SUNRISE VILLAGE HOUSING LLLP

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2025

FINNEY, NEILL & COMPANY, P.S.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To The Partners
Sunrise Village Housing LLLP

Opinion
We have audited the financial statements of Sunrise Village Housing LLLP which comprise the balance sheets as of December 31, 2025, and the related statements of operations, changes in partners' equity (deficit), and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Sunrise Village Housing LLLP as of December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sunrise Village Housing LLLPs ability to continue as a going concern for one year after the date that the financial statements are issued.

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

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In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sunrise Village Housing LLLP's internal control. Accordingly, no such opinion is expressed.4
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sunrise Village Housing LLLP's ability to continue as a going concern for a reasonable period of time.

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

Finney, Neill & Company, P.S.

Seattle, Washington
April 14, 2026

SUNRISE VILLAGE HOUSING LLLP
Balance Sheet
December 31, 2025

Assets	
Investment in real estate held for lease:	
Building and improvements	$ 13,888,519
Land improvements	2,402,575
Furniture and equipment	195,277
Construction in progress	-
Less: accumulated depreciation and amortization	(233,412)
Net investment in real estate held for lease	16,252,959
Other assets:	
Cash and cash equivalents	100,142
Tenant and other receivables, net	9,982
Security deposits - held for tenants	38,137
Cash - restricted for construction	61,523
Restricted reserve accounts	-
Capitalized costs, net	103,915
Right-of-use leased land asset, net	365,054
Total other assets	678,753
	$ 16,931,712
Liabilities and Partners' Capital	
Liabilities applicable to investment in real estate:	
Loans and notes payable	$ 5,377,569
Notes payable - General Partner	1,602,200
Accounts payable	12,492
Accounts payable - construction costs	45,324
Accounts payable - General Partner	105,126
Accrued expenses	5,552
Accrued interest	54,913
Prepaid rents	190
Security deposits	38,137
Developer fee payable	944,102
Partnership management fee payable	20,000
Asset management fee payable	2,500
Land lease liability	402,613
Total liabilities applicable to investment in real estate	8,610,718
Partners' capital	
Partners' equity	8,320,994
Total partners' capital	8,320,994
	$ 16,931,712

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

SUNRISE VILLAGE HOUSING LLLP
Statement of Operations
Year ended December 31, 2025

Rental operating revenue:	
Gross potential residential rent	$ 217,314
Less: residential vacancy loss	-
Net rent revenues	217,314
Laundry and vending	1,391
Tenant charges	2,655
Other income	20,019
Total income	241,379
Rental operating expenses:	
Administrative	71,413
Utilities	23,296
Operating and maintenance	60,440
Taxes and insurance	215
Total operating expenses	155,364
Operating income before partnership and financial expenses	86,015
Partnership and financial expenses:	
Asset management fee	2,500
Partnership management fee	20,000
Interest expense	221,436
Land lease expense	19,596
Other	25,000
Total partnership and financial expenses	288,532
Income before depreciation and amortization	(202,517)
Depreciation	233,412
Amortization	3,583
Net income (loss)	$ (439,512)

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

SUNRISE VILLAGE HOUSING LLLP
Statement of Changes in Partners' Equity (Deficit)
Year ended December 31, 2025

	General Partner 0.01%	Limited Partner 99.99%	Total
Balance, January 1, 2025	$ 98	1,948,872	1,948,970
Capital contributions	-	6,811,536	6,811,536
Net income (loss)	(44)	(439,468)	(439,512)
Balance, December 31, 2025	$ 54	8,320,940	8,320,994

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

SUNRISE VILLAGE HOUSING LLLP
Statement of Cash Flows
Year ended December 31, 2025

Cash flows from (used by) operating activities:	
Net income (loss)	$ (439,512)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Depreciation and amortization	236,995
Amortization of debt issuance costs	56,250
(Increase) decrease in assets:	
Accounts receivable	(9,982)
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	40,544
Accounts payable - General Partner	(159,642)
Accrued interest	54,913
Prepaid rent	190
Security deposits	38,137
Land lease liability	19,596
Total adjustments	277,001
Net cash provided by (used in) operating activities	(162,511)
Cash flows from (used by) investing activities:	
Purchases of capital assets	(8,761,296)
Net cash provided by (used in) investing activities	(8,761,296)
Cash flows from (used by) financing activities:	
Payments on loans and notes payable	(8,575,513)
Proceeds from loans and notes payable	10,623,014
Partner contributions	6,811,536
Net cash provided by (used in) financing activities	8,859,037
Net increase (decrease) in cash, cash equivalents, and restricted cash	(64,770)
Cash, cash equivalents, and restricted cash at beginning of year	264,572
Cash, cash equivalents, and restricted cash at end of year	$ 199,802
Reconciliation of cash, cash equivalents, and restricted cash:	
Cash and cash equivalents	$ 100,142
Cash restricted for construction	61,523
Security deposits	38,137
Total cash, cash equivalents, and restricted cash on statement of cash flows	$ 199,802
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash paid for interest	$ 201,753

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

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Sunrise Village Housing LLLP, a Washington limited partnership (the "Partnership"), is a limited liability limited partnership originally formed on October 25, 2021. The purpose of the Partnership is to develop, construct, own, maintain, and operate a 40-unit apartment project known as Sunrise Village Apartments (the "Project"), located in Longview, Washington, in accordance with any applicable regulations and provisions of the Amended and Restated Partnership Agreement dated February 13, 2024 (the "Partnership Agreement"). Pursuant to the Partnership Agreement, the Housing Authority of the City of Longview is the general partner (the "General Partner") and U.S. Bancorp Community Development Corporation, is the limited partner (the "Limited Partner"),

Pursuant to the terms of the Partnership Agreement, the Limited Partner is required to make capital contributions totaling $9,843,588, subject to adjustment based on the amount of low-income housing tax credits generated by the Partnership. As of December 31, 2025, $8,780,254 in capital contributions from the Limited Partner have been received.

The Partnership received an allocation of Low-Income Housing Tax Credits (LIHTC) for its qualifying rental property. The benefits of the LIHTC are provided to the Partnership's partners through the Partnership's annual federal income tax return filing and are not reflected in the accompanying financial statements. The LIHTC is a 15-year credit that is generally claimed by the Partnership over a 10-year period. The credit is a certain percentage (as determined by the Internal Revenue Service) of the qualified basis of the property. The Partnership may only lease qualified units to tenants who meet certain income restrictions and whose rent payments also are restricted under guidelines set by the Internal Revenue Service.

Basis of Accounting

The Partnership prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Restricted Cash

Restricted cash balances consist of security deposits, escrow accounts, and reserve accounts.

Tenant Receivables

Tenant receivables are stated at the amount of unpaid rent and other tenant charges reduced by an allowance for doubtful accounts. The allowance is established through a charge to operations and is established at the amount management believes is adequate to absorb uncollectible amounts. The allowance at December 31, 2025 was $6,085.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Property and Equipment

Land, building, building improvements and office equipment are stated at cost. The project was placed in service in July 2025. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. The building, building improvements and office equipment are depreciated using the straight-line method over the estimated useful lives of the respective assets, as follows:

Equipment	3 to 10 years
Site improvements	15 years
Building	40 years

Capitalized Costs

Capitalized costs of $107,498 consist of low-income housing tax credit fees, which are amortized over 15 years on a straight-line basis. For the year ended December 31, 2025, amortization expense was $3,583. As of December 31, 2025, accumulated amortization was $3,583.

Capitalized Interest

The Partnership has a policy of capitalizing interest as a component of the cost of buildings constructed for its own use, during the period of construction. For the year ended December 31, 2025, total interest incurred by the Partnership was $256,665, of which $91,479 was capitalized to the project, and $165,186 was charged to expense.

Debt Issuance Costs

Debt issuance costs, net of accumulated amortization, are reported as a direct reduction of the obligation to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using the effective interest rate method.

Leases

Sunrise Village Housing LLLP determines if an arrangement is a lease at inception. Assets and obligations related to operating leases are included in operating lease right-of-use (ROU) assets and lease liabilities in the balance sheet, as applicable. ROU assets represent Sunrise Village Housing LLLP's right to use an underlying asset for the lease term and lease liabilities, if any, represent the Partnership's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. The present value discount rate is calculated at the Partnership's estimated incremental borrowing rate at the time of lease commencement.

The Partnership's agreements with lease and non-lease components are all accounted for as a single lease component. For leases with an initial term of 12 months or less, the Partnership elected the exemption from recording ROU assets and lease liabilities for all leases that qualify, and records rent expense on a straight-line basis over the lease term. Certain leases may include variable payments, which may vary based upon changes in facts or circumstances after the start of the lease. The Partnership excludes variable payments from lease ROU assets and lease liabilities, to the extent not considered fixed, and instead expenses as incurred. There were no variable lease costs for the year ended December 31, 2025.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Impairment of Long-Lived Assets

The Partnership reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If a long-lived asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value as determined from an appraisal, discounted cash flow analysis, or other valuation technique. There were no impairment losses recognized for the year ended December 31, 2025.

Revenue Recognition

Rental revenue attributable to residential leases is recorded when due from residents, generally upon the first day of each month. Leases are for periods of up to one year, with rental payments due monthly. Other revenues, which result from fees earned for late payments, cleaning, damages, and laundry facilities, are recorded when earned. Advance receipts of rental income are deferred and classified as liabilities until earned.

Economic Concentrations

The Partnership operates one property located in Longview, Washington. Future operations could be affected by changes in economic or other conditions in that geographical area or by changes in regulation or the demand for such housing.

Advertising

The Partnership expenses all advertising costs as they are incurred.

Income Taxes

The Partnership is not a taxpaying entity for federal income tax purposes, and thus no income tax expense has been recorded in these financial statements. Income from the Partnership is taxed to the partners in their respective tax returns.

The Partnership accounts for tax positions in accordance with FASB Accounting Standards Codification Topic 740, *Income Taxes*. With few exceptions, the Partnership is subject to U.S. federal income tax examinations by tax authorities for the prior three years. Management has reviewed the Partnership's tax positions and determined there were no uncertain tax positions as of December 31, 2025. The Partnership recognizes income-tax related interest expense and penalties in operating expenses. During the year ended December 31, 2025, the Partnership recognized no income-tax related interest or penalties.

Date of Management's Review

Subsequent events have been evaluated through April 14, 2026, which is the date the financial statements were available to be issued.

2. CONCENTRATION OF RISK

The Partnership places its temporary cash investments with financial institutions. At times, the account balances may exceed the institution's federally insured limits. The Partnership has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

The Partnership's revenues are principally derived from rents received from qualifying tenants. During the year ended December 31, 2025, the Partnership received $136,282 from the General Partner in rental subsidies, or 56% of total income.

3. ALLOCATION OF PROFITS, LOSSES AND DISTRIBUTIONS

Ordinary profits and losses are allocated 99.99% to the Limited Partner, and 0.01% to the General Partner. Tax credits are allocated 99.99% to the Limited Partner, 0.01% to the General Partner.

Capital profits and losses recognized by the Partnership shall be allocated as provided by the Partnership Agreement.

Distributable cash flow, as defined by the Partnership Agreement, is to be distributed in accordance with the terms provided by the Partnership Agreement, in the following priority:

1. To pay the asset management fee and any accrued and unpaid asset management fee from prior periods.
2. To fund any outstanding credit deficiencies or tax equivalency payments due.
3. As directed by the Limited Partner, to pay any default cash priority as defined in the Partnership Agreement.
4. To pay any deferred management agent fee to the Management Agent.
5. To fund amounts payable to the replacement reserve and then to replenish the operating reserve to minimum levels as defined in the Partnership Agreement.
6. To the Limited Partner to repay any loans or other advances.
7. To pay rent under the Ground Lease and any accrued and unpaid rent from prior periods.
8. To pay the unpaid developer fees.
9. To the General Partner to pay the partnership management fee, up to $20,000 and not to exceed 10% of gross collected rents.
10. To pay applicable principal and interest on the third mortgage loan.
11. To the General Partner to repay any development advance, operating deficit advance, credit adjuster advance, or development fee advance or any other loans made by the General Partner.
12. The balance to the General Partner and Limited Partner in accordance with their ownership interests.

4. RESTRICTED CASH ACCOUNTS

Replacement reserve

In accordance with the Partnership Agreement, the Partnership is required to maintain a Replacement Reserve account to be funded in the amount of $400 per unit per year, payable monthly in equal monthly installments, and increasing annually by three percent. The Replacement Reserve must be deposited into a segregated interest-bearing account with U.S. Bank National Association and interest earned shall be added to the Replacement Reserve. The Replacement Reserve must maintain a minimum balance of at least six required monthly payments, and, to the extent necessary, additional payments required to maintain the minimum balance will be funding from Cash Flow as defined in the Partnership Agreement. Withdrawals are subject to approval by the Limited Partner. In addition, the Partnership is required to make a deposit of $40,000 into the replacement reserve at the time of the third capital installment.

Operating reserve

In accordance with the Partnership Agreement, the Partnership is required to establish an Operating Reserve of at least $171,520 to be funded at the date of the Third Capital Installment and deposited into a segregated, interest-bearing Partnership Reserve Account at U.S. Bank National Association. Interest earned shall be added to the Operating Reserve. Withdrawals are subject to approval by the Limited Partner. Emergency withdrawals up to $5,000 per year are permitted with notice within 10 days to the Limited Partner.

Operating deficit reserve

In accordance with the Partnership Agreement, the Partnership is required to fund an Operating Deficit Reserve in the amount of $50,000. The Operating Deficit Reserve shall be deposited in a segregated interest-bearing account at U.S. Bank National Association and interest earned shall be added to the Operating Deficit Reserve. The reserve is to be used to fund operating deficits of the project and withdrawals require approval of the Limited Partner.

As of December 31, 2025, no deposits had been made to restricted cash reserves.

Security deposits

Tenant security deposits are generally held until termination of the leases, at which time some or all deposits may be returned to the lessee. Security deposits were held in the operating cash account at December 31, 2025.

5. INVESTMENTS IN REAL ESTATE HELD FOR LEASE

Changes in investments in real estate held for lease were as follows for 2025:

	Balance 01/01/2025	Additions	Transfers/ Dispositions	Balance 12/31/2025
Construction-in-progress	$ 9,144,468	7,341,903	(16,486,371)	-
Buildings and improvements	-	-	13,888,519	13,888,519
Land Improvements	-	-	2,402,575	2,402,575
Furniture and equipment	-	-	195,277	195,277
Total cost basis	9,144,468	7,341,903	-	16,486,371
Less: Accumulated Depreciation	-	233,412	-	233,412
Investments in real estate, net	$ 9,144,468	7,108,491	-	16,252,959

5. NOTES PAYABLE

Notes payable consisted of the following at December 31, 2025:

Note payable to the City of Longview (HOME Loan) for up to $1,438,134 dated Feb 13, 2024, with simple interest of 1% per annum commencing as of October 1, 2025. Interest and principal is due in full on or before October 1, 2065. Loan is secured by a deed of trust. Accrued interest as of December 31, 2025 was $3,585	$ 1,438,134
Note payable to the Washington State Department of Commerce for up to $3,939,435 dated February 6, 2024 with simple interest accruing at 1% annually beginning April 15, 2025. All principal and interest are due on or before March 14, 2065. The loan is secured by a deed of trust on the property. Accrued interest as of December 31, 2025 was $28,062.	3,939,435
Loan payable to the Housing Authority of the City of Longview (HOSWWA) (General Partner) for up to $1,602,200, bearing interest at 1% per annum until the maturity date, compounding annually, calculated from the date each advance is made. Payments of principal and interest are payable annually from net cash flow as defined in the Partnership Agreement. Unpaid principal and interest are due in full on or before February 28, 2079. The note is secured by a deed of trust on the property. Accrued interest as if December 31, 2025 was $23,266.	1,602,200
	$ 6,979,769

5. NOTES PAYABLE, continued

Future minimum principal payments for the next five years ending December 31 and thereafter are:

2026	$ -
2027	-
2028	-
2029	-
2030	-
Thereafter	6,979,769
	$ 6,979,769

Construction loan payable
In 2024, the Partnership entered into a construction loan payable agreement with U.S. Bank for up to $7,500,000, with variable interest equal to the secured overnight financing rate (SOFR) plus 2.25%, compounding monthly. Principal and accrued and unpaid interest are due in full on or before June 13, 2025, with a maturity date extension available to December 13, 2025. During the year ended December 31, 2025, $6,528,012 was drawn on the note payable. The outstanding loan balance and accrued interest were paid in full in November 2025. No amounts were outstanding and payable to US Bank under this loan agreement as of December 31, 2025. Interest costs incurred and paid during the year ended December 31, 2025, totaled $201,752.

Debt issuance costs related to the construction loan payable of $56,250 were paid to US Bank in 2024. During the year ended December 31, 2025, those debt issuance costs were amortized in full, and amortization totaling $56,250 is included as a component of interest expense in the statement of operations.

6. RELATED PARTY TRANSACTIONS

Property Management
The Partnership has contracted with the General Partner to provide property management services. Under the terms of the agreement, the property manager is responsible for leasing the residential units in compliance with tax credit requirements, maintaining and repairing the building, and paying building operating expenses in exchange for a management fee. The management fee is equal to 10% of gross rents, subsidies, or other tenant income received, increasing annually as defined in the agreement. Property management expense for the year ended December 31, 2025 was $23,212. As of December 31, 2025, property management fees payable of $2,600 were included in the accounts payable balance due to the General Partner.

Asset management fee
Pursuant to the Partnership Agreement, the Limited Partner is entitled to an Asset Management Fee commencing in the amount of $5,000, (prorated for the first year), increasing by 10% percent per annum. For the year ended December 31, 2025, the Partnership incurred an asset management fee of $2,500. The Asset Management Fee is an Operational Expense which can be paid through net cash flow on an annual basis, as defined in the Partnership Agreement. If not paid, the Asset Management Fee shall accrue without interest from year to year.

These footnotes are an integral part of the financial statements.

6. RELATED PARTY TRANSACTIONS, continued

Partnership administration fee

Pursuant to the Partnership Agreement, the General Partner is entitled to a partnership administration fee not to exceed $20,000. For the year ended December 31, 2025, the Partnership incurred partnership administration fee expense of $20,000. Payment of the Partnership Administration Fee is to be made out of Available Cash Flow, as defined in the Partnership Agreement. If not paid, the partnership administration fee shall accrue without interest from year to year.

Accounts Payable to Related Parties

The General Partner has advanced funds to the Partnership to fund operations of the Project. These advances are unsecured and do not bear interest. Pursuant to the Partnership Agreement, the General Partner is to be reimbursed for these amounts by the Partnership. As of December 31, 2025, advanced operating funds of $105,126 were included in the accounts payable balance due to the General Partner.

Developer Fee

The Partnership has contracted with the General Partner to provide project development services. Under the terms of the agreement the total developer fee was $1,500,000, of which $1,219,967 was earned by the developers during the year ended December 31, 2025. Under the terms of the agreement, $280,003 of the fee will be paid following each of the First, Second, and Third Capital Contributions of the Limited Partner, $100,000 will be paid following the Fourth Capital Contribution and the remaining balance will be paid upon the Final Capital Contribution of the Limited Partner, as cash flow is available. The balance not paid in accordance with these terms shall be deferred, and shall be paid out of available Net Cash Flow, as defined in the Partnership Agreement. All unpaid development fees must be paid by the 14th anniversary of the Completion date. As of December 31, 2025, the developer fees payable totaled $944,102, of which $353,666 is due to a third-party developer contracted by the General Partner, and $590,436 is due to the General Partner.

Land lease

In February 2024, the Partnership entered into an operating lease agreement (the "Land Lease") with the General Partner for the use of a parcel of land. The Land Lease is for the period from February 13, 2024, through February 13, 2123. Pursuant to the Land Lease, the Partnership is required to pay base rent in the amount of $20,000 per annum, with the first payment due for calendar year 2025 on or before April 1, 2026. Annual lease payments are payable only out of available cash flow, as defined in the Partnership Agreement, and unpaid lease payments accrue without interest until cash flow is available. See Note 7.

In accordance with the terms of the Land Lease, during the lease term title to and ownership of all improvements located on the land shall be the property of the Partnership. Upon termination of the lease agreement, the Sunrise Village Apartments project, together with all improvements and trade fixtures attached to the improvements shall become the property of the General Partner, without any compensation from the Partnership.

7. LAND LEASE

The components of the land lease expense were as follows for the year ended December 31, 2025:

Operating lease cost	$	19,596
	$	19,596

Other information related to leases was as follows for the year ended December 31, 2025:

Annual Discount Rate Used		5.00%
Remaining lease term (years)		97
ROU Asset - Operating Leases	$	365,054
Supplemental Cash Flow Information:		
Operating cash used by operating leases	$	-

Future minimum lease payments under non-cancellable leases are as follows, subject to available cash flow:

Years ending December 31:		
2026	$	20,000
2027		20,000
2028		20,000
2029		20,000
2030		20,000
Thereafter		1,840,000
Total future minimum lease payments		1,940,000
Less:imputed interest		(1,537,387)
Total	$	402,613

8. PROPERTY TAX EXEMPTION

The property had an exemption from real estate taxes during the year ended December 31, 2025.

These footnotes are an integral part of the financial statements.

9. COMMITMENTS AND CONTINGENCIES

The Partnership expects to generate an aggregate of $11,315,600 of federal low-income housing tax credits (the "Tax Credits"). Generally, such Tax Credits are expected to become available for use by its partners pro rata over a ten-year period which began in 2025. In order to qualify for these Tax Credits, the Project must comply with various federal and state requirements. These requirements include, but are not limited to, renting to low-income tenants at rental rates which do not exceed specified percentages of area median gross income for the first 15 years of operation. The Partnership has also agreed to maintain and operate the Project as low-income housing for a total of 40 years. Because the Tax Credits are subject to complying with certain requirements, there can be no assurance that the aggregate amount of Tax Credits will be realized and failure to meet all such requirements may result in generating a lesser amount of Tax Credits than the expected amount.

The project is subject to the terms and conditions of various agreements with the Washington State Housing Finance Commission. The covenants contained in those agreements "run with the land" in the event of sale or other transfer of ownership interest. These agreements are necessary to satisfy the requirements of the parties involved and Internal Revenue Code Section 42 relating to the low-income housing tax credits awarded to this project.

The Partnership Agreement provides for various agreements between the General Partner and the Limited Partner. These guarantees include operating deficit, recapture and required reserves, and provides for obligations on the part of the General Partner if certain conditions outlined in the agreements are not met. The Partnership Agreement provides for various obligations of the General Partner, including the General Partner's obligation to provide funds for operating deficits and reduced tax benefits.

In the event of an operating deficit, as defined in the agreement, the Partnership Agreement requires the General Partner to contribute capital in an amount equal to the amount of the operating deficit. The amount of the operating deficit contributions is limited as defined in the Partnership Agreement.

FINNEY, NEILL & COMPANY, P.S.
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report on Supplementary Information

To The Partners
Sunrise Village Housing LLLP

We have audited the financial statements of Sunrise Village Housing LLLP as of and for the year ended December 31, 2025, and our report thereon dated April 14, 2026, which contained an unmodified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole.

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

Finney, Neill & Company, P.S.

Seattle, Washington
April 14, 2026

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SUNRISE VILLAGE HOUSING LLLP
Schedule of Operating Expenses
Year Ended December 31, 2025

Administrative expenses:		
Salaries and benefits	$	24,470
Rental management fees		23,212
Professional fees		5,245
Marketing and leasing fees		2,204
Telephone and internet		1,750
Office supplies and postage		5,998
Bad debt expense		6,085
Other		2,449
Total administrative expenses	$	71,413
Utility expenses:		
Electricity	$	4,936
Water		8,502
Sewer		2,554
Garbage		3,183
Gas/Other		4,121
Total utility expenses	$	23,296
Operating and maintenance expenses:		
Maintenance salaries	$	42,906
Maintenance materials		6,638
Maintenance contracts		10,896
Total operating and maintenance expenses	$	60,440
Taxes and insurance expenses:		
Property and liability insurance	$	145
Other taxes and licenses		70
Total taxes and insurance expenses	$	215

See independent auditors' report on supplementary information.