

NOTICE OF PUBLIC SALE

**Marion Street Highrise
1930 Marion Street
Columbia, SC 29201**

BID DUE DATE:

**Thursday, June 9, 2022
2:00 PM Local Time**



NOTICE OF PUBLIC SALE

The Housing Authority of the City of Columbia, SC (Columbia Housing) will offer for sale to the highest bidder, a multi-family apartment building located at 1930 Marion Street, Columbia, South Carolina 29201. The property is described in detail on the appraisal attached as Exhibit C.

The Marion Street Highrise is owned by Columbia Housing but encumbered through a Declaration of Trust (DOT) by the U.S. Department of Housing and Urban Development (HUD). Pursuant to HUD regulations, Columbia Housing has established a minimum bid price for the property based on appraised value in current “as-is” condition as described in the appraisal.

Offers will be considered below the minimum bid price but will require additional approval from HUD prior to sale.

Instructions for Bidding – Bids must be submitted no later than:

Thursday, June 9, 2022 at 2:00 PM Local Time.

Interested bidders must complete the bid form in Exhibit A attached to this notice. The name of the bidder on Exhibit A shall be stated in the legal format desired for title upon consummation of the sale. The bid form shall be completed, signed and dated as indicated.

An earnest payment in the form of a cashier’s check, certified check or money order equal to 1% (one percent) of the total bid amount shall be made payable to: Housing Authority of the City of Columbia and attached to the completed bid form.

Bid forms with corresponding earnest payments shall be presented in a sealed envelope. The envelope shall be clearly marked as follows:

**Marion Street Bid
Columbia Housing
1917 Harden Street
Columbia, SC 29204
Attn: LuCinda J. Herrera, Chief Development Officer**

Bids may be submitted via regular mail, overnight mail, or other similar means; or by personal delivery. Bidders are encouraged to request a receipt from the form of delivery utilized.

Electronic submissions will also be accepted at cherrera@columbiahousing.org

If delivering by electronic submission subject line must state: “Marion Street Bid” and a delivery receipt and read receipt must be requested and retained for proof of delivery.

The bid form should be submitted as an attachment to the electronic communication. Upon receipt of the electronic submission, instructions will be provided to wire the earnest funds which shall be held in escrow by Columbia Housing's real estate counsel.

It shall be the sole responsibility of each bidder to ensure his/her bid(s) are received by Columbia Housing on or before the stipulated deadline.

Pre-Bid Conference – An optional pre-bid conference will be held on Wednesday, June 1, 2022 at 4:00 PM EST via zoom using the link or phone information below.

<https://us06web.zoom.us/j/87116379255?pwd=YTNiWXg5NStjSDh1UTVZWGV3MjBoZz09>

Phone: (646)558-8656 Meeting ID: 871 1637 9255 Passcode: 201297

Property Inspection – The property will be available for inspection pursuant to the schedule attached in Exhibit B to this notice. Individuals must pre-register for the property inspection a minimum of five calendar days prior to the date of inspection listed on the attached Exhibit B. To pre-register for a property inspection, you must submit a request to jjibbs@columbiahousing.org A written confirmation will be returned via e-mail.

Bid Award - The property is being offered in "As Is, Where Is" condition with no express or implied warranties. The highest bid will be accepted unless some unforeseen circumstance warrants rejection. In the event of equal high bids, the selection shall be randomly made by drawing lots immediately following the deadline.

Upon receipt of a valid bid, Columbia Housing shall provide the bidder with written confirmation of an acceptable bid and intent to sell. As noted on Exhibit A (bid form), bids must be held for a minimum of 90 days following the bid opening. The successful bidder will be provided with no more than 30 days to complete all desired due diligence. Upon completion of the due diligence period, the successful bidder must execute a purchase agreement to be provided by Columbia Housing. Failure to execute a purchase agreement shall result in rescission of the bid award and forfeiture of earnest funds.

The second highest bid, upon agreement of bidder, shall be retained for a period of 45 days or until such time that the highest bidder has executed the purchase agreement. Earnest funds for all other bids shall be returned within 15 business days from notification of an acceptable bid.

Closing – As noted above, the property is encumbered by HUD and upon receipt of acceptable bids, Columbia Housing must secure release of the DOT from HUD. It is anticipated that this approval process could take up to 90 days or, for a high bid below the minimum bid amount, up to 180 days. Closing will occur within 30 days from release.

THE HOUSING AUTHORITY OF THE CITY OF COLUMBIA RESERVES THE RIGHT TO REJECT ANY, OR ALL BIDS THAT DO NOT COMPLY WITH THIS REQUEST. COLUMBIA HOUSING FURTHER RESERVES THE RIGHT TO REJECT ANY AND ALL BIDS WITHOUT CAUSE.

EXHIBIT A - FORM OF BID

INSTRUCTIONS:

1. Complete the information below, sign and date the form where indicated.
2. Attach a cashier's check or money order equal to 1% of the total bid amount.
3. The name of the bidder must be stated in the legal format desired for title.
4. Minimum bid is the appraised value of the property but offers below minimum bid will be accepted.

MARION STREET HIGHRISE, 1930 MARION STREET, COLUMBIA, SC 29201

BID AMOUNT: \$ _____

Legal Name for Title: _____

Bidder's Name if Different than Title: _____

Bidders Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ E-mail Address: _____

Acknowledgement: I hereby acknowledge my understanding that: this is a cash sale and no owner financing is available; I must honor my bid for 90 days from the date of notification of acceptance of my bid from Columbia Housing; I must execute a purchase agreement within 30 days of notification of acceptance of my bid and failure to do so shall result in rescission of the bid award and forfeiture of earnest funds; transfer of the property will be in the "as-is" condition at time of sale; Columbia Housing assumes no responsibility or liability for any condition(s) not visible or known at the property.

Signature: _____ Date: _____

EXHIBIT B – PROPERTY INSPECTION

Interested bidders may inspect the property at the date and time listed below.

REMEMBER: You must send notification five days prior to the date listed if you wish to inspect the property.

Notification is to be sent via e-mail: jgibbs@columbiahousing.org

| DATE AVAILABLE TO INSPECT | TIME AVAILABLE |
|---------------------------|----------------|
| WEDNESDAY, JUNE 1, 2022 | 2:00 PM |
| FRIDAY, JUNE 3, 2022 | 10:00 AM |

EXHIBIT C - APPRAISAL

An Appraisal Report of an Apartment Complex

Prepared For:

**Columbia Housing Authority
1917 Harden Street Columbia,
South Carolina 29204**

Located At:

**1930 Marion Street
Columbia, South Carolina 29201
Richland County**



The Carolina Appraisal Group
Real Estate Appraisers and Consultants

EXECUTIVE SUMMARY

Value Indication: **\$8,400,000**

Date of Appraisal: September 30, 2021

Date of Report: October 6, 2021

Location:
Address 1930 Marion Street
City, State Columbia, South Carolina
County Richland County
Zip Code 29201

County Tax Map Numbers: R09015-05-01

Land Area Appraised: Acres 1.57 Acres

Square Feet 68,400 SF

Improvements:
Type 146 Unit, High-Rise Apartment Building
Square Feet 94,700 SF (GBA)
Year Built 1970

Utilities: All Available

Zoning: C-1, Office & Institutional (City of Columbia)

Neighborhood Trends: Present – Growth/Redevelopment

Property Rights Appraised: Fee simple

Sales Comparison Approach: **\$8,470,000**

Income Capitalization Approach: **\$8,390,000**

Final Market Value: **\$8,400,000**

PURPOSE/INTENDED USE/USER

| | |
|----------------------|---|
| Intended Purpose/Use | The purpose (and use) of the appraisal is to establish market value for the subject property to aid in internal decision making for the client. |
| Intended User/Client | The intended user and client is Columbia Housing Authority and/or affiliates. |
| Type of Value | As Is Market Value |
| Interest Appraised | Fee simple |

RELEVANT DATES

| | |
|---|--------------------|
| Report Date | October 6, 2021 |
| Date of Inspection | September 30, 2021 |
| Date of Value | September 30, 2021 |
| Appraiser's Last Appraisal of this property | N/A |

SCOPE OF WORK

The appraisal assignment required the following:

| |
|---|
| Exterior and interior inspection of the subject property and neighborhood. |
| An identification and summarized description of the real estate being appraised |
| A statement of the real property interest being appraised |
| A definition of the value being estimated. |
| A summary of the extent of the process of collecting, confirming, and reporting the data. The collection of market data through an examination of our files, information supplied by other appraisers, and the primary market research. This information was confirmed to the greatest degree possible through discussions with market participants |
| A statement of all assumptions and limiting conditions that affect the analyses, opinions, and conclusions. |
| A summary of the appraisers' opinion of the highest and best use of the real estate. |
| We have valued the subject via the Sales Comparison and Income Capitalization approaches to value. The Cost Approach has been excluded due to the age of the improvements. |

*The scope or extent of this assignment is the extent of the process of collecting, confirming, and reporting the market data required to determine the highest and best use and the market value of the subject property as of the effective appraisal date(s). The appraisal included the review and analysis of market information to provide a basis for the value estimate as defined in this report.

DEFINITIONS

***Market Value** - 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, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

| |
|--|
| The buyer and seller are typically motivated; |
| Both parties are well informed or well advised and each is acting in what they consider their own best interest; |
| A reasonable time is allowed for exposure in the open market; |
| Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto. |
| The price represents a normal consideration for the property sold unaffected by special financing amounts or creative financing or sales concessions granted by anyone associated with the sale. |
| The value estimate is in terms of cash and does not include any business equipment, lessee-owned improvements, personal equipment or chattels that may be part of the subject. |

*This example definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990 and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

Liquidation Value - The price that a seller is compelled to accept when a property must be sold without reasonable market exposure.

Liquidation Price - A forced price obtained when a reasonable time is not allowed to find a purchaser.

Cost Approach - A set of procedures in which an appraiser derives a value indication by estimating the current cost to reproduce or replace the existing structure, deducting for all accrued depreciation in the property and adding the estimated land value.

Discounted Cash Flow (DCF) Analysis - A set of procedures in which an appraiser specifies the quantity, variability, timing, and duration of periodic income, as well as the quantity and timing of reversions, and discounts each to its present value at a specified yield rate.

Discounting - The procedure used to convert periodic income and reversions into present value; based on the assumption that benefits received in the future are worth less than the same benefits received now.

Sales Comparison Approach - The approach in appraisal analysis which is based on the proposition that an informed purchaser would pay no more for a property than the cost to him of acquiring an existing property with the same utility. The approach is applicable when an active market provides sufficient quantities of reliable data, which can be verified from authoritative sources.

The direct sales comparison approach is relatively unreliable in an inactive market or in estimating the value of a property for which no real comparable sales data are available. It is also questionable when sales data cannot be verified with principals to the transaction, also referred to as the Market Comparison or Market Data Approach.

Fee Simple Interest - Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power and taxation.

Leased Fee Interest - A property held in fee with the right of use and occupancy conveyed by lease to others. Leased Fee Interest property is also consisting of the right to receive ground rentals over a period of time, plus the right of ultimate repossession at the termination of the lease.

Leasehold Interest - A property held under tenure of lease and the right of use in occupancy of real property by virtue of a lease agreement. In addition, it is the right of lessee to use and enjoy real estate for a stated term and upon certain terms such as payment of rent.

Final Value Estimate - The appraiser's opinions or conclusions resulting from the application of appraisal analysis, including reconciliation of findings, to the appraisal problem at hand. This conclusion is derived from an analysis of the approaches to value as utilized in the appraisal process. This final value estimate will reflect the definition of value sought (i.e. market value, investment value, insurance value, etc.). For market value, the final estimate is that value which most nearly represents what the typical, informed, rational purchaser would pay for the subject property if it were available for sale on the open market as of the date of the appraisal given all the data utilized by the appraiser in his analysis.

Highest and Best Use - 1) The reasonable and probable use that supports the highest present land value of vacant land or improved property, as defined, as of the date of the appraisal. 2) The reasonably probable and legal use of land or sites as though vacant found to be physically possible, appropriately supported, financially feasible, and that results in the highest present land value. 3) The most profitable use.

Implied in these definitions is that the determination of highest and best use considers the contribution of a specific use to a community and community development goals as well as the benefits of that use to individual property owners. Hence, in certain situations, the highest and best use of land may be for parks, greenbelts, preservations, conservation, wildlife habitats and the like.

Income Capitalization Approach - A set of procedures in which an appraiser derives a value indication for an income producing property by converting anticipated benefits into property value. This conversion is accomplished either by 1) capitalizing a single year's income expectancy or an annual average of several years' income expectancies at a market derived capitalization rate or capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment; or 2) discounting the annual cash flows for the holding period and the reversion at a specified yield rate.

Legal Description - A description of a parcel of land that identifies the parcel according to a system established or approved by law; a description that enables the parcel to be located and identified.

Market Rent - The rental income that a property would most probably command on the open market as indicated by current rentals being paid for comparable. This is preferred terminology to the term "Economic Rent" which has traditionally been used in appraisal analysis, even though both are currently considered synonymous.

Contract Rent - The actual rental income specified in a lease.

Zoning - The public regulation of the character and intensity of real estate use through police power; accomplished by establishing districts or areas with uniform restrictions relating to improvements, structure heights, areas, bulk, density of population and other limitations of the use and development of private property.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

General Assumptions - This appraisal has been completed and the appraisal report prepared with the following **general assumptions**:

1. The sketches, surveys, maps, and/or other exhibits in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photographs, if any, are included for the same purpose as of the date of the photographs. Site plans are not surveys unless so designated. Any lines added by the appraiser do not designate actual property line or delineations. This is only for cursory reference to aid the reader and is not to be relied upon for legal reference in any way.
2. Any liens or encumbrances (except for any lease encumbrance that might be referred to in the appraisal) which may exist have been disregarded, and the property has been appraised as though no delinquency in the payment of general taxes or special assessment exists and as though free of indebtedness.
3. It is assumed that the utilization of the land and improvements are within the boundaries of the lines of the property described and that there is no encroachment or trespass unless noted in the report. No survey of the subject property was made or caused to be made by us, and no responsibility is assumed for the occurrence of such matters.
4. A visual inspection of the subject site was made, and all engineering is assumed to be correct. The plot plan and illustrative materials in this report are included only to assist the reader in visualizing

the property and to show the reader the relationship of its boundaries. The appraiser is not a construction engineer and is not responsible for structural or cosmetic inadequacies associated with any of the improvements unless otherwise noted in the report.

5. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them. The soil of the area under appraisal appears to be firm and solid, unless otherwise stated. Subsidence in the area is unknown, or uncommon, and the appraiser(s) does not warrant against this condition or occurrence.

6. Subsurface rights (minerals and oil) were not considered in this appraisal unless otherwise stated. In addition, no potential timber value was considered.

7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report. Unless otherwise stated in this report, the appraiser did not observe the existence of hazardous materials or gases, which may or may not be present on the property. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there are no such materials on or in the property, which would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise, or engineering knowledge required discovering them. The client is urged to retain an expert in this field, if desired.

8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity use has been stated, defined, and considered in the appraisal report.

9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government 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.

10. This appraisal assumes water and sewer services will always be provided for the subject.

11. Responsible ownership and competent property management are assumed.

12. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. I (we) have not made a specific compliance survey and an analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative impact on the value of the property. Since I (we) have no direct evidence relating to this issue, I (we) did not consider non-compliance with the requirements of ADA in estimating the value of the property.

Specific Assumptions - This appraisal has been completed and the appraisal report has been prepared with the following **specific assumptions**:

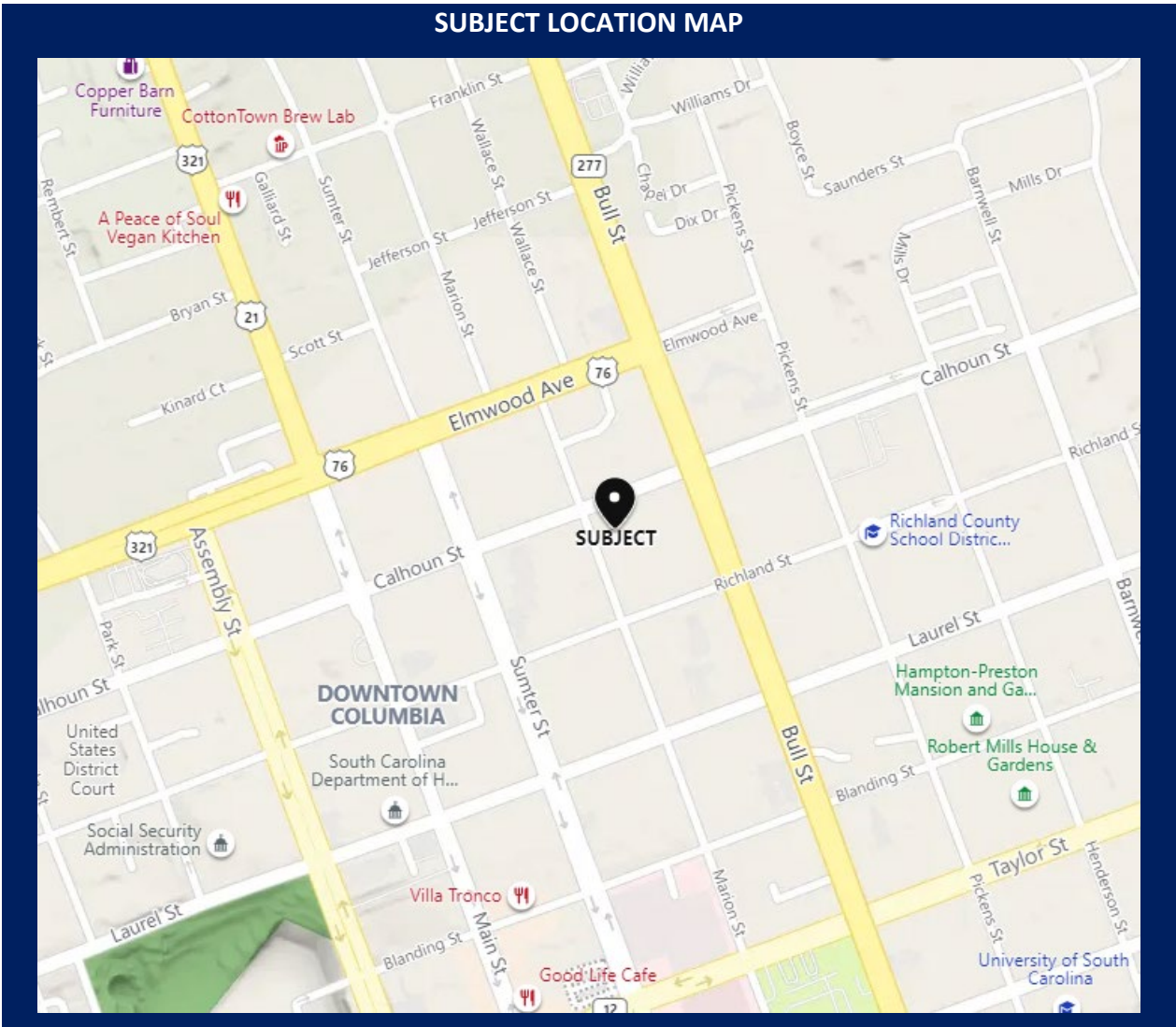
- **We have been asked to analyze the subject property as though it were occupied at market occupancy with market level rents. The subject is a HUD property for elderly and disabled residents. Therefore, the appraisal has been completed under the hypothetical condition that the property was not subject to HUD rent schedules and operated similar to a typical apartment complex in the market.**

General Limiting Conditions - This appraisal has been completed and the appraisal report has been prepared with the following **general limiting conditions**:

1. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used. The value estimates provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in this report.
2. Neither possession of this appraisal, nor copy thereof, carries with it the right to publication, nor may it be used for any purpose by anyone but the applicant without previous written consent of the appraiser(s).
3. The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all, nor part, of the contents of this report (especially as to value, the identity of the appraiser, or the firm with which the appraiser is associated) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
5. Information, estimates, and opinions contained in this report are obtained from sources considered reliable; however, the appraiser assumes no liability for such sources.
6. The client company and its representatives warranted to the appraiser that the information supplied to the appraiser was complete and accurate to the best of the client's knowledge. Information supplied by management has been accepted without further verification as correctly reflecting the company's past results and current condition in accordance with generally accepted accounting principles, unless otherwise noted.

Property Identification

The subject property is located on approximately 1.57 acres at 1930 Marion Street, Columbia, South Carolina. This site is within the City of Columbia and in the downtown area. The improvements, completed in 1970, consist of 16-story high-rise apartment building approximately 94,700 square feet of gross building area. The subject is identified in the Richland County Tax Assessor’s office as tax parcel number R09015-05-01.



SUBJECT AERIAL/GIS IMAGE



Richland County GIS

HISTORY OF THE SUBJECT

The Columbia Housing Authority has owned the subject property since they purchased it in 1970. The high-rise was constructed subsequent to this purchase. A copy of the deed of this transaction can be found in the Richland County Register of Deeds office in Deed Book D189 at Page 366.

The subject has consistently operated as a multi-family property since this purchase.

CURRENT LISTING AND CONTRACTS

- The property is not currently listed for sale.
- The property is not currently under contract for sale.

REAL ESTATE TAXES

In South Carolina tax liability for commercial property is assessed in the following manner. The parcel is appraised by a tax assessor, this is then multiplied by a 6% assessment rate, this number is then multiplied by a millage rate. Some counties have local option sales tax credits (LOST) that are then deducted. There may also be other add on fees that are added for services such as storm water, fire services, and other similar add on fees. This varies from county to county.

The subject property is identified in the Richland County tax map system as tax map number R09015-05-01. The subject is owned by a non-taxable entity.

2021 Assessment/Tax Summary

| Tax Map Number | Taxable Value | Assessed Value | Taxes |
|-----------------------|----------------------|-----------------------|--------------|
| R09015-05-01 | \$5,536,500 | \$0.00 | \$0.00 |

South Carolina ATI Legislation Effect on the Subject Property:

Under current South Carolina law, counties must revalue real property every five years. The value of real property may not be increased more than 15% when revalued by the county, unless an assessable transfer of interest ("ATI") occurs, which includes any sale or transfer of property to a third party. When an ATI occurs, the value of the property for tax purposes can be increased to its current market value (often the actual sale price), without regard to the 15% cap.

In 2011, The South Carolina Legislature passed important legislation which will limit or potentially eliminate property tax increases for certain property undergoing an ATI sale/transfer. The new law applies to all commercial real property and non-owner-occupied residential property which undergoes an ATI sale/transfer after the 2010 tax year. The new law does not affect agricultural property, manufacturer, and utility property, and, perhaps most importantly, owner-occupied residences which will all continue to be subject to the old ATI transfer and revaluation laws.

Under the 2011 law, electing owners of commercial real property and non-owner-occupied residential property can have the value of their property reduced on the date of any ATI sale/transfer by up to 25%. If the 25% valuation discount results in a value lower than the property tax value at the time of the ATI, then the existing property tax value will continue to apply. If the market value of property is lower than the property tax value at the time of the ATI, such as where the property is sold for a loss, then this lower market value will be used for property tax purposes.

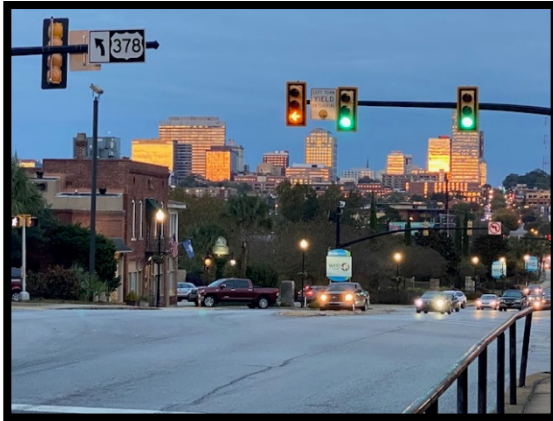
The 25% property tax exemption is not automatic for property owners. An owner of commercial real property or non-owner-occupied residential property must apply to the county assessor **before** January 31st. Please note that this is subject to review by the county assessor and further legal advice should be provided by an attorney as these laws are subject to change subsequent to the date of this report. Moreover, we are still studying the effect on market transactions and subsequent market value and the situation is fluid.

For the subject property

If the property were to be subject to an ATI increase, the taxes for this property would likely have an increase even if the 25% exemption were approved. We do not have quality data relative to how sophisticated investors will react to expense increases. We suggest you contact the County Assessor’s Office for additional information and insight regarding the subject’s potential property tax increase in the future. The following is the potential tax liability of the subject after an ATI transfer.

| Potential ATI Tax Assessment Summary | | |
|---|---------------------|--------------------------------|
| Market Value | | |
| \$8,400,000 | | |
| 75% of Market Value | Assessment % | Assessment |
| \$6,300,000 | 6% | \$378,000 |
| | Rounded | \$378,000 |
| Assessment | Millage Rate | Tax Subtotal |
| \$378,000 | 0.5502 | \$207,975.60 |
| | Tax Credit | Fees |
| | \$0.00 | \$0.00 |
| Current Tax | | Estimated Tax Liability |
| \$0.00 | | \$207,975.60 |
| | Difference | |
| | \$207,975.60 | |

COLUMBIA AREA ECONOMIC OUTLOOK



Situated within the Midlands region of the state, the Columbia Metropolitan Statistical Area (MSA) is a designated geographic and economic unit comprised of Richland, Lexington, Richland, Fairfield, Kershaw, and Saluda Counties. The largest of these are Richland and Lexington Counties. Columbia, which was established in 1786 as a centrally located state capital, is also the county seat of Richland County. The city covers a 125-

square-mile area (source: S.C. Department of Commerce, 2006).

The Columbia area has seen steady growth, mostly because for its central location and access to a number of transportation venues. The capital city is situated almost halfway between New York and Miami, and more than 70 percent of the U.S. market can be reached from the city within 24 hours. Columbia ranks among the top five cities in the nation in the number of interstate highways intersecting within the region. Richland County is served by three interstate highway systems (i.e., I-26, I-77, and I-20) and eight major U.S. highways. The 64,000 miles of roadway that stretch across South Carolina are completely toll-free. Air passenger and cargo service is provided by the Columbia Metropolitan Airport, which is located six miles from Columbia's central business district. An Amtrak passenger train station is situated on the outskirts of the business district; Greyhound Bus Lines offers interstate bus transportation; freight services are provided by Norfolk Southern Systems and CSX; and the Central Midlands Regional Transit Authority, a public bus system, also services much of this area (sources: S.C. Department of Commerce, 2006; Columbia Metropolitan Convention and Visitors Bureau, 2006; and Columbia Office of Economic Development, 2006).

Fort Jackson, one of the U.S. Army's primary training bases, is located on 52,000 acres of land on the eastern edge of Columbia. Fort Jackson, the largest and most active Initial Entry Training Center in the United States Army, provides training to 34 percent of the soldiers who enter the service each year and 69 percent of women entering the Army. Annually, over 41,000 soldiers

receive basic training and advanced individual training. An additional 19,000 soldiers attend courses at the Soldier Support Institute, Chaplain Center and School, and Drill Sergeant School each year. The Columbia area is home to 3,600 active duty soldiers and their 11,520 family members who are assigned to the installation. Fort Jackson employs almost 3,900 civilians and provides services for more than 115,000 retirees and their family members. Additionally, more than 100,000 family members visit Columbia each year to attend basic training graduation activities (source: Columbia S.C. Visitor Center, 2012).

The Columbia area also offers a variety of recreational and cultural activities. After the Grand Strand, the Midlands is the second highest ranked travel spot for tourists in the state. Tourists and locals alike enjoy its 3 large rivers and water recreation on Lake Murray, which covers 50,000 acres and is the second largest man-made lake in the world; historical landmarks and buildings; 45 state parks; the Riverbanks Zoological Park; 9 museums; 3 major malls and an abundance of other retail sources; the Koger Center for the Arts; Town Theatre, the oldest running community theater organization in the country; numerous religious establishments; and countless dining choices. In addition, Columbia and surrounding areas provide educational opportunities at 109 public schools, 54 private schools, 9 school districts, and 18 colleges and universities, including the University of South Carolina and Midlands Technical College. Twenty-four hospitals offer medical services to the Midlands Region, and 99 hotels are available to visitors (source: S.C. Department of Commerce, 2006).

Columbia has been recognized nationally by several well-known publications or professional organizations:

- 2011/2012, Columbia was recognized by fDi Magazine as one of “American Cities of the Future.”
- In 2009, *Forbes* Magazine recently ranked Columbia 34th out of 200 in its list of “Best Places for Business and Careers.”
- *Sporting News* ranked Columbia eighty-ninth out of 200 in the “Best Sports Cities of 2008.”
- *Inc.* magazine, listed Columbia nineteenth in its list of “50 Top Cities for Doing Business in America 2008.”

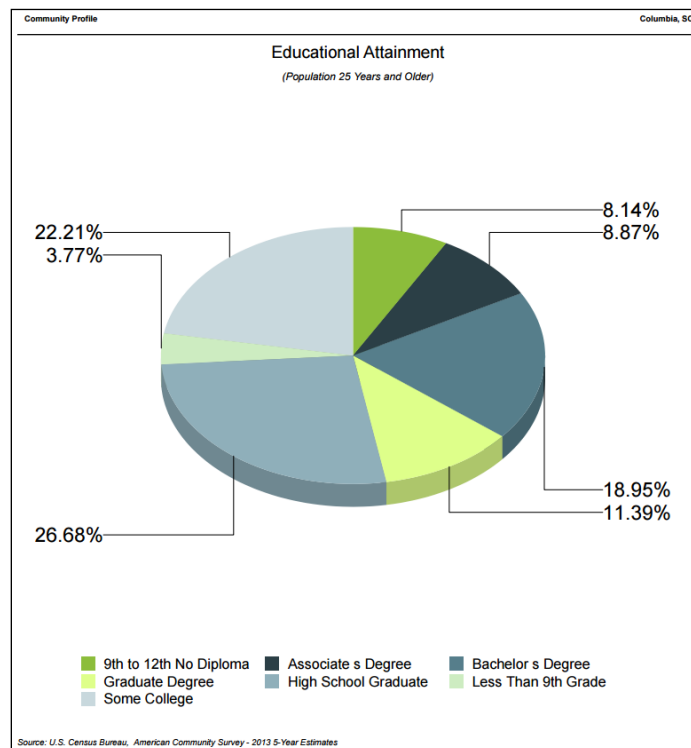
For meetings and events, the city has constructed a 142,500-square-foot Columbia Metropolitan Convention Center. This facility offers abundant pre-function space, which includes equipped break out rooms; a 24,700 square-foot, column free exhibit hall; and a 17,135 square-foot ball-room. With so many conveniences, attractions, job opportunities, and services, the city is an appealing place to live and work. The Columbia MSA includes Richland, Fairfield, Kershaw, Lexington, Newberry, Orangeburg, Richland, and Sumter Counties. The Columbia MSA is the largest populated metropolitan statistical area within the state borders and Columbia is its largest city. Richland County is the second largest county in the state and Lexington is the fifth. The following tables illustrate population growth and statistics for the Columbia MSA:

| Census 2010 Summary | |
|-------------------------------|----------|
| Population | 384,504 |
| Households | 145,194 |
| Families | 89,357 |
| Average Household Size | 2.43 |
| Owner Occupied Housing Units | 89,023 |
| Renter Occupied Housing Units | 56,171 |
| Median Age | 32.7 |
| 2019 Summary | |
| Population | 422,068 |
| Households | 159,002 |
| Families | 96,106 |
| Average Household Size | 2.46 |
| Owner Occupied Housing Units | 94,479 |
| Renter Occupied Housing Units | 64,523 |
| Median Age | 34.5 |
| Median Household Income | \$52,959 |
| Average Household Income | \$76,347 |
| 2024 Summary | |
| Population | 445,410 |
| Households | 168,022 |
| Families | 100,944 |
| Average Household Size | 2.46 |
| Owner Occupied Housing Units | 100,501 |
| Renter Occupied Housing Units | 67,521 |
| Median Age | 35.0 |
| Median Household Income | \$60,427 |
| Average Household Income | \$88,631 |

| 2010 Population by Age | | |
|------------------------|--------|---------|
| | Number | Percent |
| Age 0 - 4 | 24,463 | 6.4% |
| Age 5 - 9 | 24,038 | 6.3% |
| Age 10 - 14 | 23,746 | 6.2% |
| Age 15 - 19 | 33,358 | 8.7% |
| Age 20 - 24 | 40,822 | 10.6% |
| Age 25 - 34 | 57,978 | 15.1% |
| Age 35 - 44 | 49,845 | 13.0% |
| Age 45 - 54 | 51,568 | 13.4% |
| Age 55 - 64 | 41,145 | 10.7% |
| Age 65 - 74 | 21,097 | 5.5% |
| Age 75 - 84 | 11,782 | 3.1% |
| Age 85+ | 4,662 | 1.2% |

| 2019 Population by Age | | |
|------------------------|--------|---------|
| | Number | Percent |
| Age 0 - 4 | 24,442 | 5.8% |
| Age 5 - 9 | 24,415 | 5.8% |
| Age 10 - 14 | 24,699 | 5.9% |
| Age 15 - 19 | 33,176 | 7.9% |
| Age 20 - 24 | 42,778 | 10.1% |
| Age 25 - 34 | 64,657 | 15.3% |
| Age 35 - 44 | 53,530 | 12.7% |
| Age 45 - 54 | 48,985 | 11.6% |
| Age 55 - 64 | 49,525 | 11.7% |
| Age 65 - 74 | 34,722 | 8.2% |
| Age 75 - 84 | 15,112 | 3.6% |
| Age 85+ | 6,027 | 1.4% |

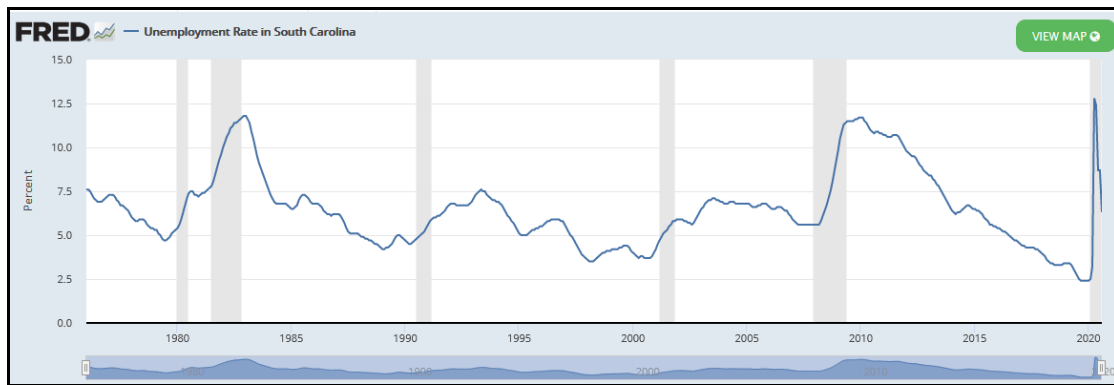
| 2024 Population by Age | | |
|------------------------|--------|---------|
| | Number | Percent |
| Age 0 - 4 | 25,935 | 5.8% |
| Age 5 - 9 | 25,130 | 5.6% |
| Age 10 - 14 | 25,563 | 5.7% |
| Age 15 - 19 | 34,432 | 7.7% |
| Age 20 - 24 | 43,596 | 9.8% |
| Age 25 - 34 | 68,043 | 15.3% |
| Age 35 - 44 | 57,701 | 13.0% |
| Age 45 - 54 | 49,555 | 11.1% |
| Age 55 - 64 | 48,567 | 10.9% |
| Age 65 - 74 | 39,918 | 9.0% |
| Age 75 - 84 | 20,349 | 4.6% |
| Age 85+ | 6,621 | 1.5% |



Economic Indicators-Columbia MSA

The economy of the Columbia MSA is diverse but dominated by service industries and government employment. As the capital city, Columbia is the state's banking center and the hub for state government. The city of Columbia has a council-manager form of government, which is comprised of five elected council members, including the mayor. The city manager is responsible for the administration of the city. In the past, efforts have been made to merge the city of Columbia and Richland County governments; however, such efforts are not likely to be completed in the immediate future. Lexington and Richland Counties are governed by elected county councils. The Columbia MSA's diverse economy contributes to its financial stability and growth. In the public sector, the largest employer is state and local government. In the private sector, service-oriented employment ranks highest. The opportunities in both public and private industries cause the unemployment in Richland and Lexington Counties to be lower than the state average. Traditionally, Lexington County has one of the lowest unemployment rates in the state. The following charts provide data about the monthly and annual unemployment in the MSA as compared to the state:





The unemployment numbers for the first quarter of 2020 significantly increased due to the COVID-19 pandemic and mandatory business shut downs. **The unemployment has dropped to 5.4% in August for the Columbia MSA and 6.3% in August for the state.** These numbers are predicted to continue to decrease as businesses re-open.

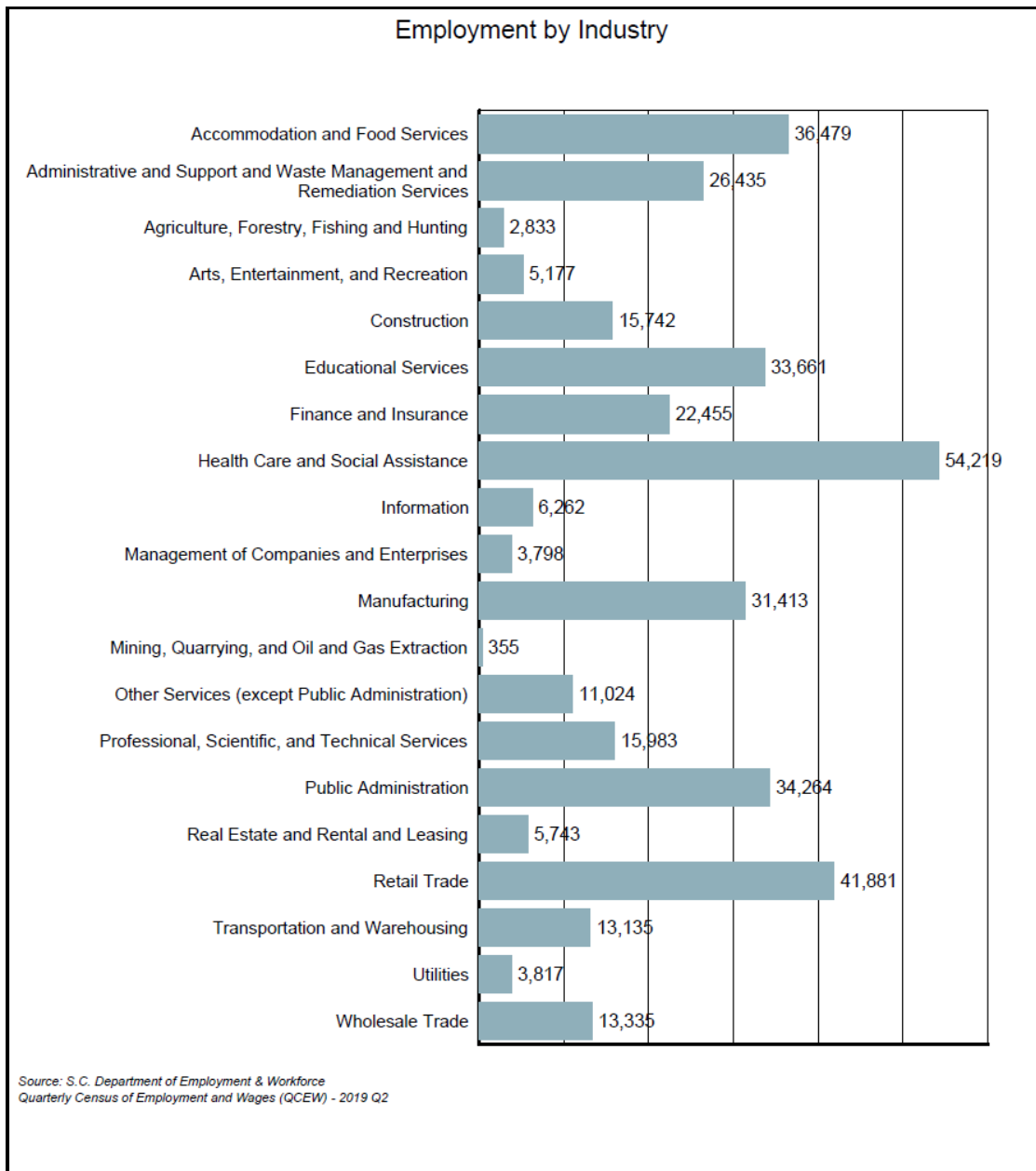
The following table displays the current and projected per capita income of the Columbia MSA. The median household income in the State of South Carolina was \$42,917 in 2013 and is to be \$51,389 in 2020. The Columbia MSA is above this at \$61,137 for 2024 and \$54,518 for 2020 (Source: STDB online)

| | |
|-------------------------------|----------|
| 2019 Summary | |
| Population | 851,711 |
| Households | 325,983 |
| Families | 210,710 |
| Average Household Size | 2.51 |
| Owner Occupied Housing Units | 217,521 |
| Renter Occupied Housing Units | 108,462 |
| Median Age | 37.3 |
| Median Household Income | \$54,518 |
| Average Household Income | \$75,064 |
| 2024 Summary | |
| Population | 902,247 |
| Households | 345,209 |
| Families | 221,946 |
| Average Household Size | 2.51 |
| Owner Occupied Housing Units | 231,703 |
| Renter Occupied Housing Units | 113,506 |
| Median Age | 38.0 |
| Median Household Income | \$61,137 |
| Average Household Income | \$86,499 |

The largest regional employers are listed in the table immediately following. Most of these are situated within the Columbia MSA.

| Community Profile | Columbia, SC |
|--|--------------|
| 20 Largest Employers | |
| <i>(Listed Alphabetically)</i> | |
| Corporation Name | |
| AMAZON COM SERVICES INC | |
| BLUE CROSS BLUE SHIELD OF SC | |
| CITY OF COLUMBIA | |
| DEPARTMENT OF DEFENSE | |
| INTEGRITY STAFFING SOLUTIONS INC | |
| LEXINGTON COUNTY HEALTH SERVICE DIS | |
| LEXINGTON COUNTY SCHOOL DISTRICT 1 | |
| LEXINGTON COUNTY SCHOOL DISTRICT 5 | |
| MICHELIN NORTH AMERICA INC | |
| PRISMA HEALTH MIDLANDS | |
| RICHLAND COUNTY | |
| RICHLAND COUNTY SCHOOL DISTRICT #1 | |
| RICHLAND COUNTY SCHOOL DISTRICT 2 | |
| SC DEPARTMENT OF CORRECTIONS | |
| SC DEPARTMENT OF MENTAL HEALTH | |
| UNITED PARCEL SERVICE | |
| UNIVERSITY OF SOUTH CAROLINA | |
| WAL-MART ASSOCIATES INC | |
| WELLS FARGO & COMPANY INC | |
| WJBD VA MEDICAL CENTER | |
| <small>Source: S.C. Department of Employment & Workforce - 2019 Q4</small> | |

The Midlands region is slowly attracting new businesses to the area with the latest focus on manufacturing and technology operations. As new businesses and developments move into this area, the potential for follow-up and/or related business growth will increase. The following tables provide additional information regarding industry within the Columbia MSA:



Labor Market Projections

Total Employment by Industry
(County/Metropolitan Statistical Area Data Unavailable)

Note: Projections are available by Workforce Investment Area (WIA). The data displayed is selected from the appropriate WIA.

| Midlands Industry | 2016 Estimated Employment | 2026 Projected Employment | Change | Percent Change | Annual Percent |
|---|---------------------------------|---------------------------------|--------|-------------------|-------------------|
| Total All Industries | 381,206 | 427,185 | 45,979 | 12.06 | 1.15 |
| Health Care and Social Assistance | 44,282 | 54,040 | 9,758 | 22.04 | 2.01 |
| Accommodation and Food Services | 32,424 | 39,591 | 7,167 | 22.10 | 2.02 |
| Administrative and Support and Waste Management and Remediat | 25,786 | 30,555 | 4,769 | 18.49 | 1.71 |
| Retail Trade | 38,577 | 41,983 | 3,406 | 8.83 | 0.85 |
| Transportation and Warehousing | 10,854 | 14,240 | 3,386 | 31.20 | 2.75 |
| Educational Services | 31,810 | 34,692 | 2,882 | 9.06 | 0.87 |
| Professional, Scientific, and Technical Services | 16,570 | 18,770 | 2,200 | 13.28 | 1.25 |
| Wholesale Trade | 15,239 | 17,437 | 2,198 | 14.42 | 1.36 |
| Construction | 13,994 | 15,753 | 1,759 | 12.57 | 1.19 |
| Finance and Insurance | 22,791 | 24,383 | 1,592 | 6.99 | 0.68 |
| Manufacturing | 24,354 | 25,526 | 1,172 | 4.81 | 0.47 |
| Other Services (except Government) | 15,924 | 16,828 | 904 | 5.68 | 0.55 |
| Real Estate and Rental and Leasing | 5,622 | 6,511 | 889 | 15.81 | 1.48 |
| Information | 5,478 | 5,928 | 450 | 8.21 | 0.79 |
| Management of Companies and Enterprises | 2,986 | 3,423 | 437 | 14.64 | 1.38 |
| Arts, Entertainment, and Recreation | 3,293 | 3,636 | 343 | 10.42 | 1.00 |
| Utilities | 4,092 | 4,120 | 28 | 0.68 | 0.07 |
| Mining | 201 | 195 | -6 | -2.99 | -0.30 |
| Agriculture, Forestry, Fishing and Hunting | 2,408 | 2,209 | -199 | -8.26 | -0.86 |

Source: S.C. Department of Employment & Workforce - Industry Projections

Regional Updates

The South Carolina Regional Update provides a snapshot of the most recent economic figures for the six largest Metropolitan Statistical Areas (MSAs) in the state.

Home Sales

| MSA | Indicator | Aug 18 | Aug 19 |
|----------------|----------------------|---------|---------|
| Charleston | Sales Volume | 2,021 | 1,912 |
| | Median Price (000's) | \$255 | \$277 |
| Columbia | Sales Volume | 1,395 | 1,376 |
| | Median Price (000's) | \$166 | \$185 |
| Florence | Sales Volume | 256 | 201 |
| | Median Price (000's) | \$145 | \$140 |
| Greenville | Sales Volume | 1,359 | 1,505 |
| | Median Price (000's) | \$202 | \$220 |
| Myrtle Beach | Sales Volume | 1,513 | 1,368 |
| | Median Price (000's) | \$195 | \$200 |
| Spartanburg | Sales Volume | 540 | 596 |
| | Median Price (000's) | \$175 | \$184 |
| South Carolina | Sales Volume | 8,965 | 8,838 |
| | Median Price (000's) | \$200.3 | \$218.0 |

Source: S.C. Association of Realtors.

Building Permits

Charleston MSA

Columbia MSA

Florence MSA

Greenville MSA

Myrtle Beach MSA

Spartanburg MSA

Source: U.S. Census

Real Estate & Business Activity

In August, the number of building permits issued in South Carolina for new residential construction rose 3.1 percent to 3,187. This figure was 11.8 percent lower than one year ago. Valuation for the permits rose 10.4 percent month-over-month and was 0.3 percent lower than one year ago. Total closings were up 3.5 percent compared to July, while the median sales price fell slightly 0.9 percent. Foreclosure activity dropped 18.5 percent from August 2018. Among the top six MSAs, total closings were split, increasing in Charleston, Greenville, and Spartanburg, but dropping in Columbia, Florence, and Myrtle Beach. Median sales prices fell or were flat in all but Charleston (+1.5 percent).

| | Month | Current | Previous Year | % Change Year Ago | 2019 YTD | 2018 YTD | % Change YTD |
|--|--------|-----------|---------------|-------------------|-------------|-------------|--------------|
| Closings | August | 8,838 | 8,965 | -1.4% | 61,991 | 61,282 | 1.2% |
| Median Sales Price* | August | \$218.0 | \$200.3 | 8.9% | \$213.9 | \$200.0 | 7.0% |
| Foreclosures | August | 1,336 | 1,639 | -18.5% | 11,766 | 13,439 | -12.4% |
| Residential Building Permits -Total | August | 3,187 | 3,612 | -11.8% | 24,815 | 25,118 | -1.2% |
| Residential Building Permits -Valuation* | August | \$716,156 | \$718,489 | -0.3% | \$5,208,105 | \$5,551,925 | -6.2% |

* Thousands of US dollars. Foreclosures estimated. Source: S.C. Association of Realtors, RealtyTrac, U.S. Census.

Source: South Carolina Economic Outlook Department of Commerce September 2019

Significant construction projects within the Vista and Innovista areas around The University of South Carolina have had a significant impact on the economy and employment for the total MSA. The University has plans to develop approximately 500 acres with a downtown research campus, recently completed baseball stadium, and housing to include support properties such as shops,

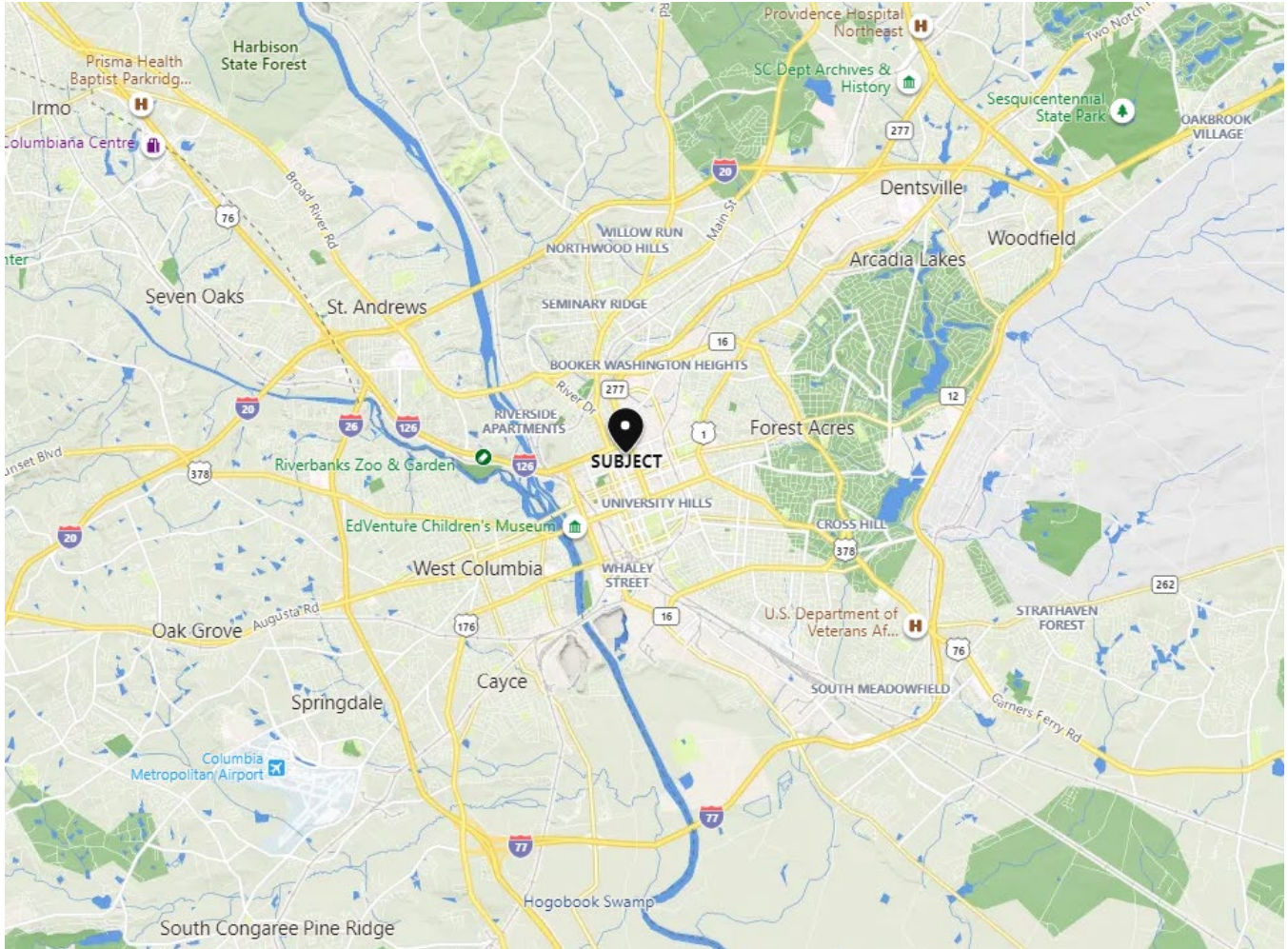
restaurants and other retail establishments. The University and other private landowners within the 500 acres are currently in negotiations with the community and government officials to re-zone this area to allow accelerated development to meet the University's plans. The most recent development of the Bull Street Campus Project is also expected to have a significant effect on the area. The Bull Street Campus baseball stadium was completed as of April 2016.

Summary

Due to its history and potential for future development, economic stability is expected to continue in the Columbia MSA for the next decade. Population statistics confirm growth for both Lexington and Richland Counties. The economy is primarily service-oriented and heavily influenced by the number of government employees, which increases stability in the area.

The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). The reader is cautioned and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal. We are still monitoring the situation and the length of the closures will determine the effect on the market (if any). Most sales data in the last 45 days were negotiated prior to the outbreak. Even local Brokers we have interviewed cannot even speculate at this time as the stimulus packages made available will (could) have unprecedented tempering on the economic effect. As of the date of this appraisal we have polled 18 key Brokers from around the state and there is no indication of reduced listing prices at this time. However, we urge our clients to carefully monitor this situation and potentially revisit the value indications in 3-6 months.

REGIONAL MAP



NEIGHBORHOOD DATA

A neighborhood can be described as the area within which economic, environmental, governmental, and social forces affect all surrounding properties in the same way they affect the property being appraised. A neighborhood is defined as a group of complementary land uses. In the case of the subject neighborhood, the complementary land uses are primarily commercial in nature.

Location

The subject property is located at 1930 Marion Street in Columbia, SC. The uses in the immediate neighborhood are primarily commercial, institutional, and multi-family. The property is situated in downtown Columbia. For purposes of this report, the neighborhood boundaries are best described as follows:

| | |
|--------------|-----------------------------------|
| North | Haskell Heights/Lincolnshire Area |
| South | Interstate 77 |
| East | Fort Jackson |
| West | Interstate 26 |

A map highlighting these boundaries and identifying the location of the property follows this section.

Transportation

The subject is situated in the central business district in Columbia and linkage throughout the neighborhood is achieved through the grid of streets in this area. Interstate linkage can be found nearby by traveling west on Elmwood Avenue that merges with Interstate 126. Interstate 126 merges into Interstate 26 that further connects with Interstate 20 at this location. In addition to this, Columbia is encircled by parts of Interstates 20, 26, and 77 that provide convenient linkage throughout the county and region.

The Central Midlands Regional Transit Authority also provides public transportation around Columbia, Cayce, West Columbia, Forest Acres, Arcadia Lakes, Springdale and the St. Andrews area. The University of South Carolina provides public transportation to students within the campus area. Amtrak and Greyhound stations are also conveniently located in the neighborhood.

Utilities

The City of Columbia provides water and sewer. Dominion Energy provides electricity and natural gas services. We are not aware of any present shortages and there appears to be ample supply for future development.

Demographics

We have analyzed the demographics within a three mile radius of the subject. The median household income of the state of South Carolina was \$53,366 in 2020 and is projected to be \$56,881 in 2025. The subject area is below the range of the state in terms of median household income at \$42,015 in 2021 and \$46,131 in 2026. Please see the demographic analysis from the 2010 Census and The Site to Do Business follows:



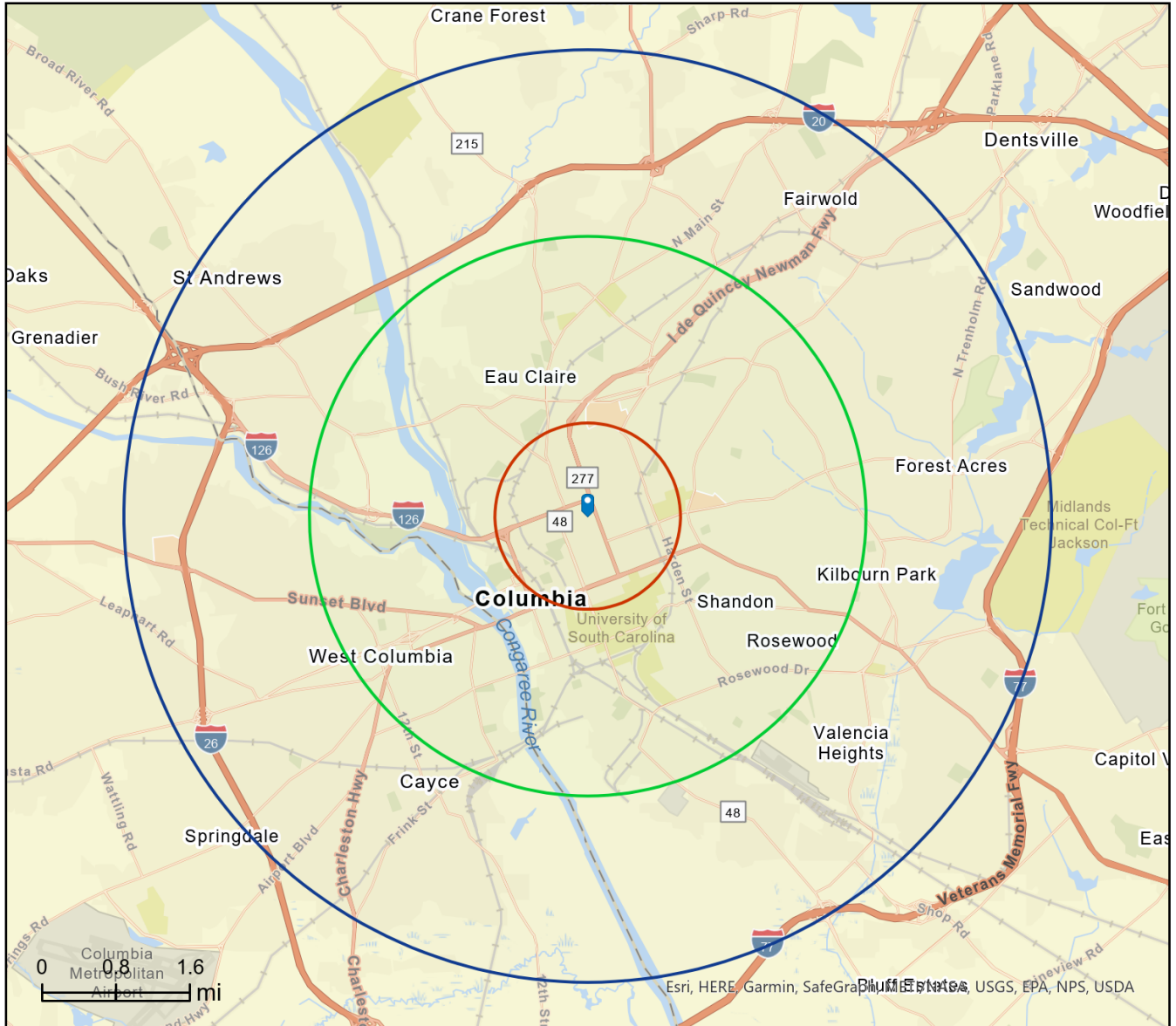
Demographic and Income Comparison Profile

1930 Marion St, Columbia, South Carolina, 29201
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 34.01205
Longitude: -81.03464

| | 1 mile | 3 miles | 5 miles |
|--------------------------------------|----------|----------|----------|
| Census 2010 Summary | | | |
| Population | 8,401 | 80,603 | 164,433 |
| Households | 2,943 | 33,296 | 68,994 |
| Families | 998 | 14,261 | 33,682 |
| Average Household Size | 1.82 | 2.08 | 2.18 |
| Owner Occupied Housing Units | 1,044 | 13,759 | 33,485 |
| Renter Occupied Housing Units | 1,899 | 19,537 | 35,509 |
| Median Age | 26.0 | 28.5 | 31.1 |
| 2021 Summary | | | |
| Population | 8,845 | 86,397 | 175,613 |
| Households | 3,424 | 36,410 | 74,322 |
| Families | 1,057 | 14,626 | 34,546 |
| Average Household Size | 1.78 | 2.09 | 2.19 |
| Owner Occupied Housing Units | 985 | 13,538 | 33,227 |
| Renter Occupied Housing Units | 2,439 | 22,872 | 41,095 |
| Median Age | 28.7 | 30.4 | 33.5 |
| Median Household Income | \$41,456 | \$39,318 | \$42,015 |
| Average Household Income | \$65,359 | \$66,117 | \$68,230 |
| 2026 Summary | | | |
| Population | 10,047 | 91,673 | 184,144 |
| Households | 4,122 | 38,920 | 78,235 |
| Families | 1,263 | 15,380 | 35,856 |
| Average Household Size | 1.77 | 2.09 | 2.19 |
| Owner Occupied Housing Units | 1,043 | 14,282 | 34,969 |
| Renter Occupied Housing Units | 3,079 | 24,638 | 43,267 |
| Median Age | 29.7 | 31.0 | 34.2 |
| Median Household Income | \$49,401 | \$43,103 | \$46,131 |
| Average Household Income | \$76,340 | \$73,245 | \$75,579 |
| Trends: 2021-2026 Annual Rate | | | |
| Population | 2.58% | 1.19% | 0.95% |
| Households | 3.78% | 1.34% | 1.03% |
| Families | 3.63% | 1.01% | 0.75% |
| Owner Households | 1.15% | 1.08% | 1.03% |
| Median Household Income | 3.57% | 1.86% | 1.89% |

Neighborhood/Market Radius Map



Development

Life patterns of neighborhoods generally have a four-stage cycle beginning with growth, stability, decline and revitalization. The neighborhood can be described as being in the stability stage.

The subject is located in the City of Columbia and is in close proximity to The University of South Carolina, Allen and Benedict Universities. Their neighborhood consists of a mix of professional offices, educational uses, diverse multi-family and residential homes, restaurants, and retail operations. The majority land use is from USC near the subject with surrounding properties consisting of predominately renter occupied housing/apartments. This area's commercial uses thrive from the central business district of Columbia, the amount of students in the area, tourists that visit students, the state capital, and state government offices.

The residences in the immediate neighborhood have a diverse price range due to historical value, close proximity to The University of South Carolina, mixed quality/sizes, and low income housing. This is very typical of the region. The majority of shopping for household goods and major retail items would entail a trip outside the city to the surrounding neighborhoods.

University of South Carolina, Innovista, and Baseball – The University of South Carolina has plans to develop approximately 500 acres, within the subject's immediate neighborhood, with a downtown research campus, baseball stadium, and housing to include support properties such as shops, restaurants, and other retail establishments. The overall plan is to expand the current campus to connect to the river and offer an area of expansion for both USC and downtown Columbia. Founder's Park, University of South Carolina's baseball stadium was ranked as the best Division 1 baseball venue by the website *Stadium Journey* in 2014. Expansion of the UofSC campus includes the Alumni Center (2015), the Darla Moore School of Business (2014), Arnold School of Public Health (2006), School of Law (relocation to Senate Street 2017), to name a few.

Innovista Master Plan

Columbia's CBD is characterized primarily by its mix of large corporations and small, single-tenant or owner occupied retail shops and offices. It is also heavily influenced by the number of government offices, large corporations and major financial institutions headquartered in the central downtown area. The University of South Carolina and the State Capital Building are also located within the CBD. By far, the largest office users in this area are the various departments of the state government.

Within the subject's immediate neighborhood district, the use trends are varied. Along Gervais Street, there are several retail shops, restaurants, warehouses, a manufacturing plant, flour mill, automobile repair shops and office buildings. The following are a few examples of businesses within the subject's neighborhood district: Richland County Central Court Building, Publix, Blue Marlin Restaurant, Longhorn Steakhouse, Jason's Deli, Five Guy's Burgers and Fries, Capital Club, City Garage & Body Shop, Gervais Street Service Station, Bluestein Wholesale Drygoods, and City Market Antique Mall. In addition, there are the South Carolina State Capital, the S.C. Vietnam Memorial Park, Riverfront Park, Finlay Park, the Colonial Center, the Columbia Metropolitan Convention Center, EdVenture Children's Museum, SC State Museum and the Columbia Visitors Center.

Current Activity

The most significant markets in the Columbia downtown area are a diverse mix of office/governmental/medical, retail, and multi-family. The area is in the midst of a renovation and regentrification of older buildings. Downtown Columbia has seen a surge of new interest with older buildings being renovated into retail shops, restaurants, and multi-family housing.

Rental housing market conditions in the HMA are currently improving, with an estimated overall rental vacancy rate of 4.7%, down from 6.6 in 2019. The construction of multifamily units has increased, and average rents have gone up by 3 percent during the same period.

Bull Street District



The BullStreet District is transforming an already vibrant state capital city into the hub of the new urban South. The largest city center development east of the Mississippi, the 181-acre development blends life, work, leisure, and community into a transformation of Columbia's historic landscape.

2016's "BallPark of the Year," Segra Park is the heart of the BullStreet Neighborhood and is home to the Columbia Fireflies, a NY Mets MiLB affiliate. The ballpark has hosted more than 565,000 fans to date.

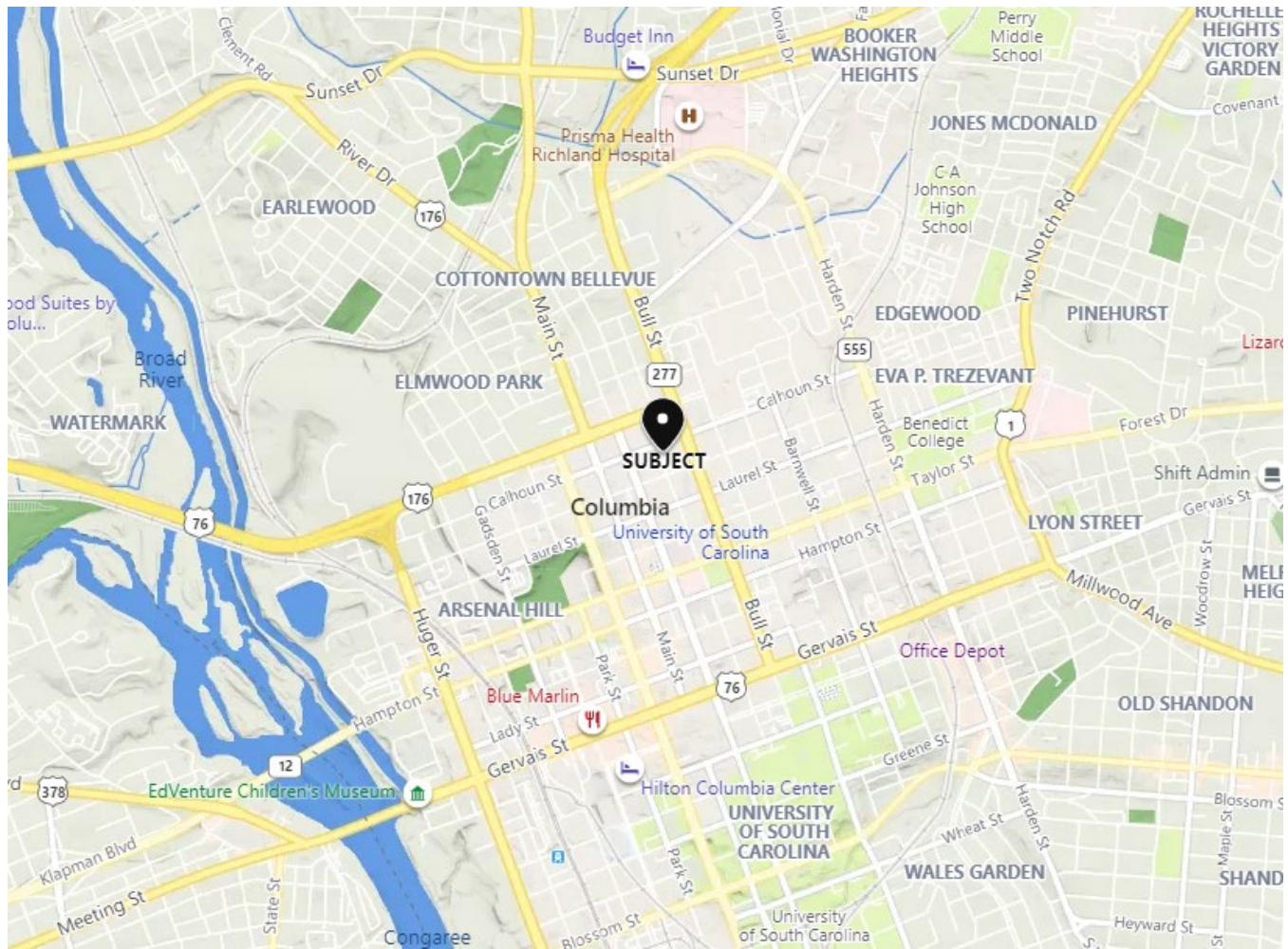
There are plans to build a 20-acre park with running and walking paths, a dog park, public art, and natural water habitat featuring a two-acre pond and 2,000 linear feet of the soon to be restored Smith Branch Creek.

BullStreet's first for-sale residential project, TownPark at BullStreet offers 28 townhomes each with its own garage and rooftop terraces. It is conveniently located along Calhoun Street. Also, Merrill Gardens, an independent senior living center is located within the community.

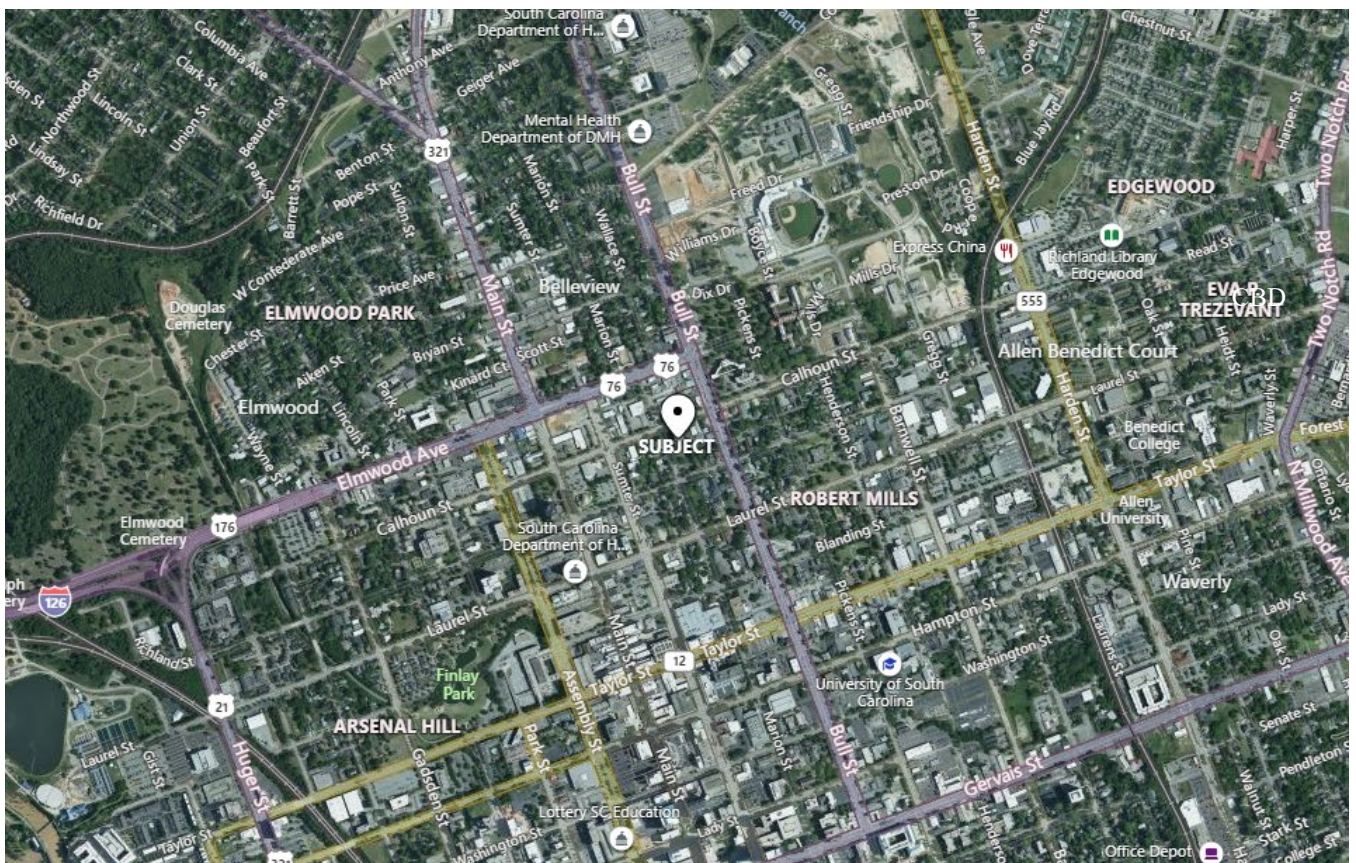
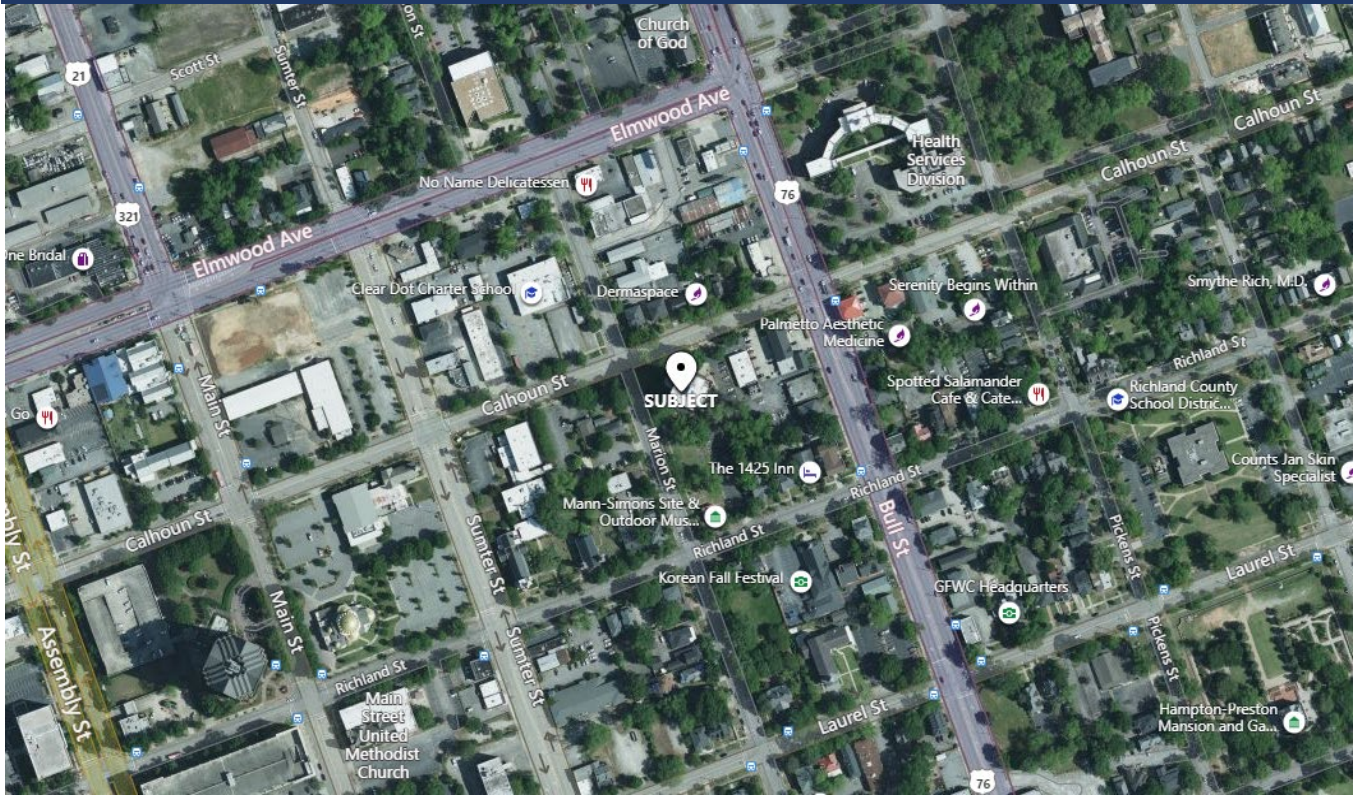
Summary

In summary, single and multi-family residential growth is steady in the area; and the subject continues to maintain high occupancy due to the nearby University of South Carolina, other universities and the City of Columbia office professionals. The neighborhood is expected to continue as a mixture of commercial uses and single and multi-family residential uses with stable to increasing property values in the foreseeable future. Transportation is adequate in the neighborhood and utilities are all present without any foreseeable shortages.

NEIGHBORHOOD MAP



AERIAL MAPS



| SITE DATA | | |
|---------------------------------|--|------------------------------------|
| Location | 1930 Marion Street, Columbia SC | |
| Size | 1.57 Acres or 68,400 SF | |
| Shape | The parcel has a slightly irregular shape. | |
| Access | The subject has one asphalt driveway that enters from Marion Street, Calhoun Street, and Richland Street. Access is considered good. | |
| Visibility/Exposure | Visibility is good from the three aforementioned thoroughfares. | |
| Topography | Drainage appears to be adequate. The subject is generally level and at or near road grade with all three abutting thoroughfares. | |
| Flood Plain | Panel | 45079C0243L |
| | Date | 12/21/2017 |
| | Description | Zone X |
| Utilities | Water | The City of Columbia |
| | Sewer | The City of Columbia |
| | Electricity | Dominion Energy |
| | Natural Gas | Dominion Energy |
| Zoning | Designation | C-1 – Office & Institutional |
| | Uses Allowed | Variety of commercial uses allowed |
| Easements/ Encroachments | The appraiser is unaware of any atypical easements or encroachments. | |
| Utility | The shape of the site is slightly irregular and is considered to be adequate for development. | |
| Environmental | Environmental aspects of the subject property are beyond our expertise. The physical inspection did not reveal any obvious presence of hazardous materials, contamination, or toxic waste; however, they could exist. We recommend a professional in environmental expertise be retained. | |
| Wetlands | We have found no evidence of "wetlands" but are not experts in this field and urge the client to seek the advice of an expert to determine any potential impact of "wetlands" on the property. | |
| Conclusion | The overall quality of the subject site is considered to be average. According to our research, it has adequate utilities and is appropriately zoned for the current use. It has average access and visibility that adds to the value of this property. The subject site is considered to be functional with respect to the physical characteristics previously discussed. | |

SITE PHOTOGRAPHS



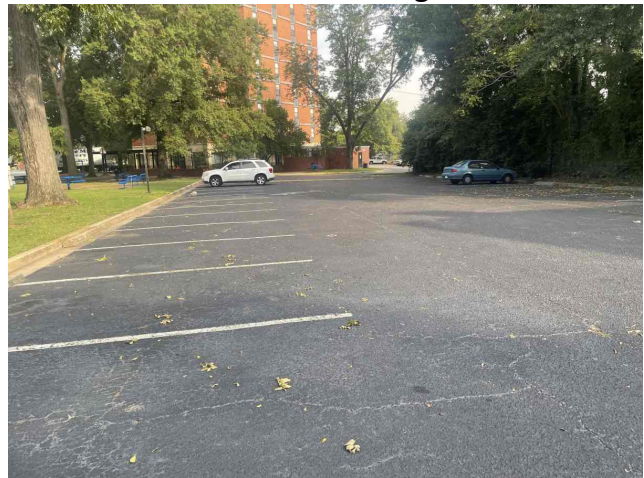
Calhoun Street looking east



Marion Street looking south



Eastern portion of the property



Southern portion of the property



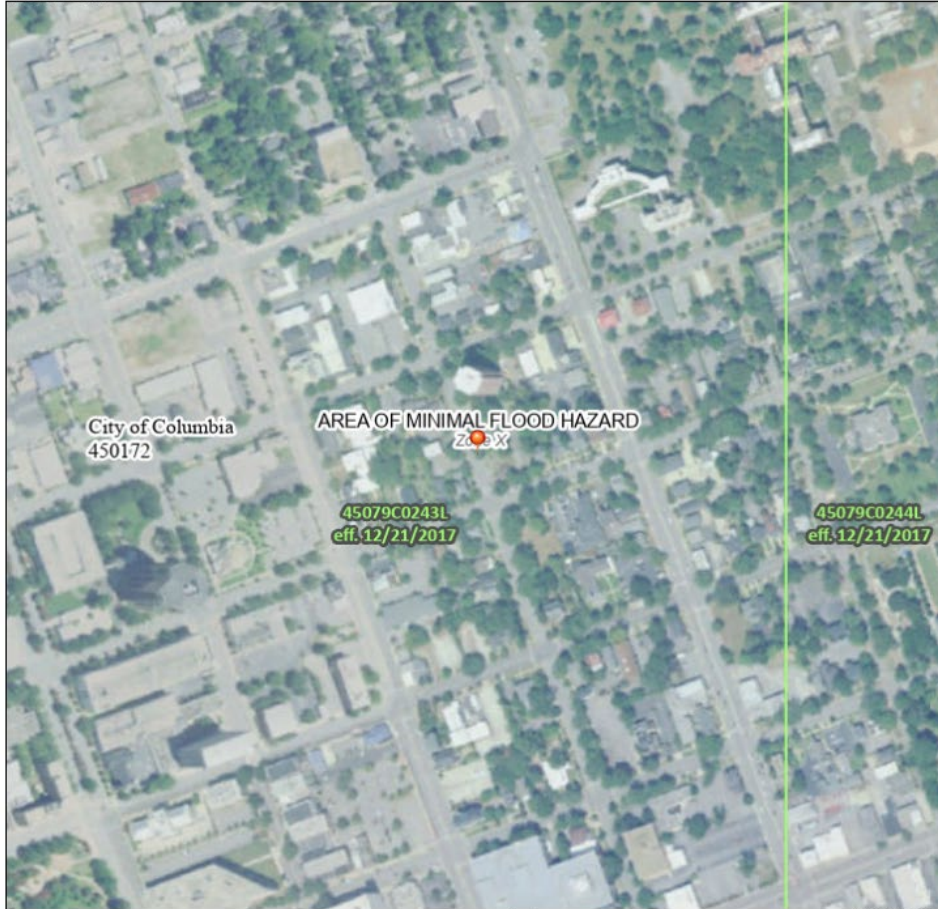
Western portion of the property

FLOOD PLAIN MAP

National Flood Hazard Layer FIRMette



81°22'23"W 34°0'58"N



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

| | |
|------------------------------------|---|
| SPECIAL FLOOD HAZARD AREAS | <ul style="list-style-type: none"> Without Base Flood Elevation (BFE) Zone A, V, A99 With BFE or Depth Zone AE, AO, AH, VE, AR Regulatory Floodway |
| OTHER AREAS OF FLOOD HAZARD | <ul style="list-style-type: none"> 0.2% Annual chance Flood Hazard. Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X Future Conditions 1% Annual Chance Flood Hazard Zone X Area with Reduced Flood Risk due to Levee. See Notes. Zone X Area with Flood Risk due to Levee Zone D |
| OTHER AREAS | <ul style="list-style-type: none"> NO SCREEN Area of Minimal Flood Hazard Zone X Effective LOMRs Area of Undetermined Flood Hazard Zone D |
| GENERAL STRUCTURES | <ul style="list-style-type: none"> Channel, Culvert, or Storm Sewer Levee, Dike, or Floodwall |
| OTHER FEATURES | <ul style="list-style-type: none"> 20.2 Cross Sections with 1% Annual chance Water Surface Elevation 17.5 Coastal Transect Base Flood Elevation Line (BFE) Limit of Study Jurisdiction Boundary Coastal Transect Baseline Profile Baseline Hydrographic Feature |
| MAP PANELS | <ul style="list-style-type: none"> Digital Data Available No Digital Data Available Unmapped |

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards. The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 10/6/2021 at 10:21 AM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

| IMPROVEMENT ANALYSIS | |
|----------------------------|---|
| Foundation | Concrete Slab |
| Size | The gross building area (GBA) of the subject property is approximately 94,700 square feet. |
| Units | 146 |
| Year Built | 1970 |
| Effective Age | 30 Years |
| Economic Life | 55 Years |
| Exterior Walls | Brick |
| Interior Walls | The interior walls of the apartments are sheet rock with some walls made of plaster with a painted finish. |
| Roof | Flat, membrane with mechanical penthouse |
| Ceilings | Smooth & textured ceilings |
| Flooring | Primarily Tile |
| Lighting | Primarily incandescent |
| Heating and Cooling | Each unit individually heated and cooled with thru-wall units. |
| Plumbing | Each unit has a full bathroom including a shower. There is a common bath and a laundry facility on Floors 4, 9, and 15. |
| Security | Controlled entrance with security on site. |
| Maintenance | Overall, there is some deferred maintenance throughout the building due to its age. Recent repairs include a new roof, new elevators, window and thru-wall unit replacements, and sprinkler retrofit. |
| Improvements | The property has typical landscaping. There is asphalt paving that makes up the parking lot with 60 lined spaces. |
| | |

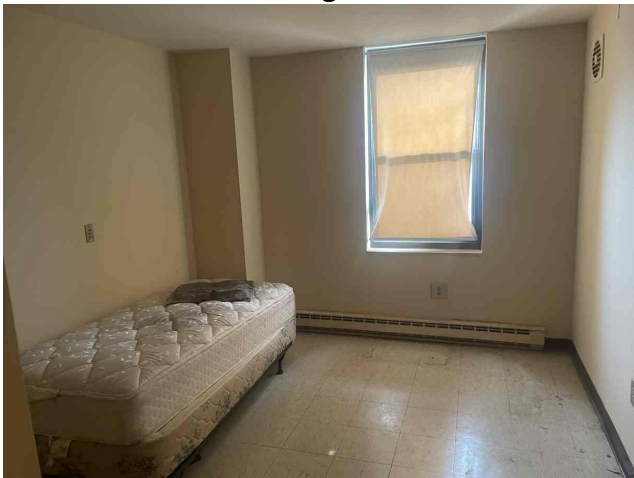
IMPROVEMENT PHOTOGRAPHS



Building View



Living Area – 1 Bedroom Unit



Bedroom – 1 Bedroom Unit



Bathroom – 1 Bedroom Unit



Kitchen – 1 Bedroom Unit



Efficiency



Bathroom - Efficiency



Kitchen - Efficiency



Elevator Lobby



Central Mail System



Central Trash System



Laundry Facility



View from Upper Floor



Community Mailboxes



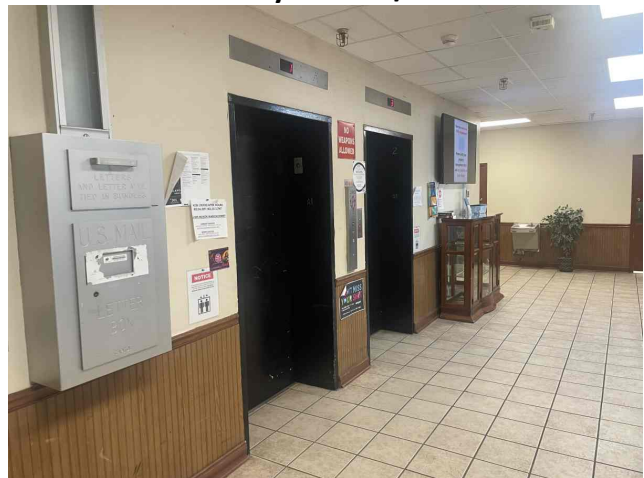
Lobby



Community Kitchen/Canteen

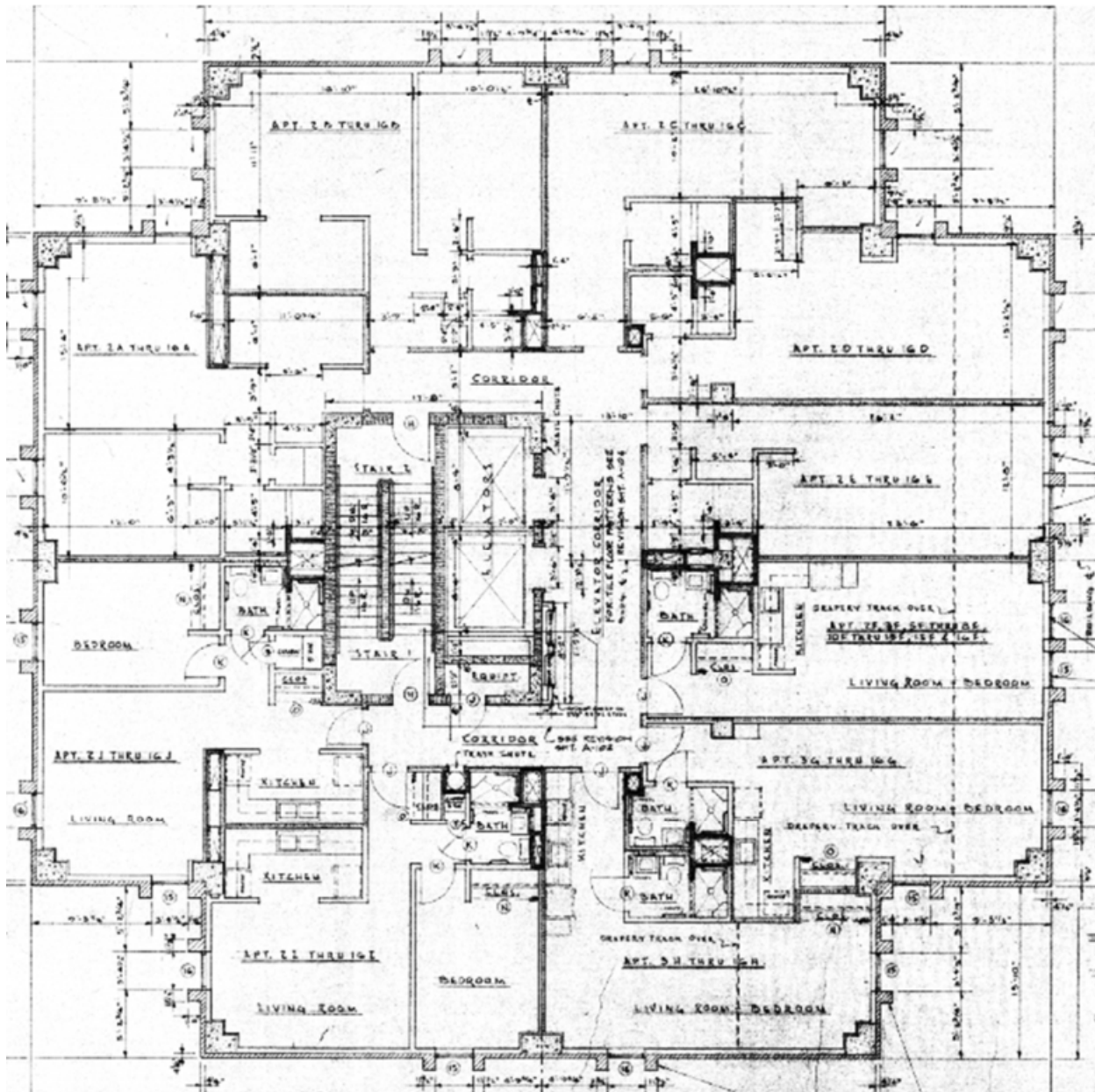


Community Room



Elevatory Lobby

IMPROVEMENT TYPICAL FLOOR PLAN



**Provided by Client*

HIGHEST AND BEST USE/MARKET ANALYSIS

Defined as the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and 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 profitability.

Consideration must be given to the definition of market value which implies that knowledgeable buyers and sellers are informed as to "all the uses" which a property is adapted and for which it is capable of being used. However, the highest and best use determined from factual data is an opinion. Part of the highest and best use analysis is the identification of the motivations of probable purchasers (on which their decisions are based) and upon their perception of the benefits that accrue to the ownership of the property.

The underlying appraisal principle affecting values is the principle of anticipation. This principle also affects the supply and demand forces at work in the local market. Likewise, the supply and demand forces affect the subject's property value.

Highest and Best Use as Vacant**Legally Permissible**

The most prominent and significant legal consideration is zoning. The subject property is currently zoned C-1, Office & Institutional by the City of Columbia Zoning Department. This zoning allows for a wide variety of commercial uses, including the current use of the subject land. Furthermore, the subject is located in the DD, Design District and DP, Design Preservation overlays. The overlay districts are intended to preserve the character of the older properties in the neighborhood. Any significant changes to the design and/or exterior of the subject would need to be approved by a design commission. These overlays do not impact the current improvement as the building precedes the restrictions. However, if substantial damage happened to the building or the current building were razed, a use that conforms to this requirement would be necessary.

Physically Possible

All utilities, including water, sewer and natural gas are available. The subject's total land area of 1.57 acres and the shape and topography are not overly restrictive to development potential. The location is conveniently located in the central business district. The central location provides good linkage to the area. Nearby sites are primarily improved with a variety of commercial uses. Given the surrounding neighborhood a multi-family or multi-use development would be a likely use for the subject.

Financial Feasibility

Based upon the two previous tests of highest and best use, we have determined that the subject would be best suited for a use that benefits from the location of the subject. The proximity to the local university and downtown Columbia creates an ideal setting for a multi-family residential use. This would be a financially feasible option. The feasibility of a multi-family development depends primarily upon the demand for that use and the income that can be generated by satisfying such demand, in light of existing supply. The access to the neighborhood is good. The most likely scenario would be to purchase the property for a multi-family or multi-use property and development would be dependent on the project and the condition of the market.

Maximum Profitability

In summary, the highest and best use as vacant is defined by the financial feasibility and the overall depth of the market. The three previous tests of highest and best use help to explain the most productive use of the site and ultimately, the highest and best use as vacant. As vacant, the sites would be used for a multi-family or multi-use development.

Highest and Best Use As Improved

Legally Permissible

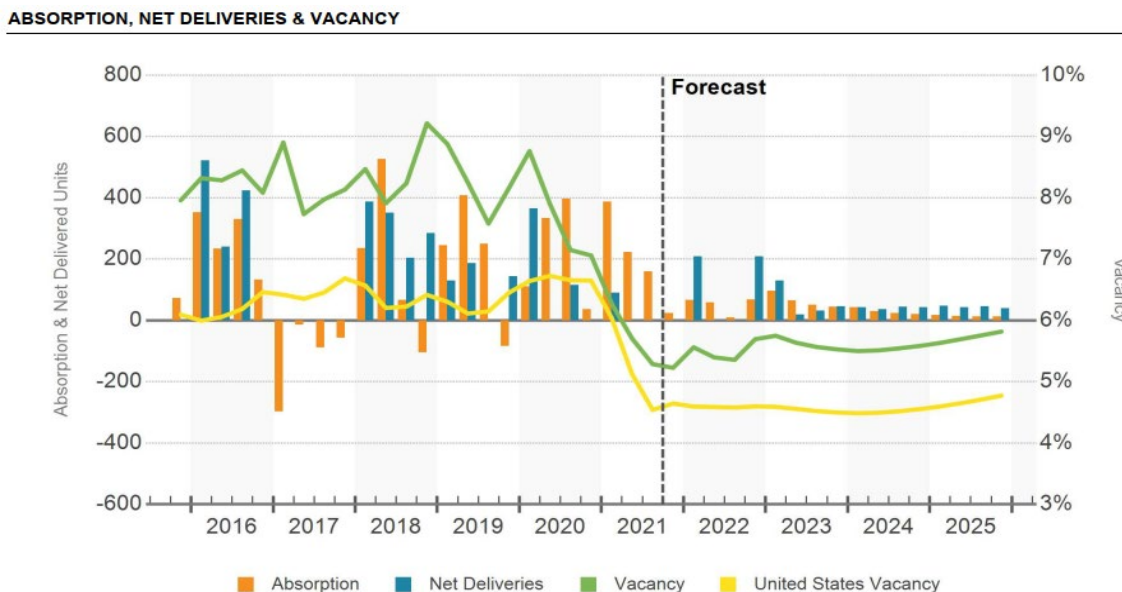
As discussed in the legally permissible as vacant section, the subject is currently zoned C-1 by the City of Columbia. The zoning caters to a variety of commercial developments. The subject appears to currently be non-conforming due to over development of the current unit allowances, setbacks, and parking required. The current use/ density is confirmed to be grandfathered as should be legally, non-conforming for the foreseeable future.

Physically Possible

The most important part of this test is the location of the property and overall design and appeal. The subject is located along Marion Street and is situated with easy walking distance of downtown. It is surrounded by a variety of uses. The design is somewhat atypical as a high-rise within the market, but functional given the downtown/CBD location. From a physical standpoint, the subject is adequately designed and has good location within the market. The current improvement still adds value to the land.

Financial Feasibility

From a financially feasible perspective the subject has successfully operated at its current use for over 50 years. As can be seen by the following graph, there has been strong demand for multi-family in the Columbia market as indicated by the absorption over the past few years. Conversely, there has not been as much delivery, with the last significant delivery occurring in the first quarter of 2020.



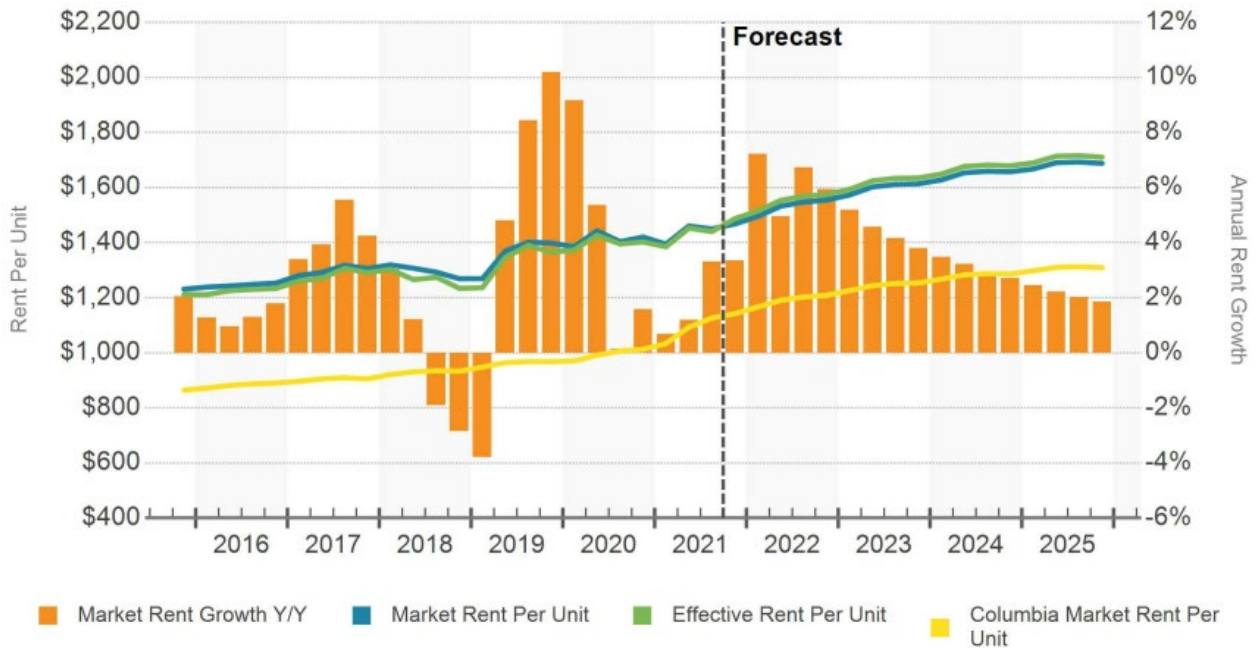
One can infer from the previous chart that the demand would be almost pent up in the overall Columbia market due to the consistent absorption but lack of recent delivery of units. The chart below looks at the Downtown Columbia market and the historical and project data on inventory and absorption.

OVERALL SUPPLY & DEMAND

| Year | Inventory | | | Absorption | | |
|------|-----------|--------|----------|------------|----------|--------------------|
| | Units | Growth | % Growth | Units | % of Inv | Construction Ratio |
| 2025 | 3,871 | 100 | 2.7% | 78 | 2.0% | 1.3 |
| 2024 | 3,771 | 93 | 2.5% | 96 | 2.5% | 1.0 |
| 2023 | 3,678 | 173 | 4.9% | 254 | 6.9% | 0.7 |
| 2022 | 3,505 | 416 | 13.5% | 229 | 6.5% | 1.8 |
| 2021 | 3,089 | 0 | 0% | 52 | 1.7% | 0 |
| YTD | 3,089 | 0 | 0% | 54 | 1.7% | 0 |
| 2020 | 3,089 | 109 | 3.7% | 46 | 1.5% | 2.4 |
| 2019 | 2,980 | 130 | 4.6% | 334 | 11.2% | 0.4 |
| 2018 | 2,850 | 339 | 13.5% | 120 | 4.2% | 2.8 |
| 2017 | 2,511 | 0 | 0% | 90 | 3.6% | 0 |
| 2016 | 2,511 | 202 | 8.7% | 200 | 8.0% | 1.0 |
| 2015 | 2,309 | 186 | 8.8% | 46 | 2.0% | 4.0 |
| 2014 | 2,123 | 0 | 0% | 4 | 0.2% | 0 |
| 2013 | 2,123 | 0 | 0% | 0 | 0% | - |
| 2012 | 2,123 | 0 | 0% | 23 | 1.1% | 0 |
| 2011 | 2,123 | 0 | 0% | 4 | 0.2% | 0 |
| 2010 | 2,123 | 0 | 0% | 21 | 1.0% | 0 |
| 2009 | 2,123 | 374 | 21.4% | 341 | 16.1% | 1.1 |

As can be seen, there is not projected to be any additions to the inventory in 2021 while absorption is projected to take place. There does appear to be considerably deliveries planned for 2022. The demand is projected to be sufficient however, with significant absorption estimated in both 2022 and 2023. The graph on the following page illustrates how the demand for multi-family space is project to remain strong. The graph indicates in steady growth in both market and effective rent per unit even after considerable increases in new construction and deliveries over the next two years.

MARKET RENT PER UNIT & RENT GROWTH



There appears to be sufficient demand for the subject property, and market projections are consistent in indicating the demand will continue to be strong. The current use of the subject as a multi-family use is a financially feasible use.

Maximum Profitability

Based on discussions to this point the subject is at or near maximum profitability as improved and should just be maintained to the current marketability/occupancy until the end of its economic life or land value dictates raising the improvements. It provides an appropriate use of the site as it would not be legally possible to build a newer building with the same amount of units. It has good linkage to the area, and the demand from the surrounding market indicates that the subject is operating near or at its highest and best use.

Reasonable Marketing Period/Exposure Time

Exposure time is the estimated length of time 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. Marketing period is the time that it would take to sell a property subsequent to the effective date of the appraisal. The following is generally accurate relative to the market:

- When the market is stable before and after the effective date, the exposure and marketing times are generally equal.
- When it is increasing before and after the effective date, then exposure time is generally longer than the marketing period.
- When it is decreasing before and after the effective date, then exposure time is generally shorter than the marketing period.
- When it is increasing before but decreasing or stable after the effective date, then exposure time is generally shorter than the marketing period.
- When it is decreasing before the effective date of the appraisal but increasing or stable afterwards, then exposure time is generally longer than the marketing period.

Based on these observations, the obvious conclusion is that properties sell more quickly in stronger markets.

The market has been examined through research and discussions with market participants. Multi-family buildings in good locations generally sell between 2 and 12 months currently. The difference is based on the age, location, design, condition, etc. Due to the overall physical aspects of the property and the subject's good location, it is estimated that the marketing period for the subject to be from 6 to 12 months.

The Dictionary of Real Estate Appraisal, Sixth Edition by the Appraisal Institute, 2015 defines reasonable exposure time as "the estimated length of time 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." Reasonable exposure time is based on past actions and the investigation of these events assuming an active and open real estate market. Historical sales in the area indicate that the exposure time is within 12 months.

SALES COMPARISON APPROACH

This approach is generally known as the Market Approach and is a method of estimating market value whereby the subject is compared with comparable properties that have recently sold. This method can be used to estimate value in several ways.

The data can be analyzed to establish a relationship between sales price and physical features or it can be analyzed to establish a relationship between the sales price and the level of income. Comparing physical features often requires many subjective adjustments for dissimilarities between the subject and the comparables. Some of these variables include location, age, size and quality of income.

The price per unit is the typical measurement for an apartment complex. We have used this unit of measurement in the analysis of the subject property. Through our research and discussions with professionals in the area, we discovered that there have been limited sales of similar property types in the county in the recent past. We have analyzed four sales. They are summarized as follows:

IMPROVED SALE NO. 1**Property Identification**

Property Type Apartment Complex
Property Name Stone Ridge Apartments
Address 1000 Watermark Place, Columbia, SC
Tax ID R09003-01-01

Sale Data

Grantor Stone Ridge Equities LLC
Grantee Guardian Stone Ridge JV LLC
Sale Date April 28, 2021
Deed Book/Page R2615/3147
Financing Cash to seller

Sale Price \$12,834,000

Land Data

Land Size 10.50 Acres or 457,380 SF
Utilities All Available

General Physical Data

Building Type Apartments
Gross SF 171,284 SF
No. of Units 188
Year Built 1972 (Renovated 2015)

Indicators

Sale Price/Gross SF \$74.93
Sale Price/Unit **\$68,266**

Remarks

This is a 188-unit complex located Lake Murray submarket of Columbia. The complex consists of 45 one-bedroom units, and 136 two-bedroom units and 7 three-bedroom units. Amenities include A/C, Balcony, Business Center, Dishwasher, Disposal, Laundry Facilities, Range, Washer/Dryer Hookup, Car Wash area, Fitness Center, Clubhouse, Tennis Courts

IMPROVED SALE NO. 2**Property Identification**

Property Type Apartment Complex
Property Name River Ridge Apartments
Address 3638 Falling Springs Rd, Columbia
Tax ID R09108-02-01, R09108-08-02, R09108-02-02, R09108-09-01, R09108-09-02

Sale Data

Grantor South Carolina Holdings LLC
Grantee 3638 Falling Springs LLC
Sale Date March 27, 2020
Deed Book/Page R2484/2896
Financing Cash to seller

Sale Price \$9,100,000

Land Data

Land Size 11.91 Acres or 518,800 SF
Utilities All Available

General Physical Data

Building Type Apartments
Gross SF 136,000 SF
No. of Units 146
Year Built 1969 (Renovated 2017)

Indicators

Sale Price/Gross SF \$66.91
Sale Price/Unit **\$62,329**

Remarks

This is a 146-unit complex located north of downtown Columbia. The complex consists of 40 studio units, 86 one-bedroom units, and 20 two-bedroom units. Amenities include A/C, Dishwasher, Disposal, Laundry Facilities, Range., Washer/Dryer Hookup

IMPROVED SALE NO. 3**Property Identification**

Property Type Apartment Complex
Address 4214 Bethel Church Rd, Columbia, SC
Tax ID R14012-02-22

Sale Data

Grantor Jamestowne SC Equities LLC
Grantee SC Forest Acres Investors, LLC
Sale Date March 30, 2021
Deed Book/Page R2604/0964
Financing Cash to seller

Sale Price \$9,300,000

Land Data

Land Size 7.43 Acres or 323,651 SF
Utilities All Available

General Physical Data

Building Type Apartment Building
Gross SF 178,137 SF
No. of Units 165
Year Built 1970

Indicators

Sale Price/Gross SF \$52.20
Sale Price/Unit **\$56,364**

Remarks

This is a 165-unit complex located in the Forest Acres submarket. The complex consists of 105 two-bedroom, 54 three-bedroom and 6 four-bedroom units. Amenities include A/C, Dishwasher, Disposal, Laundry Facilities, Range.

IMPROVED SALE NO. 4**Property Identification**

| | |
|----------------------|------------------------------------|
| Property Type | Apartments |
| Address | 504 S. Beltline Blvd, Columbia, SC |
| Tax ID | R13809-03-18 |

Sale Data

| | |
|------------------------|--|
| Grantor | DBC Shandon Crossing Limited Partnership |
| Grantee | Skandon, LLC |
| Sale Date | March 11, 2021 |
| Deed Book/Page | R2599/3105 |
| Property Rights | Leased Fee |
| Financing | Conventional |

| | |
|-------------------|-------------|
| Sale Price | \$8,150,000 |
|-------------------|-------------|

Land Data

| | |
|-------------------|--------------------------|
| Land Size | 9.07 Acres or 395,089 SF |
| Topography | Varying |
| Utilities | All to site |

| | |
|------------------------|----------------------|
| Number of Units | 152 |
| Avg. Unit Size | 912 SF |
| Avg. Rent/Unit | \$721 (Time of sale) |
| Net SF | 138,768 SF |

General Physical Data

| | |
|--------------------------|---------------------------|
| Construction Type | Brick, Low-rise Buildings |
| Stories | 1 |
| Year Built | 1974 |
| Condition | Average |

Indicators

| | |
|----------------------------|-----------------|
| Sale Price/Gross SF | \$56.73 |
| Sale Price/Unit | \$53,618 |

Remarks

This is a 152-unit complex located in the East Columbia submarket. The complex consists of 40 one-bedroom, 104 two-bedroom and 8 three-bedroom units. Amenities include A/C, Balcony, Dishwasher, Disposal, Double Vanity, Laundry Facilities, Range, Fridge, Storage, Tub/Shower, and Recreational area

Improved Sales Photographs



Improved Sale 1



Improved Sale 2

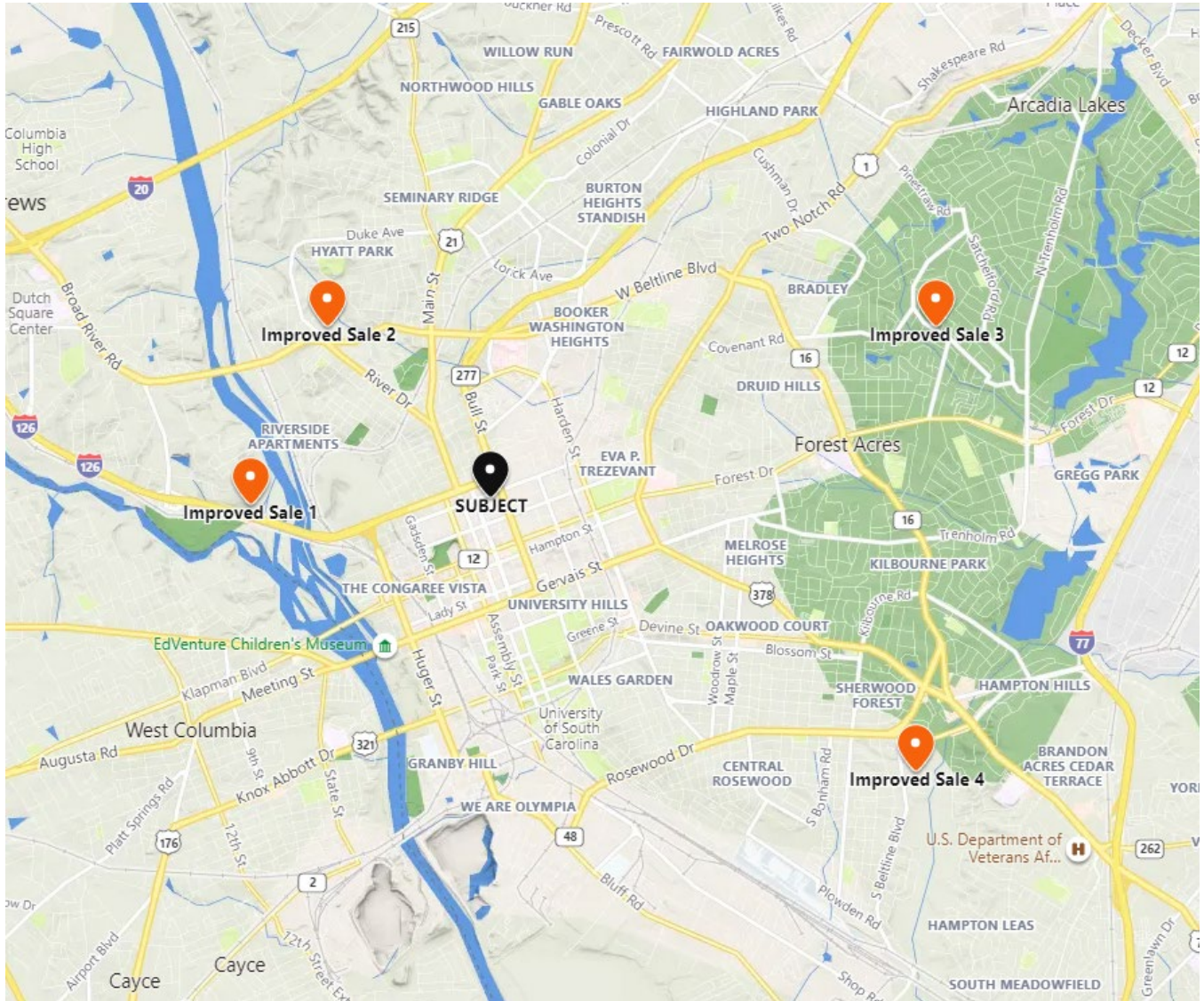


Improved Sale 3



Improved Sale 4

Improved Sales Location Map



| Improved Sales Summary and Adjustment Chart | | | | | |
|---|----------------|----------------------|-------------------------|-----------------------|----------------------|
| | Subject | Sale 1 | Sale 2 | Sale 3 | Sale 4 |
| Location | 1930 Marion St | 1000 Watermark Place | 3638 Falling Springs Rd | 4214 Bethel Church Rd | 504 S. Beltline Blvd |
| Date | Current | 04/28/21 | 03/27/20 | 03/30/21 | 03/11/21 |
| Effective Age | 30 Years | 20 Years | 20 Years | 30 Years | 30 Years |
| Sale Price | | \$12,834,000 | \$9,100,000 | \$9,300,000 | \$8,150,000 |
| Size/Units | 146 | 188 | 146 | 165 | 152 |
| Price/Unit | | \$68,266 | \$62,329 | \$56,364 | \$53,618 |
| Adjustments: | | | | | |
| Market Conditions (Time) | | 1.00 | 1.00 | 1.00 | 1.00 |
| Adjusted Price | | \$68,266 | \$62,329 | \$56,364 | \$53,618 |
| Conditions of Sale | | 1.00 | 1.00 | 1.00 | 1.00 |
| Adjusted Price | | \$68,266 | \$62,329 | \$56,364 | \$53,618 |
| Location | | 0.10 | 0.10 | 0.10 | 0.15 |
| Age/Condition | | -0.20 | -0.20 | -0.05 | -0.05 |
| Quality | | 0.00 | 0.00 | 0.00 | 0.00 |
| Size (# of Units) | | 0.00 | 0.00 | 0.00 | 0.00 |
| Other | | -0.05 | 0.05 | 0.00 | -0.05 |
| Physial Adjustments | | -0.15 | -0.05 | 0.05 | 0.05 |
| Adjusted Price | | \$58,026 | \$59,212 | \$59,182 | \$56,299 |
| Net Adjustments | | -0.15 | -0.05 | 0.05 | 0.05 |
| Indicated Value/Uni | | \$58,026 | \$59,212 | \$59,182 | \$56,299 |
| Range | \$2,913 | High | \$59,212 | Value Indication | \$58,000/Unit |
| Mean | \$58,180 | Low | \$56,299 | | |
| Median | \$58,604 | Mid Point | \$57,756 | | |

Explanation of Adjustments

Location

The subject is located in downtown Columbia. Sales 1, 2 and 3 have inferior exposure and were adjusted upward 10%. Sale 4 has a considerably inferior location and was adjusted upward 15%.

Age/Condition

The age/condition adjustment is based on the difference in effective age of the subject and the comparables, multiplied by 2%, or an average of 2% per year. The adjustment is then rounded to the nearest 5%. The comparables have been adjusted accordingly. Sales 3 and 4 have similar effective ages but are in slightly superior condition and were adjusted downward 5% each.

Quality

Quality of construction adjustment is based on type, quality of construction, unit bedrooms, and the varying level of finish for the sales as compared to the subject. All four comparables are believed to have overall similar quality and no adjustments were warranted.

Size (# of Units)

The subject has 146 units. All four comparables offer similar number of units. No adjustments were warranted.

Other

The subject offers amenities such as range, air condition, community room, central mail and trash service, laundry facility and security. Sales 1 and 4 offer superior amenities such as storage, recreational areas, and business center, and car wash area. Both comps were adjusted upward 5%. Sale 2 offers inferior amenities and was adjusted upward 5%.

VALUE INDICATION SUMMARY

A summary of the value indications before and after adjustments is as follows:

| | Low – High | Range | Mean |
|--------------------|-------------------|----------|----------|
| Before Adjustments | \$53,618-\$68,266 | \$14,648 | \$60,144 |
| After Adjustments | \$56,299-\$59,212 | \$ 2,913 | \$58,180 |

Each of the comparables establishes the range for the value indication. All four comparables required multiple adjustments and were given similar consideration. We have reconciled just below the mean of all comparables. We have determined a per unit value of \$58,000.

The value indication is summarized as follows:

| | | | | |
|-----------|---|-------------------------------------|---|-----------------------------------|
| 146 Units | X | \$58,000 per unit Rounded | = | \$8,468,000 \$8,470,000 |
|-----------|---|-------------------------------------|---|-----------------------------------|

INCOME CAPITALIZATION APPROACH

This approach measures the present dollars traded for the right to receive future dollars. Several value principles apply. The principles of change and anticipation apply in that changes in the anticipation of income and expense levels cause increases and decreases in property values. The principles of supply and demand are related to the concept of competition as they determine the market level of income and expenses.

Based upon the scope of the assignment, we have completed an income capitalization approach. We have not used the direct capitalization technique to determine the value estimate within this approach. By far, this is the most often used technique by investors for income producing properties. We have consulted with local real estate professionals and market participants and have found that few properties are purchased using overall direct capitalization rates a unit of measurement. We have found that the gross rent multiplier is the consideration that small investors use when purchasing properties within this market. Therefore, we have analyzed the subject by the gross rent multiplier method.

We have surveyed the Columbia apartment market to test for market rates. Please see a summary of the four comparable rentals as follows:

RENTAL NO. 1**Property Identification**

Property Type Apartment Complex
Address 1401 Hampton St, Columbia, SC
Location CBD

Physical Data

Gross/Construct SF 107,726 square feet
Rentable SF 107,726 square feet

Construction Type Brick
Stories 5
Year Built 1934, Renovated 2016
Condition Average

Detailed Lease Data

Tenant Multi-Tenant
Tenant Size Studio/Efficiency, One and Two-Bedroom Units
Gross Rent \$128,029

General Tenant Summary**Rent Analysis**

Actual Rent \$979 – Studio
 \$1,074 – One Bedroom
 \$1,413 – Two Bedroom

Amenities/Features A/C, Dishwasher, Washer/Dryer, Controlled Access, Microwave, Oven, Tub/Shower, Pool

Remarks

This property is located at 1401 Hampton Street in downtown Columbia. The complex consists of 23 studio/efficiency units, 64 one-bedroom units and 26 two-bedroom units.

RENTAL NO. 2**Property Identification**

Property Type Apartment Complex
Property Name Cornell Arms
Address 1230 Pendleton Street, Columbia, SC
Location CBD

Physical Data

Gross/Construct SF 102,820 square feet
Rentable SF 102,820 square feet

Construction Type Brick
Foundation Concrete slab
Stories 19
Year Built 1949
Condition Below Average

Detailed Lease Data

Tenant Multi-Tenant
Tenant Size Studio/Efficiency, One and Two-Bedroom Units

Gross Rent \$139,400

General Tenant Summary**Rent Analysis**

Actual Rent \$782 – Studio
 \$982 – One Bedroom
 \$1,072 – Two Bedroom

Amenities/Features A/C, Refrigerator, Tile Floors, Range, Laundry Facility, Business Center

Remarks

This property is located at 1230 Pendleton Street in downtown Columbia. The complex consists of 17 studio/efficiency units, 17 one-bedroom units and 102 two-bedroom units.

RENTAL NO. 3**Property Identification**

Property Type Apartment Complex
Address 1321 Lady Street, Columbia, SC
Location CBD

Physical Data

Rentable SF 112,000 square feet

Construction Type

Construction Type Brick
Stories 8
Year Built 1949, Significantly renovated 2019
Condition Good

Detailed Lease Data

Tenant Multi-tenant
Tenant Size Studio/Efficiency, One, Two, and Three-Bedroom Units
Gross Rent \$124,410

General Tenant Summary**Rent Analysis**

Actual Rent \$914 – Studio
\$914 – One Bedroom
\$1,288 – Two Bedroom
\$2,026 – Three Bedroom

Amenities/Features

A/C, Refrigerator, Dishwasher, Disposal, Range, Oven,
Washer/Dryer, Microwave, Clubhouse, Fitness Center, Elevators, Pool, Theatre, Granite Countertops

Remarks

Apartments located at 1321 Lady Street in downtown Columbia. These apartments were significantly renovated/upgraded into “luxury apartments” in 2019. The complex consists of 10 studio/efficiency units, 107 one-bedroom units, 12 two-bedroom units, and 1 three-bedroom unit.

RENTAL NO. 4**Property Identification**

Property Type Apartment Building
Address 2050 N. Beltline Blvd, Columbia, SC
Location Forest Acres

Physical Data

Rentable SF 204,797 square feet

Construction Type

Block/Stucco
Stories 6
Year Built 1966 (Renovated 2014)
Condition Average

Detailed Lease Data

Tenant Multi-tenant
Tenant Size Studio/Efficiency, One, Two, and Three-Bedroom Units
Gross Rent \$221,154

General Tenant Summary**Rent Analysis**

Actual Rent \$1,084 – Studio
 \$1,139 – One Bedroom
 \$1,302 – Two Bedroom
 \$1,739 – Three Bedroom

Amenities/Features

A/C, Balconies, Ceiling Fans, Tub/Shower, Dishwasher, Business Center, Fitness Center, Additional Storage, Volleyball Court, Playground, Clubhouse

Remarks

This property is located along N. Beltline Boulevard just east of downtown area of Columbia. The complex is in average condition for this market. The complex consists of 18 studio/efficiency units, 94 one-bedroom units, 60 two-bedroom units, and 14 three-bedroom units.

Rent Comparables Photographs



Subject



Rental 1



Rental 2

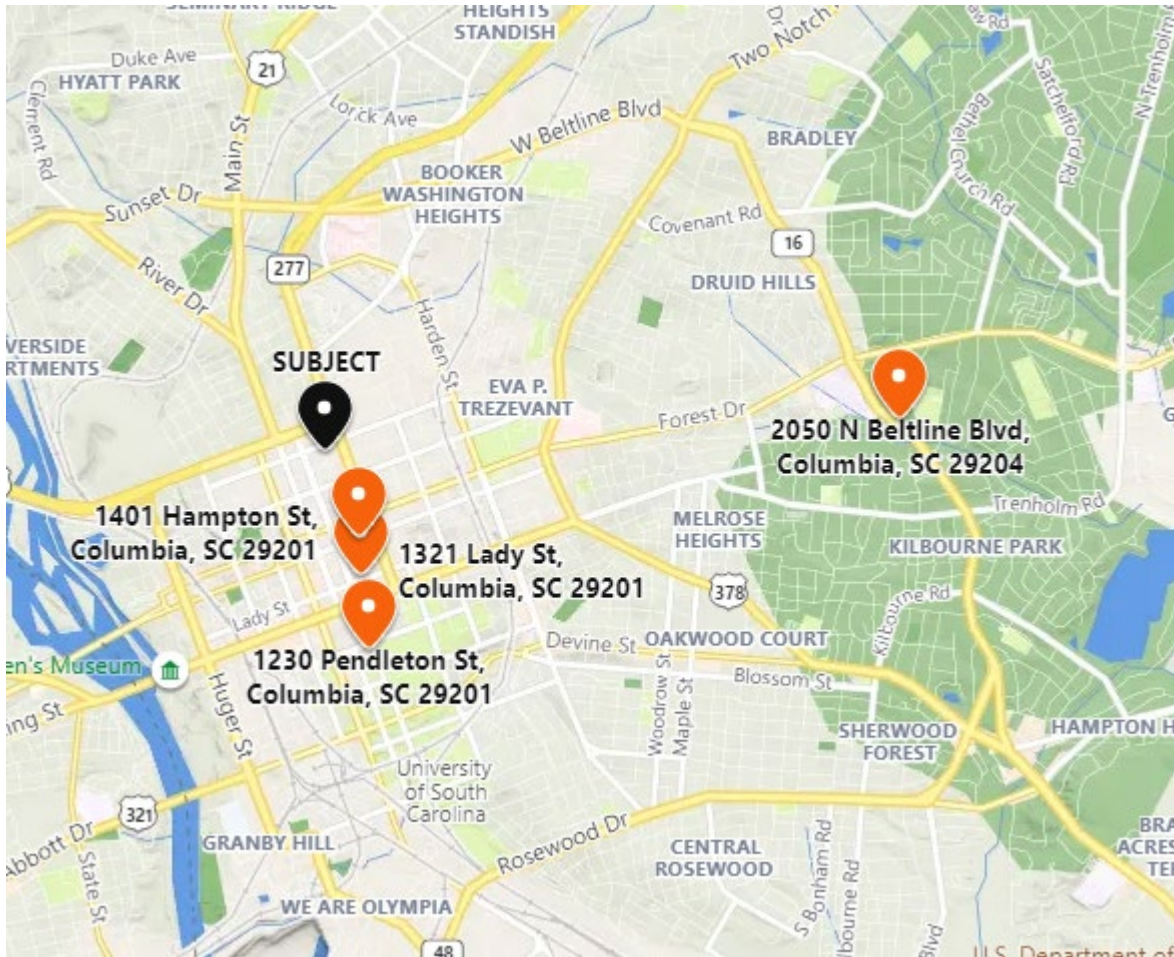


Rental 3



Rental 4

Market Rent Comparables Location Map



Subject Rental Data

The subject property is located at 1930 Marion Street. It has a total of 146 units and was built in 1970. As mentioned earlier in the report, the subject is a HUD property with subsidized rents. The scope of the assignment is to analyze the subject as though it were rented at market level rents with market occupancy. The subject has 85 studio/efficiency units, 60 one-bedroom units, and 1 two-bedroom unit. The unit breakdown and respective sizes are summarized below.

| Unit Type | # Units | Typical Size |
|------------------|----------------|---------------------|
| Efficiency | 85 | 400 |
| 1 Bedroom | 60 | 528 |
| 2 Bedroom | 1 | 812 |
| Totals | 146 | |

Comparable Rent Analysis

| Comparable | Studio/Efficiency | 1-Bedroom | 2-Bedroom |
|-----------------------|--------------------------|------------------|------------------|
| 1401 Hampton St | \$979 | \$1,074 | \$1,413 |
| 1230 Pendleton St | \$782 | \$982 | \$1,072 |
| 1321 Lady St | \$914 | \$914 | \$1,288 |
| 2050 N. Beltline Blvd | \$1,084 | \$1,139 | \$1,302 |

Market Rental Data

We have analyzed the subject on a per unit basis. The comparables range from \$782 to \$1,084 per month for efficiency units, \$914 to \$1,139 per month for 1-bedroom units, and \$1,072 to \$1,413 per month for 2-bedroom units. The subject is most similar to 1230 Pendleton Street in condition but offers superior amenities.

The market rent of the subject would likely be at the lower end of the ranges due to the age, condition, and quality of the subject. The estimated market rents for each unit type of the subject has been summarized below.

| Unit | Market Monthly Rate |
|-------------------|----------------------------|
| Studio/Efficiency | \$800 |
| 1-Bedroom | \$1,000 |
| 2-Bedroom | \$1,100 |
| Average Rate | \$884 |

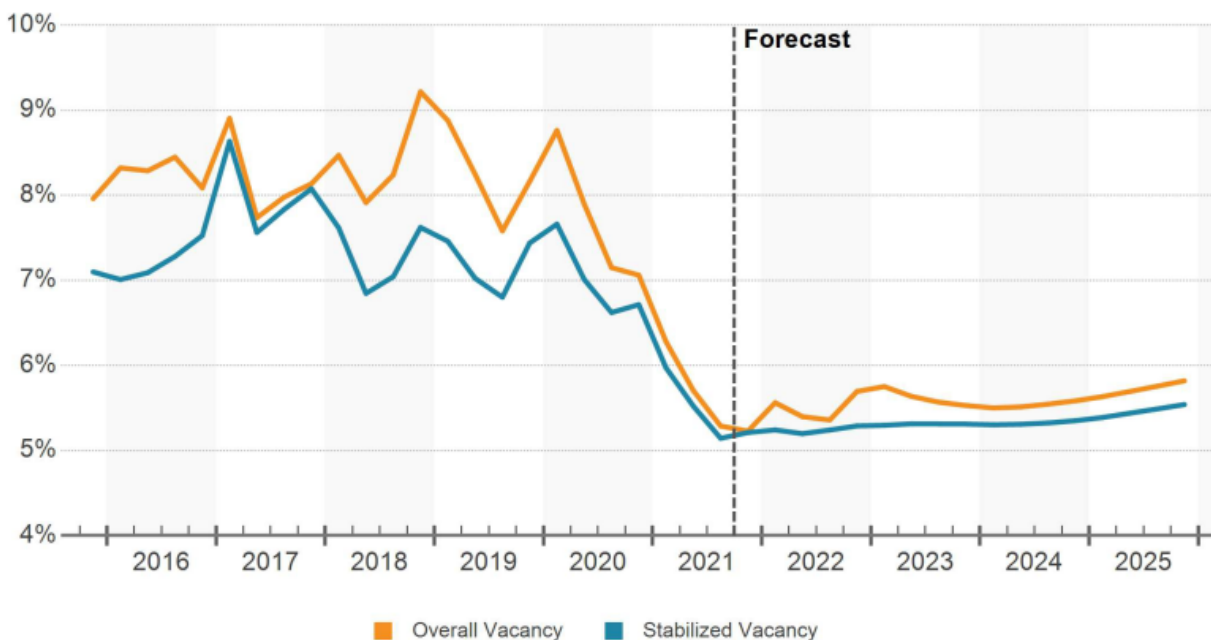
Potential Gross Income

| Potential Gross Rent | | | | |
|----------------------|-----------------|--------------------|------------------|--------------------|
| Unit Type | Number of Units | Potential Rent | Monthly Income | Annual Income |
| Studio/Efficiency | 85 | \$800 | \$68,000 | \$816,000 |
| 1 Bedrooms | 60 | \$1,000 | \$60,000 | \$720,000 |
| 2 Bedrooms | 1 | \$1,100 | \$1,100 | \$13,200 |
| Totals | 146 | Avg - \$884 | \$129,100 | \$1,549,200 |

Vacancy and Effective Rental Income

The following is the analysis data from the local and general region market:

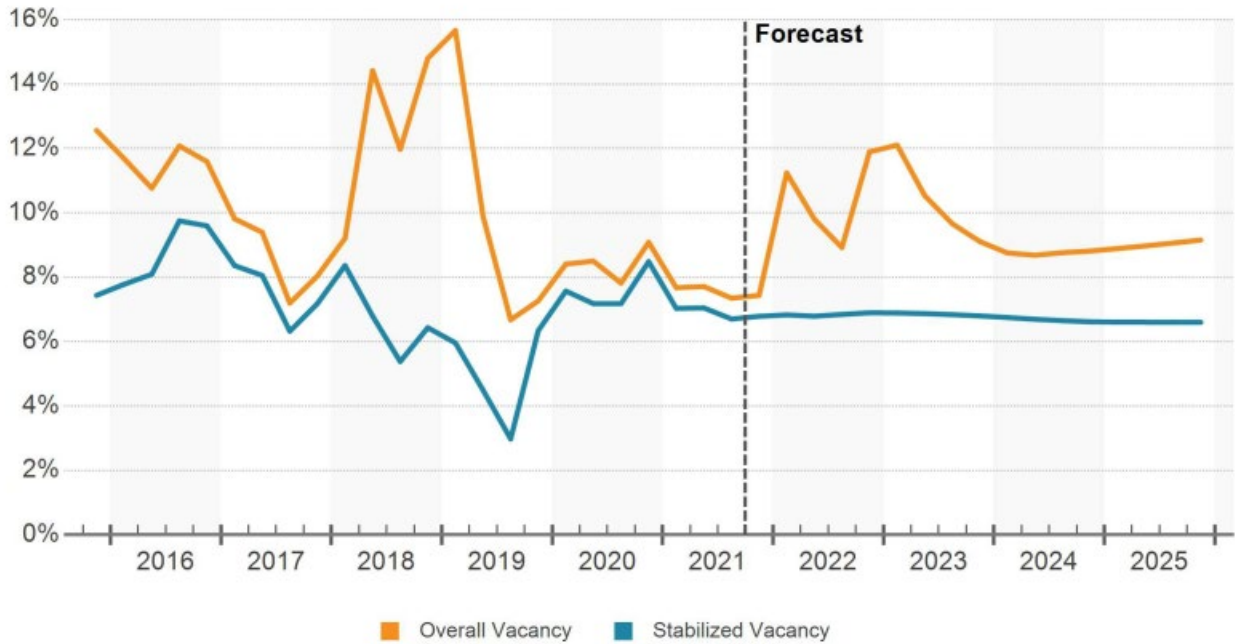
OVERALL & STABILIZED VACANCY



The previous chart, provided by CoStar 3rd Quarter 2021, illustrates the overall and stabilized vacancy rates for the Columbia Multi-Family market. As can be seen, the vacancy rates in the market have been declining and are currently between 5% and 6%. These rates are forecasted to slightly increase over the next few years.

The following chart illustrates the overall and stabilized vacancy for the downtown Columbia market.

OVERALL & STABILIZED VACANCY



The downtown Columbia vacancy rates seem to be more stable with few outliers over the past five years. The current rate is around 7% with the stabilized rate projected to remain around 6% to 7%.

Emphasizing the downtown market, an overall stabilized combined vacancy and collection loss allowance at **7%** has been applied to the gross potential rental income to allow for some frictional vacancy while increasing rents and absorbing new tenants.

Operating Expense Analysis by Category

Discussions of our operating expense projections are presented in the following paragraphs.

Real Estate Taxes

This expense category includes all local, county, and state property tax levies, including special assessments. Our projection is based on the property assessment and tax rate for the subject, as discussed previously in the Real Estate Tax Analysis.

Insurance

Insurance expense includes property and casualty insurance for the subject. Our projection is based on the projected expenses, comparable data (in market), and industry benchmarks. This is typically higher in coastal regions of South Carolina due to high wind risk and less in areas with nearby emergency services, new electrical with fault protection, and west of Interstate 95. The subject is in a lower risk location. Insurance is based on historical operations.

Common Utilities

Utilities expenses are based on the operations of this complex as this is in line with comparable data.

Repairs/Maintenance

Repairs and maintenance includes expenditures to repair and maintain building mechanical systems and structural components, and also the grounds. This category includes elevator maintenance/repairs, supplies and independent contractor charges but excludes payroll costs. Also included are painting and decorating costs. Major replacements and building alterations are not included because they are considered capital costs and covered in reserves. We have based this on the subject historical expenses.

Advertising/Marketing

This category includes costs of all advertising and promotional activities as well as leasing fees, referral fees, and rent loss from units used as models. Our projection is consistent with the comparable data and industry benchmarks.

General/Administrative

General and administrative expenses consist of general office expenses for onsite personnel, legal and accounting fees, license fees, and business taxes. We have also included Payroll into this category. Payroll and benefits expenses pertain to onsite personnel including maintenance workers, porters, and resident superintendent, if any. Our projection is based on the property history, comparable data, and industry benchmarks.

Management

Management charges are typically a percentage of collected revenues and cover the supervision of rent collections, leasing, property maintenance, and bookkeeping, but exclude payroll and benefits costs of onsite personnel. Typical management fees for properties of this type range from 5% to 10%. Most are near 5% for larger complex properties such as the subject. Considering the current management expenses at the subject and the complexity of the property, we project an overall management fee of 5% of EGI which is in line with the percentages proved by PwC.

Replacement Reserves

Buyers in the multifamily market tend to include replacement reserves in an income and expense proforma to reflect costs of replacing short lived items such as appliances, carpet and other floor coverings, window coverings and mechanical systems, such as hot water heaters and HVAC units. Reserves also consider longer lived building components such as the roof and parking lot paving. An estimate of \$300 per unit is considered reasonable, as shown by the following national investor survey data.

| Apartment (per unit) | | | | |
|-----------------------------|-----------------|-------|-----------------|-------|
| National | \$150 – \$2,000 | \$425 | \$100 – \$2,000 | \$423 |
| Mid-Atlantic Region | \$200 – \$350 | \$265 | \$100 – \$400 | \$265 |
| Pacific Region | \$200 – \$375 | \$272 | \$200 – \$375 | \$272 |
| Southeast Region | \$150 – \$350 | \$263 | \$200 – \$350 | \$292 |

Source:PricewaterhouseCoopers (PwC)

Total Expense Projection

The total expenses, based on the projected operating data and market data, are projected to be \$5,558 per unit or **\$811,453**.

The total expenses, based on the historical operating data and market data, are projected to be **56.32% of EGI** which includes trend adjustments to account for time and a replacement reserve allowance expense. Complexes typically range from 40% to 60%. The subject is rightly at the upper end of the range due to the size, layout, age and condition of the subject property.

NET OPERATING INCOME CONCLUSION

Based on the previously calculated EGI of \$1,440,756, less projected operating expenses of \$811,453, the subject's projected NOI amounts to **\$629,303**, or **\$4,310** per unit. Again, the projection appears reasonable considering all available data.

DIRECT CAPITALIZATION

Direct capitalization is a method used to convert a single year's estimated stabilized net operating income into a value indication. The following subsections represent different techniques for deriving an overall capitalization rate for direct capitalization.

The subject market falls outside the typical secondary or suburban market. Non-Institutional grade properties have rates well above prime and are considered to have more risk. The current cap rates are 100-200 basis points higher. This provides a range from 5.0% to 8.5% at the lowest and highest potentials. More reliance is placed on local data provided by local banks and bankers. Following is the data to calculate the Overall Capitalization Rate as related to local market information and the subject property.

The data below is based on interviews with bankers in the market.

1. Loan to Value Ratio- 80%
2. Equity Portion-20%
3. Interest Rate- 4.5%
4. Amortization Period- 20 Years
5. Equity Dividend- 8.5%
6. Debt Coverage Ratio- 1.20

Band of Investment

| | | |
|--|---|--------------|
| .80 Mortgage Portion X .0759 Mortgage Constant | = | .0607 |
| .20 Equity Portion X .085 Equity Dividend | = | <u>.0170</u> |
| Indicated Capitalization Rate | | .0777 |
| Rounded To | | 7.75% |

Debt Coverage Method

| | | |
|---|---|--------------|
| 1.20 Debt Coverage Ratio X .0759 Mortgage Constant X .80 Mortgage Portion | = | .0728 |
| Rounded To | | 7.25% |

Comparable Market Data

There are two methods of building cap rates from within the market. The most reliable capitalization rates are those established from similar sales.

| <u>Location</u> | <u>Sales Price</u> | <u>Sale Date</u> | <u>Cap Rate</u> |
|-----------------------------------|--------------------|------------------|-----------------|
| 504 S. Beltline Blvd, Columbia | \$8,150,000 | 3/2021 | 6.50% |
| 3021 Howell Ct, Columbia | \$5,263,000 | 5/2021 | 7.00% |
| 2915 Hope Ave, Columbia | \$1,150,000 | 5/2021 | 7.40% |
| 3638 Falling Springs Rd, Columbia | \$9,100,000 | 3/2020 | 6.75% |
| 3618 Medical Dr, Columbia | \$635,000 | 9/2020 | 8.67% |

CAPITALIZATION RATE CONCLUSION

The following table summarizes the OAR sources and conclusion:

| OVERALL CAPITALIZATION RATE - CONCLUSION | | | |
|---|-------|-------|--------------|
| | Range | | Average/ |
| Band of Investment | | | 7.75% |
| Debt Coverage Method | | | 7.25% |
| Regional Comparables | 6.50% | 8.67% | 7.26% |
| Subject Estimate | | | 7.50% |

The previous table summarizes our OAR conclusions. We emphasize that the local comparables are the best indication of all the data. The older complexes are typically at the higher end of this range. Our OAR projection of **7.50%** is applicable to the subject.

| Direct Capitalization Summary | | | |
|--|----------------|-----------------|--------------------|
| | Units | Per Unit | PGI |
| Monthly Income per Unit | 146 | \$884 | \$129,100 |
| Annual Months | | | <u>12</u> |
| Potential Gross Income | | | \$1,549,200 |
| Other Income | | | |
| Total Gross Income - All Revenue | | | \$1,549,200 |
| Less: Vacancy & Collection Loss @ | 7% | | \$108,444 |
| Effective Gross Income | | | \$1,440,756 |
| Operating Expenses | | | |
| Maintenance/Repair | \$550 | | \$80,300 |
| Ad/Marketing | \$50 | | \$7,300 |
| General and Admin | \$1,090 | | \$159,140 |
| Common Utilities | \$1,350 | | \$197,100 |
| Insurance-General/Property | \$300 | | \$43,800 |
| Property Taxes | \$1,424 | | \$207,976 |
| Management | \$493 | | \$72,038 |
| Replacemnt Reserves | <u>\$300</u> | | <u>\$43,800</u> |
| Total Operating Expenses | \$5,558 | 56.32% | \$811,453 |
| Net Operating Income | \$4,310 | | \$629,303 |
| Capitalization Rate = | 7.50% | | |
| Value Estimate | | | \$8,390,702 |
| Value Estimate (Rounded) | | | \$8,390,000 |
| Concluded Mkt. Value Per Unit | | | \$57,466 |

Income Capitalization Approach Value Indication

\$8,390,000

RECONCILIATION AND FINAL VALUE ESTIMATE

The appraisal has been completed by using the Sales Comparison and Income Capitalization approaches to value. Due to the age of the subject, we did not believe that the Cost Approach would have been accurate and therefore, was not within the scope of the appraisal. The value estimates are within the scope of the appraisal and include the value of the fee simple interests held in the subject property. The value estimates are summarized as follows.

Sales Comparison Approach

Fee Simple Value - **\$8,470,000**

Income Capitalization Approach

Fee Simple Value - **\$8,390,000**

The Sales Comparison approach is supported by overall good quality data as we were able to find four sales of similar, competitive complexes within the subject market. We valued the subject by analyzing the sales price per unit. The adjustments were deemed appropriate and justifiable which validates this approach to value.

The Income Capitalization approach also provides for good indication of value. As discussed earlier, the gross rent multiplier is well supported by the sales within the region. We believe that this approach is the most commonly used for income producing properties such as the subject. We have given the most weight to this approach during final reconciliation.

Therefore, it is our opinion that the "as is" market value of the fee simple interests held in the subject property as of September 30, 2021 is:

EIGHT MILLION FOUR HUNDRED THOUSAND DOLLARS
(\$8,400,000)

QUALIFICATIONS OF APPRAISER

EXHIBIT A-QUALIFICATIONS OF

HARRIS BENJAMIN DAVIS, JR., MAI, SRA
(803) 534-5554

Email: bdavis@carolinaappraisalgroup.com

State of South Carolina BCD 1324760
Department of Labor, Licensing and Regulation
Real Estate Appraisers Board

HARRIS B DAVIS JR

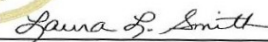
Is hereby entitled in practice as a:

Certified General Appraiser

License Number: **2920**

Expiration Date: 06/30/2022

POCKET CARD


Administrator

PROFESSIONAL PROFILE:

Harris Benjamin Davis, Jr., MAI, SRA attended the University of South Carolina earning a Bachelor of Science in Real Estate and Finance in 1989. He began his appraisal career in 1997 with training in Myrtle Beach, South Carolina. After his apprenticeship, he relocated to Orangeburg, South Carolina, where he established The Carolina Appraisal Group. Ben obtained a South Carolina State Certified Residential Appraisal License in 1999 and received a South Carolina State Certified General Appraisal License in 2002. He is a member of the Appraisal Institute, a national professional organization of fee appraisers. He was awarded the Appraisal Institute SRA designation in 2009; and the MAI designation in 2016. The Appraisal Institute MAI designation is a rigorous, lengthy achievement recognized as a mark of excellence within the field.

Harris Benjamin Davis, Jr., MAI, SRA appraises various residential and commercial property types throughout South Carolina including office and retail buildings; single and multi-tenant buildings; medical offices; residential, recreational, and agricultural land; light industrial, warehouses; convenience-stores; and houses of worship.

OCCUPATIONAL EXPERIENCE:

1999-Present

Principal/Owner; Commercial and Residential Appraiser

The Carolina Appraisal Group, Inc.

Responsible for the growth, direction and oversight of both the commercial and residential sectors of The Carolina Appraisal Group.

1997-1999

Appraiser Trainee

Hedgepath and Associates

A fee appraiser responsible for single family, multifamily and land valuations under the direction of Bill Hedgepath and John Potter, SRA.

MEMBERSHIPS | PROFESSIONAL LICENSES:

Designated Member, Appraisal Institute (MAI), #226399, Current on Continuing Education

Designated Member, Appraisal Institute (SRA)

State Certified General Real Estate Appraiser – South Carolina # 2920

FORMAL EDUCATION:

University of South Carolina, Columbia, South Carolina, May 1989

Degree: Bachelor of Science, Real Estate and Finance

ANDREW B. STODDARD, MAI
State Certified Real Estate Appraiser
South Carolina – Certification No. CG5662
Georgia – Certification No. 351168

Education

Bachelor of Science – Accounting
Clemson University, Clemson, South Carolina

August 2005

Appraisal Institute Courses/Seminars & Pertinent Coursework

- Real Estate Appraisal Principles L1
- Residential Valuation L2
- Business Practices and Ethics
- Advanced Income Capitalization
- Eminent Domain & Condemnation
- General Appraiser Sales Comparison Approach
- General Appraiser Income Approach (Part I)
- General Appraiser Income Approach (Part II)
- General Appraiser Market Analysis and Highest & Best Use
- General Appraiser Site Valuation & Cost Approach
- Appraising Convenience Stores
- General Demonstration Report – Capstone Program
- General Appraiser Report Writing and Case Studies
- Technology Tips for Real Estate Appraisers
- Real Estate Finance, Statistics, and Valuation Modeling
- Appraising for Alternate Uses: Life Beyond Lending

Property Types Appraised/Assignment Types

| | |
|------------------------------|---|
| Single Family Lots/Lands | 2-4 Unit Residential |
| Commercial Land (All types) | Subdivision Analysis |
| Apartments | Condo Developments |
| Office | Flex Buildings |
| Industrial Buildings | Single & Multi-Tenant Retail Facilities |
| Hotels/Motels | Convenience Stores |
| Eminent Domain – Roads | Eminent Domain – Water/Sewer |
| Eminent Domain – Power Lines | Mini-Warehouse/Storage Facilities |

Work Experience

| | |
|--|----------------------------|
| Owner, Stoddard Valuation, LLC Fountain Inn, South Carolina | October 2011 – Present |
| Certified General Appraiser, Crider, Bouye, & Goodwin, LLC Greenville, South Carolina | July 2011 – June 2016 |
| Appraiser Apprentice, Crider & Bouye, LLC Greenville, South Carolina | November 2009 – July 2011 |
| Appraiser Apprentice, Parker Associates, Inc. Gray Court, South Carolina | March 2006 – November 2009 |

Professional Organizations

| | |
|---|----------------|
| Designated Member – Appraisal Institute | 2014 - Current |
| Candidate for Designation – Appraisal Institute | 2013 - 2014 |
| Associate Member – Appraisal Institute | 2008 - 2013 |

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

BCD 1324971

ANDREW B STODDARD

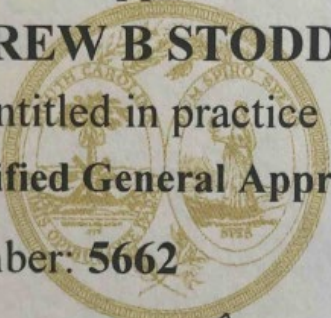
Is hereby entitled in practice as a:

Certified General Appraiser

License Number: **5662**

Expiration Date: 06/30/2022

OFFICE COPY


Laura L. Smith

Administrator