REAL ESTATE APPRAISAL REPORT
OF

Resolution Family, L.P.
3912 Resolution Avenue
Ashtabula Township, Ashtabula County, Ohio
Perm. Parcel No.: 03-013-00-037-04

FOR: Spire Development
330 West Spring Street, Suite 430
Columbus, Ohio 43215

Attention: Mr. Thomas A. Grywalski

BY: Richard G. Racek, Jr., MAI

AS OF: January 1, 2023

:lb
10008

RACEK & ASSOCIATES, LLC
Appraisers and Consultants
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Lawrence A. Kell
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June 24, 2024

Spire Development
330 West Spring Street, Suite 430
Columbus, Ohio 43215

Attention: Mr. Thomas A. Grywalski

RE: Real Estate Appraisal Report of
Resolution Family, L.P.
3912 Resolution Avenue
Ashtabula Township, Ashtabula County, Ohio
Perm. Parcel No.: 03-013-00-037-04

Dear Mr. Grywalski:

In accordance with your request, the undersigned has made a personal inspection, study and analysis of the above captioned property and the area in which it is located.

The purpose of this appraisal is to estimate the market value of the subject property. The intended use of this report is to assist the client in analyzing the above captioned property for ad valorem tax purposes. The intended users comprise the client and those parties involved with this tax matter. Market value which is to be followed in this analysis is defined on page 16 of this report.

The subject property comprises a 51-unit Low Income Housing Tax Credit apartment building. The improvements comprise a part two and three-story apartment building situated on 5.0001 acres of land. Uses in the area include single family homes, apartments and the Ridgeview Elementary School. The property is located about one mile east of the City of Ashtabula central business district.

My opinion of the market value of the fee simple interest of the subject property, subject to governmental actions, as of January 1, 2023, is:

TWO MILLION ONE HUNDRED FIFTEEN THOUSAND DOLLARS
($2,115,000)

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10008

Attention: Mr. Thomas A. Grywalski

RE: Real Estate Appraisal Report of
Resolution Family, L.P.
3912 Resolution Avenue
Ashtabula Township, Ashtabula County, Ohio
Perm. Parcel No.: 03-013-00-037-04

The foregoing valuation is subject to and assumes the following:

1. **That the subject property is free and clear of any materials or conditions that are considered hazardous by the Environmental Protection Agency. If it should be discovered that such materials or conditions exist, the appraiser reserves the right to revise the final value conclusion.**

2. **The personal property contained within the subject property (furniture, fixtures and equipment) is not included in the final value estimate.**

3. **The subject property is currently being operated as a rent restricted housing complex funded with Low Income Housing Tax Credits (LIHTC) as administered by the Ohio Housing Finance Agency. This government program places use restrictions on the property which requires the owner to charge a rent that is affordable to low income residents in exchange for tax credits. The money received from the sale of the tax credits is used to fund construction of the improvements. When this is the case, the Ohio Supreme Court ruled in Woda Ivy Glen Limited Partnership v. Fayette County Board of Revision that these types of properties should be valued based upon their income generating capabilities subject to the use restrictions imposed under I.R.C. 42. The Ohio Supreme Court further ruled in Columbus City Schools Board of Education v. Franklin County Board of Revision (Network Restorations I, LLC) that when valuing a property in the LIHTC program that it is appropriate to look to "market rent" and referenced that the appropriate subset of market rents may include LIHTC market rents. Subsequently, the Ohio Board of Tax Appeals in Frank Cook Senior Housing LP v. Muskingum County Board of Revision approved the considering of the Restrictive Covenant and LIHTC market information including the subject's own experiences in determining value. See also Muddy Run Limited Partnership v. Harrison County Board of Revision. These cases also support Ohio Revised Code 5713.03 which requires that the county auditor value property in the fee simple interest, as if unencumbered but subject to any effects from the exercise of police powers or from other governmental actions. Therefore, based upon these cases, the value of the subject property will be determined by developing an Income Capitalization Approach.**

4. **The appraiser has followed Ohio Revised Code 5713.031 which pertains to valuing government funded multi-family residential properties. This code requires specific percentages to be used for vacancy, credit loss, operating expenses and replacement reserves when determining a value of a property that receives federal funding for real estate tax purposes. Since the calculations are not based upon market data, this analysis is being done subject to the Jurisdictional Exception Rule as defined by USPAP.**

5. **Various other assumptions, conditions and conclusions as contained herein.**

The accompanying report, of which this letter is a part, contains the pertinent data considered in arriving at the stated value conclusion. This analysis includes a detailed description of the site, building improvements and methods of valuation. It has been developed in accordance with and is subject to the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Standards Board of the Appraisal Foundation. The opinion of value is subject to all the assumptions and limiting conditions contained herein.

Respectfully submitted,
RACEK & ASSOCIATES, LLC

Richard G. Racek, Jr., MAI
Partner

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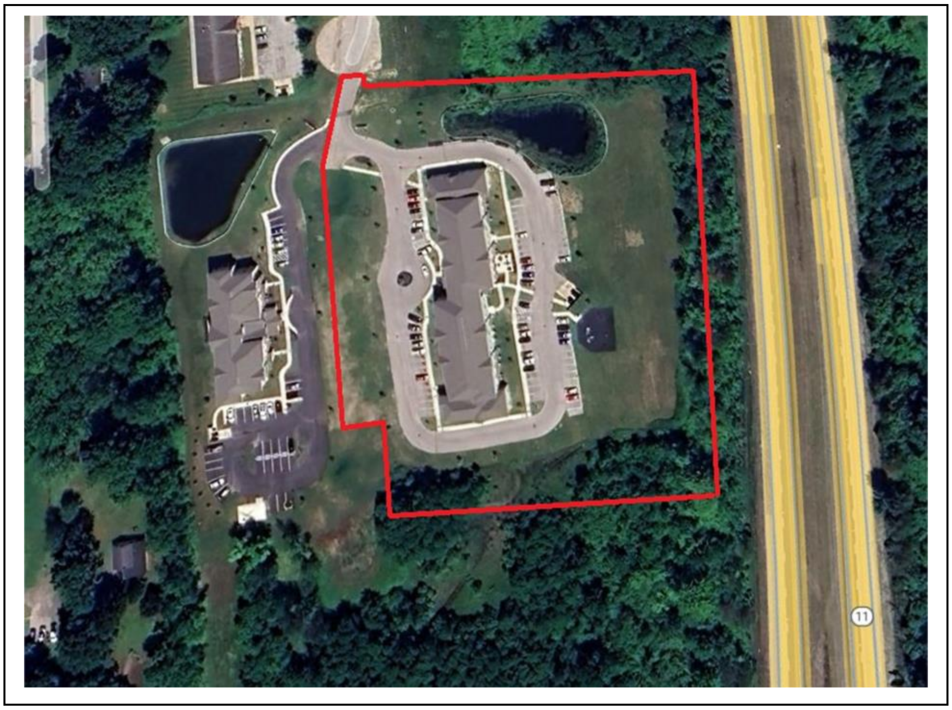
TABLE OF CONTENTS

Cover Letter

Page

Addendum



Aerial View of Subject Property

Front View of Improvements

Front View of Improvements

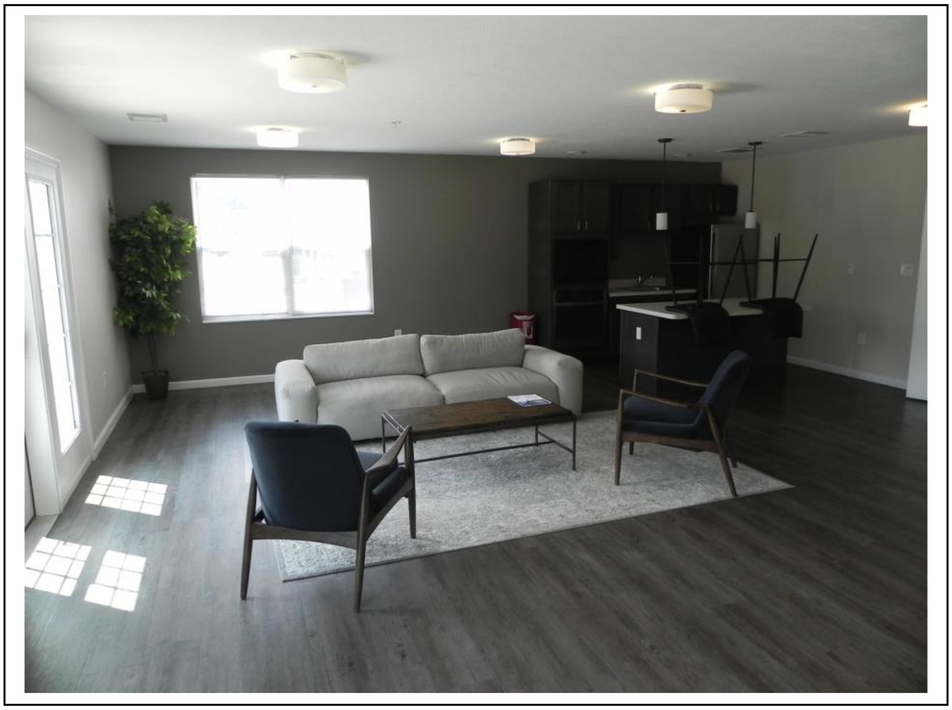
Rear View of Improvements

Parking Lot

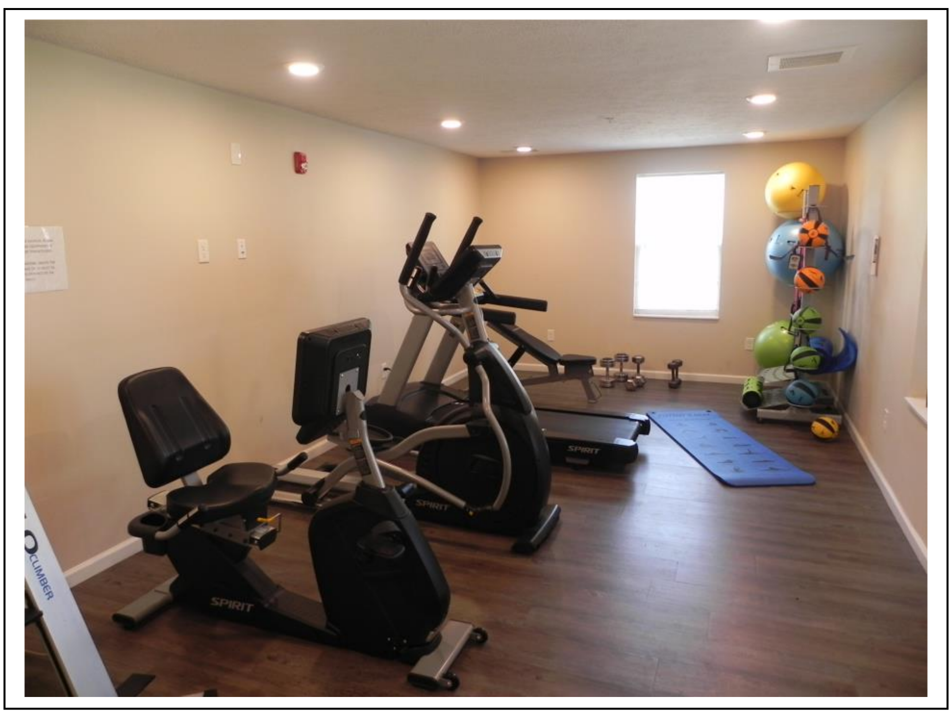
Playground

Street Scene of Resolution Avenue Facing North

Lobby



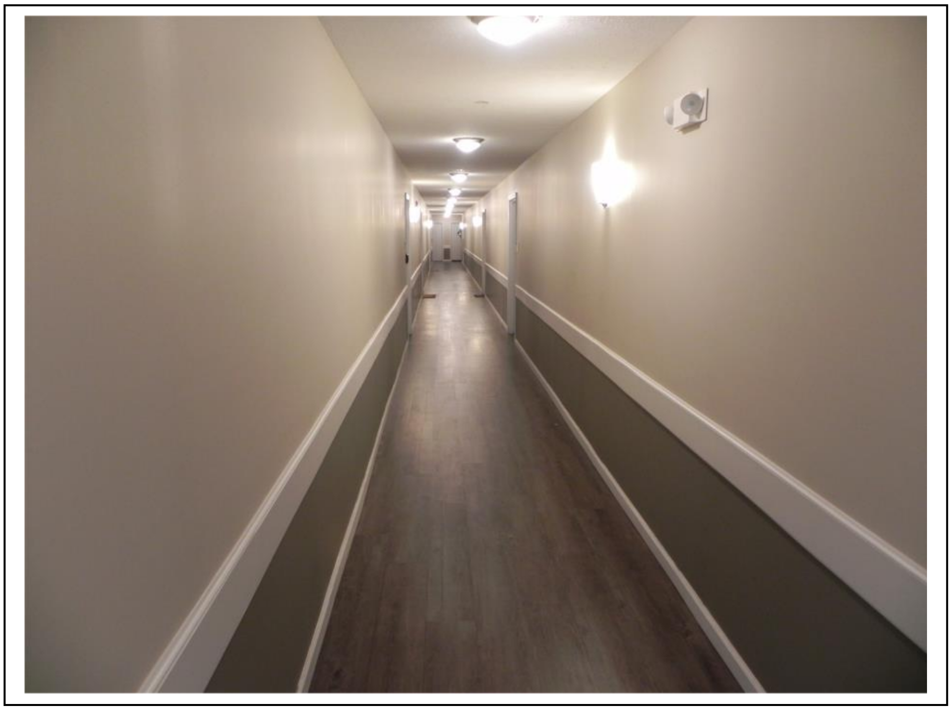
Community Room



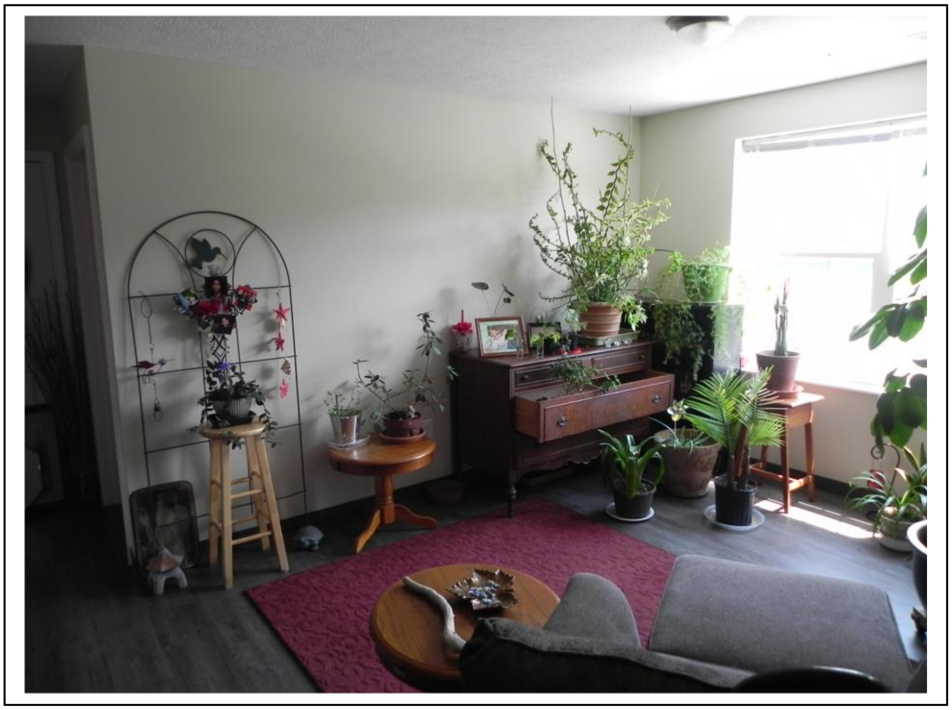
Fitness Room

Storage Lockers

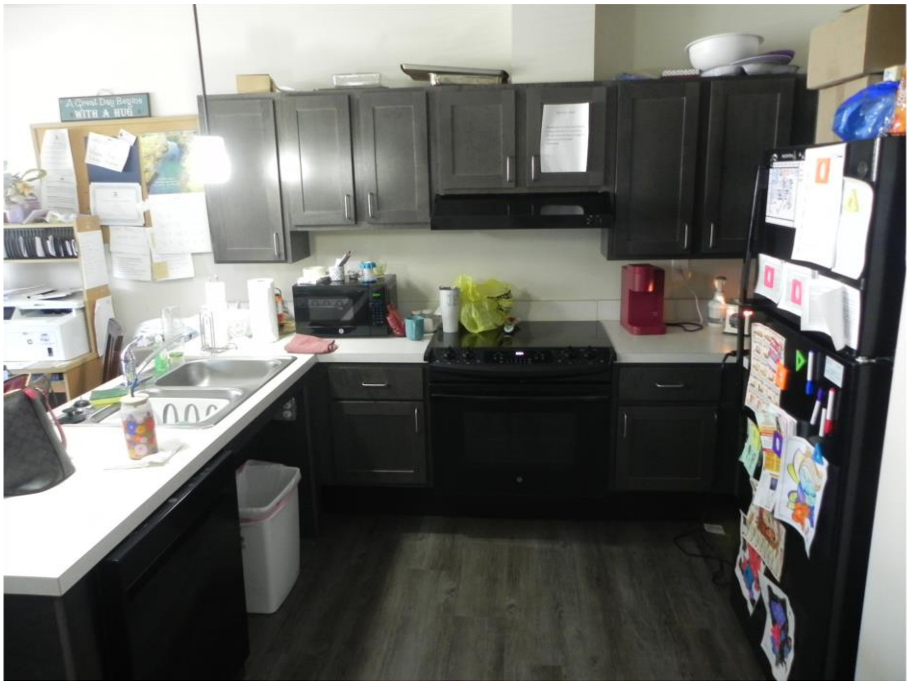
Laundry Room



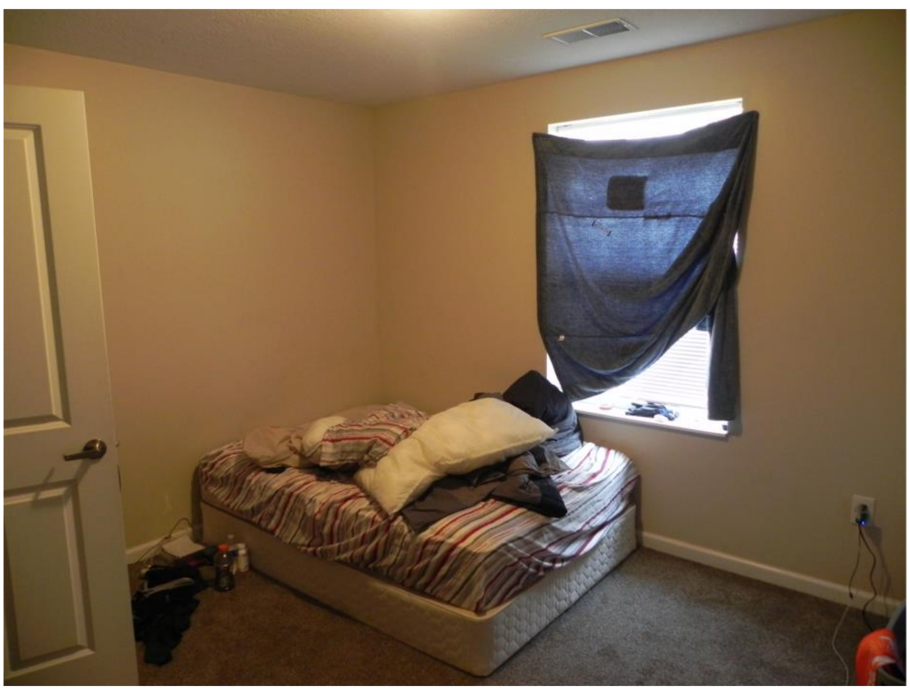
Typical Hallway



Typical Living Room



Typical Kitchen



Typical Bedroom

Typical Bathroom

Typical Half Bath

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property Location:	3912 Resolution Avenue Ashtabula Township, Ashtabula County, Ohio
Perm. Parcel No.:	03-013-00-037-04
Purpose of Appraisal:	Estimate fair market value
Property Rights Appraised:	Fee simple interest subject to governmental actions
Intended Use of Appraisal:	Ad valorem taxation purposes
Effective Date of Valuation:	January 1, 2023

Site Data:

Shape:	Irregular
Site Type:	Interior
Area:	5.0001± acres; 217,804± square feet per county records
Land-to-Building Ratio:	4.36:1
Zoning:	RMF-24; Medium Density Residential District
Topography:	Generally level
Utilities:	All public available

Improvement Data:

Type:	Part two and three-story apartment building
Construction:	Stone and cement board siding over wood frame
Gross Building Area:	49,990 square feet
No. of Units:	51 units
Year Built/Condition:	2021-2022/Good

Highest and Best Use:

As Vacant:	Permitted Multi-Family Development
As Improved:	Continued Affordable Housing Multi-Family Use

Summary of Value Estimates:

	As of January 1, 2023
Cost Approach:	Not Developed
Sales Comparison Approach:	Not Developed
Income Capitalization Approach:	$1,440,000 - $2,115,000
Final Value Conclusion:	**$2,115,000**

CERTIFICATE OF VALUE

I hereby certify that I have personally inspected the subject property being appraised, and the comparable properties; that the statements contained in this appraisal and upon which the opinions expressed herein are based, are true and correct to the best of my knowledge and belief, subject to limiting conditions herein set forth; and that to the best of my knowledge and belief no pertinent information has been overlooked in the appraisal of the following property:

Resolution Family, L.P.
3912 Resolution Avenue
Ashtabula Township, Ashtabula County, Ohio
Perm. Parcel No.: 03-013-00-037-04

The undersigned hereby certifies that, to the best of my knowledge and belief, except as otherwise noted in this appraisal report:

1. The statements of fact contained in this report are true and correct.

2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, 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 the 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. The reported analyses, opinions and conclusions were developed and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice*.

8. The use of this report is subject to the requirements 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, I (Richard G. Racek, Jr., MAI) have completed the requirements of the continuing education program of the Appraisal Institute.

12. I (Richard G. Racek, Jr., MAI) have not performed services regarding the subject property within the three year period immediately preceding acceptance of the assignment, as an appraiser or in any other capacity.

Respectfully submitted,

Richard G. Racek, Jr., MAI
Partner

June 24, 2024

LIMITING CONDITIONS AND SPECIAL ASSUMPTIONS

(Unless specifically stated otherwise in this report.)

This appraisal covers the property as described within this report. The areas and dimensions as shown herein are assumed to be correct. The information identified in this report as being furnished by others is believed to be reliable, but no responsibility for its accuracy is assumed.

Responsible ownership, competent management and a marketable title to the property are assumed and that it is free and clear of all liens and encumbrances, unless otherwise stated. No responsibility is assumed for matters involving legal or title considerations.

The parcel dimensions and sketches in this report are included to assist the reader in visualizing the property. No land survey was ordered or made by the appraiser and no responsibility is assumed for such matters. Any sketch or identified survey of the property included in this report is only for the purpose of assisting the reader.

The appraiser was not provided with any sub-surface reports in which to determine the stability of the soil, thus it is assumed that the subject soils and conditions are adequate to support the improvements.

No opinion is expressed as to the value of sub-surface oil, gas or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials.

The measurements of the improvements were taken by the appraiser and/or from architectural drawings furnished by the client. Additional maps and exhibits found in this report are for the reader's reference purposes only. No guarantee as to the accuracy is expressed or implied.

The appraiser, by reason of this appraisal, is not required to give testimony or attendance in court, unless arrangements have been previously made.

Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by anyone but the client for whom it was made without the consent of the appraiser and the client.

Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media, or publication without the written consent of the author, particularly as to valuation conclusions, the identity of the appraiser or firm with which I am connected, or reference to any professional organization to which I am associated.

That the personal property contained within the subject property, (e.g. kitchen appliances, laundry equipment, etc.) is excluded in the final value estimate. While these items are considered an integral part of the overall function of this type of real estate, they could be sold separately from the real estate.

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. No specific compliance survey and analysis of this property has been made to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. As there is no direct evidence relating to this issue, possible non-compliance with the requirements of ADA was not considered in estimating the value of the property.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

Additional special assumptions incorporated into this analysis are delineated as follows:

1. **That the subject property is free and clear of any materials or conditions that are considered hazardous by the Environmental Protection Agency. If it should be discovered that such materials or conditions exist, the appraiser reserves the right to revise the final value conclusion.**

2. **The personal property contained within the subject property (furniture, fixtures and equipment) is not included in the final value estimate.**

3. **The subject property is currently being operated as a rent restricted housing complex funded with Low Income Housing Tax Credits (LIHTC) as administered by the Ohio Housing Finance Agency. This government program places use restrictions on the property which requires the owner to charge a rent that is affordable to low income residents in exchange for tax credits. The money received from the sale of the tax credits is used to fund construction of the improvements. When this is the case, the Ohio Supreme Court ruled in Woda Ivy Glen Limited Partnership v. Fayette County Board of Revision that these types of properties should be valued based upon their income generating capabilities subject to the use restrictions imposed under I.R.C. 42. The Ohio Supreme Court further ruled in Columbus City Schools Board of Education v. Franklin County Board of Revision (Network Restorations I, LLC) that when valuing a property in the LIHTC program that it is appropriate to look to "market rent" and referenced that the appropriate subset of market rents may include LIHTC market rents. Subsequently, the Ohio Board of Tax Appeals in Frank Cook Senior Housing LP v. Muskingum County Board of Revision approved the considering of the Restrictive Covenant and LIHTC market**

information including the subject's own experiences in determining value. See also Muddy Run Limited Partnership v. Harrison County Board of Revision. These cases also support Ohio Revised Code 5713.03 which requires that the county auditor value property in the fee simple interest, as if unencumbered but subject to any effects from the exercise of police powers or from other governmental actions. Therefore, based upon these cases, the value of the subject property will be determined by developing an Income Capitalization Approach.

4. **The appraiser has followed Ohio Revised Code 5713.031 which pertains to valuing government funded multi-family residential properties. This code requires specific percentages to be used for vacancy, credit loss, operating expenses and replacement reserves when determining a value of a property that receives federal funding for real estate tax purposes. Since the calculations are not based upon market data, this analysis is being done subject to the Jurisdictional Exception Rule as defined by USPAP.**

5. **Various other assumptions, conditions and conclusions as contained herein.**

PURPOSE OF APPRAISAL

The purpose of this appraisal is to estimate the cash equivalent market value of the fee simple interest in the subject property subject to governmental actions.

DEFINITION OF MARKET VALUE

A current definition of market value agreed upon by agencies that regulate federal financial institutions in the United States of America is:

"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 the 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 best interests;

(3) a reasonable time is allowed for exposure in the open market;

(4) payment is made in terms of cash in United States 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."[1]

INTENDED USE AND INTENDED USERS OF THE APPRAISAL

The intended use of the appraisal is to assist Resolution Family, L.P. in analyzing the property for ad valorem taxation purposes. The intended users comprise the client and those parties involved with this tax matter.

[1](12 C.F.R. Part 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

TAX MAP


3912 101-114
RESOLUTION AVE
3912 200-219
3912 RESOLUTION AVE
03-013-00-037-04
3912 300-315
RESOLUTION AVE
SUBJECT
E 38TH S
ST-RT-11

STATEMENT OF OWNERSHIP AND HISTORY

The subject property is currently titled in the name of Resolution Family, L.P. The property has been in the name of this entity since April 15, 2021 when it was acquired as vacant land from New Hope Pentecostal Church of Ashtabula, Inc. for a recorded sale price of $170,000. No other recorded transactions have occurred since that date. After this acquisition, the site was improved with the existing apartment building.

IDENTIFICATION

The subject property comprises a part two and three-story elevator style apartment building which is known as Resolution Family Apartments. There are a total of 51 suites comprised of 17, one bedroom, one bath units containing 620 square feet, 26, two bedroom, one bath units with 824 square feet and 8, three bedroom, one and a half bath units containing 1,060 square feet. According to county records, the total gross building area measures 49,990. The improvements were constructed in 2021 and 2022. In addition to the apartment building, other site improvements include asphalt surfaced driveway and parking areas, concrete sidewalks, lawn, landscaping, security lighting and a playground.

The subject site is irregular in shape. According to county records, the total land area measures about 5.0001 acres. The property is identified by the Ashtabula County Auditor as being Permanent Parcel Number 03-013-00-037-04. The property is known by address as being located at 3912 Resolution Avenue, Ashtabula Township, Ohio. The building, site and site improvements will be more fully described within the following pages of this report.

PROPERTY RIGHTS APPRAISED

This analysis pertains to the fee simple estate of the subject property which is defined as follows:

"*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*."[2]

This definition closely follows the requirements of Ohio R.C. 5713.03 which requires property to be valued in the fee simple, unencumbered interest but subject to any effects from the exercise of police powers or from other governmental actions. This analysis also follows Ohio R.C. 5713.031 since the subject is a multi-family residential property which receives government funding.

[2] The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022), p. 73.

EFFECTIVE DATE OF VALUATION

The effective date of valuation for this analysis is January 1, 2023.

SCOPE OF WORK

The first portion of this report will include a descriptive analysis of the general and specific neighborhood market area, the site, and the improvements. This helps in evaluating the highest and best use upon which to value the subject. The second portion of the report will include the valuation techniques employed to estimate the market value of the subject property.

The three traditional methods of valuation include the Cost, Sales Comparison, and Income Capitalization Approaches. These approaches will be developed as deemed appropriate within the Methods of Valuation Section. A reconciliation of the value indications derived from the approaches that were utilized will result in a final estimate of value.

The comparable data selected in developing the appraisal approaches were judged the most relevant available. The extent of the data verification was commensurate with what was believed necessary to complete this assignment. This typically includes, where possible, a review of courthouse records, actual documentation retained in our files, and verification with at least one party involved in each comparable transaction.

COMPETENCY

From my understanding of the assignment to be performed, which I have addressed in the Scope of Work, it is my opinion that I am fully competent to perform this appraisal due to the fact that:

1. The appraiser has full knowledge and experience in the nature of this assignment.

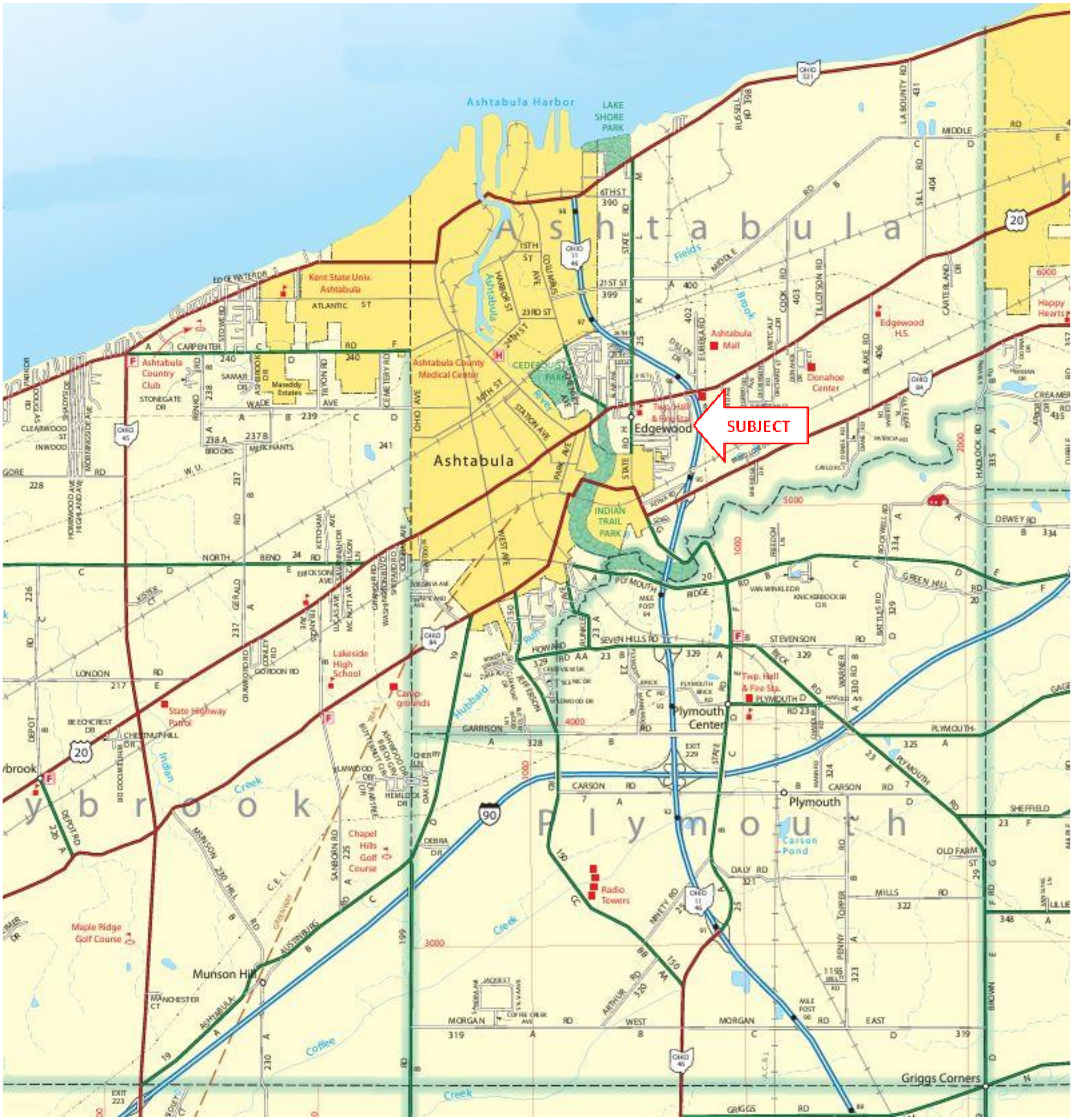
2. All necessary and appropriate steps have been taken in order to complete the assignment competently.

3. There is no lack of knowledge or experience that would prohibit this assignment from being completed in a professional competent manner or where an unbiased or misleading opinion of value would be rendered.

COMPLIANCE

To the best of my knowledge, the analyses, opinions and conclusions that were developed in this report have been prepared in conformity with Title XI of the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) and its regulations, as well as the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation and the Appraisal Institute.

SUBJECT LOCATION MAP



LOCATION AND NEIGHBORHOOD

As indicated by the Location Map provided on the facing page, the subject of this analysis is located along the west side of OH State Route 11 at the terminus of Resolution Avenue in Ashtabula Township, Ashtabula County, Ohio. Ashtabula Township is situated adjacent east to the City of Ashtabula, the largest city within the county. However, the Village of Jefferson is the county seat. Ashtabula County is located at the northeast corner of the State of Ohio, along the south shore of Lake Erie. It has a land area of approximately 702 square miles making it the largest county in Ohio.

Ashtabula is located approximately midway between the Cities of Cleveland and Erie, Pennsylvania. Interstate 90 is the main east-west artery that links the three cities. Access to the northerly tier of townships is considered to be good. Three of the largest cities exist along the shoreline including Ashtabula in the middle, with Conneaut to the east and Geneva to the west. Including surrounding townships, these areas account for just over 80% of the total county population.

Lake Erie plays a large role in the life styles of residents in this particular area of the state. It is a major economic resource from the standpoint of shipping and tourism. It also acts to moderate the temperature extremes along the shoreline which adds measurably to the agricultural products that are grown within the immediate area.

Ashtabula County is located in the extreme northeast corner of the State of Ohio. To the east, it is bordered by the Counties of Erie and Crawford in Pennsylvania, to the south by Trumbull County, and to the west by Geauga and Lake Counties. The north boundary coincides with the south shoreline of Lake Erie.

Population

The City of Ashtabula is the largest municipality in Ashtabula County. The city occupies 7.7 square miles in the northerly section of the county along the south shore of Lake Erie. Presently, the city functions as a major coal port on Lake Erie at the mouth of the Ashtabula River. The 2020 U.S. Census population estimate of 17,975, represents a 6.0% decline from the 2010 Census population of 19,124. The city accounts for approximately 18.4% of the 2020 county population of 97,574. The Ashtabula city population grew steadily from 12,949 to 24,559 in 1960. However, in every subsequent decade, the population declined to its current level.

Conclusion

Since the early 1980’s, Ashtabula County has been severely impacted by the closing and/or moving of numerous large industrial plants. The smaller plants which have remained, as well as retail expansion and tourism has provided a stabilizing influence. The recreational water aspects of Lake Erie, along with the numerous wineries on the sandy soil have supported tourism. Geneva-on-the-Lake has been an established resort community for the past century. Overall, the area appears to be fairly stable and should remain so for the foreseeable future.

FLOOD HAZARD MAP

National Flood Hazard Layer FIRMette

FEMA

80°46'5"W 41°52'24"N

Basemap Imagery Source: USGS National Map 2023

Legend

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

SPECIAL FLOOD HAZARD AREAS
- Without Base Flood Elevation (BFE) Zone A, V, A99
- With BFE or Depth Zone AE, AO, AH, VE, AR
- Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD
- 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
- Future Conditions 1% Annual Chance Flood Hazard Zone X
- Area with Reduced Flood Risk due to Levee. See Notes. Zone X
- Area with Flood Risk due to Levee Zone D

OTHER AREAS
- NO SCREEN Area of Minimal Flood Hazard Zone X
- Effective LOMRs
- Area of Undetermined Flood Hazard Zone D

GENERAL STRUCTURES
- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

OTHER FEATURES
- 20.2 / 17.5 Cross Sections with 1% Annual Chance Water Surface Elevation
- Coastal Transect
- Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transect Baseline
- Profile Baseline
- Hydrographic Feature

MAP PANELS
- Digital Data Available
- No Digital Data Available
- Unmapped

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

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 6/5/2024 at 5:58 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

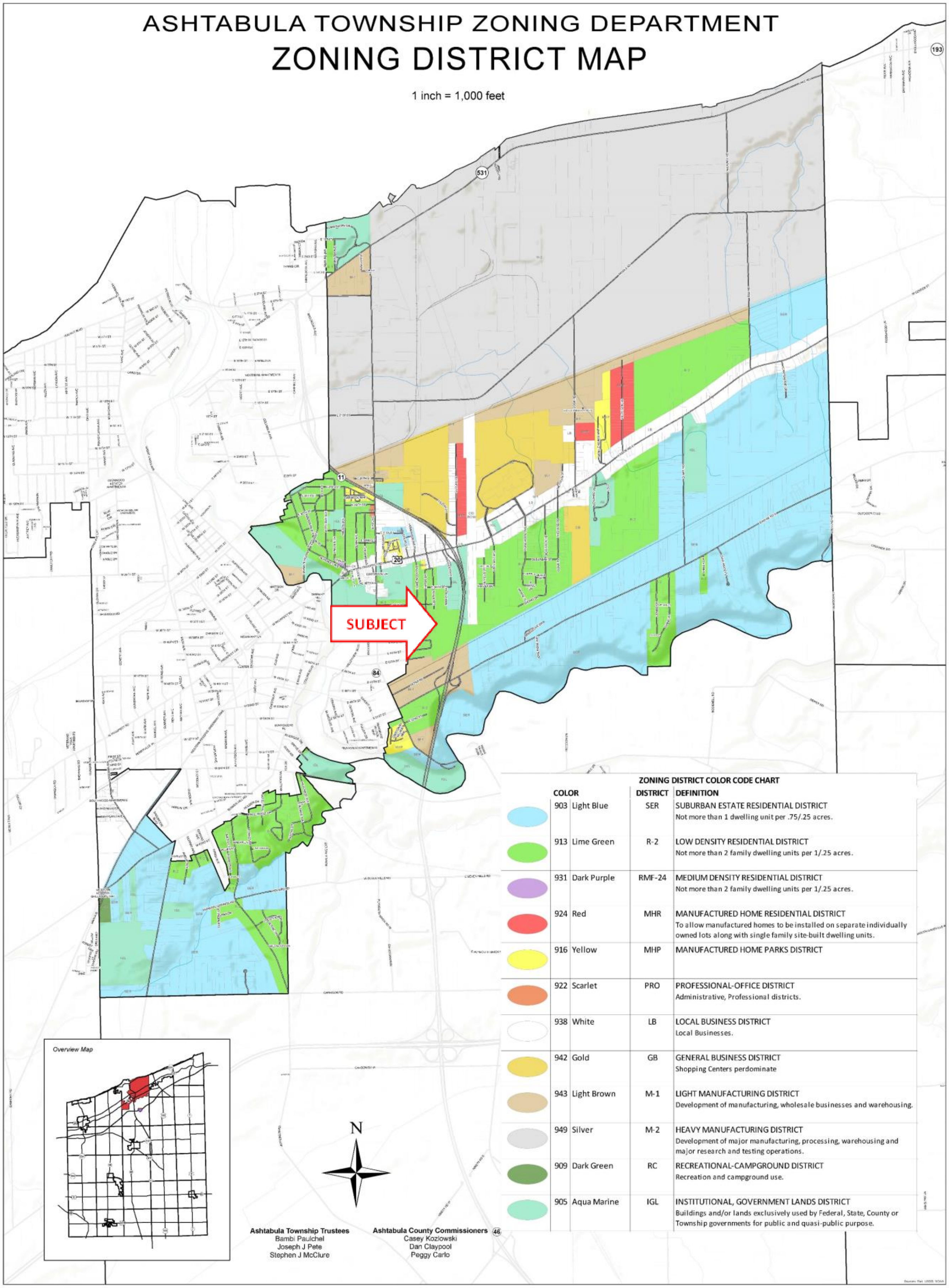
This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory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

SITE DATA ANALYSIS

The following site description is based upon a personal inspection and information obtained from the Ashtabula County Auditor's office and various other sources.

Location:	3912 Resolution Avenue Ashtabula Township, Ashtabula County, Ohio
Perm. Parcel No.:	03-013-00-037-04
Access:	The site has adequate access from Resolution Avenue.
Shape:	Irregular
Area:	5.0001± acres or 217,804± square feet per county records
Excess/Surplus Land:	Given the current land to building area ratio of 4.36:1 and the placement of the building, no excess land exists.
Topography:	Generally level
Drainage:	Appears adequate
Flood Zone:	The subject is located on Community Panel No. 39007C0157D of the National Flood Insurance Program Flood Insurance Rate Map effective December 18, 2007. The subject improvements are located within a Zone X classification. Thus, flood insurance is not required.
Easement/Encroachments:	Normal utility easements are assumed to exist. No other easements/encroachments were noted which would adversely affect the value of the subject property.
Soil:	An engineering study was not available upon which to determine the stability of the sub-soil. Accordingly, this analysis is predicated on the condition that the land is capable of being improved to its highest and best use.
Utilities:	Public services including city water, sanitary sewers, electric, natural gas and telephone service are available to the subject site.
Zoning:	According to Ashtabula Township Zoning Inspector, Jaymee Vest, the subject is situated in an RMF-24; Medium Density Residential Zoning District. Multi-family buildings are an approved use within this district. Thus, the existing use of the site is considered to be legally permitted. The zoning map provided on the facing page does not reflect a rezoning of the subject site and surrounding parcels which, according to Jaymee Vest, occurred over 10 years prior to tax lien date.

ZONING MAP


ASHTABULA TOWNSHIP ZONING DEPARTMENT
ZONING DISTRICT MAP
1 inch = 1,000 feet
SUBJECT
ZONING DISTRICT COLOR CODE CHART
COLOR DISTRICT DEFINITION
903 Light Blue SER SUBURBAN ESTATE RESIDENTIAL DISTRICT
Not more than 1 dwelling unit per .75/.25 acres.
913 Lime Green R-2 LOW DENSITY RESIDENTIAL DISTRICT
Not more than 2 family dwelling units per 1/.25 acres.
931 Dark Purple RMF-24 MEDIUM DENSITY RESIDENTIAL DISTRICT
Not more than 2 family dwelling units per 1/.25 acres.
924 Red MHR MANUFACTURED HOME RESIDENTIAL DISTRICT
To allow manufactured homes to be installed on separate individually owned lots along with single family site-built dwelling units.
916 Yellow MHP MANUFACTURED HOME PARKS DISTRICT
922 Scarlet PRO PROFESSIONAL-OFFICE DISTRICT
Administrative, Professional districts.
938 White LB LOCAL BUSINESS DISTRICT
Local Businesses.
942 Gold GB GENERAL BUSINESS DISTRICT
Shopping Centers perdominate
943 Light Brown M-1 LIGHT MANUFACTURING DISTRICT
Development of manufacturing, wholesale businesses and warehousing.
949 Silver M-2 HEAVY MANUFACTURING DISTRICT
Development of major manufacturing, processing, warehousing and major research and testing operations.
909 Dark Green RC RECREATIONAL-CAMPGROUND DISTRICT
Recreation and campground use.
905 Aqua Marine IGL INSTITUTIONAL, GOVERNMENT LANDS DISTRICT
Buildings and/or lands exclusively used by Federal, State, County or Township governments for public and quasi-public purpose.
Overview Map
N
Ashtabula Township Trustees
Bambi Paulchel
Joseph J Pete
Stephen J McClure
Ashtabula County Commissioners
Casey Kozlowski
Dan Claypool
Peggy Carlo

ASSESSED VALUE AND TAXES

In the State of Ohio, real property is assessed for taxation purposes at 35% of the County's estimate of market value. For the tax year 2023 (payable 2024), the tax rate for Ashtabula Township is $87.87 per $1,000 of assessed value (gross) or $77.58 per $1,000 of assessed value (net) after credits for commercial property.

Pertinent real estate tax information is summarized as follows:

Perm. Parcel No. 03-013-00-037-04	Assessed Value at 35% Market Value	Auditor's 100% Market Value Estimate
Land Valuation	$ 40,600	$ 116,000
Improvements Valuation	$1,094,450	$3,127,000
Total Valuation	$1,135,050	$3,243,000
Annual Real Estate Taxes		
Gross Tax:	$99,736.94	$87.87/$1,000 of assessed value
LESS:		
House Bill 920 Credit:	$11,680.12	
Net Tax:	$88,056.82	2.72% of 100% market value estimate (effective tax rate).
Plus: Special Assessments:	$ 9.50	
Total Taxes:	$88,066.32	

DESCRIPTION OF IMPROVEMENTS

The improvements on the subject property comprise an apartment building which is known as Resolution Family Apartments. This site has been improved with a part two and three-story elevator apartment building. According to county records, the total gross building area measures 49,990 square feet. The improvements were constructed in 2021-2022. There are a total of 51 units including 17, one bedroom, one bath units, containing 620 square feet, 26, two bedroom, one bath suites with 824 square feet and 8, three bedroom, one and a half bath units containing 1,060 square feet. There is parking for approximately 76 cars.

Exterior construction features of the building comprise stone and cement board walls, vinyl framed windows and an asphalt shingled roof.

Interior construction features of each unit are nearly the same in the entire complex with the exception of configuration. Each unit has vinyl plank flooring, painted drywall walls and ceilings in the living room, kitchen and bathroom. The bedrooms have carpeted floors. Kitchens are further improved with wood base and wall cabinets, formica surfaced countertops, double bowl stainless steel sink with disposal, dishwasher, electric range with exhaust hood above and a refrigerator. Each unit also has a full bathroom with a vanity, toilet and a fiberglass tub with surround. The handicapped units will have a stall shower instead of a tub. The three bedroom units also have a half bath accessed from the hallway. Each unit also has washer and dryer hookups. However, the actual laundry machines are not provided by the landlord. Each unit has an electric forced air furnace with central air conditioning and an electric 30-gallon hot water tank.

The building has a community room, fitness room and a laundry room located on the first floor. These areas have similar construction features with vinyl plank floors, painted drywall walls and ceilings. The community room also has a kitchen with wood base cabinets, formica surfaced countertop, double bowl stainless sink, refrigerator, oven and microwave. The laundry room has six sets of washers and dryers.

The common area hallways throughout the building are improved with a vinyl plank floor, painted drywall walls, drop or drywall ceilings and ceiling or wall mounted lighting.

There is one elevator in the building with three story travel. The building is fully sprinklered.

Site improvements on the property include asphalt surfaced driveway and parking areas, concrete sidewalks, landscaping, security lighting and a playground.

Based upon an inspection of the property, it appears to be in good overall condition considering its age. No deferred maintenance issues were noted at the time of inspection on June 21, 2024.

HIGHEST AND BEST USE

Highest and best use is a fundamental concept in the valuation of real estate which is defined as follows:

"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."[3]

The highest and best use of the land, considered separately **as if vacant** and available for development, may differ from the highest and best use of the property **as improved** with existing building improvements. Therefore, for improved properties, a separate analysis of highest and best use must be developed for each of the following:

1. The highest and best use of the site as **if vacant**.
2. The highest and best use of the site as **improved**.

The only exception in valuing land as if vacant is when the site has been developed to an intensity that is higher than would be allowed under the current zoning. If the remaining economic life of the building improvements is sufficient, the land is valued according to the intensity of development. By doing so, an economic balance is maintained between the agents of production (land, labor, capital, and coordination) which will result in a more accurate value indication.

Factors that must be taken into consideration in determining the highest and best use of the property include the following:

1. Existing land use regulations.
2. Probable modifications to the existing land use regulations.
3. Economic demand.
4. Physical adaptability of the property.
5. Neighborhood trends.
6. Optimal use of the property.

Subject Review

As stated previously, the subject property comprises a 51 unit LIHTC rental apartment building. The improvements were constructed in 2021-2022. Based upon an inspection, it appears that they are in good overall condition considering their age. The property is located within a community which has had a decreasing population over the past several decades.

[3] The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022), p.88.

To reiterate, the property located about one mile east of the central business district of the City of Ashtabula. Considering the location of the subject, the amenities provided and the physical condition of the improvements, the subject comprises an apartment building that provides adequate functional utility. All of the above factors were considered in the valuation approaches to follow and within the Highest and Best Use Analysis.

Highest and Best Use as Vacant:

The highest and best use of the subject site "as vacant" is for the development of a permitted multi-family use.

Highest and Best Use as Improved:

The highest and best use of the subject site "as improved" is for the continued use in an affordable housing multi-family capacity. This would be the highest and best use of the property as improved. The improvements are considered to add value beyond that of vacant land and there are no anticipated uses that would warrant razing the improvements for redevelopment.

METHODS OF VALUATION

The appraisal of real estate typically involves the development of three traditional methods of valuation; the Cost Approach, the Sales Comparison Approach and the Income Capitalization Approach. These approaches are defined in The Dictionary of Real Estate Appraisal. - 7th edition. Appraisal Institute, 2022.

The **Cost Approach** is *"A set of procedures through which a value indication is derived for the fee simple estate by estimating the cost new as of the effective date of the appraisal to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. The contributory value of any site improvements that have not already been considered in the total cost can be added on a depreciated-cost basis. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property interest being appraised."*[4]

The **Sales Comparison Approach** is "*The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available."*[5]

[4] The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022), p.43.

[5] The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022), p.170.

The **Income Capitalization Approach** is "*Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.*"[6]

The subject property comprises an apartment building which is operated as a Low Income Housing Tax Credit project. While the Cost Approach can be developed, it could produce a somewhat misleading value indication as there is a substantial amount of economic obsolescence since the rental rates charged must conform with the restrictive covenant. Thus, since an investor would not review this approach when determining a purchase price, it was not developed in this analysis.

In a Sales Comparison Approach, sale properties are compared to the subject based upon the similarities or differences that exist for which adjustments are then made. Generally, in a conventional market rate apartment property, when a complex is inferior to the subject in terms of say condition, location, amenities available and unit mix, it will have a direct correlation to how much net operating income per unit it can generate and ultimately upward adjustments are made. However, when valuing LIHTC properties, while a sale property can be inferior to the subject in terms of location and property specific characteristics, it is possible that this inferior property can generate more net operating income per unit because the rent restriction levels may be higher than in the subject. Therefore, the upward adjustments needed for the inferior characteristics will not correlate to the property generating less net operating income per unit. Since the driving motivation for the buyer of an apartment complex is income, the sale price that is developed will be higher in a property that generates more income. Therefore, since Low Income Housing Tax Credit projects sell based upon their income generating capabilities rather than how they compare to the market, the Sales Comparison Approach was also not developed within this analysis.

The Income Capitalization Approach has been developed using market data from other LIHTC properties to develop rental rates, vacancy, expenses and overall capitalization rates. Therefore, since it is market based, it is given the greatest weight in the final value conclusion. This approach has also been accepted by the Ohio Supreme Court in cases identified as Woda Ivy Glen Limited Partnership v. Fayette County Board of Revision and Columbus City Schools Board of Education v. Franklin County Board of Revision (Network Restorations I, LLC). In addition, the Ohio Board of Tax Appeals also accepted this methodology in Frank Cook Senior Housing LP v. Muskingum County Board of Revision, Huron Senior Residence, LLC v. Erie County Board of Revision, Sylvania Senior Residence, LLC v. Lucas County Board of Revision and Muddy Run Limited Partnership v. Harrison County Board of Revision.

[6] The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022), p.94.

INCOME CAPITALIZATION APPROACH

The Income or Economic Approach to Value recognizes the fact that the capacity of a particular property to generate income is a primary consideration of a prospective purchaser. Income capitalization incorporates the analysis of a property's ability to generate future monetary benefits and the conversion of this income stream into an indication of present value. This reflects the principle of anticipation.

Future Benefits

The benefits of owning income producing real estate are derived from several sources. Typically, these include the right to receive rental income throughout the term of ownership plus proceeds from the resale of the property at the termination of the investment.

Gross potential income is the total income which the property can generate at full occupancy. The deduction of income due to vacancy and credit loss results in an effective gross income from the operations of the real property.

Net operating income is the revenue remaining after accounting for all operating expenses, but before the payment of debt service. The equity dividend is that portion of net operating income which remains after the payment of mortgage debt service.

Reversionary benefits are referred to as the lump sum which an investor receives upon resale of the property at the end of the term of ownership.

Income Capitalization Process

The two primary methods of income capitalization are defined as follows:

Direct Capitalization - The conversion of a single year's income estimate into an indication of value in one direct step.

Yield Capitalization - The discounting process used to convert future benefits to a present value subject to a required level of profit or rate of return on invested capital.

In the **direct capitalization** process, a specified income amount, usually annual net operating income, is divided by an overall capitalization rate resulting in a value estimate for the entire property. This process is market oriented and is based on an analysis of market-evidenced overall capitalization rates which are abstracted from actual market transactions. In the absence of such direct market evidence, secondary sources include "built-up" rates based on the component costs of mortgage/equity financing and investor surveys detailing rate of return requirements and other financial indicators.

In the **yield capitalization** process, a future income stream is discounted to a present value. This type of analysis involves a detailed projection of the future operating performance of a property throughout a projected period of ownership which results in resale. Consequently, this analysis involves explicit assumptions and projections regarding income and expense levels, future property values, etc.

COMPARABLE LIHTC RENTAL RATES

No.	Property Name Location	Unit Type	Rental Rate As of January 1, 2023	Occupancy	Utilities Included	Utility Allowance
1	Willowbrook I	2 Bedroom 50%	$711	100%	Water, Sewer &	$105
	2605 N. Bend Road	2 Bedroom 60%	$711		Trash Removal	$105
	Ashtabula, Ohio					
2	Willowbrook II	2 Bedroom 50%	$736	100%	Water, Sewer &	$105
	2605 N. Bend Road	2 Bedroom 60%	$736		Trash Removal	$105
	Ashtabula, Ohio	3 Bedroom 50%	$913			$118
		3 Bedroom 60%	$1,143			$118
3	Greenway Senior	2 Bedroom 35%	$447	92%	Water, Sewer &	$136
	5700 Nathan Avenue	2 Bedroom 50%	$600		Trash Removal	$136
	Ashtabula, Ohio	2 Bedroom 60%	$600			$136
4	Willoughbeach Terrace	1 Bedroom 30%	$362	100%	Water, Sewer &	$103
	30707 Lakeshore Boulevard	1 Bedroom 50%	$657		Trash Removal	$103
	Willowick, Ohio	1 Bedroom 60%	$725			$103
		2 Bedroom 30%	$437			$122
		2 Bedroom 50%	$791			$122
		2 Bedroom 60%	$820			$122
5	Majors Crossing	1 Bedroom 30%	$278	100%	Water, Sewer &	$95
	2789 Jefferson Street	1 Bedroom 50%	$525		Trash Removal	$95
	Rock Creek, Ohio	1 Bedroom 60%	$610			$95
		2 Bedroom 30%	$338			$109
		2 Bedroom 50%	$635			$109
		2 Bedroom 60%	$710			$109
		3 Bedroom 30%	$375			$126
		3 Bedroom 50%	$735			$126
		3 Bedroom 60%	$765			$126

The subject comprises a 51 unit apartment building which is operated as a Low Income Housing Tax Credit project. The improvements were constructed in 2021-2022, and were considered to be in good condition considering their age. Given the recent case law which has been decided by the Ohio Supreme Court as well as the Ohio Board of Tax Appeals, this analysis will review the LIHTC market to determine rent, vacancy, expenses and overall capitalization rates. This data allows for a fee simple analysis to be developed and still comply with valuing the property subject to the requirements of the restrictive covenant. When this is the case, the direct capitalization process is the most reflective of a typical buyer's thought process when purchasing property which is at stabilized market levels. For the purpose of this analysis, the direct capitalization process will be utilized as the basis of the income value computation.

Income

Provided in the Addendum of this report is the December 31, 2022 rent roll for the subject property. As indicated, the property was 100% occupied as of December 31, 2022. Tenants started moving into the building in late June 2022. Thus, the property was not stabilized during 2022. As indicated on the December 31, 2022 rent roll, rental rates were between $300 and $635 per unit per month for a one bedroom suite, between $365 and $785 per unit per month for a two bedroom unit and $900 per unit per month for a three bedroom suite. The owner pays for water, sewer and trash removal. The utility allowance was $57 for a one bedroom unit, $72 for a two bedroom unit and $88 for a three bedroom unit per month. As additional support, a rent survey of other LIHTC properties is provided on the facing page. The rents develop a range from $278 to $725 per unit per month for a one bedroom unit, between $338 and $820 per unit per month for a two bedroom unit and between $375 and $1,143 per unit per month for a three bedroom unit. This range is also for units which have rent restrictions between the 30% and 60% requirements.

Thus, after reviewing the rent roll and the competition in the area, it is estimated that the gross potential income for the 51 apartment units which comprise the subject is projected as follows:

Unit Type	Monthly Rental Rate	Monthly Income	Annual Income
1 Bedroom @ 30% Rents	4 Units @ $360	$ 1,440	$ 17,280
1 Bedroom @ 60% Rents	13 Units @ $650	$ 8,450	$101,400
2 Bedroom @ 30% Rents	4 Units @ $428	$ 1,712	$ 20,544
2 Bedroom @ 60% Rents	22 Units @ $800	$ 17,600	$211,200
3 Bedroom @ 60% Rents	8 Units @ $925	$ 7,400	$ 88,800
Gross Potential Income		**$36,602**	**$439,224**

The property generates additional income from various sources. This would include late charges, application fees, tenant charges and other income but excludes interest. All of these other income sources generated revenue of $4,627 in 2022 (partial year) and $11,226 in 2023. Based upon a review of the actual collections, $11,226 has been project in this analysis. This additional income will be added to the adjusted gross income after a vacancy and collection loss is taken into consideration since it is based on actual collection, which already reflects a vacancy.

Vacancy and Credit Loss

The subject is currently operated as a Low Income Housing Tax Credit project. The property began the lease up period in June 2022. The December 31, 2022 rent roll indicates the property was 100% occupied. At the time of inspection on June 21, 2024, there were no vacant units. As additional support, the Ohio Housing Finance Agency reports that the vacancy in LIHTC multi-family properties within Ashtabula County and the surround counties of Geauga, Lake and Trumbull was 2.70% as of year-end 2022. The market survey developed in the foregoing showed vacancy in a range from 0% to 8%. Both of these surveys represent vacancy only and does not take into account any credit loss. Therefore, for the purpose of this analysis, vacancy and credit loss has been projected to be 4% which is below the subject's historical operating range and within the range of the market when taking into consideration a credit loss.

Operating Expenses

The actual operating expenses incurred by the subject property which are provided in the Addendum of this report, were $72,650 or $1,425 per unit in 2022 (partial year) and $193,301 or $3,790 per unit in 2023. The 2022 expenses do not represent a full year of stabilized operations. These figures exclude bad debts, real estate taxes, interest, depreciation, amortization and replacement reserves. In addition to the subject data, the appraiser reviewed data from the Ohio Housing Finance Agency which indicated that the average 2023 operating expenses within Ashtabula and the three adjacent counties was $7,443 per unit including real estate taxes in LIHTC properties.

As additional support to the data from the Ohio Housing Finance Agency set forth in the Addendum, provided on the next page are seven examples of operating expenses from similar elevator style LIHTC apartment communities. This table reflects the actual 2023 expenses and excludes real estate taxes.

Location	Year Built	No. of Units	Operating Expenses Before Taxes & Reserves	Operating Expenses Per Unit
Jenkins Lofts 27 W. Jenkins Avenue Columbus, Ohio	2021	60	$257,385	$4,290
Audubon Crossing 119 Edgewood Avenue Dayton, Ohio	2018	50	$274,586	$5,492
Beaumont Greene 13710 Della Drive Athens, Ohio	2007	40	$225,646	$5,641
Wheatland Crossing 216 N. Wheatland Avenue Columbus, Ohio	2017	42	$271,581	$6,466
Willoughbeach Terrace 30707 Lakeshore Boulevard Willowick, Ohio	2016	50	$228,686	$4,574
Fairwood Commons 1774 S. Main Street Columbus, Ohio	2018	54	$338,360	$6,266
Greensburgh Manor 1960 Burgess Drive Green, Ohio	2017	50	$258,374	$5,167

The seven LIHTC properties that were presented in the foregoing chart developed operating expenses per unit which are in a range from $4,290 to $6,466 per unit during 2023. Taking into consideration the size, age, condition and location of the apartment building, it is estimated that an annual expenditure of say $3,800 per unit or $193,800 per year would be reasonable before the payment of real estate taxes as of January 1, 2023.

In addition to normal operating expenses, there is also the need to replace short lived building items. This account would fund the future replacement of the roof, siding, windows, HVAC, paving, appliances, etc. For the purpose of this analysis, it is estimated that a minimum of $400 per unit or say $20,400 per year would be reasonable.

Capitalization Rate

The appropriate capitalization rate for a property of this type is best determined by the overall rate that is abstracted out of the marketplace. Provided in the following chart are nine examples of overall rates from sales of LIHTC properties located throughout Ohio.

NO.	LOCATION	SALE DATE	NET OPERATING INCOME	SALE PRICE	OVERALL CAP RATE
1	801 Cold Water Drive Monroe, Ohio	02/12/20	$952,000	$13,600,000	7.00%
2	1235 Chesterdale Drive Springdale, Ohio	03/10/20	$1,649,907	$21,000,000	7.86%
3	1318 Barnes Drive Columbus, Ohio	05/12/20	$647,179	$9,250,000	7.00%
4	996 West Perry Street Salem, Ohio	09/02/20	$98,795	$1,066,000	9.27%
5	600 Plainfield Road West Lafayette, Ohio	01/29/21	$116,318	$1,400,000	8.31%
6	1264 Southeast Boulevard Salem, Ohio	03/26/21	$122,443	$850,000	14.41%
7	330 Mercer Avenue, et al. Dayton, Ohio	07/28/21	$126,872	$1,594,966	7.95%
8	100 Bethel Park Drive, et al. Bethel, Ohio	01/25/22	$665,430	$10,700,000	6.22%
9	941 N. Oakland Street Urbana, Ohio	02/08/23	$98,625	$1,800,000	5.48%

As indicated by the chart presented above, capitalization rates in Low Income Housing Tax Credit properties which are located throughout Ohio that sold between 2020 and 2023 were between 5.48% and 14.41%. Since these transactions bracket the tax lien date, they were considered to provide a reliable range in which to establish an overall capitalization rate for the subject.

As additional support to the overall capitalization rates presented in the above chart, provided in the Addendum is a Realty Rates Survey which indicates that overall capitalization rates in apartment properties would average 8.34% as of the first quarter 2023. This is a national survey which includes areas superior to the subject.

Based upon actual cap rates presented and the supporting survey from Realty Rates, it is estimated that an appropriate overall capitalization rate would be say 7.50% as of January 1, 2023.

Since real estate taxes are considered to be over assessed, it is necessary to exclude these expenses from the operating statement and include a tax additur in the capitalization rate in order to more accurately assess the tax liability on the subject property. The 2023 tax rate is 2.72% and when added to the estimated cap rate of 7.50% would produce a total composite capitalization rate of 10.22% as of January 1, 2023.

Income Value Computation

Based upon the facts, assumptions and conclusions contained in the foregoing, the income value of the subject property is computed as follows:

Gross Potential Income	$439,224	
Less: Vacancy & Credit Loss @ 4%	$ 17,569	
Adjusted Gross Income	$421,655	
Plus: Other Income	$ 11,226	
Effective Gross Income		$ 432,881
Operating Expenses	$193,800	
Reserve for Replacements	$ 20,400	
Total Expenses		$ 214,200
Net Operating Income		$ 218,681
Capitalized at 10.22%		$2,139,736
Less: FF&E @ $500 Per Unit		$ 25,500
Value of Real Estate		$2,114,236

INDICATED VALUE OF THE SUBJECT PROPERTY AS OF JANUARY 1, 2023 ROUNDED TO: $2,115,000

On July 3, 2023, Governor Mike DeWine signed House Bill 33 which significantly changes the way Federally Subsidized Residential Rental Property is taxed in the State of Ohio. Federally Subsidized Residential Rental Property includes Section 8, Low-Income Housing Tax Credit, Rural Development, Project Rental Assistance Contract Properties and various other properties that receive assistance from the government. Regardless of which contract controls the funding of a property, the method of developing a value is the same. Following are the guidelines for establishing value.

The gross potential rent is established by calculating the maximum rental income the property can generate if it were 100% occupied during an entire year. According to the 2023 operating statement that is provided in the addendum of this report, which is the first stabilized year of operations, the gross potential rent was $424,620. For the purpose of this analysis, this gross potential rent has been used.

Once the gross potential rent is established, a vacancy loss is than deducted. Vacancy loss is defined as the lost revenue attributable to periodic unoccupied or off line units. It has been established that vacancy would equate to 4% of gross potential rent. There is also a provision for credit loss of 3% of the gross potential rent which is an allowance for unpaid rent losses.

Properties have the potential of generating income which is not from the rental of an apartment unit and is classified as other income. This could include rent paid by commercial tenants, laundry and vending income and various tenant charges or late fees so long as the income is attributable to the operations of the property. This income is generally established based upon a review of historical collections. The actual other income was $11,226 in 2023 excluding interest. For the purpose of this analysis, this income has been used to calculate a value.

Once the effective gross income or operating income has been established, it is then necessary to deduct various expenses. These deductions would include operating expenses excluding real estate taxes, utilities and replacement reserves.

Operating expenses are considered to be the cost incurred to operate the building excluding utility expenses, replacement reserves and real estate taxes. In calculating operating expenses, it is presumed that operating expenses will total 48% of the operating income. The presumptive calculation of operating expenses may be exceeded by evidence demonstrating the actual expenses of the property. The 2023 expenses before real estate taxes, utilities and reserves were $148,142 in 2023. This would equate to 36.48% of projected operating income.

Utility expenses are considered to be the amount paid by the owner that are attributable to electric, gas, water and sewer charges as well as trash removal. While the code does not specially spell out how these expenses are to be calculated, it is assumed that a three year average would be reasonable. However, since the subject only has one stabilized year, the actual 2023 expenses of $45,159 have been used in this analysis.

Replacement reserve means the required deposits that must be made into a restricted reserve account, intended to address future capital needs of the property. Replacement reserve is presumed to be 5% of the gross rent potential of the property. However, the presumptive amount may be exceeded by evidence demonstrating the actual expenses of the property.

Since real estate taxes have been excluded from the operating expenses, a tax additur is added to the overall capitalization rate to account for the real estate taxes at the appraised value. The tax rate for the subject is 2.72%

The capitalization rate utilized to determine a value is set by the Tax Commissioner and is based on a published rate applicable to the latest capitalization rate for multi-family apartments published by the Appraisal Institute or other reputable sources as of the first day of January of the year of assessment. Since the Appraisal Institute does not publish capitalization rates, a capitalization rate from Realty Rates as of the first quarter 2023 has been utilized in this analysis. As indicated by a copy of the Realty Rates table presented in the addendum, the overall capitalization rate in apartments as of the first quarter 2023 is 8.34%. When adding the tax additur of 2.72% to the overall capitalization rate of 8.34%, an adjusted capitalization rate is computed to be 11.06%. However, the adjusted capitalization rate is then reduced by 1% to account for the investment risk factor. Therefore, a capitalization rate of 10.06% has been used in this analysis.

The net operating income is defined as the operating income less operating expenses. This is the figure that is capitalized into value by the adjusted capitalization rate.

Based upon the procedure for developing a valuation as indicated by Ohio Revised Code 5713.031, following is an income value computation of the subject property as of January 1, 2023. A separate calculation was also developed using the actual 2023 income and expenses.

	Presumptive Value	
Gross Potential Rent	$424,620	
Less: Vacancy @ 4%	$ 16,985	
Less: Credit Loss/Unpaid Revenue @ 3%	$ 12,739	
Plus: Other Income	$ 11,226	
Effective Gross Income/Operating Income		$ 406,122
Operating Expenses @ 48%	$194,939	
Utilities	$ 45,159	
Replacement Reserves @ 5%	$ 21,231	
Total Expenses		$ 261,329
Net Operating Income		$ 144,793
Capitalized at 10.06%		$1,439,294
INDICATED VALUE OF THE SUBJECT PROPERTY AS OF JANUARY 1, 2023	**ROUNDED TO:**	**$1,440,000**

	Leased Fee Value	
Gross Potential Rent	$424,620	
Less: Vacancy & Credit Loss	$ 16,550	
Plus: Other Income	$ 11,226	
Effective Gross Income/Operating Income		$ 419,296
Operating Expenses	$148,142	
Utilities	$ 45,159	
Replacement Reserves @ 5%	$ 21,231	
Total Expenses		$ 214,532
Net Operating Income		$ 204,764
Capitalized at 10.06%		$2,035,427
INDICATED VALUE OF THE SUBJECT PROPERTY AS OF JANUARY 1, 2023	**ROUNDED TO:**	**$2,035,000**

RECONCILIATION AND FINAL VALUE CONCLUSION

The value indications for the subject property developed in the foregoing are summarized as follows:

	As of January 1, 2023
COST APPROACH	N/A
SALES COMPARISON APPROACH	N/A
INCOME CAPITALIZATION APPROACH	$1,440,000 - $2,115,000

The final reconciliation of the above value estimates is defined in The Dictionary of Real Estate Appraisal (Seventh Edition), as:

"The last phase in the development of a value opinion in which two or more value indications derived from market data are resolved into a final value opinion, which may be either a range of value, in relation to a benchmark, or a single point estimate."[7]

Cost Approach to Value

In the Cost Approach, the value of the property is estimated by deducting accrued depreciation from all causes from the reproduction or replacement cost new of the improvements and adding the value of the land as though vacant. The Cost Approach generally results in an accurate value indication when the improvements are new and represent the highest and best use of the site.

The reliability of this approach, however, is limited by the accuracy with which accrued depreciation can be measured. Given the fact that the property was developed with tax credits which will impact the income that can be collected, there is a large amount of economic obsolescence which could ultimately produce a misleading value indication. In addition, this method of valuation does not reflect the motivation of the typical buyer when analyzing a property for acquisition. Therefore, this approach was not developed in this analysis.

Sales Comparison Approach

The Sales Comparison Approach involves the analysis of the sales of similar properties and typically provides a reliable value indication since it is based on actual market transactions. The applicability and accuracy of any value indications generated by the Sales Comparison Approach are subject to a degree of comparability which exists between the subject and sale properties.

The Sales Comparison Approach has also not been developed as Low Income Housing Tax Credit properties are acquired based upon their income generating capabilities rather than how they compare to the market.

[7] The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022), p.74.

Income Capitalization Approach

The net income which a property is capable of generating is a fundamental consideration of any potential purchaser. The risk of the investment and the anticipated rate of return are factors that establish a price which a prudent investor would pay for the real estate.

The subject property is currently operating as an income producing asset to the ownership. For the purpose of this analysis, the gross potential income was projected based upon a review of the rent roll and a survey of other LIHTC properties in competing areas. In addition to reviewing the actual performance of the subject property, a review of other LIHTC apartment communities was done in order to project the operating expenses. Further, overall capitalization rates from LIHTC properties were abstracted from the market and compared against a national publication. Thus, since reliable information was available, this approach is considered to provide a very reliable value indication.

In addition to the market-based approach developed, the appraiser also developed a value as outlined by Ohio R.C. 5713.031. While this methodology was not in existence as of January 1, 2023, it was developed to give additional support to the market-based analysis. However, for the purpose of this analysis, it was not given significant weight in the final value conclusion. A value was also developed based upon the actual 2023 financials of the subject property. This value was also given less weight in the final value conclusion.

Therefore, after reviewing the Income Capitalization Approach, it is considered that the fair market value of the real estate, subject to governmental actions, as of January 1, 2023 is:

TWO MILLION ONE HUNDRED FIFTEEN THOUSAND DOLLARS
($2,115,000)

The estimated market value of the real estate, as of January 1, 2023, is allocated as follows between land and improvements using the same percentages utilized by the Ashtabula County Auditor:

Perm. Parcel No.	Land	Improvements	Total
03-013-00-037-04	$75,700	$2,039,300	$2,115,000

ADDENDUM TO

Resolution Family, L.P.
3912 Resolution Avenue
Ashtabula Township, Ashtabula County, Ohio
Perm. Parcel No.: 03-013-00-037-04

Parcel

Address	3912 RESOLUTION AVE
Unit	
Class	C - COMMERCIAL
Land Use Code	403 - 403
Tax Roll	RP_OH
Acres	5.0001
Political Subdivsion	
Taxing District	03
District Name	ASHTABULA TWP-BUCKEYE LSD
Gross Tax Rate	87.87
Effective Tax Rate	77.57966
Neighborhood	8390C

Owner

Owner	RESOLUTION FAMILY L.P
Notes	

Tax Mailing Name and Address

Mailing Name 1	RESOLUTION FAMILY LP
Mailing Name 2	
Address 1	330 W SPRING STREET, SUITE 430
Address 2	
Address 3	DUBLIN OH 43215
Mortgage Company	
Mortgage Company	
Tax Year	2023

Legal

Legal Desc 1	LOT 11 AND 12 SEC 2
Legal Desc 2	
Legal Desc 3	
Notes	
Survey	

Taxes Due (Tax Year 2023)

Tax Roll	Delq Taxes	1ST Taxes	2ND Taxes	Total
RP_OH	$0.00	$0.00	$44,033.16	$44,033.16

Homestead Credits

Homestead Exemption	NO
2.5% Reduction	NO

Appraised Value (100%)

Year	2023
Appraised Land	$116,000
Appraised Building	$3,127,000
Appraised Total	$3,243,000
CAUV	$0

Assessed Value (35%)

Assessed Land	$40,600
Assessed Building	$1,094,450
Assessed Total	$1,135,050
CAUV	$0

Value History

Year	Land	Building	Total	CAUV
2021	$37,500	$0	$37,500	$0
2022	$37,500	$0	$37,500	$0
2023	$116,000	$3,127,000	$3,243,000	$0

Land Summary

Line #	Land Class	Land Type	Land Code	Square Feet	Acres	Rate	Market Land Value
1	-	A-ACREAGE	1-PRIMARY SITE	217,804	5.0001		$116,000.00
Total:				217,804	5.0001		$116,000.00

Land

Line #	1
Land Type	A-ACREAGE
Land Code	1-PRIMARY SITE
Square Feet	217,804
Acres	5.0001
Land Units	
Actual Frontage	
Effective Frontage	
Override Size	5
Actual Depth	
Table Rate	23,200.00
Override Rate	
Depth Factor	1
Influence Factor	
Influence Codes	
Nbhd Factor	1
Notes	
Value	$116,000.00
Exemption Pct	
Homesite Value	

OBY

Card	Line #	Code	Desc	Yr Built	Width x Length	Area	Units	Grade	Mod Cds	Condition	Make	Model	Serial No.	Title No	Value
1	1	CI1	ASPHALT OR BLACKTOP PAVING	2022	1 X#####	47,000	#	C		AVERAGE					47,000

Commercial

Card	1
Building Number	1
Year Built	2022
Effective Year Built	
Structure Code/Description	212 APARTMENTS COMPLEX
Improvment Name	RESOLUTION APTS
Class	-
Grade	C
Sq.Ft.	49,990
Base RCN	$3,242,050

Percent Good	95%
Percent Complete	%
Total RCNLD	$3,079,950
Building Factor	1
Cost Value	$3,079,950
Units	51
# Identical	#
Notes	
Other Improvements	
Other Imp Value	

Other Feature Details — 1 of 11

Card	1
Int/Ext Line	1
Code	EE1
Area	
Measurement 1	4
Measurement 2	9
Identical Units	1
RCN	$1,440

Summary of Interior/Exterior Data

Card	Line Number	Section	From Floor	To Floor	Area
1	1	01	01	03	13,818
1	2	02	01	02	2,085
1	3	03	01	02	2,157
1	4	04	01	01	52

Interior/Exterior Details — 1 of 4

Card	1
Line Number	1
Section	01
From Floor	01
To Floor	03
Area	13,818
Use Group	011
Class	
Physical Condition	3
Construction	1-1
Wall Height	9
Interior Wall	2-2
MS Class	
MS Quality Type	
MS Heat Description	-
Air	1-1
Plumbing	2-2
Units	
Base RCN	$2,660,400
Depreciation	95
Functional Depr.	
Economic Depr.	
Final Cost Value	$2,527,380

Summary of All Other Features

Area	Card	Int / Ext
	1	1
	1	1
	1	1
	1	1

0	1	1
	1	2
	1	2
	1	3
	1	3
	1	3
	1	4

Sales Summary

Date	Price	Trans#	Validity	Sale Type	Instrument	Book Page
30-JAN-2023		342	E-EXEMPT CONVEYANCE (SALE PRICE OMITTED)	4-EASEMENT ONLY	ET-TEMP EXEMPT	
08-OCT-2021		4230	E-EXEMPT CONVEYANCE (SALE PRICE OMITTED)	4-EASEMENT ONLY	ET-TEMP EXEMPT	
15-APR-2021	$170,000	1477	U-NOT VALIDATED	1-LAND ONLY	GW-GENERAL WARRANTY	
07-APR-2021		1355	R-RELATED INDIVIDUALS OR CORPORATIONS	2-LAND AND BUILDING	WD-WARRANTY DEED	

Sales History 1 of 4

Sale Date	30-JAN-2023
Sale Price	
Contract Price	
Sale Type	4-EASEMENT ONLY
Deed Transfer #	342
Book / Page	/
Source	-
Seller	RESOLUTION FAMILY L.P
Buyer	RESOLUTION FAMILY L.P
Instrument Type	ET-TEMP EXEMPT
Validity	E-EXEMPT CONVEYANCE (SALE PRICE OMITTED)
State Code	-
# of Parcels	1
Total Appraised	$37,500
Note1	
Note2	
Sale Key	178122

NOTES

Comment Number	Code	Comment	Who	Wen
1	OFC	split from parcel 030130003700 5.001 out of 62.361 bal 57.3609 #1355 4/7/21	SLBUTCHER	04/07/2021 10:40 am
2	OFC	EASEMENT TO CLEVELAND ELECTRIC ILLUMINATING CO CONV#4230 10/8/2021	KLBURDICK	10/19/2021 09:34 am
3	OFC	60 FT INGRESS/EGRESS EASEMENT WHICH ALSO INCLUDED A 12FT UTILITY EASEMENT WAS	DLMOHNEY	08/18/2022 01:13 pm
4	OFC	STAMPED NO TRANSFER NECESSARY IN OUR OFFICE	DLMOHNEY	08/18/2022 01:13 pm
5	OFC	BUT WAS RECORDED IN VOL 736 PG 1225 ON APR 15TH 2021 IN THE RECORDERS OFFICE.	DLMOHNEY	08/18/2022 01:13 pm
6	FLD	NEW 51-UNIT APT BLD<50% 1-1-22 (100%NOW FOR 1-1-23). 17 1-BED/1-BATH @ $686/MO.,	MMCARMACK	09/21/2022 10:08 am
7	FLD	26 2-BED/1-BATH @$785/MO., 8 3-BED/2-BATH @ $900/MO. RECK'23 TO ADD 100% VALUE	MMCARMACK	09/21/2022 10:08 am
8	FLD	AND PAVING AND ADJ.LAND VALUE.	MMCARMACK	09/21/2022 10:08 am
9	OFC	EASEMENT TO CLEVELAND ELECTRIC ILLUMINATING COMPANY CONV#343 1/30/2023	DLMOHNEY	01/30/2023 01:21 pm
10	FLD	51 UNIT APT BLDG 100% 1-1-23.	MMCARMACK	09/25/2023 03:58 pm

Permits

Permit Number	Permit Date	Amount	SQFT	Purpose	Open/Closed	Rough In Date	Final Inspection Date
C202001167	28-DEC-2021	$5,340,000.00		COM BLDG	C		

Permit Number	C202001167
Permit Date	28-DEC-2021
Amount	$5,340,000.00
SQFT	
Purpose	COM BLDG
Open/Closed	C
Rough In Date	
Final Inspection Date	
Hansen Project Name	
Notes	

Current Full Year Charges

Original Charge	$99,736.94
Reduction	-$11,680.12
Adjusted Charge	$88,056.82
Non-Business Credit	$.00
Homestead Exemption	$.00
Owner Occupancy Credit	$.00
Total Full Year Real Estate Only	$88,056.82
Special Assessment	$9.50
CAUV	$.00
Total Full Year Current Charges	$88,066.32

1st Half Current Charges (includes adjustments)

Original Charge	$49,868.47
Reduction	-$5,840.06
Adjusted Charge	$44,028.41
Non-Business Credit	$.00
Homestead Exemption	$.00
Owner Occupancy Credit	$.00
Penalty	$.00
Total 1st Half Real Estate Only	$44,028.41
Special Assessment	$4.75
CAUV	$.00
Total 1st Half Current Charges	$44,033.16

2nd Half Current Charges (includes adjustments)

Original Charge	$49,868.47
Reduction	-$5,840.06
Adjusted Charge	$44,028.41
Non-Business Credit	$.00
Homestead Exemption	$.00
Owner Occupancy Credit	$.00
Penalty	$.00
Total 2nd Half Real Estate Only	$44,028.41
Special Assessment	$4.75
CAUV	$.00
Total 2nd Half Current Charges	$44,033.16

Delinquent Charges

Real Estate Delq.	$.00
Interest	$.00
Total Delinquent Real Estate	$.00
Special Assessment Delq.	$.00
Interest	$.00
Total Delinquent Special Assessment	$.00
Total Current Delinquent	$.00

Tax Details

Type	Action	Project #	Date	Delinquent	1st Half	2nd Half
ORG	DUP		21-DEC-23	0.00	49,868.47	49,868.47
RED	DUP		21-DEC-23	0.00	-5,840.06	-5,840.06
SAC	DUP	19005	21-DEC-23	0.00	2.25	2.25
SAC	DUP	19006	21-DEC-23	0.00	2.50	2.50
CHG	PAY		09-FEB-24	0.00	-44,028.41	0.00
SAC	PAY	19006	09-FEB-24	0.00	-2.50	0.00
SAC	PAY	19005	09-FEB-24	0.00	-2.25	0.00
Total:				0.00	0.00	44,033.16

Payment History

Roll	Tax Year	Effective Date	Business Date	Amount
RP_OH	2023	09-FEB-24	09-FEB-24	$44,033.16
RP_OH	2022	22-FEB-23	22-FEB-23	$1,013.56
RP_OH	2021	20-JUL-22	20-JUL-22	$509.83
RP_OH	2021	07-FEB-22	07-FEB-22	$509.83

Special Assessment Charges

Year	Project	Date	Desc	Charge	Fee	Total
2023	19005	13-DEC-23	9-1-1 EMERGENCY TELEPHONE	$4.50	$.00	$4.50
2023	19006	13-DEC-23	COUNTYWIDE RECYCLING PROGRAM	$5.00	$.00	$5.00
Total:				$9.50	$.00	$9.50

Special Assessment Payoff Details

Year	Project	Desc	Cycle	Taxes	Fee	Penalty/Interest	Paid	Total
2023	19005	9-1-1 EMERGENCY TELEPHONE	1	$2.25	$.00	$0.00	-$2.25	$0.00
2023	19005	9-1-1 EMERGENCY TELEPHONE	2	$2.25	$.00	$0.00	$0.00	$2.25
2023	19006	COUNTYWIDE RECYCLING PROGRAM	1	$2.50	$.00	$0.00	-$2.50	$0.00
2023	19006	COUNTYWIDE RECYCLING PROGRAM	2	$2.50	$.00	$0.00	$0.00	$2.50
Total:				$9.50	$.00	$0.00	-$4.75	$4.75

Special Assessment Payoff Totals

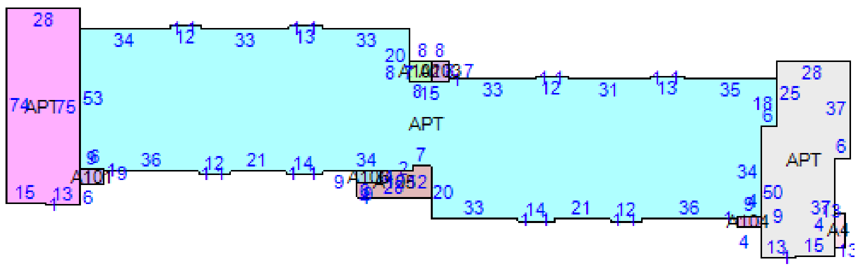
Project	Desc	Taxes	Fee	Penalty/Interest	Paid	Total
19005	9-1-1 EMERGENCY TELEPHONE	$4.50	$.00	$0.00	-$2.25	$2.25
19006	COUNTYWIDE RECYCLING PROGRAM	$5.00	$.00	$0.00	-$2.50	$2.50
Total:		$9.50	$.00	$0.00	-$4.75	$4.75

Special Assessment Project Details

Project	Project Name	Year Beg	Year End	Calc Code	Project Type	Bond Date	Int Months	Int Rate	Ord Code	Unit Type	Notes
19005	9-1-1 EMERGENCY TELEPHONE	1991	2999	3	90	01-JAN-1991			101		
19006	COUNTYWIDE RECYCLING PROGRAM	2017	2999	3	90						

Yearly Project Details

Tax Year	Project	Project Name	Base Factor	Interest Rate	Notes
2021	19005	9-1-1 EMERGENCY TELEPHONE			
2022	19005	9-1-1 EMERGENCY TELEPHONE			
2023	19005	9-1-1 EMERGENCY TELEPHONE			
2021	19006	COUNTYWIDE RECYCLING PROGRAM			
2022	19006	COUNTYWIDE RECYCLING PROGRAM			
2023	19006	COUNTYWIDE RECYCLING PROGRAM			



Item	Area
PORCH, OPEN - PR1:PORCH, OPEN	54
APT - 011:APTS (4-18 UNITS)	13818
ASPH PAVE - CI1:ASPHALT OR BLACKTOP PAVING	47000
SPRKLR WET - SS1:SPRINKLER SYS WET	52
EL PASS ELEV - EL2:ELEVATOR ELECTRIC PASNGR	375000
ENCLSD ENTRY - EE1:ENCLOSED ENTRY	64
APT - 011:APTS (4-18 UNITS)	2085
PORCH, OPEN - PR1:PORCH, OPEN	56
APT - 011:APTS (4-18 UNITS)	2157
PORCH, OPEN - PR1:PORCH, OPEN	36
APT - 011:APTS (4-18 UNITS)	52
PORCH, OPEN - PR1:PORCH, OPEN	258

ENCLSD ENTRY - EE1:ENCLOSED ENTRY	36
SPRKLR WET - SS1:SPRINKLER SYS WET	13818
SPRKLR WET - SS1:SPRINKLER SYS WET	2085
SPRKLR WET - SS1:SPRINKLER SYS WET	2157

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
RESOLUTION FAMILY (626)															
Current/Notice Residents															
100	626360	1,060	Occupied No Notice	t0033118	Benn, Kasshay	900.00	rent	900.00	0.00	900.00	06/30/2022	06/29/2023	06/30/2022		330.00
							Total	**900.00**							
101	626360	1,060	Occupied No Notice	t0032972	Lacy, Janea	900.00	metro	900.00	0.00	900.00	08/31/2022	08/30/2023	08/31/2022		329.00
							Total	**900.00**							
102	626260	824	Occupied No Notice	t0033029	Campbell, Cheyenne	785.00	rent	785.00	0.00	785.00	07/14/2022	07/13/2023	07/14/2022		0.00
							Total	**785.00**							
103	626160	620	Occupied No Notice	t0034644	Deak, Michael	635.00	rent	635.00	0.00	635.00	11/09/2022	11/08/2023	11/09/2022		0.00
							Total	**635.00**							
104	626260	824	Occupied No Notice	t0034229	Cole, Ronald	785.00	rent	785.00	0.00	785.00	09/30/2022	09/29/2023	09/30/2022		26.00
							Total	**785.00**							
105	626260	824	Occupied No Notice	t0034497	Moore, Reginald	785.00	rent	395.00	0.00	785.00	10/18/2022	10/17/2023	10/18/2022		0.00
							metro	390.00							
							Total	**785.00**							
106	626130	620	Occupied No Notice	t0034347	Gray, Gwendolyn	300.00	rent	300.00	0.00	300.00	11/30/2022	11/29/2023	11/29/2022		0.00
							Total	**300.00**							
107	626130	620	Occupied No Notice	t0033321	Hopkins, Wanda	300.00	rent	300.00	0.00	300.00	08/24/2022	08/23/2023	08/24/2022		0.00
							Total	**300.00**							
108	626260	824	Occupied No Notice	t0034421	Carr, Cheyenne	785.00	rent	467.00	0.00	785.00	10/17/2022	10/16/2023	10/17/2022		-467.00
							metro	318.00							
							Total	**785.00**							
109	626260	824	Occupied No Notice	t0034027	Flores, Jose	785.00	rent	336.00	0.00	785.00	08/31/2022	08/30/2023	08/31/2022		105.00
							metro	449.00							
							Total	**785.00**							
110	626230	824	Occupied No Notice	t0033089	Poston, Emilie	365.00	rent	365.00	0.00	365.00	06/29/2022	06/28/2023	06/29/2022		24.00
							Total	**365.00**							
111	626160	620	Occupied No Notice	t0033400	Bennett, Lynda	635.00	rent	635.00	0.00	635.00	08/31/2022	08/30/2023	08/31/2022		-1,690.00

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
							Total	**635.00**							
112	626160	620	Occupied No Notice	t0034759	Holloway, Armertricia	635.00	rent	178.00	0.00	385.00	11/30/2022	11/30/2023	11/30/2022		393.00
							metro	403.00							
							Total	**581.00**							
113	626360	1,060	Occupied No Notice	t0034697	Cowger, Mildred	900.00	rent	900.00	0.00	900.00	11/30/2022	11/30/2023	11/21/2022		300.00
							Total	**900.00**							
114	626360	1,060	Occupied No Notice	t0033068	Alicea-Valentin, Yamilette	900.00	metro	900.00	0.00	900.00	06/29/2022	06/28/2023	06/29/2022		370.00
							Total	**900.00**							
200	626360	1,060	Occupied No Notice	t0033606	Hounshell, Tasha	900.00	rent	173.00	0.00	900.00	10/07/2022	10/06/2023	10/07/2022		0.00
							metro	727.00							
							Total	**900.00**							
201	626360	1,060	Occupied No Notice	t0035224	Taylor, Teresa	900.00	metro	900.00	0.00	0.00	12/19/2022	12/18/2023	12/19/2022		900.00
							Total	**900.00**							
202	626230	824	Occupied No Notice	t0033483	Mollick, Victoria	365.00	rent	365.00	0.00	365.00	08/15/2022	08/14/2023	08/15/2022		0.00
							Total	**365.00**							
203	626160	620	Occupied No Notice	t0034733	Chadwick, Paul	635.00	rent	635.00	0.00	212.00	11/30/2022	11/30/2023	11/30/2022		423.00
							Total	**635.00**							
204	626260	824	Occupied No Notice	t0033333	Torres Serrano, Nicole	785.00	rent	785.00	0.00	785.00	08/31/2022	08/30/2023	08/31/2022		0.00
							Total	**785.00**							
205	626260	824	Occupied No Notice	t0034678	Welser, Mercedes	785.00	rent	224.00	0.00	506.00	11/30/2022	11/30/2023	11/28/2022		503.00
							metro	561.00							
							Total	**785.00**							
206	626160	620	Occupied No Notice	t0033098	Fetters, Sandra	635.00	rent	635.00	0.00	635.00	06/29/2022	06/28/2023	06/29/2022		42.00
							Total	**635.00**							
207	626160	620	Occupied No Notice	t0034553	Matthews, Ryan	635.00	rent	635.00	0.00	635.00	10/24/2022	10/23/2023	10/24/2022		211.00
							Total	**635.00**							
208	626260	824	Occupied No Notice	t0034234	Dibell, Lori	785.00	rent	251.00	0.00	785.00	09/22/2022	09/21/2023	09/22/2022		0.00

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
							metro	534.00							
							Total	**785.00**							
209	626260	824	Occupied No Notice	t0034061	Forrest, Tanesha	785.00	rent	785.00	0.00	785.00	09/23/2022	09/22/2023	09/23/2022		482.00
							Total	**785.00**							
210	626260	824	Occupied No Notice	t0034257	McAbee, Daviee	785.00	rent	785.00	0.00	785.00	11/11/2022	11/10/2023	11/11/2022		306.00
							Total	**785.00**							
211	626260	824	Occupied No Notice	t0034294	Serrano Flores, Keishla	785.00	rent	141.00	0.00	785.00	10/28/2022	10/27/2023	10/28/2022		0.00
							metro	644.00							
							Total	**785.00**							
212	626260	824	Occupied No Notice	t0034355	Wimbs, Gretchen	785.00	rent	464.00	0.00	785.00	10/28/2022	10/27/2023	10/28/2022		366.00
							metro	321.00							
							Total	**785.00**							
213	626160	620	Occupied No Notice	t0033320	Swartwood, Dakota	635.00	rent	635.00	0.00	635.00	07/29/2022	07/28/2023	07/29/2022		61.00
							Total	**635.00**							
214	626260	824	Occupied No Notice	t0034060	Pollard, Jeweliana	785.00	rent	181.00	0.00	785.00	09/27/2022	09/26/2023	09/27/2022		17.00
							metro	604.00							
							Total	**785.00**							
215	626260	824	Occupied No Notice	t0034604	Daugherty, Chaaquia	785.00	rent	785.00	0.00	785.00	11/11/2022	11/10/2023	11/11/2022		523.00
							Total	**785.00**							
216	626160	620	Occupied No Notice	t0033031	Crate, Becky	635.00	rent	635.00	0.00	635.00	08/15/2022	08/14/2023	08/15/2022		0.00
							Total	**635.00**							
217	626130	620	Occupied No Notice	t0033093	Waite, Shirley	300.00	rent	300.00	0.00	300.00	06/30/2022	06/29/2023	06/30/2022		10.00
							Total	**300.00**							
218	626360	1,060	Occupied No Notice	t0034441	Wells, Carol	900.00	rent	162.00	0.00	900.00	10/17/2022	10/16/2023	10/17/2022		702.00
							metro	738.00							
							Total	**900.00**							
219	626360	1,060	Occupied No Notice	t0034381	Hull, LaToyia	900.00	metro	900.00	0.00	600.00	10/31/2022	10/30/2023	10/31/2022		300.00
							Total	**900.00**							

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
300	626260	824	Occupied No Notice	t0034447	Ringler, Judy	785.00	rent	147.00	0.00	660.00	10/19/2022	10/18/2023	10/19/2022		419.00
							metro	638.00							
							Total	**785.00**							
301	626160	620	Occupied No Notice	t0034569	Becoats, Josia	635.00	rent	635.00	0.00	212.00	11/30/2022	11/30/2023	11/21/2022		458.00
							Total	**635.00**							
302	626260	824	Occupied No Notice	t0033657	Metz, Caitlin	785.00	rent	785.00	0.00	785.00	08/25/2022	08/24/2023	08/25/2022		520.00
							Total	**785.00**							
303	626260	824	Occupied No Notice	t0034376	McMullen, Bryce	785.00	rent	785.00	0.00	785.00	10/21/2022	10/20/2023	10/21/2022		523.00
							Total	**785.00**							
304	626160	620	Occupied No Notice	t0034852	Donathan, Elizabeth	635.00	rent	464.00	0.00	194.11	12/09/2023	12/08/2024	12/09/2022		311.89
							metro	117.00							
							Total	**581.00**							
305	626160	620	Occupied No Notice	t0034818	Stroth, Romie	635.00	rent	144.00	0.00	394.00	11/30/2022	11/30/2023	11/30/2022		187.00
							metro	437.00							
							Total	**581.00**							
306	626230	824	Occupied No Notice	t0034509	Bell, Timothy	365.00	rent	365.00	0.00	365.00	11/07/2022	11/06/2023	11/07/2022		121.00
							Total	**365.00**							
307	626260	824	Occupied No Notice	t0034419	Siler, Brianna	785.00	rent	365.00	0.00	365.00	10/20/2022	10/19/2023	10/20/2022		0.00
							Total	**365.00**							
308	626260	824	Occupied No Notice	t0034476	Sparks, Kallie	785.00	rent	785.00	0.00	785.00	10/21/2022	10/20/2023	10/21/2022		0.00
							Total	**785.00**							
309	626260	824	Occupied No Notice	t0034521	Johnson, Varnell	785.00	rent	249.00	0.00	785.00	11/09/2022	11/08/2023	11/09/2022		-143.00
							metro	536.00							
							Total	**785.00**							
310	626260	824	Occupied No Notice	t0034353	Courtney, Sorenson	785.00	rent	785.00	0.00	785.00	10/31/2022	10/30/2023	10/31/2022		286.00
							Total	**785.00**							
311	626160	620	Occupied No Notice	t0034235	Carrier, Charles	635.00	rent	635.00	0.00	635.00	09/21/2022	09/20/2023	09/21/2022		0.00

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
							Total	**635.00**							
312	626230	824	Occupied No Notice	t0033501	Herron, Gloria	365.00	rent	365.00	0.00	365.00	08/15/2022	08/14/2023	08/15/2022		-1.00
							Total	**365.00**							
313	626260	824	Occupied No Notice	t0033232	Jarc-Hawes, Franky	785.00	rent	785.00	0.00	785.00	08/01/2022	07/31/2023	08/01/2022		0.00
							Total	**785.00**							
314	626160	620	Occupied No Notice	t0034661	Bucci, Damytrius	635.00	rent	635.00	0.00	635.00	11/16/2022	11/15/2023	11/16/2022		-635.00
							Total	**635.00**							
315	626130	620	Occupied No Notice	t0034268	Mooney, Salena	300.00	rent	300.00	0.00	300.00	09/19/2022	09/18/2023	09/19/2022		0.00
							Total	**300.00**							
(626)	**Total**					**35,385.00**		**34,803.00**	**0.00**	**31,583.11**					**6,612.89**

Summary Groups	Square Footage	Market Rent	Lease Charges	Security Deposit	Other Deposits	# Of Units	% Unit Occupancy	% SQFT Occupancy	Balance
Current/Notice Residents			34,803.00	31,583.11	0.00				6,612.89
Future Residents/Applicants			0.00	0.00	0.00				0.00
Occupied Units	40,444.00	35,385.00				51	100.00	100.00	
Vacant Units	0.00	0.00				0	0.00	0.00	
Totals	**40,444.00**	**35,385.00**	**34,803.00**	**31,583.11**	**0.00**	**51**	**100.00**	**100.00**	**6,612.89**

Summary of Charges by Charge Code
(Current/Notice residents only)
Note: This table does not include rent and hap charges for 50059 tenants.

Charge Code	Amount
metro	11,017.00
rent	23,786.00
Total	**34,803.00**

Ohio Housing Finance Agency

Average Vacancy Rate

As of December 31, 2022

	FILTERS
Region	(All)
Building Type	(Multiple Items)
Population	(All)
Type of Financing	(All)
Project County	(Multiple Items)

Number of Developments	AVERAGE VACANCY RATE
14	2.70%

***Project Counties Included:** ASHTABULA, Geauga, Lake, Trumbull

This form will calculate the vacancy rate filtered by the appropriate conditions.

It is based on the number of units reported vacant at the end of December 2022. This information was reported by owners and property managers and was collected in the 2022 Annual Operating Survey.

This data reflects developments over ten units that received a Housing Tax Credit award between 2006 and 2019.

RESOLUTION FAMILY LP
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Revenues		
Gross Rental Income	$ 424,620	$ 318,465
Vacancy Loss	(14,454)	(213,606)
Net Rental Income	410,166	104,859
Interest Income	982	193
Other Income	11,226	4,627
Total Revenues	422,374	109,679
Expenses		
Administrative	31,589	21,816
Management Fees	27,784	8,556
Utilities	45,159	14,240
Operating & Maintenance	64,057	16,282
Taxes & Insurance	114,874	14,395
Total Expenses	283,463	75,289
Income (Loss) from Operations	138,911	34,390
Other Non-Operating Revenue (Expenses)		
Interest Expense	(94,709)	(7,554)
Asset Management Fee	(5,334)	(5,333)
Depreciation	(365,040)	(243,327)
Amortization	(13,066)	(9,800)
Other Non-Operating Revenue (Expenses)	(29,325)	(93,820)
Total Other Non-Operating Revenue (Expenses)	(507,474)	(359,834)
Net Income (Loss)	$ (368,563)	$ (325,444)

The accompanying notes are an integral part of these financial statements.

RESOLUTION FAMILY LP
SCHEDULES OF OPERATING EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Administrative	2023	2022
Office Salaries	$ 4,307	$ 3,940
Office Expenses	6,578	6,254
Manager or Superintendent Salaries	12,866	4,652
Legal Expenses	690	345
Audit Expenses	5,050	5,000
Bad Debts	2,096	1,625
Miscellaneous Administrative Expenses	2	-
Total Administrative Expenses	$ 31,589	$ 21,816

Utilities	2023	2022
Electricity	$ 9,865	$ 11,894
Water & Sewer	35,294	2,346
Total Utilities Expenses	$ 45,159	$ 14,240

Operating & Maintenance	2023	2022
Payroll	$ 13,430	$ 5,980
Supplies	2,191	599
Contracts	34,597	2,831
Garbage and Trash Removal	6,975	3,300
Security Payroll/Contract	2,334	1,382
Heating/Cooling Repairs and Maintenance	1,245	-
Snow Removal	3,285	2,190
Total Operating and Maintenance	$ 64,057	$ 16,282

Taxes & Insurance	2023	2022
Real Estate Taxes	$ 88,066	$ 1,014
Payroll Taxes	2,784	1,289
Property & Liability Insurance	23,223	11,942
Workmen's Compensation	237	137
Health Insurance and Other Employee Benefits	49	13
Miscellaneous Taxes, Licenses, Permits and Insurance	515	-
Total Taxes and Insurance	$ 114,874	$ 14,395

Ohio Housing Finance Agency

2023 Average Operating Expenses

FILTERS	
Region	(All)
Building Type	(Multiple Items)
Population	(All)
Type of Financing	(All)
Project County	(Multiple Items)
TOTAL DEVELOPMENTS THAT FIT THESE CONDITIONS	11

AVERAGE PER UNIT PER YEAR		
ADMINISTRATIVE	$	1,982
UTILITIES	$	1,075
OPERATING/MAINTANENCE	$	1,901
TAXES/INSURANCE	$	1,410
OTHER FINANCIAL EXPENSES	$	1,076
TOTAL OPERATING COSTS	$	7,443

***Project Counties Included:** ASHTABULA, Geauga, Lake, Trumbull

This form will calculate the operating expenses per unit per year filtered by the appropriate conditions.

It is based on data from owners and property managers that was collected in the 2023 Annual Operating Survey.

This data reflects developments over ten units that received a Housing Tax Credit award between 2007 and 2020.

Market Commentary

RealtyRates.com *Investor Survey* Reports Minor Cap Rate Index Decreases Office, Self Storage, Modest Increases For All Other Property Types During 3rd Quarter 2023

Consistent with a 60 basis point increase in Treasury rates to which most commercial mortgage interest rates are indexed, together with a six basis point decrease in equity dividend rates, the RealtyRates.com™ *Investor Survey* Weighted Composite (Cap Rate) Index™ increased 13 basis points from 9.67 to 9.79 percent during the 3rd Quarter of 2023.

The greatest, albeit modest, quarter-over-quarter cap rate index increase during the 3rd Quarter was recorded by the Special Purpose sector, up 25 basis points, followed by the Health Care and Restaurant sectors, both up 23 basis points.

Meanwhile, Office and Self Storage were the only sectors to report minor quarter-over-quarter cap rate index decreases, 10 and eight basis points respectively, during the 3rd Quarter.

Mortgage lending standards tightened on weaker demand and higher risk for all commercial real estate loan categories during the 3rd Quarter. Meanwhile, although spreads were down three basis points overall, average permanent mortgage rates were up a full 67 basis points.

RealtyRates.com INVESTOR SURVEY - 4th Quarter 2023*

CURRENT & HISTORICAL CAP RATE INDICES

	Method-Weighted* Property Category Indices																							Weighted^ Composite Indices	
	Apts		Golf		Healthcare Senior Housing		Industrial		Lodging		MH/RV Park		Office		Retail		Restaurant		Self Storage		Special Purpose			
Year	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg
2023	8.41	43	11.85	29	9.11	47	9.35	40	10.38	48	9.76	49	9.22	34	9.52	50	12.25	74	9.94	35	12.08	48	9.76	44
3rd Qtr	8.49	22	11.88	13	9.20	23	9.35	5	10.46	21	9.84	21	9.14	-10	9.60	20	12.32	23	9.86	-8	12.17	25	9.79	13
2nd Qtr	8.27	-7	11.75	-8	8.97	-5	9.29	-6	10.25	-5	9.63	-6	9.24	-6	9.40	-4	12.09	-8	9.94	-9	11.92	-8	9.67	-6
1st Qtr	8.34	-15	11.83	-13	9.02	-18	9.35	-14	10.30	-17	9.68	-15	9.30	-15	9.44	-12	12.17	-11	10.02	-14	11.99	-20	9.73	-15
2022	7.99	16	11.56	17	8.64	26	8.95	36	9.90	22	9.27	35	8.88	39	9.02	17	11.50	39	9.59	35	11.61	40	9.32	28
2021	7.83	-59	11.39	-64	8.38	-64	8.60	-59	9.68	-84	8.92	-65	8.49	-55	8.85	-53	11.11	-46	9.24	-62	11.21	-44	9.04	-60
2020	7.50	-43	11.08	-48	8.10	-48	8.32	-40	9.40	-47	8.63	-46	8.16	-38	8.58	-35	10.81	-39	8.91	-49	10.91	-29	8.75	-41
2019	7.92	-50	11.56	-47	8.58	-44	8.72	-47	9.86	-66	9.08	-48	8.54	-50	8.93	-45	11.20	-37	9.40	-46	11.20	-45	9.15	-49
2018	8.42	26	12.02	30	9.01	14	9.19	23	10.53	25	9.56	30	9.04	10	9.38	20	11.57	15	9.86	29	11.64	40	9.64	22
2017	8.16	4	11.73	-2	8.87	-6	8.96	-12	10.28	5	9.26	11	8.94	-22	9.19	-8	11.42	-15	9.57	-9	11.25	4	9.42	-6
2016	8.13	-2	11.75	6	8.92	12	9.08	15	10.22	0	9.15	15	9.16	16	9.27	12	11.57	-10	9.67	14	11.21	10	9.48	9
2015	8.15	-9	11.69	-14	8.80	-9	8.93	-10	10.22	-20	8.99	-18	9.00	-6	9.15	-11	11.66	-13	9.52	-22	11.11	-12	9.40	-12
2014	8.24	-15	11.83	-9	8.89	-1	9.03	-4	10.43	-17	9.17	-5	9.06	-22	9.26	15	11.79	-6	9.75	-20	11.24	14	9.52	-7
2013	8.39	14	11.92	-14	8.90	5	9.07	-2	10.60	3	9.22	14	9.28	-19	9.11	-4	11.86	9	9.95	-24	11.10	1	9.58	-2
2012	8.25	-35	12.07	6	8.85	-36	9.09	-40	10.57	-24	9.08	-39	9.47	3	9.15	-13	11.77	6	10.19	-49	11.09	-4	9.60	-21
2011	8.60	-29	12.00	-22	9.21	-40	9.49	-11	10.81	-24	9.48	-8	9.44	-10	9.28	-26	11.70	-14	10.69	-3	11.12	-17	9.81	-19
2010	8.89	4	12.22	5	9.62	15	9.60	12	11.05	7	9.55	22	9.54	16	9.54	25	11.84	12	10.72	21	11.30	0	10.00	13
2009	8.85	8	12.17	16	9.47	10	9.48	10	10.98	-7	9.33	1	9.38	29	9.29	20	11.72	15	10.50	37	11.30	8	9.87	14
2008	8.77	-4	12.01	29	9.37	-16	9.38	-14	11.05	56	9.32	-5	9.09	-16	9.09	-11	11.57	-28	10.13	20	11.22	-7	9.74	-1
2007	8.81	-45	11.72	-21	9.53	-65	9.52	-25	10.49	-28	9.37	-26	9.25	-47	9.20	-12	11.85	61	9.93	-38	11.29	-24	9.75	-28
2006	9.26	12	11.93	47	10.18	15	9.77	35	10.77	27	9.63	41	9.72	26	9.32	30	11.24	18	10.31	27	11.53	9	10.03	26
2005	9.14	14	11.46	80	10.03	-16	9.42	-30	10.50	-21	9.22	19	9.46	6	9.02	16	11.06	5	10.04	13	11.44	-30	9.77	2
2004	9.00	-19	10.66	28	10.19	-37	9.72	19	10.71	-98	9.03	-48	9.40	-4	8.86	-19	11.01	-15	9.91	-13	11.74	-30	9.75	-19
2003	9.19	-2	10.38	-32	10.56	64	9.53	33	11.69	56	9.51	-11	9.44	1	9.05	-18	11.16	8	10.04	-53	12.04	105	9.94	12
2002	9.21	-40	10.70	18	9.92	-39	9.20	-61	11.13	26	9.62	-60	9.43	-35	9.23	-62	11.08	-3	10.57	-12	10.99	-177	9.82	-41
2001	9.61	64	10.52	133	10.31	90	9.81	16	10.87	98	10.22	-68	9.78	-35	9.85	-53	11.11	47	10.69	13	12.76	32	10.23	21
2000	8.97		9.19		9.41		9.65		9.89		10.90		10.13		10.38		10.64		10.56		12.44		10.01	

* Weighted by methodology: Band-of-Investment, DCR Technique, Sales Survey

^ Further weighted by property category

*3rd Quarter 2023 Data

Doc ID: 006924320012 Type: G/I
Kind: DECLARATION
Recorded: 02/22/2023 at 01:36:33 PM
Receipt#: 2023-00001124
Fee Amt: $114.00 Page 1 of 12
Ashtabula County, Ohio
Barbara Schaab Recorder
File# 2023-00001550
BK 790 PG 1015-1026

SAAD & SAAD LLP STAR TITLE AGENCY LLC
500 S FRONT ST
STE 250
COLUMBUS, OH 43215

KL

Restrictive Covenant

This Restrictive Covenant dated as of December 28, 2022, by Resolution Family L.P., (the "Owner") its successors and assigns, is given as a condition to the allocation of low-income housing tax credits by the Ohio Housing Finance Agency or any successor to the Ohio Housing Finance Agency as the housing credit agency for the State of Ohio as described in Section 42(h)(3) of the Internal Revenue Code of 1986, as amended.

Definitions. The following words and phrases are defined as follows for the purpose of this Restrictive Covenant:

a. *Agency or OHFA* means the Ohio Housing Finance Agency or any successor to the Ohio Housing Finance Agency as the Low-Income Housing Tax Credit allocation authority(ies) or housing credit agency for the State of Ohio as described in the Code.

b. *Applicable Fraction* means the smaller of the low-income unit fraction or the low-income floor space fraction, as defined in Section 42(c)(1)(B) of the Code, for a building comprising or a part of the Project.

c. *AMGI* means Area Median Gross Income adjusted for family size.

d. *Code* means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

e. *Commencement Date* means the first day in the Compliance Period applicable to the qualified low-income housing project, as defined by the Code, otherwise known as the Project.

f. *Compliance Period* means, with respect to any building, the period of fifteen (15) taxable years beginning with the first taxable year of the credit period defined in Section 42(i)(1) of the Code.

g. *Conditional Period* means the three year period beginning on the date that the building(s) comprising part of the Project is (are) acquired by foreclosure or an instrument given in lieu of foreclosure as provided in Section 42(h)(6)(E)(i)(I) of the Code.

h. *Employee Unit* means any residential unit at the Project occupied by a residential manager, maintenance personnel, security officer, or other eligible person that are reasonably required by a project, functionally related to, and subordinate to residential rental projects as required by 26 CFR 1.103-8(b) and described in Revenue Rul. 92-61, 1992-2 C.B. 7 and Revenue Rul. 2004-82, Q&A-1, 2004-2 C.B. 350.

i. *Extended Use Period* means the fifteen (15) year period following the expiration of the Compliance Period.

j. *Low-Income Unit* means a unit that is designated at 20%, 30%, 40%, 50%, 60%, 70%, or 80% of the AMGI.

k. *Project* means the building(s) that or will constitute a qualified low-income housing project comprised of rental unit(s) that will be rented or available for rental on a continuous basis to members of the general public, with the legal description and parcel number(s) stated in Exhibit A, attached hereto, and meet all other rules or regulations applicable to a qualified low-income housing project set forth in the Code.

l. *RC* means this Restrictive Covenant and any amendments thereto.

m. *Restriction Period* means the term of this RC that begins on the Commencement Date and ends thirty (30) years after the Commencement Date.

Now therefore, in consideration of the receipt of the benefit of the Low-Income Housing Tax Credit authorized under the Code commencing with the taxable year ending on December 31, 2022, the receipt and sufficiency of which is hereby acknowledged, Owner agrees to the terms and conditions stated in this RC, including Exhibit B to this RC, which is incorporated by reference. The terms and conditions stated in this RC comprise and encompass the requirements contained in Section 42(h)(6) of the Code.

1. Beneficiaries of RC. This RC constitutes an agreement between the parties that is enforceable in the courts of the State of Ohio by: (a) OHFA or (b) any individual(s), whether prospective, present, or former occupants of the Project, who meet the income limitations applicable to the Project under Section 42(g) of the Code. The individual(s) able to enforce this RC under subsection 1(b) are express beneficiary(ies) of this RC.

2. Prohibited Actions. Owner may not do either of the following: (a) evict or terminate any existing tenant of a Low-Income Unit other than for good cause or (b) charge an amount in excess of the maximum gross rent allowed under the Code during the Restriction Period with respect to either (i) any Low-Income Unit or (ii) the collective average of all Low-Income Units.

3. Lease Purchase. If the Project is a lease purchase project, Owner must follow the requirements stated in Section 42(i)(7) of the Code and all applicable OHFA requirements with respect to any sale(s) to an eligible tenant(s) following the Compliance Period. If the Owner is unable to sell the unit(s) to eligible tenant(s) for any reason, the Owner must continue to lease the Project's Low-Income Units to individuals that qualify as low income tenants under the applicable election during the Restriction Period.

If the Project is a lease purchase project, and Owner intends to sell the Low-Income Unit(s) to eligible tenant(s) at the end of the Compliance Period, the Owner must notify OHFA prior to any sale, and OHFA may terminate this RC in whole or in part. When the Project is being sold to a tenant or homeowner who did not previously occupy the unit, OHFA may require the Owner to provide documentation related to the potential buyer, current or prior low-income tenant, the Project, or the transaction as a whole. OHFA may also place a deed rider on any unit sold to any person or entity that did not previously occupy the unit to ensure that the gross rent for any Low-Income Unit is not increased above the amount permitted under Section 42(h)(6)(E)(ii) of the Code and that no low-income tenant is evicted, except for good cause, during the three (3)-year period following that sale.

4. Termination Prior to Expiration of Restriction Period.

(a) OHFA will terminate this RC prior to the end of the Restriction Period as a result of, and on the date that, the building(s) in the Project is (are) acquired by foreclosure or an instrument given in lieu of foreclosure as provided in Section 42(h)(6)(E)(i)(I) of the Code. Notwithstanding Section 42(h)(6)(E)(i)(I) of the Code, this RC will continue in full force and effect if either of the following conditions occur: (i) the Owner or foreclosing lender does not provide OHFA with proper notice (as defined below) at least sixty (60) days prior to the acquisition date or (ii) OHFA or the Internal Revenue Service determines that the prospective or proposed acquisition by foreclosure or deed in lieu of foreclosure is part of an arrangement with the Owner intended or designed to terminate the Extended Use Period.

(b) Notwithstanding the foregoing, if any party acquiring the Project or any buildings comprising the Project by foreclosure or instrument in lieu of foreclosure fails to record an agreement terminating this RC and provide OHFA with written notice of that foreclosure or instrument/deed in lieu of foreclosure, the Project or any buildings comprising the Project, as applicable, will remain subject to this RC, and the Project will remain eligible to receive tax credits so long as that party continues to comply with Section 42 of the Code and the terms of this RC.

(c) For purposes of subparagraph (a), "proper notice" must consist of the following:

(i) The name of the lender on the note triggering the foreclosure activity;

(ii) The original amount, date, current balance, and annual cost of the debt or related note;

(iii) The position of the debt or note relative to other liabilities on the property;

(iv) The name(s) of all other holders of notes on the Project or property;

(v) A detailed description of the circumstances that have prevented timely payment of principal or interest on the debt or note;

(vi) A detailed description of efforts taken by the Owner and the holder of the debt or note to reach an agreement to modify the terms of the debt or note in a manner that would have prevented foreclosure; and

(vii) Any relationship between the holder of the debt or note and the Owner of the Project or property, such as familial relationship, common principals, co-owners, or employment (all persons or entities having these relationships with the Owner or debt/note holder are collectively known "affiliates").

(d) If OHFA terminates the RC under this section, Owner must comply with Section 42(h)(6)(E)(ii) of the Code, and may not evict or terminate any low-income tenant's lease or tenancy for a Low-Income Unit at the Project other than for good cause. Similarly, Owner may not increase the gross rent above the maximum allowed under the Code during the three year Conditional Period following the RC's termination. Owner also must notify each low-income tenant at the Project of the RC's termination in writing within three (3) months of the Conditional

Period's start. Owner must request approval of this notification process from OHFA. OHFA may not unreasonably withhold its approval of the RC's termination. At a minimum, the Owner's notification to low-income tenants must include the date that the Conditional Period ends and must be posted in a centrally located common area accessible to all the Project's tenants.

5. Qualified Contract Process Waived. Owner waives any right it may have to request relief under Section 42(h)(6)(E)(i)(II) of the Code.

6. Section 8 Housing Choice Voucher Requirement. Owner may not refuse to lease any unit in the Project to a holder of a Housing Choice Voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937 due to that prospective tenant's status as a Housing Choice Voucher holder or eligibility to receive Section 8 assistance.

7. Fair Housing. Owner must take whatever action is necessary to ensure that the Project complies with all requirements of the federal Fair Housing Act and Ohio Revised Code Section 4112, as each may be subsequently amended. Owner must also ensure that the Project is operated in a manner that does not discriminate against any person because of sexual orientation or gender identity or expression as stated in 42 U.S.C. 3604.

8. Consent of Recorded Lienholder. Owner must identify any person or entity with a secured interest or lien applicable to the Project and obtain that person's or entity's consent to be bound by the terms of this RC. Consent from any prior recorded lienholder is a condition precedent to OHFA issuing an IRS Form 8609 for the Project. OHFA's Lienholder Consent form must be used to document any consent of a prior recorded lienholder. Owner must cause all Lienholder Consent Forms to be recorded and returned to OHFA before OHFA will issue any IRS Form 8609 for the Project.

9. Recording Requirement. Upon execution and delivery of this RC, Owner must cause it to be recorded in the recorder's office in the county where the Project is located. Owner must have the RC recorded no later than the end of the first taxable year in which tax credits allocated to the Project are claimed. Owner is solely responsible for all fees and charges related to the RC's recording. Owner must also provide OHFA with the original or certified copy of the recorded RC within ten (10) days of its recording. OHFA will not issue any IRS Form 8609 for the Project until Owner has complied with the recording requirements stated in this section.

10. Access to Project. Throughout the Restriction Period, Owner will permit OHFA and its agents or employees to enter the Project to inspect all books and records pertaining to the Project and its revenue, income, rent levels, housing costs of the low income tenants, or any other

information necessary to determine compliance with this RC during normal business hours or upon reasonable notice during non-business hours.

11. Annual Owner Certifications and Compliance Forms. Throughout the Restriction Period, Owner must complete and send OHFA an Annual Owner Certification and supplementary information. If the Owner plans to designate any residential unit in the Project as an Employee Unit, Owner must comply with any relevant OHFA policy applicable to the designation of an Employee Unit in effect at the time of that designation (including notice to OHFA and that the designated unit be from the least restricted unit(s)). OHFA may request more frequent reports, in form and content acceptable to OHFA and sufficient to determine the Project's or Owner's compliance with this RC during the Restriction Period. OHFA has sole discretion on whether to require or request these reports on a less than annual basis and what information must be provided in any report described in this section.

12. Ownership or Property Management Company Changes. Owner may only sell, transfer, or exchange the Project, or any material portion of the Project, in a manner consistent with the Code and this RC and after receiving OHFA's prior written approval. Similarly, Owner may only change the Project's property management company in a manner consistent with the Code and the RC and after receiving OHFA's prior written approval. Owner must follow the notification procedure for material project changes more fully set forth in the OHFA's Qualified Allocation Plan (QAP) in place in the year the housing credits were initially reserved or as amended through subsequent OHFA policy or guidance. The QAP and relevant OHFA policy can be obtained from OHFA. OHFA may withhold its approval of any material project change at its reasonable discretion and may require submission of any documentation reasonably necessary for it to determine if the prospective purchaser or transferee has the capacity to own or manage the Project consistent with the terms of this RC. Reasonable documentation may include audited financial statements, OHFA forms, an executed sale agreement, or letter of intent to purchase. This provision does not waive any other restriction on sale, transfer, or exchange of the Project or any low-income portion of the Project, including the requirement that all Low-Income Units be sold, transferred, or disposed of to the same transferee and that all reserves associated with the Project stay with the Project and remain fully accessible to the entity operating or owning the Project at all times. This provision does not apply to any action taken as a result of a condemnation action.

13. Restriction Period. The Owner acknowledges that Section 42 of the Code requires that OHFA monitor the Project during the entire Restriction Period, and the Owner agrees to take any and all actions necessary or required by OHFA to substantiate the Owner's compliance with Section 42 of the Code, this RC, and OHFA's policies. This provision will apply to any subsequent owners as set forth in Sections 12 and 16 of this RC.

14. Governing Law. Owner must comply with all provisions of the Code and all applicable Treasury Regulations, Revenue Procedures, Treasury Notices, and all other guidance provided by the Internal Revenue Service or OHFA with respect to the Project. The terms and conditions of any exhibits, and the provisions of any statutes or regulations referenced above, are incorporated into this RC by reference. In the event of a conflict between a provision in this RC and any applicable federal or state statute or regulation, whether or not that statute or regulation is referenced in this RC, the provisions of that statute or regulation prevail. This requirement applies to matters stated in this RC or otherwise relevant to the Project. Further, this RC will be governed by the laws of the State of Ohio as to all matters, including matters of validity, construction, effect, and performance.

15. Forum and Venue. All actions regarding this RC will be forumed and venued in a court of competent subject matter jurisdiction in Franklin County, Ohio.

16. Successors and Assigns. This RC constitutes covenants that run with the land and is binding on all successors and assigns of each party.

17. Amendments. The parties may only amend this RC to reflect changes to the Code or regulations promulgated thereunder. Owner agrees to enter into any amendments that OHFA considers necessary to maintain compliance with the Code.

18. Forbearance. No act of forbearance or failure to insist on the prompt performance by Owner of its obligations under this RC, either express or implied, may be construed as a waiver by OHFA of any of its rights created or related to this RC.

19. Severability. The invalidity of any clause, part, or provision of this RC does not affect the validity of the remaining portions.

20. Headings. Section headings contained in this RC are inserted for convenience only and are not deemed to be part of this RC.

[THIS PORTION INTENTIONALLY LEFT BLANK. SIGNATURE PAGE TO FOLLOW.]

IN WITNESS WHEREOF, the Owner has caused this RC to be signed by its duly authorized representative, as of the day and year first written above.

OWNER:

Resolution Family L.P.
By: Resolution Family GP, LLC,
its Managing General Partner
By: Spire Real Estate Holding, LLC,
Its Sole Member

By: ______________________
Printed Name: Scott Harrold
Title: Authorized Member

State of Ohio,
County of Franklin, SS:

Be it remembered that on the 28th day of December, 2022, before me, the subscriber, a notary public in and for said county and state, personally came Scott Harrold, the Authorized Member, of Spire Real Estate Holding, LLC, the sole Member of Resolution Family GP, LLC, The managing General Partner of Resolution Family L.P. who acknowledged the signing of the foregoing instrument to be his/her and its voluntary act and deed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal on the 28th day of December, 2022. The notarial act certified hereby is an acknowledgement. No Oath or affirmation was administered to the signer with regard to the notarial act certified to hereby.

____
Notary Public
MARTIN MAGGART
Comm. Exp. 12/17/2023

This instrument prepared by:
Ohio Housing Finance Agency
Legal Department
57 East Main Street
Columbus, Ohio 43215

<u>Exhibit A</u>

LEGAL DESCRIPTION

Situated in the Township of Ashtabula, County of Ashtabula and State of Ohio and known as being part of part of Lot No. 11 and Lot No. 12, Section 2, Range 3, Township 13 of the Connecticut Western Reserve Township of Ashtabula County of Ashtabula, State of Ohio and being further bounded and described as follows:

Beginning at a 3/4" iron pipe found the intersection east line of Fargo Avenue, 50 feet wide and the south line of East 38th Street, 50 feet wide;

Thence N 89°10'25" E, 388.41 feet along the south line of said East 38th Street to the northwest corner of the Terra Quest Subdivision, recorded plat, Volume 19, Page 56-57, Ashtabula County Record of Plats, said corner also being the northwest corner of Sublot 2 of said Quest Subdivision

Thence S 02°03'40" E, (passing through a capped (Aztech) 5/8" iron pin found at 450.00 feet, said pin also being the southwest corner of said Sublot 2) 717.03 feet along west line of said Terra Quest Subdivision and the west line of said Sublot 2 and Sublot 3 of said Terra Quest Subdivision to the southwest corner of said Sublot 3 and the northwest corner of a parcel of land owned by Jesus Only Pentecostal Church (PPN 03-013-00-037-00 and 03-013-00-037-03), recorded deed, Volume 48, Page 6375, Ashtabula County Record of Deeds, to a point;

Thence N 89°21'03" E, 232.27 feet along the south line of said Sublot 3 and along said Jesus Only Pentecostal Church's north line to a capped (NOVAK) 5/8" x 30" iron pin set at the principal place of beginning;

Thence N 89°21'03" E, 63.61 feet to a capped (NOVAK) 5/8" x 30" iron pin set;

Thence 22.83 feet along a curve deflecting to left, said curve having a radius of 368.37 feet, a delta angle of 3°33'03", a chord of 22.83 feet which bears S 18°32'53" W to a capped (NOVAK) 5/8" x 30" iron pin set ;

Thence S 16°46'21" W, 2.29 feet to a capped (NOVAK) 5/8" x 30" iron pin set;

Thence N 89°10'25" E, 424.40' feet to a capped (NOVAK) 5/8" x 30" iron pin set on the west line of State Route 11 Centerline Plat, recorded plat, Volume 11, Page 67, Ashtabula Record of plats, Ohio Department of Highways, ATB-46-(22.66), ATB-46-(25.02, ATB-46-(25.24), Plymouth & Ashtabula Townships, Ashtabula county, Plat Volume 11, Page 67 supersedes Centerline Plat, recorded plat, Volume 11, Page 58 & 59, Ashtabula County Record of Plats and has been re-recorded to show changes in centerline monument location;

Thence S 07°28'00" W, 411.04 feet along the west line of said State Route 11 to a capped (NOVAK) 5/8" x 30" iron pin set;

Thence S 10°04'52" W, 64.51 feet continuing along the west line of said State Route 11 to a capped (NOVAK) 5/8" x 30" iron pin set;

Thence S 89°10'25" W, 379.59 feet to a capped (NOVAK) 5/8" x 30" iron pin set;

Thence N 00°54'54" W, 112.70 feet to a capped (NOVAK) 5/8" x 30" iron pin set;

Thence S 89°05'06" W, 60.00 feet to a capped (NOVAK) 5/8" x 30" iron pin set;

Thence N 00°54'54" W, 214.07 feet to a capped (NOVAK) 5/8" x 30" iron pin set;

Thence 132.24 feet along a curve deflecting to right, said curve having a radius of 428.37 feet, a delta angle of 17°41'16", a chord of 131.72 feet which bears N 07°55'43" E a capped (NOVAK) 5/8" x 30" iron pin set;

Thence N 16°46'21" E, 35.20 feet to a capped (NOVAK) 5/8" x 30" iron pin set;

Thence 3.77 feet along a curve deflecting to right, said curve having a radius of 428.37 feet, a delta angle of 0°30'16", a chord of 3.77 feet which bears N 17°01'29" E to the principal place of beginning;

and containing 5.0001 acres of land be the same more or less as surveyed and described August 25, 2020 by David W. Novak, P.S. No. 7507. Bearings used herein are to denote angular relationship only and are based on the Ohio Coordinate System of 1983, North Zone 1986 adjustment. The intent of this description is to split a 5.0001 parcel of land from land owned by Jesus Only Pentecostal Church (PPN 03-013-00-037-00), recorded deed, Volume 48, Page 6375, Ashtabula County Record of Deeds.

TOGETHER WITH the Easement Agreement for storm sewer, sanitary sewer, electric, and telecommunication purposes dated April 14, 2021, by and between New Hope Pentecostal Church of Ashtabula, Inc., an Ohio nonprofit corporation, and Resolution Family L.P.; an Ohio limited partnership.

EXHIBIT B

The Owner represents, warrants and covenants to the Ohio Housing Finance Agency that it will operate the Project in a manner that satisfies the occupancy restrictions and requirements more fully stated in Section 42 of the Code throughout the term of this RC, including the following:

1. Average Income Minimum Set-Aside. The Owner has elected to utilize the Average Income Minimum Set-Aside to qualify the Project as low-income housing under Section 42(g)(1)(C) of the Code in accordance with the following requirements:

    a. The Project meets the Average Income Minimum Set-Aside requirement if 40 percent or more of the residential units that comprise the Project are both rent restricted and occupied (or if unoccupied, held for occupancy only) by individuals whose income does not exceed the imputed income limitations designated by the Owner for that respective unit. The following definitions apply to the Average Income Minimum Set-Aside determination:

        i. *Designation*. The taxpayer must designate the imputed income limitation applicable to each Low-Income Unit.

        ii. *Average test*. The average of the imputed income limitations designated under paragraph 1(a)(i) may not exceed 60 percent of AMGI.

        iii. *Ten percent increments*. The designated imputed income limitation of any unit under paragraph 1(a)(i), above, may only be 20%, 30%, 40%, 50%, 60%, 70%, or 80% of AMGI. The initial designations for each unit will be stated in the Carryover Agreement. Any changes to these initial designations must be consistent with the OHFA's Average Income Policy in effect at the time of the request.

    b. The election of Average Income Minimum Set-Aside to qualify the Project as low-income housing under Section 42(g)(1)(C) of the Code is irrevocable.

2. Additional State Restrictions. The owner represents, warrants and covenants that it will satisfy the requirements indicated below throughout the term of this RC: None

3. Applicable Fraction. Owner must maintain the Applicable Fraction for each building as listed below:

Building Address	Applicable Fraction
3912 Resolution Ave., Ashtabula, OH 44004-5482	100%

APPRAISER QUALIFICATIONS OF
RICHARD G. RACEK, JR., MAI

BUSINESS ADDRESS:	6200 SOM Center Road, Suite D25, Solon, Ohio 44139
EDUCATION:	Graduate, Ohio State University, Class of 1996 B.S. in Business Administration With a Major in Real Estate and Urban Analysis
FIELD OF STUDY:	Real Estate Appraising, Real Estate Law, Real Estate Financing, City and Regional Planning, and Architecture Appraisal Institute Courses: Appraisal Principles 110 — General Applications 320 Appraisal Procedures 120 — Standards of Prof. Prac. Part A Basic Income Capitalization 310 — Standards of Prof. Prac. Part B Advanced Income Capitalization 510 Highest & Best Use and Market Analysis 520 Advanced Sales Comparison & Cost Approaches 530 Report Writing and Valuation Analysis 540 Advanced Applications 550
EXPERIENCE:	
September 2012 - Present	Partner Racek & Associates, LLC Solon, Ohio
1996-2012	Real Estate Appraiser Calabrese, Racek and Markos, Inc. Cleveland, Ohio
June 1989 - 1996	Real Estate/Intern Calabrese, Racek and Markos, Inc. Cleveland, Ohio
SCOPE OF APPRAISAL EXPERIENCE:	Comprehensive background in commercial, industrial, residential and multi-family real estate appraisal. Including: various new and proposed commercial and industrial properties in Greater Cleveland and throughout the State of Ohio, including but not limited to offices, strip shopping centers, apartments, heavy industrial complexes, multiple occupancy light industrial complexes, vacant land, residential, restaurants, auto dealerships and special use properties. Expert testimony has been performed at numerous Boards of Revision, the Ohio Board of Tax Appeals and Common Pleas Court. This work has been completed at the request of various commercial banks, major insurance companies, government agencies, many commercial and industrial corporations, attorneys and private individuals.
STATE LICENSE/ CERTIFICATES:	Licensed real estate sales person, State of Ohio Certified General Real Estate Appraiser, State of Ohio Certificate #428964
MEMBERSHIPS:	MAI - Appraisal Institute

APPRAISER DISCLOSURE STATEMENT

In compliance with Ohio Revised Code Section 4763.12 (C)

1. Name of Appraiser: Richard G. Racek, Jr.

2. Class of Certification/Licensure:

   X Certified General
   ___ Certified Residential
   ___ Licensed Residential
   ___ Temporary ___ General ___ Licensed

   Certification/Licensure Number: 428964

3. Scope: This report X is within the scope of my Certification/License

   ___ is not within the scope of my Certification/License

4. Service provided by: X disinterested & unbiased third party
   ___ interested & biased third party
   ___ interested third party on contingent fee basis

5. Signature of person preparing and reporting the appraisal

   Richard G Racek Jr

THIS FORM MUST BE INCLUDED IN CONJUNCTION WITH ALL APPRAISAL ASSIGNMENTS OR SPECIALIZED SERVICES PERFORMED BY A STATE-CERTIFIED OR STATE-LICENSED REAL ESTATE APPRAISER.

State of Ohio
Department of Commerce
Division of Real Estate
Appraiser Section
Cleveland OH
(216) 787-3100