

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 20-CV-81205-RAR

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

COMPLETE BUSINESS SOLUTIONS
GROUP, INC. d/b/a PAR FUNDING, et al.,

Defendants.

**RECEIVER’S MOTION FOR ORDER AUTHORIZING RECEIVER’S SALE OF REAL
PROPERTY LOCATED AT 142 N. 2nd STREET, UNIT 1A, PHILADELPHIA, PA 19106**

Ryan K. Stumphauzer, Esq., Court-Appointed Receiver (“Receiver”) of the Receivership Entities, by and through his undersigned counsel, files this Motion for Order Authorizing Receiver’s Sale of Real Property Located at 142 N. 2nd Street, Unit 1A, Philadelphia, PA 19106 (the “2nd Street Property”). In support thereof, the Receiver states:

1. On January 10, 2023, the Receiver filed a Motion for Order: (1) Authorizing Receiver’s Sale of All Real Property Within the Receivership Estate; and (2) Compelling Lisa McElhone and Joseph LaForte to Vacate and Surrender Haverford Home or, in The Alternative, Pay Obligations for Single-Family Homes [ECF No. 1484] (“Motion for Order Authorizing Sale”).
2. On January 11, 2023, the Court entered an Order Approving the Motion for Order Authorizing Sale [ECF No. 1486] (“Order Authorizing Sale”).
3. In the Order Authorizing Sale, the Court authorized the Receiver to begin the process of marketing for sale all real estate within the Receivership Estate, including the 2nd Street Property.

4. 803 S. 4th St. LLC, a Receivership Entity, is the owner of record of the 2nd Street Property and the Receiver is vested with full legal authority to act on behalf of 803 S. 4th St. LLC, pursuant to the Amended Order Appointing Receiver [ECF No. 141], including the authority to waive the requirements of 28 U.S.C. § 2001 and 28 U.S.C. § 2004 for the sale of the 2nd Street Property.

5. In accordance with the Order Authorizing Sale, the Receiver has entered into a Purchase and Sale Agreement for the sale of the 2nd Street Property (the “Contract”). The Contract, which is subject to approval by this Court, is scheduled for a closing on April 2, 2024, provided the Court approves the Contract and authorizes the sale of the 2nd Street Property.

6. Attached hereto as **Exhibit 1** is a Declaration of Ryan K. Stumphauzer, Esq. (the “Declaration”), requesting the Court to enter an Order authorizing and approving the proposed sale, as provided for in the Contract.

7. The Receiver believes that the sale price for the 2nd Street Property under the Contract, which he has accepted subject to this Court’s approval, is in the best interests of the Receivership Estate.

8. The Receiver represents that this Contract to Purchase the 2nd Street Property is a *bona fide* offer from a proposed buyer with whom the Receiver has no relationship and is the product of arms-length negotiation.

9. The Receiver proposes to proceed with the sale of the 2nd Street Property pursuant to the Contract, provided the Court approves the sale free and clear of liens, encumbrances, and other related obligations or claims.

10. A Proposed Order authorizing and approving the sale of the 2nd Street Property is attached as **Exhibit 2**.

11. The anticipated closing for the sale of the 2nd Street Property is scheduled for April 2, 2024. To provide an opportunity for any potential objections to the sale of the 2nd Street Property pursuant to the Contract, the Receiver requests that the Court enter the Proposed Order no earlier than seven (7) days, so that the Court may consider and resolve any potential objections to the Contract.

WHEREFORE, the Receiver respectfully requests that the Court enter the Proposed Order on or after March 29, 2024, approving the Contract and authorizing the Receiver to sell the 2nd Street Property.

Local Rule 7.1 Certification

Pursuant to Local Rule 7.1, the undersigned counsel for the Receiver certifies that he has conferred with counsel for the United States Securities and Exchange Commission (“SEC”), regarding the relief requested in this motion. Counsel for the SEC has confirmed that the SEC does not oppose the relief requested herein and agrees to the waiver of the requirements of 28 U.S.C. §2001 and 28 U.S.C. §2004 for the sale of the 2nd Street Property.

Dated: March 22, 2024

Respectfully Submitted,

**STUMPHAUZER KOLAYA
NADLER & SLOMAN, PLLC**
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Co-Counsel for Receiver

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on March 22, 2024, I electronically filed the foregoing document with the clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on counsel of record via transmission of Notices of Electronic Filing generated by CM/ECF.

/s/ Timothy A. Kolaya
TIMOTHY A. KOLAYA

Exhibit 1

Declaration of Ryan K. Stumphauzer. Esq.

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 20-CV-81205-RAR

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

COMPLETE BUSINESS SOLUTIONS
GROUP, INC. d/b/a PAR FUNDING, et al.,

Defendants.

DECLARATION OF RYAN K. STUMPHAUZER, ESQ.

I, Ryan K. Stumphauzer, Esq., declare as follows:

1. I am the Court-appointed Receiver for certain Receivership Entities¹, including 803 S. 4th St. LLC. 803 S. 4th St. LLC owns the real property located at 142 N. 2nd Street, Unit 1A, Philadelphia, PA 19106 (the “Property” or the “2nd Street Property”).

¹ The “Receivership Entities” are Complete Business Solutions Group, Inc. d/b/a Par Funding (“Par Funding”); Full Spectrum Processing, Inc.; ABetterFinancialPlan.com LLC d/b/a A Better Financial Plan; ABFP Management Company, LLC f/k/a Pillar Life Settlement Management Company, LLC; ABFP Income Fund, LLC; ABFP Income Fund 2, L.P.; United Fidelis Group Corp.; Fidelis Financial Planning LLC; Retirement Evolution Group, LLC; RE Income Fund LLC; RE Income Fund 2 LLC; ABFP Income Fund 3, LLC; ABFP Income Fund 4, LLC; ABFP Income Fund 6, LLC; ABFP Income Fund Parallel LLC; ABFP Income Fund 2 Parallel; ABFP Income Fund 3 Parallel; ABFP Income Fund 4 Parallel; and ABFP Income Fund 6 Parallel; ABFP Multi-Strategy Investment Fund LP; ABFP Multi-Strategy Fund 2 LP; MK Corporate Debt Investment Company LLC; Fast Advance Funding LLC; Beta Abigail, LLC; New Field Ventures, LLC; Heritage Business Consulting, Inc.; Eagle Six Consulting, Inc.; 20 N. 3rd St. Ltd.; 118 Olive PA LLC; 135-137 N. 3rd St. LLC; 205 B Arch St Management LLC; 242 S. 21st St. LLC; 300 Market St. LLC; 627-629 E. Girard LLC; 715 Sansom St. LLC; 803 S. 4th St. LLC; 861 N. 3rd St. LLC; 915-917 S. 11th LLC; 715 Sansom Associates LLC; 1427 Melon St. LLC; 1530 Christian St. LLC; 1635 East Passyunk LLC; 1932 Spruce St. LLC; 4633 Walnut St. LLC; 1248 N. 25th St. LLC; 500 Fairmount Avenue, LLC; Liberty Eighth Avenue LLC; Blue Valley Holdings, LLC; LWP North LLC; The LME 2017 Family Trust; Recruiting and Marketing Resources, Inc.; Contract Financing Solutions, Inc.; Stone Harbor Processing LLC; LM Property Management

The legal description of the Property is:

Street Address: **142 N. 2nd Street Unit 1A, Philadelphia, PA**

ALL THAT CERTAIN unit in the property know, named and identified as 142 N 2nd Street Condominium, located in City of Philadelphia, Commonwealth of Pennsylvania, which has heretofore been submitted to the provisions of the Uniform Condominium Act, 68 PA.C.S. 3103 et seq by the recording in the Philadelphia Department of Records of a Declaration dated 7/30/2014 and recorded on 7/31/2014 as Document No. 52811607, being and designated as UNIT NO. 1A together with a proportionate undivided interest in the Common Elements (as defined in such Declaration).

BEING No. 142 North 2nd Street, Unit 1A, 142 N 2nd Street Condominium.

2. I have personal knowledge of the facts detailed in this Declaration and make this Declaration in support of the Proposed Sale of the Property.

3. Specifically, and as detailed below, I have completed my marketing efforts for the 2nd Street Property in accordance with this Court's prior Order, and now respectfully request that the Court enter an Order authorizing and approving my proposed sale of the Property.

4. As authorized by the Amended Order Appointing Receiver [ECF No. 141] and the Order (1) Authorizing Receiver's Sale of All Real Property Within the Receivership Estate; (2) Compelling Lisa McElhone and Joseph LaForte to Vacate and Surrender Haverford Home or, in the Alternative, Pay Obligations for Single-Family homes [ECF 1486], I engaged a licensed real estate broker with decades of experience in the relevant Philadelphia neighborhood ("Broker") as the real property broker for the purposes of marketing the Property in anticipation of a sale of the Property out of receivership. In conformity with my instructions, the Broker has marketed the Property in a manner consistent with ordinary custom and practice for sales of similar properties

LLC; and ALB Management, LLC; and the Receivership also includes the property located at 107 Quayside Dr., Jupiter FL 33477.

in Philadelphia, Pennsylvania. These efforts included marketing on the Broker's website and on the Multiple Listing Service.

5. According to the Vesting Deed filed with the Philadelphia Department of Records, 803 S. 4th St. LLC purchased the Property from Makefield Property Group on February 12, 2016, for \$170,000. The Property is a 968 square foot retail condominium unit. Although the entrance to the Property is on the first floor, the actual retail space is below grade, in a lower level basement.

6. I marketed the 2nd Street Property beginning in August, 2023.

7. Before doing so, I obtained a Pennsylvania Certified Residential Appraisal of the Property dated July 24, 2023 [the "Appraisal"]. The Appraisal valued the Property at \$200,000 ("Appraised Value"). A true and correct copy of this Appraisal is attached as **Exhibit A**.²

8. Initially, I listed the Property for sale in excess of the Appraised Value, for \$249,999.

9. The Property has been shown 6 times to prospective buyers. Based on feedback from prospective buyers and the Broker, I periodically reduced the listing price to its final listing price of \$170,000. As a result of my marketing efforts and after negotiations, I have received an offer from P___ 142, LLC.³, a third party unaffiliated with the Receivership Entities ("Buyer"), to purchase the Property out of receivership for \$175,000. I received 2 offers for the Property in excess of the final listing price. The Buyer's offer is the highest cash offer received for the Property. I accepted this offer because although it is below the market value determined in the Appraisal Report, it aligns with the prevailing expectations of commercial real estate investors for a return on investment. Increasing interest rates and adjustments in cap rates, which signify the

² For security purposes, the Appraiser's identity has been redacted.

³ For security purposes, the Buyer's identity has been redacted.

expected rate of return on investments, have converged to depress the "capitalization approach" in valuing investment properties similar to this one. Other factors have adversely affected the local real estate market, including a softening of commercial rents in Philadelphia following the Covid-19 pandemic and a decline in residential rents.

10. The offer is an "all cash" offer with no contingencies. In my reasonable business judgment, I believe Buyer's offer to purchase the Property for \$175,000 is appropriate, and consistent with the Property's current market value. As a result, on or about February 28, 2024, I entered into a Purchase and Sale Agreement ("Contract") for the Property with Buyer, a true and correct copy of which is attached hereto as **Exhibit B** to this Declaration, and which has been redacted for security purposes. Closing is scheduled for April 2, 2024.

11. Pursuant to the Contract, performance of which is contingent upon an Order from this Court approving and authorizing the proposed sale of the Property to Buyer, the sale of the Property will be made on an "as-is / where-is basis," with no representations or warranties on my part, individually or on behalf of the Receivership Entities, except as expressly set forth in the Contract. In the event that the Court authorizes and approves the proposed sale of the Property as provided for in the Contract, and the sale is consummated, the Broker will receive a commission of 5% of the sale price, consistent with ordinary custom and practice.

12. Accordingly, I respectfully request that this Court enter an Order approving the sale of the 2nd Street Property, as provided for in the Contract.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Executed on March 22, 2024

/s/ Ryan K. Stumphauzer
Ryan K. Stumphauzer
Court-appointed Receiver

Exhibit A

*Pennsylvania Certified Residential Appraisal
Dated July 24, 2023*

[Redacted]

142 N. 2nd Street, Unit 1A

142 N. 2nd Street, Unit 1A
Philadelphia, PA 19106

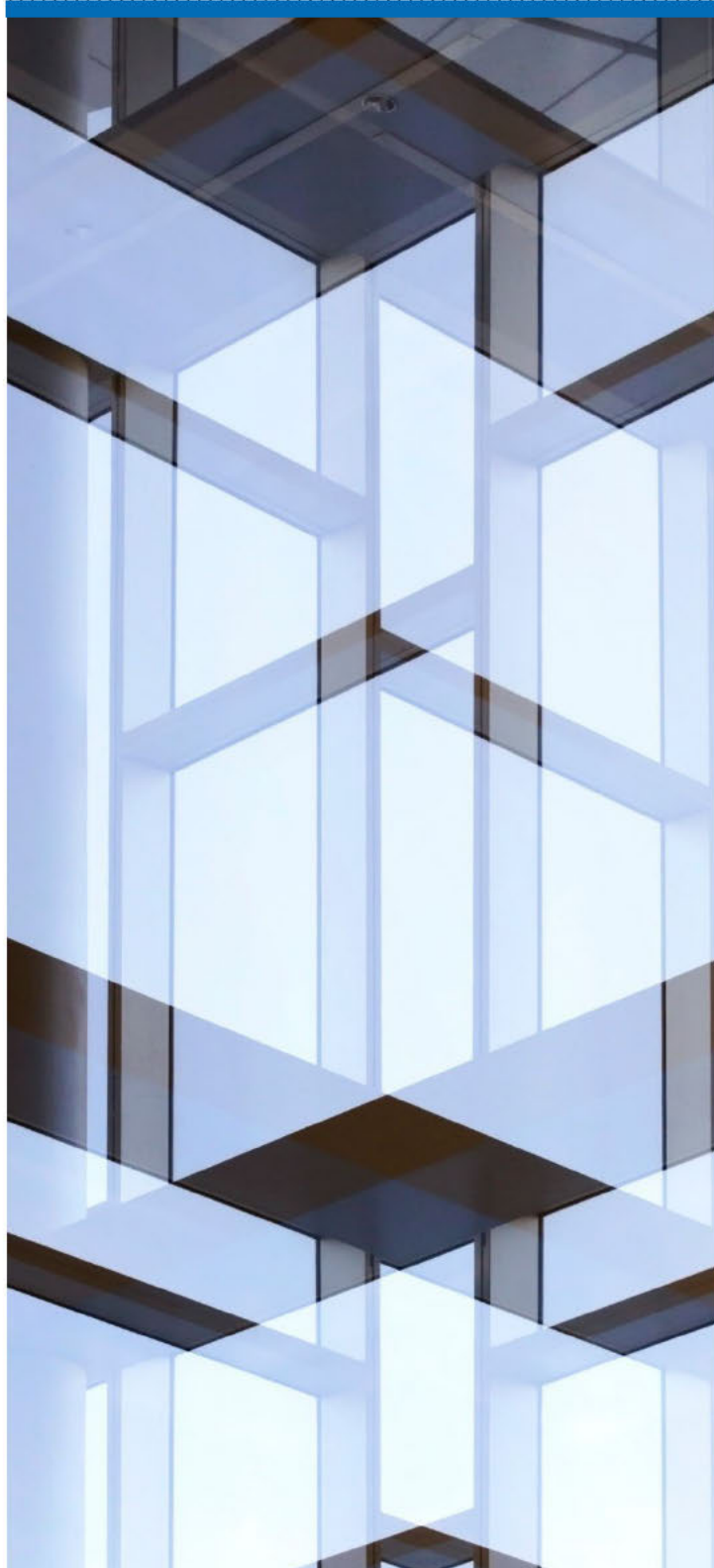
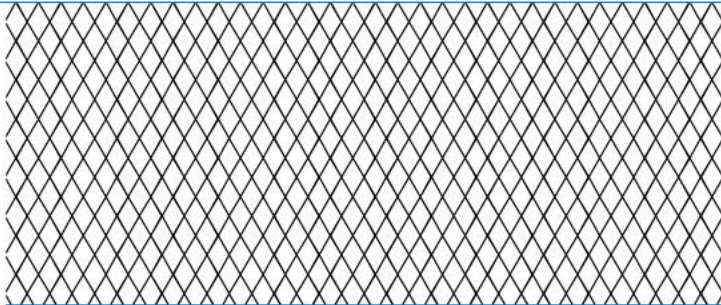
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Appraisal Report Prepared For:

Timothy M. Hazel, Esquire
Pietragallo Gordon Alfano Bosick & Raspanti,
LLP
One Oxford Centre, 38th Floor
Pittsburgh, PA 15219

Prepared By:

[Redacted]
[Redacted]
[Redacted]



[Redacted]

[REDACTED]

July 24, 2023

Timothy M. Hazel, Esquire
Pietragallo Gordon Alfano Bosick & Raspanti, LLP
One Oxford Centre, 38th Floor
Pittsburgh, PA 15219

RE: Appraisal of a single-tenant retail condominium located at 142 N. 2nd Street, Unit 1A, Philadelphia, Philadelphia County, PA 19106, prepared by [REDACTED] (herein "Firm" or "[REDACTED]")

[REDACTED] Job No.: [REDACTED]

Dear Mr. Hazel:

The "Subject Property" is a 968 square foot retail condominium unit located on the first floor and lower level of a mixed-use building with 3,514 square feet (including the lower level). The property was constructed c. 1900. The improvements are in average-good condition and are of average quality and tenant appeal. At time of inspection, the unit was entirely leased and operating as a local antique store, A Four Foot Prune.

Key Value Considerations

Strengths

- 1. The subject is located along N. 2nd Street in Old City, which has above average accessibility and good visibility.
- 2. No items of deferred maintenance were observed.
- 3. The property is leased to a single tenant through January 2026 on a triple net basis.

National Trends and Uncertainties

- 1. Federal Reserve interest rate increases and associated effects on cost of capital and investment rates along with credit tightening have impaired transaction volume.
- 2. Despite positives such as a healthy job market, at least a mild recession is expected later this year.
- 3. Easing of inflation, consumer spending, and continued job growth have so far kept the economy growing in spite of interest rate increases and bank system stress.

[REDACTED]

[REDACTED]

July 24, 2023
TIMOTHY M. HAZEL, ESQUIRE

Based on the analysis contained in the following report, the opinion of value for the subject is:

Value Conclusions			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Leased Fee	7/6/2023	\$200,000
Compiled by [REDACTED]			

Extraordinary Assumptions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

Hypothetical Conditions

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. None

The appraisal was developed based on, and this report has been prepared in conformance with the Client's appraisal requirements, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, Title XI of the Financial Institution Reform, Recovery and Enforcement Act (FIRREA) of 1989, and the Interagency Appraisal and Evaluation Guidelines (December 2, 2010).

Certification

We certify that, to the best of our knowledge and belief:

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 our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We 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. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Pennsylvania.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, [REDACTED] MAI, CRE, MRICS has completed the continuing education program for Designated Members of the Appraisal Institute.
12. As of the date of this report, Lydia Nagy and Alexander Simon have completed the Standard and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.
13. [REDACTED] MAI, CRE, MRICS and Lydia Nagy have not personally inspected the subject. Alexander Simon has personally inspected the subject property.
14. Alexander Simon has provided real property appraisal assistance limited to the property inspection.
15. The Firm operates as an independent economic entity. Although employees of other service lines or affiliates of the Firm may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
16. Within this report, [REDACTED] and similar forms of reference refer only to the appraiser(s) who have signed this certification and any persons noted above as having provided significant real property appraisal assistance to the persons signing this report.
17. [REDACTED] MAI, CRE, MRICS, Lydia Nagy, and Alexander Simon have not performed any services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

CERTIFICATION

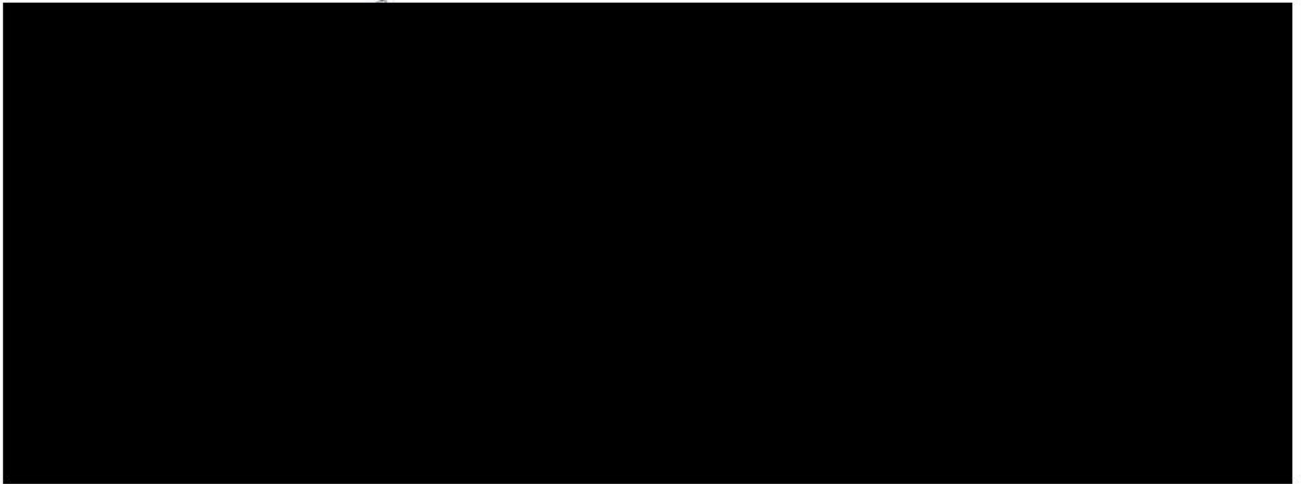


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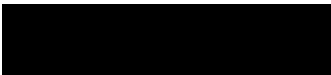
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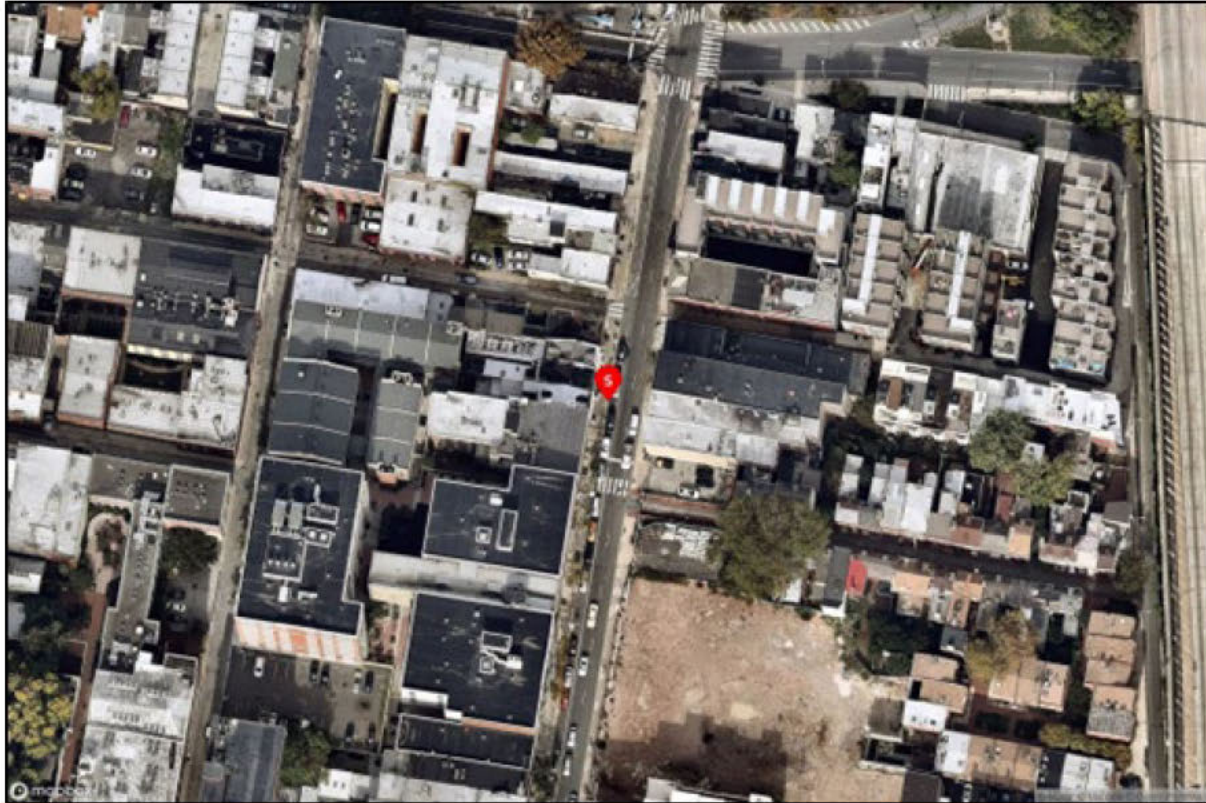
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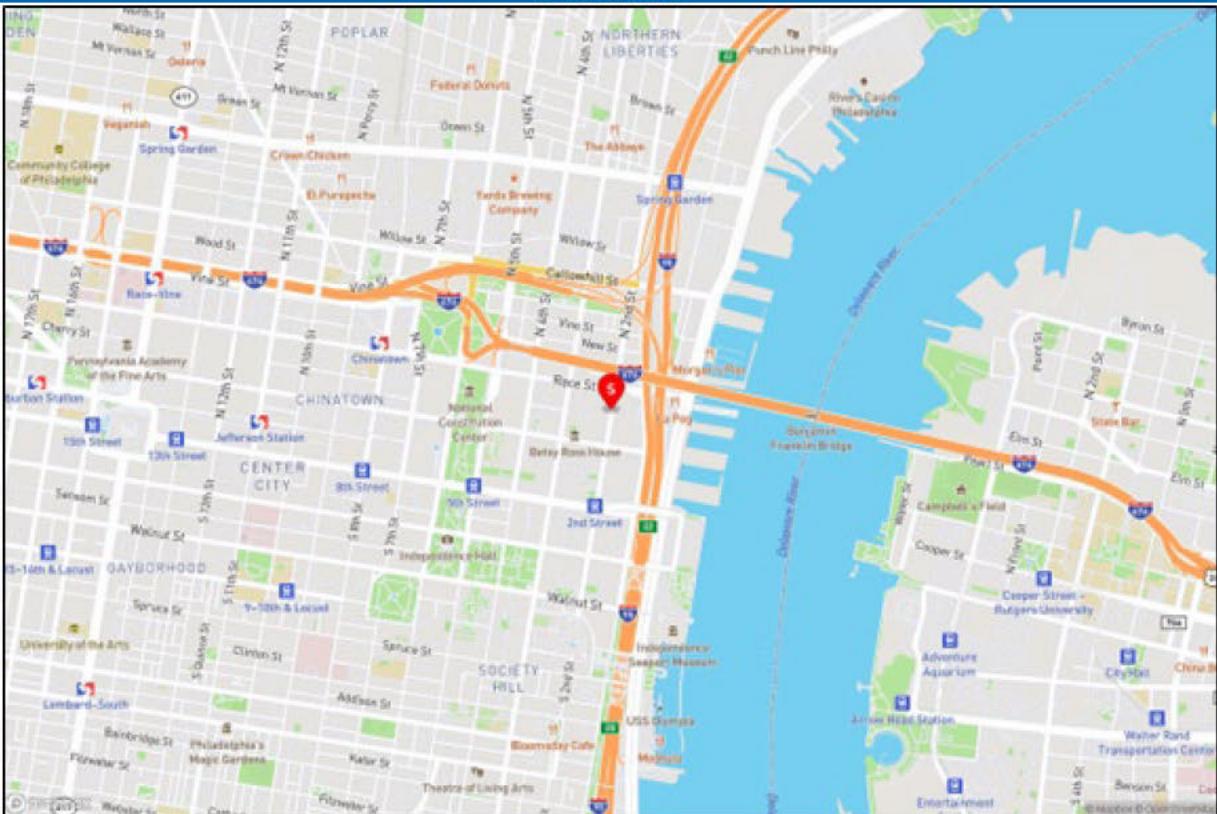
- A. Glossary of Terms
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- C. Financials and Property Information



SUBJECT MAPS



Aerial Photo



Location Map



SUBJECT PHOTOGRAPHS



Front View



N. 2nd Street facing South



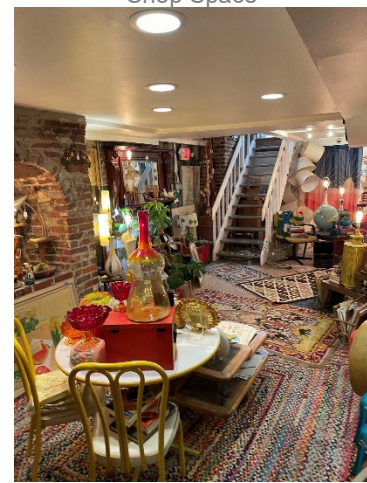
N. 2nd Street facing North



Shop Space



Shop Space



Shop Space



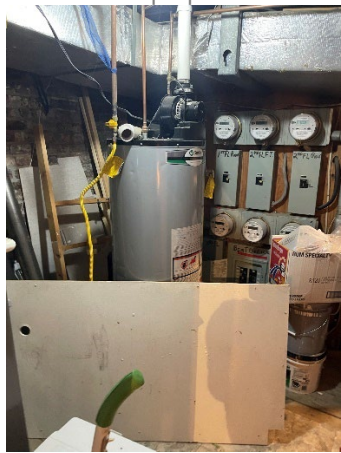
SUBJECT PHOTOGRAPHS



Shop Space



Restroom



Utility Room



Utility Room



Executive Summary

First Floor Retail Condo

Property Type:	Retail-Custom Subtype
Street Address:	142 North 2nd Street
City, State & Zip:	Philadelphia, PA 19106
MSA Name:	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD
Market Name:	PA - Philadelphia - Greater
Submarket Name:	Independence Hall
Investment Class:	Class B
Latitude:	39.953073
Longitude:	-75.1431182
Census Tract:	1.002
Gross Building Area (SF):	968
Net Rentable Area (SF):	968
Year Built:	1900
Current Occupancy:	100%
Land Area:	0.039 acres (1,674 SF)
Zoning:	CMX3
Assessor's Parcel ID(s):	888500732
Highest and Best Use - As Vacant:	Mixed-Use
Highest and Best Use - As Improved:	Retail Use

Analysis Details

Valuation Date:	July 6, 2023
Market Value "As Is"	July 6, 2023
Inspection Date and Date of Photos:	July 6, 2023
Report Date:	July 24, 2023
Report Type:	Appraisal Report
Client:	Pietragallo Gordon Alfano Bosick & Raspanti, LLP
Intended Use:	Establishing market value for pricing in connection with a potential disposition involving each of the subject properties and no other use.
Intended User:	Client and [REDACTED] and no other party is permitted to use or rely on the appraisal.
Appraisal Premise:	Market Value "As Is"
Intended Use and User:	The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and [REDACTED] will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.
Interest Appraised:	Leased Fee
Exposure Time (Marketing Period) Estimate:	6 to 9 Months (6 to 9 Months)



EXECUTIVE SUMMARY

Leasing Summary

Number of Tenants						1
Average Contract Rent/SF						\$17.91
Average Market Rent/SF						\$20.00
Tenant	Rentable SF	% Leased	% of Total Contract Rent	Contract Rent PSF	Market Rent PSF	Contract as % of Market
A Four Foot Prune - Retail Storefront	968	100.0%	100.00%	\$17.91	\$20.00	89.6%

Valuation Summary

Sales Comparison Approach		\$/SF	\$ Total
142 North 2nd Street - 968 SF			
Number of Sales			5
Range of Sale Dates			Oct-20 to Sep-21
Adjusted Range of Comparables (\$/SF)			\$192.61 to \$312.00
Value Conclusion:		\$232.44	\$225,000
Indicated Sales Comparison Approach Value	As Is	\$232.44	\$225,000

Income Capitalization Approach - Direct Capitalization Method

Capitalization Rate Indicators and Conclusion		\$/SF	\$ Total
Indication			
Comparable Sales			7.53% - 8.00%
Investor Surveys			5.02% - 6.60%
Band of Investment			8.25%
Concluded Going-In Capitalization Rate			7.75%

Stabilized Income Estimate

Potential Gross Income		\$25.92	\$25,089
Stabilized % Vacancy & Collection Loss		-7.00%	(\$1,756)
Effective Gross Income		\$24.10	\$23,333
Operating Expenses		\$8.78	\$8,494
Operating Expense Ratio			36.4%
Net Operating Income		\$15.33	\$14,838
Capitalization Rate			7.75%
Indicated Income Capitalization Approach Value	As Is	\$206.61	\$200,000

Market Value Conclusions

	As Is	Reconciled Value	\$200,000
Exposure / Marketing Time			
Concluded Exposure Time	6 to 9	Months or Less	
Concluded Marketing Time	6 to 9	Months or Less	

Compiled by [REDACTED]

Extraordinary Assumptions and Hypothetical Conditions

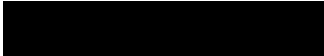
An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. None

Compiled by [REDACTED]



Introduction

OWNERSHIP HISTORY

The current owner is 803 S. 4th Street LLC. The following summarizes a three-year history of ownership.

Ownership History

To the best of our knowledge, no sale or transfer of ownership has taken place within the three-year period prior to the effective date of the appraisal.

Listing Status:	Not Listed For Sale
Current or Pending Contract:	None Reported

Previous Sales

Sales in the Previous Three Years:	None
Most Recent Reported Sale:	February 11, 2016
Buyer:	803 S. 4th Street LLC
Seller:	Makefield Property Group
Purchase Price:	\$170,000 \$175.62 Per SF (Net Rentable Area)
Deed Information:	Document #53024897

Compiled by [REDACTED]

To the best of our knowledge, no other sale or transfer of ownership has taken place within a three-year period prior to the effective date of the appraisal.

INTENDED USE AND USER

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and [REDACTED] will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

- The intended use of the appraisal is for establishing market value for pricing in connection with a potential disposition involving each of the subject properties and no other use.
- The client is Pietragallo Gordon Alfano Bosick & Raspanti, LLP.
- The intended user is Client and [REDACTED] and no other party is permitted to use or rely on the appraisal.



DEFINITION OF VALUE

Market value is defined as:

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

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

(Source: Code of Federal Regulations, Title 12, Chapter I, § 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

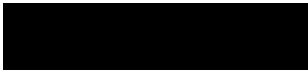
APPRAISAL REPORT

This appraisal is presented in the form of an appraisal report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. This report incorporates sufficient information regarding the data, reasoning and analysis that were used to develop the opinion of value in accordance with the intended use and user.

PURPOSE OF THE APPRAISAL & INTEREST APPRAISED

The primary purpose of the appraisal is to develop an opinion of the market value "as is" of the leased fee interest in the property. (Please see Glossary of Terms for definition(s) of interest(s) appraised)

Purpose of the Appraisal		
Appraisal Premise	Interest Appraised	Date of Value
Market Value "As Is"	Leased Fee	7/6/2023
Compiled by [REDACTED]		



SCOPE OF WORK

Extent to Which the Property is Identified

- Physical characteristics
- Legal characteristics
- Economic characteristics

Extent to Which the Property is Inspected

██████████ inspected the subject property on July 6, 2023 as per the defined scope of work. ██████████ MAI, CRE, MRICS and Lydia Nagy have not personally inspected the subject. Alexander Simon has personally inspected the subject property.

Type and Extent of the Data Researched

- Exposure and marketing time;
- Neighborhood and land use trends;
- Demographic trends;
- Market trends relative to the subject property type;
- Physical characteristics of the site and applicable improvements;
- Flood zone status;
- Zoning requirements and compliance;
- Real estate tax data;
- Relevant applicable comparable data; and
- Investment rates

Type and Extent of Analysis Applied

We analyzed the property and market data gathered through the use of appropriate, relevant, and accepted market-derived methods and procedures. Further, we employed the appropriate and relevant approaches to value, and correlated and reconciled the results into an estimate of market value, as demonstrated within the appraisal report. The applied scope of work is appropriate and sufficient to produce credible assignment results for the intended use of this report.



Economic Analysis

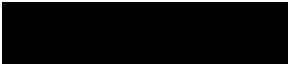
NATIONAL TRENDS AND UNCERTAINTIES

National and Global economies have experienced record setting inflation and interest rates are rising. Influences of the COVID pandemic on the economy have reduced but some fallout effects continue. The recession is still generally expected across surveys of business managers, economists and the populace at large as well as yield curve indicators. A recent Wall Street Journal poll of business and academic economics put the odds of recession at 61% - virtually unchanged since October, 2022's poll result of 63%.

In an effort to curtail inflation, The Fed has embarked on an aggressive strategy. As of February, 2023, the Federal Reserve has raised rates eight times for a total of 450 basis points over the course of 2022 into 2023. The Federal Reserve is targeting a range of 4.50% to 4.75% for the Federal Funds Rate – the highest since October 2007. The February increase was smaller at 25 basis points than the previous increases but the Fed signaled further increases will come. The effects of such a substantial increase in the cost of funds include increased mortgage rates but also investment rates.

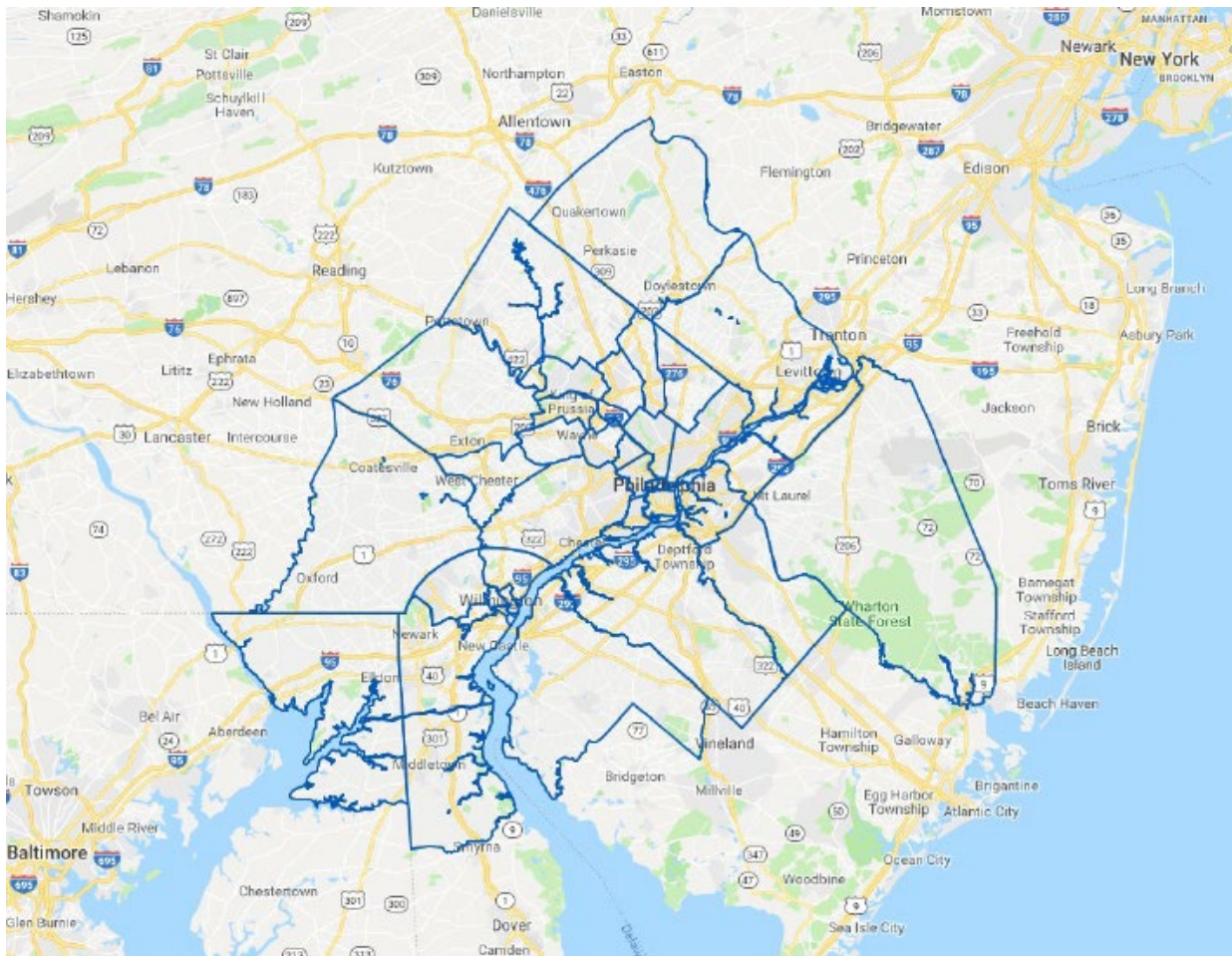
We are cognizant that such significant changes have had an effect on Commercial Capital Markets activity and have driven changes in rent and expense growth. Commercial transaction volume was down 62% for the fourth quarter of 2022 compared to the same period in 2021. For the year, transaction volume was down 15% over 2021 implying that much of the volume reduction occurred late in the year as the debt market became illiquid as well as less favorable.

We have considered, and will address, these issues throughout this appraisal and report including in our determinations of overall capitalization rates, discount rates and growth of rents and expenses where applicable.



GREATER PHILADELPHIA

The subject is located within the Philadelphia-Camden-Wilmington Statistical Area, also known as Greater Philadelphia. This is the nation’s seventh largest metropolitan area and benefits from central geography in the heart of the Northeast Corridor and is the keystone of major north-south, east-west highway and rail networks. More than 100 million people are within a one-day drive of Philadelphia. The Greater Philadelphia market area spans thirteen counties in Southeastern Pennsylvania, Southern New Jersey and Northern Delaware (boundary lines are shown in the following map that comprises the Philadelphia MSA).



Source: Costar



The Greater Philadelphia Region is located at the heart of one of the nation's wealthiest and most populous areas. It ranks:

- 2nd largest urban density in the United States (Downtown Philadelphia)
- 4th largest media market
- 6th largest personal income & 6th largest in employment
- 7th in academic R&D expenditures
- 7th in gross metropolitan product (and ranked in the top 3 in the Northeast)

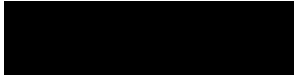


The chart on the left (produced by Select Philadelphia) demonstrates the excellent transportation access the Philadelphia region offers to other East Coast markets.

The strength and desirability of Greater Philadelphia is characterized by its economic diversity and population density. Its location, high concentration of educational, medical and government facilities, and a strong transportation network underscore these strengths. Residents of the Philadelphia area historically have enjoyed a quality of life ranked among the highest in the country. In addition to the numerous and growing number of high-quality urban housing opportunities, there are an abundance of desirable suburban communities that are easily accessible by some of the best highway and mass transit systems in the country.

Transportation Infrastructure

- New York City and Washington D.C. are within a 2.5-hour drive; high-speed Amtrak Acela and Metroliner provide fast service to both
- Philadelphia is home to the 3rd busiest Amtrak station in the U.S. with 11,000 daily riders.
- Greater Philadelphia is at the intersection of the county's major highway infrastructures with over 100 interstate highways connecting the various submarkets throughout the Philadelphia region
- 100 million people are located within a one-day drive
- Served by 30 airlines offering more than 550 daily departures to 128 cities, including 40 international destinations
- The Delaware River Port Complex, comprised of active, full-service marine terminals in Delaware, New Jersey and Pennsylvania, is an active conduit for international trade and comprises three major ports with full-service docking facilities and over 30 active port terminals.



-
- The Port of Philadelphia is the only major port on the East Coast served by two Class 1 railroads (CSX Transportation and Norfolk Southern) and provides easy access to the Midwest, Mid-Atlantic, and Northeast markets.

Other Factors Fueling the Growth of Greater Philadelphia

- Top 3 major Bio-Science clusters in the Northeast
- Lower cost of living than other major Northeast Metros (including New York, Boston, Washington D.C.)
- Lowest rental rates for Class A industrial space compared to other major East Coast cities
- Lowest rental rates for Class A office space in the Northeast Corridor
- 25 Fortune 500 companies call the Philadelphia Region their home
- One of the few regions in the Northeast with active Class 1 railroads
- Average of 125 cultural events take place every day

Major Employers

The Greater Philadelphia Region is well known for its stable and broadly diversified economic base. This is best characterized by the following list of its major employers with “eds and meds,” the burgeoning bio-science employment base, and Comcast (Philadelphia is their world HQ) leading the charge, along with several major pharmaceutical companies in the Top 25.

Over the past six years, the Greater Philadelphia Region has experienced a surge in digital health innovation. The sector’s growth has both contributed to, and benefited from, the region’s strengths, with more than 2,000 medical technology companies based within the Greater Philadelphia market. Of those, over 100 companies are specifically focused in the digital health vertical, with more than half focusing on enhancing the efficiency of health care delivery and making medicine more personalized and precise by health care providers, including hospitals, physicians and other caregivers.



Selected Major Employers: Greater Philadelphia		
Rank	Employer	Employees
1	University of Pennsylvania Health System	46,554
2	Thomas Jefferson University and TJU Health System Inc.	32,000
3	Children's Hospital of Philadelphia	22,051
4	Comcast	17,607
5	Drexel University	9,347
6	Independence Blue Cross	8,210
7	Wells Fargo	6,023
8	Einstein Healthcare Network	4,768
9	SAP America	3,292
10	Elwyn	3,243
11	Deloitte	1,825
12	Rivers Casino	1,680
13	Ernst & Young LLP	1,482
14	Widener University	1,374
15	Saint Joseph's University	1,341
16	KPMG LLP	1,274
17	Burns' Family Neighborhood Markets	1,095
18	The Protocall Group	975
19	La Salle University	930
20	Jacobs	892

Source: *Philadelphia Business Journal, 2020; compiled by NKF*

Expansion of Life Sciences

Since the 1990s, early gene therapy research was underway at the University of Pennsylvania. Today, three FDA-approved therapies are on the market as a result of innovations in the region. They include the first FDA-approved cell therapy, first FDA-approved gene therapy, and the first FDA-approved aesthetic cell therapy.

More than thirty R&D companies in this space originated within Greater Philadelphia. Leading this expanding sector includes: University of Pennsylvania Perelman School of Medicine, Children's Hospital of Philadelphia, The Coriell Institute for Medical Research, Christiana Care Gene Editing Institute, Jefferson Health, Temple University, and the Wistar Institute – all of which have the infrastructure and expertise to support the new medicines.

Labor Pool

With a labor force of approximately 3 million people, there is an abundant supply of skilled workers available in virtually all occupations.



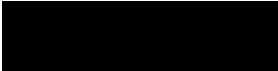
-
- 16% of the population (25 years and older) have advanced degrees, compared with the U.S. average of 13%
 - Greater Philadelphia is the 7th largest labor force among the nation’s largest metro areas
 - Over 1.15 million workers worked in Knowledge Occupations as defined by the Economic Development Administration (EDA), comprising 40.6% of total employment.

Greater Philadelphia is a National Leader in Higher Education

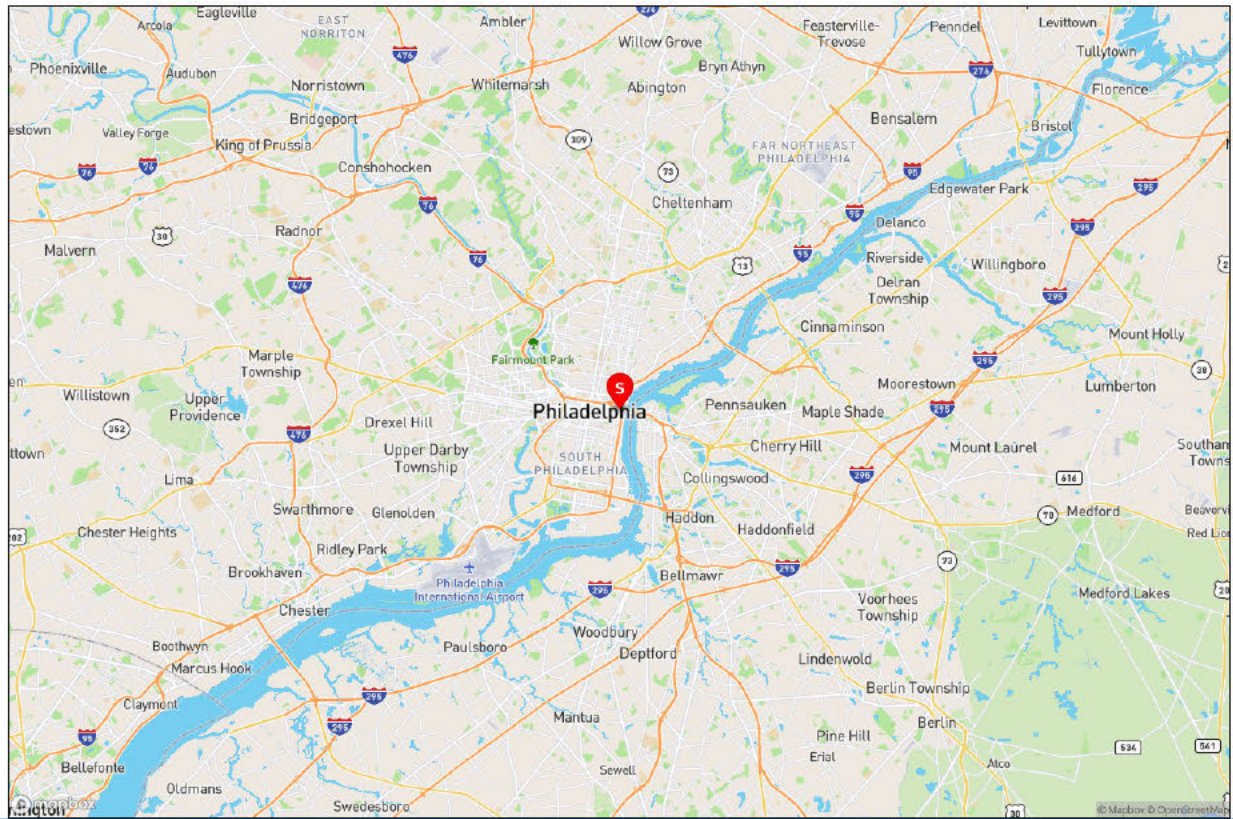
- Over 100 degree-granting institutions including Princeton University and University of Pennsylvania, two Ivy League universities plus three of the very top liberal arts colleges: Swarthmore, Haverford, and Bryn Mawr Colleges.
- Approximately 500,000 full- and part-time students
- 6 medical schools, 3 pharmacy schools, and two dental schools
- 39% of residents (25 years and older) hold a bachelor’s degree or higher, well above the national average of 33%.

Summary

Competitive accessibility and professional talent are hallmark attributes that drive the regional economy of the Greater Philadelphia Region. As the seventh largest metropolitan center in the United States, the region offers an extensive array of cultural, historical and recreational facilities. And from its strategic position in the center of the eastern megalopolis to its economic diversity, the Greater Philadelphia Region is poised for continued growth and prosperity into the 21st century. Key industries are thriving in the region because of the region’s global access, deep talent pool, attractive cost of doing business, diversified customer markets, and high quality of residential life.



NEIGHBORHOOD ANALYSIS



Area Map

Boundaries

The subject is located in the Old City neighborhood of Center City Philadelphia. This area is part of the Independence Hall submarket as defined by Costar and is generally delineated as follows:

North	Vine Street Expressway (I-676)
South	South Street
East	Delaware River
West	6 th and 8 th Streets

Access & Transportation

The subject’s location has good access to public transportation and nearby regional employment centers, shopping centers, parks, and cultural activities through major interstate highways. Interstates 676, 76, 476, and 95 are all within a reasonable distance of the subject and connect the area with the entire Philadelphia Metro. The subject also benefits from its close proximity to New Jersey which can be accessed via the Ben Franklin Bridge, less than a half mile west of the subject.



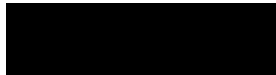
ECONOMIC ANALYSIS

SEPTA operates numerous bus lines, two intra-city subways, and two major regional commuter rail stations in Center City. The regional rail lines provide public transportation to numerous Pennsylvania suburban communities. Also located nearby is Amtrak's 30th Street Station, which provides access to several cities along the east coast, such as New York City, Boston, and Washington D.C. 30th Street Station is pivotal for the inbound and outbound workforce.

The following map illustrates a 15-minute drive time from the subject property:



Drive Time Map



Land Uses



The property is situated in the eastern part of Center City Philadelphia in a neighborhood colloquially termed Old City. The neighborhood is influenced by historic attractions like Independence Hall, the Liberty Bell, the Betsy Ross House, and Penn’s Landing, all of which serve as major tourist attractions for the Philadelphia Metropolitan Area.

Primary employment centers in Old City include various office buildings, museums and historical attractions, retail, and dining establishments. Land uses within the immediate area include retail, office, and residential uses. Numerous retail stores line both 2nd Street and Arch Street, including local, regional, and national tenants. Residential and office uses are common for the upper levels of properties fronting these streets.



Prominent land uses located nearby include the US Federal Building (600 block of Market Street), US Mint (400 block of Arch Street), The Gallery at Market East, Independence Hall, and the Liberty Bell. Residential uses in the neighborhood consist primarily of historic and older townhouses, along with more recent high-rise condominiums and apartment building. Many of the residential structures in and around Old City are former loft-style manufacturing buildings that have been converted into apartments.



ECONOMIC ANALYSIS

Demographics

A demographic summary for the defined area is illustrated as follows:

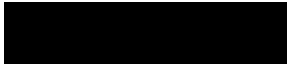
Demographic Analysis								
	1-Mile Radius	3-Miles Radius	5-Miles Radius	19106	Philadelphia City	Philadelphia County	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA	Pennsylvania
Population								
2010 Total Population	35,384	424,735	854,083	11,022	1,526,006	1,526,006	5,965,343	12,702,379
2022 Total Population	46,940	487,837	913,314	15,143	1,619,078	1,619,078	6,290,595	13,027,451
2027 Total Population	51,082	495,179	915,385	16,673	1,604,021	1,604,159	6,309,366	13,011,297
Projected Annual Growth %	1.7%	0.3%	0.0%	1.9%	-0.2%	-0.2%	0.1%	0.0%
Households								
2010 Total Households	18,591	176,547	335,422	6,354	599,635	599,736	2,260,312	5,018,904
2022 Total Households	25,888	219,294	387,420	8,813	667,219	667,219	2,438,223	5,232,785
2027 Total Households	28,378	224,383	391,285	9,787	664,975	665,034	2,454,567	5,244,451
Projected Annual Growth %	1.9%	0.5%	0.2%	2.1%	-0.1%	-0.1%	0.1%	0.0%
Income								
2022 Median Household Income	\$103,291	\$63,121	\$51,044	\$118,087	\$52,721	\$52,721	\$81,273	\$69,170
2022 Average Household Income	\$156,143	\$106,300	\$86,353	\$171,523	\$83,843	\$83,843	\$119,011	\$99,758
2022 Per Capita Income	\$86,700	\$48,037	\$36,775	\$103,317	\$34,678	\$34,678	\$46,256	\$40,217
Housing								
2022 Owner Occupied Housing Units	33.2%	39.2%	40.9%	40.3%	46.9%	46.9%	62.0%	62.1%
2022 Renter Occupied Housing Units	56.8%	49.0%	47.4%	49.8%	43.5%	43.5%	31.1%	28.4%
2022 Median Home Value	\$474,942	\$303,815	\$231,863	\$488,389	\$224,010	\$224,010	\$299,485	\$232,971
Median Year Structure Built	1960	1940	1940	1962	1948	1948	1965	1964
Miscellaneous Data Items								
2022 Bachelor's Degree	37.3%	25.9%	20.1%	38.6%	19.3%	19.3%	24.5%	20.8%
2022 Grad/Professional Degree	36.9%	22.2%	15.9%	41.1%	13.6%	13.6%	16.6%	13.4%
2022 College Graduate %	74.3%	48.1%	36.0%	79.7%	32.8%	32.8%	41.1%	34.2%
2022 Average Household Size	1.70	2.11	2.27	1.61	2.36	2.36	2.52	2.41
2022 Median Age	36.8	34.0	33.9	39.3	35.7	35.7	39.7	41.9

Source: ESRI; Compiled by [REDACTED]

- As shown above, the current population within the subject's zip code was estimated to be 15,143 in 2022. The population in the area is expected to grow over the next five years at a significantly faster pace than the City of Philadelphia as a whole.
- Median household income is significantly higher in Old City than in the surrounding area at an estimated \$118,087. The median owner-occupied home values are also considerably higher in Old City.

Demand Generators

Center City is a dynamic and growing “24-hour” market, one of only a few in the United States. Comprising retail, office, residential and many other forms of institutional and commercial development, Center City has a diverse and balanced economic base containing multiple levels of demand generators ranging from office-related employment to retail, cultural, education, medical, entertainment, and residential. The center core of the CBD is considered to be City Hall, which is located at Penn Square at the intersection of Market and Broad Streets. Center City Philadelphia, the focal point of the Greater Philadelphia Metropolitan Area, offers a blend of some of the most acclaimed historic properties and architecture in the United States. Some key facts regarding Greater Center City are summarized below:



- In the middle of the nation's Northeast Corridor and at the center of a nine-county region of about 5.9 million residents.
- Philadelphia is the second largest city along the East Coast. Greater Center City now ranks second only to Midtown Manhattan in size of population among U.S. downtown districts.
- Center City has a transit network that sees more than 4 million passerbys in a year, namely Amtrak's 30th Street Station. 30th Street Station is the third busiest train station in the Northeast Corridor.
- Close proximity to major colleges and universities also gives employers access to the latest research of colleges and steady stream of recent graduates and affords employees numerous opportunities for continuing education. University of Pennsylvania leads medical research with the assistance of federal grants in the region.
- Philadelphia has potential to become a major energy hub. With its proximity to Marcellus Shale natural gas production and its unique industrial infrastructure (oil refineries, ports, pipeline systems, freight rail network), Philadelphia has potential to become a major energy hub.
- Philadelphia includes a wide array of arts, significant history and cultural institutions, four public squares, historic public markets, shops, restaurants, and outdoor cafes, all of which add to the vitality of the city. In fact, Center City was ranked 4th most walkable city in the United States behind New York, San Francisco, and Boston.
- The combined spending on research at Drexel, Temple, Thomas Jefferson and Penn totals more than \$1.23 billion. Penn's expenditures accounted for nearly 75% of this total.

Employment

- Center City is the largest center of employment in the state and is considered a major economic driver for the region. The primary sectors in the Center City office sector employment are education, health care, finance, insurance, real estate, engineering and legal services. Office sector employment accounts for over 40% of downtown private-sector jobs.
- Major employers include the City of Philadelphia, University of Pennsylvania, Temple University, two major medical schools and three major hospitals. It is the headquarters for Comcast, Cigna, ACE, Blue Cross of Pennsylvania, Delaware Valley Investments, and several others. Moreover, there are numerous City and Federal



agencies located in Center City (EPA, HUD, Justice Department, U.S. Mint, and The Federal Reserve) and many others.

- While office jobs are the largest employment sector in Center City, the education and healthcare institutions are the largest segment of the balance of the city's economy, accounting for 20% of citywide employment or nearly 60,000 jobs. Thomas Jefferson University and Hospital is the largest private employer. Even Penn, with most of its employees in University City, employs about 4,000 people in Center City.

Residential Market

- Center City has continued to benefit from demographic, energy, and cultural trends, including a growing desire for workers to live closer to their jobs and a preference for mixed-use environments. Two of the nation's largest demographic groups, empty-nesters and millennials, have been attracted in large numbers to the dense and walkable urban setting of Center City. Millennials make up 40% of the downtown population (more than twice the national average), while those over 60 constituted 21% of Greater Center City residents.

Conclusion

- The positive trends reflected across Greater Center City and extending into the Independence Hall neighborhood will have an impact on the foreseeable future of the subject's immediate market area. We anticipate that property values will increase over the long run at this location.

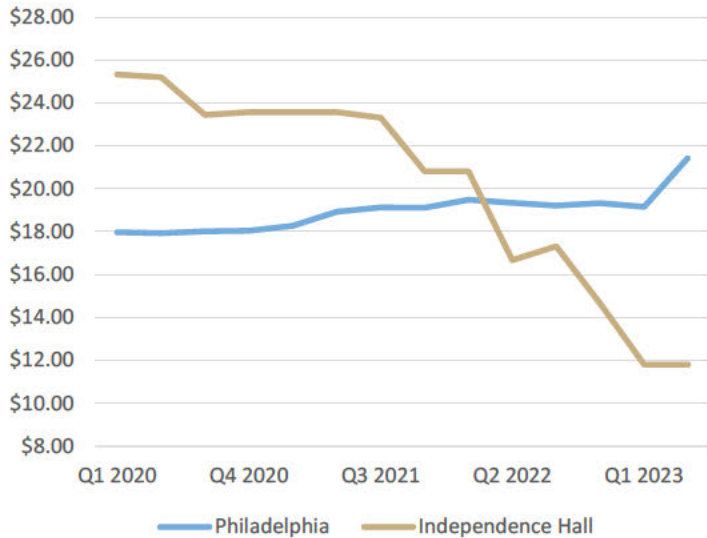


RETAIL MARKET ANALYSIS

Classification

The following discussion outlines overall market performance in the surrounding retail market. Presented first are market statistics of the overall Philadelphia market area followed by the subject's Independence Hall submarket. Class B investment properties were considered in our research of the market.

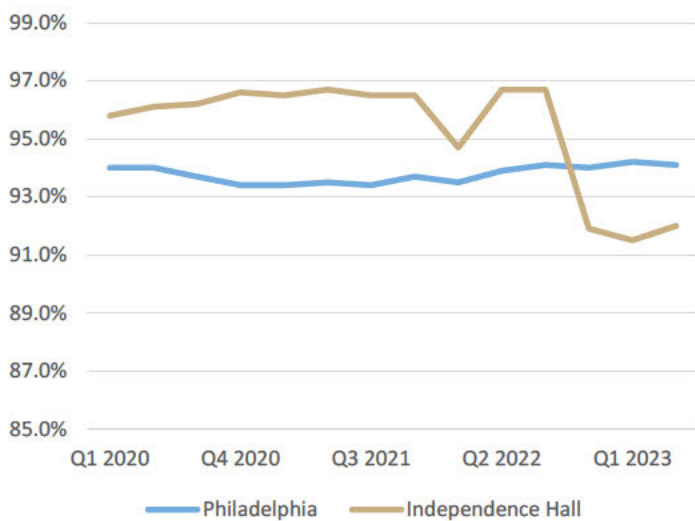
Asking Rent Per SF



Period	Philadelphia	Independence Hall
Q1 2020	\$17.97	\$25.32
Q2 2020	\$17.92	\$25.19
Q3 2020	\$18.01	\$23.44
Q4 2020	\$18.04	\$23.57
Q1 2021	\$18.27	\$23.57
Q2 2021	\$18.93	\$23.57
Q3 2021	\$19.12	\$23.31
Q4 2021	\$19.11	\$20.81
Q1 2022	\$19.48	\$20.81
Q2 2022	\$19.34	\$16.67
Q3 2022	\$19.21	\$17.31
Q4 2022	\$19.32	\$14.66
Q1 2023	\$19.16	\$11.80
Q2 2023	\$21.44	\$11.80

Source: Costar; Compiled by [REDACTED]

Occupancy Rate



Period	Philadelphia	Independence Hall
Q1 2020	94.0%	95.8%
Q2 2020	94.0%	96.1%
Q3 2020	93.7%	96.2%
Q4 2020	93.4%	96.6%
Q1 2021	93.4%	96.5%
Q2 2021	93.5%	96.7%
Q3 2021	93.4%	96.5%
Q4 2021	93.7%	96.5%
Q1 2022	93.5%	94.7%
Q2 2022	93.9%	96.7%
Q3 2022	94.1%	96.7%
Q4 2022	94.0%	91.9%
Q1 2023	94.2%	91.5%
Q2 2023	94.1%	92.0%

Source: Costar; Compiled by [REDACTED]

Retail Market Trends								
	Philadelphia				Independence Hall			
	Inventory (SF)	Completions (SF)	Vacancy %	NNN Rent Overall / SF	Inventory (SF)	Completions (SF)	Vacancy %	NNN Rent Overall / SF
Q2 2021	156,855,903	94,898	6.5%	\$18.93	699,453	0	3.3%	\$23.57
Q3 2021	156,979,914	124,011	6.6%	\$19.12	699,453	0	3.5%	\$23.31
Q4 2021	157,317,140	337,226	6.3%	\$19.11	699,453	0	3.5%	\$20.81
Q1 2022	157,398,759	81,619	6.5%	\$19.48	699,453	0	5.3%	\$20.81
Q2 2022	157,443,153	44,394	6.1%	\$19.34	699,453	0	3.3%	\$16.67
Q3 2022	157,520,499	77,346	5.9%	\$19.21	699,453	0	3.3%	\$17.31
Q4 2022	157,768,525	248,026	6.0%	\$19.32	699,453	0	8.1%	\$14.66
Q1 2023	157,901,778	133,253	5.8%	\$19.16	699,453	0	8.5%	\$11.80
Q2 2023	158,090,873	189,095	5.9%	\$21.44	699,453	0	8.0%	\$11.80

* Forecast

Source: Costar; Compiled by [REDACTED]

- The average vacancy rate for the subject’s submarket is higher than that of the overall market area.
- The current average rental rate for Independence Hall is only around half of the average rental rate in the overall Philadelphia market. Market rental rates for the overall Philadelphia area have remained virtually unchanged over the past two years, while the subject’s submarket has decreased significantly since Q2 2021 (down \$11.77 per square foot).
- The COVID-19 pandemic has prompted a lot of retail stores to close down in Old City, as tourism is the main driver for the area. While other sectors of the Philadelphia market have almost all but recovered losses in retail leasing post-pandemic, Old City proves to be a soft spot in the market.

Supply & Demand

Construction Versus Absorption

Construction/Absorption Change									
Market / Submarket	Prior Calendar Years History								
	Prior Calendar Year History			Prior Three Year History			Prior Five Year History		
	SF Built	SF Absorbed	Const. / Abs. Ratio	SF Built	SF Absorbed	Const. / Abs. Ratio	SF Built	SF Absorbed	Const. / Abs. Ratio
Philadelphia	451,385	899,808	0.5	2,131,063	1,740,468	1.2	4,110,456	3,139,852	1.3
Independence Hall	0	-32,110	0.0	0	-29,638	0.0	3,960	-15,230	-0.3

Source: Costar; Compiled by [REDACTED]

- Absorption in the Independence Hall submarket has been zero or negative over the past 5 years, which is primarily due to the effects of the COVID-19 pandemic on the retail market.



Trends and Projections

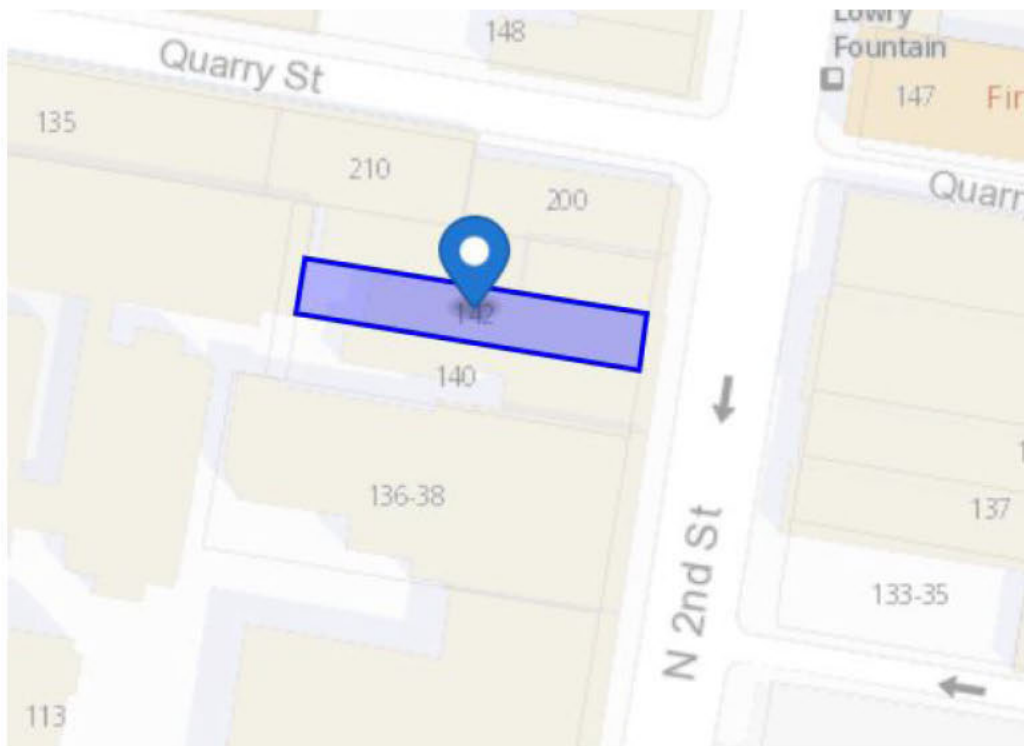
Subject and Market Historical and Forecast Trends

Market Vacancy Rate Indicators					
	Current	Most Recent Full Year	Trailing 3-Year	Trailing 5-Year	Trailing 10-Year
Costar					
Philadelphia	5.90%	6.00%	6.60%	5.30%	6.50%
Independence Hall	8.00%	8.10%	3.40%	4.60%	7.70%
Concluded Subject Vacancy Rate					
	6.00%				

Source: Costar, [REDACTED]

- [REDACTED] expects the mix of property fundamentals and economic conditions in the area to dip in the interim period and slowly improve thereafter.
- We have concluded a stabilized vacancy rate of 6% which is similar to the vacancy rate for the overall Philadelphia market area. The subject is fully leased and occupied through January 2026.
- To this we also add 1.00% for collection loss later in our analysis.

Land and Site Analysis



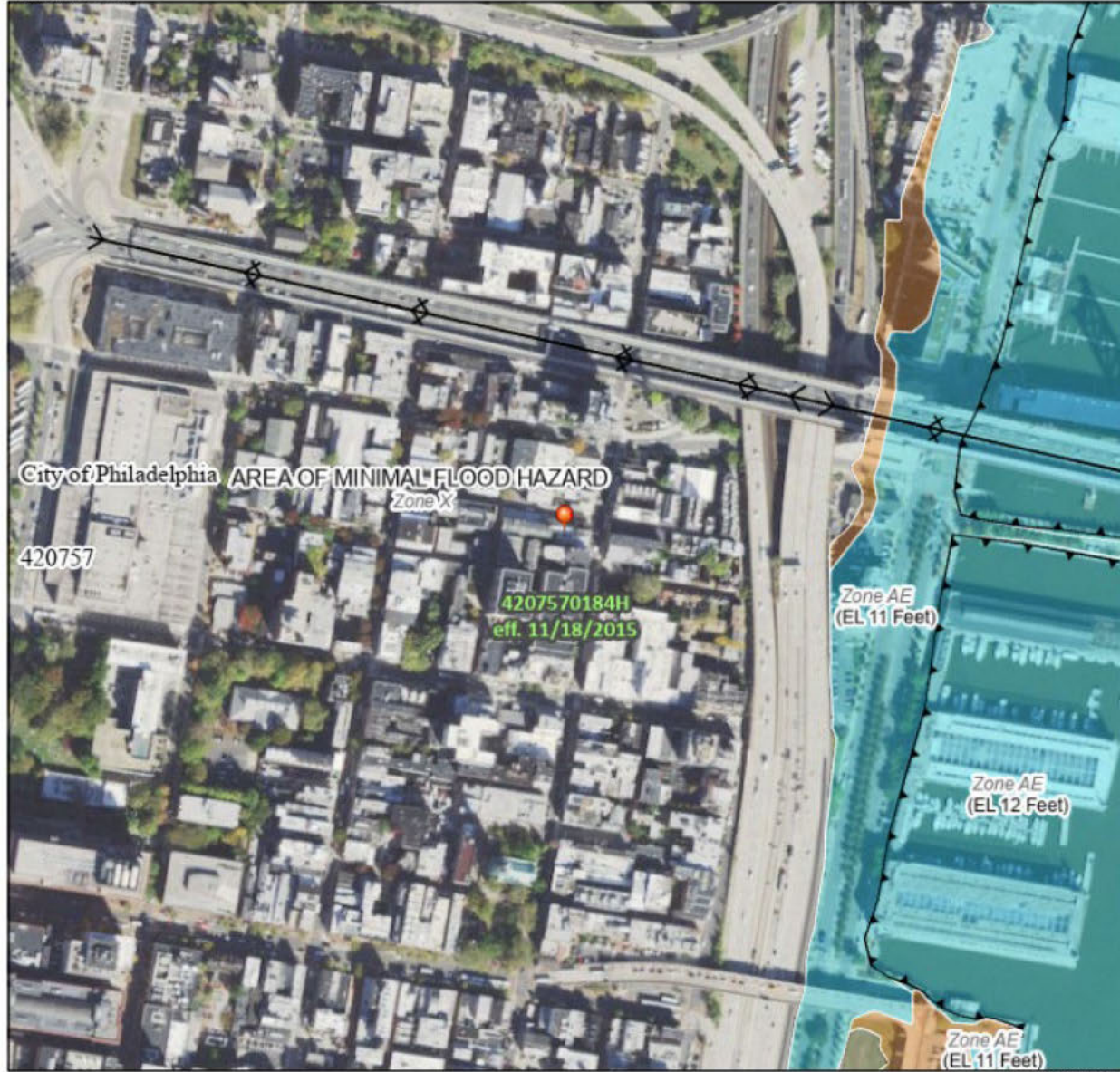
Tax Map



National Flood Hazard Layer FIRMette



75°8'55"W 39°57'25"N



75°8'17"W 39°56'57"N

Basemap Imagery Source: USGS National Map 2023

Flood Map



LAND AND SITE ANALYSIS

Land Description

Total Land Area	0.039 Acres (1,675 SF)
Usable Land Area	0.039 Acres (1,675 SF)
Excess Land Area	None
Surplus Land Area	None
Source of Land Area	Public Records
Percent of Interest in Common Elements	27.55%

Site Characteristics

Primary Street Frontage	N. 2nd Street (16 FF)
Traffic Control at Entry	None
Traffic Flow	Moderate
Accessibility Rating	Above Average
Visibility Rating	Good
Shape	Rectangular
Corner	No
Topography	Level
Easement/Encroachments	None Noted
Environmental Issue	None Noted

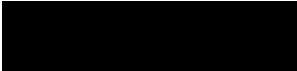
Flood Zone Analysis

Flood Area Panel Number	4207570184H
Date	11/18/2015
Zone	Zone X
Description	Area of minimal flood hazard, usually depicted on Flood Insurance Rate Maps as above the 500-year flood level.
Insurance Required?	No

Utilities

Utility Services	Electricity, gas, sewer, water
------------------	--------------------------------

Compiled by [REDACTED]



EXCESS OR SURPLUS LAND

Analysis of the site and current use indicates that there is not an area of the site that is not in use and would be viewed as excess / surplus land.

EASEMENTS, ENCROACHMENTS AND RESTRICTIONS

We were not provided a current title report to review. Further, there do not appear to be any easements, encroachments, or restrictions other than those that are typical for the property type. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

ENVIRONMENTAL ISSUES

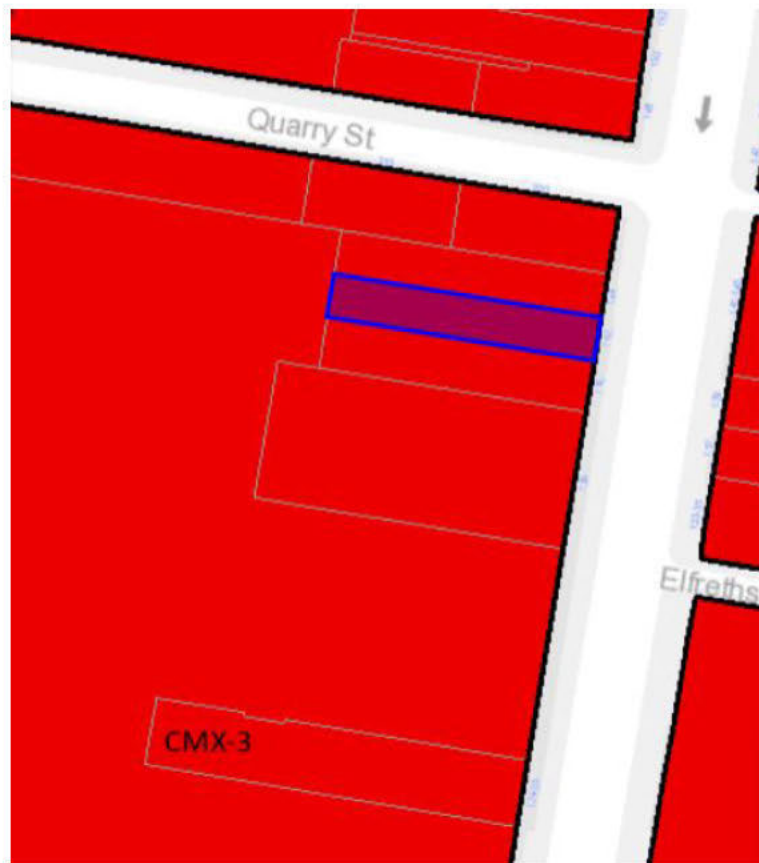
No environmental issues were observed or reported. [REDACTED] is not qualified to detect the existence of potentially hazardous issues such as soil contaminants, the presence of abandoned underground tanks, or other below-ground sources of potential site contamination. The existence of such substances may affect the value of the property. For this assignment, we have specifically assumed that any hazardous materials that would cause a loss in value do not affect the subject.

CONCLUSION

Overall, the site is considered to have good functionality by means of accessibility.



Zoning and Legal Restrictions



Zoning Map


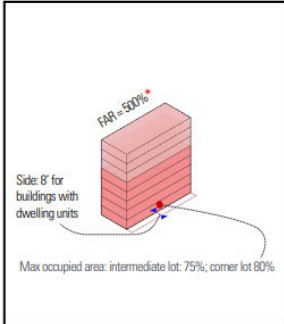


Zoning Summary

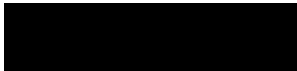
Category	Description
Zoning Jurisdiction	City of Philadelphia
Zoning Designation	CMX3
Description	Community Commercial Mixed-Use
Legally Conforming?	Yes
Zoning Change Likely?	Unlikely
Permitted Uses	Multifamily, Office, Retail
Maximum Occupied Area	75%
Maximum Floor Area Ratio	500%

Compiled by [REDACTED]

Table 14-701-3: Dimensional Standards for Commercial Districts

	<table border="1"> <tr> <td>Max. Occupied Area</td> <td>Lot: Intermediate 75% Corner 80%</td> </tr> <tr> <td>Min. Side Yard Width</td> <td>8 ft. if used for buildings containing dwelling units</td> </tr> <tr> <td>Max. Floor Area Ratio</td> <td>500%* With additional bonuses</td> </tr> </table>	Max. Occupied Area	Lot: Intermediate 75% Corner 80%	Min. Side Yard Width	8 ft. if used for buildings containing dwelling units	Max. Floor Area Ratio	500%* With additional bonuses	
Max. Occupied Area	Lot: Intermediate 75% Corner 80%							
Min. Side Yard Width	8 ft. if used for buildings containing dwelling units							
Max. Floor Area Ratio	500%* With additional bonuses							

We are not experts in the interpretation of zoning ordinances. A qualified land use/zoning expert should be engaged if there are any zoning concerns or if a determination of compliance with zoning is required.



Improvements Analysis

The "Subject Property" is a 968 square foot retail condominium unit located on the first floor and lower level of a mixed-use building with 3,514 square feet (including the lower level). The property was constructed c. 1900. The improvements are in average-good condition and are of average quality and tenant appeal. At time of inspection, the unit was entirely leased and operating as a local antique store, A Four Foot Prune. The improvements are more fully described in the following table.

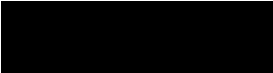


Front View



IMPROVEMENTS ANALYSIS

Improvements Description	
Component Structures	
Improvements (Structures)	Primary Use
General Improvement Type	Retail
Use Description	Custom Subtype
No. Buildings	1
GBA (SF)	968
Rentable SF	968
% Occupied	100%
Construction Status	Existing, Stabilized Operations
Construction Class	C
Quality	Average
Current Condition	Average-good
Age/Life Depreciation Analysis	
Year Built	1900
Year Renovated	Adequately maintained over the years
Actual Age (Yrs.)	123
Economic Life (Yrs.)	60
Effective Age (Yrs.)	20
Remaining Economic Life (Yrs.)	40
Percent Depreciation	33.33%
Floor Area Analysis	
Number of Stories	3
Max Ceiling Height (Ft)	9 ft.
Est. Ground Floor Area (GBA)	968
Attributed Site Area (SF)	968
Site Coverage	100.0%
Floor Area Ratio (FAR)	1.000
Land to Building Ratio	1.00:1
Parking Type	No off-street parking
Construction Details	
Foundation	Brick and concrete
Basement	Full finished basement used as shop space
Structural Frame/Construction Summary	Masonry
Exterior Walls	Brick
Windows	Double pane (Low-E) glass with vinyl frames
Roof	Flat rolled tar, presumed
Interior Finish	
Floors	Vinyl tile
Walls	Textured and painted sheetrock
Ceilings	Textured and painted sheetrock
Lighting	Recessed incandescent spot lighting tract lighting



IMPROVEMENTS ANALYSIS

Engineering & Mechanical	
HVAC	Roof-mounted package HVAC; central air conditioning and forced warm air heat
Electrical	Assumed adequate
Plumbing	Assumed adequate
Utility Meters	Individually metered
Rest Rooms	1 individual restroom
Fire Sprinklers	None
<i>Compiled by</i> [REDACTED]	

PROPERTY CONDITION

Recent Renovations

No recent renovations were reported for the subject, though the property appeared to be adequately maintained.

Deferred Maintenance

Our observation of the property indicated no significant items of deferred maintenance.

OTHER PROPERTY CONSIDERATIONS

Functional Utility

Based on our inspection and consideration of its current and/or future use, there do not appear to be any significant items of functional obsolescence.

ADA Compliance

Based on our observation as well as any information provided, no ADA compliance issues were noted. However, the client is advised to obtain review by a qualified professional versed in ADA compliance as we do not have expertise.

Environmental Assessment

Although requested, we were not provided a Phase I Environmental Assessment. We did not observe any potentially hazardous materials such as lead paint, asbestos, urea formaldehyde foam insulation, or other potentially hazardous construction materials on or in the improvements. However, it is noted that we did not search for such materials and are not qualified to detect such materials. The existence of said hazardous materials (if any) may have an effect on the value of the property. Therefore, for the purpose of this appraisal, we have specifically assumed that the property is not affected by any hazardous materials that may be present on or in the improvements. We strongly recommend that a qualified environmental engineering firm be retained by the Client prior to making a business decision.



IMPROVEMENTS ANALYSIS

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Personal Property

No personal property items were observed that would have any material contribution to market value.

CONCLUSION

The improvements are of average quality construction and are in average-good condition. Overall, the improvements are well suited for the existing use.



Real Estate Taxes

Real estate taxes in Pennsylvania are assessed under the jurisdiction of the individual counties that comprise the region. They are derived on an ad valorem basis with a total taxation reflecting the application of appropriate tax rates to a proportion of perceived market value – known as assessed value. These tax rates, or millage rates, are assembled from three components, applicable to their specific county authorities, local municipalities, and school districts. They are then applied on an annual dollar for dollar basis per \$1,000 of total assessed value. It is further noted that the counties and municipalities set their tax rates on a calendar year and school districts typically operate on a fiscal year. In the City of Philadelphia, the Office of Property Assessment (OPA) has affirmed a tax rate of 1.3998% through 2023.

Real estate taxes and assessments for the subject for the 2023 tax year are shown in the following table. The current assessed value is identical to the concluded market value present herein, given Philadelphia’s Actual Value Initiative. Also included in the table below are OCD (Old City District) taxes that are levied on the property. This figure was calculated from a formula provided by the Old City District.

Taxes and Assessments												
Tax Year 2023		Assessor's Market Value			Assessed Value			Tax Rates		Taxes and Assessments		
Tax ID	Land	Improvements	Total	Assessment Ratio	Land	Improvements	Total	Land & Improvements	Ad Valorem Taxes	Old City District Tax	Total	
888500732	\$30,086	\$170,814	\$200,900	100.0%	\$30,086	\$170,814	\$200,900	1.3988%	\$2,810	\$153	\$2,963	

Compiled by [REDACTED]

In Pennsylvania, properties are not automatically reassessed upon sale. Reassessments may be triggered by the issuance of building permits to improve a property, or through the appeal by a proper authority (i.e. school district/municipality) or individual taxpayer. In the City of Philadelphia, assessments can change each year by the assessment office. It is noted that the subject may likely be reassessed upon full building completion and occupancy. Therefore, in an attempt to determine appropriate taxation for the property, we analyze the assessments of several competitive properties summarized as follows.



TAX COMPARABLES

Tax Comparables						
Tax Year 2023	1	2	3	4	5	Subject (Actual)
Address	124 N. 2nd Street, Unit 1	31 S. 2nd Street, Unit C4	112 N. 2nd Street, Unit 5A1	112 N. 2nd Street, Unit 5C1	112 N. 2nd Street, Unit 5D1	142 N. 2nd Street, Unit 1A
City, State	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA
Improvements SF	2,000	1,016	1,341	709	1,389	968
Total Assessed Value	\$484,900	\$312,800	\$291,900	\$150,100	\$302,500	\$200,900
Assessed Value/SF	\$242.45	\$307.87	\$217.67	\$211.71	\$217.78	\$207.54
Total Taxes	\$6,787	\$4,379	\$4,086	\$2,101	\$3,641	\$2,963
Taxes/SF	\$3.39	\$4.31	\$3.05	\$2.96	\$2.62	\$3.06

Compiled by [REDACTED]

For our tax analysis, we have considered similar retail condominiums located in Old City and just outside of Old City within the same general area as the subject. The subject falls in line with the included tax comparables for both assessed value per square foot and taxes per square foot.



Highest and Best Use

AS VACANT

Legally Permissible

The site is zoned CMX3 which allows for multifamily, office, and retail uses. Based on available data and analysis, no other legal restrictions such as easements or deed covenants are present which would impair the utility of the site. Given that surrounding properties have similar zoning and the future land use plan is focused on similar uses as well, it is unlikely that there would be a change of zoning classification. Further information and analysis about the legal restrictions to the subject property is included in the Site Analysis and Zoning and Legal Restrictions sections of this report.

Physically Possible

The subject property has a 27.55% interest in the common elements of the condominium building. The building as an entirety sits on a mid-block site and is considered to have favorable topography, adequate access, and all necessary utilities to support the range of legally permissible uses. No significant physical limitations were noted. The size of the site is typical for the categories of uses allowed under zoning. In total, the site is physically capable of supporting the legally permissible uses.

Financially Feasible

Of the legally permissible and physically possible uses, only a mixed-use development appears most probable based on observation of surrounding properties as well as the location. These uses are more fully analyzed for their financial feasibility.

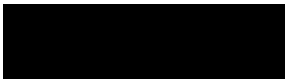
Given the underlying market conditions and activity, it appears that only a mixed-use development would have a sufficient degree of feasibility.

Maximally Productive

The test of maximum productivity is to determine the actual use of the property that results in the highest land value and/or the highest return to the land. It is important to consider the risk of potential uses as a use that may generate the highest returns in cash could also be the riskiest and thus not as likely for a developer to consider. In this case, the maximally productive use is a mixed-use development. The associated risk is typical and market conditions appear to be supportive.

Highest and Best Use Conclusion – As Vacant

The highest and best use of the subject as though vacant is the development of a mixed-use property. The most likely buyer would be an investor.



AS IMPROVED

Legally Permissible

The existing retail improvements appear to be legally conforming with zoning.

Physically Possible

The current improvements conform to the physical characteristics of the site. Therefore, continued retail condominium use of the property is reasonably probable and appropriate, given its location on the first floor of the building surrounded by other similar uses.

Financially Feasible

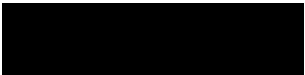
Financial feasibility focuses on positive and excess returns from the improved property. In this case, the subject is an income-producing property and is capable of generating sufficient income to support the continuation of the use. This is demonstrated in the income capitalization approach by the fact that a positive income stream can be generated.

Maximally Productive

The existing retail improvements are legally permissible, physically possible, and financially feasible. The concluded value as though improved exceeds the value of the underlying land and removal of the improvements for redevelopment or substantial conversion to an alternative use is not indicated based on current neighborhood trends. Given no alternatives, the maximally productive use of the property is consistent with the existing retail development.

Highest and Best Use – As Improved

Therefore, the highest and best use of the subject as improved is the existing retail property use. The most likely buyer would be an owner-user or single investor given its small unit size.



Appraisal Methodology

COST APPROACH

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

SALES COMPARISON APPROACH

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the property units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value.

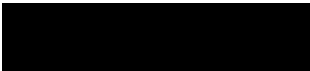
INCOME CAPITALIZATION APPROACH

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

Application of Approaches to Value	
Approach	Comments
Cost Approach	The Cost Approach is not applicable and is not utilized in this appraisal.
Sales Comparison Approach	The Sales Comparison Approach is applicable and is utilized in this appraisal.
Income Capitalization Approach	The Income Capitalization Approach is applicable and is utilized in this appraisal.

Compiled by [REDACTED]

The cost approach was not utilized in this appraisal as market participants considering properties like the subject do not give consideration to the cost approach. The exclusion of this approach is not considered to impact the reliability of the appraisal.

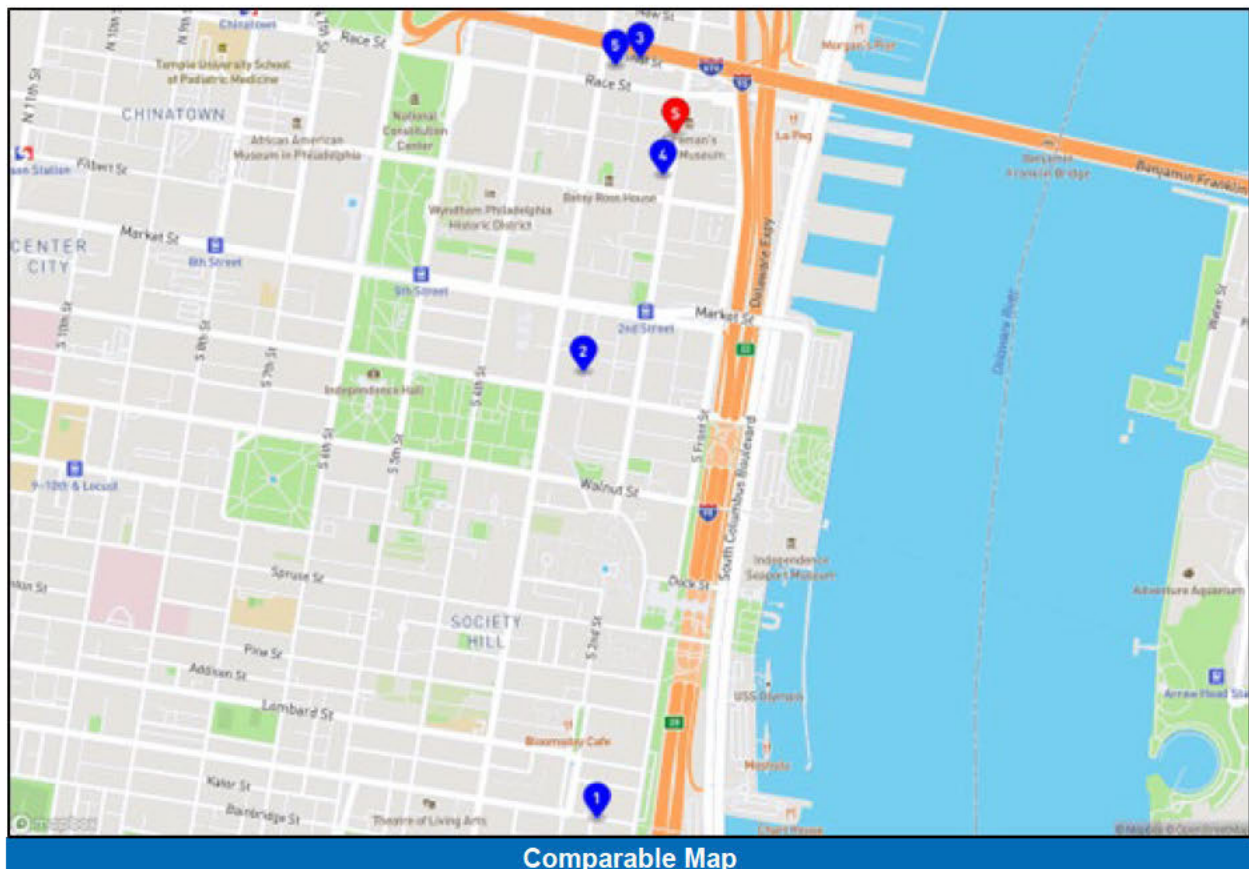


Sales Comparison Approach







The sales comparison approach value is derived by analyzing closed sales, listings, or pending sales of properties that are similar to the subject. The sales comparison approach includes the following steps.

- Research and verify information on properties in the competitive market that are similar to the subject and that have recently sold, are listed for sale, or are under contract.
- Select the most relevant units of comparison in the market and develop a comparative analysis.
- Examine and quantify via adjustments differences between the comparable sales and the subject property using all appropriate elements of comparison.
- Reconcile the various value indications to a value bracket and then a single value indication.

The unit of comparison applied in this sales comparison analysis is price per square foot as it mirrors the primary comparison method used by market participants.



SALES COMPARISON APPROACH

Comparable Sales Summary						
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
						
Address	142 North 2nd Street	128-30 South Street, Unit A	229 Chestnut Street, Unit 1	225 Race Street, Unit 100	104 N. 2nd Street, Unit 100	8-10 Letitia Street, Unit 8
City, State	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA
Rentable Area (SF)	968 SF	2,020 SF	750 SF	2,500 SF	2,390 SF	2,000 SF
Year Built (Renovated)	1900	2006	1850	1930 (2006)	1900	2006
Occupancy/Owner Occ.	100%	100%	0%	100%	100%	0%
Condition	Average-good	Average-good	Average-good	Good	Good	Good
Buyer	-	Dylan P. Le	229 Chestnut LLC	Falasca Holding Company LLC	Shadowrock Piter LLC	N/A
Seller	-	Susan Labowitz	Hass LLC	225 Race Street Investors LP	Kachinske Property LLC	N/A
Interest Conveyed	Leased Fee	Leased Fee	Fee Simple	Leased Fee	Leased Fee	Fee Simple
Competitive Class	B	C	B	B	B	B
Transaction Status	-	Closed	Closed	Closed	Closed	For Sale
Transaction Date	-	Sep-21	Feb-21	Apr-21	Oct-20	N/A
Price	-	\$400,000	\$300,000	\$550,000	\$540,000	\$599,000
Price per SF	-	\$198.02	\$400.00	\$220.00	\$225.94	\$299.50
Compiled by [REDACTED]						

ANALYSIS OF IMPROVED COMPARABLE DATA

Property Rights Conveyed

Each of the comparables is the transfer of the leased fee or fee simple interest, therefore no adjustments apply.

Financing

All transactions sold with cash or conventional financing therefore no adjustments apply.

Conditions of Sale

There were no reported sales conditions that affected the sale price.

Market Conditions

The sales took place from October 2020 to September 2021. Given a lack of recent sales of similar properties in the immediate area, we include a retail condominium unit that is currently for sale. The retail market has remained volatile over the last few years due to the COVID-19 pandemic. However, the retail market is showing signs of improving despite the current economic climate. Therefore, we have applied a 1.5% annualized adjustment to each comp.

Location/Access/Exposure

Sale 1 is located along South Street, which is considered inferior to Old City. For this reason, Sale 1 received an upward adjustment for location. Sale 2 received a downward adjustment for its location along Chestnut Street which commands more foot traffic compared to the other sales in the sample.



Size

Comps 1, 3, 4, and 5 all received upward adjustments for their larger sizes, as larger properties typically sell for less per square foot. Sale 2 received a downward adjustment for its smaller size.

Age/Condition/Quality

Sales 1 and 2 were considered to have similar conditions as the subject, while Comps 3, 4, and 5 were deemed superior and received downward adjustments.

Design

Each sale received a downward adjustment for design, as the larger portion of the subject is located on the lower level of the building.

Functional Utility

Sale 2 includes sprinklers and an unfinished storage basement (not included in total size), thereby receiving a downward adjustment for superior functionality.

Economic Characteristics

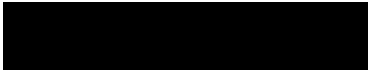
Comps 2 and 5 were vacant at time of sale/listing and received upward adjustments for inferior economic characteristics.

Summary of Adjustments / Adjustment Grid

Based on our comparative analysis, the following table summarizes the adjustments warranted to each comparable.

Comparable Sales Adjustment Grid						
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Address	142 North 2nd Street	128-30 South Street, Unit A	229 Chestnut Street, Unit 1	225 Race Street, Unit 100	104 N. 2nd Street, Unit 100	8-10 Letitia Street, Unit 8
City	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA
Size (Rentable Area)	968 SF	2,020 SF	750 SF	2,500 SF	2,390 SF	2,000 SF
Year Built (Renovated)	1900	2006	1850	1930 (2006)	1900	2006
Transaction Type	--	Closed	Closed	Closed	Closed	For Sale
Transaction Date	--	Sep-21	Feb-21	Apr-21	Oct-20	N/A
Stabilized Sale Price	--	\$400,000	\$300,000	\$550,000	\$540,000	\$599,000
Price per SF	--	\$198.02	\$400.00	\$220.00	\$225.94	\$299.50
Occupancy	100%	100%	0%	100%	100%	0%
Transaction Adjustments						
Property Rights		0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%
Market Conditions (Time)	7/6/2023	3%	4%	3%	4%	0%
Subtotal (adjustments are multiplied)		3.0%	4.0%	3.0%	4.0%	0%
Transaction Adjusted Price per SF		\$203.96	\$416.00	\$226.60	\$234.98	\$299.50
Property Adjustments						
Location/Access/Exposure		5%	-5%	0%	0%	0%
Size		5%	-5%	5%	5%	5%
Age/Condition/Quality		0%	0%	-5%	-5%	-5%
Design		-15%	-15%	-15%	-15%	-15%
Functional Utility		0%	-10%	0%	0%	0%
Economic Characteristics		0%	10%	0%	0%	10%
Subtotal (adjustments are summed)		-5%	-25%	-15%	-15%	-5%
Gross Adjustment		28%	39%	28%	29%	35%
Overall Adjustment		-2.15%	-22.0%	-12.45%	-11.6%	-5.0%
Indicated Price per SF		\$193.76	\$312.00	\$192.61	\$199.73	\$284.53

Compiled by [REDACTED]



SALES COMPARISON APPROACH CONCLUSION

Retail Sales Adjustment Summary			
Price per SF	Low	High	Average
Unadjusted Range	\$198.02	\$400.00	\$268.69
Adjusted Range	\$192.61	\$312.00	\$236.53
Concluded Price per SF Indication			\$230.00

Compiled by [REDACTED]

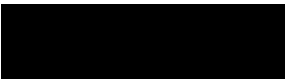
- Prior to adjustments, the sales reflect a range of \$198.02 to \$400.00 per square foot.
- After adjustment, the range is narrowed to \$192.61 to \$312.00 per square foot with an average of \$236.53 per square foot.

Based on the preceding analysis, the value indication by the sales comparison approach is as follows:

Sales Comparison Approach Conclusion		
Reconciliation of Price per SF Indication		Value Indication
Adjusted Value Range - Low		\$192.61
Adjusted Value Range - High		\$312.00
Market Value As Is - Price per SF	Effective Date: 7/6/2023	\$230.00
Subject Rentable Area (SF)		968
Market Value As Is - Price per SF Analysis		\$222,640
Market As Is Value - Sales Comparison Approach	Effective Date: 7/6/2023	\$222,640

Value Indications		
As Is		Value Indication
Market Value As Is	Effective Date: 7/6/2023	\$222,640
Rounded		\$225,000

Compiled by [REDACTED]



Income Capitalization Approach

The income capitalization approach reflects the subject’s income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

The direct capitalization method is normally more appropriate for properties with relatively stable operating histories and expectations. The DCF analysis is more appropriate for investment properties with multiple or long-term leases, particularly leases with cancellation clauses or renewal options, and especially in volatile markets.

In this analysis, we utilized only direct capitalization because investors and market participants typically rely more on this method.

RENT ROLL

At time of inspection, the subject property was fully leased as described in the table below.

Rent Roll						
Tenant	Rentable Area (SF)	Lease Term		Reimb. Method	Year 1 Contract Rent	
		Start	End		\$ Total	\$ PSF
A Four Foot Prune	968	Jan-22	Jan-26	NNN	\$17,340	\$17.91

Compiled by [REDACTED]

- The first floor retail storefront and finished lower level were fit-out with an antique store at time of inspection.

Tenancy Analysis

- Overall, the credit quality of the tenancy appears to be typical of local retailers in Philadelphia.

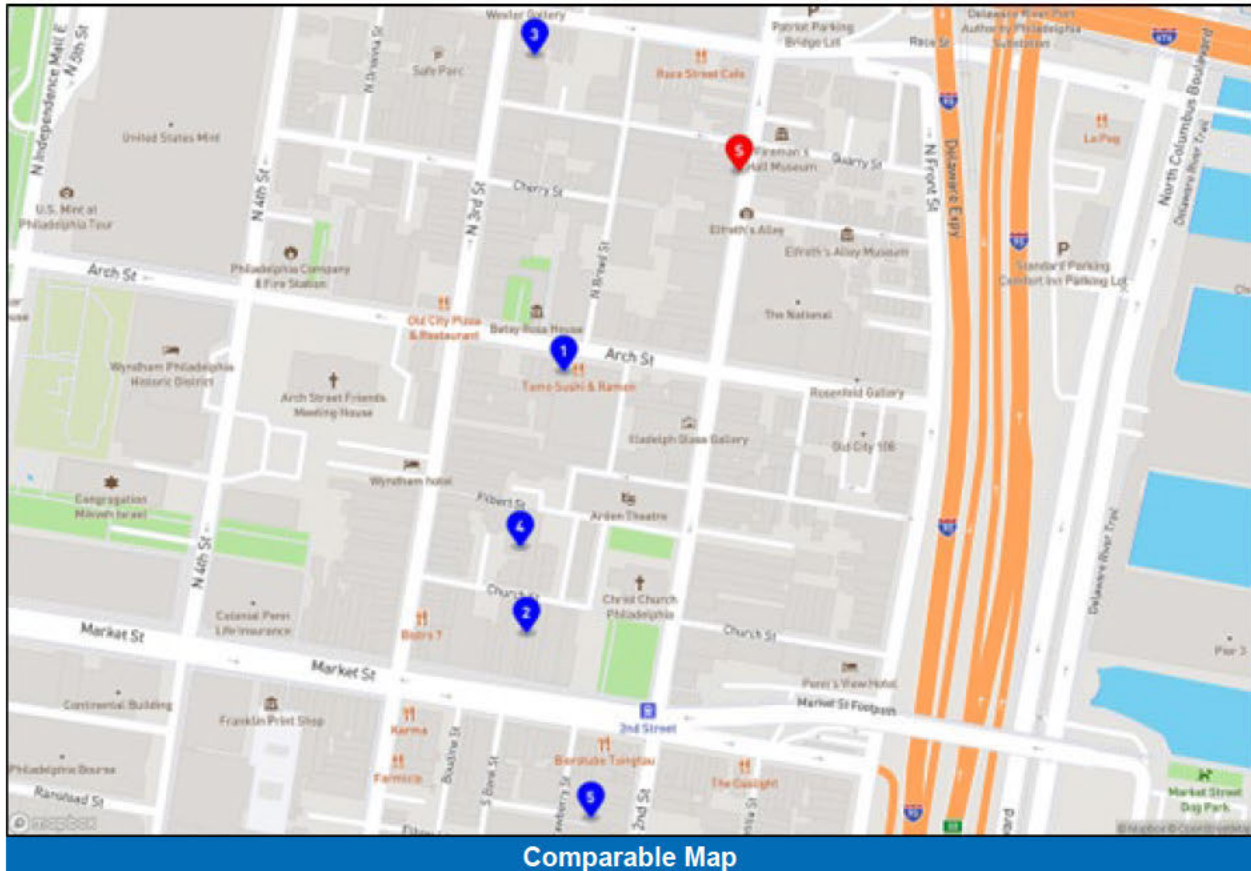
Expense Structure

- The lease structure is triple net (NNN) where the tenant is responsible for the condo association fee and real estate taxes.



MARKET RENT ANALYSIS

In estimating market rent for the subject property, we considered actual recent leases from comparable buildings located in Old City.



Comparable Lease Photographs



Comparable One



Comparable Two



Comparable Three



Comparable Four



Comparable Five



INCOME CAPITALIZATION APPROACH

Analysis of Comparable Leases

Comparable Rentals Summary						
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Address	142 North 2nd Street	232 Arch Street	229 Market Street	149 N. 3rd Street	219-223 Church Street	30-34 S. 2nd Street
City, State	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA
Rentable Area (SF)	3,514 SF	3,206 SF	7,840 SF	2,209 SF	8,852 SF	30,137 SF
Year Built (Renovated)	1900	1800	2005	1920	1850	1870
Condition	Average-good	Good	Good	Good	Good	Good
Lease Details						
Lease Status		Signed Lease	Signed Lease	Signed Lease	Signed Lease	Signed Lease
Lease Date		Nov-21	Sep-20	Sep-22	Sep-21	Jul-21
Term (Mos.)		60	60	144	120	12
Lease Size (SF)	968	900	1,000	1,500	765	939
Tenant Name		Olea BYOB LLC	The Angelo Pizza	N/A	Garrett John Styling	Axiom Contemporary Gallery
Full Building Lease		No	No	No	No	No
Rates and Measures						
Effective Rental Rate		\$29.05	\$25.20	\$23.16	\$27.45	\$25.56
Lease Reimbursement Method		Triple Net	Triple Net	Triple Net	Triple Net	Triple Net

Compiled by [REDACTED]

The following table summarizes the adjustments made to each comparable.

Comparable Rentals Adjustment Grid						
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Address	142 North 2nd Street	232 Arch Street	229 Market Street	149 N. 3rd Street	219-223 Church Street	30-34 S. 2nd Street
Lease Date		Nov-21	Sep-20	Sep-22	Sep-21	Jul-21
Term (Mos.)		60	60	144	120	12
Size (SF)	968	900	1,000	1,500	765	939
Tenant Name		Olea BYOB LLC	The Angelo Pizza	N/A	Garrett John Styling	Axiom Contemporary
Effective Rental Rate		\$29.05	\$25.20	\$23.16	\$27.45	\$25.56
Lease Reimbursement Method		Triple Net	Triple Net	Triple Net	Triple Net	Triple Net
Financial Adjustments						
Expense Structure (\$ PSF Adjustment)		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Expense Structure		0%	0%	0%	0%	0%
Conditions of Lease		0%	0%	0%	0%	0%
Market Conditions (Time)	7/6/2023	0%	0%	0%	0%	0%
Subtotal		0%	0%	0%	0%	0%
Financial Adjusted Rent Per SF		\$29.05	\$25.20	\$23.16	\$27.45	\$25.56
Physical Adjustments						
Location/Access/Exposure		0%	0%	0%	0%	0%
Size		0%	0%	5%	-5%	0%
Age/Condition/Quality		-5%	-5%	-5%	-5%	-5%
Design		-15%	-15%	-15%	-15%	-15%
Functional Utility		-5%	-5%	0%	0%	0%
Economic Characteristics		0%	0%	0%	0%	0%
Subtotal		-25%	-25%	-15%	-25%	-20%
Overall Adjustment		-25%	-25%	-15%	-25%	-20%
Adjusted Rent Per SF		\$21.79	\$18.90	\$19.69	\$20.59	\$20.45
Range of Adjusted Rents	\$18.90 - \$21.79					
Average	\$20.28					
Indicated Rent	\$20.00					

Compiled by [REDACTED]



MARKET RENT CONCLUSION

After analysis, the concluded market rent for the subject is as follows:

Rent Roll								
Tenant	Rentable Area (SF)	Lease Term		Reimb. Method	Year 1 Market Rent		Year 1 Contract Rent	
		Start	End		\$ Total	\$ PSF	\$ Total	\$ PSF
A Four Foot Prune	968	Jan-22	Jan-26	NNN	\$19,360	\$20.00	\$17,340	\$17.91

Compiled by [REDACTED]

- We have determined that the subject is leased slightly below market based on the comparable retail leases included on the previous page.

Operating History

Three years of historical operating data, trailing 12 month data, year-to-date, and a current budget for the property were requested. Two years of historical operating data were provided and a year-to-date operating data. As appropriate, the owner’s operating expenses are reclassified into standard categories and exclude items that do not reflect normal operating expenses for this type of property.

The condominium fee for the unit is \$398.81 per month (\$4,785.72 annually). Based on our review of the 2023 budget for 142 N. 2nd Street Condo Association, the following expenses are included in the monthly fee: property insurance, common area maintenance (including repairs and maintenance and utilities), and replacement reserves.

The reclassification is done for proper analysis against comparable data and industry benchmarks as appropriate. Because the historical operating data statements use different names for some categories and it is not always immediately apparent which expenses belong to which standard expense category, the following provides a mapping of these expenses. The categories on the historical operating statements are in the far left column while the “[REDACTED] Revenue or Operating Expense Category” are the categories used in this analysis for that line item.



INCOME CAPITALIZATION APPROACH

Application of [REDACTED] Account Standards to Owner's Revenue and Expenses					
Actual or Proforma		Actuals	Actuals	Actuals	Actuals
Period Length		12 Mos.	12 Mos.	6 Mos.	Annualized
Period Ending		12/31/2021	12/31/2022	7/31/2023	7/31/2023
SF		968	968	968	968
Owner's Revenue Category	Revenue Category				
Rent Income	Total Tenant Revenue	\$1,700	\$14,700	\$10,070	\$20,140
Last Month's Rent (LMR)	Omit Row	\$0	\$1,400	\$0	\$0
CAM (Common Area Maintenance)	Expense Recoveries	\$0	\$3,300	\$2,100	\$4,200
Effective Gross Income	Effective Gross Income	\$1,700	\$18,000	\$12,170	\$24,340
Actual or Proforma		Actuals	Actuals	Actuals	Actuals
Period Length		12 Mos.	12 Mos.	6 Mos.	Annualized
Period Ending		12/31/2021	12/31/2022	6/30/2023	12/31/2023
Owner's Operating Expense Category	Operating Expense Category				
Carpet Cleaning	Common Area Maintenance	\$50	\$0	\$0	\$0
Cleaning Expense	Common Area Maintenance	\$925	\$225	\$0	\$0
Management Fees	Management	\$510	\$1,020	\$510	\$1,020
Fire Protection	Common Area Maintenance	\$1,554	\$0	\$0	\$0
Maintenance Labor	Common Area Maintenance	\$800	\$0	\$0	\$0
Repairs and Maintenance	Common Area Maintenance	\$1,994	\$1,567	\$85	\$170
Licenses & Permits	General and Administrative	\$102	\$8	\$0	\$0
Condo Association Fees	General and Administrative	\$1,595	\$1,196	\$0	\$0
OCF Leasing Commission	Omit Row	\$0	\$1,400	\$0	\$0
Plumbing	Common Area Maintenance	\$0	\$750	\$0	\$0
Maintenance Materials	Common Area Maintenance	\$0	\$0	\$5	\$10
Total Operating Expenses	Total Operating Expenses	\$7,530	\$4,766	\$600	\$1,200
Net Operating Income		(\$5,830)	\$13,234	\$11,570	\$23,140

Compiled by [REDACTED]

Operating History and Projections									
Period Length	12 Mos.		12 Mos.		6 Mos.		Annualized	Newmark	
Period Ending	12/31/2021		12/31/2022		7/31/2023		7/31/2023	Projection	
Occupancy	100.0%		100.0%		100.0%		100.0%	100.0%	
SF	968		968		968		968	968	
Retail Income	Total \$	\$/SF	Total \$	\$/SF	Total \$	Total \$	\$/SF	Total \$	\$/SF
Potential Base Rent	\$0	\$0.00	\$0	\$0.00	\$0	\$0	\$0.00	\$17,340	\$17.91
Scheduled Base Rent	\$0	\$0.00	\$0	\$0.00	\$0	\$0	\$0.00	\$17,340	\$17.91
Expense Recoveries	\$0	\$0.00	\$3,300	\$3.41	\$2,100	\$4,200	\$4.34	\$7,749	\$8.00
Total Tenant Revenue	\$1,700	\$1.76	\$14,700	\$15.19	\$10,070	\$20,140	\$20.81	\$25,089	\$25.92
Potential Gross Income	\$1,700	\$1.76	\$14,700	\$15.19	\$10,070	\$20,140	\$20.81	\$25,089	\$25.92
Vacancy Allowance	\$0	\$0.00	\$0	\$0.00	\$0	\$0	\$0.00	(\$1,505)	(\$1.56)
Collection Allowance	\$0	\$0.00	\$0	\$0.00	\$0	\$0	\$0.00	(\$251)	(\$0.26)
Effective Gross Income	\$1,700	\$1.76	\$14,700	\$15.19	\$10,070	\$20,140	\$20.81	\$23,333	\$24.10
Operating Expenses	Total \$	\$/SF	Total \$	\$/SF	Total \$	Total \$	\$/SF	Total \$	\$/SF
Real Estate Taxes	\$0	\$0.00	\$0	\$0.00	\$0	\$0	\$0.00	\$2,963	\$3.06
Insurance	\$0	\$0.00	\$0	\$0.00	\$0	\$0	\$0.00	\$968	\$1.00
General and Administrative	\$1,697	\$1.75	\$1,204	\$1.24	\$0	\$0	\$0.00	\$484	\$0.50
Management	\$510	\$0.53	\$1,020	\$1.05	\$510	\$1,020	\$1.05	\$1,020	\$1.05
Common Area Maintenance	\$5,323	\$5.50	\$2,542	\$2.63	\$90	\$180	\$0.19	\$2,662	\$2.75
Replacement Reserves	\$0	\$0.00	\$0	\$0.00	\$0	\$0	\$0.00	\$1,152	\$1.19
Total Operating Expenses	\$7,530	\$7.78	\$4,766	\$4.92	\$600	\$1,200	\$1.24	\$9,249	\$9.55
Operating Expense Ratio	443.0%		32.4%		6.0%	6.0%		39.6%	
Net Operating Income	(\$5,830)	(\$6.02)	\$9,934	\$10.26	\$9,470	\$18,940	\$19.57	\$14,083	\$14.55

Compiled by [REDACTED]

GROSS INCOME ESTIMATE

Potential Gross Rent

Figures presented below reflect the 12-month period following the effective date of the appraisal.

Potential Gross Rent						
MLA Category	Leased SF	Potential Rent At Contract Annual	Potential Rent At Contract \$/SF/Yr	Potential Rent At Market Annual	Potential Rent At Market \$/SF/Yr	Contract as % of Market
Occupied Space						
A Four Foot Prune	968	\$17,340	\$17.91	\$19,360	\$20.00	89.6%

Compiled by [REDACTED]

- For the direct capitalization analysis, potential gross rent is based on the contract rent in place.

Expense Recoveries

Expense Recoveries		
Subject	\$/SF	Total
12 Months Ending Dec-2021	\$0.00	\$0
12 Months Ending Dec-2022	\$3.41	\$3,300
Jul-2023 Annualized	\$4.34	\$4,200
[REDACTED] Projection	\$8.00	\$7,749

Compiled by [REDACTED]

- Expense recoveries include real estate taxes and the condominium fee which includes insurance, common area maintenance (including utilities and repairs and maintenance), and replacement reserves.
- Unlike the historical operating data, our expense recovery estimate includes a real estate tax reimbursement amount (3.06/SF).

Total Tenant Revenue

Total tenant revenue is the summation of scheduled base rent and expense recoveries.

Total Tenant Revenue		
Subject	\$/SF	Total
12 Months Ending Dec-2021	\$1.76	\$1,700
12 Months Ending Dec-2022	\$15.19	\$14,700
Jul-2023 Annualized	\$20.81	\$20,140
[REDACTED] Projection	\$25.92	\$25,089

Compiled by [REDACTED]



Vacancy & Collection Loss Allowance

Vacancy Allowance

Market Vacancy Rate Indicators					
	Current	Most Recent Full Year	Trailing 3-Year	Trailing 5-Year	Trailing 10-Year
Costar					
Philadelphia	5.90%	6.00%	6.60%	5.30%	6.50%
Independence Hall	8.00%	8.10%	3.40%	4.60%	7.70%

Concluded Subject Vacancy Rate 6.00%

Source: Costar, [REDACTED]

- The vacancy estimate for the subject was previously developed in the market analysis section of this report and was determined to be 6.00%.

Collection Allowance

- Based on available data and analysis, the concluded collection loss allowance is 1.00%.

Combined Vacancy and Collection Loss Conclusion

- Based on this analysis, the total stabilized vacancy and collection loss allowance for the subject is 7.00%.

Effective Gross Income

Effective Gross Income		
Subject	\$/SF	Total
12 Months Ending Dec-2021	\$1.76	\$1,700
12 Months Ending Dec-2022	\$15.19	\$14,700
Jul-2023 Annualized	\$20.81	\$20,140
[REDACTED] Projection	\$24.10	\$23,333

Compiled by [REDACTED]

- The current lease commenced in January 2022. Therefore, the historical operating data for 2021 is not given any weight as the subject is presumed to have been vacant at this time.



OPERATING EXPENSE ANALYSIS

Expense data for the subject and comparable properties are summarized in the following table.

Expense Analysis Per SF									
	Comp 1	Comp 2	Comp 3	Comp 4	Subject Historical and Projections				
Year Built	1915	1920 (1994)	1934	1916 (2000)	1900				
SF	2,646	6,295	3,218	4,600	968	968	968	968	968
Operating Data Type	Actual	Actual	Actual	Actual	Actual	Actual	Partial Year	Annualized	████████
Year	2022	2020	2022	2020	2021	2022	2023	2023	Projection
Operating Expenses Per SF									
Real Estate Taxes	\$3.20	\$4.84	\$2.41	\$5.18	\$0.00	\$0.00	\$0.00	\$0.00	\$3.06
Insurance	\$1.17	\$0.97	\$0.41	\$1.15	\$0.00	\$0.00	\$0.00	\$0.00	\$1.00
General and Administrative Management	\$0.00	\$2.29	\$0.20	\$1.15	\$1.75	\$1.24	\$0.00	\$0.00	\$0.50
Common Area Maintenance	\$1.18	\$2.80	\$0.00	\$3.04	\$0.53	\$1.05	\$0.53	\$1.05	\$1.05
Replacement Reserves	\$3.03	\$1.56	\$2.07	\$0.00	\$5.50	\$2.63	\$0.09	\$0.19	\$2.75
Replacement Reserves	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1.19
Total Operating Expenses Per SF	\$8.58	\$12.46	\$5.09	\$10.52	\$7.78	\$4.92	\$0.62	\$1.24	\$9.55

Compiled by ██████████

Real Estate Taxes

Real Estate Taxes		
Source	\$/SF	Total
Comparables Low	\$2.41	
Comparables High	\$5.18	
Comparables Average	\$3.91	
████████ Projection	\$3.06	\$2,963

Compiled by ██████████

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

Insurance

Insurance		
Source	\$/SF	Total
Comparables Low	\$0.41	
Comparables High	\$1.17	
Comparables Average	\$0.93	
████████ Projection	████████	████████

- Insurance expense includes property and casualty insurance for the subject.



General and Administrative

General and Administrative		
Source	\$/SF	Total
Comparables Low	\$0.00	
Comparables High	\$2.29	
Comparables Average	\$0.91	
Subject		
2021 (Actual Operations)	\$1.75	\$1,697
2022 (Actual Operations)	\$1.24	\$1,204
2023 (Annualized Operations)	\$0.00	\$0
██████████ Projection	\$0.50	\$484

Compiled by ██████████

- For purposes of our analysis, we estimated a general and administrative amount of \$0.50 per square foot.

Management

Management		
Source	\$/SF	Total
Comparables Low	\$0.00	
Comparables High	\$3.04	
Comparables Average	\$1.76	
Subject		
2021 (Actual Operations)	\$0.53	\$510
2022 (Actual Operations)	\$1.05	\$1,020
2023 (Annualized Operations)	\$1.05	\$1,020
██████████ Projection	\$1.05	\$1,020

Compiled by ██████████

- Management fees typically range from 2% to 5% of the effective gross income. We've utilized \$1.05/SF which is in line with the past two years of historical operating data for the subject. This equates to approximately 4.4% of the effective gross income.



Common Area Maintenance

Common Area Maintenance		
Source	\$/SF	Total
Comparables Low	\$0.00	
Comparables High	\$3.03	
Comparables Average	\$1.67	
Subject		
2021 (Actual Operations)	\$5.50	\$5,323
2022 (Actual Operations)	\$2.63	\$2,542
2023 (Annualized Operations)	\$0.19	\$180
██████████ Projection	\$2.75	\$2,662

Compiled by ██████████

- Common area maintenance expenses include general repairs and maintenance expenses, utilities, and trash removal.

Replacement Reserves

Replacement Reserves		
Source	\$/SF	Total
██████████ Projection	\$1.19	\$1,152

Compiled by ██████████

- Replacement reserves are not included as an expense in the historical operating data that was provided to us. Replacement reserves are included in the condominium fee and are reimbursed by the tenant in our analysis.

Total Operating Expenses

Total Operating Expenses		
Source	\$/SF	Total
Comparables Low	\$5.09	
Comparables High	\$12.46	
Comparables Average	\$9.16	
Subject		
2021 (Actual Operations)	\$7.78	\$7,530
2022 (Actual Operations)	\$4.92	\$4,766
2023 (Annualized Operations)	\$1.24	\$1,200
██████████ Projection	\$9.55	\$9,249

Compiled by ██████████

- Our projected total operating expenses are higher than the reported historical operating expenses for the property, as we include items that are reimbursed by the tenant.



NET OPERATING INCOME

Net Operating Income		
Source	\$/SF	Total
Subject		
2021 (Actual Operations)	-\$6.02	(\$5,830)
2022 (Actual Operations)	\$10.26	\$9,934
2023 (Annualized Operations)	\$19.57	\$18,940
██████████ Projection	\$14.55	\$14,083

Compiled by ██████████

CAP RATE AND VALUE CHANGES – EARLY 2Q 2023

As we all know, the national and global economies are shaky and interest rate changes are having a significant impact on the commercial real estate market. The Federal Reserve has raised the Federal Funds Rate to a range of 4.50% to 4.75% and continues to signal further increases.

The impacts to both the residential and commercial real estate markets have been material as borrowing costs have increased significantly. “Rescue equity” has been observed replacing some of the capital shortfalls as values decline and cost of debt rises. Further, negative leverage is occurring as mortgage rates trend above capitalization rates and this is unsustainable. Transactions have slowed, deals have stalled, and there has been a lack of current data points which has reduced clarity with respect to price discovery and valuations. The majority of investors surveyed by PwC expect capitalization rates to increase over the next six months.

Real Capital Analytics reported in their Q1 2023 Capital Trends publication that “Deal volume is down at double-digit rates from a year earlier, prices are in retreat and cap rates are ticking upward.” “The RCA CPPI National All-Property Index fell 8.0% from a year earlier in the first quarter, marking two consecutive quarters of year-over-year declines.”

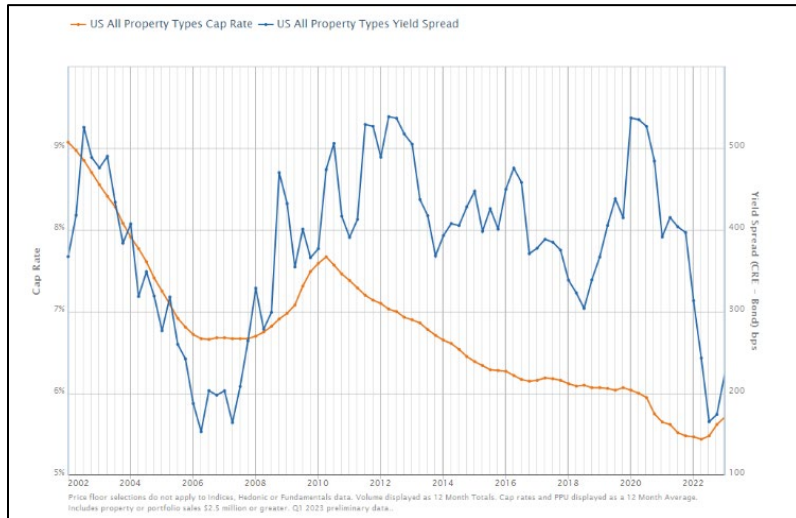
Cost of Capital

The increase in base interest rates directly affects financing rates. Various debt sources are quoting and achieving mortgage interest rates of 6% and above with bank financing commonly at 7% and above. This is creating a situation where debt coverage ratios are too low based on existing cash flows and this, in turn, is forcing lower leverage and greater equity positions. Where stress testing is employed, the higher stressed rates also tend to force lower leverage. Equity funds generally carry higher rates of return than debt and this translates to higher capitalization rates as well.



Capitalization Rates

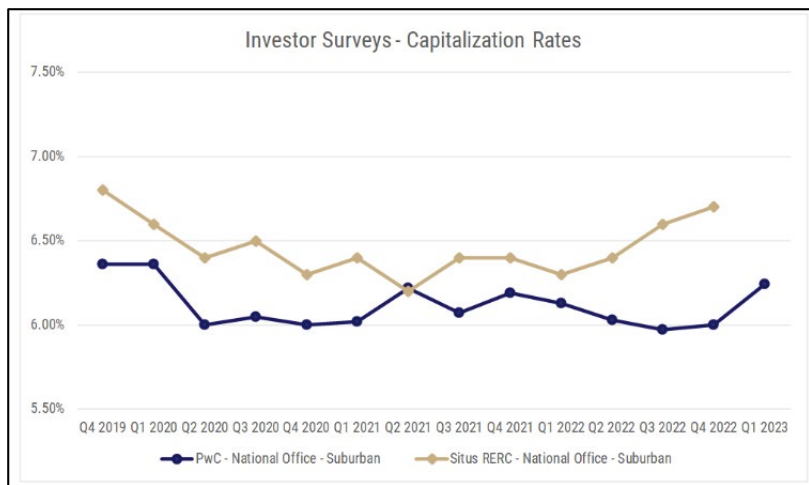
The majority of investors surveyed by PwC for their First Quarter 2023 Real Estate Investor Survey expect capitalization rates to increase over the next six months. This translates to slowing transaction volume but also directly impacts pricing expectations. “We need higher returns due to rising capital costs and additional risk,” remarks one investor surveyed by PwC.



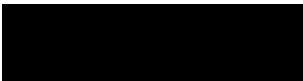
In the past, there tended to be a noticeable lag between changes in capitalization rates and underlying financing rates. The graph to the left from Real Capital Analytics depicts the spread between capitalization rates and underlying interest rate yields (bond rates in this case). As interest rates began to climb into 2007, while capitalization rates continued a slow downtrend, the

spread fell to below 200 basis points. In 2009, capitalization rates hit a peak while the spread widened to the 350 to 500 basis point range. Very recently (Fourth Quarter 2022 and First Quarter 2023), the spread had again fallen to around 200 basis points largely reflecting investors’ continued interest in CRE.

Cap rates have begun reacting. As shown in the graph above, the past three quarters reflected a tick up in the Real Capital Analytics cap rate data (which is based on closed transactions). The graph to the right depicts investor survey data for suburban office properties from PwC and Situs RERC. Situs RERC has reflected upward trending cap rates since the first



of 2022 while PwC’s data has only recent reflected upward trends. PwC reports that 60% of their respondents expect capitalization rates for suburban office to increase in the next six months while the other 40% expect cap rates for this category to hold steady.



INCOME CAPITALIZATION APPROACH

Green Street tracks capitalization rates in six property types in the top 50 MSA’s. Their February 2023 Cap Rate Observer, which is inclusive of both REIT and actual transaction data, reflects even more dramatic indicated changes in capitalization rates. The following summarizes the weighted averages for various property types in these 50 top MSA’s. Because the index does include REIT returns, it tends to be more reactionary to macro-economic conditions and stock market trends. This makes the Green Street data more reflective of trends as opposed to actual changes now occurring.

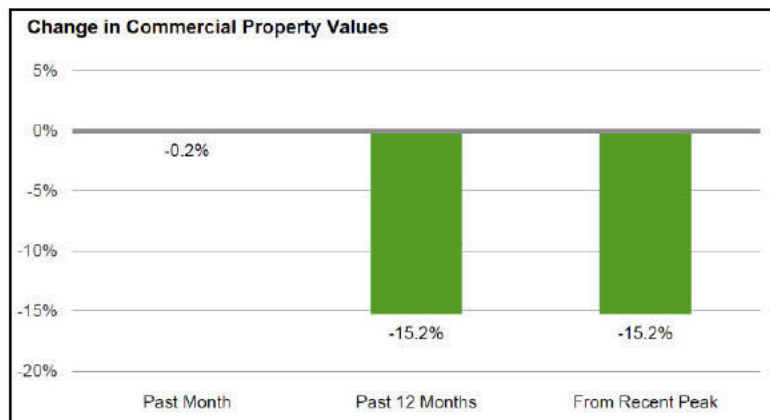
Green Street – Cap Rate Observer – February 2023			
Property Type Sector	March 22 Cap Rates	March 23 Cap Rates	One Year ▲ (bps)
Apartment	3.9%	5.2%	+130
Industrial	3.9%	4.6%	+70
Office	6.5%	8.7%	+220
Strip Center	5.5%	6.6%	+110
Self-Storage	4.3%	5.1%	+80
Single-Family Rental	4.6%	5.1%	+50

Compiled by [REDACTED]

Investors expect, and the data is showing, that capitalization rates are increasing. We have also heard of specific transaction examples including repricing of deals and simply offers at lower levels owing to the increased cost of capital – not to mention other economic factors such as inflation, recession, supply chain, Ukraine, etc.

Property Values

Property values are declining both from transactional evidence and from REIT valuations. The graph to the right from Green Street is their most recent Commercial Property Price Index report on February 6, 2023 reflects the change from the recent peak.



Green Street CPPI®: Sector-Level Indexes

	Index Value	Change in Commercial Property Values		
		Past Month	Past 12 Mos	Recent Peak
All Property	131.4	-0.2%	-15%	-15%
Core Sector	130.5	-0.2%	-18%	-18%
Apartment	150.7	0.0%	-21%	-21%
Industrial	221.2	0.0%	-13%	-13%
Mall	79.5	0.0%	-15%	-19%
Office	85.2	0.0%	-25%	-25%
Strip Retail	112.9	-2.0%	-14%	-14%
Health Care	133.6	-0.9%	-10%	-11%
Lodging	108.9	1.2%	-1%	-4%
Manufactured Home Park	283.8	0.0%	-12%	-12%
Net Lease	97.6	0.0%	-16%	-16%
Self-Storage	281.6	1.0%	-10%	-10%

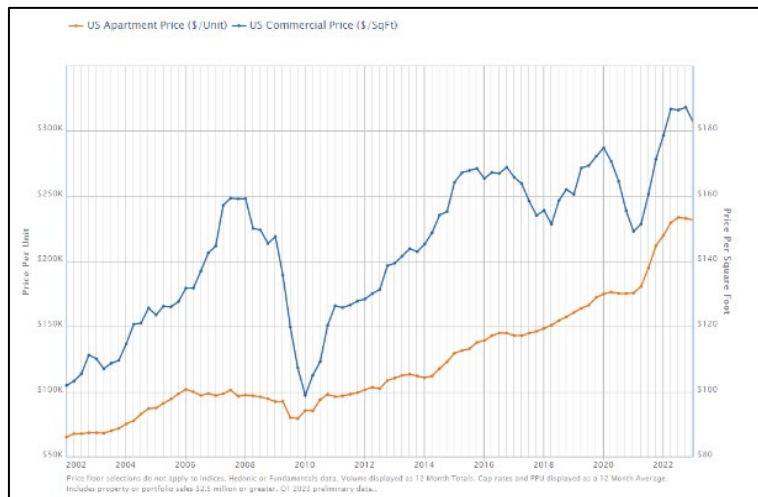
The lead-in to this report stated the following: The Green Street Commercial Property Price Index® decreased by 0.2% in March. The index has fallen by 15% since property prices peaked a year ago.

All property sectors have now turned negative since the recent peak as shown in the table to the left. The

largest downturn is in the malls and apartment sectors. The apartment sector appears to have been impacted by financing availability in that agency debt has been priced higher forcing more bank and life insurance company financed transactions. However, it is our understanding the Agencies have recently adjusted terms to capture more potential transactions (such as relaxed prepayment penalties). Self-storage and hotels are the least impacted at this time but still down from their recent peaks.

Again, note that the Green Street data is heavily REIT based and tends to be more volatile than the CRE market by itself and this should be viewed as an indication of trends and not necessarily absolute change. For the alternate view, Real Capital Analytics data is reflective of closed transactions only.

Deal volume has been falling from recent peaks. According to Real Capital Analytics, investment sales averaged about \$87.8b across every first quarter from 2005 to 2019. For first quarter 2023, investment sales totaled \$85.0b which means that the first quarter was in line with historical averages. However, against first quarter 2022, sales volume is down 56%



this quarter. Demand is clearly falling – which means that pricing will fall as well just from a simple economics supply and demand model. On the other hand, pricing metrics from Real Capital Analytics have not been severely impacted – for first quarter 2023, the price change was only - 8.0% year over year. The graph to the right shows price per unit for apartments (orange line) and



price per square foot for commercial properties (blue line) – neither has moved significantly downward yet.

Final Thoughts / Action Items

It is important to acknowledge that there is a dearth of transactions in the marketplace which makes it more difficult to determine the impact on cap rates. This is partly a function of the reported disconnect between sellers and buyers – brokers and capital markets professional report this disconnect is as much as 30%.

We have to make sure we are considering data relevant to the property we are appraising. Remember, the definition of market value talks about the buyer and seller being “knowledgeable” and “well informed or well advised”. These individuals will be fully cognizant of the challenges they face from cost of capital and will make appropriate adjustments in their underwriting – this means that we must do the same.

It is beyond important that we use all available sources to properly analyze market value because all of it together provides us the best view. The above is a short review of available data from a macro standpoint but the market participants relevant to the property we are appraising are the most significant data source. We must continuously keep our ears to the ground and talking to investors and brokers which is a must in this environment.

- Investors have become selective, cautious, and tentative as cost of capital has increased.
- Volatility in the market has led to the disconnect between buyers and sellers thus reducing transaction volume – both in number of sales and overall price volume.
- Although the number of transactions has dropped precipitously, market participants are saying that price discovery is demonstrating that values are trending lower.
- Negative leverage is present in the market and this cannot be sustained which is putting downward pressure on values.
- Brokers report re-trades are occurring at lower pricing and higher indicated capitalization rates.
- There is a significant amount of capital (dry powder) from both the debt and equity side waiting to be invested once transactions start occurring.



Comparable Properties

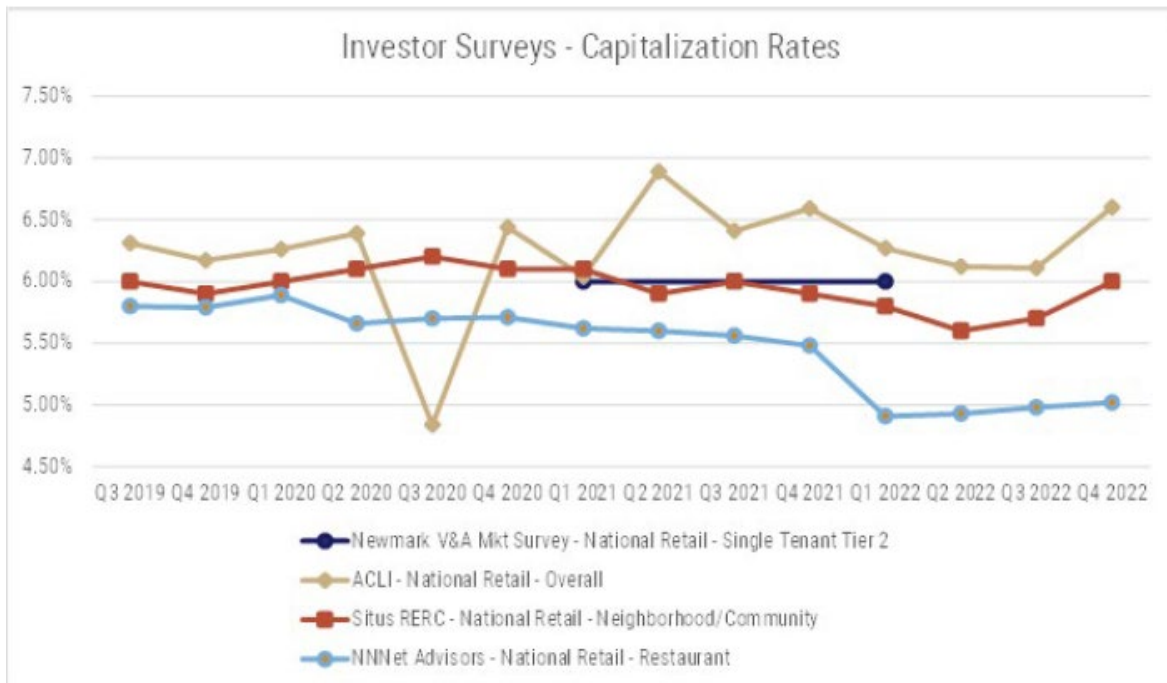
Comparable Retail Condominiums						
No.	Property Location	Yr. Built	Sale Date	Rentable Area	Price per SF	OAR
1	33 S. 2nd Street - Retail Condo	1900	For Sale	6,700	\$578	8.00%
2	1636 Ridge Avenue - Retail Condo	2021	For Sale	1,234	\$223	7.53%
Average (Mean) Cap Rate:						7.77%

Compiled by [REDACTED]

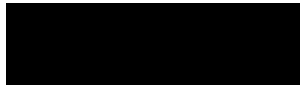
Investor Surveys

Investor Surveys - Capitalization Rates				
Source	Period	Low	High	Average
Newmark V&A Mkt Survey - National Retail - Single Tenant Tier 2	Q1 2022	N/A	N/A	6.00%
ACLI - National Retail - Overall	Q4 2022	N/A	N/A	6.60%
Situs RERC - National Retail - Neighborhood/Community	Q4 2022	4.80%	7.80%	6.00%
NNNet Advisors - National Retail - Restaurant	Q4 2022	N/A	N/A	5.02%

Compiled by Newmark



- Recent national survey data indicates that going-in capitalization rates for retail properties range from 5.02% - 6.60%. A rate above this range is applied given higher vacancy rates in Old City.



Band of Investment

Band of Investment					
Mortgage/Equity Assumptions					
Loan to Value Ratio	70%				
Interest Rate	6.00%				
Amortization (Years)	25				
Mortgage Constant	0.0773				
Equity Ratio	30%				
Equity Dividend Rate	9.25%				
Weighted Average Of Mortgage/Equity Requirements					
Mortgage Requirement	70%	x	7.73%	=	5.41%
Equity Requirement	30%	x	9.25%	=	2.78%
Indicated Capitalization Rate (Rounded)					8.25%

Compiled by [REDACTED]

- We've included an approximate interest rate of 6.0% on a 25-year amortization and an LTV of less than 70%.
- The equity dividend rate is based on prior testing and extraction as well as alternative investments.

Key Value Considerations

Strengths

1. The subject is located along N. 2nd Street in Old City, which has above average accessibility and good visibility.
2. No items of deferred maintenance were observed.
3. The property is leased to a single tenant through January 2026 on a triple net basis.

National Trends and Uncertainties

1. Federal Reserve interest rate increases and associated effects on cost of capital and investment rates along with credit tightening have impaired transaction volume.
2. Despite positives such as a healthy job market, at least a mild recession is expected later this year.
3. Easing of inflation, consumer spending, and continued job growth have so far kept the economy growing in spite of interest rate increases and bank system stress.



Capitalization Rate Conclusion	
Source	Indication
Comparable Retail Sales	7.53% - 8.00%
Investor Surveys	5.02% - 6.60%
Band of Investment	8.25%
Concluded Going-In Capitalization Rate	7.50%

Compiled by [REDACTED]

- We have concluded a capitalization rate of 7.50% considering the current market conditions for retail space in Old City.



Direct Capitalization Summary

Net operating income is divided by the capitalization rate to derive the stabilized value of the subject. Valuation of the subject by direct capitalization is shown in the table immediately following.

Income Capitalization Approach			
Summary of Stabilized Net Operating Income			
Item Description	% of Income	\$ / SF	Total \$
Retail Income		968 SF	
Potential Base Rent		\$17.91	\$17,340
Scheduled Base Rent		\$17.91	\$17,340
Expense Recoveries		\$8.00	\$7,749
Total Tenant Revenue		\$25.92	\$25,089
Potential Gross Income		\$25.92	\$25,089
Vacancy Allowance	-6.00%	(\$1.56)	(\$1,505)
Collection Allowance	-1.00%	(\$0.26)	(\$251)
Effective Gross Income		\$24.10	\$23,333
Operating Expenses		968 SF	
Real Estate Taxes		\$3.06	\$2,963
Insurance		\$1.00	\$968
General and Administrative		\$0.50	\$484
Management	4.37%	\$1.05	\$1,020
Common Area Maintenance		\$2.75	\$2,662
Replacement Reserves		\$1.19	\$1,152
Total Operating Expenses	39.64%	\$9.55	\$9,249
Net Operating Income		\$14.55	\$14,083
Direct Capitalization Method			
Value Indication		\$ / SF	Total \$
Stabilized Net Operating Income		\$14.55	\$14,083
Overall Capitalization Rate			7.50%
As Stabilized Value	Effective Date: 7/6/2023		\$187,780
Rounded		\$206.61	\$200,000

Valuation Matrix	
OAR	Value
7.00%	\$201,193
7.25%	\$194,255
7.50%	\$187,780
7.75%	\$181,722
8.00%	\$176,044

As Is		
As Stabilized Value as of Current Date	Effective Date: 7/6/2023	\$187,780
Rounded		\$206.61
		\$200,000

Compiled by [REDACTED]



Reconciliation of Value

The values indicated by our analyses are as follows:

Market Value Indications	
Market Value Premise As of Date:	As Is July 6, 2023
Cost Approach:	Not Used
Sales Comparison Approach:	\$225,000
Income Capitalization Approach:	\$200,000
Market Value Conclusion	\$200,000

Compiled by [REDACTED]

Cost Approach

In this case, the cost approach was not utilized due to the age of the improvements which results in significant depreciation thereby reducing the reliability of this approach. More significantly, however, market participants considering properties like the subject do not give consideration to the cost approach.

Sales Comparison Approach

The Sales Comparison Approach is focused on comparing the subject to sale and other market transactions with the aim to develop an indication of value that is founded on the theory of substitution. Basically, the intention is to determine value through considering the prices of properties which would be a substitute property to the subject. In this case, a selection of reasonably similar sales were obtained and the adjustment process was well founded by reasoning and direct evidence. Although this analysis is considered to be well founded and reliable, the subject property is an income producing property and the sales comparison approach, like the cost approach, is limited in its ability to directly consider the income levels of the subject and the sales. Accordingly, secondary weight is given to the sales comparison approach.

Income Capitalization Approach

The subject property is a single-tenant retail property. It is distinctly an income producing property and this approach is specifically designed to address the value of such a property. Only direct capitalization was developed in accordance with typical investor analyses. Market rent was well established by reasonably similar lease data. The property has a stable history and both income and expense estimates track with historical trends. Capitalization rates were developed from a number of sources including nearby retail properties that have sold recently or are currently for



sale. In total, the income capitalization approach is considered to be most applicable to the subject and most reliable. This approach is given greatest weight for that reason.

FINAL VALUE CONCLUSIONS

Value Conclusions			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Leased Fee	7/6/2023	\$200,000
<i>Compiled by</i> [REDACTED]			

Extraordinary Assumptions and Hypothetical Conditions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

- 1. None

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

- 1. None

Compiled by [REDACTED]

EXPOSURE TIME

Exposure time is the estimated length of time the subject property would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. It is a retrospective estimate based on an analysis of past events assuming a competitive and open market.

Recent sales transaction data for similar properties and supply and demand characteristics for the local retail market were reviewed and analyzed. Based on this data and analysis, it is our opinion that the probable exposure time for the subject at the concluded market value stated previously is 6-9 months.

MARKETING TIME

Marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. As no significant changes in market conditions are foreseen in the near term, it is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 6-9 months.



Assumptions and Limiting Conditions

The Appraisal contained in this Report (herein "Report") is subject to the following assumptions and limiting conditions:

1. Unless otherwise stated in this report, title to the property which is the subject of this report (herein "Property") is assumed to be good and marketable and free and clear of all liens and encumbrances and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. No responsibility is assumed for the legal description, zoning, condition of title or any matters which are legal in nature or otherwise require expertise other than that of a professional real estate appraiser. This report shall not constitute a survey of the Property.
2. Unless otherwise stated in this report, it is assumed: that the improvements on the Property are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the Property and improvements conform to all applicable local, state, and federal laws, codes, ordinances and regulations including environmental laws and regulations. No responsibility is assumed for soil or subsoil conditions or engineering or structural matters. The Property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated. The physical condition of the Property reflected in this report is solely based on a visual inspection as typically conducted by a professional appraiser not someone with engineering expertise. Responsible ownership and competent property management are assumed.
3. Unless otherwise stated in this report, this report did not take into consideration the existence of asbestos, PCB transformers or other toxic, hazardous, or contaminated substances or underground storage tanks, or the cost of encapsulation, removal or remediation thereof. Real estate appraisers are not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials and substances may adversely affect the value of the Property. Unless otherwise stated in this report, the opinion of value is predicated on the assumption that there is no such material or substances at, on or in the Property.

4. All statements of fact contained in this report as a basis of the analyses, opinions, and conclusions herein are true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to and relies upon the accuracy of information and material furnished by the owner of the Property or owner's representatives and on information and data provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by such members. Such information and data obtained from third party sources are assumed to be reliable and have not been independently verified. No warranty is made as to the accuracy of any of such information and data. Any material error in any of the said information or data could have a substantial impact on the conclusions of this Report. The appraiser reserves the right to amend conclusions reported if made aware of any such error.
5. The opinion of value stated in this report is only as of the date of value stated in this report. An appraisal is inherently subjective and the conclusions stated apply only as of said date of value, and no representation is made as to the effect of subsequent events. This report speaks only as of the date hereof.
6. Any projected cash flows included in the analysis are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within this report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of market expectations of future income and expenses. The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. There is no warranty or assurances that these forecasts will occur. Projections may be affected by circumstances beyond anyone's knowledge or control. Any income and expense estimates contained in this report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
7. The analyses contained in this report may necessarily incorporate numerous estimates and assumptions regarding Property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by the analysis will vary from estimates, and the variations may be material.
8. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraphs, several events may occur that could substantially alter the outcome of the estimates such as, but not limited to changes

in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. In making prospective estimates and forecasts, it is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

9. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. This report shall be considered only in its entirety. No part of this report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the Firm. Possession of this report, or a copy hereof, does not carry with it the right of publication.
11. Client and any other Intended User identified herein should consider this report and the opinion of value contained herein as only one factor together with its own independent considerations and underwriting guidelines in making any decision or investment or taking any action regarding the Property. Client agrees that Firm shall not be responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other advisors or contractors. The use of this report and the appraisal contained herein by anyone other than an Intended User identified herein, or for a use other than the Intended Use identified herein, is strictly prohibited. No party other than an Intended User identified herein may rely on this report and the appraisal contained herein.
12. Unless otherwise stated in the agreement to prepare this report, the appraiser shall not be required to participate in or prepare for or attend any judicial, arbitration, or administrative proceedings.
13. The Americans with Disabilities Act (ADA) became effective January 26, 1992. No survey or analysis of the Property has been made in connection with this report to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. No expertise in ADA issues is claimed, and the report renders no opinion regarding the Property's compliance with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

ASSUMPTIONS AND LIMITING CONDITIONS

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14. Acceptance and/or use of this report constitutes full acceptance of these Assumptions and Limiting Conditions and any others contained in this report, including any Extraordinary Assumptions and Hypothetical Conditions, and is subject to the terms and conditions contained in the agreement to prepare this report and full acceptance of any limitation of liability or claims contained therein.



ADDENDA

Addendum A

Glossary of Terms



ADDENDA

The following definitions are derived from The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022).

- ◆ **Absorption Period:** The actual or expected period required from the time a property, group of properties, or commodity is initially offered for lease, purchase, or use by its eventual users until all portions have been sold or stabilized occupancy has been achieved.
- ◆ **Absorption Rate:** 1) Broadly, the rate at which vacant space in a property or group of properties for sale or lease has been or is expected to be successfully sold or leased over a specified period of time. 2) In subdivision analysis, the rate of sales of lots or units in a subdivision.
- ◆ **Ad Valorem Tax:** A tax levied in proportion to the value of the thing(s) being taxed. Exclusive of exemptions, use-value assessment provisions, and the like, the property tax is an ad valorem tax. (IAAO)
- ◆ **As Is Market Value:** The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Interagency Appraisal and Evaluation Guidelines) Note that the use of the “as is” phrase is specific to appraisal regulations pursuant to FIRREA applying to appraisals prepared for regulated lenders in the United States. The concept of an “as is” value is not included in the Standards of Valuation Practice of the Appraisal Institute, Uniform Standards of Professional Appraisal Practice, or International Valuation Standards.
- ◆ **Assessed Value:** The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.
- ◆ **Cash Equivalency Analysis:** An analytical process in which the sale price of a transaction with atypical financing or financing with unusual conditions or incentives is converted into a price equivalent or consistent with what a cash buyer would pay with all other factors the same.
- ◆ **Cash-Equivalent Price:** The sale price of a property that is equivalent to what a cash buyer would pay.
- ◆ **Contract Rent:** The actual rental income specified in a lease.
- ◆ **Disposition Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) 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. This definition can also be modified to provide for valuation with specified financing terms.
- ◆ **Economic Life:** The period over which improvements to real estate contribute to property value.
- ◆ **Effective Gross Income (EGI):** The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income.
- ◆ **Effective Rent:** Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.
- ◆ **Excess Land:** Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. See also *surplus land*.
- ◆ **Excess Rent:** The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties.

ADDENDA

- ◆ **Exposure Time:** 1) The time a property remains on the market. 2) An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. (USPAP, 2020-2021 ed.)
- ◆ **Extraordinary Assumption:** An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property, or conditions external to the property, such as market conditions or trends, or about the integrity of data used in an analysis. (USPAP, 2020-2021 ed.)
- ◆ **Fee Simple Estate:** 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.
- ◆ **Floor Area Ratio (FAR):** The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.
- ◆ **Frictional Vacancy:** The amount of vacant space needed in a market for its orderly operation. Frictional vacancy allows for move-ins and move-outs.
- ◆ **Full Service (Gross) Lease:** See *gross lease*.
- ◆ **General Vacancy:** A method of calculating any remaining vacancy and collection loss considerations when using discounted cash flow (DCF) analysis, where turnover vacancy has been used as part of the income estimate. The combined effects of turnover vacancy and general vacancy relate to total vacancy and collection loss.
- ◆ **Going-Concern Premise:** One of the premises under which the total assets of a business can be valued; the assumption that a company is expected to continue operating well into the future (usually indefinitely).
- ◆ **Going-Concern Value:** An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern or market value of the total assets of the business. See also *Market Value of the Going Concern and Market Value of the Total Assets of the Business (MVTAB)*.
- ◆ **Going-In Capitalization Rate (R_o):** The overall capitalization rate obtained by dividing a property's net operating income for the first year after purchase by the present value of the property.
- ◆ **Gross Building Area (GBA):** 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. 2) Gross leasable area plus all common areas. 3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space.
- ◆ **Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called full-service lease.
- ◆ **Hypothetical Condition:** 1) A condition that is presumed to be true when it is known to be false. (Appraisal Institute: The Standards of Valuation Practice [SVP]) 2) A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2020-2021 ed.)
- ◆ **Intended Use:** 1) The valuer's intent as to how the report will be used. (SVP) 2) The use(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment. (USPAP, 2020-2021 ed.)

ADDENDA

- ◆ **Intended Users:** 1) The party or parties the valuer intends will use the report. (SVP) 2) The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment. (USPAP, 2020-2021 ed.)
- ◆ **Investment Value:** 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2) The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth). (International Valuation Standards [IVS])
- ◆ **Land-to-Building Ratio:** The proportion of land area to gross building area; one of the factors determining comparability of properties. See also *floor area ratio*.
- ◆ **Lease:** A contract in which the rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.
- ◆ **Leased Fee Interest:** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.
- ◆ **Leasehold Estate:** The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.
- ◆ **Lessee:** One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement.
- ◆ **Lessor:** One who conveys the rights of occupancy and use to others under a lease agreement.
- ◆ **Liquidation Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a short time period. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under extreme compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) 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. This definition can also be modified to provide for valuation with specified financing terms.
- ◆ **Market Rent:** The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby • Lessee and lessor are typically motivated; • Both parties are well informed or well advised, and acting in what they consider their best interests; • Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and • The rent reflects specified terms and conditions typically found in that market, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, frequency of payments (annual, monthly, etc.), and tenant improvements (TIs).
- ◆ **Market Value:** A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined.¹
- ◆ **Market Value of the Going Concern:** The market value of an established and operating business including the real property, personal property, financial assets, and the intangible assets of the business.
- ◆ **Market Value of the Total Assets of the Business (MVTAB):** The market value of all of the tangible and intangible assets of a business as if sold in aggregate as a going concern.
- ◆ **Modified Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified

¹ The actual definition of value used for this appraisal is contained within the body of the report.

ADDENDA

gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease. See also *net lease*.

- ◆ **Net Lease:** A lease in which the landlord passes on all expenses to the tenant. See also *gross lease*; *modified gross lease*.
- ◆ **Net Net Net Lease:** An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease*, *triple net lease*, or *fully net lease*.
- ◆ **Net Operating Income (NOI or I_o):** The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization).
- ◆ **Occupancy Rate:** 1) The relationship or ratio between the potential income from the currently rented units in a property and the income that would be received if all the units were occupied. 2) The ratio of occupied space to total rentable space in a building.
- ◆ **Operating Expenses:** The periodic expenditures necessary to maintain the real estate and continue production of the effective gross income, assuming prudent and competition management.
- ◆ **Overage Rent:** The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakpoint sales volume.
- ◆ **Percentage Rent:** Rental income received in accordance with the terms of a percentage lease; typically derived from retail store and restaurant tenants and based on a certain percentage of their gross sales.
- ◆ **Prospective Opinion of Value:** A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.
- ◆ **Rentable Area:** For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.
- ◆ **Retrospective Value Opinion:** A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."
- ◆ **Shell Rent:** The typical rent paid for retail, office, or industrial tenant space based on minimal "shell" interior finishes (called vanilla finish or white wall finish in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior build-out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes, mechanical systems, interior electricity, and plumbing. Typically these are long-term leases with tenants paying all or most property expenses.
- ◆ **Surplus Land:** Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. See also *excess land*.
- ◆ **Turnover Vacancy:** A method of calculating vacancy allowance that is estimated or considered as part of the potential income estimate when using discounted cash flow (DCF) analysis. As units or suites turn over and are available for re-leasing, the periodic vacancy time frame (vacancy window) to release the space is considered.

ADDENDA

- ◆ **Usable Area:** 1) For office buildings, the actual occupiable area of a floor or an office space; computed by measuring from the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area. See also floor area. 2) The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.
- ◆ **Usable Site Area:** The area of a site that can legally and physically accommodate buildings or significant site improvements. The usable site area equals the total site area less certain obstructions, such as flood hazard areas, required natural buffers, cemeteries, archeologically restricted areas, ecologically restricted areas, areas within certain restrictive easements, and other obstructions. The net site area or usable site area should be more precisely defined in each appraisal because the significance of improvements or the obstruction depends on the specific assignment.
- ◆ **Use Value:** The value of a property based on a specific use, which may or may not be the property's highest and best use. If the specified use is the property's highest and best use, use value will be equivalent to market value. If the specified use is not the property's highest and best use, use value will be equivalent to the property's market value based on the hypothetical condition that the only possible use is the specified use.
- ◆ **Value In Use:** 1. The amount determined by discounting the future cash flows (including the ultimate proceeds of disposal) expected to be derived from the use of an asset at an appropriate rate that allows for the risk of the activities concerned. (FASB Accounting Standards Codification, Master Glossary) 2. Formerly used in valuation practice as a synonym for contributory value or use value. See also *use value*.

ADDENDA

Addendum B
Engagement Letter



[REDACTED]

June 21, 2023

Ryan K. Stumphauzer, Esquire, Court-Appointed Receiver of the Receivership Entities (Case No. 20.-CV-81205-RAR) for the United States District Court for the Southern District of Florida

C/O

Timothy M. Hazel, Esquire
PIETRAGALLO GORDON ALFANO BOSICK & RASPANTI, LLP
38th Floor, One Oxford Centre
Pittsburgh, PA 15219

Phone: (412) 263-1831
Email: TMH@Pietragallo.com

Re: Appraisal of the property described as:
142 N 2nd Street, Philadelphia, PA 19106 ("**Property**")

Dear Mr. Hazel:

[REDACTED] ("**Firm**") agrees to provide Pietragallo Gordon Alfano Bosick & Raspanti, LLP ("**Client**") an appraisal of the above-referenced Property in accordance with, and subject to, the terms and conditions set forth below and in the attached Schedules (collectively, "**Agreement**").

APPRAISAL FEE: \$2,500.00 (inclusive of expense).

ADDITIONAL HOURLY FEES: Should court time and preparation be required, it will be billed at \$450.00/hr plus expenses.

COMMENCEMENT AND DELIVERY DATE: Delivery is as follows:
Appraisal report: two (2) weeks

The appraisal process will commence upon receipt by the Firm of (i) this Agreement, signed by Client, (ii) the retainer, and (iii) information and materials identified in Schedule "B." The appraisal process will conclude upon delivery of the final appraisal report, unless terminated sooner by the Firm or Client or as provided herein.

REPORT TYPE: Appraisal Report

[REDACTED]

[REDACTED]

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June 21, 2023
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VALUATION PREMISE: Market Value As-Is

INTEREST IN THE PROPERTY APPRAISED: Leased Fee Interest

DATE(S) OF VALUE: Current as of: the Date of Inspection

INTENDED USER(S): Intended users of the appraisal include only Client and [REDACTED] (“**Intended User(s)**”), and no other party is permitted to use or rely on the appraisal. The identification of Intended User(s) of the appraisal is to determine the type and extent of research, analysis and reporting appropriate for the assignment. Designation of a party other than Client as an Intended User is not intended to confer upon such party any rights under this Agreement.

INTENDED USE: The intended use of the appraisal is solely for establishing market value for pricing in connection with a potential disposition involving each of the subject properties (“**Intended Use**”) and no other use. It is noted that our valuation is solely reflective of each property individual with no consideration given to the value of the portfolio in bulk

RELIANCE LANGUAGE: None

GUIDELINES: The analyses, opinions and conclusions are to be developed based on, and the appraisal will be prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) as published by the Appraisal Foundation.

SCOPE OF WORK: The appraiser will use and properly apply all applicable and appropriate approaches to value sufficient to produce credible assignment results. The scope of the analysis will be appropriate for the appraisal problem.

ASSUMPTIONS/ LIMITING CONDITIONS: The appraisal will be subject to Firm’s standard Assumptions and Limiting Conditions, which will be incorporated into the appraisal report. In addition, the appraisal may be subject to, and the appraisal report may contain, Extraordinary Assumptions and Hypothetical Conditions.

ACCEPTANCE: This shall constitute a binding agreement only if countersigned by the Client, or by an officer, director or other representative of Client who, by signing and accepting this Agreement, represents and warrants that he/she is authorized by Client to do so.

[REDACTED]

[REDACTED]

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PAYMENT:

It is in our understanding that the appraisal fees outlined herein have been preliminarily approved by the receiver with authority to retain our services, Ryan K. Stumphauzer Esq. of Stumphauzer Kolaya Nadler & Sloman, PLLC. Although formal approval will be required as part of the on-going case, should the fees not be acceptable to the court, Client (Pietragallo) will be responsible for the difference between our invoiced fees (outlined herein), and those fees deemed acceptable to the presiding courts.

Client will be invoiced the appraisal fee (and any expenses) which will be earned in full upon initial delivery of the appraisal report (draft or final).

Payment for services rendered are to be made no later than 120 days from submission of the invoice from [REDACTED] to Client (Pietragallo Gordon Alfano Bosick & Raspanti, LLP)

Payment of the fee is not contingent upon any predetermined value or on an action or event resulting from the analysis, opinions, conclusions or use of the appraisal.

CHANGES TO THE AGREEMENT:

Any significant changes to the assignment as outlined in this Agreement, such as the identity of the Client, Intended User, or Intended Use, will require the preparation and execution of a new agreement.

CANCELLATION OF ASSIGNMENT:

Client may cancel this Agreement at any time prior to the Firm's delivery of the appraisal upon written notification to the Firm. Client shall pay Firm for all work completed on the assignment prior to Firm's receipt of such written cancellation notice, unless otherwise agreed upon by Firm and Client in writing. The Firm may withdraw without penalty or liability from the assignment(s) contemplated by the Agreement before completion or reporting if the Firm determines, in the Firm's sole discretion, that incomplete information was provided to the Firm prior to the engagement, that Client or other parties have not or cannot provide documentation or information necessary to the Firm's analysis or reporting, that conditions of the Property render the original scope of work inappropriate, that a conflict of interest has arisen, or that Client has not complied with its payment obligations under this Agreement. The Firm shall notify Client of such withdrawal in writing.

NO THIRD-PARTY BENEFICIARIES:

Nothing in the Agreement shall create a contractual relationship or any legal duty between Firm or Client and any third party, nor any cause of action, right, or claim in favor of any third party and against Firm or Client.



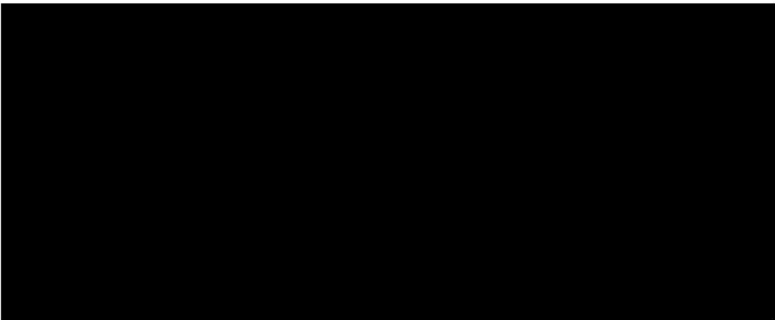
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In addition, this Agreement is not intended to, and shall not be construed to, render any person or entity a third-party beneficiary of this Agreement. Client acknowledges and agrees that the appraisal report shall reflect the foregoing. In addition, the appraisal report shall state that no party other than an Intended User identified in the Agreement is entitled to rely upon the appraisal.

This Agreement may be rescinded by the Firm unless signed and returned to the undersigned within 10 days from the date hereof.

If this Agreement correctly sets forth the Client's understanding of the services to be rendered, and if the terms are satisfactory, please execute and return the Agreement together with any required retainer.

Respectfully,



Agreed:
PIETRAGALLO GORDON ALFANO BOSICK & RASPANTI, LLP

SIGNATURE:

PRINT NAME:

TITLE:

DATE:



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Schedule "A"

TERMS AND CONDITIONS

ATTACHED TO AND A PART OF THE AGREEMENT DATED JUNE 21, 2023 TO PROVIDE APPRAISAL SERVICES FOR PIETRAGALLO GORDON ALFANO BOSICK & RASPANTI, LLP

1. These Terms and Conditions are attached to and incorporated into the above referenced Agreement as though fully set forth in full therein. Capitalized terms if not defined herein shall have the same meaning as defined in the Agreement.
2. With respect to any appraisal report, use of or reliance on the appraisal by any party, regardless of whether the use or reliance is authorized or known by the Firm, constitutes acceptance of these Terms and Conditions as well as acceptance of all other appraisal statements, limiting conditions and assumptions stated in the Agreement and appraisal report.
3. It is assumed that there are no matters affecting the Property that would require the expertise of other professionals, such as engineers or an environmental consultant, for Firm to provide the appraisal. If such additional expertise is required, it shall be provided by other parties retained by Client at Client's sole cost and expense.
4. Client acknowledges that the Firm is being retained as an independent contractor to provide the services described herein and nothing in this Agreement shall be deemed to create any other relationship between Firm and Client, including but not limited to an agency relationship. The parties neither intend nor have any expectation that any such relationship will arise as a matter of law or as a result of this Agreement. This assignment shall be deemed concluded and the services hereunder completed upon delivery of the appraisal described herein to Client.
5. All statements of fact contained in the appraisal report as a basis of the appraiser's analyses, opinions, and conclusions will be true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to, and shall rely upon the accuracy of information and material furnished to the Firm by Client. Appraiser is also entitled to, and shall, rely on information provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by members of that profession without independent verification.
6. The Firm and the appraiser shall have no responsibility for legal matters, or questions or issues involving survey or title, soil or subsoil conditions, engineering, zoning, buildability, environmental contamination, structural matters, construction defects, material or methodology, or other similar technical matters with regarding the Property. Furthermore, the appraisal will not constitute a survey of the Property.
7. The appraisal and the data and information gathered in its preparation (other than the confidential data and information provided by Client) is and will remain, the property of the Firm. The Firm shall not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished by Client to the Firm. Notwithstanding the foregoing, the Firm and the appraiser are authorized by Client to disclose all or any portion of the appraisal and appraisal report and the related data and information, including confidential data and information provided by Client, to appropriate representatives of the Appraisal Institute if such disclosure is required to comply with the Standards, Bylaws and Regulations of the Appraisal Institute, as well as, such disclosure as required by law and regulations, including compliance with a subpoena and licensing authority regulatory inquiries. The Firm is also authorized to include both confidential and non-confidential data assembled in the course of preparing the appraisal and which may be incorporated into the appraisal report in a database controlled by the Firm for the aggregation of such data and information to produce analytics and other metrics or products.
8. Unless specifically noted in the appraisal report, the appraisal will not take into consideration the possibility or probability of the existence of asbestos, PCB transformers, other toxic, hazardous, or contaminated substances



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and/or underground storage tanks (hazardous material) at on or in the Property, or the cost of encapsulation, removal or remediation thereof.

9. Client shall indemnify, defend (by counsel to be selected by Firm), protect, and hold Firm and Firm's appraisers, agents, employees, affiliates, representatives, successors and assigns (each, a "**Firm Party**"), free and harmless from any and all claims, liabilities, losses, penalties, fines, forfeitures, amounts paid in settlement, judgments, and all reasonable attorneys' fees and related litigation costs, fees and expenses incurred by the any of such indemnitees, which result from (i) any failure by Client or Client's agents or representatives to provide Firm with complete and accurate information regarding the Property; (ii) any material breach by Client of the provisions of the Agreement; (iii) if delivery of the appraisal to a third party is permitted by the Firm, Client providing an incomplete copy of the appraisal to such third party; or (iv) arising from Client or Client's agents or representatives providing a copy of the appraisal to a party not authorized by the Firm to receive such copy.
10. In preparing the appraisal, it is possible that the appraiser will discover conflicting information. In that event, appraiser will utilize information and data considered to be the most authoritative and for critical information will document the source. Information and data referred to may include, but is not limited to, legal descriptions; physical street addresses; assessor parcel numbers; property history; dimensions and areas of the site/land; dimensions and areas of the building improvements; physical unit counts; rent rolls; leases; lease abstracts; income and expense data; and any other related data. Any material discrepancy and/or error in any of the above data could have a substantial impact on the conclusions reported, and the Firm therefore reserves the right to amend conclusions reported if the Firm is made aware of any such discrepancy and/or error.
11. The appraisal may not be used, included or referenced, in whole or in part, in any offering or other materials without the prior written consent of the Firm, which consent may be conditioned upon the receipt by the Firm of an indemnity agreement, in form and content, satisfactory to Firm and provided by an indemnitor satisfactory to Firm. Client agrees to pay the fees of the Firm's legal counsel for review of any materials which is the subject of the requested consent. Except as agreed by the Firm expressly in writing, the Firm disclaims liability to any party other than Client.
12. The Firm shall not provide a copy of the appraisal to, or disclose the results of the appraisal to, any party other than Client, unless Client authorizes same, except as provided in the Confidentiality Section of the ETHICS RULE of the Uniform Standards of Professional Appraisal Practice (USPAP) or as otherwise required by law or regulations.
13. Client and any other identified Intended User should consider the appraisal as only one factor together with its own independent considerations and underwriting guidelines in making any decision or investment or taking any action regarding the Property. Client agrees that Firm shall not be responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other advisors or contractors.
14. Unless otherwise stated in this Agreement, Client agrees that the services pursuant to this Agreement shall not include participation in or preparation for, or attendance at, any legal, judicial, administrative, or arbitration proceeding relating to this assignment. In the event the Firm or any Firm Party is required, whether through the service of a subpoena or otherwise, to produce documents or participate in or prepare for any discovery, testimony or attendance, relating to the appraisal or this assignment, where the Firm or Firm Party is not a party to the action or proceedings involved, Client agrees to reimburse expenses incurred by the Firm or Firm Party, including attorney's fees, in responding to such subpoena or other legal process and compensate the Firm therefor based upon the appraiser's prevailing hourly or daily rate for providing services as an expert consultant or witness.
15. Except as expressly provided herein, Firm makes no representations or warranties to Client or to any other person or entity with respect to the appraisal and the services to be provided by Firm under this Agreement. To the maximum extent permitted under applicable law, in no event will the Firm or any Firm Party be liable to Client or any third party (regardless of whether such party's claimed use or reliance on the appraisal was authorized by the

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Firm or a Firm Party) for any indirect, special, exemplary, incidental, or consequential damages (including loss of profits) arising from or relating to this Agreement or the appraisal, even if such party knew or should have known of the possibility of, or could reasonably have prevented, such damages. In no event shall the total liability of the Firm or any Firm Party to Client or any third party (regardless of whether such party's claimed use or reliance on the appraisal was authorized by the Firm or a Firm Party) arising from or relating to this Agreement or the appraisal, whether based on tort, contract, or any other legal theory, exceed the amount of fees paid to the Firm for the appraisal and the services described herein. Legal claims or causes of action relating to the appraisal are not assignable, except: (i) as the result of a merger, consolidation, sale or purchase of a legal entity, (ii) with regard to the collection of a bona fide existing debt for services but then only to the extent of the total compensation for the appraisal plus reasonable interest, or (iii) in the case of an appraisal performed in connection with the origination of a mortgage loan, as part of the transfer or sale of the mortgage before an event of default on the mortgage or note or its legal equivalent.

16. Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. In view of that requirement, the appraisal may not be accepted by a federally regulated financial institution.
17. In the event Client fails to make payments of any fees or sums when due and payable under this Agreement; then from the date due and payable until paid, the amount due and payable shall bear interest at the maximum rate permitted under the laws of the state in which the Property is located. If the Firm is required to undertake collection efforts including institution of legal action against Client relating to the Agreement, the Firm shall be entitled to recover attorney's fees, litigation expenses, and costs from Client.
18. To the extent permitted under applicable law, any legal action or lawsuit or other proceeding by Client or any Intended User of the appraisal against Firm or a Firm Party whether based in contract, tort, warranty, indemnity or otherwise, relating to the appraisal shall be commenced within two (2) years from the date of delivery of the appraisal to the claimant in such action or proceeding, unless the applicable law provides for a shorter period, and any such claimant waives the right to a jury in any such legal action or lawsuit or other proceeding. Notwithstanding the state of domicile or residency of either party to this Agreement, this Agreement shall be governed and construed under the laws of the state in which the Property is located, and venue for any action or proceeding arising out of this Agreement shall be deemed proper only in the court of competent jurisdiction located in the state in which the Property is located.
19. Throughout the performance of services under this Agreement, the Firm shall maintain at its sole cost and expense the following insurance:
 - (a) Workers' Compensation, so as to provide statutory benefits as required by the laws of each state within the United States in which the Firm's services are being provided, and Employer's Liability insurance with limits of liability of \$1,000,000 each accident, \$1,000,000 disease each employee and \$1,000,000 disease policy limit covering all employees of the Firm engaged in the performance of such services.
 - (b) Fidelity insurance or bond with a limit of \$1,000,000 to insure the Firm against loss of its or Client's assets caused from the dishonest acts of the Firm's employees.
 - (c) Professional Liability insurance with a limit of liability of \$1,000,000 each claim and \$1,000,000 aggregate, which limits may be provided by a combination of primary and excess policies.
 - (d) Commercial General Liability insurance providing coverage against damages due to bodily injury (including death), property damage and personal and advertising injury arising in connection with the Firm's services provided under this Agreement, which insurance coverage shall: (i) be occurrence-based; (ii) provide limits of liability in an amount of \$1,000,000 each occurrence and \$1,000,000 aggregate (including excess and/or umbrella limits), (iii) include at least those coverages generally included in the most current ISO Commercial

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June 21, 2023

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General Liability insurance policy form (or its equivalent); and (iv) include Client, and such other persons or entities as Client has identified in writing, as additional insureds solely with regard to claims arising out of this Agreement.

- (e) Commercial automobile liability for owned, hired and non-owned motor vehicles, with a \$1,000,000 combined single limit.



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Schedule "B"

PROPERTY INFORMATION LIST

ATTACHED TO AND A PART OF THE AGREEMENT DATED JUNE 21, 2023 TO PROVIDE APPRAISAL SERVICES FOR PIETRAGALLO GORDON ALFANO BOSICK & RASPANTI, LLP

The following information is requested to be delivered to the Firm so we can provide the proposed services and prepare the Appraisal within the agreed upon time frame. Please forward the physical data such as the site plan, previous engineering reports and/or property reports describing the physical attributes of the Property and all financial information such as rent roll and income and expense statements first as these items are the most time sensitive and should be received immediately to meet the time requirements of this assignment. If, at this time, you are certain you will not be providing any specific items noted below, please cross out the item and mark "NA" next to the item so that we will be notified that the information is not available and will not be forthcoming.

1. **Please advise if [REDACTED] is a property manager or broker for this property.***
 2. Name and contact info (phone and email) of the contact person for the on-site physical inspection.*
 3. Agreements of Sale/Options to Buy (current and/or during last three years), if any.*
 4. As-Built Survey or ALTA Site Survey, if available. (PDF) *
 5. Building plans showing dimensions for building area calculation purposes. Apartment interior floor plans with dimensions for rentable area calculations, if available. (PDF)*
 6. Prior engineering report or physical descriptions from prior appraisals, if available.
 7. Prior and/or current property condition reports, if available.*
 8. Three-year history of capital improvements including description and costs.*
 9. Past feasibility or market studies as well as any relevant information collected from third party sources.
 10. Management contracts.
 11. Copy of most recent real estate tax bill(s). Please advise if there has been a recent assessment increase or decrease.
 12. Title report AND copy of deed.
 13. Ground leases, if any.*
 14. Phase I environmental site assessment report, if available.*
 15. List of any known major repairs and improvements needed.*
 16. Schedule of planned capital improvement programs to include scope/description of the renovations, plans & specifications, schedule of costs and timeline (schedule) of the planned improvements.*
 17. Schedule of personal property at the property.
- [REDACTED]
- [REDACTED]

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FOR APARTMENT PROPERTY

18. **Current Rent Roll** (in Excel if possible) showing tenant name, apartment number, dates of leases and the type of apartment, asking/market rents for each apartment, and contractual rent for each apartment unit. If rent roll does not show past due rent or rent in arrears, please forward aging report or the document you use to account for past due rent.*
19. **Current Unit Mix** showing the following breakdown for each unit type: a) total number of units; b) square foot per unit; c) average contract rent; and d) average asking rent.*
20. Terms of leases and/rent roll for leased commercial space or roof top rentals. Copies of commercial leases are desirable. If any commercial leases provide for pass through of operating expenses over a base year stop, please provide the dollar amount of the base year stop.*
21. Recent Competitive Market Rent Survey, if any.

FOR COMMERCIAL PROPERTY

22. **Current Rent Roll and PDF copies of leases**, including addenda and all amendments. Please indicate which leases are owner-related, and those which may have early termination provisions, expansion and/or purchase options. Please identify any tenants who have initiated discussions to renew, terminate or renegotiate/modify their lease(s), or who have given notice to terminate. Proposed terms for such re-negotiations should be revealed.*
23. Provide letters of intent to lease or other any outstanding lease proposals that have a reasonable likelihood of being finalized into executed leases.*
24. Prior Argus files, if any.
25. List of outstanding leasing commissions brokers and terms of future payments.
26. Financial information such as Annual Statements or credit report/ratings for major tenant(s) at the property.
27. Identify tenants and rents in arrears.
28. CAM and real estate tax reimbursement worksheets or listing of base year operating expenses, if applicable.

FOR ALL INCOME-PRODUCING PROPERTIES

29. Income and expense statements for the past three years (CY2019, 2020, 2021) and T-12 income and expense statements; Excel is preferred.*
30. Operating budget for 2022.*
31. Occupancy rates for the last three years, if not revealed in the financial statements.



ADDENDA

Addendum C

Financials and Property Information



COMMERCIAL LEASE RENEWAL ADDENDUM

PROPERTY 142 N 2nd Street – Commercial
LANDLORD [REDACTED]
TENANT [REDACTED]

The following terms of the Residential Lease are changed as stated below:

THIS COMMERCIAL RENEWAL AGREEMENT (hereinafter referred to as the "Renewal") is made and entered into this 7th day of November 2022 by and between [REDACTED] (hereinafter referred to as "Landlord") and Kevin Boyle (hereinafter referred to as "Tenant," whether one or more, and each agreeing to be bound by and held jointly and severally liable under the terms and conditions of this Lease Renewal).

In consideration of the covenants and obligations contained herein and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

RENEWAL OPTION

The parties hereby agree to renew and continue the original Lease Agreement for an additional term, commencing on the 1st day of February 2023 and expiring on the 31st day of January 2026.

REVISED RENT SCHEDULE

The rent shall be payable in equal monthly installments according to the schedule below. The first full rent payment under this Lease Renewal is due on the 1st day of February 2023.

Base Rent Schedule During Term

- 3-year Term: 2/1/2023 - 1/31/2026
- 02/01/2023-01/31/2024: \$1,445/Month (\$17,340/year)
- 02/01/2024-01/31/2025: \$1,490/Month (\$17,880/year)
- 02/01/2025-01/31/2026: \$1,535/Month (\$18,420/year)

All other terms and conditions of the Lease, including all other time periods, remain unchanged and in full force and effect.

LANDLORD ("LANDLORD"):

Sign: [REDACTED] Print: [REDACTED] Date: November 9, 2022

TENANT [REDACTED] Print: [REDACTED] Date: November 9, 2022

DocuSigned by: [Signature] Print: [REDACTED] Date: November 9, 2022

Cash Flow - 12 Month

Exported On: 2023-07-06 09:36:35 -0400

██████████ LLC

Properties: 142 N 2nd Street Philadelphia, PA 19106

Period Range: Jan 2021 to Dec 2021

Accounting Basis: Cash

Level of Detail: Detail View

Include Zero Balance GL Accounts: No

Account Name	Total
Operating Income & Expense	
Income	
Rent Income	1,700.00
Total Operating Income	1,700.00
Expense	
Carpet Cleaning	50.00
Cleaning Expense	925.00
Management Fees	510.00
Fire Protection	1,554.00
Maintenance Labor	800.00
Repairs & Maintenance	1,993.68
Licenses & Permits	102.25
Condo Association Fees	1,595.24
Total Operating Expense	7,530.17
NOI - Net Operating Income	-5,830.17
Total Income	1,700.00
Total Expense	7,530.17
Net Income	-5,830.17
Other Items	
Owner Held Security Deposit	-1,700.00
Net Other Items	-1,700.00
Cash Flow	-7,530.17
Beginning Cash	0.00
Beginning Cash + Cash Flow	-7,530.17
Actual Ending Cash	-7,530.17

Cash Flow - 12 Month

Exported On: 2023-07-06 09:36:17 -0400

LLC
Properties: 142 N 2nd Street Philadelphia, PA 19106
Period Range: Jan 2022 to Dec 2022 (Last Year)
Accounting Basis: Cash
Level of Detail: Detail View
Include Zero Balance GL Accounts: No

Account Name	Total
Operating Income & Expense	
Income	
Rent Income	14,700.00
Last Month's Rent (LMR)	1,400.00
CAM (Common Area Maintenance)	3,300.00
Total Operating Income	19,400.00
Expense	
Cleaning Expense	225.00
Management Fees	1,020.00
OCF Leasing Commission	1,400.00
Plumbing	750.00
Repairs & Maintenance	1,566.55
Licenses & Permits	7.67
Condo Association Fees	1,196.43
Total Operating Expense	6,165.65
NOI - Net Operating Income	13,234.35
Other Income & Expense	
Other Expense	
Renovation	
Architectural Fees	833.75
Total Renovation	833.75
Total Other Expense	833.75
Net Other Income	-833.75
Total Income	19,400.00
Total Expense	6,999.40
Net Income	12,400.60
Other Items	
Owner Distribution	-4,000.00
Prepaid Rent	0.00
Net Other Items	-4,000.00
Cash Flow	8,400.60
Beginning Cash	-7,530.17
Beginning Cash + Cash Flow	870.43
Actual Ending Cash	870.43

Cash Flow - 12 Month

Exported On: 2023-07-06 09:36:04 -0400

██████ LLC

Properties: 142 N 2nd Street Philadelphia, PA 19106

Period Range: Jan 2023 to Dec 2023

Accounting Basis: Cash

Level of Detail: Detail View

Include Zero Balance GL Accounts: No

Account Name	Total
Operating Income & Expense	
Income	
Rent Income	10,070.00
CAM (Common Area Maintenance)	2,100.00
Total Operating Income	12,170.00
Expense	
Maintenance Materials	5.00
Management Fees	510.00
Repairs & Maintenance	85.00
Total Operating Expense	600.00
NOI - Net Operating Income	11,570.00
Total Income	12,170.00
Total Expense	600.00
Net Income	11,570.00
Other Items	
Owner Distribution	-10,035.43
Net Other Items	-10,035.43
Cash Flow	1,534.57
Beginning Cash	870.43
Beginning Cash + Cash Flow	2,405.00
Actual Ending Cash	2,405.00

ADDENDA

Addendum D
Comparable Data



ADDENDA

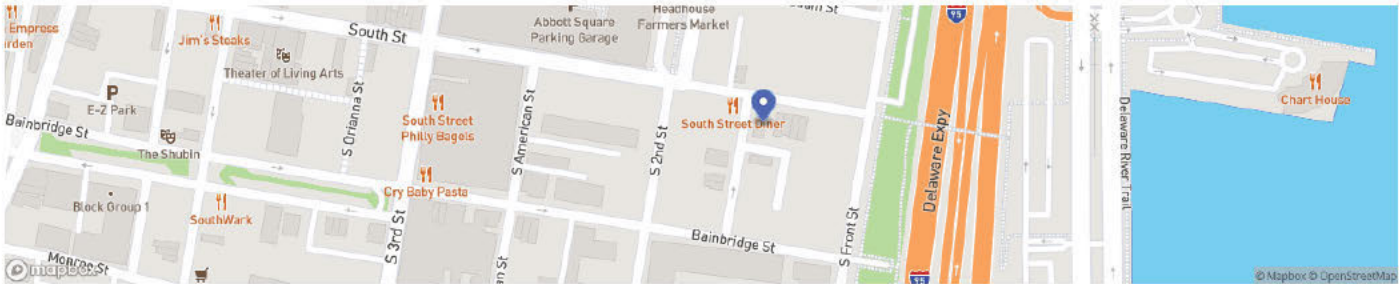
Improved Sales



Retail Sale



128-30 South Street 128-30 South Street, Unit A



Location & Property Info

Property Name	128-30 South Street, Unit A
Property Type	Retail
Sub Type	Other
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia - Greater
Address	128-30 South Street, Philadelphia, PA 19147
County	Philadelphia
Country	USA
Latitude	39.94093000
Longitude	-75.14492000
MSA	Philadelphia/Camden/Wilmington
Legal/Tax/Parcel ID	888036525
Market Orientation	CBD
Verification Type	Confirmed-Other
Verification Source	Public Records
Event ID	759458



Site Details

Source Of Land Info	Public Records
Zoning Designation	CMX1
Zoning Description	Neighborhood Commercial Mixed-Use
Flood Insurance Required	No
Site Shape	Rectamgular
Site Topography	Level
Flood Zone Designation	X
Frontage Street Name	South Street
Corner Lot	Yes
Visibility Rating	Good

Improvement Details

Rentable Area SF	2,020
Gross Building Area	2,020
Construction Status	Completed
Construction Purpose	Owner-built

Sale Information

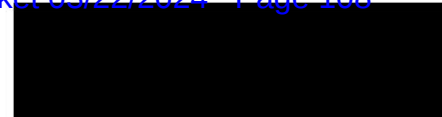
Listing Date	07/03/2021
Listing Price	\$499,000
Sale Status	Closed
Sale Date	09/21/2021

Year Built	2006	Sale Price	\$400,000
Construction Class	D	Grantor (Seller)	Susan Labowitz
Condition	Average	Grantee (Buyer)	Dylan P. Le
Construction Type	Masonry	Contract Date	09/21/2021
Construction Quality	Average	Property Rights	Condominium
Number Of Buildings	1	Document Type	Document
Exterior Walls	Brick	Recording Number	53928906
HVAC Comments	Forced air	Financing Type	Cash to seller
		Effective Sales Price	\$400,000.00
		Price Per SF GBA	\$198.02
		Price Per SF NRA	\$198.02

Comments

The property was operating as a nail salon at time of sale.

Retail Sale



229 Chestnut Street

229 Chestnut Street, Unit 1

Location & Property Info

Property Name	229 Chestnut Street, Unit 1
Property Type	Retail
Sub Type	Other
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia - Greater
Address	229 Chestnut Street, Philadelphia, PA 19106 Philadelphia
County	USA
Country	USA
Latitude	39.94872500
Longitude	-75.14525000
MSA	Philadelphia-Camden- Wilmington-PA-NJ-DE 888049190
Legal/Tax/Parcel ID	
Market Orientation	CBD
Event ID	940705



Site Details

Source Of Land Info	Public Record
Zoning Designation	CMX3
Zoning Description	Community Commercial Mixed- Use
Flood Insurance Required	No
Site Shape	Rectangular
Site Topography	Level
Flood Zone Designation	X
Frontage Street Name	Chestnut Street
Corner Lot	Yes

Improvement Details

Rentable Area SF	750
Construction Status	Completed
Construction Purpose	Owner-built
Year Built	1850
Condition	Average
Construction Quality	Average
Number Of Buildings	1

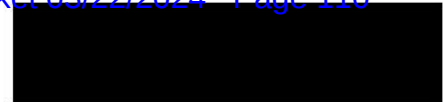
Sale Information

Sale Status	Closed
Sale Date	02/28/2021
Sale Price	\$300,000
Grantor (Seller)	Hass LLC
Grantee (Buyer)	229 Chestnut LLC
Property Rights	Fee Simple
Document Type	Document
Recording Number	53805924
Effective Sales Price	\$300,000.00
Price Per SF NRA	\$400.00

Comments

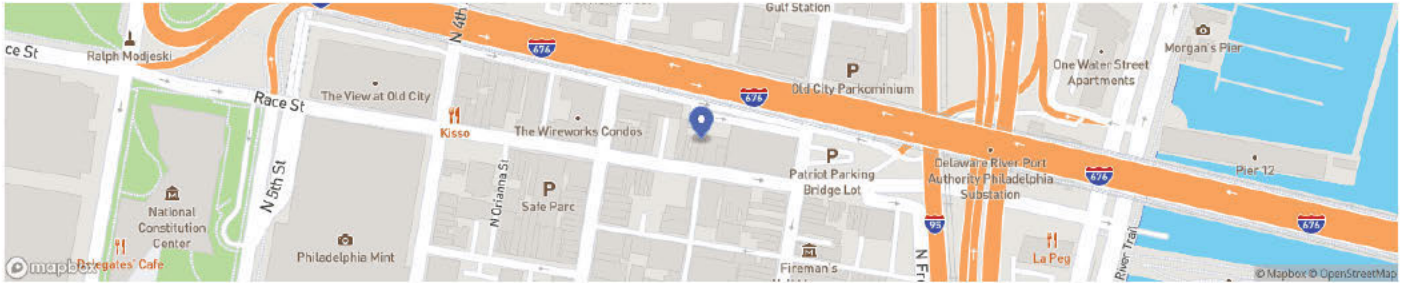
The retail condominium was vacant and available for lease at time of sale. The property was formerly operating as a tobacco shop. The unit includes an unfinished storage basement that is not included in total size.

Retail Sale



225 Race Street

225 Race Street #100



Location & Property Info

Property Name	225 Race Street #100
Property Type	Retail
Sub Type	Other
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia - Greater
Address	225 Race Street, Philadelphia, PA 19106
County	Philadelphia
Country	USA
Latitude	39.95411500
Longitude	-75.14387000
MSA	Philadelphia/Camden/Wilmington
Legal/Tax/Parcel ID	888039114
Market Orientation	CBD
Verification Type	Confirmed-Other
Verification Source	Public Records
Event ID	759482



Site Details

Improvement Details

Source Of Land Info	Public Record	Rentable Area SF	2,500
Zoning Designation	CMX3	Construction Status	Completed
Zoning Description	Community Commercial Mixed-Use	Construction Purpose	Owner-built
Flood Insurance Required	No	Year Built	1930
Site Shape	Rectangular	Year Renovated	2006
Site Topography	Level	Investment Class	Class B
Flood Zone Designation	X	Condition	Good
Frontage Street Name	Race Street	Construction Type	Masonry
Corner Lot	No	Construction Quality	Good
		Number Of Buildings	1
		Exterior Walls	Brick
		HVAC Comments	Forced Air

Sale Information

Listing Date	12/09/2020
Listing Price	\$575,000
Sale Status	Closed
Sale Date	04/16/2021
Sale Price	\$550,000
Grantor (Seller)	225 Race Street Investors LP
Grantee (Buyer)	Falasca Holding Comapny LLC
Contract Date	04/14/2021
Property Rights	Condominium
Financing Type	Cash to seller
Effective Sales Price	\$550,000.00
Price Per SF NRA	\$220.00

Retail Sale

104 N. 2nd Street

104 N 2nd. Street

Location & Property Info

Property Name	104 N 2nd. Street
Property Type	Retail
Sub Type	Urban Retail
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia - Greater
Address	104 N. 2nd Street, Philadelphia, PA 19106
County	PA
Country	USA
Latitude	39.95242900
Longitude	-75.14367000
Event ID	923289



Site Details

Source Of Land Info	Public Records
Zoning Designation	CMX3

Zoning Description Community Commercial Mixed Use
 Flood Insurance Required No
 Site Shape T-Shaped
 Site Topography Level
 Flood Zone Designation X
 Traffic Control At Entry None
 Traffic Flow Moderate
 Utilities
 • Electricity
 • Gas
 • Sewer
 • Water
 Corner Lot No
 Accessibility Rating Above Average
 Visibility Rating Good

Land Parcels

IMPORTED GROUP 1

ROW NUMBER	ASSOCIATED APN(S)	CLASSIFICATION	LAND AREA (SF)	LAND AREA (ACRES)
1	888049223	Gross Land Area	9,734	0.2235
Total Gross Land Area			9,734	0.2235
Total Gross Land Area			9,734	0.2235

Improvement Details

Rentable Area SF 21,233
 Construction Status Completed
 Year Built 1900
 Year Renovated 2001
 Investment Class Class B
 Construction Class C
 Condition Good
 Number Of Buildings 1

Sale Information

Sale Status Closed
 Sale Date 10/13/2020
 Sale Price \$540,000
 Grantor (Seller) Kachinske Property LLC
 Grantee (Buyer) Shadowrock Piter LLC
 Property Rights Fee Simple
 Document Type Document
 Recording Number 53742114
 Effective Sales Price \$540,000.00
 Price Per SF NRA \$25.43
 Price Per Land SF (Gross) \$55.48
 Price Per Acre (Gross) \$2,416,107.38

Comments

The sale transaction is for commercial condo Unit 100, located on the first floor and consisting of 2,390 square feet.

8-10 Letitia Street Philadelphia, PA



Property Features:

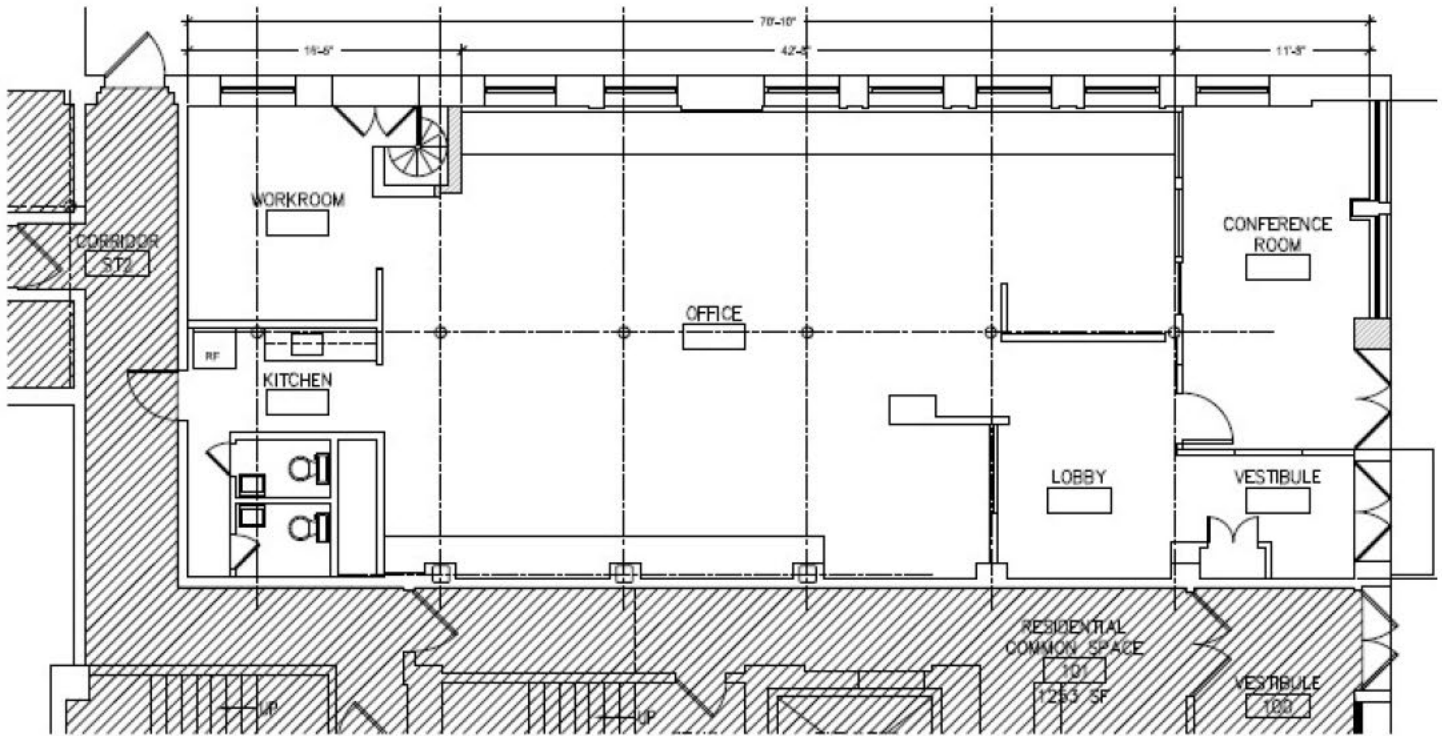
- ✔ Approximately 2,009 SF 1st floor commercial condo with full lower level
- ✔ Unique opportunity to own in Old City
- ✔ Reception, conference room, 1 glass-walled office, kitchenette, 2 bathrooms and open work area
- ✔ High ceilings, oversized industrial windows, pendant lighting, wood floors and open layout create an attractive and efficient space which caters to current office trends
- ✔ Tenant in place through 4/30/20; paying strong NNN rent
- ✔ Tremendous Old City location; walkable to public parking, public transportation, restaurants, bars, boutiques, galleries and entertainment
- ✔ Easy access to I-95 and the Ben Franklin Bridge
- ✔ Asking \$599,000

Exclusively Listed by The Flynn Company:

Brendan Flynn
 215-561-6565 x152
 bflynn@flynnco.com

Michael Gallagher
 215-561-6565 x151
 mgallagher@flynnco.com

**The
 Flynn
 Company**



Brendan Flynn
 215-561-6565 x152
 bflynn@flynnco.com

Michael Gallagher
 215-561-6565 x151
 mgallagher@flynnco.com

Commercial Real Estate
 Leasing and Sales
 Accounting
 Property Management
 Construction
 Advisory Services

The Flynn Company

1621 Wood Street, Philadelphia PA, 19103 | www.flynnco.com
 in The Flynn Company @flynncompany @FlynnCompany

ADDENDA

Lease Comparables



Retail Lease Summary



Location & Property Info

Property Name	232 Arch Street
Property Type	Retail
Sub Type	Other
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia - Greater
Address	232 Arch Street, Philadelphia, PA 19106
County	Philadelphia
Country	USA
Latitude	39.95193000
Longitude	-75.14443000
MSA	Philadelphia-Camden-Wilmington-PA-NJ-DE 871058700
Legal/Tax/Parcel ID	
Market Orientation	CBD
Event ID	921335



Site Details

Source Of Land Info	Public Records
Zoning Designation	CMX3
Zoning Description	Community Commercial Mixed Use
Flood Insurance Required	No
Site Shape	Irregular
Site Topography	Level
Flood Zone Designation	X
Traffic Control At Entry	None
Traffic Flow	Moderate

Utilities	• Electricity
	• Gas
	• Sewer
	• Water
Frontage Feet	18
Corner Lot	No
Accessibility Rating	Above Average
Visibility Rating	Good

Land Parcels

IMPORTED GROUP 1

ROW NUMBER	ASSOCIATED APN(S)	CLASSIFICATION	LAND AREA (SF)	LAND AREA (ACRES)
1	871058700	Gross Land Area	918	0.0211
Total Gross Land Area			918	0.0211
Total Gross Land Area			918	0.0211

Lease Availability Information

Survey Date 10/29/2021

Improvement Details

Rentable Area SF	3,206
Construction Status	Completed
Year Built	1800
Investment Class	Class B
Construction Class	C
Condition	Good
Number Of Buildings	1
Exterior Walls	Brick
Number Of Stories/Floors	4.00

Lease Summary

START DATE	TERM	SPACE TYPE	LESSEE	LESSEE TYPE	LEASE SF	ALTERNATE SF	EFF. RATE	RENT MEASURE	BASE ESC. TYPE	REIMB. METHOD	TI \$/SF
11/1/2021	60	Restaurant	Olea BYOB LLC	Local	900		\$29.05	\$/SF/Yr		Triple Net	

Specific Lease Details: Olea BYOB LLC

Description of Premises

Rentable Area	900
Full Building Lease	No
Space Type	Restaurant

Lease Details

Lease Status	Signed Lease
Lease Signed Date	10/29/2021
Lease Start/Available Date	11/1/2021
Lease Expiration Date	10/31/2026
Term Of Lease (Months)	60
Lessee	Olea BYOB LLC

Lessee Type

Local

Rates & Measures

Measure	\$/SF/Yr
Face Rental Rate	\$29.05
Effective Rental Rate	\$29.05
Lease Reimbursement Method	Triple Net

Multifamily Lease Summary



Location & Property Info

Property Name	229 Market Street
Property Type	Multifamily
Sub Type	Walk-Up
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia - Greater
Address	229 Market Street, Philadelphia, PA 19106
County	Philadelphia
Country	USA
Latitude	39.95026900
Longitude	-75.14471400
MSA	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD 871006800
Legal/Tax/Parcel ID	
Market Orientation	Urban
Verification Type	Confirmed-Buyer
Event ID	940750



Site Details

Source Of Land Info	Public Records
Usable/Gross Ratio	1.00
Zoning Designation	CMX-3

Land Parcels

IMPORTED GROUP 1				
ROW NUMBER	ASSOCIATED APN(S)	CLASSIFICATION	LAND AREA (SF)	LAND AREA (ACRES)
1		Usable Land Area	1,021	0.0234
Total Gross Land Area			1,021	0.0234
Total Gross Land Area			1,021	0.0234
Total Usable Land Area			1,021	0.0234

Lease Availability Information

Survey Date	9/13/2020
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Improvement Details

Rentable Area SF	3,854
Gross Building Area	3,854
Demised Unit Of Comparison	Demised Units

Number Of Demised Units	4
Average Unit Size (SF)	963
Year Built	1900
Investment Class	Not Applicable
Condition	Good
Construction Type	Masonry
Construction Quality	Good
Land To Building Ratio	0.26

Lease Summary

START DATE	TERM	SPACE TYPE	LESSEE	LESSEE TYPE	LEASE SF	ALTERNATE SF	EFF. RATE	RENT MEASURE	BASE ESC. TYPE	REIMB. METHOD	TI \$/SF
9/13/2020	60	Restaurant	The Angelo Pizza	Local	1,000			\$/SF/Yr		Triple Net	

Comments

3 apartment units, 1 commercial unit

Specific Lease Details: The Angelo Pizza

Description of Premises

Rentable Area	1,000
Full Building Lease	No
Space Type	Restaurant

Lease Details

Lease Status	Signed Lease
Lease Signed Date	8/8/2020
Lease Start/Available Date	9/13/2020
Term Of Lease (Months)	60
Lessee	The Angelo Pizza
Lessee Type	Local

Rates & Measures

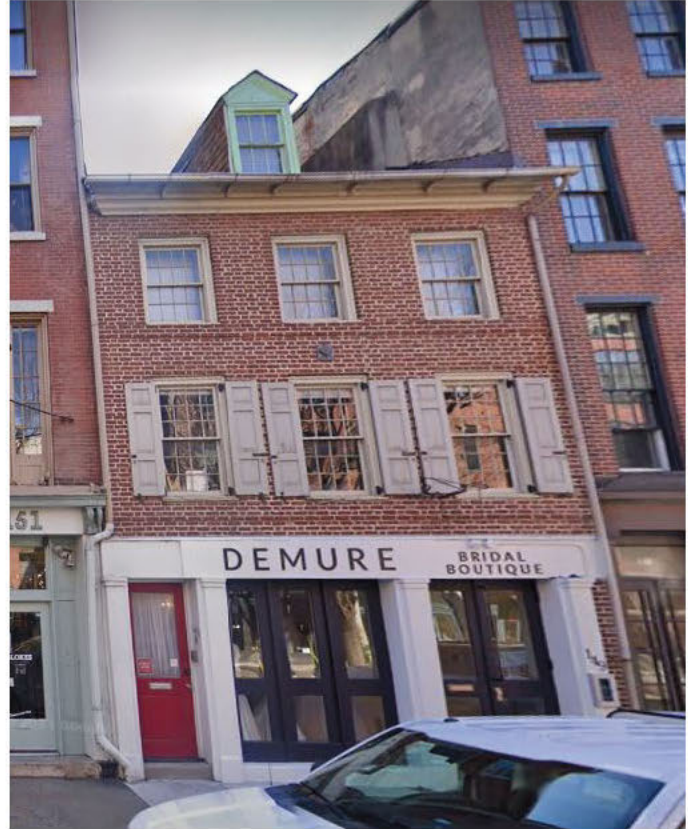
Measure	\$/SF/Yr
Face Rental Rate	\$25.20
Lease Reimbursement Method	Triple Net

Retail Lease Summary



Location & Property Info

Property Type	Retail
Sub Type	Other
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia - Greater
Address	149 North 3rd Street, Philadelphia, PA 19106
County	Philadelphia
Country	USA
Latitude	39.95358000
Longitude	-75.14473000
MSA	Philadelphia-Camden- Wilmington-PA-NJ-DE 871003350
Legal/Tax/Parcel ID	
Market Orientation	CBD
Event ID	940765



Lease Availability Information

Survey Date	8/4/2022
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Lease Summary

START DATE	TERM	SPACE TYPE	LESSEE	LESSEE TYPE	LEASE SF	ALTERNATE SF	EFF. RATE	RENT MEASURE	BASE ESC. TYPE	REIMB. METHOD	TI \$/SF
9/3/2022	144	Retail		Local	1,500			\$/SF/Yr		Triple Net	

Specific Lease Details: Signed Lease

Description of Premises

Rentable Area	1,500
Full Building Lease	No
Space Type	Retail

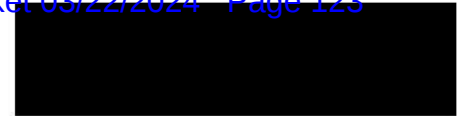
Lease Details

Lease Status	Signed Lease
Lease Signed Date	8/4/2022
Lease Start/Available Date	9/3/2022
Term Of Lease (Months)	144
Lessee Type	Local

Rates & Measures

Measure	\$/SF/yr
Face Rental Rate	\$23.16
Lease Reimbursement Method	Triple Net

Retail Lease Summary



Location & Property Info

Property Type	Retail
Sub Type	Other
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia - Greater
Address	219 Church Street, Philadelphia, PA 19106
County	Philadelphia
Country	USA
Latitude	39.95078500
Longitude	-75.14478000
MSA	Philadelphia-Camden-Wilmington-PA-NJ-DE 871003350
Legal/Tax/Parcel ID	
Market Orientation	CBD
Event ID	940770



Lease Availability Information

Survey Date 8/7/2021

Lease Summary

START DATE	TERM	SPACE TYPE	LESSEE	LESSEE TYPE	LEASE SF	ALTERNATE SF	EFF. RATE	RENT MEASURE	BASE ESC. TYPE	REIMB. METHOD	TI \$/SF
8/7/2021	120	Retail	Garrett John Styling	Local	765			\$/SF/Yr		Triple Net	

Specific Lease Details: Garrett John Styling

Description of Premises

Rentable Area	765
Full Building Lease	No
Space Type	Retail

Lease Details

Lease Status	Signed Lease
Lease Start/Available Date	8/7/2021
Term Of Lease (Months)	120
Lessee	Garrett John Styling
Lessee Type	Local

Rates & Measures

Measure	\$/SF/Yr
Face Rental Rate	\$27.45

Lease Reimbursement Method

Triple Net

Multifamily Lease Summary



Location & Property Info

Property Name	Trotter's Alley
Property Type	Multifamily
Sub Type	Mid/High Rise
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia - Greater
Address	30-34 S. 2nd Street , Philadelphia, PA 19106
County	Philadelphia
Country	USA
MSA	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metropolitan Statistical Area Urban
Market Orientation	
Event ID	940778



Site Details

Source Of Land Info	Other
Site Topography	Level
Utilities	<ul style="list-style-type: none"> • Electricity • Water
Frontage Street Name	2nd Street Trotter's Alley

Land Parcels

IMPORTED GROUP 1				
ROW NUMBER	ASSOCIATED APN(S)	CLASSIFICATION	LAND AREA (SF)	LAND AREA (ACRES)
1		Gross Land Area	6,600	0.1515
Total Gross Land Area			6,600	0.1515
Total Gross Land Area			6,600	0.1515

Lease Availability Information

Survey Date	5/13/2021
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Improvement Details

Rentable Area SF	29,166
Gross Building Area	29,166
Number Of Demised Units	25
Average Unit Size (SF)	1,166
Construction Status	TBD
Construction Purpose	TBD

Year Built	1888
Year Renovated	1985
Condition	Average
Construction Description	Masonry Loft
Number Of Stories/Floors	6.00
HVAC Comments	Heat: Electrical-HP Roof: Flat
Land To Building Ratio	0.23
Property Amenities Description	Dishwasher; Range-Refrig.; Washer/Dryer In Unit

Unit Mix

UNIT DESCRIPTION	BR	BA	UNITS	UNIT SF	TOTAL SF	% OF UNITS	VACANT UNITS	BASE RENT	TOTAL RENT	BASE RENT PER SF	COMMENTS
Total/Average			0.00		0.00		0.00		\$0.00		

Lease Summary

START DATE	TERM	SPACE TYPE	LESSEE	LESSEE TYPE	LEASE SF	ALTERNATE SF	EFF. RATE	RENT MEASURE	BASE ESC. TYPE	REIMB. METHOD	TI \$/SF
7/11/2021	12	Retail	Axiom Contemporary Gallery	Local	939			\$/SF/Yr		Triple Net	

Specific Lease Details: Axiom Contemporary Gallery

Description of Premises

Rentable Area	939
Full Building Lease	No
Space Type	Retail

Lease Details

Lease Status	Signed Lease
Lease Signed Date	5/13/2021
Lease Start/Available Date	7/11/2021
Term Of Lease (Months)	12
Lessee	Axiom Contemporary Gallery
Lessee Type	Local

Rates & Measures

Measure	\$/SF/Yr
Face Rental Rate	\$25.56
Lease Reimbursement Method	Triple Net

ADDENDA

Addendum E

Appraiser Qualifications and Licenses



██████████ MAI, CRE, MRICS is a Senior Managing Director at ██████████ ██████████, and Market Co-Leader for Pennsylvania, West Virginia and southern New Jersey.

Michael brings to his position more than 29 years of valuation and advisory experience. He has performed valuations, consulting, and market studies on a wide variety of property types, including shopping centers, office properties, multifamily communities, development sites, and special-purpose properties such as college campuses, museums, places of worship, and sports facilities. These properties include proposed, partially completed, renovated and existing structures. Michael has performed valuations for condemnation purposes, title issues, matrimonial, estate planning, arbitration, lease negotiations, tax assessment appeals, financing, equity participation and due diligence support. His clients have included life insurance companies, banks and financial institutions, developers and investors, law firms, businesses, quasi government and government agencies.

He joined ██████████ from Integra Realty Resources in 2017.

Quotes from Publications

- “Big Sale of Land between Old City and NoLibs Offers Chance to Make a Mark,” *Philadelphia Inquirer* (February 21, 2017)
- “Office Tower Planned at Long-Empty lot near Philadelphia City Hall,” *Philadelphia Inquirer* (December 19, 2016)
- “Canada Job Searches Soar while Many Business Leaders are Cautious about Trump Victory,” *Philadelphia Inquirer* (November 9, 2016)
- “Real Estate Bubble? Prices Rising Faster than Rents,” *Philadelphia Inquirer* (January 19, 2015)
- “In Camden, Development Projects Kindle Hope,” *The New York Times* (December 9, 2014)
- “Planned Comcast Tech Center Raises Sights in Philadelphia,” *The New York Times* (January 28, 2014)
- “Philadelphia Schools See Cash in Old Classrooms,” *The New York Times* (November 12, 2013)

Professional Affiliations

- Appraisal Institute Philadelphia Metro Chapter:
 - President, 2011
 - Vice president, 2010
 - Treasurer, 2009
 - Education chair, 2007 – 2009
 - Secretary, 2008
- Counselors of Real Estate – Delaware Valley Chapter
 - Chair, 2017

YEARS OF
EXPERIENCE

29+

AREAS OF
SPECIALTY

Valuation & Advisory



Licenses and Designations

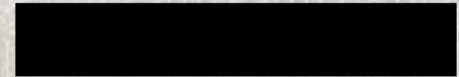
- MAI designation, Appraisal Institute
- CRE designation, the Counselors of Real Estate
- Member, Royal Institution of Chartered Surveyors (MRICS)
- Certified general real estate appraiser, Commonwealth of Pennsylvania and State of New Jersey
- Licensed real estate broker, Commonwealth of Pennsylvania

Education

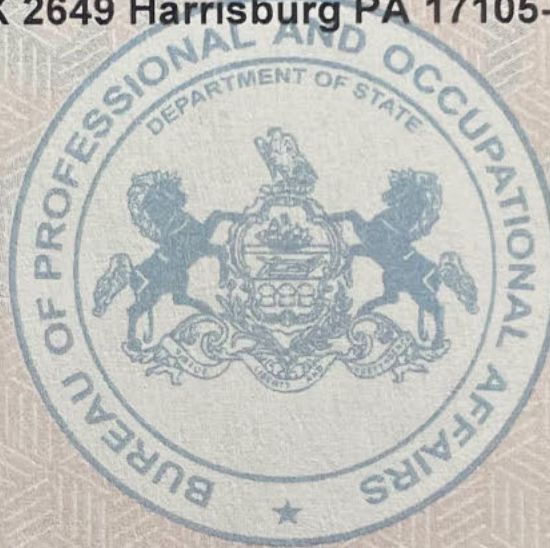
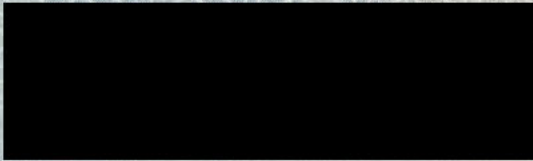
Michael earned a Bachelor of Business Administration degree in real estate from the Pennsylvania State University. He has also successfully completed numerous real estate and valuation courses and seminars sponsored by the Appraisal Institute, accredited universities and others.

DISPLAY THIS CERTIFICATE PROMINENTLY • NOTIFY AGENCY WITHIN 10 DAYS OF ANY CHANGE

Commonwealth of Pennsylvania
Department of State
Bureau of Professional and Occupational Affairs
PO BOX 2649 Harrisburg PA 17105-2649



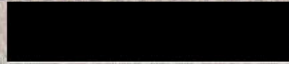
License Type
Certified General Appraiser



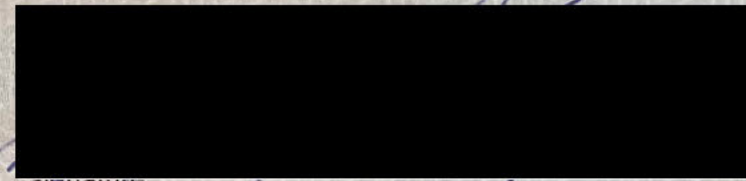
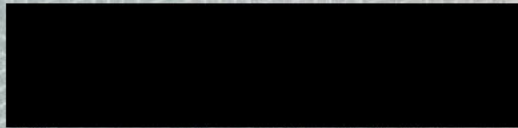
License Status
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Initial License Date
09/04/1996

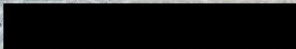
License Number



Expiration Date
06/30/2025



Acting Commissioner



Signature

DISPLAY THIS CERTIFICATE PROMINENTLY • NOTIFY AGENCY WITHIN 10 DAYS OF ANY CHANGE

Commonwealth of Pennsylvania
Department of State
Bureau of Professional and Occupational Affairs
PO BOX 2649 Harrisburg PA 17105-2649



License Type
Certified General Appraiser



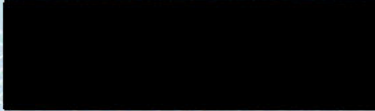
License Status
Active

Initial License Date
03/03/2022

License Number



Expiration Date
06/30/2025



Acting Commissioner



Signature

ALTERATION OF THIS DOCUMENT IS A CRIMINAL OFFENSE UNDER 18 PA.C.S. § 4911

Exhibit B

*Agreement of Sale
Dated February 28, 2024*

PURCHASE AND SALE AGREEMENT

Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase the Property from Seller, in accordance with the terms of this Purchase and Sale Agreement (“**Agreement**”). This Agreement is effective as of the date the Seller signs this Agreement (“**Effective Date**”).

1. KEY TERMS.

A. Seller: Ryan Stumphauzer, Court Appointed Receiver
phone No.: (call counsel to Receiver) email address: c/o tmh@pietragallo.com
& gja@pietragallo.com
mailing address: c/o Stumphauzer Kolaya Nadler & Sloman, PLLC, One Biscayne Tower, 2 South Biscayne Boulevard, Suite 1600, Miami, FL 33131

B. Buyer: [REDACTED] or "an assignee"
phone No.: [REDACTED] email address: [REDACTED]
mailing address: [REDACTED]

DS 3/18/2024
RKS

C. Purchase Price: \$ 175,525 (which equals Buyer’s offer price of \$ \$175,000 plus a Transaction Fee of \$ \$525.00 *CASH OFFER*

D. Earnest Money Deposit: \$ _____ (if blank, then 10% of the Purchase Price, but no less than \$50,000).

E. Property: Address: 142 N 2nd St #1A, Philadelphia, PA 19106 as legally described on Exhibit A, including all permanent improvements thereon (but excluding any personal property unless specifically identified by addendum or amendment to this Agreement).

DS 3/18/2024
RKS

F. Closing Date: 04/02/2024, (if blank, then (i) 30 calendar days after the Effective Date). If the Closing Date falls on a weekend or a state or federally recognized holiday, the Closing Date shall be the next business day.

G. Closing Agent: Land Services USA contact Jennifer Upton address: _____
920 Germantown Pike Suite 201 Plymouth Meeting, PA 19462
phone number: 215-309-7257 email address: JUpton@lsutitle.com

DS

H. Title Insurance Company: Land Services USA, title insurance agent for buyer _____, and the Title Company designated by Receiver.

I. Closing Cost Allocations: As described in the Section below entitled “Closing Cost Allocations”.

2. **EARNEST MONEY DEPOSIT.** Buyer must deposit the Earnest Money Deposit with Closing Agent on or before 5:00 p.m. in the time zone where the Property is located on the first business day after Seller countersigns this Agreement. The Earnest Money Deposit is non-refundable except as set forth in this Agreement, and may be applied towards the amounts payable

by Buyer under this Agreement. The escrow (“Escrow”) for the purchase of the Property shall be opened upon Closing Agent’s receipt of the Earnest Money Deposit and a fully-signed copy of this Agreement.

3. CLOSING. The transactions contemplated by this Agreement shall be consummated (“Close” or “Closing”) on or before the Closing Date.

4. CLOSING DELIVERIES.

(a) Seller’s Deliveries. On or before the Closing Date, Seller shall deliver the following to Closing Agent (“**Seller’s Deliveries**”):

(i) The transfer deed providing a receiver’s limited warranty against title defects arising by, through or under Seller (in the form customarily used for similar transactions involving a court-appointed receiver) (“**Deed**”) signed by Seller and acknowledged in accordance with the laws of the state in which the Property is located. NOTE: The Title Insurance Company reserves the right to insure over encumbrances that may appear of record but which in the commercially reasonable opinion of the Title Insurance Company remain of record due to a failure on the part of previous title companies and/or closing agents, to effect the recording of appropriate terminations and/or satisfactions.

(ii) A counterpart of the “Settlement Statement” (defined below) signed by Seller.

(iii) A counterpart of the assignment and assumption of leases and contracts substantially in the form attached as Exhibit B (“**Assignment of Leases and Contracts**”) signed by Seller.

(iv) Any and all other instruments reasonably required by Closing Agent or otherwise necessary to Close the transactions contemplated by this Agreement.

(b) Buyer’s Deliveries. On or before the Closing Date, Buyer shall deliver the following to Closing Agent (“**Buyer’s Deliveries**”):

(i) An amount in immediately available “good funds” equal to the Purchase Price (less the Earnest Money Deposit already deposited with Closing Agent), plus Buyer’s share of closing costs, prorations and expenses as set forth in this Agreement.

(ii) A counterpart of the Settlement Statement signed by Buyer.

(iii) A counterpart of the Assignment of Leases and Contracts signed by Buyer.

(iv) Any and all other instruments reasonably required by Closing Agent or otherwise necessary to Close the transactions contemplated by this Agreement.

5. CONDITIONS PRECEDENT TO CLOSING.

(a) Seller's Conditions. Seller's obligation to Close is conditioned upon the following:

(i) All representations and warranties of Buyer in this Agreement shall have been true in all material respects as of the Effective Date.

(ii) Buyer shall have performed in all material respects all covenants and obligations required to be performed by Buyer on or before the Closing Date.

(iii) Seller shall have received approval of the United States District Court for the Southern District of Florida, Case No. 20-CV-81205-RAR for the Closing pursuant to the terms of this Agreement ("**Court Approval**"). In the event that Court Approval is not received by Seller within thirty (30) days of the Effective Date, despite Seller's commercially reasonable efforts, Seller may elect in Seller's sole and absolute discretion, to terminate this Agreement by providing written notice to Buyer of Seller's election, whereupon this Agreement and all of the parties' rights and obligations hereunder shall forever terminate and this Agreement shall be of no further force or effect.

(b) Buyer's Conditions. Buyer's obligation to Close is conditioned upon the following:

(i) All representations and warranties of Seller in this Agreement have been true in all material respects as of the Effective Date.

(ii) Seller shall have performed in all material respects all covenants and obligations required to be performed by Seller on or before the Closing Date.

(iii) Title Insurance Company is irrevocably committed to issue to Buyer an owner's title insurance policy covering the Property with standard coverage customary in the state where the Property is located, showing liability in the amount of the Purchase Price and showing insurable title to the Property vested in Buyer, subject only to the following: (a) Title Insurance Company's standard exceptions; (b) liens for all current general and special real property taxes and assessments not yet due and payable; (c) liens of supplemental taxes, if any assessed; (d) any facts not shown by public records that an accurate survey and/or a personal inspection of the Property would have disclosed; (e) the mortgage/deed of trust/deed to secure debt lien in connection with any Buyer financing; (f) any laws, regulations, or ordinances regarding the use, occupancy, subdivision, or improvement of the Property, or the effect of any non-compliance with or any violation thereof; (g) rights of existing tenants and/or occupants of the Property, if any; (h) covenants, restrictions, easements, and other matters that do not materially impair the value or use of the Property; (i) non-monetary encumbrances disclosed to Buyer in writing prior to entering into this Agreement; and (j) any other matter for which Title Insurance Company agrees to provide insurance at no additional cost to Buyer.

(c) Duty to Cooperate in Good Faith to Resolve. Despite anything to the contrary in this Section, if either party learns that a closing condition is unlikely to be satisfied, such party

shall promptly notify the other party, and both parties shall cooperate in good faith to fairly and promptly resolve the matter, and the party whose closing condition was not satisfied shall not be relieved of its obligation to Close unless (i) the other party fails to cooperate in good faith, (ii) fair and prompt resolution is not reached after the parties have cooperated in good faith, or (iii) fair and prompt resolution of the matter on or before the Closing Date would be impracticable.

(d) Waiver of Conditions. Either party may waive its respective closing conditions in its sole discretion. By proceeding to Closing, each party waives its respective closing conditions and irrevocably releases the other party from any liability arising from any facts known by such waiving party that would otherwise have resulted in a failure of a closing condition.

6. CLOSING INSTRUCTIONS TO CLOSING AGENT. At Closing, Closing Agent is irrevocably instructed to do the following:

(a) Record the Deed.

(b) Pay all fees, costs, deed and transfer taxes for the sale of the Property which are required to be paid by Seller and Buyer under this Agreement, the portion of any fees charged by Closing Agent which are payable by Seller and Buyer (if any) and other expenses relating to the sale of the Property which are required to be paid by Seller and Buyer.

(c) Pay to Seller the balance of the Purchase Price and any other funds remaining after Closing.

7. COSTS AND PRORATIONS.

(a) Pre-Closing Costs. Buyer and Seller acknowledge that Closing Agent may incur certain costs while processing this transaction which must be paid prior to Closing. Closing Agent is authorized and instructed to release funds for payment of such costs prior to Closing from funds deposited into Escrow by Buyer. Such funds are not refundable and Closing Agent is released from any liability for payment of any such funds pre-released through the Escrow. Closing Agent is authorized to charge the appropriate party for costs incurred, or credit the appropriate party for credits, as applicable at Closing or upon termination of this Agreement.

(b) Prorations. The following shall be prorated as of the date of Closing, in each case based on the number of calendar days in the applicable period and in accordance with local customs: (i) all real property taxes, assessments, utilities and other operating expenses customarily apportioned in similar situations ("**Property Expenses**"), and (ii) all rents and other income actually received and customarily apportioned in similar situations ("**Property Income**"). Despite anything to the contrary in this Agreement, insurance premiums will not be prorated, and Seller may cancel any existing insurance on the Property after Closing. If either party receives Property Income or a refund of Property Expenses attributable, in whole or in part, to the other party's period of ownership, the party that received such Property Income or refund shall immediately submit to the other party the portion attributable to such other party's period of ownership. Except as set forth in this Agreement, Seller shall not be responsible for any Property Expenses accruing after Closing. This paragraph shall survive Closing indefinitely.

(c) Closing Costs. Seller and Buyer shall pay closing costs as described in the Closing Cost Allocations (and Closing Agent is authorized to (i) pay Seller's costs from Seller's proceeds, and (ii) pay Buyer's costs from funds deposited into Escrow by Buyer).

(d) Settlement Statement. On or before the third business day prior to Closing, Closing Agent shall prepare and deliver to Seller and Buyer a settlement statement setting forth the prorations and cost allocations set forth in this Agreement ("**Settlement Statement**").

8. TERMINATION AND CANCELLATION OF ESCROW.

(a) Termination Resulting from Breach. If Closing does not or cannot occur on or before the Closing Date due to a breach of this Agreement by Buyer or Seller, then the non-breaching party may terminate this Agreement and cancel the Escrow by written notice to the breaching party and Closing Agent. If Buyer fails to timely deposit the Earnest Money Deposit, then Seller may immediately terminate this Agreement by written notice to Buyer. Upon any such termination and/or cancellation, the breaching party shall pay any cancellation fees of Closing Agent and Title Insurance Company. If Seller is the breaching party, Closing Agent shall return the Earnest Money Deposit to Buyer, and Buyer shall be entitled to pursue remedies at law or in equity. If Buyer is the breaching party, then the following shall apply:

BUYER AND SELLER AGREE THAT IT WOULD BE EXTREMELY DIFFICULT TO DETERMINE SELLER'S ACTUAL DAMAGES RESULTING FROM A BREACH BY BUYER. IN THE EVENT OF A BREACH BY BUYER, SELLER SHALL BE ENTITLED TO AN AMOUNT EQUAL TO THE EARNEST MONEY DEPOSIT AS LIQUATED DAMAGES AND AS SELLER'S EXCLUSIVE REMEDY. BUYER AGREES THAT SUCH AMOUNT IS A REASONABLE PRE-ESTIMATE OF SELLER'S ACTUAL DAMAGES FOR BREACH OF THIS AGREEMENT AND IS NOT A PENALTY. IF CLOSING AGENT IS IN POSSESSION OF THE EARNEST MONEY DEPOSIT, THEN CLOSING AGENT SHALL DELIVER THE EARNEST MONEY DEPOSIT TO SELLER. DESPITE THE FOREGOING, IF APPLICABLE LAW LIMITS THE AMOUNT OF THE LIQUIDATED DAMAGES PAYABLE TO SELLER UPON A BREACH BY BUYER, SELLER SHALL ONLY BE ENTITLED TO THE AMOUNT PERMITTED BY LAW, AND ANY EXCESS SHALL BE PROMPTLY RETURNED TO BUYER.

SELLERS INITIALS RKS/ BUYER'S INITIALS / [DS] SP

(b) Costs Upon Termination and Cancellation of Escrow. Except as otherwise set forth in this Section, upon termination of this Agreement and cancellation of Escrow pursuant to this Section, Seller and Buyer shall be jointly responsible for any cancellation fees of Closing Agent and Title Insurance Company, and all other costs incurred in connection with the transactions contemplated by this Agreement (including, without limitation, payments for loan applications, inspections, appraisals, and other reports) shall be the sole responsibility of the party incurring such costs.

(c) Closing Agent Authorization. If Closing Agent receives a written notice from a party to cancel the Escrow in accordance with this Section 8, and Closing Agent can confirm that the other party also received the notice, Closing Agent is authorized to comply with the notice of Closing Agent does not receive a written objection with ten (10) calendar days after such other party has received the notice.

9. BUYER'S REPRESENTATIONS AND WARRANTIES. Buyer represents and warrants to Seller as follows:

(a) Authority. Buyer has the necessary authority to enter into and perform its obligations under this Agreement. If Buyer is an entity, the natural person signing this Agreement on behalf of Buyer represents and warrants that (i) Buyer is duly formed and in good standing and (ii) the natural person signing on behalf of Buyer has the necessary authority to bind Buyer to this Agreement.

(b) Property Condition and Attributes. Prior to entering into this Agreement, Buyer had the opportunity to conduct Buyer's own due diligence and investigations. Except as expressly set forth in this Agreement, Buyer's obligations under this Agreement are not contingent on any further due diligence and/or investigation. Buyer acknowledges that the square footage of the Property (including the square footage of the lot and any improvements thereon) is deemed approximate and not guaranteed. Buyer acknowledges that except as otherwise expressly set forth in this Agreement or in written disclosures to Buyer signed by Seller, (i) Seller does not make, and expressly disclaims, any representation or warranty, express or implied, regarding the Property, and (ii) Buyer acknowledges and agrees that Seller is selling the Property "**As Is, Where Is, With All Faults and Limitations**" and Seller shall have no liability for or any obligation to make any repairs or improvements of any kind to the Property.

(c) Disclosures. Prior to entering into this Agreement, Buyer has received (or, to the extent not received, Buyer irrevocably waives) all disclosure documents required to be provided by or on behalf of Seller or Seller's representatives. Reports furnished by or on behalf of Seller shall be for informational purposes only and are not made part of this Agreement unless required under applicable law.

(d) Sophisticated Buyer. Buyer (i) is a sophisticated purchaser, (ii) is capable of evaluating the merits and risks of purchasing the Property, (iii) understands and is able to bear the economic risks of purchasing the Property, including, without limitation, a total loss of investment and/or the risk that Buyer may be required to hold the Property indefinitely.

(e) No Related Parties. That none of the "Receivership Entities" defined in the action that was filed in the United States District Court for the Southern District of Florida, Case No. 20-CV-81205-RAR, nor any of the equity owners of any of the Receivership Entities, have a direct or indirect ownership interest in the Buyer (collectively, the "Disqualified Parties"). That Buyer is not acting directly or indirectly for or on behalf of any of the Disqualified Parties in connection with the purchase and sale of the Property. This paragraph shall survive the Closing for a period of four (4) years.

10. SELLER'S REPRESENTATIONS AND WARRANTIES. Seller represents and warrants to Buyer as follows:

(a) Authority. Subject to the approval of the United States District Court for the Southern District of Florida, Case No. 20-CV-81205-RAR (which approval shall be a Seller's condition of the Closing as set forth above in Section 5(a)(iii)), Seller has the necessary authority to enter into and perform its obligations under this Agreement.

(b) Leases. Except for the leases (including any amendments) listed in Exhibit C ("Leases"), Seller knows of no other agreement with respect to the occupancy of the Property that will be binding on Buyer after Closing, and to Seller's knowledge, the information on Exhibit C and copies of any Leases delivered by Seller to Buyer are true, correct and complete in all material respects.

(c) No Mechanics' Liens. Except as disclosed in writing to Buyer there are no unsatisfied mechanics' or materialmen's lien rights concerning the Property.

11. SELLER'S COVENANTS.

(a) Possession. At Closing, Seller shall relinquish possession of the Property to Buyer (subject to the Leases) and promptly provide Buyer with all keys, codes and other means of Property access in Seller's possession.

(b) Utilities. Seller shall reasonably cooperate with Buyer prior to Closing to allow Buyer to obtain responsibility for and maintain access to applicable utilities following Closing.

(c) Operation and Maintenance of Property. Prior to Closing, Seller shall maintain, and to the extent within Seller's reasonably control, operate, the Property consistent with past practice.

(d) Leases and Contracts. Prior to Closing, Seller shall not enter into, terminate or amend any Lease or other material agreement with respect to the Property which would encumber or be binding upon the Property from and after Closing, without Buyer's prior written consent, which consent may not be unreasonably withheld, conditioned or delayed.

(e) No Violations. Prior to Closing, Seller shall comply in all material respects with the terms of the Leases and any other material document or agreement affecting the Property consistent with past practice.

12. MISCELLANEOUS.

(a) Survival of Representations and Warranties. Except as otherwise set forth in this Agreement, (i) all representations and warranties of Seller and Buyer in this Agreement shall survive Closing for a period of six months, and (ii) no claim for breach of any representation or warranty in this Agreement may be made more than six (6) months after Closing.

(b) No Assignment or Recording. Buyer may not assign or record all or any part of this Agreement without the express prior written consent of Seller. Despite the foregoing, Buyer

may assign this Agreement to any entity wholly owned, directly or indirectly, by Buyer; provided, however, that, in such event, the undersigned Buyer shall remain liable for the obligation of Buyer under this Agreement, and shall pay all transfer taxes that may be imposed as the result of any such assignment(s).

(c) Casualty and Condemnation. If any material portion of the Property is damaged or taken by eminent domain (or is the subject of a pending taking) prior to Closing, Seller shall notify Buyer promptly after Seller obtains knowledge thereof. Within ten (10) business days after Buyer receives such written notice (if necessary, the Closing Date shall be extended until one (1) business day after the expiration of such period), Buyer may, at its options, either (i) terminate this Agreement, or (ii) proceed to Closing in accordance with this Agreement. Buyer shall be deemed to have waived its right to terminate this Agreement if Buyer does not notify Seller in writing of its election to terminate this Agreement within such period. Buyer shall not be entitled to any insurance proceeds or obtain any rights with respect to any claims Seller may have with regard to insurance maintained by Seller with respect to the Property. In the event of a taking by eminent domain, Seller shall assign to Buyer at Closing all of Seller's right, title and interest in and to all awards, if any, for such taking.

(d) Common Interest Development If the Property is in a common interest development, unless otherwise required by law, Buyer acknowledges that Buyer was provided for review (or, to the extent not provided, Buyer waives any right to review) the declaration of covenants, conditions, restrictions and/or bylaws and other documentation regarding such common interest development and Buyer acknowledges that Buyer has reviewed such documentation to the fullest extent Buyer deems necessary and, by signing this Agreement, Buyer accepts the declaration of covenants, conditions, restrictions and/or bylaws of the common interest community.

(e) Local Requirements. Some counties, cities, municipalities and other state subdivision may require a certificate of occupancy, certificate of use or code compliance certificate and/or inspection ("**Local Requirement**") may be required in order to transfer and/or occupy the Property. If a Local Requirement is required for the Property to be transferred to or occupied by Buyer, Buyer waives such Local Requirements to the extent waivable. To the extent any such Local Requirement is not waivable by Buyer, Buyer shall comply with the Local Requirement at Buyer's sole cost, including, without limitation, the correction of any violations or performance of other work which may be required in connection therewith. Seller makes no representation as to whether a Local Requirement applies. Buyer shall indemnify, defend and hold harmless from and against all fines, penalties, costs, expenses, claims and liabilities arising out of or relating to any Local Requirements. This paragraph shall survive Closing indefinitely.

(f) Counterparts, Electronic Signatures and Complete Agreement. This Agreement and any addenda or other document necessary for Closing of the transactions contemplated by this Agreement may be signed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one document. Facsimile and electronic signatures shall have the same legal effects as original signatures. This Agreement and any addenda or other document necessary for Closing of the transactions contemplated by this Agreement may be accepted, signed or agreed to through the use of an electronic signature in accordance with the Electronic Signatures in Global and National Commerce Act (E-Sign Act) title 15, United States

Code, Sections 7001 *et seq.*, the Uniform Electronic Transaction Act (UETA) and any applicable state law. This Agreement constitutes the entire agreement of Buyer and Seller with respect to the subject matter of this Agreement and supersedes any other instruments purporting to be an agreement of Buyer and Seller relating to that subject matter. No modification of this Agreement will be effective unless it is in writing and signed by both parties.

(g) Severability. If any portion of this Agreement is judicially determined to be invalid or unenforceable, that portion shall be deemed severable from this Agreement and the remainder of this Agreement shall remain in full force and effect and be construed to fulfill the intention of the parties.

(h) Time is of the Essence. Time is of the essence for the performance of each and every covenant under this Agreement and the satisfaction of each and every condition under this Agreement.

(i) Governing Law and Consent to Jurisdiction. THIS PURCHASE AND SALE AGREEMENT IS INTENDED TO TAKE EFFECT AND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA. The parties further each agree that any action, enforcement, suit, motion, determination or interpretation of the intent of or the language of this Agreement herein or any dispute related to the enforcement of its terms, regardless of the nature of such dispute, may be raised and exclusively brought only in the Court of the Receivership that appointed the Court Appointed Receiver as a party herein. The parties do all each agree and consent to make this agreement's exclusive jurisdiction and venue for any dispute resolution of interpretation of its language to be only in the United States District Court for the Southern District of Florida with all parties' consent to the exclusive jurisdiction being with that Court. It is further agreed that service of process in any such suit or any other filig shall be sufficient if made upon any of the parties by mail at the address for that party as specified in this Agreement. The parties further hereby waive any objection that they may now or hereafter have to the venue of any such suit or action of any nature under this Agreement being exclusive in the Court or that such suit if brought in the United States Court for the Southern District of Florida is in an inconvenient or improper court.

(j) Further Assurances. The parties agree to execute such other documents, and to take such other actions as may reasonably be necessary, to further the purposes of this Agreement.

(k) Notices. All notices and other communications contemplated under this Agreement shall be in writing and shall be deemed given and received upon receipt if: (i) delivered personally; or (ii) mailed by registered or certified mail return receipt requested, postage prepaid; (iii) sent by a nationally recognized overnight courier; and/or (iv) sent by email. Notice to Buyer and Seller shall be given as set forth on the first page of this Agreement or to such other address or addresses as may from time to time be designated by either party by written notice to the other.

(l) Prohibited Persons and Transactions. Each party represents and warrants to the other that neither it, or any of its affiliates, nor any of their members, directors or other equity owners (excluding holders of publicly traded shares), and none of their principal officers and employees: (i) is listed as a "specifically designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign in Asset Control

(“OFAC”); (ii) is a person or entity with whom U.S. persons or entities are restricted from doing business under OFAC regulations or any other statute or executive order (including the September 24, 2002 “Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism”); and (iii) is engaged in prohibited dealings or transactions with any such persons or entities.

(m) Brokers. In connection with the transactions contemplated by this Agreement, Seller is represented by Listing Broker identified on the signature page hereto, Buyer is represented by Buyer’s Broker identified on the signature page hereto and Seller and Buyer each represents and warrants that it has not dealt with any other broker,finder or other agent who would be entitled to any fee from Seller or Buyer. Seller and Buyer shall each indemnify and hold harmless the other from and against any claims, losses, costs, damages, liabilities or expense, including reasonable attorneys’ fees, arising in connection with any breach by the indemnifying party of the representations and warranties of this paragraph. This paragraph shall survive Closing indefinitely.

(n) Form of Agreement. Buyer and Seller acknowledge that no representation, recommendation or warranty is made by any broker relating to the legal sufficiency or tax consequences of this Agreement or any attachments hereto, and Buyer and Seller each represent and warrant that it has consulted with, had the opportunity to consult with or waived the right to consult with counsel in connection with this Agreement.

13. CLOSING COST ALLOCATIONS.

Closing Costs (as applicable)	Seller Pays	Buyer Pays	50% Seller/ 50% Buyer
Title Search Fee		X	
Owner’s Title Insurance Policy (Standard Coverage)		X	
Additional Title Coverage or Endorsements Requested by Buyer		X	
Lender’s Title Insurance Policy		X	
Closing Agent Fees			X
State and/or Local Transfer Taxes			X
Credit Reports, Loan Fees, Loan Points, Reports and Inspections Required by Buyer’s Lender, Appraisal Fees, Mortgage Notarization and Recording Fees, and All Other Costs in Connection with Buyer’s Loan		X	
Deed Notarization and Recording Fees		X	
Real Estate Broker/Agent Commissions Due Listing Broker (5%)	X		

Closing Costs (as applicable)	Seller Pays	Buyer Pays	50% Seller/ 50% Buyer
Offered Cooperating Real Estate Broker/Agent Commissions Due Buyer's Broker (2.5%)	X		
Additional Real Estate Broker/Agent Commissions Due Buyer's Broker (if any)		X	
Any Reports and Inspections Requested by Buyer		X	
Seller's Attorney Fees	X		
Buyer's Attorney Fees		X	
All Other Closing Costs		X	

SELLER'S INITIALS RKS

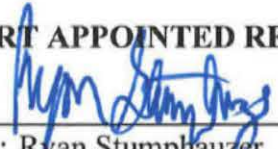
BUYER'S INITIALS / DS

14. STATE-SPECIFIC PROVISIONS. See state-specific rider attached hereto and incorporated herein by reference (if applicable).

(REMAINDER OF PAGE INTENTIONALLY BLANK)

SELLER:

COURT APPOINTED RECEIVER

By: 
Name: Ryan Stumphauer
Title: Court Appointed Receiver

Date: _____, 2023

BUYER:

[NAME]


By: 
Name: 
Title: _____

Date: 2/28/2024, 2023

LISTING BROKER (if any):

Name: 
License No.: 
State: PA

BUYER'S BROKER (if any):

Name: 
License No.: 
State: PA

(Brokers must be licensed in the state where the Property is located)

CLOSING AGENT ACKNOWLEDGEMENT

Closing Agent acknowledges receipt of a copy of this Agreement and the Earnest Money Deposit set forth in Section 1(D) and agrees to act as Closing Agent in accordance with this Agreement.

[NAME]

By: _____
Name: _____

EXHIBIT A

Legal Description of the Property

ALL THAT CERTAIN unit in the property know, named and identified as 142 N 2nd Street Condominium, located in City of Philadelphia, Commonwealth of Pennsylvania, which has heretofore been submitted to the provisions of the Uniform Condominium Act, 68 PA.C.S. 3101 et seq by the recording in the Philadelphia Department of Records of a Declaration dated 7/30/2014 and recorded on 7/31/2014 as Document No. 52811607, being and designated as UNIT NO. 1A together with a proportionate undivided interest in the Common Elements (as defined in such Declaration).

BEING No. 142 North 2nd Street, Unit 1A, 142 N 2nd Street Condominium.

EXHIBIT B

Assignment and Assumption of Leases and Contracts

EXHIBIT C

Leases

1. [REDACTED], Dated 02/01/2022

^{DS}
 

**PENNSYLVANIA RIDER TO
PURCHASE AND SALE AGREEMENT**

STATE-SPECIFIC PROVISIONS.

- A. Zoning Classification: CMX3
- B. Sewage Facilities. In accordance with the Pennsylvania Sewage Facilities Act of January 24, 1996, No. 537 P.L. 1536, as amended, the following statement regarding the availability of a community sewage system is included: the Property ~~_____ IS~~ _____ IS connected to or serviced by a Community Sewage System.
- C. Coal Notice. NOTICE – THIS DOCUMENT MAY NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE TO THE COAL AND RIGHTS OF SUPPORT UNDERNEATH THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL MAY HAVE THE COMPLETE LEGAL RIGHTS TO REMOVE ALL SUCH COAL AND IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND ANY HOUSE, BUILDING OR OTHER STRUCTURE ON OR IN SUCH LAND. THE INCLUSION OF THIS NOTICE DOES NOT ENLARGE, RESTRICT OR MODIFY ANY LEGAL RIGHTS OR ESTATES OTHERWISE CREATED, TRANSFERRED, EXCEPTED OR RESERVED BY THIS INSTRUMENT. (This notice is set forth in the manner provided in Section 1 of the Act of July 17, 1957, P.L. 984, as amended, and is not intended as notice of unrecorded instruments, if any.
- Buyer acknowledges that it may not be obtaining the right of protection against subsidence resulting from coal mining operations and that the Property may be protected from damage due to mine subsidence by a private contract with the owners of the economic interests in the coal. This acknowledgement is made for the purpose of complying with the provisions of Section 14 of the Bituminous Mine Subsidence and the Land Conservation Act of 1966, and Buyer agrees to sign the notice in the deed which will contain the aforesaid provision.
- D. Assignment. In the event this Agreement is assigned by Buyer pursuant to Section 13(b), Buyer shall be responsible for any and all transfer taxes and fees associated with such assignment.

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ADDENDUM/ENDORSEMENT TO AGREEMENT OF SALE

ASA

This form recommended and approved for, but not restricted to use by, the members of the Pennsylvania Association of REALTORS® (PAR).

PROPERTY 142 N 2ND ST #1A, PHILADELPHIA, PA 19106

SELLER Ryan K Stumphauzer, Court Appointed Receiver

BUYER [REDACTED] or "an assignee"

DATE OF AGREEMENT February 28, 2024


-buyer elects a 16 day DUE DILIGENCE PERIOD-(ie. condo doc review, inspection, etc.)--if buyer elects to terminate during the Due Diligence Period all deposits are refundable to buyer.

-The Property is a unit of a condominium that is primarily run by a unit owners' association. Section 3407 of the Uniform Condominium Act of Pennsylvania requires Seller to furnish Buyer with a Certificate of Resale and copies of the condominium declaration (other than plats and plans), the bylaws and the rules and regulations of the association.

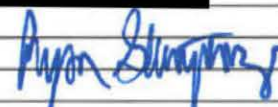
THE FOLLOWING APPLIES TO REALES OF PROPERTIES THAT ARE PART OF A CONDOMINIUM:

1. Within 10 DAYS from the Execution Date of this Agreement, Seller, at Seller's expense, will request from the association a Certificate of Resale and any other documents necessary to enable Seller to comply with the relevant Act. The Act provides that the association is required to provide these documents within 10 days of Seller's request. 2.Seller will promptly deliver to Buyer all documents received from the association. Under the Act, Seller is not liable to Buyer for the failure of the association to provide the Certificate in a timely manner or for any incorrect information provided by the association in the Certificate. 3.The Act provides that Buyer may declare this Agreement VOID at any time before Buyer receives the association documents and for 5 days after receipt, OR until settlement, whichever occurs first. Buyer's notice to Seller must be in writing; upon Buyer declaring this Agreement void, all deposit monies will be returned to Buyer according to the terms of Paragraph 26 of this Agreement.

Notwithstanding the forgoing, the Purchase Agreement is expressly conditioned on Court Approval. Court Approval will not be sought until Buyer (i) waives the due diligence contingency or (ii) fails to terminate the Agreement during the aforesaid 16-day period.

DS

RRS

All other terms and conditions of the Agreement of Sale remain unchanged and in full force and effect.

BUYER	<u>[REDACTED]</u>	<u>[REDACTED] or "an assignee"</u>	DATE	<u>2/28/2024</u>
BUYER	<u>[REDACTED]</u>		DATE	_____
BUYER	<u>[REDACTED]</u>		DATE	_____
SELLER		<u>Ryan K Stumphauzer</u>	DATE	_____
SELLER		<u>Court Appointed Receiver</u>	DATE	_____
SELLER			DATE	_____



SELLER'S PROPERTY DISCLOSURE STATEMENT

SPD

This form recommended and approved for, but not restricted to use by, the members of the Pennsylvania Association of Realtors® (PAR).

1 **PROPERTY 142 N 2nd St. #1A, Philadelphia, PA 19106**

2 **SELLER Ryan K Stumphauzer, Court Appointed Receiver**

3 **INFORMATION REGARDING THE REAL ESTATE SELLER DISCLOSURE LAW**

4 The Real Estate Seller Disclosure Law (68 P.S. §7301, et seq.) requires that before an agreement of sale is signed, the seller in a residential
5 real estate transfer must disclose all known **material defects** about the property being sold that are not readily observable. A **material defect**
6 is a problem with a residential real property or any portion of it that would have a significant adverse impact on the value of the property or
7 that involves an unreasonable risk to people on the property. The fact that a structural element, system or subsystem is at or beyond the end
8 of its normal useful life is not by itself a material defect.

9 This property disclosure statement ("Statement") includes disclosures beyond the basic requirements of the Law and is designed to assist
10 Seller in complying with disclosure requirements and to assist Buyer in evaluating the property being considered. Sellers who wish to see
11 or use the basic disclosure form can find the form on the website of the Pennsylvania State Real Estate Commission. Neither this Statement
12 nor the basic disclosure form limits Seller's obligation to disclose a material defect.

13 This Statement discloses Seller's knowledge of the condition of the Property as of the date signed by Seller and is **not a substitute for any**
14 **inspections or warranties** that Buyer may wish to obtain. **This Statement is not a warranty of any kind by Seller or a warranty or rep-**
15 **resentation by any listing real estate broker, any selling real estate broker, or their licensees.** Buyer is encouraged to address concerns
16 about the condition of the Property that may not be included in this Statement.

17 **The Law provides exceptions (listed below) where a property disclosure statement does not have to be completed. All other sellers**
18 **are obligated to complete a property disclosure statement, even if they do not occupy or have never occupied the Property.**

- 19 1. Transfers by a fiduciary during the administration of a decedent estate, guardianship, conservatorship or trust.
- 20 2. Transfers as a result of a court order.
- 21 3. Transfers to a mortgage lender that results from a buyer's default and subsequent foreclosure sales that result from default.
- 22 4. Transfers from a co-owner to one or more other co-owners.
- 23 5. Transfers made to a spouse or direct descendant.
- 24 6. Transfers between spouses as a result of divorce, legal separation or property settlement.
- 25 7. Transfers by a corporation, partnership or other association to its shareholders, partners or other equity owners as part of a plan of
26 liquidation.
- 27 8. Transfers of a property to be demolished or converted to non-residential use.
- 28 9. Transfers of unimproved real property.
- 29 10. Transfers of new construction that has never been occupied and:
 - 30 a. The buyer has received a one-year warranty covering the construction;
 - 31 b. The building has been inspected for compliance with the applicable building code or, if none, a nationally recognized model
32 building code; and
 - 33 c. A certificate of occupancy or a certificate of code compliance has been issued for the dwelling.

34 **COMMON LAW DUTY TO DISCLOSE**

35 Although the provisions of the Real Estate Seller Disclosure Law exclude some transfers from the requirement of completing a disclo-
36 sure statement, the Law does not excuse the seller's common law duty to disclose any known material defect(s) of the Property in order
37 to avoid fraud, misrepresentation or deceit in the transaction. **This duty continues until the date of settlement.**

38 **EXECUTOR, ADMINISTRATOR, TRUSTEE SIGNATURE BLOCK**

39 According to the provisions of the Real Estate Seller Disclosure Law, the undersigned executor, administrator or trustee is not required
40 to fill out a Seller's Property Disclosure Statement. **The executor, administrator or trustee, must, however, disclose any known**
41 **material defect(s) of the Property.**

Ryan K Stumphauzer

DATE 1/2/24

43 Seller's Initials RKS / _____ Date 1/2/24

SPD Page 1 of 11

Buyer's Initials [Signature] Date 2/28/2024



Agent Exit, Agent Exit Agent Exit PA 19127
Melissa Valenti

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www.lwolf.com

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Commercial Properties

44 Check yes, no, unknown (unk) or not applicable (N/A) for each question. Be sure to check N/A when a question does not apply to the
45 Property. Check unknown when the question does apply to the Property but you are not sure of the answer. All questions must be answered.

46 1. SELLER'S EXPERTISE

- 47 (A) Does Seller possess expertise in contracting, engineering, architecture, environmental assessment or
- 48 other areas related to the construction and conditions of the Property and its improvements?
- 49 (B) Is Seller the landlord for the Property?
- 50 (C) Is Seller a real estate licensee?

	Yes	No	Unk	N/A
A				
B				
C				

51 Explain any "yes" answers in Section 1: _____
52 _____

53 2. OWNERSHIP/OCCUPANCY

- 54 (A) Occupancy
 - 55 1. When was the Property most recently occupied? _____
 - 56 2. By how many people? _____
 - 57 3. Was Seller the most recent occupant?
 - 58 4. If "no," when did Seller most recently occupy the Property? _____
- 59 (B) Role of Individual Completing This Disclosure. Is the individual completing this form:
 - 60 1. The owner
 - 61 2. The executor or administrator
 - 62 3. The trustee
 - 63 4. An individual holding power of attorney
- 64 (C) When was the Property acquired? _____
- 65 (D) List any animals that have lived in the residence(s) or other structures during your ownership: _____
- 66 _____

	Yes	No	Unk	N/A
A1				
A2				
A3				
A4				
B1				
B2				
B3				
B4				
C				

67 Explain Section 2 (if needed): _____
68 _____

69 3. CONDOMINIUMS/PLANNED COMMUNITIES/HOMEOWNERS ASSOCIATIONS

- 70 (A) Disclosures for condominiums and cooperatives are limited to Seller's particular unit(s). Disclosures
- 71 regarding common areas or facilities are not required by the Real Estate Seller Disclosure Law.
- 72 (B) Type. Is the Property part of a(n):
 - 73 1. Condominium
 - 74 2. Homeowners association or planned community
 - 75 3. Cooperative
 - 76 4. Other type of association or community _____
- 77 (C) If "yes," how much are the fees? \$ _____, paid (Monthly)(Quarterly)(Yearly)
- 78 (D) If "yes," are there any community services or systems that the association or community is responsi-
- 79 ble for supporting or maintaining? Explain: _____
- 80 (E) If "yes," provide the following information:
 - 81 1. Community Name _____
 - 82 2. Contact _____
 - 83 3. Mailing Address _____
 - 84 4. Telephone Number _____
- 85 (F) How much is the capital contribution/initiation fee(s)? \$ _____

	Yes	No	Unk	N/A
B1				
B2				
B3				
B4				
C				
D				
E1				
E2				
E3				
E4				
F				

86 **Notice to Buyer:** A buyer of a resale unit in a condominium, cooperative, or planned community must receive a copy of the declaration
87 (other than the plats and plans), the by-laws, the rules or regulations, and a certificate of resale issued by the association, condominium,
88 cooperative, or planned community. Buyers may be responsible for capital contributions, initiation fees or similar one-time fees in addition
89 to regular maintenance fees. The buyer will have the option of canceling the agreement with the return of all deposit monies until the cer-
90 tificate has been provided to the buyer and for five days thereafter or until conveyance, whichever occurs first.

91 4. ROOFS AND ATTIC

- 92 (A) Installation
 - 93 1. When was or were the roof or roofs installed? _____
 - 94 2. Do you have documentation (invoice, work order, warranty, etc.)?
- 95 (B) Repair
 - 96 1. Was the roof or roofs or any portion of it or them replaced or repaired during your ownership?
 - 97 2. If it or they were replaced or repaired, were any existing roofing materials removed?
- 98 (C) Issues
 - 99 1. Has the roof or roofs ever leaked during your ownership?
 - 100 2. Have there been any other leaks or moisture problems in the attic?
 - 101 3. Are you aware of any past or present problems with the roof(s), attic, gutters, flashing or down-
 - 102 spouts?

	Yes	No	Unk	N/A
A1				
A2				
B1				
B2				
C1				
C2				
C3				

103 Seller's Initials RKS / _____ Date 1/2/24 SPD Page 2 of 11 Buyer's Initials [Signature] Date 2/28/2024

104 Check yes, no, unknown (unk) or not applicable (N/A) for each question. Be sure to check N/A when a question does not apply to the
105 Property. Check unknown when the question does apply to the Property but you are not sure of the answer. All questions must be answered.

106 Explain any "yes" answers in Section 4. Include the location and extent of any problem(s) and any repair or remediation efforts,
107 the name of the person or company who did the repairs and the date they were done:
108 _____

109 5. BASEMENTS AND CRAWL SPACES

110 (A) Sump Pump

- 111 1. Does the Property have a sump pit? If "yes," how many? _____ A1
- 112 2. Does the Property have a sump pump? If "yes," how many? _____ A2
- 113 3. If it has a sump pump, has it ever run? _____ A3
- 114 4. If it has a sump pump, is the sump pump in working order? _____ A4

	Yes	No	Unk	N/A
A1				
A2				
A3				
A4				
B1				
B2				
B3				

115 (B) Water Infiltration

- 116 1. Are you aware of any past or present water leakage, accumulation, or dampness within the base-
117 ment or crawl space? B1
- 118 2. Do you know of any repairs or other attempts to control any water or dampness problem in the
119 basement or crawl space? B2
- 120 3. Are the downspouts or gutters connected to a public sewer system? B3

121 Explain any "yes" answers in Section 5. Include the location and extent of any problem(s) and any repair or remediation efforts,
122 the name of the person or company who did the repairs and the date they were done:
123 _____
124 _____

125 6. TERMITES/WOOD-DESTROYING INSECTS, DRYROT, PESTS

126 (A) Status

- 127 1. Are you aware of past or present dryrot, termites/wood-destroying insects or other pests on the
128 Property? A1
- 129 2. Are you aware of any damage caused by dryrot, termites/wood-destroying insects or other pests? A2

	Yes	No	Unk	N/A
A1				
A2				
B1				
B2				

130 (B) Treatment

- 131 1. Is the Property currently under contract by a licensed pest control company? B1
- 132 2. Are you aware of any termite/pest control reports or treatments for the Property? B2

133 Explain any "yes" answers in Section 6. Include the name of any service/treatment provider, if applicable:
134 _____
135 _____

136 7. STRUCTURAL ITEMS

137 (A) Are you aware of any past or present movement, shifting, deterioration, or other problems with walls,
138 foundations, or other structural components? A

139 (B) Are you aware of any past or present problems with driveways, walkways, patios or retaining walls on
140 the Property? B

141 (C) Are you aware of any past or present water infiltration in the house or other structures, other than the
142 roof(s), basement or crawl space(s)? C

143 (D) Stucco and Exterior Synthetic Finishing Systems

- 144 1. Is any part of the Property constructed with stucco or an Exterior Insulating Finishing System
145 (EIFS) such as Dryvit or synthetic stucco, synthetic brick or synthetic stone? D1
- 146 2. If "yes," indicate type(s) and location(s) _____ D2
- 147 3. If "yes," provide date(s) installed _____ D3

148 (E) Are you aware of any fire, storm/weather-related, water, hail or ice damage to the Property? E

149 (F) Are you aware of any defects (including stains) in flooring or floor coverings? F

	Yes	No	Unk	N/A
A				
B				
C				
D1				
D2				
D3				
E				
F				

150 Explain any "yes" answers in Section 7. Include the location and extent of any problem(s) and any repair or remediation efforts,
151 the name of the person or company who did the repairs and the date the work was done:
152 _____

153 8. ADDITIONS/ALTERATIONS

154 (A) Have any additions, structural changes or other alterations (including remodeling) been made to the
155 Property during your ownership? Itemize and date all additions/alterations below.

	Yes	No	Unk	N/A
A				

Addition, structural change or alteration (continued on following page)	Approximate date of work	Were permits obtained? (Yes/No/Unk/NA)	Final inspections/ approvals obtained? (Yes/No/Unk/NA)

161 Seller's Initials RIS Date 1/2/24 SPD Page 3 of 11 Buyer's Initials [Signature] Date 2/28/2024

217 Check yes, no, unknown (unk) or not applicable (N/A) for each question. Be sure to check N/A when a question does not apply to the
218 Property. Check unknown when the question does apply to the Property but you are not sure of the answer. All questions must be answered.

	Yes	No	Unk	N/A
219 (E) Issues				
220 1. Are you aware of any leaks or other problems, past or present, relating to the water supply, 221 pumping system and related items?				
222 2. Have you ever had a problem with your water supply?				

223 Explain any problem(s) with your water supply. Include the location and extent of any problem(s) and any repair or remediation
224 efforts, the name of the person or company who did the repairs and the date the work was done:
225 _____

226 **10. SEWAGE SYSTEM**

	Yes	No	Unk	N/A
227 (A) General				
228 1. Is the Property served by a sewage system (public, private or community)?				
229 2. If "no," is it due to unavailability or permit limitations?				
230 3. When was the sewage system installed (or date of connection, if public)? _____				
231 4. Name of current service provider, if any: _____				

	Yes	No	Unk	N/A
232 (B) Type Is your Property served by:				
233 1. Public				
234 2. Community (non-public)				
235 3. An individual on-lot sewage disposal system				
236 4. Other, explain: _____				

	Yes	No	Unk	N/A
237 (C) Individual On-lot Sewage Disposal System. (check all that apply):				
238 1. Is your sewage system within 100 feet of a well?				
239 2. Is your sewage system subject to a ten-acre permit exemption?				
240 3. Does your sewage system include a holding tank?				
241 4. Does your sewage system include a septic tank?				
242 5. Does your sewage system include a drainfield?				
243 6. Does your sewage system include a sandmound?				
244 7. Does your sewage system include a cesspool?				
245 8. Is your sewage system shared?				
246 9. Is your sewage system any other type? Explain: _____				
247 10. Is your sewage system supported by a backup or alternate system?				

	Yes	No	Unk	N/A
248 (D) Tanks and Service				
249 1. Are there any metal/steel septic tanks on the Property?				
250 2. Are there any cement/concrete septic tanks on the Property?				
251 3. Are there any fiberglass septic tanks on the Property?				
252 4. Are there any other types of septic tanks on the Property? Explain _____				
253 5. Where are the septic tanks located? _____				
254 6. When were the tanks last pumped and by whom? _____				

	Yes	No	Unk	N/A
256 (E) Abandoned Individual On-lot Sewage Disposal Systems and Septic				
257 1. Are you aware of any abandoned septic systems or cesspools on the Property?				
258 2. If "yes," have these systems, tanks or cesspools been closed in accordance with the municipality's 259 ordinance?				

	Yes	No	Unk	N/A
260 (F) Sewage Pumps				
261 1. Are there any sewage pumps located on the Property?				
262 2. If "yes," where are they located? _____				
263 3. What type(s) of pump(s)? _____				
264 4. Are pump(s) in working order?				
265 5. Who is responsible for maintenance of sewage pumps? _____				

	Yes	No	Unk	N/A
267 (G) Issues				
268 1. How often is the on-lot sewage disposal system serviced? _____				
269 2. When was the on-lot sewage disposal system last serviced and by whom? _____				
270 _____				
271 3. Is any waste water piping not connected to the septic/sewer system?				
272 4. Are you aware of any past or present leaks, backups, or other problems relating to the sewage 273 system and related items?				

274 Seller's Initials RIS Date 1/2/24 SPD Page 5 of 11 Buyer's Initials [Signature] Date 2/28/2024

275 Check yes, no, unknown (unk) or not applicable (N/A) for each question. Be sure to check N/A when a question does not apply to the
276 Property. Check unknown when the question does apply to the Property but you are not sure of the answer. All questions must be answered.

277 Explain any "yes" answers in Section 10. Include the location and extent of any problem(s) and any repair or remediation ef-
278 forts, the name of the person or company who did the repairs and the date the work was done:
279 _____

280 11. PLUMBING SYSTEM

281 (A) Material(s). Are the plumbing materials (check all that apply):

- 282 1. Copper
- 283 2. Galvanized
- 284 3. Lead
- 285 4. P \square C
- 286 5. Polybutylene pipe (PB)
- 287 6. Cross-linked polyethylene (PE \square)
- 288 7. Other _____

	Yes	No	Unk	N/A
A1				
A2				
A3				
A4				
A5				
A6				
A7				
B				

289 (B) Are you aware of any past or present problems with any of your plumbing fixtures (e.g., including but
290 not limited to: kitchen, laundry, or bathroom fixtures; wet bars; exterior faucets; etc.)?

291 If "yes," explain: _____
292 _____

293 12. DOMESTIC WATER HEATING

294 (A) Type(s). Is your water heating (check all that apply):

- 295 1. Electric
- 296 2. Natural gas
- 297 3. Fuel oil
- 298 4. Propane
- 299 If "yes," is the tank owned by Seller?
- 300 5. Solar
- 301 If "yes," is the system owned by Seller?
- 302 6. Geothermal
- 303 7. Other _____

	Yes	No	Unk	N/A
A1				
A2				
A3				
A4				
A5				
A6				
A7				
B1				
B2				
B3				
C				

- 304 (B) System(s)
- 305 1. How many water heaters are there? _____
- 306 Tanks _____ Tankless _____
- 307 2. When were they installed? _____
- 308 3. Is your water heater a summer/winter hook-up (integral system, hot water from the boiler, etc.)?
- 309 (C) Are you aware of any problems with any water heater or related equipment?
- 310 If "yes," explain: _____
- 311 _____

312 13. HEATING SYSTEM

313 (A) Fuel Type(s). Is your heating source (check all that apply):

- 314 1. Electric
- 315 2. Natural gas
- 316 3. Fuel oil
- 317 4. Propane
- 318 If "yes," is the tank owned by Seller?
- 319 5. Geothermal
- 320 6. Coal
- 321 7. Wood
- 322 8. Solar shingles or panels
- 323 If "yes," is the system owned by Seller?
- 324 9. Other: _____

	Yes	No	Unk	N/A
A1				
A2				
A3				
A4				
A5				
A6				
A7				
A8				
A9				
B1				
B2				
B3				
B4				
B5				
B6				
B7				

325 (B) System Type(s) (check all that apply):

- 326 1. Forced hot air
- 327 2. Hot water
- 328 3. Heat pump
- 329 4. Electric baseboard
- 330 5. Steam
- 331 6. Radiant flooring
- 332 7. Radiant ceiling

333 Seller's Initials RS Date 1/2/24 SPD Page 6 of 11 Buyer's Initials DS Date 2/28/2024

334 Check yes, no, unknown (unk) or not applicable (N/A) for each question. Be sure to check N/A when a question does not apply to the
335 Property. Check unknown when the question does apply to the Property but you are not sure of the answer. All questions must be answered.

		Yes	No	Unk	N/A
336	8. Pellet stove(s)				
337	How many and location? _____				
338	9. Wood stove(s)				
339	How many and location? _____				
340	10. Coal stove(s)				
341	How many and location? _____				
342	11. Wall-mounted split system(s)				
343	How many and location? _____				
344	12. Other: _____				
345	13. If multiple systems, provide locations _____				
346	_____				
347	(C) Status				
348	1. Are there any areas of the house that are not heated?				
349	If "yes," explain: _____				
350	2. How many heating zones are in the Property? _____				
351	3. When was each heating system(s) or zone installed? _____				
352	4. When was the heating system(s) last serviced? _____				
353	5. Is there an additional and/or backup heating system? If "yes," explain: _____				
354	_____				
355	6. Is any part of the heating system subject to a lease, financing or other agreement?				
356	If "yes," explain: _____				
357	(D) Fireplaces and Chimneys				
358	1. Are there any fireplaces? How many? _____				
359	2. Are all fireplaces working?				
360	3. Fireplace types (wood, gas, electric, etc.): _____				
361	4. Was the fireplace(s) installed by a professional contractor or manufacturer's representative?				
362	5. Are there any chimneys (from a fireplace, water heater or any other heating system)?				
363	6. How many chimneys? _____				
364	7. When were they last cleaned? _____				
365	8. Are the chimneys working? If "no," explain: _____				
366	(E) Fuel Tanks				
367	1. Are you aware of any heating fuel tank(s) on the Property?				
368	2. Location(s), including underground tank(s): _____				
369	3. If you do not own the tank(s), explain: _____				
370	(F) Are you aware of any problems or repairs needed regarding any item in Section 13? If "yes,"				
371	explain: _____				
372	14. AIR CONDITIONING SYSTEM				
373	(A) Type(s). Is the air conditioning (check all that apply):				
374	1. Central air				
375	a. How many air conditioning zones are in the Property? _____				
376	b. When was each system or zone installed? _____				
377	c. When was each system last serviced? _____				
378	2. Wall units				
379	How many and the location? _____				
380	3. Window units				
381	How many? _____				
382	4. Wall-mounted split units				
383	How many and the location? _____				
384	5. Other _____				
385	6. None				
386	(B) Are there any areas of the house that are not air conditioned?				
387	If "yes," explain: _____				
388	(C) Are you aware of any problems with any item in Section 14? If "yes," explain: _____				
389	_____				

390 Seller's Initials RS Date 1/9/24 SPD Page 7 of 11 Buyer's Initials [Signature] Date 2/28/2024

Check yes, no, unknown (unk) or not applicable (N/A) for each question. Be sure to check N/A when a question does not apply to the Property. Check unknown when the question does apply to the Property but you are not sure of the answer. All questions must be answered.

15. ELECTRICAL SYSTEM

(A) Type(s)

- 1. Does the electrical system have fuses?
2. Does the electrical system have circuit breakers?
3. Is the electrical system solar powered?
a. If "yes," is it entirely or partially solar powered?
b. If "yes," is any part of the system subject to a lease, financing or other agreement? If "yes," explain:

- (B) What is the system amperage?
(C) Are you aware of any knob and tube wiring in the Property?
(D) Are you aware of any problems or repairs needed in the electrical system? If "yes," explain:

Grid with columns Yes, No, Unk, N/A and rows A1, A2, A3, 3a, 3b, B, C, D.

16. OTHER EQUIPMENT AND APPLIANCES

(A) THIS SECTION IS INTENDED TO IDENTIFY PROBLEMS OR REPAIRS and must be completed for each item that will, or may, be included with the Property. The terms of the Agreement of Sale negotiated between Buyer and Seller will determine which items, if any, are included in the purchase of the Property. THE FACT THAT AN ITEM IS LISTED DOES NOT MEAN IT IS INCLUDED IN THE AGREEMENT OF SALE.

(B) Are you aware of any problems or repairs needed to any of the following:

Table with columns Item, Yes, No, N/A and rows for various items like A/C window units, Attic fan(s), Awnings, Carbon monoxide detectors, etc.

(C) Explain any "yes" answers in Section 16:

17. POOLS, SPAS AND HOT TUBS

(A) Is there a swimming pool on the Property? If "yes,":

- 1. Above-ground or in-ground?
2. Saltwater or chlorine?
3. If heated, what is the heat source?
4. Vinyl-lined, fiberglass or concrete-lined?
5. What is the depth of the swimming pool?
6. Are you aware of any problems with the swimming pool?
7. Are you aware of any problems with any of the swimming pool equipment (cover, filter, ladder, lighting, pump, etc.)?

(B) Is there a spa or hot tub on the Property?

- 1. Are you aware of any problems with the spa or hot tub?
2. Are you aware of any problems with any of the spa or hot tub equipment (steps, lighting, jets, cover, etc.)?

(C) Explain any problems in Section 17:

Grid with columns Yes, No, Unk, N/A and rows A, A1, A2, A3, A4, A5, A6, A7, B, B1, B2.

Seller's Initials

ARS

Date

1/2/24

SPD Page 8 of 11

Buyer's Initials

CS

Date

2/28/2024

450 Check yes, no, unknown (unk) or not applicable (N/A) for each question. Be sure to check N/A when a question does not apply to the
451 Property. Check unknown when the question does apply to the Property but you are not sure of the answer. All questions must be answered.

452 18. WINDOWS

- 453 (A) Have any windows or skylights been replaced during your ownership of the Property? A
- 454 (B) Are you aware of any problems with the windows or skylights? B

Yes	No	Unk	N/A

455 Explain any "yes" answers in Section 18. Include the location and extent of any problem(s) and any repair, replacement or
456 remediation efforts, the name of the person or company who did the repairs and the date the work was done: _____
457 _____

458 19. LAND/SOILS

459 (A) Property

- 460 1. Are you aware of any fill or expansive soil on the Property? A1
- 461 2. Are you aware of any sliding, settling, earth movement, upheaval, subsidence, sinkholes or earth
462 stability problems that have occurred on or affect the Property? A2
- 463 3. Are you aware of sewage sludge (other than commercially available fertilizer products) being
464 spread on the Property? A3
- 465 4. Have you received written notice of sewage sludge being spread on an adjacent property? A4
- 466 5. Are you aware of any existing, past or proposed mining, strip-mining, or any other excavations on
467 the Property? A5

Yes	No	Unk	N/A

468 *Note to Buyer: The Property may be subject to mine subsidence damage. Maps of the counties and mines where mine subsidence*
469 *damage may occur and further information on mine subsidence insurance are available through Department of Environmental*
470 *Protection Mine Subsidence Insurance Fund, (800) 922-1678 or ra-epmsi@pa.gov.*

471 (B) Preferential Assessment and Development Rights

472 Is the Property, or a portion of it, preferentially assessed for tax purposes, or subject to limited devel-
473 opment rights under the:

- 474 1. Farmland and Forest Land Assessment Act - 72 P.S. §5490.1, et seq. (Clean and Green Program) B1
- 475 2. Open Space Act - 16 P.S. §11941, et seq. B2
- 476 3. Agricultural Area Security Law - 3 P.S. §901, et seq. (Development Rights) B3
- 477 4. Any other law/program: _____ B4

Yes	No	Unk	N/A

478 *Note to Buyer: Pennsylvania has enacted the Right to Farm Act (3 P.S. § 951-957) in an effort to limit the circumstances under*
479 *which agricultural operations may be subject to nuisance suits or ordinances. Buyers are encouraged to investigate whether any*
480 *agricultural operations covered by the Act operate in the vicinity of the Property.*

481 (C) Property Rights

482 Are you aware of the transfer, sale and/or lease of any of the following property rights (by you or a
483 previous owner of the Property):

- 484 1. Timber C1
- 485 2. Coal C2
- 486 3. Oil C3
- 487 4. Natural gas C4
- 488 5. Mineral or other rights (such as farming rights, hunting rights, quarrying rights) Explain: C5

Yes	No	Unk	N/A

489 _____
490 *Note to Buyer: Before entering into an agreement of sale, Buyer can investigate the status of these rights by, among other means,*
491 *engaging legal counsel, obtaining a title examination of unlimited years and searching the official records in the county Office of*
492 *the Recorder of Deeds, and elsewhere. Buyer is also advised to investigate the terms of any existing leases, as Buyer may be subject*
493 *to terms of those leases.*

494 Explain any "yes" answers in Section 19: _____
495 _____

496 20. FLOODING, DRAINAGE AND BOUNDARIES

497 (A) Flooding/Drainage

- 498 1. Is any part of this Property located in a wetlands area? A1
- 499 2. Is the Property, or any part of it, designated a Special Flood Hazard Area (SFHA)? A2
- 500 3. Do you maintain flood insurance on this Property? A3
- 501 4. Are you aware of any past or present drainage or flooding problems affecting the Property? A4
- 502 5. Are you aware of any drainage or flooding mitigation on the Property? A5
- 503 6. Are you aware of the presence on the Property of any man-made feature that temporarily or per-
504 manently conveys or manages storm water, including any basin, pond, ditch, drain, swale, culvert,
505 pipe or other feature? A6
- 506 7. If "yes," are you responsible for maintaining or repairing that feature which conveys or manages
507 storm water for the Property? A7

Yes	No	Unk	N/A

508 Seller's Initials RIS/

Date 1/2/24

SPD Page 9 of 11

Buyer's Initials [Signature]

Date 2/28/2024

509 Check yes, no, unknown (unk) or not applicable (N/A) for each question. Be sure to check N/A when a question does not apply to the
510 Property. Check unknown when the question does apply to the Property but you are not sure of the answer. All questions must be answered.

511 Explain any "yes" answers in Section 20(A). Include dates, the location and extent of flooding and the condition of any man-
512 made storm water management features: _____
513

514 (B) Boundaries

- 515 1. Are you aware of encroachments, boundary line disputes, or easements affecting the Property?
- 516 2. Is the Property accessed directly (without crossing any other property) by or from a public road?
- 517 3. Can the Property be accessed from a private road or lane?
- 518 a. If "yes," is there a written right of way, easement or maintenance agreement?
- 519 b. If "yes," has the right of way, easement or maintenance agreement been recorded?
- 520 4. Are you aware of any shared or common areas (driveways, bridges, docks, walls, etc.) or mainte-
521 nance agreements?

	Yes	No	Unk	N/A
B1				
B2				
B3				
3a				
3b				
B4				

522 *Note to Buyer: Most properties have easements running across them for utility services and other reasons. In many cases, the ease-
523 ments do not restrict the ordinary use of the property, and Seller may not be readily aware of them. Buyers may wish to determine
524 the existence of easements and restrictions by examining the property and ordering an Abstract of Title or searching the records in
525 the Office of the Recorder of Deeds for the county before entering into an agreement of sale.*

526 Explain any "yes" answers in Section 20(B): _____
527

528 21. HAZARDOUS SUBSTANCES AND ENVIRONMENTAL ISSUES

529 (A) Mold and Indoor Air Quality (other than radon)

- 530 1. Are you aware of any tests for mold, fungi, or indoor air quality in the Property?
- 531 2. Other than general household cleaning, have you taken any efforts to control or remediate mold or
532 mold-like substances in the Property?

	Yes	No	Unk	N/A
A1				
A2				

533 *Note to Buyer: Individuals may be affected differently, or not at all, by mold contamination. If mold contamination or indoor air
534 quality is a concern, buyers are encouraged to engage the services of a qualified professional to do testing. Information on this
535 issue is available from the United States Environmental Protection Agency and may be obtained by contacting IAQ INFO, P.O. Box
536 37133, Washington, D.C. 20013-7133, 1-800-438-4318.*

537 (B) Radon

- 538 1. Are you aware of any tests for radon gas that have been performed in any buildings on the Property?
- 539 2. If "yes," provide test date and results _____
- 540 3. Are you aware of any radon removal system on the Property?

	Yes	No	Unk	N/A
B1				
B2				
B3				

541 (C) Lead Paint

542 If the Property was constructed, or if construction began, before 1978, you must disclose any knowl-
543 edge of, and records and reports about, lead-based paint on the Property on a separate disclosure form.

- 544 1. Are you aware of any lead-based paint or lead-based paint hazards on the Property?
- 545 2. Are you aware of any reports or records regarding lead-based paint or lead-based paint hazards on
546 the Property?

	Yes	No	Unk	N/A
C1				
C2				

547 (D) Tanks

- 548 1. Are you aware of any existing underground tanks?
- 549 2. Are you aware of any underground tanks that have been removed or filled?

	Yes	No	Unk	N/A
D1				
D2				

550 (E) Dumping. Has any portion of the Property been used for waste or refuse disposal or storage?

551 If "yes," location: _____

	Yes	No	Unk	N/A
E				

552 (F) Other

- 553 1. Are you aware of any past or present hazardous substances on the Property (structure or soil)
554 such as, but not limited to, asbestos or polychlorinated biphenyls (PCBs)?
- 555 2. Are you aware of any other hazardous substances or environmental concerns that may affect the
556 Property?
- 557 3. If "yes," have you received written notice regarding such concerns?
- 558 4. Are you aware of testing on the Property for any other hazardous substances or environmental
559 concerns?

	Yes	No	Unk	N/A
F1				
F2				
F3				
F4				

560 Explain any "yes" answers in Section 21. Include test results and the location of the hazardous substance(s) or environmental
561 issue(s): _____

562 22. MISCELLANEOUS

563 (A) Deeds, Restrictions and Title

- 564 1. Are there any deed restrictions or restrictive covenants that apply to the Property?
- 565 2. Are you aware of any historic preservation restriction or ordinance or archeological designation
566 associated with the Property?

	Yes	No	Unk	N/A
A1				
A2				

567 Seller's Initials ARKS/

Date 1/2/24

SPD Page 10 of 11

Buyer's Initials [Signature]

Date 2/28/2024

568
569

Check yes, no, unknown (unk) or not applicable (N/A) for each question. Be sure to check N/A when a question does not apply to the Property. Check unknown when the question does apply to the Property but you are not sure of the answer. All questions must be answered.

	Yes	No	Unk	N/A
A3				
B1				
B2				
B3				
C1				
C2				
D1				

570
571
572

3. Are you aware of any reason, including a defect in title or contractual obligation such as an option or right of first refusal, that would prevent you from giving a warranty deed or conveying title to the Property?

573

(B) Financial

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575
576

1. Are you aware of any public improvement, condominium or homeowner association assessments against the Property that remain unpaid or of any violations of zoning, housing, building, safety or fire ordinances or other use restriction ordinances that remain uncorrected?

577
578
579

2. Are you aware of any mortgages, judgments, encumbrances, liens, overdue payments on a support obligation, or other debts against this Property or Seller that cannot be satisfied by the proceeds of this sale?

580

3. Are you aware of any insurance claims filed relating to the Property during your ownership?

581

(C) Legal

582
583

1. Are you aware of any violations of federal, state, or local laws or regulations relating to this Property?

584

2. Are you aware of any existing or threatened legal action affecting the Property?

585

(D) Additional Material Defects

586
587

1. Are you aware of any material defects to the Property, dwelling, or fixtures which are not disclosed elsewhere on this form?

Note to Buyer: A material defect is a problem with a residential real property or any portion of it that would have a significant adverse impact on the value of the property or that involves an unreasonable risk to people on the property. The fact that a structural element, system or subsystem is at or beyond the end of the normal useful life of such a structural element, system or subsystem is not by itself a material defect.

592
593
594

2. After completing this form, if Seller becomes aware of additional information about the Property, including through inspection reports from a buyer, the Seller must update the Seller's Property Disclosure Statement and/or attach the inspection report(s). These inspection reports are for informational purposes only.

595
596

Explain any "yes" answers in Section 22: _____

597

23. ATTACHMENTS

598

(A) The following are part of this Disclosure if checked:

599
600
601
602

- Seller's Property Disclosure Statement Addendum (PAR Form SDA)
- _____
- _____
- _____

603
604
605
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607

The undersigned Seller represents that the information set forth in this disclosure statement is accurate and complete to the best of Seller's knowledge. Seller hereby authorizes the Listing Broker to provide this information to prospective buyers of the property and to other real estate licensees. SELLER ALONE IS RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS STATEMENT. If any information supplied on this form becomes inaccurate following completion of this form, Seller shall notify Buyer in writing.

608
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613

SELLER Ryan K Stumphauer Ryan K Stumphauer, Court Appointed Receiver DATE 1/2/24

SELLER _____ DATE _____

SELLER _____ DATE _____

SELLER _____ DATE _____

SELLER _____ DATE _____

SELLER _____ DATE _____

614

RECEIPT AND ACKNOWLEDGEMENT BY BUYER

615
616
617
618

The undersigned Buyer acknowledges receipt of this Statement. Buyer acknowledges that this Statement is not a warranty and that, unless stated otherwise in the sales contract, Buyer is purchasing this property in its present condition. It is Buyer's responsibility to satisfy himself or herself as to the condition of the property. Buyer may request that the property be inspected, at Buyer's expense, by a professional, to determine the condition of the structure or its components.

619
620
621

BUYER _____ DATE 2/28/2024

BUYER _____ DATE _____

BUYER _____ DATE _____

RESIDENTIAL LEAD-BASED PAINT HAZARDS DISCLOSURE FORM

LPD

This form recommended and approved for, but not restricted to use by, the members of the Pennsylvania Association of Realtors® (PAR)

THIS FORM MUST BE COMPLETED FOR ANY PROPERTY BUILT PRIOR TO 1978

1 PROPERTY 142 N 2nd St. #1A, Philadelphia, PA 19106
2 SELLER Ryan K Stumphauzer, Court Appointed Receiver

3 LEAD WARNING STATEMENT
4 Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such
5 property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead
6 poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient,
7 behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Seller of any interest
8 in residential real property is required to provide the Buyer with any information on lead-based paint hazards from risk assessments or
9 inspections in the Seller's possession and notify the Buyer of any known lead-based paint hazards. A risk assessment or inspection for
10 possible lead-based paint hazards is recommended prior to purchase.

11 SELLER'S DISCLOSURE
12 ___ / ___ Seller has no knowledge of the presence of lead-based paint and/or lead-based paint hazards in or about the Property.
13 ___ / ___ Seller has knowledge of the presence of lead-based paint and/or lead-based paint hazards in or about the Property. (Provide the
14 basis for determining that lead-based paint and/or hazards exist, the location(s), the condition of the painted surfaces, and other
15 available information concerning Seller's knowledge of the presence of lead-based paint and/or lead-based paint hazards.)

17 SELLER'S RECORDS/REPORTS
18 ___ / ___ Seller has no records or reports pertaining to lead-based paint and/or lead-based paint hazards in or about the Property.
19 ___ / ___ Seller has provided Buyer with all available records and reports regarding lead-based paint and/or lead-based paint hazards in
20 or about the Property. (List documents):

22 Seller certifies that to the best of Seller's knowledge the above statements are true and accurate.
23 SELLER Ryan K Stumphauzer, Court Appointed Receiver DATE 2/2/24
24 SELLER DATE
25 SELLER DATE

26 BUYER
27 DATE OF AGREEMENT

28 BUYER'S ACKNOWLEDGMENT
29 ___ / ___ Buyer has received the pamphlet Protect Your Family from Lead in Your Home and has read the Lead Warning Statement.
30 ___ / ___ Buyer has reviewed Seller's disclosure of known lead-based paint and/or lead-based paint hazards and has received the records
31 and reports regarding lead-based paint and/or lead-based paint hazards identified above.
32 Buyer has (initial one):
33 ___ / ___ received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of
34 lead-based paint and/or lead-based paint hazards; or
35 ___ / ___ waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based
36 paint hazards.

37 Buyer certifies that to the best of Buyer's knowledge the statements contained in Buyer's acknowledgement are true and accurate.
38 BUYER DATE 2/28/2024
39 BUYER DATE
40 BUYER DATE

41 AGENT ACKNOWLEDGEMENT AND CERTIFICATION
42 ___ / ___ Agent/Licensee represents that Agent has informed Seller of Seller's obligations under the Residential Lead-Based-Paint
43 Hazard Reduction Act, 42 U.S.C. §4852(d), and is aware of Agent's responsibility to ensure compliance.

44 The following have reviewed the information above and certify that the Agent statements are true to the best of their knowledge and belief.
45 Seller Agent and Buyer Agent must both sign this form.

46 BROKER FOR SELLER (Company Name) DATE
47 LICENSEE DATE
48 BROKER FOR BUYER (Company Name) DocuSigned by: DATE 2/28/2024
49 LICENSEE DATE

DEPOSIT MONEY NOTICE TO BUYER (Prior to Delivery to Listing Broker)

(For cooperative sales when Broker for Seller is holding deposit money)

This form recommended and approved for, but not restricted to use by, the members of the Pennsylvania Association of Realtors® (PAR).

1 **PROPERTY** 142 N 2ND ST #1A, PHILADELPHIA, PA 19106

2 **SELLER** Ryan K Stumphauzer, Court Appointed Receiver

3 **BUYER** [REDACTED] or "an assignee"

4 **DATE OF AGREEMENT** February 28, 2024

5 **LISTING BROKER (BROKER FOR SELLER)** [REDACTED]

6 **SELLING BROKER** [REDACTED]

- 7 1. Listing Broker is a Pennsylvania licensed real estate broker who is required to hold your sales deposit in escrow.
- 8 2. Selling Broker is accepting your deposit on behalf of and for transfer to the Listing Broker.
- 9 3. If the deposit is in the form of a check, the check must be made payable to the Listing Broker.
- 10 4. The Broker holding deposits will retain deposits in escrow until consummation or termination of the Agreement of Sale in
- 11 conformity with all applicable laws and regulations.

12 **BUYER** [REDACTED] **DATE** 2/28/2024

13 **BUYER** [REDACTED] assignee" **DATE** _____

14 **BUYER** _____ **DATE** _____





CN

CONSUMER NOTICE

THIS IS NOT A CONTRACT

In an effort to enable consumers of real estate services to make informed decisions about the business relationships they may have with real estate brokers and sales persons (licensees), the Real Estate Licensing and Registration Act (RELRA) requires that consumers be provided with this Notice at the initial interview.

- Licensees may enter into the following agency relationships with consumers:

Seller Agent

As a seller agent the licensee and the licensee's company works exclusively for the seller/landlord and must act in the seller's/landlord's best interest, including making a continuous and good faith effort to find a buyer/tenant except while the property is subject to an existing agreement. All confidential information relayed by the seller/landlord must be kept confidential except that a licensee must reveal known material defects about the property. A subagent has the same duties and obligations as the seller agent.

Buyer Agent

As a buyer agent, the licensee and the licensee's company work exclusively for the buyer/tenant even if paid by the seller/landlord. The buyer agent must act in the buyer/tenant's best interest, including making a continuous and good faith effort to find a property for the buyer/tenant, except while the buyer is subject to an existing contract, and must keep all confidential information, other than known material defects about the property, confidential.

Dual Agent

As a dual agent, the licensee works for *both* the seller/landlord and the buyer/tenant. A dual agent may not take any action that is adverse or detrimental to either party but must disclose known material defects about the property. A licensee must have the written consent of both parties before acting as a dual agent.

Designated Agent

As a designated agent, the broker of the selected real estate company designates certain licensees within the company to act exclusively as the seller/landlord agent and other licensees within the company to act exclusively as the buyer/tenant agent in the transaction. Because the broker supervises all of the licensees, the broker automatically serves as a dual agent. Each of the designated licensees are required to act in the applicable capacity explained previously. Additionally, the broker has the duty to take reasonable steps to assure that confidential information is not disclosed within the company.

- In addition, a licensee may serve as a Transaction Licensee.

A transaction licensee provides real estate services without having any agency relationship with a consumer. Although a transaction licensee has no duty of loyalty or confidentiality, a transaction licensee is prohibited from disclosing that:

- The seller will accept a price less than the asking/listing price,
- The buyer will pay a price greater than the price submitted in the written offer, and
- The seller or buyer will agree to financing terms other than those offered.

Like licensees in agency relationships, transaction licensees must disclose known material defects about the property.

12/08

- Regardless of the business relationship selected, all licensees owe consumers the duty to:
 - Exercise reasonable professional skill and care which meets the practice standards required by the RELRA.
 - Deal honestly and in good faith.
 - Present, as soon as practicable, all written offers, counteroffers, notices and communications to and from the parties. This duty may be waived *by* the seller *where* the seller's property is under contract and the waiver is in writing.
 - Comply with the Real Estate Seller Disclosure Law.
 - Account for escrow and deposit funds.
 - Disclose, as soon as practicable, all conflicts of interest and financial interests.
 - Provide assistance with document preparation and advise the consumer regarding compliance with laws pertaining to real estate transactions.
 - Advise the consumer to seek expert advice on matters about the transaction that are beyond the licensee's expertise.
 - Keep the consumer informed about the transaction and the tasks to be completed.
 - Disclose financial interest in a service, such as financial, title transfer and preparation services, insurance, construction, repair or inspection, at the time service is recommended or the first time the licensee learns that the service will be used.
- The following contractual terms are *negotiable* between the licensee and the consumer and must be addressed in an agreement/disclosure statement:
 - The duration of the licensee's employment, listing agreement or contract.
 - The licensee's fees or commission.
 - The scope of the licensee's activities or practices.
 - The broker's cooperation with and sharing of fees with other brokers.
- All sales agreements must contain the property's zoning classification except where the property is zoned solely or primarily to permit single family dwellings.
- The Real Estate Recovery Fund exists to reimburse any person who has obtained a final civil judgment against a Pennsylvania real estate licensee owing to fraud, misrepresentation, or deceit in a real estate transaction and who has been unable to collect the judgment after exhausting all legal and equitable remedies. For complete details about the Fund, call (717) 783-3658.

Before you disclose any financial information to a licensee, be advised that unless you select a business relationship by signing a written agreement, the licensee is NOT representing you. A business relationship is NOT presumed.

ACKNOWLEDGMENT

I acknowledge that I have received this disclosure.

Date: 2/28/2024 _____ or "an assignee" _____
 (Consumer's Printed Name) (Consumer's Signature)

Date: _____
 (Consumer's Printed Name) (Consumer's Signature)

I certify that I have provided this document to the above consumer during the initial interview.

Date: 2/28/2024 _____
 (Licensee's Printed Name) _____
 DocuSigned by: _____
 (Signature) _____

 (License#)

Adopted by the State Real Estate Commission at 49 Pa. Code §35.336.

DocuSign Envelope ID: EB361BA2-76CF-4D09-BDAF-9FC5E46415B9

ADDENDUM/ENDORSEMENT TO AGREEMENT OF SALE

ASA

This form recommended and approved for, but not restricted to use by, the members of the Pennsylvania Association of REALTORS® (PAR®)

PROPERTY 142 N 2ND ST #1A, PHILADELPHIA, PA 19106

SELLER Ryan K Stumphauzer, Court Appointed Receiver

BUYER [REDACTED]

DATE OF AGREEMENT March 19, 2024

Buyer and Seller agree---buyer's name/an assignee is changed to [REDACTED]

All other terms and conditions of the Agreement of Sale remain unchanged and in full force and effect

BUYER	[REDACTED]	DATE	3/19/2024
BUYER	[REDACTED]	DATE	
BUYER	[REDACTED]	DATE	
SELLER	<i>Ryan Stumphauzer</i>	DATE	3/19/24
SELLER	Ryan K Stumphauzer	DATE	
SELLER	Court Appointed Receiver	DATE	



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09/02

Exhibit 2

*Proposed Order Authorizing Receiver's Sale of Real Property Located at
142 N. 2nd Street, Unit 1A, Philadelphia, PA 19106*

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 20-CV-81205-RAR

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

**COMPLETE BUSINESS SOLUTIONS
GROUP, INC. d/b/a PAR FUNDING, et al.,**

Defendants.

**[PROPOSED] ORDER AUTHORIZING RECEIVER'S SALE OF REAL
PROPERTY LOCATED AT 142 N. 2ND STREET, UNIT 1A, PHILADELPHIA, PA 19106**

THIS CAUSE comes before the Court upon the Receiver's Motion for Order Approving Receiver's Sale of Real Property Located at 142 N. 2nd Street, Unit 1A, Philadelphia, PA 19106 ("Motion"), [ECF No. ____], filed on March 22, 2024. The Court has reviewed the Motion and the record in this matter, and is otherwise fully advised.

In the Motion, the Court-Appointed Receiver, Ryan K. Stumphauzer ("Receiver"), asks the Court to approve and authorize the sale of the real property located at 142 N. 2nd Street, Unit 1A, Philadelphia, PA 19106. The Receiver has made a sufficient and proper showing in support of the relief requested in the Motion. Accordingly, for the reasons stated in the Motion, it is hereby

ORDERED AND ADJUDGED that the Motion is **GRANTED** as set forth herein. In accordance with its Order granting Receiver's Motion for Order Authorizing Receiver's Sale of All Real Property Within the Receivership Estate, [ECF No. 1486], this Court has reviewed the Declaration, [ECF No. ____-1], regarding his proposed sale of the real property located at and

commonly known as 142 N. 2nd Street, Unit 1A, Philadelphia, PA 19106 (the “Property”), and orders as follows:

A. The terms of the Purchase and Sale Agreement, a copy of which is attached to the Declaration as Exhibit B (collectively, the “Contract”), by and between the Receiver and P___ 142, LLC (“Buyer”),¹ dated February 28, 2024, in connection with the Receiver’s proposed sale of the Property to Buyers are approved.

B. The Court ratifies the Receiver’s execution of the Contract and authorizes the Receiver to perform all of his obligations under the Contract.

C. The Receiver is authorized to sell the Property to Buyer or Buyer’s designee, as contemplated in the Contract, in exchange for the aggregate sum of \$175,000, subject to the applicable terms of this Order.

D. The Receiver is further authorized to pay any commissions provided for in the Contract and in connection with the consummation of his sale of the Property.

E. In accordance with the terms of the Contract, and without limiting those terms, Buyer or Buyer’s designee shall purchase the Property on an “as-is / where-is” basis, without any representations or warranties whatsoever by the Receiver and his agents and/or attorneys including, without limitation, any representations or warranties as to the condition of the Property, except as expressly set forth in the Contract. Buyer or their designee is responsible for all due diligence, including but not limited to, inspection of the condition of and title to the Property, and are not relying on any representation or warranty of the Receiver, except as expressly set forth in the Contract.

¹ For security purposes, the Buyer’s identity has been redacted.

F. In the performance of his obligations pursuant to this Order, the Receiver's liability in connection with the Contract and the sale of the Property to the Buyer shall be limited to the assets of the Receivership Estate ("Estate"). Neither the Receiver nor his professionals shall have any personal liability for claims arising out of or relating to the performance of any actions necessary to complete the sale of the Property as provided for herein.

G. Provided Buyer or Buyer's designee consents, in writing, the Receiver is hereby authorized to amend or otherwise modify the Contract, in writing, as necessary to complete the sale of the Property in the event that the Receiver determines, in his reasonable business judgment, that such amendment or modification is reasonable and necessary, will benefit the Estate, avoid the imposition of any liability upon the Estate, or is required pursuant to the terms of the Contract or any other amendment or modification thereto, provided that any such amendment or modification does not change the material terms of the Contract, including the parties to the Contract and the purchase price for the Property.

H. The Receiver is hereby authorized to take all actions and execute all documents necessary to consummate and otherwise effectuate the sale of the Property to Buyer or Buyer's designee, including, but not limited to, the Contract itself, any other documents required to be executed pursuant to the Contract, and any related documentation, escrow instructions, or conveyance documents consistent with selling and conveying title to the Property to Buyer or Buyer's designee. The Receiver shall execute all documents necessary to consummate and otherwise effectuate the sale of the Property as "Ryan K. Stumphauzer, Court-Appointed Receiver" or any reasonable variation thereof which clearly identifies the Receiver as a Court-appointed Receiver.

I. The Receiver is hereby authorized to execute and acknowledge a Receiver's Deed, or similar instrument, conveying title to the Property to Buyer or Buyer's designee (the "Receiver's Deed") to effectuate the conveyance, and cause the Receiver's Deed to be recorded on the date on which close of escrow occurs pursuant to the terms of the Contract, or as determined by and between the Receiver and Buyer or Buyer's designee.

J. Any licensed title insurer may rely on this Order as authorizing the Receiver to transfer title to the Property as provided in the Contract and as authorized herein.

K. This Court shall retain jurisdiction over any dispute involving the Receiver in connection with the sale of the Property.

L. If requested by Buyer, the Receiver shall provide Buyer or Buyer's designee with a certified copy of this Order, as entered by the Court, directly or through escrow, prior to the Close of Escrow, or as provided for in the Contract, and Buyer or Buyer's designee shall acknowledge receipt of a copy of this Order, in writing. A certified copy of this Order may be recorded concurrently with the Receiver's Deed, or at any time before the close of escrow, provided, however, that failure to record this Order shall not affect the enforceability of this Order, the enforceability and viability of the Contract, or the validity of the Receiver's Deed.

DONE AND ORDERED in Miami, Florida, this ____ day of March, 2024.

RODOLFO A. RUIZ II
UNITED STATES DISTRICT JUDGE