

**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 500 FAIRMOUNT AVENUE, PHILADELPHIA, PA 19123**

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 500 Fairmount Avenue, Philadelphia, PA 19123 (the “Fairmount Avenue 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 Fairmount Avenue Property.

4. 500 Fairmount Avenue, LLC, a Receivership Entity, is the owner of record of the Fairmount Avenue Property and the Receiver is vested with full legal authority to act on behalf of 500 Fairmount Avenue, 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 Fairmount Avenue Property.

5. In accordance with the Order Authorizing Sale, the Receiver has entered into a Purchase and Sale Agreement for the sale of the Fairmount Avenue Property (the “Contract”). The Contract, which is subject to approval by this Court, is scheduled for a closing on April 11, 2024, provided the Court approves the Contract and authorizes the sale of the Fairmount Avenue 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 Fairmount Avenue 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 Fairmount Avenue 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 Fairmount Avenue 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 Fairmount Avenue Property is attached as **Exhibit 2**.

11. To provide an opportunity for any potential objections to the sale of the Fairmount Avenue 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 April 1, 2024, approving the Contract and authorizing the Receiver to sell the Fairmount Avenue 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 Fairmount Avenue Property.

Dated: March 23, 2024

Respectfully Submitted,

**STUMPHAUZER KOLAYA
NADLER & SLOMAN, PLLC**
Two South Biscayne Blvd., Suite 1600
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Telephone: (305) 614-1400

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Co-Counsel for Receiver

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on March 23, 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 500 Fairmount Avenue, LLC. 500 Fairmount Avenue, LLC owns the real property located at 500 Fairmount Avenue, Philadelphia, PA 19123 (the “Property” or the “Fairmount Avenue 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; 1250 N. 25th St. LLC; 1427 Melon St. LLC; 1530 Christian St. LLC; 1635 East Passyunk LLC; 1932 Spruce St. LLC; 4633 Walnut St. LLC; 1223 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:

ALL THAT CERTAIN Unit in The Quarters at Fairmount, a Planned Community, situate in the City of Philadelphia, Commonwealth of Pennsylvania, as set forth in the Declaration of The Quarters at Fairmount, a Planned Community, recorded on 11/24/15 (Date) as Instrument number 52993400 and as depicted on the Declaration Plat recorded as Exhibit "D" thereto.

BEING Unit 39, as shown on the above mentioned Declaration Plat, according to a "Planned Community Declaration Plat" prepared by Herman P. Ledger, PLS of Ruggiero Plante Land Design, Philadelphia, PA, dated August 4, 2015, prepared for Tower Investments, Inc., bounded and described as follows:

BEGINNING at the intersection of the westerly line of North 5th Street (70' wide on City Plan, legally open) with the southerly line of Fairmount Avenue (55' wide on City Plan, legally open); thence

1. From said point of beginning, extending South $02^{\circ} 29' 35''$ East along the westerly line of said North 5th Street, a distance of 41.099 feet to a point, a corner of Unit 8; thence
2. Leaving the line of said North 5th Street and extending North $80^{\circ} 02' 10''$ West along Unit 8 and then along the Common Element, a distance of 41.675 feet to a point; thence
3. Extending North $09^{\circ} 57' 50''$ East along the Common Element, a distance of 10.767 feet to a point; thence
4. Extending North $80^{\circ} 02' 10''$ West, a distance of 5.443 feet to a point, a corner of Unit 9; thence
5. Extending North $09^{\circ} 57' 50''$ East along Unit 9, a distance of 37.919 feet to a point on the aforementioned southerly line of Fairmount Avenue; thence
6. Extending South $67^{\circ} 25' 51''$ East along said southerly line of Fairmount Avenue, a distance of 39.198 feet to the point and place of BEGINNING.

COMMONLY KNOWN AS 500 Fairmount Avenue, Unit 39, Philadelphia, PA 19123 BEING TAX PARCEL: 05-6148950

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

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 Fairmount Avenue 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 No. 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 in Philadelphia, Pennsylvania. These efforts included marketing on the Broker's website and on the Multiple Listing Service.

5. 500 Fairmount Avenue, LLC purchased the Property on January 24, 2020, from Skyline Development, LLC for \$1,640,000. The Property is a four-story mixed-use condominium located within the Northern Liberties neighborhood of Philadelphia. It consists of one ground floor commercial unit with four (4) one-bedroom / one-bathroom apartments and one (1) two-bedroom / two-bedroom apartment.

6. Before listing the Property, I obtained a Pennsylvania Certified Residential Appraisal of the Property dated June 9, 2023 (the “Appraisal”). The Appraisal valued the Property at \$1,350,000. A true and correct copy of this Appraisal is attached as **Exhibit A**.²

7. I initially listed the Property for sale in excess of the prior Purchase Price, for \$1,825,000.00.

8. The Property has been shown to prospective buyers 16 times. Based upon feedback from prospective buyers and the Broker, I periodically reduced its listing price to its final listing price of \$1,500,000. As a result of my marketing efforts and after negotiations, I have received an offer from K.C.,³ a third party unaffiliated with the Receivership Entities (“Buyer”), to purchase the Property out of receivership for \$1,450,000. The Buyer’s offer is the highest offer received for the Property. I accepted this offer because it is higher than the market value determined in the Appraisal Report and 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 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 due to an inventory surplus.

9. 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 \$1,450,000 is appropriate, and consistent with the Property’s current market value. As a result, on or about February 28, 2024, I entered into a contingent Purchase and Sale Agreement (“Contract”) for the Property with Buyer,

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

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

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 11, 2024.

10. 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.

11. Accordingly, I respectfully request that this Court enter an Order approving the sale of the Fairmount Avenue 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 23, 2024

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

Exhibit A

*Pennsylvania Certified Residential Appraisal
Dated June 9, 2023*



500 Fairmount Avenue

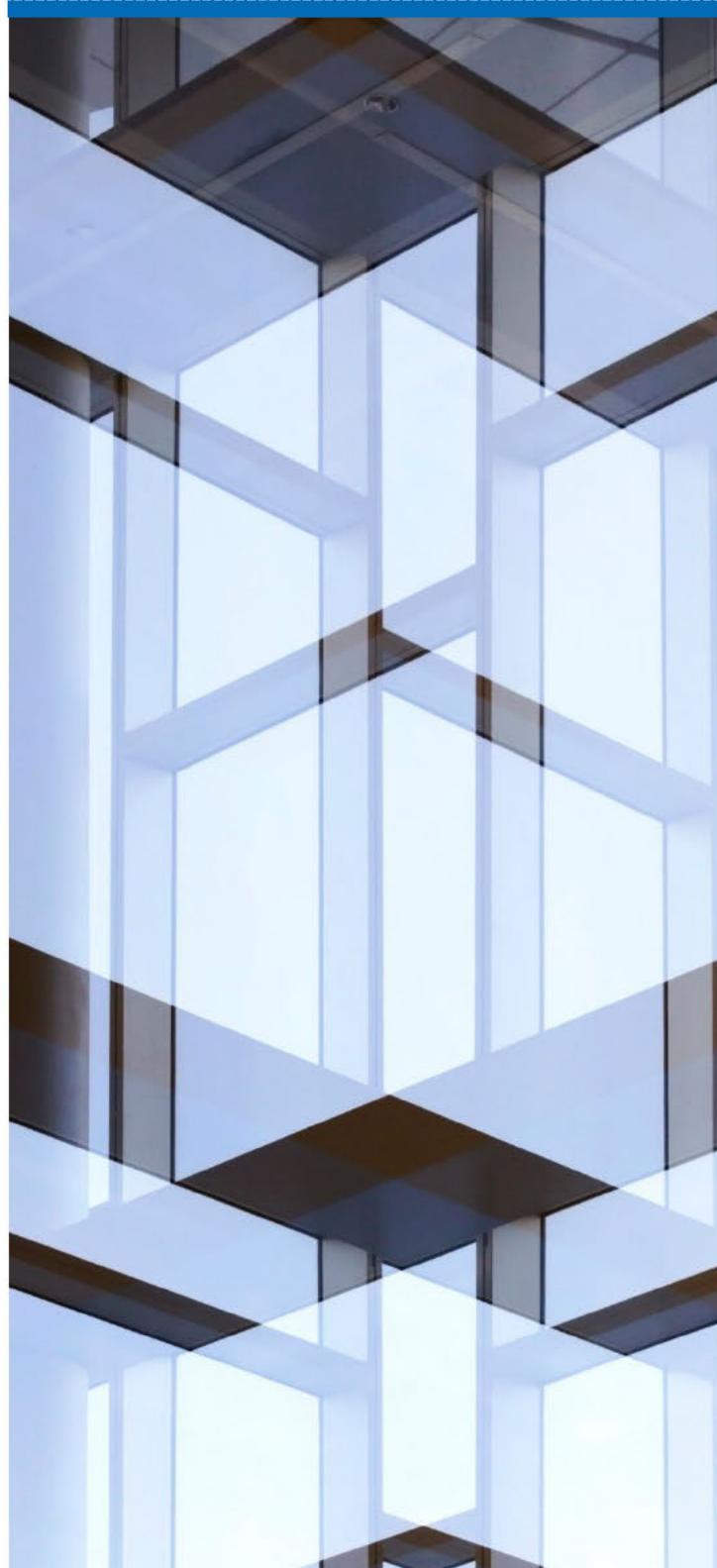
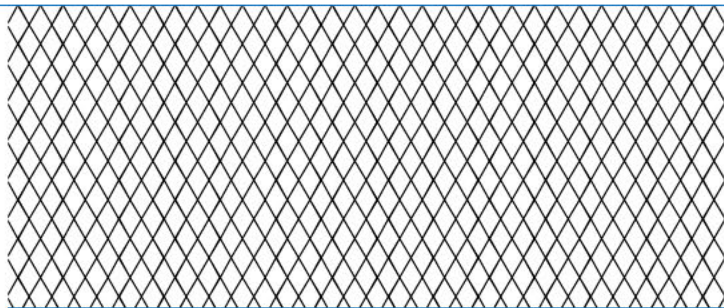
500 Fairmount Avenue
Philadelphia, PA 19123



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]

June 9, 2023

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

RE: Appraisal of a mixed-use property located at 500 Fairmount Avenue, Philadelphia, Philadelphia County, PA 19123, prepared by [REDACTED] (herein "Firm" or [REDACTED])

[REDACTED]

Dear Mr. Hazel:

The "Subject Property" is a four-story mixed-use condominium located within the Northern Liberties neighborhood of Philadelphia. The property contains 3,700 square feet, net rentable area, and consists of one ground floor commercial unit, with (4) 1BR/1BA apartments and (1) 2BR/2BA apartment located on the upper levels. The improvements were constructed in 2018 and are in excellent condition and are of good quality. The corner site encompasses 1,818 square feet (0.042 acres). At time of inspection, the property was fully leased and occupied.

Key Value Considerations

Strengths

- 1. Location within the Northern Liberties section of Philadelphia.
- 2. The property was 100% leased and occupied at time of inspection and is considered to be stabilized.
- 3. Excellent condition and inclusion of an elevator and sprinklers.

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 volumes.
- 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]

June 9, 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	4/14/2023	\$1,350,000

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. Access was only available to the ground floor commercial space and fourth floor unit. The remainder of the building is presumed to be in a similar condition as the units we accessed, given the age of the property. Our analysis utilizes the square footages provided by management. We reserve the right to amend our report if different information becomes available to us.

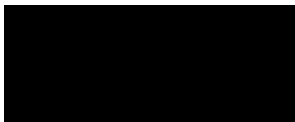
The use of this extraordinary assumption might have affected assignment results.

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] has completed the continuing education program for Designated Members of the Appraisal Institute.
12. As of the date of this report, [REDACTED] has completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.
13. [REDACTED] made a personal inspection of the property that is the subject of this report. [REDACTED] has not personally inspected the subject.
14. No one provided significant real property appraisal assistance to the person(s) signing this certification.
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] has not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment. [REDACTED] has not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

CERTIFICATION

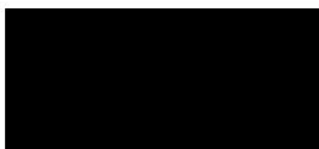
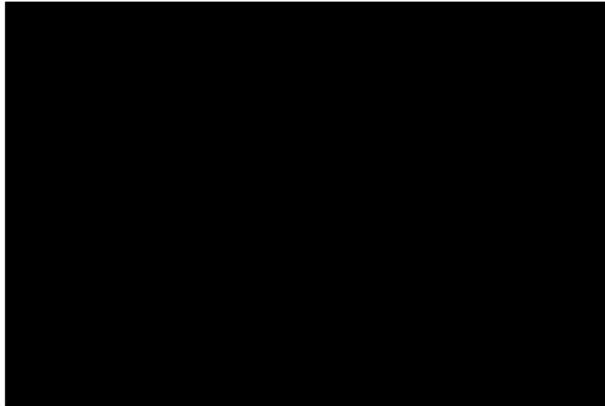


TABLE OF CONTENTS

Table of Contents

Appraisal Transmittal and Certification

- Certification
- Table of Contents
- Subject Maps
- Subject Photographs

Executive Summary12

Introduction.....14

Economic Analysis17

National Trends and Uncertainties..... 17

Retail Market Analysis 34

Multifamily Market Analysis 31

Land and Site Analysis34

Zoning and Legal Restrictions41

Improvements Analysis43

Real Estate Taxes47

Highest and Best Use49

Appraisal Methodology.....51

Sales Comparison Approach52

Sales Comparison Approach Conclusion
..... 55

Income Capitalization Approach.....57

Multifamily Rent Roll..... 57

Multifamily Market Rent Analysis..... 58

Commercial Rent Roll / Tenant Overview
..... 61

Commercial Market Rent Analysis..... 62

Operating Expense Analysis..... 71

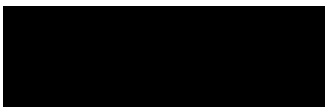
Direct Capitalization Summary 84

Reconciliation of Value86

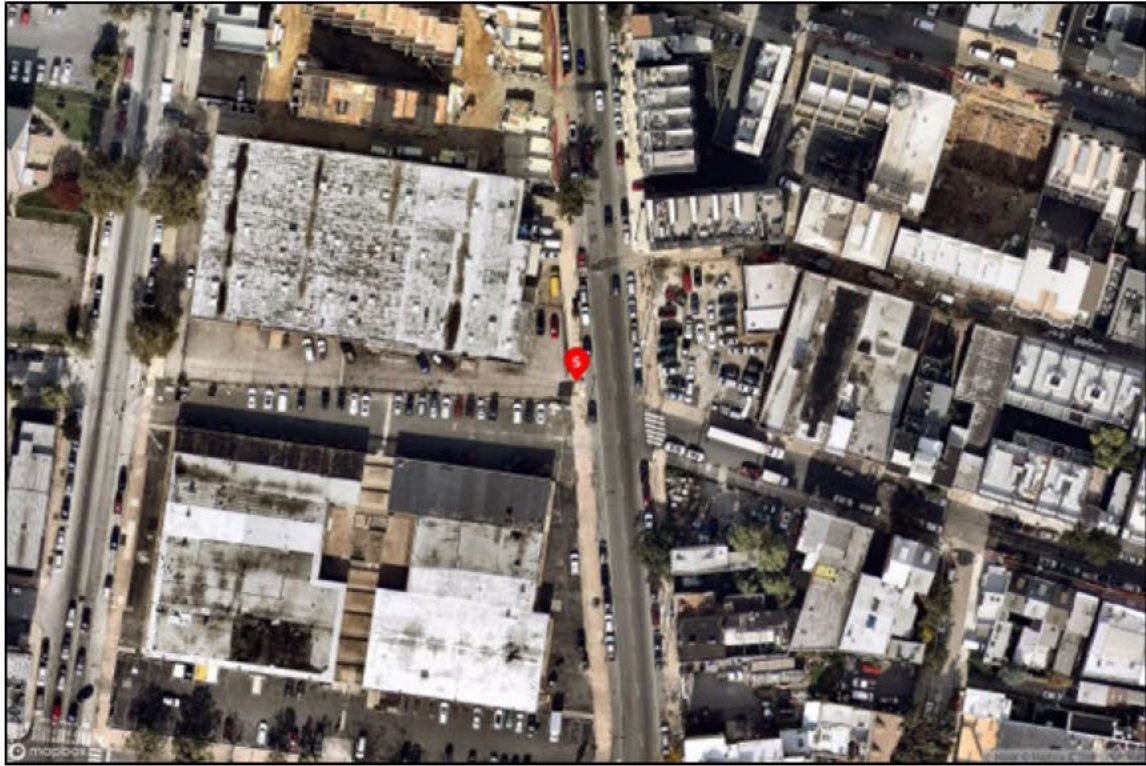
Assumptions and Limiting Conditions ..89

Addenda

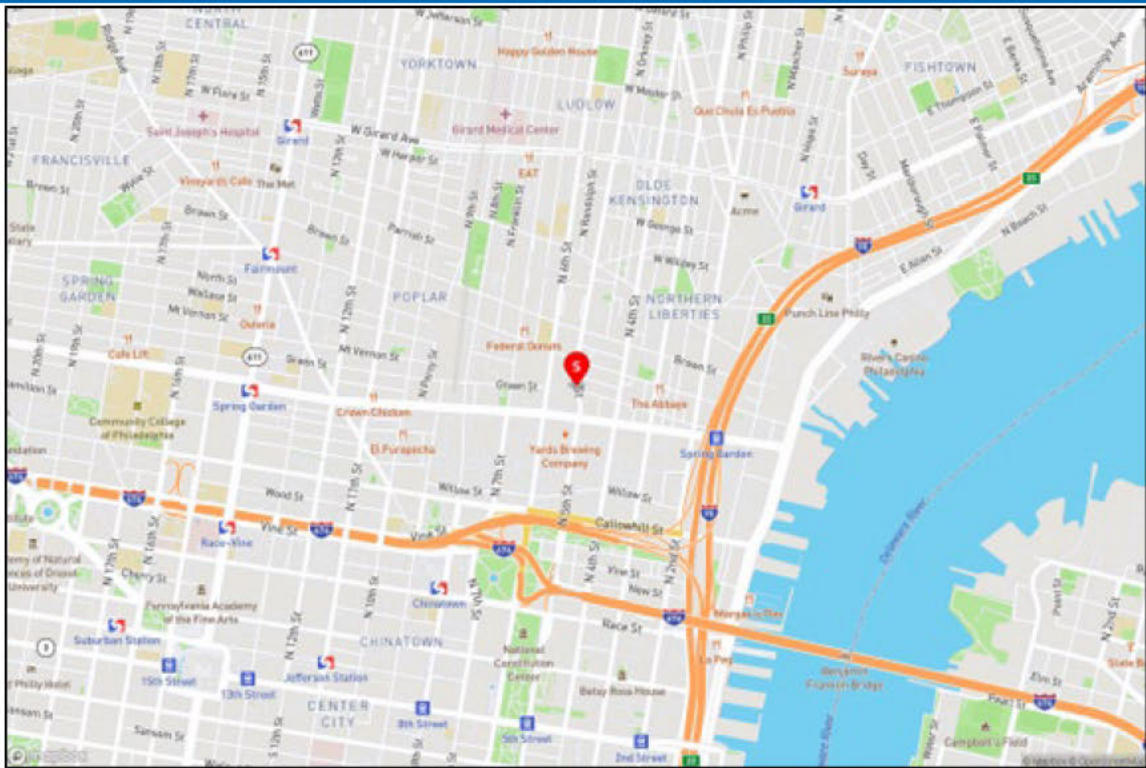
- A. Glossary of Terms
- B. Engagement Letter
- C. Financials and Property Information
- D. Comparable Data
 - Improved Sales
 - Lease Comparables
- E. Appraiser Qualifications and Licenses



SUBJECT MAPS



Aerial Photo



Location Map



500 Fairmount Avenue

SUBJECT PHOTOGRAPHS



Front View of Subject



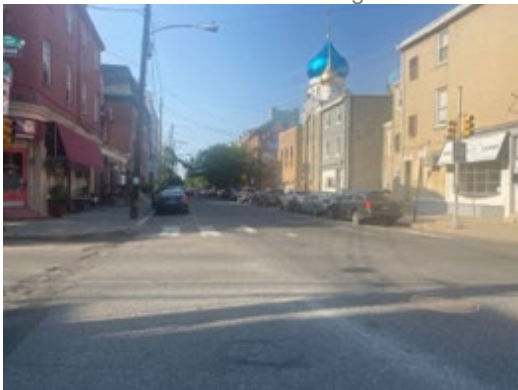
Front View of Subject



Fairmount Avenue facing West



Fairmount Avenue facing East



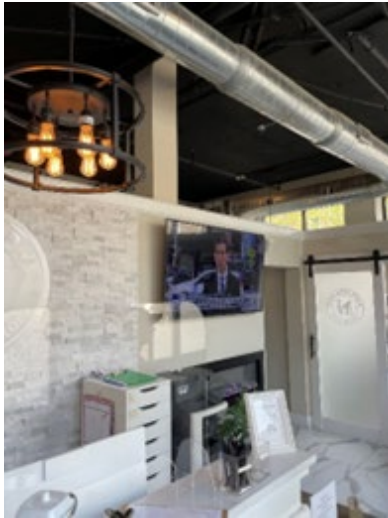
5th Street facing North



5th Street facing South



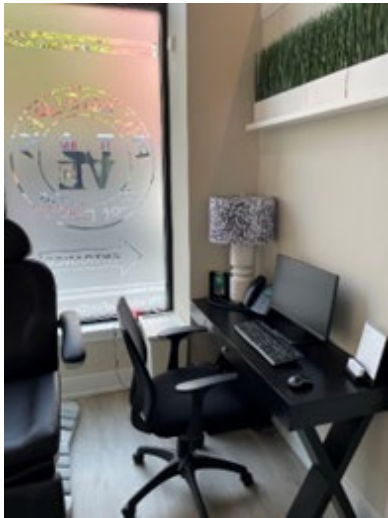
SUBJECT PHOTOGRAPHS



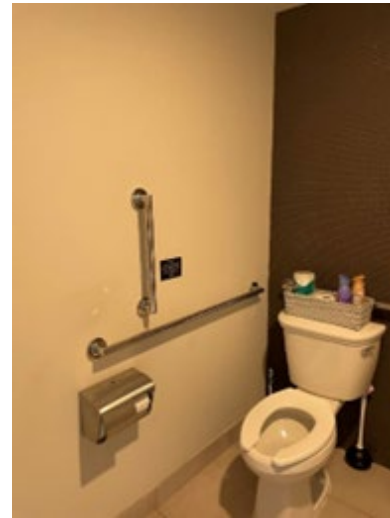
Commercial Unit



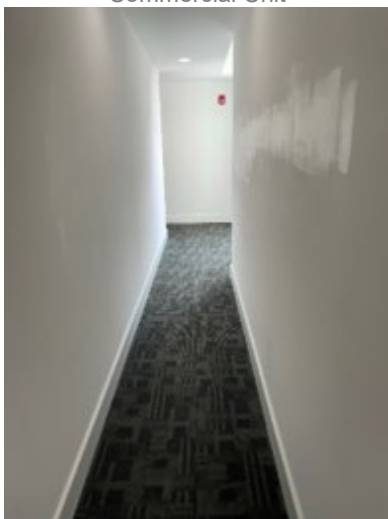
Commercial Unit



Commercial Unit



Commercial Unit



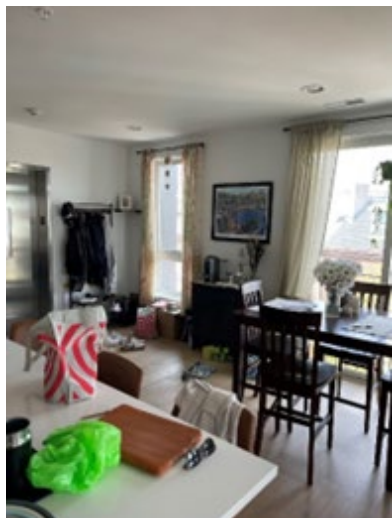
Common Area Hallway



Unit 401 - Kitchen



SUBJECT PHOTOGRAPHS



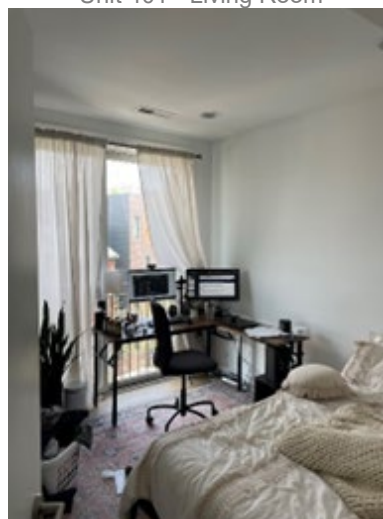
Unit 401 - Dining Room



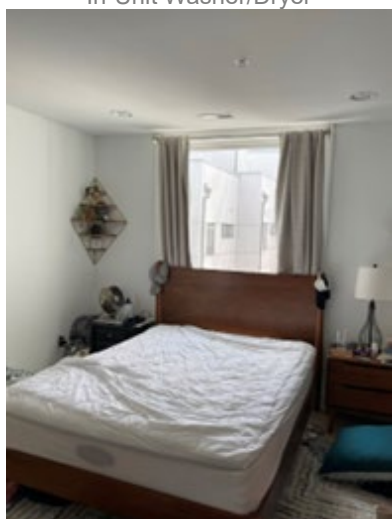
Unit 401 - Living Room



In-Unit Washer/Dryer



Unit 401 - Bedroom



Unit 401 - Bedroom



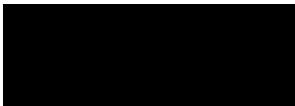
Unit 401 - Bathroom



SUBJECT PHOTOGRAPHS



Unit 401 – Bathroom



Executive Summary

500 Fairmount Avenue

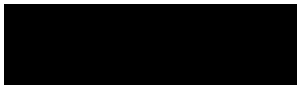
Property Type:	Mixed Use: Multifamily-Custom Subtype
Street Address:	500 Fairmount Avenue
City, State & Zip:	Philadelphia, PA 19123
MSA Name:	Philadelphia-Camden-Wilmington
Market Name:	PA - Philadelphia - Greater
Submarket Name:	Northern Liberties
Investment Class:	Class A
Latitude:	39.962264
Longitude:	-75.146721
Census Tract:	367
Gross Building Area (SF):	6,015
Commercial Net Rentable Area (SF)	1,120
Multifamily Net Rentable Area (SF)	2,580
Net Rentable Area (SF):	3,700
Number of Commercial Units	1
Number of Multifamily Units	5
Number of Units:	6
Year Built:	2018
Current Occupancy:	100.0%
Land Area:	0.042 acres; 1,818 SF
Zoning:	RSA-5
Assessor's Parcel ID(s):	56148950
Highest and Best Use - As Vacant:	Mixed Use: Retail/Multifamily Use
Highest and Best Use - As Improved:	Mixed-Use: Retail/Multifamily Use

Analysis Details

Valuation Date:	April 14, 2023
Market Value "As Is"	April 14, 2023
Inspection Date and Date of Photos:	April 14, 2023
Report Date:	June 9, 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. and no other use is permitted.
Intended User:	Client and OCF Realty and no other party is permitted to use or rely on the appraisal. and no other user is permitted by any other party for any other purpose.
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)

Leasing Summary

Number of Commercial Tenants			1
Contract Rent/SF			\$23.52
Market Rent/SF			\$28.00
Rental Unit Subtotals	1 BR	2 BR	Overall
Average Unit Size	430 SF	860 SF	516 SF
Average Unit Contract Rent	\$1,356	\$2,550	\$1,595
Unit Occupancy	100.0%	100.0%	100.0%
Unit Market Rent	\$1,350	\$2,550	\$1,590



EXECUTIVE SUMMARY

Valuation Summary		
Sales Comparison Approach		
		\$/Unit \$ Total
Number of Sales		5
Range of Sale Dates		Mar-21 to Jan-22
Adjusted Range of Comparables (\$/Unit)		\$271,973 to \$398,278
Value Conclusion:		\$280,000 \$1,400,000
PV of Tax Abatement		\$40,000
Indicated Sales Comparison Approach Value	As Is (Rounded)	\$290,000 \$1,450,000
Income Capitalization Approach - Direct Capitalization Method		
		\$/Unit \$ Total
Capitalization Rate Indicators and Conclusion		Indication
Comparable Sales		6.00% - 7.00%
Investor Surveys		4.70% - 6.60%
Band of Investment		6.50%
Debt Coverage Ratio Analysis		5.96%
Concluded Going-In Capitalization Rate		5.75%
Stabilized Income Estimate		
Potential Gross Income		\$25,459 \$127,296
Stabilized % Vacancy & Collection Loss		-5.78% (\$7,353)
Effective Gross Income		\$23,989 \$119,943
Operating Expenses		\$8,823 \$44,114
Operating Expense Ratio		36.8%
Net Operating Income		\$15,166 \$75,829
Capitalization Rate		5.75%
	As Is	\$249,652 \$1,248,258
Indicated Income Capitalization Approach Value	As Is (Rounded)	\$250,000 \$1,250,000
	PV of Tax Abatement	\$8,000 \$40,000
	As Is (Rounded)	\$270,000 \$1,350,000
Market Value Conclusions	As Is	\$1,350,000
Exposure / Marketing Time		
Concluded Exposure Time		6 to 9 Months or Less
Concluded Marketing Time		6 to 9 Months or Less

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. Access was only available to the ground floor commercial space and fourth floor unit. The remainder of the building is presumed to be in a similar condition as the units we accessed, given the age of the property. Our analysis utilizes the square footages provided by management. We reserve the right to amend our report if different information becomes available to us.

The use of this extraordinary assumption might have affected assignment results.

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

Introduction

OWNERSHIP HISTORY

The current owner is 500 Fairmount Avenue LLC. The following summarizes a three-year history of ownership, the current listing status, and pending transactions for the subject property (as applicable).

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:	January 24, 2020	
Buyer:	500 Fairmount Avenue LLC	
Seller:	Skyline Dev LLC	
Purchase Price:	\$1,640,000	\$328,000 Per Apt. Unit
Deed Information:	Document #53629012	

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 OCF Realty 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)

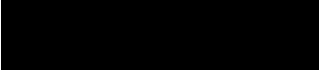
APPRAISAL REPORT

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	1/1/2022



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 April 14, 2023 as per the defined scope of work. ██████████ made a personal inspection of the property that is the subject of this report. ██████████ ██████████ has not personally inspected the subject.

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

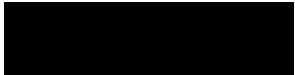
NATIONAL TRENDS AND UNCERTAINTIES

National and Global economies have experienced record setting inflation and interest rates have continued to increase. Influences of the COVID-19 pandemic on the economy have reduced but some fallout effects continue. A recession is still a concern among economists and the populace at large while the yield curve continues to signal a recession. The April 2023 forecast by The Conference Board shows a strong likelihood of recession later this year. Surveys of economists are not as severe with usually about 60% saying they expected a recession this year. However, consumer spending and robust job growth have allowed the economy to continue to grow.

In an effort to curtail inflation, The Federal Reserve embarked on an aggressive strategy which may be bearing fruit. In spite of three major bank failures, the Fed raised rates another 25 basis points in May 2023, for a total of 500 basis points over the course of 2022 into 2023. The Fed is targeting a range of 5.00% to 5.25% for the Federal Funds Rate – the highest since August 2007. The three 2023 increases were smaller at 25 basis points than the previous increases and the Fed signaled a tentative hint that the current tightening cycle is near an end bringing to a close the fastest increase in rates the Federal Reserve has ever engineered.

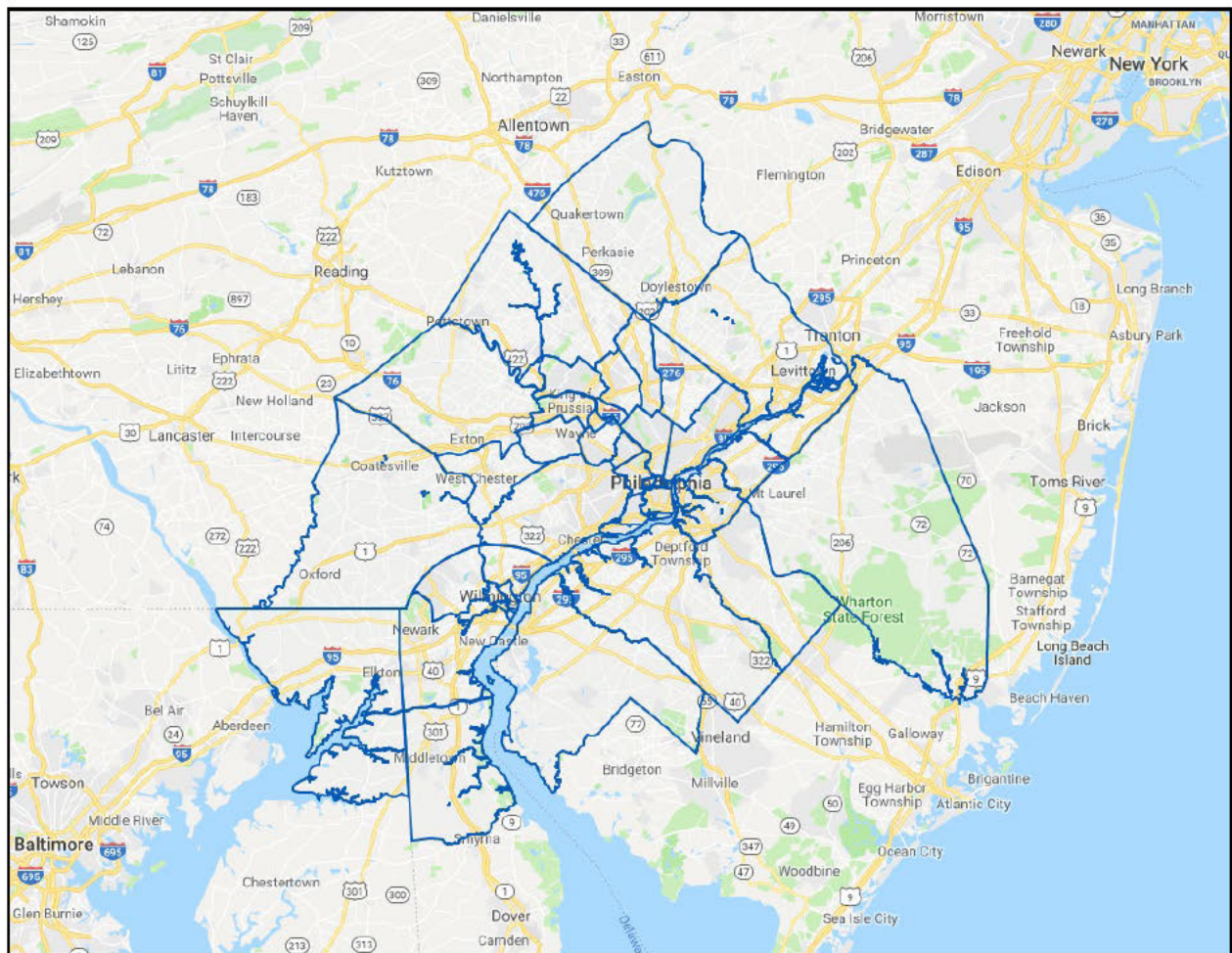
Commercial real estate is receiving an increased amount of attention as prices are demonstrably falling and transaction volumes plummeting. These effects are a function of the unfavorable economic and credit conditions as well as other factors such as impacts to office use driven in part by the COVID-19 pandemic. Credit tightening, which includes wider credit spreads and lower loan-to-value ratios, is arising due to uncertain economic outlooks, deterioration in real estate collateral values, and concerns about bank liquidity. According to Real Capital Analytics (RCA), commercial transaction volume was down 56% in the first quarter of 2023 over the same period in 2022. Note, however, that the first quarter of 2022 had record high transaction volumes which skews the comparison.

We have considered, and will address, these issues throughout this appraisal and report including in our determinations of overall capitalization rates, discount rates, market rent assumptions, market conditions adjustments, 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.



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- 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.

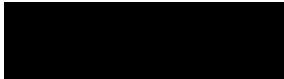
Other Factors Fueling the Growth of Greater Philadelphia

- 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

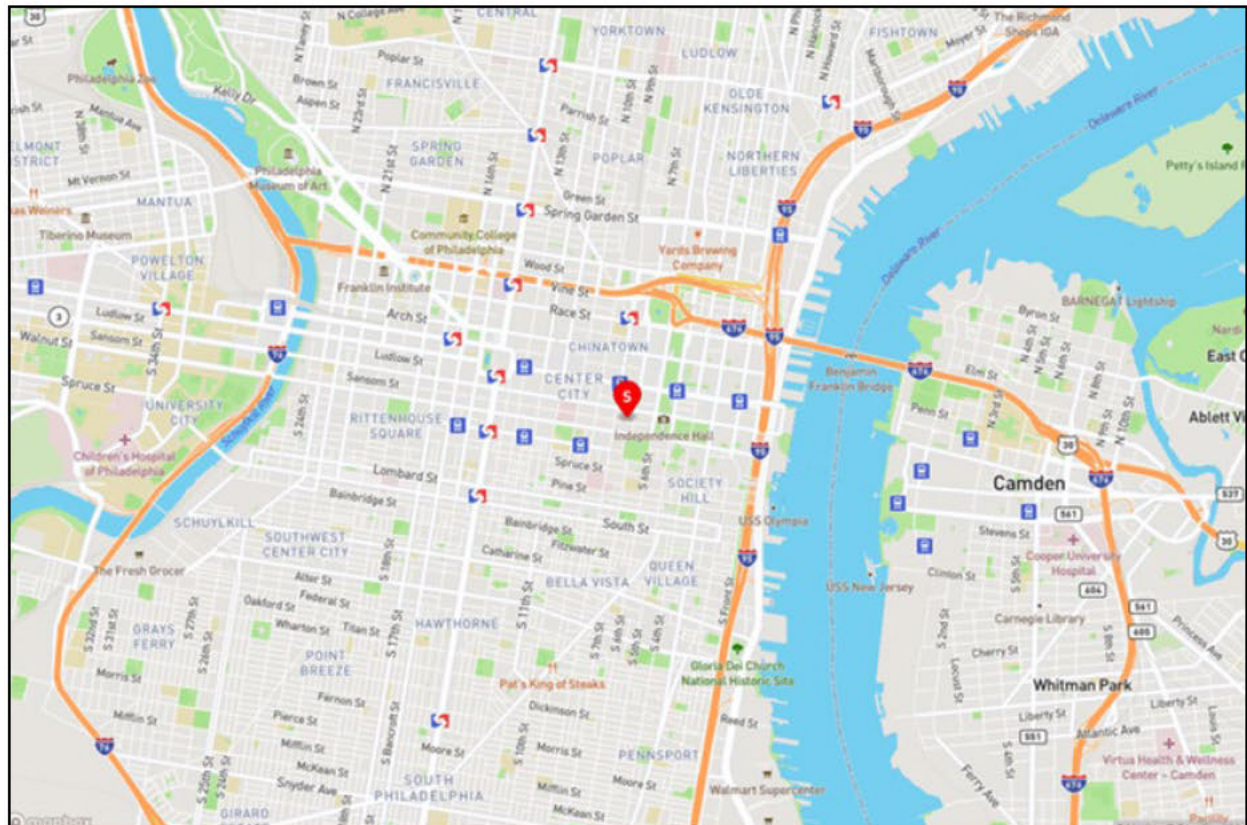
- Over 100 degree-granting institutions including Princeton University and University of Pennsylvania, two Ivy League universities plus three of the very top liberal arts colleges: Swarthmore, Haverford, and Bryn Mawr Colleges.
- Approximately 500,000 full- and part-time students
- 6 medical schools, 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 southern portion of the Northern Liberties neighborhood of Center City Philadelphia. This area is generally delineated as follows:

North	Girard Avenue
South	Callowhill Street
East	Delaware River
West	N. 6 th Street

Access

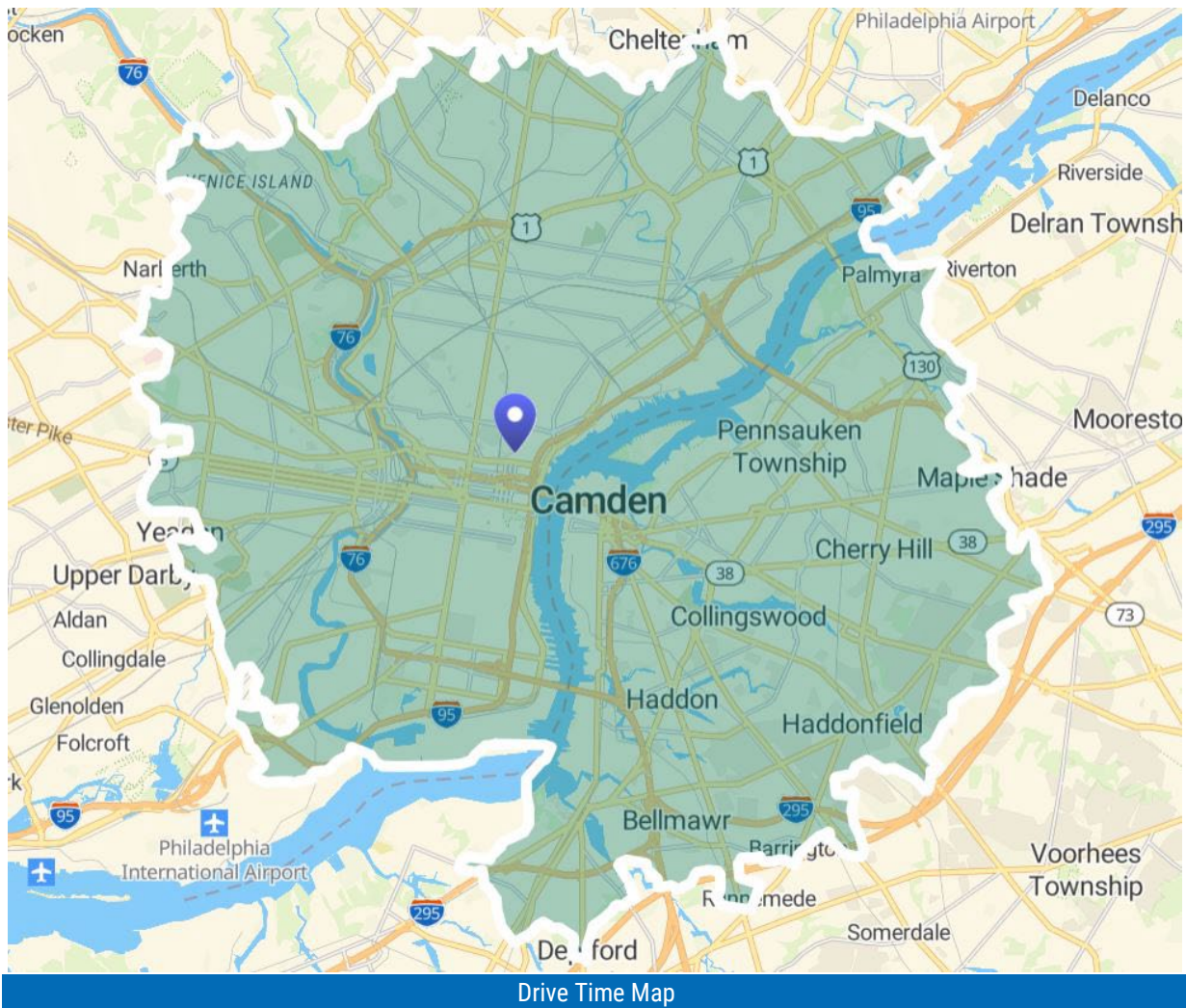
Primary access to this neighborhood is provided by Interstates 95 and 676. Interstate 95 is a major arterial that generally extends through the market area in a north/south direction. An entrance to I-95 is located approximately two miles northeast of the subject and is accessible from Girard Avenue, providing convenient access to Philadelphia's northern suburban markets, Trenton, NJ to the north, and Delaware to the south. Interstate 676, commonly known as the Vine Street Expressway, is also a major arterial (limited access) and extends through the market area in an east/west direction. I-676 connects with the Schuylkill Expressway (I-76) just west of the

ECONOMIC ANALYSIS

subject. These roadways connect the subject to the entire Philadelphia Metro and ease of access is considered above average.

SEPTA operates numerous bus lines, two intra-city subways, and two major regional commuter rail stations in Center City. The property is within close proximity to the Spring Garden and Girard stops of the Market/Frankford elevated subway line (The El), which provides direct access to the two largest employment centers in the Philadelphia region, Center City Philadelphia and University City. The subway also provides connections to Suburban Station at 16th Street and JFK Boulevard, along with 30th Street Station. The regional rail lines provide public transportation to numerous Pennsylvania suburban communities.

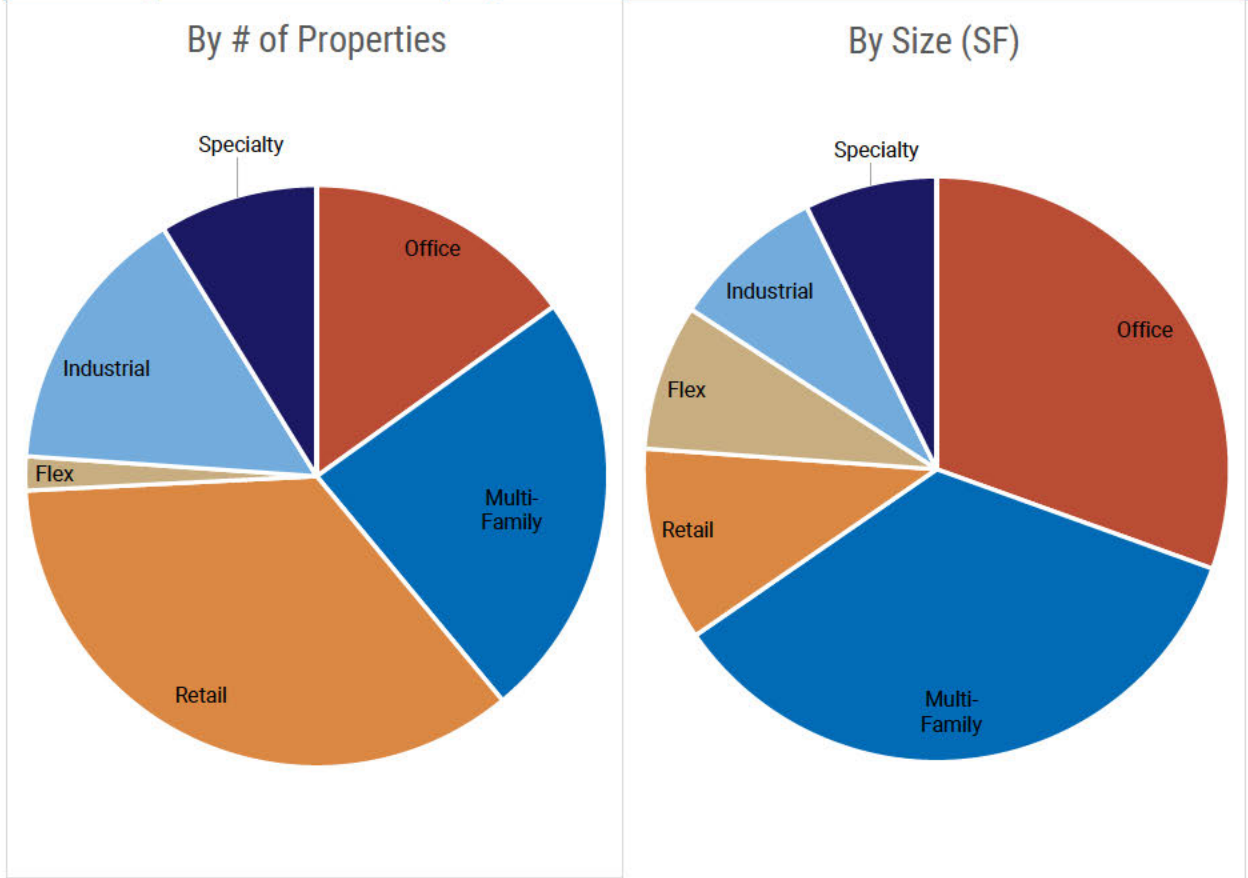
The following map illustrates a 15-minute drive time from the subject property:



Land Use

The local area has been undergoing major revitalization over the past several years. Redevelopment has been predominantly residential uses, and the pace at which these properties are being built has accelerated over time. New commercial construction was also prevalent on nearby Spring Garden Street. The following was developed from Costar data for the major property types in the surrounding 0.25 mile radius around the subject.

Surrounding Area Commercial Property Characteristics



Source: Costar, [REDACTED]



Northern Liberties and Surrounding Area Development

Palazzo at the Piazza: The existing Navano and Erbe projects that comprise the higher-end inventory at the nearby Piazza have recently undergone renovations on a select number of units which were down for some time and have now come back online, known as the Palazzo at the Piazza (pictured below, left).



Also, currently underway directly across from the Piazza at 1075-1099 Germantown Avenue, developer Post Brothers is constructing a proposed 696-unit high-rise project featuring three 9-story towers directly adjacent to their existing Piazza complex, to be known as Piazza Alta. While the developer is to deliver the project in phases, the first phase is nearing completion and pre-leasing has commenced. This Developer’s continued investment in the area which they have substantial experience in demonstrates their continued expectations for return on investment in the neighborhood.

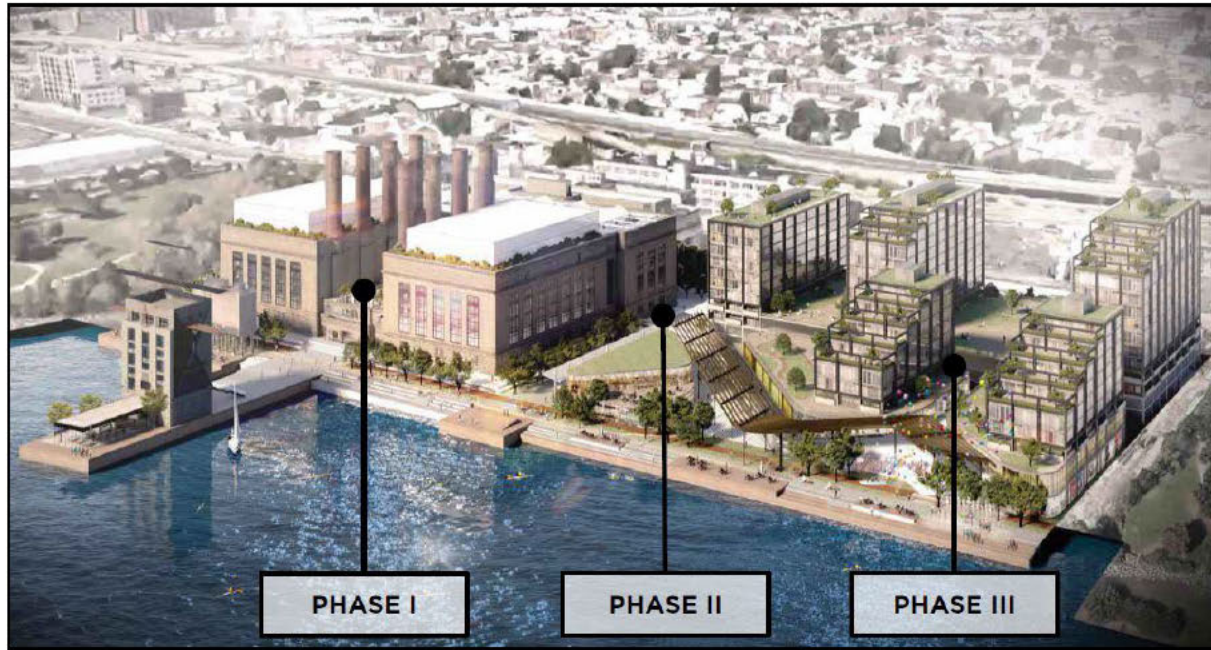
Another proposed complex within the subject’s immediate vicinity is a 10-story multifamily project at the recently acquired 1100 N Delaware Ave site. Recent plans reveal that this proposed complex may now be a 6-story mixed-use building, though it is anticipated that the development plans may continue to evolve prior to construction commencing.



Finally, The Battery is an ongoing redevelopment of a former PECO power plant along the Delaware River. Originally constructed in 1920, the property is currently being converted to an 8-story Class A mixed-use high-rise apartment complex containing 239 apartment units in addition to 106,524 square feet of commercial (retail/office) space.



The redevelopment is being done in three phases, as shown in the following exhibit.



Demographics

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

Demographic Analysis								
	1-Mile Radius	3-Miles Radius	5-Miles Radius	19123	Philadelphia City	Philadelphia County	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA	Pennsylvania
Population								
2010 Total Population	35,265	443,119	928,935	13,791	1,526,006	1,526,006	5,965,343	12,702,379
2022 Total Population	54,969	503,602	989,216	20,318	1,619,078	1,619,078	6,290,595	13,027,451
2027 Total Population	62,005	510,843	989,368	23,700	1,604,021	1,604,159	6,309,366	13,011,297
Projected Annual Growth %	2.4%	0.3%	0.0%	3.1%	-0.2%	-0.2%	0.1%	0.0%
Households								
2010 Total Households	16,261	181,928	364,094	6,312	599,635	599,736	2,260,312	5,018,904
2022 Total Households	27,747	225,939	418,208	10,029	667,219	667,219	2,438,223	5,232,785
2027 Total Households	31,736	231,062	421,445	11,841	664,975	665,034	2,454,567	5,244,451
Projected Annual Growth %	2.7%	0.4%	0.2%	3.4%	-0.1%	-0.1%	0.1%	0.0%
Income								
2022 Median Household Income	\$86,415	\$57,627	\$49,395	\$84,733	\$52,721	\$52,721	\$81,273	\$69,170
2022 Average Household Income	\$125,137	\$101,252	\$83,914	\$129,693	\$83,843	\$83,843	\$119,011	\$99,758
2022 Per Capita Income	\$63,545	\$45,685	\$35,603	\$62,606	\$34,678	\$34,678	\$46,256	\$40,217
Housing								
2022 Owner Occupied Housing Units	30.2%	37.5%	40.6%	30.1%	46.9%	46.9%	62.0%	62.1%
2022 Renter Occupied Housing Units	57.5%	50.0%	47.6%	57.3%	43.5%	43.5%	31.1%	28.4%
2022 Median Home Value	\$365,103	\$299,214	\$224,766	\$377,085	\$224,010	\$224,010	\$299,485	\$232,971
Median Year Structure Built	1970	1940	1940	1973	1948	1948	1965	1964
Miscellaneous Data Items								
2022 Bachelor's Degree	33.0%	25.0%	19.6%	34.6%	19.3%	19.3%	24.5%	20.8%
2022 Grad/Professional Degree	27.8%	21.6%	15.4%	25.9%	13.6%	13.6%	16.6%	13.4%
2022 College Graduate %	60.8%	46.6%	35.0%	60.5%	32.8%	32.8%	41.1%	34.2%
2022 Average Household Size	1.85	2.11	2.28	1.95	2.36	2.36	2.52	2.41
2022 Median Age	35.2	33.5	33.8	35.9	35.7	35.7	39.7	41.9

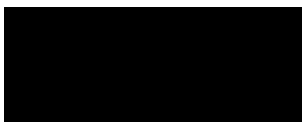
Source: ESRI

- As shown above, the current population within the subject's zip code was estimated to be 20,318 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 Northern Liberties than in the surrounding area at an estimated \$84,733. The median owner-occupied home values are also considerably higher in Northern Liberties.

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 market is in the growth stage of its life cycle. Given the history and growth trends, it is our opinion that property values will increase in the near future.

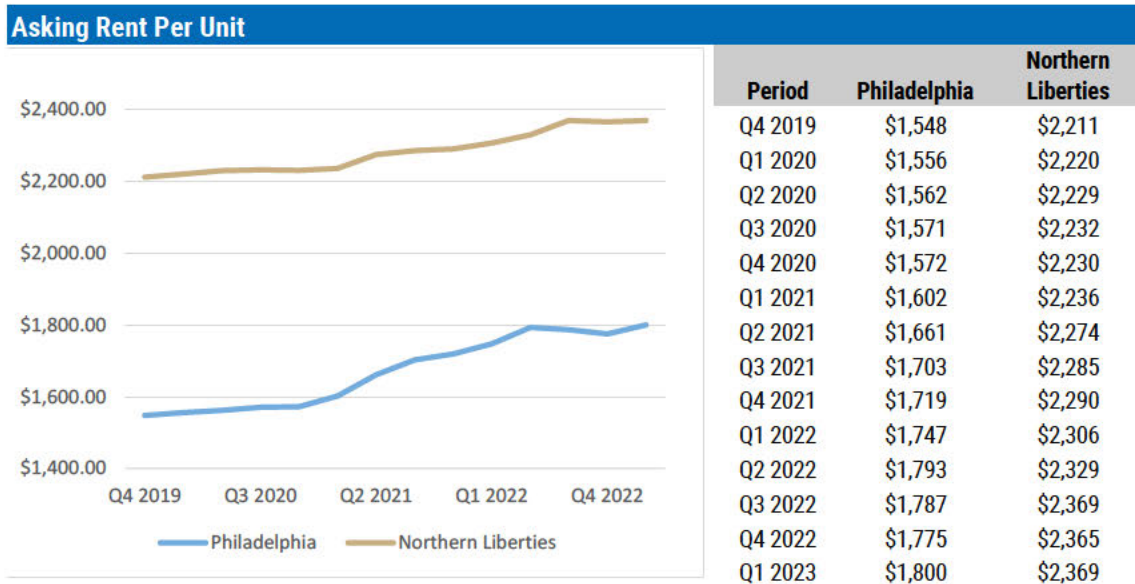
MULTIFAMILY MARKET ANALYSIS

Classification

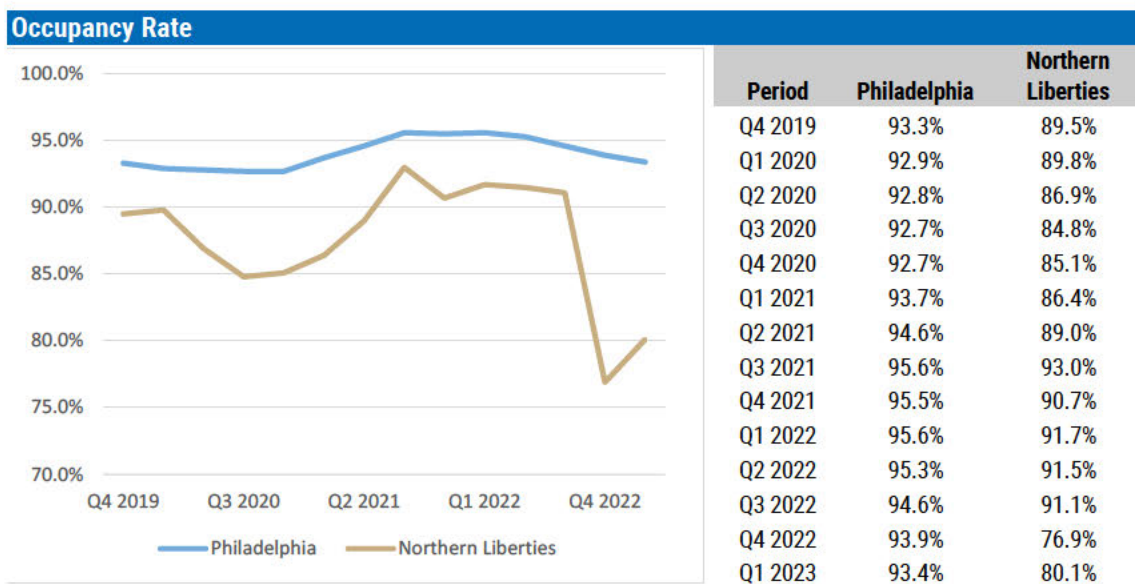
The subject is located in the Northern Liberties submarket of the Philadelphia multifamily market. The property is considered a Class A Apartment Building in this market.

Multifamily Market Overview

The following discussion outlines overall market performance in the surrounding multifamily market using Costar market metric data. Presented first are market statistics of the City of Philadelphia and the subject's submarket overall.



Source: Costar; Compiled by Newmark Valuation & Advisory



Source: Costar; [REDACTED]

Market and Submarket Trends

Multifamily Market Trends								
	Philadelphia				Northern Liberties			
	Inventory (Unit)	Completions (Unit)	Vacancy %	Asking Rent Per Unit	Inventory (Unit)	Completions (Unit)	Vacancy %	Asking Rent Per Unit
Q1 2021	211,324	1,192	6.3%	\$1,602	1,347	23	13.6%	\$2,236
Q2 2021	213,749	2,425	5.4%	\$1,661	1,379	32	11.0%	\$2,274
Q3 2021	215,704	1,955	4.4%	\$1,703	1,379	0	7.0%	\$2,285
Q4 2021	217,262	1,558	4.5%	\$1,719	1,502	123	9.3%	\$2,290
Q1 2022	218,828	1,566	4.4%	\$1,747	1,542	40	8.3%	\$2,306
Q2 2022	220,460	1,632	4.7%	\$1,793	1,750	208	8.5%	\$2,329
Q3 2022	223,520	3,060	5.4%	\$1,787	1,785	35	8.9%	\$2,369
Q4 2022	225,546	2,026	6.1%	\$1,775	2,480	695	23.1%	\$2,365
Q1 2023	227,689	2,143	6.6%	\$1,800	2,480	0	19.9%	\$2,369

* Forecast

Source: Costar

- Vacancy rates for the subject’s submarket have been significantly higher in Northern Liberties compared to the overall Philadelphia market over the past two years. New ‘luxury’ multifamily developments have been abundant in Northern Liberties and in nearby Fishtown over the past five years, as young professionals seek housing options within close proximity to Center City, with more off-street parking opportunities and easier access to highway networks.
- The average rental rate for the submarket is higher than that of the overall Philadelphia market. Over the past two years, effective rental rates have been following a generally increasing trend in both the market and submarket.

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		
	Units Built	Units Absorbed	Const. / Abs. Ratio	Units Built	Units Absorbed	Const. / Abs. Ratio	Units Built	Units Absorbed	Const. / Abs. Ratio
Philadelphia	8,284	4,235	2.0	23,992	23,799	1.0	37,489	37,969	1.0
Northern Liberties	978	552	1.8	1,219	809	1.5	1,280	888	1.4

Source: Costar

- Fewer units are being absorbed compared to the amount being delivered in Northern Liberties, as supported by vacancy rate statistics for the area. The construction of Class A multifamily properties has exceeded demand significantly over the past year.
- Market participants suggest that 2024 will be one of the highest supply years for multifamily projects in Philadelphia.

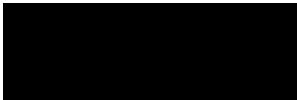
Trends and Projections

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	6.60%	6.10%	7.30%	7.20%	6.90%
Northern Liberties	19.90%	23.10%	14.90%	9.70%	6.50%
Direct Competition	5.00%				
Subject	0.00%				
Concluded Subject Vacancy Rate	5.00%				

Source: Costar [REDACTED]

- Northern Liberties, along with the Art Museum neighborhood of Philadelphia, have had the highest amount of multifamily construction compared to other neighborhoods within the metro area. Approximately 85% of the delivered multifamily construction is Class A luxury construction.
- Based on the key metro and submarket area trends, construction outlook and the performance of competing properties, we have established a 5.00% vacancy rate for the subject. This figure is lower than the current vacancy rate for Northern Liberties but considering our survey of the comparable projects in the market area, 5% is deemed reasonable.



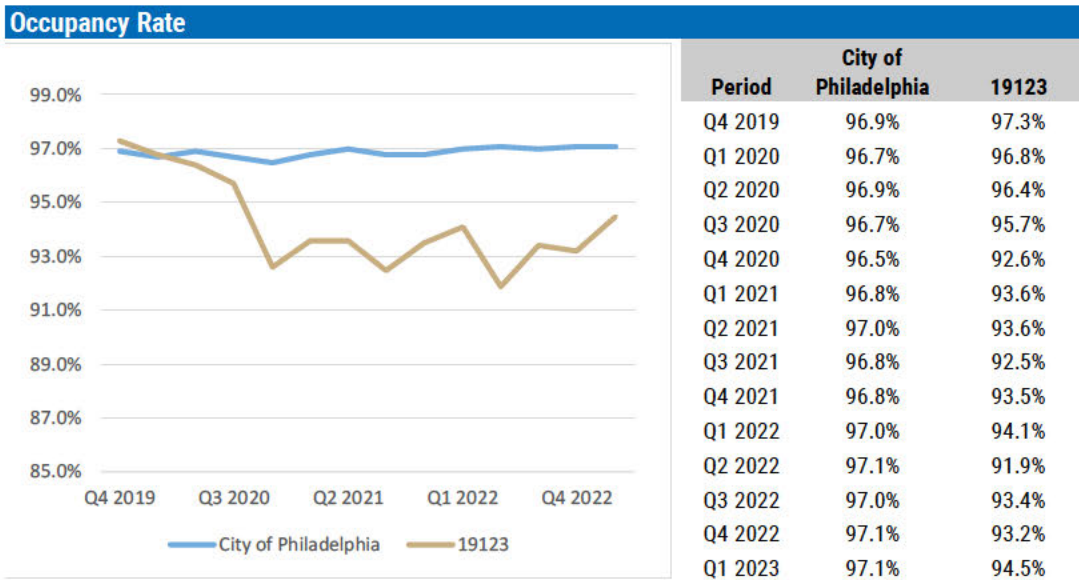
RETAIL MARKET ANALYSIS

Classification

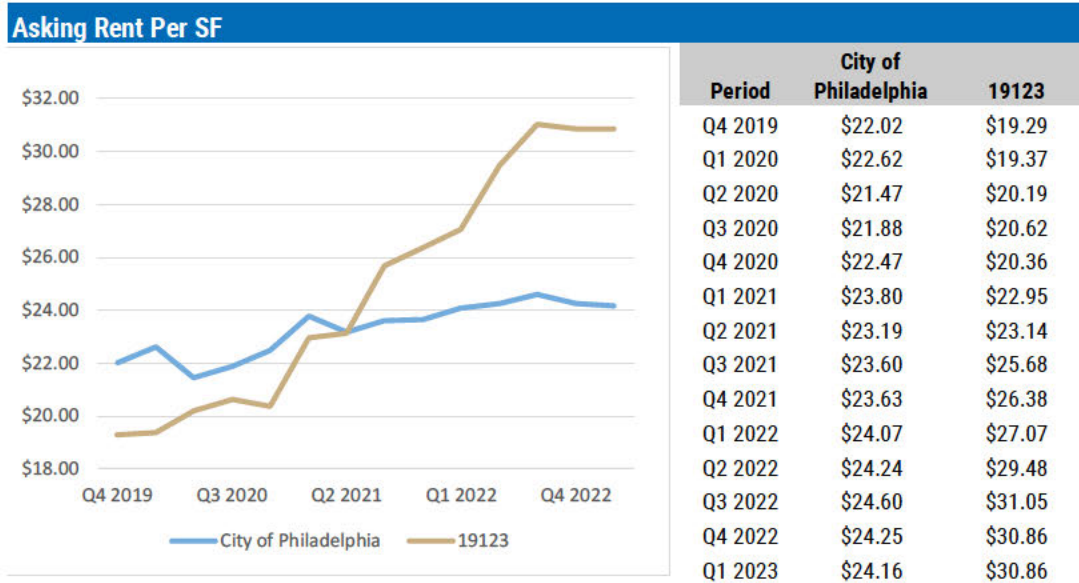
As noted, the subject features 1,120 square feet of ground floor commercial space. We therefore provide a brief retail market analysis herein.

Retail Market Overview

The following discussion outlines overall market performance in the surrounding retail market using Costar market metric data. Presented first are market statistics of the City of Philadelphia area and the subject's 19123 submarket overall.



Source: Costar, [REDACTED]



Source: Costar, [REDACTED]



Retail Market Statistics					
Trailing Four Quarters Ended Q1 2023					
Market / Submarket	Inventory (SF)	Completions (SF)	Vacancy (%)	Net Absorption (SF)	NNN Rent Overall / SF
City of Philadelphia	77,292,301	564,768	2.90%	524,346	\$24.16
19123	2,315,740	14,250	5.50%	-4,087	\$30.86

Source: Costar; [REDACTED]

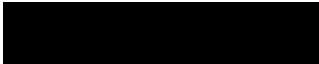
- The average vacancy rate for the subject submarket is higher than that of the overall market area.
- The average rental rate for the submarket is higher than the overall City of Philadelphia market.
- Approximately 0.6% of the submarket inventory, and 0.7% of the market inventory, represents newer construction.
- Absorption for the last 12 months was positive for the overall market area and flat at the submarket level.

Market and Submarket Trends

	City of Philadelphia				19123			
	Inventory (SF)	Completions (SF)	Vacancy %	NNN Rent Overall / SF	Inventory (SF)	Completions (SF)	Vacancy %	NNN Rent Overall / SF
Q1 2021	76,887,714	44,896	3.2%	\$23.80	2,372,622	0	6.4%	\$22.95
Q2 2021	76,987,574	113,660	3.0%	\$23.19	2,372,622	0	6.4%	\$23.14
Q3 2021	77,000,650	21,620	3.2%	\$23.60	2,372,622	0	7.5%	\$25.68
Q4 2021	76,930,517	265,677	3.2%	\$23.63	2,339,617	11,000	6.5%	\$26.38
Q1 2022	76,802,605	10,247	3.0%	\$24.07	2,330,158	0	5.9%	\$27.07
Q2 2022	77,086,912	298,830	2.9%	\$24.24	2,330,158	0	8.1%	\$29.48
Q3 2022	77,061,288	19,344	3.0%	\$24.60	2,311,212	9,722	6.6%	\$31.05
Q4 2022	77,193,283	149,600	2.9%	\$24.25	2,311,212	0	6.8%	\$30.86
Q1 2023	77,292,301	96,994	2.9%	\$24.16	2,315,740	4,528	5.5%	\$30.86

Source: Costar; [REDACTED]

- The overall market area and submarket have been relatively stagnant with respect to occupancy over the past year. Both market areas are operating at stabilized levels currently.
- Over the past several years, effective rental rates have been following a generally increasing trend within the market and submarket. Asking rents fluctuated throughout 2020 & 2021 due to COVID-19 but have since recovered and continued their upward trajectory.



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
City of Philadelphia	478,021	501,788	1.0	1,247,891	471,664	2.6	1,895,198	1,032,392	1.8
19123	9,722	-33,650	-0.3	84,322	-125,259	-0.7	122,218	-117,806	-1.0

Source: Costar, [REDACTED]

- Absorption in the 19123 submarket is outpacing construction.

Trends and Projections

Subject and Market Historical and Forecast Trends

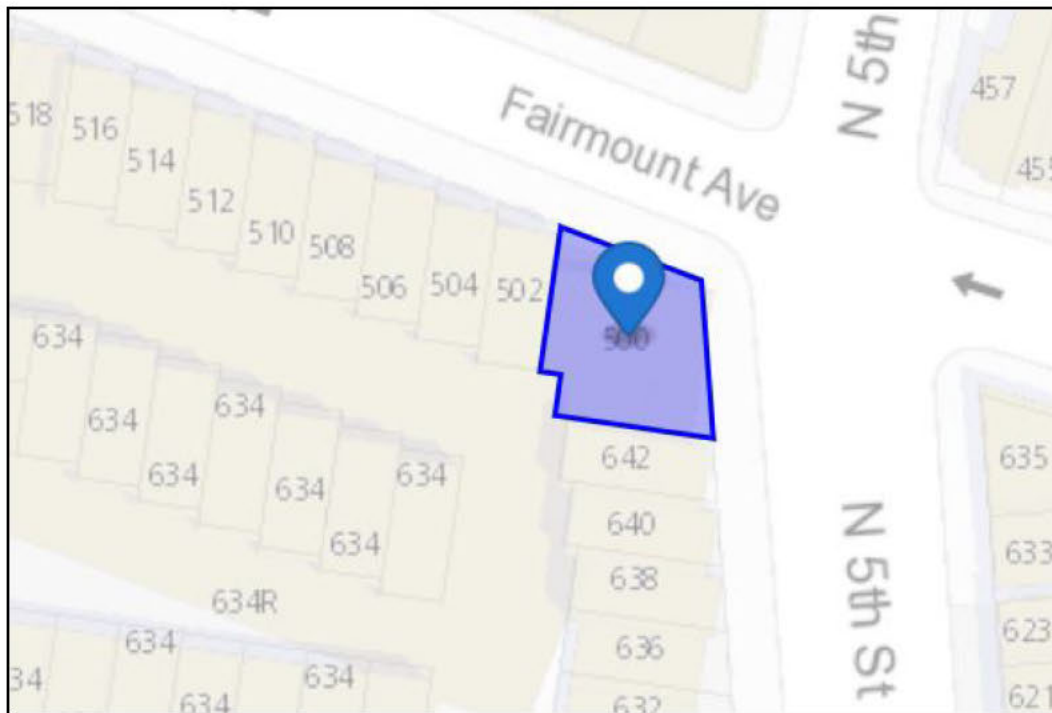
Market Vacancy Rate Indicators						
	Current	Most Recent Full Year	Trailing 3-Year	Trailing 5-Year	Trailing 10-Year	
Costar						
City of Philadelphia	2.90%	2.90%	3.50%	3.00%	4.20%	
19123	5.50%	6.80%	7.40%	3.70%	7.00%	
Subject	0.00%					
Concluded Subject Vacancy Rate	4.00%					

Source: Costar, [REDACTED]

- Based on key metro trends, construction outlook, and the performance of competing properties, [REDACTED] expects the mix of property fundamentals and economic conditions in this market and submarket to have a positive impact on the subject property's performance over the long term.
- We have concluded to a vacancy rate of 4.00%, exclusion of collection loss.



Land and Site Analysis



Tax Map



National Flood Hazard Layer FIRMette



75°9'8"W 39°58'1"N



0 250 500 1,000 1,500 2,000 Feet 1:6,000
Basemap: USGS National Map: Orthomagery: Data refreshed October, 2020

Flood Map



LAND AND SITE ANALYSIS

Land Parcels			
Parcel Summary	Associated APN(s)	Land Area (SF)	Land Area (Acres)
500 Fairmount Avenue	56148950	1,818	0.0417
Total Gross Land Area		1,818	0.0417
Total Usable Land Area		1,818	0.0417
Total Surplus Land Area		0	0.0000
Total Excess Land Area		0	0.0000

Land Description

Total Land Area	0.0417 Acres; 1,818 SF
Usable Land Area	0.0417 Acres; 1,818 SF
Excess Land Area	None
Surplus Land Area	None
Source of Land Area	Public Records

Site Characteristics

Primary Street Frontage	Fairmount Avenue (39 FF)
Secondary Street Frontage	N. 5th Street (41 FF)
Traffic Control at Entry	None
Traffic Flow	Moderate
Accessibility Rating	Average
Visibility Rating	Good
Shape	Irregular
Corner	Yes
Topography	Generally 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
------------------	--------------------------------

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

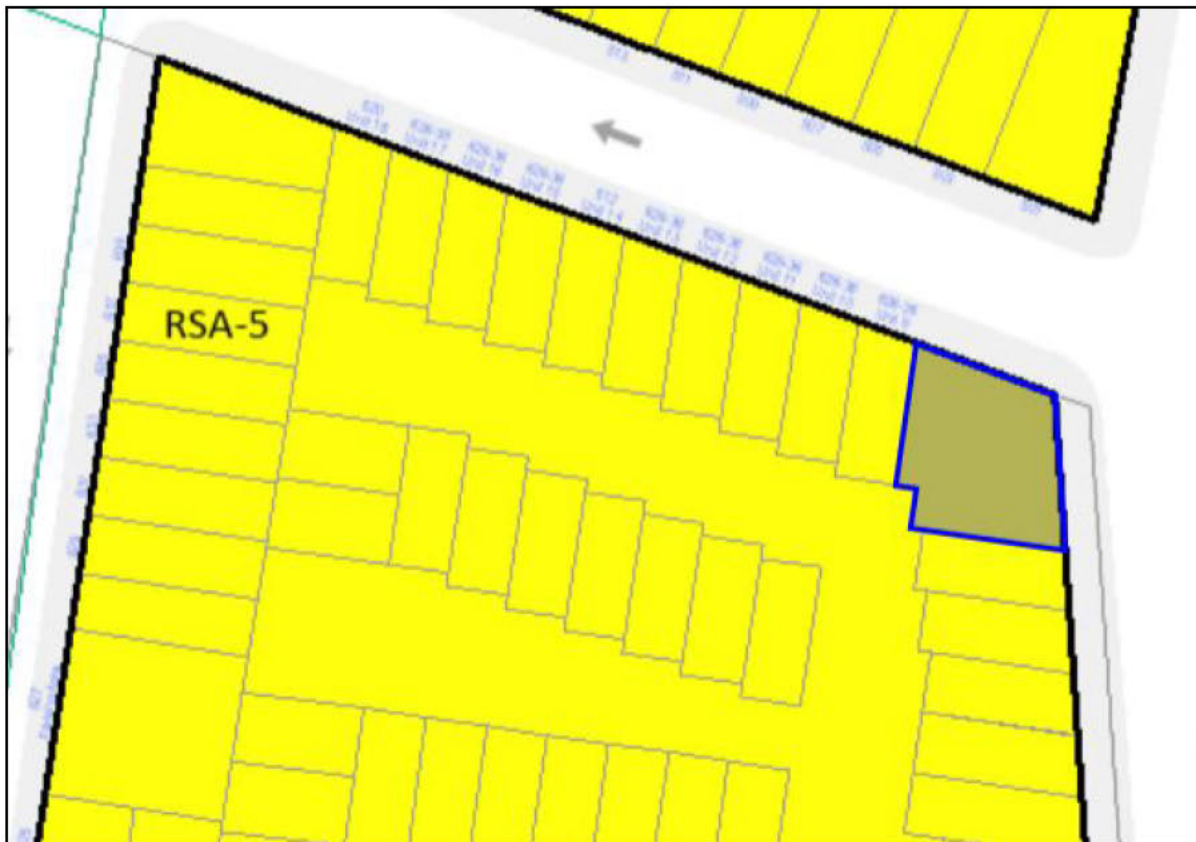
No environmental issues were observed or reported. [REDACTED] is not qualified to detect the existence of potentially hazardous issues such as soil contaminants, the presence of abandoned underground tanks, or other below-ground sources of potential site contamination. The existence of such substances 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 subject is considered to have good functionality by means of accessibility to and from the property.



Zoning and Legal Restrictions



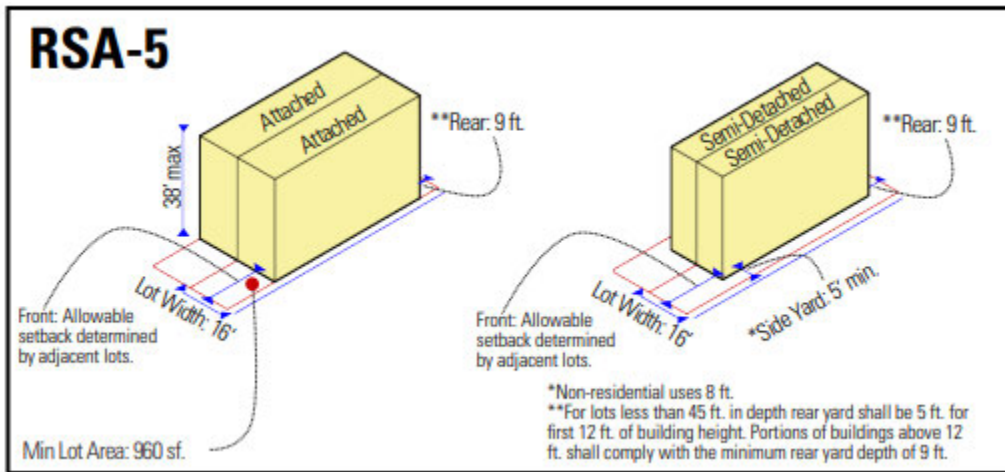
Zoning Map



ZONING AND LEGAL RESTRICTIONS

Zoning Summary

Category	Description
Zoning Jurisdiction	City of Philadelphia
Zoning Designation	RSA-5
Description	Residential Single Family Attached
Legally Conforming?	No
Zoning Change Likely?	Unlikely
Permitted Uses	Single-Family Residential
Minimum Lot Area	1,440 SF
Minimum Lot Width	16 ft.
Maximum Occupied Area	80%
Maximum Building Height	38 ft.
Minimum Rear Yard Setback	9 ft.



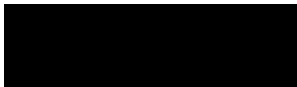
We are not experts in the interpretation of zoning ordinances. A qualified land use/zoning expert should be engaged if there are any zoning concerns or if a determination of compliance with zoning is required. The subject's current use as a mixed-use retail/multifamily property is a legal non-conforming use within this zoning district. The subject's legal non-conforming use does not negatively impact the subject's marketability. Building and variance permits were not available for review though the structure is presumed to be legally permissible.

Improvements Analysis

The “Subject Property” is a four-story mixed-use condominium located within the Northern Liberties neighborhood of Philadelphia. The property contains 3,700 square feet, net rentable area, and consists of one ground floor commercial unit, with (4) 1BR/1BA apartments and (1) 2BR/2BA apartment located on the upper levels. The improvements were constructed in 2018 and are in excellent condition and are of good quality. The corner site encompasses 1,818 square feet (0.042 acres). At time of inspection, the property was fully leased and occupied. The improvements are more fully described in the table on the following page.



Front View of Subject from Intersection of Fairmount Avenue and N. 5th Street



IMPROVEMENTS ANALYSIS

Improvements Description	
Component Structures	
Improvements (Structures)	Primary Use
General Improvement Type	Multifamily
No. Buildings	1
No. Commercial Units	1
No. Apartment Units	5
Total No. Units	6
GBA (SF)	6,015
Commercial Rentable SF	1,120
Multifamily Rentable SF	2,580
Rentable SF	3,700
Average Unit Size (SF)	516
Occupied Units	6
% Occupied	100.00%
Construction Status	Existing, Stabilized Operations
Construction Class	D
Quality	Good
Current Condition	Excellent
Age/Life Depreciation Analysis	
Year Built	2018
Actual Age (Yrs.)	5
Economic Life (Yrs.)	60
Effective Age (Yrs.)	1
Remaining Economic Life (Yrs.)	59
Floor Area Analysis	
Number of Stories	4
Max Ceiling Height (Ft)	13
Est. Ground Floor Area (GBA)	1,818
Attributed Site Area (SF)	1,818
Site Coverage	100.0%
Floor Area Ratio (FAR)	3.309
Unit Density (Units/Acre)	143.8
Land to Building Ratio	0.30:1
Parking Type	No off-street parking
Construction Details	
Foundation	Concrete
Basement	Unfinished storage space
Structural Frame/Construction Summary	Masonry
Exterior Walls	Brick with wall panels
Windows	Double pane (Low-E) glass with vinyl frames
Roof	Fiberglass membrane; roof deck
Interior Finish	
Floors	Hardwood and ceramic tile
Walls	Textured and painted sheetrock
Ceilings	Textured and painted sheetrock Ceiling-mounted incandescent
Lighting	lighting fixtures



IMPROVEMENTS ANALYSIS

Engineering & Mechanical	
HVAC	Central air conditioning; forced warm air heat; gas furnaces; individual HVAC units.
Electrical	Assumed adequate
Plumbing	Assumed adequate
Utility Meters	Individually metered
Elevators	1
Fire Sprinklers	Wet

UNIT MIX - COMMERCIAL

Occupancy Summary				
Type of Space	Rentable Area (SF)	% Total	Leased (SF)	% Leased
Retail/Office	1,120	100.0%	1,120	100.0%

UNIT MIX - RESIDENTIAL

Unit Mix					
	Unit Description	Unit Size (SF)	Rentable Area (SF)	Occupied Units	Unit Occupancy
4	1 BR/1 BA 1BR - 430 SF	430	1,720	4	100.0%
4	1 BR Total	430	1,720	4	100.0%
1	2 BR/2 BA 2BR - 860 SF	860	860	1	100.0%
1	2 BR Total	860	860	1	100.0%
5	Totals		2,580	5	
	Averages	516			100.0%

PROPERTY CONDITION

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.

Personal Property

Certain items in apartment projects are sometimes considered personal property, such as furniture, fixtures or equipment. These items include kitchen appliances (stove, refrigerator and dishwasher) in each unit and various items in the common areas including miscellaneous maintenance tools, pool furniture, leasing office furniture, recreational room and clubhouse furniture, and various exercise machines. The apartment units are rented on an unfurnished basis. However, typically personal property is included in the sale of multifamily apartment complexes. The personal property items contained in the subject are not considered to contribute significantly to the overall value of the real estate.

CONCLUSION

- The improvements are of good quality construction and are in excellent condition, having been constructed within the last five years.
- The improvements are considered to be functional and adequately 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. Tax records show that the property qualified for the 10-year tax abatement program in the beginning of 2017, leaving 3 years left in the program.

Taxes and Assessments											
Tax Year 2023	Assessor's Market Value			Assessment	Assessed Value			Tax Rates	Taxes and Assessments		
Tax ID	Land	Improvements	Total	Ratio	Land	Improvements	Total	Land	Ad Valorem Taxes	Direct Assessments	Total
56148950	\$263,700	\$0	\$263,700	100.0%	\$263,700	\$0	\$263,700	1.3998%	\$3,691	\$0	\$3,691

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. However, it is illegal to spot assess a specific property in Pennsylvania. Therefore, if the city is to reassess a property, it would need to do so across all properties of that type. On the following page, we establish the assessment as if fully assessed. As of the effective valuation date, the City of Philadelphia has not yet established an assessment for the improvements. We therefore base our estimate on the comparable properties located in the following table.

TAX COMPARABLES

Tax Comparables					
Tax Year 2023	1	2	3	4	Subject (Actual)
Address	135 N. 3rd Street	512 E. Girard Avenue	257 N. 3rd Street	30 S. Front Street	500 Fairmount Avenue
City, State	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA
No. Apartment Units	16	17	7	27	5
Total Assessed Value	\$4,090,000	\$3,707,200	\$1,849,000	\$7,000,000	\$1,275,000
Assessed Value/Unit	\$255,625	\$218,071	\$264,143	\$259,259	\$255,000

It is noted that the property has qualified for (and currently benefits from) the 10-year tax abatement pursuant to Council Ordinance 1130, as Amended 2 Section 19-1303(3) of the Philadelphia Code, which offers abatement of real estate taxes on improvements to properties whereby the property owner receives a 10-year tax abatement on the value added by the construction of the improvements. The benefit of the savings associated with the abatement over the 10-year period is added to the stabilized value as a lump sum adjustment. Therefore, it is necessary to calculate the value of the three remaining years on the abatement.

The value of the tax abatement is the present value of the difference between the estimated stabilized taxes and the projected land value over the life of the abatement. The abated taxes are based upon the current assessed value of \$52,740 per apartment unit times the tax rate less the land assessment times the tax rate. Additionally, we conclude to the current land assessment of \$263,700 for the value of the land. The actual taxes are shown on the previous page. The difference is the cash savings each year and this figure is discounted to present value at a 5% discount rate for the duration of the ten years. The discount rate is estimated at safe levels given the certainty of the cash savings of the tax abatement program. We note that the Philadelphia Tax Abatement program was modified at the beginning of 2022, resulting in fewer tax benefits over the 10 year life of the abatement. However, the subject ownership was granted the abatement upon completion of construction in 2017. Our present value calculation is shown below. We note that the retail tenant only reimburses the landlord \$50/month (\$600/year) which is considered to have a de minimus effect on value. For this reason, we exclude tax reimbursements from the following calculations:

Projected Unabated Taxes based on Projected Land Assessment

Current Real Estate Taxes - Abated

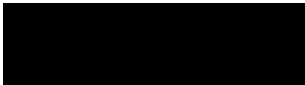
Assessment	\$263,700
Real Estate Taxes	\$3,691

Stabilized Real Estate Taxes

Assessment	\$1,275,000
Real Estate Taxes	\$17,847

PV Tax Abatement

Year	Current Taxes	Unabated Taxes	Tax Benefit	Present Value at	
				5.0% Discount Rate	Present Value
1	\$3,691	\$17,847	\$14,156	0.9615	\$13,612
2	\$3,802	\$18,383	\$14,581	0.9246	\$13,481
3	\$3,916	\$18,934	\$15,018	0.8890	\$13,351
Total	\$11,409	\$55,165	\$43,755		\$40,444
Rounded					\$40,000



Highest and Best Use

AS VACANT

Legally Permissible

The site is zoned RSA-5 which allows for single-family residential 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

Although the property is a condominium, it has its own address and site area separate from the 0.41 acres that the complex sits on. The subject site contains 1,818 square feet (0.042 acres), has 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 residential use is most probable based on observation of surrounding properties. This use is most probable given the limited amount of permitted uses within this zoning district. This use is more fully analyzed for its financial feasibility. Given the underlying market conditions and activity, it appears that a residential development would have a sufficient degree of feasibility.

While market metric data and both market and economic trends are not favorable at present, there is evidence of improvement in the near term. Therefore, a residential development could be feasible in the foreseeable future.

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 residential development.

Highest and Best Use Conclusion – As Vacant

The highest and best use of the subject as though vacant is the eventual development of a residential use. The most likely buyer would be an owner-user, investor, or developer. An investor is a potential buyer as a result of the fact that immediately development is not possible and the investor could capture appreciation as market conditions improve.

AS IMPROVED

Legally Permissible

The existing mixed-use retail/multifamily improvements are a legal non-conforming use within this zoning district. Variances and permits were not available for review but were presumed to be obtained.

Physically Possible

The current improvements conform to the physical characteristics of the site. The subject is in excellent condition and consists of ground floor retail space with 5 upper-level apartments and a communal roof deck. The corner site allows for more fenestration which has tenant appeal for both residential and commercial tenants. Similarly, the property includes an elevator that serves all levels, which appeals to tenants that require additional accessibility needs. Therefore, continued mixed use of the property is reasonably probable and appropriate.

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 mixed use improvements are legally nonconforming, are 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 mixed-use retail/multifamily development.

Highest and Best Use – As Improved

Therefore, the highest and best use of the subject as improved is the existing mixed use property. The most likely buyer would be a single investor or investment partnership.

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

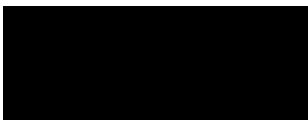
The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison 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.

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.

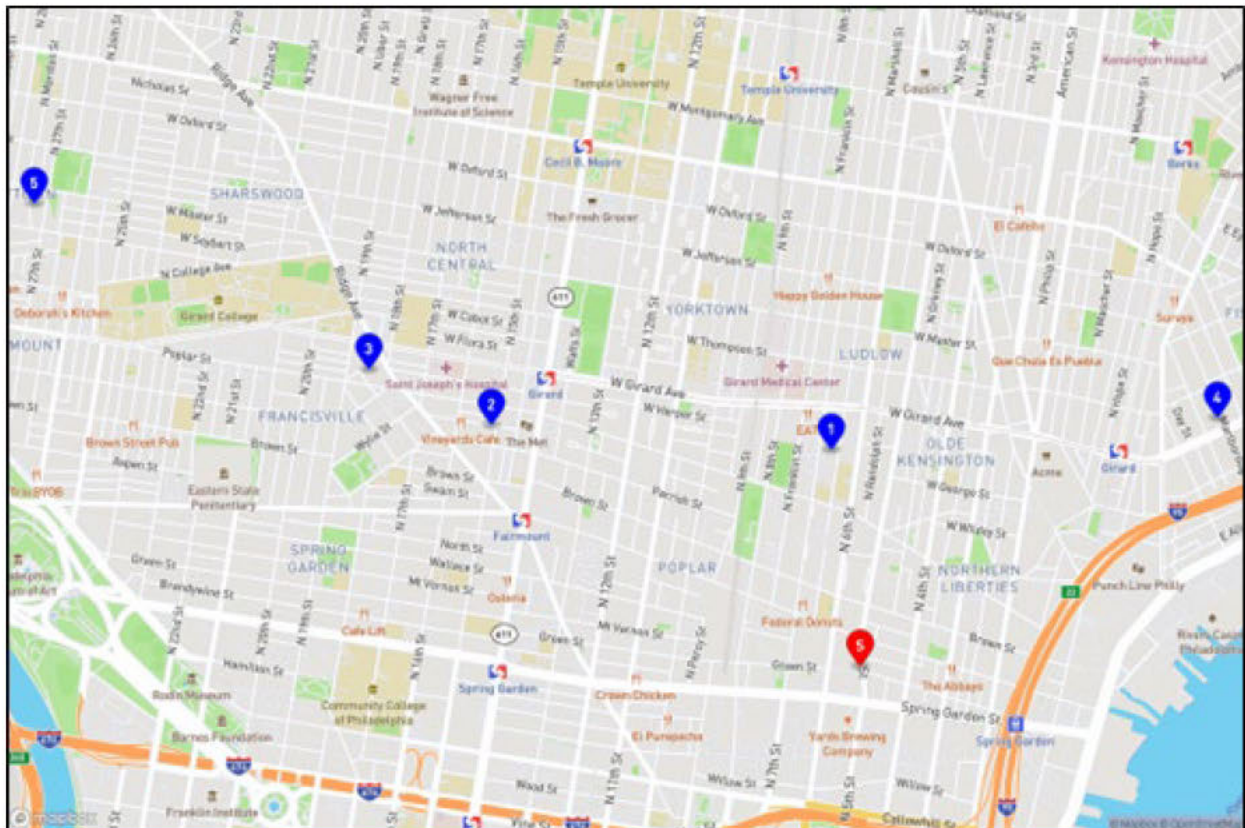


Sales Comparison Approach

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 unit as it mirrors the primary comparison method used by market participants.



Comparable Map



Comparable Sales Summary						
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
						
Address	500 Fairmount Avenue	964-968 N. Marshall Street	848 N. 15th Street	907 Leland Street	251 E. Girard Avenue	1335 N. Marston Street
City, State	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA
Land Size	0.04 Acres	0.08 Acres	0.05 Acres	0.10 Acres	0.08 Acres	0.09 Acres
Rentable Area (SF)	3,700 SF	7,629 SF	5,121 SF	10,690 SF	6,695 SF	11,571 SF
Number of Apt. Units	5	9	3	7	5	8
Average Unit Size (SF)	617 SF	848 SF	1,707 SF	1,527 SF	1,339 SF	1,446 SF
Year Built (Renovated)	2018	1920 (Extensively Renovated)	2019	2017	1908 (Extensively Renovated)	2019
Occupancy	100%	95%	95%	95%	95%	95%
Condition	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Buyer	-	968 Marshall LLC	Gillian W. Thackray Living Trust	J5 Property LLC	Efkey Osama	1335 N. Marston LLC
Seller	-	High Street Germantown LP	848 N. 15th St Realty LLC	Leopoldo & Anna Mancilla	Girard 251 LLC	G Prime Marston LLC
Interest Conveyed	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
Competitive Class	Class A	Class A	Class A	Class A	Class B	Class A
Transaction Status	-	Closed	Closed	Closed	Closed	Closed
Transaction Date	-	Mar-21	Oct-21	Apr-21	May-21	Jan-22
Price	-	\$2,480,000	\$1,165,000	\$2,280,000	\$2,230,000	\$2,590,000
Price per Unit	-	\$275,556	\$388,333	\$325,714	\$446,000	\$323,750

ANALYSIS OF IMPROVED COMPARABLE DATA

Property Rights Conveyed

All comparable sales are transfers of the leased fee interest. The property rights appraised for the subject property is also that of the leased fee interest. As such, no adjustments are required.

Financing Terms

All sales yielded cash to the seller or sold with conventional financing terms. Therefore, no adjustment is necessary.

Conditions of Sale

Conditions of sale are extraordinary motivations of the buyer or seller. No adjustments were required.

Market Conditions

Although the market for multifamily assets has significantly increased over the last several years, given the recent (last several months) increase in interest rates and increased cost of capital, pricing for similar assets has decreased as a result of higher overall capitalization rates. As a result, downward adjustments for market conditions of 3% per year is deemed reasonable and utilized herein.

Location/Access/Exposure

Sales 2, 3, and 5 all received upward adjustments for their inferior locations in Francisville and Brewerytown. Sale 4 received a significant downward adjustment for its corner location along Girard Avenue in Fishtown, allowing for superior accessibility and exposure along a four-lane roadway.

Unit Size

Sales 2, 3, 4, and 5 all received downward adjustments for superior (larger) unit sizes, which is more typical of the market.

Age/Condition/Quality

The property was constructed in 2018 and is in excellent condition. All comparable sales were also in excellent condition, however, Sales 1 and 4 both required upward adjustments for inferior ages.

Functional Utility

Each comparable sale received an upward adjustment for their exclusion of an elevator.

Inclusion of Retail Space

Given a lack of recent sales of similar mixed-use properties in the same market area as the subject, only one of the comps includes ground floor retail space.

Features/Amenities

Sale 1 received a downward adjustment for its inclusion of multiple outdoor spaces and Sale 2 received a downward adjustment for its superior design with higher ceilings and a multi-level roof deck. Sale 4 received an upward adjustment for its exclusion of outdoor space (roof deck).

Economic Characteristics

Each comp was operating at a stabilized occupancy of 95%, therefore no adjustments apply.

PV Tax Abatement

The entire data set is adjusted downward as each property currently benefits from Philadelphia's 10-year tax abatement. While the subject property currently benefits from the abatement, we add our concluded present value of the abatement to the value of the property at the end of our analysis.

Summary of Adjustments / Adjustment Grid

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



SALES COMPARISON APPROACH

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	500 Fairmount Avenue	964-968 N. Marshall Street	848 N. 15th Street	907 Leland Street	251 E. Girard Avenue	1335 N. Marston Street
City	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA
Land Size	0.04 Acres	0.08 Acres	0.05 Acres	0.10 Acres	0.08 Acres	0.09 Acres
Size (Rentable Area)	3,700 SF	7,629 SF	5,121 SF	10,690 SF	6,695 SF	11,571 SF
Number of Apt. Units	5	9	3	7	5	8
Average Unit Size (SF)	617 SF	848 SF	1,707 SF	1,527 SF	1,339 SF	1,446 SF
Year Built (Renovated)	2018	1920 (Extensively Renovated)	2019	2017	1908 (Extensively Renovated)	2019
Transaction Type	--	Closed	Closed	Closed	Closed	Closed
Transaction Date	--	Mar-21	Oct-21	Apr-21	May-21	Jan-22
Actual Sale Price	--	\$2,480,000	\$1,165,000	\$2,280,000	\$2,230,000	\$2,590,000
Price per Unit	--	\$275,556	\$388,333	\$325,714	\$446,000	\$323,750
Occupancy	100%	95%	95%	95%	95%	95%
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)	4/14/2023	-6%	-4%	-6%	-6%	-4%
Subtotal (adjustments are multiplied)		-6.0%	-4.0%	-6.0%	-6.0%	-4.0%
Transaction Adjusted Price per Unit		\$259,022	\$372,800	\$306,171	\$419,240	\$310,800
Property Adjustments						
Location/Exposure/Access		0%	5%	5%	-10%	5%
Unit Size		0%	-10%	-10%	-5%	-10%
Age/Condition/Quality		5%	0%	0%	5%	0%
Inclusion of Retail Space		5%	5%	5%	0%	5%
Features/Amenities		-5%	-10%	0%	5%	0%
Functional Utility		5%	5%	5%	5%	5%
Economic Characteristics		0%	0%	0%	0%	0%
PV of Tax Abatement		-5%	-5%	-5%	-5%	-5%
Subtotal (adjustments are summed)		5%	-10%	0%	-5%	0%
Gross Adjustment		31%	44%	36%	41%	34%
Overall Adjustment		-1.3%	-13.6%	-6.0%	-10.7%	-4.0%
Indicated Price per Unit		\$271,973	\$335,520	\$306,171	\$398,278	\$310,800

SALES COMPARISON APPROACH CONCLUSION

Multifamily Sales Adjustment Summary			
Price per Unit	Low	High	Average
Unadjusted Range	\$275,556	\$446,000	\$351,871
Adjusted Range	\$271,973	\$398,278	\$324,549
Concluded Price per Unit Indication			\$280,000

- Prior to adjustments, the sales reflect a range of \$275,556 to \$388,333 per unit.
- After adjustments were made, the range is narrowed to \$271,973 to \$398,278 per unit, with an average of \$324,549 per unit. We apply a unit of comparison below the average given the inclusion of the below market retail lease.

SALES COMPARISON APPROACH

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

Sales Comparison Approach Conclusion		
Reconciliation of Price per Unit Indication		Value Indication
Adjusted Value Range - Low		\$271,973
Adjusted Value Range - High		\$398,278
Reconciled As Is Value - Price per Unit	Effective Date: 4/14/2023	\$280,000
Subject Apt. Units		5
Reconciled As Is Value - Price per Unit Analysis		\$1,400,000
Reconciled As Is Value - Sales Comparison Approach	Effective Date: 4/14/2023	\$1,400,000
Value Indications		
As Is		Value Indication
Reconciled As Is Value	Effective Date: 4/14/2023	\$1,400,000
PV of Tax Abatement		\$40,000
As Is Market Value	Effective Date: 4/14/2023	\$1,440,000
Rounded		\$1,450,000



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.

MULTIFAMILY RENT ROLL

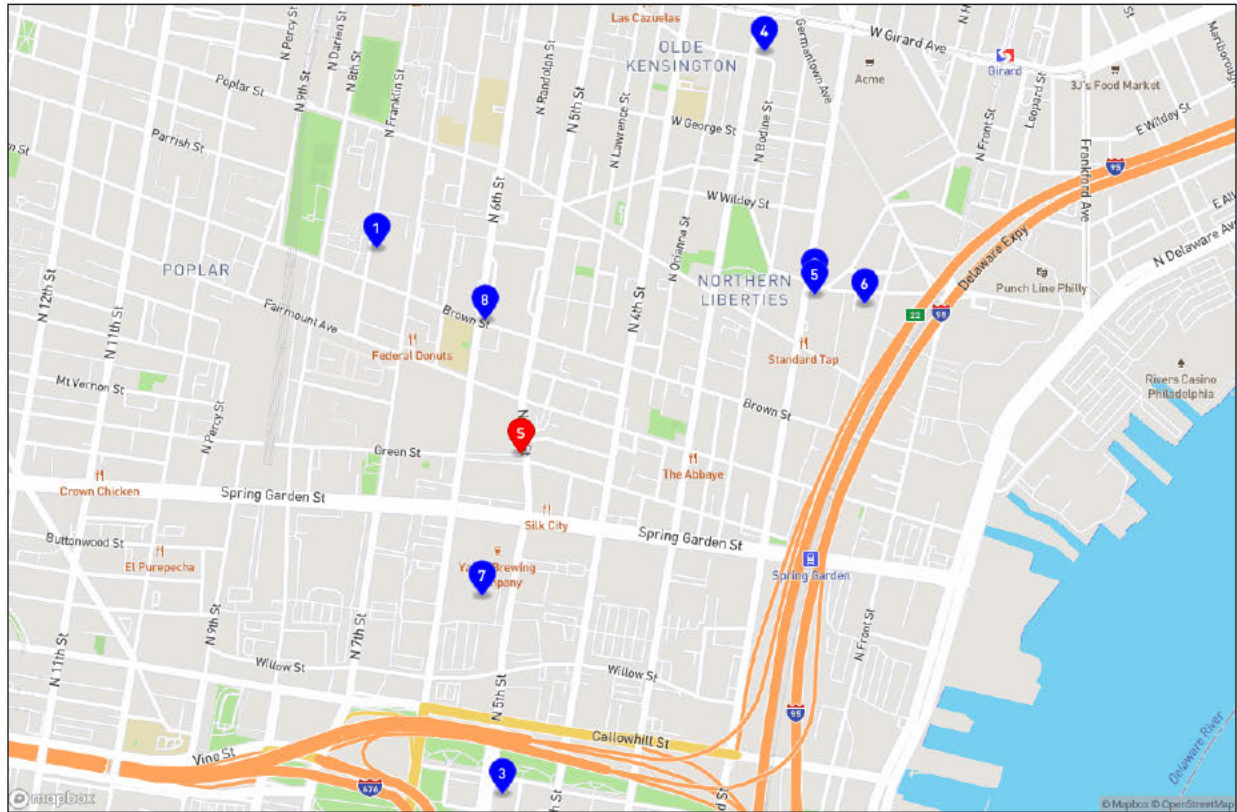
A summary rent roll for the property is shown below, based on our review of the owner's rent roll. Market rent will be developed below.

Residential Unit Rent Roll							
Unit No.	No. Units	Unit Description	Unit Size (SF)	No. Occupied Units	Avg. Contract Rent	Occupied Contract Rent Total (Based on Averages)	Avg. Effective Rent PSF
	4	1 BR/1 BA 1BR - 430 SF	430	4	\$1,356	\$5,424	\$3.15
	1	2 BR/2 BA 2BR - 860 SF	860	1	\$2,550	\$2,550	\$2.97
Property Total	5		2,580	5			
Average			516		\$1,994		\$3.06

- The subject consists of (4) 1BR/1BA units and (1) 2BR/2BA unit.
- The residential portion of the property was fully occupied as of the effective valuation date.
- Tenants are responsible for their electric, gas, and water usage. Electric and gas are individually metered and billed. Water is included as a flat rate for each unit (\$50/month for one bedroom units and \$60/month for the two bedroom unit).

MULTIFAMILY MARKET RENT ANALYSIS





- In estimating market rent for the subject property, we considered data from leasing activity with competing properties and market area leasing trends.



Comparable Map

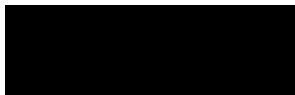


Analysis of Comparable Properties





MARKET RENT ANALYSIS - 1BR/1BA						
Photo	Property	Unit Size (SF)	Rent (\$)	\$/SF RA	Tenant Pays	Comparison to Subject
SUBJECT: 1109 Walnut Street, Philadelphia, PA						
	Unit 201	430	\$1,345	\$3.13	All Utilities	
	Unit 202	430	\$1,300	\$3.02	All Utilities	
	Unit 301	430	\$1,375	\$3.20	All Utilities	
	Unit 302	430	\$1,405	\$3.27	All Utilities	
	807 N. Franklin Street, Unit 2, Philadelphia, PA	700	\$1,295	\$1.85	Electric, Water	<i>Inferior</i> Similar location; slightly inferior condition; inferior functional utility; larger size
	937 N. 2nd Street, Unit 2F, Philadelphia, PA	660	\$1,345	\$2.04	Electric	<i>Similar</i> Similar location and condition; inferior functional utility; larger size
	427 Vine Street, Unit 6, Philadelphia, PA	500	\$1,470	\$2.94	Electric, Gas	<i>Superior</i> Superior location; similar condition and size; inferior functional utility
	1149 N. 3rd Street, Unit 1, Philadelphia, PA	400	\$1,250	\$3.13	N/A	<i>Inferior</i> Similar location and condition; inferior modernization and functional utility; similar size
COMPETITIVE RENT SUMMARY						
	Average Rent					
	Competitors		Subject			
1BR/1BA	\$1,355		\$1,350			

One Bedroom Units

- The subject consists of (4) 1BR/1BA apartment units, all of which are 430 square feet and are in excellent condition.
- Market rent is concluded at \$1,350 per month, similar to the average of the sample, with most weight given to Rent Comp 2.



INCOME CAPITALIZATION APPROACH

MARKET RENT ANALYSIS - 2BR/2BA						
Photo	Property	Unit Size (SF)	Rent (\$)	\$/SF RA	Tenant Pays	Comparison to Subject
SUBJECT: 1109 Walnut Street, Philadelphia, PA						
	Unit 401 929 N. 2nd Street, Unit 1, Philadelphia, PA	860 975	\$2,550 \$2,300	\$2.97 \$2.36	All Utilities Electric	<i>Inferior</i> Similar location, condition, and size; inferior functionality and construction quality.
	938 New Market Street, Unit 304, Philadelphia, PA	1,000	\$2,450	\$2.45	Electric	<i>Similar</i> Similar location and condition; inferior functionality; larger size
	456 N. 5th Street, Unit 30E, Philadelphia, PA	1,090	\$2,595	\$2.38	Electric, Gas, Water	<i>Similar</i> Similar location and condition; inferior functionality; superior design (high ceiling height with more fenestration); larger size
	526 Brown Street, Unit 506, Philadelphia, PA	1,097	\$2,595	\$2.37	Electric, Gas, Water	<i>Similar</i> Similar location and condition; inferior functionality; larger size
COMPETITIVE RENT SUMMARY						
	Average Rent					
	Competitors				Subject	
2BR/2BA	\$2,547				\$2,550	

Two Bedroom Units

- The subject consists of (1) 2BR/2BA apartment unit in excellent condition.
- This unit occupies the entire fourth floor (private elevator access) and includes a private roof deck, but is smaller than a typical two bedroom apartment based on our research of comparable properties.
- Market rent is concluded at \$2,550 per month, similar to the average of the sample.



Market Rent Conclusions

The following is a summary of the subject’s multifamily unit mix and our market rent conclusions based on our analysis of the subject’s rent roll and comparable market data detailed on the preceding pages.

Potential Gross Rent						
Unit Description	No. Units	Contract Rent / Unit	Potential Gross Rent- Contract	Market Rent / Unit	Potential Gross Rent- Market	Loss to Lease
Leased Units						
Unit 201	1	\$1,345	\$16,140	\$1,350	\$16,200	-0.4%
Unit 202	1	\$1,300	\$15,600	\$1,350	\$16,200	-3.7%
Unit 301	1	\$1,375	\$16,500	\$1,350	\$16,200	1.9%
Unit 302	1	\$1,405	\$16,860	\$1,350	\$16,200	4.1%
Unit 401	1	\$2,550	\$30,600	\$2,550	\$30,600	0.0%
Total Leased	5	\$7,975	\$95,700	\$7,950	\$95,400	0.3%

- The one-bedroom units are considered to be leased at market.
- The two-bedroom unit is unique in that it has private elevator access (elevator opens into unit). No similar rentals were found, therefore we also considered properties that offer other amenities like roof decks and outdoor space. We have concluded that the subject is slightly over market considering its small unit size.

COMMERCIAL RENT ROLL / TENANT OVERVIEW

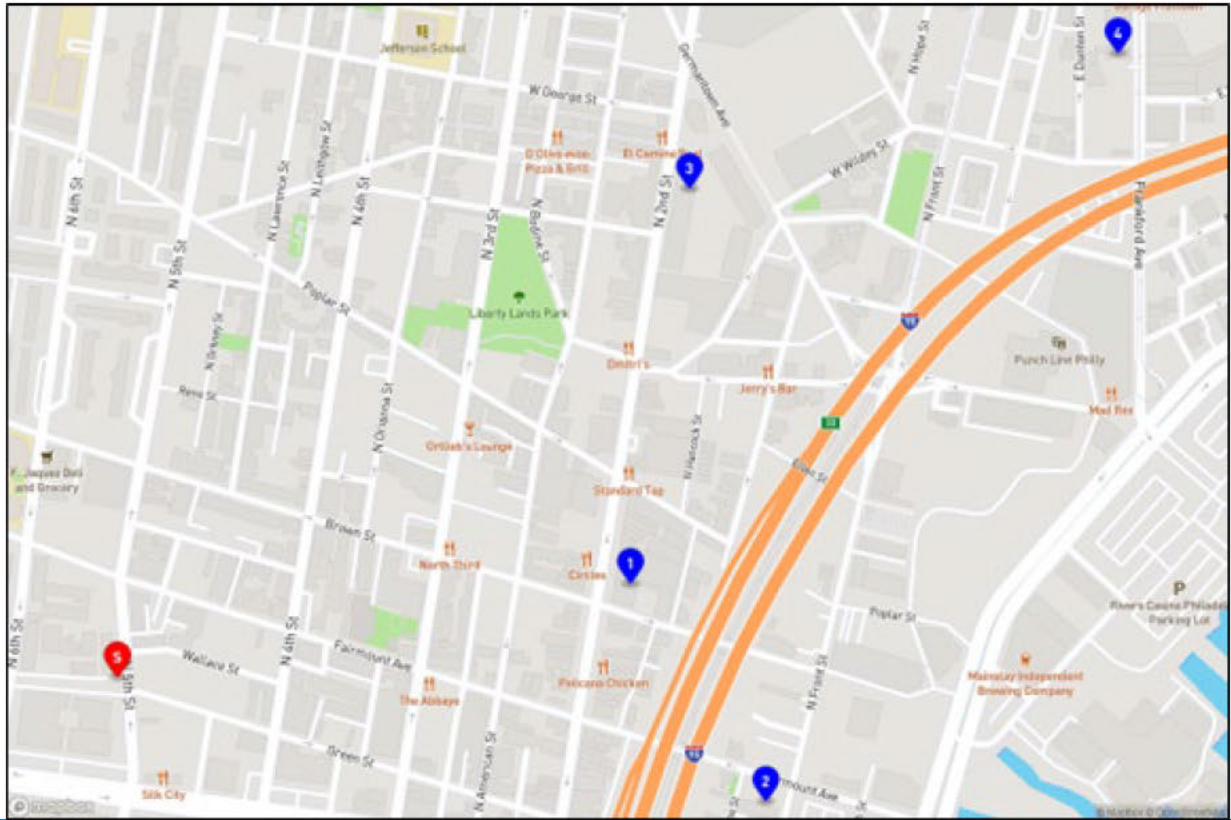
As noted, the subject includes two segments – a multifamily component and a retail component. The commercial segment will now be addressed. A summary rent roll for this portion of the property is shown below, based on our review of the owner's rent roll and the provided lease.

Rent Roll						
Tenant	Rentable Area (SF)	Lease Term		Reimb. Method	Year 1 Contract Rent	
		Start	End		\$ Total	\$ PSF
PA Spine to Foot Pain Specialists	1,120	Aug-20	Jul-25	Modified Gross	\$26,340	\$23.52

- The subject consists of one fully occupied commercial unit located on the ground floor.
- The unit was in excellent condition at time of inspection.
- The tenant is responsible for their proportionate share of electric, gas, and water (billed through the condominium association), \$25/month for CAM, \$15/month for fire inspections, \$10/month for common area cleaning, \$50/month for real estate taxes, and \$78/month for insurance. Monthly expense reimbursements equate to \$2,136 annually.

COMMERCIAL MARKET RENT ANALYSIS

In estimating market rent for the subject property, we considered data from actual recent leases from comparable buildings and asking rents from competitive properties.



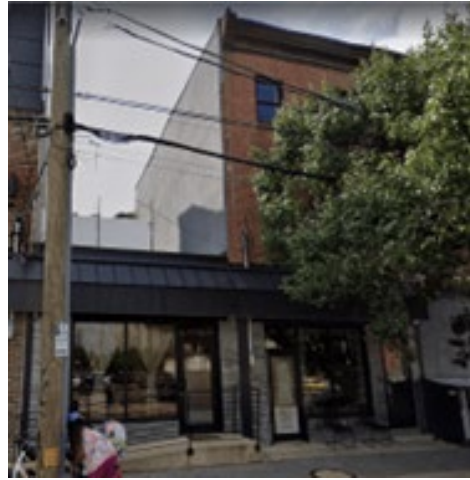
Comparable Map



Comparable Lease Photographs



Comparable One



Comparable Two



Comparable Three



Comparable Four



INCOME CAPITALIZATION APPROACH

Analysis of Comparable Retail Storefront Leases

Comparable Rentals Summary					
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Address	500 Fairmount Avenue	807 North 2nd Street	622 North Front Street	1001 N. 2nd Street	1140 Frankford Avenue
City, State	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA
Rentable Area (SF)	3,700 SF	4,604 SF	1,344 SF	94,715 SF	2,320 SF
Year Built (Renovated)	2018	1920	2008	2005	1902 (2011)
Condition	Excellent	Excellent	Excellent	Excellent	Excellent
Lease Details					
Lease Status		Signed Lease	Signed Lease	Signed Lease	Signed Lease
Lease Date		Nov-21	Feb-20	Jun-21	Nov-22
Term (Mos.)		60	37	128	N/A
Lease Size (SF)	1,120	1,150	1,200	1,138	2,470
Tenant Name	PA Foot to Spine Pain Specialists	Playa Bowls	Braap's Ink	Bagels & Co.	Philadelphia Personal Fitness
Full Building Lease	No	No	No	No	Yes
Rates and Measures					
Effective Rental Rate		\$35.00	\$21.63	\$36.91	\$32.50
Lease Reimbursement Method		Triple Net	Triple Net	Triple Net	Triple Net

Comparable Rentals Adjustment Grid					
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Address	500 Fairmount Avenue	807 North 2nd Street	622 North Front Street	1001 N. 2nd Street	1140 Frankford Avenue
Lease Date		Nov-21	Feb-20	Jun-21	Nov-22
Term (Mos.)		60	37	128	N/A
Size (SF)	1,120	1,150	1,200	1,138	2,470
Tenant Name	PA Foot to Spine Pain Specialists	Playa Bowls	Braap's Ink	Bagels & Co.	Philadelphia Personal Fitness
Full Building Lease	No	No	No	No	Yes
Effective Rental Rate		\$35.00	\$21.63	\$36.91	\$32.50
Lease Reimbursement Method		Triple Net	Triple Net	Triple Net	Triple Net
Financial Adjustments					
Expense Structure (\$ PSF Adjustment)		\$0.00	\$0.00	\$0.00	\$0.00
Expense Structure		0%	0%	0%	0%
Conditions of Lease		0%	0%	0%	0%
Market Conditions (Time)	4/14/2023	-4%	-9%	-6%	-1%
Subtotal		-4%	-9%	-6%	-1%
Financial Adjusted Rent Per SF		\$33.60	\$19.68	\$34.70	\$32.18
Physical Adjustments					
Location/Access/Exposure		-10%	0%	-15%	-5%
Size		0%	0%	0%	5%
Age/Condition/Quality		0%	0%	0%	0%
Functional Utility		0%	0%	0%	0%
Economic Characteristics		0%	0%	0%	0%
Subtotal		-10%	0%	-15%	0%
Overall Adjustment		-14%	-9%	-20%	-1%
Adjusted Rent Per SF		\$30.24	\$19.68	\$29.49	\$32.18
Range of Adjusted Rents	\$19.68 - \$32.18				
Average	\$27.90				
Indicated Rent	\$28.00				

COMMERCIAL MARKET RENT CONCLUSION

The following is a summary of the subject’s commercial unit mix and our market rent conclusions based on our analysis of the subject’s rent roll and comparable market data detailed on the preceding pages.

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						
Retail/Office Space:	1,120	\$26,340	\$23.52	\$31,360	\$28.00	84.0%
[REDACTED]						

The contract rent from the commercial unit is considered to be below market based on our analysis of similarly-sized retail units located in new or rehabbed properties. The concluded market rental rate is approximately \$4.50 per square foot higher than the current contract rent, which is reflected in the development of our overall capitalization rate.

GROSS INCOME ESTIMATE

Operating History

Three years of historical operating data, trailing 12 month data, year-to-date, and a current budget for the property were requested. All requested information was provided except a current budget.

The condominium fee for the building is \$427.18 per month (\$5,126.16 annually). Based on our review of the Declaration of Condominium for the Quarters at Fairmount, the following expenses that are included in the monthly fee include insurance and repairs and maintenance for the common areas, snow removal, common area maintenance, and replacement reserves.

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 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]” 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	Actuals
Period Length		12 Mos.	12 Mos.	12 Mos.	3 Mos.	Annualized
Period Ending		12/31/2020	12/31/2021	12/31/2022	3/31/2023	3/31/2023
Apt. Units		5	5	5	5	5
Owner's Revenue Category	Revenue Category					
Rent Income	Rental Income	\$86,276	\$104,354	\$116,041	\$30,490	\$121,960
CAM (Common Area Maintenance)	Expense Recoveries	\$278	\$300	\$300	\$75	\$300
Property Insurance Income	Expense Recoveries	\$312	\$936	\$936	\$234	\$936
Property Tax Income	Expense Recoveries	\$200	\$600	\$600	\$150	\$600
Electricity Reimbursement	Expense Recoveries	\$666	\$0	\$0	\$0	\$0
Concessions	Rental Income	\$0	\$100	\$0	\$0	\$0
Effective Gross Income	Effective Gross Income	\$87,732	\$106,290	\$117,877	\$30,949	\$123,796
Actual or Proforma		Actuals	Actuals	Actuals	Actuals	Actuals
Period Length		12 Mos.	12 Mos.	12 Mos.	3 Mos.	Annualized
Period Ending		12/31/2020	12/31/2021	12/31/2022	3/31/2023	3/31/2023
Owner's Operating Expense Category	Operating Expense Category					
Keys	Repairs and Maintenance	\$183	\$0	\$0	\$0	\$0
Common Area Cleaning	Repairs and Maintenance	\$40	\$705	\$4,294	\$1,605	\$6,420
Trash Removal	Repairs and Maintenance	\$1,195	\$3,600	\$3,000	\$910	\$3,640
Management Fees	Management	\$5,100	\$5,610	\$6,120	\$1,530	\$6,120
OCF Leasing Commission	Management	\$2,195	\$3,895	\$5,270	\$0	\$0
Security Service	Repairs and Maintenance	\$69	\$3,401	\$1,650	\$359	\$1,435
Fire Protection	Repairs and Maintenance	\$45	\$180	\$85	\$45	\$180
Electricity	Utilities	\$831	\$148	\$199	\$0	\$0
Common Area Electricity	Utilities	\$408	\$571	\$653	\$179	\$718
Vacant Apartment Electric	Utilities	\$2,202	\$149	\$61	\$54	\$217
Internet	Utilities	\$540	\$0	\$0	\$358	\$1,431
Water	Utilities	\$1,140	\$1,578	\$2,472	\$774	\$3,097
Repairs and Maintenance	Repairs and Maintenance	\$335	\$10,818	\$5,238	\$584	\$2,335
Licenses & Permits	General and Administrative	\$301	\$50	\$573	\$0	\$0
Condo Association Fees	General and Administrative	\$4,349	\$4,161	\$4,460	\$1,282	\$5,126
Elevator Expense	Repairs and Maintenance	\$510	\$4,750	\$4,164	\$0	\$0
Turnover Maintenance	Repairs and Maintenance	\$0	\$945	\$925	\$0	\$0
Maintenance Materials	Repairs and Maintenance	\$0	\$120	\$7	\$0	\$0
HVAC	Repairs and Maintenance	\$0	\$85	\$513	\$0	\$0
Cleaning Expense	Repairs and Maintenance	\$0	\$1,801	\$549	\$0	\$0
Snow Removal	Repairs and Maintenance	\$0	\$1,155	\$990	\$85	\$340
Insurance - Property	Insurance	\$0	\$4,912	\$0	\$0	\$0
Maintenance Labor	Repairs and Maintenance	\$0	\$395	\$27	\$0	\$0
Appliances	Repairs and Maintenance	\$0	\$190	\$1,237	\$1,000	\$4,000
Paint	Repairs and Maintenance	\$0	\$0	\$307	\$0	\$0
Painting	Repairs and Maintenance	\$0	\$0	\$550	\$0	\$0
Pest Control	Repairs and Maintenance	\$0	\$0	\$2,252	\$0	\$0
Plumbing	Repairs and Maintenance	\$0	\$0	\$0	\$1,350	\$5,400
Total Operating Expenses	Total Operating Expenses	\$19,441	\$49,218	\$45,597	\$10,115	\$40,458
Net Operating Income		\$68,291	\$57,072	\$72,280	\$20,834	\$83,337



INCOME CAPITALIZATION APPROACH

Operating History and Projections											
Period Length	12 Mos.		12 Mos.		12 Mos.		3 Mos.		Annualized		Projection
Period Ending	12/31/2020		12/31/2021		12/31/2022		3/31/2023		3/31/2023		Projection
Occupancy	100.0%		100.0%		100.0%		100.0%		100.0%		100.0%
Apt. Units	5		5		5		5		5		5
Multifamily Income	Total \$	\$/Unit	Total \$	\$/Unit	Total \$	\$/Unit	Total \$	Total \$	\$/Unit	Total \$	\$/Unit
Rental Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$95,700	\$19,140
Potential Rental Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$95,700	\$19,140
Gross Expense Reimbursements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,120	\$624
Potential Gross Multifamily Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$98,820	\$19,764
Vacancy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,941)	(\$988)
Collection Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$988)	(\$198)
Effective Rental Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$92,891	\$18,578
Effective Gross Multifamily Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$92,891	\$18,578
Commercial Income	Total \$	\$/Unit	Total \$	\$/Unit	Total \$	\$/Unit	Total \$	Total \$	\$/Unit	Total \$	\$/SF
Potential Base Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$26,340	\$23.52
Scheduled Base Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$26,340	\$23.52
Expense Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,136	\$1.91
Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$28,476	\$25.43
Potential Gross Commercial Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$28,476	\$25.43
Vacancy Allowance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,139)	(\$1.02)
Collection Allowance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$285)	(\$0.25)
Effective Gross Commercial Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$27,052	\$24.15
Effective Gross Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$119,943	\$23,989
Operating Expenses	Total \$	\$/Unit	Total \$	\$/Unit	Total \$	\$/Unit	Total \$	Total \$	\$/Unit	Total \$	\$/Unit
Real Estate Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,847	\$3,569
Insurance	\$0	\$0	\$4,912	\$982	\$0	\$0	\$0	\$0	\$0	\$4,000	\$800
Utilities	\$5,120	\$1,024	\$2,446	\$489	\$3,386	\$677	\$1,366	\$5,462	\$1,092	\$3,250	\$650
Repairs and Maintenance	\$2,377	\$475	\$28,145	\$5,629	\$25,788	\$5,158	\$5,938	\$23,750	\$4,750	\$7,500	\$1,500
General and Administrative	\$4,649	\$930	\$4,211	\$842	\$5,033	\$1,007	\$1,282	\$5,126	\$1,025	\$4,270	\$854
Management	\$7,295	\$1,459	\$9,505	\$1,901	\$11,390	\$2,278	\$1,530	\$6,120	\$1,224	\$5,997	\$1,199
Replacement Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,250	\$250
Total Operating Expenses	\$19,441	\$3,888	\$49,218	\$9,844	\$45,597	\$9,119	\$10,115	\$40,458	\$8,092	\$44,114	\$8,823
Operating Expense Ratio	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	36.8%	
Net Operating Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$75,829	\$15,166

***Note: The provided operating and expense data does not separate retail and multifamily income and expenses. Therefore, we only include the effective gross income for the overall property for historical operating years.**

- Historical operating data for the subject does not include line item adjustments for vacancy and collection loss, real estate taxes, replacement reserves, and in most cases, insurance.
- Our analysis separates income into two different sections, multifamily and retail, and incorporates separate vacancy and collection loss adjustments for each segment.
- In the analysis of gross income which follows, the multifamily and retail segments are developed to their own effective gross income amounts and then the two segments are added for the overall effective gross income estimate.

MULTIFAMILY EFFECTIVE GROSS INCOME DERIVATION

Potential Gross Rent - Multifamily

Potential Gross Rent						
Unit Description	No. Units	Contract Rent / Unit	Potential Gross Rent-Contract	Market Rent / Unit	Potential Gross Rent-Market	Loss to Lease
Leased Units						
Unit 201	1	\$1,345	\$16,140	\$1,350	\$16,200	-0.4%
Unit 202	1	\$1,300	\$15,600	\$1,350	\$16,200	-3.7%
Unit 301	1	\$1,375	\$16,500	\$1,350	\$16,200	1.9%
Unit 302	1	\$1,405	\$16,860	\$1,350	\$16,200	4.1%
Unit 401	1	\$2,550	\$30,600	\$2,550	\$30,600	0.0%
Total Leased	5	\$7,975	\$95,700	\$7,950	\$95,400	0.3%

– For our analysis we utilize the contract rent of \$95,700.

Potential Rental Income – Multifamily

Potential Rental Income		
Subject	\$/Unit	Total
[REDACTED]	\$15,950	\$95,700
[REDACTED]		

Gross Expense Reimbursements

Gross Expense Reimbursements		
Subject	\$/Unit	Total
[REDACTED]	\$624	\$3,120
[REDACTED]		

– Residential tenants reimburse the landlord for water each month. This figure was obtained from the current rent roll that was provided by management.

Potential Gross Income – Multifamily

Potential Gross Multifamily Income		
Subject	\$/Unit	Total
[REDACTED]	\$16,470	\$98,820
[REDACTED]		

Vacancy & Collection Loss Allowance - Multifamily

Market Vacancy Rate Indicators					
	Current	Most Recent Full Year	Trailing 3-Year	Trailing 5-Year	Trailing 10-Year
Costar					
Philadelphia	6.60%	6.10%	7.30%	7.20%	6.90%
Northern Liberties	19.90%	23.10%	14.90%	9.70%	6.50%
Direct Competition					
Direct Competition	5.00%				
Subject	0.00%				
Concluded Subject Vacancy Rate	5.00%				

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 5.00%.

Collection Loss

- 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 6.00%.

Effective Gross Income - Multifamily

Effective Gross Multifamily Income		
Subject	\$/Unit	Total
[REDACTED]	\$18,578	\$92,891
[REDACTED]		



COMMERCIAL EFFECTIVE GROSS INCOME DERIVATION

Potential Gross Rent - Commercial

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

Scheduled Base Rent		
Subject	\$/SF	Total
[REDACTED]	\$23.52	\$26,340
[REDACTED]		

- For this analysis, we use the contract rent of \$23.52 per square foot for the commercial unit.

Expense Recoveries - Commercial

Expense Recoveries		
Subject	\$/SF	Total
12 Months Ending Dec-2020	\$1.30	\$1,456
12 Months Ending Dec-2021	\$1.64	\$1,836
12 Months Ending Dec-2022	\$1.64	\$1,836
Mar-2023 Annualized	\$1.64	\$1,836
[REDACTED]	\$1.91	\$2,136
[REDACTED]		

- Expense recoveries include the commercial tenant’s reimbursement of CAM, common area cleaning, fire inspections, insurance, and real estate taxes, as established in the lease.

Vacancy & Collection Loss Allowance - Commercial

Market Vacancy Rate Indicators					
	Current	Most Recent Full Year	Trailing 3-Year	Trailing 5-Year	Trailing 10-Year
Costar					
City of Philadelphia	2.90%	2.90%	3.50%	3.00%	4.20%
19123	5.50%	6.80%	7.40%	3.70%	7.00%
Subject	0.00%				
Concluded Subject Vacancy Rate	4.00%				

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 4.00%.



INCOME CAPITALIZATION APPROACH

Collection Loss

- 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 5.00%.

Effective Gross Income – Commercial

Effective Gross Commercial Income		
Subject	\$/SF	Total
[REDACTED]	\$24.15	\$27,052
[REDACTED]		

Effective Gross Income - Overall

The following depicts the total effective gross income for the property.

Effective Gross Income			
Subject	\$/SF	\$/Unit	Total
[REDACTED]	\$32.42	\$23,989	\$119,943
[REDACTED]			

OPERATING EXPENSE ANALYSIS

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

Expense Analysis Per Unit										
	Comp 1	Comp 2	Comp 3	Comp 4	Subject Historical and Projections					
Year Built	2013	2017	1915	1880	2018					
Apt. Units	8	4	6	7	5	5	5	5	5	5
Operating Data Type	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Partial Year	Annualized	[REDACTED]
Year	2022	2020	2022	2022	2020	2021	2022	2023	2023	[REDACTED]
Operating Expenses Per Unit										
Real Estate Taxes	\$132	\$533	\$1,411	\$565	\$0	\$0	\$0	\$0	\$0	\$3,569
Insurance	\$429	\$874	\$517	\$726	\$0	\$982	\$0	\$0	\$0	\$800
Utilities	\$641	\$857	\$934	\$788	\$1,024	\$489	\$677	\$273	\$1,092	\$650
Repairs and Maintenance	\$1,146	\$579	\$403	\$2,940	\$475	\$5,629	\$5,158	\$1,188	\$4,750	\$1,500
General and Administrative Management	\$467	\$159	\$0	\$540	\$930	\$842	\$1,007	\$256	\$1,025	\$854
Replacement Reserves	\$0	\$960	\$519	\$0	\$1,459	\$1,901	\$2,278	\$306	\$1,224	\$1,199
Replacement Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250
Total Operating Expenses Per Unit	\$2,815	\$3,962	\$3,784	\$5,559	\$3,888	\$9,844	\$9,119	\$2,023	\$8,092	\$8,823

Real Estate Taxes

Real Estate Taxes		
Source	\$/Unit	Total
[REDACTED]	\$3,569	\$17,847
[REDACTED]		

- 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 without the 10-year tax abatement in place, which was discussed previously in the Real Estate Tax Analysis section of this report. Real estate taxes were not included as operating expenses over the past three years.

Insurance

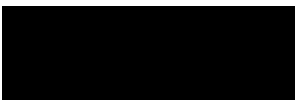
Insurance		
Source	\$/Unit	Total
Comparables Low	\$429	
Comparables High	\$874	
Comparables Average	\$636	
Subject		
2020 (Actual Operations)	\$0	\$0
2021 (Actual Operations)	\$982	\$4,912
2022 (Actual Operations)	\$0	\$0
2023 (Annualized Operations)	\$0	\$0
[REDACTED]	\$800	\$4,000
[REDACTED]		

- Insurance expense includes property and casualty insurance for the subject. We researched comparable properties for our insurance estimate, as the provided historical operating income expenses exclude insurance except for in Year 2021.

Utilities

Utilities		
Source	\$/Unit	Total
Comparables Low	\$641	
Comparables High	\$934	
Comparables Average	\$805	
Subject		
2020 (Actual Operations)	\$1,024	\$5,120
2021 (Actual Operations)	\$489	\$2,446
2022 (Actual Operations)	\$677	\$3,386
2023 (Annualized Operations)	\$1,092	\$5,462
[REDACTED]	\$650	\$3,250
[REDACTED]		

- Utility charges include common area electric, water, and internet. All other utilities are billed directly to the tenant.



Repairs and Maintenance

Repairs and Maintenance		
Source	\$/Unit	Total
Comparables Low	\$403	
Comparables High	\$2,940	
Comparables Average	\$1,267	
Subject		
2020 (Actual Operations)	\$475	\$2,377
2021 (Actual Operations)	\$5,629	\$28,145
2022 (Actual Operations)	\$5,158	\$25,788
2023 (Annualized Operations)	\$4,750	\$23,750
[REDACTED]	\$1,500	\$7,500
[REDACTED]		

- The umbrella category of repairs and maintenance includes expenditures to repair and maintain mechanical systems and structural components, encompassing payroll and contract costs, as appropriate, pest control, snow removal, trash removal, and appliance/key replacement. Excluded are alterations and major replacements, which are considered capital costs rather than periodic expenses.

General/Administrative

General and Administrative		
Source	\$/Unit	Total
Comparables Low	\$0	
Comparables High	\$540	
Comparables Average	\$291	
Subject		
2020 (Actual Operations)	\$930	\$4,649
2021 (Actual Operations)	\$842	\$4,211
2022 (Actual Operations)	\$1,007	\$5,033
2023 (Annualized Operations)	\$1,025	\$5,126
[REDACTED]	\$854	\$4,270
[REDACTED]		

- General and administrative expenses for the subject include condominium association fees (\$5,126) and an additional \$300/unit charge for licenses/permits, legal expenses, and inspections and tests.
- Replacement reserves and snow removal are included in the condo fee.

Management

Management		
Source	\$/Unit	Total
Comparables Low	\$0	
Comparables High	\$960	
Comparables Average	\$370	
Subject		
2020 (Actual Operations)	\$1,459	\$7,295
2021 (Actual Operations)	\$1,901	\$9,505
2022 (Actual Operations)	\$2,278	\$11,390
2023 (Annualized Operations)	\$1,224	\$6,120
[REDACTED]	\$1,199	\$5,997
[REDACTED]		

- Typical management fees for properties of this type range from 3% to 5%
- Considering that the subject has typical management needs, we project an overall management fee of 5% of effective gross income.

Replacement Reserves

Replacement Reserves		
Source	\$/Unit	Total
[REDACTED]	\$250	\$1,250
[REDACTED]		

- Although the condominium fee includes replacement reserves, we include a minimal amount in our valuation estimate to account for interior capital expenses that would not be covered by the fee.

Total Operating Expenses

Total Operating Expenses		
Source	\$/Unit	Total
Comparables Low	\$2,815	
Comparables High	\$5,559	
Comparables Average	\$4,030	
Subject		
2020 (Actual Operations)	\$3,888	\$19,441
2021 (Actual Operations)	\$9,844	\$49,218
2022 (Actual Operations)	\$9,119	\$45,597
2023 (Annualized Operations)	\$8,092	\$40,458
[REDACTED]	\$8,823	\$44,114
[REDACTED]		

- The projected rate is similar to the historical operating expenses for the subject.



NET OPERATING INCOME

Net Operating Income		
Source	\$/Unit	Total
Subject		
2020 (Actual Operations)	\$13,658	\$68,291
2021 (Actual Operations)	\$11,414	\$57,072
2022 (Actual Operations)	\$14,456	\$72,280
2023 (Annualized Operations)	\$16,667	\$83,337
██████████	\$15,166	\$75,829
██████████		

- Our estimated net operating income is similar to the historical operating trends for the subject.

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.”

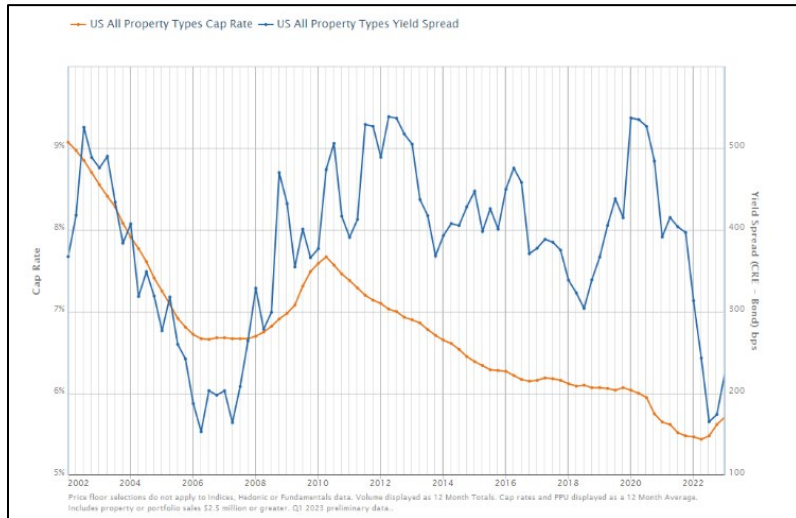
Cost of Capital

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

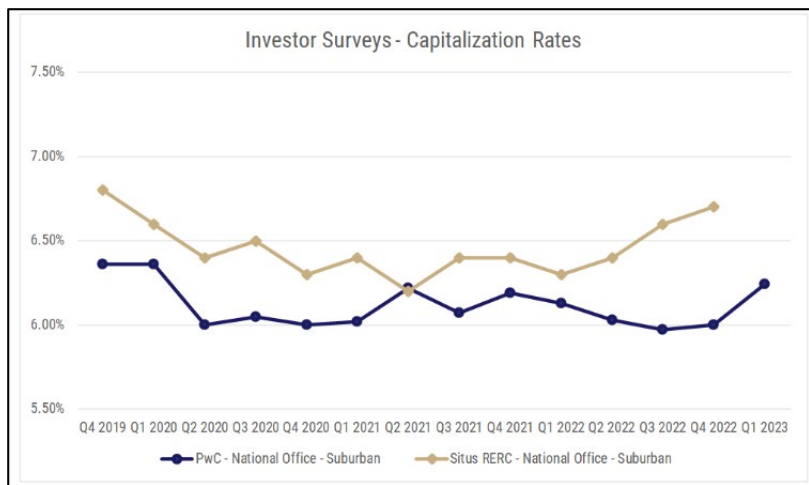
The majority of investors surveyed by PwC for their First Quarter 2023 Real Estate Investor Survey expect capitalization rates to increase over the next six months. This translates to slowing transaction volume but also directly impacts pricing expectations. “We need higher returns due to rising capital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



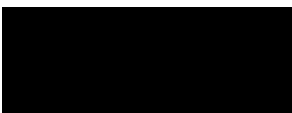
In the past, there tended to be a noticeable lag between changes in capitalization rates and underlying financing rates. The graph to the left from Real Capital Analytics depicts the spread between capitalization rates and underlying interest rate yields (bond rates in this case). As interest rates began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



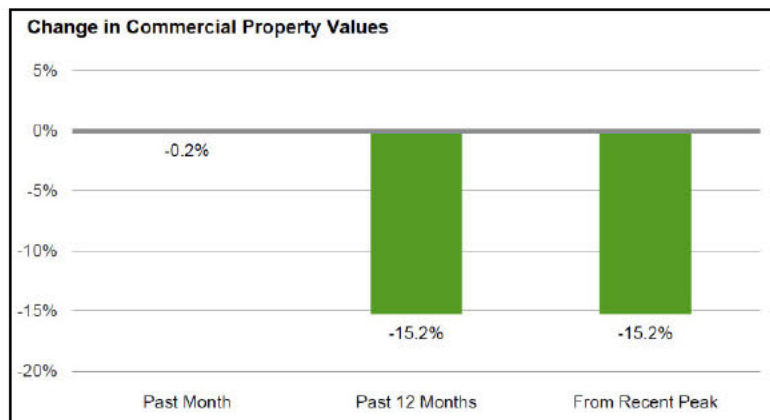
Green Street tracks capitalization rates in six property types in the top 50 MSA’s. Their February 2023 Cap Rate Observer, which is inclusive of both REIT and actual transaction data, reflects even more dramatic indicated changes in capitalization rates. The following summarizes the weighted averages 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

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%

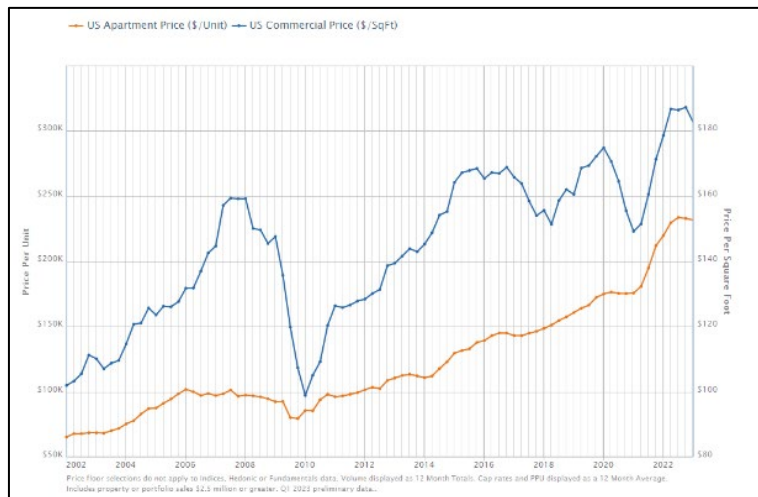
The lead-in to this report stated the following: The Green Street Commercial Property Price Index® decreased by 0.2% in March. The index has fallen by 15% since property prices peaked a year ago.

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

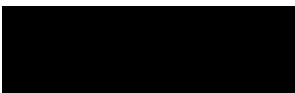
largest downturn is in the malls and apartment sectors. The apartment sector appears to have been impacted by financing availability in that agency debt has been priced higher forcing more bank and life insurance company financed transactions. However, it is our understanding the Agencies have recently 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 Sales

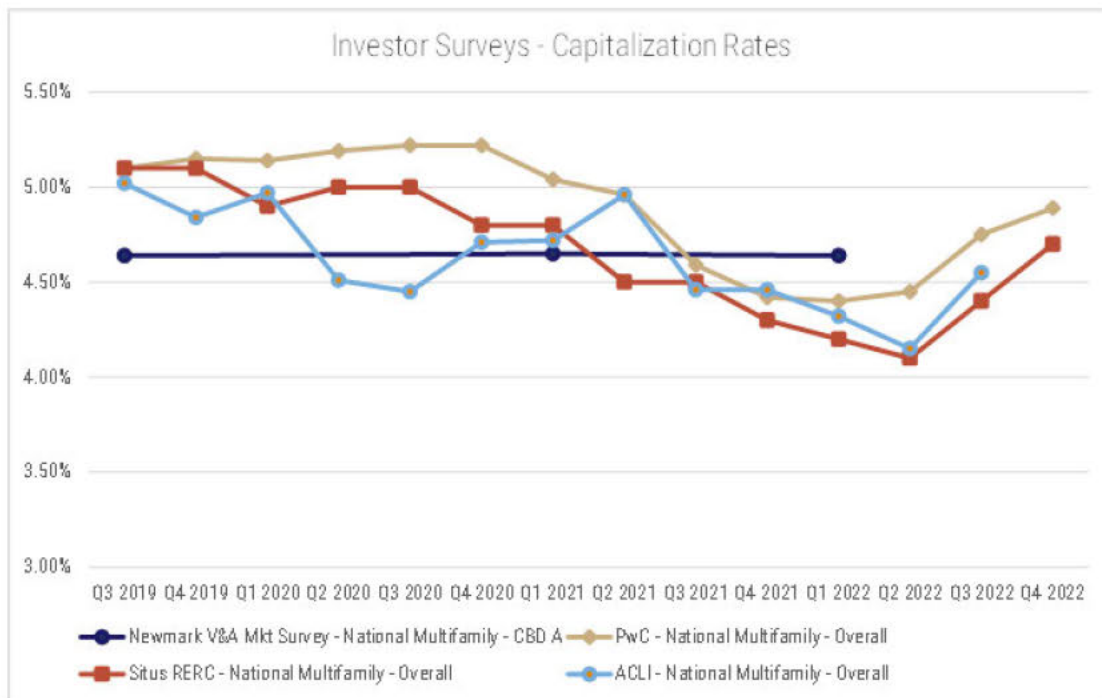
Comparable Multifamily Sales Summary

No.	Property Location	Yr. Built	Sale Date	No. of Units	Price per Unit	OAR
1	964-968 N. Marshall Street, Philadelphia, PA	1920	Mar-2021	9	\$275,556	6.84%
2	251 E. Girard Avenue, Philadelphia, PA	1908	May-2021	6	\$371,667	6.00%
3	848 N. 15th Street, Philadelphia, PA	2019	Oct-2021	3	\$388,333	7.00%
4	1335 N. Marston Street, Philadelphia, PA	1920	Jan-2022	8	\$323,800	6.20%
Average (Mean) Cap Rate:						6.51%

Investor Surveys

Investor Surveys - Capitalization Rates

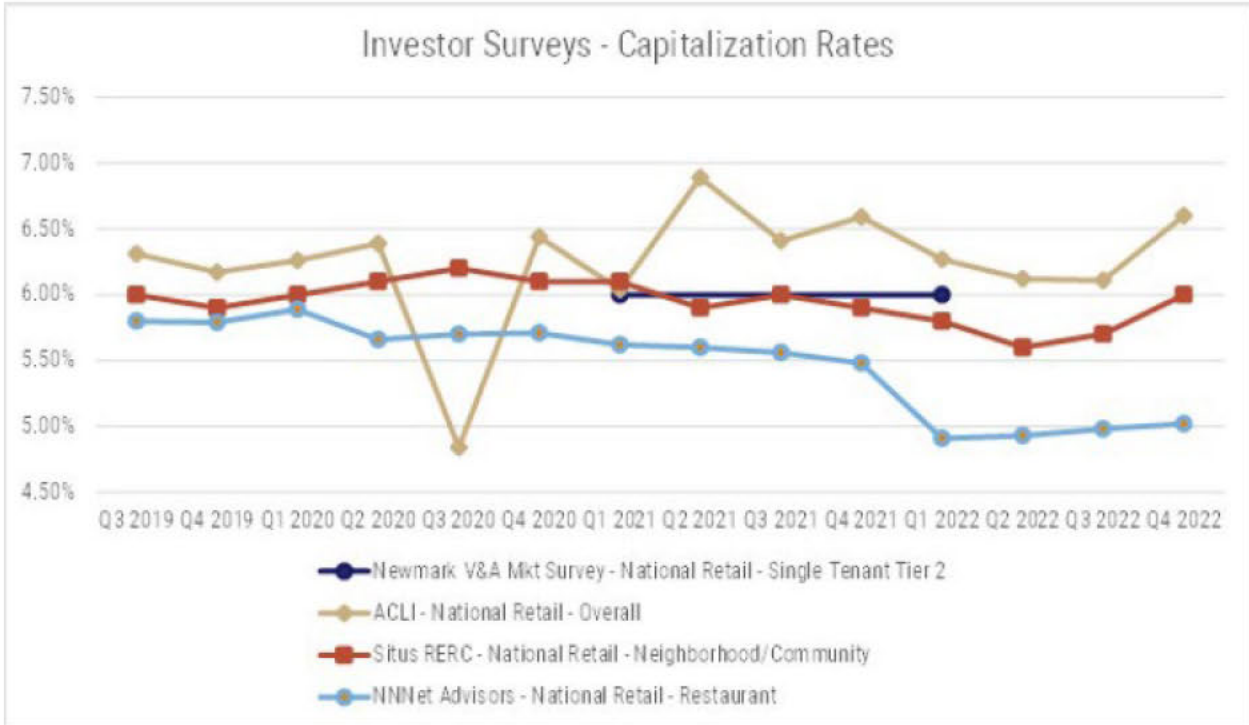
Source	Period	Low	High	Average
Newmark V&A Mkt Survey - National Multifamily - CBD A	Q1 2022	N/A	N/A	4.64%
PwC - National Multifamily - Overall	Q4 2022	3.25%	8.00%	4.89%
Situs RERC - National Multifamily - Overall	Q4 2022	3.90%	6.00%	4.70%
ACLI - National Multifamily - Overall	Q3 2022	N/A	N/A	4.55%



- National survey data indicates that going-in capitalization rates for multifamily properties ranged from 3.25% - 8.00% in Q4 2022 with central tendencies ranging from 4.70% - 4.89%. A cap rate higher than this range is applicable as cap rates have increased for multifamily properties in Q3 2023.

INCOME CAPITALIZATION APPROACH

Investor Surveys - Capitalization Rates				
Source	Period	Low	High	Average
[REDACTED] 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%



- Recent national survey data indicates that going-in capitalization rates for retail properties range from 5.02% - 6.60%.



Band of Investment

Band of Investment					
Mortgage/Equity Assumptions					
Loan to Value Ratio	70%				
Interest Rate	5.50%				
Amortization (Years)	30				
Mortgage Constant	0.0681				
Equity Ratio	30%				
Equity Dividend Rate	5.50%				
Weighted Average Of Mortgage/Equity Requirements					
Mortgage Requirement	70%	x	6.81%	=	4.77%
Equity Requirement	30%	x	5.50%	=	1.65%
Indicated Capitalization Rate (Rounded)					6.50%
Debt Coverage Ratio Analysis					
Debt Coverage Ratio	1.25				
Loan to Value Ratio	70%				
Mortgage Constant	0.0681				
Indicated Capitalization Rate (Debt Coverage Ratio Method)					5.96%

Key Value Considerations

Strengths

1. Location within the Northern Liberties section of Philadelphia.
2. The property was 100% leased and occupied at time of inspection and is considered to be stabilized.
3. Excellent condition and inclusion of an elevator and sprinklers.

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 volumes.
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 Sales	6.00% - 7.00%
Investor Surveys	4.70% - 6.60%
Band of Investment	6.50%
Debt Coverage Ratio Analysis	5.96%
Concluded Going-In Capitalization Rate	5.75%

- We have concluded a capitalization rate of 5.75% given its excellent condition, good functionality (elevator and sprinkler served), and above average accessibility.

Direct Capitalization Summary

Net operating income is divided by the capitalization rate to derive the stabilized value of the subject. The as-is value indication is derived through the adjustments noted above. 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	\$/Unit	Total \$
Multifamily Income		5 Units	
Rental Income		\$19,140	\$95,700
Potential Rental Income		\$15,950	\$95,700
Gross Expense Reimbursements		\$624	\$3,120
Potential Gross Multifamily Income		\$19,764	\$98,820
Vacancy	-5.00%	(\$988)	(\$4,941)
Collection Loss	-1.00%	(\$198)	(\$988)
Effective Rental Income		\$18,578	\$92,891
Effective Gross Multifamily Income		\$18,578	\$92,891
Commercial Income		1,120 SF	
Potential Base Rent		\$24	\$26,340
Scheduled Base Rent		\$23.52	\$26,340
Expense Recoveries		\$1.91	\$2,136
Total Tenant Revenue		\$25.43	\$28,476
Potential Gross Commercial Income		\$25.43	\$28,476
Vacancy Allowance	-4.00%	(\$1.02)	(\$1,139)
Collection Allowance	-1.00%	(\$0.25)	(\$285)
Effective Gross Commercial Income		\$24.15	\$27,052
Effective Gross Income			\$119,943
Operating Expenses		5 Units	
Real Estate Taxes		\$3,569	\$17,847
Insurance		\$800	\$4,000
Utilities		\$650	\$3,250
Repairs and Maintenance		\$1,500	\$7,500
General and Administrative		\$854	\$4,270
Management	5.00%	\$1,199	\$5,997
Replacement Reserves		\$250	\$1,250
Total Operating Expenses	36.78%	\$8,823	\$44,114
Net Operating Income		\$15,166	\$75,829



INCOME CAPITALIZATION APPROACH

Direct Capitalization Method		
Value Indication	\$/Unit	Total \$
Stabilized Net Operating Income	\$15,166	\$75,829
Overall Capitalization Rate		5.75%
As Is Value	Effective Date: 4/14/2023	\$1,318,763
Rounded	\$265,000	\$1,325,000

Valuation Matrix	
OAR	Value
5.25%	\$1,444,359
5.50%	\$1,378,706
5.75%	\$1,318,763
6.00%	\$1,263,814
6.25%	\$1,213,262

As Is		
As Is Value as of Current Date	Effective Date: 4/14/2023	\$1,318,763
PV of Tax Abatement		\$40,000
As Is Value	Effective Date: 4/14/2023	\$1,358,763
Rounded	\$270,000	\$1,350,000

Reconciliation of Value

The values indicated by our analyses are as follows:

Market Value Indications	
Market Value Premise As of Date:	As Is April 14, 2023
Cost Approach:	Not Used
Sales Comparison Approach:	\$1,450,000
Income Capitalization Approach:	\$1,350,000
Market Value Conclusion	\$1,350,000

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 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 an apartment property. It is distinctly an income producing property and this approach is specifically designed to address the value of such a property. Direct capitalization was developed. 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 the sales used in the

sales comparison approach. 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	4/14/2023	\$1,350,000
[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. Access was only available to the ground floor commercial space and fourth floor unit. The remainder of the building is presumed to be in a similar condition as the units we accessed, given the age of the property. Our analysis utilizes the square footages provided by management. We reserve the right to amend our report if different information becomes available to us.

The use of this extraordinary assumption might have affected assignment results.

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

[REDACTED]

EXPOSURE TIME

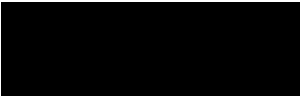
Exposure time is the estimated length of time the subject property would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. It is a retrospective estimate based on an analysis of past events assuming a competitive and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

Recent sales transaction data for similar properties, supply and demand characteristics for the local multifamily market, and the opinions of local market participants 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 to 9 months.

[REDACTED]

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 to 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

92

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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



NEWMARK VALUATION & ADVISORY

March 24, 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:
12 properties in Philadelphia, PA as described in Schedule "C" of this letter (collectively, "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: \$31,800.00 (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: four (4) 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]

Timothy M. Hazel, Esquire
PIETRAGALLO GORDON ALFANO BOSICK & RASPANTI, LLP
March 24, 2023
PAGE 2 OF 11

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 OCF Realty ("**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.



Timothy M. Hazel, Esquire
PIETRAGALLO GORDON ALFANO BOSICK & RASPANTI, LLP
March 24, 2023
PAGE 3 OF 11

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 Newmark 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:

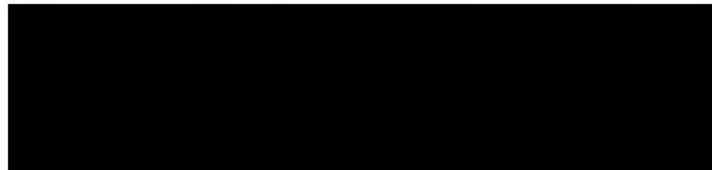
Any significant changes to the assignment as outlined in this Agreement, such as the identity of the Client, Intended User, or Intended Use, will require the preparation and execution of a new agreement.

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.



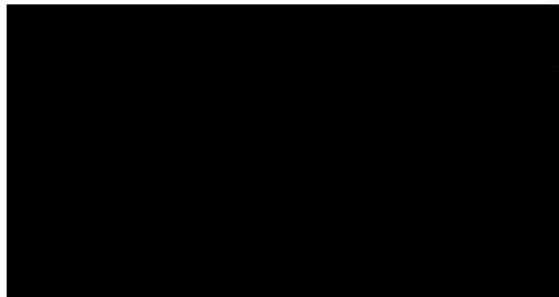
Timothy M. Hazel, Esquire
PIETRAGALLO GORDON ALFANO BOSICK & RASPANTI, LLP
March 24, 2023
PAGE 4 OF 11

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:

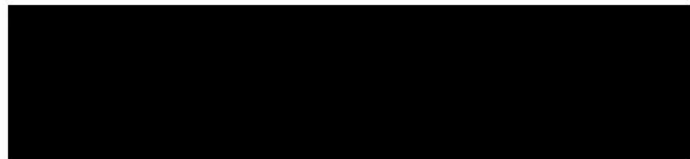
GAETANO J. ALFANO

TITLE:

PARTNER

DATE:

3-24-23

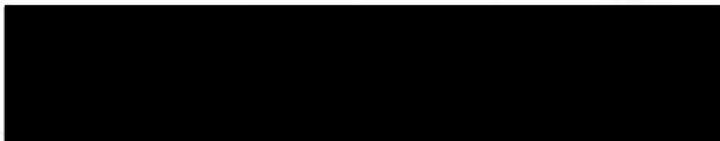


Schedule "A"

TERMS AND CONDITIONS

ATTACHED TO AND A PART OF THE AGREEMENT DATED MARCH 24, 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



Timothy M. Hazel, Esquire
PIETRAGALLO GORDON ALFANO BOSICK & RASPANTI, LLP
March 24, 2023
PAGE 6 OF 11

- 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

Timothy M. Hazel, Esquire
PIETRAGALLO GORDON ALFANO BOSICK & RASPANTI, LLP
March 24, 2023
PAGE 7 OF 11

- 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

Timothy M. Hazel, Esquire
PIETRAGALLO GORDON ALFANO BOSICK & RASPANTI, LLP
March 24, 2023
PAGE 8 OF 11

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.



Timothy M. Hazel, Esquire
PIETRAGALLO GORDON ALFANO BOSICK & RASPANTI, LLP
March 24, 2023
PAGE 9 OF 11

Schedule "B"

PROPERTY INFORMATION LIST

ATTACHED TO AND A PART OF THE AGREEMENT DATED MARCH 24, 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]

Timothy M. Hazel, Esquire
PIETRAGALLO GORDON ALFANO BOSICK & RASPANTI, LLP
March 24, 2023
PAGE 10 OF 11

FOR APARTMENT PROPERTY

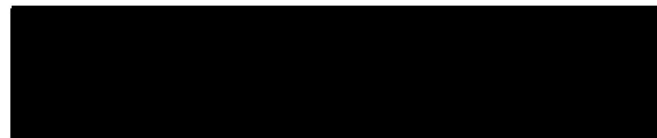
18. **Current Rent Roll** (in Excel if possible) showing tenant name, apartment number, dates of leases and the type of apartment, asking/market rents for each apartment, and contractual rent for each apartment unit. If rent roll does not show past due rent or rent in arrears, please forward aging report 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.



Timothy M. Hazel, Esquire
 PIETRAGALLO GORDON ALFANO BOSICK & RASPANTI, LLP
 March 24, 2023
 PAGE 11 OF 11

Schedule "C"

PROPERTY DETAILS

Location	Type	Fee
300 Market Street, Philadelphia, PA	(12 Apts / 1 Comm)	\$2,800
1427 Melon Street, Philadelphia, PA	(24 Apts)	\$2,800
627-629 E. Girard Avenue, Philadelphia, PA	(8 Apts / 2 Comm)	\$2,500
861 N. 3 rd Street, Philadelphia, PA	(3 Apts / 1 Comm)	\$2,500
915-917 S. 11 th Street, Philadelphia, PA	(6 Apts)	\$2,500
135-137 N. 3 rd Street, Philadelphia, PA	(16 Apts / 2 Comm)	\$2,800
500 Fairmount Avenue, Philadelphia, PA	(5 Apts / 1 Comm)	\$2,500
1932 Spruce Street, Philadelphia, PA	(6 Apts)	\$2,500
1635 Passyunk Avenue, Philadelphia, PA	(2 Apts / 1 Comm)	\$2,500
715 Sansom Street, Philadelphia, PA	(6 Apts / 2 Comm)	\$2,800
205 Arch Street - Unit B, Philadelphia, PA		\$2,800
20 N. 3rd Street, Philadelphia, PA - Units 101, 102, 201, and 202 (Valued as a single economic unit as one operating/combined space)		\$2,800
Total Fee		\$31,800



ADDENDA

Addendum C

Financials and Property Information



Cash Flow - 12 Month

Exported On: 04/19/2023 01:48 PM

OCF Realty LLC

Properties: 500 Fairmount Ave Philadelphia, PA 19123

Period Range: Jan 2020 to Dec 2020

Accounting Basis: Cash

Level of Detail: Detail View

Include Zero Balance GL Accounts: No

Account Name	Total
Operating Income & Expense	
Income	
Rent Income	86,276.00
Last Month's Rent (LMR)	2,722.00
CAM (Common Area Maintenance)	278.00
Property Insurance Income	312.00
Property Tax Income	200.00
Electricity Reimbursement	665.83
Total Operating Income	90,453.83
Expense	
Keys	183.00
Common Area Cleaning	-40.00
Trash Removal	1,195.00
Management Fees	5,100.00
OCF Leasing Commission	2,195.00
Security Service	68.71
Fire Protection	45.00
Electricity	830.62
Common Area Electricity	407.70
Vacant Apartment Electric	2,202.38
Internet	539.94
Water	-1,139.55
Repairs & Maintenance	334.80
Licenses & Permits	300.50
Condo Association Fees	4,348.84
Elevator Expense	510.00
Total Operating Expense	17,081.94
NOI - Net Operating Income	73,371.89
Total Income	90,453.83
Total Expense	17,081.94
Net Income	73,371.89
Other Items	
Owner Held Security Deposit	2,722.00
Owner Distribution	-76,456.93
Prepaid Rent	3,762.00
Net Other Items	-69,972.93
Cash Flow	3,398.96
Beginning Cash	0.00
Beginning Cash + Cash Flow	3,398.96
Actual Ending Cash	3,398.96

Cash Flow - 12 Month

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OCF Realty LLC

Properties: 500 Fairmount Ave Philadelphia, PA 19123

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	104,354.00
Concessions	100.00
CAM (Common Area Maintenance)	300.00
Property Insurance Income	936.00
Property Tax Income	600.00
Total Operating Income	106,290.00
Expense	
Turnover Maintenance	945.00
Maintenance Materials	120.19
Common Area Cleaning	705.00
HVAC (Heat, Ventilation, Air)	85.00
Cleaning Expense	1,800.60
Snow Removal	1,155.00
Trash Removal	3,600.00
Management Fees	5,610.00
OCF Leasing Commission	3,895.00
Security Service	3,401.45
Fire Protection	-180.00
Insurance - Property	4,912.00
Electricity	147.65
Common Area Electricity	571.08
Vacant Apartment Electric	149.36
Water	-1,578.28
Maintenance Labor	394.61
Repairs & Maintenance	10,817.66
Appliances	190.00
Licenses & Permits	50.00
Condo Association Fees	4,160.52
Elevator Expense	4,750.24
Total Operating Expense	45,702.08
NOI - Net Operating Income	60,587.92
Total Income	106,290.00
Total Expense	45,702.08
Net Income	60,587.92
Other Items	
Owner Held Security Deposit	-4,122.00
Owner Held Pet Deposit	-500.00
Owner Distribution	-59,000.00
Prepaid Rent	1,448.87
Net Other Items	-62,173.13
Cash Flow	-1,585.21
Beginning Cash	3,398.96
Beginning Cash + Cash Flow	1,813.75
Actual Ending Cash	1,883.75

Cash Flow - 12 Month

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OCF Realty LLC

Properties: 500 Fairmount Ave Philadelphia, PA 19123

Period Range: Jan 2022 to Dec 2022

Accounting Basis: Cash

Level of Detail: Detail View

Include Zero Balance GL Accounts: No

Account Name	Total
Operating Income & Expense	
Income	
Rent Income	116,040.58
CAM (Common Area Maintenance)	300.00
Property Insurance Income	936.00
Property Tax Income	600.00
Total Operating Income	117,876.58
Expense	
Turnover Maintenance	925.00
Maintenance Materials	7.00
Paint	307.31
Common Area Cleaning	4,293.75
Painting	550.00
HVAC (Heat, Ventilation, Air)	513.00
Cleaning Expense	549.00
Pest Control	2,251.80
Snow Removal	990.00
Trash Removal	3,000.00
Management Fees	6,120.00
OCF Leasing Commission	5,270.00
Security Service	1,650.13
Fire Protection	85.16
Electricity	199.09
Common Area Electricity	653.40
Vacant Apartment Electric	61.37
Water	-2,471.85
Plumbing	5,816.00
Maintenance Labor	-27.00
Repairs & Maintenance	5,237.95
Appliances	1,236.59
Licenses & Permits	572.60
Condo Association Fees	4,460.44
Elevator Expense	4,164.25
Total Operating Expense	46,414.99
NOI - Net Operating Income	71,461.59
Total Income	117,876.58
Total Expense	46,414.99
Net Income	71,461.59
Other Items	
Owner Held Security Deposit	-3,722.00
Owner Distribution	-65,000.00
Prepaid Rent	-1,185.87
Net Other Items	-69,907.87
Cash Flow	1,553.72
Beginning Cash	1,883.75
Beginning Cash + Cash Flow	3,437.47
Actual Ending Cash	3,437.47

Cash Flow - 12 Month

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OCF Realty LLC

Properties: 500 Fairmount Ave Philadelphia, PA 19123

Period Range: Apr 2022 to Mar 2023 (Trailing 12 Months)

Accounting Basis: Cash

Level of Detail: Detail View

Include Zero Balance GL Accounts: No

Account Name	Jan 2023	Feb 2023	Mar 2023
Operating Income & Expense			
Income			
Rent Income	10,149.96	10,170.00	10,170.00
CAM (Common Area Maintenance)	25.00	25.00	25.00
Property Insurance Income	78.00	78.00	78.00
Property Tax Income	50.00	50.00	50.00
Total Operating Income	10,302.96	10,323.00	10,323.00
Expense			
Turnover Maintenance	0.00	0.00	0.00
Maintenance Materials	10.00	0.00	0.00
Paint	0.00	0.00	0.00
Common Area Cleaning	755.00	330.00	520.00
Painting	0.00	0.00	0.00
HVAC (Heat, Ventilation, Air)	0.00	0.00	0.00
Cleaning Expense	0.00	0.00	0.00
Pest Control	0.00	0.00	0.00
Snow Removal	0.00	85.00	0.00
Trash Removal	300.00	300.00	309.99
Management Fees	510.00	510.00	510.00
OCF Leasing Commission	0.00	0.00	0.00
Security Service	0.00	179.80	179.04
Fire Protection	-15.00	-15.00	-15.00
Electricity	261.97	0.00	-261.97
Common Area Electricity	133.86	45.62	0.00
Vacant Apartment Electric	0.00	0.00	54.13
Internet	357.76	0.00	0.00
Water	-291.39	-241.39	-241.39
Plumbing	0.00	0.00	1,350.00
Maintenance Labor	0.00	0.00	0.00
Repairs & Maintenance	106.25	340.00	137.45
Appliances	1,000.00	0.00	0.00
Licenses & Permits	0.00	0.00	0.00
Condo Association Fees	427.18	427.18	427.18
Elevator Expense	0.00	0.00	0.00
Total Operating Expense	3,555.63	1,961.21	2,969.43
NOI - Net Operating Income	6,747.33	8,361.79	7,353.57
Total Income	10,302.96	10,323.00	10,323.00
Total Expense	3,555.63	1,961.21	2,969.43
Net Income	6,747.33	8,361.79	7,353.57
Other Items			
Owner Held Security Deposit	0.00	0.00	0.00
Owner Distribution	-7,000.00	-10,000.00	-6,000.00
Prepaid Rent	1,365.04	-1,305.00	656.03
Net Other Items	-5,634.96	-11,305.00	-5,343.97
Cash Flow	1,112.37	-2,943.21	2,009.60
Beginning Cash	3,437.47	4,549.84	1,606.63
Beginning Cash + Cash Flow	4,549.84	1,606.63	3,616.23
Actual Ending Cash	4,549.84	1,606.63	3,616.23

ADDENDA

Addendum D
Comparable Data



ADDENDA

Improved Sales



Multifamily Sale



964 North Marshall Street

964-968 N. Marshall Street

Location & Property Info

Property Name	964-968 N. Marshall Street
Property Type	Multifamily
Sub Type	Walk-Up
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia - Greater
Address	964 North Marshall Street, Philadelphia, PA 19123
County	Philadelphia
Country	USA
Latitude	39.96881500
Longitude	75 14786500
MSA	Philadelphia-Camden-Wilmington PA NJ DE 871084450, 871084500, 871084550
Legal/Tax/Parcel ID	CBD
Market Orientation	Secondary Verification
Verification Type	925142
Event ID	



Site Details

Source Of Land Info	Public Records
Zoning Designation	RM1
Zoning Description	Residential Multifamily
Flood Insurance Required	No
Site Shape	Rectangular
Site Topography	Level
Flood Zone Designation	X
Traffic Control At Entry	None
Utilities	<ul style="list-style-type: none"> • Electricity • Gas • Sewer • Water
Corner Lot	No
Accessibility Rating	Above Average

Visibility Rating

Average

Improvement Details

Rentable Area SF	7,629
Demised Unit Of Comparison	Apt Units
Number Of Demised Units	9
Average Unit Size (SF)	848
Construction Status	Completed
Year Built	1920
Investment Class	Class A
Condition	Excellent
Construction Quality	Good
Number Of Buildings	3
Number Of Stories/Floors	3.00

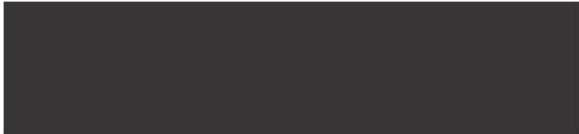
Sale Information

Assemblage	Yes
Sale Status	Closed
Sale Date	03/31/2021
Sale Price	\$2,480,000
Grantor (Seller)	High Street Germantown LP
Grantee (Buyer)	968 Marshall LLC
Property Rights	Leased Fee
Effective Sales Price	\$2,480,000.00
Price Per SF NRA	\$325 08
Effective Price Per Unit	\$275,555.56

Comments

This transaction represents the sale of three adjacent multifamily properties with a combined 9 units. Each building includes a roof deck and rear patio space.

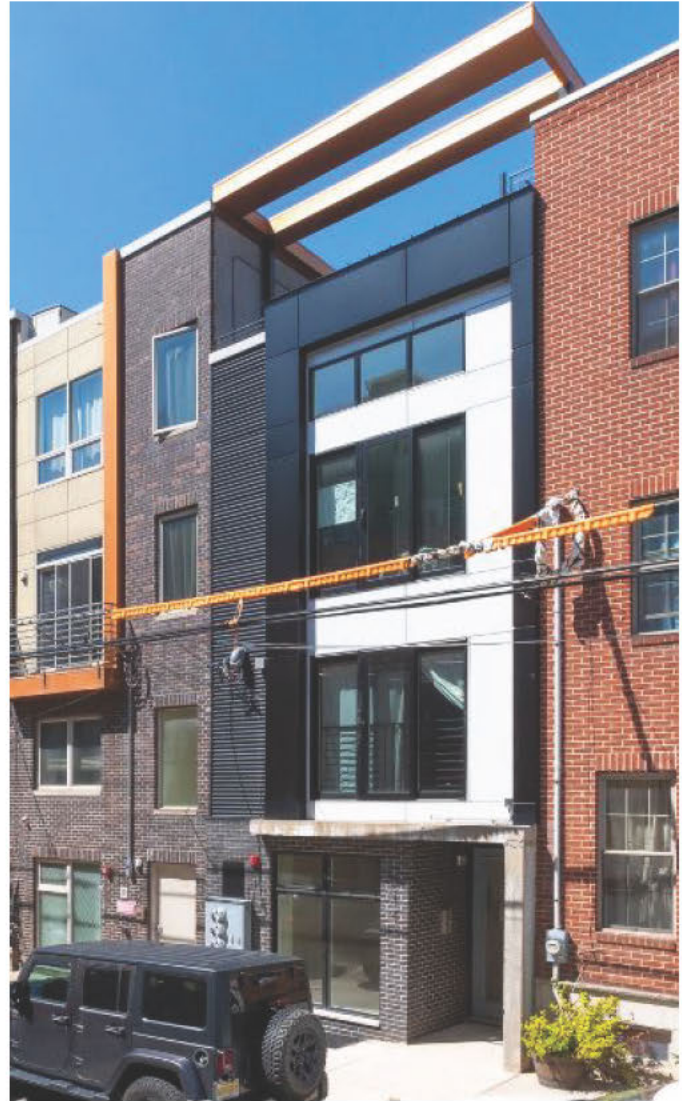
Multifamily Sale



848 North 15th Street

Location & Property Info

Property Type	Multifamily
Sub Type	Walk Up
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia Greater
Address	848 North 15th Street, Philadelphia, PA 19130
County	Philadelphia
Country	USA
Latitude	39.96967500
Longitude	-75.16181000
MSA	Philadelphia Camden Wilmington-PA-NJ-DE 151015200
Legal/Tax/Parcel ID	
Market Orientation	CBD
Verification Type	Secondary Verification
Event ID	925292



Site Details

Source Of Land Info	Public Records
Zoning Designation	RM1
Zoning Description	Residential Multifamily
Flood Insurance Required	No
Site Shape	Rectangular
Site Topography	Level

Improvement Details

Rentable Area SF	5,121
Demised Unit Of Comparison	Apt Units
Number Of Demised Units	3
Average Unit Size (SF)	1,707
Construction Status	Completed

Flood Zone Designation X
 Traffic Control At Entry None
 Traffic Flow Low
 Utilities
 • Electricity
 • Gas
 • Sewer
 • Water
 Frontage Feet 16
 Corner Lot No
 Accessibility Rating Average

Year Built 2019
 Investment Class Class A
 Condition Excellent
 Construction Quality Good
 Number Of Buildings 1
 Number Of Stories/Floors 4.00

Sale Information

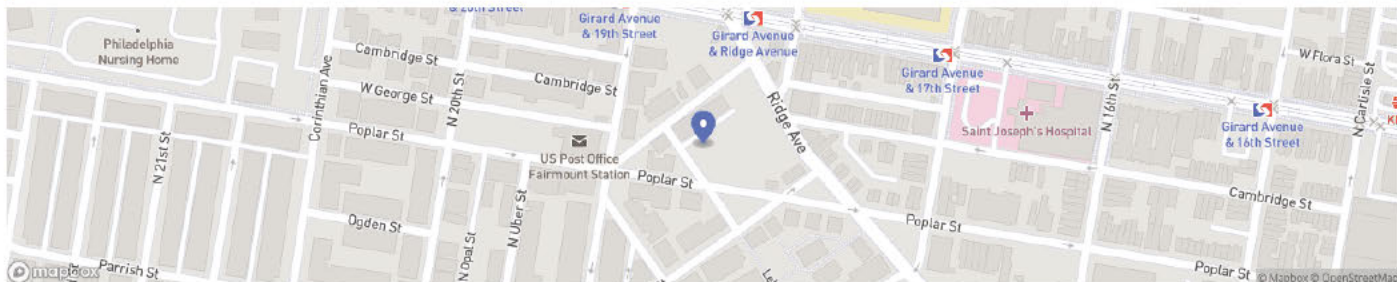
Sale Status Closed
 Sale Date 10/12/2021
 Sale Price \$1,165,000
 Grantor (Seller) 848 N. 15th Street Realty LLC
 Grantee (Buyer) Gillian W. Thackray Living Trust
 Property Rights Leased Fee
 Document Type Document
 Recording Number 53939698
 Effective Sales Price \$1,165,000.00
 Price Per SF NRA \$227.49
 Effective Price Per Unit \$388,333.33

Multifamily Sale



907 Leland Street

907 Leland Street



Location & Property Info

Property Name	907 Leland Street
Property Type	Multifamily
Sub Type	Garden/Low-Rise
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia - Greater
Address	907 Leland Street, Philadelphia, PA 19130
County	Philadelphia
Country	USA
Location	Francisville neighborhood
Latitude	39.97139500
Longitude	-75.16676000
MSA	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD 88-1443265
Legal/Tax/Parcel ID	Urban
Market Orientation	Confirmed-Confidential
Verification Type	Cindy Schoenly
Verification Source	630920
Event ID	



Site Details

Source Of Land Info	Public Records
Usable/Gross Ratio	1.00
Zoning Designation	CMX-2.5 Neighborhood Commercial Mixed-Use 2.5 Irregular
Site Shape	Generally Level
Site Topography	X
Flood Zone Designation	Low
Traffic Flow	
Utilities	<ul style="list-style-type: none"> • Electricity • Gas • Sewer • Water
Frontage Street Name	Leland
Frontage Feet	3,473
Corner Lot	No
Accessibility Rating	Average
Visibility Rating	Average

Land Parcels

IMPORTED GROUP 1

ROW NUMBER	ASSOCIATED APN(S)	CLASSIFICATION	LAND AREA (SF)	LAND AREA (ACRES)
1	88-1443265	Usable Land Area	4,324	0.0993
Total Gross Land Area			4,324	0.0993
Total Gross Land Area			4,324	0.0993
Total Usable Land Area			4,324	0.0993

Improvement Details

Rentable Area SF	10,690
Demised Unit Of Comparison	Apt. Units
Number Of Demised Units	7
Average Unit Size (SF)	1,527
Construction Status	Completed
Construction Purpose	Speculative
Year Built	2017
Investment Class	Class A
Condition	Excellent
Construction Type	Wood frame
Construction Quality	Good
Number Of Buildings	1
Number Of Stories/Floors	4.00

Unit Mix

UNIT DESCRIPTION	BR	BA	UNITS	UNIT SF	TOTAL SF	% OF UNITS	VACANT UNITS	BASE RENT	TOTAL RENT	BASE RENT PER SF	COMMENTS
1 x 1	1.00	1.00	1.00	950.00	950.00	14 %	0.00	\$1,500.00	\$1,500.00	\$1.58	
2 x 2	2.00	2.00	6.00	1,150.00	6,900.00	86 %	0.00	\$2,000.00	\$12,000.00	\$1.74	
Total/Average			7.00	1,121.00	7,850.00	100 %	0.00	\$1,928.57	\$13,500.00	\$1.72	

Sale Information

Listing Date	11/17/2020
Listing Price	\$2,700,000
Sale Status	Closed
Sale Date	04/23/2021
Sale Price	\$2,280,000
Grantor (Seller)	Leopoldo & Anne Mancilla
Grantee (Buyer)	J5 Property LLC
Contract Date	03/18/2021
Recording Date	06/13/2021
Property Rights	Leased Fee
Document Type	Deed
Recording Number	53846834
Financing Type	Cash to seller
Effective Sales Price	\$2,280,000.00
Price Per SF NRA	\$213.28
Effective Price Per Unit	\$325,714.29
Price Per Land SF (Gross)	\$527.29
Price Per Acre (Gross)	\$22,960,725.08

Price Per Land SF (Usable)	\$527.29
Price Per Acre (Usable)	\$22,960,725.08

Operations at Date of Sale

Operations Status Type	Stabilized Operations
Actuals Occupancy	100.00 %

Comments

Property is located in the Francisville neighborhood of the CBD. Units feature stainless steel appliances, hardwood flooring, granite countertops, 10' ceilings, and in-unit washers & dryers.

Multifamily Sale



251 East Girard Avenue

Location & Property Info

Property Type	Multifamily
Sub Type	Walk Up
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia Greater
Address	251 East Girard Avenue, Philadelphia, PA 19125
County	Philadelphia
Country	USA
Latitude	39.96985300
Longitude	-75.13214000
MSA	Philadelphia-Camden-Wilmington-PA-NJ-DE 881442310
Legal/Tax/Parcel ID	
Market Orientation	Urban
Verification Type	Secondary Verification
Event ID	925284



Site Details

Source Of Land Info	Public Records
Zoning Designation	CMX2
Zoning Description	Neighborhood Commercial Mixed Use
Flood Insurance Required	No
Site Shape	Flag-shaped
Site Topography	Level
Flood Zone Designation	X
Traffic Flow	High
Utilities	<ul style="list-style-type: none"> • Electricity • Gas • Sewer • Water
Frontage Feet	85
Corner Lot	Yes
Accessibility Rating	Above Average
Visibility Rating	Good

Land Parcels

NEW GROUP

ROW NUMBER	ASSOCIATED APN(S)	CLASSIFICATION	LAND AREA (SF)	LAND AREA (ACRES)
1	881442310	Gross Land Area	3,453	0.0793
		Total Gross Land Area	3,453	0.0793
Total Gross Land Area			3,453	0.0793

Improvement Details

Rentable Area SF	6,695
Demised Unit Of Comparison	Apt Units
Number Of Demised Units	5
Average Unit Size (SF)	1,339
Construction Status	Completed
Year Built	1908
Investment Class	Class B
Condition	Excellent
Construction Quality	Average
Number Of Buildings	1
Number Of Stories/Floors	3.00

Sale Information

Sale Status	Closed
Sale Date	05/04/2021
Sale Price	\$2,230,000
Grantor (Seller)	Elfeky Osama
Grantee (Buyer)	Girard 251 LLC
Property Rights	Leased Fee
Document Type	Document
Recording Number	53841844
Effective Sales Price	\$2,230,000.00
Price Per SF NRA	\$333 08
Effective Price Per Unit	\$446,000.00

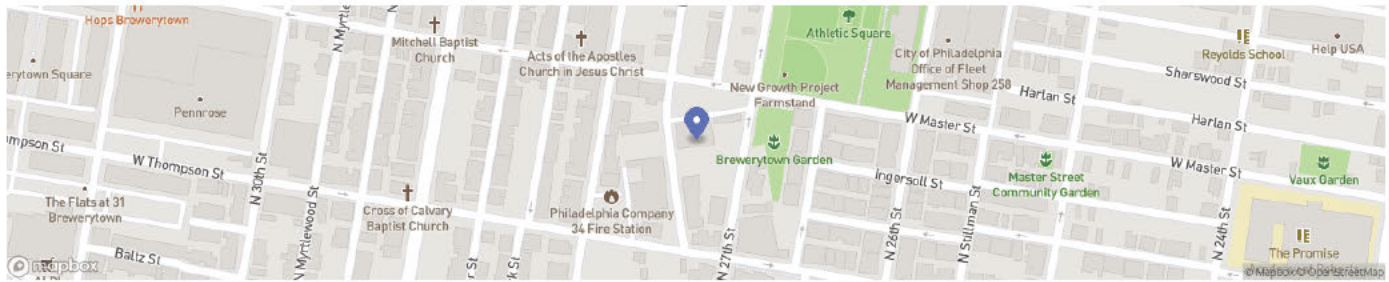
Comments

The property includes one ground floor commercial space.

Multifamily Sale



1335-37 North Marston Street 1335-37 North Marston Street



Location & Property Info

Property Name	1335-37 North Marston Street
Property Type	Multifamily
Sub Type	Walk-Up
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia Greater
Address	1335-37 North Marston Street, Philadelphia, PA 19121
County	Philadelphia
Country	USA
Latitude	39.97681000
Longitude	-75.18036000
MSA	Philadelphia/Camden/Wilmington
Legal/Tax/Parcel ID	881822817
Market Orientation	Urban
Verification Type	Confirmed-Other
Verification Source	Public Records
Event ID	803328



Site Details

Source Of Land Info	Public Records
Usable/Gross Ratio	1 00
Zoning Designation	RM1
Zoning Description	Residential Multifamily

Flood Insurance Required No
 Site Shape Rectangular
 Site Topography Level
 Flood Zone Designation X
 Utilities
 • Electricity
 • Gas
 • Sewer
 • Water
 Frontage Feet 37
 Corner Lot No

Land Parcels

IMPORTED GROUP 1

ROW NUMBER	ASSOCIATED APN(S)	CLASSIFICATION	LAND AREA (SF)	LAND AREA (ACRES)
1	881822817	Usable Land Area	3,700	0.0849
Total Gross Land Area			3,700	0.0849

Total Gross Land Area	3,700	0.0849
Total Usable Land Area	3,700	0.0849

Improvement Details

Rentable Area SF 11,571
 Demised Unit Of Comparison Apt. Units
 Number Of Demised Units 8
 Average Unit Size (SF) 1,446
 Construction Status Completed
 Year Built 2018
 Investment Class Class A
 Condition Excellent
 Number Of Buildings 1
 Number Of Stories/Floors 4.00

Sale Information

Sale Status Closed
 Sale Date 01/13/2022
 Sale Price \$2,590,000
 Grantor (Seller) G Prime Marston LLC
 Grantee (Buyer) 1335 N Marston LLC
 Contract Date 01/13/2022
 Property Rights Leased Fee
 Recording Number 53980076
 Financing Type Cash to seller
 Effective Sales Price \$2,590,000.00
 Price Per SF NRA \$223.84

Effective Price Per Unit	\$323,750.00
Price Per Land SF (Gross)	\$700.00
Price Per Acre (Gross)	\$30,506,478.21
Price Per Land SF (Usable)	\$700.00
Price Per Acre (Usable)	\$30,506,478.21

Operations at Date of Sale

Actuals Occupancy 95.00 %

ADDENDA

Lease Comparables



Retail Lease Summary



807 North 2nd Street

807 North 2nd Street

Location & Property Info

Property Name	807 North 2nd Street
Property Type	Retail
Sub Type	Urban Retail
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia - Greater
Address	807 North 2nd Street, Philadelphia, PA 19123 Philadelphia
County	
Country	USA
Location	Northern Liberties
Latitude	39.96312000
Longitude	-75.14055000
MSA	Philadelphia-Camden- Wilmington, PA-NJ-DE-MD Tax ID: 871509330
Legal/Tax/Parcel ID	
Market Orientation	Urban
Verification Type	Secondary Verification
Verification Source	BrightMLS/CoStar/Philadelphia County Public Record 920392
Event ID	



Site Details

Source Of Land Info	Philadelphia Public Record
Usable/Gross Ratio	1.00
Zoning Designation	CMX2.5
Zoning Description	Neighborhood Commercial Mixed-Use
Flood Map	4207570184H
Flood Map Date	11/18/2015
Flood Insurance Required	No
Site Shape	Rectangle
Site Topography	Level with street
Flood Zone Designation	X
Traffic Control At Entry	None
Traffic Flow	Moderate
Utilities	<ul style="list-style-type: none"> • Electricity • Gas • Sewer • Water
Frontage Street Name	North 2nd Street
Frontage Feet	20
Frontage Type	Two lanes - one way road
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	Tax ID: 871509330	Usable Land Area	2,200	0.0505
Total Gross Land Area			2,200	0.0505
Total Gross Land Area			2,200	0.0505
Total Usable Land Area			2,200	0.0505

Lease Availability Information

Survey Date 10/15/2021

Improvement Details

Rentable Area SF 4,604
 Number Of Demised Units 4
 Average Unit Size (SF) 1,151
 Construction Status Completed
 Construction Purpose Build-to-suit
 Year Built 1920
 Investment Class Class C
 Construction Class C
 Condition Excellent
 Construction Type Concrete
 Construction Quality Good
 Number Of Buildings 1
 Number Of Stories/Floors 4.00
 Roof Description Flat roof - unknown condition
 Parking Description None

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
11/17/2021	60	Retail	Playa Bowls		1,150		\$35.00	\$/SF/Yr		Triple Net	

Specific Lease Details: Playa Bowls

Description of Premises

Rentable Area 1,150
 Full Building Lease No
 Space Type Retail

Lease Details

Lease Status Signed Lease
 Lease Signed Date 10/15/2021
 Lease Start/Available Date 11/17/2021
 Lease Expiration Date 11/17/2026
 Term Of Lease (Months) 60

Lessor
Lessee

Katchik Holdings I LLC
Playa Bowls

Rates & Measures

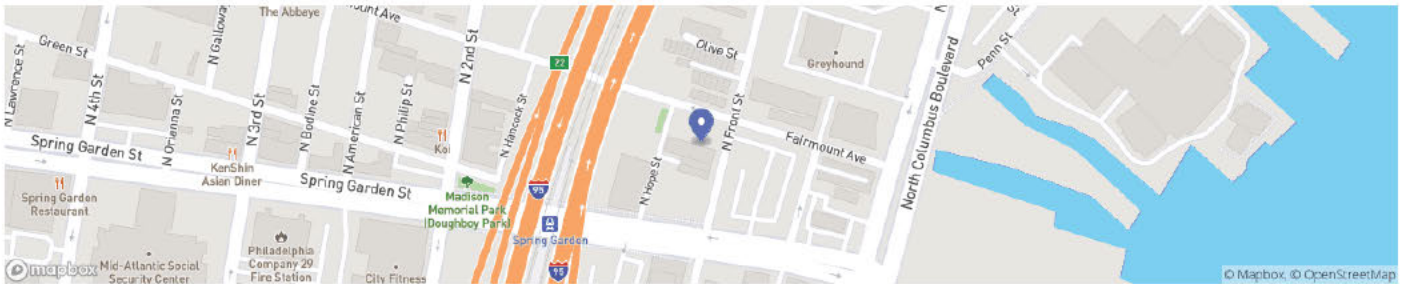
Measure	\$/SF/Yr
Face Rental Rate	\$35.00
Effective Rental Rate	\$35.00
Lease Reimbursement Method	Triple Net
Tenant Paid Expenses	All expenses

Retail Lease Summary



622 North Front Street

622 North Front Street



Location & Property Info

Property Name	622 North Front Street
Property Type	Retail
Sub Type	Urban Retail
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia - Greater
Address	622 North Front Street, Philadelphia, PA 19123
County	Philadelphia
Country	USA
Location	Northern Liberties - Philadelphia County
Latitude	39.96111500
Longitude	-75.13891700
MSA	Philadelphia-Camden-Wilmington
Legal/Tax/Parcel ID	883448900
Market Orientation	Urban
Verification Type	Confirmed-Other
Verification Source	BrightMLS/CoStar/Philadelphia County Public Record
Event ID	356071



Site Details

Source Of Land Info	Public Records
Usable/Gross Ratio	1.00
Zoning Designation	CMX-2
Zoning Description	Neighborhood Commercial Mixed Use
Flood Map	4207570184H
Flood Map Date	11/18/2015
Potential Bldg To Land Ratio FAR	0.92
Potential Units	1
Site Shape	Generally Rectangular
Site Topography	Generally Level
Flood Zone Designation	X
Vegetation	None
Traffic Control At Entry	None
Traffic Flow	Low

Space Type

Retail

Lease Details

Lease Status	Signed Lease
Lease Signed Date	2/1/2020
Lease Start/Available Date	2/1/2020
Lease Expiration Date	3/1/2023
Term Of Lease (Months)	37
Lessee	Braap's Ink

Rates & Measures

Measure	\$/SF/Yr
Face Rental Rate	\$21.63
Effective Rental Rate	\$21.63
Base Rent Escalation Type	None
Lease Reimbursement Method	Triple Net

Specific Lease Details: Braap's Ink Tattoo Shop

Description of Premises

Rentable Area	1,200
Full Building Lease	Yes
Space Type	Retail

Lease Details

Lease Status	Signed Lease
Lease Signed Date	9/3/2021
Lease Start/Available Date	9/10/2021
Lease Expiration Date	9/9/2024
Term Of Lease (Months)	180
Lessor	Atlas Real Estate, LLC
Lessee	Braap's Ink Tattoo Shop

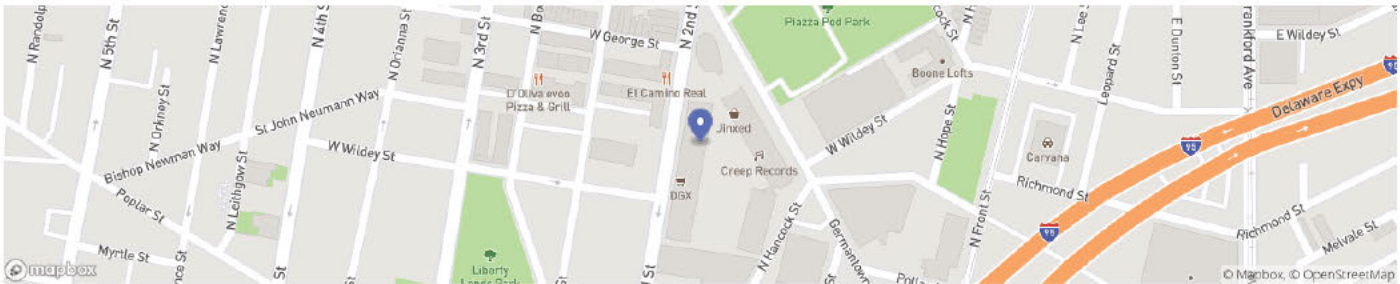
Rates & Measures

Measure	\$/SF/Yr
Face Rental Rate	\$25.00
Effective Rental Rate	\$25.00
Base Rent Escalation Type	None
Lease Reimbursement Method	Triple Net
Tenant Improvement Type	New Tenant

Retail Lease Summary



1001 N. 2nd Street The Piazza



Location & Property Info

Property Name	The Piazza
Property Type	Retail
Sub Type	Other
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia - Greater
Address	1001 N. 2nd Street, Philadelphia, PA 19123
County	Philadelphia
Country	USA
Latitude	39.96677100
Longitude	-75.13983800
MSA	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metropolitan Statistical Area
Legal/Tax/Parcel ID	881006630
Market Orientation	Urban
Verification Type	Confirmed-Other
Verification Source	Cindy Schoenly
Event ID	583516



Site Details

Source Of Land Info

Public Records

Land Parcels

IMPORTED GROUP 1				
ROW NUMBER	ASSOCIATED APN(S)	CLASSIFICATION	LAND AREA (SF)	LAND AREA (ACRES)
1	881006630	Gross Land Area	36,570	0.8395
Total Gross Land Area			36,570	0.8395
Total Gross Land Area			36,570	0.8395

Lease Availability Information

Survey Date	4/3/2021
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Improvement Details

Rentable Area SF	94,715
Gross Building Area	134,400
Demised Unit Of Comparison	Apt. Units

Number Of Demised Units	104
Average Unit Size (SF)	910
Construction Status	TBD
Construction Purpose	TBD
Year Built	2005
Investment Class	Class A
Condition	Good
Construction Description	Steel
Number Of Buildings	2
Number Of Stories/Floors	6.00
Land To Building Ratio	0.27
Property Amenities	<ul style="list-style-type: none"> • Piazza Courtyard • Patios/Balcony • Dishwasher • Range-Refrig. • Disposal • Washer/Dryer In Unit • Central AC • Carpets/Drapes/Blinds

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
6/1/2021	128		Bagels & Co.		1,138		\$36.91	\$/SF/Yr		Triple Net	

Specific Lease Details: Bagels & Co.

Description of Premises

Rentable Area	1,138
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Lease Details

Lease Status	Signed Lease
Lease Start/Available Date	6/1/2021
Term Of Lease (Months)	128
Lessee	Bagels & Co.

Rates & Measures

Measure	\$/SF/Yr
Face Rental Rate	\$36.91
Effective Rental Rate	\$36.91
Lease Reimbursement Method	Triple Net

Retail Lease Summary



1140 Frankford Avenue

1140 Frankford Avenue - 1st Floor

Location & Property Info

Property Name	1140 Frankford Avenue - 1st Floor
Property Type	Retail
Sub Type	Urban Retail
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia - Greater
Address	1140 Frankford Avenue, Philadelphia, PA 19125
County	Philadelphia
Country	USA
Location	Fishtown - Philadelphia
Latitude	39.96801500
Longitude	-75.13468000
MSA	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD
Legal/Tax/Parcel ID	Tax ID: 882020550
Market Orientation	Urban
Verification Type	Secondary Verification
Verification Source	BrightMLS/CoStar/Philadelphia County Public Record
Event ID	920388



Site Details

Source Of Land Info	Philadelphia Public Record
Usable/Gross Ratio	1.00
Zoning Designation	CMX2.5
Zoning Description	Neighborhood Commercial Mixed Use 2.5
Flood Map	4207570184H
Flood Map Date	11/18/2015
Site Shape	Rectangular
Site Topography	Level with street
Flood Zone Designation	X
Traffic Control At Entry	None
Traffic Flow	Moderate
Utilities	<ul style="list-style-type: none"> • Electricity • Gas • Sewer • Water
Frontage Street Name	Frankford Avenue
Frontage Feet	20
Frontage Type	Two lanes - one each direction
Corner Lot	No
Accessibility Rating	Average
Visibility Rating	Average

Land Parcels

IMPORTED GROUP 1

ROW NUMBER	ASSOCIATED APN(S)	CLASSIFICATION	LAND AREA (SF)	LAND AREA (ACRES)
1	Tax ID: 882020550	Usable Land Area	1,610	0.0370
Total Gross Land Area			1,610	0.0370
Total Gross Land Area			1,610	0.0370
Total Usable Land Area			1,610	0.0370

Lease Availability Information

Survey Date 11/13/2022

Improvement Details

Rentable Area SF 2,320
 Number Of Demised Units 1
 Average Unit Size (SF) 2,320
 Construction Status Completed
 Construction Purpose Owner-built
 Year Built 1902
 Year Renovated 2011
 Investment Class Class C
 Construction Class C
 Condition Excellent
 Construction Type Brick
 Construction Quality Good
 Number Of Buildings 1
 Foundation Concrete slab
 Exterior Walls Brick and stucco
 Number Of Stories/Floors 2.00
 Roof Description Flat roof - unknown condition
 Parking Description None

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
11/13/2022		Retail	Philadelphia Personal Fitness		2,470		\$32.50	\$/SF/Yr		Triple Net	

Specific Lease Details: Philadelphia Personal Fitness

Description of Premises

Rentable Area 2,470
 Full Building Lease Yes
 Space Type Retail

Lease Details

Lease Status Signed Lease
 Lease Signed Date 10/14/2022
 Lease Start/Available Date 11/13/2022
 Lessor 1140 Frankford LTD
 Lessee Philadelphia Personal Fitness

Rates & Measures

Measure	\$/SF/yr
Face Rental Rate	\$32.50
Effective Rental Rate	\$32.50
Lease Reimbursement Method	Triple Net
Tenant Paid Expenses	All expenses

ADDENDA

Addendum E

Appraiser Qualifications and Licenses



[REDACTED] is a Senior Managing Director at [REDACTED] [REDACTED] for Pennsylvania, West Virginia and southern New Jersey.

[REDACTED] 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. [REDACTED] 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 [REDACTED] from [REDACTED].

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

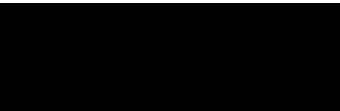


Licenses and Designations

- 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

██████ 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
Active

Initial License Date
09/04/1996

License Number

Expiration Date

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



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

Expiration Date
06/30/2023

License Number

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]
phone No.: _____ email address: [REDACTED]
mailing address: _____
- C. Purchase Price: \$ 1,450,000 (which equals Buyer's offer price of \$
_____ plus a Transaction Fee of \$ _____)
- D. Earnest Money Deposit: \$ 50,000 (if blank, then 10% of the Purchase Price,
but no less than \$50,000).
- E. Property: Address: 500 Fairmount Ave., Philadelphia, PA 19123 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).
- F. Closing Date: 4/11/2024 *subject to court approval (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: [REDACTED] contact _____ address: _____
phone number: _____ email address: _____
- H. Title Insurance Company: [REDACTED], title insurance agent for
_____, 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 RIS /

BUYER'S INITIALS TL /

(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 TL /

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

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SELLER:

COURT APPOINTED RECEIVER

By: Ryan Stumphauzer
Name: Ryan Stumphauzer
Title: Court Appointed Receiver

Date: _____

BUYER:

[NAME] _____

DocuSigned by:
By: _____
Name: _____
Title: _____

Date: _____

LISTING BROKER (if any):

Name: _____
License No.: _____
State: _____

BUYER'S BROKER (if any):

Name: _____
License No.: _____
State: _____

(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 Quarters at Fairmount, a Planned Community.

#8137783/3

SITUATE in the City of Philadelphia, Commonwealth of Pennsylvania, as set forth in the Declaration of The Quarters at Fairmount, a Planned Community, recorded on 11/24/15 (Date) as Instrument Number 52993400 and as depicted on the Declaration Plat recorded as Exhibit "D" thereto.

BEING Unit 39, as shown on the above mentioned Declaration Plat, according to a "Planned Community Declaration Plat" prepared by Herman P. Ledger, PLS of Ruggiero Plante Land Design, Philadelphia, PA, dated August 4, 2015, prepared for Tower Investments, Inc., bounded and described as follows:

BEGINNING at the intersection of the Westerly line of North 5th Street (70 feet wide on City Plan, legally open) with the Southerly line of Fairmount Avenue (55 feet wide on City Plan, legally open); thence

1. From said point of beginning, extending South 02 degrees 29 minutes 35 seconds East along the Westerly line of said North 5th Street, a distance of 41.099 feet to a point, a corner of Unit 8; thence
2. Leaving the line of said North 5th Street and extending North 80 degrees 02 minutes 10 seconds West along Unit 8 and then along the Common Element, a distance of 41.675 feet to a point; thence
3. Extending North 09 degrees 57 minutes 50 seconds East along the Common Element, a distance of 10.767 feet to a point; thence
4. Extending North 80 degrees 02 minutes 10 seconds West, a distance of 5.443 feet to a point, a corner of Unit 9; thence
5. Extending North 09 degrees 57 minutes 50 seconds East along Unit 9, a distance of 37.919 feet to a point on the aforementioned Southerly line of Fairmount Avenue; thence
6. Extending South 67 degrees 25 minutes 51 seconds East along said Southerly line of Fairmount Avenue, a distance of 39.198 feet to the point and place of beginning.

BEING known as No. 500 Fairmount Avenue, Unit 39, The Quarters at Fairmount, a Planned Community.

EXHIBIT B

Assignment and Assumption of Leases and Contracts

EXHIBIT C

Leases

1. [REDACTED], dated July 20, 2020
2. [REDACTED] dated April 8, 2022
3. [REDACTED] dates June 25, 2023
4. [REDACTED], dated June 25, 2023
5. [REDACTED], dated May 26, 2023

^{DS}
[Signature]

2/28/2024

[Signature]

2/28/24

**PENNSYLVANIA RIDER TO
PURCHASE AND SALE AGREEMENT**

STATE-SPECIFIC PROVISIONS.

- A. Zoning Classification: RSA5 [OS] TIL RB 2/28/2024
- 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 NOT X IS connected to or serviced by a Community Sewage System. [OS] TIL RKS 2/28/2024
- 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 4(b), Buyer shall be responsible for any and all transfer taxes and fees associated with such assignment. RKS 2/28/24

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ASA

ADDENDUM/ENDORSEMENT TO AGREEMENT OF SALE

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

PROPERTY 500 Fairmount Ave, Philadelphia, PA 19123
SELLER Ryan Stumphauzer, Court Appointed Reciever
BUYER [REDACTED]
DATE OF AGREEMENT 2/24/2024

Buyer and seller agree to give the buyer 14 days from execution to do their due diligence and if the buyer decides to terminate, earnest money will be returned to the buyer.

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 14-day period.

TL 2/28/2024
AKS 2/28/24

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

BUYER [REDACTED] DATE 2/24/2024
BUYER [REDACTED] DATE _____
BUYER [REDACTED] DATE _____
SELLER [Signature] Ryan Stumphauzer, Court Appointed Reciever DATE 2/26/24
SELLER _____ DATE _____
SELLER _____ DATE _____



TENANT-OCCUPIED PROPERTY ADDENDUM TO AGREEMENT OF SALE

TOP

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

1 PROPERTY 500 Fairmount Ave, Philadelphia, PA 19123
2 SELLER Ryan Stumphauzer, Court Appointed Reciever
3 BUYER [REDACTED]

- 4 1. Within 5 days (5 days if not specified) of the Execution Date of the Agreement, Seller will furnish to Buyer copies of all written
5 lease agreements currently in effect and memoranda of the terms of all oral leases for the Property. Where the full amount of security
6 deposits paid by tenants will not be transferred at settlement, Seller will furnish to Buyer in writing the tenants' names, the amount of
7 the security deposits, the amounts deducted, the dates and reasons for deduction and the tenants' written notification or acknowledgment
8 of the deduction.
9 2. Upon receipt of all leases, and/or memoranda, or if Seller fails to provide the leases and/or memoranda within the time stated,
10 whichever is first, Buyer will, within 5 days (5 if not specified):
11 (A) Accept the Property and agree to the terms of the RELEASE paragraph of the Agreement of Sale, OR
12 (B) Terminate the Agreement of Sale by written notice to Seller, with all deposit monies returned to Buyer according to the terms of
13 the Agreement of Sale, OR
14 (C) Enter into a mutually acceptable written agreement with Seller.
15 If Buyer and Seller do not reach a written agreement during the time stated in this paragraph, and Buyer does not terminate
16 the Agreement of Sale by written notice to Seller within that time, Buyer will accept the Property and agree to the terms of the
17 RELEASE paragraph of the Agreement of Sale.
18 3. Seller will assign all leases and security deposits together with the interest, if any, to Buyer at settlement.
19 4. Other than obligations set forth in any written lease agreement(s), Seller represents that there are no unsatisfied commitments or agree-
20 ments, whether oral or written, requiring Seller to fulfill any financial or other obligation to any tenant.
21 5. Seller will notify all Tenants in writing of the change in ownership at time of settlement.
22 All other terms and conditions of the Agreement of Sale remain unchanged and in full force and effect.

23 BUYER [REDACTED] DATE 2/24/2024
24 BUYER [REDACTED] DATE
25 BUYER [REDACTED] DATE
26 SELLER [Signature] Ryan Stumphauzer, Court Appointed Reciever DATE 2/28/24
27 SELLER [REDACTED] DATE
28 SELLER [REDACTED] DATE



FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT
(500 Fairmount Street)
(Waiver of Inspection Contingency & Seller's Roof Work Agreement)

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT (this "Addendum") is made and entered into as of the ___ Day of March 2024 by and between RYAN STUMPHAUZER, COURT APPOINTED RECEIVER (as "Seller") and [REDACTED] (as "Buyer") (the "First Amendment") and is by and between Seller and Buyer.

RECITALS:

WHEREAS, pursuant to the Purchase and Sale Agreement, dated February 24, 2024 (the "Agreement of Sale") Buyer has contracted to purchase, and Seller has agreed to sell certain property that is described therein; and

WHEREAS, Buyer and Seller desire to amend the Purchase Agreement to: (i) effect a waiver and release Buyer of Buyer's rights under the Addendum to the Agreement of Sale, which among other things, provided for certain due diligence rights and a right on the part of Buyer to terminate the Agreement of Sale, and (ii) establish Seller's Agreement to cause at Seller's sole cost and expense, the roof and pilot house storm door repair work that is set forth in the Primo Roofing and Solar Estimate # 4400, dated March 15, 2024 (the "Primo Estimate") pursuant to the terms of this First Amendment (as amended by this First Amendment, the "Agreement of Sale").

NOW THEREFORE intending to be legally bound hereby the parties agree as follows:

1. Effect. This First Amendment amends and modifies the Agreement of Sale. Except as modified hereby all other terms and conditions of the Agreement of Sale remain in full force and effect, other than any term or condition that conflicts with the terms and spirit of this Addendum, which shall be deemed to amended appropriately in order to be consistent with this Addendum.

2. Defined Terms. Capitalized terms herein shall have the same meaning as used in the Agreement of Sale unless otherwise noted.

3. Seller's Undertaking. Seller hereby commits to, at Seller's sole cost and expense, ensure the completion of the work as outlined in the Primo Estimate, referred to herein as the "Primo Roof Work." Seller shall make all reasonable efforts to have the Primo Roof Work completed on or before the Closing Date. However, it is acknowledged by both parties that the Storm Door Repair, as detailed in the Primo Estimate, may experience delays beyond the Closing Date due to availability issues with the specified Anderson black 3000 series storm doors. Should the completion of the Storm Door Repair be unfeasible by the Closing Date due to said back-order status, Seller agrees to pay Primo Roofing the sum of \$3,399 and assign the estimate for the Storm Door Repair to Buyer on or before the Closing Date.

4. Buyer's Waiver of Contingency/Termination Rights. Buyer hereby (i) waives and forever releases any and all rights to due diligence and the corresponding right to terminate the Agreement of Sale based on such due diligence findings, and (ii) acknowledges and agrees that any conditions pertaining to the Property's roof leaks shall not serve as grounds for any post-closing claims against Seller. This waiver and release are contingent upon Seller's completion of the Primo Roof Work as described in the Primo Estimate, at Seller's sole cost and expense. Buyer further acknowledges and agrees to the potential delay in the completion of the Storm Door Repair, as itemized in the Primo Estimate, due to the specified Anderson black 3000 series storm doors not being in stock and the necessity of ordering them. In the case that the Storm Door Repair cannot be completed by the Closing Date because of the doors' back-order status, Buyer accepts Seller's payment of \$3,399 to Primo and the assignment of the Storm Door Repair estimate from Seller on or before the Closing Date.

5. Reaffirmation of "AS IS" Condition of Property. Notwithstanding any provisions to the contrary contained herein or in the original Agreement of Sale, and despite the agreement between Buyer and Seller regarding the repair of certain roof conditions as detailed in this First Amendment, Buyer hereby reaffirms its acknowledgment and agreement that the purchase of the Property is being made in an "AS IS, WHERE IS" condition. Buyer expressly understands and agrees that, apart from the specific roof repairs agreed upon in this First Amendment, no additional warranties, representations, or guarantees have been made by Seller regarding the condition of the Property. Buyer hereby accepts all risks associated with the Property's current state and acknowledges that this acceptance is a fundamental part of the consideration for the sale of the Property to Buyer under the terms of the Agreement of Sale and this First Amendment. This provision is intended to survive the closing of the transaction contemplated hereby and shall not merge with the provisions of any deed or other conveyance instrument executed in connection with said transaction.

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IN WITNESS WHEREOF, the parties have caused this Addendum to be executed on this
the 19th day of March, 2024.

SELLER:



Ryan K. Stumphauzer
Court Appointed Receiver

BUYER:


By: 
Name: 
Title: 

Exhibit 2

*Proposed Order Authorizing Receiver's Sale of Real Property Located at
500 Fairmount Avenue, Philadelphia, PA 19123*

**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.

**ORDER AUTHORIZING RECEIVER'S SALE OF REAL PROPERTY
LOCATED AT 500 FAIRMOUNT AVENUE, PHILADELPHIA, PA 19123**

THIS CAUSE comes before the Court upon the Receiver's Motion for Order Approving Receiver's Sale of Real Property Located at 500 Fairmount Avenue, Philadelphia, PA 19123 [ECF No. ____] (the "Motion"), filed on March 23, 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 500 Fairmount Avenue, Philadelphia, PA 19123. 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 500 Fairmount Avenue, Philadelphia, PA 19123 (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 K.C., dated February 28, 2024¹ (collectively the “Buyer”) in connection with the Receiver’s proposed sale of the Property to Buyer is 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 \$1,450,000, 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 (the "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; and

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 _____, 2024.

RODOLFO A. RUIZ II
UNITED STATES DISTRICT JUDGE