------|---|
| 2022 | The contact noted the vacant units were being processed from the waiting list. The contact also reported a strong demand for affordable housing in the area. |
| 3Q22 | The contact noted that applications for all of the vacant units are currently being reviewed. The contact also reported a strong demand for affordable housing in the area. |
| 1Q24 | N/A |
| 2Q24 | The contact stated that the property accepts Housing Choice Vouchers. The contact noted that the rents are at the max allowable rates. |

Photos



PROPERTY PROFILE REPORT

The Waters At Oakbrook

| | |
|------------------------|---|
| Effective Rent Date | 6/27/2024 |
| Location | 1655 Old Trolley Road Summerville, SC 29485 Dorchester County |
| Distance | 4.3 miles |
| Units | 216 |
| Vacant Units | 11 |
| Vacancy Rate | 5.1% |
| Type | Garden (3 stories) |
| Year Built/Renovated | 2022 / N/A |
| Marketing Began | N/A |
| Leasing Began | 6/01/2022 |
| Last Unit Leased | 8/26/2022 |
| Major Competitors | None identified |
| Tenant Characteristics | Singles and families |
| Contact Name | Rashanda |
| Phone | (843) 486-8422 |



Market Information

| | |
|----------------------|--------------------------|
| Program | @60%, Market |
| Annual Turnover Rate | 11% |
| Units/Month Absorbed | 21 |
| HCV Tenants | N/A |
| Leasing Pace | Within one week |
| Annual Chg. in Rent | See comments |
| Concession | None |
| Waiting List | Yes; over 400 households |

Utilities

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

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (3 stories) | 63 | 773 | \$1,037 | \$0 | @60% | Yes | N/A | N/A | yes | None |
| 1 | 1 | Garden (3 stories) | 21 | 773 | \$1,264 | \$0 | Market | Yes | N/A | N/A | N/A | None |
| 2 | 2 | Garden (3 stories) | 72 | 1,022 | \$1,240 | \$0 | @60% | Yes | N/A | N/A | yes | None |
| 2 | 2 | Garden (3 stories) | 24 | 1,022 | \$1,464 | \$0 | Market | Yes | N/A | N/A | N/A | None |
| 3 | 2 | Garden (3 stories) | 27 | 1,255 | \$1,419 | \$0 | @60% | Yes | N/A | N/A | yes | None |
| 3 | 2 | Garden (3 stories) | 9 | 1,255 | \$1,697 | \$0 | Market | Yes | N/A | N/A | N/A | None |

Unit Mix

| @60% | Face Rent | Conc. | Concd. Rent | Util. Adj. | Adj. Rent | Market | Face Rent | Conc. | Concd. Rent | Util. Adj. | Adj. Rent |
|-----------|-----------|-------|-------------|------------|-----------|-----------|-----------|-------|-------------|------------|-----------|
| 1BR / 1BA | \$1,037 | \$0 | \$1,037 | \$0 | \$1,037 | 1BR / 1BA | \$1,264 | \$0 | \$1,264 | \$0 | \$1,264 |
| 2BR / 2BA | \$1,240 | \$0 | \$1,240 | \$0 | \$1,240 | 2BR / 2BA | \$1,464 | \$0 | \$1,464 | \$0 | \$1,464 |
| 3BR / 2BA | \$1,419 | \$0 | \$1,419 | \$0 | \$1,419 | 3BR / 2BA | \$1,697 | \$0 | \$1,697 | \$0 | \$1,697 |

The Waters At Oakbrook, continued

Amenities

| | | | |
|------------------------------|----------------------------------|--------------------|-------------------------------------|
| In-Unit | | Security | Services |
| Balcony/Patio | Blinds | Video Surveillance | None |
| Carpeting | Central A/C | | |
| Coat Closet | Dishwasher | | |
| Garbage Disposal | Microwave | | |
| Oven | Refrigerator | | |
| Washer/Dryer hookup | | | |
| Property | | Premium | Other |
| Business Center/Computer Lab | Clubhouse/Meeting Room/Community | None | Outdoor walking trails with sitting |
| Exercise Facility | Central Laundry | | |
| Off-Street Parking | On-Site Management | | |
| Picnic Area | Playground | | |
| Sport Court | Swimming Pool | | |

Comments

The contact reported all vacant units are pre-leased. The property accepts Housing Choice Vouchers; however, the contact was unable to provide the number of vouchers in use. The LIHTC rents have increased to the 2024 maximum allowable, while the market rents have not changed since the fourth quarter of 2023.

The Waters At Oakbrook, continued

Trend Report

Vacancy Rates

| | | | |
|------|-------|------|------|
| 3Q21 | 3Q22 | 4Q23 | 2Q24 |
| N/A | 59.7% | 6.0% | 5.1% |

Trend: @60%

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2021 | 3 | N/A | \$804 | \$0 | \$804 | \$804 |
| 2022 | 3 | N/A | \$803 | \$0 | \$803 | \$803 |
| 2023 | 4 | N/A | \$903 | \$0 | \$903 | \$903 |
| 2024 | 2 | N/A | \$1,037 | \$0 | \$1,037 | \$1,037 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2021 | 3 | N/A | \$956 | \$0 | \$956 | \$956 |
| 2022 | 3 | N/A | \$954 | \$0 | \$954 | \$954 |
| 2023 | 4 | N/A | \$1,054 | \$0 | \$1,054 | \$1,054 |
| 2024 | 2 | N/A | \$1,240 | \$0 | \$1,240 | \$1,240 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2021 | 3 | N/A | \$1,088 | \$0 | \$1,088 | \$1,088 |
| 2022 | 3 | N/A | \$1,087 | \$0 | \$1,087 | \$1,087 |
| 2023 | 4 | N/A | \$1,187 | \$0 | \$1,187 | \$1,187 |
| 2024 | 2 | N/A | \$1,419 | \$0 | \$1,419 | \$1,419 |

Trend: Market

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2021 | 3 | N/A | \$1,079 | \$0 | \$1,079 | \$1,079 |
| 2022 | 3 | N/A | \$1,164 | \$0 | \$1,164 | \$1,164 |
| 2023 | 4 | N/A | \$1,264 | \$0 | \$1,264 | \$1,264 |
| 2024 | 2 | N/A | \$1,264 | \$0 | \$1,264 | \$1,264 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2021 | 3 | N/A | \$1,300 | \$0 | \$1,300 | \$1,300 |
| 2022 | 3 | N/A | \$1,364 | \$0 | \$1,364 | \$1,364 |
| 2023 | 4 | N/A | \$1,464 | \$0 | \$1,464 | \$1,464 |
| 2024 | 2 | N/A | \$1,464 | \$0 | \$1,464 | \$1,464 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2021 | 3 | N/A | \$1,410 | \$0 | \$1,410 | \$1,410 |
| 2022 | 3 | N/A | \$1,597 | \$0 | \$1,597 | \$1,597 |
| 2023 | 4 | N/A | \$1,679 | \$0 | \$1,679 | \$1,679 |
| 2024 | 2 | N/A | \$1,697 | \$0 | \$1,697 | \$1,697 |

Trend: Comments

3Q21 N/A

3Q22 The property is comprised of nine three-story walk-up buildings and one one-story community building. The utility allowances are \$108, \$139, and \$176 for the one, two, and three-bedroom units, respectively. The contact reported that the property is currently in lease-up as it recently opened in June 2022, hence the elevated vacancy rate; however, applications are in process to fill these vacant units. Additionally, the property is not charging the maximum allowable rents. The contact was unsure if the maximum allowable rents are achievable. There are 450 total parking spaces at the property, available at no charge. The property accepts Housing Choice Vouchers, and maintains a waiting list of over 500 households.

4Q23 The property is comprised of nine three-story walk-up buildings and one one-story community building. The contact noted the property is 94 percent occupied. There are 450 total parking spaces at the property, available at no charge. The property accepts Housing Choice Vouchers, and maintains a waiting list of over 500 households.

2Q24 The contact reported all vacant units are pre-leased. The property accepts Housing Choice Vouchers; however, the contact was unable to provide the number of vouchers in use. The LIHTC rents have increased to the 2024 maximum allowable, while the market rents have not changed since the fourth quarter of 2023.

PROPERTY PROFILE REPORT

Bridge Pointe

| | |
|------------------------|--|
| Effective Rent Date | 6/20/2024 |
| Location | 101 Bridge Pointe Lane Summerville, SC 29483 Dorchester County |
| Distance | 5 miles |
| Units | 130 |
| Vacant Units | 6 |
| Vacancy Rate | 4.6% |
| Type | Various (2 stories) |
| Year Built/Renovated | 2004 / N/A |
| Marketing Began | N/A |
| Leasing Began | 1/01/2004 |
| Last Unit Leased | 6/01/2005 |
| Major Competitors | Grove at Oakbrook |
| Tenant Characteristics | Mostly families; many tenants work for Boeing |
| Contact Name | Leasing Agent |
| Phone | 843-486-0440 |



Market Information

| | |
|----------------------|---|
| Program | Market |
| Annual Turnover Rate | 36% |
| Units/Month Absorbed | 8 |
| HCV Tenants | 0% |
| Leasing Pace | Within two weeks |
| Annual Chg. in Rent | Increased and decreased from 4% to 6% since |
| Concession | None |
| Waiting List | None |

Utilities

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

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|-----------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (2 stories) | 24 | 790 | \$1,450 | \$0 | Market | No | 2 | 8.3% | N/A | None |
| 2 | 1.5 | Townhouse (2 stories) | 22 | 1,154 | \$1,775 | \$0 | Market | No | 2 | 9.1% | N/A | None |
| 2 | 2 | Garden (2 stories) | 16 | 1,087 | \$1,595 | \$0 | Market | No | 1 | 6.2% | N/A | None |
| 2 | 2.5 | Townhouse (2 stories) | 36 | 1,181 | \$1,780 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 3 | 2.5 | Townhouse (2 stories) | 20 | 1,491 | \$2,050 | \$0 | Market | No | 1 | 5.0% | N/A | None |
| 3 | 2.5 | Townhouse (2 stories) | 12 | 1,668 | \$2,130 | \$0 | Market | No | 0 | 0.0% | N/A | None |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. Adj. | Adj. Rent |
|-------------|-------------------|-------|-------------------|------------|-------------------|
| 1BR / 1BA | \$1,450 | \$0 | \$1,450 | \$0 | \$1,450 |
| 2BR / 1.5BA | \$1,775 | \$0 | \$1,775 | \$0 | \$1,775 |
| 2BR / 2BA | \$1,595 | \$0 | \$1,595 | \$0 | \$1,595 |
| 2BR / 2.5BA | \$1,780 | \$0 | \$1,780 | \$0 | \$1,780 |
| 3BR / 2.5BA | \$2,050 - \$2,130 | \$0 | \$2,050 - \$2,130 | \$0 | \$2,050 - \$2,130 |

Amenities

| | | | |
|----------------------------------|----------------------|----------|----------|
| In-Unit | | Security | Services |
| Balcony/Patio | Blinds | None | None |
| Carpeting | Central A/C | | |
| Coat Closet | Dishwasher | | |
| Exterior Storage | Ceiling Fan | | |
| Garbage Disposal | Microwave | | |
| Oven | Refrigerator | | |
| Vaulted Ceilings | Vinyl Plank Flooring | | |
| Walk-In Closet | Washer/Dryer hookup | | |
| Property | | Premium | Other |
| Business Center/Computer Lab | Car Wash | View | Dog Park |
| Clubhouse/Meeting Room/Community | Exercise Facility | | |
| Garage(\$85.00) | Central Laundry | | |
| Off-Street Parking | On-Site Management | | |
| Pet Park | Picnic Area | | |
| Playground | Service Coordination | | |
| Swimming Pool | Wi-Fi | | |

Comments

The contact stated that the property does not accept Housing Choice Vouchers. The contact noted that the property offers one surface parking included in the rent in addition to assigned garage parking for an additional monthly fee of \$85.

Trend Report

Vacancy Rates

| | | | |
|------|------|------|------|
| 1Q21 | 3Q22 | 4Q23 | 2Q24 |
| 2.3% | 1.5% | 1.5% | 4.6% |

Trend: Market

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2021 | 1 | 8.3% | \$1,165 | \$0 | \$1,165 | \$1,165 |
| 2022 | 3 | 4.2% | \$1,770 | \$0 | \$1,770 | \$1,770 |
| 2023 | 4 | 4.2% | \$1,460 | \$0 | \$1,460 | \$1,460 |
| 2024 | 2 | 8.3% | \$1,450 | \$0 | \$1,450 | \$1,450 |

2BR / 1.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2021 | 1 | 0.0% | \$1,210 | \$0 | \$1,210 | \$1,210 |
| 2022 | 3 | 4.5% | \$1,945 | \$0 | \$1,945 | \$1,945 |
| 2023 | 4 | 4.5% | \$1,535 | \$0 | \$1,535 | \$1,535 |
| 2024 | 2 | 9.1% | \$1,775 | \$0 | \$1,775 | \$1,775 |

2BR / 2.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2021 | 1 | 2.8% | \$1,325 | \$0 | \$1,325 | \$1,325 |
| 2022 | 3 | 0.0% | \$2,050 | \$0 | \$2,050 | \$2,050 |
| 2023 | 4 | 0.0% | \$1,855 | \$0 | \$1,855 | \$1,855 |
| 2024 | 2 | 0.0% | \$1,780 | \$0 | \$1,780 | \$1,780 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2021 | 1 | 0.0% | \$1,625 | \$0 | \$1,625 | \$1,625 |
| 2022 | 3 | 0.0% | \$1,975 | \$0 | \$1,975 | \$1,975 |
| 2023 | 4 | 0.0% | \$1,670 | \$0 | \$1,670 | \$1,670 |
| 2024 | 2 | 6.2% | \$1,595 | \$0 | \$1,595 | \$1,595 |

3BR / 2.5BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-------------------|-------|-------------------|-------------------|
| 2021 | 1 | 0.0% | \$1,500 - \$1,545 | \$0 | \$1,500 - \$1,545 | \$1,500 - \$1,545 |
| 2022 | 3 | 0.0% | \$2,120 - \$2,250 | \$0 | \$2,120 - \$2,250 | \$2,120 - \$2,250 |
| 2023 | 4 | 0.0% | \$1,940 - \$2,250 | \$0 | \$1,940 - \$2,250 | \$1,940 - \$2,250 |
| 2024 | 2 | 3.1% | \$2,050 - \$2,130 | \$0 | \$2,050 - \$2,130 | \$2,050 - \$2,130 |

Trend: Comments

| | |
|------|---|
| 1Q21 | Tenants at the property have been affected by job losses and furloughs due to the recent COVID-19 pandemic. The property is offering payment plans and deferred payments to residents who are having difficulty paying rent. Management has waived late fees since April, and has established payment plans for these tenants. In addition, the property is offering virtual and self tours of units and allowing visitors in to the office by appointment only. Despite some issues with rent collection, the property maintained a high occupancy rate and the contact reported there has been no decline in leasing pace or traffic to the property. The property does not accept Housing Choice Vouchers. |
| 3Q22 | The contact stated that there is high demand for rental units in Summerville. The property does not accept Housing Choice Vouchers. |
| 4Q23 | The contact noted that there is high demand for rental units in Summerville. The property does not accept Housing Choice Vouchers. |
| 2Q24 | The contact stated that the property does not accept Housing Choice Vouchers. The contact noted that the property offers one surface parking included in the rent in addition to assigned garage parking for an additional monthly fee of \$85. |

Photos



PROPERTY PROFILE REPORT

Cedar Grove

| | |
|------------------------|--|
| Effective Rent Date | 6/21/2024 |
| Location | 8708 Evangeline Drive North Charleston, SC 29420 Dorchester County |
| Distance | 1.2 miles |
| Units | 248 |
| Vacant Units | 1 |
| Vacancy Rate | 0.4% |
| Type | Garden (3 stories) |
| Year Built/Renovated | 2002 / N/A |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | The Legends at Charleston Park |
| Tenant Characteristics | Mixture |
| Contact Name | Tim |
| Phone | 843-548-3638 |



Market Information

| | |
|----------------------|--|
| Program | Market |
| Annual Turnover Rate | 24% |
| Units/Month Absorbed | N/A |
| HCV Tenants | 0% |
| Leasing Pace | Within two weeks |
| Annual Chg. in Rent | Increased up to 5% annually since 2Q2008 |
| Concession | Yes; one month free |
| Waiting List | None |

Utilities

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

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (3 stories) | N/A | 749 | \$1,623 | \$135 | Market | No | 1 | N/A | N/A | None |
| 1 | 1 | Garden (3 stories) | N/A | 844 | \$1,443 | \$120 | Market | No | 0 | N/A | N/A | None |
| 2 | 2 | Garden (3 stories) | N/A | 1,050 | \$1,625 | \$135 | Market | No | 0 | N/A | N/A | None |
| 2 | 2 | Garden (3 stories) | N/A | 1,164 | \$1,720 | \$143 | Market | No | 0 | N/A | N/A | None |
| 3 | 2 | Garden (3 stories) | N/A | 1,340 | \$1,900 | \$158 | Market | No | 0 | N/A | N/A | None |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. Adj. | Adj. Rent |
|-----------|-------------------|---------------|-------------------|------------|-------------------|
| 1BR / 1BA | \$1,443 - \$1,623 | \$120 - \$135 | \$1,323 - \$1,488 | \$0 | \$1,323 - \$1,488 |
| 2BR / 2BA | \$1,625 - \$1,720 | \$135 - \$143 | \$1,490 - \$1,577 | \$0 | \$1,490 - \$1,577 |
| 3BR / 2BA | \$1,900 | \$158 | \$1,742 | \$0 | \$1,742 |

Amenities

| | | | |
|----------------------|----------------------------------|-------------------|---------------|
| In-Unit | | Security | Services |
| Balcony/Patio | Blinds | Perimeter Fencing | None |
| Carpeting | Central A/C | | |
| Coat Closet | Dishwasher | | |
| Ceiling Fan | Garbage Disposal | | |
| Oven | Refrigerator | | |
| Vinyl Plank Flooring | Walk-In Closet | | |
| Washer/Dryer hookup | | | |
| Property | | Premium | Other |
| Car Wash | Clubhouse/Meeting Room/Community | None | Putting green |
| Exercise Facility | Garage(\$125.00) | | |
| Off-Street Parking | On-Site Management | | |
| Playground | Swimming Pool | | |
| Tennis Court | Volleyball Court | | |

Comments

The contact stated that the property accepts Housing Choice Vouchers; however, none were currently in use at the time of interview. The contact noted that the property offers surface parking included in the cost of rent in addition to garage parking offered for an additional \$125 per month. The property also offers storage units for an additional \$40 per month. The current move in special offers one month free for new 12 month leases.

Trend Report

Vacancy Rates

| | | | |
|------|-------|------|------|
| 2Q06 | 1Q07 | 2Q08 | 2Q24 |
| 6.0% | 10.0% | 0.4% | 0.4% |

Trend: Market

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-------------------|---------------|-------------------|-------------------|
| 2006 | 2 | N/A | \$700 - \$760 | \$0 | \$700 - \$760 | \$700 - \$760 |
| 2007 | 1 | N/A | \$700 - \$760 | \$0 | \$700 - \$760 | \$700 - \$760 |
| 2008 | 2 | N/A | \$700 - \$760 | \$0 | \$700 - \$760 | \$700 - \$760 |
| 2024 | 2 | N/A | \$1,443 - \$1,623 | \$120 - \$135 | \$1,323 - \$1,488 | \$1,323 - \$1,488 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-------------------|---------------|-------------------|-------------------|
| 2006 | 2 | N/A | \$855 - \$920 | \$0 | \$855 - \$920 | \$855 - \$920 |
| 2007 | 1 | N/A | \$855 - \$920 | \$0 | \$855 - \$920 | \$855 - \$920 |
| 2008 | 2 | N/A | \$855 - \$920 | \$0 | \$855 - \$920 | \$855 - \$920 |
| 2024 | 2 | N/A | \$1,625 - \$1,720 | \$135 - \$143 | \$1,490 - \$1,577 | \$1,490 - \$1,577 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2006 | 2 | N/A | \$1,025 | \$0 | \$1,025 | \$1,025 |
| 2007 | 1 | N/A | \$1,025 | \$0 | \$1,025 | \$1,025 |
| 2008 | 2 | N/A | \$1,025 | \$0 | \$1,025 | \$1,025 |
| 2024 | 2 | N/A | \$1,900 | \$158 | \$1,742 | \$1,742 |

Trend: Comments

| | |
|------|--|
| 2Q06 | Cedar Grove is a market rate property offering one-, two- and three-bedroom units. This property is currently 94 percent leased, which is considered to be below average. Management indicated that there are several military families which causes vacancy and turnover fluctuations. Rents increase every Septemeber. Management did not know the unit breakdown by bedroom and would not inform us of vacancy by unit. |
| 1Q07 | Contact could not specify an exact Annual Turnover Rate, she said that she is new to the property and hasn't been there long enough to determine the turnover. Contact said that they are 90% occupied. |
| 2Q08 | Contact stated that the one vacancy does not have an application on it at this time. |
| 2Q24 | The contact stated that the property accepts Housing Choice Vouchers; however, none were currently in use at the time of interview. The contact noted that the property offers surface parking included in the cost of rent in addition to garage parking offered for an additional \$125 per month. The property also offers storage units for an additional \$40 per month. The current move in special offers one month free for new 12 month leases. |

PROPERTY PROFILE REPORT

Jamison Park

| | |
|------------------------|--|
| Effective Rent Date | 6/21/2024 |
| Location | 2245 Greenridge Road North Charleston, SC 29406 Charleston County |
| Distance | 3.9 miles |
| Units | 216 |
| Vacant Units | 3 |
| Vacancy Rate | 1.4% |
| Type | Garden (3 stories) |
| Year Built/Renovated | 2001 / N/A |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | None identified |
| Tenant Characteristics | About half of the tenants are military and the remainder are mostly families |
| Contact Name | Jessica |
| Phone | 844-848-9056 |



Market Information

| | |
|----------------------|---|
| Program | Market |
| Annual Turnover Rate | 30% |
| Units/Month Absorbed | N/A |
| HCV Tenants | 0% |
| Leasing Pace | Within two weeks |
| Annual Chg. in Rent | Increased up to 14% annually since 2020 |
| Concession | None |
| Waiting List | None |

Utilities

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

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (3 stories) | 54 | 700 | \$1,422 | \$0 | Market | No | 1 | 1.9% | N/A | None |
| 2 | 2 | Garden (3 stories) | 126 | 1,000 | \$1,651 | \$0 | Market | No | 2 | 1.6% | N/A | None |
| 3 | 2 | Garden (3 stories) | 36 | 1,230 | \$1,885 | \$0 | Market | No | 0 | 0.0% | N/A | None |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. Adj. | Adj. Rent |
|-----------|-----------|-------|-------------|------------|-----------|
| 1BR / 1BA | \$1,422 | \$0 | \$1,422 | \$0 | \$1,422 |
| 2BR / 2BA | \$1,651 | \$0 | \$1,651 | \$0 | \$1,651 |
| 3BR / 2BA | \$1,885 | \$0 | \$1,885 | \$0 | \$1,885 |

Jamison Park, continued

Amenities

| | | | |
|----------------------------------|---------------------|----------|----------|
| In-Unit | | Security | Services |
| Balcony/Patio | Blinds | None | None |
| Carpeting | Central A/C | | |
| Coat Closet | Dishwasher | | |
| Exterior Storage(\$100.00) | Ceiling Fan | | |
| Garbage Disposal | Microwave | | |
| Oven | Refrigerator | | |
| Vinyl Plank Flooring | Walk-In Closet | | |
| Washer/Dryer | Washer/Dryer hookup | | |
| Property | | Premium | Other |
| Business Center/Computer Lab | Car Wash | None | None |
| Clubhouse/Meeting Room/Community | Exercise Facility | | |
| Garage(\$125.00) | Central Laundry | | |
| Off-Street Parking | On-Site Management | | |
| Picnic Area | Swimming Pool | | |

Comments

The property is currently renovating units as they become vacant. The rents portrayed in the property profile reflect renovated units. Renovations include new flooring, appliances, and light fixtures. The contact stated that the property does not accept Housing Choice Vouchers. The property offers surface parking at no additional monthly fee in addition to garage parking for an additional \$125 per month. Storage units are also available for an additional \$100 per month.

Jamison Park, continued

Trend Report

Vacancy Rates

| | | | |
|------|------|------|------|
| 3Q07 | 2Q08 | 2Q21 | 2Q24 |
| 2.8% | 2.8% | 0.0% | 1.4% |

Trend: Market

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2007 | 3 | 0.0% | \$715 | \$20 | \$695 | \$695 |
| 2008 | 2 | 0.0% | \$715 | \$25 | \$690 | \$690 |
| 2021 | 2 | 0.0% | \$1,030 | \$0 | \$1,030 | \$1,030 |
| 2024 | 2 | 1.9% | \$1,422 | \$0 | \$1,422 | \$1,422 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2007 | 3 | 2.4% | \$835 | \$20 | \$815 | \$815 |
| 2008 | 2 | 3.2% | \$835 | \$25 | \$810 | \$810 |
| 2021 | 2 | 0.0% | \$1,155 | \$0 | \$1,155 | \$1,155 |
| 2024 | 2 | 1.6% | \$1,651 | \$0 | \$1,651 | \$1,651 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2007 | 3 | 8.3% | \$995 | \$20 | \$975 | \$975 |
| 2008 | 2 | 5.6% | \$995 | \$25 | \$970 | \$970 |
| 2021 | 2 | 0.0% | \$1,485 | \$0 | \$1,485 | \$1,485 |
| 2024 | 2 | 0.0% | \$1,885 | \$0 | \$1,885 | \$1,885 |

Trend: Comments

| | |
|------|---|
| 3Q07 | The property manager reported a brisk leasing pace, with 14 move-ins between August 1 and August 7--a one week period. Jamison Park has retained a \$20 monthly concession on twelve-month leases. |
| 2Q08 | Jamison Park is currently offering a \$25 monthly concession on twelve-month leases. Rental rates have not changed within the last year. |
| 2Q21 | The property is currently renovating units as they become vacant. Approximately 130 units have been renovated as of the date of this interview. The contact stated renovated units carry a \$100 to \$200 dollar premium over non-renovated units. The rents portrayed in the property profile reflect renovated units. Renovations include new flooring, appliances, and light fixtures. According to the contact, there have been no negative effects to the property as a result of the COVID-19 pandemic. |
| 2Q24 | The property is currently renovating units as they become vacant. The rents portrayed in the property profile reflect renovated units. Renovations include new flooring, appliances, and light fixtures. The contact stated that the property does not accept Housing Choice Vouchers. The property offers surface parking at no additional monthly fee in addition to garage parking for an additional \$125 per month. Storage units are also available for an additional \$100 per month. |

Photos



PROPERTY PROFILE REPORT

Kilnsea Village Apartments

| | |
|------------------------|---|
| Effective Rent Date | 6/21/2024 |
| Location | 5300 Patron Place Summerville, SC 29485 Dorchester County |
| Distance | 3.3 miles |
| Units | 312 |
| Vacant Units | 4 |
| Vacancy Rate | 1.3% |
| Type | Garden (3 stories) |
| Year Built/Renovated | 2013 / N/A |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | Abberly Crossing, Latitude/Reserve At Wescott |
| Tenant Characteristics | Majority are families from the local Summerville area. |
| Contact Name | Madison |
| Phone | 843-483-1699 |



Market Information

| | |
|----------------------|-----------------------------------|
| Program | Market |
| Annual Turnover Rate | 58% |
| Units/Month Absorbed | N/A |
| HCV Tenants | 0% |
| Leasing Pace | Within two weeks |
| Annual Chg. in Rent | Fluctuated -8% to 3% since 4Q2023 |
| Concession | None |
| Waiting List | None |

Utilities

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

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (3 stories) | 78 | 822 | \$1,324 | \$0 | Market | No | 3 | 3.8% | N/A | None |
| 2 | 2 | Garden (3 stories) | 156 | 1,096 | \$1,668 | \$0 | Market | No | 1 | 0.6% | N/A | None |
| 3 | 2 | Garden (3 stories) | 78 | 1,311 | \$1,882 | \$0 | Market | No | 0 | 0.0% | N/A | None |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. Adj. | Adj. Rent |
|-----------|-----------|-------|-------------|------------|-----------|
| 1BR / 1BA | \$1,324 | \$0 | \$1,324 | \$0 | \$1,324 |
| 2BR / 2BA | \$1,668 | \$0 | \$1,668 | \$0 | \$1,668 |
| 3BR / 2BA | \$1,882 | \$0 | \$1,882 | \$0 | \$1,882 |

Kilnsea Village Apartments, continued

Amenities

| | | | |
|--------------------|----------------------------------|-------------------|----------|
| In-Unit | | Security | Services |
| Balcony/Patio | Blinds | Intercom (Buzzer) | None |
| Carpet/Hardwood | Central A/C | Limited Access | |
| Coat Closet | Dishwasher | Perimeter Fencing | |
| Ceiling Fan | Garbage Disposal | | |
| Microwave | Oven | | |
| Refrigerator | Walk-In Closet | | |
| Washer/Dryer | | | |
| Property | | Premium | Other |
| Car Wash | Clubhouse/Meeting Room/Community | None | None |
| Exercise Facility | Off-Street Parking | | |
| On-Site Management | Picnic Area | | |
| Playground | Sauna | | |
| Swimming Pool | Theatre | | |

Comments

The contact stated that the property does not accept Housing Choice Vouchers. Surface parking is offered on a first-come-first-served basis at no additional monthly cost.

Kilnsea Village Apartments, continued

Trend Report

Vacancy Rates

| 3Q20 | 3Q22 | 4Q23 | 2Q24 |
|------|------|------|------|
| 1.3% | 3.5% | 2.9% | 1.3% |

Trend: Market

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2020 | 3 | N/A | \$965 | \$0 | \$965 | \$965 |
| 2022 | 3 | 3.8% | \$1,395 | \$0 | \$1,395 | \$1,395 |
| 2023 | 4 | 2.6% | \$1,440 | \$0 | \$1,440 | \$1,440 |
| 2024 | 2 | 3.8% | \$1,324 | \$0 | \$1,324 | \$1,324 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2020 | 3 | N/A | \$1,175 | \$0 | \$1,175 | \$1,175 |
| 2022 | 3 | 3.2% | \$1,670 | \$0 | \$1,670 | \$1,670 |
| 2023 | 4 | 2.6% | \$1,695 | \$0 | \$1,695 | \$1,695 |
| 2024 | 2 | 0.6% | \$1,668 | \$0 | \$1,668 | \$1,668 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2020 | 3 | N/A | \$1,285 | \$0 | \$1,285 | \$1,285 |
| 2022 | 3 | 3.8% | \$1,890 | \$0 | \$1,890 | \$1,890 |
| 2023 | 4 | 3.8% | \$1,765 | \$0 | \$1,765 | \$1,765 |
| 2024 | 2 | 0.0% | \$1,882 | \$0 | \$1,882 | \$1,882 |

Trend: Comments

| | |
|------|--|
| 3Q20 | N/A |
| 3Q22 | The contact could only provide limited information about the property. The property does not accept Housing Choice Vouchers or maintain a waiting list. |
| 4Q23 | The property does not accept Housing Choice Vouchers or maintain a waiting list. |
| 2Q24 | The contact stated that the property does not accept Housing Choice Vouchers. Surface parking is offered on a first-come-first-served basis at no additional monthly cost. |

Photos



PROPERTY PROFILE REPORT

Oakbrook Village

| | |
|------------------------|---|
| Effective Rent Date | 6/21/2024 |
| Location | 111 Springview Lane Summerville, SC 29485 Dorchester County |
| Distance | 4 miles |
| Units | 192 |
| Vacant Units | 14 |
| Vacancy Rate | 7.3% |
| Type | Garden (3 stories) |
| Year Built/Renovated | 2006 / N/A |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | None identified |
| Tenant Characteristics | Mixed tenancy |
| Contact Name | Shannon |
| Phone | 843-900-4021 |



Market Information

| | |
|----------------------|----------------------------------|
| Program | Market |
| Annual Turnover Rate | 8% |
| Units/Month Absorbed | N/A |
| HCV Tenants | 0% |
| Leasing Pace | Within two weeks |
| Annual Chg. in Rent | Increased up to 29% since 4Q2023 |
| Concession | Yes; one month free |
| Waiting List | None |

Utilities

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

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (3 stories) | N/A | 728 | \$1,425 | \$119 | Market | No | 7 | N/A | N/A | None |
| 2 | 2 | Garden (3 stories) | N/A | 1,178 | \$1,650 | \$138 | Market | No | 7 | N/A | N/A | None |
| 3 | 2 | Garden (3 stories) | N/A | 1,417 | \$1,750 | \$0 | Market | No | 0 | N/A | N/A | None |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. Adj. | Adj. Rent |
|-----------|-----------|-------|-------------|------------|-----------|
| 1BR / 1BA | \$1,425 | \$119 | \$1,306 | \$0 | \$1,306 |
| 2BR / 2BA | \$1,650 | \$138 | \$1,512 | \$0 | \$1,512 |
| 3BR / 2BA | \$1,750 | \$0 | \$1,750 | \$0 | \$1,750 |

Oakbrook Village, continued

Amenities

| | | | |
|----------------------------------|--------------------|----------|----------|
| In-Unit | | Security | Services |
| Balcony/Patio | Blinds | None | None |
| Carpet/Hardwood | Carpeting | | |
| Central A/C | Coat Closet | | |
| Exterior Storage(\$35.00) | Microwave | | |
| Oven | Refrigerator | | |
| Walk-In Closet | Washer/Dryer | | |
| Washer/Dryer hookup | | | |
| Property | | Premium | Other |
| Business Center/Computer Lab | Car Wash | None | None |
| Clubhouse/Meeting Room/Community | Exercise Facility | | |
| Garage(\$150.00) | Off-Street Parking | | |
| On-Site Management | Picnic Area | | |
| Playground | Swimming Pool | | |

Comments

The contact stated that the property does not accept Housing Choice Vouchers. The current move in special offers one month free for 12 month leases and applies to unites available for immediate move in only. No expiration date for this special was provided at the time of interview.

Oakbrook Village, continued

Trend Report

Vacancy Rates

| 2022 | 3Q22 | 4Q23 | 2024 |
|------|------|------|------|
| 1.6% | 1.0% | 1.0% | 7.3% |

Trend: Market

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2022 | 2 | N/A | \$1,100 | \$0 | \$1,100 | \$1,100 |
| 2022 | 3 | N/A | \$1,100 | \$0 | \$1,100 | \$1,100 |
| 2023 | 4 | N/A | \$1,100 | \$0 | \$1,100 | \$1,100 |
| 2024 | 2 | N/A | \$1,425 | \$119 | \$1,306 | \$1,306 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2022 | 2 | N/A | \$1,525 | \$0 | \$1,525 | \$1,525 |
| 2022 | 3 | N/A | \$1,425 | \$0 | \$1,425 | \$1,425 |
| 2023 | 4 | N/A | \$1,525 | \$0 | \$1,525 | \$1,525 |
| 2024 | 2 | N/A | \$1,650 | \$138 | \$1,512 | \$1,512 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2022 | 2 | N/A | \$1,550 | \$0 | \$1,550 | \$1,550 |
| 2022 | 3 | N/A | \$1,625 | \$0 | \$1,625 | \$1,625 |
| 2023 | 4 | N/A | \$1,625 | \$0 | \$1,625 | \$1,625 |
| 2024 | 2 | N/A | \$1,750 | \$0 | \$1,750 | \$1,750 |

Trend: Comments

| | |
|------|--|
| 2022 | The contact reported the property utilizes a daily price changing software to determine rents. This property does not accept Housing Choice Vouchers. The contact reported a strong demand for rental housing in the market. |
| 3Q22 | N/A |
| 4Q23 | N/A |
| 2024 | The contact stated that the property does not accept Housing Choice Vouchers. The current move in special offers one month free for 12 month leases and applies to unites available for immediate move in only. No expiration date for this special was provided at the time of interview. |

Photos



PROPERTY PROFILE REPORT

Silvana Oaks Apartments

| | |
|------------------------|--|
| Effective Rent Date | 6/21/2024 |
| Location | 8439 Dorchester Road Summerville, SC 29420 Dorchester County |
| Distance | 0.4 miles |
| Units | 208 |
| Vacant Units | 4 |
| Vacancy Rate | 1.9% |
| Type | Garden (3 stories) |
| Year Built/Renovated | 2009 / N/A |
| Marketing Began | N/A |
| Leasing Began | 6/12/2009 |
| Last Unit Leased | N/A |
| Major Competitors | Legends at Charleston Park |
| Tenant Characteristics | Mixture of families and couples. |
| Contact Name | Kayla |
| Phone | 833-339-7423 |



Market Information

| | |
|----------------------|--|
| Program | Market |
| Annual Turnover Rate | 30% |
| Units/Month Absorbed | 33 |
| HCV Tenants | 0% |
| Leasing Pace | Within two weeks |
| Annual Chg. in Rent | Increased up to 6% annually since 4Q2016 |
| Concession | None |
| Waiting List | None |

Utilities

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

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (3 stories) | 8 | 770 | N/A | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 1 | 1 | Garden (3 stories) | 16 | 848 | \$1,368 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 2 | 2 | Garden (3 stories) | 120 | 1,092 | \$1,471 | \$0 | Market | No | 4 | 3.3% | N/A | None |
| 3 | 2 | Garden (3 stories) | 64 | 1,200 | \$1,970 | \$0 | Market | No | 0 | 0.0% | N/A | None |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. Adj. | Adj. Rent |
|-----------|-----------|-------|-------------|------------|-----------|
| 1BR / 1BA | \$1,368 | \$0 | \$1,368 | \$0 | \$1,368 |
| 2BR / 2BA | \$1,471 | \$0 | \$1,471 | \$0 | \$1,471 |
| 3BR / 2BA | \$1,970 | \$0 | \$1,970 | \$0 | \$1,970 |

Silvana Oaks Apartments, continued

Amenities

| | | | |
|------------------------------|----------------------------------|-------------------|----------|
| In-Unit | | Security | Services |
| Balcony/Patio | Blinds | Perimeter Fencing | None |
| Carpeting | Central A/C | | |
| Dishwasher | Exterior Storage | | |
| Ceiling Fan | Garbage Disposal | | |
| Oven | Refrigerator | | |
| Vinyl Plank Flooring | Washer/Dryer hookup | | |
| Property | | Premium | Other |
| Business Center/Computer Lab | Clubhouse/Meeting Room/Community | View | None |
| Courtyard | Exercise Facility | | |
| Garage(\$175.00) | Central Laundry | | |
| Off-Street Parking | On-Site Management | | |
| Pet Park | Picnic Area | | |
| Playground | Swimming Pool | | |
| Wi-Fi | | | |

Comments

The contact stated that the property does not accept Housing Choice Vouchers. The property offers complimentary surface parking on a first-come-first-served basis in addition to garage parking ranging from \$175 to \$225 per month depending on the size. The current rent for the one-bedroom units at 770 square feet were unavailable at the time of interview as none were on notice.

Trend Report

Vacancy Rates

| | | |
|-------|------|------|
| 3Q09 | 4Q16 | 2Q24 |
| 73.1% | 8.7% | 1.9% |

Trend: Market

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|---------------|-------------|---------------|---------------|
| 2009 | 3 | N/A | \$795 - \$825 | \$66 - \$69 | \$729 - \$756 | \$729 - \$756 |
| 2016 | 4 | 4.2% | \$795 - \$995 | \$0 | \$795 - \$995 | \$795 - \$995 |
| 2024 | 2 | 0.0% | \$1,368 | \$0 | \$1,368 | \$1,368 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-------------------|---------------|-----------------|-----------------|
| 2009 | 3 | N/A | \$1,050 - \$1,250 | \$175 - \$208 | \$875 - \$1,042 | \$875 - \$1,042 |
| 2016 | 4 | 4.2% | \$1,015 | \$0 | \$1,015 | \$1,015 |
| 2024 | 2 | 3.3% | \$1,471 | \$0 | \$1,471 | \$1,471 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-----------|-------|-------------|-----------|
| 2016 | 4 | 18.8% | \$1,300 | \$0 | \$1,300 | \$1,300 |
| 2024 | 2 | 0.0% | \$1,970 | \$0 | \$1,970 | \$1,970 |

Trend: Comments

| | |
|------|---|
| 3Q09 | This property is still under construction. It is approximately 25% complete with 56 occupied units. |
| 4Q16 | Contact stated the rent prices fluctuate daily. The rent price was not available for the 770 square foot one-bedroom/one-bathroom unit. |
| 2Q24 | The contact stated that the property does not accept Housing Choice Vouchers. The property offers complimentary surface parking on a first-come-first-served basis in addition to garage parking ranging from \$175 to \$225 per month depending on the size. The current rent for the one-bedroom units at 770 square feet were unavailable at the time of interview as none were on notice. |

PROPERTY PROFILE REPORT

The Grove At Oakbrook

| | |
|------------------------|--|
| Effective Rent Date | 6/21/2024 |
| Location | 325 Midland Parkway Summerville, SC 29485 Dorchester County |
| Distance | 4 miles |
| Units | 280 |
| Vacant Units | 15 |
| Vacancy Rate | 5.4% |
| Type | Garden (3 stories) |
| Year Built/Renovated | 2002 / N/A |
| Marketing Began | 4/01/2004 |
| Leasing Began | 7/01/2004 |
| Last Unit Leased | 11/01/2004 |
| Major Competitors | Cooper's Ridge and The Elexan Apartments |
| Tenant Characteristics | Mixture of families and couples; some seniors; majority from North and South Carolina |
| Contact Name | Michael |
| Phone | 843-829-4999 |



Market Information

| | |
|----------------------|---------------------------------|
| Program | Market |
| Annual Turnover Rate | 30% |
| Units/Month Absorbed | 70 |
| HCV Tenants | 0% |
| Leasing Pace | Within three weeks |
| Annual Chg. in Rent | Increased up to 6% since 4Q2023 |
| Concession | None |
| Waiting List | None |

Utilities

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

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|---------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (3 stories) | 36 | 788 | \$1,478 | \$0 | Market | No | 4 | 11.1% | N/A | None |
| 1.5 | 1 | Garden (3 stories) | 24 | 972 | \$1,523 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 2 | 2 | Garden (3 stories) | 56 | 1,080 | \$1,680 | \$0 | Market | No | 3 | 5.4% | N/A | None |
| 2 | 2 | Garden (3 stories) | 108 | 1,235 | \$1,712 | \$0 | Market | No | 5 | 4.6% | N/A | None |
| 3 | 2 | Garden (3 stories) | 56 | 1,292 | \$1,995 | \$0 | Market | No | 3 | 5.4% | N/A | None |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. Adj. | Adj. Rent |
|-------------|-------------------|-------|-------------------|------------|-------------------|
| 1BR / 1BA | \$1,478 | \$0 | \$1,478 | \$0 | \$1,478 |
| 1.5BR / 1BA | \$1,523 | \$0 | \$1,523 | \$0 | \$1,523 |
| 2BR / 2BA | \$1,680 - \$1,712 | \$0 | \$1,680 - \$1,712 | \$0 | \$1,680 - \$1,712 |
| 3BR / 2BA | \$1,995 | \$0 | \$1,995 | \$0 | \$1,995 |

The Grove At Oakbrook, continued

Amenities

| | | | |
|----------------------------------|----------------------|--------------------|----------|
| In-Unit | | Security | Services |
| Balcony/Patio | Blinds | Patrol | None |
| Carpeting | Central A/C | Video Surveillance | |
| Coat Closet | Dishwasher | | |
| Exterior Storage(\$30.00) | Ceiling Fan | | |
| Fireplace | Garbage Disposal | | |
| Oven | Refrigerator | | |
| Vaulted Ceilings | Vinyl Plank Flooring | | |
| Walk-In Closet | Washer/Dryer hookup | | |
| Property | | Premium | Other |
| Business Center/Computer Lab | Car Wash | None | None |
| Clubhouse/Meeting Room/Community | Exercise Facility | | |
| Garage(\$125.00) | Central Laundry | | |
| Off-Street Parking | On-Site Management | | |
| Pet Park | Picnic Area | | |
| Playground | Swimming Pool | | |
| Wi-Fi | | | |

Comments

The contact stated that the property does not accept Housing Choice Vouchers. The contact noted that the property offers surface parking included in the cost of rent in addition to garage parking, available for an additional \$125 per month. The property also offers storage units for an additional \$30 per month. The contact stated that the property has not had major renovations; however, units have been updated as necessary as tenants move out. In-unit updates include new paint, appliances, and light fixtures.

The Grove At Oakbrook, continued

Trend Report

Vacancy Rates

| 2020 | 3Q22 | 4Q23 | 2024 |
|------|------|------|------|
| 7.1% | 3.2% | 3.2% | 5.4% |

Trend: Market

1.5BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2020 | 2 | N/A | \$1,149 | \$0 | \$1,149 | \$1,149 |
| 2022 | 3 | N/A | \$1,389 | \$0 | \$1,389 | \$1,389 |
| 2023 | 4 | N/A | \$1,454 | \$0 | \$1,454 | \$1,454 |
| 2024 | 2 | 0.0% | \$1,523 | \$0 | \$1,523 | \$1,523 |

1BR / 1BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|-------|-----------|-------|-------------|-----------|
| 2020 | 2 | N/A | \$1,029 | \$0 | \$1,029 | \$1,029 |
| 2022 | 3 | N/A | \$1,269 | \$0 | \$1,269 | \$1,269 |
| 2023 | 4 | N/A | \$1,365 | \$0 | \$1,365 | \$1,365 |
| 2024 | 2 | 11.1% | \$1,478 | \$0 | \$1,478 | \$1,478 |

2BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-------------------|-------|-------------------|-------------------|
| 2020 | 2 | N/A | \$1,189 - \$1,249 | \$0 | \$1,189 - \$1,249 | \$1,189 - \$1,249 |
| 2022 | 3 | N/A | \$1,489 - \$1,549 | \$0 | \$1,489 - \$1,549 | \$1,489 - \$1,549 |
| 2023 | 4 | N/A | \$1,594 - \$1,615 | \$0 | \$1,594 - \$1,615 | \$1,594 - \$1,615 |
| 2024 | 2 | 4.9% | \$1,680 - \$1,712 | \$0 | \$1,680 - \$1,712 | \$1,680 - \$1,712 |

3BR / 2BA

| Year | QT | Vac. | Face Rent | Conc. | Concd. Rent | Adj. Rent |
|------|----|------|-----------|-------|-------------|-----------|
| 2020 | 2 | N/A | \$1,369 | \$0 | \$1,369 | \$1,369 |
| 2022 | 3 | N/A | \$1,769 | \$0 | \$1,769 | \$1,769 |
| 2023 | 4 | N/A | \$1,903 | \$0 | \$1,903 | \$1,903 |
| 2024 | 2 | 5.4% | \$1,995 | \$0 | \$1,995 | \$1,995 |

Trend: Comments

| | |
|------|--|
| 2Q20 | Contact stated the administrative fee for new applicants is waived for tenants that work for preferred employers. Preferred employers include public services such as teachers, police officers, fire fighters, etc. During the COVID-19 pandemic, the property has not seen a change in collections or traffic. To follow social distancing guidelines, management has closed the swimming pool and exercise facility. Additionally, management is providing virtual tours instead of in-person tours. The contact noted vacancy is typically around five percent and the slightly elevated vacancy rate is coincidental with the timing of our survey. |
| 3Q22 | Contact stated the administrative fee for new applicants is waived for tenants that work for preferred employers. Preferred employers include public services such as teachers, police officers, fire fighters, etc. The property does not accept Housing Choice Vouchers. |
| 4Q23 | The contact stated the administrative fee for new applicants is waived for tenants that work for preferred employers. Preferred employers include public services such as teachers, police officers, fire fighters, etc. The property does not accept Housing Choice Vouchers. |
| 2Q24 | The contact stated that the property does not accept Housing Choice Vouchers. The contact noted that the property offers surface parking included in the cost of rent in addition to garage parking, available for an additional \$125 per month. The property also offers storage units for an additional \$30 per month. The contact stated that the property has not had major renovations; however, units have been updated as necessary as tenants move out. In-unit updates include new paint, appliances, and light fixtures. |

Photos



PROPERTY CHARACTERISTICS

Following are relevant characteristics of the comparable properties surveyed:

Location

The following table compares locational statistics in the Subject's neighborhood relative to the locations of the comparable properties

LOCATIONAL COMPARISON SUMMARY

| # | Property Name | Program | Distance Subject | Household Income | Median Home Value | Median Rent | Crime Index | Walk Score | Vacant Housing | % Renter HH |
|----|----------------------------|--------------|------------------|------------------|-------------------|-------------|-------------|------------|----------------|-------------|
| S | Appian Way Apartments | LIHTC | | \$37,494 | \$274,190 | \$1,807 | 157 | 48 | 6.2% | 56.0% |
| 1 | Etiwan Place* | LIHTC | 7.3 miles | \$64,578 | \$245,310 | \$1,774 | 163 | 48 | 3.7% | 33.7% |
| 2 | Hallmark At Timberlake* | LIHTC | 6.1 miles | \$58,711 | \$245,310 | \$1,774 | 174 | 37 | 10.2% | 28.7% |
| 3 | Palms On Ashley River* | LIHTC | 3.9 miles | \$53,220 | \$236,524 | \$1,810 | 146 | 54 | 11.6% | 37.5% |
| 4 | Rivers Place Apartments* | LIHTC | 4.1 miles | \$30,110 | \$179,832 | \$1,499 | 254 | 56 | 12.6% | 64.7% |
| 5 | The Waters At Oakbrook* | LIHTC/Market | 4.3 miles | \$46,048 | \$299,444 | \$1,771 | 120 | 60 | 14.8% | 48.6% |
| 6 | Bridge Pointe* | Market | 5.0 miles | \$60,945 | \$305,089 | \$1,529 | 120 | 36 | 11.6% | 34.0% |
| 7 | Cedar Grove | Market | 1.3 miles | \$119,172 | \$274,190 | \$1,807 | 94 | 14 | 2.9% | 21.0% |
| 8 | Jamison Park* | Market | 3.9 miles | \$55,026 | \$179,832 | \$1,499 | 230 | 29 | 5.8% | 62.5% |
| 9 | Kilnsea Village Apartments | Market | 3.3 miles | \$83,481 | \$299,444 | \$1,771 | 116 | 44 | 3.6% | 29.7% |
| 10 | Oakbrook Village* | Market | 4.0 miles | \$43,788 | \$299,444 | \$1,771 | 135 | 55 | 12.2% | 47.7% |
| 11 | Silvana Oaks Apartments | Market | 0.4 mile | \$62,271 | \$274,190 | \$1,807 | 157 | 66 | 3.7% | 35.7% |
| 12 | The Grove At Oakbrook* | Market | 4.0 miles | \$54,414 | \$299,444 | \$1,771 | 142 | 46 | 14.6% | 37.2% |

*Located outside PMA

The Subject is located in the northern portion of North Charleston. Surrounding uses consist of single-family homes and commercial properties exhibiting good to average condition. The Subject's location is designated Car-Dependent by Walk Score with a score of 48, and is not considered walkable.

The affordable properties are located between 3.9 and 7.3 miles from the Subject site. The LIHTC comparables are generally in neighborhoods considered similar relative to the Subject's location. The market rate developments are located between 0.4 and 5.0 miles from the Subject site. The market rate comparables are generally in neighborhoods ranging from slightly inferior to slightly superior relative to the Subject's location.

Age, Condition, and Design

The Subject was built in 2007 and exhibits average condition. The affordable comparables were constructed or renovated between 2005 and 2024 and exhibit average to excellent condition, similar to slightly superior to the Subject. The market rate comparables were constructed or renovated between 2001 and 2013 and exhibit average to good condition, similar to slightly superior to the Subject.

The Subject consists of nine three-story garden-style residential buildings, generally similar to the majority of comparables. One comparable, Bridge Pointe, offers a combination of garden and townhouse-style units, similar to slightly superior to the Subject.

Amenities

AMENITY MATRIX

| | Subject | Etiwan Place | Hallmark At Timberlake Apartments | Palms On Ashley River | Rivers Place Apartments | The Waters At Oakbrook | Bridge Pointe | Cedar Grove | Jamison Park | Kilnsea Village Apartments | Oakbrook Village | Silvana Oaks Apartments | The Grove At Oakbrook |
|-----------------------------|-----------|--------------|-----------------------------------|-----------------------|-------------------------|------------------------|---------------|-------------|--------------|----------------------------|------------------|-------------------------|-----------------------|
| Rent Structure | LIHTC | LIHTC | LIHTC | LIHTC | LIHTC | LIHTC/Market | Market | Market | Market | Market | Market | Market | Market |
| Tenancy | Family | Family | Family | Family | Family | Family | Family | Family | Family | Family | Family | Family | Family |
| Building | | | | | | | | | | | | | |
| Property Type | Garden | Garden | Garden | Garden | Garden | Garden | Various | Garden | Garden | Garden | Garden | Garden | Garden |
| # of Stories | 3–stories | 3–stories | 3–stories | 3–stories | 3–stories | 3–stories | 2–stories | 3–stories | 3–stories | 3–stories | 3–stories | 3–stories | 3–stories |
| Year Built | 2007 | 2019 | 2008 | 2005 | 2016 | 2022 | 2004 | 2002 | 2001 | 2013 | 2006 | 2009 | 2002 |
| Year Renovated | n/a | n/a | n/a | 2024 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Courtyard | no | yes | no | yes | no | no | no | no | no | no | no | yes | no |
| Utility Structure | | | | | | | | | | | | | |
| Cooking | no | no | no | no | no | no | no | no | no | no | no | no | no |
| Water Heat | no | no | no | no | no | no | no | no | no | no | no | no | no |
| Heat | no | no | no | no | no | no | no | no | no | no | no | no | no |
| Other Electric | no | no | no | no | no | no | no | no | no | no | no | no | no |
| Water | yes | no | yes | yes | no | no | no | yes | no | no | no | no | no |
| Sewer | yes | no | yes | yes | no | no | no | yes | no | no | no | no | no |
| Trash | yes | yes | yes | yes | yes | yes | yes | yes | no | yes | no | no | no |
| Unit Amenities | | | | | | | | | | | | | |
| Balcony/Patio | yes | yes | no | no | no | yes | yes | yes | yes | yes | yes | yes | yes |
| Blinds | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Carpeting | yes | yes | yes | yes | yes | yes | yes | yes | yes | no | yes | yes | yes |
| Hardwood | no | no | no | no | yes | no | no | no | no | yes | yes | no | no |
| Central A/C | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Ceiling Fan | yes | yes | no | yes | yes | no | yes | yes | yes | yes | no | yes | yes |
| Coat Closet | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | no | yes |
| Exterior Storage | yes | yes | no | no | no | no | yes | no | yes | no | yes | yes | yes |
| Fireplace | no | no | no | no | no | no | no | no | no | no | no | no | yes |
| Vaulted Ceilings | no | no | no | no | no | no | yes | no | no | no | no | no | yes |
| Walk-In Closet | yes | yes | yes | yes | no | no | yes | yes | yes | yes | yes | no | yes |
| Washer/Dryer | no | no | no | no | no | no | no | no | yes | yes | yes | no | no |
| W/D Hookup | no | yes | yes | yes | yes | yes | yes | yes | yes | no | yes | yes | yes |
| Kitchen | | | | | | | | | | | | | |
| Dishwasher | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | no | yes | yes |
| Disposal | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | no | yes | yes |
| Microwave | no | yes | no | yes | yes | yes | yes | no | yes | yes | yes | no | no |
| Oven | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Refrigerator | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Community | | | | | | | | | | | | | |
| Business Center | no | yes | yes | no | yes | yes | yes | no | yes | no | yes | yes | yes |
| Community Room | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Central Laundry | yes | yes | yes | yes | yes | yes | yes | no | yes | no | no | yes | yes |
| On-Site Mgmt | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Recreation | | | | | | | | | | | | | |
| Exercise Facility | yes | yes | no | no | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Playground | yes | no | yes | yes | yes | yes | yes | yes | no | yes | yes | yes | yes |
| Swimming Pool | yes | no | yes | yes | no | yes | yes | yes | yes | yes | yes | yes | yes |
| Picnic Area | no | yes | no | yes | no | yes | yes | no | yes | yes | yes | yes | yes |
| Sport Court | no | no | no | no | no | yes | no | no | no | no | no | no | no |
| Tennis Court | no | no | no | no | no | no | no | yes | no | no | no | no | no |
| Sauna | no | no | no | no | no | no | no | no | no | yes | no | no | no |
| Theatre | no | no | no | no | no | no | no | no | no | yes | no | no | no |
| Volleyball Court | no | no | no | no | no | no | no | yes | no | no | no | no | no |
| WiFi | no | no | no | yes | no | no | yes | no | no | no | no | yes | yes |
| Service Coordination | no | no | no | no | no | no | yes | no | no | no | no | no | no |
| Security | | | | | | | | | | | | | |
| Intercom (Buzzer) | no | no | no | no | yes | no | no | no | no | yes | no | no | no |
| Limited Access | no | no | no | no | yes | no | no | no | no | yes | no | no | no |
| Patrol | no | no | yes | no | no | no | no | no | no | no | no | no | yes |
| Perimeter Fencing | no | no | no | no | no | no | no | yes | no | yes | no | yes | no |
| Video Surveillance | no | no | no | yes | no | yes | no | no | no | no | no | no | yes |
| Parking | | | | | | | | | | | | | |
| Garage | no | no | no | no | no | no | yes | yes | yes | no | yes | yes | yes |
| Garage Fee | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$85 | \$0 | \$125 | \$0 | \$150 | \$175 | \$125 |
| Off-Street Parking | yes | yes | yes | no | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Off-Street Fee | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

The Subject offers balconies/patios, blinds, carpeting, central heating and air conditioning, coat closets, exterior storage, ceiling fans, and walk-in closets. Appliances include dishwashers, garbage disposals, ovens, and refrigerators. The majority of the comparables offer unit amenities ranging from slightly inferior to slightly superior relative to the Subject. An exception is Jamison Park, which features superior unit amenities. This

property offers microwaves, vinyl plank flooring, washer/dryers, and washer/dryer hook-ups, none of which are offered by the Subject. Overall, we believe the Subject's unit amenities are competitive in the market.

The Subject's common area amenities include a clubhouse/community room, exercise facility, laundry facility, playground, swimming pool, and on-site management. The majority of the comparables offer property amenities considered slightly superior relative to the Subject. These properties offer features such as a business center, picnic areas, a car wash station, a pet park, and common area Wi-Fi, none of which are offered by the Subject. The amenities offered by Etiwan Place, Hallmark At Timberlake Apartments, and Rivers Place Apartments are considered similar to the Subject. Overall, we believe the Subject's property amenities are competitive in the market.

The Subject does not offer security features, similar to four of the comparables. The majority of the comparables offer at least one security feature. Based on interviews with property managers, as well as observations during the site inspection, crime does not seem to significantly affect the Subject's neighborhood. Thus, we believe the Subject's security features are adequate and market oriented.

Unit Size

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

| SQUARE FOOTAGE RANKING COMPARISON | | | | | |
|--|------------|--|------------|--|--------------|
| One Bedroom One Bath | | Two Bedroom Two Bath | | Three Bedroom Two Bath | |
| Property Name | Size | Property Name | Size | Property Name | Size |
| Rivers Place Apartments (@50%) | 850 | The Grove At Oakbrook (Market) | 1,235 | Bridge Pointe (Market)(2.5BA) | 1,668 |
| Rivers Place Apartments (@60%) | 850 | Bridge Pointe (Market)(2.5BA) | 1,181 | Bridge Pointe (Market)(2.5BA) | 1,491 |
| Silvana Oaks Apartments (Market) | 848 | Oakbrook Village (Market) | 1,178 | Oakbrook Village (Market) | 1,417 |
| Cedar Grove (Market) | 844 | Cedar Grove (Market) | 1,164 | Cedar Grove (Market) | 1,340 |
| Kilnsea Village Apartments (Market) | 822 | Bridge Pointe (Market)(1.5BA) | 1,154 | Palms On Ashley River (@60%) | 1,322 |
| Bridge Pointe (Market) | 790 | Rivers Place Apartments (@60%) | 1,140 | Kilnsea Village Apartments (Market) | 1,311 |
| The Grove At Oakbrook (Market) | 788 | Rivers Place Apartments (@50%) | 1,140 | The Grove At Oakbrook (Market) | 1,292 |
| The Waters At Oakbrook (Market) | 773 | Kilnsea Village Apartments (Market) | 1,096 | Rivers Place Apartments (@50%) | 1,272 |
| The Waters At Oakbrook (@60%) | 773 | Silvana Oaks Apartments (Market) | 1,092 | Rivers Place Apartments (@60%) | 1,272 |
| Silvana Oaks Apartments (Market) | 770 | Bridge Pointe (Market) | 1,087 | The Waters At Oakbrook (@60%) | 1,255 |
| Cedar Grove (Market) | 749 | Palms On Ashley River (@60%) | 1,082 | The Waters At Oakbrook (Market) | 1,255 |
| Applan Way Apartments (@60%) | 741 | The Grove At Oakbrook (Market) | 1,080 | Etiwan Place (@60%) | 1,251 |
| Oakbrook Village (Market) | 728 | Etiwan Place (@60%) | 1,063 | Etiwan Place (@50%) | 1,251 |
| Hallmark At Timberlake Apartments (@60%) | 701 | Etiwan Place (@50%) | 1,063 | Jamison Park (Market) | 1,230 |
| Jamison Park (Market) | 700 | Cedar Grove (Market) | 1,050 | Silvana Oaks Apartments (Market) | 1,200 |
| | | The Waters At Oakbrook (@60%) | 1,022 | Hallmark At Timberlake Apartments (@60%) | 1,101 |
| | | The Waters At Oakbrook (Market) | 1,022 | Applan Way Apartments (@60%) | 1,097 |
| | | Jamison Park (Market) | 1,000 | | |
| | | Hallmark At Timberlake Apartments (@60%) | 969 | | |
| | | Applan Way Apartments (@60%) | 926 | | |

| UNIT SIZE COMPARISON | | | |
|-------------------------------|--------------|---------------|---------------|
| Bedroom Type | OBR | 1BR | 2BR |
| Subject | 741 | 926 | 1,097 |
| Average | 797 | 1,096 | 1,308 |
| Min | 700 | 969 | 1,101 |
| Max | 972 | 1,235 | 1,668 |
| Advantage/Disadvantage | -7.0% | -15.5% | -16.1% |

The Subject's two and three-bedroom unit sizes are below the range of the comparables, while the one-bedroom unit sizes are within the range of the comparables. We have considered the Subject's unit sizes in our determination of achievable rents.

MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

Turnover

The following table illustrates reported turnover for the comparable properties.

| TURNOVER | | | |
|------------------------------------|---------------|---------|-----------------|
| Property Name | Program | Tenancy | Annual Turnover |
| Etiwan Place* | LIHTC | Family | 3% |
| Hallmark At Timberlake Apartments* | LIHTC | Family | 16% |
| Palms On Ashley River* | LIHTC | Family | 22% |
| Rivers Place Apartments* | LIHTC | Family | 4% |
| The Waters At Oakbrook* | LIHTC/ Market | Family | 11% |
| Bridge Pointe* | Market | Family | 36% |
| Cedar Grove | Market | Family | 24% |
| Jamison Park* | Market | Family | 30% |
| Kilnsea Village Apartments | Market | Family | 58% |
| Oakbrook Village* | Market | Family | 8% |
| Silvana Oaks Apartments | Market | Family | 30% |
| The Grove At Oakbrook* | Market | Family | 30% |
| Average Turnover | | | 23% |

*Located outside PMA

The comparable properties reported turnover ranging between three and 58 percent, with an overall average of 23 percent. The LIHTC comparables operate with an average turnover rate of 11 percent, which is well below the 31 percent average reported by the market rate properties. Based on the performance of the LIHTC comparables, we expect the Subject will operate with a turnover rate of approximately 23 percent.

Vacancy Levels

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

| OVERALL VACANCY | | | | | |
|------------------------------------|--------------|---------|--------------|--------------|-------------|
| Property Name | Program | Tenancy | Total Units | Vacant Units | Vacancy % |
| Etiwan Place* | LIHTC | Family | 60 | 0 | 0.0% |
| Hallmark At Timberlake Apartments* | LIHTC | Family | 224 | 2 | 0.9% |
| Palms On Ashley River* | LIHTC | Family | 192 | 12 | 6.2% |
| Rivers Place Apartments* | LIHTC | Family | 48 | 0 | 0.0% |
| The Waters At Oakbrook* | LIHTC/Market | Family | 216 | 11 | 5.1% |
| Bridge Pointe* | Market | Family | 130 | 6 | 4.6% |
| Cedar Grove | Market | Family | 248 | 1 | 0.4% |
| Jamison Park* | Market | Family | 216 | 3 | 1.4% |
| Kilnsea Village Apartments | Market | Family | 312 | 4 | 1.3% |
| Oakbrook Village* | Market | Family | 192 | 14 | 7.3% |
| Silvana Oaks Apartments | Market | Family | 208 | 4 | 1.9% |
| The Grove At Oakbrook* | Market | Family | 280 | 15 | 5.4% |
| LIHTC Total | | | 740 | 25 | 3.4% |
| Market Total | | | 1,586 | 47 | 3.0% |
| Overall Total | | | 2,326 | 72 | 3.1% |

*Located outside PMA

The comparable properties reported vacancy rates ranging from zero to 7.3 percent, with an overall weighted average of 3.1 percent. Managers at two of the five LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 3.4 percent, slightly above the three percent

weighted average reported by the market rate properties. All of the market rate properties reported vacancy rates of 7.3 percent or less.

According to a rent roll, June 11, 2024, the Subject is currently 99.5 percent occupied. The Subject's historical financial statements indicate vacancy and collection loss of 0.2 to 0.9 percent over the last three. Based on the historical data and performance of the comparables, we expect the Subject would operate with vacancy and collection losses of approximately three percent under the restricted scenario and five percent assuming unrestricted operations.

Concessions

Two of the market rate comparable properties reported offering concessions of one month's free rent. Given the lack of concessions offered in the market, we do not anticipate that the Subject will need to offer concessions to be competitive.

Reasonability of Rents

The following table compares the Subject's current rents to comparable developments. Rents have been adjusted for differences in utility structure and concessions. The following table illustrates the current rents and unit mix for the Subject property.

| RENT ROLL ANALYSIS* | | | | | | | | |
|---------------------|----------------|-----------------|-------------|--------------------------|--------------------------|--------------------------|--------------|--------------|
| Unit Type | Unit Size (SF) | Number of Units | Asking Rent | Minimum Tenant Paid Rent | Maximum Tenant Paid Rent | Average Tenant Paid Rent | Vacant Units | Vacancy Rate |
| @60% AMI | | | | | | | | |
| 1BR / 1 BA | 741 | 24 | \$1,109 | \$994 | \$1,049 | \$1,020 | 0 | 0.0% |
| 2BR / 2 BA | 926 | 84 | \$1,339 | \$1,170 | \$1,236 | \$1,205 | 1 | 1.2% |
| 3BR / 2 BA | 1,097 | 96 | \$1,543 | \$1,343 | \$1,424 | \$1,367 | 0 | 0.0% |
| Total | | 204 | | | | | 1 | 0.5% |

*Rent Roll Effective 6/11/2024

It should be noted that the rent roll provided by the client is effective prior to the property increasing rents to 2024 maximum allowable levels; thus, tenants appear to be paying rents below the current asking rents. According to the client, rents were increased to 2024 maximum allowable levels in August 2024.

Reasonability of Rents

The following table is a comparison of the Subject's proposed rents and the rents at the comparable properties. For the purposes of this analysis, "Base Rents" are the actual rents quoted to the tenant, and are most frequently those rents that potential renters consider when making a housing decision. "Net rents" are rents adjusted for the cost of utilities (adjusted to the Subject's convention) and are used to compensate for the differing utility structures of the Subject and the comparable properties. Net rents represent the actual costs of residing at a property, and help to provide an "apples-to-apples" comparison of rents. Additionally, it is important to note that we compared to conceded rent levels at the comparable properties, when applicable.

Achievable LIHTC Rents

The Subject offers units targeting households earning 60 percent of AMI, or less. The following table details the Subject's current asking rents in comparison to rents at the comparables.

LIHTC RENT COMPARISON @60%

| Property Name | County | 1BR | 2BR | 3BR | Max Rent? |
|-----------------------------------|-------------------|----------------|----------------|----------------|-----------|
| Appian Way Apartments | Dorchester | \$1,109 | \$1,339 | \$1,543 | Yes |
| LIHTC Maximum Rent (Net) | Dorchester | \$1,109 | \$1,339 | \$1,543 | - |
| Etiwan Place | Berkeley | - | \$1,367 | \$1,581 | Yes |
| Hallmark At Timberlake Apartments | Berkeley | \$1,076 | \$1,286 | \$1,480 | Yes |
| Palms On Ashley River | Dorchester | - | \$1,339 | \$1,543 | Yes |
| Rivers Place Apartments | Charleston | \$1,108 | \$1,324 | \$1,523 | Yes |
| The Waters At Oakbrook | Dorchester | \$1,086 | \$1,302 | \$1,501 | Yes |
| Average | - | \$1,090 | \$1,324 | \$1,526 | - |
| Achievable LIHTC Rent | | \$1,109 | \$1,339 | \$1,543 | Yes |

The Subject currently operates as a 204-unit LIHTC development with units restricted at 60 percent of the area median income (AMI) or below. The current asking rents are positioned at the maximum allowable levels. It should be noted that based on the rent roll provided by the client, tenants appear to be paying rents below current asking. However, the rent roll provided, dated June 2024, was effective prior to the property increasing rents to 2024 maximum allowable levels in August 2024. All of the LIHTC comparables reported achieving maximum allowable rents. Some comparable rents appear to be above or below the maximum allowable levels, which is attributed to a differing utility allowance schedule. The Subject is similar to the majority to the LIHTC comparables in terms of condition, and similar to slightly superior in terms of location. In addition, the Subject offers similar to slightly inferior in-unit and project amenities, and generally smaller unit sizes. Given this information, the low vacancy rates at all of the LIHTC comparables, and the general lack of affordable housing in the PMA, we believe maximum allowable rents are achievable for the Subject at the 60 percent AMI level.

Achievable Market Rents As Is

Based on the quality of the surveyed comparable properties and the quality of the Subject, we conclude that the Subject's achievable affordable rental rates are in-line with the achievable market rates for the Subject's area. The following table shows both market rent comparisons and achievable market rents.

MARKET RENT COMPARISON

| Property Name | 1BR | 2BR | 3BR |
|-------------------------------|----------------|----------------|----------------|
| Subject Pro Forma | \$1,109 | \$1,339 | \$1,543 |
| | \$1,499 | \$1,837 | \$2,132 |
| Bridge Pointe | - | \$1,657 | \$2,212 |
| | - | \$1,842 | - |
| | \$1,488 | \$1,490 | \$1,742 |
| Cedar Grove | \$1,323 | \$1,577 | - |
| | \$1,493 | \$1,735 | \$1,989 |
| Jamison Park | \$1,373 | \$1,730 | \$1,964 |
| Kilnsea Village Apartments | \$1,377 | \$1,596 | \$1,854 |
| Oakbrook Village | - | \$1,555 | \$2,074 |
| Silvana Oaks Apartments | \$1,439 | - | - |
| | \$1,549 | \$1,764 | \$2,099 |
| The Grove At Oakbrook | \$1,594 | \$1,796 | - |
| Average | \$1,459 | \$1,689 | \$2,008 |
| Achievable Market Rent | \$1,400 | \$1,550 | \$1,750 |

We concluded that achievable market rents for the Subject's units are similar to slightly lower than the rents at Cedar Grove, Oakbrook Village, and Silvana Oaks Apartments. Cedar Grove is a 248-unit property located 1.3 miles west of the Subject, in a neighborhood considered slightly superior relative to the Subject's location. This property was constructed in 2002. We consider the condition of this property slightly inferior relative to the Subject, which was built in 2007. The manager at Cedar Grove reported a low vacancy rate of 0.4 percent,

indicating the current rents are well accepted in the market. The following table compares the Subject with Cedar Grove.

SUBJECT COMPARISON TO CEDAR GROVE

| Unit Type | Subject Achievable Market Rent | Square Feet | Subject RPSF | Comparable Rent | Square Feet | Comparable RPSF |
|-----------|--------------------------------|-------------|--------------|-----------------|-------------|-----------------|
| 1BR/1BA | \$1,400 | 741 | \$1.89 | \$1,488 | 749 | \$1.99 |
| 2BR/2BA | \$1,550 | 926 | \$1.67 | \$1,490 | 1,050 | \$1.42 |
| 3BR/2BA | \$1,750 | 1,097 | \$1.60 | \$1,742 | 1,340 | \$1.30 |

Cedar Grove offers a car wash station, tennis courts, vinyl plank flooring, volleyball courts, and washer/dryer hook-ups, all of which the Subject lacks. However, the Subject offers central laundry and exterior storage, neither of which is provided by Cedar Grove. On balance, we consider the in-unit and property amenity packages offered by Cedar Grove to be similar and slightly superior relative to the Subject, respectively. In overall terms, we believe the Subject is a similar product relative to Cedar Grove. Our concluded achievable market rents range from 5.9 percent below to 4.0 percent above the rents reported by Cedar Grove.

Oakbrook Village is a 192-unit property located 4.0 miles northwest of the Subject, in a neighborhood considered similar relative to the Subject's location. This property was constructed in 2006. We consider the condition of this property similar relative to the Subject, which was built in 2007. The manager at Oakbrook Village reported a modest vacancy rate of 7.3 percent, indicating the current rents are well accepted in the market. The following table compares the Subject with Oakbrook Village.

SUBJECT COMPARISON TO OAKBROOK VILLAGE

| Unit Type | Subject Achievable Market Rent | Square Feet | Subject RPSF | Comparable Rent | Square Feet | Comparable RPSF |
|-----------|--------------------------------|-------------|--------------|-----------------|-------------|-----------------|
| 1BR/1BA | \$1,400 | 741 | \$1.89 | \$1,377 | 728 | \$1.89 |
| 2BR/2BA | \$1,550 | 926 | \$1.67 | \$1,596 | 1,178 | \$1.35 |
| 3BR/2BA | \$1,750 | 1,097 | \$1.60 | \$1,854 | 1,417 | \$1.31 |

Oakbrook Village offers a business center, a car wash station, hardwood flooring, microwaves, picnic areas, washer/dryers, and washer/dryer hook-ups, all of which the Subject lacks. However, the Subject offers ceiling fans, central laundry, dishwashers, and disposals, none of which are provided by Oakbrook Village. The in-unit and property amenity packages offered by Oakbrook Village are both considered slightly superior relative to the Subject. In overall terms, we believe the Subject is a slightly inferior product relative to Oakbrook Village. Our concluded achievable market rents range from 5.6 percent below to 1.7 percent above the rents reported by Oakbrook Village.

Silvana Oaks Apartments is a 208-unit property located 0.4 mile south of the Subject, in a neighborhood considered slightly superior relative to the Subject's location. This property was constructed in 2009. We consider the condition of this property similar relative to the Subject, which was built in 2007. The manager at Silvana Oaks Apartments reported a low vacancy rate of 1.9 percent, indicating the current rents are well accepted in the market. The following table compares the Subject with Silvana Oaks Apartments.

SUBJECT COMPARISON TO SILVANA OAKS APARTMENTS

| Unit Type | Subject Achievable Market Rent | Square Feet | Subject RPSF | Comparable Rent | Square Feet | Comparable RPSF |
|-----------|--------------------------------|-------------|--------------|-----------------|-------------|-----------------|
| 1BR/1BA | \$1,400 | 741 | \$1.89 | \$1,439 | 848 | \$1.70 |
| 2BR/2BA | \$1,550 | 926 | \$1.67 | \$1,555 | 1,092 | \$1.42 |
| 3BR/2BA | \$1,750 | 1,097 | \$1.60 | \$2,074 | 1,200 | \$1.73 |

Silvana Oaks Apartments offers a business center, a courtyard, a pet park, picnic areas, vinyl plank flooring, washer/dryer hook-ups, and common area Wi-Fi, all of which the Subject lacks. However, the Subject offers walk-in closets, which Silvana Oaks Apartments lacks. On balance, we consider the in-unit and property

amenity packages offered by Silvana Oaks Apartments to be similar and slightly superior relative to the Subject, respectively. In overall terms, we believe the Subject is a slightly inferior product relative to Silvana Oaks Apartments. Accordingly, our concluded achievable market rents are 0.3 to 15.6 percent below the rents reported by Silvana Oaks Apartments.

SUBJECT COMPARISON TO MARKET RENTS

| Unit Type | Rent Level | Square Feet | Pro Forma Rent | Surveyed Min | Surveyed Max | Surveyed Average | Achievable Market Rent | Subject Rent Advantage |
|-----------|------------|-------------|----------------|--------------|--------------|------------------|------------------------|------------------------|
| 1BR/1BA | @60% | 741 | \$1,109 | \$1,313 | \$1,594 | \$1,445 | \$1,400 | 21% |
| 2BR/2BA | @60% | 926 | \$1,339 | \$1,490 | \$1,842 | \$1,675 | \$1,550 | 14% |
| 3BR/2BA | @60% | 1,097 | \$1,543 | \$1,742 | \$2,212 | \$1,983 | \$1,750 | 12% |

We concluded that achievable market rents for the Subject's units are generally lower than the rents at Cedar Grove, Oakbrook Village, and Silvana Oaks Apartments, with the exception of the achievable one-bedroom rents, which are at the bottom of the range of these three comparables.

VI. HIGHEST AND BEST USE

HIGHEST AND BEST USE

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

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

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

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

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

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

HIGHEST AND BEST USE AS IF VACANT

Physically Possible

The size of the Subject site is approximately 12.66 acres or 551,470 square feet. The site is generally level and L-shaped. Further, it has good accessibility and visibility, and is not located within a flood plain. The site is considered adequate for a variety of legally permissible uses.

Legally Permissible

The Subject site is located in the Multifamily Residential District (R-2). The R-2 District is intended to encourage the formation and continuance of a stable, healthy environment for single and multi-family dwellings and to discourage any encroachment of commercial, industrial, or other uses. Multifamily dwellings are permitted with a minimum lot area of 1,500 square feet per dwelling unit or a maximum allowable density of 29.0 units per acre. Parking requirements are 1.25 spaces per one-bedroom unit and 2.0 spaces per two-bedroom or larger units.

The Subject is a LIHTC property that is currently operating in its extended use compliance period. The Subject is encumbered by a LURA, which restricts the use of the site to 204 multifamily units. The LURA requires that the Subject offer 240 units LIHTC-restricted to households earning 60 percent of the AMI or less. The LURA was effective as of September 1, 2005, and has a 15-year mandatory compliance period and a 15-year additional compliance period.

The comparable land sales have densities of 8.96 to 99.70 units per acre. Based upon the development patterns in the immediate area, coupled with zoning requirements, we believe the Subject site could support approximately 204 units, or approximately 16.1 units per acre, which is within the range of the comparable land sales and the existing improvements in the area.

Financially Feasible

The cost of the land limits those uses that are financially feasible for the site. Any uses of the Subject site that provide a financial return to the land in excess of the cost of the land are those uses that are financially feasible. The Subject's feasible uses are restricted to those that are allowed by zoning classifications and are physically possible. As noted in the zoning section, the Subject site could support multifamily uses. Based on the Subject's surrounding land uses, the site's physical attributes, and the recent development patterns in the area, multifamily residential development is most likely, and only appears to be financially feasible with the benefit of subsidy.

Maximally Productive

Based upon our analysis, new construction of multifamily housing is financially feasible with the tax subsidy. Therefore, the maximally productive use of this site as if vacant would be to construct a multifamily residential complex using tax credit equity, favorable financing, or other gap subsidies, consistent with the regulatory agreement in place.

CONCLUSION

Highest and Best Use "As If Vacant"

The highest and best use for the property as if vacant would be to construct a 204-unit affordable multifamily development utilizing tax credit equity, favorable financing, or other gap subsidies, consistent with the regulatory agreement in place.

Highest and Best Use "As Improved"

The Subject site is currently improved with a 204-unit affordable development. There are no alternative uses that could reasonably be expected to provide a higher present value than the existing use. The value produced by the existing improvements exceeds the value of the site, as if vacant. For these reasons, the existing use is concluded to be maximally productive, and the highest and best use of the property as improved.

VII. APPRAISAL METHODOLOGY

APPRAISAL METHODOLOGY

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

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

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

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

Applicability to the Subject Property

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

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

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

VIII. LAND VALUATION

LAND VALUATION

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

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

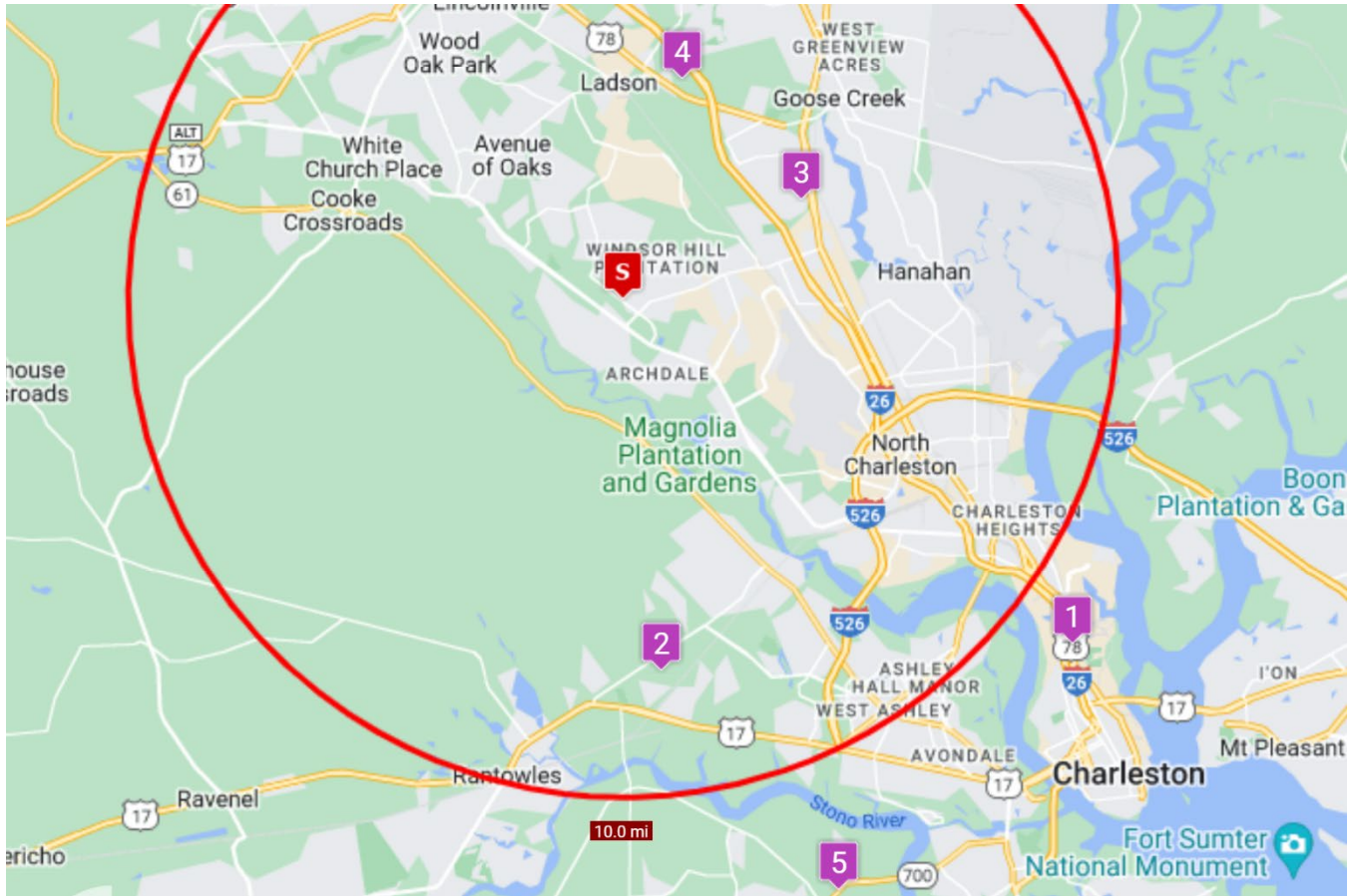
The sales comparison approach typically reflects the actions of buyers and sellers in the marketplace and serves as an excellent benchmark as to what a potential buyer would be willing to pay for the Subject property. We have made an extensive search for multifamily comparable land sales that have sold recently. We included five land sales in Charleston, Ladson, and North Charleston. From our research, we selected the best transactions available that represent the most recent competitive alternative sales or contracts in the marketplace.

COMPARABLE LAND SALES

| # | Property Name | Location | Sale Date | Sale Price | Land Acres | # Units | Price Per Unit | Price Per Acre |
|---|-------------------------|----------------------|-----------|--------------|------------|---------|----------------|----------------|
| 1 | The Darby | Charleston, SC | Jan/2023 | \$10,000,000 | 3.32 | 331 | \$30,211 | \$3,012,048 |
| 2 | Bellerose at Bees Ferry | Charleston, SC | Jul/2022 | \$4,603,700 | 17.30 | 155 | \$29,701 | \$266,110 |
| 3 | Havenwood St. Ives | North Charleston, SC | May/2022 | \$850,000 | 4.50 | 72 | \$11,806 | \$188,889 |
| 4 | Blue House Commons | Ladson, SC | Mar/2022 | \$1,229,000 | 6.44 | 120 | \$10,242 | \$190,839 |
| 5 | Stono Oaks | Charleston, SC | Mar/2022 | \$4,794,500 | 19.24 | 240 | \$19,977 | \$249,194 |

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.

Comparable Land Sales Map



Source: Google Earth, October 2024

Land Sale: The Darby



Transaction

| | | | |
|----------------|-------------------------------|------------------------|--|
| Address | 1567 Meeting Street Road | Sale Date | 2023-01-09 |
| City | Charleston | Sale Price | \$10,000,000 |
| State | SC | Sale Status | Closed |
| Zip | 29405 | Sale Conditions | Demolition |
| County | Charleston | Rights Conveyed | Fee Simple |
| Buyer | AREP Fides Charleston QOZ LLC | Verification | CoStar, Public Record, Local News Source |
| Seller | Cooper River Corp Llc | | |

Site

| | | | |
|-------------------|-----------|-------------------|-------|
| Land Acres | 3.32 | Topography | Level |
| Land Sq Ft | 144,619 | Zoning | MF |
| Shape | Irregular | Corner | No |

Improvements and Ratios

| | | | |
|-----------------------|-----|-------------------------------|----------|
| Proposed Units | 331 | Price \$/Proposed Unit | \$30,211 |
| | | Price \$/SF | \$69.15 |

Remarks

The site was purchased for the development of The Darby, a 331-unit market rate multifamily development. The site was entitled and approved at the time of sale. The site was improved with a total of approximately 14,700 square feet of vacant structures. Novogradac has estimated demolition costs at \$5.00 per square foot. Upon completion, the development will feature 6,000 square feet of ground floor co-office space.

Land Sale: Bellerose At Bees Ferry



Transaction

| | | | |
|----------------|-----------------------------|------------------------|-----------------------------------|
| Address | 1491 Bees Ferry Rd | Sale Date | 2022-07-21 |
| City | Charleston | Sale Price | \$4,603,700 |
| State | SC | Sale Status | Closed |
| Zip | 29414 | Sale Conditions | Typical |
| County | Charleston | Rights Conveyed | Fee Simple |
| Buyer | Rangewater Development, LLC | Verification | Costar, Public Record, RangeWater |
| Seller | Bees Ferry Properties, LLC | | |

Site

| | | | |
|-------------------|-------------|-------------------|------------|
| Land Acres | 17.3 | Topography | Level |
| Land Sq Ft | 753,588 | Zoning | Commercial |
| Shape | Rectangular | Corner | Yes |

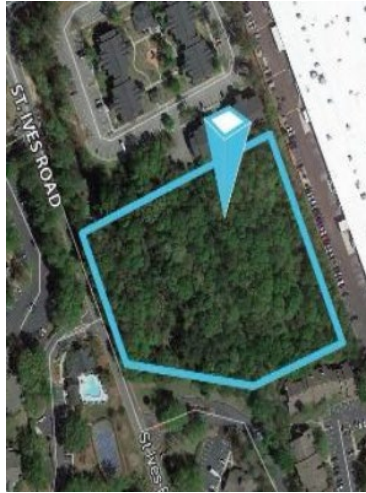
Improvements and Ratios

| | | | |
|-----------------------|-----|-------------------------------|----------|
| Proposed Units | 155 | Price \$/Proposed Unit | \$29,701 |
| | | Price \$/SF | \$6.11 |

Remarks

This site was purchased for the development of Bellerose at Bees Ferry, a 155-unit market rate rental townhome development. Construction was completed in 2024.

Land Sale: Havenwood St. Ives



Transaction

| | | | |
|----------------|----------------------------|------------------------|--|
| Address | 0 St. Ives Rd | Sale Date | 2022-05-18 |
| City | North Charleston | Sale Price | \$850,000 |
| State | SC | Sale Status | Closed |
| Zip | 29406 | Sale Conditions | Typical |
| County | Charleston | Rights Conveyed | Fee Simple |
| Buyer | JES Holdings LLC | Verification | Costar, Public Record, Broker (Andrew Batkin), Appraiser Work Files, Post & Courier |
| Seller | DialAmerica Marketing Inc. | | |

Site

| | | | |
|-------------------|-----------|-------------------|------------|
| Land Acres | 4.5 | Topography | Level |
| Land Sq Ft | 196,020 | Zoning | Commercial |
| Shape | Irregular | Corner | No |

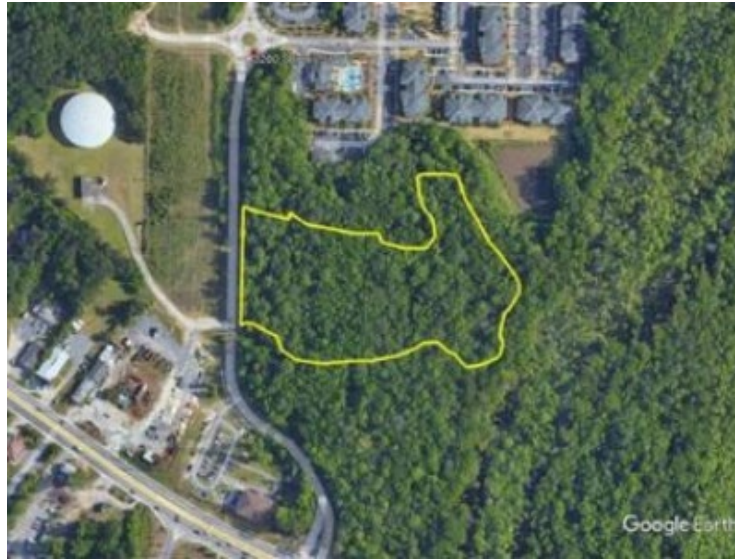
Improvements and Ratios

| | | | |
|-----------------------|----|-------------------------------|----------|
| Proposed Units | 72 | Price \$/Proposed Unit | \$11,806 |
| | | Price \$/SF | \$4.34 |

Remarks

This site was purchased for the development of Havenwood St. Ives, a 72-unit LIHTC development. Further details regarding the expected completion date were unavailable.

Land Sale: Blue House Commons



Transaction

| | | | |
|----------------|--------------------------------|------------------------|------------------------|
| Address | 3200 Shipley Street | Sale Date | 2022-03-31 |
| City | Ladson | Sale Price | \$1,229,000 |
| State | SC | Sale Status | Closed |
| Zip | 29456 | Sale Conditions | Typical |
| County | Charleston | Rights Conveyed | Fee Simple |
| Buyer | Bradley Bluehouse Commons, LLC | Verification | CoStar, Public Records |
| Seller | Wando Properties, LLC | | |

Site

| | | | |
|-------------------|-----------|-------------------|-------|
| Land Acres | 6.44 | Topography | Level |
| Land Sq Ft | 280,526 | Zoning | GC |
| Shape | Irregular | Corner | No |

Improvements and Ratios

| | | | |
|-----------------------|-----|-------------------------------|----------|
| Proposed Units | 120 | Price \$/Proposed Unit | \$10,242 |
| | | Price \$/SF | \$4.38 |

Remarks

The site is proposed for a 120-unit multifamily development. Additional details were not available.

Land Sale: Stono Oaks



Transaction

| | | | |
|----------------|---------------------------|------------------------|---|
| Address | 555 Linger Longer Dr | Sale Date | 2022-03-08 |
| City | Charleston | Sale Price | \$4,794,500 |
| State | SC | Sale Status | Closed |
| Zip | 29455 | Sale Conditions | Typical |
| County | Charleston | Rights Conveyed | Fee Simple |
| Buyer | Stono Oaks Apartments LLC | Verification | Developer (The Beach Co.), Local news sources, Public records |
| Seller | Beach Fenwick LLC | | |

Site

| | | | |
|-------------------|-----------|-------------------|-------|
| Land Acres | 19.24 | Topography | Level |
| Land Sq Ft | 838,094 | Zoning | GB |
| Shape | Irregular | Corner | Yes |

Improvements and Ratios

| | | | |
|-----------------------|-----|-------------------------------|----------|
| Proposed Units | 240 | Price \$/Proposed Unit | \$19,977 |
| | | Price \$/SF | \$5.72 |

Remarks

The site was purchased for the development of Stono Oaks, a 240-unit market rate multifamily property that broke ground in mid-2022 and was completed in late 2023.

Explanation of Adjustments

The adjustment grid follows at the end of this section. As illustrated, adjustments have been made based on price differences created by the following factors:

- Property Rights
- Financing Terms
- Conditions of Sale
- Market Conditions
- Location
- Zoning/Use
- Topography
- Site Characteristics
- Size

Property Rights

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

Financing

The sales were cash transactions; therefore, no adjustment is necessary.

Conditions of Sale

All of the comparable sales sold on a cash basis to the seller basis, at market interest rates, or seller financing at market rates and are therefore considered to be cash equivalent. No adjustment for financing terms is necessary. Sale 1 was improved with 14,700 square feet of vacant structures at the time of the sale. The demolition cost has been estimated utilizing Marshall & Swift (Section 66) at \$5.00 per square foot. This equates to a demolition cost of approximately \$73,500, applied as an upward adjustment to Sale 1.

Market Conditions

Real estate values change over time. The rate of this change fluctuates due to investors' 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 comparables, when values have appreciated or depreciated. The following table details capitalization rate trends from first quarter of 2022 through the most recent quarter as published by *The PwC Real Estate Investor Survey*. We will rely on these indices for our analysis of overall market conditions.

| PwC Real Estate Investor Survey - National Apartment Market Overall Capitalization Rate | | |
|--|----------|--------|
| Quarter | Cap Rate | Change |
| 1Q22 | 4.40 | - |
| 2Q22 | 4.45 | 0.05 |
| 3Q22 | 4.75 | 0.30 |
| 4Q22 | 4.89 | 0.14 |
| 1Q23 | 5.01 | 0.12 |
| 2Q23 | 5.25 | 0.24 |
| 3Q23 | 5.28 | 0.03 |
| 4Q23 | 5.59 | 0.31 |
| 1Q24 | 5.42 | -0.17 |
| 2Q24 | 5.44 | 0.02 |

Source: PwC Real Estate Investor Survey, Q2 2024

As noted in the previous table, capitalization rates have increased (104 basis points) on a total net basis since the first quarter of 2022. Capitalization rates have increased largely as a result of rising interest rates and increasing market volatility within certain sectors. Sales 3, 4, and 5 occurred when rates were at a low and

were adjusted downwards by 10 percent. Sales 1 and 2 occurred when rates were lower than they are currently, but at a time when the increase in rates began. Therefore, we have applied a negative adjustment of five percent to Sales 1 and 2.

Location

Location encompasses a number of issues, including location within different market areas with different supply/demand pressures, the character/condition of surrounding development, access, and visibility. It is important to assess which factors truly impact value for different types of real estate. We have addressed this issue (as well as the remaining elements of comparison) on a comparable-by-comparable basis. The following table illustrates the median income, median rent, and median home values, arranged by zip code for each of the land sales. This information is compared to the Subject's location, and will be used to determine an appropriate adjustment for the Subject 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 | Appian Way Apartments | 29420 | \$37,494 | \$1,807 | \$274,190 | - | - | - | - |
| 1 | The Darby | 29405 | \$48,997 | \$1,429 | \$246,655 | 31% | -21% | -10% | 0% |
| 2 | Bellerose at Bees Ferry | 29414 | \$81,905 | \$1,967 | \$323,656 | 118% | 9% | 18% | 48% |
| 3 | Havenwood St. Ives | 29406 | \$41,253 | \$1,499 | \$179,832 | 10% | -17% | -34% | -14% |
| 4 | Blue House Commons | 29456 | \$72,553 | \$1,810 | \$236,524 | 94% | 0% | -14% | 27% |
| 5 | Stono Oaks | 29455 | \$100,241 | \$1,809 | \$482,482 | 167% | 0% | 76% | 81% |

Four sales are located in areas with higher median income, while the remaining sale is located in an area with generally similar median income. One sale is located in an area with higher median rent, two sales are located in areas with lower median rents, and the remaining sales are located in areas with similar median rent. Two sales are located in areas with higher median home values compared to the Subject, while the remaining sales are located in areas with lower median home value.

Sales 1, 2, and 5 are located in Charleston, which is considered to be a superior location compared to the Subject and the remaining sales, as this location has a higher population and offers increased availability and accessibility to neighborhood uses and employment centers. As such, we have applied downward adjustments of 20 percent to the sales located in Charleston.

Sale 3 is located in North Charleston, while Sale 4 is located in Ladson. On balance, we believe these to be generally similar locations compared to the Subject, and these two sales were not adjusted.

Zoning/Use

All of the comparable sites allow for multifamily development, similar to the Subject. Sale 1 sold fully entitled and received a downward adjustment of 10 percent.

Topography

The land sales vary in topography, but are generally level and appear to be functional, similar to the Subject. Thus, no adjustments were warranted.

Site Characteristics

The Subject is L-shaped and functional, similar to the comparables; therefore, no adjustment is necessary.

Size

With respect to size, the general convention is that larger properties tend to sell for less on a per unit basis than smaller properties. Conversely, smaller properties typically sell for more per unit than larger properties. The pool of potential purchasers decreases as property size (and purchase price) increases, effectively reducing competition. The pricing relationship is not linear and certain property sizes, while different, may not receive differing prices based on the grouping within levels. Typically, smaller sites exhibit higher price per

unit. As previously indicated in the *Highest and Best Use* section of this report, the Subject could support 204 total units. Sale 1 is larger and was adjusted upwards by 10 percent. Sales 3 and 4 are smaller than the Subject and were adjusted downwards by five percent. Sales 2 and 5 are similar in size and did not receive any adjustments.

Land Value Estimate

The land sales grid is presented following:

| LAND SALES DATA ADJUSTMENT GRID | | | | | | |
|---------------------------------|------------------------|--------------------------|-------------------------|--------------------|---------------------|----------------------|
| | Subject | 1 | 2 | 3 | 4 | 5 |
| Property Name | Appian Way Apartments | The Darby | Bellerose At Bees Ferry | Havenwood St. Ives | Blue House Commons | Stono Oaks |
| Address | 8465 Patriot Boulevard | 1567 Meeting Street Road | 1491 Bees Ferry Rd | 0 St. Ives Rd | 3200 Shipley Street | 555 Linger Longer Dr |
| City | North Charleston | Charleston | Charleston | North Charleston | Ladson | Charleston |
| Parcel Data | | | | | | |
| Zoning | R-2 | MF | Commercial | Commercial | GC | GB |
| Topography | Level | Level | Level | Level | Level | Level |
| Shape | Rectangular | Irregular | Rectangular | Irregular | Irregular | Irregular |
| Size (SF) | 551,470 | 144,619 | 753,588 | 196,020 | 280,526 | 838,094 |
| Size (Acres) | 12.66 | 3.32 | 17.30 | 4.50 | 6.44 | 19.24 |
| Units | 204 | 331 | 155 | 72 | 120 | 240 |
| Units Per Acre | 16.11 | 99.70 | 8.96 | 16.00 | 18.63 | 12.47 |
| Sales Data | | | | | | |
| Date | | 2023-01-09 | 2022-07-21 | 2022-05-18 | 2022-03-31 | 2022-03-08 |
| Interest | | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple |
| Price | | \$10,000,000 | \$4,603,700 | \$850,000 | \$1,229,000 | \$4,794,500 |
| Price (Per Unit) | | \$30,211 | \$29,701 | \$11,806 | \$10,242 | \$19,977 |
| Adjustments | | | | | | |
| Property Rights | | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple |
| Adjustment | | \$0 | \$0 | \$0 | \$0 | \$0 |
| | | \$10,000,000 | \$4,603,700 | \$850,000 | \$1,229,000 | \$4,794,500 |
| Financing Terms | | Demolition | Typical | Typical | Typical | Typical |
| Adjustment | | \$0 | \$0 | \$0 | \$0 | \$0 |
| | | \$10,000,000 | \$4,603,700 | \$850,000 | \$1,229,000 | \$4,794,500 |
| Conditions of Sale | | Demolition | Typical | Typical | Typical | Typical |
| Adjustment | | \$0 | \$0 | \$0 | \$0 | \$0 |
| | | \$10,000,000 | \$4,603,700 | \$850,000 | \$1,229,000 | \$4,794,500 |
| Expenditures After Purchase | | Demolition | None | None | None | None |
| Adjustment | | \$73,500 | \$0 | \$0 | \$0 | \$0 |
| | | \$10,073,500 | \$4,603,700 | \$850,000 | \$1,229,000 | \$4,794,500 |
| Market Conditions | | 0.95 | 0.95 | 0.90 | 0.90 | 0.90 |
| Adjusted Sales Price | | \$9,569,825 | \$4,373,515 | \$765,000 | \$1,106,100 | \$4,315,050 |
| Adjusted Price (Per Unit) | | \$28,912 | \$28,216 | \$10,625 | \$9,218 | \$17,979 |
| Adjustments | | | | | | |
| Location | | -20.0% | -20.0% | 0.0% | 0.0% | -20.0% |
| Zoning/Use | | -10.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Topography | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Shape | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Size | | 10.0% | 0.0% | -5.0% | -5.0% | 0.0% |
| Overall Adjustment | | -20.0% | -20.0% | -5.0% | -5.0% | -20.0% |
| Adjusted Price (Per Unit) | | \$23,129 | \$22,573 | \$10,094 | \$8,757 | \$14,384 |
| Adjusted Price (Per Acre) | | \$2,305,933 | \$202,244 | \$161,504 | \$163,174 | \$179,426 |

The sales indicate a range of adjusted price per unit from \$8,757 to \$23,129, with a mean of \$15,787. We have considered all five sales in our final analysis. However, we have placed weight on Sale 3, which received nominal net adjustment and is located in North Charleston, similar to the Subject. As such, we believe a sales price of \$14,000 per unit is reasonable. This correlates with an indication of land value as follows: 204 units at \$14,000 per unit, equates to \$2,856,000 (unrounded).

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 \$225,592 per (buildable multifamily) acre, which is within the adjusted range of \$161,504 to \$2,305,933 per acre. Overall, we believe the sales provide a strong comparison for the Subject and are supportive of the concluded value.

Use Restrictions and LURA Discount

A land use restriction agreement (LURA) is currently in place that restricts the use of the Subject to affordable housing. None of the comparables had use restrictions in place at the time of sale. In order to account for the magnitude of the adjustment for the LURA we have taken our estimate of the Subject's restricted effective gross income (EGI) and compared it to our estimate of the Subject's hypothetical unrestricted EGI, which is detailed in the following table.

| DIRECT CAPITALIZATION ANALYSIS | | | | | |
|--|------------------------|-------------------------------|-----------------------------|-------------------------------|----------------------|
| Operating Revenues | | | | | |
| Restricted - As Is With Tax Exemption | | | Unrestricted - As Is | | |
| <u>Apartment Rentals</u> | <u>Market Unit Mix</u> | <u>Average Rent (Monthly)</u> | <u>Total Revenue</u> | <u>Average Rent (Monthly)</u> | <u>Total Revenue</u> |
| Potential Rental Income | 204 | \$1,408 | \$3,446,640 | \$1,626 | \$3,981,600 |
| <u>Other Income</u> | | | | | |
| Miscellaneous | | \$300 | \$61,200 | \$300 | \$61,200 |
| Total Potential Revenue | | \$17,195 | \$3,507,840 | \$19,818 | \$4,042,800 |
| <u>Vacancy Loss</u> | | \$(516) | (\$105,235) | \$(991) | (\$202,140) |
| Vacancy Percentage | | | 3.0% | | 5.00% |
| Effective Gross Income | | \$16,679 | \$3,402,605 | \$18,827 | \$3,840,660 |

The Subject's hypothetical unrestricted EGI is \$3,840,660; while the Subject's restricted EGI is \$3,402,605, which is 11.4 percent lower than the unrestricted EGI. Given that none of the comparable land sales were restricted by a LURA at the time of sale, our indication of land value has received a downward adjustment of 10 percent to account for the difference between the restricted EGI and hypothetical unrestricted EGI.

LAND VALUE ESTIMATE

| | Units | Price/Unit | Indicated Value (Unrounded) | Discount of LURA | Indicated Value (Rounded) |
|---------|--------------|-------------------|--|-----------------------------|--------------------------------------|
| Subject | 204 | \$14,000 | \$2,856,000 | (\$285,600) | \$2,600,000 |

Conclusion of As If Vacant Value

As a result of our investigation and analysis, it our opinion that, subject to the limiting conditions and assumptions contained herein, **the estimated value of the underlying land, as if vacant**, of the fee simple interest, as of June 24, 2024, is:

**TWO MILLION SIX HUNDRED THOUSAND DOLLARS
(\$2,600,000)**

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

IX. INCOME CAPITALIZATION APPROACH

INCOME CAPITALIZATION APPROACH

Introduction

We were asked to provide the following value estimates:

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

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

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

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

INCOME ANALYSIS

Potential Gross Income

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

The potential gross income of the Subject is the total annual income capable of being generated by all sources, including rental revenue and other income sources. The Subject's potential rental income assuming the achievable restricted rents and market rents is based upon the achievable rents as derived in the Supply Section of this report and are calculated as follows. It should be noted that given the limited scope of Subject’s proposed renovations, we believe that the post-renovation achievable rents to be equal to the achievable rents as is.

POTENTIAL GROSS INCOME (RESTRICTED)

| Unit Type | Program | # Units | Square Feet | Achievable Rent | Monthly Gross Rent | Annual Gross Rent |
|--------------|---------|------------|-------------|-----------------|--------------------|--------------------|
| 1BR/1BA | @60% | 24 | 741 | \$1,109 | \$26,616 | \$319,392 |
| 2BR/2BA | @60% | 84 | 926 | \$1,339 | \$112,476 | \$1,349,712 |
| 3BR/2BA | @60% | 96 | 1,097 | \$1,543 | \$148,128 | \$1,777,536 |
| Total | | 204 | | | \$287,220 | \$3,446,640 |

POTENTIAL GROSS INCOME (UNRESTRICTED)

| Unit Type | Program | # Units | Square Feet | Achievable Rent | Monthly Gross Rent | Annual Gross Rent |
|--------------|---------|------------|-------------|-----------------|--------------------|--------------------|
| 1BR/1BA | Market | 24 | 741 | \$1,400 | \$33,600 | \$403,200 |
| 2BR/2BA | Market | 84 | 926 | \$1,550 | \$130,200 | \$1,562,400 |
| 3BR/2BA | Market | 96 | 1,097 | \$1,750 | \$168,000 | \$2,016,000 |
| Total | | 204 | | | \$331,800 | \$3,981,600 |

Other Income

Miscellaneous income includes fees for late rent fees, damages and cleaning fees, parking income, and other miscellaneous fees. The comparables indicate other income ranging from \$0 to \$2,160 per unit, with an

average of \$763. The Subject's historical data indicated other income of \$234 to \$400 per unit. We concluded to other income of \$350 per unit. Our conclusion is within the comparable expense range and within the Subject historicals.

Vacancy and Collection Loss

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

EXPLANATION OF EXPENSES

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

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

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

| COMPARABLE EXPENSES | | | | | |
|------------------------|------------------|-------------|------------------|------------------|--------|
| | Subject | Comp 1 | Comp 2 | Comp 3 | Comp 4 |
| City | North Charleston | Summerville | North Charleston | North Charleston | Ladson |
| Year Built / Renovated | 2007 | 1976 / 2021 | 2006 | 1985 | 2005 |
| Structure | Garden | Garden | Garden | Garden | Garden |
| Tenancy | Family | Family | Family | Family | Family |
| Rent Restrictions | LIHTC | LIHTC | Market | Market | LIHTC |

The comparable data was compared to the Subject's 2021, 2022, and 2023 financial statements. In addition, we were provided with a budgeted figure. We also provide operating expense benchmarks for the southeast region and for properties that are similar to the Subject's unit count (200-500).

APPIAN WAY APARTMENTS – NORTH CHARLESTON, SOUTH CAROLINA – APPRAISAL

| - Scenario Property Program Tenancy Statement Type Year City, State Year Built / Renovated Number of Units INCOME CATEGORY | NOVOCO Restricted - As Is With Tax Exemption Appian Way Apartments LIHTC Family Pro Forma - North Charleston, SC 2007 204 | | NOVOCO Unrestricted - As Is Appian Way Apartments LIHTC Family Pro Forma - North Charleston, SC 2007 204 | | SUBJECT Audited Appian Way Apartments LIHTC Family Audited 2023 North Charleston, SC 2007 204 | | SUBJECT Audited Appian Way Apartments LIHTC Family Audited 2022 North Charleston, SC 2007 204 | | SUBJECT Audited Appian Way Apartments LIHTC Family Audited 2021 North Charleston, SC 2007 204 | |
|--|--|-----------------|---|-----------------|--|-----------------|--|-----------------|--|-----------------|
| | Total | Per Unit | Total | Per Unit | Total | Per Unit | Total | Per Unit | Total | Per Unit |
| Rental Income | \$3,446,640 | \$16,895 | \$3,981,600 | \$19,518 | \$2,831,471 | \$13,880 | \$2,488,351 | \$12,198 | \$2,383,917 | \$11,686 |
| Other Income | \$61,200 | \$300 | \$61,200 | \$300 | \$81,629 | \$400 | \$47,740 | \$234 | \$65,060 | \$319 |
| Vacancy Loss | \$(105,235) | \$(516) | \$(202,140) | \$(991) | \$(26,503) | \$(130) | \$(4,120) | \$(20) | \$(21,874) | \$(107) |
| | | 3.00% | | 5.00% | | 0.91% | | 0.16% | | 0.89% |
| SUBTOTAL | \$3,402,605 | \$16,679 | \$3,840,660 | \$18,827 | \$2,886,597 | \$14,150 | \$2,531,971 | \$12,412 | \$2,427,103 | \$11,898 |
| EXPENSE CATEGORY | | | | | | | | | | |
| ADMINISTRATION | | | | | | | | | | |
| SUBTOTAL | \$122,400 | \$600 | \$112,200 | \$550 | \$118,429 | \$581 | \$106,292 | \$521 | \$90,146 | \$442 |
| OPERATING/MAINTENANCE | | | | | | | | | | |
| SUBTOTAL | \$306,000 | \$1,500 | \$306,000 | \$1,500 | \$302,670 | \$1,484 | \$357,586 | \$1,753 | \$290,478 | \$1,424 |
| UTILITIES | | | | | | | | | | |
| SUBTOTAL | \$255,000 | \$1,250 | \$255,000 | \$1,250 | \$258,894 | \$1,269 | \$235,678 | \$1,155 | \$189,066 | \$927 |
| PAYROLL | | | | | | | | | | |
| SUBTOTAL | \$283,200 | \$1,388 | \$283,200 | \$1,388 | \$257,196 | \$1,261 | \$285,185 | \$1,398 | \$260,196 | \$1,275 |
| TAXES/INSURANCE | | | | | | | | | | |
| Real Estate Taxes | - | - | \$356,510 | \$1,748 | \$267,371 | \$1,311 | \$269,073 | \$1,319 | \$265,669 | \$1,302 |
| Direct Assessments/Other | \$20,703 | \$101 | \$20,703 | \$101 | - | - | - | - | - | - |
| Insurance | \$163,200 | \$800 | \$163,200 | \$800 | \$328,411 | \$1,610 | \$167,965 | \$823 | \$123,348 | \$605 |
| SUBTOTAL | \$183,903 | \$901 | \$540,413 | \$2,649 | \$595,782 | \$2,921 | \$437,038 | \$2,142 | \$389,017 | \$1,907 |
| MANAGEMENT FEE | \$119,091 | \$584 | \$115,220 | \$565 | \$111,146 | \$545 | \$106,039 | \$520 | \$97,482 | \$478 |
| | | 3.50% | | 3.00% | | 3.85% | | 4.19% | | 4.02% |
| REPLACEMENT RESERVES | \$61,200 | \$300 | \$61,200 | \$300 | \$61,200 | \$300 | \$61,200 | \$300 | \$61,200 | \$300 |
| Total All Expenses | \$1,330,794 | \$6,523 | \$1,673,233 | \$8,202 | \$1,705,317 | \$8,359 | \$1,589,018 | \$7,789 | \$1,377,585 | \$6,753 |
| Total Expenses less TUR | \$993,891 | \$4,872 | \$979,820 | \$4,803 | \$1,117,852 | \$5,480 | \$1,023,067 | \$5,015 | \$861,650 | \$4,224 |

APPIAN WAY APARTMENTS – NORTH CHARLESTON, SOUTH CAROLINA – APPRAISAL

| - | COMPARABLE | | COMPARABLE | | COMPARABLE | | COMPARABLE | |
|--------------------------------|--------------------|-----------------|----------------------|-----------------|----------------------|-----------------|--------------------|-----------------|
| Scenario | Actuals | | Audited | | Audited | | Actuals | |
| Property | Confidential | | Confidential | | Confidential | | Confidential | |
| Program | LIHTC | | Market | | Market | | LIHTC | |
| Tenancy | Family | | Family | | Family | | Family | |
| Statement Type | Actuals | | Audited | | Audited | | Actuals | |
| Year | 2023 | | 2023 | | 2023 | | 2022 | |
| City, State | Summerville, SC | | North Charleston, SC | | North Charleston, SC | | Ladson, SC | |
| Year Built / Renovated | 1976 / 2021 | | 2006 | | 1985 | | 2005 | |
| Number of Units | 120 | | 232 | | 144 | | 192 | |
| INCOME CATEGORY | Total | Per Unit | Total | Per Unit | Total | Per Unit | Total | Per Unit |
| Rental Income | \$2,085,387 | \$17,378 | \$4,347,778 | \$18,740 | \$2,370,507 | \$16,462 | \$2,451,997 | \$12,771 |
| Other Income | \$13,835 | \$115 | \$501,126 | \$2,160 | \$183,447 | \$1,274 | \$51,472 | \$268 |
| Vacancy Loss | \$(152,897) | \$(1,274) | \$(360,156) | \$(1,552) | \$(139,315) | \$(967) | \$(84,548) | \$(440) |
| | | 7.28% | | 7.43% | | 5.45% | | 3.38% |
| SUBTOTAL | \$1,946,325 | \$16,219 | \$4,488,748 | \$19,348 | \$2,414,639 | \$16,768 | \$2,418,921 | \$12,599 |
| EXPENSE CATEGORY | | | | | | | | |
| ADMINISTRATION | | | | | | | | |
| SUBTOTAL | \$33,960 | \$283 | \$144,042 | \$621 | \$154,638 | \$1,074 | \$35,157 | \$183 |
| OPERATING/MAINTENANCE | | | | | | | | |
| SUBTOTAL | \$85,188 | \$710 | \$111,073 | \$479 | \$177,496 | \$1,233 | \$197,341 | \$1,028 |
| UTILITIES | | | | | | | | |
| SUBTOTAL | \$71,466 | \$596 | \$269,479 | \$1,162 | \$90,034 | \$625 | \$138,421 | \$721 |
| PAYROLL | | | | | | | | |
| SUBTOTAL | \$201,200 | \$1,677 | \$481,305 | \$2,075 | \$351,602 | \$2,442 | \$258,765 | \$1,348 |
| TAXES/INSURANCE | | | | | | | | |
| Real Estate Taxes | \$17,749 | \$148 | \$630,009 | \$2,716 | \$155,888 | \$1,083 | \$288,778 | \$1,504 |
| Direct Assessments/Other | - | - | - | - | - | - | - | - |
| Insurance | \$80,643 | \$672 | \$238,177 | \$1,027 | \$217,210 | \$1,508 | \$73,205 | \$381 |
| SUBTOTAL | \$98,392 | \$820 | \$868,186 | \$3,742 | \$373,098 | \$2,591 | \$361,983 | \$1,885 |
| MANAGEMENT FEE | \$59,053 | \$492 | \$134,662 | \$580 | \$144,878 | \$1,006 | \$120,627 | \$628 |
| | | 3.03% | | 3.00% | | 6.00% | | 4.99% |
| REPLACEMENT RESERVES | \$36,000 | \$300 | \$69,600 | \$300 | \$43,200 | \$300 | \$57,600 | \$300 |
| Total All Expenses | \$585,259 | \$4,877 | \$2,078,347 | \$8,958 | \$1,334,946 | \$9,270 | \$1,169,894 | \$6,093 |
| Total Expenses less TUR | \$460,044 | \$3,834 | \$1,109,259 | \$4,781 | \$1,045,824 | \$7,263 | \$685,095 | \$3,568 |

General Administrative and Marketing

This category includes all professional fees for items such as legal, accounting, marketing, and office.

| Administration | | | | | | | | | | | | |
|----------------|---------|---------|---------|---------|---------|---------|---------|---------------------|---------|---------|--------------------|------------|
| Subject | | | | Comp 1 | Comp 2 | Comp 3 | Comp 4 | Range (Comparables) | | | Range (Benchmarks) | |
| Type | Audited | Audited | Audited | Actuals | Audited | Audited | Actuals | Min | Max | Average | Region | Unit Count |
| Year | 2023 | 2022 | 2021 | 2023 | 2023 | 2023 | 2022 | | | | | |
| Expense | \$581 | \$521 | \$442 | \$283 | \$621 | \$1,074 | \$183 | \$183 | \$1,074 | \$540 | \$517 | \$588 |

The comparables indicate administrative and marketing expenses ranging from \$183 to \$1,074 per unit, with an average of \$540. We concluded to an administration expense of \$600 per unit in the restricted scenario and \$550 under the unrestricted scenario. Our conclusions are within the comparable expense range, as well as the Subject historicals.

Operating, Repairs & Maintenance

Included in this expense are normal costs of operating a multifamily property including painting/decorating, trash removal, ground expenses, and security costs, as well as normal items of repair and maintenance of public areas, cleaning contracts, and pest control.

| Operating, Repairs & Maintenance | | | | | | | | | | | | |
|----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------------------|---------|---------|--------------------|------------|
| Subject | | | | Comp 1 | Comp 2 | Comp 3 | Comp 4 | Range (Comparables) | | | Range (Benchmarks) | |
| Type | Audited | Audited | Audited | Actuals | Audited | Audited | Actuals | Min | Max | Average | Region | Unit Count |
| Year | 2023 | 2022 | 2021 | 2023 | 2023 | 2023 | 2022 | | | | | |
| Expense | \$1,484 | \$1,753 | \$1,424 | \$710 | \$479 | \$1,233 | \$1,028 | \$479 | \$1,233 | \$862 | \$941 | \$1,154 |

The comparables indicate operating, repairs and maintenance expense ranging from \$479 to \$1,233 per unit, with an average of \$862. We concluded to an operating, repairs, and maintenance expense of \$1,500 per unit in both scenarios. Our conclusion is above the comparable expense range and within the Subject historicals.

Utilities

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

| Utility | | | | | | | | | | | | |
|---------|---------|---------|---------|---------|---------|---------|---------|---------------------|---------|---------|--------------------|------------|
| Subject | | | | Comp 1 | Comp 2 | Comp 3 | Comp 4 | Range (Comparables) | | | Range (Benchmarks) | |
| Type | Audited | Audited | Audited | Actuals | Audited | Audited | Actuals | Min | Max | Average | Region | Unit Count |
| Year | 2023 | 2022 | 2021 | 2023 | 2023 | 2023 | 2022 | | | | | |
| Expense | \$1,269 | \$1,155 | \$927 | \$596 | \$1,162 | \$625 | \$721 | \$596 | \$1,162 | \$776 | \$602 | \$828 |

Due to the fact that properties often vary in terms of utility responsibilities, comparisons are difficult. Therefore, we placed greater weight on the historical expenses. The comparables indicate total utility expenses ranging from \$596 to \$1,162 per unit. We concluded to a utility expenses of \$1,250 per unit as is.

Payroll and Leasing Expenses

Payroll expenses are directly connected to the administration of the complex, including office, maintenance and management salaries. In addition, employee benefits and employment related taxes are included in the category.

| Payroll | | | | | | | | | | | | |
|---------|---------|---------|---------|---------|---------|---------|---------|---------------------|---------|---------|--------------------|------------|
| Subject | | | | Comp 1 | Comp 2 | Comp 3 | Comp 4 | | | | | |
| Type | Audited | Audited | Audited | Actuals | Audited | Audited | Actuals | Range (Comparables) | | | Range (Benchmarks) | |
| Year | 2023 | 2022 | 2021 | 2023 | 2023 | 2023 | 2022 | Min | Max | Average | Region | Unit Count |
| Expense | \$1,261 | \$1,398 | \$1,275 | \$1,677 | \$2,075 | \$2,442 | \$1,348 | \$1,348 | \$2,442 | \$1,885 | \$1,284 | \$1,333 |

Overall, we typically find that properties the size of the Subject operate with a staff of one full time manager, one full time assistant manager, and two full time maintenance supervisors. Benefits for the Subject's employees are estimated at \$5,000 per full-time employee. Payroll taxes are calculated as 12 percent of the salary cost. The comparables indicate total payroll expenses ranging from \$1,348 to \$2,442 per unit, with an average of \$1,885. We concluded to a payroll expense of \$1,388 per unit in both scenarios. Our conclusion is within the comparable expense range, as well as the Subject historicals.

| PAYROLL ESTIMATE | | | |
|------------------------|----------|---------------|------------------|
| Type | Quantity | Annual Salary | Full Cost |
| Manager | 1 | \$65,000 | \$65,000 |
| Assistant Manager | 1 | \$50,000 | \$50,000 |
| Maintenance Supervisor | 2 | \$60,000 | \$120,000 |
| Subtotal | | | \$235,000 |
| Payroll taxes at 12.0% | | | \$28,200 |
| Benefits | | | \$20,000 |
| Total Payroll | | | \$283,200 |
| Total Per Unit | | | \$1,388 |

Taxes

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

Insurance

| Insurance | | | | | | | | | | | | |
|-----------|---------|---------|---------|---------|---------|---------|---------|---------------------|---------|---------|--------------------|------------|
| Subject | | | | Comp 1 | Comp 2 | Comp 3 | Comp 4 | | | | | |
| Type | Audited | Audited | Audited | Actuals | Audited | Audited | Actuals | Range (Comparables) | | | Range (Benchmarks) | |
| Year | 2023 | 2022 | 2021 | 2023 | 2023 | 2023 | 2022 | Min | Max | Average | Region | Unit Count |
| Expense | \$1,610 | \$823 | \$605 | \$672 | \$1,027 | \$1,508 | \$381 | \$381 | \$1,508 | \$897 | \$440 | \$327 |

The comparables indicate an insurance cost ranging from \$381 to \$1,508 per unit, with an average of \$897. We concluded to an insurance cost of \$800 per unit. Our conclusion is within the comparable expense range, as well as the Subject historicals.

Management Fees

| Management | | | | | | | | | | | | |
|------------|---------|---------|---------|---------|---------|---------|---------|---------------------|---------|---------|--------------------|------------|
| Subject | | | | Comp 1 | Comp 2 | Comp 3 | Comp 4 | | | | | |
| Type | Audited | Audited | Audited | Actuals | Audited | Audited | Actuals | Range (Comparables) | | | Range (Benchmarks) | |
| Year | 2023 | 2022 | 2021 | 2023 | 2023 | 2023 | 2022 | Min | Max | Average | Region | Unit Count |
| Expense | \$545 | \$520 | \$478 | \$492 | \$580 | \$1,006 | \$628 | \$492 | \$1,006 | \$677 | \$510 | \$512 |

Historically, the Subject's management fee has ranged from \$478 to \$545 per unit, which equates to approximately 3.9 to 4.2 percent of EGI. The comparables illustrate a range of 3.0 to 6.0 percent of EGI. We concluded to a management fee expense of 3.5 percent under the restricted scenario and 3.0 percent assuming unrestricted operations. Our conclusions are within the comparable expense range.

Replacement Reserves

The reserve for replacement allowance is often considered a hidden expense of ownership not normally seen on an expense statement. Reserves must be set aside for future replacement of items such as the roof, HVAC systems, parking area, appliances, and other capital items. It is difficult to ascertain market information for

replacement reserves, as it is not a common practice in the marketplace for properties of the Subject's size and investment status. Underwriting requirements for replacement reserve for existing properties typically ranges from \$250 to \$350 per unit per year. New properties typically charge \$200 to \$250 for reserves. We used an expense of \$300 per unit based on the unit mix, tenancy, and condition of the Subject property.

Summary

Operating expenses were estimated based upon the historical expenses and comparable expenses. In the following table, we compared the total operating expenses per unit proposed by the Subject with the total expenses reported by comparable properties utilized in our operating expense analysis.

| TOTAL EXPENSES PER UNIT | | TOTAL EXPENSES PER UNIT LESS TUR | |
|---------------------------------------|---------|---|---------|
| Subject Expenses | | Subject Expenses | |
| 2023 (Audited) | \$8,359 | 2023 (Audited) | \$5,480 |
| 2022 (Audited) | \$7,789 | 2022 (Audited) | \$5,015 |
| 2021 (Audited) | \$6,753 | 2021 (Audited) | \$4,224 |
| Comparable Properties | | Comparable Properties | |
| Comp 1 | \$4,877 | Comp 1 | \$3,834 |
| Comp 2 | \$8,958 | Comp 2 | \$4,781 |
| Comp 3 | \$9,270 | Comp 3 | \$7,263 |
| Comp 4 | \$6,093 | Comp 4 | \$3,568 |
| Subject Conclusions | | Subject Expenses | |
| Restricted - As Is With Tax Exemption | \$6,523 | Restricted - As Is With Tax Exemption | \$4,872 |
| Unrestricted - As Is | \$8,202 | Unrestricted - As Is | \$4,803 |

After excluding taxes, utilities, and reserves, our expense estimates are within the range of the comparables for both the restricted and unrestricted scenarios.

DIRECT CAPITALIZATION

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

Market Extraction

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

| IMPROVED SALES | | | | | | | | | |
|----------------|-----------------------------|----------------------|-----------|--------------|------------|------------------------|------------------|--------------|--------------|
| # | Property Name | City/State | Sale Date | Sales Price | # Units | Year Built / Renovated | Price / Unit | EGIM | Cap Rate |
| 1 | The Preserve At Essex Farms | Charleston, SC | Mar/2024 | \$59,850,000 | 284 | 2015 | \$210,739 | 12.43 | 5.20% |
| 2 | Arbor Village | Summerville, SC | Dec/2023 | \$48,400,000 | 240 | 2014 | \$201,667 | 12.31 | 5.15% |
| 3 | Nolia | Summerville, SC | Aug/2023 | \$4,550,000 | 32 | 1984 | \$142,188 | 10.29 | 5.50% |
| 4 | Broadstone Ingleside | Ladson, SC | Dec/2022 | \$77,500,000 | 336 | 2021 | \$230,655 | 13.12 | 5.02% |
| 5 | Exchange At Windsor Hill | North Charleston, SC | Dec/2022 | \$62,500,000 | 312 | 2020 | \$200,321 | 16.04 | 3.24% |
| 6 | The Factory At Garco Park | North Charleston, SC | Oct/2022 | \$72,250,000 | 271 | 2017 | \$266,605 | 14.81 | 4.50% |
| Average | | | | | 246 | | \$208,696 | 13.17 | 4.77% |

We have selected comparable sales from the Subject's area. The sales illustrate a range of overall rates from 3.24 to 5.50 percent, with an average of 4.77 percent. All of the sales represent typical market transactions for multifamily market rate properties in the area. We believe the improved sales we have chosen for our analysis represent the typical multifamily market in the Subject's area. Therefore, we have utilized six conventional market rate developments in our sales approach.

The primary factors that influence the selection of an overall rate is the Subject's condition, size, location, and market conditions. The Subject is considered similar to slightly inferior to the sales in terms of condition. The Subject is slightly inferior to slightly superior to all of the sales in terms of location and slightly smaller than the majority of comparables in terms of size. Given the most recent trends and forecasts of national capitalization rates as well as conversations with local brokers, the Subject is considered to offer generally similar to slightly inferior market conditions relative to the majority of the sales, which sold between October 2022 and March 2024. Overall, we have concluded to a capitalization rate of 5.25 percent for the restricted and unrestricted scenarios based on market extraction for the Subject, which is slightly higher than the average of the comparables and appears reasonable.

The PwC Real Estate Investor Survey

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

PwC REAL ESTATE INVESTOR SURVEY

National Apartment Market

Overall Capitalization Rate

Range: 4.00% - 7.50%

Average: 5.44%

Institutional Grade Investments

Range: 5.50% - 7.50%

Average: 6.50%

Non-Institutional Grade Investments

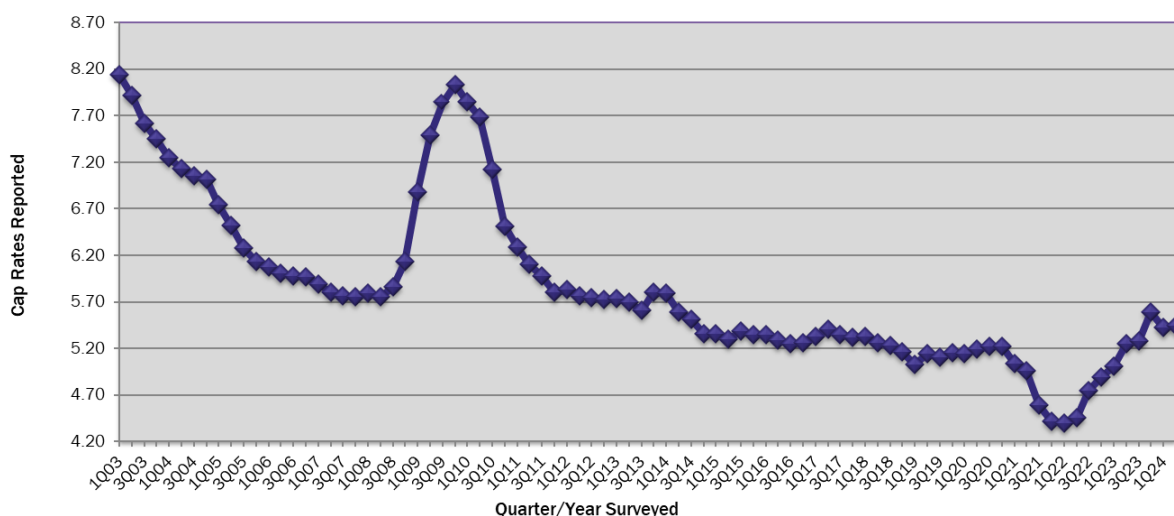
Range: 7.00%-9.00%

Average: 8.00%

Source: PwC Real Estate Investor Survey, Q2 2024

The *PwC Real Estate Investor Survey* defines “Institutional – Grade” real estate as real property investments that are sought out by institutional buyers and have the capacity to meet generally prevalent institutional investment criteria⁴. Typical “Institutional – Grade” apartment properties are newly constructed, well amenitized, market-rate properties in urban or suburban locations. Rarely could subsidized properties, either new construction or acquisition/rehabilitation, be considered institutional grade real estate. Therefore, for our purpose, the Non-Institutional Grade capitalization rate is most relevant; this is currently 150 basis points higher than the Institutional Grade rate on average. However, local market conditions have significant weight when viewing capitalization rates.

PwC National Apartment Market Survey



⁴ PwC Real Estate Investor Survey

| PwC Real Estate Investor Survey - National Apartment Market | | | | | | | | |
|---|----------|--------|---------|----------|--------|---------|----------|--------|
| Overall Capitalization Rate | | | | | | | | |
| Quarter | Cap Rate | Change | Quarter | Cap Rate | Change | Quarter | Cap Rate | Change |
| 1Q03 | 8.14 | - | 2Q10 | 7.68 | -0.17 | 3Q17 | 5.35 | -0.05 |
| 2Q03 | 7.92 | -0.22 | 3Q10 | 7.12 | -0.56 | 4Q17 | 5.32 | -0.03 |
| 3Q03 | 7.61 | -0.31 | 4Q10 | 6.51 | -0.61 | 1Q18 | 5.33 | 0.01 |
| 4Q03 | 7.45 | -0.16 | 1Q11 | 6.29 | -0.22 | 2Q18 | 5.26 | -0.07 |
| 1Q04 | 7.25 | -0.20 | 2Q11 | 6.10 | -0.19 | 3Q18 | 5.23 | -0.03 |
| 2Q04 | 7.13 | -0.12 | 3Q11 | 5.98 | -0.12 | 4Q18 | 5.16 | -0.07 |
| 3Q04 | 7.05 | -0.08 | 4Q11 | 5.80 | -0.18 | 1Q19 | 5.03 | -0.13 |
| 4Q04 | 7.01 | -0.04 | 1Q12 | 5.83 | 0.03 | 2Q19 | 5.14 | 0.11 |
| 1Q05 | 6.74 | -0.27 | 2Q12 | 5.76 | -0.07 | 3Q19 | 5.10 | -0.04 |
| 2Q05 | 6.52 | -0.22 | 3Q12 | 5.74 | -0.02 | 4Q19 | 5.15 | 0.05 |
| 3Q05 | 6.28 | -0.24 | 4Q12 | 5.72 | -0.02 | 1Q20 | 5.14 | -0.01 |
| 4Q05 | 6.13 | -0.15 | 1Q13 | 5.73 | 0.01 | 2Q20 | 5.19 | 0.05 |
| 1Q06 | 6.07 | -0.06 | 2Q13 | 5.70 | -0.03 | 3Q20 | 5.22 | 0.03 |
| 2Q06 | 6.01 | -0.06 | 3Q13 | 5.61 | -0.09 | 4Q20 | 5.22 | 0.00 |
| 3Q06 | 5.98 | -0.03 | 4Q13 | 5.80 | 0.19 | 1Q21 | 5.04 | -0.18 |
| 4Q06 | 5.97 | -0.01 | 1Q14 | 5.79 | -0.01 | 2Q21 | 4.96 | -0.08 |
| 1Q07 | 5.89 | -0.08 | 2Q14 | 5.59 | -0.20 | 3Q21 | 4.59 | -0.37 |
| 2Q07 | 5.80 | -0.09 | 3Q14 | 5.51 | -0.08 | 4Q21 | 4.42 | -0.17 |
| 3Q07 | 5.76 | -0.04 | 4Q14 | 5.36 | -0.15 | 1Q22 | 4.40 | -0.02 |
| 4Q07 | 5.75 | -0.01 | 1Q15 | 5.36 | 0.00 | 2Q22 | 4.45 | 0.05 |
| 1Q08 | 5.79 | 0.04 | 2Q15 | 5.30 | -0.06 | 3Q22 | 4.75 | 0.30 |
| 2Q08 | 5.75 | -0.04 | 3Q15 | 5.39 | 0.09 | 4Q22 | 4.89 | 0.14 |
| 3Q08 | 5.86 | 0.11 | 4Q15 | 5.35 | -0.04 | 1Q23 | 5.01 | 0.12 |
| 4Q08 | 6.13 | 0.27 | 1Q16 | 5.35 | 0.00 | 2Q23 | 5.25 | 0.24 |
| 1Q09 | 6.88 | 0.75 | 2Q16 | 5.29 | -0.06 | 3Q23 | 5.28 | 0.03 |
| 2Q09 | 7.49 | 0.61 | 3Q16 | 5.25 | -0.04 | 4Q23 | 5.59 | 0.31 |
| 3Q09 | 7.84 | 0.35 | 4Q16 | 5.26 | 0.01 | 1Q24 | 5.42 | -0.17 |
| 4Q09 | 8.03 | 0.19 | 1Q17 | 5.33 | 0.07 | 2Q24 | 5.44 | 0.02 |
| 1Q10 | 7.85 | -0.18 | 2Q17 | 5.40 | 0.07 | | | |

Source: PwC Real Estate Investor Survey, Q2 2024

As the graph and table indicate, the overall national average capitalization rate decreased 100 basis points from the second quarter of 2017 to the first quarter of 2022 (5.40 percent to 4.40 percent). Over this period, the rate generally decreased quarter-over-quarter, with a few exceptions. However, the recent increases in interest rates appear to be directly impacting capitalization rates as the overall average national capitalization rate increased 0.43 percentage points since the first quarter of 2023. However, capitalization rates decreased for the first time in two years between fourth quarter 2023 and first quarter 2024, and while the capitalization rates increased slightly in second quarter 2024, they remain below the most recent peak. We have considered the current market conditions and we have estimated a capitalization rate of 5.25 percent.

Debt Coverage Ratio

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

The ratio used is:

$$\text{Net Operating Income} / \text{Annual Debt Service} = \text{Debt Coverage Ratio}$$

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

$$R_0 = D.C.R \times R_M \times M$$

Where:

R_0 = Overall Capitalization Rate

D.C.R = Debt Coverage Ratio

R_M = Mortgage Constant

M = Loan-to-Value Ratio

Band of Investment

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

The formula is:

$$R_0 = M \times R_M + (1-M) \times R_E$$

Where:

R_0 = Overall Capitalization Rate

M = Loan-to-Value Ratio

R_M = Mortgage Constant

R_E = Equity Dividend

The equity dividend rate (R_E) also known as the cash on cash return rate, is the rate of return that an equity investor expects on an annual basis. It is a component of the overall return requirement. The equity dividend rate is impacted by the returns on other similar investments as well as the risk profile of the investment market and finally the expectation for future value growth. The equity dividend rate is lower in cases where the market is strong and there is a perception of lower risk related to the return of the investment. Further, the dividend rate is lower in markets that have greater expectation for capital appreciation. In some cases we have seen dividend rates that are zero or even negative, suggesting that buyers are willing to forego an annual return because of a larger expectation of capital appreciation. Of course the converse is also True. Generally, we see equity dividend rates ranging from two to 10 percent. We believe an equity dividend estimate of 7.0 percent is considered reasonable in this analysis.

The Mortgage Constant (R_M) is based upon the calculated interest rate from the ten year treasury. We have utilized 7.00 percent as our estimate of equity return. The following table summarizes calculations for the two previously discussed methods of capitalization rate derivation. We will utilize a market oriented interest rate of 6.50 percent. Based on our work files, the typical amortization period is 25 to 30 years and the loan to value ratio is 70 to 80 percent with interest rates between 4.50 and 6.00 percent. Therefore, we believe a 6.50 percent interest rate with a 30 year amortization period and a loan to value of 75.00 percent is reasonable. The following table illustrates the band of investment for the Subject property.

CAPITALIZATION RATE DERIVATION

| Inputs and Assumptions | | Interest Rate Calculations | |
|------------------------|--------|--------------------------------|-------|
| DCR | 1.2 | Treasury Bond Basis | |
| Rm | 0.0758 | 10 Year T-Bond Rate (May/2024) | 4.24% |
| Interest (per annum)* | 6.50% | Interest rate spread | 226 |
| Amortization (years) | 30.0 | Interest Rate (per annum) | 6.50% |
| M | 0.75 | | |
| Re | 7.00% | | |

Debt Coverage Ratio

| | | | | | | |
|-------|---|-----|---|--------|---|-------|
| Ro | = | DCR | X | Rm | X | M |
| 6.83% | = | 1.2 | X | 0.0758 | X | 75.0% |

Band of Investment

| | | | | | | | | |
|-------|---|-------|---|--------|---|----------|---|-------|
| Ro | = | (M | X | Rm) | + | ((1 - M) | X | Re) |
| 7.44% | = | 75.0% | X | 0.0758 | + | 25.0% | X | 7.00% |

Source: Bloomberg.com, June 2024

Conclusion of Overall Rate Selection

CAPITALIZATION RATE SELECTION SUMMARY

| Method | Indicated Rate |
|-------------------------|----------------|
| Market Extraction | 5.25% |
| The PWC Investor Survey | 5.25% |
| Debt Coverage Ratio | 6.83% |
| Band of Investment | 7.44% |

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

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

The various approaches indicate a range from 5.25 to 7.44 percent. We reconciled a 5.25 percent capitalization rate based primarily upon the market-extracted rate.

A summary of the direct capitalization analysis can be found on the following page.

APPIAN WAY APARTMENTS – NORTH CHARLESTON, SOUTH CAROLINA – APPRAISAL

DIRECT CAPITALIZATION ANALYSIS

| Operating Revenues | | | | | |
|---------------------------------------|------------------------|-------------------------------|----------------------|-------------------------------|----------------------|
| Restricted - As Is With Tax Exemption | | | Unrestricted - As Is | | |
| <u>Apartment Rentals</u> | <u>Market Unit Mix</u> | <u>Average Rent (Monthly)</u> | <u>Total Revenue</u> | <u>Average Rent (Monthly)</u> | <u>Total Revenue</u> |
| Potential Rental Income | 204 | \$1,408 | \$3,446,640 | \$1,626 | \$3,981,600 |
| Other Income | | | | | |
| Miscellaneous | | \$300 | \$61,200 | \$300 | \$61,200 |
| Total Potential Revenue | | \$17,195 | \$3,507,840 | \$19,818 | \$4,042,800 |
| <u>Vacancy Loss</u> | | \$(516) | (\$105,235) | \$(991) | (\$202,140) |
| Vacancy Percentage | | | 3.0% | | 5.00% |
| Effective Gross Income | | \$16,679 | \$3,402,605 | \$18,827 | \$3,840,660 |
| Operating Expenses | | | | | |
| Restricted - As Is With Tax Exemption | | | Unrestricted - As Is | | |
| Administration | | \$600 | \$122,400 | \$550 | \$112,200 |
| Operating/Maintenance | | \$1,500 | \$306,000 | \$1,500 | \$306,000 |
| Utilities | | \$1,250 | \$255,000 | \$1,250 | \$255,000 |
| Payroll | | \$1,388 | \$283,200 | \$1,388 | \$283,200 |
| Real Estate Taxes | | \$0 | \$0 | \$1,748 | \$356,510 |
| Direct Assessments/Other | | \$101 | \$20,703 | \$101 | \$20,703 |
| Insurance | | \$800 | \$163,200 | \$800 | \$163,200 |
| Management Fee | | \$584 | \$119,091 | \$565 | \$115,220 |
| Replacement Reserves | | \$300 | \$61,200 | \$300 | \$61,200 |
| Total Operating Expenses | | \$6,523 | \$1,330,794 | \$8,202 | \$1,673,233 |
| Expenses as ratio of EGI | | | 39.1% | | 43.6% |
| Valuation | | | | | |
| Restricted - As Is With Tax Exemption | | | Unrestricted - As Is | | |
| Net Operating Income | | \$10,156 | \$2,071,811 | \$10,625 | \$2,167,427 |
| Capitalization Rate | | | 5.25% | | 5.25% |
| Indicated Value Rounded | | \$193,627 | \$39,500,000 | \$202,451 | \$41,300,000 |

Conclusion

As a result of our analysis, the as is value in the fee simple interest with tax exemption, as of June 24, 2024, is:

THIRTY-NINE MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$39,500,000)

The Subject's hypothetical fee simple market value of the real estate, assuming hypothetical unrestricted operations, as of June 24, 2024, is:

FORTY-ONE MILLION THREE HUNDRED THOUSAND DOLLARS
(\$41,300,000)

We requested a copy of the soil and subsoil report, as well as the Environmental Site Assessment (ESA); however, the reports were not provided at the time of the report. It is an extraordinary assumption of the report that no adverse conditions are present at the Subject site. Further, no issues were identified upon site inspection; however, no specific tests were performed. Nonetheless, Novogradac is not experts in this field and further analysis is beyond the scope of this report.

The Subject is not currently exempt from real estate taxes. According to the borrower, after the sale, the owner will partner with a non-profit entity and the property will be fully exempt from real estate taxes. Thus, the Subject will benefit from a tax exemption under Section 12-37-220 of the Code of Laws of South Carolina,

which states all property of nonprofit housing corporations or instrumentalities of these corporations when the property is devoted to providing housing to low or very low-income residents shall be exempt from ad valorem taxation. As such, it is an extraordinary assumption of this report that the Subject will be fully exempt from real estate taxes after the sale and there will be a no tax liability except for the direct special assessments in the restricted scenario. After the sale transaction, we assume the general partner of a typical buyer of the Subject property would be a non-profit entity and the Subject would continue to receive tax-exempt status. For the purposes of our unrestricted analysis, we have used a hypothetical condition for the Subject assuming unrestricted, conventional operations. The use of extraordinary assumptions may impact assignment results.

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

X. SALES COMPARISON APPROACH

SALES COMPARISON APPROACH

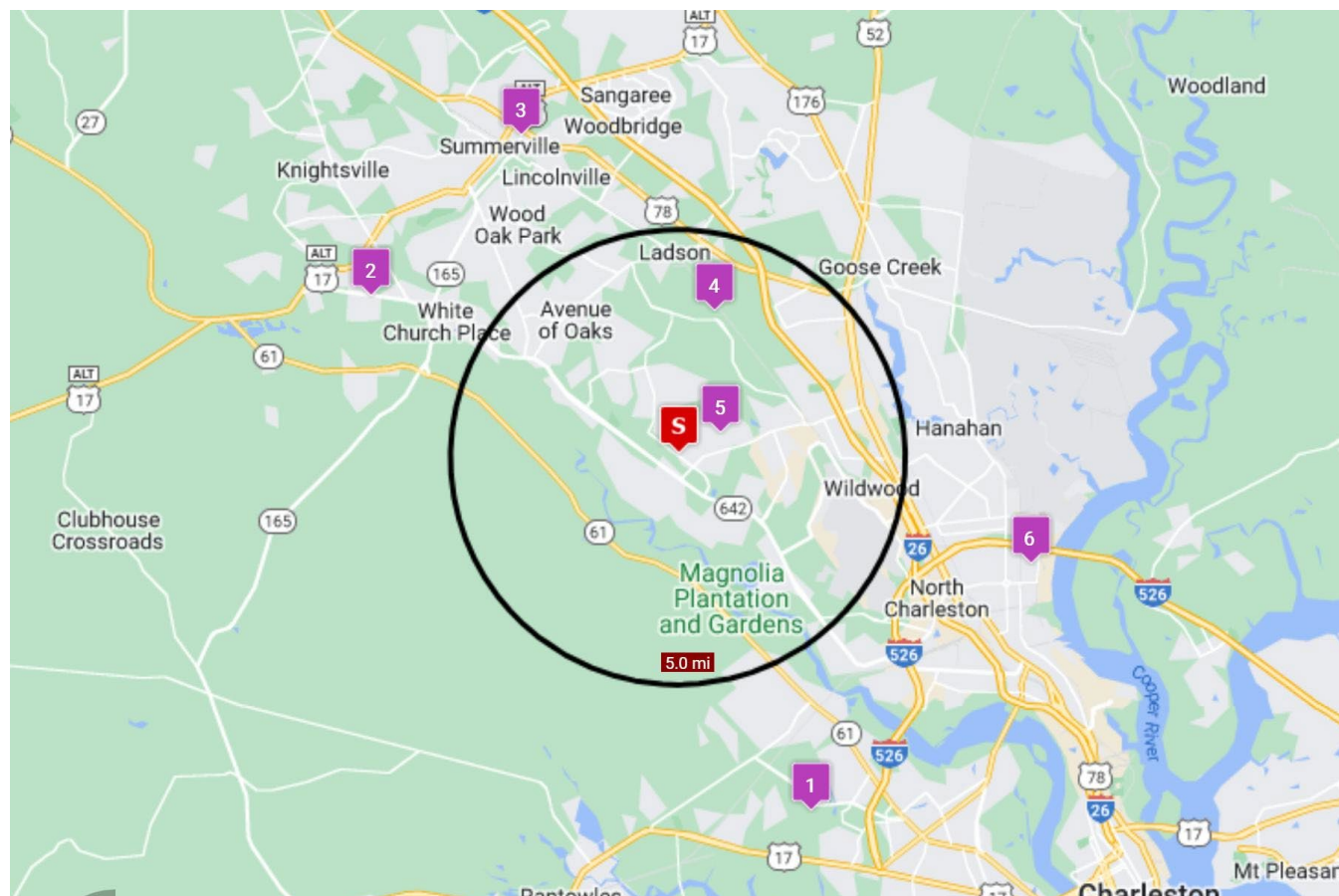
The sales comparison approach to value is a process of comparing market data; that is, the price paid for similar properties, prices asked by owners, and offers made by hypothetical purchasers willing to buy or lease. It should be noted, the sales utilized represent the best sales available. Market data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

IMPROVED SALES VALUATION

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

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

Improved Sales Map



Source: Google Maps, June 2024

IMPROVED SALES

| # | Property Name | City/State | Sale Date | Sales Price | # Units | Year Built / Renovated | Price / Unit | EGIM | Cap Rate |
|----------------|-----------------------------|----------------------|-----------|--------------|------------|------------------------|------------------|--------------|--------------|
| 1 | The Preserve At Essex Farms | Charleston, SC | Mar/2024 | \$59,850,000 | 284 | 2015 | \$210,739 | 12.43 | 5.20% |
| 2 | Arbor Village | Summerville, SC | Dec/2023 | \$48,400,000 | 240 | 2014 | \$201,667 | 12.31 | 5.15% |
| 3 | Nolia | Summerville, SC | Aug/2023 | \$4,550,000 | 32 | 1984 | \$142,188 | 10.29 | 5.50% |
| 4 | Broadstone Ingleside | Ladson, SC | Dec/2022 | \$77,500,000 | 336 | 2021 | \$230,655 | 13.12 | 5.02% |
| 5 | Exchange At Windsor Hill | North Charleston, SC | Dec/2022 | \$62,500,000 | 312 | 2020 | \$200,321 | 16.04 | 3.24% |
| 6 | The Factory At Garco Park | North Charleston, SC | Oct/2022 | \$72,250,000 | 271 | 2017 | \$266,605 | 14.81 | 4.50% |
| Average | | | | | 246 | | \$208,696 | 13.17 | 4.77% |

Improved Sale: The Preserve At Essex Farms



Transaction

| | | | |
|----------------|--------------------------------|------------------------|----------------|
| Name | The Preserve At Essex Farms | Sale Date | Mar/2024 |
| Address | 3245 Glenn McConnell Pkwy | Sale Price | \$59,850,000 |
| City | Charleston | Price Per Unit | \$210,739 |
| State | SC | Sale Status | Closed |
| Zip | 29414 | Sale Conditions | Typical |
| County | Charleston | Financing | Conventional |
| Buyer | 18 Electronics Essex Farms LLC | Verification | CoStar, Broker |
| Seller | Essex Farms - Cali, LLC | | |

Site and Improvements

| | | | |
|-----------------------|------|-------------------|-----------|
| No. of Units | 284 | Land Acres | 25.42 |
| Year Built | 2015 | Land Sq Ft | 1,107,295 |
| Year Renovated | | Structure | Garden |

Financial Data

| | | | |
|------------------------|-------------|----------------------|-------------|
| EGI | \$4,816,200 | NOI | \$3,112,200 |
| Total Expenses | \$1,704,000 | Expense Ratio | 35.4% |
| Expenses / Unit | \$6,000 | EGIM (\$) | 12.43 |
| Cap Rate | 5.20% | | |

Remarks

This market rate development offers 46 studio, 140 one-, 64 two-, and 34 three-bedroom units and was reportedly 96 percent occupied at the time of sale. The sale price, NOI, cap rate, and occupancy at sale were confirmed by the listing broker (Erika Maston with CBRE). Novogradac estimated expenses at \$6,000 per unit.

Improved Sale: Arbor Village



| Transaction | | | |
|---|------------------------|------------------------|------------------------|
| Name | Arbor Village | Sale Date | Dec/2023 |
| Address | 10825 Dorchester Rd | Sale Price | \$48,400,000 |
| City | Summerville | Price Per Unit | \$201,667 |
| State | SC | Sale Status | Closed |
| Zip | 29485 | Sale Conditions | Typical |
| County | Dorchester | Financing | Conventional |
| Buyer | American Landmark | Verification | CoStar, Public Records |
| Seller | The Mark at Dorchester | | |
| Site and Improvements | | | |
| No. of Units | 240 | Land Acres | 22.58 |
| Year Built | 2014 | Land Sq Ft | 983,585 |
| Year Renovated | | Structure | Garden |
| Financial Data | | | |
| EGI | \$3,932,600 | NOI | \$2,492,600 |
| Total Expenses | \$1,440,000 | Expense Ratio | 36.6% |
| Expenses / Unit | \$6,000 | EGIM (\$) | 12.31 |
| Cap Rate | 5.15% | | |
| Remarks | | | |
| This market rate development offers 92 one-, 104 two-, and 44 three-bedroom units. The sale price, cap rate, and occupancy at sale were confirmed by CoStar. Novogradac estimated expenses at \$6,000 per unit. The cap rate was reported by CoStar as the actual cap rate. | | | |

Improved Sale: Nolia



Transaction

| | | | |
|----------------|-----------------------|------------------------|------------------------|
| Name | Nolia | Sale Date | Aug/2023 |
| Address | 401 E 3rd North St | Sale Price | \$4,550,000 |
| City | Summerville | Price Per Unit | \$142,188 |
| State | SC | Sale Status | Closed |
| Zip | 29483 | Sale Conditions | Typical |
| County | Dorchester | Financing | Conventional |
| Buyer | Preminger Investments | Verification | Costar, Listing Broker |
| Seller | Nolia LLC | | |

Site and Improvements

| | | | |
|-----------------------|------|-------------------|---------|
| No. of Units | 32 | Land Acres | 1.3 |
| Year Built | 1984 | Land Sq Ft | 56,628 |
| Year Renovated | | Structure | Various |

Financial Data

| | | | |
|------------------------|-----------|----------------------|-----------|
| EGI | \$442,250 | NOI | \$250,250 |
| Total Expenses | \$192,000 | Expense Ratio | 43.4% |
| Expenses / Unit | \$6,000 | EGIM (\$) | 10.29 |
| Cap Rate | 5.50% | | |

Remarks

This market rate development offers 32 two-bedroom units. All information was gathered via CoStar. The sale price, date, and actual cap rate were confirmed with the listing broker. Novogradac has estimated expenses at \$6,000 per unit.

Improved Sale: Broadstone Ingleside



Transaction

| | | | |
|----------------|---------------------------------|------------------------|------------------------|
| Name | Broadstone Ingleside | Sale Date | Dec/2022 |
| Address | 8400 Palmetto Commerce Pkwy | Sale Price | \$77,500,000 |
| City | Ladson | Price Per Unit | \$230,655 |
| State | SC | Sale Status | Closed |
| Zip | 29456 | Sale Conditions | Typical |
| County | Charleston | Financing | Conventional |
| Buyer | Abacus Capital USA | Verification | CoStar, Listing broker |
| Seller | Alliance Residential Company | | |

Site and Improvements

| | | | |
|-----------------------|------|-------------------|-----------|
| No. of Units | 336 | Land Acres | 24.28 |
| Year Built | 2021 | Land Sq Ft | 1,057,637 |
| Year Renovated | | Structure | Garden |

Financial Data

| | | | |
|------------------------|-------------|----------------------|-------------|
| EGI | \$5,906,500 | NOI | \$3,890,500 |
| Total Expenses | \$2,016,000 | Expense Ratio | 34.1% |
| Expenses / Unit | \$6,000 | EGIM (\$) | 13.12 |
| Cap Rate | 5.02% | | |

Remarks

This 336-unit market rate development offers one, two, and three-bedroom units. All information was gathered via CoStar and verified with the listing broker. Novogradac has estimated expenses at \$6,000 per unit.

Improved Sale: Exchange At Windsor Hill



Transaction

| | | | |
|----------------|------------------------------|------------------------|------------------------|
| Name | Exchange At Windsor Hill | Sale Date | Dec/2022 |
| Address | 8240 Windsor Hill Blvd | Sale Price | \$62,500,000 |
| City | North Charleston | Price Per Unit | \$200,321 |
| State | SC | Sale Status | Closed |
| Zip | 29420 | Sale Conditions | Typical |
| County | Dorchester | Financing | Conventional |
| Buyer | American Landmark Apartments | Verification | CoStar, Listing Broker |
| Seller | Carter Multifamily | | |

Site and Improvements

| | | | |
|-----------------------|------|-------------------|---------|
| No. of Units | 312 | Land Acres | 20.0 |
| Year Built | 2020 | Land Sq Ft | 871,200 |
| Year Renovated | | Structure | Various |

Financial Data

| | | | |
|------------------------|-------------|----------------------|-------------|
| EGI | \$3,897,000 | NOI | \$2,025,000 |
| Total Expenses | \$1,872,000 | Expense Ratio | 48.0% |
| Expenses / Unit | \$6,000 | EGIM (\$) | 16.04 |
| Cap Rate | 3.24% | | |

Remarks

This 312-unit market rate development offers one and two-bedroom units. All information was gathered via CoStar and verified with the listing broker. Novogradac has estimated expenses at \$6,000 per unit.

Improved Sale: The Factory At Garco Park



Transaction

| | | | |
|----------------|---------------------------|------------------------|------------------------|
| Name | The Factory At Garco Park | Sale Date | Oct/2022 |
| Address | 4993 O'hear Ave | Sale Price | \$72,250,000 |
| City | North Charleston | Price Per Unit | \$266,605 |
| State | SC | Sale Status | Closed |
| Zip | 29405 | Sale Conditions | Typical |
| County | Charleston | Financing | Conventional |
| Buyer | ECI Group | Verification | CoStar, Public Records |
| Seller | Range Water Real Estate | | |

Site and Improvements

| | | | |
|-----------------------|------|-------------------|---------|
| No. of Units | 271 | Land Acres | 12.54 |
| Year Built | 2017 | Land Sq Ft | 546,242 |
| Year Renovated | | Structure | Lowrise |

Financial Data

| | | | |
|------------------------|-------------|----------------------|-------------|
| EGI | \$4,877,250 | NOI | \$3,251,250 |
| Total Expenses | \$1,626,000 | Expense Ratio | 33.3% |
| Expenses / Unit | \$6,000 | EGIM (\$) | 14.81 |
| Cap Rate | 4.50% | | |

Remarks

This market rate development features 67 studio, 98 one, 79 two, and 27 three-bedroom units. The sale price, cap rate, and occupancy at sale were confirmed by CoStar. Novogradac estimated expenses at \$6,000 per unit.

Valuation Analysis

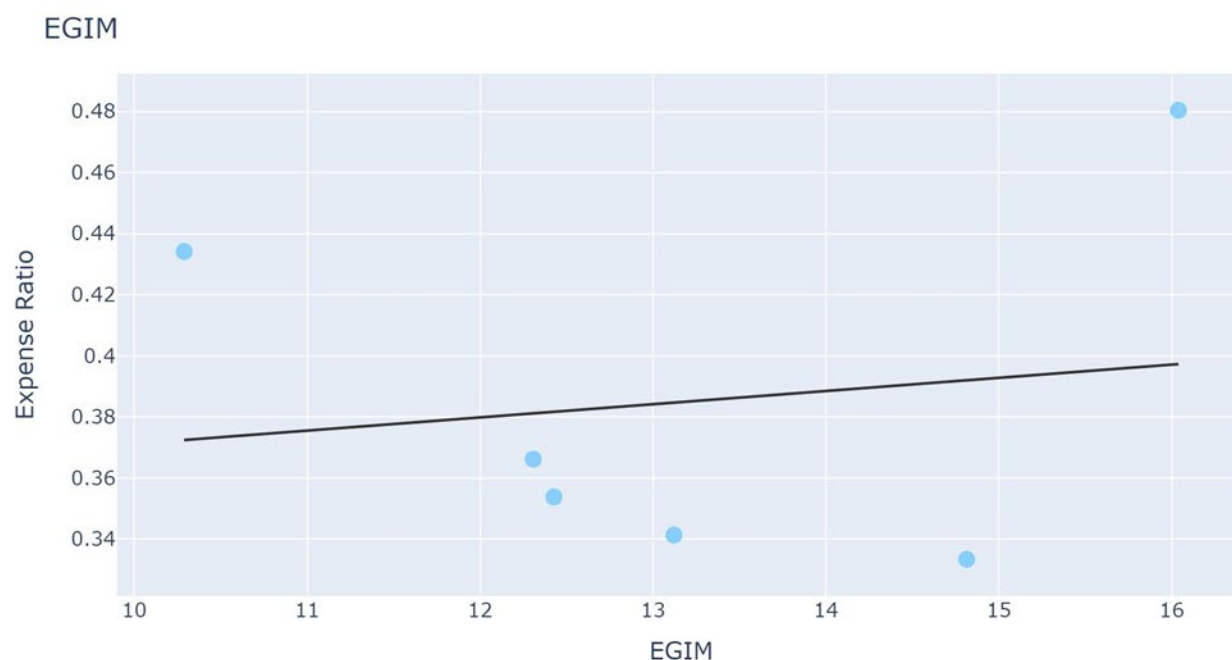
The sales selected for this analysis are summarized in the following table.

IMPROVED SALES

| # | Property Name | City/State | Sale Date | Sales Price | # Units | Year Built / Renovated | Price / Unit | EGIM | Cap Rate |
|----------------|-----------------------------|----------------------|-----------|--------------|------------|------------------------|------------------|--------------|--------------|
| 1 | The Preserve At Essex Farms | Charleston, SC | Mar/2024 | \$59,850,000 | 284 | 2015 | \$210,739 | 12.43 | 5.20% |
| 2 | Arbor Village | Summerville, SC | Dec/2023 | \$48,400,000 | 240 | 2014 | \$201,667 | 12.31 | 5.15% |
| 3 | Nolia | Summerville, SC | Aug/2023 | \$4,550,000 | 32 | 1984 | \$142,188 | 10.29 | 5.50% |
| 4 | Broadstone Ingleside | Ladson, SC | Dec/2022 | \$77,500,000 | 336 | 2021 | \$230,655 | 13.12 | 5.02% |
| 5 | Exchange At Windsor Hill | North Charleston, SC | Dec/2022 | \$62,500,000 | 312 | 2020 | \$200,321 | 16.04 | 3.24% |
| 6 | The Factory At Garco Park | North Charleston, SC | Oct/2022 | \$72,250,000 | 271 | 2017 | \$266,605 | 14.81 | 4.50% |
| Average | | | | | 246 | | \$208,696 | 13.17 | 4.77% |

EGIM Analysis

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



Typically, the higher the operating expense ratio the lower the EGIM. The previous table follows this trend. Our estimate of the Subject's expense ratios are 39.1 to 43.6 percent, which are within the comparable range. Overall, we have estimated an EGIM of 10.70 to 11.50, which are within to just below the range of the comparables and considered reasonable. The Subject's indicated value using the EGIM method is presented in the following table.

IMPROVED SALES

| # | Property Name | Sales Price | EGI | Expense Ratio | Total Expenses | EGIM |
|---|---------------------------------------|--------------|-------------|---------------|----------------|-------|
| 1 | The Preserve At Essex Farms | \$59,850,000 | \$4,816,200 | 35.4% | \$1,704,000 | 12.43 |
| 2 | Arbor Village | \$48,400,000 | \$3,932,600 | 36.6% | \$1,440,000 | 12.31 |
| 3 | Nolia | \$4,550,000 | \$442,250 | 43.4% | \$192,000 | 10.29 |
| 4 | Broadstone Ingleside | \$77,500,000 | \$5,906,500 | 34.1% | \$2,016,000 | 13.12 |
| 5 | Exchange At Windsor Hill | \$62,500,000 | \$3,897,000 | 48.0% | \$1,872,000 | 16.04 |
| 6 | The Factory At Garco Park | \$72,250,000 | \$4,877,250 | 33.3% | \$1,626,000 | 14.81 |
| | Restricted - As Is With Tax Exemption | | \$3,402,605 | 39.1% | \$1,330,794 | 11.50 |
| | Unrestricted - As Is | | \$3,840,660 | 43.6% | \$1,673,233 | 10.75 |

EGIM ANALYSIS

| Scenario | EGIM | Effective Gross Income | Indicated Value (Rounded) |
|---------------------------------------|-------|------------------------|---------------------------|
| Restricted - As Is With Tax Exemption | 11.50 | \$3,402,605 | \$39,100,000 |
| Unrestricted - As Is | 10.75 | \$3,840,660 | \$41,300,000 |

Sales Price Per Unit Analysis

Throughout our conversations with market participants and buyers and sellers of the comparable sales, the respondents indicated that the purchase price for multifamily developments is typically based upon a price per unit. This convention is typical of the multifamily industry and will be used in our analysis. The unadjusted price ranges from approximately \$142,188 to \$266,605 per unit for the improved sales.

The adjustment grid follows at the end of this section. As illustrated, adjustments have been made based on price differences created by the following factors:

- Property Rights
- Financing
- Conditions of Sale
- Expenditures Immediately After Purchase
- Market Conditions
- Location
- Physical Characteristics
- Economic Characteristics
- Use
- Non-realty Components

Property Rights

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

Financing

The sales were cash transactions; therefore, no adjustment is necessary.

Conditions of Sale

No unusual conditions existed or are known; therefore, no adjustment is necessary.

Expenditure after Sale

None of the comparables required expenditures after the sale; therefore, no adjustment is necessary.

Market Conditions

The following table details capitalization rate trends from first quarter of 2003 through the most recent quarter as published by *The PwC Real Estate Investor Survey*. We will rely on these indices for our analysis of overall market conditions.

| PwC Real Estate Investor Survey - National Apartment Market | | | | | | | | |
|---|----------|--------|---------|----------|--------|---------|----------|--------|
| Overall Capitalization Rate | | | | | | | | |
| Quarter | Cap Rate | Change | Quarter | Cap Rate | Change | Quarter | Cap Rate | Change |
| 1Q03 | 8.14 | - | 2Q10 | 7.68 | -0.17 | 3Q17 | 5.35 | -0.05 |
| 2Q03 | 7.92 | -0.22 | 3Q10 | 7.12 | -0.56 | 4Q17 | 5.32 | -0.03 |
| 3Q03 | 7.61 | -0.31 | 4Q10 | 6.51 | -0.61 | 1Q18 | 5.33 | 0.01 |
| 4Q03 | 7.45 | -0.16 | 1Q11 | 6.29 | -0.22 | 2Q18 | 5.26 | -0.07 |
| 1Q04 | 7.25 | -0.20 | 2Q11 | 6.10 | -0.19 | 3Q18 | 5.23 | -0.03 |
| 2Q04 | 7.13 | -0.12 | 3Q11 | 5.98 | -0.12 | 4Q18 | 5.16 | -0.07 |
| 3Q04 | 7.05 | -0.08 | 4Q11 | 5.80 | -0.18 | 1Q19 | 5.03 | -0.13 |
| 4Q04 | 7.01 | -0.04 | 1Q12 | 5.83 | 0.03 | 2Q19 | 5.14 | 0.11 |
| 1Q05 | 6.74 | -0.27 | 2Q12 | 5.76 | -0.07 | 3Q19 | 5.10 | -0.04 |
| 2Q05 | 6.52 | -0.22 | 3Q12 | 5.74 | -0.02 | 4Q19 | 5.15 | 0.05 |
| 3Q05 | 6.28 | -0.24 | 4Q12 | 5.72 | -0.02 | 1Q20 | 5.14 | -0.01 |
| 4Q05 | 6.13 | -0.15 | 1Q13 | 5.73 | 0.01 | 2Q20 | 5.19 | 0.05 |
| 1Q06 | 6.07 | -0.06 | 2Q13 | 5.70 | -0.03 | 3Q20 | 5.22 | 0.03 |
| 2Q06 | 6.01 | -0.06 | 3Q13 | 5.61 | -0.09 | 4Q20 | 5.22 | 0.00 |
| 3Q06 | 5.98 | -0.03 | 4Q13 | 5.80 | 0.19 | 1Q21 | 5.04 | -0.18 |
| 4Q06 | 5.97 | -0.01 | 1Q14 | 5.79 | -0.01 | 2Q21 | 4.96 | -0.08 |
| 1Q07 | 5.89 | -0.08 | 2Q14 | 5.59 | -0.20 | 3Q21 | 4.59 | -0.37 |
| 2Q07 | 5.80 | -0.09 | 3Q14 | 5.51 | -0.08 | 4Q21 | 4.42 | -0.17 |
| 3Q07 | 5.76 | -0.04 | 4Q14 | 5.36 | -0.15 | 1Q22 | 4.40 | -0.02 |
| 4Q07 | 5.75 | -0.01 | 1Q15 | 5.36 | 0.00 | 2Q22 | 4.45 | 0.05 |
| 1Q08 | 5.79 | 0.04 | 2Q15 | 5.30 | -0.06 | 3Q22 | 4.75 | 0.30 |
| 2Q08 | 5.75 | -0.04 | 3Q15 | 5.39 | 0.09 | 4Q22 | 4.89 | 0.14 |
| 3Q08 | 5.86 | 0.11 | 4Q15 | 5.35 | -0.04 | 1Q23 | 5.01 | 0.12 |
| 4Q08 | 6.13 | 0.27 | 1Q16 | 5.35 | 0.00 | 2Q23 | 5.25 | 0.24 |
| 1Q09 | 6.88 | 0.75 | 2Q16 | 5.29 | -0.06 | 3Q23 | 5.28 | 0.03 |
| 2Q09 | 7.49 | 0.61 | 3Q16 | 5.25 | -0.04 | 4Q23 | 5.59 | 0.31 |
| 3Q09 | 7.84 | 0.35 | 4Q16 | 5.26 | 0.01 | 1Q24 | 5.42 | -0.17 |
| 4Q09 | 8.03 | 0.19 | 1Q17 | 5.33 | 0.07 | 2Q24 | 5.44 | 0.02 |
| 1Q10 | 7.85 | -0.18 | 2Q17 | 5.40 | 0.07 | | | |

Source: PwC Real Estate Investor Survey, Q2 2024

The sales occurred between October 2022 and March 2024. As noted in the previous table, capitalization rates have increased (55 basis points) on a total net basis since the fourth quarter of 2022. Capitalization rates have increased largely as a result of rising interest rates and increasing market volatility within certain sectors. Therefore, we have applied a negative adjustment of five percent to Sales 4, 5, and 6, which occurred in 2022, at which time capitalization rates were significantly lower. No adjustments were applied to the remaining sales, which occurred during generally similar market conditions.

Location

Location encompasses a number of issues, including location within different market areas with different supply/demand pressures, the character/condition of surrounding development, access, and visibility. It is important to assess which factors truly impact value for different types of real estate. We have addressed this issue (as well as the remaining elements of comparison) on a comparable-by-comparable basis. The following table illustrates the median income, median rent, and median home values, arranged by zip code for each of the land sales. This information is compared to the Subject's location, and will be used to determine an appropriate adjustment for the Subject as compared to the comparables.

IMPROVED SALES - LOCATION COMPARISON

| No. | Property Name | Zip Code | Median Income | Median Rent | Median Home Value | Income Delta | Rent Delta | Home Value Delta | Average Delta |
|----------|------------------------------|--------------|-----------------|----------------|-------------------|--------------|------------|------------------|---------------|
| S | Appian Way Apartments | 29420 | \$37,494 | \$1,807 | \$274,190 | - | - | - | - |
| 1 | The Preserve At Essex Farms | 29414 | \$81,905 | \$1,967 | \$323,656 | 118% | 9% | 18% | 48% |
| 2 | Arbor Village | 29485 | \$78,491 | \$1,771 | \$299,444 | 109% | -2% | 9% | 39% |
| 3 | Nolia | 29483 | \$72,833 | \$1,529 | \$305,089 | 94% | -15% | 11% | 30% |
| 4 | Broadstone Ingleside | 29456 | \$72,553 | \$1,810 | \$236,524 | 94% | 0% | -14% | 27% |
| 5 | Exchange At Windsor Hill | 29420 | \$67,340 | \$1,807 | \$274,190 | 80% | 0% | 0% | 27% |
| 6 | The Factory At Garco Park | 29405 | \$48,997 | \$1,429 | \$246,655 | 31% | -21% | -10% | 0% |

All six sales are located in areas with higher median income compared to the Subject. One sale is located in an area with higher median rent, two sales are located in areas with lower median rent, and the remaining three sales are located in areas with similar median rents. Two sales are located in areas with lower median home values compared to the Subject, two sales are located in areas with higher median home values, and the remaining two sales are located in areas with similar median home values. Overall, we have considered Sales 4, 5, and 6 to be located in generally similar locations compared to the Subject. The remaining three sales are located in slightly superior locations and were adjusted downward ranging from five to 10 percent.

Physical Characteristics

Physical characteristics include building size, quality of construction, architectural style, building materials, age, condition, functional utility, site size, attractiveness, and amenities. Sales 1, 2, and 6 are in slightly superior condition relative to the Subject as they were constructed between 2014 and 2017. As such, we have applied downward adjustments of 10 percent to these sales. Sales 4 and 5 are in superior condition relative to the Subject, as they were constructed between 2020 and 2021. As such, we have applied downward adjustments of 20 percent to these sales. The remaining sale was constructed in 1984 and exhibits inferior condition relative to the Subject. As such, we have applied an upward adjustment of 20 percent to this sale.

Economic Characteristics

Economic characteristics include all the attributes of a property that directly affect its income such as operating expenses, quality of management, tenant mix, rent concessions, lease terms, etc. The Subject offers one, two, and three-bedroom units, similar to Sales 2 and 4. Sales 1 and 6 offer studio, one, two, and three-bedroom units, slightly superior to the Subject. As such, we have applied a downward adjustment of five percent to these two sales. Sale 5 offers one and two-bedroom units, while Sale 3 offers only two-bedroom units, both of which are considered to be inferior relative to the Subject. As such, we have applied upward adjustments ranging from five to 10 percent to these two sales.

Use

All of the properties are proposed for continued multifamily use; thus, no adjustments were warranted.

Size

With respect to size, the general convention is that larger properties tend to sell for less on a per unit basis than smaller properties. Conversely, smaller properties typically sell for more per unit than larger properties. The pool of potential purchasers decreases as property size (and purchase price) increases, effectively reducing competition. Sales 1, 2 and 6 are generally similar in size compared to the Subject and were not adjusted. Sales 4 and 5 are larger than the Subject in terms of size and were adjusted upwards by 10 percent. Sale 3 is smaller than the Subject and was adjusted downwards by 20 percent.

APPIAN WAY APARTMENTS – NORTH CHARLESTON, SOUTH CAROLINA – APPRAISAL

| IMPROVED SALES DATA ADJUSTMENT GRID | | | | | | | |
|-------------------------------------|------------------------|-----------------------------|---------------------|--------------------|----------------------------|--------------------------|---------------------------|
| Property Name | Subject | 1 | 2 | 3 | 4 | 5 | 6 |
| Address | Appian Way Apartments | The Preserve At Essex Farms | Arbor Village | Nolia | Broadstone Ingleside | Exchange At Windsor Hill | The Factory At Garco Park |
| City | 8465 Patriot Boulevard | 3245 Glenn McConnell Pky | 10825 Dorchester Rd | 401 E 3rd North St | 8400 Palmetto Commerce Pky | 8240 Windsor Hill Blvd | 4993 O'hear Ave |
| | North Charleston | Charleston | Summerville | Summerville | Ladson | North Charleston | North Charleston |
| Property Data | | | | | | | |
| Structure | Garden | Garden | Garden | Various | Garden | Various | Lowrise |
| Year Built / Reno | 2007 | 2015 | 2014 | 1984 | 2021 | 2020 | 2017 |
| Units | 204 | 284 | 240 | 32 | 336 | 312 | 271 |
| Price | | \$59,850,000 | \$48,400,000 | \$4,550,000 | \$77,500,000 | \$62,500,000 | \$72,250,000 |
| Sales Data | | | | | | | |
| Date | | 2024-03-19 | 2023-12-21 | 2023-08-25 | 2022-12-29 | 2022-12-14 | 2022-10-19 |
| Interest | | Leased Fee | Leased Fee | Leased Fee | Leased Fee | Leased Fee | Leased Fee |
| Price per Unit | | \$210,739 | \$201,667 | \$142,188 | \$230,655 | \$200,321 | \$266,605 |
| Adjustments | | | | | | | |
| Financing | | Conventional | Conventional | Conventional | Conventional | Conventional | Conventional |
| Adjustment | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | | \$59,850,000 | \$48,400,000 | \$4,550,000 | \$77,500,000 | \$62,500,000 | \$72,250,000 |
| Conditions of Sale | | Typical | Typical | Typical | Typical | Typical | Typical |
| Adjustment | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | | \$59,850,000 | \$48,400,000 | \$4,550,000 | \$77,500,000 | \$62,500,000 | \$72,250,000 |
| Expenditures After Purchase | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Adjustment | | \$59,850,000 | \$48,400,000 | \$4,550,000 | \$77,500,000 | \$62,500,000 | \$72,250,000 |
| Market Conditions | | 1.00 | 1.00 | 1.00 | 0.95 | 0.95 | 0.95 |
| Adjusted Sales Price | | \$59,850,000 | \$48,400,000 | \$4,550,000 | \$73,625,000 | \$59,375,000 | \$68,637,500 |
| Adjusted Price / Unit | | \$210,739 | \$201,667 | \$142,188 | \$219,122 | \$190,304 | \$253,275 |
| Adjustments | | | | | | | |
| Location | | -10.0% | -5.0% | -5.0% | 0.0% | 0.0% | 0.0% |
| Physical Characteristics | | -10.0% | -10.0% | 20.0% | -20.0% | -20.0% | -10.0% |
| Economic Characteristics | | -5.0% | 0.0% | 10.0% | 0.0% | 5.0% | -5.0% |
| Use | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Size | | 0.0% | 0.0% | -20.0% | 10.0% | 10.0% | 0.0% |
| Non-realty Components | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Overall Adjustment | | -25.0% | -15.0% | 5.0% | -10.0% | -5.0% | -15.0% |
| Adjusted Price / Unit | | \$158,055 | \$171,417 | \$149,297 | \$197,210 | \$180,789 | \$215,284 |

The comparables indicate a range from an adjusted sale price of \$149,297 to \$215,284, with a mean of \$178,675 per unit. We have considered all sales in our determination of value. Sales 1, 2, and 3 are the most recent sales, while Sales 4, 5 and 6 are located in the most similar locations. As such, we have concluded to sales prices per unit of \$210,000 for the unrestricted scenario, which is within the range of the sales located in North Charleston. Further, the restricted NOI is approximately five percent lower than the unrestricted scenario; as such, we have utilized this differential to conclude to a restricted sales price per unit. The following table details our conclusions.

SALES COMPARISON APPROACH

| Scenario | Number of Units | Value per unit | Indicated Value (Rounded) |
|---------------------------------------|-----------------|----------------|---------------------------|
| Restricted - As Is With Tax Exemption | 204 | \$200,000 | \$40,800,000 |
| Unrestricted - As Is | 204 | \$210,000 | \$42,800,000 |

Conclusion

As a result of our analysis, the as is value in the fee simple interest with tax exemption, via the Sales Comparison Approach, as of June 24, 2024, is:

FORTY MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$40,800,000)

The Subject's hypothetical as is market value of the unrestricted scenario in the fee simple interest, via the Sales Comparison Approach, as of June 24, 2024, is:

FORTY-TWO MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$42,800,000)

We requested a copy of the soil and subsoil report, as well as the Environmental Site Assessment (ESA); however, the reports were not provided at the time of the report. It is an extraordinary assumption of the report

that no adverse conditions are present at the Subject site. Further, no issues were identified upon site inspection; however, no specific tests were performed. Nonetheless, Novogradac is not experts in this field and further analysis is beyond the scope of this report.

The Subject is not currently exempt from real estate taxes. According to the borrower, after the sale, the owner will partner with a non-profit entity and the property will be fully exempt from real estate taxes. Thus, the Subject will benefit from a tax exemption under Section 12-37-220 of the Code of Laws of South Carolina, which states all property of nonprofit housing corporations or instrumentalities of these corporations when the property is devoted to providing housing to low or very low-income residents shall be exempt from ad valorem taxation. As such, it is an extraordinary assumption of this report that the Subject will be fully exempt from real estate taxes after the sale and there will be a no tax liability except for the direct special assessments in the restricted scenario. After the sale transaction, we assume the general partner of a typical buyer of the Subject property would be a non-profit entity and the Subject would continue to receive tax-exempt status. For the purposes of our unrestricted analysis, we have used a hypothetical condition for the Subject assuming unrestricted, conventional operations. The use of extraordinary assumptions may impact assignment results.

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

XI. RECONCILIATION

RECONCILIATION

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

LAND VALUE ESTIMATE

| | Units | Price/Unit | Indicated Value (Unrounded) | Discount of LURA | Indicated Value (Rounded) |
|---------|-------|------------|-----------------------------|------------------|---------------------------|
| Subject | 204 | \$14,000 | \$2,856,000 | (\$285,600) | \$2,600,000 |

DIRECT CAPITALIZATION ANALYSIS

| Scenario | Cap Rate | Net Operating Income | Indicated Value (Rounded) |
|---------------------------------------|----------|----------------------|---------------------------|
| Restricted - As Is With Tax Exemption | 5.25% | \$2,071,811 | \$39,500,000 |
| Unrestricted - As Is | 5.25% | \$2,167,427 | \$41,300,000 |

SALES COMPARISON APPROACH

| Scenario | Number of Units | Value per unit | Indicated Value (Rounded) |
|---------------------------------------|-----------------|----------------|---------------------------|
| Restricted - As Is With Tax Exemption | 204 | \$200,000 | \$40,800,000 |
| Unrestricted - As Is | 204 | \$210,000 | \$42,800,000 |

EGIM ANALYSIS

| Scenario | EGIM | Effective Gross Income | Indicated Value (Rounded) |
|---------------------------------------|-------|------------------------|---------------------------|
| Restricted - As Is With Tax Exemption | 11.50 | \$3,402,605 | \$39,100,000 |
| Unrestricted - As Is | 10.75 | \$3,840,660 | \$41,300,000 |

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

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

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

As a result of our analysis, the value of the Subject's underlying land, "As If Vacant", of the fee simple interest, as of June 24, 2024, is:

TWO MILLION SIX HUNDRED THOUSAND DOLLARS
(\$2,600,000)

As a result of our analysis of the Subject's restricted scenario, the fee simple market value "As Is", as of June 24, 2024, is:

THIRTY-NINE MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$39,500,000)

As a result of our analysis of the Subject's hypothetical unrestricted scenario, the fee simple market value "As Is", as of June 24, 2024, is:

FORTY-ONE MILLION THREE HUNDRED THOUSAND DOLLARS
(\$41,300,000)

We requested a copy of the soil and subsoil report, as well as the Environmental Site Assessment (ESA); however, the reports were not provided at the time of the report. It is an extraordinary assumption of the report that no adverse conditions are present at the Subject site. Further, no issues were identified upon site inspection; however, no specific tests were performed. Nonetheless, Novogradac is not experts in this field and further analysis is beyond the scope of this report.

The Subject is not currently exempt from real estate taxes. According to the borrower, after the sale, the owner will partner with a non-profit entity and the property will be fully exempt from real estate taxes. Thus, the Subject will benefit from a tax exemption under Section 12-37-220 of the Code of Laws of South Carolina, which states all property of nonprofit housing corporations or instrumentalities of these corporations when the property is devoted to providing housing to low or very low-income residents shall be exempt from ad valorem taxation. As such, it is an extraordinary assumption of this report that the Subject will be fully exempt from real estate taxes after the sale and there will be a no tax liability except for the direct special assessments in the restricted scenario. After the sale transaction, we assume the general partner of a typical buyer of the Subject property would be a non-profit entity and the Subject would continue to receive tax-exempt status. For the purposes of our unrestricted analysis, we have used a hypothetical condition for the Subject assuming unrestricted, conventional operations. The use of extraordinary assumptions may impact assignment results.

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

Reasonable Exposure Time:

Advisory Opinion 35 (AO-35) 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 apartment product, an exposure time of nine to 12 months appears adequate.

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 12 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.

We requested a copy of the soil and subsoil report, as well as the Environmental Site Assessment (ESA); however, the reports were not provided at the time of the report. It is an extraordinary assumption of the report that no adverse conditions are present at the Subject site. Further, no issues were identified upon site inspection; however, no specific tests were performed. Nonetheless, Novogradac is not experts in this field and further analysis is beyond the scope of this report.

The Subject is not currently exempt from real estate taxes. According to the borrower, after the sale, the owner will partner with a non-profit entity and the property will be fully exempt from real estate taxes. Thus, the Subject will benefit from a tax exemption under Section 12-37-220 of the Code of Laws of South Carolina, which states all property of nonprofit housing corporations or instrumentalities of these corporations when the property is devoted to providing housing to low or very low-income residents shall be exempt from ad valorem taxation. As such, it is an extraordinary assumption of this report that the Subject will be fully exempt from real estate taxes after the sale and there will be a no tax liability except for the direct special assessments in the restricted scenario. After the sale transaction, we assume the general partner of a typical buyer of the Subject property would be a non-profit entity and the Subject would continue to receive tax-exempt status. For the purposes of our unrestricted analysis, we have used a hypothetical condition for the Subject assuming unrestricted, conventional operations. The use of extraordinary assumptions may impact assignment results.

Certification

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

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved;
- We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment with the exception of an appraisal completed in June 2024, and we are concurrently preparing a market study;
- 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;
- Michalena Sukenik 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. Rachel Denton did not inspect the Subject, but is very familiar with the market area. Sara Nachbar, Britt Johansson, Will Hoedl, and Michalena Sukenik 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. As of the date of this report, Rachel B. Denton, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.



Rachel B. Denton, MAI

Partner

SC Certified General Appraiser #8708

Expiration: 6/30/2026

Rachel.Denton@novoco.com

(913) 312-4612

ADDENDUM B

Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS
RACHEL BARNES DENTON, MAI

I. EDUCATION

Cornell University, Ithaca, NY
School of Architecture, Art & Planning, Bachelor of Science in City & Regional Planning

II. LICENSING AND PROFESSIONAL AFFILIATION

Designated Member of the Appraisal Institute
Member of National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network
 2011 and 2012 Communications Committee Co-Chair for the Kansas City CREW Chapter
 2013 Director of Communications and Board Member for Kansas City CREW
 2014 Secretary and Board Member for Kansas City CREW
 2015 and 2016 Treasurer and Board Member for Kansas City CREW

State of Arkansas Certified General Real Estate Appraiser No. CG3527
State of California Certified General Real Estate Appraiser No. AG044228
State of Colorado Certified General Real Estate Appraiser No. 100031319
State of Georgia Certified General Real Estate Appraiser No. 391113
State of Hawaii Certified General Real Estate Appraiser No. CGA1048
State of Illinois Certified General Real Estate Appraiser No. 553.002012
State of Kansas Certified General Real Estate Appraiser No. G-2501
State of Minnesota Certified General Real Estate Appraiser No. 40420897
State of Missouri Certified General Real Estate Appraiser No. 2007035992
State of Nebraska Certified General Real Estate Appraiser No. CG2017030R
State of New Mexico Certified General Real Estate Appraiser No. 03424-G
State of North Dakota Certified General Real Estate Appraiser No. CG-219110
State of Oklahoma Certified General Real Estate Appraiser No. 13085CGA
State of Oregon Certified General Real Estate Appraiser No. C000951
State of South Dakota Certified General Real Estate Appraiser No. 1488CG
State of Texas Certified General Real Estate Appraiser No. 1380396

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

Educational requirements successfully completed for the Appraisal Institute:
 Appraisal Principals, September 2004
 Basic Income Capitalization, April 2005
 Uniform Standards of Professional Appraisal Practice, various
 Advanced Income Capitalization, August 2006
 General Market Analysis and Highest & Best Use, July 2008
 Advanced Sales Comparison and Cost Approaches, June 2009
 Advanced Applications, June 2010
 General Appraiser Report Writing and Case Studies, July 2014
 Standards and Ethics (USPAP and Business Practices and Ethics)
 MAI Designation General Comprehensive Examination, January 2015
 MAI Demonstration of Knowledge Report, April 2016

Completed HUD MAP Training, Columbus, Ohio, May 2010

V. SPEAKING ENGAGEMENTS

Have presented and spoken at both national Novogradac conferences and other industry events, including the National Council of Housing Market Analysts (NCHMA) Annual Meetings and FHA Symposia, National Housing and Rehabilitation Association Conferences, Institute for Professional and Executive Development (IPED) conferences, and state housing conferences, such as Housing Colorado, Idaho Conference on Housing and Economic Development, and Missouri Workforce Housing Association.

VI. REAL ESTATE ASSIGNMENTS

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

In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2003, with an emphasis on affordable multifamily housing.

Conducted and managed appraisals of proposed new construction, rehab and existing Low-Income Housing Tax Credit properties, Section 8 Mark-to-Market properties, HUD MAP Section 221(d)(4) and 223(f) properties, USDA Rural Development, and market rate multifamily developments on a national basis. Analysis includes property screenings, economic and demographic analysis, determination of the Highest and Best Use, consideration and application of the three traditional approaches to value, and reconciliation to a final value estimate. Both tangible real estate values and intangible values in terms of tax credit valuation, beneficial financing, and PILOT are considered. Additional appraisal assignments completed include commercial land valuation, industrial properties for estate purposes, office buildings for governmental agencies, and leasehold interest valuation. Typical clients include developers, lenders, investors, and state agencies.

Managed and conducted market studies for proposed Low-Income Housing Tax Credit, HUD MAP, 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 expense analysis. Property types include proposed multifamily, senior independent living, large family, acquisition/rehabilitation, historic rehabilitation, adaptive reuse, and single family developments. Typical clients include developers, state agencies, syndicators, investors, and lenders.

Completed and have overseen numerous Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

Performed and managed market studies and appraisals of proposed new construction and existing properties insured and processed under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs.

Performed and have overseen numerous market study/appraisal assignments for USDA RD properties in several states in conjunction with acquisition/rehabilitation redevelopments. Documents are used by states, lenders, USDA, and the developer in the underwriting process. Market studies are compliant to State, lender, and USDA requirements. Appraisals are compliant to lender requirements and USDA HB-1-3560 Chapter 7 and Attachments.

Performed appraisals for estate valuation and/or donation purposes for various types of real estate, including commercial office, industrial, and multifamily assets. These engagements were conducted in accordance with the Internal Revenue Service's Real Property Valuation Guidelines, Section 4.48.6 of the Internal Revenue Manual.

Performed analyses of various real estate asset types subject to USDA 4279-B, Business and Industry Guaranteed Loans, Section 4279.150 guidelines.

Conducted various Highest and Best Use Analyses for proposed development sites nationwide. Completed an analysis of existing and proposed senior supply of all types of real estate, and conducted various demand and feasibility analyses in order to determine level of need and ultimate highest and best use of the site.

Prepared a three-year Asset Management tracking report for a 16-property portfolio in the southern United States. Data points monitored include economic vacancy, levels of concessions, income and operating 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 various community-wide affordable housing market analyses and needs assessments for communities and counties throughout the Midwest and Western states. Analysis included demographic and demand forecasts, interviews with local stakeholders, surveys of existing and proposed affordable supply, and reconciliation of operations at existing supply versus projected future need for affordable housing. Additional analyses included identification of housing gaps, potential funding sources, and determination of appropriate recommendations. These studies are typically used by local, state, and federal agencies in order to assist with housing development and potential financing.

Managed a large portfolio of Asset Management reports for a national real estate investor. Properties were located throughout the nation, and were diverse in terms of financing, design, tenancy, and size. Information compiled included income and expenses, vacancy, and analysis of property's overall position in the market.

Performed appraisals of LIHTC assets for Year 15 purposes; valuations of both the underlying real estate asset and partnership interests have been completed. These reports were utilized to assist in potential disposition options for the property, including sale of the asset, buyout of one or more partners, or potential conversion to market rate.

ADDENDUM C
Subject Photos

SUBJECT AND NEIGHBORHOOD PHOTOGRAPHS



View of Subject



View of Subject



View of Subject



View of Subject



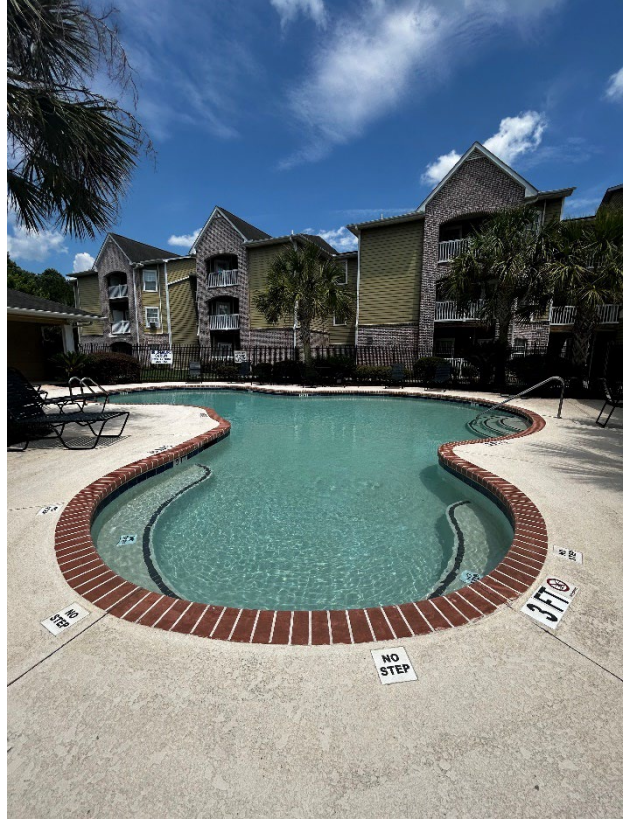
Parking area



Subject signage



Playground



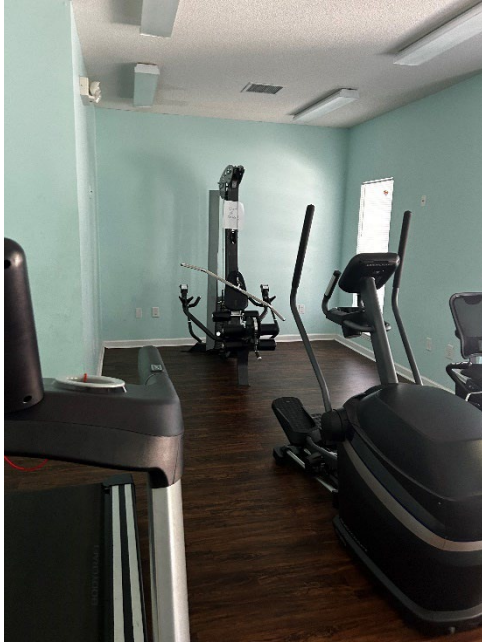
Swimming pool



Community room



Community room



Fitness center



Laundry facility



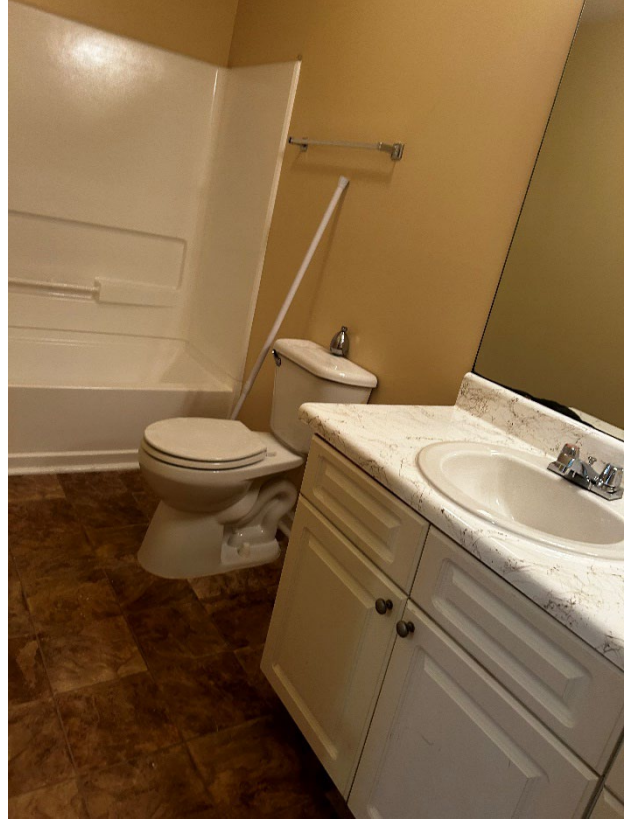
Kitchen



Living room



Bedroom



Bathroom



Kitchen



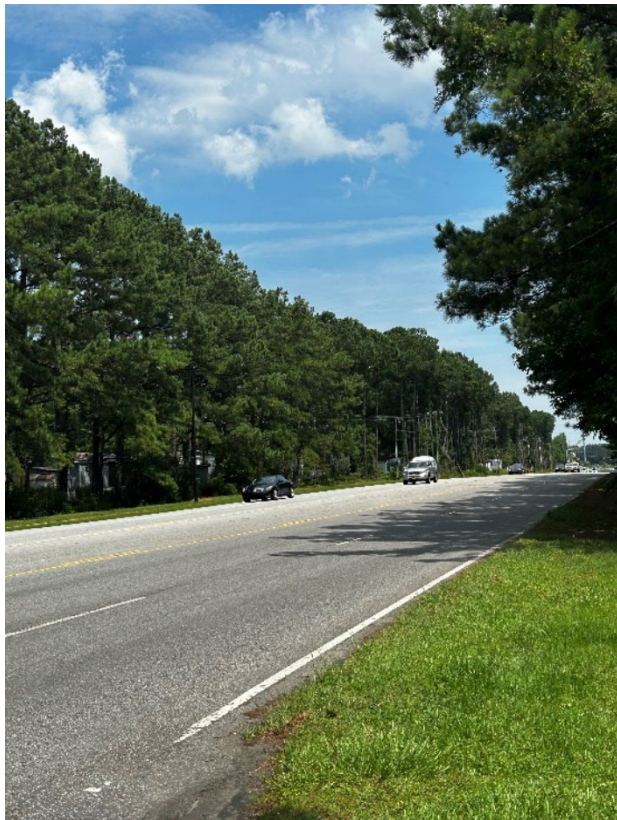
Living room



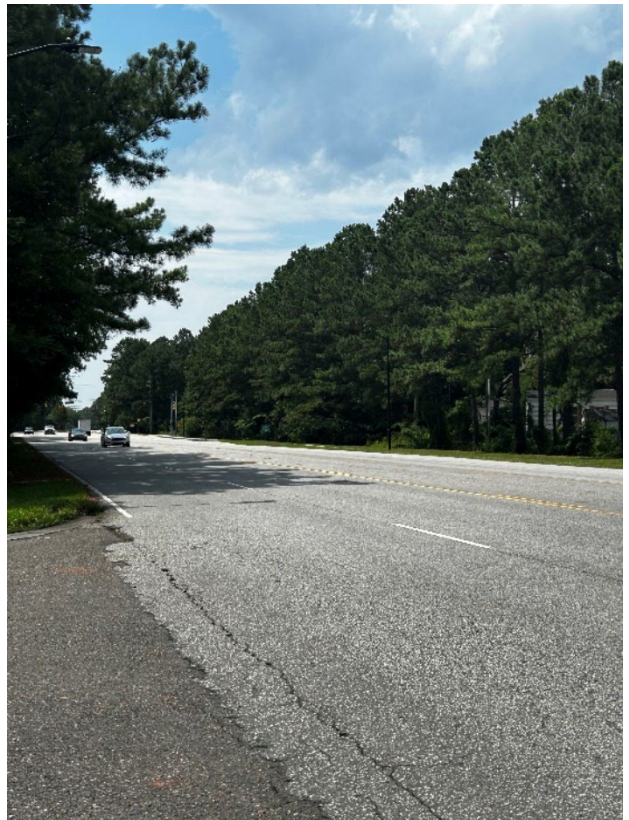
Bedroom



Bathroom



View along Patriot Boulevard facing east



View along Patriot Boulevard facing west



View along Appian Way



View along Ashley Phosphate Road



Mobile homes to the north



High school to the north



House of worship to the east



Commercial to the east



Nearby commercial



Nearby commercial



Nearby commercial



Nearby mobile homes

ADDENDUM D
Rent Roll

Asset Management and Consulting Services, Inc - Appian Way

RENT ROLL DETAIL

06/11/2024 10:53 AM

As of Date: 06/11/2024

Parameters: Properties: - all subproperties-; Show All Unit Designations or Filter by: ALL; Subjournals: ALL; Sort by: Unit; Report Type: Details + Summary;

| Bldg/Unit | Floorplan | SQFT | Unit/Lease Status | Move-In | Market + Addl. | Sub Journal | RENT | Total Billing |
|-----------|-----------|------|-------------------|------------|----------------|-------------|------|---------------|
| 100-101 | 3x2 | 1097 | Occupied | 05/23/2024 | 1510 | RESIDENT | 339 | 339 |
| 100-101 | 3x2 | 1097 | Occupied | 05/23/2024 | 0 | DC | 1047 | 1047 |
| 100-102 | 2x2 | 926 | Occupied | 03/15/2024 | 1316 | RESIDENT | 1216 | 1216 |
| 100-103 | 3x2 | 1097 | Occupied | 02/28/2023 | 1510 | RESIDENT | 1386 | 1386 |
| 100-104 | 2x2 | 926 | Occupied | 07/28/2023 | 1316 | RESIDENT | 340 | 340 |
| 100-104 | 2x2 | 926 | Occupied | 07/28/2023 | 0 | NCHA | 830 | 830 |
| 100-104 | 2x2 | 926 | Pending renewal | 07/28/2023 | 0 | RESIDENT | 351 | 351 |
| 100-104 | 2x2 | 926 | Pending renewal | 07/28/2023 | 0 | NCHA | 859 | 859 |
| 100-105 | 3x2 | 1097 | Occupied | 12/29/2022 | 1510 | RESIDENT | 1386 | 1386 |
| 100-106 | 2x2 | 926 | Occupied | 08/20/2019 | 1316 | RESIDENT | 0 | 75 |
| 100-106 | 2x2 | 926 | Occupied | 08/20/2019 | 0 | NCHA | 1170 | 1170 |
| 100-107 | 3x2 | 1097 | Occupied | 12/02/2021 | 1510 | RESIDENT | 973 | 973 |
| 100-107 | 3x2 | 1097 | Occupied | 12/02/2021 | 0 | NCHA | 451 | 451 |
| 100-108 | 2x2 | 926 | Occupied | 05/28/2024 | 1316 | DC | 1216 | 1216 |
| 100-109 | 3x2 | 1097 | Occupied | 08/21/2023 | 1510 | RESIDENT | 1386 | 1386 |
| 100-110 | 2x2 | 926 | Occupied | 01/31/2024 | 1316 | NCHA | 1210 | 1210 |
| 100-110 | 2x2 | 926 | Occupied | 01/31/2024 | 0 | RESIDENT | 0 | 0 |
| 100-111 | 3x2 | 1097 | Occupied | 09/01/2022 | 1510 | RESIDENT | 1386 | 1386 |
| 100-112 | 2x2 | 926 | Occupied | 04/04/2024 | 1316 | RESIDENT | 1216 | 1216 |
| 100-113 | 2x2 | 926 | Occupied | 03/13/2020 | 1316 | RESIDENT | 327 | 327 |
| 100-113 | 2x2 | 926 | Occupied | 03/13/2020 | 0 | NCHA | 883 | 883 |
| 100-114 | 3x2 | 1097 | Occupied | 05/16/2024 | 1510 | NCHA | 1398 | 1398 |
| 100-114 | 3x2 | 1097 | Occupied | 05/16/2024 | 0 | RESIDENT | 0 | 0 |
| 100-115 | 2x2 | 926 | Occupied | 09/28/2017 | 1316 | RESIDENT | 1216 | 1216 |
| 100-115 | 2x2 | 926 | Occupied | 09/28/2017 | 0 | DC | 0 | 0 |
| 100-116 | 3x2 | 1097 | Occupied | 10/16/2019 | 1510 | RESIDENT | 568 | 568 |
| 100-116 | 3x2 | 1097 | Occupied | 10/16/2019 | 0 | DC | 818 | 818 |
| 100-117 | 2x2 | 926 | Occupied | 06/01/2020 | 1316 | RESIDENT | 276 | 276 |
| 100-117 | 2x2 | 926 | Occupied | 06/01/2020 | 0 | NCHA | 934 | 934 |
| 100-118 | 3x2 | 1097 | Occupied | 05/18/2021 | 1510 | RESIDENT | 1343 | 1343 |
| 100-119 | 2x2 | 926 | Occupied-NTVL | 07/23/2021 | 1316 | RESIDENT | 1176 | 1176 |
| 100-119 | 2x2 | 926 | Applicant | 07/26/2024 | 0 | | 0 | 0 |
| 100-120 | 3x2 | 1097 | Occupied | 10/18/2023 | 1510 | RESIDENT | 292 | 292 |
| 100-120 | 3x2 | 1097 | Occupied | 10/18/2023 | 0 | NCHA | 1132 | 1132 |
| 100-121 | 2x2 | 926 | Occupied | 05/11/2023 | 1316 | RESIDENT | 1216 | 1216 |
| 100-122 | 3x2 | 1097 | Occupied | 10/16/2019 | 1510 | RESIDENT | 107 | 107 |
| 100-122 | 3x2 | 1097 | Occupied | 10/16/2019 | 0 | DC | 1279 | 1279 |
| 100-123 | 2x2 | 926 | Occupied | 12/01/2022 | 1316 | RESIDENT | 349 | 349 |
| 100-123 | 2x2 | 926 | Occupied | 12/01/2022 | 0 | NCHA | 898 | 898 |
| 100-124 | 3x2 | 1097 | Occupied | 03/30/2023 | 1510 | RESIDENT | 1386 | 1386 |
| 200-201 | 3x2 | 1097 | Occupied | 06/02/2023 | 1510 | RESIDENT | 190 | 190 |
| 200-201 | 3x2 | 1097 | Occupied | 06/02/2023 | 0 | DC | 1163 | 1163 |
| 200-202 | 2x2 | 926 | Occupied | 11/03/2020 | 1316 | RESIDENT | 1236 | 1236 |
| 200-203 | 3x2 | 1097 | Occupied | 02/03/2023 | 1510 | RESIDENT | 1103 | 1103 |
| 200-203 | 3x2 | 1097 | Occupied | 02/03/2023 | 0 | NCHA | 295 | 295 |
| 200-204 | 2x2 | 926 | Occupied | 04/27/2018 | 1316 | RESIDENT | 243 | 243 |
| 200-204 | 2x2 | 926 | Occupied | 04/27/2018 | 0 | NCHA | 0 | 0 |
| 200-205 | 3x2 | 1097 | Occupied | 08/17/2012 | 1510 | RESIDENT | 1343 | 1343 |
| 200-206 | 2x2 | 926 | Occupied | 03/10/2020 | 1316 | RESIDENT | 1216 | 1216 |
| 200-207 | 3x2 | 1097 | Occupied | 03/17/2023 | 1510 | RESIDENT | 1386 | 1386 |
| 200-207 | 3x2 | 1097 | Occupied | 03/17/2023 | 0 | NCHA | 0 | 0 |
| 200-208 | 2x2 | 926 | Occupied | 01/10/2024 | 1316 | RESIDENT | 603 | 603 |
| 200-208 | 2x2 | 926 | Occupied | 01/10/2024 | 0 | DC | 613 | 613 |
| 200-209 | 3x2 | 1097 | Occupied | 09/15/2023 | 1510 | RESIDENT | 834 | 834 |
| 200-209 | 3x2 | 1097 | Occupied | 09/15/2023 | 0 | NCHA | 590 | 590 |
| 200-210 | 2x2 | 926 | Vacant-Leased | | 1316 | | 0 | 0 |
| 200-210 | 2x2 | 926 | Applicant | 06/28/2024 | 0 | RESIDENT | 0 | 0 |
| 200-210 | 2x2 | 926 | Applicant | 06/28/2024 | 0 | | 0 | 0 |
| 200-211 | 3x2 | 1097 | Occupied | 07/21/2022 | 1510 | NCHA | 1356 | 1356 |
| 200-211 | 3x2 | 1097 | Occupied | 07/21/2022 | 0 | RESIDENT | 0 | 0 |
| 200-212 | 2x2 | 926 | Occupied | 05/10/2019 | 1316 | NCHA | 1210 | 1210 |
| 200-212 | 2x2 | 926 | Occupied | 05/10/2019 | 0 | RESIDENT | 0 | 0 |

| | | | | | | | | |
|---------|-----|------|---------------|------------|------|----------|------|------|
| 200-213 | 3x2 | 1097 | Occupied | 10/30/2014 | 1510 | RESIDENT | 224 | 224 |
| 200-213 | 3x2 | 1097 | Occupied | 10/30/2014 | 0 | NCHA | 1200 | 1200 |
| 200-214 | 2x2 | 926 | Occupied | 04/01/2022 | 1316 | RESIDENT | 1216 | 1216 |
| 200-215 | 3x2 | 1097 | Occupied | 11/22/2023 | 1510 | RESIDENT | 108 | 108 |
| 200-215 | 3x2 | 1097 | Occupied | 11/22/2023 | 0 | NCHA | 1316 | 1316 |
| 200-216 | 2x2 | 926 | Occupied | 01/01/2009 | 1316 | RESIDENT | 169 | 169 |
| 200-216 | 2x2 | 926 | Occupied | 01/01/2009 | 0 | NCHA | 1041 | 1041 |
| 200-217 | 3x2 | 1097 | Occupied | 04/30/2018 | 1510 | DC | 1386 | 1386 |
| 200-217 | 3x2 | 1097 | Occupied | 04/30/2018 | 0 | RESIDENT | 0 | 0 |
| 200-218 | 2x2 | 926 | Occupied | 01/27/2023 | 1316 | RESIDENT | 822 | 822 |
| 200-218 | 2x2 | 926 | Occupied | 01/27/2023 | 0 | DC | 394 | 394 |
| 200-219 | 3x2 | 1097 | Occupied | 02/05/2021 | 1510 | RESIDENT | 485 | 485 |
| 200-219 | 3x2 | 1097 | Occupied | 02/05/2021 | 0 | NCHA | 913 | 913 |
| 200-220 | 2x2 | 926 | Occupied | 06/28/2018 | 1316 | RESIDENT | 1176 | 1176 |
| 200-221 | 3x2 | 1097 | Occupied | 04/30/2020 | 1510 | RESIDENT | 1343 | 1343 |
| 200-222 | 2x2 | 926 | Occupied | 02/18/2011 | 1316 | RESIDENT | 1216 | 1216 |
| 200-223 | 3x2 | 1097 | Occupied | 07/01/2022 | 1510 | RESIDENT | 1343 | 1343 |
| 200-224 | 2x2 | 926 | Occupied | 01/27/2023 | 1316 | RESIDENT | 626 | 626 |
| 200-224 | 2x2 | 926 | Occupied | 01/27/2023 | 0 | NCHA | 584 | 584 |
| 300-301 | 2x2 | 926 | Occupied | 09/01/2020 | 1316 | RESIDENT | 286 | 286 |
| 300-301 | 2x2 | 926 | Occupied | 09/01/2020 | 0 | NCHA | 950 | 950 |
| 300-302 | 3x2 | 1097 | Occupied | 01/05/2024 | 1510 | RESIDENT | 784 | 859 |
| 300-302 | 3x2 | 1097 | Occupied | 01/05/2024 | 0 | NCHA | 614 | 614 |
| 300-303 | 3x2 | 1097 | Occupied | 07/30/2014 | 1510 | RESIDENT | 1343 | 1343 |
| 300-304 | 2x2 | 926 | Occupied | 05/26/2023 | 1316 | RESIDENT | 1170 | 1170 |
| 300-304 | 2x2 | 926 | Occupied | 05/26/2023 | 0 | NCHA | 0 | 0 |
| 300-305 | 2x2 | 926 | Occupied | 07/07/2022 | 1316 | RESIDENT | 1176 | 1176 |
| 300-306 | 3x2 | 1097 | Occupied | 12/05/2023 | 1510 | RESIDENT | 44 | 44 |
| 300-306 | 3x2 | 1097 | Occupied | 12/05/2023 | 0 | DC | 1342 | 1342 |
| 300-307 | 3x2 | 1097 | Occupied | 11/11/2022 | 1510 | NCHA | 1424 | 1424 |
| 300-307 | 3x2 | 1097 | Occupied | 11/11/2022 | 0 | RESIDENT | 0 | 0 |
| 300-308 | 2x2 | 926 | Occupied | 03/31/2017 | 1316 | RESIDENT | 1216 | 1216 |
| 300-309 | 2x2 | 926 | Occupied | 03/26/2021 | 1316 | RESIDENT | 1216 | 1216 |
| 300-310 | 3x2 | 1097 | Occupied | 10/15/2019 | 1510 | NCHA | 1424 | 1424 |
| 300-310 | 3x2 | 1097 | Occupied | 10/15/2019 | 0 | RESIDENT | 0 | 0 |
| 300-311 | 3x2 | 1097 | Occupied | 07/28/2020 | 1510 | RESIDENT | 324 | 324 |
| 300-311 | 3x2 | 1097 | Occupied | 07/28/2020 | 0 | NCHA | 1023 | 1023 |
| 300-312 | 2x2 | 926 | Occupied | 10/25/2019 | 1316 | RESIDENT | 491 | 491 |
| 300-312 | 2x2 | 926 | Occupied | 10/25/2019 | 0 | NCHA | 745 | 745 |
| 300-313 | 3x2 | 1097 | Occupied | 03/01/2019 | 1510 | RESIDENT | 188 | 188 |
| 300-313 | 3x2 | 1097 | Occupied | 03/01/2019 | 0 | NCHA | 1159 | 1159 |
| 300-314 | 2x2 | 926 | Occupied | 10/31/2023 | 1316 | RESIDENT | 839 | 839 |
| 300-314 | 2x2 | 926 | Occupied | 10/31/2023 | 0 | NCHA | 393 | 393 |
| 300-315 | 2x2 | 926 | Occupied | 05/26/2023 | 1316 | RESIDENT | 426 | 426 |
| 300-315 | 2x2 | 926 | Occupied | 05/26/2023 | 0 | NCHA | 744 | 744 |
| 300-316 | 3x2 | 1097 | Occupied | 06/09/2021 | 1510 | RESIDENT | 1343 | 1343 |
| 300-317 | 3x2 | 1097 | Occupied | 03/22/2016 | 1510 | RESIDENT | 1386 | 1386 |
| 300-318 | 2x2 | 926 | Occupied | 12/02/2021 | 1316 | RESIDENT | 175 | 175 |
| 300-318 | 2x2 | 926 | Occupied | 12/02/2021 | 0 | NCHA | 1061 | 1061 |
| 300-319 | 3x2 | 1097 | Occupied | 03/01/2021 | 1510 | RESIDENT | 884 | 884 |
| 300-319 | 3x2 | 1097 | Occupied | 03/01/2021 | 0 | NCHA | 463 | 463 |
| 300-320 | 2x2 | 926 | Occupied | 02/23/2024 | 1316 | RESIDENT | 1216 | 1216 |
| 300-321 | 3x2 | 1097 | Occupied | 09/01/2021 | 1510 | RESIDENT | 1424 | 1424 |
| 300-322 | 2x2 | 926 | Occupied | 04/27/2017 | 1316 | RESIDENT | 868 | 868 |
| 300-322 | 2x2 | 926 | Occupied | 04/27/2017 | 0 | NCHA | 342 | 342 |
| 300-323 | 2x2 | 926 | Occupied-NTV | 11/02/2020 | 1316 | RESIDENT | 1216 | 1216 |
| 300-324 | 3x2 | 1097 | Occupied | 08/09/2019 | 1510 | RESIDENT | 618 | 618 |
| 300-324 | 3x2 | 1097 | Occupied | 08/09/2019 | 0 | NCHA | 729 | 729 |
| 400-401 | 1x1 | 741 | Occupied | 09/11/2015 | 1106 | RESIDENT | 1049 | 1049 |
| 400-402 | 1x1 | 741 | Occupied | 12/30/2008 | 1106 | RESIDENT | 1030 | 1030 |
| 400-403 | 1x1 | 741 | Occupied | 01/10/2024 | 1106 | RESIDENT | 154 | 154 |
| 400-403 | 1x1 | 741 | Occupied | 01/10/2024 | 0 | DC | 876 | 876 |
| 400-404 | 1x1 | 741 | Occupied | 06/25/2021 | 1106 | RESIDENT | 160 | 160 |
| 400-404 | 1x1 | 741 | Occupied | 06/25/2021 | 0 | NCHA | 850 | 850 |
| 400-405 | 1x1 | 741 | Occupied | 03/25/2022 | 1106 | RESIDENT | 994 | 994 |
| 400-406 | 1x1 | 741 | Vacant-Leased | | 1106 | | 0 | 0 |
| 400-406 | 1x1 | 741 | Applicant | 07/12/2024 | 0 | RESIDENT | 0 | 0 |
| 400-406 | 1x1 | 741 | Applicant | 07/12/2024 | 0 | | 0 | 0 |
| 400-407 | 1x1 | 741 | Occupied | 11/17/2017 | 1106 | RESIDENT | 127 | 127 |

| | | | | | | | |
|---------|-----|------|---------------|------------|---------------|------|------|
| 400-407 | 1x1 | 741 | Occupied | 11/17/2017 | 0 NCHA | 903 | 903 |
| 400-408 | 1x1 | 741 | Occupied | 05/06/2014 | 1106 RESIDENT | 160 | 160 |
| 400-408 | 1x1 | 741 | Occupied | 05/06/2014 | 0 NCHA | 850 | 850 |
| 400-409 | 1x1 | 741 | Occupied | 07/29/2019 | 1106 RESIDENT | 994 | 994 |
| 400-410 | 1x1 | 741 | Occupied | 02/07/2014 | 1106 RESIDENT | 1030 | 1030 |
| 400-411 | 1x1 | 741 | Vacant-Leased | | 1106 | 0 | 0 |
| 400-411 | 1x1 | 741 | Applicant | 06/25/2024 | 0 RESIDENT | 0 | 0 |
| 400-411 | 1x1 | 741 | Applicant | 06/25/2024 | 0 | 0 | 0 |
| 400-412 | 1x1 | 741 | Occupied | 12/27/2023 | 1106 RESIDENT | 1030 | 1030 |
| 400-413 | 1x1 | 741 | Occupied | 04/27/2018 | 1106 RESIDENT | 315 | 315 |
| 400-413 | 1x1 | 741 | Occupied | 04/27/2018 | 0 NCHA | 695 | 695 |
| 400-414 | 1x1 | 741 | Occupied | 12/20/2019 | 1106 RESIDENT | 1030 | 1030 |
| 400-415 | 1x1 | 741 | Occupied | 09/26/2016 | 1106 RESIDENT | 154 | 154 |
| 400-415 | 1x1 | 741 | Occupied | 09/26/2016 | 0 DC | 876 | 876 |
| 400-416 | 1x1 | 741 | Occupied | 03/25/2024 | 1106 RESIDENT | 445 | 445 |
| 400-416 | 1x1 | 741 | Occupied | 03/25/2024 | 0 NCHA | 565 | 565 |
| 400-417 | 1x1 | 741 | Occupied | 09/01/2022 | 1106 RESIDENT | 397 | 397 |
| 400-417 | 1x1 | 741 | Occupied | 09/01/2022 | 0 NCHA | 633 | 633 |
| 400-418 | 1x1 | 741 | Occupied-NTV | 06/08/2021 | 1106 NCHA | 1010 | 1010 |
| 400-418 | 1x1 | 741 | Occupied-NTV | 06/08/2021 | 0 RESIDENT | 0 | 0 |
| 400-419 | 1x1 | 741 | Occupied | 02/02/2016 | 1106 RESIDENT | 1030 | 1030 |
| 400-420 | 1x1 | 741 | Occupied | 05/30/2013 | 1106 RESIDENT | 994 | 994 |
| 400-421 | 1x1 | 741 | Occupied | 07/30/2020 | 1106 RESIDENT | 994 | 994 |
| 400-422 | 1x1 | 741 | Occupied | 04/11/2024 | 1106 RESIDENT | 1030 | 1030 |
| 400-423 | 1x1 | 741 | Occupied | 12/08/2023 | 1106 RESIDENT | 1030 | 1030 |
| 400-424 | 1x1 | 741 | Occupied | 01/27/2020 | 1106 NCHA | 1010 | 1010 |
| 400-424 | 1x1 | 741 | Occupied | 01/27/2020 | 0 RESIDENT | 0 | 0 |
| 500-501 | 3x2 | 1097 | Occupied | 04/01/2021 | 1510 RESIDENT | 110 | 110 |
| 500-501 | 3x2 | 1097 | Occupied | 04/01/2021 | 0 DC | 1276 | 1276 |
| 500-502 | 3x2 | 1097 | Occupied | 01/25/2023 | 1510 NCHA | 1398 | 1398 |
| 500-502 | 3x2 | 1097 | Occupied | 01/25/2023 | 0 RESIDENT | 0 | 0 |
| 500-503 | 3x2 | 1097 | Occupied | 04/29/2024 | 1510 NCHA | 1398 | 1398 |
| 500-503 | 3x2 | 1097 | Occupied | 04/29/2024 | 0 RESIDENT | 0 | 0 |
| 500-504 | 3x2 | 1097 | Occupied | 05/14/2020 | 1510 RESIDENT | 1079 | 1079 |
| 500-504 | 3x2 | 1097 | Occupied | 05/14/2020 | 0 NCHA | 319 | 319 |
| 500-505 | 3x2 | 1097 | Occupied | 12/16/2022 | 1510 DC | 1386 | 1386 |
| 500-505 | 3x2 | 1097 | Occupied | 12/16/2022 | 0 RESIDENT | 0 | 0 |
| 500-506 | 3x2 | 1097 | Occupied | 03/25/2022 | 1510 RESIDENT | 1386 | 1386 |
| 500-507 | 3x2 | 1097 | Occupied | 08/02/2019 | 1510 RESIDENT | 1343 | 1343 |
| 500-508 | 3x2 | 1097 | Occupied | 03/01/2021 | 1510 RESIDENT | 319 | 319 |
| 500-508 | 3x2 | 1097 | Occupied | 03/01/2021 | 0 NCHA | 1079 | 1079 |
| 500-509 | 3x2 | 1097 | Occupied | 03/15/2022 | 1510 RESIDENT | 1343 | 1343 |
| 500-510 | 3x2 | 1097 | Vacant-Leased | | 1510 | 0 | 0 |
| 500-510 | 3x2 | 1097 | Applicant | 06/21/2024 | 0 RESIDENT | 0 | 0 |
| 500-510 | 3x2 | 1097 | Applicant | 06/21/2024 | 0 | 0 | 0 |
| 500-511 | 3x2 | 1097 | Occupied | 05/01/2021 | 1510 RESIDENT | 755 | 755 |
| 500-511 | 3x2 | 1097 | Occupied | 05/01/2021 | 0 NCHA | 643 | 643 |
| 500-512 | 3x2 | 1097 | Occupied | 02/23/2024 | 1510 RESIDENT | 1386 | 1386 |
| 600-601 | 3x2 | 1097 | Vacant-Leased | | 1510 | 0 | 0 |
| 600-601 | 3x2 | 1097 | Applicant | 07/01/2024 | 0 RESIDENT | 0 | 0 |
| 600-601 | 3x2 | 1097 | Applicant | 07/01/2024 | 0 | 0 | 0 |
| 600-602 | 2x2 | 926 | Occupied | 03/01/2019 | 1316 RESIDENT | 204 | 204 |
| 600-602 | 2x2 | 926 | Occupied | 03/01/2019 | 0 DC | 1012 | 1012 |
| 600-603 | 3x2 | 1097 | Occupied-NTVL | 06/09/2023 | 1510 RESIDENT | 1343 | 1343 |
| 600-603 | 3x2 | 1097 | Applicant | 06/28/2024 | 0 RESIDENT | 0 | 0 |
| 600-603 | 3x2 | 1097 | Applicant | 06/28/2024 | 0 | 0 | 0 |
| 600-604 | 2x2 | 926 | Occupied | 03/08/2024 | 1316 RESIDENT | 1216 | 1216 |
| 600-605 | 3x2 | 1097 | Vacant-Leased | | 1510 | 0 | 0 |
| 600-605 | 3x2 | 1097 | Applicant | 07/02/2024 | 0 RESIDENT | 0 | 0 |
| 600-605 | 3x2 | 1097 | Applicant | 07/02/2024 | 0 | 0 | 0 |
| 600-606 | 2x2 | 926 | Occupied | 08/21/2015 | 1316 RESIDENT | 1176 | 1176 |
| 600-607 | 3x2 | 1097 | Occupied | 11/10/2023 | 1510 RESIDENT | 422 | 422 |
| 600-607 | 3x2 | 1097 | Occupied | 11/10/2023 | 0 NCHA | 1002 | 1002 |
| 600-608 | 2x2 | 926 | Occupied | 08/03/2022 | 1316 RESIDENT | 264 | 264 |
| 600-608 | 2x2 | 926 | Occupied | 08/03/2022 | 0 DC | 912 | 912 |
| 600-609 | 3x2 | 1097 | Occupied | 06/14/2010 | 1510 RESIDENT | 845 | 845 |
| 600-609 | 3x2 | 1097 | Occupied | 06/14/2010 | 0 NCHA | 553 | 553 |
| 600-610 | 2x2 | 926 | Vacant | | 1316 | 0 | 0 |
| 600-611 | 2x2 | 926 | Occupied | 06/29/2020 | 1316 RESIDENT | 1176 | 1176 |

| | | | | | | | | |
|---------|-----|------|---------------|------------|------|----------|------|------|
| 600-612 | 3x2 | 1097 | Occupied | 05/07/2021 | 1510 | RESIDENT | 761 | 761 |
| 600-612 | 3x2 | 1097 | Occupied | 05/07/2021 | 0 | NCHA | 586 | 586 |
| 600-613 | 2x2 | 926 | Occupied | 04/12/2024 | 1316 | RESIDENT | 124 | 124 |
| 600-613 | 2x2 | 926 | Occupied | 04/12/2024 | 0 | DC | 1092 | 1092 |
| 600-614 | 3x2 | 1097 | Occupied | 06/29/2021 | 1510 | RESIDENT | 1343 | 1343 |
| 600-615 | 2x2 | 926 | Occupied | 03/01/2017 | 1316 | RESIDENT | 197 | 197 |
| 600-615 | 2x2 | 926 | Occupied | 03/01/2017 | 0 | DC | 1019 | 1019 |
| 600-616 | 3x2 | 1097 | Occupied | 08/23/2019 | 1510 | NCHA | 1347 | 1347 |
| 600-616 | 3x2 | 1097 | Occupied | 08/23/2019 | 0 | RESIDENT | 0 | 0 |
| 600-617 | 2x2 | 926 | Occupied | 03/30/2022 | 1316 | RESIDENT | 624 | 624 |
| 600-617 | 2x2 | 926 | Occupied | 03/30/2022 | 0 | DC | 592 | 592 |
| 600-618 | 3x2 | 1097 | Occupied | 04/11/2024 | 1510 | RESIDENT | 250 | 250 |
| 600-618 | 3x2 | 1097 | Occupied | 04/11/2024 | 0 | DC | 1136 | 1136 |
| 600-619 | 2x2 | 926 | Occupied | 05/13/2014 | 1316 | RESIDENT | 1176 | 1176 |
| 600-620 | 3x2 | 1097 | Occupied | 06/27/2023 | 1510 | RESIDENT | 16 | 16 |
| 600-620 | 3x2 | 1097 | Occupied | 06/27/2023 | 0 | NCHA | 1382 | 1382 |
| 600-621 | 2x2 | 926 | Occupied | 08/03/2021 | 1316 | DC | 922 | 922 |
| 600-621 | 2x2 | 926 | Occupied | 08/03/2021 | 0 | RESIDENT | 0 | 0 |
| 600-622 | 3x2 | 1097 | Occupied | 12/13/2016 | 1510 | RESIDENT | 551 | 551 |
| 600-622 | 3x2 | 1097 | Occupied | 12/13/2016 | 0 | DC | 835 | 835 |
| 600-623 | 2x2 | 926 | Occupied | 04/01/2021 | 1316 | DC | 1216 | 1216 |
| 600-623 | 2x2 | 926 | Occupied | 04/01/2021 | 0 | RESIDENT | 0 | 0 |
| 600-624 | 3x2 | 1097 | Occupied | 07/31/2019 | 1510 | RESIDENT | 1343 | 1343 |
| 700-701 | 3x2 | 1097 | Occupied | 05/01/2022 | 1510 | RESIDENT | 122 | 122 |
| 700-701 | 3x2 | 1097 | Occupied | 05/01/2022 | 0 | NCHA | 1276 | 1276 |
| 700-702 | 2x2 | 926 | Occupied | 11/02/2022 | 1316 | RESIDENT | 257 | 257 |
| 700-702 | 2x2 | 926 | Occupied | 11/02/2022 | 0 | DC | 959 | 959 |
| 700-703 | 3x2 | 1097 | Occupied | 06/26/2012 | 1510 | DC | 1386 | 1386 |
| 700-703 | 3x2 | 1097 | Occupied | 06/26/2012 | 0 | RESIDENT | 0 | 0 |
| 700-704 | 2x2 | 926 | Occupied | 05/16/2024 | 1316 | RESIDENT | 1216 | 1216 |
| 700-705 | 3x2 | 1097 | Occupied | 06/08/2024 | 1510 | RESIDENT | 1386 | 1386 |
| 700-706 | 2x2 | 926 | Occupied | 09/21/2022 | 1316 | RESIDENT | 674 | 674 |
| 700-706 | 2x2 | 926 | Occupied | 09/21/2022 | 0 | NCHA | 562 | 562 |
| 700-707 | 3x2 | 1097 | Occupied | 01/11/2022 | 1510 | NCHA | 1398 | 1398 |
| 700-707 | 3x2 | 1097 | Occupied | 01/11/2022 | 0 | RESIDENT | 0 | 0 |
| 700-708 | 2x2 | 926 | Vacant-Leased | | 1316 | | 0 | 0 |
| 700-708 | 2x2 | 926 | Applicant | 06/14/2024 | 0 | RESIDENT | 0 | 0 |
| 700-708 | 2x2 | 926 | Applicant | 06/14/2024 | 0 | | 0 | 0 |
| 700-709 | 3x2 | 1097 | Occupied | 09/01/2022 | 1510 | RESIDENT | 169 | 169 |
| 700-709 | 3x2 | 1097 | Occupied | 09/01/2022 | 0 | NCHA | 1251 | 1251 |
| 700-710 | 2x2 | 926 | Occupied | 01/27/2017 | 1316 | RESIDENT | 1216 | 1216 |
| 700-711 | 3x2 | 1097 | Occupied | 01/04/2022 | 1510 | RESIDENT | 820 | 820 |
| 700-711 | 3x2 | 1097 | Occupied | 01/04/2022 | 0 | NCHA | 578 | 578 |
| 700-712 | 2x2 | 926 | Occupied | 10/04/2013 | 1316 | RESIDENT | 1216 | 1216 |
| 700-713 | 2x2 | 926 | Occupied | 03/13/2020 | 1316 | RESIDENT | 1176 | 1176 |
| 700-714 | 3x2 | 1097 | Occupied | 11/25/2014 | 1510 | RESIDENT | 1386 | 1386 |
| 700-715 | 2x2 | 926 | Occupied | 03/01/2024 | 1316 | RESIDENT | 1216 | 1216 |
| 700-716 | 3x2 | 1097 | Occupied | 12/07/2021 | 1510 | NCHA | 1424 | 1424 |
| 700-716 | 3x2 | 1097 | Occupied | 12/07/2021 | 0 | RESIDENT | 0 | 0 |
| 700-717 | 2x2 | 926 | Occupied | 05/03/2019 | 1316 | RESIDENT | 1176 | 1176 |
| 700-718 | 3x2 | 1097 | Occupied-NTV | 09/01/2021 | 1510 | DC | 1386 | 1386 |
| 700-718 | 3x2 | 1097 | Occupied-NTV | 09/01/2021 | 0 | RESIDENT | 0 | 0 |
| 700-719 | 2x2 | 926 | Occupied | 03/02/2018 | 1316 | RESIDENT | 174 | 174 |
| 700-719 | 2x2 | 926 | Occupied | 03/02/2018 | 0 | NCHA | 1036 | 1036 |
| 700-720 | 3x2 | 1097 | Occupied | 09/03/2021 | 1510 | RESIDENT | 1087 | 1087 |
| 700-720 | 3x2 | 1097 | Occupied | 09/03/2021 | 0 | NCHA | 337 | 337 |
| 700-721 | 2x2 | 926 | Occupied | 03/01/2021 | 1316 | DC | 1216 | 1216 |
| 700-721 | 2x2 | 926 | Occupied | 03/01/2021 | 0 | RESIDENT | 0 | 0 |
| 700-722 | 3x2 | 1097 | Occupied | 07/10/2023 | 1510 | DC | 1420 | 1420 |
| 700-722 | 3x2 | 1097 | Occupied | 07/10/2023 | 0 | RESIDENT | 0 | 0 |
| 700-723 | 2x2 | 926 | Occupied | 11/15/2021 | 1316 | DC | 1216 | 1216 |
| 700-723 | 2x2 | 926 | Occupied | 11/15/2021 | 0 | RESIDENT | 0 | 0 |
| 700-724 | 3x2 | 1097 | Occupied | 04/19/2024 | 1510 | RESIDENT | 201 | 201 |
| 700-724 | 3x2 | 1097 | Occupied | 04/19/2024 | 0 | NCHA | 1197 | 1197 |
| 800-801 | 3x2 | 1097 | Occupied | 06/25/2021 | 1510 | RESIDENT | 50 | 50 |
| 800-801 | 3x2 | 1097 | Occupied | 06/25/2021 | 0 | DC | 1293 | 1293 |
| 800-802 | 2x2 | 926 | Occupied | 10/11/2018 | 1316 | RESIDENT | 1052 | 1052 |
| 800-802 | 2x2 | 926 | Occupied | 10/11/2018 | 0 | NCHA | 184 | 184 |
| 800-803 | 3x2 | 1097 | Occupied | 05/31/2024 | 1510 | NCHA | 1398 | 1398 |

| | | | | | | | | |
|---------|-----|------|---------------|------------|------|----------|------|------|
| 800-803 | 3x2 | 1097 | Occupied | 05/31/2024 | 0 | RESIDENT | 0 | 0 |
| 800-804 | 2x2 | 926 | Occupied | 12/28/2022 | 1316 | RESIDENT | 111 | 111 |
| 800-804 | 2x2 | 926 | Occupied | 12/28/2022 | 0 | NCHA | 1125 | 1125 |
| 800-805 | 3x2 | 1097 | Occupied | 05/25/2012 | 1510 | RESIDENT | 1386 | 1386 |
| 800-806 | 2x2 | 926 | Occupied | 09/09/2011 | 1316 | RESIDENT | 367 | 367 |
| 800-806 | 2x2 | 926 | Occupied | 09/09/2011 | 0 | NCHA | 869 | 869 |
| 800-807 | 3x2 | 1097 | Occupied | 08/01/2018 | 1510 | RESIDENT | 533 | 533 |
| 800-807 | 3x2 | 1097 | Occupied | 08/01/2018 | 0 | DC | 810 | 810 |
| 800-808 | 2x2 | 926 | Occupied | 01/29/2016 | 1316 | RESIDENT | 215 | 215 |
| 800-808 | 2x2 | 926 | Occupied | 01/29/2016 | 0 | NCHA | 995 | 995 |
| 800-809 | 3x2 | 1097 | Occupied | 08/15/2016 | 1510 | RESIDENT | 182 | 182 |
| 800-809 | 3x2 | 1097 | Occupied | 08/15/2016 | 0 | NCHA | 1165 | 1165 |
| 800-810 | 2x2 | 926 | Occupied-NTVL | 03/15/2021 | 1316 | RESIDENT | 1176 | 1176 |
| 800-810 | 2x2 | 926 | Applicant | 07/19/2024 | 0 | RESIDENT | 0 | 0 |
| 800-810 | 2x2 | 926 | Applicant | 07/19/2024 | 0 | | 0 | 0 |
| 800-811 | 3x2 | 1097 | Occupied | 11/02/2017 | 1510 | RESIDENT | 895 | 895 |
| 800-811 | 3x2 | 1097 | Occupied | 11/02/2017 | 0 | NCHA | 529 | 529 |
| 800-812 | 2x2 | 926 | Occupied | 01/25/2023 | 1316 | RESIDENT | 657 | 657 |
| 800-812 | 2x2 | 926 | Occupied | 01/25/2023 | 0 | DC | 519 | 519 |
| 800-813 | 2x2 | 926 | Occupied | 12/29/2017 | 1316 | RESIDENT | 418 | 418 |
| 800-813 | 2x2 | 926 | Occupied | 12/29/2017 | 0 | NCHA | 818 | 818 |
| 800-814 | 3x2 | 1097 | Occupied | 01/05/2024 | 1510 | RESIDENT | 98 | 98 |
| 800-814 | 3x2 | 1097 | Occupied | 01/05/2024 | 0 | NCHA | 1300 | 1300 |
| 800-815 | 2x2 | 926 | Occupied | 05/18/2023 | 1316 | RESIDENT | 879 | 879 |
| 800-815 | 2x2 | 926 | Occupied | 05/18/2023 | 0 | DC | 297 | 297 |
| 800-816 | 3x2 | 1097 | Occupied-NTVL | 01/27/2017 | 1510 | RESIDENT | 880 | 880 |
| 800-816 | 3x2 | 1097 | Occupied-NTVL | 01/27/2017 | 0 | NCHA | 384 | 384 |
| 800-816 | 3x2 | 1097 | Applicant | 07/15/2024 | 0 | RESIDENT | 0 | 0 |
| 800-816 | 3x2 | 1097 | Applicant | 07/15/2024 | 0 | | 0 | 0 |
| 800-817 | 2x2 | 926 | Occupied | 01/11/2024 | 1316 | RESIDENT | 1216 | 1216 |
| 800-818 | 3x2 | 1097 | Occupied | 02/25/2021 | 1510 | RESIDENT | 114 | 114 |
| 800-818 | 3x2 | 1097 | Occupied | 02/25/2021 | 0 | NCHA | 1284 | 1284 |
| 800-819 | 2x2 | 926 | Occupied | 11/28/2023 | 1316 | NCHA | 1236 | 1236 |
| 800-819 | 2x2 | 926 | Occupied | 11/28/2023 | 0 | RESIDENT | 0 | 0 |
| 800-820 | 3x2 | 1097 | Occupied | 12/15/2023 | 1510 | RESIDENT | 715 | 715 |
| 800-820 | 3x2 | 1097 | Occupied | 12/15/2023 | 0 | DC | 671 | 671 |
| 800-821 | 2x2 | 926 | Occupied | 07/28/2023 | 1316 | NCHA | 1236 | 1236 |
| 800-821 | 2x2 | 926 | Occupied | 07/28/2023 | 0 | RESIDENT | 0 | 0 |
| 800-822 | 3x2 | 1097 | Occupied | 08/02/2021 | 1510 | RESIDENT | 599 | 599 |
| 800-822 | 3x2 | 1097 | Occupied | 08/02/2021 | 0 | NCHA | 748 | 748 |
| 800-823 | 2x2 | 926 | Occupied | 12/23/2009 | 1316 | RESIDENT | 1216 | 1216 |
| 800-824 | 3x2 | 1097 | Occupied | 06/10/2022 | 1510 | RESIDENT | 668 | 668 |
| 800-824 | 3x2 | 1097 | Occupied | 06/10/2022 | 0 | NCHA | 730 | 730 |
| 900-901 | 3x2 | 1097 | Occupied | 06/16/2023 | 1510 | NCHA | 1398 | 1398 |
| 900-901 | 3x2 | 1097 | Occupied | 06/16/2023 | 0 | RESIDENT | 0 | 0 |
| 900-902 | 2x2 | 926 | Occupied | 08/15/2022 | 1316 | RESIDENT | 323 | 323 |
| 900-902 | 2x2 | 926 | Occupied | 08/15/2022 | 0 | NCHA | 853 | 853 |
| 900-902 | 2x2 | 926 | Occupied | 08/15/2022 | 0 | DC | 0 | 0 |
| 900-903 | 3x2 | 1097 | Occupied | 09/28/2022 | 1510 | RESIDENT | 1386 | 1386 |
| 900-904 | 2x2 | 926 | Occupied | 02/08/2022 | 1316 | RESIDENT | 1216 | 1216 |
| 900-905 | 3x2 | 1097 | Occupied | 03/07/2023 | 1510 | RESIDENT | 791 | 791 |
| 900-905 | 3x2 | 1097 | Occupied | 03/07/2023 | 0 | NCHA | 565 | 565 |
| 900-906 | 2x2 | 926 | Occupied | 06/09/2023 | 1316 | RESIDENT | 1216 | 1216 |
| 900-907 | 3x2 | 1097 | Occupied | 01/30/2024 | 1510 | RESIDENT | 446 | 446 |
| 900-907 | 3x2 | 1097 | Occupied | 01/30/2024 | 0 | NCHA | 952 | 952 |
| 900-908 | 2x2 | 926 | Occupied | 08/02/2021 | 1316 | RESIDENT | 197 | 197 |
| 900-908 | 2x2 | 926 | Occupied | 08/02/2021 | 0 | NCHA | 973 | 973 |
| 900-909 | 3x2 | 1097 | Vacant-Leased | | 1510 | | 0 | 0 |
| 900-909 | 3x2 | 1097 | Applicant | 06/28/2024 | 0 | RESIDENT | 0 | 0 |
| 900-909 | 3x2 | 1097 | Applicant | 06/28/2024 | 0 | | 0 | 0 |
| 900-910 | 2x2 | 926 | Occupied-NTVL | 07/02/2019 | 1316 | RESIDENT | 967 | 967 |
| 900-910 | 2x2 | 926 | Occupied-NTVL | 07/02/2019 | 0 | DC | 249 | 249 |
| 900-910 | 2x2 | 926 | Applicant | 07/26/2024 | 0 | RESIDENT | 0 | 0 |
| 900-910 | 2x2 | 926 | Applicant | 07/26/2024 | 0 | | 0 | 0 |
| 900-911 | 3x2 | 1097 | Occupied-NTVL | 06/24/2021 | 1510 | RESIDENT | 774 | 774 |
| 900-911 | 3x2 | 1097 | Occupied-NTVL | 06/24/2021 | 0 | NCHA | 624 | 624 |
| 900-911 | 3x2 | 1097 | Applicant | 07/26/2024 | 0 | RESIDENT | 0 | 0 |
| 900-911 | 3x2 | 1097 | Applicant | 07/26/2024 | 0 | | 0 | 0 |
| 900-912 | 2x2 | 926 | Occupied | 12/28/2015 | 1316 | RESIDENT | 1216 | 1216 |

| | | | | | | | | |
|---------|-----|------|---------------|------------|--------|----------|--------|--------|
| 900-913 | 2x2 | 926 | Occupied | 02/23/2024 | 1316 | RESIDENT | 665 | 665 |
| 900-913 | 2x2 | 926 | Occupied | 02/23/2024 | 0 | NCHA | 545 | 545 |
| 900-914 | 3x2 | 1097 | Occupied | 07/06/2020 | 1510 | RESIDENT | 1343 | 1343 |
| 900-915 | 2x2 | 926 | Vacant-Leased | | 1316 | | 0 | 0 |
| 900-915 | 2x2 | 926 | Applicant | 08/15/2024 | 0 | RESIDENT | 0 | 0 |
| 900-915 | 2x2 | 926 | Applicant | 08/15/2024 | 0 | | 0 | 0 |
| 900-916 | 3x2 | 1097 | Occupied | 04/25/2008 | 1510 | RESIDENT | 1176 | 1176 |
| 900-916 | 3x2 | 1097 | Occupied | 04/25/2008 | 0 | NCHA | 167 | 167 |
| 900-917 | 2x2 | 926 | Occupied | 04/26/2024 | 1316 | RESIDENT | 1216 | 1216 |
| 900-918 | 3x2 | 1097 | Occupied | 03/21/2012 | 1510 | RESIDENT | 1386 | 1386 |
| 900-919 | 2x2 | 926 | Occupied | 03/02/2023 | 1316 | RESIDENT | 1216 | 1216 |
| 900-920 | 3x2 | 1097 | Vacant-Leased | | 1510 | | 0 | 0 |
| 900-920 | 3x2 | 1097 | Applicant | 06/25/2024 | 0 | RESIDENT | 0 | 0 |
| 900-920 | 3x2 | 1097 | Applicant | 06/25/2024 | 0 | NCHA | 0 | 0 |
| 900-920 | 3x2 | 1097 | Applicant | 06/25/2024 | 0 | | 0 | 0 |
| 900-921 | 2x2 | 926 | Occupied | 08/11/2023 | 1316 | RESIDENT | 497 | 497 |
| 900-921 | 2x2 | 926 | Occupied | 08/11/2023 | 0 | NCHA | 745 | 745 |
| 900-922 | 3x2 | 1097 | Occupied | 05/28/2021 | 1510 | RESIDENT | 1343 | 1343 |
| 900-923 | 2x2 | 926 | Occupied | 12/15/2022 | 1316 | RESIDENT | 128 | 128 |
| 900-923 | 2x2 | 926 | Occupied | 12/15/2022 | 0 | DC | 1088 | 1088 |
| 900-924 | 3x2 | 1097 | Occupied | 03/11/2021 | 1510 | NCHA | 1398 | 1398 |
| 900-924 | 3x2 | 1097 | Occupied | 03/11/2021 | 0 | RESIDENT | 0 | 0 |
| | | | | | 282048 | | 243622 | 243772 |

Note: This section consists of records for occupied and vacant units only. Vacant unit's

ADDENDUM E

Financials

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

dba APPIAN WAY APARTMENTS

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

YEARS ENDED DECEMBER 31, 2021 AND 2020

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

TABLE OF CONTENTS

| | Page |
|---|-------------|
| Independent auditor's report | 1-3 |
| Financial statements | |
| Balance sheets | 4-5 |
| Statements of operations | 6 |
| Statements of changes in Partners' equity (deficit) | 7 |
| Statements of cash flows | 8 |
| Notes to financial statements | 9-16 |
| Supplementary information | |
| Schedules of other revenue and operating expenses | 17-18 |

INDEPENDENT AUDITOR'S REPORT

To the Partners of
8465 Patriot Boulevard, LP
(A South Carolina Limited Partnership)

Opinion

We have audited the accompanying financial statements of 8465 Patriot Boulevard, LP, which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of operations, changes in Partners' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 8465 Patriot Boulevard, LP as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 8465 Patriot Boulevard, LP and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 8465 Patriot Boulevard, LP's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

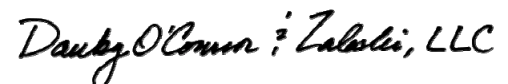
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 8465 Patriot Boulevard, LP's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 8465 Patriot Boulevard, LP's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

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

April 26, 2022
Carmel, Indiana



Dauby O'Connor & Zaleski, LLC
Certified Public Accountants

8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)

BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

| ASSETS | | | |
|--|---------------------|---------------------|--|
| | 2021 | 2020 | |
| Current assets | | | |
| Cash and cash equivalents | | | |
| Cash | \$ 142,135 | \$ 199,808 | |
| Resident security deposits | 91,240 | 74,162 | |
| Mortgage escrow deposits | 301,138 | 346,993 | |
| Operating reserve | 269,309 | 269,309 | |
| Reserve for replacements | 55,388 | 71,222 | |
| Other reserve | 7,304 | 2,554 | |
| Total cash and cash equivalents | 866,514 | 964,048 | |
| Accounts receivable - residents | 17,962 | 32,231 | |
| Prepaid expenses | 40,885 | 40,885 | |
| Total current assets | 925,361 | 1,037,164 | |
| Property and equipment | | | |
| Land | 698,995 | 698,995 | |
| Buildings | 11,238,106 | 11,238,106 | |
| Land improvements | 1,168,638 | 1,168,638 | |
| Equipment | 1,308,951 | 1,308,951 | |
| | 14,414,690 | 14,414,690 | |
| Less: accumulated depreciation | (7,412,082) | (6,933,674) | |
| Total property and equipment | 7,002,608 | 7,481,016 | |
| | \$ 7,927,969 | \$ 8,518,180 | |

8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)

BALANCE SHEETS (CONTINUED)
DECEMBER 31, 2021 AND 2020

LIABILITIES AND PARTNERS' EQUITY (DEFICIT)

| | 2021 | 2020 |
|---------------------------------------|---------------------|---------------------|
| Current liabilities | | |
| Accounts payable - operations | \$ 24,965 | \$ 11,326 |
| Accrued management fees | 7,689 | 7,689 |
| Accrued real estate taxes | 265,669 | 265,669 |
| Accrued wages payable | 8,338 | 43,095 |
| Deferred revenue | 42,019 | 18,340 |
| Bonds payable - current portion | 142,483 | 134,005 |
| Total current liabilities | 491,163 | 480,124 |
| Deposit liabilities | | |
| Resident security deposits liability | 91,240 | 86,343 |
| Long term liabilities | | |
| Bonds payable, net of current portion | 9,527,511 | 9,669,936 |
| Less: unamortized debt issuance costs | (79,033) | (81,943) |
| Deferred development fee | 629,044 | 1,119,648 |
| Total long term liabilities | 10,077,522 | 10,707,641 |
| Total liabilities | 10,659,925 | 11,274,108 |
| Partners' equity (deficit) | (2,731,956) | (2,755,928) |
| | \$ 7,927,969 | \$ 8,518,180 |

8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)

STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2021 AND 2020

| | 2021 | 2020 |
|--|------------------|---------------------|
| Revenue | | |
| Net rental revenue | \$ 2,383,917 | \$ 2,229,395 |
| Interest revenue | 826 | 381 |
| Other revenue | 64,234 | 58,529 |
| Total revenue | 2,448,977 | 2,288,305 |
| Operating expenses | | |
| Administrative | 337,270 | 327,535 |
| Utilities | 189,066 | 187,852 |
| Operating and maintenance | 384,342 | 367,857 |
| Taxes and insurance | 427,581 | 376,975 |
| Financial | 19,518 | 24,451 |
| Total operating expenses | 1,357,777 | 1,284,670 |
| Income (loss) from operations | 1,091,200 | 1,003,635 |
| Non-operating (income) expenses | | |
| Interest | 602,175 | 610,091 |
| Depreciation | 478,408 | 483,698 |
| Asset management fee | 21,402 | 20,778 |
| Forgiveness of accrued wages | (34,757) | - |
| Total non-operating (income) expenses | 1,067,228 | 1,114,567 |
| Net income (loss) | \$ 23,972 | \$ (110,932) |

8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)

STATEMENTS OF CHANGES IN PARTNERS' EQUITY (DEFICIT)
YEARS ENDED DECEMBER 31, 2021 AND 2020

| | |
|--|-------------------------------------|
| Partners' equity (deficit), January 1, 2020 | \$ (2,644,996) |
| Net income (loss) | <u>(110,932)</u> |
| Partners' equity (deficit), December 31, 2020 | (2,755,928) |
| Net income (loss) | <u>23,972</u> |
| Partners' equity (deficit), December 31, 2021 | <u><u>\$ (2,731,956)</u></u> |

8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

| | 2021 | 2020 |
|--|-------------------|---------------------|
| Reconciliation of net income (loss) to net cash provided by (used in) operating activities | | |
| Net income (loss) | \$ 23,972 | \$ (110,932) |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: | | |
| Depreciation | 478,408 | 483,698 |
| Amortization - debt issuance costs | 2,910 | 2,911 |
| Forgiveness of accrued wages | (34,757) | - |
| Changes in: | | |
| Accounts receivable - residents | 14,269 | (21,196) |
| Prepaid expenses | - | (101) |
| Accounts payable - operations | 13,639 | (10,349) |
| Accrued management fees | - | (79) |
| Accrued wages payable | - | 38,996 |
| Accrued real estate taxes | - | 1,985 |
| Deferred revenue | 23,679 | (2,285) |
| Resident security deposits liability | 4,897 | 11,403 |
| Total adjustments | 503,045 | 504,983 |
| Net cash provided by (used in) operating activities | 527,017 | 394,051 |
| Cash flow from financing activities | | |
| Principal payments on bonds payable | (133,947) | (126,032) |
| Payment of deferred development fee | (490,604) | (121,773) |
| Net cash provided by (used in) financing activities | (624,551) | (247,805) |
| Net change in cash and cash equivalents | (97,534) | 146,246 |
| Cash and cash equivalents, beginning | 964,048 | 817,802 |
| Cash and cash equivalents, ending | \$ 866,514 | \$ 964,048 |
| Supplemental information on cash flows | | |
| Cash paid for interest | \$ 599,265 | \$ 607,180 |

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

8465 Patriot Boulevard, LP (a South Carolina Limited Partnership) (the "Partnership") was formed to acquire, develop, finance, own and operate a 204 unit apartment complex known as Appian Way Apartments (the "Property") located in North Charleston, South Carolina.

The Company received an allocation of federal low income housing tax credits ("LIHTC") from the State of South Carolina totaling \$604,249 annually. To qualify for the tax credits, the Partnership must meet certain requirements, including attaining a qualified eligible basis sufficient to support the allocation.

Each unit in the property has qualified and was allocated LIHTC pursuant to Internal Revenue Code Section 42 ("Section 42"), which regulates the use of the property as to occupant eligibility and unit gross rent, among other requirements. Each unit in the property must meet the provisions of these regulations during each of fifteen consecutive years commencing in the year the building is placed in service in order to remain qualified to receive the credits. The final year of tax credits was 2018.

The following comprises the ownership of the Partnership (collectively the "Partners"):

| | |
|---------|---|
| 0.005% | SCG Appian Way, LLC - Stratford General Partner |
| 0.005% | Roman Way, LLC - Kerr General Partner |
| 99.980% | Stratford Appian Investors, LP - Investor Limited Partner |
| 0.010% | Stratford SLP, Inc. - Special Limited Partner |

The term of the Partnership shall continue until June 1, 2050, unless earlier dissolved in accordance with the Partnership Agreement.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the financial statements

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

New accounting pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued *Accounting Standards Update* ("ASU") 2016-02, Leases, which once implemented will result in lessees recognizing most leased assets and corresponding lease liabilities on the balance sheets. The standard is effective for year-ends beginning after December 15, 2021 and early adoption is permitted. The lease standard is not expected to have a material impact on the financial statements.

Cash

For the statements of cash flows, all unrestricted investments with original maturities of three months or less are cash. At December 31, 2021 and 2020, cash consists of unrestricted checking accounts and petty cash.

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Resident receivables and bad debt policy

Resident rent charges for the current month are due on the first of the month. Residents who are evicted or move-out are charged with damages and/or cleaning fees, if applicable. Resident receivables consist of amounts due for rental revenue or the charges for damages and/or cleaning fees. The Partnership does not accrue interest on the resident receivable balances.

Resident receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not material to the financial statements for the years ended December 31, 2021 and 2020. Bad debts expensed for the years ended December 31, 2021 and 2020 totaled \$21,874 and \$16,984, respectively.

Property and equipment

Depreciation of property and equipment, stated at cost, is computed using the straight-line method for buildings and land improvements and accelerated methods for building equipment over the estimated useful lives of the assets ranging from 5 to 27.5 years. Costs that are deemed to increase the useful life of the property and equipment are capitalized. Ordinary repairs and maintenance costs are charged to operations as incurred. When assets are sold or otherwise disposed of, the costs and related reserves are removed from the accounts, and any resulting gain or loss is included in operations.

The Partnership is subject to the provisions of the Impairment or Disposal of Long-Lived Assets topic of the *FASB Accounting Standards Codification* ("ASC") 360-10. Impairment or Disposal of Long-Lived Assets has no retroactive impact on the Partnership's financial statements. The standard requires impairment losses to be recorded on long-lived assets when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets (excluding interest) are less than the carrying amount of the assets. In such cases, the carrying value of assets to be held and used are adjusted to their estimated fair value and assets held for sale are adjusted to their estimated fair value less selling expenses. No impairment loss was recognized during the years ended December 31, 2021 and 2020.

Debt issuance costs

The Partnership is subject to the provisions of the Interest-Imputation of Interest topic of the FASB ASC 835-30 which requires unamortized debt issuance costs to be presented as a reduction of the outstanding debt and the amortization of the debt issuance costs to be presented as a component of interest expense. Generally accepted accounting principles require that the effective yield method be used to amortize debt issuance costs; however, the effect of using the straight-line method is not material to the financial statements for the years ended December 31, 2021 and 2020.

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Rental revenue

Rental revenue is recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between the Partnership and the residents of the property are operating leases under FASB ASC 840 and are not within the scope of FASB ASU 2014-09.

Advertising costs

Advertising costs are expensed as incurred and are included in administrative expenses in the statements of operations.

Real estate taxes

Real estate taxes are expensed in the year of the lien on the Property such that twelve months of expense are charged to operations each year.

Concentration of credit risk

The Partnership maintains various cash balances at multiple financial institutions. At December 31, 2021 and 2020, deposits held at the institutions exceeded federally insured limits. Management regularly monitors the financial strength of the institutions. The Partnership has not experienced any losses in such accounts.

The Partnership's operations are concentrated in the multifamily real estate market. In addition, the Partnership operates in a heavily regulated environment. The operations of the Partnership are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by the respective agency. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, if any, to comply with a change.

Use of estimates in the preparation of financial statements

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

Fair value

The Partnership is subject to the provisions of the Fair Value Measurement topic of the FASB ASC 820-10 which provides guidance for assets and liabilities which are required to be measured at fair value and requires expanded disclosure for fair value measurement. The standard applies whenever other standards require or permit assets or liabilities to be measured at fair value and does not require any new fair value measurements. The Fair Value Measurement did not have a material impact on the Partnership's financial statements for the years ended December 31, 2021 and 2020.

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Accounting for uncertainty in income taxes

The Partnership is treated as a pass-through entity for income tax purposes and, as such, is not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by its owners on their respective income tax returns. The Partnership's federal tax status as a pass-through entity is based on its legal status as a limited partnership. Accordingly, the Partnership is not required to take any tax positions in order to qualify as a pass-through entity. The Partnership is required to file and does file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Partnership has no other tax positions which it must consider for disclosure. There has been no interest or penalties recognized in the statements of operations or balance sheets as of and for the years ended December 31, 2021 and 2020. Generally, the federal and state returns are subject to examination for three years after the later of the original or extended due date or the date filed with the applicable tax authority.

Subsequent events

Management performed an evaluation of the Partnership's activity through April 26, 2022, the audit report date, and has concluded that there are no significant subsequent events requiring disclosure through the date these financial statements were available to be issued.

NOTE 2-FINANCING

On June 12, 2009, in conjunction with the purchase of the Property, the Partnership assumed a loan with the South Carolina State Housing Finance and Development Authority in the amount of \$10,600,000 (the "HFDA Mortgage"). The HFDA Mortgage was funded with proceeds from the issuance of \$11,500,000 South Carolina Housing Finance and Development Authority Multifamily Rental Housing Revenue Bonds (Appian Way Apartments Property), Series 2005 (the "Bonds"). The HFDA Mortgage provides for, among other things:

1. An original amount of \$11,500,000;
2. Partial maturity redemption on June 1, 2010 to reduce the outstanding principal to \$10,000,000;
3. A maturity date of March 1, 2049, with optional redemption at the discretion of the borrower not prior to September 1, 2024 and mandatory redemption as set forth in the agreements;
4. Interest at 6.15% per annum; and
5. Monthly payments of interest only through 10 years after the Conversion Date (June 12, 2009), then monthly payments of principal and interest through the maturity date.

The mortgage note was secured by, among other items, a mortgage security agreement, assignment of leases and rents. During the years ended December 31, 2021 and 2020, interest of \$599,265 and \$607,180 was expensed and paid, respectively. At December 31, 2021 and 2020, no interest remains payable.

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 2-FINANCING (CONTINUED)

Estimated principal payments for the next five years and thereafter are as follows:

| | |
|---------------------------------|----------------------------|
| 2022 | \$ 142,483 |
| 2023 | 151,497 |
| 2024 | 161,081 |
| 2025 | 171,272 |
| 2026 | 182,107 |
| Thereafter | <u>8,861,554</u> |
| | 9,669,994 |
| Unamortized debt issuance costs | <u>(79,033)</u> |
| | <u>\$ 9,590,961</u> |

Debt issuance costs

Debt issuance costs of \$163,230 were incurred in connection with the HFDA Mortgage. These fees are being amortized using the straight-line method over the term of the HFDA Mortgage. Amortization expense for the years ended December 31, 2021 and 2020 totaled \$2,910 and \$2,911, respectively, and is included in interest on the statements of operations. As of December 31, 2021 and 2020, accumulated amortization totaled \$84,197 and \$81,287, respectively.

NOTE 3-RESERVE REQUIREMENTS

Reserve for replacements

In accordance with the Partnership Agreement, the Partnership is required to establish a reserve for replacements in the amount equal to the greater of (i) the amount required under the HFDA Mortgage or (ii) \$51,000. In addition, a payment in the amount equal to \$250 per unit per year is required. The reserve for replacements shall be used for repairs and replacements to the Property. At December 31, 2021 and 2020, the reserve for replacements balance totaled \$55,388 and \$71,222, respectively.

Operating reserve

In accordance with the Partnership Agreement, the Partnership is required to establish an operating reserve. The Partnership shall fund an amount equal to the greater of (i) the amount required under the HFDA Mortgage or (ii) \$300,000. The operating reserve shall be used, with the consent of the Special Limited Partner, to fund operating deficits. At December 31, 2021 and 2020, the operating reserve balance totaled \$269,309.

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 3-RESERVE REQUIREMENTS (CONTINUED)

Other reserve

In connection with the Bonds, the Partnership is required to establish a separate reserve account to be used for trustee, issuer and service fees associated with the Bonds. At December 31, 2021 and 2020, the other reserve balance totaled \$7,304 and \$2,554, respectively.

NOTE 4-RELATED PARTIES

Development fee

SCG Development Company, LLC, an affiliate of the Stratford General Partner, Investor Limited Partner and Special Limited Partner, and Roman Way, LLC (collectively the "Developers") were each assigned 50% of the benefits of the Development Agreement dated December 1, 2005, as amended on May 31, 2009. Pursuant to the Development Agreement, the Developers are to be paid a fee of \$2,551,958 for their services in connection with the development of the property. At December 31, 2021 and 2020, the entire development fee has been earned and \$629,044 and \$1,119,648 remains payable, respectively. The development fee will be paid as set forth in the Partnership Agreement. Pursuant to the Development Agreement, any portion of the fee which has not been paid by December 31, 2022, shall be paid from proceeds of a capital contribution by the General Partner(s) in an amount equal to the outstanding balance.

Asset management fee

The Partnership entered into an Asset Management Agreement with Stratford Asset Management Co., LLC, (the "Servicer"), an affiliate of the Stratford General Partner, the Investor Limited Partner and the Special Limited Partner. The Partnership shall pay the Servicer a fee equal to \$15,000 annually (increased each January 1 by increases in the Consumer Price Index, commencing on January 1, 2010). The asset management fee is cumulative and shall be paid monthly in arrears. During the years ended December 31, 2021 and 2020, asset management fees of \$21,402 and \$20,778 were earned and paid, respectively. At December 31, 2021 and 2020, no asset management fees remain payable.

Partnership management fee

The Partnership entered into a Partnership Management Agreement with the general partners to retain 10% of the cash flow of the Property or available cash flow (as these terms are defined in the Partnership Management Agreement). This fee is payable annually as a partnership management fee. For the years ended December 31, 2021 and 2020, no partnership management fee was earned or paid.

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 4-RELATED PARTIES (CONTINUED)

Management agent fee

The Partnership entered into an agreement with AMCS, Inc. (the "Agent"), an affiliate of the Kerr General Partner, for the management of the Property. The property management fee shall not exceed an amount equal to 4% of gross cash receipts. For the years ended December 31, 2021 and 2020, management fees of \$97,482 and \$89,778 were earned, and \$97,482 and \$89,857 were paid, all respectively. At December 31, 2021 and 2020, management fees of \$7,689 remain payable.

Due to economic uncertainty caused by the spread of COVID-19 (see Note 5), the Agent applied for and received a loan through the Paycheck Protection Program (the "PPP Loan") with the U.S. Small Business Administration, as authorized in the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The Agent allocated a portion of the PPP Loan to the Partnership related to the payroll and related costs incurred by the Partnership during the year ended December 31, 2020. As of December 31, 2020, the Partnership recognized a liability to the Agent of \$34,757, which was the amount of payroll and related costs that were paid by the Partnership that were eligible for PPP Loan forgiveness, which was included in accrued wages payable on the balance sheets. During the year ended December 31, 2021, the Agent applied for and received forgiveness of the PPP Loan and forgave the previously accrued payroll and related costs. The Company recognized \$34,757 of revenue during the year ended December 31, 2021 associated with this forgiveness.

Operating deficit obligation

Pursuant to the Operating Deficit Guarantee Agreement, the general partners are obligated, through December 31, 2025, to advance funds to cover operating deficits in the maximum amount of \$250,000. Operating deficit obligations will not bear interest and are repayable as defined in the Operating Deficit Guarantee Agreement. As of December 31, 2021 and 2020, no advances were required.

Partners' capital

The Partnership has two general partners who are responsible for capital contributions of \$10 each. The Partnership has one Investor Limited Partner who is responsible for capital contributions totaling \$3,007,898, all of which has been contributed. The Partnership also has a Special Limited Partner who is responsible for a capital contribution of \$10.

The total capital contributions from the Investor Limited Partner may be increased or reduced by an "upward or downward adjustment amount" (as defined in the Partnership Agreement) if the actual annual low-income housing tax credit allocated to the Investor Limited Partner is more or less than the amount specified in the Partnership Agreement.

Allocations of profits, losses and tax credits

In accordance with the Partnership Agreement, income, profits, losses, deductions and tax credits are allocated pro-rata to the Partners. Gains, losses and cash flows arising from capital proceeds are allocated in accordance with the Partnership Agreement.

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 4-RELATED PARTIES (CONTINUED)

Allocations of profits, losses and tax credits (continued)

Cash flow is to be distributed as follows:

First, to the Investor Limited Partner, in payment of any taxable income priority amounts;

Second, to the Investor Limited Partner, in payment of any tax credit adjustment amounts;

Third, to the Developers, in payment of remaining unpaid developer fees; and

Fourth, the balance, if any, to the partners, pro rata in accordance with their interests.

NOTE 5-COMMITMENTS AND CONTINGENCIES

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

The general partners have entered into a Tax Credit Guarantee Agreement with the Investor Limited Partner. Pursuant to this agreement, the general partners have guaranteed the payment of any Tax Credit Adjustment Amounts as set forth in the agreement.

Economic conditions

In December 2019, a novel strain of coronavirus ("COVID-19") surfaced. The spread of COVID-19 around the world has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies, and, as such, the Partnership is unable to determine if it will have a material impact to its operations.

8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)

SCHEDULES OF OTHER REVENUE AND OPERATING EXPENSES
YEARS ENDED DECEMBER 31, 2021 AND 2020

| | 2021 | 2020 |
|------------------------------|-------------------|-------------------|
| Other revenue | | |
| Late fees | \$ 30,774 | \$ 31,437 |
| Damages | 13,738 | 10,816 |
| Cable | 13,655 | 6,679 |
| Application fees | 3,650 | 3,975 |
| Miscellaneous other revenue | 2,417 | 5,622 |
| Total other revenue | \$ 64,234 | \$ 58,529 |
| Administrative | | |
| Conventions and meetings | \$ 16 | \$ 1,101 |
| Advertising and marketing | 10,722 | 9,854 |
| Other renting | 19,611 | 15,409 |
| Office salaries | 50,693 | 49,639 |
| Office expenses | 47,025 | 51,488 |
| Management agent fee | 97,482 | 89,778 |
| Manager salaries | 83,073 | 82,270 |
| Bonuses | 858 | 2,188 |
| Legal | - | 475 |
| Audit | 5,180 | 7,480 |
| Bad debts | 21,874 | 16,984 |
| Miscellaneous administrative | 736 | 869 |
| Total administrative | \$ 337,270 | \$ 327,535 |
| Utilities | | |
| Electricity | \$ 28,428 | \$ 30,169 |
| Water | 70,501 | 69,431 |
| Sewer | 90,137 | 88,252 |
| Total utilities | \$ 189,066 | \$ 187,852 |

8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)

SCHEDULES OF OTHER REVENUE AND OPERATING EXPENSES (CONTINUED)
YEARS ENDED DECEMBER 31, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|--|--------------------------|--------------------------|
| Operating and maintenance | | |
| Payroll | \$ 93,864 | \$ 95,137 |
| Supplies | 101,932 | 103,441 |
| Contracts | 95,930 | 97,666 |
| Garbage and trash removal | 22,380 | 22,797 |
| Security payroll/contract | 15,431 | 12,224 |
| Security rent free unit | 6,555 | 6,075 |
| Heating/cooling repairs and maintenance | 23,388 | 22,256 |
| Miscellaneous operating and maintenance | 24,862 | 8,261 |
| Total operating and maintenance | <u>\$ 384,342</u> | <u>\$ 367,857</u> |
| Taxes and insurance | | |
| Real estate taxes | \$ 265,669 | \$ 265,669 |
| Payroll taxes | 15,982 | 15,247 |
| Property and liability insurance | 123,348 | 74,136 |
| Workers' compensation | 5,360 | 5,340 |
| Health insurance and other employee benefits | 10,366 | 9,993 |
| Miscellaneous taxes and insurance | 6,856 | 6,590 |
| Total taxes and insurance | <u>\$ 427,581</u> | <u>\$ 376,975</u> |
| Financial | | |
| Bank charges | \$ 3,318 | \$ 3,501 |
| Bond fees | 16,200 | 20,950 |
| Total financial | <u>\$ 19,518</u> | <u>\$ 24,451</u> |

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

dba APPIAN WAY APARTMENTS

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT**

YEARS ENDED DECEMBER 31, 2022 AND 2021

8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)

TABLE OF CONTENTS

| | Page |
|---|-------------|
| Independent auditor's report | 1-3 |
| Financial statements | |
| Balance sheets | 4-5 |
| Statements of operations | 6 |
| Statements of changes in Partners' equity (deficit) | 7 |
| Statements of cash flows | 8 |
| Notes to financial statements | 9-16 |
| Supplementary information | 17-18 |

INDEPENDENT AUDITOR'S REPORT

To the Partners of
8465 Patriot Boulevard, LP
(A South Carolina Limited Partnership)

Opinion

We have audited the accompanying financial statements of 8465 Patriot Boulevard, LP, which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of operations, changes in Partners' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 8465 Patriot Boulevard, LP as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 8465 Patriot Boulevard, LP and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, 8465 Patriot Boulevard, LP adopted the Leases topic of the FASB ASC 842 during the year ended December 31, 2022. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 8465 Patriot Boulevard, LP's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 8465 Patriot Boulevard, LP's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 8465 Patriot Boulevard, LP's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

April 19, 2023
Carmel, Indiana

Dauby O'Connor & Zaleski, LLC

Dauby O'Connor & Zaleski, LLC
Certified Public Accountants

8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)

BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

| ASSETS | | | |
|--|---------------------|---------------------|--|
| | 2022 | 2021 | |
| Current assets | | | |
| Cash and cash equivalents | | | |
| Cash | \$ 151,202 | \$ 142,135 | |
| Resident security deposits | 80,371 | 91,240 | |
| Mortgage escrow deposits | 350,288 | 301,138 | |
| Operating reserve | 270,152 | 269,309 | |
| Reserve for replacements | 56,697 | 55,388 | |
| Other reserve | 23,504 | 7,304 | |
| Total cash and cash equivalents | 932,214 | 866,514 | |
| Accounts receivable - residents | 26,200 | 17,962 | |
| Prepaid expenses | 74,263 | 40,885 | |
| Total current assets | 1,032,677 | 925,361 | |
| Property and equipment | | | |
| Land | 698,995 | 698,995 | |
| Buildings | 11,238,106 | 11,238,106 | |
| Land improvements | 1,168,638 | 1,168,638 | |
| Equipment | 1,308,951 | 1,308,951 | |
| | 14,414,690 | 14,414,690 | |
| Less: accumulated depreciation | (7,890,490) | (7,412,082) | |
| Total property and equipment, net | 6,524,200 | 7,002,608 | |
| | \$ 7,556,877 | \$ 7,927,969 | |

8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)

BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

LIABILITIES AND PARTNERS' EQUITY (DEFICIT)

| | 2022 | 2021 |
|---------------------------------------|---------------------|---------------------|
| Current liabilities | | |
| Accounts payable - operations | \$ 87,016 | \$ 24,965 |
| Accrued management fees | 7,718 | 7,689 |
| Accrued real estate taxes | 267,371 | 265,669 |
| Accrued wages payable | 11,513 | 8,338 |
| Deferred revenue | 156,638 | 42,019 |
| Bonds payable - current portion | 151,497 | 142,483 |
| Total current liabilities | 681,753 | 491,163 |
| Deposit liabilities | | |
| Resident security deposits liability | 97,201 | 91,240 |
| Long term liabilities | | |
| Bonds payable, net of current portion | 9,375,956 | 9,527,511 |
| Less: unamortized debt issuance costs | (76,123) | (79,033) |
| Deferred development fee | - | 629,044 |
| Total long term liabilities | 9,299,833 | 10,077,522 |
| Total liabilities | 10,078,787 | 10,659,925 |
| Partners' equity (deficit) | (2,521,910) | (2,731,956) |
| | \$ 7,556,877 | \$ 7,927,969 |

8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)

STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2022 AND 2021

| | <u>2022</u> | <u>2021</u> |
|--|-----------------------------------|--------------------------------|
| Revenue | | |
| Net rental revenue | \$ 2,488,351 | \$ 2,383,917 |
| Interest revenue | 1,999 | 826 |
| Other revenue | 45,741 | 64,234 |
| Total revenue | <u>2,536,091</u> | <u>2,448,977</u> |
| Operating expenses | | |
| Administrative | 354,205 | 337,270 |
| Utilities | 235,678 | 189,066 |
| Operating and maintenance | 453,220 | 384,342 |
| Taxes and insurance | 488,835 | 427,581 |
| Financial | 8,350 | 19,518 |
| Total operating expenses | <u>1,540,288</u> | <u>1,357,777</u> |
| Income (loss) from operations | <u>995,803</u> | <u>1,091,200</u> |
| Non-operating (income) expenses | | |
| Interest | 593,582 | 602,175 |
| Depreciation | 478,408 | 478,408 |
| Asset management fee | 23,827 | 21,402 |
| Forgiveness of accrued wages | - | (34,757) |
| Total non-operating (income) expenses | <u>1,095,817</u> | <u>1,067,228</u> |
| Net income (loss) | <u><u>\$ (100,014)</u></u> | <u><u>\$ 23,972</u></u> |

8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)

STATEMENTS OF CHANGES IN PARTNERS' EQUITY (DEFICIT)
YEARS ENDED DECEMBER 31, 2022 AND 2021

| | |
|--|-------------------------------------|
| Partners' equity (deficit), January 1, 2021 | \$ (2,755,928) |
| Net income (loss) | <u>23,972</u> |
| Partners' equity (deficit), December 31, 2021 | (2,731,956) |
| Contributions | 310,060 |
| Net income (loss) | <u>(100,014)</u> |
| Partners' equity (deficit), December 31, 2022 | <u><u>\$ (2,521,910)</u></u> |

8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

| | 2022 | 2021 |
|--|---------------------|-------------------|
| Reconciliation of net income (loss) to net cash provided by (used in) operating activities | | |
| Net income (loss) | \$ (100,014) | \$ 23,972 |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: | | |
| Depreciation | 478,408 | 478,408 |
| Amortization - debt issuance costs | 2,910 | 2,910 |
| Forgiveness of accrued wages | - | (34,757) |
| Changes in: | | |
| Accounts receivable - residents | (8,238) | 14,269 |
| Prepaid expenses | (33,378) | - |
| Accounts payable - operations | 62,051 | 13,639 |
| Accrued management fees | 29 | - |
| Accrued wages payable | 3,175 | - |
| Accrued real estate taxes | 1,702 | - |
| Deferred revenue | 114,619 | 23,679 |
| Resident security deposits liability | 5,961 | 4,897 |
| Total adjustments | 627,239 | 503,045 |
| Net cash provided by (used in) operating activities | 527,225 | 527,017 |
| Cash flow from financing activities | | |
| Principal payments on bonds payable | (142,541) | (133,947) |
| Contributions | 310,060 | - |
| Payment of deferred development fee | (629,044) | (490,604) |
| Net cash provided by (used in) financing activities | (461,525) | (624,551) |
| Net change in cash and cash equivalents | 65,700 | (97,534) |
| Cash and cash equivalents, beginning | 866,514 | 964,048 |
| Cash and cash equivalents, ending | \$ 932,214 | \$ 866,514 |
| Supplemental information on cash flows | | |
| Cash paid for interest | \$ 590,672 | \$ 599,265 |

See notes to financial statements

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

8465 Patriot Boulevard, LP (a South Carolina Limited Partnership) (the "Partnership") was formed to acquire, develop, finance, own and operate a 204 unit apartment complex known as Appian Way Apartments (the "Property") located in North Charleston, South Carolina.

The Partnership received an allocation of federal low income housing tax credits ("LIHTC") from the State of South Carolina totaling \$604,249 annually. To qualify for the tax credits, the Partnership must meet certain requirements, including attaining a qualified eligible basis sufficient to support the allocation.

Each unit in the property has qualified and was allocated LIHTC pursuant to Internal Revenue Code Section 42 ("Section 42"), which regulates the use of the property as to occupant eligibility and unit gross rent, among other requirements. Each unit in the property must meet the provisions of these regulations during each of fifteen consecutive years commencing in the year the building is placed in service in order to remain qualified to receive the credits. The final year of tax credits was 2018.

The following comprises the ownership of the Partnership (collectively the "Partners"):

| | |
|---------|---|
| 0.005% | SCG Appian Way, LLC - Stratford General Partner |
| 0.005% | Roman Way, LLC - Kerr General Partner |
| 99.980% | Stratford Appian Investors, LP - Investor Limited Partner |
| 0.010% | Stratford SLP, Inc. - Special Limited Partner |

The term of the Partnership shall continue until June 1, 2050, unless earlier dissolved in accordance with the Partnership Agreement.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the financial statements

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

New accounting pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued *Accounting Standards Update* ("ASU") 2016-02, Leases, which requires the lessee to recognize leased assets and corresponding lease liabilities on the balance sheets. This standard was effective for the Partnership on January 1, 2022. The adoption of the lease standard did not have a material impact on the financial statements.

Cash

For the statements of cash flows, all unrestricted investments with original maturities of three months or less are cash. At December 31, 2022 and 2021, cash consists of unrestricted checking accounts and petty cash.

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Resident receivables and bad debt policy

Resident rent charges for the current month are due on the first of the month. Residents who are evicted or move-out are charged with damages and/or cleaning fees, if applicable. Resident receivables consist of amounts due for rental revenue or the charges for damages and/or cleaning fees. The Partnership does not accrue interest on the resident receivable balances.

Resident receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not material to the financial statements for the years ended December 31, 2022 and 2021. Bad debts expensed for the years ended December 31, 2022 and 2021 totaled \$4,120 and \$21,874, respectively.

Property and equipment

Depreciation of property and equipment, stated at cost, is computed using the straight-line method for buildings and land improvements and accelerated methods for building equipment over the estimated useful lives of the assets ranging from 5 to 27.5 years. Costs that are deemed to increase the useful life of the property and equipment are capitalized. Ordinary repairs and maintenance costs are charged to operations as incurred. When assets are sold or otherwise disposed of, the costs and related reserves are removed from the accounts, and any resulting gain or loss is included in operations.

The Partnership is subject to the provisions of the Impairment or Disposal of Long-Lived Assets topic of the *FASB Accounting Standards Codification* ("ASC") 360-10. Impairment or Disposal of Long-Lived Assets has no retroactive impact on the Partnership's financial statements. The standard requires impairment losses to be recorded on long-lived assets when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets (excluding interest) are less than the carrying amount of the assets. In such cases, the carrying value of assets to be held and used are adjusted to their estimated fair value and assets held for sale are adjusted to their estimated fair value less selling expenses. No impairment loss was recognized during the years ended December 31, 2022 and 2021.

Debt issuance costs

The Partnership is subject to the provisions of the Interest-Imputation of Interest topic of the FASB ASC 835-30 which requires unamortized debt issuance costs to be presented as a reduction of the outstanding debt and the amortization of the debt issuance costs to be presented as a component of interest expense. Generally accepted accounting principles require that the effective yield method be used to amortize debt issuance costs; however, the effect of using the straight-line method is not material to the financial statements for the years ended December 31, 2022 and 2021.

Rental revenue

Rental revenue is recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between the Partnership and the residents of the property are operating leases under FASB ASC 842 and are not within the scope of FASB ASU 2014-09.

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Advertising costs

Advertising costs are expensed as incurred and are included in administrative expenses in the statements of operations.

Real estate taxes

Real estate taxes are expensed in the year of the lien on the Property such that twelve months of expense are charged to operations each year.

Concentration of credit risk

The Partnership maintains various cash balances at multiple financial institutions. At December 31, 2022 and 2021, deposits held at the institutions exceeded federally insured limits. Management regularly monitors the financial strength of the institutions. The Partnership has not experienced any losses in such accounts.

The Partnership's operations are concentrated in the multifamily real estate market. In addition, the Partnership operates in a heavily regulated environment. The operations of the Partnership are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by the respective agency. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, if any, to comply with a change.

Use of estimates in the preparation of financial statements

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

Fair value

The Partnership is subject to the provisions of the Fair Value Measurement topic of the FASB ASC 820-10 which provides guidance for assets and liabilities which are required to be measured at fair value and requires expanded disclosure for fair value measurement. The standard applies whenever other standards require or permit assets or liabilities to be measured at fair value and does not require any new fair value measurements. The Fair Value Measurement did not have a material impact on the Partnership's financial statements for the years ended December 31, 2022 and 2021.

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Accounting for uncertainty in income taxes

The Partnership is treated as a pass-through entity for income tax purposes and, as such, is not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by its owners on their respective income tax returns. The Partnership's federal tax status as a pass-through entity is based on its legal status as a limited partnership. Accordingly, the Partnership is not required to take any tax positions in order to qualify as a pass-through entity. The Partnership is required to file and does file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Partnership has no other tax positions which it must consider for disclosure. There has been no interest or penalties recognized in the statements of operations or balance sheets as of and for the years ended December 31, 2022 and 2021. Generally, the federal and state returns are subject to examination for three years after the later of the original or extended due date or the date filed with the applicable tax authority.

Subsequent events

Management performed an evaluation of the Partnership's activity through April 19, 2023, the audit report date, and has concluded that there are no significant subsequent events requiring disclosure through the date these financial statements were available to be issued.

NOTE 2-FINANCING

On June 12, 2009, in conjunction with the purchase of the Property, the Partnership assumed a loan with the South Carolina State Housing Finance and Development Authority in the amount of \$10,600,000 (the "HFDA Mortgage"). The HFDA Mortgage was funded with proceeds from the issuance of \$11,500,000 South Carolina Housing Finance and Development Authority Multifamily Rental Housing Revenue Bonds (Appian Way Apartments Property), Series 2005 (the "Bonds"). The HFDA Mortgage provides for, among other things:

1. An original amount of \$11,500,000;
2. Partial maturity redemption on June 1, 2010 to reduce the outstanding principal to \$10,000,000;
3. A maturity date of March 1, 2049, with optional redemption at the discretion of the borrower not prior to September 1, 2024 and mandatory redemption as set forth in the agreements;
4. Interest at 6.15% per annum; and
5. Monthly payments of interest only through 10 years after the Conversion Date (June 12, 2009), then monthly payments of principal and interest through the maturity date.

The mortgage note was secured by, among other items, a mortgage security agreement, assignment of leases and rents. During the years ended December 31, 2022 and 2021, interest of \$590,672 and \$599,265 was expensed and paid, respectively. At December 31, 2022 and 2021, no interest remains payable.

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Estimated principal payments for the next five years and thereafter are as follows:

| | |
|---------------------------------|----------------------------|
| 2023 | \$ 151,497 |
| 2024 | 161,081 |
| 2025 | 171,272 |
| 2026 | 182,107 |
| 2027 | 193,628 |
| Thereafter | <u>8,667,868</u> |
| | 9,527,453 |
| Unamortized debt issuance costs | <u>(76,123)</u> |
| | <u>\$ 9,451,330</u> |

Debt issuance costs

Debt issuance costs of \$163,230 were incurred in connection with the HFDA Mortgage. These fees are being amortized using the straight-line method over the term of the HFDA Mortgage. Amortization expense for the years ended December 31, 2022 and 2021 totaled \$2,910 and \$2,910, respectively, and is included in interest on the statements of operations. As of December 31, 2022 and 2021, accumulated amortization totaled \$87,107 and \$84,197, respectively.

NOTE 3-RESERVE REQUIREMENTS

Reserve for replacements

In accordance with the Partnership Agreement, the Partnership is required to establish a reserve for replacements in the amount equal to the greater of (i) the amount required under the HFDA Mortgage or (ii) \$51,000. In addition, a payment in the amount equal to \$250 per unit per year is required. The reserve for replacements shall be used for repairs and replacements to the Property. At December 31, 2022 and 2021, the reserve for replacements balance totaled \$56,697 and \$55,388, respectively.

Operating reserve

In accordance with the Partnership Agreement, the Partnership is required to establish an operating reserve. The Partnership shall fund an amount equal to the greater of (i) the amount required under the HFDA Mortgage or (ii) \$300,000. The operating reserve shall be used, with the consent of the Special Limited Partner, to fund operating deficits. At December 31, 2022 and 2021, the operating reserve balance totaled \$270,152 and \$269,309, respectively.

Other reserve

In connection with the Bonds, the Partnership is required to establish a separate reserve account to be used for trustee, issuer and service fees associated with the Bonds. At December 31, 2022 and 2021, the other reserve balance totaled \$23,504 and \$7,304, respectively.

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 4-RELATED PARTIES

Development fee

SCG Development Company, LLC, an affiliate of the Stratford General Partner, Investor Limited Partner and Special Limited Partner, and Roman Way, LLC (collectively the "Developers") were each assigned 50% of the benefits of the Development Agreement dated December 1, 2005, as amended on May 31, 2009. Pursuant to the Development Agreement, the Developers are to be paid a fee of \$2,551,958 for their services in connection with the development of the property. At December 31, 2022 and 2021, the entire development fee has been earned and \$-0- and \$629,044 remains payable, respectively. The development fee will be paid as set forth in the Partnership Agreement. Pursuant to the Development Agreement, any portion of the fee which has not been paid by December 31, 2022, shall be paid from proceeds of a capital contribution by the General Partner(s) in an amount equal to the outstanding balance. During the years ended December 31, 2022 and 2021, \$318,984 and \$490,604, respectively, were paid towards the outstanding development fee. During the year ended December 31, 2022, the General Partners made a capital contribution of \$310,060 to pay the remaining balance outstanding in accordance with the Partnership Agreement.

Asset management fee

The Partnership entered into an Asset Management Agreement with Stratford Asset Management Co., LLC, (the "Servicer"), an affiliate of the Stratford General Partner, the Investor Limited Partner and the Special Limited Partner. The Partnership shall pay the Servicer a fee equal to \$15,000 annually (increased each January 1 by increases in the Consumer Price Index, commencing on January 1, 2010). The asset management fee is cumulative and shall be paid monthly in arrears. During the years ended December 31, 2022 and 2021, asset management fees of \$23,827 and \$21,402 were earned and paid, respectively. At December 31, 2022 and 2021, no asset management fees remain payable.

Partnership management fee

The Partnership entered into a Partnership Management Agreement with the general partners to retain 10% of the cash flow of the Property or available cash flow (as these terms are defined in the Partnership Management Agreement). This fee is payable annually as a partnership management fee. For the years ended December 31, 2022 and 2021, no partnership management fee was earned or paid.

Management agent fee

The Partnership entered into an agreement with AMCS, Inc. (the "Agent"), an affiliate of the Kerr General Partner, for the management of the Property. The property management fee shall not exceed an amount equal to 4% of gross cash receipts. For the years ended December 31, 2022 and 2021, management fees of \$106,039 and \$97,482 were earned, and \$106,010 and \$97,482 were paid, all respectively. At December 31, 2022 and 2021, management fees of \$7,718 and \$7,689 remain payable, respectively.

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Due to economic uncertainty caused by the spread of COVID-19 (see Note 5), the Agent applied for and received a loan through the Paycheck Protection Program (the "PPP Loan") with the U.S. Small Business Administration, as authorized in the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The Agent allocated a portion of the PPP Loan to the Partnership related to the payroll and related costs incurred by the Partnership during the year ended December 31, 2020. As of December 31, 2020, the Partnership recognized a liability to the Agent of \$34,757, which was the amount of payroll and related costs that were paid by the Partnership that were eligible for PPP Loan forgiveness, which was included in accrued wages payable on the balance sheets. During the year ended December 31, 2021, the Agent applied for and received forgiveness of the PPP Loan and forgave the previously accrued payroll and related costs. The Partnership recognized \$34,757 of revenue during the year ended December 31, 2021 associated with this forgiveness.

Operating deficit obligation

Pursuant to the Operating Deficit Guarantee Agreement, the general partners are obligated, through December 31, 2025, to advance funds to cover operating deficits in the maximum amount of \$250,000. Operating deficit obligations will not bear interest and are repayable as defined in the Operating Deficit Guarantee Agreement. As of December 31, 2022 and 2021, no advances were required.

Partners' capital

The Partnership has two general partners who are responsible for capital contributions of \$10 each. During the year ended December 31, 2022, the general partners made an additional capital contribution of \$310,060 to pay the remaining outstanding balance of the development fee. The Partnership has one Investor Limited Partner who is responsible for capital contributions totaling \$3,007,898, all of which has been contributed. The Partnership also has a Special Limited Partner who is responsible for a capital contribution of \$10.

The total capital contributions from the Investor Limited Partner may be increased or reduced by an "upward or downward adjustment amount" (as defined in the Partnership Agreement) if the actual annual low-income housing tax credit allocated to the Investor Limited Partner is more or less than the amount specified in the Partnership Agreement.

Allocations of profits, losses and tax credits

In accordance with the Partnership Agreement, income, profits, losses, deductions and tax credits are allocated pro-rata to the Partners. Gains, losses and cash flows arising from capital proceeds are allocated in accordance with the Partnership Agreement.

Cash flow is to be distributed as follows:

First, to the Investor Limited Partner, in payment of any taxable income priority amounts;

Second, to the Investor Limited Partner, in payment of any tax credit adjustment amounts;

Third, to the Developers, in payment of remaining unpaid developer fees; and

Fourth, the balance, if any, to the partners, pro rata in accordance with their interests.

NOTE 5-COMMITMENTS AND CONTINGENCIES

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

The general partners have entered into a Tax Credit Guarantee Agreement with the Investor Limited Partner. Pursuant to this agreement, the general partners have guaranteed the payment of any Tax Credit Adjustment Amounts as set forth in the agreement.

Economic conditions

In December 2019, a novel strain of coronavirus ("COVID-19") surfaced. The spread of COVID-19 around the world has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies, and, as such, the Partnership is unable to determine if it will have a material impact to its operations.

8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)

SUPPLEMENTARY INFORMATION
SCHEDULES OF OTHER REVENUE AND OPERATING EXPENSES
YEARS ENDED DECEMBER 31, 2022 AND 2021

| | <u>2022</u> | <u>2021</u> |
|------------------------------|--------------------------|--------------------------|
| Other revenue | | |
| Damages | \$ 13,850 | \$ 13,738 |
| Cable | 12,528 | 13,655 |
| Late fees | 11,150 | 30,774 |
| Application fees | 4,800 | 3,650 |
| Miscellaneous other revenue | 3,413 | 2,417 |
| | <u>3,413</u> | <u>2,417</u> |
| Total other revenue | <u>\$ 45,741</u> | <u>\$ 64,234</u> |
| Administrative | | |
| Conventions and meetings | \$ 845 | \$ 16 |
| Advertising and marketing | 10,010 | 10,722 |
| Other renting | 22,722 | 19,611 |
| Office salaries | 51,471 | 50,693 |
| Office expenses | 51,128 | 47,025 |
| Management agent fee | 106,039 | 97,482 |
| Manager salaries | 97,038 | 83,073 |
| Bonuses | 1,765 | 858 |
| Legal | 2,227 | - |
| Audit | 5,600 | 5,180 |
| Bad debts | 4,120 | 21,874 |
| Miscellaneous administrative | 1,240 | 736 |
| | <u>1,240</u> | <u>736</u> |
| Total administrative | <u>\$ 354,205</u> | <u>\$ 337,270</u> |
| Utilities | | |
| Electricity | \$ 29,533 | \$ 28,428 |
| Water | 70,135 | 70,501 |
| Sewer | 136,010 | 90,137 |
| | <u>136,010</u> | <u>90,137</u> |
| Total utilities | <u>\$ 235,678</u> | <u>\$ 189,066</u> |

8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)

SUPPLEMENTARY INFORMATION
SCHEDULES OF OTHER REVENUE AND OPERATING EXPENSES
YEARS ENDED DECEMBER 31, 2022 AND 2021

| | 2022 | 2021 |
|--|-------------------|-------------------|
| Operating and maintenance | | |
| Payroll | \$ 95,634 | \$ 93,864 |
| Supplies | 119,639 | 101,932 |
| Contracts | 123,045 | 95,930 |
| Garbage and trash removal | 23,965 | 22,380 |
| Security payroll/contract | 28,164 | 15,431 |
| Security rent free unit | 5,340 | 6,555 |
| Heating/cooling repairs and maintenance | 24,589 | 23,388 |
| Miscellaneous operating and maintenance | 32,844 | 24,862 |
| Total operating and maintenance | \$ 453,220 | \$ 384,342 |
| Taxes and insurance | | |
| Real estate taxes | \$ 269,073 | \$ 265,669 |
| Payroll taxes | 18,067 | 15,982 |
| Property and liability insurance | 167,965 | 123,348 |
| Workers' compensation | 8,301 | 5,360 |
| Health insurance and other employee benefits | 12,909 | 10,366 |
| Miscellaneous taxes and insurance | 12,520 | 6,856 |
| Total taxes and insurance | \$ 488,835 | \$ 427,581 |
| Financial | | |
| Bank charges | \$ 3,600 | \$ 3,318 |
| Bond fees | 4,750 | 16,200 |
| Total financial | \$ 8,350 | \$ 19,518 |

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

dba APPIAN WAY APARTMENTS

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT**

YEARS ENDED DECEMBER 31, 2023 AND 2022

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

TABLE OF CONTENTS

| | Page |
|---|-------------|
| Independent auditor's report | 1-3 |
| Financial statements | |
| Balance sheets | 4-5 |
| Statements of operations | 6 |
| Statements of changes in Partners' equity (deficit) | 7 |
| Statements of cash flows | 8 |
| Notes to financial statements | 9-16 |
| Supplementary information | 17-18 |

INDEPENDENT AUDITOR'S REPORT

To the Partners of
8465 Patriot Boulevard, LP
(A South Carolina Limited Partnership)

Opinion

We have audited the accompanying financial statements of 8465 Patriot Boulevard, LP, which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, changes in Partners' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 8465 Patriot Boulevard, LP as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 8465 Patriot Boulevard, LP and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 8465 Patriot Boulevard, LP's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 8465 Patriot Boulevard, LP's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 8465 Patriot Boulevard, LP's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

April 10, 2024
Carmel, Indiana

Dauby O'Connor & Zaleski, LLC
Dauby O'Connor & Zaleski, LLC
Certified Public Accountants

8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)

BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

| ASSETS | | | |
|--|---------------------|---------------------|--|
| | 2023 | 2022 | |
| Current assets | | | |
| Cash and cash equivalents | | | |
| Cash | \$ 205,819 | \$ 151,202 | |
| Resident security deposits | 85,570 | 80,371 | |
| Mortgage escrow deposits | 439,695 | 350,288 | |
| Operating reserve | 278,282 | 270,152 | |
| Reserve for replacements | 43,723 | 56,697 | |
| Other reserve | 44,454 | 23,504 | |
| Total cash and cash equivalents | 1,097,543 | 932,214 | |
| Accounts receivable - residents | 24,168 | 26,200 | |
| Prepaid expenses | 125,638 | 74,263 | |
| Total current assets | 1,247,349 | 1,032,677 | |
| Property and equipment | | | |
| Land | 698,995 | 698,995 | |
| Buildings | 11,238,106 | 11,238,106 | |
| Land improvements | 1,168,638 | 1,168,638 | |
| Equipment | 1,432,829 | 1,308,951 | |
| | 14,538,568 | 14,414,690 | |
| Less: accumulated depreciation | (8,373,987) | (7,890,490) | |
| Total property and equipment, net | 6,164,581 | 6,524,200 | |
| Total assets | \$ 7,411,930 | \$ 7,556,877 | |

See notes to financial statements

8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)

BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

LIABILITIES AND PARTNERS' EQUITY (DEFICIT)

| | 2023 | 2022 |
|---|---------------------|---------------------|
| Current liabilities | | |
| Accounts payable - operations | \$ 121,448 | \$ 87,016 |
| Accrued management fees | 9,488 | 7,718 |
| Accrued real estate taxes | 267,371 | 267,371 |
| Accrued wages payable | 8,226 | 11,513 |
| Deferred revenue | 57,705 | 156,638 |
| Bonds payable - current portion | 9,375,956 | 151,497 |
| Less: unamortized debt issuance costs | (73,213) | - |
| Total current liabilities | 9,766,981 | 681,753 |
| Deposits liabilities | | |
| Resident security deposits liability | 102,900 | 97,201 |
| Long term liabilities | | |
| Bonds payable, net of current portion | - | 9,375,956 |
| Less: unamortized debt issuance costs | - | (76,123) |
| Total long term liabilities | - | 9,299,833 |
| Total liabilities | 9,869,881 | 10,078,787 |
| Partners' equity (deficit) | (2,457,951) | (2,521,910) |
| Total liabilities and Partners' equity (deficit) | \$ 7,411,930 | \$ 7,556,877 |

8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)

STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2023 AND 2022

| | 2023 | 2022 |
|-------------------------------------|------------------|---------------------|
| Revenue | | |
| Net rental revenue | \$ 2,831,471 | \$ 2,488,351 |
| Interest revenue | 8,959 | 1,999 |
| Other revenue | 72,670 | 45,741 |
| Total revenue | 2,913,100 | 2,536,091 |
| Operating expenses | | |
| Administrative | 395,537 | 354,205 |
| Utilities | 258,894 | 235,678 |
| Operating and maintenance | 378,179 | 453,220 |
| Taxes and insurance | 638,010 | 488,835 |
| Financial | 24,427 | 8,350 |
| Total operating expenses | 1,695,047 | 1,540,288 |
| Net operating income (loss) | 1,218,053 | 995,803 |
| Other (income) expense | | |
| Interest | 584,625 | 593,582 |
| Depreciation | 483,497 | 478,408 |
| Asset management fee | 23,472 | 23,827 |
| Partnership management fee | 50,000 | - |
| Total other (income) expense | 1,141,594 | 1,095,817 |
| Net income (loss) | \$ 76,459 | \$ (100,014) |

See notes to financial statements

8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)

STATEMENTS OF CHANGES IN PARTNERS' EQUITY (DEFICIT)
YEARS ENDED DECEMBER 31, 2023 AND 2022

| | |
|-----------------------------------|------------------------------|
| Balance, January 1, 2022 | \$ (2,731,956) |
| Contributions | 310,060 |
| Net income (loss) | <u>(100,014)</u> |
| Balance, December 31, 2022 | (2,521,910) |
| Distributions | (12,500) |
| Net income (loss) | <u>76,459</u> |
| Balance, December 31, 2023 | <u>\$ (2,457,951)</u> |

8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

| | 2023 | 2022 |
|---|---------------------|---------------------|
| Cash flow from operating activities | | |
| Net income (loss) | \$ 76,459 | \$ (100,014) |
| Adjustments to reconcile changes in net income (loss) to net cash provided by (used in) operating activities: | | |
| Depreciation | 483,497 | 478,408 |
| Amortization - debt issuance costs | 2,910 | 2,910 |
| Changes in: | | |
| Accounts receivable - residents | 2,032 | (8,238) |
| Prepaid expenses | (51,375) | (33,378) |
| Accounts payable - operations | 34,432 | 62,051 |
| Accrued management fees | 1,770 | 29 |
| Accrued wages payable | (3,287) | 3,175 |
| Accrued real estate taxes | - | 1,702 |
| Deferred revenue | (98,933) | 114,619 |
| Resident security deposits liability | 5,699 | 5,961 |
| Total adjustments | 376,745 | 627,239 |
| Net cash provided by (used in) operating activities | 453,204 | 527,225 |
| Cash flow from investing activities | | |
| Purchase of property and equipment | (123,878) | - |
| Net cash provided by (used in) investing activities | (123,878) | - |
| Cash flow from financing activities | | |
| Principal payments on bonds payable | (151,497) | (142,541) |
| Distributions | (12,500) | - |
| Contributions | - | 310,060 |
| Payment of deferred development fee | - | (629,044) |
| Net cash provided by (used in) financing activities | (163,997) | (461,525) |
| Net change in cash and cash equivalents | 165,329 | 65,700 |
| Cash and cash equivalents at beginning of period | 932,214 | 866,514 |
| Cash and cash equivalents at end of period | \$ 1,097,543 | \$ 932,214 |
| Supplemental information | | |
| Cash paid for interest | \$ 581,715 | \$ 590,672 |

See notes to financial statements

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

8465 Patriot Boulevard, LP (a South Carolina Limited Partnership) (the Partnership) was formed to acquire, develop, finance, own and operate a 204 unit apartment complex known as Appian Way Apartments (the Property) located in North Charleston, South Carolina.

The Partnership received an allocation of federal low income housing tax credits (LIHTC) from the State of South Carolina totaling \$604,249 annually. To qualify for the tax credits, the Partnership must meet certain requirements, including attaining a qualified eligible basis sufficient to support the allocation.

Each unit in the property has qualified and was allocated LIHTC pursuant to Internal Revenue Code Section 42 (Section 42), which regulates the use of the property as to occupant eligibility and unit gross rent, among other requirements. Each unit in the property must meet the provisions of these regulations during each of fifteen consecutive years commencing in the year the building is placed in service in order to remain qualified to receive the credits. The final year of tax credits was 2018.

The following comprises the ownership of the Partnership (collectively the Partners):

| | |
|---------|---|
| 0.005% | SCG Appian Way, LLC - Stratford General Partner |
| 0.005% | Roman Way, LLC - Kerr General Partner |
| 99.980% | Stratford Appian Investors, LP - Investor Limited Partner |
| 0.010% | Stratford SLP, Inc. - Special Limited Partner |

The term of the Partnership shall continue until June 1, 2050, unless earlier dissolved in accordance with the Partnership Agreement.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the financial statements

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash

For the statements of cash flows, all unrestricted investments with original maturities of three months or less are cash. At December 31, 2023 and 2022, cash consists of unrestricted checking accounts and petty cash.

Resident receivables and bad debt policy

Resident rent charges for the current month are due on the first of the month. Residents who are evicted or move-out are charged with damages and/or cleaning fees, if applicable. Resident receivables consist of amounts due for rental revenue or the charges for damages and/or cleaning fees. The Partnership does not accrue interest on the resident receivable balances.

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Resident receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not material to the financial statements for the years ended December 31, 2023 and 2022. Bad debts expensed for the years ended December 31, 2023 and 2022 totaled \$26,503 and \$4,120, respectively.

Property and equipment

Depreciation of property and equipment, stated at cost, is computed using the straight-line method for buildings and land improvements and accelerated methods for building equipment over the estimated useful lives of the assets ranging from 5 to 27.5 years. Costs that are deemed to increase the useful life of the property and equipment are capitalized. Ordinary repairs and maintenance costs are charged to operations as incurred. When assets are sold or otherwise disposed of, the costs and related reserves are removed from the accounts, and any resulting gain or loss is included in operations.

The Partnership is subject to the provisions of the Impairment or Disposal of Long-Lived Assets topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 360-10. Impairment or Disposal of Long-Lived Assets has no retroactive impact on the Partnership's financial statements. The standard requires impairment losses to be recorded on long-lived assets when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets (excluding interest) are less than the carrying amount of the assets. In such cases, the carrying value of assets to be held and used are adjusted to their estimated fair value and assets held for sale are adjusted to their estimated fair value less selling expenses. No impairment loss was recognized during the years ended December 31, 2023 and 2022.

Debt issuance costs

The Partnership is subject to the provisions of the Interest-Imputation of Interest topic of the FASB ASC 835-30 which requires unamortized debt issuance costs to be presented as a reduction of the outstanding debt and the amortization of the debt issuance costs to be presented as a component of interest expense. Generally accepted accounting principles require that the effective yield method be used to amortize debt issuance costs; however, the effect of using the straight-line method is not material to the financial statements for the years ended December 31, 2023 and 2022.

Rental revenue

Rental revenue is recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between the Partnership and the residents of the property are operating leases under FASB ASC 842 and are not within the scope of FASB Accounting Standards Update (ASU) 2014-09.

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Advertising costs

Advertising costs are expensed as incurred and are included in administrative expenses in the statements of operations.

Real estate taxes

Real estate taxes are expensed in the year of the lien on the Property such that twelve months of expense are charged to operations each year.

Concentration of credit risk

The Partnership maintains various cash balances at multiple financial institutions. At December 31, 2023 and 2022, deposits held at the institutions exceeded federally insured limits. Management regularly monitors the financial strength of the institutions. The Partnership has not experienced any losses in such accounts.

The Partnership's operations are concentrated in the multifamily real estate market. In addition, the Partnership operates in a heavily regulated environment. The operations of the Partnership are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by the respective agency. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, if any, to comply with a change.

Use of estimates in the preparation of financial statements

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

Fair value

The Partnership is subject to the provisions of the Fair Value Measurement topic of the FASB ASC 820-10 which provides guidance for assets and liabilities which are required to be measured at fair value and requires expanded disclosure for fair value measurement. The standard applies whenever other standards require or permit assets or liabilities to be measured at fair value and does not require any new fair value measurements. The Fair Value Measurement did not have a material impact on the Partnership's financial statements for the years ended December 31, 2023 and 2022.

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Accounting for uncertainty in income taxes

The Partnership is treated as a pass-through entity for income tax purposes and, as such, is not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by its owners on their respective income tax returns. The Partnership's federal tax status as a pass-through entity is based on its legal status as a limited partnership. Accordingly, the Partnership is not required to take any tax positions in order to qualify as a pass-through entity. The Partnership is required to file and does file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Partnership has no other tax positions which it must consider for disclosure. There has been no interest or penalties recognized in the statements of operations or balance sheets as of and for the years ended December 31, 2023 and 2022. Generally, the federal and state returns are subject to examination for three years after the later of the original or extended due date or the date filed with the applicable tax authority.

Subsequent events

Management performed an evaluation of the Partnership's activity through April 10, 2024, the audit report date, and has concluded that there are no significant subsequent events requiring disclosure through the date these financial statements were available to be issued.

NOTE 2-FINANCING

On June 12, 2009, in conjunction with the purchase of the Property, the Partnership assumed a loan with the South Carolina State Housing Finance and Development Authority in the amount of \$10,600,000 (the HFDA Mortgage). The HFDA Mortgage was funded with proceeds from the issuance of \$11,500,000 South Carolina Housing Finance and Development Authority Multifamily Rental Housing Revenue Bonds (Appian Way Apartments Property), Series 2005 (the Bonds). The HFDA Mortgage provides for, among other things:

1. An original amount of \$11,500,000;
2. Partial maturity redemption on June 1, 2010 to reduce the outstanding principal to \$10,000,000;
3. A maturity date of March 1, 2049, with optional redemption at the discretion of the bond holder of 100% of the outstanding principal amount of the Bonds at any time on or after to September 1, 2024, without premium;
4. Interest at 6.15% per annum; and
5. Monthly payments of interest only through 10 years after the Conversion Date (June 12, 2009), then monthly payments of principal and interest through the maturity date.

The mortgage note was secured by, among other items, a mortgage security agreement, assignment of leases and rents. During the years ended December 31, 2023 and 2022, interest of \$581,715 and \$590,672 was expensed and paid, respectively. At December 31, 2023 and 2022, no interest remains payable.

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

On December 20, 2023, the bond holder notified the Partnership and elected to cause optional redemption of the Bonds on September 1, 2024. As such, 100% of the outstanding principal amount of the Bonds is due on September 1, 2024. Management is currently in discussions with various lenders to refinance the Partnership's existing debt and believes new financing will be obtained prior to September 1, 2024.

Estimated principal payments for the remaining term are as follows:

| | |
|---------------------------------|----------------------------|
| 2024 | <u>\$ 9,375,956</u> |
| | 9,375,956 |
| Unamortized debt issuance costs | <u>(73,213)</u> |
| | <u>\$ 9,302,743</u> |

Debt issuance costs

Debt issuance costs of \$163,230 were incurred in connection with the HFDA Mortgage. These fees are being amortized using the straight-line method over the term of the HFDA Mortgage. Amortization expense for the years ended December 31, 2023 and 2022 totaled \$2,910 and \$2,910, respectively, and is included in interest on the statements of operations. As of December 31, 2023 and 2022, accumulated amortization totaled \$90,017 and \$87,107, respectively.

NOTE 3-RESERVE REQUIREMENTS

Reserve for replacements

In accordance with the Partnership Agreement, the Partnership is required to establish a reserve for replacements in the amount equal to the greater of (i) the amount required under the HFDA Mortgage or (ii) \$51,000. In addition, a payment in the amount equal to \$250 per unit per year is required. The reserve for replacements shall be used for repairs and replacements to the Property. At December 31, 2023 and 2022, the reserve for replacements balance totaled \$43,723 and \$56,697, respectively.

Operating reserve

In accordance with the Partnership Agreement, the Partnership is required to establish an operating reserve. The Partnership shall fund an amount equal to the greater of (i) the amount required under the HFDA Mortgage or (ii) \$300,000. The operating reserve shall be used, with the consent of the Special Limited Partner, to fund operating deficits. At December 31, 2023 and 2022, the operating reserve balance totaled \$278,282 and \$270,152, respectively.

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Other reserve

In connection with the Bonds, the Partnership is required to establish a separate reserve account to be used for trustee, issuer and service fees associated with the Bonds. At December 31, 2023 and 2022, the other reserve balance totaled \$44,454 and \$23,504, respectively.

NOTE 4-RELATED PARTIES

Development fee

SCG Development Company, LLC, an affiliate of the Stratford General Partner, Investor Limited Partner and Special Limited Partner, and Roman Way, LLC (collectively the Developers) were each assigned 50% of the benefits of the Development Agreement dated December 1, 2005, as amended on May 31, 2009. Pursuant to the Development Agreement, the Developers are to be paid a fee of \$2,551,958 for their services in connection with the development of the property. At December 31, 2023 and 2022, the entire development fee has been earned and no amounts remain payable. The development fee was to be paid as set forth in the Partnership Agreement. Pursuant to the Development Agreement, any portion of the fee which had not been paid by December 31, 2022, was to be paid from proceeds of a capital contribution by the General Partner(s) in an amount equal to the outstanding balance. During the year ended December 31, 2022, \$318,984 was paid towards the outstanding development fee. During the year ended December 31, 2022, the general partners made a capital contribution of \$310,060 to pay the remaining balance outstanding in accordance with the Partnership Agreement.

Asset management fee

The Partnership entered into an Asset Management Agreement with Stratford Asset Management Co., LLC, (the Servicer), an affiliate of the Stratford General Partner, the Investor Limited Partner and the Special Limited Partner. The Partnership shall pay the Servicer a fee equal to \$15,000 annually (increased each January 1 by increases in the Consumer Price Index, commencing on January 1, 2010). The asset management fee is cumulative and shall be paid monthly in arrears. During the years ended December 31, 2023 and 2022, asset management fees of \$23,472 and \$23,827 were earned and paid, respectively. At December 31, 2023 and 2022, no asset management fees remain payable.

Partnership management fee

The Partnership entered into a Partnership Management Agreement with the general partners to retain 10% of the cash flow of the Property or available cash flow (as these terms are defined in the Partnership Management Agreement). This fee is payable annually as a partnership management fee. During the years ended December 31, 2023 and 2022, partnership management fees of \$50,000 and \$0 were earned and paid, respectively. At December 31, 2023 and 2022, no partnership management fees remain payable.

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Management agent fee

The Partnership entered into an agreement with AMCS, Inc. (the Agent), an affiliate of the Kerr General Partner, for the management of the Property. The property management fee shall not exceed an amount equal to 4% of gross cash receipts. For the years ended December 31, 2023 and 2022, management fees of \$111,146 and \$106,039 were earned, respectively. At December 31, 2023 and 2022, management fees of \$9,488 and \$7,718 remain payable, respectively.

Operating deficit obligation

Pursuant to the Operating Deficit Guarantee Agreement, the general partners are obligated, through December 31, 2025, to advance funds to cover operating deficits in the maximum amount of \$250,000. Operating deficit obligations will not bear interest and are repayable as defined in the Operating Deficit Guarantee Agreement. As of December 31, 2023 and 2022, no advances were required.

Partners' capital

The Partnership has two general partners who are responsible for capital contributions of \$10 each. During the year ended December 31, 2022, the general partners made an additional capital contribution of \$310,060 to pay the remaining outstanding balance of the development fee. The Partnership has one Investor Limited Partner who is responsible for capital contributions totaling \$3,007,898, all of which has been contributed. The Partnership also has a Special Limited Partner who is responsible for a capital contribution of \$10.

The total capital contributions from the Investor Limited Partner may be increased or reduced by an upward or downward adjustment amount, as defined in the Partnership Agreement, if the actual annual low-income housing tax credit allocated to the Investor Limited Partner is more or less than the amount specified in the Partnership Agreement.

Allocations of profits, losses and tax credits

In accordance with the Partnership Agreement, income, profits, losses, deductions and tax credits are allocated pro-rata to the Partners. Gains, losses and cash flows arising from capital proceeds are allocated in accordance with the Partnership Agreement.

Cash flow is to be distributed as follows:

First, to the Investor Limited Partner, in payment of any taxable income priority amounts;

Second, to the Investor Limited Partner, in payment of any tax credit adjustment amounts;

Third, to the Developers, in payment of remaining unpaid developer fees; and

Fourth, the balance, if any, to the partners, pro rata in accordance with their interests.

**8465 PATRIOT BOULEVARD, LP
(A SOUTH CAROLINA LIMITED PARTNERSHIP)**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 5-COMMITMENTS AND CONTINGENCIES

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

The general partners have entered into a Tax Credit Guarantee Agreement with the Investor Limited Partner. Pursuant to this agreement, the general partners have guaranteed the payment of any Tax Credit Adjustment Amounts as set forth in the agreement.

8465 PATRIOT BOULEVARD, LP
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SUPPLEMENTARY INFORMATION
SCHEDULES OF OTHER REVENUE AND OPERATING EXPENSES
YEARS ENDED DECEMBER 31, 2023 AND 2022

| | <u>2023</u> | <u>2022</u> |
|------------------------------|--------------------------|--------------------------|
| Other revenue | | |
| Damages | \$ 13,424 | \$ 13,850 |
| Cable | 10,653 | 12,528 |
| Late fees | 39,210 | 11,150 |
| Application fees | 7,050 | 4,800 |
| Miscellaneous other revenue | 2,333 | 3,413 |
| | <u>\$ 72,670</u> | <u>\$ 45,741</u> |
| Administrative | | |
| Conventions and meetings | \$ 785 | \$ 845 |
| Advertising and marketing | 11,252 | 10,010 |
| Other renting | 23,367 | 22,722 |
| Office salaries | 18,001 | 51,471 |
| Office expenses | 63,617 | 51,128 |
| Management agent fee | 111,146 | 106,039 |
| Manager salaries | 128,074 | 97,038 |
| Bonuses | 1,137 | 1,765 |
| Legal | 4,790 | 2,227 |
| Audit | 5,050 | 5,600 |
| Bad debts | 26,503 | 4,120 |
| Miscellaneous administrative | 1,815 | 1,240 |
| | <u>\$ 395,537</u> | <u>\$ 354,205</u> |
| Utilities | | |
| Electricity | \$ 31,302 | \$ 29,533 |
| Water | 73,093 | 70,135 |
| Sewer | 154,499 | 136,010 |
| | <u>\$ 258,894</u> | <u>\$ 235,678</u> |

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SUPPLEMENTARY INFORMATION
SCHEDULES OF OTHER REVENUE AND OPERATING EXPENSES
YEARS ENDED DECEMBER 31, 2023 AND 2022

| | <u>2023</u> | <u>2022</u> |
|--|--------------------------|--------------------------|
| Operating and maintenance | | |
| Payroll | \$ 75,509 | \$ 95,634 |
| Supplies | 66,986 | 119,639 |
| Contracts | 166,582 | 123,045 |
| Garbage and trash removal | 30,876 | 23,965 |
| Security payroll/contract | 20,788 | 28,164 |
| Security rent free unit | 2,560 | 5,340 |
| Heating/cooling repairs and maintenance | 10,117 | 24,589 |
| Miscellaneous operating and maintenance expenses | 4,761 | 32,844 |
| | <u>\$ 378,179</u> | <u>\$ 453,220</u> |
| Taxes and insurance | | |
| Real estate taxes | \$ 267,371 | \$ 269,073 |
| Payroll taxes | 15,087 | 18,067 |
| Property and liability insurance | 328,411 | 167,965 |
| Worker's compensation | 7,808 | 8,301 |
| Health insurance and other employee benefits | 11,580 | 12,909 |
| Miscellaneous taxes and insurance | 7,753 | 12,520 |
| | <u>\$ 638,010</u> | <u>\$ 488,835</u> |
| Financial | | |
| Bond fees | \$ 20,950 | \$ 4,750 |
| Bank charges | 3,477 | 3,600 |
| | <u>\$ 24,427</u> | <u>\$ 8,350</u> |

ADDENDUM F

Floor Plans



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