



**APPRAISAL REPORT**

Pace View I  
2010 S Ocean Boulevard  
Myrtle Beach, Horry County, South Carolina 29577  
Project #: 24-003249-01-1

**PREPARED FOR**

TD Bank, N.A.  
Ms. Stephanie Lawson  
Appraisal Department  
575 Columbia Avenue  
Lexington, SC 29072

**DATE OF REPORT**

November 19, 2024

**EFFECTIVE DATES OF APPRAISAL**

As Is - November 8, 2024

**APPRAISED BY**

ZAWTOCKI MUNN, LLC  
Geoffrey A. Zawtock, MAI, AI-GRS, CCIM  
George A. Munn, MAI, AI-GRS

# ZAWTOCKIMUNN

November 19, 2024

TD Bank, N.A.  
Ms. Stephanie Lawson  
Appraisal Department  
575 Columbia Avenue  
Lexington, SC 29072

**REFERENCE:** Pace View I  
2010 S Ocean Boulevard  
Myrtle Beach Horry County, South Carolina 29577  
Project #: 24-003249-01-1

Ms. Stephanie Lawson:

As requested, we inspected the above-mentioned property for the purpose of providing an opinion of market value. Based on our inspection and analysis of the information obtained, it is our opinion that the market value of the **Leased Fee Interest** in the subject property is as follows:

**PACE VIEW I**

2010 S Ocean Boulevard Myrtle Beach, SC  
November 8, 2024 - Leased Fee

	<b>As Is</b>
	November 8, 2024
Real Estate	\$8,155,000
FF&E	<u>\$80,000</u>
<b>Total</b>	<b>\$8,235,000</b>

The value conclusion(s) are supported by the data and reasoning set forth in the attached narrative. Your attention is invited to the Assumptions and Limiting Conditions attached and made a part of this report. We certify that we have no present or contemplated future interest in the property appraised and that our fee for this assignment is in no way contingent upon the value opinion(s) supplied.

The following report complies with the standards and regulations outlined in Title XI of the *Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA)*. This report complies with the *Uniform Standards of Professional Appraisal Practice (USPAP)* including the ethics and competency provisions, as promulgated by the Appraisal Standards Board of The Appraisal Foundation. In addition, the report conforms to the *Federal Deposit Insurance Corporation (FDIC)* and *Office of the Comptroller of the Currency's (OCC)* appraisal standards.

Thank you for the opportunity to be of service and please let us know if you have any questions.

Respectfully Submitted,  
ZAWTOCKI MUNN, LLC



Geoffrey A. Zawtocky, MAI, AI-GRS, CCIM  
State-Certified General Appraiser  
SC Certificate No. AB.6684



George A. Munn, MAI, AI-GRS  
State-Certified General Appraiser  
SC Certificate No. AB.5574

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS	
PACE VIEW I	
PROJECT #: 24-003249-01-1	
Property Location	2010 S Ocean Boulevard, Myrtle Beach, South Carolina
Property Owner	OB21 LLC
Date of Report	November 19, 2024
Inspection Date	November 8, 2024
Effective Date(s)	As Is: November 8, 2024
Property Rights Appraised	Leased Fee
Zoning	PUD, Planned Unit Development District Legal Conforming Use
Parcel ID	44502020322 & 44315040077
Legal Description	Deed Book 2398, Page 851-853
Improvements	25,011 Gross Square Feet 68 Units Built in 1968/2023
Present Use	Apartments
Highest and Best Use	
As If Vacant	Commercial Development
As Improved	Apartments
Appraisal Procedures	Income Approach Sales Comparison Approach
SUMMARY OF VALUES	
As Is	
November 8, 2024	
Income Approach	\$8,235,000
Sales Comparison Approach	\$8,230,000
RECONCILED VALUE(S)	
Final Values	<b>\$8,235,000</b>

**CERTIFICATE OF THE APPRAISER**

I, **Geoffrey A. Zawtocky, MAI, AI-GRS, CCIM**, certify that, to the best of my knowledge and belief:

1. The statements of facts contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported Assumptions and Limiting Condition, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I have no bias with respect to this property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* (USPAP), and with the requirements of the State of North Carolina for State Certified Appraisers. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
8. The use of this report is subject to the requirement of the Appraisal Institute relating to review by its duly authorized representatives.
9. I have made a personal inspection of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the person signing this certification.
11. As of the date of this report, **Geoffrey A. Zawtocky, MAI, AI-GRS, CCIM** has completed the continuing education program for Designated Members of the Appraisal Institute.
12. I have not performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

**November 19, 2024****Geoffrey A. Zawtocky, MAI, AI-GRS, CCIM****DATE**

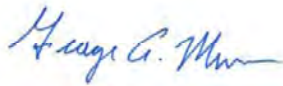
State-Certified General Appraiser

SC Certificate No. AB.6684

**CERTIFICATE OF THE APPRAISER**

I, **George A. Munn, MAI, AI-GRS**, certify that, to the best of my knowledge and belief:

1. The statements of facts contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported Assumptions and Limiting Condition, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I have no bias with respect to this property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* (USPAP), and with the requirements of the State of North Carolina for State Certified Appraisers. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
8. The use of this report is subject to the requirement of the Appraisal Institute relating to review by its duly authorized representatives.
9. I have not made a personal inspection of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the person signing this certification.
11. As of the date of this report, **George A. Munn, MAI, AI-GRS** has completed the continuing education program for Designated Members of the Appraisal Institute.
12. I have not performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

**November 19, 2024**

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**George A. Munn, MAI, AI-GRS**  
State-Certified General Appraiser  
SC Certificate No. AB.5574

**DATE**

## ASSUMPTIONS AND LIMITING CONDITIONS

### GENERAL ASSUMPTIONS

1. The owner of record is assumed to have a free and clear fee simple title with no encumbrances that cannot be cleared through normal channels.
2. The information on which this appraisal is based on has been obtained from sources normally used by **ZAWTOCKI MUNN, LLC** and is considered to be reliable, but is in no sense guaranteed.
3. The information furnished by others is believed to be reliable. No warranty is given for its accuracy.
4. **ZAWTOCKI MUNN, LLC** reserves the right to alter its opinions of value on the basis of information withheld or not discovered in the normal course of a diligent investigation.
5. The appraiser assumes no responsibility for the legal description or matters of a legal nature affecting the property or the title thereto. The appraiser does not render any opinion as to title, which is assumed to be good and marketable.
6. Responsible ownership and competent property management are assumed.
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.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity 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. The appraiser is not required to give testimony or appear in court because of having made this appraisal with reference to the property in question, unless arrangements have been previously made therefore. The fee charged for this appraisal does not include payment for court testimony or for further consultation.
11. No opinion of an engineering nature is intentionally expressed or implied and no responsibility is assumed for matters of this nature.
12. No survey was made especially for this appraisal. Property lines, area, etc., of record or otherwise provided, are assumed to be correct.
13. No engineering survey has been made by the appraiser. Except as specifically stated, size and area were taken from sources considered reliable and no encroachment of real property improvements is assumed to exist.
14. Maps, plats and exhibits are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.
15. 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.
16. No opinion is expressed as to the value of subsurface oil, gas or mineral rights. The property is not subject to surface entry for the exploration or removal of such materials except as is expressly stated.
17. Disclosure of the contents of the appraisal is governed by the Bylaws and Regulations of the professional organizations with which **ZAWTOCKI MUNN, LLC** is affiliated.
18. Acceptance of and/or use of this report constitutes acceptance of these assumptions and limiting conditions.
19. This report is intended to comply with the Code of Ethics and Standards of Professional Appraisal practice of the Appraisal Institute. It is further intended to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) and the guidelines set forth by the Financial Institution's Report, Recovery and Enforcement Act of 1989 (FIRREA).

***LIMITING CONDITIONS***

1. Possession of this report, or a copy, does not carry with it the right of publication.
2. Neither all nor any part of the contents of this report (especially any conclusions as to value, identity of the appraisers or firm with which they are connected or any reference to the Appraisal Institute or the MAI or SRA designations) shall be disseminated to the public through the advertising media or any other public means of communication without the prior written consent and approval of **ZAWTOCKI MUNN, LLC** and the signatories of the report. Acceptance of and/or use of this report constitutes acceptance of these restrictions.
3. 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.
4. The forecasts, projections or operating estimates contained herein are based upon current market conditions, anticipated short term supply and demand factors and a continued stable economy. These forecasts are, therefore, subject to changes in future conditions.
5. Load bearing capacity of subsoil is assumed to be adequate for the present utilization, but no borings or engineering studies have been made especially for this appraisal and the value conclusion could be affected by such information.
6. We have not been supplied with building plans and specifications, site plans, surveys or occupancy permits. No responsibility or representation is assumed or made for any costs associated with obtaining same for any deficiencies discovered before or after they are obtained.
7. We have personally inspected the subject property and found no obvious evidence of structural deficiencies except as stated in this report; however, no responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety or occupancy codes, can be assumed without provision of specific professional or governmental inspections.
8. No termite inspection report was made available. We personally inspected the subject property and found no significant evidence of termite damage or infestation.
9. Unless otherwise stated in this report, we make no representation or warranties as to the adequacy or condition of appliances, electrical systems, plumbing and heating, air conditioning, presence of insulation, adequacy or condition of structural systems or any other subsystem within the property. We assume no responsibility for any costs incurred to discover or correct any deficiencies present in the property.
10. Unless otherwise stated, no consideration in the valuation process has been given mineral deposits (oil, gas, coal, gravel, etc.) or timber, if any, that may be found on the subject.
11. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraisers, however, are 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 is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
12. On January 26, 1992, The Americans with Disabilities Act (ADA) took effect. This report has not considered this act and the impact it may have on the subject with respect to renovation cost and general compliance. Should a report be provided which indicates a possible renovation, we reserve the right to amend this report.
13. The appraisers have prepared this report in compliance with the competency provision explicitly detailed in the Uniform Standards of Professional Appraisal Practice (USPAP). The appraisers are fully experienced in the appraisal of this product type (see Qualifications).



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**QUALIFICATIONS OF THE APPRAISER**  
**GEOFFREY A. ZAWTOCKI, MAI, AI-GRS, CCIM**

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**EDUCATION**

Master of Business Administration— Duke University, Durham, N.C. (May 2003)

Bachelor of Engineering— Dartmouth College, Hanover, N.H. (May 1995)

Engineering Sciences

Triangle Appraisal & Real Estate School:

Basic Appraisal Principles

Basic Appraisal Procedures

Residential Market Analysis and Highest & Best Use

Appraisal Institute:

General Appraiser Site Valuation and Cost Approach

Market Analysis and Highest and Best Use

General Appraiser Sales Comparison Approach

General Appraiser Income Approach Parts I & II

General Appraiser Report Writing & Case Studies

Real Estate Finance, Statistics, and Valuation Modeling

Certified Commercial Investment Member Institute:

CI-101 - Financial Analysis for Commercial Investment Real Estate

CI-102 - Market Analysis for Commercial Investment Real Estate

CI-103 - User Decision Analysis for Commercial Investment Real Estate

CI-104 - Investment Analysis for Commercial Investment Real Estate

**EXPERIENCE**

Zawtock Munn, LLC – Charlotte, N.C.

- Principal (November 2018- Present)

Fred H. Beck & Associates, LLC – Charlotte, N.C.

- Staff Appraiser and Market Consultant (April 2010- November 2018)

Fortenberry Lambert, Inc. – Charlotte, N.C.

- Staff Appraiser and Market Consultant (August 2009 - April 2010)

Warren & Associates – Charlotte, N.C.

- Market Consultant (July 2006 – June 2009)

**PROFESSIONAL AFFILIATIONS**

- Member, The Appraisal Institute (MAI #14588)
- Member, Commercial Investment Real Estate Institute (CCIM #08911787)
- State-Certified General Real Estate Appraiser, North Carolina Certificate No. A7697
- State-Certified General Real Estate Appraiser, South Carolina Certificate No. CG6684
- State-Certified General Real Estate Appraiser, Georgia License No. 370745
- North Carolina Real Estate Broker - License #215295

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**QUALIFICATIONS OF THE APPRAISER**  
**GEORGE A. MUNN, MAI, AI-GRS**

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**EDUCATION**

Bachelor of Business Administration – James Madison University  
International Business / German

Bob Ipock and Associates Real Estate Appraisers - Gastonia, NC

R-1 Introduction to Real Estate Appraisal

R-2 Valuation Principles and Procedures

R-3 Applied Residential Property Valuation

R-4 USPAP

G-2 Advanced Income Capitalization Procedures

G-3 Applied Income Property Valuation

Mingle School of Real Estate – Charlotte, NC

G-1 Introduction to Income Property Appraisal

**EXPERIENCE**

Zawtock Munn, LLC – Charlotte, N.C.

- Principal (November 2018- Present)

Fred H. Beck & Associates, LLC – Charlotte, N.C.

- Staff Appraiser and Market Consultant (February 2004- November 2018)

Chartwell Properties, Inc. – Charlotte, NC

- Broker-in-Charge, Commercial Leasing and Property Management (2002-2004)

**PROFESSIONAL AFFILIATIONS**

- Member, The Appraisal Institute (MAI #468094)
- State-Certified General Real Estate Appraiser - North Carolina Certificate No. A6139
- State-Certified General Real Estate Appraiser - South Carolina Certificate No. CG5574
- State-Certified General Real Estate Appraiser - Georgia Certificate No. 315279
- North Carolina Real Estate Broker - License No. 199930
- South Carolina Real Estate Broker - License No. 57314

**TABLE OF CONTENTS**

INTRODUCTION.....	1
REGIONAL ANALYSIS.....	8
APARTMENT MARKET ANALYSIS.....	14
NEIGHBORHOOD ANALYSIS.....	17
SITE ANALYSIS.....	22
IMPROVEMENT ANALYSIS.....	27
ASSESSMENTS AND TAXES.....	38
ZONING/LAND USE CONTROL.....	41
MARKETING AND EXPOSURE TIME.....	45
HIGHEST AND BEST USE.....	48
VALUATION ANALYSIS.....	51
INCOME APPROACH.....	52
SALES COMPARISON APPROACH.....	81
RECONCILIATION.....	92
ADDENDA.....	94

## INTRODUCTION

This section identifies the property being appraised, including the location, ownership history, date(s) of the appraisal, property rights, intended user and use, and type(s) of value. This section also identifies the parameters of the report, including describing the sources and extent of research and any limitations to the opinion(s) of value.

### PROPERTY IDENTIFICATION

The property appraised in this report is Pace View I, an existing market rate multi-family property located at 2010 S Ocean Boulevard, Myrtle Beach, Horry County, South Carolina 29577. ***The property was originally a hotel, but the new owner obtained approval to convert it into market rate multi-family (long-term rentals).*** The property is identified as tax parcel(s) 44502020322 & 44315040077 in the Horry County Tax Office. The property is located in the City of Myrtle Beach jurisdiction for zoning and taxes. According to public records, the site contains a combined 0.70 acres. The existing improvements were built in 1968/2023, with recent renovations to convert the property from a hotel to apartments. The improvements total approximately 25,011 gross square feet.



PACE VIEW I

## UNIT MIX

The following table shows the existing unit mix for the community. There are 68 units in 3 unit types, with an average unit size of 595 square feet. The properties have an average unit size ranging from 520 square feet for the Studio to 710 square feet for the 1 Bedroom. The community has a total of 40,480 rentable square feet.

PACE VIEW I EXISTING UNIT MIX					
Formula		<i>a</i>	<i>b</i>	<i>c = a x b</i>	
Unit Type	Beds	Baths	Units	Net Unit Size (ft <sup>2</sup> )	Net Area (ft <sup>2</sup> )
1 Bedroom	1	1	26	710	18,460
Large Studio	0	1	2	610	1,220
Studio	0	1	40	520	20,800
<b>Total/Average</b>			<b>68</b>	<b>595</b>	<b>40,480</b>

## PROPERTY OWNERSHIP HISTORY

According to Horry County public records, the property is held in the ownership name of OB21 LLC. The current owner acquired the property by Deed from ROSEN SEA LLC as shown in Deed Book 4483, Page 3366 of the Horry County Register of Deeds Office on November 12, 2021. According to the deed, the current owner paid \$4,000,000 for the property. This transfer included two (2) parcels. The main parcel (44502020322) contains the improvements and the second parcel (44315040077) is used for additional parking. This appears to have been an arm's-length transaction. There have been no other transfers of the property in the last three years.

Since purchasing the property, the current owner has converted it from a hotel into market rate apartments. As a part of obtaining approval from the City of Myrtle Beach for the conversion to apartments, a total of \$687,000 of capital improvements were completed. As shown in the following table, the capital improvements included installing a wet sprinkler system, fire alarms, elevator repair, landscaping, kitchen appliances, and air conditioning units.

CAPITAL EXPENSES FOE APARTMENT CONVERSION PACE VIEW I	
Expenses	Amount
Installed new pecs water lines throughout building	\$85,000
Sprinkler system installation	\$151,000
New fire alarm installation	\$38,500
Drywall repairs and interior painting	\$55,000
New parking lot on cassandra lane	\$88,000
Service all the stand pipes with aaa fire protection	\$8,500
Exterior painting and stucco repair	\$61,000
Elevator repairs to calvinder elevator	\$14,500
Installed new 120 gallon boiler	\$17,500
Landscaping per city of myrtle beach approved plans	\$39,000
Replaced kitchen cabinets and counter tops in 39 units	\$17,500
Installed 39 new ptac ac units	\$44,000
Repaired all broken tile on exterior of building	\$4,500
Appliances	\$28,000
Demo of previous dwelling on cassandra lane	\$35,000
<b>Total</b>	<b>\$687,000</b>

#### DATE OF THE REPORT

The date of this report is November 19, 2024.

#### DATE OF THE INSPECTION

The property was physically inspected on November 8, 2024.

#### INTENDED USE/USER OF REPORT

The intended user(s) of this appraisal is/are **TD BANK, N.A.**. The intended use is for loan underwriting and/or credit decisions.

## VALUES REPORTED

Values are typically reported on the basis of one or more of the following situations.

Market Value "As Is" on the Appraisal Date: Market Value "As Is" on the appraisal date is an opinion of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions or qualifications as of the date the appraisal is prepared.

Prospective Value Upon Completion of Construction: Prospective value "upon completion" of construction is the prospective future value of a property on the date that construction, conversion or rehabilitation is completed, based upon market conditions forecast to exist as of that completion date. The opinion of value at this stage of value should be stated in current dollars as of a current date.

Prospective Value Upon Reaching Stabilized Occupancy: Prospective value "upon reaching stabilized occupancy" is the prospective future value of a property when all improvements have been physically constructed and the property has been leased to its optimum level of long-term occupancy at the market rent level. The opinion of value at this stage of value should be stated in current dollars as of a current date.

Retrospective Market Value: A retrospective value is an opinion of value that is provided as of a specific historic date, utilizing data and market perceptions as of that historic date.

For this appraisal, we developed a Market Value "As Is".

## EFFECTIVE DATE OF VALUE

The effective dates of value are:

As Is: November 8, 2024 (Date of property inspection)

## DEFINITION OF "MARKET VALUE"

This appraisal was developed to provide an opinion of "market value" of the subject. The following definition of market value is approved by the Office of the Comptroller of the Currency of the United States of America and by the Office of Thrift Supervision in compliance with Title XI of the Financial Institutions Reform Recovery and Enforcement Act (FIRREA). For the purposes of this analysis, market value is defined as follows:

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

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

- 5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”<sup>1</sup>

## PROPERTY RIGHTS APPRAISED

The three primary types of property rights that may be appraised are defined as follows:

### **FEE SIMPLE INTEREST**

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

### **LEASED FEE INTEREST**

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

### **LEASEHOLD INTEREST**

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.<sup>2</sup>

We provide an opinion of value of the **LEASED FEE INTEREST**.

## TYPE OF REPORT

This appraisal is prepared as an **APPRAISAL REPORT**.

## SCOPE OF WORK

The report must contain sufficient information to allow intended users to understand the scope of work performed. The following steps were completed for this assignment:

1. Identified the subject;
2. Understood and clearly stated the intended use and user of the report;
3. Applied appropriate appraisal methodology in accordance with USPAP;
4. Analyzed the comparable data to arrive at a probable range of value via each approach utilized;
5. Reconciled the results of each approach into a credible final opinion of value, as defined herein; and
6. Estimated a reasonable exposure time and marketing time associated with the value opinion.

As part of these specific steps, we conducted several independent analyses. In addition to data compiled by Zawtock Munn, LLC on a regular basis, the investigations undertaken and major data sources utilized are discussed in the following paragraphs.

## LEGAL CONSTRAINTS

The property is located within the City of Myrtle Beach jurisdiction for taxes and zoning. According to zoning officials, the property is zoned **PUD, Planned Unit Development District**. Based on our

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<sup>1</sup> Code of Federal Regulations (CFR), Title 12, §34.42(g). 55 *Federal Register* 34696, August 24, 1990, as amended at 57 *Federal Register* 12202, April 9, 1992; 59 *Federal Register* 29499, June 7, 1994.

<sup>2</sup> *The Dictionary of Real Estate Appraisal*. 6th ed. Chicago, IL: The Appraisal Institute. 2015. Pages 90, 128.



investigation, there appeared to be no other legal constraints on the potential utilization of the property which would impact its marketability or value.

### AREA AND NEIGHBORHOOD ANALYSIS

An inspection of the surrounding neighborhood was conducted on November 8, 2024. Information on the surrounding area was obtained from various publications, the appraiser's files, and discussions with real estate professionals familiar with the area.

### SITE DESCRIPTION AND ANALYSIS

The site was inspected on November 8, 2024 and photographs of the site were taken at that time. In addition to an inspection of the premises, tax and legal descriptions were also researched during this analysis.

### IMPROVEMENT DESCRIPTION AND ANALYSIS

All building measurements and improvement descriptions were based on our inspection of the property on November 8, 2024, as well as information provided by the client and/or available through the public records.

### COST APPROACH

We did not develop the Cost Approach. The existing property improvements are apartments built in 1968/2023, with recent renovations to convert the property from a hotel to apartments. The Cost Approach is most relevant for proposed or recent construction for establishing financial feasibility of a development. Therefore, we omitted this approach to value.

### INCOME APPROACH

We developed the Income Approach. As existing market rate apartments, we developed the direct capitalization method.

### SALES COMPARISON APPROACH

We developed the Sales Comparison Approach. We researched the Southeast region for recent sales of similar communities. We utilized various brokers and appraisers active in the local market as sources. We included only the most comparable sales in this report.

### EXTRAORDINARY ASSUMPTIONS

There are no extraordinary assumptions that apply to this assignment.

### HYPOTHETICAL CONDITIONS

There are no hypothetical conditions that apply to this assignment.

### JURISDICTIONAL EXCEPTIONS

There are no jurisdictional exceptions that apply to this assignment.

### SUPPLEMENTAL STANDARDS

This firm has a Master Agreement and/or an executed engagement letter from the client, a copy of which is included in the addenda of this report.

### TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR REPORT SERVICES

The contract for report, consultation, or analytical service is fulfilled and the total fee payable upon completion of the report, unless otherwise specified. **Zawtocki Munn, LLC** or those assisting in preparation of the report, will not be asked or required to give testimony in court or hearing because of having made the report, in full or in part, nor engage in post report consultation with client or third parties except under separate and special arrangement and at an additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees and charges, regardless of issuing party.

## REGIONAL ANALYSIS

This section provides demographics on the local and regional areas. Population and household trends are presented, and population and household growth are projected for five years. In addition, household income and employment trends are provided.

### POPULATION AND HOUSEHOLD TRENDS AND PROJECTIONS

As shown in the following table, Horry County, SC experienced an annual population growth of 3.3% since 2020. It is projected for annual growth of 2.0% over the next five years. Myrtle Beach, SC (city) had annual growth of 4.0%, and is projected to have annual growth of 2.1% over the next five years.

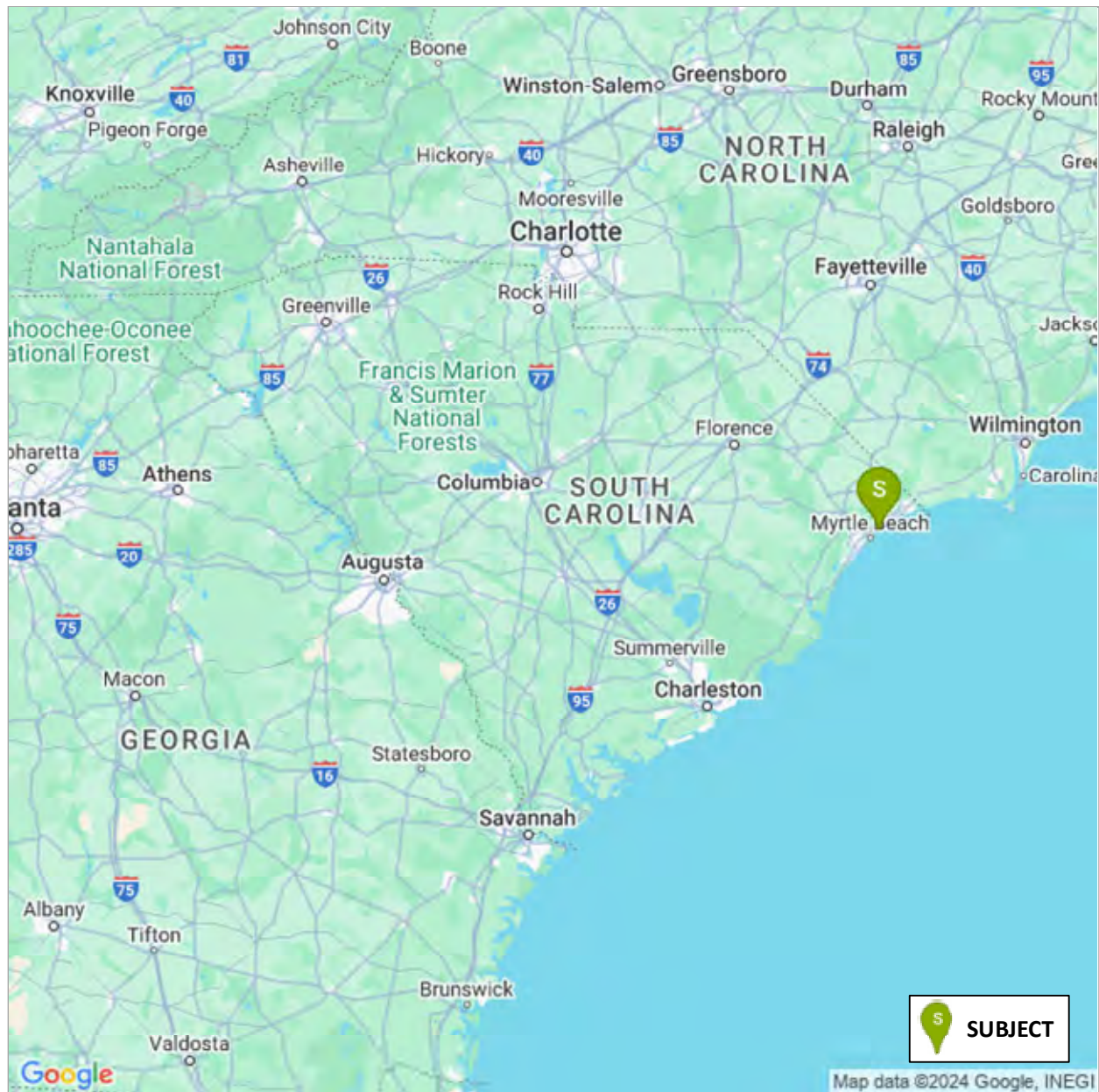
AREA POPULATION STATISTICS							
Area	2010	2020	Annual Change	Estimate 2024	Annual Change	Projection 2029	Annual Change
South Carolina	4,763,455	5,246,916	1.0%	5,504,231	1.2%	5,755,788	0.9%
Horry County, SC	269,340	351,029	2.7%	399,990	3.3%	441,159	2.0%
Myrtle Beach, SC (city)	27,549	35,682	2.6%	41,746	4.0%	46,317	2.1%



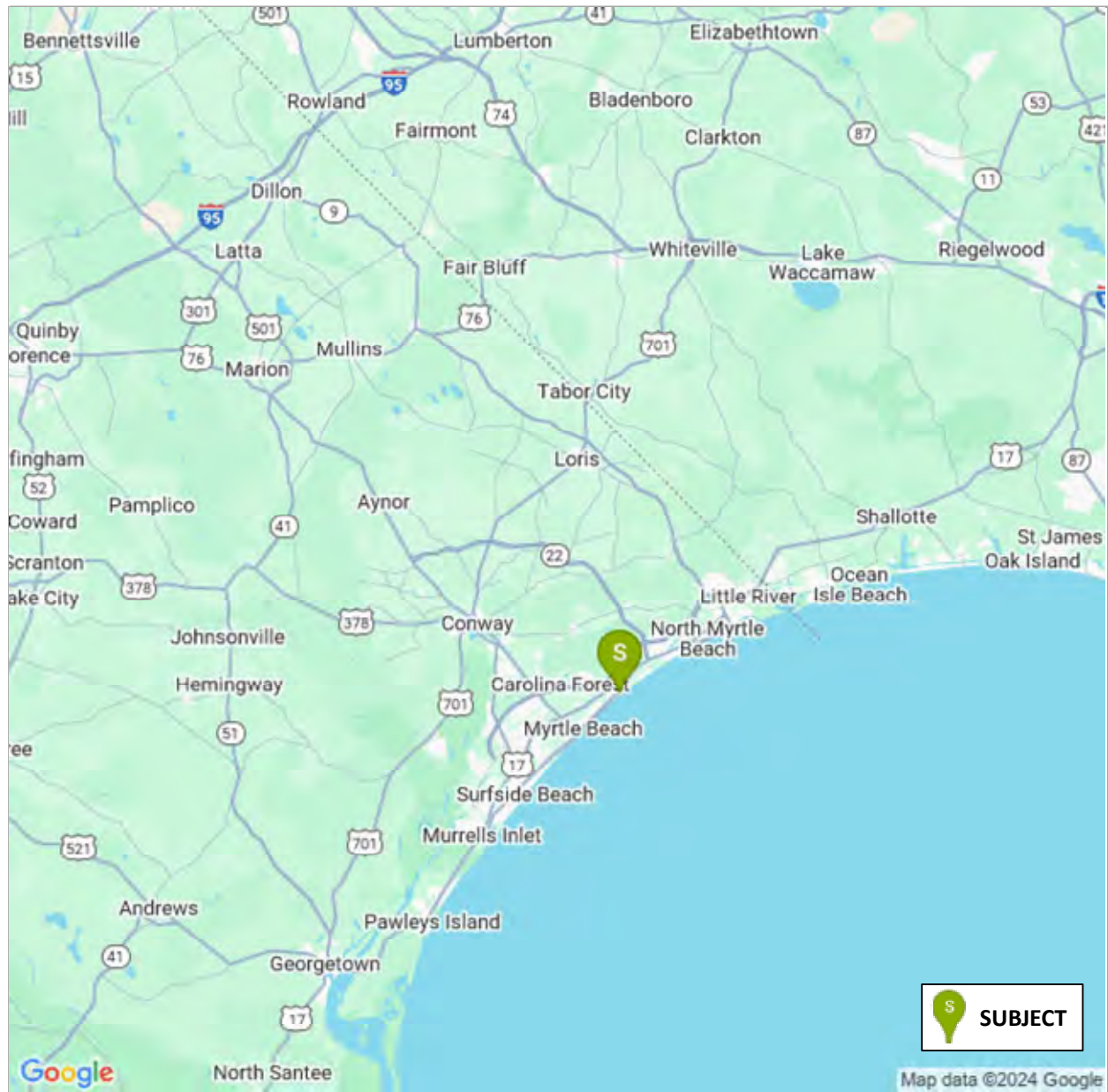
As shown in the following table, similar to the population, households in Horry County, SC experienced annual growth of 3.6% since 2020. Households are projected for growth of 2.2% over the next five years.

AREA HOUSEHOLD STATISTICS							
Area	2010	2020	Annual Change	Estimate 2024	Annual Change	Projection 2029	Annual Change
South Carolina	1,845,119	2,088,448	1.2%	2,206,706	1.4%	2,320,539	1.0%
Horry County, SC	112,249	150,221	3.0%	173,091	3.6%	192,848	2.2%
Myrtle Beach, SC (city)	12,258	16,660	3.1%	19,643	4.2%	21,985	2.3%





SOUTH CAROLINA STATE MAP



HORRY COUNTY MAP



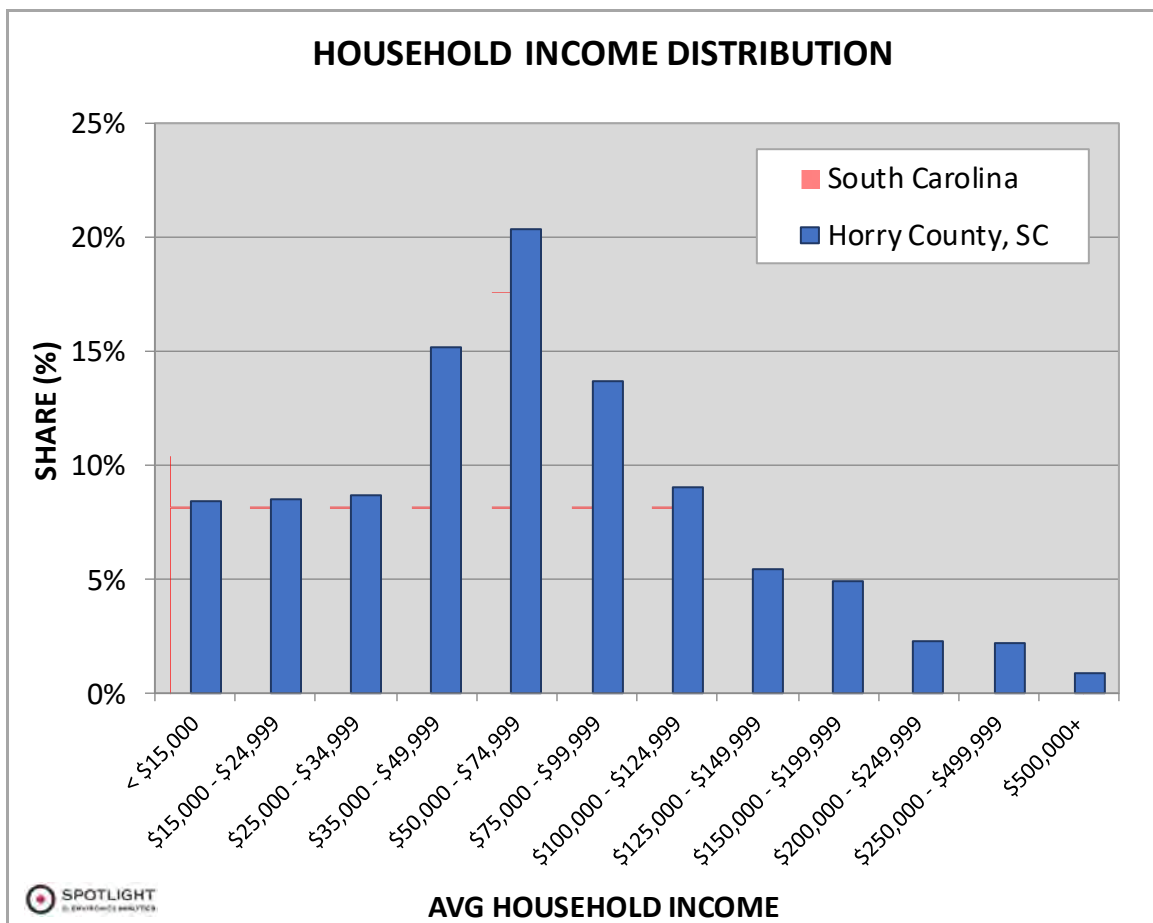
## HOUSEHOLD INCOME

As shown in the following table, the average and median household incomes in Myrtle Beach, SC (city) are \$79,612 and \$51,060 respectively. Myrtle Beach, SC (city)'s average household income is lower, and the median household income is lower than the state of South Carolina.

HOUSEHOLD INCOME STATISTICS		
Area	2024 Household Income	
	Average	Median
South Carolina	\$87,042	\$62,901
Horry County, SC	\$80,928	\$60,265
Myrtle Beach, SC (city)	\$79,612	\$51,060



As shown in the graph below, Horry County, SC has **higher shares of middle-income household cohorts** than South Carolina.



## EMPLOYMENT STATISTICS

The following current estimated employment statistics were obtained from Spotlight.

ESTIMATED EMPLOYMENT STATISTICS						
	South Carolina		Horry County, SC		Myrtle Beach, SC (city)	
Description	Total	% Tot	Total	% Tot	Total	% Tot
<b>OVERALL CLASSIFICATION</b>						
For-Profit Private Workers	1,734,540	68.7%	119,770	68.4%	14,041	68.8%
Non-Profit Private Workers	166,855	6.6%	8,560	4.9%	836	4.1%
Local Government Workers	71,148	2.8%	2,627	1.5%	382	1.9%
State Government Workers	154,014	6.1%	8,093	4.6%	831	4.1%
Federal Government Workers	168,577	6.7%	11,600	6.6%	1,036	5.1%
Self-Employed Workers	225,629	8.9%	24,449	14.0%	3,268	16.0%
Unpaid Family Workers	4,897	0.2%	116	0.1%	27	0.1%
<b>Total Employment</b>	<b>2,525,660</b>	<b>100%</b>	<b>175,215</b>	<b>100%</b>	<b>20,421</b>	<b>100%</b>
<b>INDUSTRY CLASSIFICATION</b>						
Architect/Engineer	56,496	2.2%	1,249	0.7%	235	1.2%
Arts/Entertainment/Sports	35,169	1.4%	3,638	2.1%	474	2.3%
Building Grounds Maintenance	100,939	4.0%	9,562	5.5%	1,350	6.6%
Business/Financial Operations	114,287	4.5%	6,669	3.8%	661	3.2%
Community/Social Services	44,560	1.8%	2,297	1.3%	224	1.1%
Computer/Mathematical	61,737	2.4%	3,568	2.0%	347	1.7%
Construction/Extraction	126,226	5.0%	11,794	6.7%	1,829	9.0%
Education/Training/Library	157,749	6.2%	9,194	5.2%	882	4.3%
Farming/Fishing/Forestry	9,043	0.4%	383	0.2%	69	0.3%
Food Prep/Serving	145,866	5.8%	16,694	9.5%	2,036	10.0%
Health Practitioner/Technician	168,734	6.7%	9,785	5.6%	1,151	5.6%
Healthcare Support	72,156	2.9%	5,369	3.1%	609	3.0%
Maintenance Repair	100,062	4.0%	7,467	4.3%	877	4.3%
Legal	23,454	0.9%	1,507	0.9%	146	0.7%
Life/Physical/Social Science	16,043	0.6%	940	0.5%	66	0.3%
Management	248,919	9.9%	14,955	8.5%	1,941	9.5%
Office/Admin. Support	269,027	10.7%	17,244	9.8%	2,113	10.3%
Production	196,760	7.8%	6,825	3.9%	842	4.1%
Protective Services	57,947	2.3%	4,611	2.6%	480	2.4%
Sales/Related	257,818	10.2%	24,526	14.0%	2,409	11.8%
Personal Care/Service	58,774	2.3%	5,936	3.4%	480	2.4%
Transportation/Moving	203,892	8.1%	11,002	6.3%	1,200	5.9%
<b>Total Employment</b>	<b>2,525,658</b>	<b>100%</b>	<b>175,215</b>	<b>100%</b>	<b>20,421</b>	<b>100%</b>



## EMPLOYMENT

As shown in the following table, the most recent reported unemployment rate in South Carolina is 4.5%. The period high since 2017 was 6.0%. In Myrtle Beach city, SC, the most recently reported unemployment rate is 4.7%. The period high since 2017 was 10.9%.

AREA LABOR FORCE STATISTICS								
Annual Average of Year:	2017	2018	2019	2020	2021	2022	2023	Sep-24
<b>South Carolina</b>								
Labor Force	2,261,766	2,282,022	2,333,533	2,339,140	2,359,169	2,393,329	2,453,060	2,512,806
Employment	2,166,708	2,205,356	2,268,884	2,199,751	2,266,611	2,316,435	2,380,392	2,399,670
Unemployment	95,058	76,666	64,649	139,389	92,558	76,894	72,668	113,136
Unemployment Rate	4.2%	3.4%	2.8%	6.0%	3.9%	3.2%	3.0%	4.5%
<b>Myrtle Beach-Conway-North Myrtle Beach, SC-NC Metropolitan Statistical Area</b>								
Labor Force	191,273	194,433	199,491	196,382	201,374	208,913	217,353	221,681
Employment	181,459	185,662	191,514	179,795	190,760	200,364	209,461	211,423
Unemployment	9,814	8,771	7,977	16,587	10,614	8,549	7,892	10,258
Unemployment Rate	5.1%	4.5%	4.0%	8.4%	5.3%	4.1%	3.6%	4.6%
<b>Myrtle Beach city, SC</b>								
Labor Force	14,876	15,030	15,255	15,452	15,429	15,784	16,442	16,752
Employment	14,040	14,305	14,655	13,773	14,555	15,148	15,864	15,966
Unemployment	836	725	600	1,679	874	636	578	786
Unemployment Rate	5.6%	4.8%	3.9%	10.9%	5.7%	4.0%	3.5%	4.7%
<b>NATIONAL RATES</b>								
United States	4.4%	3.9%	3.7%	8.1%	5.4%	3.6%	3.6%	4.1%



## SUMMARY

Horry County, SC has experienced population growth over the last 4 years. It is projected to have annual growth of 2.0% over the next five years. The area possesses adequate services, cultural activities, educational and recreational facilities, and financial resources necessary for future growth.

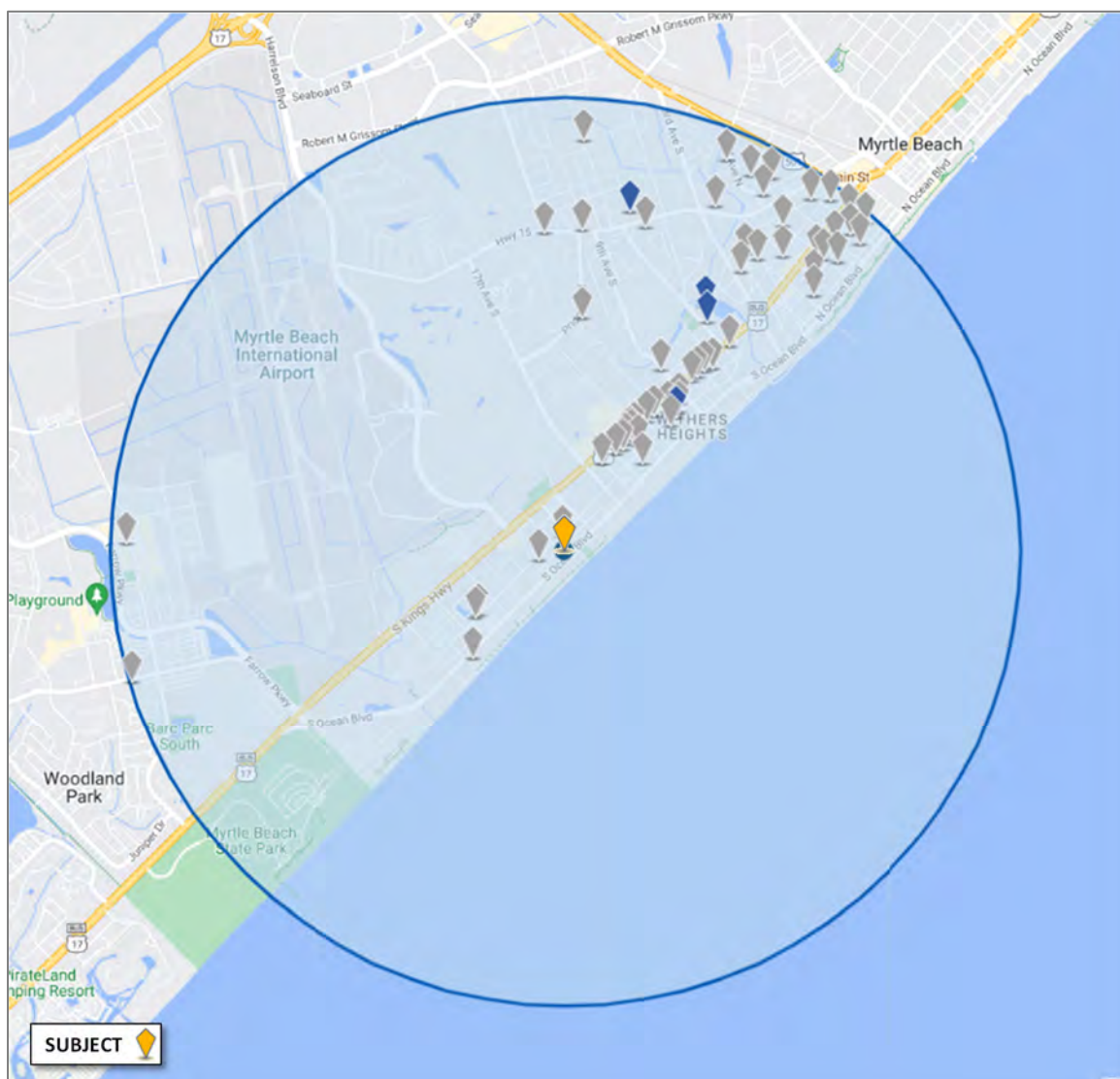


## APARTMENT MARKET ANALYSIS

This section provides a market analysis of multi-family housing to determine feasibility and overall demand. The market analysis identifies the competitive supply and analyzes demand in a Competitive Market Area (CMA). We utilized CoStar as a data source for current market information.

### CMA MAP

The following map identifies the 2-mile radius CMA. We segmented the supply focusing on market rate multi-family with up to 100 units. We excluded corporate, military, senior, and vacation properties.



CMA MAP

## KEY ECONOMIC INDICATORS

The following chart shows the current key economic indicators in the CMA. The inventory is 684 units in 59 properties. Absorption totaled 47 units over the last 12 months, and the current vacancy rate is 6.9%. The average market rent is \$1,309 per unit. The average market sales price is \$115,000 per unit, and the average market capitalization rate is 7.0%.

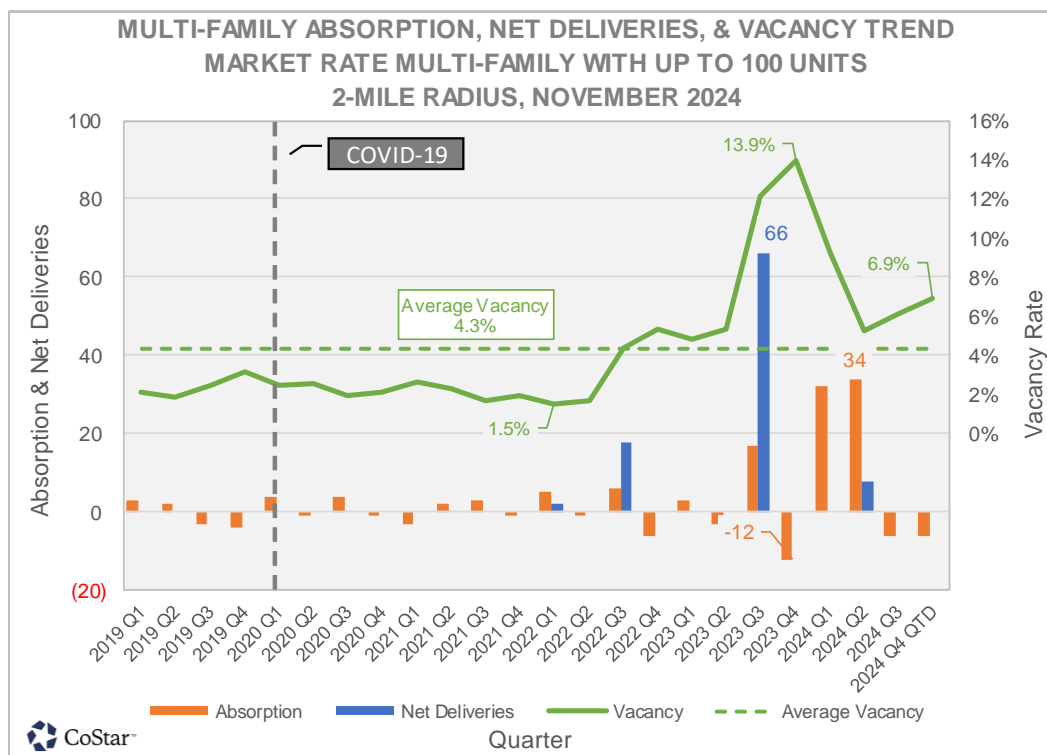
### COSTAR KEY CMA INDICATORS - NOVEMBER 2024

INVENTORY UNITS	UNDER CONSTRUCTION UNITS	12 MO ABSORPTION UNITS	VACANCY RATE	MARKET RENT/UNIT	MARKET SALE PRICE/UNIT	MARKET CAP RATE
684 <span>+1.2%</span>	0 <span>-100.0%</span>	47 <span>+472.3%</span>	6.9% <span>-6.0%</span>	\$1,309 <span>-3.1%</span>	\$115K <span>+0.1%</span>	7.0% <span>+0.3%</span>
Prior Period 676	Prior Period 0	Prior Period 8	Prior Period 12.9%	Prior Period \$1,350	Prior Period \$115K	Prior Period 6.7%

59 Properties

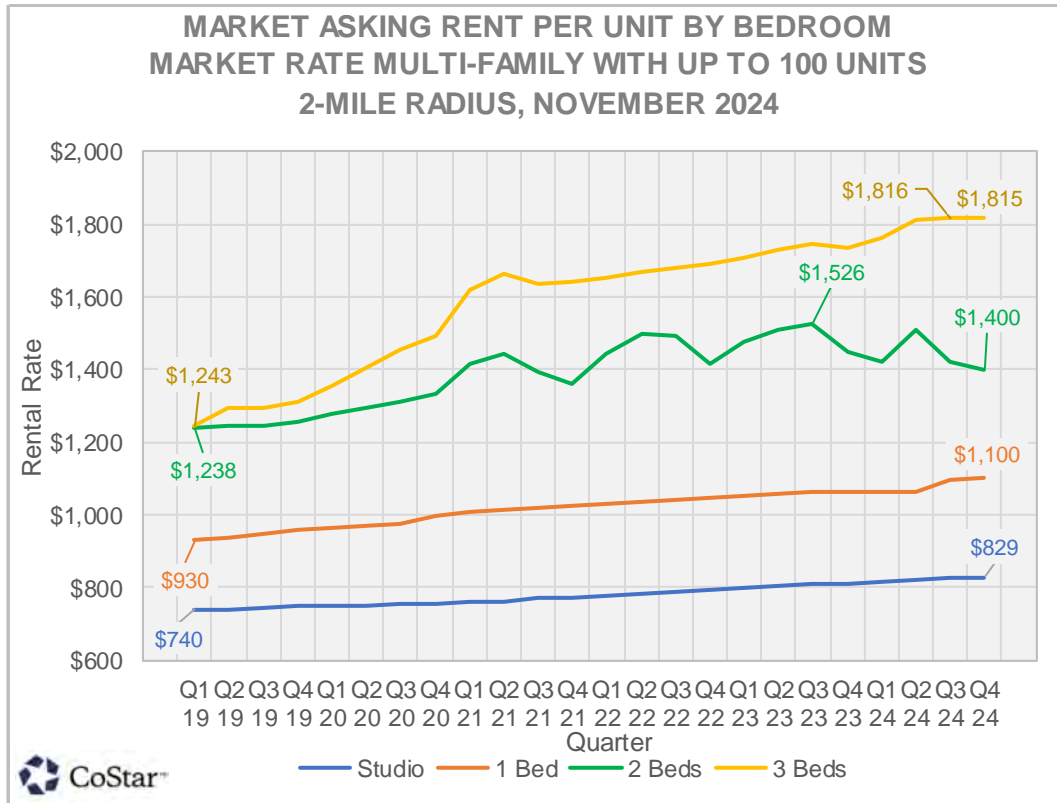
## MARKET TRENDS

The following graph shows the Absorption, Net Deliveries, and Vacancy Rate trend for a 5-year period in the CMA. Absorption ranged from -12 to 34 unit(s) during the period. The maximum number of Net Deliveries was 66 unit(s). The vacancy rate ranged from 1.5% to 13.9% and is currently 6.9%. The average vacancy rate during the period was 4.3%.



## RENTAL RATES

The following graph shows the market asking rent per unit by bedroom for market rate multi-family with up to 100 units. The average studio rent is currently \$829. The average one-bedroom rent is \$1,100. The average two-bedroom rent is \$1,400. The average three-bedroom rent is \$1,815.



## CONCLUSION

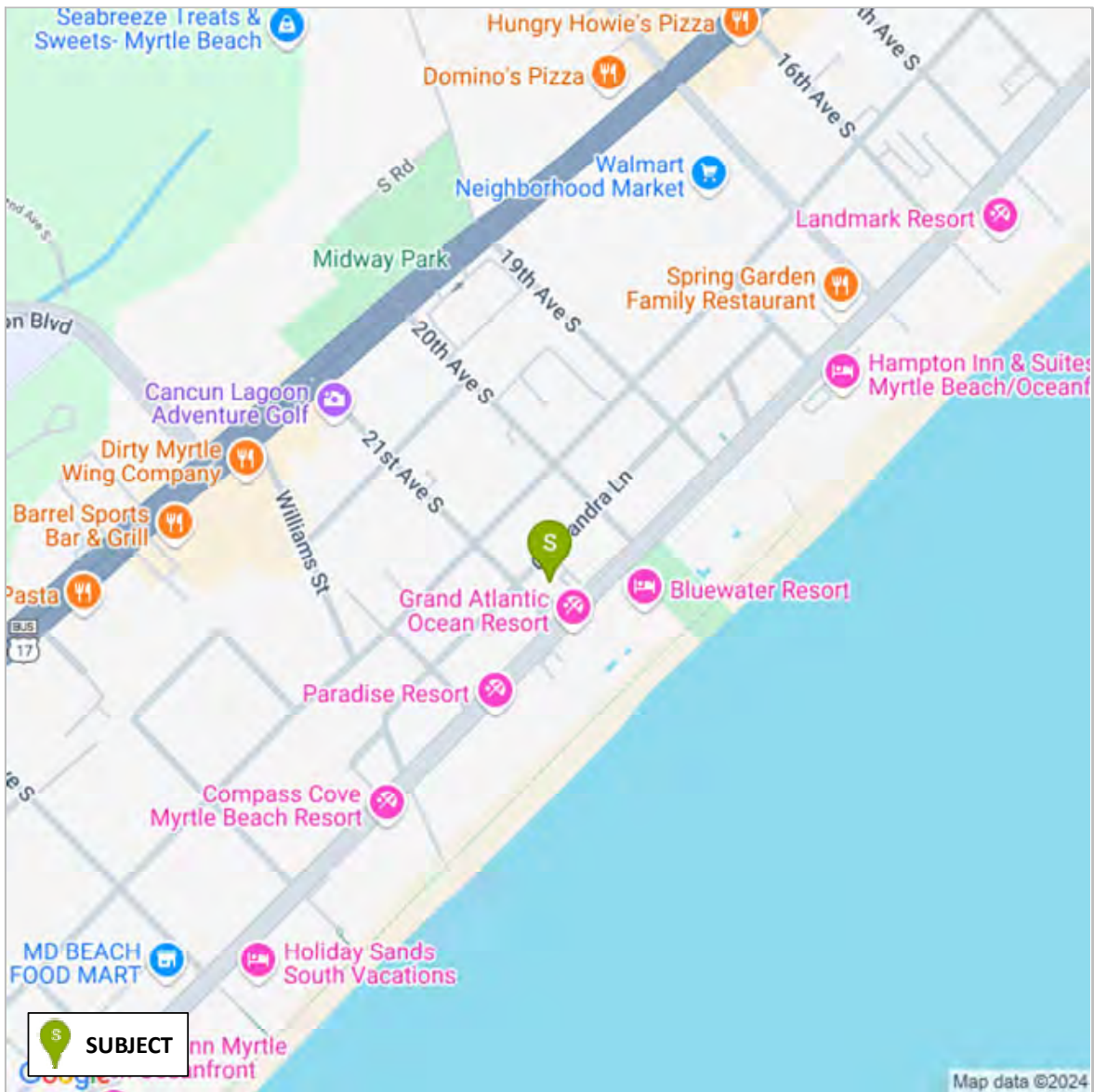
Market rate apartment market conditions in the CMA appear stable. The Key Indicators show a healthy submarket, with an average 5-year vacancy rate below market equilibrium. Rental rates by bedroom type are increasing. There have been a manageable number of Net Deliveries to the market over the last five years.

## NEIGHBORHOOD ANALYSIS

This section analyzes the neighborhood. The location is presented, and the neighborhood boundaries are defined. The local land use patterns and transportation access are identified. In addition, the immediate area's population and household income are analyzed.

### LOCATION/BOUNDARIES

As shown in the map below, the neighborhood is in an urban area about 2.5 miles southwest of the central business area of Myrtle Beach, SC. The neighborhood is generally bounded by US Highway 17 Business to the north, Williams Street to the west, the Atlantic Ocean to the south, and 19<sup>th</sup> Avenue S to the east.

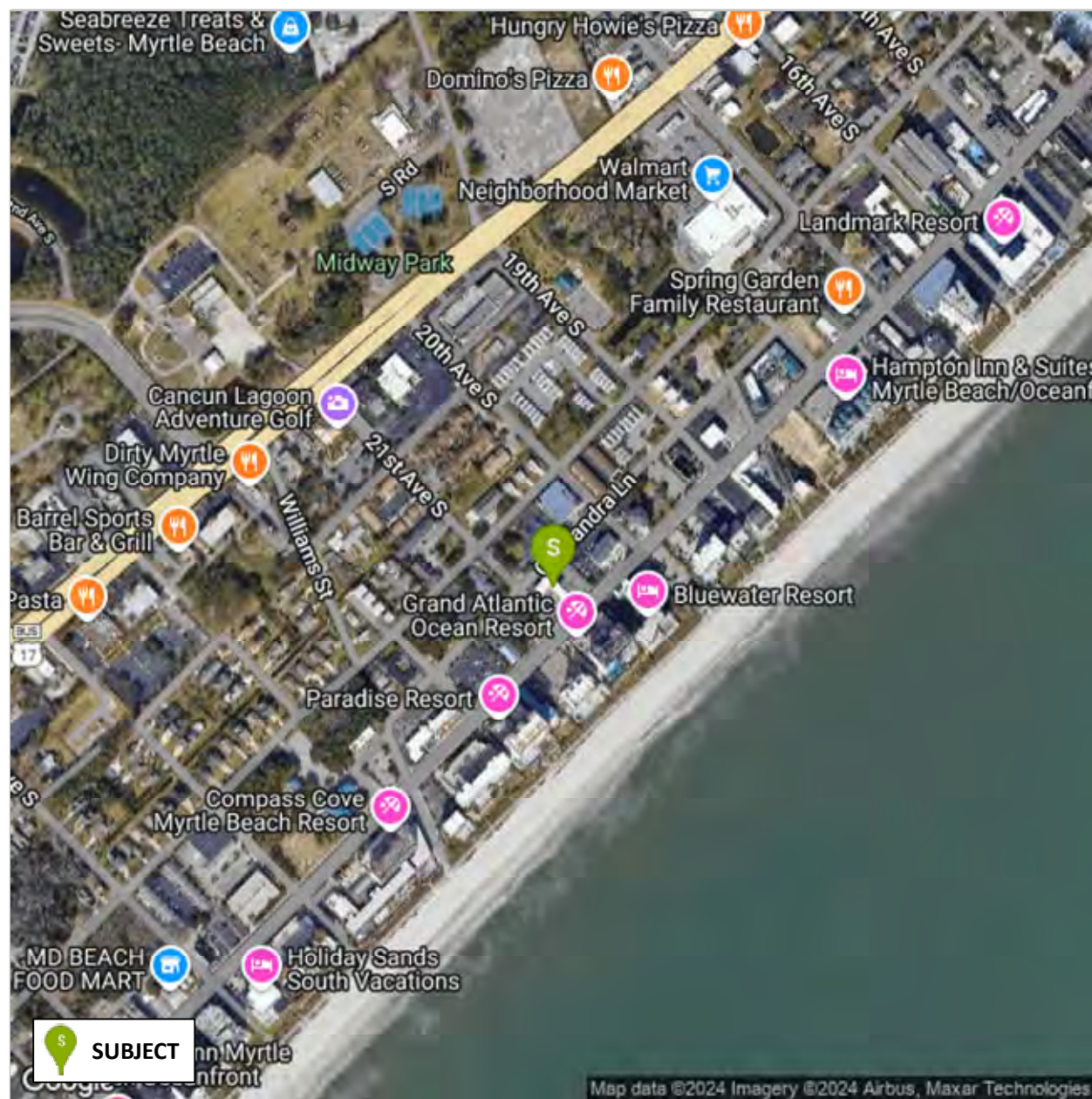


NEIGHBORHOOD MAP



## LAND USE PATTERNS

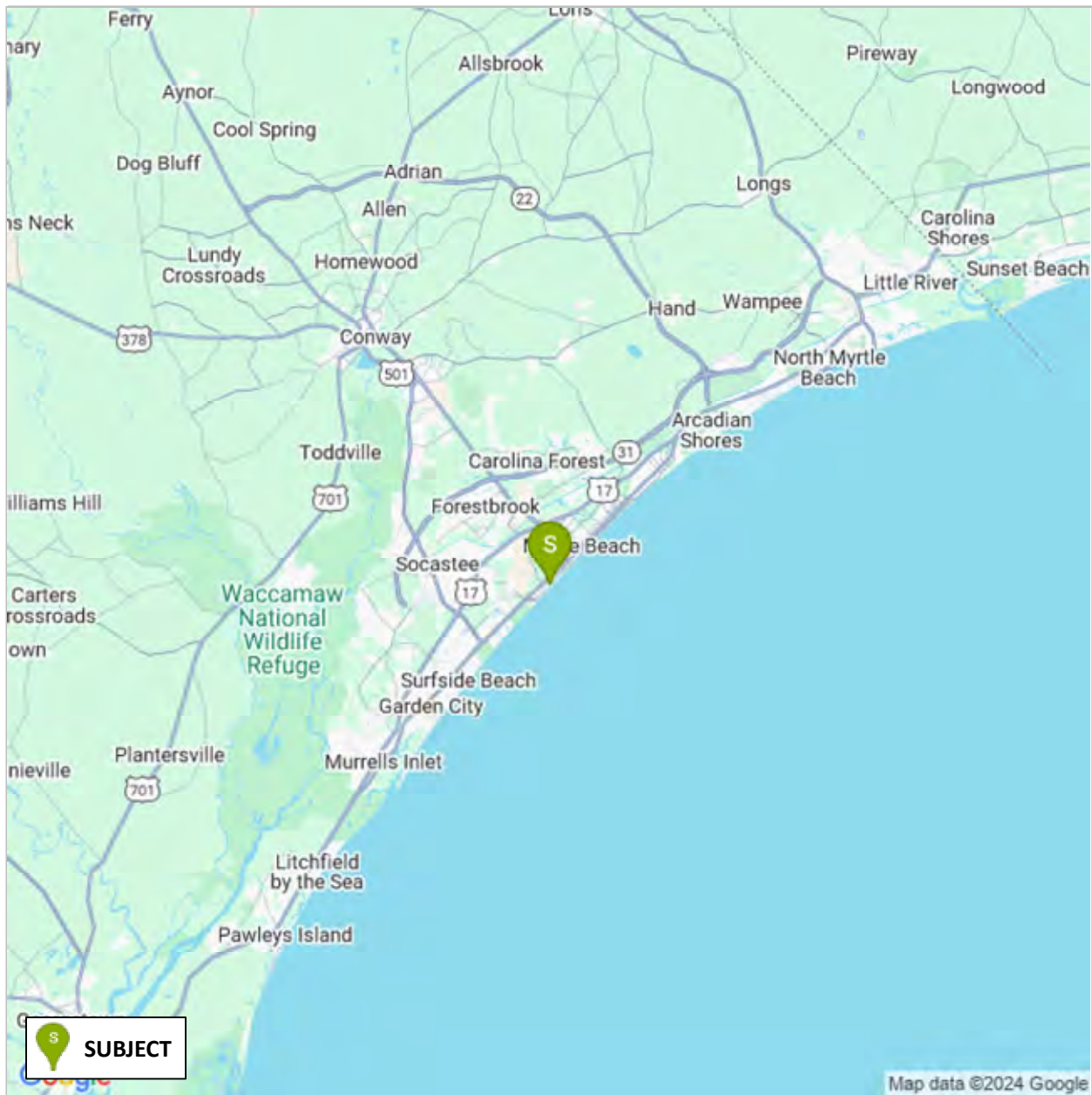
As shown in the following aerial, land use patterns consist of mostly residential uses. Residential development consists of mostly hotels, condominiums, and multi-family development. Commercial development consists of a mix of retail, office, and industrial uses. The land uses in the neighborhood appear complementary. There is little land available for development.



AERIAL LAND USE MAP

### PRIMARY ARTERIES/ACCESS

As shown in the following map, S Ocean Boulevard provides neighborhood access. US Highways 17, 701, and 501 provide local and regional access. Public transportation adequately serves the area.



TRANSPORTATION MAP

## UTILITIES

The neighborhood is adequately served by public water and sewer service, as well as natural gas, electricity, and telephone service.

## ENVIRONMENTAL CHARACTERISTICS

Primary characteristics include any nuisances or hazards resulting from inferior or improper land uses within the subject neighborhood. Based upon our inspection, uses within the neighborhood do not appear to be a nuisance or hazard. The topography of the land is level and cleared, which is associated with the topography generally found in this region of the county. There were no environmental or nuisance characteristics observed which would prove detrimental to development in the neighborhood.

## PERCENT BUILT-UP

An investigation of the neighborhood revealed the immediate area surrounding the property is approximately 95 percent developed, with little acreage remaining for development.

## POPULATION AND INCOME

As shown in the following table, within a 1-mile radius, from 2010 Census to 2024 Estimate, the neighborhood population increased by 10.84%. From 2024 Estimate to 2029 Projection, it is projected to increase by 7.99%. The average household income within a 1-mile radius totaling \$52,108 is lower than the state average of \$87,042.

PACE VIEW I SELECTED NEIGHBORHOOD DEMOGRAPHICS				
	1 mile	3 miles	5 miles	South Carolina
<b>Population</b>				
2029 Projection	2,959	28,163	82,382	5,755,788
2024 Estimate	2,740	25,475	74,626	5,504,231
2010 Census	2,472	22,289	65,433	5,246,916
2000 Census	2,286	17,778	51,081	4,763,455
Five Year Percent Population Count Change: Current Year to Five Year	7.99%	10.55%	10.39%	8.28%
Current Year Percent Population Count Change: 2020 to Current Year	10.84%	14.29%	14.05%	4.90%
<b>Households</b>				
2029 Projection	1,510	12,586	37,120	2,320,539
2024 Estimate	1,380	11,317	33,373	2,206,706
2010 Census	1,227	9,810	28,981	2,088,448
2000 Census	1,079	7,280	21,913	1,845,119
Current Year Percent Household Count Change: 2020 to Current Year	12.47%	15.36%	15.16%	5.66%
<b>Additional Demographics</b>				
Current Year Median Household Income	\$32,797	\$45,645	\$52,901	\$62,901
Current Year Average Household Income	\$52,108	\$65,618	\$74,911	\$87,042
Current Year Median Value, Owner-Occupied Housing Units	\$195,442	\$265,493	\$272,954	\$236,105

## CONCLUSION

The neighborhood is a mature area surrounded by residential and commercial uses. Commercial uses include retail, office, and institutional uses. In considering the four cycles of neighborhood development (growth, stability, decline, and revitalization), the neighborhood is in the growth phase.

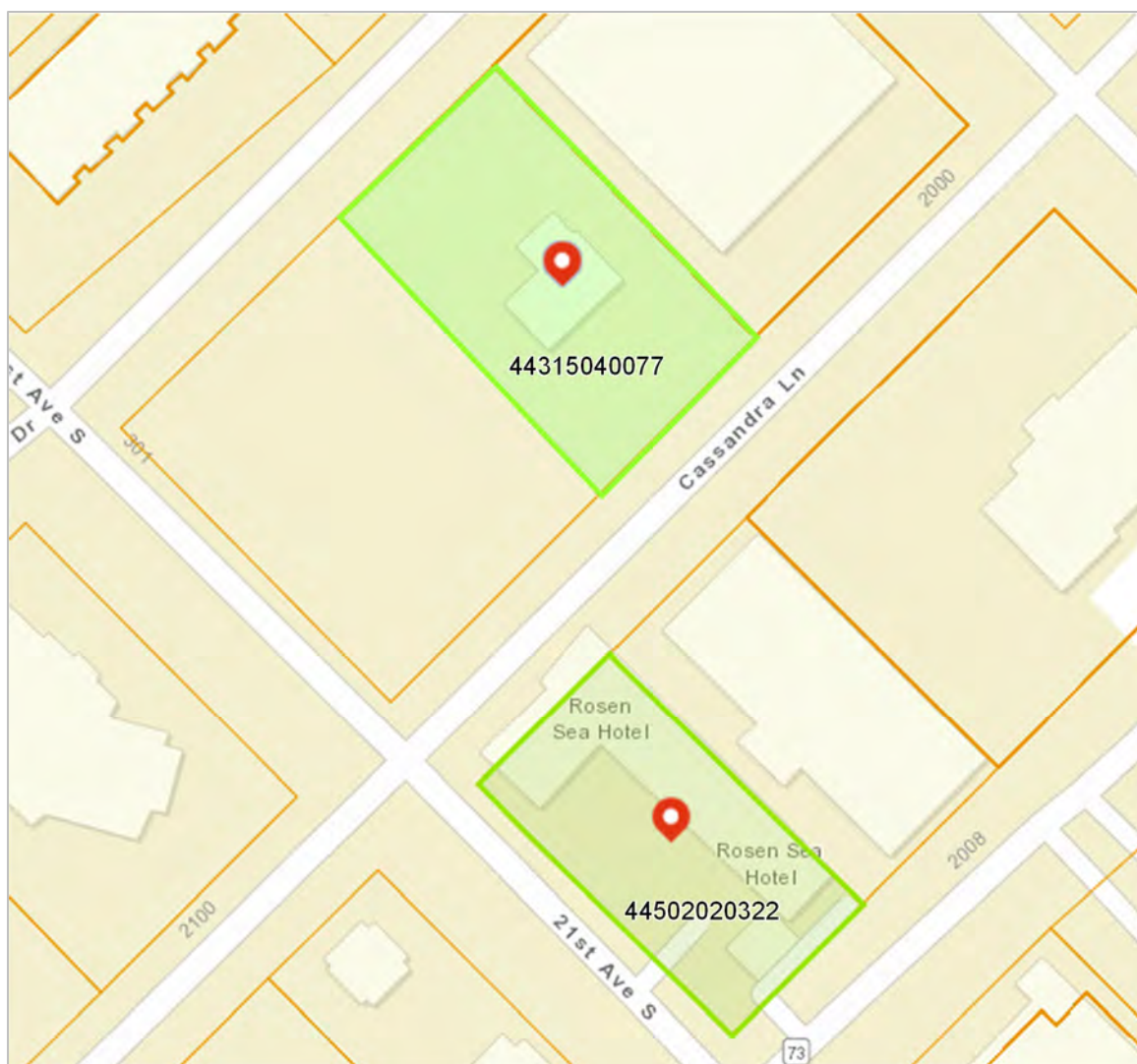


## SITE ANALYSIS

This section analyzes the location of the site. General characteristics such as shape, development density, topography, soil analysis, and any environmental characteristics are explained. Other site considerations such as easements, restrictive covenants, and legal constraints are identified.

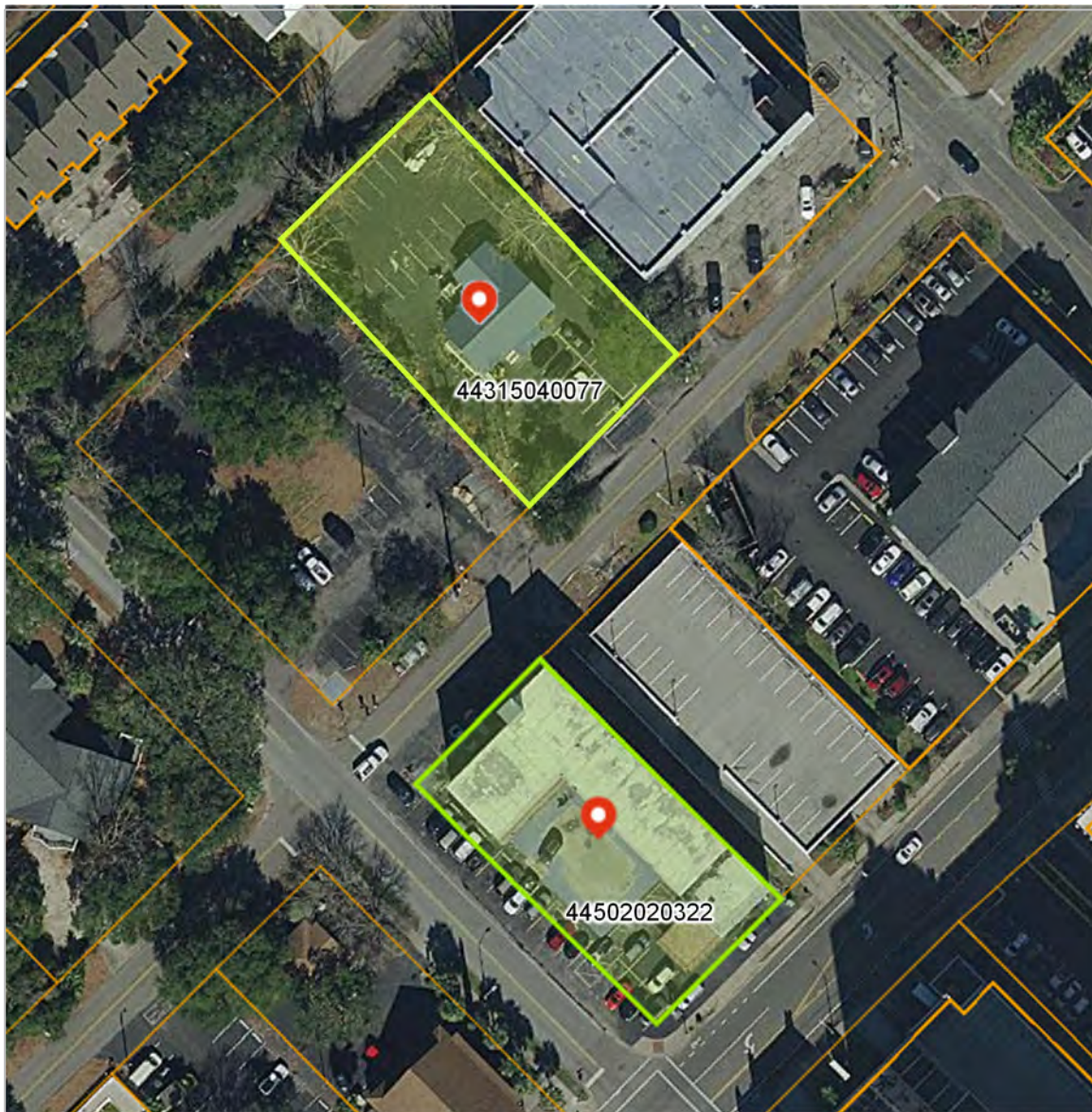
### LOCATION

The site is located in the City of Myrtle Beach jurisdiction for taxes and zoning. According to Horry County public records, the site is identified as tax parcel identification number(s) 44502020322 & 44315040077.



**PARCEL TAX MAP**

The following image is the aerial tax map from Horry County, SC.



**AERIAL TAX MAP**



## SIZE/SHAPE

As shown in the following table, the site is a combined 0.70 acres. The site is irregular in shape.

PACE VIEW I TOTAL ACREAGE			
Index	PIN	Address	Acres
1	44502020322	2010 S Ocean Blvd	0.31
2	44315040077	Cassandra Lane	0.39
Total			0.70

## PARKING

As shown in the following aerial, the main parcel contains the improvements, and the second parcel is used for additional parking.



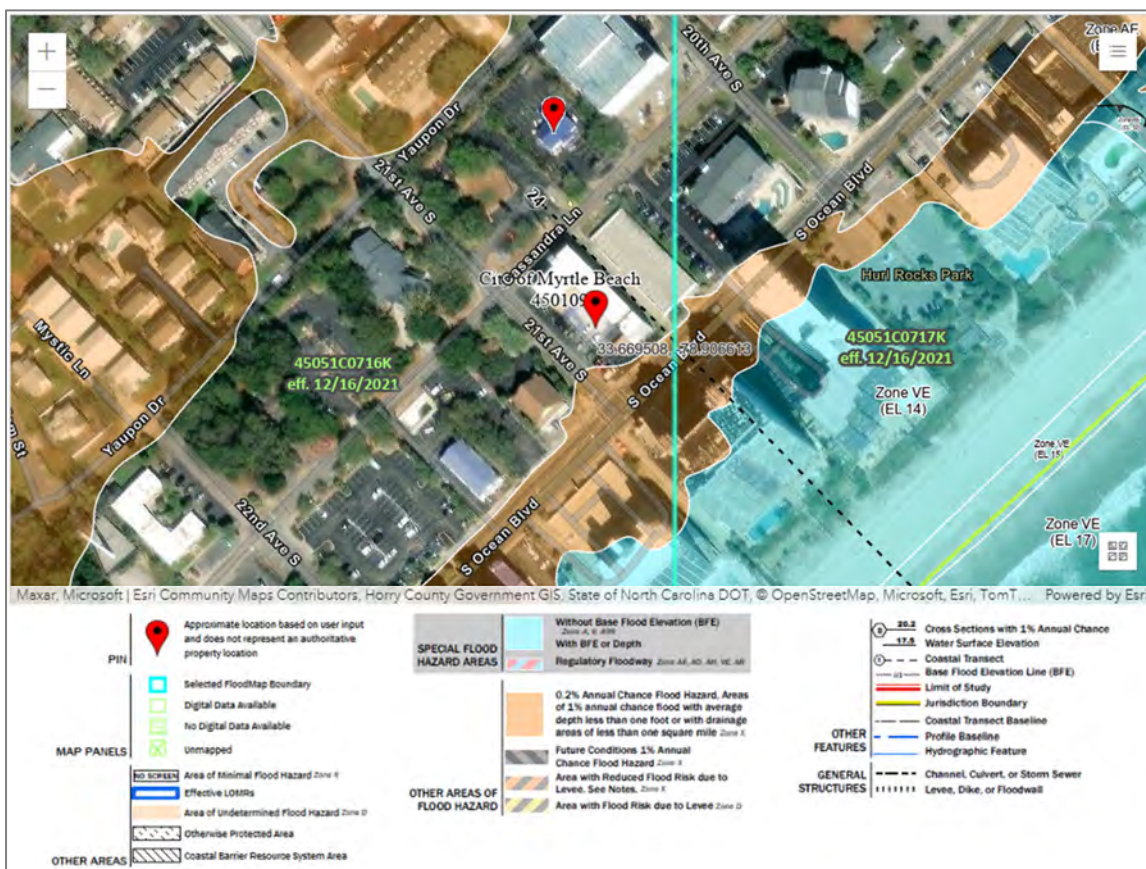
AERIAL TAX MAP

## DEVELOPMENT DENSITY

The site has 68 units on 0.70 usable acres which results in a development density of 97.1 units per acre, typical for multi-family development.

## TOPOGRAPHY

The topography of the site is level and cleared. We reviewed FEMA panel numbers 45051C0716K dated December 16, 2021. According to these panels, the property is in Zone X and AE, ***partially in a flood plain, but it does not appear the improvements are in the flood plain.*** Zone AE is considered to be inside of the 500-year flood plain. As of the date of inspection, there was no evidence of large quantities of standing water. No other topographical features or conditions considered to negatively impact marketability were noted.



FEMA FLOOD PLAIN MAP

## SOIL ANALYSIS

We were not provided a soil analysis. We did not perform a subsoil analysis. We assume the site has been professionally developed and any site sloping has been effectively addressed.



## ENVIRONMENTAL CHARACTERISTICS

The primary environmental characteristics to be considered are any nuisances or hazards as a result of the land uses. At the time of inspection, no nuisances or hazards were noted. We were not provided a Phase I Environmental Site Assessment. We are not experts in this area and the value(s) rendered herein are predicated upon the assumption that no adverse soil conditions exist.

## EASEMENTS/ENCROACHMENTS

As mentioned previously, we were provided a survey. Our inspection of the property found typical easements provided to the utility companies. These utility easements were not determined to represent an impediment to development of the site. Within this analysis we have assumed that there are no adverse conditions, resulting from any unknown encroachments, easements or rights-of-way.

## COVENANTS/RESTRICTIONS

There are no known restrictions or covenants running with the property.

## LEGAL CONSTRAINTS

The neighborhood is under the zoning jurisdiction of the City of Myrtle Beach. Based on observations made during our inspection, zoning and land use patterns are complementary. Other than typical utility easements and rights-of-way, there are no apparent encumbrances on the sites that would adversely impact its utility or marketability, were it vacant and available for development.

## ACCESS / FRONTAGE

Access is adequate along S Ocean Boulevard. Frontage is adequate along S Ocean Boulevard.

## UTILITIES/SERVICES

Utilities available to the site include public water & sewer, electricity, natural gas and telephone service. The site has access to public water and sanitary sewer.

## SUMMARY

It is our opinion the site does not have any characteristics that would impede its potential development, were it vacant and available for development. Based on our inspection, the site is adequate to support multi-family development, and the property appears functionally adequate in each of the preceding categories.

## IMPROVEMENT ANALYSIS

This section provides a detailed description of the existing improvements and unit mix. It also provides the construction specifications for the property. The information set forth in this section of the report was taken from our inspection of the property on November 8, 2024, as well as information provided by the client and/or available through the public records.

### GENERAL DESCRIPTION OF EXISTING IMPROVEMENTS

The property consists of one (1) residential apartment building totaling 25,011 gross square feet. The improvements were built in 1968/2023, with recent renovations to convert the property from a hotel to apartments. As of the date of inspection, the improvements appeared to be of average quality and condition.



PICTURE OF PACE VIEW I

## EXTERIOR DESCRIPTION

The exteriors of the building is concrete and steel, and the roofing is built-up flat.

The following pages show exterior pictures of the building(s).



STREET SCENE



STREET SCENE





EXTERIOR



EXTERIOR

**EXTERIOR****EXTERIOR**



### LAYOUT AND INTERIOR DESCRIPTION

Interior finishes include carpet, tile, and vinyl flooring. Interior walls are painted drywall, and the ceilings are 8-foot. Lighting includes fluorescent and/or incandescent light fixtures. The following pages show additional representative pictures of the property and building improvements.



**INTERIOR – LIVING ROOM**



**INTERIOR – BEDROOM**

**INTERIOR – BATHROOM****INTERIOR – KITCHEN**

## UNIT MIX

The following table shows the existing unit mix for the community. There are 68 units in 3 unit types, with an average unit size of 595 square feet. The properties have an average unit size ranging from 520 square feet for the Studio to 710 square feet for the 1 Bedroom. The community has a total of 40,480 rentable square feet.

PACE VIEW I EXISTING UNIT MIX					
Formula	$a$		$b$	$c = a \times b$	
Unit Type	Beds	Baths	Units	Net Unit Size (ft <sup>2</sup> )	Net Area (ft <sup>2</sup> )
1 Bedroom	1	1	26	710	18,460
Large Studio	0	1	2	610	1,220
Studio	0	1	40	520	20,800
<b>Total/Average</b>			<b>68</b>	<b>595</b>	<b>40,480</b>

## FF&amp;E

Furniture, fixtures and equipment (FF&E) typically include kitchen appliances, a dishwasher, disposal, and washers and dryers. The following table shows typical appliance costs from Marshall Valuation Service. We selected Average quality Multi-family package estimated at \$2,250. **Washer and dryer connections are not provided in the units. The units do not come with a dishwasher or a garbage disposal.**

FF&E COSTS APPLIANCES PER UNIT				
Kitchen Appliance	Low	Average	Good	Excellent
Refrigerator/Freezer	\$695	\$1,330	\$2,290	\$3,725
Oven/Range	\$835	\$1,130	\$1,520	\$2,060
Exhaust Fan/Hood	\$695	\$1,330	\$2,290	\$3,725
Dishwasher	\$695	\$1,330	\$2,290	\$3,725
Microwave	\$197	\$453	\$830	\$1,410
Garbage Disposal	\$163	\$230	\$329	\$460
<b>Total</b>	<b>\$3,280</b>	<b>\$5,803</b>	<b>\$9,549</b>	<b>\$15,105</b>
<b>MF Kitchen Package:</b>	<b>\$1,330</b>	<b>\$2,250</b>	<b>\$3,625</b>	<b>\$5,700</b>
<b>Other Appliances:</b>				
Clothes Washer	\$740	\$930	\$1,180	\$1,500
Clothes Dryer	\$650	\$795	\$985	\$1,220
<b>Total</b>		<b>\$2,250</b>		



Using the appliances per unit costs shown above, the following table shows the estimate of Furniture, Fixtures, & Equipment totaling \$80,000. We assumed soft costs of 5%, and an overall effective age of the FF&E of 12 years.

PACE VIEW I SUMMARY OF FF&E COSTS			
<i>Formula</i>	<i>a</i>	<i>b</i>	<i>c = a x b</i>
<b>Kitchen Appliance</b>	<b>Unit Cost</b>	<b>Number/Size</b>	<b>Cost New</b>
Appliances	\$2,250	68	\$153,000
<b>Replacement Cost New</b>			<b>\$153,000</b>
Soft Costs	5%		\$7,650
<b>Total FF&amp;E Costs New</b>			<b>\$160,650</b>
Effective Age		10	
Economic Life		20	
Depreciation		50%	
<b>Total FF&amp;E Depreciation</b>			<b>(\$80,325)</b>
<b>Total FF&amp;E (Rounded)</b>			<b>\$80,000</b>

## SITE IMPROVEMENTS

The site has 78 parking spaces in an open surface parking lot and neighboring parking lot. The site has adequate landscaping and concrete sidewalks.

## CONSTRUCTION SPECIFICATIONS

The community has the following construction specifications:

FOUNDATION	Consists of reinforced concrete slab over continuous concrete footings
EXTERIOR WALLS	Masonry
ROOF	Constructed of built-up flat
CEILINGS	Ceilings are 8-foot
LIFE SAFETY AND SECURITY	Exterior lighting
UTILITIES	All public utilities available
INTERIOR WALLS	Walls are painted drywall
INTERIOR LIGHTING	Consist of fluorescent and/or incandescent light fixtures

FIREPLACES	No
HEATING/COOLING	Individual heat pumps
WASHERS & DRYERS	No washer and dryer connections in units
KITCHENS	Kitchens have laminate surface countertops, wood cabinets, LPV flooring, and stainless steel sink
PATIOS, BALCONIES AND STORAGE	No patios or exterior storage
FIRE PROTECTION	Wet sprinkler system
FURNITURE, FIXTURES, AND EQUIPMENT	Units are rented furnished
DEFERRED MAINTENANCE	We assume no deferred maintenance (\$0).
QUALITY   UTILITY	Average   Functionally adequate

### COMMUNITY AMENITIES

The following lists the community amenities:

- Surface Parking

### UNIT FEATURES

The following lists the unit features:

- Oven/Range
- Air conditioning
- Furnished

### ACTUAL AGE/EFFECTIVE AGE/AND REMAINING ECONOMIC LIFE EXPECTANCY

The improvements were built in 1968/2023, and have an **actual age of 56 years**. Effective age is defined as the age indicated by the condition or utility of the property, which can be the same as, greater than, or less than the actual age of the property. Based on our conclusion that the property is functionally adequate, the **effective age is 20 years**. Based on information from the *Marshall Valuation Service*, buildings of similar type construction are estimated to have an economic life of 55 years. Therefore, the **remaining economic life is 35 years**. These estimates are based on national averages and are subject to a wide degree of variance in any given market.

## ASSESSMENTS AND TAXES

This section estimates the real estate taxes for the Pace View I. The property is located within the City of Myrtle Beach tax jurisdiction, within Horry County, South Carolina, and is therefore subject to city and County tax assessment(s) established annually. The rate(s) are based on 6.0% of the assessed value.

### REVALUATION

Horry County reappraisals takes place at every five years. The last reappraisal for Horry County was in January, 2023, and the next reevaluation is scheduled for 2028.

### TAX RATES

The 2024 tax rates for assessed value are as follows.

APPLICABLE TAX RATES				
Year	Horry County	City of Myrtle Beach	Other	Total
2024	0.0834	0.1712	0.0000	0.2546

### ESTIMATED REAL ESTATE TAXES AS IS

As shown in the following table, the estimated 2024 real estate taxes are \$55,622.42, based on the 2024 assessment and current tax rates.

REAL ESTATE TAXES SUMMARY									
Formula				a	b	c	d	e = a x b c + d	
Tax ID	Land	Improvements	Other	Total Assessment	Tax Rate	Tax Rate Per	Other Fee(s)	Taxes	
44502020322	\$1,125,000	\$1,750,770	\$0	\$2,875,770	0.2546	6%	\$0	\$43,930.26	
44315040077	\$691,250	\$0	\$74,144	\$765,394	0.2546	6%	\$0	\$11,692.16	
<b>Total</b>	<b>\$1,816,250</b>	<b>\$1,750,770</b>	<b>\$74,144</b>	<b>\$3,641,164</b>			<b>\$0</b>	<b>\$55,622.42</b>	

### ASSESSABLE TRANSFER OF INTEREST

One provision of the South Carolina Real Property Valuation Reform Act of 2006 was the creation of *Assessable Transfer of Interest* (ATI), which is defined as a transfer of an existing interest in real property. The Act also caps increases in value of all property to 15% during the five-year reassessment cycle. However, properties involved in an ATI are not subject to the 15% cap although what constitutes an ATI is not always clear. Following the 2006 legislature, most South Carolina county assessors began adjusting values to the sales price following an ATI, commonly referred to as "Point of Sale Assessment."

According to that legislation, when real property that is subject to the 6% assessment ratio – this applies to most commercial properties – undergoes an assessable transfer of interest after 2010,

that property is allowed a property tax exemption equal to 25% of ATI fair market value (Point of Sale Assessment). However, no exemption value may be less than current fair market value of the parcel.

Based on the current tax laws, property taxes are calculated on the greater of:

- (1) the ATI fair market value less the 25% exemption, which is essentially 75% of the sales price; or
- (2) the current fair market value in place at the time the ATI occurred.

The property would likely be reassessed at 75% of the purchase price.

### ESTIMATED REAL ESTATE TAXES

We applied the Income Approach based assessment method which iterates the real estate taxes assuming an overall capitalization rate and property value. As shown in the following table, we applied the ATI 25% discount to our Final Value (Rounded) from the Income Approach of \$8,235,000, resulting in our Estimated Assessment Value. This is an iterative calculation since the stabilized net operating income is dependent upon the real estate taxes. Applying the assessment rate and tax rate results in estimated real estate taxes of \$94,348, or \$1,387 per unit.

PROJECTED MARKET RATE REAL ESTATE TAXES INCOME APPROACH BASED ASSESSMENT PACE VIEW I	
Description	
= Rounded Indicated Value	\$8,235,000
- 25% (i.e. 25% ATI sale/transfer Discount)	-\$2,058,750
= Estimated Assessment Value	\$6,176,250
x Assessment Rate	6.00%
= Final Assessment	\$370,575
x Tax Rate	0.2546
<b>= Projected Real Estate Taxes</b>	<b>\$94,348</b>
<b>Projected Real Estate Taxes Per Unit</b>	<b>\$1,387</b>

## TAX COMPARABLES

We analyzed the assessments of comparable communities to determine if the real estate tax assessment is reasonable. As shown in the following table, assessed values range from \$62,186 to \$169,870 per unit. ***Pace View I has a current assessment of \$53,547 per unit. This is slightly below the comparable range but appears reasonable.***

APARTMENT TAX COMPARABLES									
Community Name	Type	Year Built	Units	Land Assessment		Building Assessment		Assessed Value	
				Total	Per Unit	Total	Per Unit	Total	Per Unit
2711 S Ocean Blvd	Garden	1969	39	\$1,400,000	<b>\$35,897</b>	\$2,120,160	<b>\$54,363</b>	\$3,520,160	<b>\$90,261</b>
Courtyard	Garden	1965	10	\$612,500	<b>\$61,250</b>	\$1,086,195	<b>\$108,620</b>	\$1,698,695	<b>\$169,870</b>
The Maxwell House	Garden	1954	16	\$710,290	<b>\$44,393</b>	\$284,689	<b>\$17,793</b>	\$994,979	<b>\$62,186</b>
<b>Comparable Average</b>			<b>22</b>	<b>\$907,597</b>	<b>\$47,180</b>	<b>\$1,163,681</b>	<b>\$60,259</b>	<b>\$2,071,278</b>	<b>\$107,439</b>
<b>Pace View I</b>		<b>1968/2023</b>	<b>68</b>	<b>\$1,816,250</b>	<b>\$26,710</b>	<b>\$1,750,770</b>	<b>\$25,747</b>	<b>\$3,641,164</b>	<b>\$53,547</b>

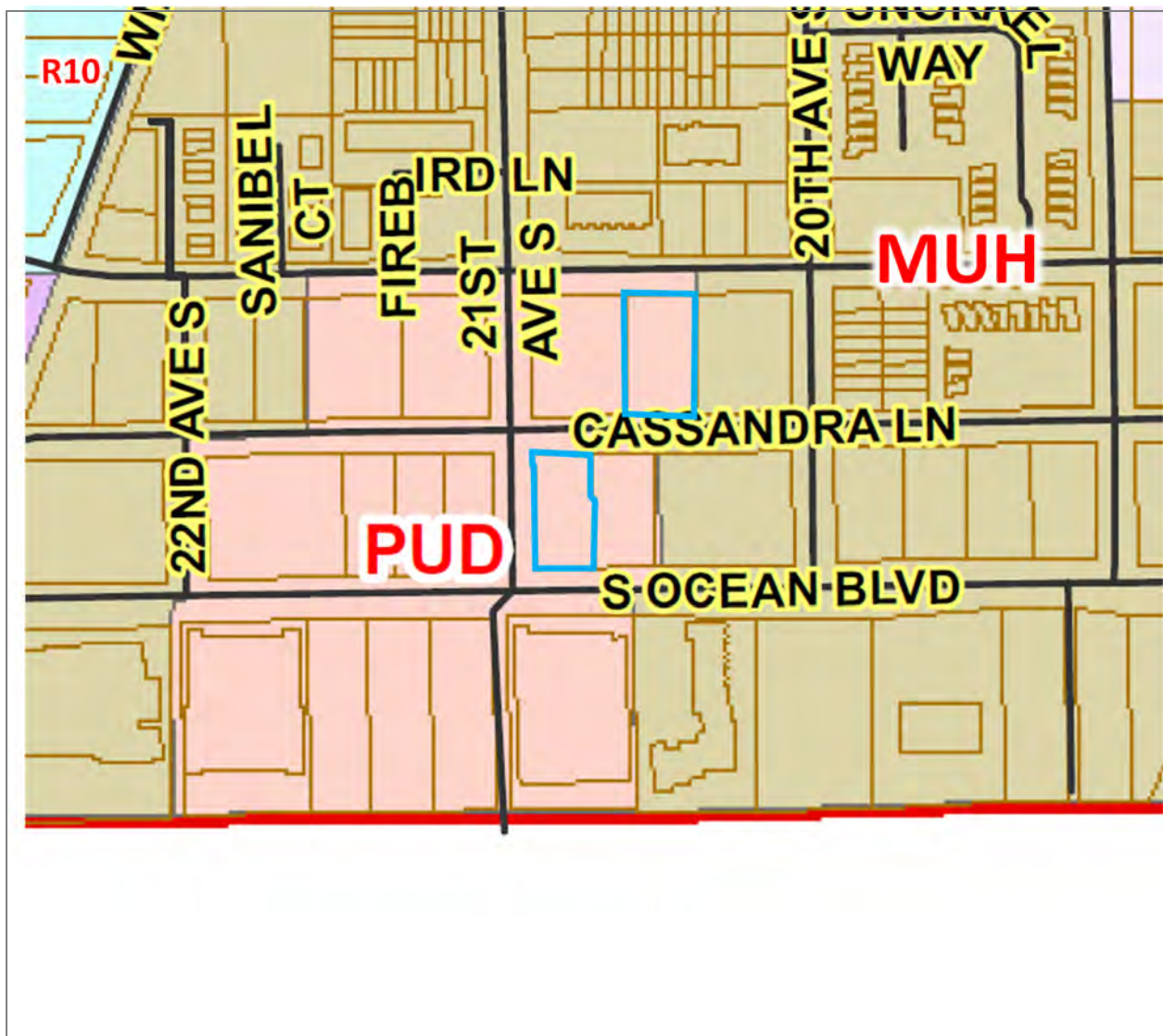
SOURCE: County GIS

## ZONING/LAND USE CONTROL

This section analyzes the property's zoning to determine if it conforms to the zoning standards. The permitted uses are identified, development standards are analyzed, and the off-street parking standard is tested.

### ZONING DESIGNATION

As shown in the following map, the property is located within the City of Myrtle Beach jurisdiction for zoning, and are currently zoned **PUD**, **Planned Unit Development District**.



ZONING MAP



## DISTRICT DEFINITION

The following from the zoning ordinance shows the definition of the **PUD, Planned Unit Development District**.

### **Section 1903. Planned Unit Development (PUD)**

Planned Unit Developments (PUD) are districts or development projects comprised of housing of different types and densities and of compatible commercial uses, or commercial centers, office parks, and mixed-use developments. A Planned Unit Development (PUD) is established by rezoning prior to development and is characterized by a unified site design for a mixed use development.

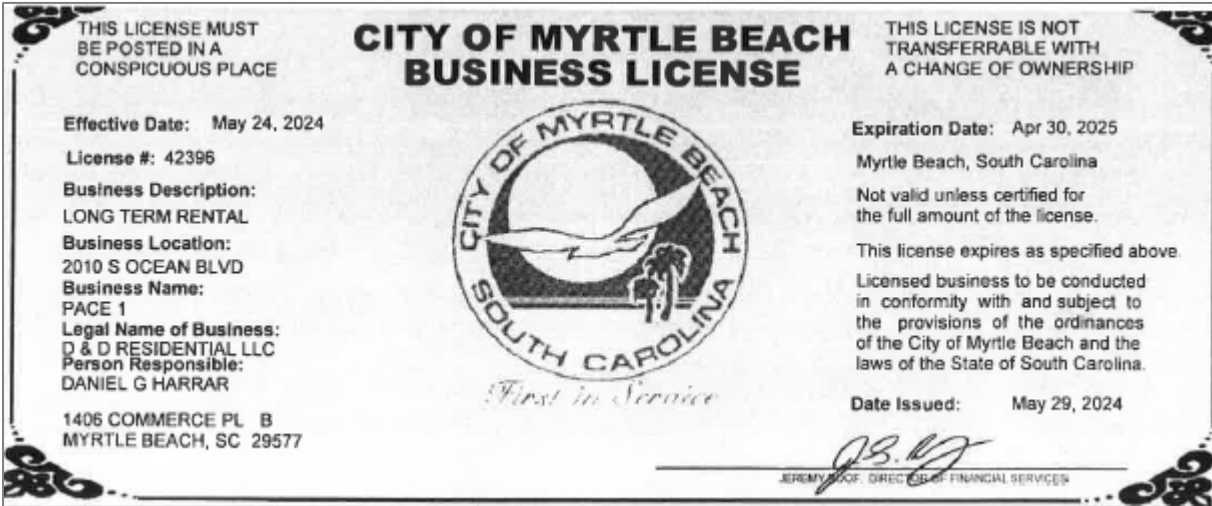
## PERMITTED USES

As shown in the following, the PUD district requires an application process and approvals for any use to be permitted.

### 1903.C. Application procedures.

1. *Pre-Application Conferences.* The petitioner shall request a staff conference and a pre-application conference with the Planning Commission by submitting to the Planning Director a completed Planned Unit Development (PUD) Pre-application Form and all of its required attachments. Additional supporting materials may be submitted for review to assist the petitioner in determining:
  - a. Whether the proposed Planned Unit Development (PUD) appears, in general, to be in compliance with the provisions of the zoning and other applicable Ordinances.
  - b. Whether it appears that any zoning amendment or variance is required.
  - c. Whether the proposed Planned Unit Development (PUD) meets the minimum Planned Unit Development (PUD) standards of Section 1903.B – Planned Unit Development (*PUD*) *Minimum Standards*.
2. *Planned Unit Development (PUD) Application Requirements.* A Planned Unit Development (PUD) shall be designed utilizing the standards addressed in Section 1903.B – Planned Unit Development (*PUD*) *Minimum Standards*. The application and all of its requisite attachments and copies shall be filed with the Planning Director no later than the last deadline prior to the application's

According to Daniel Harrar (owner), he was approved by the Planning & Zoning Department to convert the property's use from a hotel to apartments (long term rental). The following picture shows the business license obtained through the process of converting the property from a hotel to apartments (long term rentals).



PICTURE OF BUSINESS LICENSE

## DEVELOPMENT STANDARDS

The development standards for the district are dependent on the approval process.

## OFF-STREET PARKING

As shown in the following excerpt, the off-street parking requirement is a minimum of one (1) parking space per 600 gross square feet of floor space, not to exceed 3 spaces per dwelling unit.

Article 10. PARKING AND LOADING REQUIREMENTS	
City of Myrtle Beach, SC	ZONING ORDINANCE
Permitted Uses	Minimum Required Parking Spaces (DU=dwelling unit; SF=square feet; fractional calculations shall be rounded up)
All office uses	1 space per 300 SF of gross building area. See sec. 1006.G.3 - Office Uses for exceptions.
All single-family residential uses	2 spaces per DU
All two-family and multi-family residential uses	1 space per 600 SF of gross floor space excluding yards, not to exceed 3 spaces per DU.
Amusement and theme parks	Designed capacity of the park divided by 2 ½

As shown in the following table, the property is required to have a 42 parking spaces. The property has 78 parking spaces which appears to satisfy the current parking requirement.

PACE VIEW I REQUIRED OFF-STREET PARKING	
	Total
Gross Square Feet	25,011
÷ Parking Space per ft <sup>2</sup>	600
<b>= Off-Street Parking Requirement</b>	<b>42</b>

## CONCLUSION

The property appears to be a ***legal conforming use***. The property is a permitted use, appears to conform to the development standards, and meets the off-street parking requirements.

## MARKETING AND EXPOSURE TIME

The marketability analysis focuses on marketing time and exposure time, both of which are functions of time, price, use, and market conditions. The *market conditions* component distinguishes marketing time from exposure time because these two conditions often differ in a dynamic market. USPAP defines **MARKETING TIME** as “an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value or a benchmark price during the period immediately after the effective date of an appraisal.”<sup>3</sup> Marketing time is a forecast that is made looking forward from the effective date of an appraisal.<sup>3</sup> USPAP defines **EXPOSURE TIME** as the “estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.” Exposure time is a retrospective opinion, presumed to precede the effective date of an appraisal, based on an analysis of past events assuming a competitive and open market.<sup>4</sup>

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<sup>3</sup> USPAP *Advisory Opinions*, 2018-2019 ed. Washington, DC: The Appraisal Foundation. 2018. AO-7, Page 78, Lines 13-15.

<sup>4</sup> *Uniform Standards of Professional Appraisal Practice*, 2018-2019 ed. Washington, DC: The Appraisal Foundation. 2018. Definitions, Page 4, Lines 114-117.

## PWC REAL ESTATE INVESTOR SURVEY

We reviewed the latest *PwC Real Estate Investor Survey*, published quarterly by PricewaterhouseCoopers LLP. The survey indicates current marketing times for apartment properties in the **Southeast Region** from 3 to 15 months, averaging about 6.8 months.

## NATIONAL APARTMENT MARKET

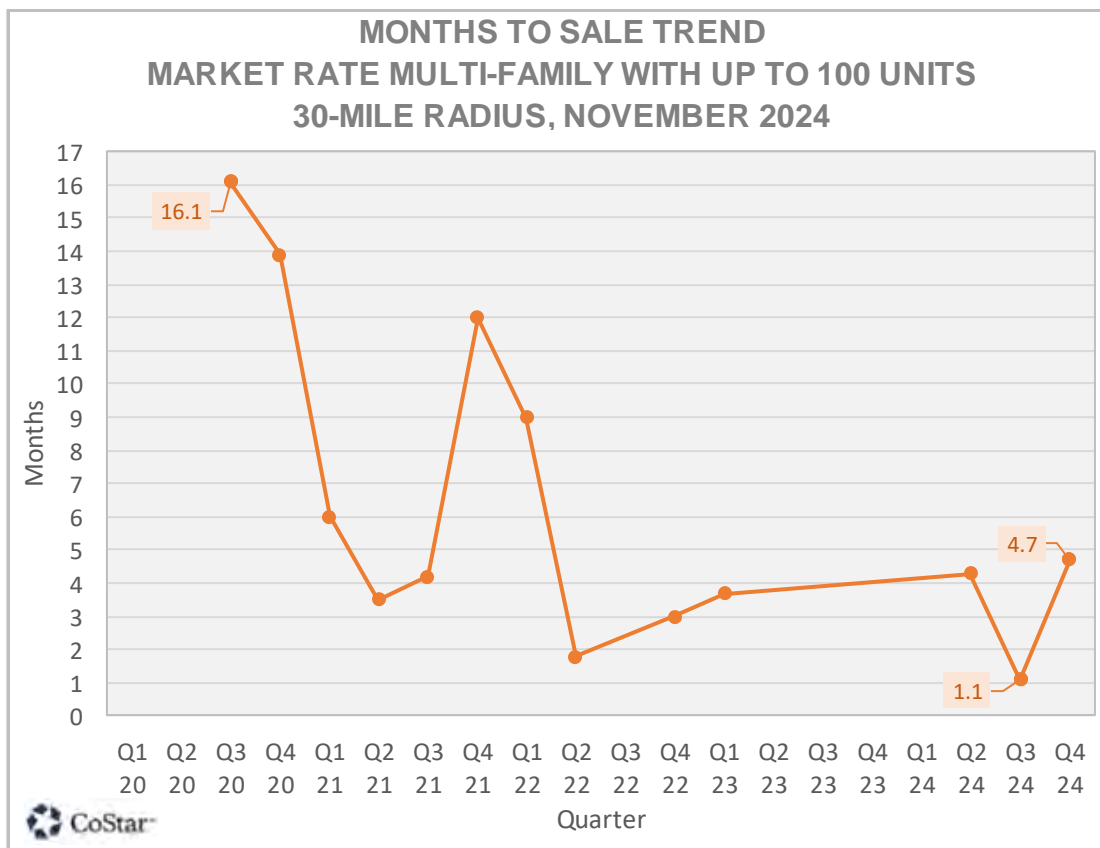
Third Quarter 2024

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
<b>DISCOUNT RATE (IRR)<sup>a</sup></b>					
Range	6.00% – 9.00%	6.00% – 9.00%	5.75% – 8.00%	5.00% – 10.00%	5.50% – 10.00%
Average	7.25%	7.21%	6.77%	6.74%	7.09%
Change (Basis Points)		+ 4	+ 48	+ 51	+ 16
<b>OVERALL CAP RATE (OAR)<sup>a</sup></b>					
Range	4.00% – 7.50%	4.00% – 7.50%	3.75% – 8.00%	3.00% – 7.00%	3.75% – 7.00%
Average	5.38%	5.44%	5.28%	4.59%	5.10%
Change (Basis Points)		- 6	+ 10	+ 79	+ 28
<b>RESIDUAL CAP RATE</b>					
Range	4.25% – 8.00%	4.25% – 8.00%	4.00% – 8.00%	4.00% – 7.00%	4.00% – 7.00%
Average	5.77%	5.75%	5.67%	5.25%	5.50%
Change (Basis Points)		+ 2	+ 10	+ 52	+ 27
<b>MARKET RENT CHANGE<sup>b</sup></b>					
Range	0.00% – 4.00%	0.00% – 4.00%	2.00% – 4.00%	(5.00%) – 5.00%	0.00% – 5.00%
Average	2.33%	2.42%	3.00%	1.98%	2.49%
Change (Basis Points)		- 9	- 67	+ 35	- 16
<b>EXPENSE CHANGE<sup>b</sup></b>					
Range	3.00% – 6.00%	3.00% – 6.00%	3.00% – 6.00%	0.00% – 8.00%	0.00% – 3.00%
Average	3.71%	3.71%	3.50%	3.08%	2.59%
Change (Basis Points)		0	+ 21	+ 63	+ 112
<b>MARKETING TIME<sup>c</sup></b>					
Range	3 – 15	3 – 15	2 – 12	1 – 12	1 – 9
Average	6.8	6.3	6.0	4.6	3.6
Change (▼, ▲, =)		▲	▲	▲	▲

pwc

### MONTHS TO SALE

The following graph from CoStar shows the months to sale trend for market rate multi-family with up to 100 units in a 30-mile radius area from 2020 Q1 to November 2024. The Months to Sale is a measure of exposure time. The Months to Sale ranged from 1.1 to 16.1 months during the period. We used a larger area than our CMA in order to obtain sufficient market information. We used a larger area than our CMA in order to obtain sufficient market information.



### CONCLUSION

Overall, we estimate a typical **marketing time** and **exposure time** of **6 months**.



## HIGHEST AND BEST USE

This section identifies the highest and best use of the property. The determination of the highest and best use is used to identify the most profitable, competitive use to which the subject can be put.<sup>5</sup> The highest and best use is defined as the reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.<sup>6</sup> The highest and best use for land or a property is defined As If vacant and As Improved. The highest and best use is analyzed using four criteria:

1. Legally permissible
2. Physically possible
3. Financially feasible
4. Maximally productive

The property is existing apartments; therefore, we analyzed the property “As If Vacant” and “As Improved”.

### AS IF VACANT

This section analyzes the highest and best use of the property as if vacant. The highest and best use of a site as though vacant assumes that a parcel of land is vacant or that it can be made vacant through the demolition of any improvements.

### LEGALLY PERMISSIBLE

The first criterion for analyzing the highest and best use of a property identifies what uses are legally permissible under the current zoning classification and/or deed restrictions. The property is zoned **PUD, Planned Unit Development District** by the City of Myrtle Beach which allows for a variety of uses. There were no additional zoning use restrictions with respect to the property.

### PHYSICALLY POSSIBLE

The second criterion for analyzing the highest and best use of the site considers what uses would be physically adaptable to the site. Some uses may be inappropriate due to physical characteristics such as size, shape, ingress and egress, utilities, soil conditions, and topography. The site is 0.70 acres, and is large enough to accommodate apartments. Ingress and egress are considered good, the site has average visibility and access to municipal utilities. Soil conditions are assumed to be adequate for development. Based on the physical characteristics of the site, it is our opinion the site is physically capable of supporting commercial development.

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<sup>5</sup> *The Appraisal of Real Estate Appraisal*. 14th ed. Chicago, IL: The Appraisal Institute. 2013. Pages 331-332.

<sup>6</sup> *The Dictionary of Real Estate Appraisal*. 6th ed. Chicago, IL: The Appraisal Institute. 2015. Page 93.

### FINANCIAL FEASIBILITY

The third criterion for determining the highest and best use analyzes those uses that are financially feasible. In considering the physical characteristics of the site, the current zoning, and surrounding land use pattern, the most likely use is considered to be commercial development. As shown in the Market Analysis earlier in this report, market conditions are stable. Therefore, **commercial development** is financially feasible.

### MAXIMALLY PRODUCTIVE

The fourth criterion for analyzing highest and best use considers what uses are maximally productive. In considering the physical characteristics of the property, the current zoning, and surrounding land use pattern, the most likely use of the site, as vacant, is **commercial development**.

### CONCLUSION

In summary, it is our opinion the highest and best use of the site, as vacant, is **commercial development**.

### AS IMPROVED

This section analyzes the highest and best use of a property As Improved, or as the property currently exists. The result should conclude if the existing improvements should be maintained, renovated, expanded, partially demolished, or completely demolished and replaced with a different type use altogether. The following considerations have been made along with those previously mentioned in the "as vacant" analysis.

### LEGALLY PERMISSIBLE

The legally permissible uses of the subject, as improved, cannot be different from those uses mentioned in the "as vacant" analysis. Because the existing use of the site conforms to existing zoning regulations, it is legally permissible and an appropriate use.

### PHYSICALLY POSSIBLE

The property includes five-story apartments, with 25,011 gross square feet. The site has adequate land area for parking and driveways.

### FINANCIALLY FEASIBLE

It was concluded in the "as vacant" section that **commercial development** would be the most financially feasible use of the site. It is our opinion that **apartments** represent the most financially feasible use of the property, based on allowed uses under the zoning ordinance and the prices and rents achieved in the market.

**MAXIMALLY PRODUCTIVE**

Based on rental rates and occupancy levels in the competing market area, **apartments** represent the maximally productive use of the improvements.

**CONCLUSION**

In summary, it is our opinion **apartments** is the highest and best use of the property "as improved". The most likely user(s) are renters, and the most likely owner is a local or regional investor.

## VALUATION ANALYSIS

We developed the Income and Sales Comparison Approaches to value. We omitted the Cost Approach. The Cost Approach is most applicable for proposed or new construction. The computations, which accompany each approach, will be outlined on the following pages for the reader's reference.

## INCOME APPROACH

The Income Approach is an appraisal procedure which converts an expected income stream into an indication of market value. The underlying premise is an informed purchaser will pay no more for the subject property than for another property, which has an income stream of comparable quantity, quality and durability.

### METHODOLOGY

Pace View I is a small, stabilized property. We developed the direct capitalization method which capitalizes the Net Operating Income to arrive at an opinion of value. Direct Capitalization is typically of primary importance for properties with stable income streams, or income streams which have changes in income in a straight line over a predictable time frame. Direct capitalization is a typical valuation method for valuing larger apartment communities but can also be used to help arrive at the value of smaller communities.

We did not develop the Discounted Cash Flow (DCF) method. A discounted cash flow analysis is best suited to measure the net present value of volatile income stream. This method of valuation is typically of primary significance in the analysis of large properties, properties undergoing lease-up, and/or properties with significant changes in the income stream over the anticipated holding period, or properties where the improvements have either a short-term lease or a short remaining economic life.

### APPRAISAL DATES

The following identify the various appraisal dates:

As Is: November 8, 2024 (Date of property inspection)



## RENT ROLL

The following table on the next page shows the rent roll for the property. There are 68 units, and the property is near full occupancy (93%). ***These are based on the most recent rent roll provided which is dated August 6<sup>th</sup>, 2024. According to Daniel Harrar, the remaining vacant units will be rented within a week.***

PACE VIEW I									
RENT ROLL - AUGUST, 2024									
Index	Unit	Type	Beds	Baths	Units	Size (ft <sup>2</sup> )	Contract Rent		Status
							\$	\$/ft <sup>2</sup>	
1	101	1 Bedroom	1	1	1	710	\$1,200	\$1.69	Occupied
2	102	Studio	0	1	1	520	\$1,300	\$2.50	Occupied
3	103	Studio	0	1	1	520	\$1,345	\$2.59	Occupied
4	104	Studio	0	1	1	520	\$1,345	\$2.59	Occupied
5	105	Studio	0	1	1	520	\$1,200	\$2.31	Occupied
6	106	1 Bedroom	1	1	1	710	\$1,500	\$2.11	Occupied
7	108	Studio	0	1	1	520	\$1,300	\$2.50	Occupied
8	109	Studio	0	1	1	520	\$1,345	\$2.59	Occupied
9	111	Studio	0	1	1	520	\$1,000	\$1.92	Occupied
10	112	Studio	0	1	1	520	\$1,375	\$2.64	Occupied
11	113	Studio	0	1	1	520	\$1,500	\$2.88	Occupied
12	114	Studio	0	1	1	520	\$1,500	\$2.88	Occupied
13	115	Studio	0	1	1	520	\$1,200	\$2.31	Occupied
14	116	Studio	0	1	1	520	\$1,200	\$2.31	Occupied
15	200	Large Studio	0	1	1	610	\$1,300	\$2.13	Occupied
16	201	1 Bedroom	1	1	1	710	\$1,400	\$1.97	Occupied
17	202	Studio	0	1	1	520	\$1,300	\$2.50	Occupied
18	203	Studio	0	1	1	520	\$1,345	\$2.59	Occupied
19	204	Studio	0	1	1	520	\$1,300	\$2.50	Occupied
20	205	Studio	0	1	1	520	\$1,250	\$2.40	Occupied
21	206	1 Bedroom	1	1	1	710	\$1,350	\$1.90	Occupied
22	208	Studio	0	1	1	520	\$1,300	\$2.50	Occupied
23	209	Studio	0	1	1	520	\$1,345	\$2.59	Occupied
24	211	1 Bedroom	1	1	1	710	\$1,424	\$2.01	Occupied
25	212	1 Bedroom	1	1	1	710	\$1,400	\$1.97	Occupied
26	213	1 Bedroom	1	1	1	710	\$1,425	\$2.01	Occupied
27	300	Large Studio	0	1	1	610	\$1,400	\$2.30	Occupied
28	301	1 Bedroom	1	1	1	710	\$1,500	\$2.11	Occupied
29	302	Studio	0	1	1	520	\$1,300	\$2.50	Occupied
30	303	Studio	0	1	1	520	\$1,300	\$2.50	Occupied
31	304	Studio	0	1	1	520	\$1,335	\$2.57	Occupied
32	305	Studio	0	1	1	520	\$1,300	\$2.50	Occupied
33	306	1 Bedroom	1	1	1	710	\$1,500	\$2.11	Occupied
34	308	Studio	0	1	1	520	\$1,300	\$2.50	Occupied
35	309	Studio	0	1	1	520	\$1,425	\$2.74	Occupied
36	311	1 Bedroom	1	1	1	710	\$1,305	\$1.84	Occupied
37	312	1 Bedroom	1	1	1	710	\$1,500	\$2.11	Occupied
38	313	1 Bedroom	1	1	1	710	\$1,400	\$1.97	Occupied
39	400	1 Bedroom	1	1	1	710	\$1,400	\$1.97	Occupied
40	401	1 Bedroom	1	1	1	710	\$1,500	\$2.11	Occupied
41	402	1 Bedroom	1	1	1	710	\$1,450	\$2.04	Occupied
42	403	1 Bedroom	1	1	1	710	\$1,500	\$2.11	Occupied
43	404	1 Bedroom	1	1	1	710	\$1,300	\$1.83	Occupied
44	405	1 Bedroom	1	1	1	710	\$1,300	\$1.83	Occupied
45	406	1 Bedroom	1	1	1	710	\$1,345	\$1.89	Occupied
46	407	1 Bedroom	1	1	1	710	\$1,375	\$1.94	Occupied
47	408	1 Bedroom	1	1	1	710	\$1,500	\$2.11	Occupied
48	409	1 Bedroom	1	1	1	710	\$1,300	\$1.83	Occupied
49	410	Studio	0	1	1	520	\$800	\$1.54	Occupied
50	411	Studio	0	1	1	520			Vacant
51	412	Studio	0	1	1	520	\$1,300	\$2.50	Occupied
52	413	Studio	0	1	1	520	\$1,300	\$2.50	Occupied
53	502	Studio	0	1	1	520	\$1,400	\$2.69	Occupied
54	503	Studio	0	1	1	520	\$1,375	\$2.64	Occupied
55	504	Studio	0	1	1	520	\$1,400	\$2.69	Occupied
56	505	Studio	0	1	1	520	\$1,400	\$2.69	Occupied
57	506	Studio	0	1	1	520	\$1,400	\$2.69	Occupied
58	507	Studio	0	1	1	520	\$1,400	\$2.69	Occupied
59	508	Studio	0	1	1	520	\$1,400	\$2.69	Occupied
60	509	Studio	0	1	1	520	\$1,400	\$2.69	Occupied
61	510	Studio	0	1	1	520	\$1,450	\$2.79	Occupied
62	511	Studio	0	1	1	520	\$1,000	\$1.92	Occupied
63	512	1 Bedroom	1	1	1	710	\$1,500	\$2.11	Occupied
64	513	1 Bedroom	1	1	1	710	\$1,400	\$1.97	Occupied
65		1 Bedroom	1	1	1	710			Vacant
66		1 Bedroom	1	1	1	710			Vacant
67		Studio	0	1	1	520			Vacant
68		Studio	0	1	1	520			Vacant
Total/Average					68	595	\$1,348	\$2.10	93%

### AVERAGE CONTRACT RENTAL RATES

The following table shows the average contract rental rates for Pace View I. The average contract rental rates range from \$1,309 for the Studio unit to \$1,407 for the 1 Bedroom unit.

PACE VIEW I						
AVERAGE CONTRACT RENTAL RATES						
Formula			a		b	c = b ÷ a
Unit Type	Beds	Baths	Total Units	Unit Size (ft <sup>2</sup> )	Average Contract Rent	Contract Per ft <sup>2</sup>
1 Bedroom	1	1	26	710	\$1,407	\$1.98
Large Studio	0	1	2	610	\$1,350	\$2.21
Studio	0	1	40	520	\$1,309	\$2.52
Total/Average			68	595	\$1,348	\$2.26

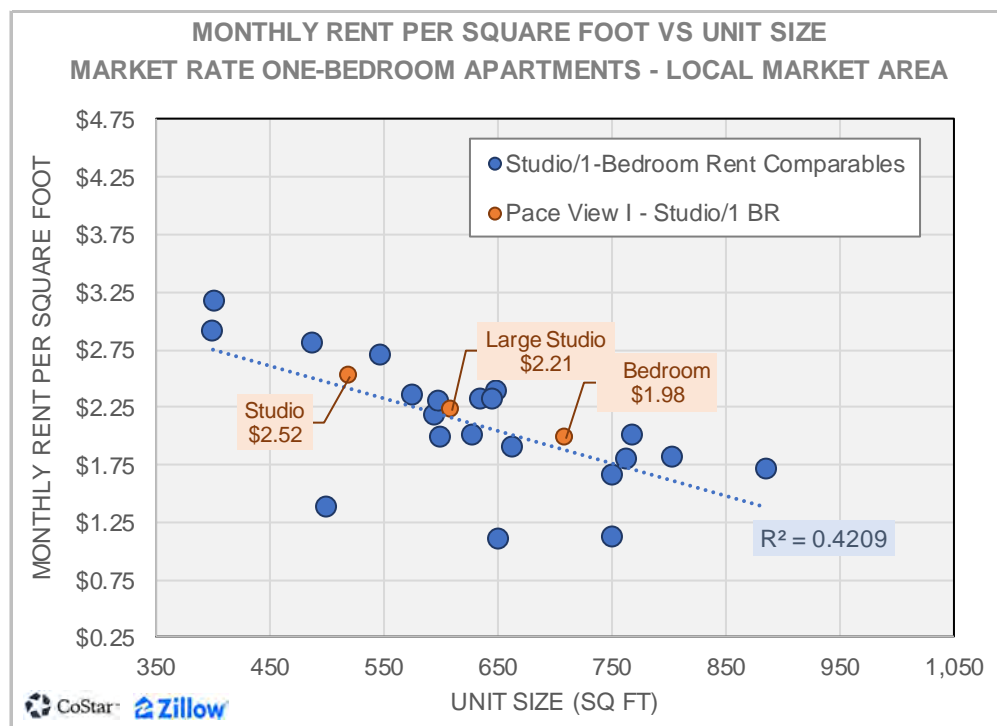
## MARKET RENT DETERMINATION

In order to determine market rents for the units, we compared rental rate(s) for the units to the most similar properties available. We searched for market rate studio and one-bedroom units in multi-family dwellings within the local market area for Pace View I. The following table shows the various properties we used in our analysis. We obtained this information from primary research using *CoStar* and *Zillow*.

MARKET RATE RENT COMPARABLES LOCAL MARKET AREA						
Index	Name	Year	Units	Studio/1 Bedroom		
		Built		Size (ft²)	Rent (\$)	\$/ft²
1	601 9th Ave S	1958	9	500	\$695	\$1.39
2	601 9th Ave S	1958	9	650	\$718	\$1.10
3	Coastal Exchange Apartments	2022	300	546	\$1,481	\$2.71
4	Coastal Exchange Apartments	2022	300	763	\$1,372	\$1.80
5	The Lively Grande Dunes	2022	322	595	\$1,297	\$2.18
6	The Lively Grande Dunes	2022	322	634	\$1,479	\$2.33
7	Canterbury	1997/2016	630	400	\$1,167	\$2.92
8	Canterbury	1997/2016	630	750	\$1,251	\$1.67
9	Autumn Chase Apartments	2001	64	750	\$845	\$1.13
10	Market Common	2008	195	628	\$1,260	\$2.01
11	Market Common	2008	195	886	\$1,519	\$1.71
12	The Edison at Farrow Commons	2024	228	488	\$1,374	\$2.82
13	The Edison at Farrow Commons	2024	228	768	\$1,546	\$2.01
14	Luxe at Market Common	2020	299	649	\$1,550	\$2.39
15	Luxe at Market Common	2020	299	645	\$1,499	\$2.32
16	Claypond Commons	2000	192	402	\$1,280	\$3.18
17	Claypond Commons	2000	192	600	\$1,195	\$1.99
18	The Laurent at Carolina Forest	2017	305	575	\$1,360	\$2.37
19	The Laurent at Carolina Forest	2017	305	662	\$1,262	\$1.91
20	Hawthorne at the Mill	2024	290	597	\$1,375	\$2.30
21	Hawthorne at the Mill	2024	290	803	\$1,467	\$1.83

## ONE-BEDROOMS

The following graph plots the rent per square foot by unit size for market rate studio/one-bedroom units compared to the current contract average rents per square foot for Pace View I. The current average contract lease rates for the studios and one-bedrooms at Pace View I range from \$1.98 to \$2.52 per square foot, and all unit types appear to be at market rates. **Therefore, we selected the current contractual average rental rates in our analysis for both Studios and 1 Bedrooms.**



## POTENTIAL RENTAL INCOME

The following table shows the Potential Rental Income of \$1,099,808, using our selected rents on the 68 units. This amount does not include any Other Income.

PACE VIEW I POTENTIAL RENTAL INCOME								
Formula			a		b		c = a x b	d = c x 12
Unit Type	Beds	Baths	Total Units	Unit Size (ft <sup>2</sup> )	Monthly Rent	Per ft <sup>2</sup>	Monthly Total	Annual Total
1 Bedroom	1	1	26	710	\$1,407	\$1.98	\$36,589	\$439,062
Large Studio	0	1	2	610	\$1,350	\$2.21	\$2,700	\$32,400
Studio	0	1	40	520	\$1,309	\$2.52	\$52,362	\$628,346
<b>Total/Average</b>			<b>68</b>	<b>595</b>	<b>\$1,348</b>	<b>\$2.26</b>		<b>\$1,099,808</b>



## OTHER INCOME

Other income includes items such as late fees, application fees, short-term lease fees, return check fees, drink commissions, deposit forfeitures, pet fees, cleaning/damage charges, and miscellaneous charges. In addition, such items as garage units, storage units, fireplaces, vaulted ceilings, floor levels, views, etc. are included. As shown in the following table, there is no Pro-Forma Other Income for Pace View I.

PRO-FORMA OTHER INCOME PACE VIEW I		
Year	Revenue	
	Total	Per Unit
2024	\$0	\$0
<b>Average</b>	<b>\$0</b>	<b>\$0</b>

We divided Other Income into four typical Other Income categories, and analyzed each of these subcategories separately. The categories are Garage Revenue, Utility Reimbursements, Fee Income, and Additional Other Income.

## GARAGE REVENUE

Pace View I does not have garages. Therefore, we did not allocate any garage revenue as Other Income.

## UTILITY REIMBURSEMENTS

As shown in the following table, there is no Pro-Forma Utility Reimbursement Income for Pace View I. We selected no Utility Reimbursements for Pace View I.

PRO-FORMA UTILITY REIMBURSEMENT INCOME PACE VIEW I		
Year	Revenue	
	Total	Per Unit
2024	\$0	\$0
<b>Average</b>	<b>\$0</b>	<b>\$0</b>

## FEE INCOME

Fee Income represents any fees collected during the lease, including but not limited to application fees, pet fees, administration fees, and cleaning fees. As shown in the following table, the expense comparables have Fee & Add'l Other Income ranging from \$0 to \$1,580 per unit.

MARKET COMPARABLE STABILIZED PER UNIT					
Category	Comparable	1	2	3	4
Fee & Add'l Other Income	Per Unit	\$1,580	\$1,220	\$0	\$0

As shown in the following table there is no Pro-Forma Fee Income. We selected no Fee Income for Pace View I.

PRO-FORMA FEE INCOME PACE VIEW I		
Year	Revenue	
	Total	Per Unit
2024	\$0	\$0
Average	\$0	\$0

## ADDITIONAL OTHER INCOME

The final sub-category of Other Income is Additional Other Income. This includes all remaining types of Other Income. As shown in the following table, the expense comparables have Fee & Add'l Other Income ranging from \$0 to \$1,580 per unit.

MARKET COMPARABLE STABILIZED PER UNIT					
Category	Comparable	1	2	3	4
Fee & Add'l Other Income	Per Unit	\$1,580	\$1,220	\$0	\$0

As shown in the following table there is no Pro-Forma Additional Other Income. We did not allocate any Additional Other Income for Pace View I.

PRO-FORMA ADDITIONAL OTHER INCOME PACE VIEW I		
Year	Revenue	
	Total	Per Unit
2024	\$0	\$0
Average	\$0	\$0

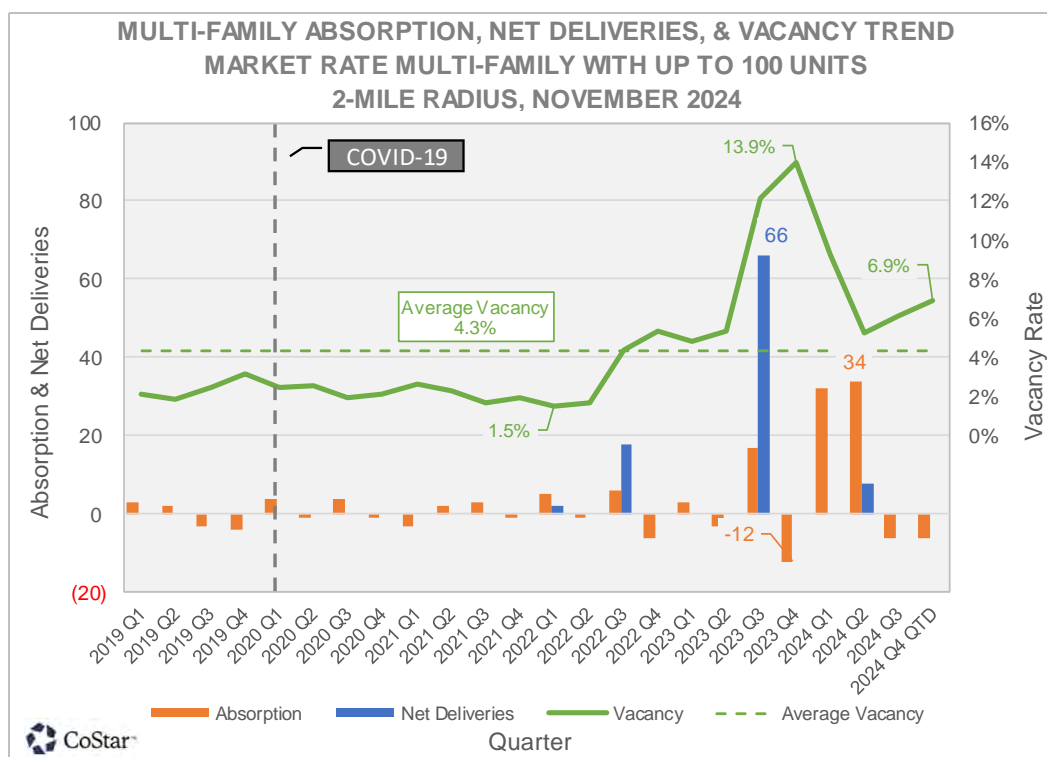
## OTHER INCOME CONCLUSION

As shown in the following table, combining Garage Income, Utility Reimbursements, Fee Income, and Additional Other Income, we estimated Total Other Income of \$0, or \$0 per unit annually. Based on the preceding analysis, this appears reasonable.

Other Income	Per Unit	Annual
Garage Revenue	\$0	\$0
Utility Reimbursements	\$0	\$0
Fee Income	\$0	\$0
Add'l Other Income	\$0	\$0
<b>Total Other Income</b>	<b>\$0</b>	<b>\$0</b>

## VACANCY AND COLLECTION LOSS

The following graph shows the Absorption, Net Deliveries, and Vacancy Rate trend for a 5-year period in the CMA. Absorption ranged from -12 to 34 unit(s) during the period. The maximum number of Net Deliveries was 66 unit(s). The vacancy rate ranged from 1.5% to 13.9% and is currently 6.9%. The average vacancy rate during the period was 4.3%.



Therefore, we utilized a combined vacancy and collection loss rate of 6.50%. This rate includes frictional and general vacancy as well as collection and credit loss. This rate also includes losses from any model and employee units, and any rent concessions. As shown in the table below, this results in vacancy and collection loss of (\$71,488).

VACANCY AND COLLECTION LOSS PACE VIEW I			
	Per Unit	Annual	
Potential Gross Income	\$16,174	\$1,099,808	
<b>Vacancy &amp; Collection Loss</b>	<b>6.50%</b>	<b>(\$1,051)</b>	<b>(\$71,488)</b>

#### EFFECTIVE GROSS INCOME (EGI)

As shown in the following table, the expense comparables have Effective Gross Income ranging from \$12,838 to \$17,059 per unit.

MARKET COMPARABLE STABILIZED EFFECTIVE GROSS INCOME PER UNIT					
Category	Comparable	1	2	3	4
Effective Gross Income	Per Unit	\$17,059	\$15,810	\$12,838	\$13,215

As shown in the following table, we selected a stabilized Effective Gross Income projection totaling \$1,028,320, or \$15,122 per unit.

DIRECT CAPITALIZATION SUMMARY					
PACE VIEW I					
Unit Type			Unit Size (ft²)	As Is November 8, 2024	
	Number			Rent	
	Beds	Units		Monthly	Annual
1 Bedroom	1	26	710	\$1,407	\$439,062
Large Studio	0	2	610	\$1,350	\$32,400
Studio	0	40	520	\$1,309	\$628,346
Potential Rental Income		68	595	\$1,099,808	
Rent Premiums					\$0
Total Rental Income				\$16,174	\$1,099,808
Other Income				Per Unit	Annual
Garage Revenue				\$0	\$0
Utility Reimbursements				\$0	\$0
Fee Income				\$0	\$0
Add'l Other Income				\$0	\$0
Total Other Income				\$0	\$0
Potential Gross Income				\$16,174	\$1,099,808
Less: Vacancy & Collection Loss			6.50%	(\$1,051)	(\$71,488)
Effective Gross Income			100%	\$15,122	\$1,028,320



## EXPENSE ANALYSIS

We analyzed operating expenses from comparable properties, breaking the expenses into standardized categories to compare to Pace View I. We obtained the best available expense comparables. The source for our expense comparables provides accurate and recent revenue and expense information for similar nearby communities in the general market area.

EXPENSE COMPARABLES PER UNIT OPERATING STATEMENTS				
Comparable	1	2	3	4
City	Myrtle Beach	Myrtle Beach	Conway	Myrtle Beach
State	SC	SC	SC	SC
Year Built	2007	2010	1972	2009
Total Units	216	216	64	84
Expense Year	2022	2022	2023	2023
<b>Potential Gross Income</b>	<b>\$15,994</b>	<b>\$15,201</b>	<b>\$12,838</b>	<b>\$13,215</b>
Vacancy Loss	(\$546)	(\$611)	\$0	\$0
Other Income	\$1,580	\$1,220	\$0	\$0
<b>Effective Gross Income</b>	<b>\$17,059</b>	<b>\$15,810</b>	<b>\$12,838</b>	<b>\$13,215</b>
Real Estate Taxes	\$891	\$1,315	\$779	\$1,339
Property Insurance	\$819	\$505	\$553	\$1,348
Utilities	\$600	\$647	\$1,055	\$1,071
Repairs & Maintenance	\$329	\$944	\$4,326	\$520
Management Fee	\$597	\$527	\$899	\$661
Payroll & Benefits	\$2,168	\$1,286	\$238	\$0
Advertising & Marketing	\$257	\$152	\$0	\$3
Professional Fees	\$12	\$8	\$85	\$98
General & Administrative	\$609	\$535	\$22	\$168
Other Expenses	\$0	\$0	\$24	\$0
Reserves for Replacement	\$300	\$300	\$300	\$300
<b>Total Operating Expense</b>	<b>\$6,283</b>	<b>\$5,920</b>	<b>\$7,982</b>	<b>\$5,207</b>
<b>Net Operating Income</b>	<b>\$10,776</b>	<b>\$9,890</b>	<b>\$4,856</b>	<b>\$8,007</b>

The following analyzes each standardized expense category and applies a stabilized amount for the direct capitalization analysis.

## REAL ESTATE TAXES

As shown in the following table, we selected a stabilized Real Estate Taxes expense totaling \$94,348, or \$1,387 per unit. Since the total real estate taxes using the ATI discount from market value is higher than the current estimated real estate taxes, we applied this amount in our analysis.

PROJECTED MARKET RATE REAL ESTATE TAXES INCOME APPROACH BASED ASSESSMENT PACE VIEW I	
Description	
= Rounded Indicated Value	\$8,235,000
- 25% (i.e. 25% ATI sale/transfer Discount)	-\$2,058,750
= Estimated Assessment Value	\$6,176,250
x Assessment Rate	6.00%
= Final Assessment	\$370,575
x Tax Rate	0.2546
<b>= Projected Real Estate Taxes</b>	<b>\$94,348</b>
<b>Projected Real Estate Taxes Per Unit</b>	<b>\$1,387</b>

## PROPERTY INSURANCE

This expense includes liability insurance. In concluding an appropriate Property Insurance expense, we considered several factors. As shown in the following table, the expense comparables have Property Insurance expenses ranging from \$505 to \$1,348 per unit.

MARKET COMPARABLE STABILIZED PROPERTY INSURANCE EXPENSE PER UNIT					
Category	Comparable	1	2	3	4
Property Insurance	Per Unit	\$819	\$505	\$553	\$1,348

As shown in the following table, we selected a stabilized Property Insurance expense totaling \$57,800, or \$850 per unit.

PACE VIEW I STABILIZED PROPERTY INSURANCE PROJECTION			
Category	As Is/At Stabilization		
	Total	% of EGI	Per Unit
Property Insurance	\$57,800	5.6%	\$850

## UTILITIES

These include utilities and electricity for the clubhouse, outdoor lighting, as well as all common areas and vacant apartment units. In addition, water, gas, and fuel are comingled in this expense category. As shown in the following table, the expense comparables have Utilities expenses ranging from \$600 to \$1,071 per unit.

MARKET COMPARABLE STABILIZED UTILITIES EXPENSE PER UNIT					
Category	Comparable	1	2	3	4
Utilities	Per Unit	\$600	\$647	\$1,055	\$1,071

As shown in the following table, we selected a stabilized Utilities expense totaling \$68,000, or \$1,000 per unit.

PACE VIEW I STABILIZED UTILITIES PROJECTION			
Category	As Is/At Stabilization		
	Total	% of EGI	Per Unit
Utilities	\$68,000	6.6%	\$1,000

## REPAIRS &amp; MAINTENANCE

This includes all expenses necessary to maintain the buildings, except capital expenses, including roof replacement, major carpet replacement, and etc. In addition, garbage removal, decorating, elevator, exterminating, and grounds expenses are comingled in this category. As shown in the following table, the expense comparables have Repairs & Maintenance expenses ranging from \$329 to \$4,326 per unit.

MARKET COMPARABLE STABILIZED REPAIRS & MAINTENANCE EXPENSE PER UNIT					
Category	Comparable	1	2	3	4
Repairs & Maintenance	Per Unit	\$329	\$944	\$4,326	\$520

As shown in the following table, we selected a stabilized Repairs & Maintenance expense totaling \$68,000, or \$1,000 per unit.

PACE VIEW I STABILIZED REPAIRS & MAINTENANCE PROJECTION			
Category	As Is/At Stabilization		
	Total	% of EGI	Per Unit
Repairs & Maintenance	\$68,000	6.6%	\$1,000

## MANAGEMENT FEE

Apartment communities typically require professional management in addition to those functions carried out by on-site management. The management fee is intended to compensate the professional manager for making management and marketing decisions, hiring and supervising on-site management, and taking the responsibility for the overall financial success of the project. Market participants indicate management fees typically range from 3 to 6 percent of EGI for market rate properties, and a little higher for Low Income Housing Tax Credit (LIHTC) properties. As shown in the following table, the expense comparables have Management Fee expenses ranging from 3.3% to 7.0% of EGI.

MARKET COMPARABLE STABILIZED MANAGEMENT FEE EXPENSE PER UNIT					
Category	Comparable	1	2	3	4
Management Fee	% of EGI	3.5%	3.3%	7.0%	5.0%
	Per Unit	\$597	\$527	\$899	\$661

As shown in the following table, we selected a stabilized Management Fee expense totaling \$51,416, or 5.00% of EGI. This is a typical Management Fee expense assuming a market rate community.

PACE VIEW I STABILIZED MANAGEMENT FEE PROJECTION			
Category	As Is/At Stabilization		
	Total	% of EGI	Per Unit
Management Fee	\$51,416	5.00%	\$756

## PAYROLL &amp; BENEFITS

Payroll & Benefits expenses include salaries, insurance benefits, and tax contributions. As shown in the following table, the expense comparables have Payroll & Benefits expenses ranging from \$0 to \$2,168 per unit. ***Many smaller communities do not have full-time management personnel and are owner-managed.***

MARKET COMPARABLE STABILIZED PAYROLL & BENEFITS EXPENSE PER UNIT					
Category	Comparable	1	2	3	4
Payroll & Benefits	Per Unit	\$2,168	\$1,286	\$238	\$0

As shown in the following table, we selected a stabilized Payroll & Benefits expense totaling \$40,800, or \$600 per unit. ***The market would impute some stabilized expense for Payroll & Benefits. As a smaller community, the market would likely assume an expense for only a part-time Property Manager.***

PACE VIEW I STABILIZED PAYROLL & BENEFITS PROJECTION			
Category	As Is/At Stabilization		
	Total	% of EGI	Per Unit
Payroll & Benefits	\$40,800	4.0%	\$600

#### ADVERTISING & MARKETING

This expense includes advertising in newspapers, apartment guides, and etc. As shown in the following table, the expense comparables have Advertising & Marketing expenses ranging from \$0 to \$257 per unit.

MARKET COMPARABLE STABILIZED ADVERTISING & MARKETING EXPENSE PER UNIT					
Category	Comparable	1	2	3	4
Advertising & Marketing	Per Unit	\$257	\$152	\$0	\$3

As shown in the following table, we selected a stabilized Advertising & Marketing expense totaling \$5,100, or \$75 per unit.

PACE VIEW I STABILIZED ADVERTISING & MARKETING PROJECTION			
Category	As Is/At Stabilization		
	Total	% of EGI	Per Unit
Advertising & Marketing	\$5,100	0.5%	\$75

#### PROFESSIONAL FEES

This expense category includes the cost of legal and accounting services. As shown in the following table, the expense comparables have Professional Fees expenses ranging from \$8 to \$98 per unit.

MARKET COMPARABLE STABILIZED PROFESSIONAL FEES EXPENSE PER UNIT					
Category	Comparable	1	2	3	4
Professional Fees	Per Unit	\$12	\$8	\$85	\$98



As shown in the following table, we selected a stabilized Professional Fees expense totaling \$5,100, or \$75 per unit.

PACE VIEW I STABILIZED PROFESSIONAL FEES PROJECTION			
Category	As Is/At Stabilization		
	Total	% of EGI	Per Unit
Professional Fees	\$5,100	0.5%	\$75

#### GENERAL & ADMINISTRATIVE

This expense category includes fees for postage, travel, and other miscellaneous fees. As shown in the following table, the expense comparables have General & Administrative expenses ranging from \$22 to \$609 per unit.

MARKET COMPARABLE STABILIZED GENERAL & ADMINISTRATIVE EXPENSE PER UNIT					
Category	Comparable	1	2	3	4
General & Administrative	Per Unit	\$609	\$535	\$22	\$168

As shown in the following table, we selected a stabilized General & Administrative expense totaling \$20,400, or \$300 per unit.

PACE VIEW I STABILIZED GENERAL & ADMINISTRATIVE PROJECTION			
Category	As Is/At Stabilization		
	Total	% of EGI	Per Unit
General & Administrative	\$20,400	2.0%	\$300

#### OTHER EXPENSES

This expense category accounts for any other expenses not covered in the preceding expense categories. This can include land leases. Neither the comparables nor Pace View I had Other Expenses. Therefore, we did not allocate anything to this expense category.

## RESERVES FOR REPLACEMENT

Reserves for Replacement is an annual allowance set aside for the replacement of those short-lived items, which have a life expectancy less than the buildings. These include air conditioning units, kitchen appliances, roof coverings, and floor coverings. Reserves for Replacement many times are not allocated in operating expenses, since items requiring replacement are paid using current cash flow. We find that the market will typically allocate Reserves for Replacement ranging from \$200 to \$250 per unit. Therefore, we estimated an allowance of \$20,400, or \$300 per unit.

PACE VIEW I			
STABILIZED RESERVES FOR REPLACEMENT PROJECTION			
Category	As Is/At Stabilization		
	Total	% of EGI	Per Unit
Reserves for Replacement	\$20,400	2.0%	\$300

For support, we researched RealtyRates.com' Investor Survey for Reserve Requirements. As shown in the following table, the reserve requirements for Apartments range from \$165 to \$450 per unit and average \$418 per unit.

RealtyRates.com INVESTOR SURVEY - 3rd Quarter 2024*									
SURVEYED RESERVE REQUIREMENTS									
Property Type	Per SF			Per Unit			% of EGI		
	Min.	Max.	Typical	Min.	Max.	Typical	Min.	Max.	Typical
Apartments				\$165	\$450	\$418			
Golf				\$1,295	\$7,950	\$3,666	2.0%	4.5%	3.2%
Health Care/Senior Housing				\$275	\$760	\$424			
Industrial	\$0.28	\$0.90	\$0.59						
Lodging							4.0%	8.5%	4.6%
Mobile Home/RV Park				\$38	\$318	\$176	2.0%	5.5%	4.2%
Office	\$0.38	\$0.95	\$0.69						
Restaurants							2.0%	5.5%	3.2%
Retail	\$0.38	\$1.15	\$0.76						
Self-Storage	\$0.32	\$0.85	\$0.71	\$38	\$218	\$137			
Special Purpose	\$0.30	\$1.20	\$0.80						

\*2nd Quarter 2024 Data

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## TOTAL OPERATING EXPENSES

As shown in the following table, the expense comparables have Total Operating Expenses ranging from \$5,207 to \$7,982 per unit.

MARKET COMPARABLE STABILIZED TOTAL OPERATING EXPENSES PER UNIT					
Category	Comparable	1	2	3	4
Total Operating Expenses	Per Unit	\$6,283	\$5,920	\$7,982	\$5,207

As shown in the following table, our projected stabilized Total Operating Expenses are \$431,364, or \$6,344 per unit.

DIRECT CAPITALIZATION SUMMARY					
PACE VIEW I					
Unit Type			Unit Size (ft²)	As Is November 8, 2024	
	Number			Rent	
	Beds	Units	Monthly	Annual	
1 Bedroom	1	26	710	\$1,407	\$439,062
Large Studio	0	2	610	\$1,350	\$32,400
Studio	0	40	520	\$1,309	\$628,346
Potential Rental Income		68	595		\$1,099,808
Rent Premiums					\$0
Total Rental Income				\$16,174	\$1,099,808
Other Income				Per Unit	Annual
Garage Revenue				\$0	\$0
Utility Reimbursements				\$0	\$0
Fee Income				\$0	\$0
Add'l Other Income				\$0	\$0
Total Other Income				\$0	\$0
Potential Gross Income				\$16,174	\$1,099,808
Less: Vacancy & Collection Loss			6.50%	(\$1,051)	(\$71,488)
Effective Gross Income			100%	\$15,122	\$1,028,320
Expenses:			% of EGI	Per Unit	Annual
Real Estate Taxes			9.2%	\$1,387	\$94,348
Property Insurance			5.6%	\$850	\$57,800
Utilities			6.6%	\$1,000	\$68,000
Repairs & Maintenance			6.6%	\$1,000	\$68,000
Management Fee			5.00%	\$756	\$51,416
Payroll & Benefits			4.0%	\$600	\$40,800
Advertising & Marketing			0.5%	\$75	\$5,100
Professional Fees			0.5%	\$75	\$5,100
General & Administrative			2.0%	\$300	\$20,400
Other Expenses			0.0%	\$0	\$0
Reserves for Replacement			2.0%	\$300	\$20,400
Total Operating Expenses			41.9%	\$6,344	\$431,364

## NET OPERATING INCOME

The following table shows the ensuing Net Operating Income of \$596,956, or \$8,779 per unit.

DIRECT CAPITALIZATION SUMMARY					
PACE VIEW I					
Unit Type			Unit Size (ft²)	As Is November 8, 2024	
	Number			Rent	
	Beds	Units	Monthly	Annual	
1 Bedroom	1	26	710	\$1,407	\$439,062
Large Studio	0	2	610	\$1,350	\$32,400
Studio	0	40	520	\$1,309	\$628,346
Potential Rental Income		68	595		\$1,099,808
Rent Premiums					\$0
Total Rental Income				\$16,174	\$1,099,808
Other Income				Per Unit	Annual
Garage Revenue				\$0	\$0
Utility Reimbursements				\$0	\$0
Fee Income				\$0	\$0
Add'l Other Income				\$0	\$0
Total Other Income				\$0	\$0
Potential Gross Income				\$16,174	\$1,099,808
Less: Vacancy & Collection Loss			6.50%	(\$1,051)	(\$71,488)
Effective Gross Income			100%	\$15,122	\$1,028,320
Expenses:			% of EGI	Per Unit	Annual
Real Estate Taxes			9.2%	\$1,387	\$94,348
Property Insurance			5.6%	\$850	\$57,800
Utilities			6.6%	\$1,000	\$68,000
Repairs & Maintenance			6.6%	\$1,000	\$68,000
Management Fee			5.00%	\$756	\$51,416
Payroll & Benefits			4.0%	\$600	\$40,800
Advertising & Marketing			0.5%	\$75	\$5,100
Professional Fees			0.5%	\$75	\$5,100
General & Administrative			2.0%	\$300	\$20,400
Other Expenses			0.0%	\$0	\$0
Reserves for Replacement			2.0%	\$300	\$20,400
Total Operating Expenses			41.9%	\$6,344	\$431,364
Net Operating Income			58.1%	\$8,779	\$596,956

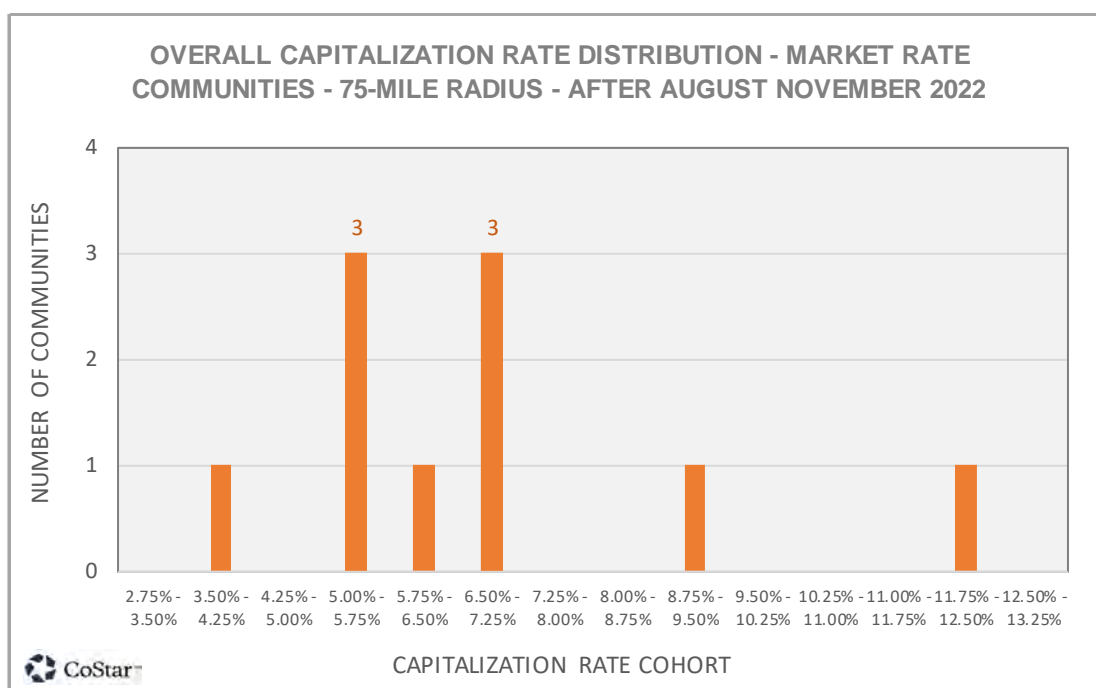


## DIRECT CAPITALIZATION

Direct capitalization converts a single year's estimated stabilized net operating income into value. The following subsections represent different techniques to derive an overall capitalization rate. In order to estimate the overall capitalization rate, we analyzed sales extraction, a published investor survey, and the band of investment method.

## SALES EXTRACTION

The following graph using information from **CoStar** shows a histogram of the overall capitalization rates of market rate communities in a 75-mile radius after November 2022. There were 10 communities, and the largest cohorts had overall capitalization rates from 5.00% - 5.75% and 6.50% - 7.25%, each with 3 communities.



The following table shows the list of sales from the histogram above.

OVERALL CAPITALIZATION RATE SALES						
MARKET RATE COMMUNITIES - 75-MILE RADIUS - AFTER AUGUST NOVEMBER 2022						
Property Name	City	Units	Year	Sale		OAR
			Built	Date	Price	
Spring Hill	Johnsonville	24	2001	August 5, 2024	\$1,200,000	7.05%
Ravenwood	Florence	44	1979	July 25, 2024	\$2,640,000	7.00%
Abiding Branch Apartments	Myrtle Beach	10	1984	April 15, 2024	\$1,080,000	11.92%
853 Wachesaw Rd	Murrells Inlet	7	2018	May 1, 2023	\$990,000	9.00%
1200 Hemingway Chapel Rd	Conway	30	2022	March 24, 2023	\$3,200,000	6.58%
20 Virgil Ln	Wilmington	4	2008	March 8, 2023	\$1,249,000	5.24%
Breakers Point	Myrtle Beach	216	2007	January 19, 2023	\$45,792,000	5.13%
Bentree Apartments	Florence	132	1987	January 6, 2023	\$10,500,000	6.00%
Litchfield Oaks	Pawleys Island	192	1997	December 14, 2022	\$41,000,000	4.06%
The Banks at Bridgewater	Little River	252	2021	December 2, 2022	\$64,804,000	5.60%

#### PUBLISHED INVESTOR SURVEY

The *PwC Real Estate Investor's Survey* (3<sup>RD</sup> Quarter 2024) indicates overall rates for the Southeast Region range from 4.50% to 6.50% and average 5.63%. Pace View I should have an overall capitalization rate above this range. These represent capitalization rates of proven institutional grade communities.

Table 1  
**OVERALL CAPITALIZATION RATE ANALYSIS**  
Third Quarter 2024

	OVERALL CAP RATES		
	Low	High	Average
<b>Apartment Markets</b>			
National	4.00%	7.50%	5.38%
Mid-Atlantic Region	5.00%	6.50%	5.71%
Pacific Region	4.50%	6.50%	5.21%
Southeast Region	4.50%	6.50%	5.63%

## BAND OF INVESTMENT

We also developed a band of investment analysis, based on the estimated mortgage rate and an estimated term of the loan. We relied on information found in an internet-based source called *RealtyRates.com* as of 3<sup>rd</sup> Quarter 2024. As shown in the following table, mortgage rates for Apartments - Garden/Suburban Townhouse properties range from 5.05% to 8.20% and average 6.63%. The loan to value ratio ranges from 65% to 90% and average 78%, amortized monthly for an average amortization period of 28 years. The equity dividend rate ranges from 4.70% to 12.33% and average 8.14%.

RealtyRates.com INVESTOR SURVEY - 3rd Quarter 2024*						
APARTMENTS - GARDEN/SUBURBAN TOWNHOUSE						
Item	Input					OAR
<b>Minimum</b>						
Spread Over 10-Year Treasury	0.50%	<b>DCR Technique</b>	1.00	0.058262	0.90	<b>5.24</b>
Debt Coverage Ratio	1.00	<b>Band of Investment Technique</b>				
Interest Rate	5.05%	Mortgage	90%	0.058262	0.052435	
Amortization	40	Equity	10%	0.047040	0.004704	
Mortgage Constant	0.058262	OAR				<b>5.71</b>
Loan-to-Value Ratio	90%	<b>Surveyed Rates</b>				<b>5.37</b>
Equity Dividend Rate	4.70%					
<b>Maximum</b>						
Spread Over 10-Year Treasury	3.65%	<b>DCR Technique</b>	1.61	0.116068	0.85	<b>12.15</b>
Debt Coverage Ratio	1.61	<b>Band of Investment Technique</b>				
Interest Rate	8.20%	Mortgage	65%	0.116068	0.075444	
Amortization	15	Equity	35%	0.123349	0.043172	
Mortgage Constant	0.116068	OAR				<b>11.86</b>
Loan-to-Value Ratio	65%	<b>Surveyed Rates</b>				<b>11.15</b>
Equity Dividend Rate	12.33%					
<b>Average</b>						
Spread Over 10-Year Treasury	2.08%	<b>DCR Technique</b>	1.26	0.079108	0.78	<b>7.69</b>
Debt Coverage Ratio	1.26	<b>Band of Investment Technique</b>				
Interest Rate	6.63%	Mortgage	78%	0.079108	0.061309	
Amortization	28	Equity	23%	0.081379	0.018310	
Mortgage Constant	0.079108	OAR				<b>7.96</b>
Loan-to-Value Ratio	78%	<b>Surveyed Rates</b>				<b>7.83</b>
Equity Dividend Rate	8.14%					

\*2nd Quarter 2024 Data

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As shown in the following table, we used a nominal mortgage rate of 5.75% on a 30-year amortization. This results in a mortgage constant of 0.070029. For this property, we selected an equity rate of 8.00%. This results in a calculated overall capitalization rate of 7.25%.

BAND OF INVESTMENT CALCULATION				
<i>Formula</i>	<i>a</i>		<i>b</i>	<i>c = a x b</i>
Component	Proration	Rate	Mtg Constant/ Equity Rate	Weighted Result
Mortgage	75%	5.75%	0.070029	5.25%
Equity	25%	8.00%	0.080000	2.00%
<b>Total</b>	<b>100%</b>			<b>7.25%</b>
<b>Rounded</b>				<b>7.25%</b>

## INDICATED VALUE

The following table on the next page shows our direct capitalization rate conclusions. Based on the various sources for overall capitalization rates, we selected an overall capitalization rate of 7.25% for Pace View I. The stabilized Net Operating Income and overall capitalization rate results in an Rounded Indicated Value of \$8,235,000.

DIRECT CAPITALIZATION SUMMARY					
PACE VIEW I					
Unit Type	Number		Unit Size (ft²)	As Is November 8, 2024	
				Rent	
	Beds	Units	Monthly	Annual	
1 Bedroom	1	26	710	\$1,407	\$439,062
Large Studio	0	2	610	\$1,350	\$32,400
Studio	0	40	520	\$1,309	\$628,346
Potential Rental Income		68	595	\$1,099,808	
Rent Premiums					\$0
Total Rental Income				\$16,174	\$1,099,808
Other Income				Per Unit	Annual
Garage Revenue				\$0	\$0
Utility Reimbursements				\$0	\$0
Fee Income				\$0	\$0
Add'l Other Income				\$0	\$0
Total Other Income				\$0	\$0
Potential Gross Income				\$16,174	\$1,099,808
Less: Vacancy & Collection Loss			6.50%	(\$1,051)	(\$71,488)
Effective Gross Income			100%	\$15,122	\$1,028,320
Expenses:			% of EGI	Per Unit	Annual
Real Estate Taxes			9.2%	\$1,387	\$94,348
Property Insurance			5.6%	\$850	\$57,800
Utilities			6.6%	\$1,000	\$68,000
Repairs & Maintenance			6.6%	\$1,000	\$68,000
Management Fee			5.00%	\$756	\$51,416
Payroll & Benefits			4.0%	\$600	\$40,800
Advertising & Marketing			0.5%	\$75	\$5,100
Professional Fees			0.5%	\$75	\$5,100
General & Administrative			2.0%	\$300	\$20,400
Other Expenses			0.0%	\$0	\$0
Reserves for Replacement			2.0%	\$300	\$20,400
Total Operating Expenses			41.9%	\$6,344	\$431,364
Net Operating Income			58.1%	\$8,779	\$596,956
Overall Capitalization Rate					7.25%
Indicated Value					\$8,233,876
Rounded Indicated Value				\$121,103	\$8,235,000



**FINAL VALUE CONCLUSION**

As shown in the following table on the next page, we did not make any deductions (\$0) for capital expense, rent loss, or deferred maintenance from the Rounded Indicated Value. This results in a Final Value (Rounded) of \$8,235,000 (Rounded).

DIRECT CAPITALIZATION SUMMARY					
PACE VIEW I					
Unit Type			Unit Size (ft²)	As Is November 8, 2024	
	Number			Rent	
	Beds	Units		Monthly	Annual
1 Bedroom	1	26	710	\$1,407	\$439,062
Large Studio	0	2	610	\$1,350	\$32,400
Studio	0	40	520	\$1,309	\$628,346
Potential Rental Income		68	595	\$1,099,808	
Rent Premiums					\$0
Total Rental Income				\$16,174	\$1,099,808
Other Income				Per Unit	Annual
Garage Revenue				\$0	\$0
Utility Reimbursements				\$0	\$0
Fee Income				\$0	\$0
Add'l Other Income				\$0	\$0
Total Other Income				\$0	\$0
Potential Gross Income				\$16,174	\$1,099,808
Less: Vacancy & Collection Loss			6.50%	(\$1,051)	(\$71,488)
Effective Gross Income			100%	\$15,122	\$1,028,320
Expenses:			% of EGI	Per Unit	Annual
Real Estate Taxes			9.2%	\$1,387	\$94,348
Property Insurance			5.6%	\$850	\$57,800
Utilities			6.6%	\$1,000	\$68,000
Repairs & Maintenance			6.6%	\$1,000	\$68,000
Management Fee			5.00%	\$756	\$51,416
Payroll & Benefits			4.0%	\$600	\$40,800
Advertising & Marketing			0.5%	\$75	\$5,100
Professional Fees			0.5%	\$75	\$5,100
General & Administrative			2.0%	\$300	\$20,400
Other Expenses			0.0%	\$0	\$0
Reserves for Replacement			2.0%	\$300	\$20,400
Total Operating Expenses			41.9%	\$6,344	\$431,364
Net Operating Income			58.1%	\$8,779	\$596,956
Overall Capitalization Rate					7.25%
Indicated Value					\$8,233,876
Rounded Indicated Value				\$121,103	\$8,235,000
Less: Deferred Maintenance/Rent Loss/Capital Expenditures					\$0
Final Value (Rounded)				\$121,103	\$8,235,000

## INCOME APPROACH - AS IS - NOVEMBER 8, 2024

\$8,235,000

## SALES COMPARISON APPROACH

This section develops the Sales Comparison Approach. This approach uses a set of procedures to derive a value indication by comparing the property being appraised to similar recently sold properties, applying a unit of comparison. Adjustments are made to the sale prices of comparable properties, using standard transactional and property elements of comparison. We utilized sales of similar apartment communities, with summary data presented on the following pages. We utilized local sales within the general market area. These are the best sales available and are the most comparable. Our analysis is based on the sales price per unit as the unit of comparison. The following is a picture of Pace View I.



PICTURE OF PACE VIEW I

### METHODOLOGY

The following tables summarize each comparable sale. After the summary tables are a sales map and a comparison chart. The comparison chart analyzes each comparable's similarities and dissimilarities relative to the subject. We used percentage adjustments to reflect buyer perceptions to different property characteristics. The percentage adjustments indicate our rationale for estimating value.

## SALE 1



## Transaction

<b>ID</b>	4329	<b>Tax ID</b>	35712040119
<b>Property Type</b>	Apartments	<b>Deed Book</b>	4843
<b>Name</b>	Atlantic Breeze	<b>Page No.</b>	3350
<b>Street Address</b>	1316 S Ocean Boulevard	<b>Date</b>	August-24
<b>City</b>	North Myrtle Beach	<b>Sale Price</b>	\$2,250,000
<b>County</b>	Horry	<b>Price Per Unit</b>	\$125,000
<b>State</b>	SC	<b>Conditions of Sale</b>	Arm's length
<b>Grantor</b>	ATLANTIC BREEZE APTS LLC	<b>Terms of Sale</b>	Cash and financing
<b>Grantee</b>	NORTH MYRTLE BEACH CITY OF	<b>Verification Source</b>	Deed and secondary source

## Site

<b>Acres</b>	0.45	<b>Topography</b>	Level and cleared
<b>Zoning</b>	R-4	<b>Utilities</b>	Public water and sanitary sewer

## Improvements

<b>Construction Type</b>	Masonry	<b>Condition</b>	Average
<b>Year Built</b>	1966/1985	<b>No. of Stories</b>	2
<b>GBA (ft²)</b>	11,500	<b>Units</b>	18
<b>Avg Unit Size (ft²)</b>	639	<b>Property Sub Type</b>	Market Rate

## Financial Information

<b>EGI</b>	N/A	<b>OpEx</b>	N/A
<b>NOI</b>	N/A	<b>Expense Ratio</b>	
<b>EGIM</b>		<b>NIM</b>	
<b>OAR</b>	N/A	<b>Occupancy</b>	100%

## Comments

This is the sale of a market rate apartment community.



## SALE 2



## Transaction

<b>ID</b>	4332	<b>Tax ID</b>	42403030039
<b>Property Type</b>	Apartments	<b>Deed Book</b>	4846
<b>Name</b>	607 37th Avenue N	<b>Page No.</b>	2235
<b>Street Address</b>	607 37th Avenue N	<b>Date</b>	August-24
<b>City</b>	Myrtle Beach	<b>Sale Price</b>	\$700,000
<b>County</b>	Horry	<b>Price Per Unit</b>	\$140,000
<b>State</b>	SC	<b>Conditions of Sale</b>	Arm's length
<b>Grantor</b>	GODBOLD FAMILY PROPERTIES LLC	<b>Terms of Sale</b>	Cash and financing
<b>Grantee</b>	HOXHA HOLDINGS LLC	<b>Verification Source</b>	Listing Broker - Van Davenport - 843.222.8153

## Site

<b>Acres</b>	0.28	<b>Topography</b>	Level and cleared
<b>Zoning</b>	RM-16	<b>Utilities</b>	Public water and sanitary sewer

## Improvements

<b>Construction Type</b>	Brick	<b>Condition</b>	Average
<b>Year Built</b>	1974	<b>No. of Stories</b>	2
<b>GBA (ft²)</b>	4,000	<b>Units</b>	5
<b>Avg Unit Size (ft²)</b>	800	<b>Property Sub Type</b>	Market Rate

## Financial Information

<b>EGI</b>	N/A	<b>OpEx</b>	N/A
<b>NOI</b>	N/A	<b>Expense Ratio</b>	
<b>EGIM</b>		<b>NIM</b>	
<b>OAR</b>	N/A	<b>Occupancy</b>	

## Comments

This is the sale of a market rate apartment community. It contains all two-bedroom units.

## SALE 3



## Transaction

<b>ID</b>	4331	<b>Tax ID</b>	39104040169 &
<b>Property Type</b>	Apartments	<b>Deed Book</b>	4690
<b>Name</b>	Ocean Oak	<b>Page No.</b>	1468
<b>Street Address</b>	403 37th Avenue S	<b>Date</b>	June-23
<b>City</b>	North Myrtle Beach	<b>Sale Price</b>	\$2,300,000
<b>County</b>	Horry	<b>Price Per Unit</b>	\$127,778
<b>State</b>	SC	<b>Conditions of Sale</b>	Arm's length
<b>Grantor</b>	BEACH ONE HOLDING LLC	<b>Terms of Sale</b>	Cash and financing
<b>Grantee</b>	401 403 37TH AVE S LLC	<b>Verification Source</b>	Deed and secondary source

## Site

<b>Acres</b>	0.30	<b>Topography</b>	Level and cleared
<b>Zoning</b>	RC	<b>Utilities</b>	Public water and sanitary sewer

## Improvements

<b>Construction Type</b>	Brick	<b>Condition</b>	Average
<b>Year Built</b>	1960	<b>No. of Stories</b>	3
<b>GBA (ft²)</b>	10,491	<b>Units</b>	18
<b>Avg Unit Size (ft²)</b>	582	<b>Property Sub Type</b>	Market Rate

## Financial Information

<b>EGI</b>	N/A	<b>OpEx</b>	N/A
<b>NOI</b>	N/A	<b>Expense Ratio</b>	
<b>EGIM</b>		<b>NIM</b>	
<b>OAR</b>	N/A	<b>Occupancy</b>	100%

## Comments

This is the sale of a market rate apartment community. It contains all studio units.



## SALE 4



## Transaction

<b>ID</b>	4330	<b>Tax ID</b>	44502010663
<b>Property Type</b>	Apartments	<b>Deed Book</b>	4743
<b>Name</b>	Courtyard	<b>Page No.</b>	986
<b>Street Address</b>	2200 Cassandra Lane	<b>Date</b>	October-23
<b>City</b>	Myrtle Beach	<b>Sale Price</b>	\$1,600,000
<b>County</b>	Horry	<b>Price Per Unit</b>	\$133,333
<b>State</b>	SC	<b>Conditions of Sale</b>	Arm's length
<b>Grantor</b>	2200 CASSANDRA LLC ETAL; MUNOZ NICHOLAS	<b>Terms of Sale</b>	Cash and financing
<b>Grantee</b>	PERFECT VACATIONS LLC	<b>Verification Source</b>	Listing Broker - Nick Strumke - 843.655.5470

## Site

<b>Acres</b>	0.57	<b>Topography</b>	Level and cleared
<b>Zoning</b>	MF	<b>Utilities</b>	Public water and sanitary sewer

## Improvements

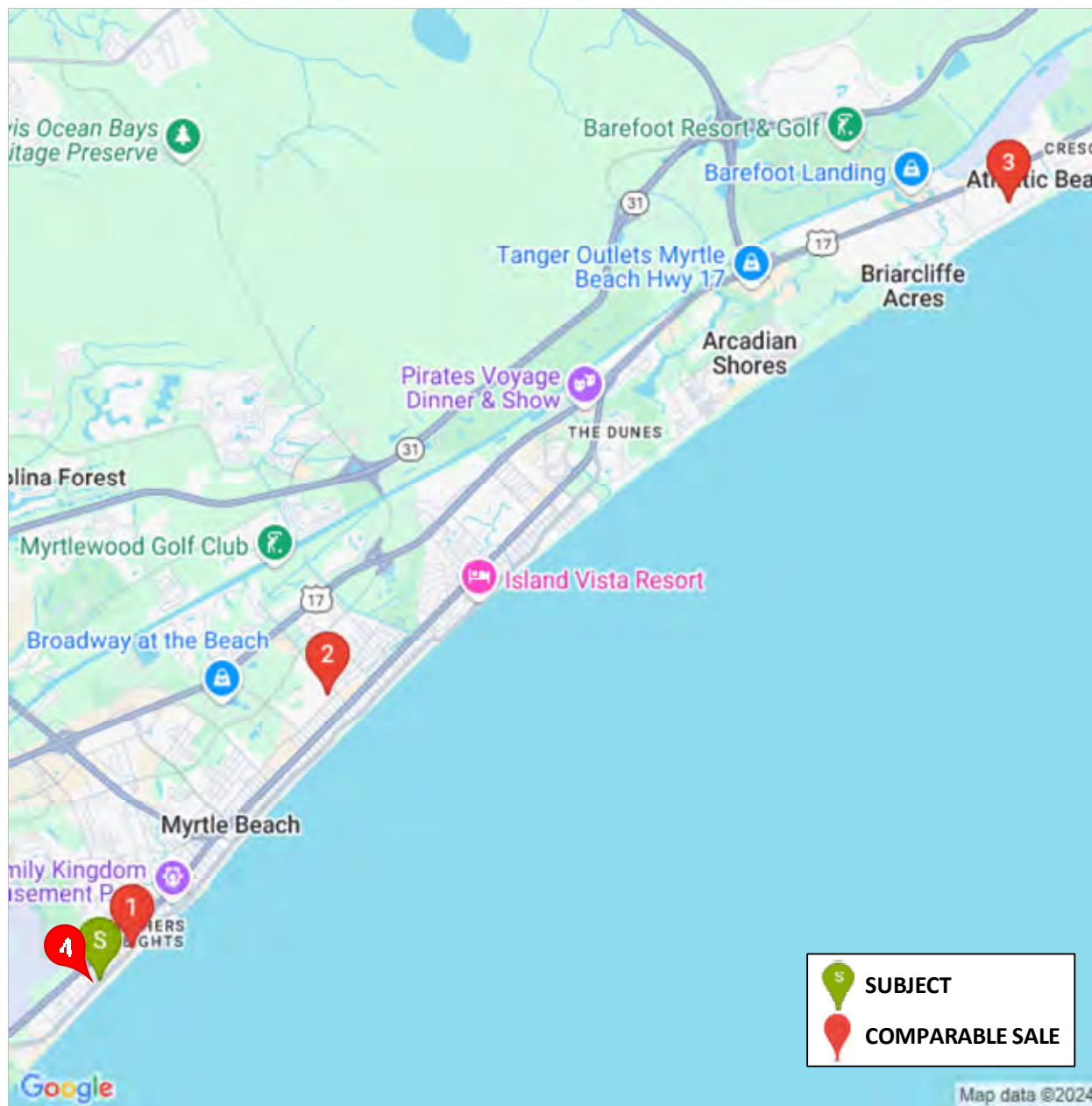
<b>Construction Type</b>	Brick	<b>Condition</b>	Average
<b>Year Built</b>	1965	<b>No. of Stories</b>	2
<b>GBA (ft²)</b>	9,924	<b>Units</b>	12
<b>Avg Unit Size (ft²)</b>	827	<b>Property Sub Type</b>	Market Rate

## Financial Information

<b>EGI</b>	N/A	<b>OpEx</b>	N/A
<b>NOI</b>	N/A	<b>Expense Ratio</b>	
<b>EGIM</b>		<b>NIM</b>	
<b>OAR</b>	N/A	<b>Occupancy</b>	100%

## Comments

This is the sale of a market rate apartment community. It contains all two-bedroom units.



IMPROVED SALES MAP

SALES COMPARISON ANALYSIS GRID					
CATEGORY	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
<b>Name</b>	<b>Pace View I</b>	<b>Atlantic Breeze Apartments</b>	<b>607 37th Avenue N</b>	<b>Ocean Oak</b>	<b>Courtyard</b>
Property Rights	Leased Fee	Fee Simple	Fee Simple	Fee Simple	Fee Simple
City	Myrtle Beach	North Myrtle Beach	Myrtle Beach	North Myrtle Beach	Myrtle Beach
State	SC	SC	SC	SC	SC
Year Built	1968/2023	1966/1985	1974	1960	1965
Effective Age	20	20	20	20	20
Date		August-24	August-24	June-23	October-23
Construction Type	Concrete And Steel	Masonry	Brick	Brick	Brick
Units	68	18	5	18	12
Sale Price		\$2,250,000	\$700,000	\$2,300,000	\$1,600,000
OAR		N/A	N/A	N/A	N/A
Avg Unit Size (ft <sup>2</sup> )	595	639	800	582	827
<b>Price Per Unit</b>		<b>\$125,000</b>	<b>\$140,000</b>	<b>\$127,778</b>	<b>\$133,333</b>
<b>Transaction Adjustments</b>					
Property Rights					
Financing					
Conditions of Sale					
Market Conditions			-1%	-2%	-1%
Expenditures After Sale					
<b>Adjusted Price Per Unit</b>		<b>\$125,000</b>	<b>\$140,000</b>	<b>\$125,222</b>	<b>\$132,000</b>
<b>Property Adjustments</b>					
Location		-5%		-5%	
Community Size					
Avg Unit Size (ft <sup>2</sup> )			-10%		-10%
Age/Condition			-5.0%		-5.0%
Quality/Amenities					
<b>Adjusted Price Per Unit</b>		<b>\$118,750</b>	<b>\$126,000</b>	<b>\$118,961</b>	<b>\$118,800</b>
<b>Net Adjustments</b>		<b>-5.0%</b>	<b>-10.0%</b>	<b>-5.0%</b>	<b>-10.0%</b>
<b>Gross Adjustments</b>		<b>5.0%</b>	<b>10.0%</b>	<b>5.0%</b>	<b>10.0%</b>

## EXPLANATION OF ADJUSTMENTS

The following are generally accepted adjustment categories. The transaction adjustments must be performed in order, but the physical adjustments are additive. An explanation of each adjustment category is as follows:

### PROPERTY RIGHTS CONVEYED

No adjustments were found necessary for property rights appraised. All sales are fee simple, and no adjustments are required. ***The sales are Fee Simple subject to short term leases and are considered to have similar property rights as Pace View I.***

### FINANCING TERMS

All sales were for cash or cash equivalent sales, and no adjustments were required.

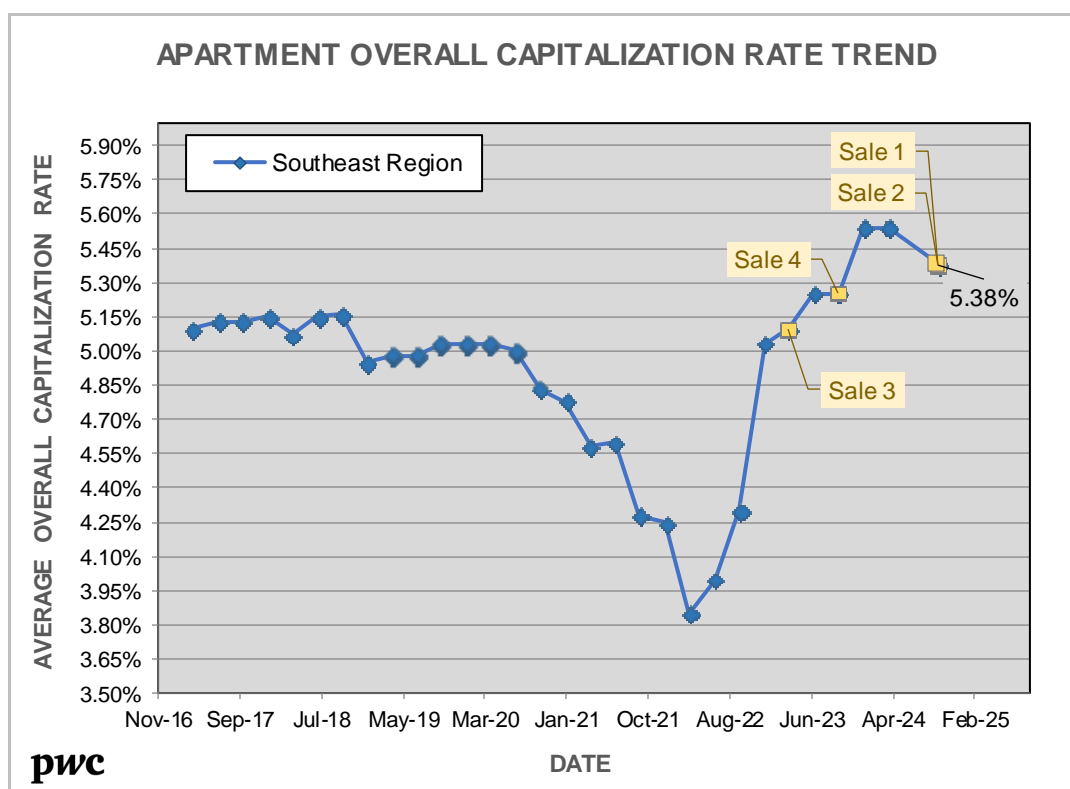
### CONDITIONS OF SALE (MOTIVATION)

Typical adjustments under this category include adjustments for plottage, purchasing additional land for expansion, disposal of unwanted fixed assets off corporate accounting books, or other typically motivated sales.

- **Sale 1** had typical buyer and seller motivations, and no adjustment was made.
- **Sale 2** had typical buyer and seller motivations, and no adjustment was made.
- **Sale 3** had typical buyer and seller motivations, and no adjustment was made.
- **Sale 4** had typical buyer and seller motivations, and no adjustment was made.

### MARKET CONDITIONS (TIME)

The sales occurred between June 8, 2023 and August 26, 2024. The following graph shows the average overall capitalization rate for apartments in the Southeast Region. Overall capitalization rates are a good proxy of general market conditions. Since the beginning of 2022, the average overall capitalization rate has increased substantially, indicating weakening market conditions.



- **Sale 1** was made during similar market conditions, and no adjustment was made.
- **Sale 2** was made during similar market conditions, and no adjustment was made.
- **Sale 3** was made during stronger market conditions and was adjusted downward.
- **Sale 4** was made during stronger market conditions and was adjusted downward.

## EXPENDITURES AFTER SALE

Comparable properties can be adjusted for any additional investment (e.g., curing deferred maintenance) required to make the property salable. None of the comparables had any known expenditures after sale. Therefore, no adjustments were made.

## LOCATION

Pace View I is located in a suburban area of Myrtle Beach, South Carolina. We estimated the strength of location by comparing the median household incomes within a 1-mile radius. The following table shows the comparisons to Pace View I. We used this analysis to provide a general indication of the strength of location. A significant difference in household income is required to warrant any adjustment.

LOCATION ANALYSIS MEDIAN HOUSEHOLD INCOME 1-MILE RADIUS			
Comparable		Median HH Income	% Difference From Subject
Number	Name		
1	Atlantic Breeze Apartments	\$57,096	43%
2	607 37th Avenue N	\$41,646	21%
3	Ocean Oak	\$55,848	41%
4	Courtyard	\$29,642	-11%
<b>Pace View I</b>		<b>\$32,797</b>	

- **Sale 1** has a superior location, with a higher median household income, and it was adjusted downward.
- **Sale 2** has a similar location, with a similar median household income, and it no adjustment was made.
- **Sale 3** has a superior location, with a higher median household income, and it was adjusted downward.
- **Sale 4** has a similar location, with a similar median household income, and it no adjustment was made.

## COMMUNITY SIZE

Pace View I has 68 units. There is a direct positive relationship between the sale price per unit and the number of units in multi-family communities.

- **Sale 1** has 18 units, is similar in general size, and no adjustment was made.
- **Sale 2** has 5 units, is similar in general size, and no adjustment was made.
- **Sale 3** has 18 units, is similar in general size, and no adjustment was made.
- **Sale 4** has 12 units, is similar in general size, and no adjustment was made.

## AVERAGE UNIT SIZE

Pace View I has an average unit size of 595 square feet. We performed a regression analysis using several apartment community sales to estimate the magnitude and direction of the average unit size adjustment. As shown in the following tables, the regression results show an adjusted R Square of 0.59. The dependent variable was sale price per unit, and the independent variables were Avg Unit Size and Actual Age. Avg Unit Size has a coefficient of 85.68, and a t-statistic of 2.54. With a t-statistic over 2.0, the Avg Unit Size is a significant variable. The Actual Age variable also has a significant t-stat of -4.80.

Regression Statistics			
Multiple R	0.784		
R Square	0.615		
Adjusted R Square	0.59		
Standard Error	23303.1		
Observations	36		

Variable	Coefficients	Standard Error	t Stat
Intercept	36,392.20	36,974.54	0.98
Avg Unit Size	85.68	33.68	2.54
Actual Age	-1,529.85	318.93	-4.80

As shown in the following table, applying the Avg Unit Size regression coefficient to the sales results in the following regression indications which are suggested adjustments for average unit size. The Actual Age variable is accounted for in the Age/Condition adjustment below. **Since the regression analysis does not take into account location, property, size, construction quality, and community amenities, we discounted the regression indication results.** However, the results provide the direction of the adjustment and relative magnitude between the comparables.

AVERAGE UNIT SIZE ADJUSTMENT ANALYSIS					
	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Avg Unit Size (sq ft)	595	639	800	582	827
x Regression Coefficient	85.68	85.68	85.68	85.68	85.68
= Predicted Unit Price	\$51,007	\$54,752	\$68,547	\$49,868	\$70,860
Difference From Subject		\$3,745	\$17,540	-\$1,139	\$19,853
÷ Sale Price Per Unit		\$125,000	\$140,000	\$127,778	\$133,333
= Regression Indication		-3%	-13%	1%	-15%

- **Sale 1** has a similar average unit size of 639 square feet, and no adjustment was made.
- **Sale 2** has a larger average unit size of 800 square feet and was adjusted downward.
- **Sale 3** has a similar average unit size of 582 square feet, and no adjustment was made.
- **Sale 4** has a larger average unit size of 827 square feet and was adjusted downward.



## AGE/CONDITION

Pace View I was built in the 1968/2023, and has an effective age of 20 year(s).

- **Sale 1** was built in 1966/1985, has a similar effective age of 20 years, and no adjustment was made.
- **Sale 2** was built in 1974, has a similar effective age of 20 years, and no adjustment was made.
- **Sale 3** was built in 1960, has a similar effective age of 20 years, and no adjustment was made.
- **Sale 4** was built in 1965, has a similar effective age of 20 years, and no adjustment was made.

## QUALITY/AMENITIES

Pace View I is a five-story Class B/C community. It is constructed of concrete and steel, and has minimal community amenities.

- **Sale 1** has similar amenities and construction quality, and no adjustment was made.
- **Sale 2** has similar amenities and construction quality, and no adjustment was made.
- **Sale 3** has similar amenities and construction quality, and no adjustment was made.
- **Sale 4** has similar amenities and construction quality, and no adjustment was made.

## RECONCILIATION

After making adjustments, the sales ranged from \$118,750 to \$126,000 per units, and averaged \$120,628 per units. We selected a value of \$121,000 per unit. Applying this to the 68 units yields an Indicated As Is Value (Rounded) of \$8,230,000. We did not make any deductions for rent loss, capital expense, or deferred maintenance (\$0) from the Indicated As Is Value (Rounded). The Final As Is Value (Rounded) is \$8,230,000 (Rounded).

VALUE RANGES & RECONCILED VALUE				
	Unadjusted	Adjusted	% Δ	
Low	\$125,000	\$118,750	-5%	
High	\$140,000	\$126,000	-10%	
Average	\$131,528	\$120,628	-8%	
Median	\$130,556	\$118,881	-9%	
Reconciled Value/Unit		\$121,000		
Subject Size		68 units		
Indicated As Is Value (Rounded)		\$8,230,000		
Less Deferred Maint/Rent Loss/Bonus Value		\$0		
Final As Is Value (Rounded)		\$8,230,000		

## SALES COMPARISON APPROACH

AS IS - NOVEMBER 8, 2024

\$8,230,000

## RECONCILIATION

Final reconciliation is defined as the process of evaluating alternative value indications and forming an opinion of value from the approaches used in this report. In this process, we weigh the relative significance, applicability and reliability of the indication of value derived from each approach and place most credence on the one, which, in our professional judgment, best reflects the actions and thought processes of market participants. Two approaches were used to form our opinions of value, and they are presented in the following table:

SUMMARY OF VALUE INDICATIONS		
Approach to Value	Property Rights	As Is
		November 8, 2024
Income Approach	Leased Fee	\$8,235,000
Sales Comparison Approach	Leased Fee	\$8,230,000

Experience indicates different investors are willing to pay varying amounts for the same property. This phenomenon is due to variations in expectations of income production potential, tax advantages or disadvantages, anticipated reversions, special financing and various other factors. Our selection of the final estimate of value is based primarily on the value estimates of the Income Approach with support from the Sales Comparison Approach. The Income Approach has primary significance when valuing small multi-family portfolio income producing real estate, and when sufficient market information such as comparable sales are available upon which to base estimates of value. Investors would not typically rely on the Cost Approach.

## FINAL VALUE CONCLUSIONS

The following table presents the summary of value conclusions.

FINAL VALUE CONCLUSIONS			
Premise	Property Rights	Date	Final Value
As Is	Leased Fee	November 8, 2024	\$8,235,000

## FINAL VALUE ALLOCATIONS

As shown earlier in this report, the estimated FF&E for the community is \$80,000.

PACE VIEW I SUMMARY OF FF&E COSTS			
<i>Formula</i>	<i>a</i>	<i>b</i>	<i>c = a x b</i>
<b>Kitchen Appliance</b>	<b>Unit Cost</b>	<b>Number/Size</b>	<b>Cost New</b>
Appliances	\$2,250	68	\$153,000
<b>Replacement Cost New</b>			<b>\$153,000</b>
Soft Costs	5%		\$7,650
<b>Total FF&amp;E Costs New</b>			<b>\$160,650</b>
Effective Age		10	
Economic Life		20	
Depreciation		50%	
<b>Total FF&amp;E Depreciation</b>			<b>(\$80,325)</b>
<b>Total FF&amp;E (Rounded)</b>			<b>\$80,000</b>

As shown in the following table, we allocated the final value among Real Estate and FF&E.

ALLOCATED FINAL VALUE CONCLUSIONS PACE VIEW I	
As Is	
Component	November 8, 2024
Real Estate	\$8,155,000
FF&E	\$80,000
<b>Total</b>	<b>\$8,235,000</b>

## **ADDENDA**

Tax Cards

Tax Bills

Business License

Rent Roll

Engagement Letter



**HURL ROCKS; LT 4 BL 8**

PIN: 44502020322 - TMS: 1870103017

## Parcel

**Owner**OB21 LLC  
4545 ARNOLD BLVD  
HOWELL NJ 07731

Neighborhood Name	MYRTLE BEACH
Neighborhood Number	4104184
District	880 - MYRTLE BEACH
Legal Acres	0.31

## Transfer of Ownership

Grantor	Grantee	Consideration	Transfer Date	Deed Book / Page	Deed Type
	PERKINS MELBA T	5.00	1990-06-01	1420 / 655	DEED
PERKINS MELBA T	HURL ROCK MOTEL PART	5.00	1990-06-01	1420 / 655	DEED
HURL ROCK MOTEL PART	HURL ROCK MOTEL PART	5.00	1990-08-10	1420 / 659	DEED
HURL ROCK MOTEL PART	PERKINS DAVID C	1.00	1990-09-28	1433 / 502	DEED
PERKINS DAVID C	HURL ROCK MOTEL INC	5.00	1992-05-22	1550 / 81	DEED
HURL ROCK MOTEL INC	ST MINA INC	2780000.00	2005-06-07	2925 / 235	DEED
ST MINA INC	HURL ROCK INC	1850000.00	2010-09-21	3490 / 30	DEED
HURL ROCK INC	HURL ROCK MOTEL INC	1850000.00	2011-04-19	3517 / 1114	DEED
HURL ROCK MOTEL INC	KHUSH LLC	1475000.00	2013-04-16	3650 / 2201	DEED
KHUSH LLC	ROSEN SEA, LLC	1025000.00	2018-01-05	4072 / 696	DEED
ROSEN SEA, LLC	OB21 LLC	4000000.00	2021-11-03	4483 / 3366	DEED

## Valuation Record

Assessment Year	Reason for Change	Appraised							
		Residential		Farm			Other		Total
		Land	Improvement	Land	Improvement	Use	Land	Improvement	
2010	Converted REASSESSMENT ROLL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$433,400.00	\$1,006,504.00	\$1,439,904.00
2011	Converted 2011 Tax Roll Build	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$433,400.00	\$601,600.00	\$1,035,000.00
2014	Converted 2014 Reassessment Tax Roll	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$600,000.00	\$650,000.00	\$1,250,000.00
2019	Converted 2019 Reassessment Tax Roll	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$895,600.00	\$1,183,200.00	\$2,078,800.00
2020	Converted 2020 Tax Roll	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$895,590.00	\$754,400.00	\$1,649,990.00
2022	Converted Tax Roll	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000,000.00	\$2,150,000.00	\$3,150,000.00
2024	Current Value	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,125,000.00	\$1,750,770.00	\$2,875,770.00

## Land Size

Land Type	Acreage - or - Effective Frontage		Square Feet - or - Effective Depth		Influence Factor
Comm WaterView	0.000000		0.000000		FF on CV



# Summary of Improvements

Property Type	Description	Quality	Condition	Square Feet	Construction Type	Stories	Year Built	Style	Occupancy	Room Count	Bedroom Count	Bath Count	Mobile Home Make	Mobile Home Model	Mobile Home Length/Width	Mobile Home Ski
Commercial	C01 HOUNITR	Average	Average	25011	Masonry	5.00	1968	343 - Motel	Motel	0	0.00	0.00				

# Summary of Addons

Type	Description	Unit Count
Add On	650 - Paving - Commercial - Average SF	1185
Add On	650 - Paving - Commercial - Average SF	8558
Add On	160 - Canopy - Commercial - Average SF	641
Add On	160 - Canopy - Commercial - Average SF	576
Add On	160 - Canopy - Commercial - Average SF	65
Add On	160 - Canopy - Commercial - Average SF	939
Add On	160 - Canopy - Commercial - Average SF	939
Add On	160 - Canopy - Commercial - Average SF	84
Add On	330 - Elevator - Commercial UNIT	1

# Summary of Details

No Improvement Data Available.
--------------------------------

# Physical Characteristics

Style	343 - Motel
Occupancy	Motel
Stories	5.00
Finished Area	25011

## Heating and Air Conditioning

HVAC Type	Heat Pump Individual Unit
HVAC Percent	1.0000

## Exterior Cover

Construction Type	Masonry
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**HURL ROCKS; LT 2 BL 13**

PIN: 44315040077 - TMS: 1870103019

# Parcel

## Owner

OB21 LLC  
4545 ARNOLD BLVD  
HOWELL NJ 07731

Neighborhood Name	4104189
Neighborhood Number	4104189
District	880 - MYRTLE BEACH
Legal Acres	0.39

# Transfer of Ownership

Grantor	Grantee	Consideration	Transfer Date	Deed Book / Page	Deed Type
	PERKINS MELBA T	5.00	1990-06-01	1420 / 655	DEED
PERKINS MELBA T	HURL ROCK MOTEL PART	5.00	1990-06-01	1420 / 655	DEED
HURL ROCK MOTEL PART	HURL ROCK MOTEL PART	5.00	1990-08-10	1420 / 659	DEED
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HURL ROCK MOTEL INC	ST MINA INC	2780000.00	2005-06-07	2925 / 235	DEED
ST MINA INC	HURL ROCK INC	1850000.00	2010-09-21	3490 / 30	DEED
HURL ROCK INC	HURL ROCK MOTEL INC	1850000.00	2011-04-19	3517 / 1114	DEED
HURL ROCK MOTEL INC	KHUSH LLC	1475000.00	2013-04-16	3650 / 2201	DEED
KHUSH LLC	ROSEN SEA, LLC	1025000.00	2018-01-05	4072 / 696	DEED
ROSEN SEA, LLC	OB21 LLC	4000000.00	2021-11-03	4483 / 3366	DEED

# Valuation Record

Assessment Year	Reason for Change	Appraised							
		Residential		Farm		Other			
		Land	Improvement	Land	Improvement	Use	Land	Improvement	Total
2010	Converted REASSESSMENT ROLL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$396,600.00	\$33,260.00	\$429,860.00

**Appraised**

Assessment Year	Reason for Change	Residential		Farm			Other		Total
		Land	Improvement	Land	Improvement	Use	Land	Improvement	
2011	Converted 2011 Tax Roll Build	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$170,000.00	\$20,000.00	\$190,000.00
2014	Converted 2014 Reassessment Tax Roll	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$330,000.00	\$26,300.00	\$356,300.00
2019	Converted 2019 Reassessment Tax Roll	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$330,000.00	\$44,800.00	\$374,800.00
2020	Converted 2020 Tax Roll	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$237,000.00	\$13,000.00	\$250,000.00
2024	Current Value	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$691,250.00	\$74,144.00	\$765,394.00

## Land Size

Land Type	Acreage - or - Effective Frontage	Square Feet - or - Effective Depth	Influence Factor
Comm Primary	0.280000	12000.000000	SF on CP
Comm Secondary	0.360000	15500.000000	SF on CS

## Summary of Improvements

No Improvement Data Available.

## Summary of Addons

Type	Description	Unit Count
Add On	650 - Paving - Commercial - Average SF	14538

## Summary of Details

No Improvement Data Available.

## Physical Characteristics

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No Physical Characteristic Data Available.

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# Horry County

## ONLINE TAX PAYMENT

**Notice #: 287050243**

**Status: Unpaid**

**Issue Date: 09/30/24**

**Balance Due: \$50,028.90**

### Tax Information

**Name:** OB21 LLC

**Address:** 4545 ARNOLD BLVDHOWELL NJ 07731

**Tax Year:** 2024

**District/Levy:** 880 / 171.2

**City/Levy:** MB / 083.4

**Total Appraisal:** 3,275,000

**Total Assessed:** 196,500

<b>Assessment Ratio:</b>	<b>Land Appraisal:</b>	<b>Building Appraisal:</b>
6%	1,125,000	2,150,000

### Property Information

**Record Type:** Real Estate

**Map Number:** 1870103017

**PIN:** 44502020322

**Acres:** .00

**Description:** LT 4 BL 8HURL ROCKS

## Taxes

---

<b>County Tax:</b>	\$33,640.80
<b>City Tax:</b>	\$16,388.10
<b>Fees:</b>	\$0.00
<b>Residential Exemption:</b>	\$0.00
<b>Homestead Exemption:</b>	\$0.00
<b>Other Exemptions:</b>	\$0.00
<b>Local Option Credit:</b>	\$0.00
<b>Total Taxes:</b>	\$50,028.90

## Penalty Information

---

<b>Date:</b>	<b>Amount Due:</b>
01/15/25	\$51,529.77
02/03/25	\$55,031.79
03/17/25	\$57,533.24



# Horry County

## ONLINE TAX PAYMENT

**Notice #: 043751244**

**Status: Unpaid**

**Issue Date: 09/30/24**

**Balance Due: \$39.20**

### Tax Information

<b>Name:</b>	OB21 LLC
<b>Address:</b>	45 ARNOLD BLVDHOWELL NJ 07731
<b>Tax Year:</b>	2024
<b>District/Levy:</b>	880 / 171.2
<b>City/Levy:</b>	MB / 083.4
<b>Total Assessed:</b>	154

### Property Information

<b>Record Type:</b>	Personal
<b>TaxID:</b>	3 6048966
<b>Description:</b>	HURL ROCKS
<b>Description 2:</b>	LT 2 BL 13

### Taxes

<b>County Tax:</b>	\$26.36
<b>City Tax:</b>	\$12.84

<b>Fees:</b>	\$0.00
<b>Residential Exemption:</b>	\$0.00
<b>Homestead Exemption:</b>	\$0.00
<b>Other Exemptions:</b>	\$0.00
<b>Local Option Credit:</b>	\$0.00
<b>Total Taxes:</b>	\$39.20

## Penalty Information

---

<b>Date:</b>	<b>Amount Due:</b>
01/15/25	\$40.38
02/03/25	\$43.12
03/17/25	\$45.08

THIS LICENSE MUST  
BE POSTED IN A  
CONSPICUOUS PLACE

## CITY OF MYRTLE BEACH BUSINESS LICENSE

THIS LICENSE IS NOT  
TRANSFERRABLE WITH  
A CHANGE OF OWNERSHIP

**Effective Date:** May 24, 2024

**License #:** 42396

**Business Description:**  
LONG TERM RENTAL

**Business Location:**  
2010 S OCEAN BLVD

**Business Name:**  
PACE 1

**Legal Name of Business:**  
D & D RESIDENTIAL LLC  
**Person Responsible:**  
DANIEL G HARRAR

1406 COMMERCE PL B  
MYRTLE BEACH, SC 29577



**Expiration Date:** Apr 30, 2025

Myrtle Beach, South Carolina

Not valid unless certified for  
the full amount of the license.

This license expires as specified above

Licensed business to be conducted  
in conformity with and subject to  
the provisions of the ordinances  
of the City of Myrtle Beach and the  
laws of the State of South Carolina.

**Date Issued:** May 29, 2024

*JB. H*  
JEREMY ROOF, DIRECTOR OF FINANCIAL SERVICES

Business License Pocket Cards- Please Detach and Retain.

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**Date Issued:** May 29, 2024

*JB. H*  
JEREMY ROOF, DIRECTOR OF FINANCIAL SERVICES

Pace View 1

Unit	Name	Unit Type	Base Rent	Actual Charge
101	Payne, Emilee	1 Bdr	\$ 1,200	\$ 1,200
102	Moore, Stephanie	Studio	\$ 1,300	\$ 1,300
103	Williams, Joseph	Studio	\$ 1,345	\$ 1,300
104	Sports, Chandler	Studio	\$ 1,345	\$ 1,345
105	Cathcart, Anthony	Studio	\$ 1,200	\$ 1,200
106	Niskala, Ashely	1 Bdr	\$ 1,500	\$ 1,500
108	Kramer, Cynthia	Studio	\$ 1,300	\$ 1,300
109	Jack Belcher	Studio	\$ 1,345	\$ 1,345
111	Timmerman, David B.	Studio	\$ 1,000	\$ 1,000
112	Adam Realty, Paul Serruat	Studio	\$ 1,375	\$ 1,375
113	Adam Realty Ricardo Curdoza	Studio	\$ 1,500	\$ 1,500
114	Adan Reakty, Julio Munoz	Studio	\$ 1,500	\$ 1,500
115	employees, Graig	Studio	\$ 1,200	\$ 1,200
116	Warren , Whitney	Studio	\$ 1,200	\$ 1,200
200	Adams Reality , Kevin Mateo	Ig Studio	\$ 1,300	\$ 1,300
201	Pedro Pena, Adams Realty	1 Bedroom	\$ 1,400	\$ 1,400
202	Adam Realty, Saadith Barahona - Ana Sagastume	Studio	\$ 1,300	\$ 1,300
203	Nick Stephans	Studio	\$ 1,345	\$ 1,345
204	Adam Realty, Kevin Espinal	Studio	\$ 1,300	\$ 1,300
205	Adam Realty, Francisco Badillo	Studio	\$ 1,250	\$ 1,250
206	Aide Arias, Adams Realty	1 Bdr	\$ 1,350	\$ 1,350
208	Maria Pineda Nieto	Studio	\$ 1,300	\$ 1,300
209	Kelly Hickey	Studio	\$ 1,345	\$ 1,345
211	Cameron, William	1 Bdr	\$ 1,424	\$ 1,424
212	Adam Realty, Weliton Paulo De Almeida	1 Bdr	\$ 1,400	\$ 1,400
213	Elder Pineda & Jose Perdomo, Adams Realty	1 Bdr	\$ 1,425	\$ 1,425
300	Lu, Dianaja	Ig Studio	\$ 1,400	\$ 1,400
301	Melissa	1 Bdr	\$ 1,500	\$ 1,500
302	Adams Reality, Edgar Gomez	Studio	\$ 1,300	\$ 1,300
303	Hatayilli, Mertkain	Studio	\$ 1,300	\$ 1,300
304	Adams Reality , Hermelindo Gonzales	Studio	\$ 1,335	\$ 1,335
305	Camilo, David	Studio	\$ 1,300	\$ 1,300
306	Pommells, Teneshia	1 Bdr	\$ 1,500	\$ 1,500
308	Josh	Studio	\$ 1,300	\$ 1,300
309	Adam Realty, Kelvin Riley	Studio	\$ 1,425	\$ 1,425
311	Monahan, Karen	1 Bdr	\$ 1,305	\$ 1,305
312	Nordman, Jennifer & Jessica	1 Bdr	\$ 1,500	\$ 1,500
313	Hutto, Carlton	1 Bdr	\$ 1,400	\$ 1,400

Rent Roll Pace View 1

8/6/2024 1:33:10 PM

As of 8/6/2024

400	Harps, Desiree	1 Bdr	\$	1,400	\$	1,400
401	Thompson, Madison	1 Bdr	\$	1,500	\$	1,400
402	Reinhard, Kurt	1 Bdr	\$	1,450	\$	1,450
403	Adams Reality , Christian Carrillo	1 Bdr	\$	1,500	\$	1,500
404	Joseph Krebs Jessica Cauley	1 Bdr	\$	1,300	\$	1,375
405	Bayarasaikhan, Purevkhuu	1 Bdr	\$	1,300	\$	1,300
406	Adams Reality , Jayson Wartman	1 Bdr	\$	1,345	\$	1,345
407	Adam Realty, Josh Cohen	1 Bdr	\$	1,375	\$	1,375
408	Paige, Cynthia	1 Bdr	\$	1,500	\$	1,300
409	MiAbee, Tony	1 Bdr	\$	1,300	\$	1,300
410	Boles, Ayden	Studio	\$	800	\$	800
411	Vacant	Studio				
412	Sofia, Sara	Studio	\$	1,300	\$	1,300
413	Adams Reality , Nohomy Diaz	Studio	\$	1,300	\$	1,300
502	Adams Reality , Elvie Banzouzi	Studio	\$	1,400	\$	1,400
503	Adam Realty, Semone Jones	Studio	\$	1,375	\$	1,375
504	Adams	Studio	\$	1,400	\$	1,400
505	Adams Reality , Yury Araque	Studio	\$	1,400	\$	1,400
506	Adams Reality , Reyna Sanchez	Studio	\$	1,400	\$	1,400
507	Adams Reality , Minkala Cladeah	Studio	\$	1,400	\$	1,400
508	Adams Reality , Pulcherie Diathihoulou	Studio	\$	1,400	\$	1,400
509	Adams Reality , Promesse Lousolana	Studio	\$	1,400	\$	1,400
510	Deja Hines	Studio	\$	1,450	\$	1,450
511	Nicholas Giglibobianco	Studio	\$	1,000	\$	1,000
512	Adams Reality , Victor Castilo		\$	1,500	\$	1,500
513	Adam Realty, Minkala Boumpoutou		\$	1,400	\$	1,400
# of Units: 64		Total:	\$	84,909	\$	84,639

RIMS Customer: TD Bank, N.A.

Project #: 24-003249-01-1

**-Award Information**

Date Awarded: 10/29/2024  
 Cancelled: No  
 Fee: \$3,250.00  
 Property Contact(s): Harrar, 843-455-1671

Directly Awarded: No  
 Delivery Date: 11/21/2024

**Job Attachments:**

File	Description	Date Uploaded	Confirmation Number	Select
Rent Roll 2010 S Ocean Blvd.xlsx		10/23/2024 11:40 AM EDT		
2010 S Ocean Blvd - 205.pdf		10/23/2024 11:49 AM EDT		
2010 S Ocean Blvd - 208.pdf		10/23/2024 11:51 AM EDT		
2010 S Ocean Blvd - 212.pdf		10/23/2024 11:51 AM EDT		
2010 S Ocean Blvd - 206.pdf		10/23/2024 11:51 AM EDT		
2010 S Ocean Blvd - 403.pdf		10/23/2024 11:52 AM EDT		
2010 S Ocean Blvd - 304.pdf		10/23/2024 11:52 AM EDT		
OneDrive_2_10-23-2024.zip		10/23/2024 11:54 AM EDT		
2010 S Ocean Blvd - 413.pdf		10/23/2024 11:54 AM EDT		
2010 S Ocean Blvd - 406.pdf		10/23/2024 11:54 AM EDT		
2010 S Ocean Blvd - 505.pdf		10/23/2024 11:54 AM EDT		
2010 S Ocean Blvd - 213.pdf		10/23/2024 11:54 AM EDT		
2010 S Ocean Blvd - 508.pdf		10/23/2024 11:54 AM EDT		
2010 S Ocean Blvd - 404.pdf		10/23/2024 11:54 AM EDT		
104_Chandler Sport.pdf		10/23/2024 11:54 AM EDT		
2010 S Ocean Blvd - 509.pdf		10/23/2024 11:54 AM EDT		
105.pdf		10/23/2024 11:54 AM EDT		
2010 S Ocean Blvd - 502.pdf		10/23/2024 11:54 AM EDT		
108_Cynthia Kramer.pdf		10/23/2024 11:54 AM EDT		
116.pdf		10/23/2024 11:54 AM EDT		
111_David Timmerman (2).pdf		10/23/2024 11:54 AM EDT		
209.pdf		10/23/2024 11:55 AM EDT		
109.pdf		10/23/2024 11:55 AM EDT		
211_William Cameron.pdf		10/23/2024 11:55 AM EDT		
308_0894_001.pdf		10/23/2024 11:55 AM EDT		



301.pdf	10/23/2024 11:55 AM EDT
311.pdf	10/23/2024 11:55 AM EDT
306 Tensha Chirstoper Pommells.pdf	10/23/2024 11:55 AM EDT
312 Jessica Jennifer Nordman.pdf	10/23/2024 11:55 AM EDT
313_Carlton Hutto.pdf	10/23/2024 11:55 AM EDT
311_Karen Monahan.pdf	10/23/2024 11:55 AM EDT
303_Mertkain Hatayilli.pdf	10/23/2024 11:55 AM EDT
405_Bayarsaikhan Purehuu.pdf	10/23/2024 11:55 AM EDT
408_Cynthia Paige.pdf	10/23/2024 11:55 AM EDT
300_Dinana Luja Cordin Ginju.pdf	10/23/2024 11:55 AM EDT
400.pdf	10/23/2024 11:55 AM EDT
511.pdf	10/23/2024 11:55 AM EDT
410_Ayden Boles.pdf	10/23/2024 11:55 AM EDT
409.pdf	10/23/2024 11:55 AM EDT
2010 S Ocean Blvd - 200.pdf	10/23/2024 11:55 AM EDT
401_Madsion Thompson.pdf	10/23/2024 11:55 AM EDT
2010 S Ocean Blvd - 202.pdf	10/23/2024 11:55 AM EDT
402_Kurt Reinhard.pdf	10/23/2024 11:55 AM EDT
102_Stepaine Moore.pdf	10/23/2024 11:55 AM EDT
2010 S Ocean Blvd - 204.pdf	10/23/2024 11:55 AM EDT
2010 S Ocean Blvd - 201.pdf	10/23/2024 11:55 AM EDT
106_Ashley Niskala Matherw Biggs.pdf	10/23/2024 11:55 AM EDT
2010 S Ocean Blvd - 404.pdf	10/23/2024 11:55 AM EDT

**- Bid Information**

Proposed Fee: \$3,250.00 Proposed Delivery Date: 11/15/2024  
Office Location: Charlotte, NC  
Prior Services: Have you performed or provided any services regarding the subject property within the prior three years, as an appraiser or in any other capacity? If Yes, please provide details in the Comments field.  
No  
Bid Comments: This bid assumes the property has been converted from a hotel into market rate apartments.

**- RFP Information**

Purpose Of Request: New Loan  
Response Deadline: 10/24/2024 RFP Contact: Stephanie Lawson  
Desired Delivery Date: 11/18/2024 Contact Phone: 803-540-2739

**ADDRESSEES:**

First name	Last name	Company	Address
Stephanie	Lawson	TD BANK	575 Columbia Ave Lexington, SC 29072

Total Addressees: 1

**DISTRIBUTION:**

Number Of Copies	First Name	Last Name	Company	Address
0	Stephanie	Lawson	TD BANK	575 Columbia Ave Lexington, SC 29072

Total # Hard Copies:0

SCOPE OF SERVICES:	<b>Intended Use</b>	Use - Loan Underwriting The intended use of this appraisal is for loan underwriting and-or credit decisions by TD Bank, N.A. and-or participants
	<b>Intended User</b>	User - TD Bank, N.A. The intended users of this report is TD Bank, N.A. and-or affiliates
	<b>Terms and Conditions</b>	By accepting this RFP you are agreeing to the terms of the TD Bank Standards and Specifications posted in the Reference Documents.
	<b>Signature Requirement</b>	The appraiser engaged must sign the appraisal report certification.
	<b>Additional Requirements</b>	A final (signed) PDF copy of the appraisal report and the invoice are required to be uploaded to RIMSCentral.

Report Type: Appraisal Report  
Report Format: Narrative

VALUATION SCENARIOS:	<b>Valuation Premise</b>	<b>Premise Qualifier</b>	<b>Property Interest</b>	<b>Comment</b>
	Market Value	As Is	Leased Fee	

<b>-Property Information</b>	
Project Name:	D & D Residential LLC
Property Description / Construction Type:	Multi-Family built in 1968 and renovated in 2024
Property Type:	GC1 - Multi-Family - Mid/High-Rise - An apartment building with four or more stories, typically elevator-served.
Address:	2010 S Ocean Blvd, Myrtle Beach, SC 29577
County:	Horry
Improvement Size (Primary):	68 Units
Land Size:	25,011 SF
Year Built:	1968
Property Status:	Existing
Property Tenancy:	Multi Tenant Investor

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TD Bank, N.A.  
575 Columbia Ave  
Lexington, SC 29072  
TDBank.com

October 29, 2024

George A. Munn  
Zawtock Munn, LLC  
P.O. Box 77622  
Charlotte, NC28271

**RE:** 24-003249-01-01  
D & D Residential LLC  
2010 S Ocean Blvd, Myrtle Beach, SC29577  
Multi-Family - Mid/High-Rise

This letter, along with the attached "Assignment Summary" will confirm your engagement to prepare a real estate appraisal on the referenced property on behalf of TD Bank.N.A. This engagement is subject to the specific terms and conditions outlined in the Request for Proposal in RIMS including, but not limited to, the comments section and any attached Reference Documents.

The purpose of the valuation is to estimate market value as defined by the Board of Governors of the Federal Reserve System, in accordance with Title XI of FIRREA (1989). Representatives of TD Bank, N.A. may perform an administrative or technical review of the report. Your full cooperation in the review process is deemed to be an integral part of this valuation assignment.

It is mutually agreed that your completed report will be uploaded through [www.rimscentral.com](http://www.rimscentral.com) to the undersigned on or before the date specified below, and that the total fee (including expenses) will not exceed the fee specified below. Unless otherwise agreed, a late penalty will be assessed at the rate of 3% of the original appraisal fee for each day the report remains outstanding beyond two business days of the scheduled delivery date. TD Bank, N.A. reserves the right to reject the report and deny payment for untimely delivery.

Date Appraisal Due: November 21, 2024 Total Fee: \$3,250 (inclusive of all expenses)

Where applicable, the valuation and report are to be prepared in conformance with the requirements of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA); the Interagency Appraisal and Evaluation Guidelines; the TD Bank, N.A. Appraisal Standards; and the Uniform Standards of Professional Practice (USPAP). The report should include a statement of the exposure time implicit in the value(s).

TD Bank, N.A. reserves the right to provide a copy of the report to the borrower, the borrower's representative, or any third party TD Bank, N.A. may deem appropriate. Further, TD Bank, N.A. reserves the right to terminate this assignment at any time without any further liability or obligation owed to you, if in the judgment of TD Bank, N.A. you have failed to perform in accordance with the terms and conditions set forth in this engagement letter. You will maintain the confidentiality and privacy of customer information obtained in the course of this assignment in compliance with USPAP and Regulation P, TitleV of the Gramm - Leach - Bliley Financial Modernization Act.

Please include a signed copy of this letter as an addendum to the completed report.

Sincerely,

Stephanie Lawson

TD BANK

Accepted By:

Printed Name:

Date:

George A. Munn

10/29/2024

## ASSIGNMENT SUMMARY

**Property Type:** Multi-Family - Mid/High-Rise

**Intended Use:** The intended use of this appraisal is for loan underwriting and-or credit decisions by TD Bank, N.A. and-or participants

**Intended User:** The intended users of this report is TD Bank, N.A. and-or affiliates

**Terms and Conditions:** By accepting this RFP you are agreeing to the terms of the TD Bank Standards and Specifications posted in the Reference Documents.

**Signature Requirement:** The appraiser engaged must sign the appraisal report certification.

**Additional Requirements:** A final (signed) PDF copy of the appraisal report and the invoice are required to be uploaded to RIMSCentral.

**Report Type:** Appraisal Report

**Report Format:** Narrative

<u>Valuation Premise</u>	<u>Premise Qualifier</u>	<u>Property Interest</u>	<u>Comment</u>
Market Value	As Is	Leased Fee	

**Contact Information:** HarrarPhone: 843-455-1671

**Report Distribution:** Please upload an electronic copy with original signatures and photographs to [www.rimscentral.com](http://www.rimscentral.com).

**CAD Contact:** Stephanie Lawson

TD BANK  
575 Columbia Ave  
Lexington, SC29072  
Telephone: 803-540-2739  
Email: [stephanie.lawson@td.com](mailto:stephanie.lawson@td.com)