

**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 300 MARKET STREET, PHILADELPHIA, PA 19106**

Ryan K. Stumphauzer, Esq., Court-Appointed Receiver (“Receiver”) of the Receivership Entities, by and through his undersigned counsel, files this Motion for Order Authorizing Receiver’s Sale of Real Property Located at 300 Market Street, Philadelphia, PA 19106 (the “Market Street Property”). In support thereof, the Receiver states:

1. On January 10, 2023, the Receiver filed a Motion for Order: (1) Authorizing Receiver’s Sale of All Real Property Within the Receivership Estate; and (2) Compelling Lisa McElhone and Joseph LaForte to Vacate and Surrender Haverford Home or, in The Alternative, Pay Obligations for Single-Family Homes [ECF No. 1484] (“Motion for Order Authorizing Sale”).

2. On January 11, 2023, the Court entered an Order Approving the Motion for Order Authorizing Sale [ECF 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 Market Street Property.

4. 300 Market St. LLC, a Receivership Entity, is the owner of record of the Market Street Property and the Receiver is vested with full legal authority to act on behalf of 300 Market St. LLC, pursuant to the Amended Order Appointing Receiver (ECF 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 Market Street Property.

5. In accordance with the Order Authorizing Sale, the Receiver has entered into a Purchase and Sale Agreement for the sale of the Market Street Property (the “Contract”). The Contract, which is subject to approval by this Court, is scheduled for a closing on June 27, 2024, provided the Court approves the Contract and authorizes the sale of the Market Street Property.

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

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

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

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

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

11. To provide an opportunity for any potential objections to the sale of the Market Street Property pursuant to the Contract, the Receiver requests that the Court enter the Proposed Order no earlier than seven days, so that the Court may consider and resolve any potential objections to the Contract. Additionally, given that the closing date is scheduled for ten days from the date of this motion, the Receiver respectfully requests that the Court enter the Proposed Order as soon as practicable on or after June 7, 2024.

WHEREFORE, the Receiver respectfully requests that the Court enter the Proposed Order on or after June 7, 2024, approving the Contract and authorizing the Receiver to sell the Market Street Property.

Local Rule 7.1 Certification

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

Dated: May 31, 2024

Respectfully Submitted,

**STUMPHAUZER KOLAYA
NADLER & SLOMAN, PLLC**
Two South Biscayne Blvd., Suite 1600
Miami, FL 33131
Telephone: (305) 614-1400

By: /s/ Timothy A. Kolaya
TIMOTHY A. KOLAYA
Florida Bar No. 056140
tkolaya@sknlaw.com

Co-Counsel for Receiver

**PIETRAGALLO GORDON ALFANO
BOSICK & RASPANTI, LLP**
1818 Market Street, Suite 3402
Philadelphia, PA 19103
Telephone: (215) 320-6200

By: /s/ Gaetan J. Alfano
GAETAN J. ALFANO
Pennsylvania Bar No. 32971
(Admitted Pro Hac Vice)
GJA@Pietragallo.com
DOUGLAS K. ROSENBLUM
Pennsylvania Bar No. 90989
(Admitted Pro Hac Vice)
DKR@Pietragallo.com

Co-Counsel for Receiver

CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that on May 31, 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 Entities,¹ including 300 Market St. LLC. 300 Market St. LLC owns the real property located at 300 Market Street, Philadelphia, PA 19106 (the “Property” or the “Market Street Property”).

¹ The “Receivership Entities” are Complete Business Solutions Group, Inc. d/b/a Par Funding (“Par Funding”); Full Spectrum Processing, Inc.; ABetterFinancialPlan.com LLC d/b/a A Better Financial Plan; ABFP Management Company, LLC f/k/a Pillar Life Settlement Management Company, LLC; ABFP Income Fund, LLC; ABFP Income Fund 2, L.P.; United Fidelis Group Corp.; Fidelis Financial Planning LLC; Retirement Evolution Group, LLC; RE Income Fund LLC; RE Income Fund 2 LLC; ABFP Income Fund 3, LLC; ABFP Income Fund 4, LLC; ABFP Income Fund 6, LLC; ABFP Income Fund Parallel LLC; ABFP Income Fund 2 Parallel; ABFP Income Fund 3 Parallel; ABFP Income Fund 4 Parallel; and ABFP Income Fund 6 Parallel; ABFP Multi-Strategy Investment Fund LP; ABFP Multi-Strategy Fund 2 LP; MK Corporate Debt Investment Company LLC; Fast Advance Funding LLC; Beta Abigail, LLC; New Field Ventures, LLC; Heritage Business Consulting, Inc.; Eagle Six Consulting, Inc.; 20 N. 3rd St. Ltd.; 118 Olive PA LLC; 135-137 N. 3rd St. LLC; 205 B Arch St Management LLC; 242 S. 21st St. LLC; 300 Market St. LLC; 627-629 E. Girard LLC; 715 Sansom St. LLC; 803 S. 4th St. LLC; 861 N. 3rd St. LLC; 915-917 S. 11th LLC; 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 lot or piece of ground with the buildings and improvements thereon erected.

SITUATE on the South side of Market (Formerly High) Street, and the West side of Third Street in the Sixth Ward of the City of Philadelphia.

CONTAINING in front or breadth on the said Market Street 22 feet, and extending on said Third Street 80 feet.

BOUNDED on the East by Third Street aforesaid, South by a 4 feet wide alley, West by a lot at the same time sold to Martin Barsh and North by said Market Street.

BEING known as 300 Market Street.

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 Market Street Property in accordance with this Court's prior Order, and now respectfully request that the Court enter an Order authorizing and approving my proposed sale of the Property.

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

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

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. 300 Market St. LLC purchased the Property from MSP Philly I, LP on August 15, 2018, for \$4,400,000. The Property is located in the Old City neighborhood in Philadelphia and consists of 12 studio / one-bedroom apartments, and ground floor commercial space.

6. Before listing the Property, I obtained a Pennsylvania Certified Residential Appraisal of the Property dated June 8, 2023 (the "Appraisal"). The Appraisal valued the Property at \$3,500,000. 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 First Appraisal value, for \$4,150,000.

8. Based upon the advice of the Broker, I obtained a second Pennsylvania Certified Residential Appraisal of the Property dated March 5, 2024 (the "Second Appraisal"). The Second Appraisal valued the Property at \$3,250,000. A true and correct copy of this Appraisal is attached as **Exhibit B**.³ Based upon feedback from potential buyers and on the advice of the Broker, I eventually reduced the listing price to \$3,650,000.

9. The Property was shown to prospective buyers 16 times. I received four (4) offers for the Property. As a result of my marketing efforts and after negotiations, I have received an offer from X.F.J. and W.L.,⁴ a third party unaffiliated with the Receivership Entities (collectively "Buyer"), to purchase the Property out of receivership for \$3,250,000. The Buyer's offer is the highest unconditional offer received for the Property. I accepted this offer because it is consistent

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

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

⁴ For security purposes, the Buyer's identity has been redacted.

with the market value determined in the Second Appraisal 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.

10. The offer is an "all cash" offer with no contingencies. In my reasonable business judgment, I believe Buyer's offer to purchase the Property for \$3,250,000 is appropriate, and consistent with the Property's current market value. As a result, on or about April 5, 2024, I entered into a contingent Purchase and Sale Agreement ("Contract") for the Property with Buyer, a true and correct copy of which is attached hereto as **Exhibit C** to this Declaration, and which has been redacted for security purposes. Closing is scheduled for June 27, 2024.

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

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

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

Executed on May 31, 2024

/s/ Ryan K. Stumphauzer

Ryan K. Stumphauzer
Court-appointed Receiver

Exhibit A

*Pennsylvania Certified Residential Appraisal
Dated June 8, 2023*

[Redacted]

300 Market Street

300 Market Street
Philadelphia, Philadelphia County, PA 19106

[Redacted] Job No.: [Redacted]

Appraisal Report Prepared For:

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

Prepared By:

[Redacted]
[Redacted]
[Redacted]

[Redacted]



[REDACTED]

June 8, 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 300 Market Street, Philadelphia, Philadelphia County, PA 19106, prepared by [REDACTED] LLC (herein "Firm" or "[REDACTED]")

[REDACTED] Job No.: [REDACTED]

Dear Mr. Hazel:

The "Subject Property" is a 12-unit walk-up apartment building with ground floor commercial space located within the Old City neighborhood of Philadelphia. The building is in good condition and was built in 2017. The subject's multifamily units include (12) Studio/1BA units, and a ground floor and below grade commercial space, currently leased to a local fast-casual restaurant, containing a total of 7,600 square feet of rentable area. The property was 100% leased and occupied as of the effective valuation date. The mid-block site area totals 1,760 square feet. The site is zoned CMX-3, which is a commercial, mixed-use designation within the city of Philadelphia.

Key Value Considerations

Strengths

- Desirable location within the Old City neighborhood of Center City Philadelphia.
- Subject is at full occupancy with rental rates in the area trending upward.

Risk Factors

- Rising interest rates are putting upward pressure on cap rates as of the effective appraisal date.
- A significant amount new construction has taken place recently in the market area, which has put pressure on rental rates and caused a rise in vacancies in the short term.
- While a functioning building in terms of unit mix, layout, and overall physical attributes, the subject lacks amenities which are found in many other competitive projects within the market area.

[REDACTED]

[REDACTED]

June 8, 2023
TIMOTHY M. HAZEL, ESQUIRE

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 still 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.

Based on the analysis contained in the following report, the opinions of value for the subject are:

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Leased Fee	4/14/2023	\$3,500,000

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.

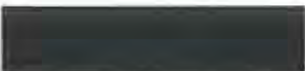
1. All information pertaining to unit sizes was based upon measurements of the units that were made available for inspection, and is assumed to be accurate and correct. Should contradictory information regarding the size of the units become available, we reserve the right to amend our analysis.

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



June 8, 2023
TIMOTHY M. HAZEL, ESQUIRE

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



Certification

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Pennsylvania.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, [REDACTED] MAI, CRE, MRICS has completed the continuing education program for Designated Members of the Appraisal Institute.
12. [REDACTED] made a personal inspection of the property that is the subject of this report. [REDACTED] MAI, CRE, MRICS has not personally inspected the subject.
13. No one provided significant real property appraisal assistance to the person(s) signing this certification.
14. 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.
15. Within this report, [REDACTED] [REDACTED] [REDACTED] Inc.", 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.
16. [REDACTED] MAI, CRE, MRICS 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

6



TABLE OF CONTENTS

Table of Contents

Appraisal Transmittal and Certification

Certification

Table of Contents

Subject Maps

Subject Photographs

Executive Summary 11

Introduction..... 13

Economic Analysis 16

Land and Site Analysis 34

Zoning and Legal Restrictions 38

Improvements Analysis 40

Real Estate Taxes 44

Highest and Best Use 47

Appraisal Methodology..... 49

Sales Comparison Approach 50

Income Capitalization Approach..... 55

Reconciliation of Value 83

Assumptions and Limiting Conditions .. 86

Addenda

A. Glossary of Terms

B. Engagement Letter

C. Financials and Property Information

D. Comparable Data

Improved Sales

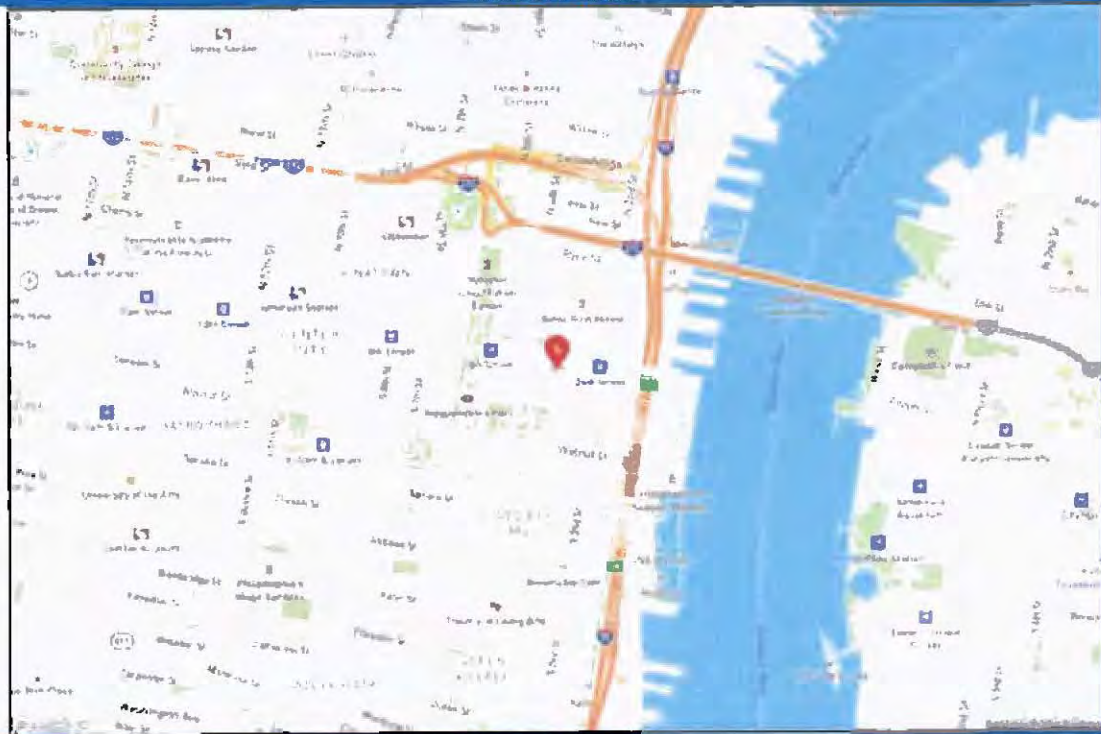
E. Appraiser Qualifications and Licenses



SUBJECT MAPS



Aerial Photo



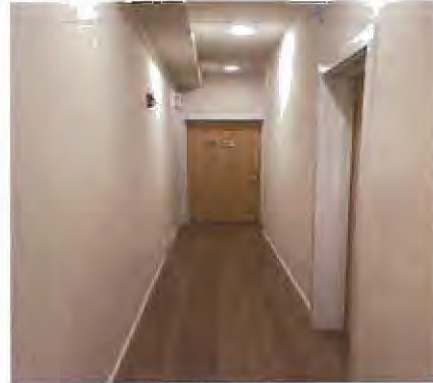
Location Map



EXECUTIVE SUMMARY



Exterior of Subject



Interior Hallway



Subject As Seen from 3rd Street



Unit Bathroom



Unit Kitchen Area



Occupied Unit Living/Sleeping Area



EXECUTIVE SUMMARY



Subject Basement



Subject Commercial Area



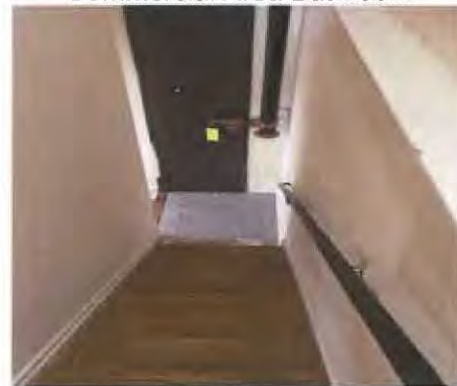
Commercial Area Kitchen



Commercial Area Bathroom



Commercial Area Basement



Basement Area Staircase



EXECUTIVE SUMMARY

Executive Summary

300 Market Street

Property Type:	Mixed Use: Multifamily, Retail-Restaurant
Street Address:	300 Market Street
City, State & Zip:	Philadelphia, Philadelphia County, PA 19106
Market Name:	PA - Philadelphia - Greater
Investment Class:	Class B
Latitude:	39,9499293
Longitude:	-75,1458588
Gross Building Area (SF):	8,800
Net Rentable Area (SF):	7,600
Net Rentable Area (SF, Multifamily):	4,800
Net Rentable Area (SF, Commercial):	2,800
Number of Units:	12
Year Built:	2017
Land Area:	0,040 acres; 1,760 SF
Zoning:	CMX-3
Assessor's Parcel ID(s):	Tax ID: 882503600
Highest and Best Use - As Vacant:	Development of a multi-family property
Highest and Best Use - As Improved:	Continued use as multi-family property

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 8, 2023
Report Type:	Appraisal Report
Client:	Pietragallo Gordon Alfano Bosick & Raspanti, LLP
Intended Use:	Establishing market value for pricing in connection with a potential disposition involving each of the subject properties and no other use.
Intended User:	Client and [REDACTED] and no other party is permitted to use or rely on the appraisal,
Appraisal Premise:	Market Value "As Is"
Intended Use and User:	The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and [REDACTED] will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.
Interest Appraised:	Leased Fee
Exposure Time (Marketing Period) Estimate:	6 Months (6 Months)

Completed by [REDACTED]

Leasing Summary

Number of Tenants		1
Average Contract Rent/SF		\$29.14
Average Market Rent/SF		\$28.50

MLA Space Type Summary	Rentable SF	% Leased	% of Total Contract Rent	Contract Rent PSF	Market Rent PSF	Contract as % of Market
MLA 1 Space:	2,800	100.0%	100.00%	\$29.14	\$28.50	102.3%
Total	2,800	100.0%	100.0%	\$29.14	\$28.50	102.3%
Rental Unit Subtotals	0 BR					Overall
Average Unit Size	400 SF					400 SF
Average Unit Contract Rent	\$1,311					\$1,311
Unit Occupancy	100.0%					100.0%
Unit Market Rent	\$1,450					\$1,450

EXECUTIVE SUMMARY

Valuation Summary			
Sales Comparison Approach		\$/Unit	\$ Total
Number of Sales			4
Range of Sale Dates			Dec-20 to Nov-22
Adjusted Range of Comparables (\$/Unit)			\$232,500 to \$335,214
Indicated Sales Comparison Approach Value	As Is	\$287,500	\$3,450,000
Income Capitalization Approach - Direct Capitalization Method		\$/Unit	\$ Total
Capitalization Rate Indicators and Conclusion			Indication
Comparable Sales			5.26% - 6.42%
Investor Surveys			3.25% - 8.00%
Band of Investment			6.50%
Debt Coverage Ratio Analysis			5.96%
Concluded Going-In Capitalization Rate			5.75%
Stabilized Income Estimate			
Potential Gross Income		\$26,789	\$321,464
Stabilized % Vacancy & Collection Loss		-6.00%	(\$19,288)
Effective Gross Income		\$25,181	\$302,176
Operating Expenses		\$8,928	\$107,135
Operating Expense Ratio			35.5%
Net Operating Income		\$16,253	\$195,042
Capitalization Rate			5.75%
Indicated Income Capitalization Approach Value	As Is	\$291,667	\$3,500,000
Market Value Conclusions	As Is	\$291,667	\$3,500,000
Exposure / Marketing Time			
Concluded Exposure Time			6 Months or Less
Concluded Marketing Time			6 Months or Less

Compiled by [REDACTED]

Extraordinary Assumptions and Hypothetical Conditions

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

1. All information pertaining to unit sizes was based upon measurements of the units that were made available for inspection, and is assumed to be accurate and correct. Should contradictory information regarding the size of the units become available, we reserve the right to amend our analysis.

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

Compiled by [REDACTED]



Introduction

OWNERSHIP HISTORY

The current owner is 300 Market Street 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 Recently Reported Sale:	April 29, 2018
Buyer:	300 Market Street LLC
Seller:	MSP Philly I LP
Purchase Price:	\$4,400,000

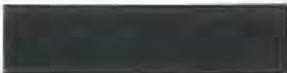
Compiled by [REDACTED]

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

INTENDED USE AND USER

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

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



INTRODUCTION

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)

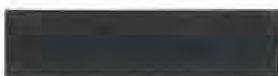
APPRAISAL REPORT

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	4/14/2023
Compiled by [REDACTED]		



SCOPE OF WORK

Extent to Which the Property is Identified

- Physical characteristics
- Legal characteristics
- Economic characteristics

Extent to Which the Property is Inspected

██████████ inspected the subject property on April 14, 2023 as per the defined scope of work. ██████████ made a personal inspection of the property that is the subject of this report. ██████████ MAI, CRE, MRICS 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.

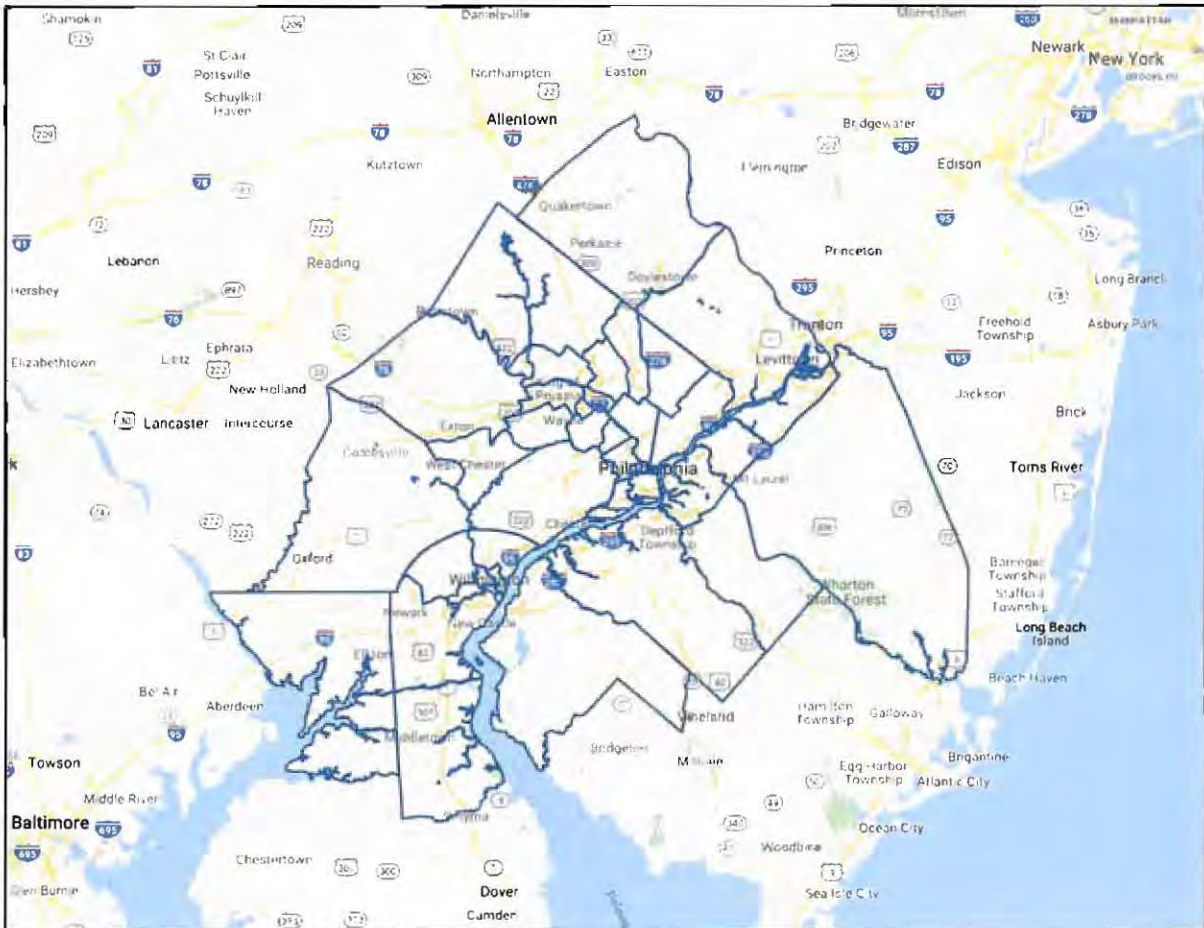
Commercial real estate is receiving an increased amount of attention as prices are demonstrably falling and transaction volumes plummeting. These effects are a function of the unfavorable economic and credit conditions as well as other factors such as impacts to office use driven in part by the COVID-19 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



ECONOMIC ANALYSIS

18

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

ECONOMIC ANALYSIS

19

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- The Delaware River Port Complex, comprised of active, full-service marine terminals in Delaware, New Jersey and Pennsylvania, is an active conduit for international trade and comprises three major ports with full-service docking facilities and over 30 active port terminals.
 - The Port of Philadelphia is the only major port on the East Coast served by two Class 1 railroads (CSX Transportation and Norfolk Southern) and provides easy access to the Midwest, Mid-Atlantic, and Northeast markets.

Other Factors Fueling the Growth of Greater Philadelphia

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

Major Employers

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

Over the past six years, the Greater Philadelphia Region has experienced a surge in digital health innovation. The sector’s growth has both contributed to, and benefited from, the region’s strengths, with more than 2,000 medical technology companies based within the Greater Philadelphia market. Of those, over 100 companies are specifically focused on 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

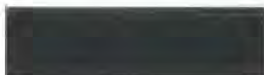
Expansion of Life Sciences

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.



ECONOMIC ANALYSIS

21

- 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

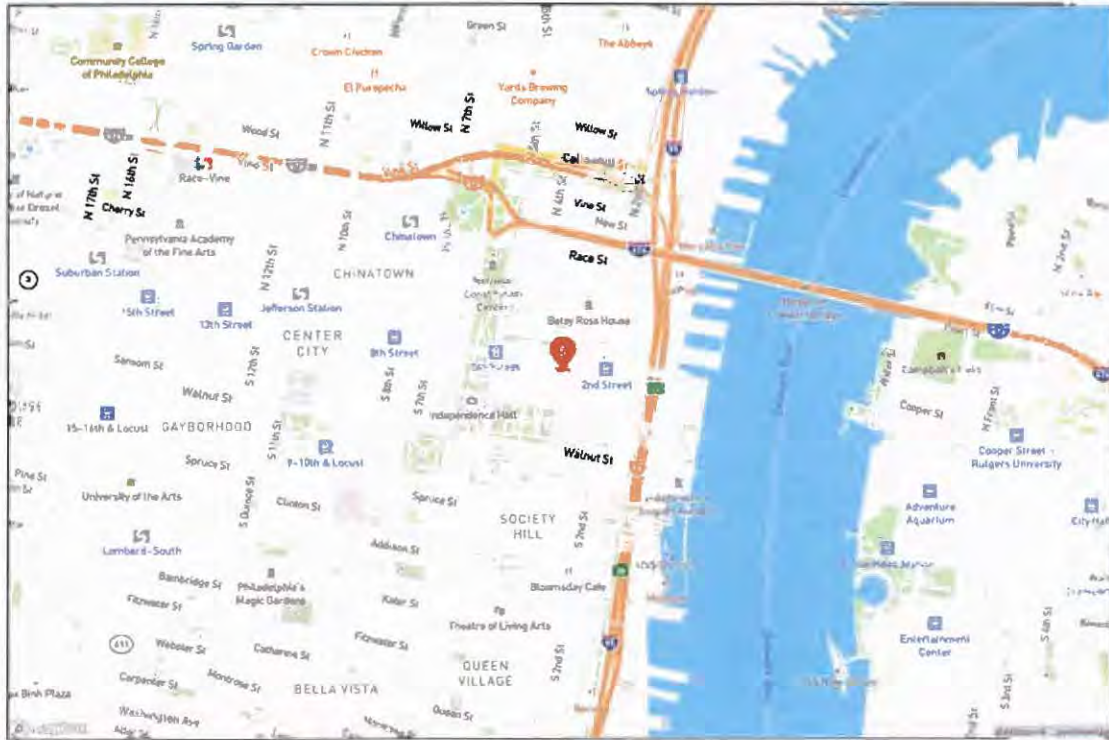
- Over 100 degree-granting institutions including Princeton University and University of Pennsylvania, two Ivy League universities plus three of the very top liberal arts colleges: Swarthmore, Haverford, and Bryn Mawr Colleges.
- Approximately 500,000 full- and part-time students
- 6 medical schools, 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



Neighborhood Map

Boundaries

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

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

Access & Transportation

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



ECONOMIC ANALYSIS

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

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



Land Uses



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

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



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



ECONOMIC ANALYSIS

Demographics

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

Demographic Analysis								
	1-Mile Radius	3-Miles Radius	5-Miles Radius	19106	Philadelphia City	Philadelphia County	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA	Pennsylvania
Population								
2010 Total Population	35,384	424,735	854,083	11,022	1,526,006	1,526,006	5,965,343	12,702,379
2022 Total Population	46,940	487,837	913,314	15,143	1,619,078	1,619,078	6,290,595	13,027,451
2027 Total Population	51,082	495,179	915,385	16,673	1,604,021	1,604,159	6,309,366	13,011,297
Projected Annual Growth %	1.7%	0.3%	0.0%	1.9%	-0.2%	-0.2%	0.1%	0.0%
Households								
2010 Total Households	18,591	176,547	335,422	6,354	599,635	599,736	2,260,312	5,018,904
2022 Total Households	25,888	219,294	387,420	8,813	667,219	667,219	2,438,223	5,232,785
2027 Total Households	28,378	224,383	391,285	9,787	664,975	665,034	2,454,567	5,244,451
Projected Annual Growth %	1.9%	0.5%	0.2%	2.1%	-0.1%	-0.1%	0.1%	0.0%
Income								
2022 Median Household Income	\$103,291	\$63,121	\$51,044	\$118,087	\$52,721	\$52,721	\$81,273	\$69,170
2022 Average Household Income	\$156,143	\$106,300	\$86,353	\$171,523	\$83,843	\$83,843	\$119,011	\$99,758
2022 Per Capita Income	\$86,700	\$48,037	\$36,775	\$103,317	\$34,678	\$34,678	\$46,256	\$40,217
Housing								
2022 Owner Occupied Housing Units	33.2%	39.2%	40.9%	40.3%	46.9%	46.9%	62.0%	62.1%
2022 Renter Occupied Housing Units	56.8%	49.0%	47.4%	49.8%	43.5%	43.5%	31.1%	28.4%
2022 Median Home Value	\$474,942	\$303,815	\$231,863	\$488,389	\$224,010	\$224,010	\$299,485	\$232,971
Median Year Structure Built	1960	1940	1940	1962	1948	1948	1965	1964
Miscellaneous Data Items								
2022 Bachelor's Degree	37.3%	25.9%	20.1%	38.6%	19.3%	19.3%	24.5%	20.8%
2022 Grad/Professional Degree	36.9%	22.2%	15.9%	41.1%	13.6%	13.6%	16.6%	13.4%
2022 College Graduate %	74.3%	48.1%	36.0%	79.7%	32.8%	32.8%	41.1%	34.2%
2022 Average Household Size	1.70	2.11	2.27	1.61	2.36	2.36	2.52	2.41
2022 Median Age	35.8	34	33.9	39.3	35.7	35.7	39.7	41.9

Source: ESRI, City of Philadelphia

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

Demand Generators

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



ECONOMIC ANALYSIS

26

- 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



ECONOMIC ANALYSIS

27

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

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

Residential Market

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

Conclusion

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



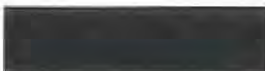
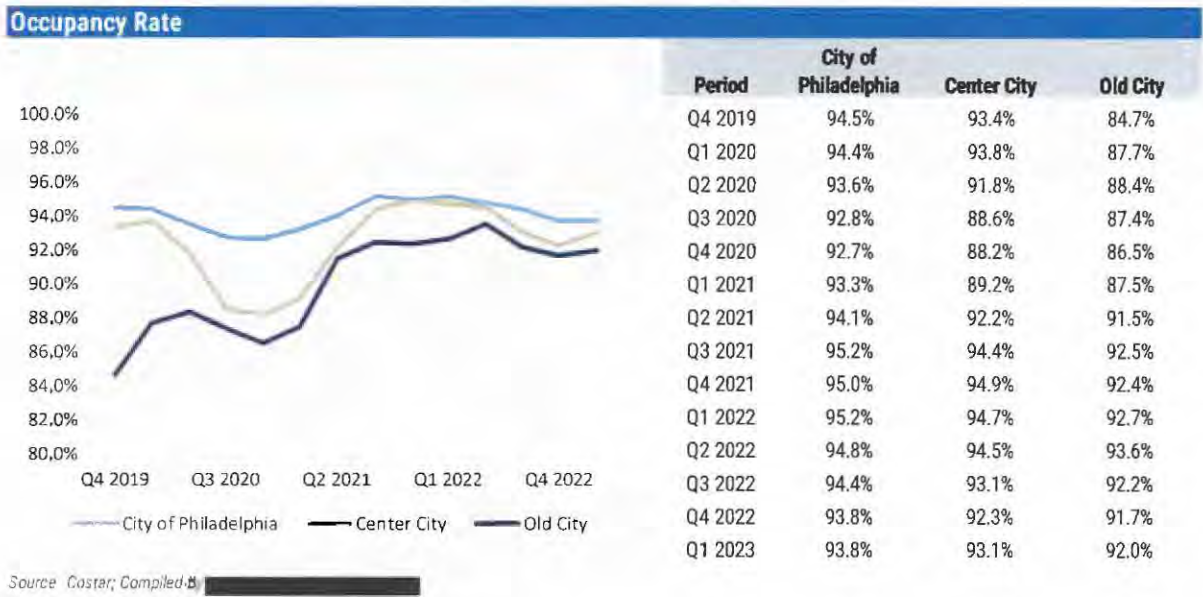
MULTIFAMILY MARKET ANALYSIS

Classification

The subject is in the Center City submarket of the City of Philadelphia market. The property is considered a Class B Walk-Up 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 market, the subject’s Center City submarket, and the focused submarket of Old City overall.



ECONOMIC ANALYSIS

Asking Rent Per Unit



Source: Costar, Compiled by [REDACTED]

Multifamily Market Statistics

Trailing Four Quarters Ended Q1 2023

Market / Submarket	Inventory (Unit)	Completions		Net Absorption (Unit)	Asking Rent Per Unit	Effective Rent Per Unit
		(Unit)	Vacancy (%)			
City of Philadelphia	144,983	4,996	6.20%	2,871	\$1,659	\$1,638
Center City	26,715	842	6.90%	374	\$2,264	\$2,229
Old City	2,636	7	8.00%	-12	\$2,252	\$2,224

Source: Costar, Compiled by [REDACTED]

Market and Submarket Trends

Multifamily Market Trends

	City of Philadelphia				Center City			
	Inventory (Unit)	Completions (Unit)	Vacancy %	Asking Rent Per Unit	Inventory (Unit)	Completions (Unit)	Vacancy %	Asking Rent Per Unit
Q1 2021	136,408	566	6.7%	\$1,524	25,667	313	10.8%	\$2,051
Q2 2021	137,680	1,272	5.9%	\$1,563	25,667	0	7.8%	\$2,143
Q3 2021	138,488	808	4.8%	\$1,585	25,869	202	5.6%	\$2,160
Q4 2021	139,360	1,007	5.0%	\$1,599	25,873	4	5.1%	\$2,183
Q1 2022	139,992	660	4.8%	\$1,615	25,873	0	5.3%	\$2,196
Q2 2022	141,569	1,582	5.2%	\$1,652	25,880	7	5.5%	\$2,250
Q3 2022	142,879	1,310	5.6%	\$1,644	26,531	651	6.9%	\$2,221
Q4 2022	144,169	1,290	6.2%	\$1,636	26,715	184	7.7%	\$2,204
Q1 2023	144,983	814	6.2%	\$1,659	26,715	0	6.9%	\$2,264

Source: Costar, Compiled by [REDACTED]

- Vacancy rates for the subject's Center City submarket have been fluctuating over the past few years and are higher than that of the overall market area.



- Asking rental rates in the subject's submarket have not drastically changed over the past two years, but have been following a positive trend, nevertheless.

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	6.20%	6.20%	7.30%	6.30%	6.70%
Center City	6.90%	7.70%	11.80%	8.50%	7.90%
Old City	8.00%	8.30%	13.50%	15.60%	5.90%
Subject					
Subject	0.00%				
Concluded Subject Vacancy Rate	5.00%				

Source Costar, [REDACTED]

- We have considered the subject's location and recent market trends for the area and have concluded to a vacancy rate of 5.00% given the subject's favorable location in the Old City area.



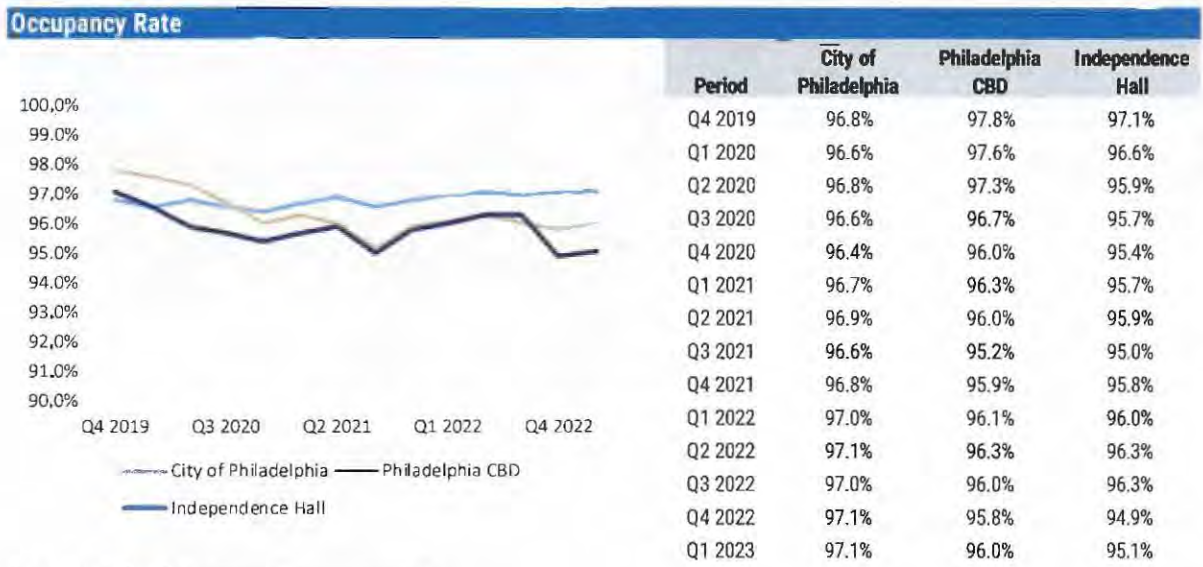
RETAIL MARKET ANALYSIS

Classification

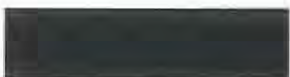
As noted throughout, the subject features 2,800 square feet of ground-level retail space in addition to the 12 apartments. We therefore provide a brief retail market analysis herein.

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 Philadelphia CBD submarket and Independence Hall submarket overall. The analysis is then further refined to focus on demand for the subject and the properties considered to be primary competition.



Source: Costar; Compiled by [REDACTED]



ECONOMIC ANALYSIS

Asking Rent Per SF



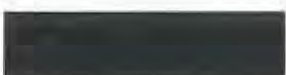
Source: Costar, Compiled by [Redacted]

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	518,025	0.9	1,247,891	553,927	2.3	1,895,198	1,071,026	1.8
Philadelphia CBD	0	-28,128	0.0	67,555	-320,742	-0.2	117,547	-355,326	-0.3
Independence Hall	0	-36,356	0.0	0	-106,044	0.0	3,960	-119,088	0.0

Source: Costar, Compiled by [Redacted]

- The average rental rate for the submarket is higher than the overall City of Philadelphia market. The Philadelphia CBD submarket is considered an upper tier submarket as compared to the other submarkets in the overall City of Philadelphia.
- Absorption for the last 12 months was positive for the overall market area and negative at the submarket level.



ECONOMIC ANALYSIS

Market and Submarket Trends

Retail Market Trends								
	City of Philadelphia				Philadelphia CBD			
	Inventory (SF)	Completions (SF)	Vacancy %	NNN Rent Overall / SF	Inventory (SF)	Completions (SF)	Vacancy %	NNN Rent Overall / SF
Q1 2021	77,363,826	44,896	3.3%	\$23.80	12,242,204	0	3.7%	\$37.11
Q2 2021	77,463,686	113,660	3.1%	\$23.19	12,307,364	65,160	4.0%	\$36.43
Q3 2021	77,476,762	21,620	3.4%	\$23.61	12,309,759	2,395	4.8%	\$36.13
Q4 2021	77,406,629	265,677	3.2%	\$23.64	12,189,005	0	4.1%	\$38.97
Q1 2022	77,278,717	10,247	3.0%	\$24.08	12,167,070	0	3.9%	\$38.69
Q2 2022	77,563,024	298,830	2.9%	\$24.26	12,167,070	0	3.7%	\$40.93
Q3 2022	77,537,400	19,344	3.0%	\$24.61	12,167,070	0	4.0%	\$39.72
Q4 2022	77,669,395	149,600	2.9%	\$24.26	12,167,070	0	4.2%	\$37.64
Q1 2023	77,768,413	96,994	2.9%	\$24.17	12,167,070	0	4.0%	\$38.34

Source: Costar, Compiled by [REDACTED]

- Over the past several years, effective rental rates have been following a stagnant trend in the submarket.

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%	3.60%	3.00%	4.40%
Philadelphia CBD	4.00%	4.20%	4.00%	1.90%	5.30%
Independence Hall	4.90%	5.10%	4.60%	3.70%	3.50%
Subject	0.00%				
Concluded Subject Vacancy Rate	5.00%				

Source: Costar, [REDACTED]

- We project a stabilized vacancy rate of 5.00%.

Land and Site Analysis



Tax Map





Flood Map



LAND AND SITE ANALYSIS

Land Parcels

Parcel Summary	Associated APN(s)	Land Area (SF)	Land Area (Acres)
300 Market Street	881007028	1,760	0.0404
Total Gross Land Area		1,760	0.0404
Total Usable Land Area		1,760	0.0404

Compiled by [REDACTED]

Land Description

Total Land Area 0.0404 Acres; 1,760 SF
 Source of Land Area Philadelphia Public Record
 Location Old City Neighborhood

Site Characteristics

Primary Street Frontage Market Street (22 FF)
 Secondary Street Frontage North 3rd Street (80 FF)
 Traffic Control at Entry Traffic light
 Traffic Flow High
 Accessibility Rating Average
 Visibility Rating Good
 Shape Rectangular
 Corner Yes
 Topography Level with street
 Other Site Characteristics None Noted
 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.

Utilities

Utility Services Electricity, gas, sewer, water

Compiled by [REDACTED]



EXCESS OR SURPLUS LAND

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

EASEMENTS, ENCROACHMENTS AND RESTRICTIONS

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

ENVIRONMENTAL ISSUES

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

CONCLUSION

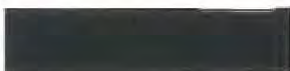
Overall, the physical characteristics of the site and availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. We are not aware of any other particular restrictions on development.



Zoning and Legal Restrictions



Zoning Map


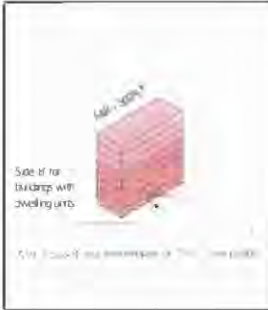


ZONING AND LEGAL RESTRICTIONS

Zoning Summary

Category	Description
Zoning Jurisdiction	City of Philadelphia
Zoning Designation	CMX-3
Description	Commercial Mixed-Use
Legally Conforming?	Yes
Zoning Change Likely?	Unlikely
Permitted Uses	Household Living; Group Living; Recreation; Day Care; Educational Facilities; Fraternal Organization; Hospital; Libraries and Cultural Exhibits; Religious Assembly; Safety Services; Transit Station; Utilities and Services, Basic; Wireless Service Facility; Office; Building Supplies and Equipment; Consumer Goods (except Drug Paraphernalia and Guns); Food, Beverage, and Groceries; Pets and Pet Supplies; Sundries, Pharmaceuticals, and Convenient Sales; Wearing Apparel and Accessories; Animal Services; Assembly and Entertainment (except Amusement Arcade, Casino, and Pool or Billiards Room); Building Services; Business Support; Eating and Drinking Establishment; Financial Services (except Personal Credit Establishments); Funeral and Mortuary Services; Maintenance and Repair of Consumer Goods; Structured Parking; Personal Services (except Body Art Services); Radio, Television, and Recording Services; Visitor Accommodations; Personal Vehicle Repair Sales and Rental; Personal Vehicle Repair and Maintenance; Gasoline Station; Vehicle Equipment and Supplies Sales and Rental; Moving and Storage Facilities; Artist Studios and Artisan Industrial; Research and Development; Community Garden; Market or Community-Supported Farm
Minimum Lot Width	16 feet
Maximum Occupied Area	75%
Maximum Floor Area Ratio	500%
Compiled by	[REDACTED]

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

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

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



Improvements Analysis

The "Subject Property" is a 12-unit walk-up apartment building with ground floor commercial space located within the Old City neighborhood of Philadelphia. The building is in good condition and was built in 2017. The subject's multifamily units include (12) Studio/1BA units, and a ground floor and below grade commercial space, currently leased to a local fast-casual restaurant, containing a total of 7,600 square feet of rentable area. The property was 100% leased and occupied as of the effective valuation date. The corner site area totals 1,760 square feet



The improvements are more fully described in the following table.



IMPROVEMENTS ANALYSIS

Improvements Description

Component Structures

Use Description	Multifamily
No. Buildings	1
No. Units	12
GBA (SF)	8,800
Rentable SF	7,600
Rentable SF (Multifamily)	4,800
Rentable SF (Commercial)	2,800
Average Unit Size (SF)	400
Occupied Units	12
% Occupied	100.00%
Construction Status	Existing, Stabilized Operations
Construction Class	D
Quality	Good
Current Condition	Good

Age/Life Depreciation Analysis

Year Built	2017
Year Renovated	None
Actual Age (Yrs.)	6
Economic Life (Yrs.)	50
Effective Age (Yrs.)	6
Remaining Economic Life (Yrs.)	44
Percent Depreciation	12.00%

Floor Area Analysis

Number of Stories	4
Est. Ground Floor Area (GBA)	1,760
Attributed Site Area (SF)	1,760
Site Coverage	100.0%
Floor Area Ratio (FAR)	5.000
Unit Density (Units/Acre)	297.0
Land to Building Ratio	0.20:1

Construction Details

	Multifamily
Foundation	Concrete
Basement	The basement houses the lower level of the commercial space (containing approximately 1,400 SF of the 2,800 total commercial rentable area) as well as housing the building mechanicals.
Structural Frame/Construction Summary	Wood Frame
Exterior Walls	Brick
Windows	Vinyl Frame
Roof	Flat roof



IMPROVEMENTS ANALYSIS

Interior Finish		Multifamily
Floors		Tile and hardwood
Walls		Painted Sheetrock
Ceilings		Painted Sheetrock
Lighting		LED Fixtures
Engineering & Mechanical		Multifamily
HVAC		Combination forced air HVAC units serving each unit; separately 40-gallon electric domestic hot water heaters.
Electrical		Subpanels for each unit & assumed 100 amp panel
Plumbing		Assumed Adequate
Utility Meters		Separate electric and gas meters which are the responsibility of the individual tenants to the utility provider. Tenants are responsible for heat, cooking, hot water, and in-unit electric.

Improvement Features and Amenities		Multifamily
Property Amenities		In-unit washer/dryer

Compiled by [REDACTED]

UNIT MIX

Unit Mix					
No. Units	Unit Description	Unit Size (SF)	Rentable Area (SF)	Occupied Units	Unit Occupancy
12	0 BR/1 BA Studio/1BA - 400 SF	400	4,800	12	100.0%
12	0 BR Total	400	4,800	12	100.0%
12	Totals		4,800	12	
	Averages	400			100.0%

Compiled by [REDACTED]

PROPERTY CONDITION

Recent Renovations

The subject can be considered a new construction, and no major recent renovations were noted.

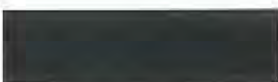
Deferred Maintenance

At time of inspection, no significant items of deferred maintenance were observed.

OTHER PROPERTY CONSIDERATIONS

Functional Utility

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



IMPROVEMENTS ANALYSIS

43

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.

Planned Capital Expenditures

Planned capital expenditures were not specified from our discussion with the subject's property management group.

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 communal appliances such as washer/dryer. 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

Overall, the quality, condition, and functional utility of the improvements are rated as average for their age and location.



Real Estate Taxes

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

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

Taxes and Assessments							
Tax Year 2023	Assessed Value			Millage Rates	Taxes and Assessments		
Tax ID	Land	Improvements	Total	Land & Improvements	Ad Valorem Taxes	Direct Assessments	Total
881007028	\$338,090	\$3,042,810	\$3,380,900	13.99800	\$47,326	\$579	\$47,905
	\$338,090	\$3,042,810	\$3,380,900	13.99800	\$47,326	\$579	\$47,905

Compiled by [REDACTED]

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



TAX COMPARABLES

Tax Comparables							
Tax Year 2023	1	2	3	4	5	6	Subject (Actual)
Property Name	135 North 3rd Street	512 East Girard Avenue	257 North 3rd	117 Chestnut Street	30 South Front Street	57-63 North 3rd Street	300 Market Street
City, County, State	Philadelphia, Philadelphia, PA	Philadelphia, Philadelphia, PA	Philadelphia, Philadelphia, PA	Philadelphia, Philadelphia, PA	Philadelphia, Philadelphia, PA	Philadelphia, Philadelphia, PA	Philadelphia, Philadelphia, PA
Apt, Units	16	17	7	12	27	19	12
Total Assessed Value	\$4,090,000	\$3,707,200	\$1,849,000	\$3,340,000	\$7,000,000	\$7,400,000	\$3,380,900
Assessed Value/Unit	\$255,625	\$218,071	\$264,143	\$278,333	\$259,259	\$389,474	\$281,742

Based on the sample, the subject falls towards the middle of the range for taxes per unit. It is also 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 ten-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 four years remaining 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 ten-year abatement. The abated taxes are based upon the current assessed value of \$281,742 per unit times the tax rate less the land assessment times the tax rate. Additionally, we conclude to the current land assessment of \$338,090 for the value of the land. The actual taxes are shown on the previous page. The difference is cash savings each year and 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, subject ownership was granted the abatement upon completion of construction in 2017. Our present value calculation is shown below.



REAL ESTATE TAXES

Projected Unabated Taxes based on Projected Land Assessment

Current Real Estate Taxes - Abated

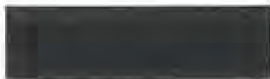
Assessment		\$338,090
Real Estate Taxes		\$4,733
Reimbursed	36.80%	\$1,742
Real Estate Taxes - Not Reimbursed		\$2,991

Stabilized Real Estate Taxes

Assessment		\$3,380,900
Real Estate Taxes		\$47,326
Reimbursed	36.80%	\$17,416
Real Estate Taxes - Not Reimbursed		\$29,910

PV Tax Abatement

Year	Current Taxes	Unabated Taxes	Tax Benefit	Present Value at 5.0% Discount Rate	Present Value
1	\$2,991	\$29,910	\$26,919	0.9615	\$25,884
2	\$3,081	\$30,807	\$27,727	0.9246	\$25,635
3	\$3,173	\$31,731	\$28,558	0.8890	\$25,388
4	\$3,268	\$32,683	\$29,415	0.8548	\$25,144
Total	\$12,513	\$125,132	\$112,619		\$102,051
Rounded					\$100,000



Highest and Best Use

AS VACANT

Legally Permissible

The site is zoned CMX-3 which allows for multifamily, office, retail. Based on available data and analysis, no other legal restrictions such as easements or deed covenants are present which would impair the utility of the site. Given that surrounding properties have similar zoning and the future land use plan is focused on similar uses as well, it is unlikely that there would be a change of zoning classification. Further information and analysis about the legal restrictions to the subject property is included in the Site Analysis and Zoning and Legal Restrictions sections of this report.

Physically Possible

The subject site contains 1,760 square feet (0.040 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 mixed use appears most probable based on observation of surrounding properties as well as the location. This use is more fully analyzed for its financial 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, development of a mixed-use property 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 mixed-use development. The associated risk is typical and market conditions appear to be supportive.

Highest and Best Use Conclusion – As Vacant

The highest and best use of the subject as though vacant is the eventual development of the site for a mixed-use.



HIGHEST AND BEST USE

48

The most likely buyer would be an 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 improvements appear to be legally conforming to zoning

Physically Possible

The current improvements conform to the physical characteristics of the site. Therefore, continued mixed (multifamily and retail) use of the property is reasonably probable and appropriate.

Financially Feasible

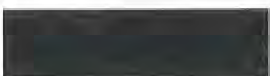
Financial feasibility focuses on positive and excess returns from the improved property. In this case, the subject is an income producing property and is capable of generating sufficient income to support the continuation of the use. This is demonstrated in the income capitalization approach by the fact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

Maximally Productive

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

Highest and Best Use – As Improved

Therefore, the highest and best use of the subject as improved is the existing mixed (multifamily and retail) use. Market and economic conditions are supportive of this continued use. 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.
Compiled by [REDACTED]	

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

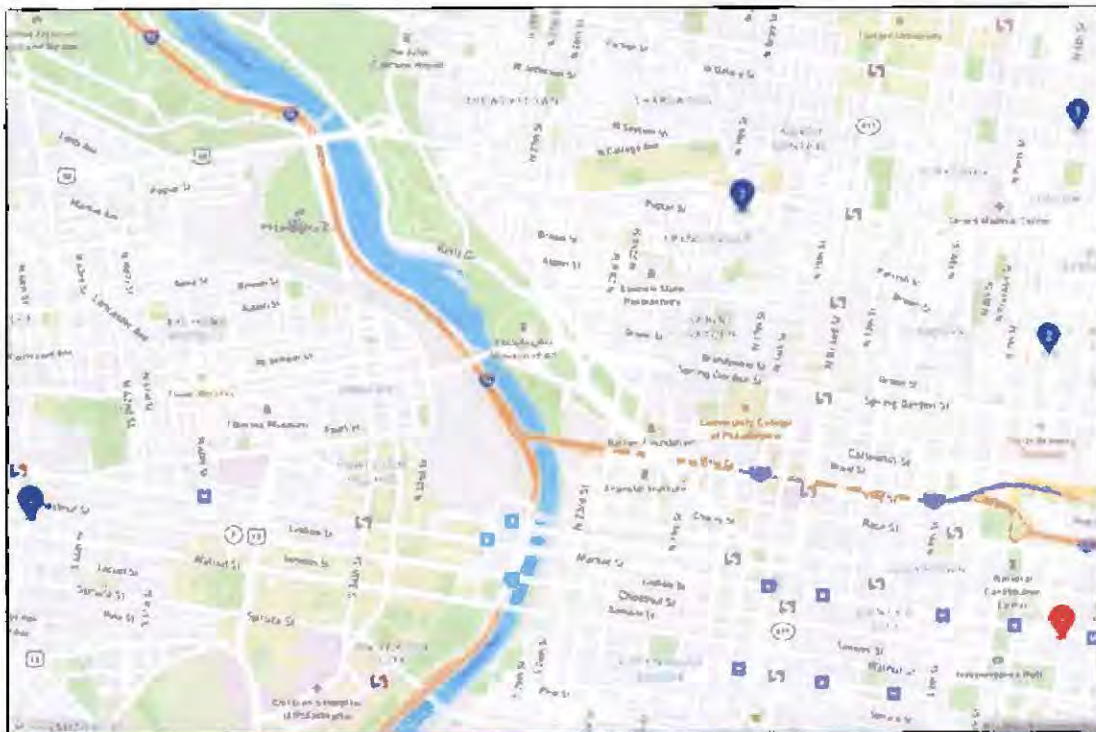


Sales Comparison Approach







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

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

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



SALES COMPARISON APPROACH

Comparable Sales Summary					
	Subject	Sale 1	Sale 2	Sale 3	Sale 4
					
Property Name	300 Market Street	Oxford Flats	Hudson Liberties	907 Leland Street	Manor Flats off Sansom
Address	300 Market Street	528-540 West Oxford Street	526 Brown St	907 Leland Street	125 South 46th Street
City, State	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA
Land Size	0,04 Acres	0.16 Acres	0.20 Acres	0,10 Acres	0,22 Acres
Rentable Area (SF)	7,600 SF	25,235 SF	26,270 SF	7,850 SF	19,411 SF
Number of Apt. Units	12	30	35	7	19
Average Unit Size (SF)	400 SF	841 SF	751 SF	1,121 SF	1,022 SF
Year Built (Renovated)	2017	2021	2021	2017	2019
Occupancy/Owner Occ.	100%	94%	93%	100%	68%
Condition	Good	New	New	Good	Good
Buyer	-	Oxford Flats Manor Residential LP	Hudson Companies	J5 Property LLC	Manor Flats Off Sansom LLC
Seller	-	Oxford HD LLC	Trinity Realty Companies	Leopoldo & Anne Mancilla	125-135 S 46th St Associates LP
Interest Conveyed	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
Competitive Class	Class B	Class A	Class A	Class A	Class B
Transaction Status	=	Closed	Closed	Closed	Closed
Transaction Date	=	Nov-22	Jun-21	Apr-21	Dec-20
Price	=	\$9,705,000	\$13,000,000	\$2,280,000	\$4,750,000
Price per Unit	=	\$323,500	\$371,429	\$325,714	\$250,000
Cap Rate	=	5,62%	5,50%		6,42%
Compared to					

ANALYSIS OF IMPROVED COMPARABLE DATA

Property Rights Conveyed

The subject and the comparable sales are all transfers of the leased fee interest therefore no adjustments are necessary for property rights conveyed.

Financing

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

Conditions of Sale

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

Market Conditions

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

Sales 1, 3 and 4 are located in what can be considered an inferior portion of Center City Philadelphia, based upon market rents and commercial demand. The factors considered include neighborhood externalities, supporting services, and overall market appeal. Therefore, these sales are given an upward adjustment.

Size

Sales 1, 2, and 4 are given upward adjustments, and Sale 3 is given a downward adjustment, to account for the inverse relationship between unit pricing and size.

Age/Condition/Quality

The subject is a newer building consisting of 12 apartment units, and 2,800 feet of commercial space. The subject, while new, can be considered a Class B project. Therefore, sales 1 and 2 receive downward adjustments for superior age/ condition/quality. All others were deemed similar.

Ground Floor Commercial

Sales 3 and 4 are adjusted upwards, as they lack ground floor commercial space, in contrast to the subject.

Features/Amenities

Sale 1 is given a downward adjustment for superior amenities such as community center, and on-site parking.

Average Unit Size

The entire dataset received downward adjustments for larger unit sizes, on average.

Economic Characteristics

Sale 2 is given an upward adjustment, as it's ground-floor retail space was vacant at time of sale, while Sale 4 is given an upward adjustment due to its sub-75% occupancy at time of sale.

PV Tax Abatement

The entire dataset 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

Comparable Sales Adjustment Grid					
	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Property Name	300 Market Street	Oxford Flats	Hudson Liberties	907 Leland Street	Manor Flats off Sansom
Address	300 Market Street	528-540 West Oxford Street	526 Brown St	907 Leland Street	125 South 46th Street
City	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA
Land Size	0.04 Acres	0.16 Acres	0.20 Acres	0.10 Acres	0.22 Acres
Size (Rentable Area)	7,600 SF	25,235 SF	26,270 SF	7,850 SF	19,411 SF
Number of Apt. Units	12	30	35	7	19
Average Unit Size (SF)	400 SF	841 SF	751 SF	1,121 SF	1,022 SF
Year Built (Renovated)	2017	2021	2021	2017	2019
Transaction Type	--	Closed	Closed	Closed	Closed
Transaction Date	--	Nov-22	Jun-21	Apr-21	Dec-20
Actual Sale Price	--	\$9,705,000	\$13,000,000	\$2,280,000	\$4,750,000
Price per Unit	--	\$323,500	\$371,429	\$325,714	\$250,000
Occupancy	100%	94%	93%	100%	68%
Transaction Adjustments					
Property Rights		0%	0%	0%	0%
Financing		0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%
Market Conditions (Time)	4/14/2023	-1%	-5%	-6%	-7%
Subtotal (adjustments are multiplied)		-1.0%	-5.0%	-6.0%	-7.0%
Transaction Adjusted Price per Unit		\$320,265	\$352,857	\$306,171	\$232,500
Property Adjustments					
Location		5%	0%	10%	10%
Project Size		10%	10%	-5%	5%
Age/Condition/Quality		-5%	-5%	0%	0%
Ground Floor Commercial		0%	0%	5%	5%
Features/Amenities		-5%	0%	0%	0%
Average Unit Size (SF)		-15%	-10%	-20%	-20%
Economic Characteristics		0%	5%	0%	5%
PV Tax Abatement		-5%	-5%	-5%	-5%
Subtotal (adjustments are summed)		-15%	-5%	-15%	0%
Gross Adjustment		46%	40%	51%	57%
Overall Adjustment		-15.85%	-9.75%	-20.1%	-7.0%
Indicated Price per Unit		\$272,225	\$335,214	\$260,246	\$232,500

Compiled by [REDACTED]

PRICE PER UNIT CONCLUSION

- Prior to adjustments, the sales reflect a range of \$250,000 to \$371,429 per unit.
- After adjustment, the range is narrowed to \$232,500 to \$335,214 per unit, with an average of \$275,046.

Based on the preceding analysis, the value indication by the price per unit is as follows:

Multifamily Sales Adjustment Summary			
Price per Unit	Low	High	Average
Unadjusted Range	\$250,000	\$371,429	\$317,661
Adjusted Range	\$232,500	\$335,214	\$275,046
Concluded Price per Unit Indication			\$280,000

Compiled by [REDACTED]



SALES COMPARISON APPROACH

SALES COMPARISON APPROACH CONCLUSION

Sales Comparison Approach Conclusion		
Reconciliation of Price per Unit Indication		Value Indication
Adjusted Value Range - Low		\$232,500
Adjusted Value Range - High		\$335,214
Reconciled As Stabilized Value - Price per Unit	Effective Date: 4/14/2023	\$280,000
Subject Apt. Units		12
As Is		Value Indication
Reconciled As Stabilized Value	Effective Date: 4/14/2023	\$3,360,000
PV Tax Abatement		\$100,000
As Is Value	Effective Date: 4/14/2023	\$3,460,000
Rounded		\$3,450,000

Compiled by [REDACTED]



Income Capitalization Approach

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

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

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

RENTABLE AREA SUMMARY

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

Unit Mix		Unit Size (SF)	Rentable Area (SF)	Occupied Units	Unit Occupancy	Avg. Contract Rent	Asking Rent	Market Rent	Market Rent PSF
12	0 BR/1 BA Studio/1BA - 400 SF	400	4,800	12	100.0%	\$1,311	\$1,322	\$1,450	\$3.63
12	0 BR Total	400	4,800	12	100.0%	\$1,311	\$1,322	\$1,450	\$3.63
12	Totals		4,800	12					
	Averages	400			100.0%	\$1,311	\$1,322	\$1,450	\$3.63

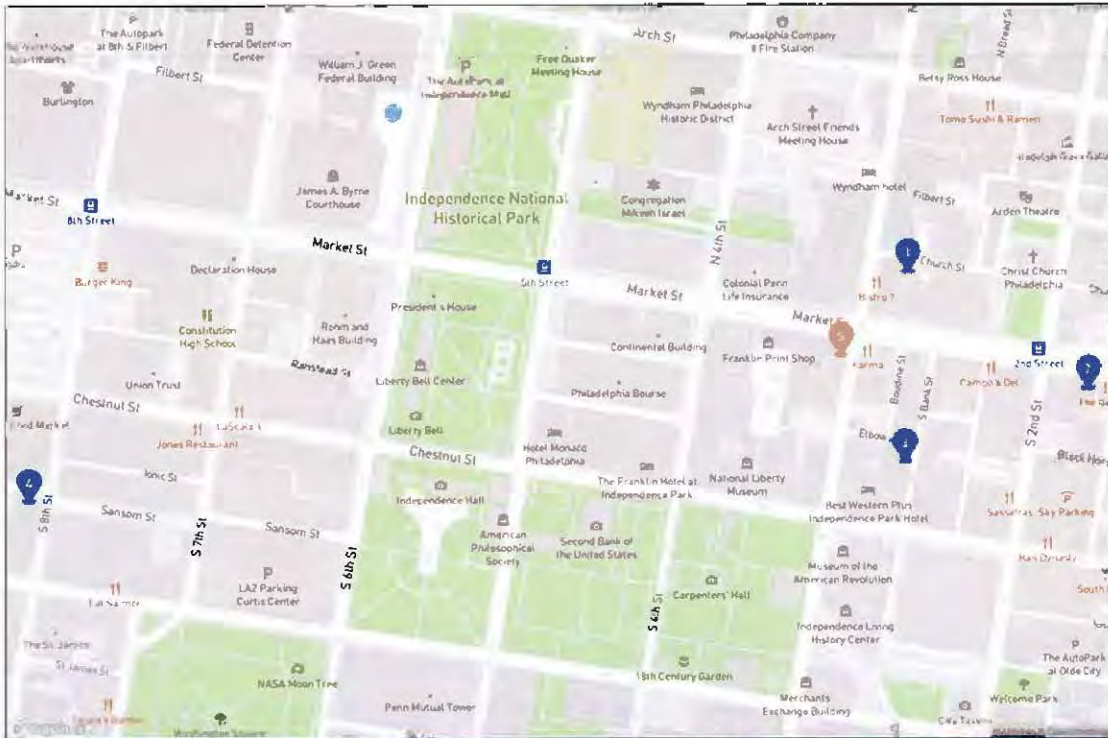
- The subject includes 12 units, all of which are Studio/1BA units.
- As of the effective valuation date, the multifamily portion of the property was 100% leased and occupied.
- Tenants are responsible for their individually metered electric usage.

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.



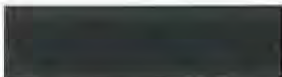
INCOME CAPITALIZATION APPROACH



Comparable Map

No.	Address
Subject	300 Market Street, Philadelphia, PA 19106
1	224 Church Street, Philadelphia, PA
2	124 Market Street, Philadelphia, PA
3	24-30 Bank Street, Philadelphia, PA
4	122 South 8th Street, Philadelphia, PA





Compiled by [REDACTED]



INCOME CAPITALIZATION APPROACH

Analysis of Comparable Properties

Studio Units

MARKET RENT ANALYSIS - Studio							
Photo	Property	Unit Type	Unit Size (SF)	Rent (\$)	\$/SF RA	Tenant Pays	Comparison to Subject
	SUBJECT: 300 Market Street Philadelphia, PA	Studio	400	\$1,311	\$3.28	All Utilities	N/A
	Shirt Corner Apartments 224 Church Street Philadelphia, PA	Studio	485	\$1,695	\$3.49	All Utilities	Superior Similar quality and size, superior size and amenities
	124 Market Street #301 Philadelphia, PA	Studio	365	\$1,300	\$3.56	All Utilities	Inferior Similar location, inferior quality and size
	24-30 Bank Street Philadelphia, PA	Studio	520	\$1,365	\$2.63	Electric	Similar Similar location, inferior age and condition, superior size
	122 South 8th Street Philadelphia, PA	Studio	450	\$1,650	\$3.67	All Utilities	Similar Similar location, inferior condition, slightly superior size.
COMPETITIVE RENT SUMMARY							
		Competitors		Average Rent		Subject	
	Studio	\$1,503				\$1,450	

- We conclude to a projected market rent of \$1,450 per month for the studio units.
- This estimate is higher than the average contract rent of the studio units.

Market Rent Conclusions

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

Unit Mix									
No. Units	Unit Description	Unit Size (SF)	Rentable Area (SF)	Occupied Units	Unit Occupancy	Avg. Contract Rent	Asking Rent	Market Rent	Market Rent PSF
12	0 BR/1 BA Studio/ 1BA - 400 SF	400	4,800	12	100.0%	\$1,311	\$1,322	\$1,450	\$3.63
12	0 BR Total	400	4,800	12	100.0%	\$1,311	\$1,322	\$1,450	\$3.63
12	Totals		4,800	12					
	Averages	400			100.0%	\$1,311	\$1,322	\$1,450	\$3.63

Prepared by [Redacted]



INCOME CAPITALIZATION APPROACH

COMMERCIAL SPACE

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.

Rent Roll								
Suite Number	Tenant	Rentable Area (SF)	Lease Term		MLA Category	Reimb. Method	Year 1 Contract Rent	
			Start	End			\$ Total	\$ PSF
	Hangry Joe's Hot Chicken	2,800	Nov-22	Dec-25	MLA 1	NNN	\$81,600	\$29.14
Total	Occupied	2,800					\$81,600	\$29.14

Completed by [REDACTED]

- The subject's commercial space has been leased to a restaurant group since November, 2022. For the purposes of our analysis, we will be using the contract rent in our Direct Capitalization Analysis.

Expense Structure

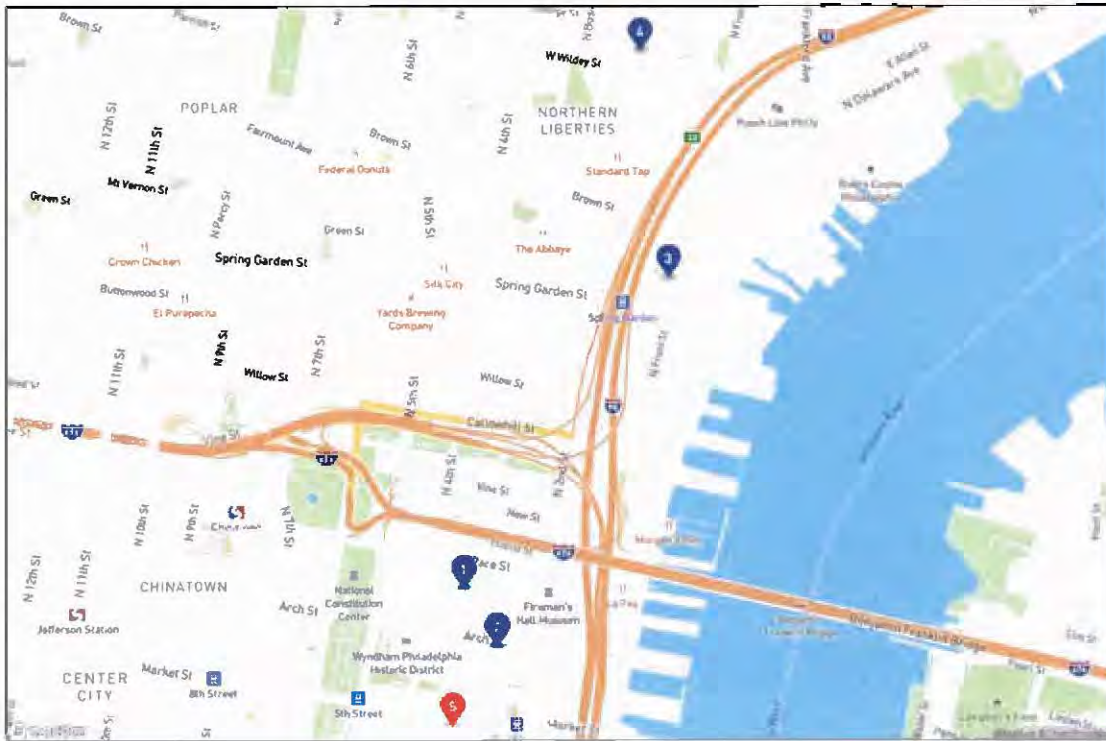
- The lease is of a triple net basis and, as such, income will be generated from commercial tenants' obligation to reimburse the owner a pro rata share of all real estate taxes and operating expenses. Expense recoveries are estimated based on the commercial space's pro rata share (36.8%) of rentable area, multiplied by real estate taxes, insurance, utilities, and repairs/maintenance expenses.



COMMERCIAL MARKET RENT ANALYSIS

In estimating market rent for the subject property, we considered data and opinions from the following:

- actual recent leases from comparable buildings.



Comparable Map

No.	Address
Subject	300 Market Street, Philadelphia, PA 19106
1	305 Cherry Street, Philadelphia, PA
2	232 Arch Street, Philadelphia, PA
3	622 North Front Street, Philadelphia, PA
4	1001 N. 2nd Street, Philadelphia, PA

Compiled by [REDACTED]



INCOME CAPITALIZATION APPROACH



305 Cherry Street



232 Arch Street



622 North Front Street



1001 North 2nd Street



300 Market Street

INCOME CAPITALIZATION APPROACH

Analysis of Comparable Leases

Comparable Leases Summary					
Property Name	300 Market Street	Cherry St Mixed Use	232 Arch Street	622 North Front Street	The Piazza
Address	300 Market Street	305 Cherry Street	232 Arch Street	622 North Front Street	1001 N. 2nd Street
City, State	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA
Year Built (Renovated)	2017	1900	1800	2008	2005
Investment Grade	Class B	Class B	Class B	Class B	Class A
Rental Survey Information					
Survey Date		Apr-21	Oct-21	Dec-19	Apr-21
Lease Details					
Lease Status		Signed Lease	Signed Lease	Signed Lease	Signed Lease
Lease Date		Apr-21	Nov-21	Sep-21	Jun-21
Term (Mos.)		24	60	180	128
Lease Size (SF)		1,450	900	1,200	1,138
Tenant Name		Zoomo Electric Bikes	Olea BYOB LLC	Braap's Ink Tattoo Shop	Bagels & Co.
Rates and Measures					
Base Rental Rate		\$20.69	\$29.05	\$25.00	\$36.91
Effective Rental Rate		\$20.69	\$29.05	\$25.00	\$36.91
Lease Reimbursement Method		Triple Net	Triple Net	Triple Net	Triple Net

Compiled by [REDACTED]

The following table summarizes the adjustments made to each comparable.



INCOME CAPITALIZATION APPROACH

Comparable Leases Adjustment Grid					
MLA 1 Space	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Property Name	300 Market Street	Cherry St Mixed Use	232 Arch Street	622 North Front Street	The Piazza
Address	300 Market Street	305 Cherry Street	232 Arch Street	622 North Front Street	1001 N. 2nd Street
Lease Date		Apr-21	Nov-21	Sep-21	Jun-21
Term (Mos.)		24	60	180	128
Tenant Name		Zoomo Electric Bikes	Olea BYOB LLC	Braap's Ink Tattoo Shop	Bagels & Co.
Base Rental Rate		\$20.69	\$29.05	\$25.00	\$36.91
Effective Rental Rate		\$20.69	\$29.05	\$25.00	\$36.91
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	0%	0%	0%	0%
Subtotal		0%	0%	0%	0%
Financial Adjusted Rent Per SF		\$20.69	\$29.05	\$25.00	\$36.91
Physical Adjustments					
Location/Access/Exposure		0%	0%	10%	0%
Size		0%	-5%	-5%	0%
Age/Condition		10%	10%	0%	0%
Functional Characteristics		-5%	-5%	-5%	-5%
Economic Characteristics		0%	0%	0%	0%
Subtotal		5%	0%	0%	-5%
Overall Adjustment		5%	0%	0%	-5%
Adjusted Rent Per SF		\$21.72	\$29.05	\$25.00	\$35.06
Range of Adjusted Rents	\$21.72 - \$35.06				
Average	\$27.71				
Indicated Rent	\$28.50				

Created by [REDACTED]

- Based on these recent comparable leases, we conclude to a market rent of \$28.50/sf for the subject’s ground floor and below grade commercial space, which falls in the middle of the surveyed leases, and aligns with the subject owner’s pro forma estimate.
- We note a downward adjustment of 5% to the entire dataset for functional characteristics, as each comparable lease is for ground floor space, whereas the subject’s commercial space is approximately 50% below grade.

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 for the current budget.

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



INCOME CAPITALIZATION APPROACH

63

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

We note that the reported historical income and expenses did not reflect real estate taxes and insurance costs as these items were not processed through the subject's property management group, and were therefore not recorded in the submitted historical data.



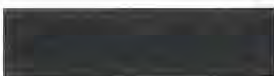
INCOME CAPITALIZATION APPROACH

Application of new NARA Account Standards to Owner's Revenue and Expenses

Actual or Proforma		Actuals	Actuals	Actuals
Period Length		12 Mos.	12 Mos.	12 Mos.
Period Ending		12/31/2020	12/31/2021	12/31/2022
Apt. Units		12	12	12
Owner's Revenue Category	Revenue Category			
Rent Income	Rental Income	\$281,196	\$226,808	\$195,248
Pet Fee-Non Refundable	Gross Other Income	\$500	\$0	\$0
Late Fee	Gross Other Income	\$963	\$0	\$0
CAM (Common Area Maintenance)	Expense Recoveries	\$1,300	\$1,032	\$100
Concessions	Concessions	\$0	\$282	\$450
Rent Credit	Rental Income	\$0	\$0	(\$100)
Application Fee Income	Gross Other Income	\$0	\$0	(\$90)
Break Lease Penalty	Gross Other Income	\$0	\$0	\$250
Effective Gross Income	Effective Gross Income	\$283,959	\$228,122	\$195,858

Actual or Proforma		Actuals	Actuals	Actuals
Period Length		12 Mos.	12 Mos.	12 Mos.
Period Ending		12/31/2020	12/31/2021	12/31/2022
Owner's Operating Expense Category	Operating Expense Category			
Turnover Maintenance	Repairs and Maintenance	\$1,325	\$1,492	\$0
Maintenance Materials	Repairs and Maintenance	\$239	\$964	\$595
Painting	Repairs and Maintenance	\$671	\$0	\$4,650
Cleaning Expense	Repairs and Maintenance	\$200	\$2,578	\$1,549
Trash Removal	Repairs and Maintenance	\$3,975	\$3,800	\$3,675
Management Fees	Management	\$10,890	\$11,390	\$12,495
Leasing Commission	General and Administrative	\$5,730	\$10,356	\$16,050
Fire Protection	Repairs and Maintenance	\$1,732	\$3,961	\$2,781
Insurance - Property	Insurance	(\$3,011)	(\$1,195)	(\$239)
Property Tax	Real Estate Taxes	(\$948)	(\$158)	(\$99)
U&O Tax	General and Administrative	(\$3,381)	(\$375)	(\$511)
Electricity	Utilities	\$30	\$342	\$1,340
Common Area Electricity	Utilities	\$1,244	\$1,531	\$1,585
Vacant Apartment Electric	Utilities	\$377	\$1,103	\$484
Water	Utilities	(\$2,382)	(\$4,192)	(\$4,882)
Maintenance Labor	Repairs and Maintenance	(\$1,028)	\$3,577	\$3,714
Repairs & Maintenance	Repairs and Maintenance	\$285	\$11,883	\$12,994
Appliances	Repairs and Maintenance	\$749	\$151	\$2,026
Licenses & Permits	General and Administrative	\$673	\$0	\$1,477
Legal Expenses	General and Administrative	\$144	\$0	\$0
Common Area Cleaning	Repairs and Maintenance	\$0	\$6,605	\$11,429
Turnover Cleaning	Repairs and Maintenance	\$0	\$150	\$0
HVAC (Heat, Ventilation, Air)	Repairs and Maintenance	\$0	\$120	\$188
Roof Repairs and Maintenance	Repairs and Maintenance	\$0	\$2,700	\$3,895
City Code Violations	General and Administrative	\$0	\$225	\$40
Snow Removal	Repairs and Maintenance	\$0	\$985	\$925
Keys	Repairs and Maintenance	\$0	\$0	\$107
Paint	Repairs and Maintenance	\$0	\$0	\$640
Plumbing	Repairs and Maintenance	\$0	\$0	\$2,205
Total Operating Expenses	Total Operating Expenses	\$17,515	\$57,993	\$79,113
Net Operating Income		\$266,444	\$170,130	\$116,744

Compiled by [REDACTED]



INCOME CAPITALIZATION APPROACH

Operating History and Projections								
Period Length	12 Mos.		12 Mos.		12 Mos.		Projection	
Period Ending	12/31/2020		12/31/2021		12/31/2022			
Occupancy	100.0%		100.0%		100.0%		94.7%	
Apt. Units	12		12		12		12	
Multifamily Income	Total \$	\$/Unit	Total \$	\$/Unit	Total \$	\$/Unit	Total \$	\$/Unit
Rental Income	\$281,196	\$23,433	\$226,808	\$18,901	\$195,148	\$16,262	\$198,780	\$16,565
Concessions	\$0	\$0	\$282	\$24	\$450	\$38	\$0	\$0
Potential Rental Income	\$281,196	\$23,433	\$227,090	\$18,924	\$195,598	\$16,300	\$198,780	\$16,565
Gross Expense Reimbursements	\$0	\$0	\$0	\$0	\$0	\$0	\$7,200	\$600
Gross Other Income	\$1,463	\$122	\$0	\$0	\$160	\$13	\$3,000	\$250
Potential Gross Multifamily Income	\$282,659	\$23,555	\$227,090	\$18,924	\$195,758	\$16,313	\$208,980	\$17,415
Vacancy	\$0	\$0	\$0	\$0	\$0	\$0	(\$10,449)	(\$871)
Collection Loss	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,090)	(\$174)
Effective Rental Income	\$282,659	\$23,555	\$227,090	\$18,924	\$195,758	\$16,313	\$196,441	\$16,370
Effective Gross Multifamily Income	\$282,659	\$23,555	\$227,090	\$18,924	\$195,758	\$16,313	\$196,441	\$16,370
Commercial Income	Total \$	\$/Unit	Total \$	\$/Unit	Total \$	\$/Unit	Total \$	\$/Unit
Potential Base Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$81,600	\$6,800
Scheduled Base Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$81,600	\$6,800
Expense Recoveries	\$1,300	\$108	\$1,032	\$86	\$100	\$8	\$30,884	\$2,574
Total Tenant Revenue	\$1,300	\$108	\$1,032	\$86	\$100	\$8	\$112,484	\$9,374
Potential Gross Commercial Income	\$1,300	\$108	\$1,032	\$86	\$100	\$8	\$112,484	\$9,374
Vacancy Allowance	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,624)	(\$469)
Collection Allowance	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,125)	(\$94)
Effective Gross Commercial Income	\$0	\$0	\$0	\$0	\$0	\$0	\$105,735	\$8,811
Effective Gross Income	\$282,659	\$23,555	\$227,090	\$18,924	\$195,758	\$16,313	\$302,176	\$25,181
Operating Expenses	Total \$	\$/Unit	Total \$	\$/Unit	Total \$	\$/Unit	Total \$	\$/Unit
Real Estate Taxes	(\$948)	(\$79)	(\$158)	(\$13)	(\$99)	(\$8)	\$47,326	\$3,944
Insurance	(\$3,011)	(\$251)	(\$1,195)	(\$100)	(\$239)	(\$20)	\$9,000	\$750
Utilities	(\$731)	(\$61)	(\$1,216)	(\$101)	(\$1,473)	(\$123)	\$7,800	\$650
Repairs and Maintenance	\$8,149	\$679	\$38,966	\$3,247	\$51,373	\$4,281	\$18,000	\$1,500
General and Administrative	\$3,166	\$264	\$10,206	\$851	\$17,056	\$1,421	\$7,200	\$600
Management	\$10,890	\$908	\$11,390	\$949	\$12,495	\$1,041	\$15,109	\$1,259
Replacement Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$2,700	\$225
Total Operating Expenses	\$17,515	\$1,460	\$57,993	\$4,833	\$79,113	\$6,593	\$107,135	\$8,928
Operating Expense Ratio	6.2%		25.5%		40.4%		35.5%	
Net Operating Income	\$265,144	\$22,095	\$169,098	\$14,091	\$116,644	\$9,720	\$195,042	\$16,253

Compiled by [REDACTED]

Potential Gross Rent

Potential Gross Rent						
Unit Description	No. Units	Avg. Contract Rent / Unit	Potential Gross Rent- Contract	Market Rent / Unit	Potential Gross Rent- Market	Loss to Lease
Leased Units						
0 BR/1 BA Studio/1BA - 400 SF	12	\$1,311	\$188,760	\$1,450	\$208,800	-9.6%
Total Leased	12	\$1,311	\$188,760	\$1,450	\$208,800	-9.6%

Compiled by [REDACTED]

For our analysis, a 50/50 average of market and contract rent is applied in the operating income statement.



INCOME CAPITALIZATION APPROACH

Concessions

Concessions within the market are considered temporary (i.e. free month's rent) are not widespread, therefore, we have not utilized concession projections.

Expense Reimbursements

Our projection models apartment tenants paying for their individual electric usage via direct metering. Additionally, based on conversations with subject management, tenants currently reimburse the landlord at a rate of \$50 per unit/month for water.

Gross Expense Reimbursements		
Subject	\$/Unit	Total
12 Months Ending Dec-2020	\$0	\$0
12 Months Ending Dec-2021	\$0	\$0
12 Months Ending Dec-2022	\$0	\$0
██████████ Projection	\$600	\$7,200

Compiled by ██████████

Gross Other Income

Gross Other Income		
Subject	\$/Unit	Total
12 Months Ending Dec-2020	\$122	\$1,463
12 Months Ending Dec-2021	\$0	\$0
12 Months Ending Dec-2022	\$13	\$160
██████████ Projection	\$250	\$3,000

Compiled by ██████████

- We include a line item of \$250 per unit for gross other income. This estimate includes late fees, maintenance charges, pet fees, and other miscellaneous income. This figure equates to approximately 1.5% of rental revenue.

Vacancy & Collection Loss Allowance

Vacancy Allowance

Vacancy			
Subject	% of PGI	\$/Unit	Total
12 Months Ending Dec-2020	0.00%	\$0	\$0
12 Months Ending Dec-2021	0.00%	\$0	\$0
12 Months Ending Dec-2022	0.00%	\$0	\$0
██████████ Projection	5.00%	\$871	\$10,449

Compiled by ██████████



INCOME CAPITALIZATION APPROACH

- The vacancy estimate for the subject was previously developed in the market analysis section of this report and was concluded to be 5.00%.

Collection Loss

Collection Loss			
Subject	% of PGI	\$/Unit	Total
██████████ Projection	1.00%	\$174	\$2,090
<i>Compiled by</i> ██████████			

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

Combined Vacancy and Collection Loss Conclusion

Vacancy and Collection Loss - Units			
Subject	% of PGI	\$/Unit	Total
12 Months Ending Dec-2020	0.00%	\$0	\$0
12 Months Ending Dec-2021	0.00%	\$0	\$0
12 Months Ending Dec-2022	0.00%	\$0	\$0
██████████ Projection	6.00%	\$1,045	\$12,539
<i>Compiled by</i> ██████████			

- Based on this analysis, the total stabilized vacancy and collection loss allowance for the subject is 6.00%, as discussed in the apartment market analysis section of the report.

Effective Rental Income - Multifamily

Effective Rental Income		
Subject	\$/Unit	Total
12 Months Ending Dec-2020	\$23,555	\$282,659
12 Months Ending Dec-2021	\$18,924	\$227,090
12 Months Ending Dec-2022	\$16,313	\$195,758
██████████ Projection	\$16,370	\$196,441
<i>Compiled by</i> ██████████		



INCOME CAPITALIZATION APPROACH

Commercial Effective Gross Income Derivation

Potential Gross Rent - Commercial

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

Potential Gross Rent – Commercial

Potential Gross Rent			
MLA Category	Rentable	Potential Rent At Contract*	
	SF	Annual	\$/SF/Yr
MLA 1 Space:	2,800	\$81,600	\$29.14
Occupied Space Total	2,800	\$81,600	\$29.14

For this analysis, potential gross rent is based on contract rents in place.

Potential Base Rent			
██████████	Projection	\$6,800	\$81,600
Compiled by ██████████			

Expense Recoveries - Commercial

Expense Recoveries			
Subject	\$/Unit	Total	
12 Months Ending Dec-2020	\$108	\$1,300	
12 Months Ending Dec-2021	\$86	\$1,032	
12 Months Ending Dec-2022	\$8	\$100	
██████████	Projection	\$2,574	\$30,884
Compiled by ██████████			

- As stated previously, the lease in-place is of a triple net basis and, as such, income will be generated from office tenants’ obligation to reimburse the owner for its pro rata share of real estate taxes and operating expenses. Expense recoveries are estimated based on the commercial space’s proportionate share (36.8%) of rentable area for commercial, multiplied by real estate taxes, insurance, utilities, and repairs/maintenance expenses.

Vacancy & Collection Loss Allowance – Commercial

The vacancy estimate for the subject was previously developed in the market analysis section of this report. Based on this analysis, the total stabilized vacancy and collection loss allowance for the subject is 6.00%.



INCOME CAPITALIZATION APPROACH

Effective Gross Income

Effective Gross Income		
Subject	\$/Unit	Total
12 Months Ending Dec-2020	\$23,555	\$282,659
12 Months Ending Dec-2021	\$18,924	\$227,090
12 Months Ending Dec-2022	\$16,313	\$195,758
██████████ Projection	\$25,181	\$302,176

Compiled by ██████████

- Our pro forma estimate is higher than the most recent actual figures. We note that our estimate includes vacancy and collection loss, as well as expense reimbursements.

OPERATING EXPENSE ANALYSIS

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

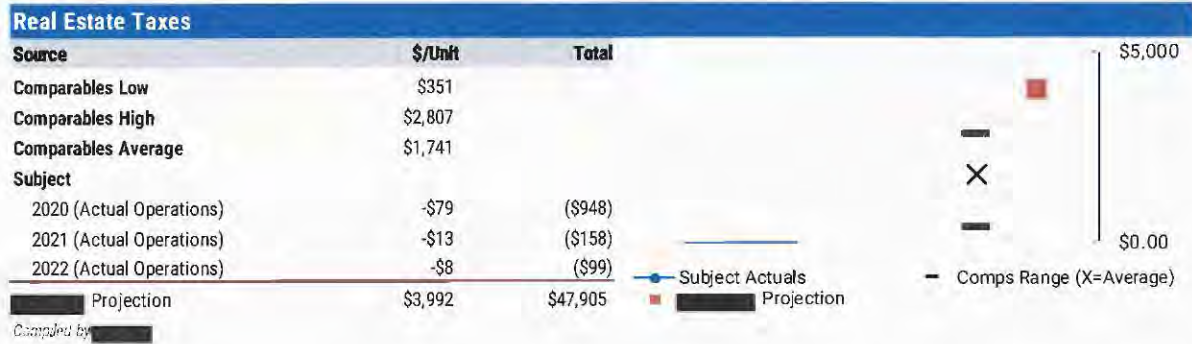
Expense Analysis Per Unit								
	Comp 1	Comp 2	Comp 3	Comp 4	Subject Historical and Projections			
Year Built	1911	1900	2023	2020	2017			
Apt. Units	135	12	27	24	12	12	12	12
Operating Data Type	Actual	Actual	Budget	T-12	Actual	Actual	Actual	██████████
Year	2022	2022	2025	2021	2020	2021	2022	Projection
Operating Expenses Per Unit								
Real Estate Taxes	\$2,642	\$2,505	\$581	\$351	-\$79	-\$13	-\$8	\$3,992
Insurance	\$350	\$613	\$496	\$750	-\$251	-\$100	-\$20	\$750
Utilities	\$588	\$721	\$347	\$348	-\$61	-\$101	-\$123	\$650
Repairs and Maintenance	\$2,116	\$2,627	\$1,253	\$250	\$679	\$3,247	\$4,281	\$1,500
General and Administrative	\$1,069	\$3,793	\$278	\$133	\$264	\$851	\$1,421	\$600
Management	\$678	\$1,616	\$1,026	\$1,523	\$908	\$949	\$1,041	\$1,259
Replacement Reserves			\$250	\$0	\$0	\$0	\$0	\$225
Total Operating Expenses Per Unit	\$10,503	\$14,825	\$4,231	\$3,355	\$1,460	\$4,833	\$6,593	\$8,976

Compiled by ██████████



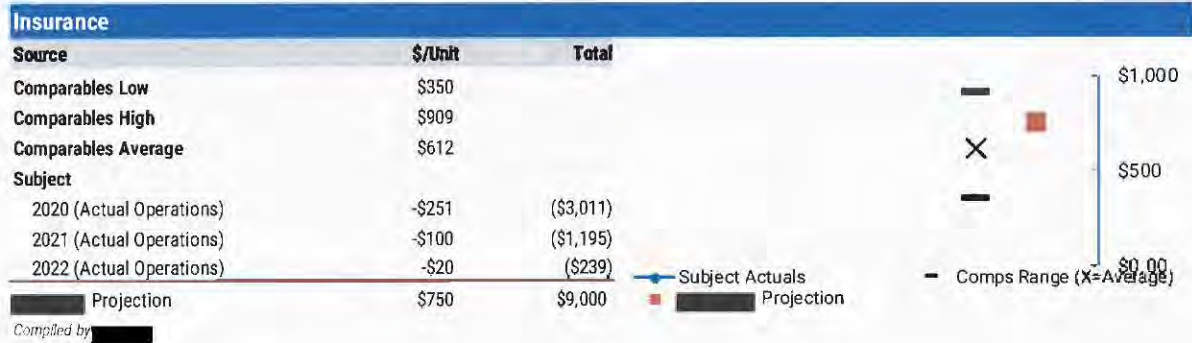
INCOME CAPITALIZATION APPROACH

Real Estate Taxes



- Our projection is based on the property assessment and tax rate for the subject, as discussed previously in the Real Estate Tax Analysis. Additionally, we calculate the present value of the 4 remaining years of the subject’s Tax Abatement for the City of Philadelphia. We add this figure to our final conclusion.
- Also included in the table above are OCD (Old City District) taxes that are levied on the property. This figure was confirmed with a representative of the district.

Insurance

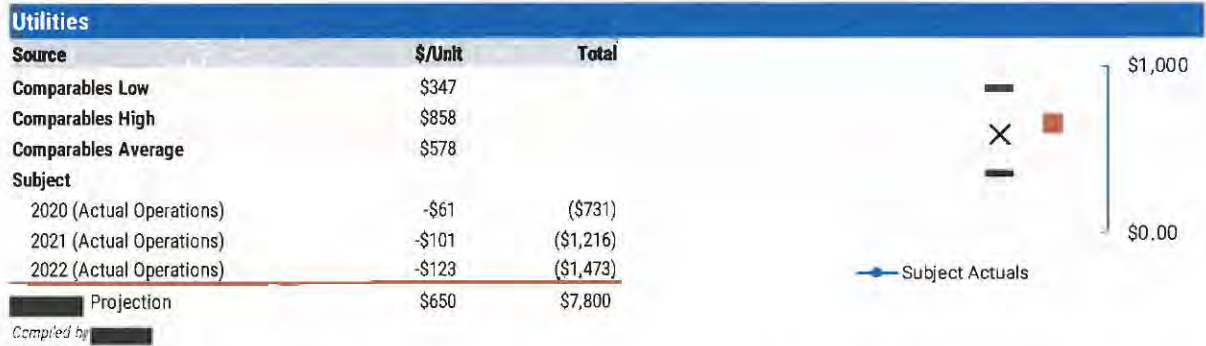


- Insurance expense includes property and casualty insurance for the subject.



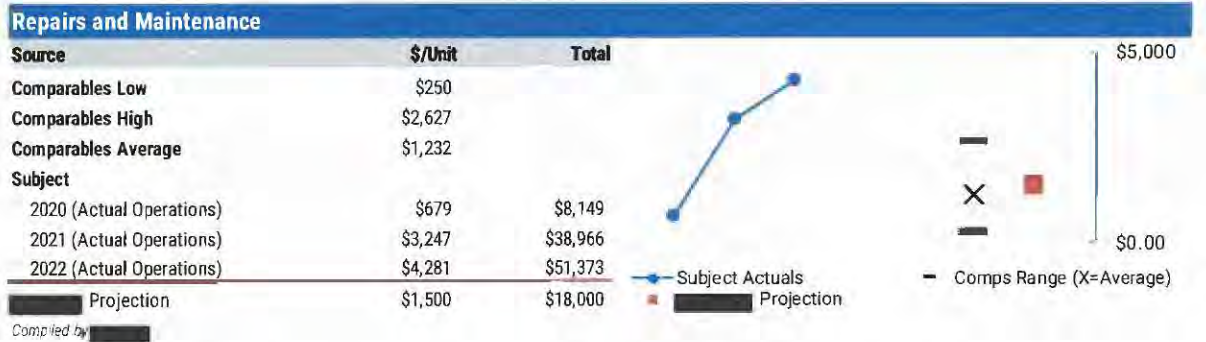
INCOME CAPITALIZATION APPROACH

Utilities



- Utility charges include cold water, sewer, heat, gas, and common area electric expenses. Our estimate is within the comparable range. We note that the subject’s income and expense history recognizes water reimbursement in the expense category, rather than as revenue.

Repairs and Maintenance



- Repairs and maintenance includes expenditures to repair and maintain mechanical systems and structural components. Excluded are alterations and major replacements, which (though included in the subject’s historical Income and Expense statements) are considered capital costs rather than periodic expenses.



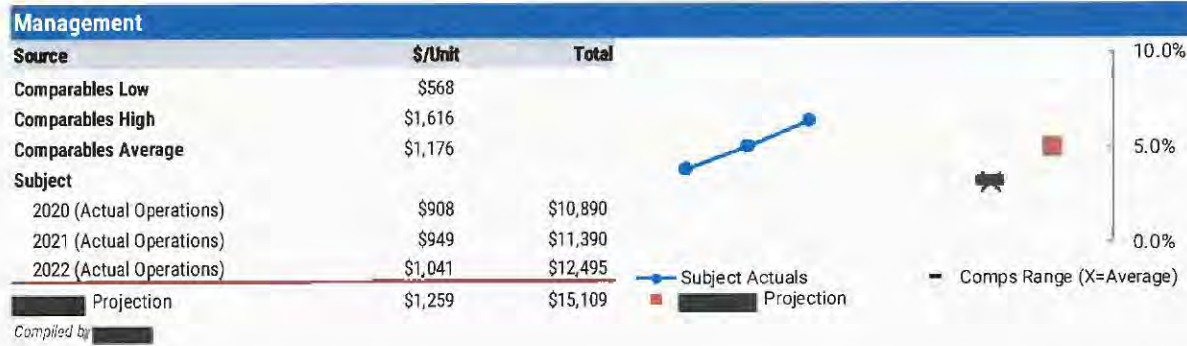
INCOME CAPITALIZATION APPROACH

General/Administrative

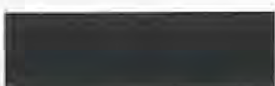


- General and administrative expenses consist of office expenses as well as legal, accounting and other professional fees, license fees, and business taxes, if any. We've concluded an expense of \$600 per unit which is more typical (if on the higher end) of the market.

Management

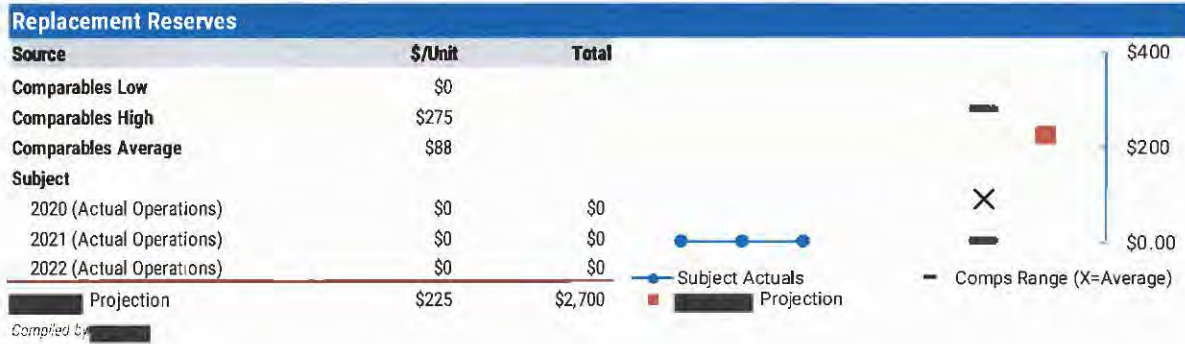


- Management fees are considered an expense of operation, whether the services are contracted or provided by the property owner.
- Considering that the subject has typical management needs, we project an overall management fee of 5% of effective gross income.



INCOME CAPITALIZATION APPROACH

Replacement Reserves



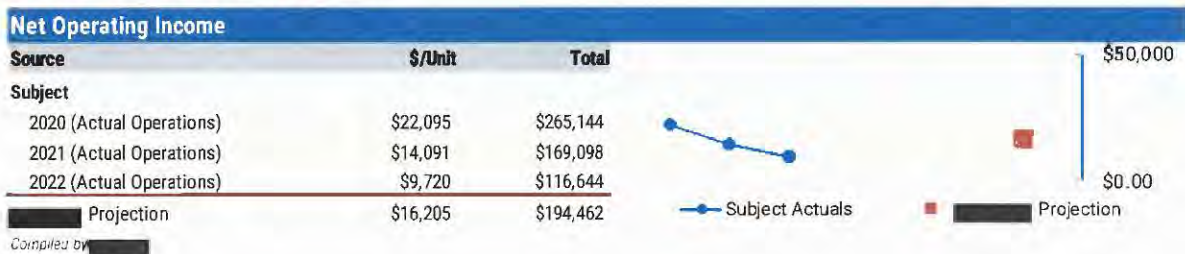
- For multifamily properties, it is customary to include replacement reserves as an expense line item in developing an estimate of net operating income.
- Replacement reserves are estimated to account for replacement costs of certain capital items, such as the roof and HVAC systems.

Total Operating Expenses



- The total operating expenses are for the subject are slightly higher than the middle of the comparable range.

NET OPERATING INCOME



CAP RATE AND VALUE CHANGES – 1Q 2023

As we all know, the national and global economies are shaky and recent foundational 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 January 2023 Capital Trends publication that “Mortgage rates climbed in 2022 to hit the 6.4% level for commercial properties and 5.5% for apartments in the fourth quarter. Cap rates are still generally lower than these rates, with only minimal increases from a year ago for most sectors.” This is direct evidence of negative leverage although there remains sales activity in spite of that trend.

Cost of Capital

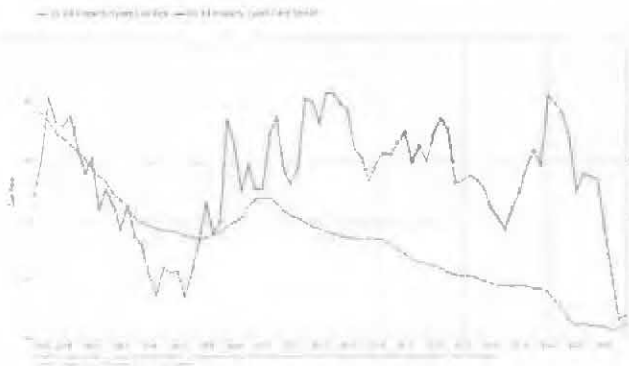
The increase in base interest rates directly affects financing rates. Various debt sources are quoting and achieving mortgage interest rates of 6% and above with bank financing commonly at 7% and above. This is creating a situation where debt coverage ratios are too low based on existing cash flows and 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 Fourth Quarter 2022 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.



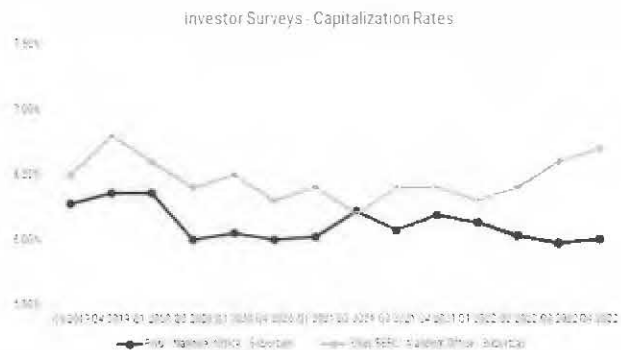
INCOME CAPITALIZATION APPROACH



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 (Third and Fourth Quarter 2022), the spread had again fallen to below 200 basis points largely reflecting investors' continued interest in CRE.

Cap rates have begun reacting. As shown in the graph above, the past two quarters reflected a small 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 is only just now showing a tick up. PwC reports that 50% of their respondents expect capitalization rates for suburban office to increase in the next six months while the other 50% 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 December 2022 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 – December 2022			
Property Type Sector	March 22 Reported Cap Rates	Current Cap Rates	One Year Δ (bps)
Apartment	3.9%	5.1%	+120
Industrial	3.9%	4.6%	+70
Office	6.5%	7.6%	+110
Strip Center	5.5%	6.5%	+100
Self-Storage	4.3%	5.1%	+80
Single-Family Rental	4.6%	4.9%	+30

Compiled by [REDACTED]

Investors expect, and the data is showing, that capitalization rates are increasing. We have also heard of specific transaction examples including repricing of deals and simply offers at lower levels owing to the increased cost of capital – not to mention other economic factors such as recession, supply chain, COVID-19 lockdowns in China, Ukraine, etc.

Property Values

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



The lead-in to this report stated the following:

The Green Street Commercial Property Price Index® decreased by 0.6% in January. This all-property index has fallen 14% from its March '22 peak, while the index tracking properties in core sectors is down 17%.

Green Street CPPI®: Sector-Level Indexes

	Index Value	Change in Commercial Property Values		
		Past Month	Past 12 Mos	Recent Peak
All Property	133.5	-1%	-14%	-14%
Core Sector	130.2	-1%	-17%	-17%
Apartment	152.0	-1%	-20%	-20%
Industrial	215.8	0%	-15%	-15%
Mall	78.3	2%	-20%	-20%
Office	94.2	-4%	-17%	-17%
Strip Retail	115.2	0%	-9%	-13%
Health Care	134.9	0%	-10%	-10%
Lodging	107.6	0%	0%	-5%
Manufactured Home Park	289.2	0%	-11%	-11%
Net Lease	97.6	0%	-16%	-16%
Self-Storage	278.8	0%	-9%	-11%

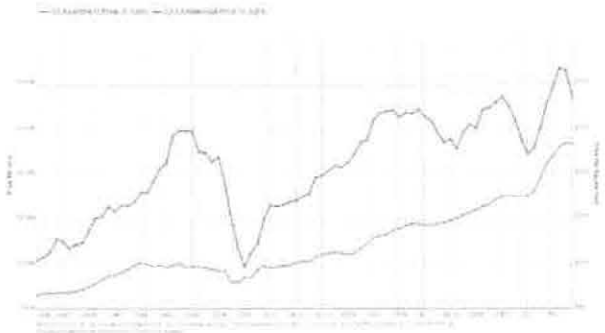
All property sectors have now turned negative since the recent peak as shown in the table to the left. The largest downturn is in the malls and apartment sectors. The apartment sector appears to have been impacted by financing availability in that agency debt has been priced higher forcing more bank and life insurance company financed transactions. 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. Real Capital Analytics reports a 20% decline in volume year over year. 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 – partly because the data is closed



transactions based and those transactions may have gone under contract 2-3+ months ago. 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%.

- 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.



INCOME CAPITALIZATION APPROACH

The following subsections represent different techniques for deriving an overall capitalization rate.

Comparable Sales

Comparable Multifamily Sales Summary

No.	Property Location	Yr. Built	Sale Date	Number of Apt. Units	Price per Unit	OAR
1	528-540 West Oxford Street, Philadelphia, PA	2021	Nov-2022	30	\$323,500	5.62%
2	526 Brown St, Philadelphia, PA	2021	Jun-2021	35	\$371,429	5.50%
4	125 South 46th Street, Philadelphia, PA	2019	Dec-2020	19	\$250,000	6.42%
Average (Mean) Cap Rate:						5.85%

Compiled by: [REDACTED]

- Based on this information, a capitalization rate within a range of 5.50% to 6.42% could be expected for the subject.

Investor Surveys

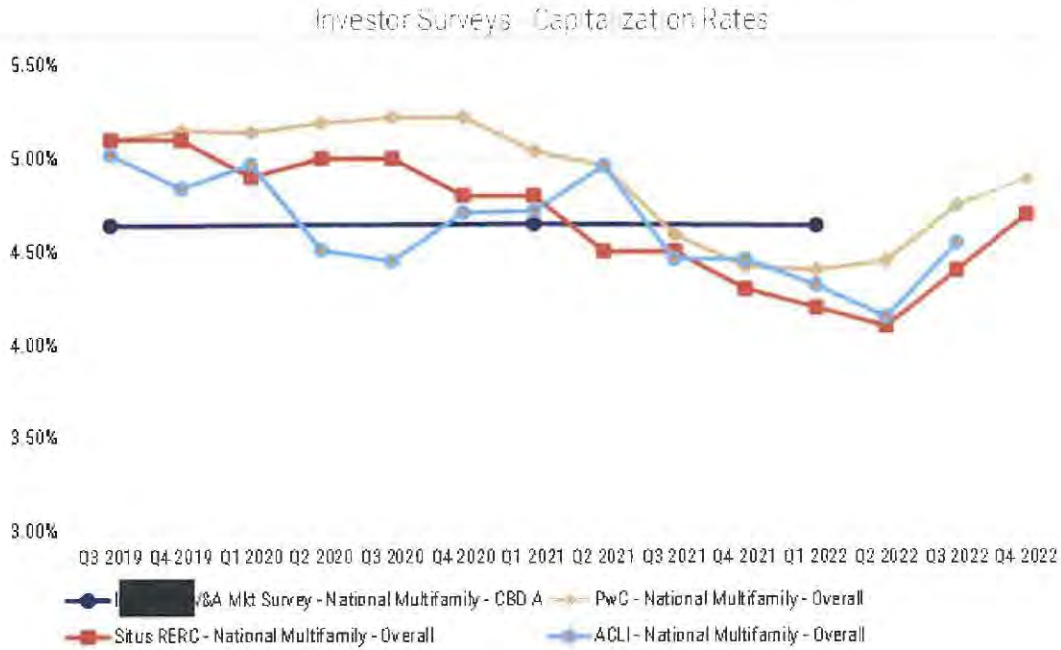
Investor Surveys - Capitalization Rates

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%

Compiled by: [REDACTED]



INCOME CAPITALIZATION APPROACH



- The most current national survey data indicates that going-in capitalization rates for multifamily properties range from 3.25% - 8.00% with central tendencies ranging from 4.70% - 4.89%.
- The trend lines for most national survey data suggest capitalization rates for this asset class started to increase in Q3 2022.



INCOME CAPITALIZATION APPROACH

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%
<i>Compiled by</i> [REDACTED]					

Capitalization Rate Conclusion

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 still 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 Multifamily Sales	5.50% - 6.42%
Investor Surveys	3.25% - 8.00%
Band of Investment	6.50%
Debt Coverage Ratio Analysis	5.96%
<hr/>	
Concluded Going-In Capitalization Rate	5.75%
<i>Compiled by</i> [REDACTED]	



INCOME CAPITALIZATION APPROACH

81

Direct Capitalization Summary

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

Income Capitalization Approach			
Summary of Stabilized Net Operating Income			
Item Description	% of Income	\$/Unit	Total \$
Multifamily Income		12 Units	
Rental Income		\$16,565	\$198,780
Potential Rental Income		\$16,565	\$198,780
Gross Expense Reimbursements		\$600	\$7,200
Gross Other Income		\$250	\$3,000
Potential Gross Multifamily Income		\$17,415	\$208,980
Vacancy	-5.00%	(\$871)	(\$10,449)
Collection Loss	-1.00%	(\$174)	(\$2,090)
Effective Rental Income		\$16,370	\$196,441
Effective Gross Multifamily Income		\$16,370	\$196,441
Commercial Income		12 Units	
Potential Base Rent		\$6,800	\$81,600
Expense Recoveries		\$2,574	\$30,884
Total Tenant Revenue		\$9,374	\$112,484
Potential Gross Commercial Income		\$9,374	\$112,484
Vacancy Allowance	-5.00%	(\$469)	(\$5,624)
Collection Allowance	-1.00%	(\$94)	(\$1,125)
Effective Gross Commercial Income		\$8,811	\$105,735
Effective Gross Income		\$25,181	\$302,176
Operating Expenses		8 Units	
Real Estate Taxes		\$3,992	\$47,905
Insurance		\$750	\$9,000
Utilities		\$650	\$7,800
Repairs and Maintenance		\$1,500	\$18,000
General and Administrative		\$600	\$7,200
Management	5.00%	\$1,259	\$15,109
Replacement Reserves		\$225	\$2,700
Total Operating Expenses	35.65%	\$8,976	\$107,714
Net Operating Income		\$16,205	\$194,462

INCOME CAPITALIZATION APPROACH

Direct Capitalization Method		
Value Indication	\$/Unit	Total \$
As Stabilized		
Stabilized Net Operating Income	\$16,205	\$194,462
Overall Capitalization Rate		5.75%
As Stabilized Value	Effective Date: 4/14/2023	\$3,381,956
Rounded	\$283,333	\$3,400,000
Valuation Matrix		
	OAR	Value
	5.25%	\$3,704,047
	5.50%	\$3,535,681
	5.75%	\$3,381,956
	6.00%	\$3,241,041
	6.25%	\$3,111,399
As Is		
As Stabilized Value as of Current Date	Effective Date: 4/14/2023	\$3,381,956
PV Tax Abatement		\$100,000
As Is Value	Effective Date: 4/14/2023	\$3,481,956
Rounded	\$291,667	\$3,500,000

Completed by [REDACTED]



Reconciliation of Value

The values indicated by our analyses are as follows:

Market Value Indications	
Market Value Premise As of Date:	As Is April 14, 2023
Cost Approach:	Not Used
Sales Comparison Approach:	\$3,450,000
Income Capitalization Approach:	\$3,500,000
Market Value Conclusion	\$3,500,000

Compiled by [REDACTED]

Cost Approach

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

Sales Comparison Approach

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



RECONCILIATION OF VALUE

Income Capitalization Approach

The subject property is a mixed use 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. 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.

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Leased Fee	4/14/2023	\$3,500,000

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. All information pertaining to unit sizes was based upon measurements of the units that were made available for inspection, and is assumed to be accurate and correct. Should contradictory information regarding the size of the units become available, we reserve the right to amend our analysis.

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

Compiled by [REDACTED]

EXPOSURE TIME

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

Recent sales transaction data for similar properties, 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 / values stated previously is 6 months.

MARKETING TIME

Marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date



RECONCILIATION OF VALUE

85

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 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.

ASSUMPTIONS AND LIMITING CONDITIONS

87

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

ASSUMPTIONS AND LIMITING CONDITIONS

88

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

89

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



ADDENDA

Addendum A
Glossary of Terms



ADDENDA

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

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

ADDENDA

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

ADDENDA

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

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

ADDENDA

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

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

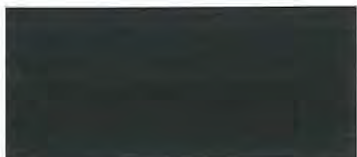
ADDENDA

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



ADDENDA

Addendum B
Engagement Letter



[REDACTED]

March 24, 2023

Ryan K. Stumphäuzer, 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]

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

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

RELIANCE LANGUAGE: None

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

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

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

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



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).

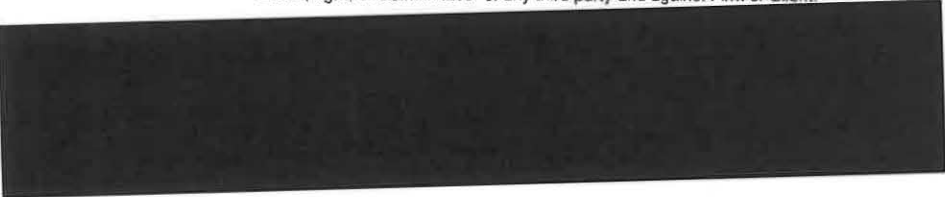
Payment for services rendered are to be made no later than 120 days from submission of the invoice from Newmark to Client (Pietragallo Gordon Alfano Bosick & Raspanti, LLP)

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.



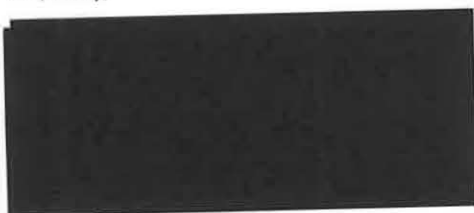
Timothy M. Hazel, Esquire
PIETRAGALLO GORDON ALFANO BOSICK & RASPANTI, LLP
March 24, 2023
PAGE 4 OF 11

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

Gaetano J. Alfano

PRINT NAME

GAETANO J. ALFANO

TITLE

PARTNER

DATE:

3-24-23



Timothy M. Hazel, Esquire
PIETRAGALLO GORDON ALFANO BOSICK & RASPANTI, LLP
March 24, 2023
PAGE 5 OF 11

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 subsurface 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. 3 rd 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



300 Market Street Philadelphia, PA 19106

Commercial	--/--	Current	Feng Z LI	6,800.00	12/15/2022	12/31/2025	4,434.00	9,364.00	3,400.00	0.00	0.00	1,034.00
201	--/--	Current	J.M. (Outg	2,500.00	05/15/2021	05/26/2024	1,300.00	1,375.00	1,250.00	50.00	0.00	0.00
202	0/1.00	Notice-Un	S.P.	2,490.00	05/01/2022	04/25/2023	1,295.00	1,345.00	1,245.00	50.00	0.00	0.00
203	--/--	Current	L.H.	2,400.00	07/31/2021	07/26/2023	1,285.00	1,375.00	1,235.00	50.00	0.00	0.00
204	0/1.00	Current	J.P.V.	2,790.00	09/09/2022	06/25/2023	1,445.00	1,395.00	1,395.00	50.00	0.00	0.00
301	--/--	Notice-Un	C.J.	2,690.00	07/02/2022	06/25/2023	1,395.00	1,350.00	1,345.00	50.00	0.00	0.00
302	--/--	Current	J.P.	1,395.00	07/01/2020	06/25/2023	1,485.00	1,355.00	1,435.00	50.00	0.00	0.00
303	--/--	Current	J.G.	2,650.00	09/01/2022	06/25/2023	1,375.00	1,335.00	1,325.00	50.00	0.00	0.00
304	--/--	Current	S.C.	2,600.00	09/01/2022	08/26/2023	1,350.00	1,200.00	1,300.00	50.00	0.00	0.00
401	--/--	Current	J.M.	2,630.00	09/01/2022	08/26/2023	1,365.00	1,200.00	1,315.00	50.00	0.00	0.00
402	--/--	Current	R.V.	1,250.00	07/01/2021	06/25/2023	1,340.00	1,365.00	1,290.00	50.00	0.00	0.00
403	--/--	Current	S.B.	1,235.00	10/03/2020	06/25/2024	1,320.00	1,200.00	1,270.00	50.00	0.00	0.00
404	--/--	Current	B.D.	2,650.00	09/01/2022	08/26/2023	1,375.00	1,365.00	1,325.00	50.00	0.00	0.00
13 Units		0	100.0% Occupied	34,080.00			20,764.00	25,224.00	19,130.00	600.00	0.00	1,034.00

Cash Flow - 12 Month

Exported On: 04/19/2023 01:39 PM

Properties: 300 Market Street Philadelphia, PA 19106
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	195,247.77
Rent Credit	-100.00
Concessions	450.00
Application Fee Income	-90.00
Break Lease Penalty	250.00
CAM (Common Area Maintenance)	100.00
Total Operating Income	195,857.77
Expense	
Keys	106.60
Maintenance Materials	595.36
Paint	639.98
Common Area Cleaning	11,429.00
Painting	4,650.00
HVAC (Heat, Ventilation, Air)	188.00
Cleaning Expense	1,549.00
City Code Violations	40.00
Snow Removal	925.00
Trash Removal	3,675.00
Management Fees	12,495.00
Leasing Commission	16,050.00
Fire Protection	2,781.40
Insurance - Property	-239.00
Property Tax	-99.00
U&O Tax	-511.00
Electricity	1,339.68
Common Area Electricity	1,585.48
Vacant Apartment Electric	483.66
Water	-4,881.65
Plumbing	2,024.50
Maintenance Labor	3,714.00

Repairs & Maintenance	12,993.95
Appliances	2,205.97
Roof Repairs and Maintenance	3,895.00
Licenses & Permits	1,477.31
Total Operating Expense	79,113.24
NOI - Net Operating Income	116,744.53
Total Income	195,857.77
Total Expense	79,113.24
Net Income	116,744.53
Other Items	
Owner Distribution	-114,000.00
Prepaid Rent	-2,490.00
Net Other Items	-116,490.00
Cash Flow	254.53
Beginning Cash	6,249.11
Beginning Cash + Cash Flow	6,503.64
Actual Ending Cash	6,503.64

Cash Flow - 12 Month

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██████████
Properties: 300 Market Street Philadelphia, PA 19106
Period Range: Jan 2021 to Dec 2021
Accounting Basis: Cash
Level of Detail: Detail View
Include Zero Balance GL Accounts: No

Account Name	Total
Operating Income & Expense	
Income	
Rent Income	226,808.01
Concessions	282.25
CAM (Common Area Maintenance)	1,032.00
Total Operating Income	228,122.26
Expense	
Turnover Maintenance	1,492.00
Maintenance Materials	963.53
Common Area Cleaning	6,605.00
Turnover Cleaning	150.00
HVAC (Heat, Ventilation, Air)	120.00
Cleaning Expense	2,577.80
City Code Violations	225.00
Snow Removal	985.00
Trash Removal	3,800.00
Management Fees	11,390.00
██████████ Leasing Commission	10,356.00
Fire Protection	3,961.00
Insurance - Property	-1,195.00
Property Tax	-158.00
U&O Tax	-374.73
Electricity	341.57
Common Area Electricity	1,531.18
Vacant Apartment Electric	1,102.97
Water	-4,192.13
Maintenance Labor	3,577.20
Tenant Lockout	0.00
Repairs & Maintenance	11,882.95
Appliances	151.20
Roof Repairs and Maintenance	2,700.00
Total Operating Expense	57,992.54

NOI - Net Operating Income	170,129.72
Total Income	228,122.26
Total Expense	57,992.54
Net Income	170,129.72
Other Items	
Owner Held Security Deposit	-18,000.00
Owner Distribution	-158,000.00
Prepaid Rent	-4,050.00
Net Other Items	-180,050.00
Cash Flow	-9,920.28
Beginning Cash	16,169.39
Beginning Cash + Cash Flow	6,249.11
Actual Ending Cash	6,249.11

Cash Flow - 12 Month

Exported On: 04/19/2023 01:31 PM

Properties: 300 Market Street Philadelphia, PA 19106
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	281,196.30
Pet Fee-Non Refundable	500.00
Late Fee	962.50
CAM (Common Area Maintenance)	1,300.00
Total Operating Income	283,958.80
Expense	
Turnover Maintenance	1,325.00
Maintenance Materials	239.37
Painting	670.66
Cleaning Expense	200.00
Trash Removal	3,975.20
Management Fees	10,890.00
Leasing Commission	5,730.00
Fire Protection	1,732.40
Insurance - Property	-3,011.00
Property Tax	-948.00
U&O Tax	-3,380.88
Electricity	30.29
Common Area Electricity	1,243.75
Vacant Apartment Electric	376.66
Water	-2,381.60
Maintenance Labor	-1,027.50
Repairs & Maintenance	285.00
Appliances	749.00
Licenses & Permits	673.20
Legal Expenses	143.75
Total Operating Expense	17,515.30
NOI - Net Operating Income	266,443.50

Total Income	283,958.80
Total Expense	17,515.30
Net Income	266,443.50
Other Items	
Owner Distribution	-263,255.41
Prepaid Rent	975.00
Net Other Items	-262,280.41
Cash Flow	4,163.09
Beginning Cash	12,006.30
Beginning Cash + Cash Flow	16,169.39
Actual Ending Cash	16,169.39

ADDENDA

Addendum D
Comparable Data



ADDENDA

Improved Sales



Multifamily Sale



528-540 West Oxford Street Oxford Flats



Location & Property Info

Property Name	Oxford Flats
Property Type	Multifamily
Sub Type	Walk-Up
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia - Greater
Address	528-540 West Oxford Street, Philadelphia, PA 19122
County	Philadelphia
Country	USA
Latitude	39.97546400
Longitude	-75.14478900
MSA	Philadelphia-Camden-Wilmington
Legal/Tax/Parcel ID	182337100
Market Orientation	Urban
Verification Type	Secondary Verification
Event ID	885016



Site Details

Source Of Land Info	Public Records
Usable/Gross Ratio	1.00
Zoning Designation	IRMX, Industrial Residential Mixed Use
Flood Map	4207570182H
Flood Map Date	11/18/2015
Flood Insurance Required	No
Site Shape	Rectangular
Site Topography	Generally Level
Flood Zone Designation	X
Vegetation	Minimal
Traffic Control At Entry	None
Traffic Flow	Low
Utilities	<ul style="list-style-type: none"> • Electricity • Gas • Sewer • Water
Frontage Street Name	West Oxford Street
Frontage Feet	119
Corner Lot	Yes

Accessibility Rating Average
 Visibility Rating Average

Land Parcels

IMPORTED GROUP 1

ROW NUMBER	ASSOCIATED APN(S)	CLASSIFICATION	LAND AREA (SF)	LAND AREA (ACRES)
1	182337100	Usable Land Area	7,123	0.1635
Total Gross Land Area			7,123	0.1635
Total Gross Land Area			7,123	0.1635
Total Usable Land Area			7,123	0.1635

Improvement Details

Rentable Area_SF 25,235
 Gross Building Area 33,294
 Demised Unit Of Comparison Apt. Units
 Number Of Demised Units 30
 Average Unit Size (SF) 841
 Construction Status Completed
 Construction Purpose Speculative
 Year Built 2021
 Investment Class Class A
 Construction Class D
 Condition New
 Construction Type Wood frame
 Construction Quality Good
 Number Of Buildings 1
 Number Of Stories/Floors 6.00
 Covered Parking Spaces 10
 Total Parking Spaces 10
 Spaces/1,000 SF NRA Ratio 0.40
 Land To Building Ratio 0.21

Unit Mix

UNIT DESCRIPTION	BR	BA	UNITS	UNIT SF	TOTAL SF	% OF UNITS	VACANT UNITS	BASE RENT	TOTAL RENT	BASE RENT PER SF	COMMENTS
1BR/1BA	1.00	1.00	5.00	625.00	3,125.00	17 %	0.00	\$1,500.00	\$7,500.00	\$2.40	
2BR/2BA	2.00	2.00	25.00	812.00	20,300.00	83 %	0.00	\$1,832.00	\$45,800.00	\$2.26	
Total/Average			30.00	780.83	23,425.00	100 %	0.00	\$1,776.67	\$53,300.00	\$2.28	

Sale Information

Sale Status Closed
 Sale Date 11/01/2022
 Sale Price \$9,705,000
 Grantor (Seller) Oxford HD LLC
 Grantee (Buyer) Oxford Flats Manor Residential LP
 Recording Date 11/25/2022
 Property Rights Leased Fee

Document Type	Deed
Recording Number	54124155
Financing Type	Cash to seller
Effective Sales Price	\$9,705,000.00
Price Per SF GBA	\$291.49
Price Per SF NRA	\$384.58
Effective Price Per Unit	\$323,500.00
Price Per Land SF (Gross)	\$1,362.49
Price Per Acre (Gross)	\$59,357,798.17
Price Per Land SF (Usable)	\$1,362.49
Price Per Acre (Usable)	\$59,357,798.17

Operations at Date of Sale

Operations Status Type	Stabilized Operations	Reported Cap Rate	5.62 %
Actuals Occupancy	94.00 %		

Multifamily Sale



526 Brown St Hudson Liberties



Location & Property Info

Property Name	Hudson Liberties
Property Type	Multifamily
Sub Type	Mid/High Rise
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia - Greater
Address	526 Brown St, Philadelphia, PA 19123
County	Philadelphia
Country	USA
Latitude	39.96420000
Longitude	-75.14671000
MSA	Philadelphia/Camden/Wilmington
Legal/Tax/Parcel ID	882066070
Market Orientation	Urban
Verification Type	Confirmed-Buyer Broker
Verification Source	Broker
Event ID	617626



Site Details

Source Of Land Info	Public Records
Usable/Gross Ratio	1.00
Zoning Designation	IRMX
Zoning Description	Industrial Residential Mixed-use
Flood Map	4207570184H
Flood Map Date	11/18/2015
Flood Insurance Required	N/A
Potential Bldg To Land Ratio FAR	5.17
Site Shape	Rectangular
Site Topography	Generally Level and at Street Grade
Flood Zone Designation	X
Vegetation	Minimal
Traffic Control At Entry	Traffic Light
Traffic Flow	Moderate
Utilities	<ul style="list-style-type: none"> • Electricity • Gas • Sewer • Water
Frontage Street Name	Brown Street and North 6th Street
Frontage Feet	155
Frontage Type	One Way Street

Corner Lot Yes
 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	882066070	Usable Land Area	8,744	0.2007
Total Gross Land Area			8,744	0.2007
Total Gross Land Area			8,744	0.2007
Total Usable Land Area			8,744	0.2007

Improvement Details

Rentable Area SF 26,270
 Gross Building Area 45,000
 Demised Unit Of Comparison Apt. Units
 Number Of Demised Units 35
 Average Unit Size (SF) 750
 Construction Status Completed
 Construction Purpose Build-to-suit
 Year Built 2021
 Investment Class Class A
 Construction Class D
 Condition New
 Construction Type Steel
 Construction Quality Excellent
 Construction Description Wood Frame
 Number Of Buildings 1
 Exterior Walls Brick, Stucco
 Number Of Stories/Floors 6.00
 HVAC Comments Roof Mounted
 Roof Description Flat Built up
 Parking Description None
 Land To Building Ratio 0.19
 Property Amenities

- controlled access
- elevator
- roof terrace
- storage space
- Bicycle Storage
- Elevator
- Smoke Free

Sale Information

Sale Status Closed
 Sale Date 06/14/2021
 Sale Price \$13,000,000
 Grantor (Seller) Trinity Realty Companies
 Grantee (Buyer) Hudson Companies
 Property Rights Leased Fee
 Financing Type Cash to seller
 Effective Sales Price \$13,000,000.00
 Price Per SF GBA \$288.89
 Price Per SF NRA \$494.86
 Effective Price Per Unit \$371,428.57
 Price Per Potential FAR \$287.57
 Price Per Land SF (Gross) \$1,486.73
 Price Per Acre (Gross) \$64,762,128.70
 Price Per Land SF (Usable) \$1,486.73
 Price Per Acre (Usable) \$64,762,128.70

Operations at Date of Sale

Operations Status Type Stabilized Operations Reported Cap Rate 5.50 %
 Actuals Occupancy 93.00 %

Comments

Sale of the Hudson Liberties 526 Brown Street, Philadelphia, PA. The property was built in 2021 and contains 35 apartments and 1 commercial space. The six-story building features tenant amenities including controlled access, elevator, roof terrace, storage space, Bicycle Storage, Elevator, Smoke Free. The apartments have kitchens with Granite countertops and walk-in closets, Heating, Washer/Dryer and Hardwood Floors.

Multifamily Sale



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	Urban
Verification Type	Confirmed-Confidential
Verification Source	Cindy Schoenly
Event ID	630920



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

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	7,850
Gross Building Area	10,690
Demised Unit Of Comparison	Apt. Units
Number Of Demised Units	7
Average Unit Size (SF)	1,121
Construction Status	Completed
Construction Purpose	Speculative
Year Built	2017
Investment Class	Class A
Condition	Good
Construction Type	Wood frame
Construction Quality	Good
Number Of Buildings	1
Number Of Stories/Floors	4.00
Land To Building Ratio	0.40

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	04/24/2021
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 GBA	\$213.28
Price Per SF NRA	\$290.45

Effective Price Per Unit	\$325,714.29
Price Per Land SF (Gross)	\$527.29
Price Per Acre (Gross)	\$22,968,728.28
Price Per Land SF (Usable)	\$527.29
Price Per Acre (Usable)	\$22,968,728.28

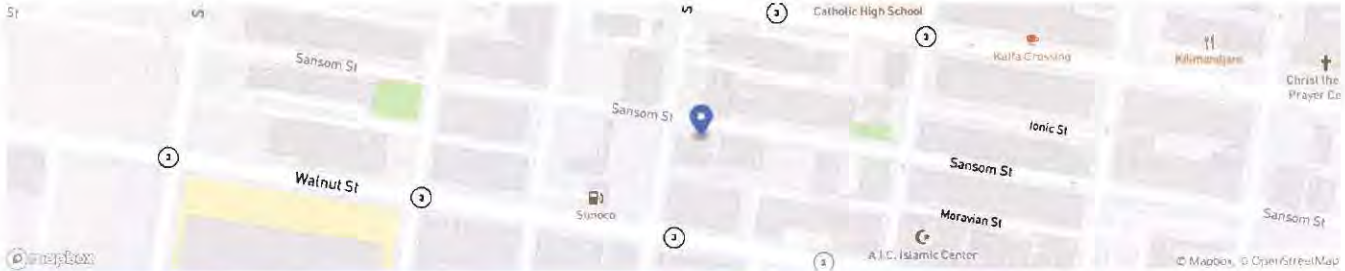
Operations at Date of Sale

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. There are 6 on-site, surface parking spaces. Lot size = 34.73' x 124.5' = 4,324 SF.

Multifamily Sale



Location & Property Info

Property Name	Manor Flats off Sansom
Property Type	Multifamily
Sub Type	Walk-Up
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia - Greater
Address	125 South 46th Street, Philadelphia, PA 19139
County	Philadelphia
Country	USA
Latitude	39.95611700
Longitude	-75.21323600
MSA	Philadelphia-Camden-Wilmington MSA
Legal/Tax/Parcel ID	881214922 and 881214924
Market Orientation	Urban
Verification Type	Confirmed-Seller Broker
Verification Source	Corey Lonberger - Rittenhouse Realty; Offering Memorandum 559295
Event ID	



Source Of Land Info	Public Records
Usable/Gross Ratio	1.00
Zoning Designation	CMX2
Site Shape	Rectangular
Site Topography	Level
Flood Zone Designation	X
Vegetation	Minimal
Traffic Control At Entry	Stop Sign
Traffic Flow	Moderate
Utilities	<ul style="list-style-type: none"> • Electricity • Gas • Sewer • Telephone • Water
Frontage Street Name	46th
Frontage Feet	95
Corner Lot	Yes
Accessibility Rating	Above Average
Visibility Rating	Good

EGIM Derived - Stabilized

13.00

Comments

Sale of recently constructed (2019) multifamily property located on the western edge of University City comprised of two buildings located on non-contiguous parcels (125-29 S 46th St and 133-35 S 46th St). Property was at 68% occupancy, and contained a unit mix of two 1BR units, nine 2BR units and eight 3BR units.

ADDENDA

Lease Comparables



Multifamily Lease Summary



Location & Property Info

Property Name	Cherry St Mixed Use
Property Type	Multifamily
Sub Type	Loft
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia - Greater
Address	305 Cherry Street, Philadelphia, PA 19106
County	Philadelphia
Country	USA
Location	Old City neighborhood
Latitude	39.95335900
Longitude	-75.14550400
MSA	Philadelphia-Camden-Wilmington MSA
Legal/Tax/Parcel ID	87-1508280
Market Orientation	CBD
Verification Type	Secondary Verification
Event ID	709562



Site Details

Source Of Land Info	City record
Usable/Gross Ratio	1.00
Zoning Designation	CMX-3
Utilities	<ul style="list-style-type: none"> • Electricity • Gas • Sewer • Water

Land Parcels

IMPORTED GROUP 1

ROW NUMBER	ASSOCIATED APN(S)	CLASSIFICATION	LAND AREA (SF)	LAND AREA (ACRES)
1	87-1508280	Usable Land Area	1,565	0.0359
Total Gross Land Area			1,565	0.0359
Total Gross Land Area			1,565	0.0359
Total Usable Land Area			1,565	0.0359

Lease Availability Information

Survey Date	4/1/2021
Occupancy At Survey	100.00 %

Improvement Details

Rentable Area SF	3,973
Gross Building Area	3,973

Company	MLS #PAPH2012348	Construction Status	Completed
		Year Built	1900
		Number Of Buildings	1
		Number Of Stories/Floors	3.00
		Land To Building Ratio	0.39

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
4/1/2021	24	Street Retail	Zoomo Electric Bikes		1,450		\$20.69	\$/SF/Yr	None	Triple Net	

Specific Lease Details: Zoomo Electric Bikes

Description of Premises

Rentable Area	1,450
Full Building Lease	No
Space Type	Street Retail

Lease Details

Lease Status	Signed Lease
Lease Start/Available Date	4/1/2021
Lease Expiration Date	3/31/2023
Term Of Lease (Months)	24
Lessor	305 Cherry LLC
Lessee	Zoomo Electric Bikes

Rates & Measures

Measure	\$/SF/Yr
Face Rental Rate	\$20.69
Effective Rental Rate	\$20.69
Base Rent Escalation Type	None
Lease Reimbursement Method	Triple Net

Lease Notes

First floor retail showroom with 14' ceilings, hardwood floors, exposed beams, small office area, full access to rear entrance and a basement area.

Retail Lease Summary



Location & Property Info

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



Site Details

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

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

Land Parcels

IMPORTED GROUP 1

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

Lease Availability Information

Survey Date 10/29/2021

Improvement Details

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

Lease Summary

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

Specific Lease Details: Olea BYOB LLC

Description of Premises

Rentable Area 900
 Full Building Lease No
 Space Type Restaurant

Lease Details

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

Rates & Measures

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

Retail Lease Summary



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
Utilities	<ul style="list-style-type: none"> • Electricity • Gas • Sewer • Water
Frontage Street Name	Front Street

Frontage Feet	16
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	883448900	Usable Land Area	1,440	0.0331
		Total Gross Land Area	1,440	0.0331
		Total Gross Land Area	1,440	0.0331
		Total Usable Land Area	1,440	0.0331

Lease Availability Information

Survey Date	12/1/2019
Occupancy At Survey	100.00 %

Improvement Details

Rentable Area SF	1,344
Gross Building Area	1,344
Number Of Demised Units	1
Average Unit Size (SF)	1,344
Construction Status	Completed
Construction Purpose	Speculative
Year Built	2008
Investment Class	Class B
Construction Class	Class C
Condition	Average
Construction Type	Masonry
Construction Quality	Good
Number Of Buildings	1
Exterior Walls	Brick
Number Of Stories/Floors	3.00
Roof Description	Flat Roof
Land To Building Ratio	1.07

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
2/1/2020	37	Retail	Braap's Ink		1,200		\$21.63	\$/SF/Yr	None	Triple Net	
9/10/2021	180	Retail	Braap's Ink Tattoo Shop		1,200		\$25.00	\$/SF/Yr	None	Triple Net	

Specific Lease Details: Braap's Ink

Description of Premises

Rentable Area	1,200
Space Type	Retail

Lease Details

Lease Status	Signed Lease
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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



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 881006630
Legal/Tax/Parcel ID	Urban
Market Orientation	Confirmed-Other
Verification Type	Cindy Schoenly
Verification Source	583516
Event ID	



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

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
3/1/2017	120		Orangetheory Fitness		3,270		\$30.32	\$/SF/Yr		Triple Net	
9/1/2019	120		Hudson Table		1,555		\$38.59	\$/SF/Yr		Triple Net	
9/1/2019	120		Anejo		2,800		\$40.00	\$/SF/Yr		Triple Net	
6/1/2021	128		Bagels & Co.		1,138		\$36.91	\$/SF/Yr		Triple Net	

Specific Lease Details: Orangetheory Fitness

Description of Premises

Rentable Area 3,270

Lease Details

Lease Status Signed Lease
 Lease Signed Date 3/1/2017
 Lease Start/Available Date 3/1/2017
 Term Of Lease (Months) 120
 Lessee Orangetheory Fitness

Rates & Measures

Measure \$/SF/Yr
 Face Rental Rate \$30.32
 Effective Rental Rate \$30.32
 Lease Reimbursement Method Triple Net

Specific Lease Details: Hudson Table

Description of Premises

Rentable Area	1,555
---------------	-------

Lease Details

Lease Status	Signed Lease
Lease Start/Available Date	9/1/2019
Term Of Lease (Months)	120
Lessee	Hudson Table

Rates & Measures

Measure	\$/SF/Yr
Face Rental Rate	\$38.59
Effective Rental Rate	\$38.59
Lease Reimbursement Method	Triple Net

Specific Lease Details: Anejo

Description of Premises

Rentable Area	2,800
---------------	-------

Lease Details

Lease Status	Signed Lease
Lease Start/Available Date	9/1/2019
Term Of Lease (Months)	120
Lessee	Anejo

Rates & Measures

Measure	\$/SF/Yr
Face Rental Rate	\$40.00
Effective Rental Rate	\$40.00
Lease Reimbursement Method	Triple Net

Specific Lease Details: Bagels & Co.

Description of Premises

Rentable Area	1,138
---------------	-------

Lease Details

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

Rates & Measures

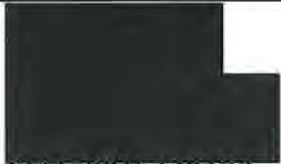
Measure	\$/SF/Yr
Face Rental Rate	\$36.91
Effective Rental Rate	\$36.91
Lease Reimbursement Method	Triple Net

ADDENDA

Addendum E

Appraiser Qualifications and Licenses





MAI, CRE, MRICS

Senior Managing Director
Market Co-Leader – PA, WV,
Southern New Jersey

t
m
nmrk.com

YEARS OF
EXPERIENCE

29+

AREAS OF
SPECIALTY

Valuation & Advisory

MAI, CRE, MRICS is a Senior Managing Director at [redacted] and Market Co-Leader 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 Integra Realty Resources in 2017.

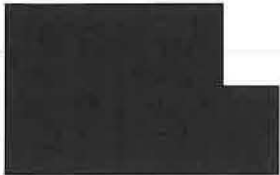
Quotes from Publications

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

Professional Affiliations

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





MAI, CRE, MRICS

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.



ADDENDA

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

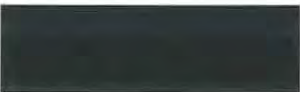
Initial License Date
09/04/1998

Expiration Date
06/30/2023

License Number

Commissioner of Professional and Occupational Affairs

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



ADDENDA



YEARS OF EXPERIENCE

1+

AREAS OF SPECIALTY

- Valuation & Advisory
- Multifamily
- Land

joined in April 2021 as a Valuation Associate in its Philadelphia Valuation & Advisory office. He completes commercial real estate appraisals predominantly in the Philadelphia metropolitan area.

With focuses primarily on multifamily properties in and around Philadelphia, with a particular focus on land development for luxury rental projects. His clients have included banks, commercial lenders, insurance companies, and law firms. Additionally, has completed assignments in many areas of commercial real estate including, office, retail, medical and education.

Prior to joining worked as an independent commercial real estate appraiser trainee with a firm focused on multifamily and affordable housing in the Philadelphia area. comes to commercial real estate appraisal following a career in fixed income and commercial real estate data sales and client relationship management at Morningstar Credit Ratings and Trepp. In both of these roles, he supported a diverse group of clients which included appraisal and commercial real estate firms, investment banks, real-estate focused private equity firms, mezzanine lenders and special servicers.

Professional Affiliations

- Licensed General Real Estate Appraiser Trainee (Pennsylvania)

Personal Affiliations

- Member, Whitpain Township (Montgomery County, PA) Parks and Open Space Board.
- Volunteer Coach/Instructor: Whitpain Recreation Association

Education

graduated from Wesleyan University, where he earned a Bachelor of Arts in English.



ADDENDA

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
Licensed Appraiser Trainee

License Status
Active

Initial License Date
11/24/2021

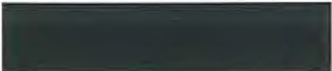
License Number

Expiration Date
06/30/2023

Commissioner of Professional and Occupational Affairs

Signature

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5/1/2018

REQUIRED CHECKLIST FOR LICENSED APPRAISAL TRAINEE

THE BOARD REQUIRES THIS CHECKLIST BE USED WHEN A LICENSED APPRAISAL TRAINEE IS UTILIZED IN THE PERFORMANCE OF AN APPRAISAL. THIS CHECKLIST MUST BE SIGNED BY THE LICENSED APPRAISER TRAINEE AND THE SUPERVISING CERTIFIED REAL ESTATE APPRAISER AND MUST BE MADE PART OF THE APPRAISAL REPORT THAT IS SUBMITTED TO THE CLIENT AND RETAINED IN THE APPRAISAL WORK FILE.

THE INTENT OF THIS CHECKLIST IS TO ENSURE COMPLIANCE WITH APPLICABLE USPAP REQUIREMENTS FOR ACKNOWLEDGEMENT AND DISCLOSURE OF SIGNIFICANT REAL PROPERTY APPRAISAL ASSISTANCE.

THE BOARD CANNOT GRANT EXPERIENCE HOURS FOR APPRAISAL ASSIGNMENTS IN WHICH THE LICENSED APPRAISAL TRAINEE IS NOT PROPERLY ACKNOWLEDGED IN THE REPORT.

SUBJECT PROPERTY ADDRESS: 300 Market Street, Philadelphia, PA 19106

The licensed appraisal trainee to the certified real estate appraiser has contributed significant real property appraisal assistance in this appraisal assignment. Specifically, the licensed appraisal trainee:

Yes No N/A

Assisted in the preparation of the workfile with all forms and general information for the appraisal.

Assisted in determining the scope of work of the appraisal.

Assisted in gathering and entering data as follows: tax assessment information and map, flood hazard information and map, zoning information and map, location map and similar information.

Inspected the subject property.

If yes, accompanied by supervisor? _____ no (yes/no)

Type of inspection (check one): interior exterior

Assisted in analyzing the highest and best use of the subject property.

Assisted in gathering information for comparable land sales data, verified and analyzed the comparable land sales data.

Assisted in gathering data for the cost approach, including estimates of cost new and accrued depreciation.

Assisted in data and analysis for the income approach, including estimates of market rent, vacancy/expense analysis, and development of GRM or capitalization rate.

Assisted in gathering and verifying comparable sales data, and analysis of the comparable sales.

Assisted in the exterior inspection of the sales, rentals, land and/or other comparables.

Assisted in sketch drawing.

Assisted in entering subject and comparable data on the form and in the comment areas.

Assisted in reconciliation and final opinion of value for the subject property.

Assisted in the final review of this report.

Other _____

SIGNATURE OF THE APPRAISAL TRAINEE 

PRINT/TYPE NAME 

The supervising certified real estate appraiser certifies that the named individual did assist with the items checked above, and also certifies that he/she reviewed all work done by the trainee. The supervising appraiser further certifies that the person signing this report as trainee understands the concepts and processes associated with the appraisal process.

SIGNATURE OF SUPERVISING CERTIFIED REAL ESTATE APPRAISER: 

DATE 6/8/2023

Exhibit B

*Second Pennsylvania Certified Residential Appraisal
Dated March 5, 2024*

APPRAISAL OF REAL PROPERTY

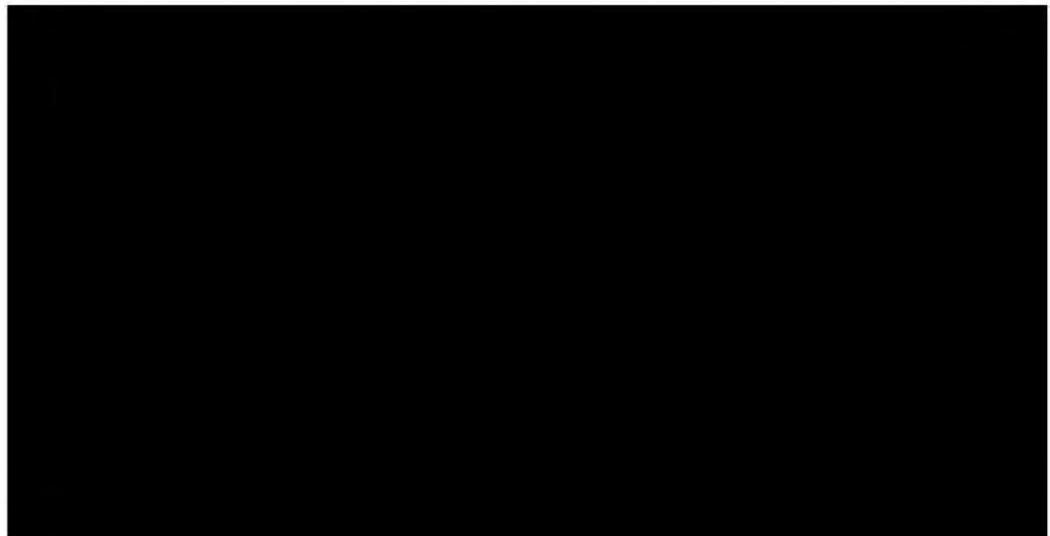
**300 MARKET STREET
PHILADELPHIA, PA 19106
TAX PARCEL NO: 881007028**

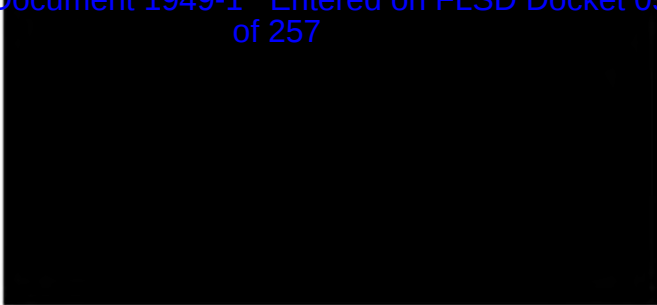
AS OF

MARCH 5, 2024

Prepared For:

**RYAN STUMPHAUZER, COURT APPOINTED RECEIVER
C/O MR. TIM HAZEL
PIETRAGALLO GORDON ALFANO BOSICK & RASPANTI, LLP**





March 22, 2024

Ryan Stumphauzer, Court Appointed Receiver
c/o **Mr. Tim Hazel**
Pietragallo Gordon Alfano Bosick & Raspanti, LLP
One Oxford Centre, 38th Floor
Pittsburgh, PA 15219

RE: 300 Market Street
Philadelphia, PA 19106
Tax ID: 881007028

Dear Mr. Stumphauzer:

In accordance with the terms of the engagement letter dated February 28, 2024, we have prepared an appraisal report in order to estimate the "As Is" market value of the leased fee interest in the subject property as of March 5, 2024, the date of property inspection, excluding all furniture, fixtures and equipment and subject to the extraordinary assumptions and conditions contained herein.

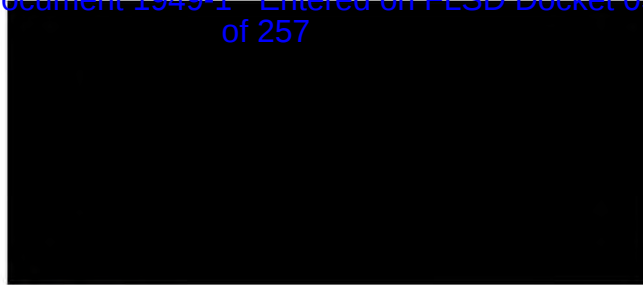
We particularly call your attention to the following extraordinary assumption utilized in the appraisal of the subject property. Only a representative sampling of the apartment units were available for inspection. The appraisal assumes the uninspected areas are in very good condition consistent with the viewed areas of the subject property. The appraisal assumes the physical description of the uninspected areas provided by the property contact is accurate. If the any of the foregoing is found to be inaccurate, the appraiser reserves the right to amend the report and adjust the market value conclusions contained herein.

Furthermore, the subject property currently benefits from a tax abatement. The remaining term, contributory value, etc. are estimated based on the information available at time of appraisal. If the estimated remaining term is found to be in accurate, the appraiser reserves the right to amend the appraisal and adjust the conclusions contained herein.

The appraisal report was prepared for our exclusive client Mr. Ryan Stumphauzer, Court Appointed Receiver c/o Mr. Tim Hazel of Pietragallo Gordon Alfano Bosick & Raspanti, LLP. The intended use of this appraisal report is to function in estimating the current market value of the leased fee interest in the subject property as a supporting document for its intended use in the asset monitoring and internal planning by the client. The appraisal report may not be distributed to or relied upon by other persons or entities without the written permission of [REDACTED]

We have prepared the appraisal report for [REDACTED] in accordance with the Uniform Standards of Professional Practice of the Appraisal Foundation. The appraisal report makes a concise, summary presentation of the data and analyses at a level of detail, which is sufficient for the client, the public and the intended users to readily understand the appraisal without being confused.





Ryan Stumphauzer, Court Appointed Receiver
c/o Mr. Tim Hazel
Pietragallo Gordon Alfano Bosick & Raspanti, LLP

March 22, 2024

Page 2

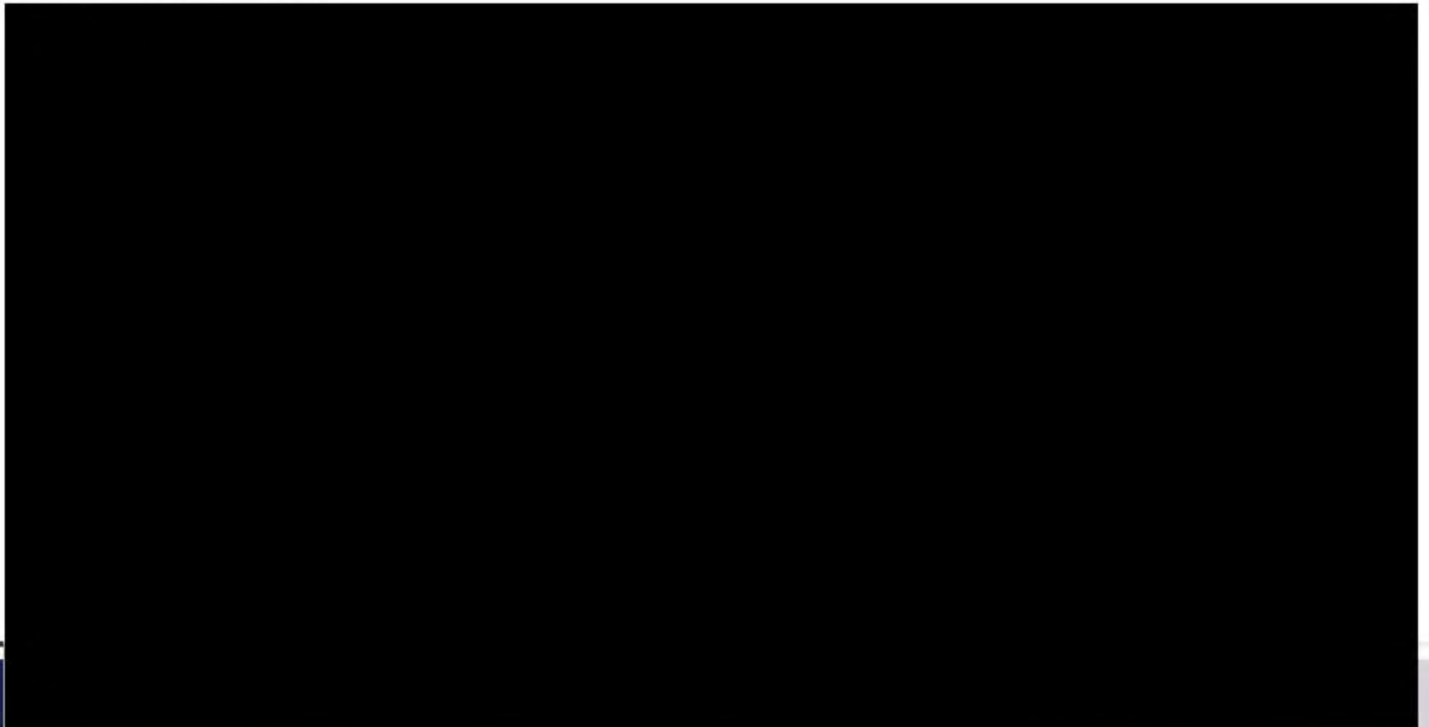
This appraisal report was also prepared in conformance with the requirements established by the August 1989 Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) as modified in 2010. The appraiser is not responsible for unauthorized use of this report. The accompanying report contains a complete analysis of the property, its surroundings and supplemental supporting data employed in arriving at the market value conclusion. My findings are summarized in the text of this report.

Assuming a reasonable time was allowed for exposure on the open market, we have formed the opinion that, as of March 5, 2024, the market value of the leased fee interest in the subject property, in its "As Is" condition, excluding all furniture, fixtures and equipment and subject to the extraordinary assumptions, limiting conditions, certifications and definitions contained herein, was estimated to be:

THREE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS
(\$3,250,000)

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits and an Addendum.

Respectfully submitted,





SUMMARY OF SALIENT FACTS

Subject Property:	300 Market Street Philadelphia, PA 19106
Tax ID:	881007028
Property Type:	Mixed Use Building
Interest Appraised:	Leased Fee Interest
Land Area:	1,760± square feet
Gross Building Area:	7,583± square feet above grade
Current Owner:	300 Market Street, LLC
Real Estate Tax Assessment:	\$3,380,900
Real Estate Taxes:	\$47,326 (excluding abatement)
Zoning:	CMX-3 Commercial Mixed-Use District
Highest & Best Use:	
- As Vacant	-Mixed-use commercial / residential development
- As Improved	-Continued use as a mixed-use commercial / residential utilization.
“As Is” Market Value Estimates:	
- Sales Comparison Approach:	\$3,215,000
Income Capitalization Approach:	\$3,280,000
Cost Approach:	Not Applicable
“As Is” Market Value Conclusion:	\$3,250,000
Estimate of Exposure Time:	6-12 months
Estimate of Marketing Time:	6-12 months
Extraordinary Assumptions / Hypothetical Conditions:	The appraisal report and market value contained herein employs no hypothetical conditions. We particularly call your attention to the following extraordinary assumption utilized in the appraisal of the subject property. Only a representative sampling of the apartment units were available for inspection. The appraisal assumes the uninspected areas are in very good condition consistent with the viewed areas of the subject property. The appraisal assumes the physical description of the uninspected areas provided by the property contact is accurate. If the any of the foregoing is found to be inaccurate, the appraiser reserves the right to amend the report and adjust the market value conclusions contained herein.

Furthermore, the subject property currently benefits from a tax abatement. The remaining term,



[REDACTED]

[REDACTED]

[REDACTED]

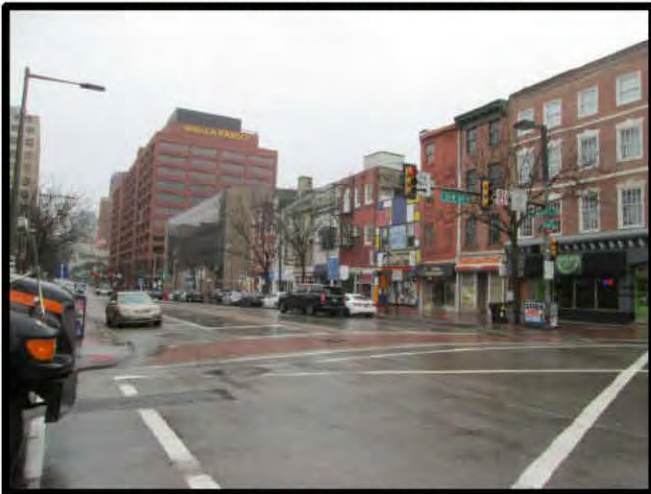
[REDACTED]



Front & Side Exterior Elevation



Side Exterior Elevation



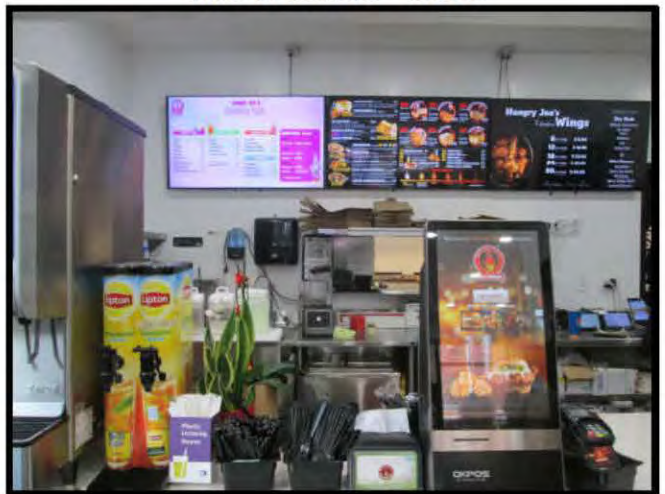
View of Market Street



View of South 3rd Street

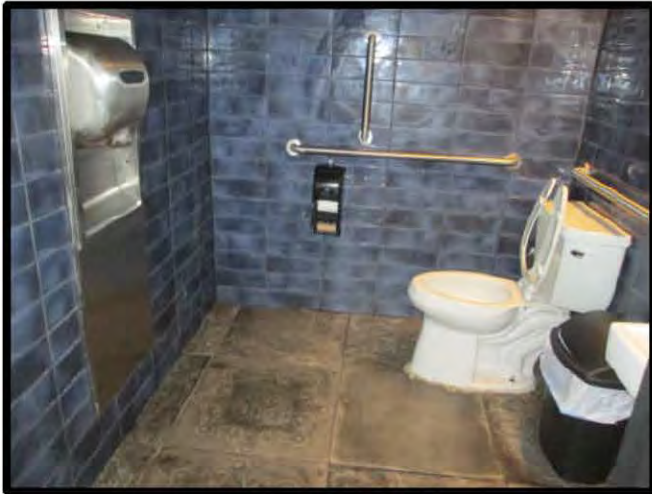
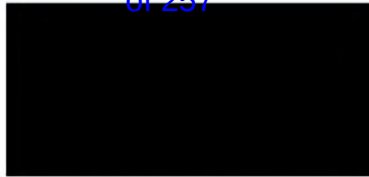


Commercial Unit



Commercial Unit

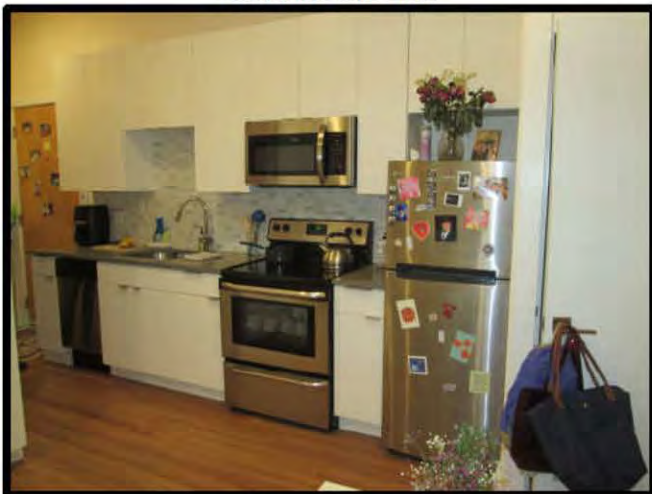




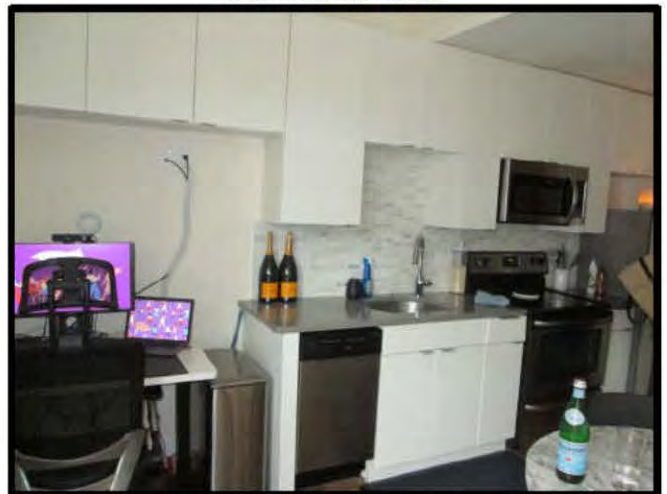
Commercial Unit



Commercial Unit



Typical Apartment Kitchen



Typical Apartment Kitchen

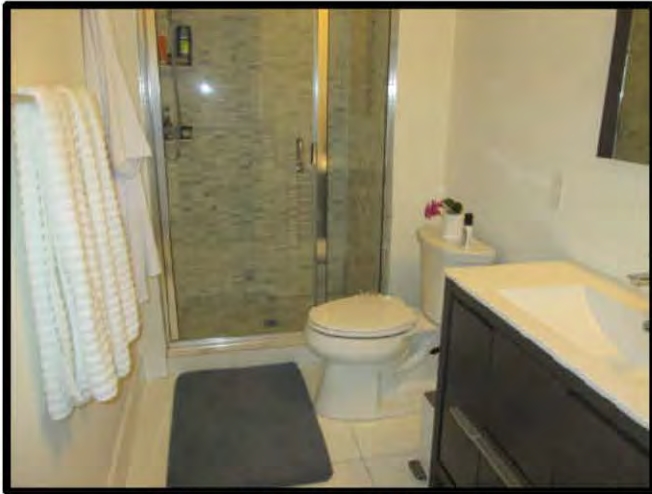


Typical Apartment Kitchen

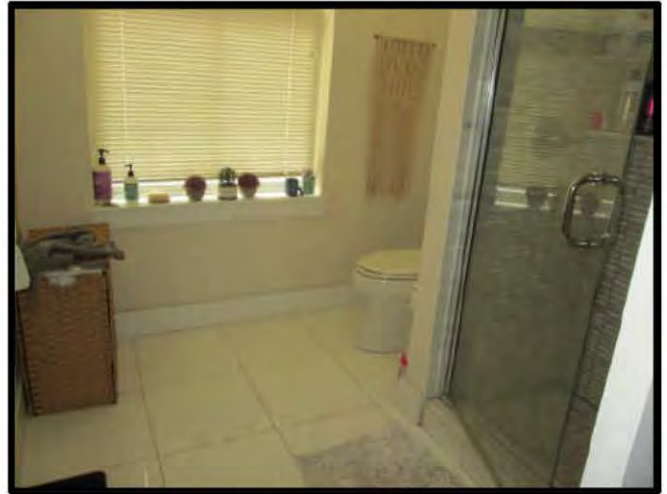


Typical Apartment Bathroom





Typical Apartment Bathroom



Typical Apartment Bathroom



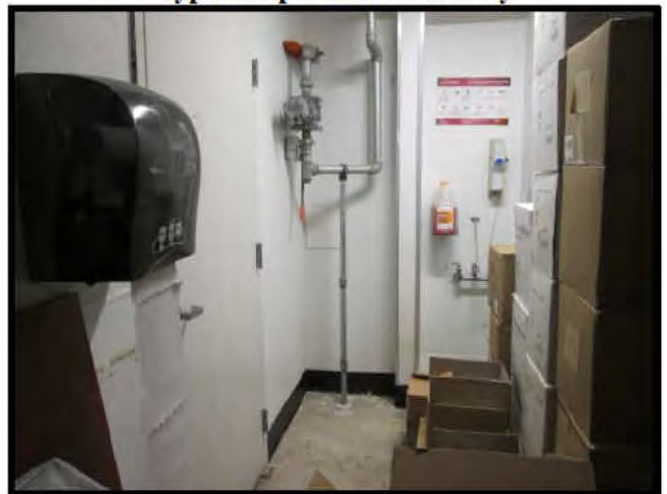
Typical Apartment Bedroom



Typical Apartment Laundry

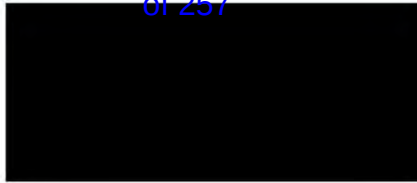


View of Roof Deck



View of Basement





INTRODUCTION



Aerial View

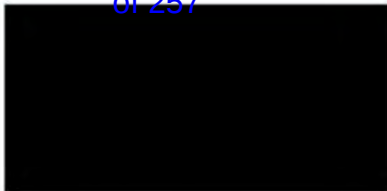
Identification of Subject Property

The subject property is identified as 300 Market Street or by the City of Philadelphia Tax Assessor's office as parcel number 881007028. The subject property consists of a four-story plus partially finished basement, elevator served mixed-use commercial / residential building containing a commercial unit at street level utilized as a restaurant and twelve (12) apartment units at the upper levels. The subject improvements were estimated to contain approximately 7,583± square feet of gross above grade building area. The improvements, which were constructed in 2017 and observed to be in overall very good physical condition at time of inspection, are situated on a corner parcel of land containing approximately 1,760± square feet.

Ownership

According to the last recorded deed and the public record, the subject property is presently titled to 300 Market Street, LLC which acquired the property on August 15, 2018 from MSP Philly I, LP for a consideration of \$4,400,000 as recorded in the deed book as Document Number 53413629. To our knowledge, there have been no transfers in the past three years. Furthermore, the subject property is not currently encumbered by an agreement of sale. According to the Multiple Listing Service and current listing agent, the property has been professionally marketed for sale with multiple firms over the past year. The current listing has been active for approximately two months. The opening asking price was \$4,150,000 which has been recently reduced to \$3,650,000.





Occupancy

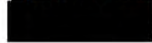
The units in the subject property are reportedly tenant occupied. An apartment rent roll and the commercial lease has been provided of which pertinent excerpts can be found in the addendum. All apartment tenants are responsible for separately metered heat, hot water and electric plus an additional \$50 monthly water fee. The commercial lease abstract and the apartment rent roll are presented below. The appraisal assumes all reported occupancy and lease information to be accurate.

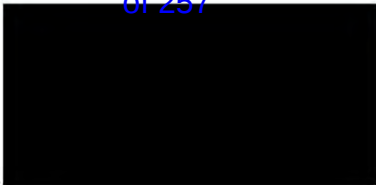
COMMERCIAL LEASE ABSTRACT						
Tenant	1st Floor SF / NRA	Term	Current Annual Rent	Rent/SF	Expenses	Remarks
	1,280	3 Years 12/15/2022-12/31/2025	\$81,600	\$63.75	NNN	The base rent is flat over the term. The tenant is responsible for 25% of real estate taxes, insurance premiums, management fees and CAM / maintenance plus separately metered utilities including water in excess of \$1,980 per year. The lease includes one (1) 5-year renewal option at a base rent increase of 3% annually. The unit includes the use of the basement area.

APARTMENT RENT ROLL						
Unit	Unit Type	Size / SF	Monthly Rent	Annual Rent	Monthly Rental / SF	Lease Expiration
201	1 Bedroom / 1 Bath	418	\$1,290	\$15,480	\$3.09	5/26/2024
202	Studio / 1 Bath	321	\$1,345	\$16,140	\$4.19	5/26/2024
203	Studio / 1 Bath	432	\$1,295	\$15,540	\$3.00	7/26/2024
204	Studio / 1 Bath	368	\$1,375	\$16,500	\$3.74	8/26/2024
301	Studio / 1 Bath	334	\$1,425	\$17,100	\$4.27	7/26/2024
302	Studio / 1 Bath	321	\$1,395	\$16,740	\$4.35	1/25/2025
303	Studio / 1 Bath	432	\$1,365	\$16,380	\$3.16	6/25/2024
304	Studio / 1 Bath	368	\$1,395	\$16,740	\$3.79	2/25/2025
401	Studio / 1 Bath	334	\$1,355	\$16,260	\$4.06	8/26/2024
402	Studio / 1 Bath	321	\$1,330	\$15,960	\$4.14	6/25/2024
403	Studio / 1 Bath	432	\$1,310	\$15,720	\$3.03	6/25/2024
404	Studio / 1 Bath	368	\$1,395	\$16,740	\$3.79	8/26/2024
Total		4,449	\$16,275	\$195,300		

Client & Intended User

The intended user of this appraisal is our exclusive client Mr. Ryan Stumphauer, Court Appointed Receiver c/o Mr. Tim Hazel of Pietragallo Gordon Alfano Bosick & Raspanti, LLP. The report may not be distributed to or relied upon by other persons or entities without the written permission of [REDACTED]






Intended Use & Scope of Appraisal

The intended use of this appraisal is to estimate the "As Is" market value of the leased fee interest in the subject property as a supporting document for its intended use in the asset monitoring and internal planning by the client. In valuing the subject property, the appraiser performed a number of independent investigations and analyses with regard to the area and neighborhood, subject property and market data. The investigations performed and the data sources utilized are documented below:

- The viewable interior and exterior of the subject property were inspected on March 5, 2024.
- Our effective date of appraisal is March 5, 2024, date of property inspection.
- A study of current regional economic trends, nearby neighborhood influences and local market characteristics.
- The gross building area and unit sizes are based upon our field measurements obtained at the time of property inspection in conjunction with information provided by the property contact. The land area was estimated based on a tax map and legal description / deed. The appraiser is not an architect or engineer. If the estimated building or unit sizes or land area is found to be inaccurate, the appraiser reserves the right to amend the report and adjust the market value if necessary.
- Conducted market inquiries into recent mixed use commercial / residential building sales. In addition, we have researched the market for commercial and apartment rentals considered compatible to the subject. This process involved telephone interviews with sellers, buyers and/or participating brokers, regarding the state of the real estate market on a local level.
- Prepared the Sales Comparison Approach and Income Capitalization Approach to derive an estimate of market value.
- Data accumulated was then processed in formulating an opinion of market value for the subject property. Features unique to the subject property, i.e., pertinent physical characteristics, functional utility and locational attributes, all of which will be elaborated upon in the accompanying text, were considered in final reconciliation.
- We have made a cursory review of the zoning code however; we are not experts in its interpretation. The subject property is assumed to represent a legal non-conforming use. A use certificate from the City of Philadelphia has been obtained indicating the subject property is legally registered for the current use. The appraiser makes no warranties to the zoning compliance of the subject property. If the property is found to be an illegal use, the appraiser reserves the right to amend the report and adjust the market value contained herein, if necessary.

Definitions of Value, Interest Appraised, and Other Pertinent Terms

Market Value is defined by the Federal Financial Institutions Regulatory Agencies as follows: Market Value means the most probable price which a property should bring in a competitive and open market under all condition's requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) buyer and seller are typically motivated;
 - (2) both parties are well informed or well advised, and acting in what they consider their own best interests;
 - (3) a reasonable time is allowed for exposure in the open market;
 - (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto;
 - (5) the price represents the normal consideration for the property sold unaffected by special or creating financing or sales concessions granted by anyone associated with the sale.
- 



The definition of the interest appraised which is utilized in this report is taken from The Dictionary of Real Estate Appraisal, Fifth Edition, published by the Appraisal Institute (formerly the American Institute of Real Estate Appraisers), as follows:

Leased Fee Interest

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

Additionally, the definition of other pertinent terms taken from another source for this report is as follows:

Market Value “As Is”

Estimate of the market value of a specified interest in the property in the condition observed upon inspection and as is physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date of inspection.

Exposure Time

The time a property remains on the market. The estimated length of time 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; a retrospective estimate based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. The improved property sales and current market conditions indicate that exposure time (i.e., the length of time the subject property would have been exposed for sale in the market had it sold at the market value concluded in the analysis as of the date of valuation) would have been about 6-12 months.

Marketing Time

The time it takes an interest in real property to sell on the market sub-sequent to the date of an appraisal. Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by concurrent market conditions. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal. Based on current market conditions, the estimated marketing time is 6-12 months.

Extraordinary Assumption

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions. Comment: Extraordinary assumptions presume as fact otherwise uncertain information 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.

We particularly call your attention to the following extraordinary assumption utilized in the appraisal of the subject property. Only a representative sampling of the apartment units were available for inspection. The





appraisal assumes the uninspected areas are in very good condition consistent with the viewed areas of the subject property. The appraisal assumes the physical description of the uninspected areas provided by the property contact is accurate. If the any of the foregoing is found to be inaccurate, the appraiser reserves the right to amend the report and adjust the market value conclusions contained herein.

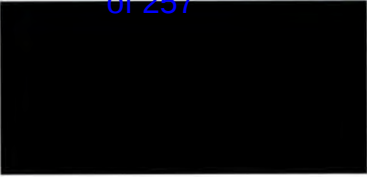
The subject property currently benefits from a tax abatement. The remaining term, contributory value, etc. are estimated based on the information available at time of appraisal. If the estimated remaining term is found to be in accurate, the appraiser reserves the right to amend the appraisal and adjust the conclusions contained herein.

Hypothetical Condition

A condition that is presumed to be true when it is known to be false. (SVP) 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, 2016-2017 ed.).

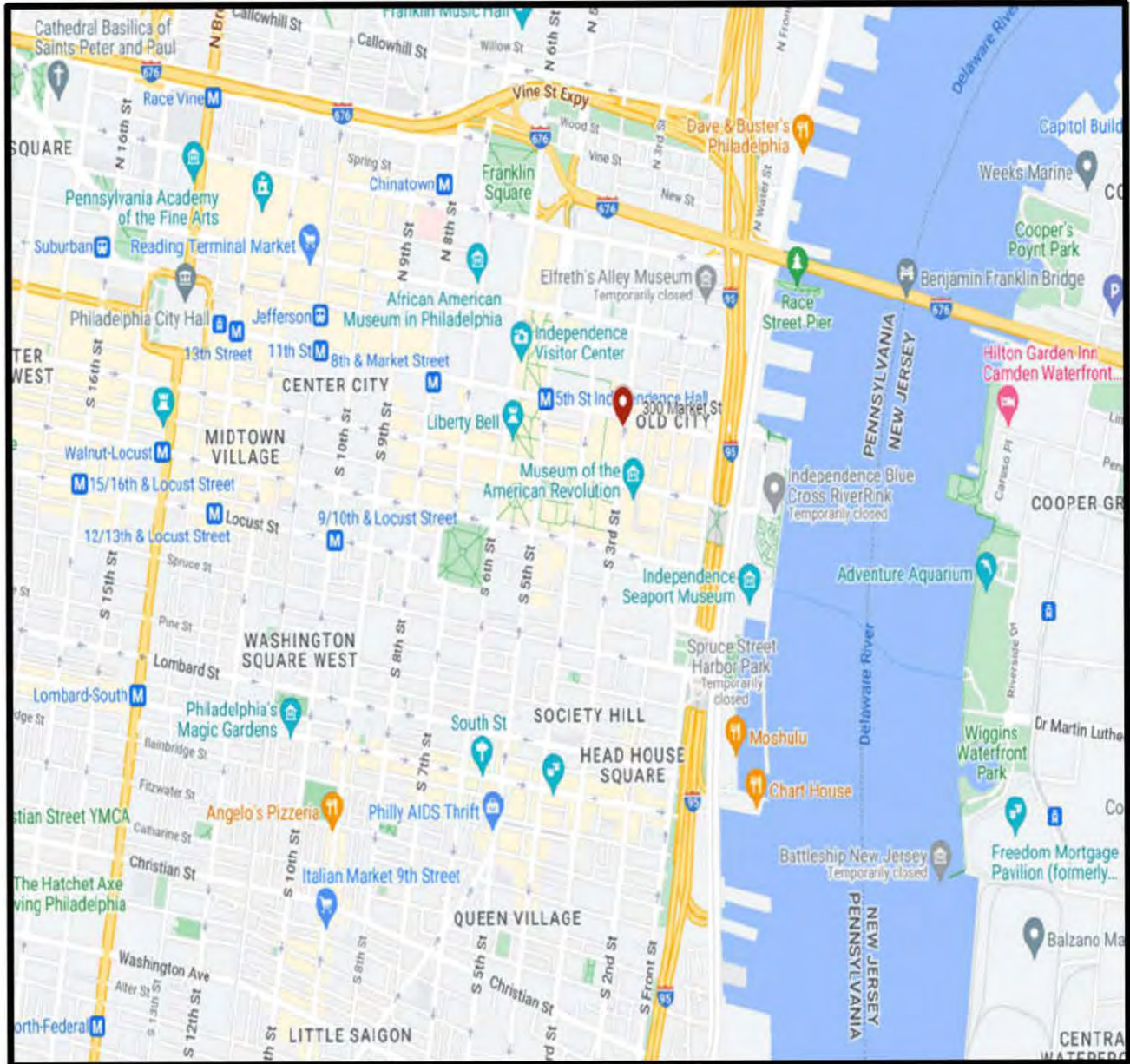
The appraisal report and market value contained herein employs no hypothetical conditions.





LOCATION & MARKET ANALYSIS

The subject property is located along the 300 block of Market Street at its intersection with South 3rd Street within a desirable section of Center City Philadelphia, Pennsylvania known as Old City. The location of the subject property is heavily traveled and densely populated consisting of a mix of commercial, office, multifamily and mixed-use buildings. The general neighborhood has been built up for many years with most homes being row style townhouses with some in excess of 200 years of age.






Demographic Summary

The City of Philadelphia is an established and diverse area comprised of residential, retail/commercial, industrial, cultural, educational and recreational land uses with an extensive transportation infrastructure for rail, shipping, airline and automobile transportation. The City of Philadelphia is centrally situated within a 3 division region encompassing 11 counties and 3 states. Based upon the 2020 Census, the City of Philadelphia had seen a modest increase in population from the 2010 estimate. As of 2020 the population was quantified to be 1,595,579, which represents a 0.44% annual return over 2010 or a total growth of 4.56% over the 2010 census. The City of Philadelphia and State of Pennsylvania demographics chart is set forth below.

MUNICIPAL DEMOGRAPHIC SUMMARY		
City of Philadelphia		
Prepared by: ESRI		
	Pennsylvania	City of Philadelphia
Population		
2000 Population	12,281,054	1,517,550
2010 Population	12,702,379	1,526,006
2020 Population	12,991,367	1,595,579
2025 Population	13,107,352	1,626,857
2000-2010 Annual Rate	0.34%	0.06%
2010-2020 Annual Rate	0.22%	0.44%
2020-2025 Annual Rate	0.18%	0.39%
Households		
2000 Households	4,777,003	590,070
2010 Households	5,018,904	599,736
2020 Total Households	5,166,276	629,768
2025 Total Households	5,220,641	642,749
2000-2010 Annual Rate	0.50%	0.16%
2010-2020 Annual Rate	0.28%	0.48%
2020-2025 Annual Rate	0.21%	0.42%
2020 Average Household Size	2.43	2.45
Median Household Income		
2020 Median Household Income	\$60,671	\$46,991
2025 Median Household Income	\$65,067	\$50,994
2020-2025 Annual Rate	1.41%	1.65%
Average Household Income		
2020 Average Household Income	\$86,104	\$71,129
2025 Average Household Income	\$94,771	\$79,084
2020-2025 Annual Rate	1.94%	2.14%
Per Capita Income		
2020 Per Capita Income	\$34,386	\$28,210
2025 Per Capita Income	\$37,890	\$31,378
2020-2025 Annual Rate	1.96%	2.15%
Housing		
2000 Total Housing Units	5,249,750	661,958
2000 Owner Occupied Housing	3,406,337	349,632
2000 Renter Occupied Housing	1,370,666	240,438
2000 Vacant Housing Units	472,747	71,888
2010 Total Housing Units	5,567,315	670,171
2010 Owner Occupied Housing	3,491,722	324,536
2010 Renter Occupied Housing	1,527,182	275,200
2010 Vacant Housing Units	548,411	70,435
2020 Total Housing Units	5,763,544	698,511
2020 Owner Occupied Housing	3,493,440	326,980
2020 Renter Occupied Housing	1,672,836	302,788
2020 Vacant Housing Units	597,268	68,743
2025 Total Housing Units	5,859,996	711,312
2025 Owner Occupied Housing	3,513,799	329,917
2025 Renter Occupied Housing	1,706,842	312,832
2025 Vacant Housing Units	639,355	68,563





Philadelphia is a city of neighborhoods, each being very distinctive, with individual characteristics. The most familiar are Center City, University City, Rittenhouse Square, Graduate Hospital, Logan Square, and Washington Square as well as the Art Museum District. The city has world class art, cultural, educational and health care institutions that are its economic linchpins. Additionally, the economy of Philadelphia is supported by its established and diverse service sectors economy.

Transportation

The nearby Broad Street subway provides high-speed transportation to the extreme southern boundary of Philadelphia, north through Center City to Fern Rock at Olney in North Philadelphia. Accessibility to the subject neighborhood by vehicular movement is likewise excellent. As indicated, Broad Street is a wide, six Lane, boulevard that acts as a direct feeder route to and from Interstate 95, a limited access, high speed highway that extends from Bucks County to South Philadelphia.


Center City is served by two interstate highways, Amtrak's Northeast Corridor, 13 regional rail lines, four major interstate bus operators, 29 urban bus route, five trolley lines, two subway lines, a large-scale bicycle share network an International Airport as well as an International Seaport that is also designated as one of the Department of Defense's Strategic Seaports. Southeastern Pennsylvania Transportation Authority (SEPTA) provides an abundance of public transportation for local residents, with easy access to all sections of the city and suburbs, including bus lines running along Market, Chestnut and Walnut Streets. In addition, the Lindenwold High Speed Line (terminus at 6th and Locust Streets), the Market Street Subway (stop at 15th and Market Streets) and the SEPTA regional commuter rail line with a major interconnection at 16th and Market Streets (Suburban Station) all serve the subject area. Within the past several years a new bus service was inaugurated to serve the Center City area.

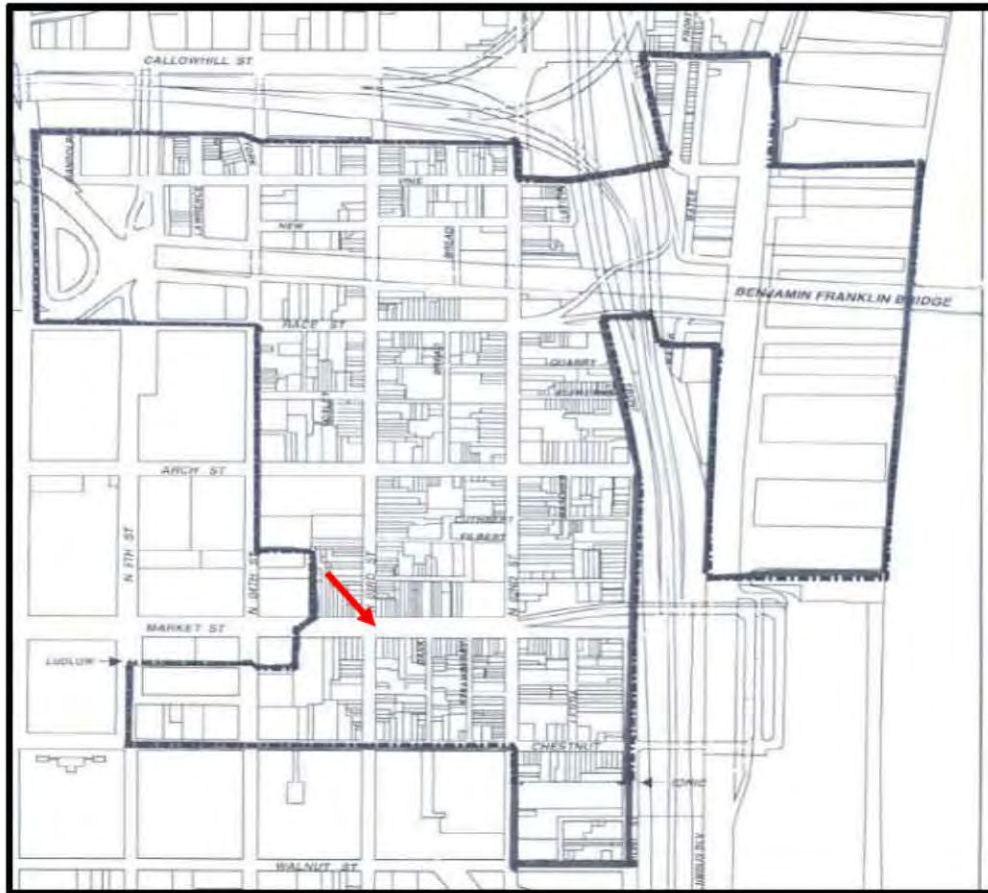
Known as the Phlash, its route runs from Headhouse Square in Society Hill to Penn's Landing, through the Central Business District and westward along the Benjamin Franklin Parkway to Logan Circle and returning via the Rittenhouse Square neighborhood and returning to Headhouse Square. Major roadways in the area include the Vine Street Expressway, just south of the subject, which connects with the Schuylkill Expressway (I-76) and the Delaware Expressway (I-95). Access to New Jersey is via a number of bridges, including the Walt Whitman, Benjamin Franklin and Betsy Ross. The Philadelphia International Airport is twenty minutes by automobile during "off peak" traffic hours.

Old City District

The City of Philadelphia's historic preservation ordinance (Section 14-1000 of the Philadelphia Code) authorizes the Philadelphia Historical Commission to designate buildings, structures, sites, objects, and districts as historic. A historic district is a collection of historic resources that are linked geographically or thematically. Every resource within a historic district is classified as Significant, Contributing, or Non-Contributing. When the Historical Commission reviews a building permit application for a Significant or Contributing resource within a historic district, it seeks to protect the individual resource as well as the historic district as a whole. When it reviews a building permit application for a Non-Contributing property within a historic district, it seeks to protect the historic district but not necessarily elements of the Non-Contributing property.

Old City Philadelphia is the nation's most historic square mile. This vibrant old-world neighborhood is the home to many shops, galleries, restaurants, bars and clubs. In addition, Philadelphia's most popular historic attractions such as the Liberty Bell, Independence Hall, the National Constitution Center, Betsy Ross House, Penn's Landing and much more are all just minutes from each other. The area is also within an easy walk of the Pennsylvania Convention Center and several nationally renowned hospitals. The area has easy access to all major transportation arteries; it is just ten minutes by car from the Philadelphia International Airport and Amtrak's 30th Street Station.



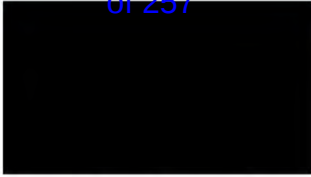


Old City Historical District Map

The Old City area is best known as the site of Independence Hall and its encompassing Independence National Historical Park, Elfreth's Alley, Carpenters' Hall, the Betsy Ross House, and many of Philadelphia's other historic sites. Old City's historic sites attract roughly 4 million visitors each year. The area is also home to numerous museums. The recently completed Museum of the American Revolution sits across from Independence Hall and in the heart of a city that served as the headquarters for the Revolution. Through immersive exhibitions and priceless artifacts, the museum traces the evolution of the colonies from the earliest days of unrest through a legendary war and the improbable victory that led to a new nation. Highlights include General George Washington's original headquarters tent, Revolutionary War weapons, centuries-old military documents and hundreds of other authentic objects.

Dedicated to the four most powerful pages in America's history, the National Constitution Center is wholly devoted to honoring and exploring the U.S. Constitution. Museum-goers view exhibits and artifacts, take in the 360-degree live theatrical production Freedom Rising, walk among 42 life-size bronze statues of the Founding Fathers, and discover the new permanent exhibit, Civil War and Reconstruction: The Battle for Freedom and Equality, devoted to exploring the constitutional debates from the Civil War and Reconstruction.

Further, the Penn's Landing waterfront area, is popular year-round with attractions such as an ice skating rink, concerts, and various city events. Penn's Landing is on the waterfront, where you will find the Comfort Inn, the Hyatt Regency and the Sheraton. Restaurants there include the Chart House, Moshulu, Hibachi and La Veranda.



Every New Year's Eve and Independence Day, crowds gather on the Great Plaza to watch the fireworks. Nearby is Festival Pier, where many concerts are held. Old City is one of the city's popular nightlife destinations, with lounges, bars, and quality restaurants, mostly along the three blocks from 3rd and Market Streets to Front and Chestnut Streets. The 3rd Street Corridor, between Market Street and Vine Street, is home to galleries, boutiques, and other locally owned businesses. Landmark Since 2010, tech firms have moved to the area as well.

New Construction


The Central Business District exhibits many new developments and a number of commercial, office and underutilized structures which have been converted to residential apartment or condominium use. Structures throughout the area vary considerably in size and can accommodate projects as small as single storefronts to large structures which can hold several stores and well over fifty apartments as well as substantial office complexes. The area has also attracted numerous new townhouses and condominium construction at scattered sites over a several block area. Many old buildings, warehouses and formerly unproductive commercial and institutional properties, have been demolished or rehabilitated and replaced with luxury housing and apartments along with a revitalized commercial core.

New development in Center City has been substantial over the past several decades. There has been several recently completed, ongoing and proposed projects through Center City which include, and just to name a few, the Laurel on Rittenhouse Square, Arthaus on South Broad Street, Riverwalk at 23rd and Arch streets, Thomas Jefferson's Specialty Care Pavilion on the 1100 block of Chestnut Street and the W Hotel/Element by Westin at 15th and Chestnut streets. PMC Property Group's 2018 completion of 2400 Market, the new location of Aramark's headquarters, has spurred a number of projects on Market Street West. Parkway Corporation is nearing completion of its new commercial mixed use 18-story building that will house Morgan, Lewis & Bockius on 23rd and Market streets. Brandywine Realty Trust is also developing a 23-story tower with office, residential and retail components on the 2100 block of Market, contingent on the securing of an anchor tenant.

Jefferson University has recently completed the Specialty Care Pavilion at 1101 Chestnut Street. The tower cost over \$800 million dollars, consists of 19-stories, 462,000 square feet, and houses more than 300 exam rooms. The development was part of a massive revitalization of the East Market project that is in excess of \$1.2 billion in total capitalization. Jefferson plans on housing Sydney Kimmel Cancer Center, the Digestive Health Institute, Jefferson Transplant Institute, and the Korman Respiratory Institute in the tower along with several other specialties. The teaching hospital views the development as a bridge to their future which integrates healthcare specific technology within the fabric of the real estate. The university also has plans for a 12 -story biomedical research building which will replace a parking garage at 9th and Locust Street.

During early 2021, Southern Land Co announced that in addition to its 184-project, the recently completed Laurel next to Rittenhouse Square, the firm also finalized a \$24.5 million acquisition of a parking lot at 1620 Sansom St., which it plans to build 308 apartments along with 32,000 SF of commercial space. The sale included a ten-year master lease of the dwelling units to Sonder as Air B&B units. Connecticut-based Meritis Group is set to deliver its 120-unit project at 1201 Vine St. (near the Convention Center) in early 2023, and PMC Property Group will likely wrap up construction of its 115-unit project at 139 N 23rd St. (near Logan Square) by year end.

A few blocks away, Maryland-based FCP Partners is also working on a 180-unit expansion of the Edgewater Apartments (purchased in 2019), and this project is estimated to deliver in early 2024. Down the road, 2024 is set to be a more competitive year for developers leasing up new projects, as at least three projects totaling 1,300 units are on track to deliver. The Midtown Village neighborhood will host the majority of new units coming online, as Manhattan-based Midwood Investment and Development is underway on a 378-unit project at 204 S 12th St. on the site of a former fitness center. One block away, Greystar Real Estate Partners recently broke ground on a 399-



unit apartment tower at 123-127 S 12th St. LCOR's 272-unit Dock Street Tower (which is being built on the site of a former, low-rise hotel) will also deliver in Society Hill in 2024. Local developer Pearl Properties recently acquired the former Toll Brothers site at 702 Sansom Street with plans on redeveloping it with a high-rise mixed-use building. Toll Brothers previously planned to develop a 24-story complex housing ground floor retail and residential condominiums. However, the development was met with significant community resistance.

The Delaware River Waterfront Corporation selected the Durst Organization to execute a \$2.2 billion redevelopment of two prominent parcels along Old City's riparian shore. The eight-year redevelopment process will also integrate a new cap over I-95 which will feature a public park. Durst, a \$10 billion international real estate firm, proposed replacing two adjoining parking areas with some 3.3 million square feet of new development, including over 2,300 residential units, a 225-bed hotel, over 120,000 square feet of retail, 850 parking spots and thousands of square feet of new public space.

Center City Commercial

Demand for Center City retail has been built upon a diversified base of office, education and health care workers, a large and growing downtown population and an expanding number of tourists and convention attendees. The main commercial streets in the immediate area are Walnut Street, Chestnut Street, Market Street, and Broad Street, which represent the prime retail and office locations in Center City. Walnut Street has some of the finest restaurants in Philadelphia. The presence of these restaurants has contributed to the ambiance of the Walnut Street corridor especially during the evening hours. The restaurants have attracted customers to the area thus benefiting adjacent and nearby retail stores.

It is typical for inner city commercial districts to exhibit a wide range of market rents. Well located properties concentrated around the CBD provide appeal to national retailers, which command premium rents; however, in-line, row retail stores operated by local merchants has appeal to the dense residential population that surrounds the neighborhood. Locations with the greatest exposure and accessibility such as the 1400 through 1900 blocks of Walnut Street and 1500 to 1900 blocks of Chestnut Street indicate rents ranging from a low of \$50 for larger blocks of space to more than \$130 per square foot and beyond on a net basis for smaller retail space.

2nd Street, 3rd Street, Chestnut and Market Streets are the main commercial arteries in Old City consisting of a variety of commercial retail, restaurant and mixed-use commercial / residential buildings as well as several mid-rise office structures. The streets consist of a variety of stores and shops ranging from retail uses catering to the masses to high quality antique stores, small theaters, art galleries, gourmet restaurants and gift shops, among others, all of which contribute a unique and un-monotonous vitality to the area. Immediately on Market Street are a number of national or regional retailers in addition to stores operated by local merchants. The commercial market, in which the subject competes, appears to be enjoying a moderate to high level of occupancy regarding storefront rentals with rates typically ranging from \$25 to \$45 per square foot net to gross with some in excess of \$50 per square foot depending on specific locations along the corridor.



Financial Overview

Inflation had climbed to a historic high over the past two years due to supply chain issues as well as the initial Fed benchmark interest rate decreases during the onset of the pandemic. The Federal Reserve adjusts the federal funds target rate range in response to what’s happening in the economy. Adjusting rates helps the Fed achieve conditions that satisfy their dual mandate: Keep prices stable and maximize employment.

It’s easy to forget that the Fed was holding the federal funds rate at around zero as recently as the first quarter of 2022. The Fed was also still buying billions of dollars of bonds every month to stimulate the economy. All despite 40-year highs in various measures of U.S. inflation. Once the Fed decided it was time to do something about inflation, it moved forcefully. Over the last year, the central has raised the fed funds rate by nearly five percentage points. The goal: to reduce red-hot inflation rates that are eating into the purchasing power of everyday Americans without sparking a recession.

In a move that financial markets had completely priced in, the central bank’s Federal Open Market Committee raised its funds rate by a quarter percentage point to a target range of 5.25%-5.5%. The midpoint of that target range would be the highest level for the benchmark rate since early 2001. The increase in July 2023 was the 11th time the FOMC has raised rates in a tightening process that began in March 2022. The committee decided to skip the June meeting as it assessed the impact that the hikes have had. Since that time, the Fed has not raised interest rates through January 2024. The following chart summarizes the rate increases over the past twelve months.

FED RATE HIKES 2022-2023: TAMING INFLATION		
FOMC Meeting Date	Rate Change (BPS)	Federal Funds Rate
7/25/2023	(+25)	5.25%-5.50%
5/2/2023	(+25)	5.00% - 5.25%
3/3/2023	(+25)	4.75% - 5.00%
2/1/2023	(+25)	4.50% - 4.75%
12/14/2022	(+50)	4.25% - 4.50%
11/2/2022	(+75)	3.75% - 4.00%
9/21/2022	(+75)	3.00% - 3.25%
7/27/2022	(+75)	2.25% - 2.50%
6/16/2022	(+75)	1.50% - 1.75%
5/5/2022	(+50)	0.75% - 1.00%
3/17/2022	(+25)	0.25% - 0.50%

Inflation’s broad slowdown extended through October, likely ending the Federal Reserve’s historic interest-rate increases. Consumer prices overall were flat in October and rose 3.2% from a year earlier, a slower pace than in September, the Labor Department reported on November 14th, 2023. Overall inflation hit a recent peak of 9.1% in June 2022.

The all items index rose 3.4 percent for the 12 months ending December, a larger increase than the 3.1- percent increase for the 12 months ending November. The all items less food and energy index rose 3.9 percent over the last 12 months, after rising 4.0 percent over the 12 months ending November. The energy index decreased 2.0 percent for the 12 months ending December, while the food index increased 2.7 percent over the last year.





The easing reflected lower prices for cars and airfares and milder growth in the cost of housing and other services. Core inflation is often viewed as a better predictor of inflation's future trajectory than the overall numbers. Since March 2022, the Fed has raised interest rates to a 22-year high to combat inflation by slowing economic activity. They last raised them in July 2023. Since then, officials have extended a pause in rate increases and are very likely to do so again at their next meeting, March 2024.

The Federal Reserve formally shifted its interest-rate outlook, providing flexibility to lower rates in the coming months if it is convinced inflation hazards have receded. As expected, the central bank left its benchmark federal-funds rate in a range between 5.25% and 5.5% in its last meeting in January 2024. Wage growth slowed at the end of 2023, according to Labor Department figures released Wednesday. The employment-cost index, which the Fed considers the most comprehensive measure of compensation growth, showed private-sector pay rose 4.3% in the fourth quarter from a year earlier, the mildest gain in 2½ years.

Finally, real gross domestic product (GDP) increased at an annual rate of 3.3 percent in the fourth quarter of 2023, according to the "advance" estimate. In the third quarter, real GDP increased 4.9 percent. The increase in the fourth quarter primarily reflected increases in consumer spending and exports. Imports, which are a subtraction in the calculation of GDP, increased.

There is little sign that a recession is imminent this year, either. Early forecasts point to continued, albeit slower growth in the first three months of 2024. Layoffs remain low, and job growth has held steady. Cooling inflation has meant that wages are again rising faster than prices. And consumer sentiment is at last showing signs of rebounding after years in the doldrums.



These economic troubles have been impacting real estate market conditions in the immediate and general market area of the subject property. A market analysis includes observing market reactions. Given this sustained volatility, the general and immediate real estate market will most likely continue to be directly impacted with downward pressure on pricing, prolonged market exposure times, etc.

Independence Hall Retail Submarket Analysis – Costar

According to the most recent Costar market survey, the Independence Hall retail submarket has a vacancy rate of 6.1%. This vacancy rate is 1.2% higher than it was this time last year. There has been 37,000 SF of negative absorption and 2,200 SF of net deliveries. Rents have decreased 1.8% in the past 12 months and are currently around \$29.00/SF. Nothing is under construction in the Independence Hall retail submarket. In the past year, there have been 12 sales, which traded for approximately \$11.8 million in volume. Vacancy is 6.2% in general retail buildings, and there has been 37,000 SF of negative absorption in this asset class over the past year.

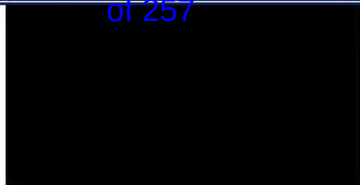
Current vacancy is higher than its trailing three-year average of 4.7%, which in turn, is higher than the trailing three-year average for the Philadelphia market as a whole, which is 4.6%. Rents have decreased 2.6% over the past three years, lower than the 4.5% change seen in the wider Philadelphia market for the same period. There have been 62 sales over the past three years, amounting to \$81.0 million in volume and 310,000 SF of inventory. The total Independence Hall retail submarket comprises 3.2 million SF of inventory.

These statistics are displayed on the following chart.

KEY INDICATORS							
Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	0	-	-	-	0	0	0
Power Center	0	-	-	-	0	0	0
Neighborhood Center	0	-	-	-	0	0	0
Strip Center	20,913	0%	\$27.17	0%	0	0	0
General Retail	3,205,949	6.2%	\$28.83	7.1%	(18,926)	0	0
Other	0	-	-	-	0	0	0
Submarket	3,226,862	6.1%	\$28.82	7.1%	(18,926)	0	0
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.2%	3.7%	6.0%	6.1%	2024 Q1	2.4%	2012 Q2
Net Absorption SF	(37.1K)	(2,067)	(3,239)	79,508	2006 Q4	(64,250)	2014 Q2
Deliveries SF	2.2K	4,953	6,047	50,186	2006 Q4	0	2023 Q2
Market Asking Rent Growth	-1.8%	1.3%	0.6%	4.5%	2007 Q1	-3.6%	2009 Q2
Sales Volume	\$11.5M	\$18.8M	N/A	\$41.2M	2022 Q1	\$3.1M	2009 Q4

As indicated, the subject property is located in a desirable section of Center City Philadelphia which is heavily traveled and densely populated. The area of the subject has a history of desirability and relatively moderate vacancy rates and the location attributes have created a forceful inducement for private commercial and residential investment in the community. The most recent overall vacancy factor was 6.1% which is above the historical average and rent growth was a negative 1.8% over the past twelve months. Considering the foregoing, the subject property should continue to be in relatively high demand.





Center City Apartment Sub-Market Analysis – Costar

According to the most recent Costar market survey, the population in Greater Center City has increased by 38% over the past 20 years, resulting in a 40% growth in local apartment inventory. Currently, there are over 200,000 residents, making Center City the third-largest downtown residential population in the United States. Despite being a mature market with limited space for large-scale development, inventory is on pace to expand annually by 6.7% with the 1,700 units currently under construction. This resilience in construction showcases Center City's strength amidst the major economic disruptions of recent years. Center City has experienced remarkable growth as the region's fastest-growing residential submarket over the last two decades.

This can be attributed to its vibrant, mixed-use downtown, making it the densest employment hub in the region and boasting the second-highest concentration of arts and cultural attractions in the country, with nearly 500 museums, theaters, and performing arts organizations. After a year of surging demand and rent growth, which stemmed from the in-migration of renters in surrounding counties and more expensive cities like New York City, the market has significantly cooled in the first half of 2023 as renters grapple with recent inflation, shrinking savings, and historic rent hikes of the past years.

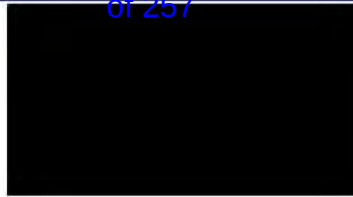
With eased demand and a significant wave of new supply beginning to hit the market, rent growth will likely continue to moderate as vacancy trends upward, with more rental options entering the market throughout 2024. With increased competition, landlords have begun to offer concessions to attract residents since late 2022. Rising costs and a shortage of improvable land in this submarket have led development to spill over to neighboring submarkets over recent years, particularly on the northern border of Center City. Nevertheless, major developers continue to densify the already established market with new high-end residential inventory to meet the downtown's steady rotation of young professionals, empty-nesters, college students, and urban dwellers.

Key Indicators

According to Costar, the apartment submarket has total inventory of 24,956 units. The most recent vacancy factor was 7.5% which is an increase of 0.2% over the past twelve months. Historical vacancy was reported at 6.7%. The net absorption over the past year was positive at 690 units and effective rent growth was reported at positive 1.9%. The average asking rent is currently \$2,330 per month. Sales volume over the past twelve months was \$303 million well over the historical average of \$117.4 million.

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	11,854	8.5%	\$2,688	\$2,660	20	0	1,678
3 Star	6,092	7.5%	\$1,955	\$1,943	(1)	0	0
1 & 2 Star	7,010	5.7%	\$1,576	\$1,567	0	0	0
Submarket	24,956	7.5%	\$2,330	\$2,309	19	0	1,678
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.2%	6.7%	7.9%	12.3%	2020 Q4	2.9%	2000 Q2
Absorption Units	690	334	501	2,112	2021 Q4	(791)	2020 Q4
Delivered Units	795	398	566	1,450	2018 Q2	0	2011 Q1
Demolished Units	0	9	3	80	2008 Q4	0	2023 Q3
Asking Rent Growth (YOY)	1.9%	1.3%	3.1%	9.6%	2021 Q4	-4.6%	2020 Q4
Effective Rent Growth (YOY)	1.9%	1.3%	3.1%	12.7%	2021 Q4	-6.8%	2020 Q4
Sales Volume	\$303M	\$117.4M	N/A	\$583.1M	2015 Q3	\$5.9M	2009 Q1





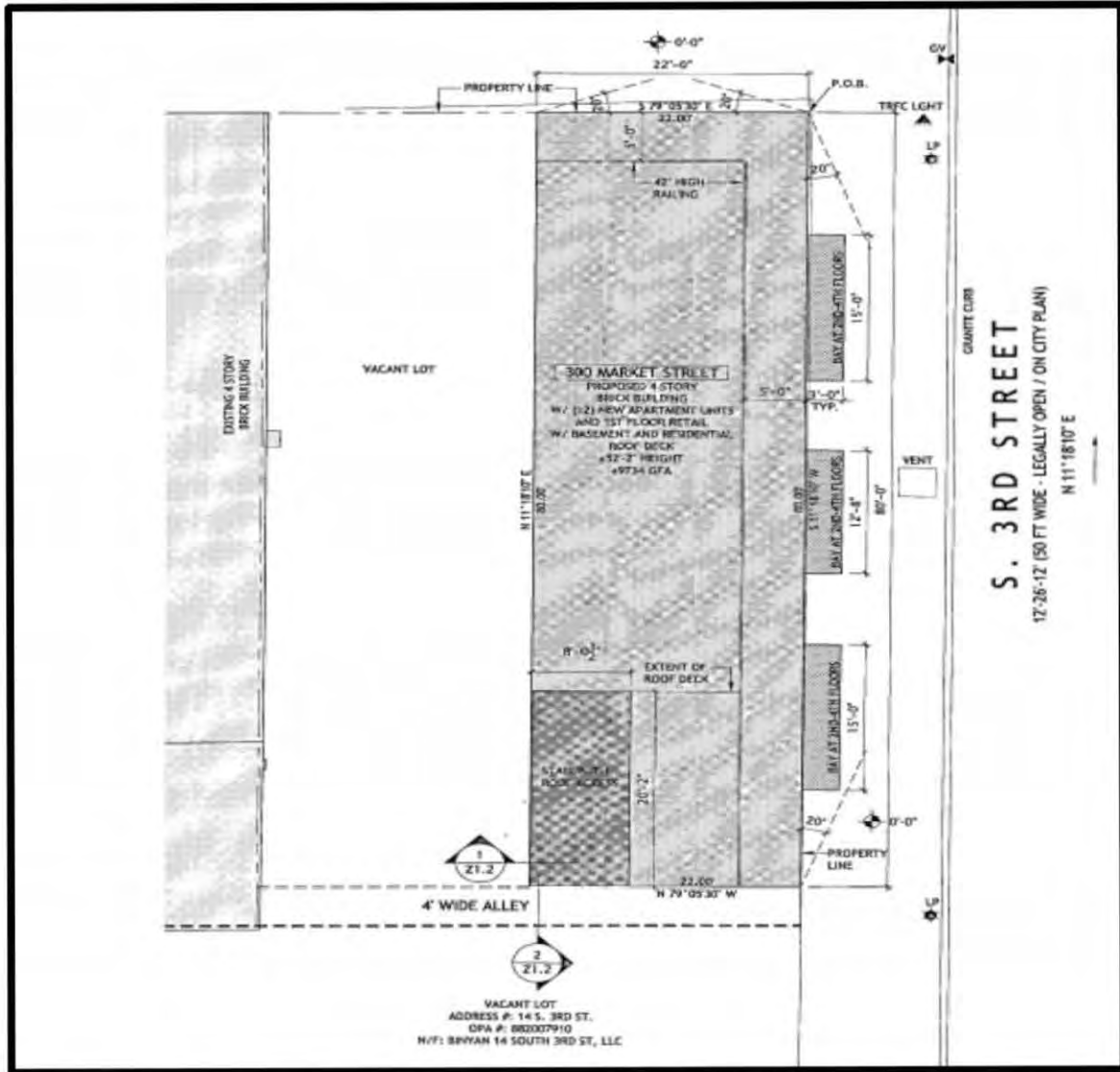
Conclusion

As indicated, the subject property is located in a desirable section of Center City Philadelphia. The area of the subject has a history of desirability and moderate to low vacancy rates and the location attributes have created a forceful inducement for private commercial and residential investment in the community which is forecasted to continue into the foreseeable future. The most recent overall vacancy factor was 7.5% which is above the historical average however rent growth was positive 1.9% over the past twelve months. The subject property contains relatively small apartments units with modern finishes and amenities and should continue to appeal to tenants in the immediate submarket.



PHYSICAL DESCRIPTION

Site Description –



Site Plan

- Land Area:** According to the site plan and legal description which can be found in the addendum, the subject site contains 1,760± square feet.
- Frontage:** The site contains 22' of frontage along Market Street and 80' along South 3rd Street.
- Shape:** Rectangular in shape.
- Topography:** Level at street grade.



Utilities: All municipal utilities are available and connected to the site.

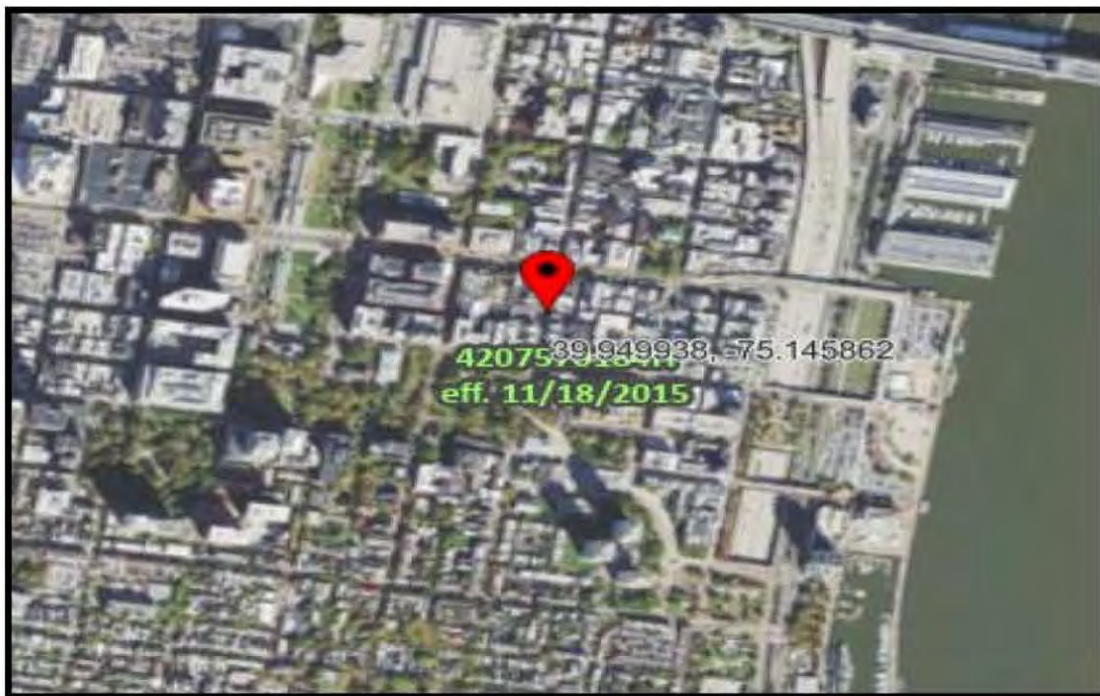
Easements & Land Use Restrictions: There are no known adverse easements that affect the subject site. The subject is assumed to be encumbered by normal utility easements.

Site Improvements: Site improvements include concrete curbs and sidewalks.

Soil Conditions I have not reviewed a soil survey of the subject site; however, based on the surrounding developed uses and the existing subject improvements, it appears that there is sufficient load bearing capacity to support commercial development.

Environmental Hazards The appraiser is not an expert in matters of environmental concern and no environmental study was conducted in conjunction with the preparation of this appraisal report. Furthermore, I have assumed that the subject is free and clear of any environmental contaminants in the building or its supporting land.

Flood Plain Information According to the FEMA flood map, the subject is situated within Community Panel No. 4207570184H dated November 18, 2015 which indicated that the subject property is situated in Zone X, an area outside of the 100 and 500-year flood plain. A copy of the flood map is presented below.

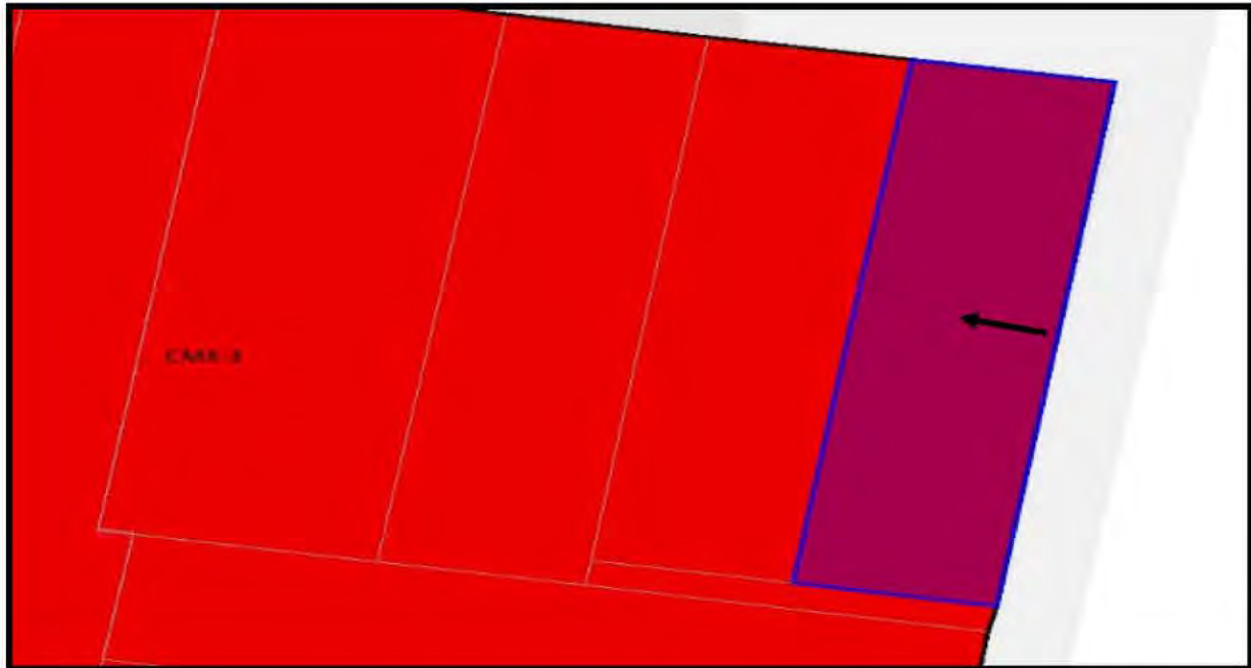


Flood Map



Zoning

According to the zoning map for the City of Philadelphia, which is reproduced below, the subject property is in the CMX-3 Commercial Mixed-Use zoning district.



The CMX-3 Commercial Mixed-Use district permits a variety of high density commercial, retail, office, multi-family and mixed-use applications similar to the subject property. Based on the foregoing, the subject appears to conflict with the area and bulk regulations of this district regarding excessive lot coverage. Specific use and dimensional standards for and permitted uses for the zoning district is presented on the following chart.

CMX-3											
<p>Description: Community commercial and residential mixed use</p> <p>Uses permitted as of right: Household Living; Group Living; Recreation; Day Care; Educational Facilities; Fraternal Organization; Hospital/Libraries and Cultural Exhibits; Religious Assembly; Safety Services; Transit Station; Utilities and Services, Basic; Wireless Service Facility; Office; Building Supplies and Equipment; Consumer Goods (except Drug Paraphernalia and Guns); Food, Beverage, and Groceries; Pets and Pet Supplies; Sundries; Pharmaceuvticals, and Convenient Sales; Wearing Apparel and Accessories; Animal Services; Assembly and Entertainment (except Amusement Arcades, Casino, and Pool or Billiards Room); Building Services; Business Support; Eating and Drinking Establishment; Financial Services (except Personal Credit Establishments); Funeral and Mortuary Services; Maintenance and Repair of Consumer Goods; Structured Parking; Personal Services (except Body Art Services); Radio, Television, and Recording Services; Visitor Accommodations; Personal Vehicle Repair Sales and Rental; Personal Vehicle Repair and Maintenance; Gasoline Station; Vehicle Equipment and Supplies Sales and Rental; Moving and Storage Facilities; Artist Studios and Artisan Industrial; Research and Development; Community Garden; Market or Community-Supported Farm</p> <p>Uses requiring special exception approval: Surface Parking</p>											
	<table border="1"> <tr> <td>Max. Occupied Area</td> <td>Intermediate: 75% Corner: 60%</td> </tr> <tr> <td>Min. Front Yard Depth</td> <td>NA</td> </tr> <tr> <td>Min. Side Yard Width</td> <td>8 ft. if used for building w/ dwelling units</td> </tr> <tr> <td>Min. Rear Yard Depth</td> <td>NA</td> </tr> <tr> <td>Max. FAR</td> <td>500%; up to an additional 300% with bonuses</td> </tr> </table>	Max. Occupied Area	Intermediate: 75% Corner: 60%	Min. Front Yard Depth	NA	Min. Side Yard Width	8 ft. if used for building w/ dwelling units	Min. Rear Yard Depth	NA	Max. FAR	500%; up to an additional 300% with bonuses
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Min. Rear Yard Depth	NA										
Max. FAR	500%; up to an additional 300% with bonuses										



We have made a cursory review of the zoning code however; we are not experts in its interpretation. The subject property is assumed to represent a legal non-conforming use. A use certificate from the City of Philadelphia has been obtained indicating the subject property is legally registered for the current use. The appraiser makes no warranties to the zoning compliance of the subject property. If the property is found to be an illegal use, the appraiser reserves the right to amend the report and adjust the market value contained herein, if necessary.

ZONING/USE PERMIT		CITY OF PHILADELPHIA DEPARTMENT OF LICENSES & INSPECTIONS 1401 JOHN F KENNEDY BLVD PHILADELPHIA, PA 19102-1667		PERMIT NUMBER 632933	
SUBJECT TO REVOCATION IF FULL INFORMATION IS MISREPRESENTED OR NOT PROVIDED		FEE \$375.00	DATE 10/26/15		
LOCATION OF WORK: 00300 MARKET ST PHILADELPHIA, PA 19106-2704				ZONING CLASSIFICATION CMX-3	
OWNER 300 MARKET STREET ASSOCIA 630 N 3RD ST PHILADELPHIA, PA 19123		APPLICANT [REDACTED]		PLAN EXAMINER CHELI DAHAL	
				ZONING BOARD OF ADJUSTMENT DECISION CALENDAR # 26035 DATE 10/21/15	
THIS PERMIT DOES NOT AUTHORIZE ANY CONSTRUCTION UNTIL RELATED CONSTRUCTION PERMITS ARE ISSUED					
UNDER REGULATIONS OF THE PHILADELPHIA ZONING ORDINANCE FOR ZONING APPROVAL. FOR THE ERECTION OF AN ATTACHED STRUCTURE (522") WITH CELLAR ; STAIR ACCESS TO ROOF DECK ONLY; BAY WINDOWS FROM 2ND FLOOR THROUGH FORTH FLOORS FOR A MULTI-FAMILY HOUSEHOLD LIVING (TWELVE(12) DWELLING UNITS) FROM SECOND FLOOR THROUGH FORTH FLOORS . SIZE AND LOCATION AS SHOWN IN THE APPLICATION.					
USE REGISTRATION FOR A MULTI-FAMILY HOUSEHOLD LIVING (TWELVE(12) DWELLING UNITS) FROM SECOND FLOOR THROUGH FORTH FLOORS .					
SUBJECT TO THE FOLLOWING PROVISOS AS ESTABLISHED BY THE ZONING BOARD OF ADJUSTMENT. NONE					
OFFICE COPY					
ANY PERSON AGGRIEVED BY THE ISSUANCE OF THIS PERMIT MAY APPEAL TO THE ZONING BOARD OF ADJUSTMENT (ZBA). FOR INSTRUCTIONS ON FILING AN APPEAL, PLEASE CONTACT THE ZBA AT 215-686-2429 OR 215-686-2430.					
IT SHALL BE THE OWNER'S RESPONSIBILITY TO SECURE THE APPROVAL OF THE PHILADELPHIA HISTORICAL COMMISSION PRIOR TO ANY ALTERATION TO A HISTORIC PROPERTY. TO CHECK THE HISTORIC STATUS OF A PROPERTY, CALL THE PHILADELPHIA HISTORICAL COMMISSION AT 215-686-7880.					
FOR ESTABLISHMENTS THAT PREPARE AND SERVE FOOD, APPLICANTS MUST OBTAIN ALL NECESSARY APPROVALS FROM THE HEALTH DEPARTMENT. SEPARATE PLAN REVIEWS AND FEES MAY BE REQUIRED. CONTACT THE PHILADELPHIA DEPARTMENT OF PUBLIC HEALTH - ENVIRONMENTAL HEALTH SERVICES / OFFICE OF FOOD PROTECTION: 321 UNIVERSITY AVE. - 2ND Floor, PHILADELPHIA, PA 19104 TELEPHONE NUMBER: (215) 685-7495					
LIMITATIONS: IN CASES WHERE CONSTRUCTION OR INTERIOR ALTERATIONS ARE INVOLVED, A BUILDING PERMIT MUST BE OBTAINED WITHIN THREE (3) YEARS FROM THE DATE OF ISSUANCE OF THIS ZONING PERMIT. IN CASES WHERE NO CONSTRUCTION OR INTERIOR ALTERATIONS ARE INVOLVED, THIS PERMIT BECOMES INVALID AFTER SIX (6) MONTHS UNLESS AN APPLICATION FOR A CERTIFICATE OF OCCUPANCY IS SUBMITTED AND SUBSEQUENTLY APPROVED.					
THIS PERMIT IS NOT A CERTIFICATE OF OCCUPANCY OR A LICENSE.					
ALL PROVISIONS OF THE CODE AND OTHER CITY ORDINANCES MUST BE COMPLIED WITH, WHETHER SPECIFIED HEREIN OR NOT. THIS PERMIT CONSTITUTE APPROVAL FROM ANY STATE OR FEDERAL AGENCY, IF REQUIRED.					
<u>WITHIN 5 DAYS OF RECEIPT OF THIS PERMIT A TRUE COPY OF THIS PERMIT MUST BE POSTED IN A CONSPICUOUS LOCATION ON THE PREMISES FOR 30 DAYS</u>					





Improvements

The subject property consists of a four-story plus partially finished basement, elevator served mixed-use commercial / residential building containing a commercial unit at street level utilized as a restaurant and twelve (12) apartment units at the upper levels. The subject improvements were estimated to contain approximately 7,583± square feet of gross above grade building area. The improvements were constructed in 2017 and were observed to be in overall very good physical condition at time of inspection with mainly good quality finishes.

Pertinent construction details and property characteristics are as follows.

- Foundation / Basement:** Concrete and concrete block foundation walls over concrete footings resting on sufficient bearing soil assumed. The subject contains a partially finished basement utilized in conjunction with the first-floor commercial unit. The basement also contains an unfinished mechanical room containing utility meters and heating systems.
- Exterior Walls:** Primarily masonry brick, stucco and stone.
- Framing:** Masonry and wood.
- Floors:** Concrete at the basement level and wood subfloors on the upper levels assumed. The building offers a mix of vinyl plank, porcelain and ceramic tile finished flooring.
- Roof:** Fiberglass roof deck assumed to be in average condition.
- Windows:** The building contains a fixed storefront window in aluminum frames at the street-level front and side elevations and mainly vinyl casement and double-hung windows throughout the remainder of the property.
- Power:** 800 Amp incoming service. The electric service is assumed to be adequate for the current use. Separate meters for each unit and common areas.
- HVAC:** Each apartment unit reportedly contains electric mini-split systems and domestic water heaters. The restaurant unit reportedly contains an electric heat pump / HVAC system and two (2) 50-gallon domestic water heaters. The majority of the heating systems are not in view and are assumed to be in good condition.
- Fire Protection / Security:** The building contains a wet sprinkler / fire suppression system, fire alarm system with hard wired smoke detectors, sirens and pull stations.
- Elevator:** The building contains one passenger elevator.
- Quality of Construction:** Good
- Functional Utility:** Good





Condition / Age:

According to the public record, the improvements were constructed in 2017. The subject improvements were observed to be in overall very good condition at time of inspection.

General Layout & Finishes:

The commercial unit is accessed by a storefront entry system along the front elevation of the property. The commercial unit is utilized as a restaurant consisting of open dining areas, customer service counter, a two-fixture lavatory and a kitchen containing a full complement of commercial cooking equipment. The unit includes direct access and use of the semi-finished basement which includes janitorial closets, a walk-in cooler, and storage areas. The unit contains an estimated 1,280+/- square feet of net rentable area at street level. Typical interior finishes include sheetrock, vinyl panel, ceramic tile wall coverings and backsplashes, and exposed brick walls, sheetrock ceilings, and ceramic tile flooring.

All of the apartment units in the property are accessed by a shared vestibule entry at the side elevation. The apartment unit mix includes eleven (11) studio units and one (1) bi-level one-bedroom unit. Each apartment unit contains a kitchen / living area combination and one (1) three-fixture bathroom. The kitchens offer good quality wall and base cabinets with quartz countertops, good quality stainless-steel appliances including a range / oven, microwave oven, dishwasher and refrigerator. Each also includes in-unit laundry systems. The bathrooms feature a single-sink vanity, tub or shower stall with porcelain or ceramic tile surrounds and the majority with glass enclosures. The units are estimated to range in size from approximately 321 to 432+/- square feet of net rentable area. As indicated, only a representative sampling of the units was available for inspection. The appraisal assumes the physical description provided by the property contact as well as the estimated unit areas to be accurate.

Structural / Environmental Hazard:

The appraiser is not a building inspector or an expert in the field of detecting environmentally hazardous materials. The property was assumed to be structurally sound and free of any contamination including but not limited to mold, lead, asbestos, petrochemicals, or radon gas, which, if present may adversely affect the value conclusions contained within this report. If the building is compromised structurally or any contamination is found at the subject property, the appraiser reserves the right to amend this report and adjust the opinion of market value stated herein.

Americans with Disability Act:

The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made, nor are we qualified by training to make, a specific compliance survey and analysis of this property to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey and a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of





the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have not been provided with the results of a survey, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

REAL ESTATE TAXES & ASSESSMENT

The subject property is identified as 300 Market Street or by the City of Philadelphia Tax Assessor’s office as parcel number 881007028. According to the Philadelphia Office of Property Assessment, the subject property is currently assessed at \$3,380,900. Applying the current tax rate of 1.3998% to the assessed value produces an annual tax liability in the amount of \$47,326 as demonstrated below. However, this excludes the current tax abatement. According to the State Tax Equalization Board (STEB), the STEB ratio in Philadelphia County for 2024 is 100.0% indicating an assessor’s implied market value of the subject of \$3,380,900.

Real Estate Assessment and Taxes					
Assessment Year	Land	Improvements	Total	Tax Rate	Taxes
2024	\$338,090	\$3,042,810	\$3,380,900	\$13.998	\$47,326

Based on the following analysis, the current assessment is above our conclusion of market value. It is stressed that the real estate assessments within the City of Philadelphia are not conforming and vary greatly from property to property within like property classes.

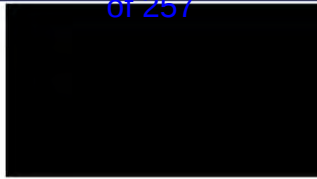
Special Services District Tax

The subject property is also located in the Old City Special Services District. An additional surtax is charged based upon a property's proportionate share of the total assessment of the entire district. The proportionate share is multiplied by the total project cost to determine the amount charged to property owners in this district. The district taxes were estimated at \$2,700 per year. However, this excludes the tax abatement. According to a representative of the district, the current non-abated taxes are \$270.

Tax Abatement

The City of Philadelphia has a real estate tax abatement program adopted under Ordinance # 1130, which abates real estate taxes for ten years, for value added, as a result of new construction or rehabilitation to an existing building. According to the Office of Property Assessment, the subject property has obtained a ten-year tax abatement which commenced in January 2018. Thus, the owner of the subject property would enjoy a surplus of net operating income for the remaining period of four years which needs to be quantified. The owner will be responsible for the non-abated land taxes.





City of Philadelphia Property

[Back to results](#)

300 MARKET ST
PHILADELPHIA, PA 19106-2704

PRINT

Year	Market Value	Taxable Land	Taxable Improvement	Exempt Land	Exempt Improvement
2024	\$3,380,900	\$338,090	\$0	\$0	\$3,042,810
2023	\$3,380,900	\$338,090	\$0	\$0	\$3,042,810
2022	\$3,380,900	\$338,090	\$0	\$0	\$3,042,810
2021	\$3,380,900	\$338,090	\$0	\$0	\$3,042,810
2020	\$3,380,900	\$338,090	\$0	\$0	\$3,042,810
2019	\$3,347,500	\$334,750	\$0	\$0	\$3,012,750
2018	\$3,250,000	\$325,000	\$225,000	\$0	\$2,700,000
2017	\$0	\$0	\$0	\$0	\$0
2016	\$264,000	\$264,000	\$0	\$0	\$0
2015	\$264,000	\$264,000	\$0	\$0	\$0

Based on the foregoing, the current total tax liability excluding the abatement would be \$47,326. As stated, the owner is currently responsible for only the current non-abated taxes which are \$4,732. Thus, a surplus in revenue in the amount of \$42,594.84 is realized. The first step of this process involves calculating the annual tax savings and the second step involves discounting the future savings into present value.

These annual tax savings are guaranteed by law and as such involve virtually no risk over the term of the abatement. Therefore, the discount rate should be equivalent to other “safe” rates. As of the effective date of value March 5, 2024, the Ten-Year Treasuries reported yields of 4.13%. We have utilized a discount rate of 4.00% in estimate the present worth of the annual tax savings. The assumptions utilized in estimating the present worth of the tax savings follow below.

Discount Rate	4.00%
Remaining Term	4 Years
Total Tax Liability	\$47,326
Non-Abated Taxes	\$4,732
Surplus Revenue	\$42,594
Annual Growth Rate	2.50%

The net present value of the indicated tax savings is presented below.





Real Estate Tax Savings Present Value Analysis				
Cash Flow Analysis	YEAR 1	YEAR 2	YEAR 3	YEAR 4
Total Tax Liability	\$47,326	\$48,509	\$49,722	\$50,965
Non-Abated Tax	\$4,732	\$4,850	\$4,972	\$5,096
Tax Savings	\$42,594	\$43,659	\$44,750	\$45,869
Discount Factor	0.961538	0.924556	0.888996	0.854804
Present Value	\$40,956	\$40,365	\$39,783	\$39,209
Total Present Value	\$160,313			

Based upon our analysis, the present value of the economic benefit of the real estate tax abatement is \$160,313 .

Old City District Tax Savings Present Value Analysis				
Cash Flow Analysis	YEAR 1	YEAR 2	YEAR 3	YEAR 4
Total Tax Liability	\$2,700	\$2,768	\$2,837	\$2,908
Non-Abated Tax	\$270	\$277	\$284	\$291
Tax Savings	\$2,430	\$2,491	\$2,553	\$2,617
Discount Factor	0.961538	0.924556	0.888996	0.854804
Present Value	\$2,337	\$2,303	\$2,270	\$2,237
Total Present Value	\$9,146			

Based upon our analysis, the present value of the economic benefit of the Old City District tax abatement is \$9,146. This equates to a total abatement value of \$169,459. This estimate will be added as a lump sum to the concluded opinion of market value in the Income Capitalization Approach. Equivalent adjustments will be applied to the comparable sales in the Sales Comparison Approach.

The subject property currently benefits from a tax abatement. The remaining term, contributory value, etc. are estimated based on the information available at time of appraisal. If the estimated remaining term is found to be in accurate, the appraiser reserves the right to amend the appraisal and adjust the conclusions contained herein.





HIGHEST & BEST USE

In the most recent edition of The Appraisal of Real Estate, the Appraisal Institute defines highest and best use as:

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." To estimate highest and best use, four elements are considered:

The four criteria used in the highest and best use analysis are defined as:

1. Legally Permissible - What uses of the site are permitted under current zoning or deed restrictions?
2. Physically Possible - What legally permissible uses are physically possible given the size and shape of the subject site and the utilities available?
3. Financially Feasible - Of the legally permissible and physically possible uses of the site, which uses will produce a positive return to the investor?
4. Maximally Productive - Of the financially feasible uses of the site, which use will produce the highest net return or the highest present value to the investor?

Highest & Best Use "As Though Vacant"

The subject property is in the CMX-3 Commercial Mixed-Use zoning district which permits a variety of commercial and mixed-use commercial / residential applications. The subject site contains approximately 1,760± square feet and based on the surrounding uses, is of sufficient size to be developed with a commercial or mixed-use building.

After determining which uses of the subject are both legally permissible and physically possible, further analysis must be made to determine whether these uses are financially feasible. If the revenue generated from the legally permissible and physically possible uses is sufficient to satisfy the required rate of return on the investment, the use is a financially feasible use. The third and fourth tests are, respectively, what is feasible and what will produce the highest net return to the land. Of primary significance to financially feasible uses of the property is its specific location, which influences the possible alternative uses for future development.


The subject property is located at the intersection of South 3rd Street and Market Street in the desirable Old City section of Center City Philadelphia. The location of the subject property is heavily traveled and built-up with a mix of commercial, multi-family and mixed-use commercial / residential buildings like the subject property. New construction can be found throughout the immediate area of the subject property.

Mindful of those underlying criteria for real estate's highest and best use, it is our opinion that, as vacant land, the highest and best use of the subject site would be for development in accordance with the current zoning district and in conformity with the surrounding uses with a mixed-use commercial / residential building being most probable.

Highest & Best Use "As Improved"

The subject property consists of a four-story plus partially finished basement, elevator served mixed-use commercial / residential building containing a commercial unit at street level utilized as a restaurant and twelve (12) apartment units at the upper levels. The subject improvements were estimated to contain approximately 7,583± square feet of gross above grade building area. The subject is in the CMX-3 Commercial Mixed-Use zoning district and is assumed to represent a legal non-conforming use.





Based upon my investigation, with consideration given to the subject's location, specifically along South 3rd and Market Streets within a desirable section of Center City Philadelphia, which exhibits a variety of uses much like the subject; there is no justifiable economic reason to remove the building. The value of the subject property on an improved basis is greater than that of the site as vacant. Consequently, it is our opinion that the highest and best use of this site, as improved, is for its continued use as a mixed-use commercial / residential building.

VALUATION ANALYSIS

There are three conventional approaches to real estate valuation, namely, Cost, Income and Sales Comparison. The Income Capitalization Approach renders an estimate of value based upon the present worth of the potential future benefits derived from ownership of the subject property. The Sales Comparison Approach renders an estimate of value based upon the competitive prices at which as equally desirable substitute property can be acquired in the open market.

Real property such as the subject is regularly bought and sold in the open market therefore, we have developed the Sales Comparison Approach. The Sales Comparison Approach depends on consummated sales transactions to be used as benchmarks of comparison in evaluating the present worth of the property being appraised. As such, it was recognized that the terms of sale of most mixed-use buildings are typically customized and non-standardized. It is, therefore, often difficult to develop a common pattern that can be applied to a particular property because the motivations and conditions underlying each individual sale reflect the custom character of the real estate market. Many of these peculiarities in individual transactions are difficult to uncover by the appraiser. The sales considered have been scrutinized in depth and satisfactorily demonstrate a reasonable basis from which to form a value conclusion for the subject. For this approach to be valid, a quantity of directly comparable properties is required in order to affect the comparative process. This approach was applied and through the process of comparison and adjustment, equated to the utility of the subject.

Due to the inherent age of the building/structural components and the resulting subjectivity in the estimation of the total accrued depreciation inherent in them, the Cost Approach was not considered applicable to the valuation of the subject property. Moreover, an informed prospective buyer would not employ the mechanics of the cost approach in tendering an offer to purchase the subject property.

In addition, the Income Capitalization Approach was also developed and involves forecasting the probable income that will be generated by the property and then translating this income stream into value by the process of capitalization. The Income Capitalization Approach most closely approximates the way investors evaluate investment property. The most common methods of converting net income into value are Direct Capitalization and Discounted Cash Flow Analysis. In Direct Capitalization, net operating income is divided by an overall capitalization rate to indicate an opinion of market value. In the discounted cash flow method, anticipated future cash flows and a reversionary value are discounted to an opinion of net present value at a chosen yield rate (internal rate of return). The Direct Capitalization Method was employed in this analysis.

The strengths and weaknesses of these approaches to the valuation of the subject property are then reviewed. This valuation analysis concludes with a reconciliation of the outstanding differences between the two approaches considered and a final estimate of value for the subject property is rendered.



SALES COMPARISON APPROACH

The Sales Comparison Approach obtains an estimate of value of a property by comparing it with similar properties of the same type and class, which have been sold in the relatively recent past in the same or competing areas. The comparative process utilized in determining the degree of comparability between two properties involved judgment as to their similarity with respect to many value factors including location, construction, age and condition and functional utility, among other considerations.

An acknowledged limitation of this approach is that exactly similar properties seldom exist in the open market. Mixed-use buildings share many common characteristics but, at the same time, possess unique features that make them difficult to compare based on the whole property. Therefore, sales data is better related when reduced to a common unit of comparison, which, in this analysis, was found to be price per square foot of above grade building area.

The following sales were considered the best available and most representative of the subject's market value range.





Improved Sale No. 1



Sales Information

ID	13187	Date	3/13/2024
Address	715 Sansom Street	Price	\$2,100,000
City	Philadelphia	Price Per SF	\$289.42
State	PA	Transaction Type	Closed Sale
Tax ID	881010960	Property Rights	Leased Fee
Grantor	715 Sansom Street LLC	Financing	Conventional
Grantee	715 Sansom Associates, LLC	Conditions of Sale	Motivated Seller
Book/Page or Reference	Not Available	Verification	Knowledgeable Third-Party

Site

Land SF	1,957	Topography	Level at grade
Utilities	All public utilities	Zoning	CMX-5 Commercial Mixed-Use

Improvements

No. of Units	8	GBA	7,256
No. of Stories	4	Condition	Good

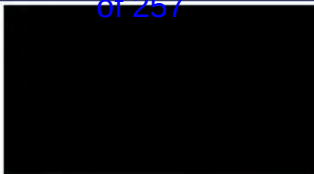
Financial Data

NOI	\$116,853	Cap Rate	5.56%
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Comments

The property consists of a four-story elevator served mixed-use commercial / residential building containing two (2) commercial units at street level and six (6) apartment units at the upper levels. The subject improvements were estimated to contain approximately 7,256± square feet of gross above grade building area and were considered to be in overall good overall physical condition. The commercial units were reportedly tenant occupied at \$1,600 and \$2,800 per month on a gross basis. The rear commercial unit offered minimal exposure from Sansom Street. The apartment unit mix included three (3) 1-bedroom, 1-bathroom units and three (3) 2-bedroom, 1-bathroom units and were reportedly leased at \$1,455 to \$1,795 per month. Stabilized net operating income including projected vacancy and reserve expenses, was estimated at \$116,853 which produces an overall capitalization rate of 5.56%. The property was last marketed in 2023-2024 for \$2,500,000 before producing the sale. The property was in receivership and traded at a discounted sale consideration. The sale information was confirmed with the lending institution and was also appraised by our firm.





Improved Sale No. 2



Sales Information

ID	12865	Date	7/27/2023
Address	216-18 Market Street	Price	\$2,850,000
City	Philadelphia	Price Per SF	\$391.48
State	PA	Transaction Type	Closed Sale
Tax ID	871270198	Property Rights	Leased Fee
Grantor	Junto Real Estate, LLC	Financing	Conventional
Grantee	Brighter Realty PA, LLC	Conditions of Sale	Arm's length
Book/Page or Reference	54212766	Verification	Buyer's Agent

Land

Land SF	1,870	Topography	Level at grade
Utilities	All public utilities	Zoning	CMX-3 Commercial Mixed-Use

Improvements

No. of Units	6	GBA	7,280
No. of Stories	4	Condition	Very Good

Financial Data

NOI	\$155,109	Cap Rate	5.44%
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Comments

Two (2) contiguous four-story plus partially finished basement, elevator served mixed-use commercial / residential building containing two (2) commercial units at street level utilized as a restaurant and four (4) apartment units at the upper levels. The commercial units were reportedly occupied by a single tenant at \$2,500 and \$5,515 per month with less than one year remaining on the terms. The apartment unit mix included two (2) 1-bedroom, 1-bathroom units, one (1) 2-bedroom, 2.5-bathroom unit and one (1) 3-bedroom, 2-bathroom unit. The apartment units were reportedly leased at \$1,675 to \$3,900 per month. The improvements were considered to be in very good physical condition with good quality finishes at time of sale. Based on the broker's pro-forma, net operating income including projected vacancy, management, maintenance and reserves expenses, was estimated at \$155,109 which produces an overall capitalization rate of 5.44%. The property was marketed for approximately 45+/- days at an asking price of \$3,150,000 before producing the sale. The sale information was confirmed with the buyer's agent Emily Chan of Philly Real Estate.



Improved Sale No. 3



Sales Information

ID	12866	Date	3/23/2022
Address	14 South 3rd Street	Price	\$3,250,000
City	Philadelphia	Price Per SF	\$406.25
State	PA	Transaction Type	Closed Sale
Tax ID	871402735	Property Rights	Leased Fee
Grantor	Binyan 14 South 3rd St, LLC	Financing	Conventional
Grantee	Pas 14s3, LLC	Conditions of Sale	Arm's length
Book/Page or Reference	54029661	Verification	Representative of Grantor

Land

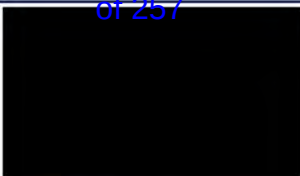
Land SF	1,840	Topography	Level at grade
Utilities	All public utilities	Zoning	CMX-3 Commercial Mixed-Use

Improvements

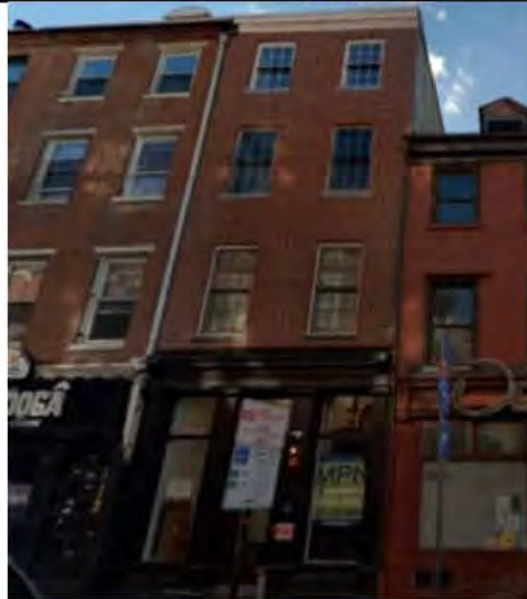
No. of Units	5	GBA	8,000
No. of Stories	5	Condition	Very Good

Comments

Five-story elevator served mixed-use commercial / residential building containing a commercial unit at street level leased to an orthodontic office and four (4) apartment units at the upper levels. The units were reportedly tenant occupied at time of sale. The apartment unit mix included large studio / loft and 2-bedroom, 2-bathroom units. The improvements were constructed in 2018 and considered to be in very good physical condition with very good quality finishes at time of sale. The property included a tax abatement with approximately five years remaining on the term at time of sale. The sale information was confirmed with Costar, the MLS and Public record, and deed as well as a representative of the Grantor, Ilan Seidenwar.



Improved Sale No. 4



Sales Information

ID	7780	Date	12/10/2021
Address	136 Chestnut Street	Price	\$1,230,000
City	Philadelphia	Price Per SF	\$416.24
State	PA	Transaction Type	Closed Sale
Tax ID	882487300	Property Rights	Leased Fee
Grantor	M2M Ventures Group, LLC	Financing	Cash to Seller
Grantee	JB Chestnut, LLC	Conditions of Sale	Arm's length
Book/Page or Reference	53961605	Verification	Listing Agent

Land

Land SF	948	Topography	Level at grade
Utilities	All public utilities	Zoning	CMX-3 Commercial Mixed Use

Improvements

No. of Units	5	GBA	2,955
No. of Stories	4	Condition	Very Good

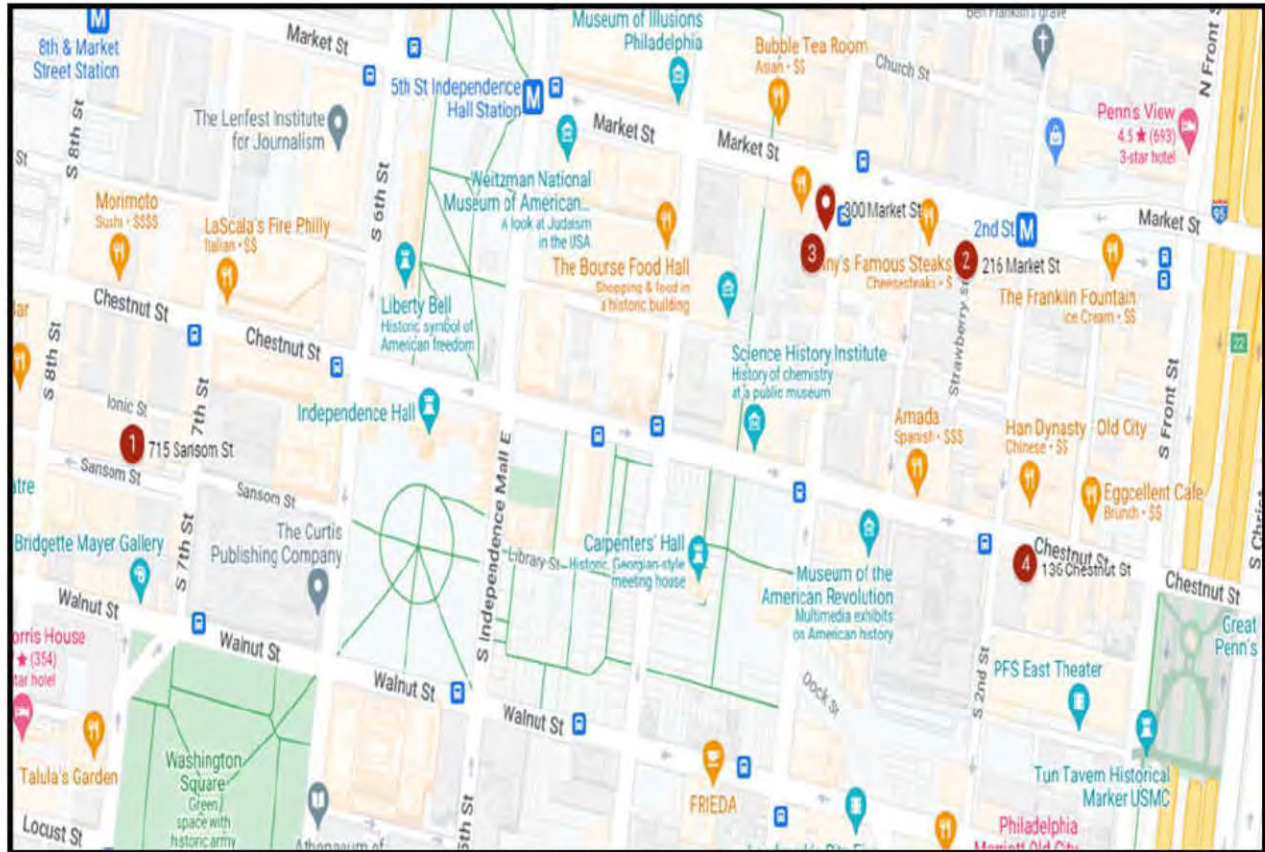
Financial Data

NOI	\$70,711	Cap Rate	5.75%
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Comments

Three-story plus mezzanine level and partially finished basement mixed-use commercial / residential building containing a commercial unit at street level and four (4) studio and one-bedroom apartment units at the upper levels. Gross above grade building area was estimated at 2,955+/- square feet plus an additional 600+/- square feet of finished below grade area. Net rentable area was estimated to be 2,540+/- square feet. The property was 100% tenant occupied at time of sale with the commercial unit leased at \$2,450 per month or \$43.82 per square foot on a gross basis and the apartments at \$1,041 to \$1,850 per month or \$2.67 to \$4.87 per square foot. The improvements were recently renovated and in very good physical condition at time of sale with good quality finishes. The property benefitted from a ten-year tax abatement commencing January 2022. No on-site parking available. Based on a broker's pro-forma and including the full tax burden, in conjunction with projected vacancy, management and reserve expenses, net operating income was estimated at \$70,711 producing an overall capitalization rate of 5.75%. Confirmed with the listing agent Nadia Bilynsky of MPN Realty.





COMPARABLE SALES MAP

Correlation of Market Data

The preceding market data was gathered and utilized in forming an estimate of “As Is” market value via the Sales Comparison Approach. Each transaction represents a mixed-use building located within the competing local market. Each sale was analyzed and compared to the subject property and adjustments were made for dissimilarities in property traits.

In the Sales Comparison Approach, adjustments are made to the comparable sales and not the subject. When a characteristic of a comparable sale is superior to that of the subject property, a downward (negative) adjustment is made to the comparable sale. Conversely, when a characteristic of a comparable sale is inferior to that of the subject property, an upward (positive) adjustment is made to the comparable sale. When a comparable sale and the subject exhibit similar characteristics, then no adjustment is implied.

The adjustment process is usually applied through either a quantitative or qualitative analysis or a combination of the two. Quantitative adjustments are often developed as a dollar or percentage adjustment and are most credible when there is sufficient data to perform a paired sale analysis. Since the trading of real estate occurs in a very imperfect market, the use of paired sales to derive quantifiable adjustments, though acceptable in theory, is not always realistic in practice. Even under the best of circumstances, the quality and uniformity of data are insufficient to produce accurate results.

While we present numerical adjustments in the Improved Sales Adjustment Grid that follows, adjustments are based on qualitative judgment rather than statistical analysis as there is not sufficient data to develop a quantified estimate

[REDACTED]

with a reasonable degree of confidence. Our qualitative adjustments are based upon a scale calibrated in 2.5% increments. The analysis, which follows, is intended to assist the reader in understanding our thought process with the ultimate result being a reasonable market value conclusion. No two properties are exactly alike, and emotion does come to bear in some form in almost every transaction. Therefore, the reader is cautioned to note that the adjustments set forth herein are not to be construed as absolutes but are provided as a visual aid in demonstrating the logic of our conclusion.

Property Rights Conveyed – Regarding property rights, the leased fee interest is being appraised at the subject property. The leased fee interest conveyed in the comparable sales thus no adjustment needed.

Financing Terms - Each transaction was reported to be all cash to the seller, with financing terms reported to be market oriented. Therefore, no adjustment to financing terms was necessary.

Conditions of Sale - An adjustment for conditions of sale is usually made to reflect the motivations of the participants in a transaction. Sale No. 1 reportedly traded at a discount due to the undue motivations of the seller and required a positive adjustment. The remaining comparable sales were reported to be arm's length transactions with typical motivations and sale conditions, thus, no adjustments for conditions of sale were considered necessary.

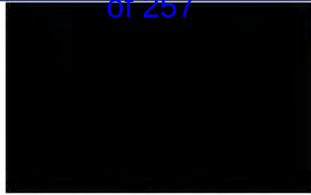
Expenditures After Purchase - An informed buyer would consider any expenditure necessary after the purchase of a property, which affects the price the buyer agrees to pay. These costs may include demolition of existing structures, costs for zoning petitions and or building approvals or costs associated with the possible remediation of environmental contamination. None of the sales reported any expenditure and no adjustment was required.

Market Conditions – Relative changes in the supply and demand for real property between specified dates of sale will affect the prices which will be paid in a competitive and open market. Sale Nos. 3 & 4 were negotiated and conveyed in a period of heightened demand due to record low interest rates and superior market conditions warranting negative adjustments in varying degrees. The remaining comparable sales conveyed during competitive market conditions that exist today and did not require an adjustment.

Location / Corner Influence – An adjustment for location is usually made when the locational characteristics of a comparable property are different from those of the subject property. Sale No. 1 warranted a positive adjustment to reflect its inferior commercial and residential location. Furthermore, all of the comparable sales warranted positive adjustments in varying degrees to reflect their inferior interior parcels as compared to the corner location of the subject.

Gross Building Area – The market usually indicates an inverse relationship between the size of a building and the resultant price paid when compared on a unit basis in that smaller buildings with less units tend to sell for more while larger buildings sell for less on a per square foot basis. As a result, Sale No. 4 warranted a negative adjustment to reflect its smaller building size. The remaining sales are within a competitive range in size warranting no adjustment.

Age / Quality / Physical Condition – The subject property was constructed in 2017 and observed to be in overall very good physical condition at the time of inspection. Sale No. 1 warranted a positive adjustment for its inferior age, quality and physical condition. Although Nos. 2 & 4 are older structures, they were substantially renovated over the recent past and offer competitive quality finishes as compared to the subject property and no adjustment was warranted. The remaining comparable sale is also competitive to the subject property in age, condition and quality requiring no adjustment.



Elevator – Sale No. 4 warranted a positive adjustment for not being elevator served. The remaining comparable did not require an adjustment.

Basement / Utility – The subject property represents a mixed-use building containing a commercial unit and twelve apartment units. All of the comparables represent similar mixed-use buildings. However, Nos. 1 & 3 warranted positive adjustments in varying degrees for not containing additional semi-finished basement area like the subject property. One of the commercial units in Sale No. 1 offers minimal exposure from the street diminishing its appeal and rent potential and warranted a positive adjustment.

Tax Abatement – Sale Nos. 1 & 2 warranted a positive adjustment for not including a tax abatement like the subject. Conversely, Sale No. 4 included a tax abatement with superior remaining term warranting a negative adjustment. The remaining sale did not require an adjustment.

Parking – The subject property does not contain on-site parking. The comparable sales are similar to the subject in this regard. No adjustments were necessary.

Zoning – The subject property is in the CMX-3 Commercial Mixed-Use zoning district. The comparable sales did not require an adjustment for this item of comparison.

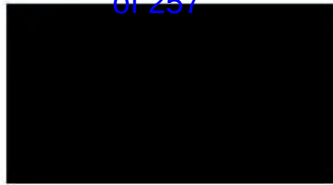
The following adjustment grid outlines our adjustment process:





Sales Analysis Grid					
ID#	ID# 13187	ID# 12865	ID# 12866	ID# 7780	
	Comp 1	Comp 2	Comp 3	Comp 4	
Address	300 Market Street	715 Sansom Street	216-18 Market Street	14 South 3rd Street	136 Chestnut Street
City	Philadelphia	Philadelphia	Philadelphia	Philadelphia	Philadelphia
State	PA	PA	PA	PA	PA
Date		3/13/2024	7/27/2023	3/23/2022	12/10/2021
Price		\$2,100,000	\$2,850,000	\$3,250,000	\$1,230,000
GBA	7,583	7,256	7,280	8,000	2,955
GBA Unit Price		\$289.42	\$391.48	\$406.25	\$416.24
Transaction Adjustments					
Property Rights	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
		0.0%	0.0%	0.0%	0.0%
Financing		Conventional	Conventional	Conventional	Cash to Seller
		0.0%	0.0%	0.0%	0.0%
Conditions of Sale		Motivated Seller	Arm's length	Arm's length	Arm's length
		5.0%	0.0%	0.0%	0.0%
Expenditures After Sale		0.00	0.00	0.00	0.00
		0.0%	0.0%	0.0%	0.0%
Adjusted GBA Unit Price		\$303.89	\$391.48	\$406.25	\$416.24
Market Conditions		0.0%	0.0%	-5.0%	-2.5%
Total Cumulative Adjustments		5.0%	0.0%	-5.0%	-2.5%
Adjusted GBA Unit Price		\$303.89	\$391.48	\$385.94	\$405.84
Location / Corner					
% Adjustment		10.0%	5.0%	5.0%	5.0%
Qualitative Adjustment		Inferior	Inferior	Inferior	Inferior
GBA	7,583	7,256	7,280	8,000	2,955
% Adjustment		0.0%	0.0%	0.0%	-5.0%
Qualitative Adjustment		Similar	Similar	Similar	Smaller
Condition	very good	Good	Very Good	Very Good	Very Good
% Adjustment		7.5%	0.0%	0.0%	0.0%
Qualitative Adjustment		Inferior	Similar	Similar	Similar
Elevator					
% Adjustment		0.0%	0.0%	0.0%	5.0%
Qualitative Adjustment		Similar	Similar	Similar	Inferior
Basement / Utility					
% Adjustment		7.5%	0.0%	5.0%	0.0%
Qualitative Adjustment		Inferior	Similar	Inferior	Similar
Tax Abatement					
% Adjustment		5.0%	5.0%	0.0%	-5.0%
Qualitative Adjustment		Inferior	Inferior	Similar	Superior
Parking					
% Adjustment		0.0%	0.0%	0.0%	0.0%
Qualitative Adjustment		Similar	Similar	Similar	Similar
Zoning	CMX-3 Commercial Mixed-Use	CMX-5 Commercial Mixed-Use	CMX-3 Commercial Mixed-Use	CMX-3 Commercial Mixed-Use	CMX-3 Commercial Mixed Use
% Adjustment		0.0%	0.0%	0.0%	0.0%
Qualitative Adjustment		Similar	Similar	Similar	Similar
Adjusted GBA Unit Price		\$395.05	\$430.63	\$424.53	\$405.84
Net Adjustments		30.00%	10.00%	10.00%	0.00%





Value Ranges & Reconciled Value		
Number of Comps:	Unadjusted	Adjusted
Low:	\$289.42	\$395.05
High:	\$416.24	\$430.63
Average:	\$375.85	\$414.01

The adjusted unit rates indicate a range of \$395.05 to \$430.63 per square foot with an average of \$414.01 per square foot of above grade building area. Based on the foregoing analysis, we believe the subject should trade toward the upper end of the adjusted range of values with most weight placed on Sale Nos. 2, 3 & 4 due to their similar economic, physical and locational attributes.

Therefore, the "As Is" market value of the leased fee interest in the subject property as of March 5, 2024, via the Sales Comparison Approach, excluding all furniture, fixtures and equipment, and subject to the extraordinary assumptions contained herein, is estimated to be: **THREE MILLION TWO HUNDRED FIFTEEN THOUSAND DOLLARS (\$3,215,000)**. This is equivalent to approximately \$423.97 per square foot of above grade building area including the supporting land.





INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach is a method of converting the anticipated economic benefits of property ownership into a value estimate through capitalization. The principle of anticipation underlies this approach, in that investors recognize the relationship between an asset’s income and its value. In order to value the anticipated economic benefits of a particular property, potential income and expenses must be estimated, and the most appropriate capitalization method must be selected. The two most common methods of converting net income into value are direct capitalization and a discounted cash flow analysis. In direct capitalization, net operating income is divided by an overall capitalization rate either developed through the Band of Investment Technique or extracted directly from market sales to indicate a value. In the discounted cash flow method, anticipated future cash flow and a reversionary value are discounted to an estimate of net present value at a chosen yield rate (internal rate of return). The direct capitalization method was employed and considered most applicable.

The net income stream was estimated after allowance for vacancy and turnover and expenses normally borne by the lessor. Based upon comparable rental data for similar commercial space obtained from the market in which the subject competes, typical leasing practice for this class of commercial real estate calls for a triple net lease with the tenant reimbursing the landlord a pro-rata share of the majority of operating expenses.

Potential Gross Revenues

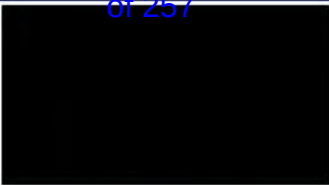
The total potential gross revenues generated by a property like the subject is often a minimum base rent determined by lease agreement. The minimum base rent represents a legal contract establishing a return to the investors in the real estate.

Base Rental Income

The first step in this approach is to estimate stabilized potential gross rental income for the subject. This is accomplished through a review of rent being paid at the subject property and for comparable commercial and residential space in the competitive market environment. As indicated, the units in the subject property are reportedly tenant occupied. The commercial lease abstract and apartment rent roll are restated as follows.

COMMERCIAL LEASE ABSTRACT						
Tenant	1st Floor SF / NRA	Term	Current Annual Rent	Rent/SF	Expenses	Remarks
[REDACTED]	1,280	3 Years 12/15/2022-12/31/2025	\$81,600	\$63.75	NNN	The base rent is flat over the term. The tenant is responsible for 25% of real estate taxes, insurance premiums, management fees and CAM / maintenance plus separately metered utilities including water in excess of \$1,980 per year. The lease includes one (1) 5-year renewal option at a base rent increase of 3% annually. The unit includes the use of the basement area.

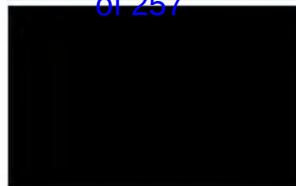




APARTMENT RENT ROLL						
Unit	Unit Type	Size / SF	Monthly Rent	Annual Rent	Monthly Rental / SF	Lease Expiration
201	1 Bedroom / 1 Bath	418	\$1,290	\$15,480	\$3.09	5/26/2024
202	Studio / 1 Bath	321	\$1,345	\$16,140	\$4.19	5/26/2024
203	Studio / 1 Bath	432	\$1,295	\$15,540	\$3.00	7/26/2024
204	Studio / 1 Bath	368	\$1,375	\$16,500	\$3.74	8/26/2024
301	Studio / 1 Bath	334	\$1,425	\$17,100	\$4.27	7/26/2024
302	Studio / 1 Bath	321	\$1,395	\$16,740	\$4.35	1/25/2025
303	Studio / 1 Bath	432	\$1,365	\$16,380	\$3.16	6/25/2024
304	Studio / 1 Bath	368	\$1,395	\$16,740	\$3.79	2/25/2025
401	Studio / 1 Bath	334	\$1,355	\$16,260	\$4.06	8/26/2024
402	Studio / 1 Bath	321	\$1,330	\$15,960	\$4.14	6/25/2024
403	Studio / 1 Bath	432	\$1,310	\$15,720	\$3.03	6/25/2024
404	Studio / 1 Bath	368	\$1,395	\$16,740	\$3.79	8/26/2024
Total		4,449	\$16,275	\$195,300		

The following rents were considered to compete with the commercial unit in the subject property offering a reasonable indication of economic rent on an annual per square foot basis, which is typical leasing practice in the immediate area.





SUMMARY OF COMMERCIAL RENTALS

Rental No	Address	Tenant	1st Floor Area (SF)	Term	Rent/SF Escalations	Expenses	Remarks
1	1905 Chestnut Street Philadelphia, PA	[REDACTED]	2,463	5 Years from 3/2023	\$50.48 Fixed annual increases	NNN	Full-service restaurant unit consisting of 1,390+/- square feet of street level area plus additional 1,073+/- square feet of second floor area. The base rent commenced at a discounted rate of \$9,000 per month which will increase to \$10,400 in year two with subsequent annual increases. The average rent over the term if \$10,360 per month. The space was leased in as is condition with the tenant providing all fit out and receiving three months free rent.
2	128 South 11th Street Philadelphia, PA	[REDACTED]	1,000	5 Year renewal from 1/2023	\$63.65 3% annual increases	Net	Street level commercial / retail unit within a mixed-use building utilized as a take-out restaurant. The tenant is responsible for 35% of real estate taxes, 50% of water plus all maintenance, separately metered heat and electric.
3	1305 Locust Street Philadelphia, PA	[REDACTED]	1,600	5 Years from 7/2022	\$49.50 2.5% annual increases	NNN	The leased area consists of 1,600+/- square feet of street level restaurant area plus the use of a finished basement. The tenant is responsible for 40% of real estate taxes, district taxes and CAM.
4	1722 Sansom Street Philadelphia, PA	[REDACTED]	1,670	5 Years from 8/2021	\$53.89 3% annual increases	NNN	Full-service restaurant unit consisting of 1,260+/- square feet of street level area plus additional mezzanine area of 410+/- square feet as well as the use of the unfinished basement. Included all existing equipment and fixtures. The tenant received three months free rent.
5	248-50 Market Street Philadelphia, PA	[REDACTED]	1,426	5 Years from 1/2021	\$56.64 2.5% annual increases	NNN	Street level commercial unit within a mixed-use building. The tenant is responsible for a pro-rata share of real estate taxes, Old City District taxes, and insurance plus utilities and maintenance. Tenant received four months free rent. The base rent commenced at \$52.17/sf and has increased to \$56.64/sf.
6	102 South 13th Street Philadelphia, PA	[REDACTED]	2,400	Negotiable	\$50.00 Fixed annual increases	NNN	Two-level restaurant building containing approximately 2,400+/- square feet plus additional partially finished basement. The tenant would be responsible for a share of operating expenses. The property has been marketed for approximately six months.

[REDACTED]



Correlation of Market Data

The foregoing rental data ranges between \$49.50 to \$63.65 per square foot of above grade net rentable area and on net to triple net lease terms. Nos. 1, 2 & 6 warranted a negative adjustment to reflect their superior commercial streets and locations as compared to the subject property. The remaining comparables are considered to be similar to the subject in location warranting no adjustments. However, Nos. 1, 3, 4 & 6 warranted a positive adjustment to reflect their inferior interior parcels as compared to the corner location of the subject.

In terms of size, each comparable was adjusted based upon how it related to the subject. The market usually indicates an inverse relationship between the size of a unit and the resultant rental price paid when compared on a per square foot basis in that smaller units tend to lease for more while the opposite is true for larger units on a per square foot basis. As a result, Nos. 1 & 6 warranted a positive adjustment for their larger unit sizes and less desirable multi-level space when compared to the subject on a per square foot basis. The remaining comparables are within a competitive range in size when compared to the subject unit requiring no adjustment. None of the comparables have on-site parking and no adjustment was warranted. Finally, the subject unit is leased on a triple net basis. As a result, No. 2 warranted a negative adjustment for its single net lease terms with the tenant responsible to reimburse a lesser share of operating expenses. The remaining comparables are similar to the subject in this regard and no adjustments were necessary.

The subject commercial unit is currently leased at a base rent of \$6,800 per month or the equivalent of \$63.75 per square foot of street level area and on a triple net basis with the tenant responsible for 25% of real estate taxes and building insurance premiums plus an additional \$185 per month in CAM expenses, as well as all utilities, trash removal and interior maintenance.

After adjustments for additional pertinent dissimilarities, the current contract rent for the subject unit is above the range of the adjusted market data. This is in part due to the tenants reduced real estate tax expense reimbursement obligations during the current tax abatement. Once the tax abatement expires, the tenants reimbursable expense obligations will increase significantly. We will adjust the concluded overall capitalization rate accordingly to compensate for the risk associated with the unlikelihood of receiving this rent into the future. Potential gross income for this unit at equates to \$81,600 plus an additional \$15,887 in expense reimbursement revenue.

We have researched the subject property's market for comparable apartments like the subject property's units. The following apartment rentals represent units in the subject's market which were considered to compete with the subject property in size, location and condition. We have utilized these rentals and adjusted their characteristics accordingly in order to determine a reasonable economic rent for the subject's apartment units. The survey indicates a range of rates on a monthly per square foot basis and an aggregate monthly basis which is the primary leasing practice in the area.



SUMMARY OF APARTMENT RENTALS

Rental No.	Location	Unit Type	Net Rentable Area (SF)	Monthly Rent	Monthly Rent/SF	Remarks
1	1110 Pine Street Philadelphia, PA	Studio / 1 Bath	306-375	\$1,200	\$3.20-\$3.92	The units are located within a walk-up mixed-use building. The tenants are responsible for separately metered heat, hot water and electric plus an additional \$35 monthly water fee. Shared laundry.
2	122-24 South 8th Street Philadelphia, PA	Studio / 1 Bath 1 Bedroom/ 1 Bath	458 695	\$1,375-\$1,499 \$1,895	\$3.00-\$3.27 \$2.73	The units are located within an elevator served mixed-use building. The tenants are responsible for heat and electric utilities plus an additional monthly water fee. In-unit laundry.
3	205 Race Street Philadelphia, PA	Studio/ 1 Bath	514-548	\$1,500-\$1,790	\$2.85-\$3.48	The units are located within an elevator served apartment complex. The tenants are responsible for separately metered heat, hot water and electric plus an additional monthly water fee. In-unit laundry.
4	218-26 Arch Street Philadelphia, PA	Studio/ 1 Bath	352-366	\$1,470-\$1,555	\$4.02-\$4.42	The units are located within an elevator served apartment complex. The tenants are responsible for separately metered heat, hot water and electric plus an additional monthly water fee. In-unit laundry.
5	1305 Locust Street Philadelphia, PA	1 Bedroom/ 1 Bath	500-647	\$1,430-\$1,645	\$2.34-\$3.10	The units are located within an elevator served mixed-use building. The tenants are responsible for separately metered heat, hot water and electric plus an additional \$50 monthly water fee. In-unit laundry.
6	717 Walnut Street Philadelphia, PA	1 Bedroom/ 1 Bath	427	\$1,395-\$1,425	\$3.27-3.34	The units are located within a walk-up mixed-use building. The tenants are responsible for separately metered heat, hot water and electric. Water included. In-unit laundry.



Correlation of Apartment Market Data

Adjustments to the comparables are as follows: The comparable apartment units are similar to the subject in location and did not require an adjustment for location. However, Nos. 1, 5 & 6 warranted positive adjustments to reflect their less desirable interior parcels. Corner parcels / buildings offer greater natural daylight which typically results in increased rental potential. No. 1 warranted a positive adjustment for inferior condition and quality of finishes. The remaining comparables are similar to the subject units in condition and quality and no adjustments were warranted. The tenants in the subject property are reportedly responsible for separately metered electric, hot water and heating expenses plus an additional \$50 monthly water fee. As a result, No. 6 warranted a negative adjustment for including water in the base rent. The remaining comparable is relatively similar to the subject unit in this regard warranting no adjustment.

As indicated, the subject apartment units are reportedly leased with rents ranging from \$1,290 to \$1,425 per month or the equivalent of \$3.00 to \$4.35 per square foot. The rents in the subject property vary based on size, location within the complex, etc. Based on the foregoing, and after adjusting for additional pertinent dissimilarities such as size, utility, etc., the contract rents for the subject apartment units are considered to be within an acceptable range of the adjustment market data and are utilized in the following proforma.

Potential Gross Income & Reimbursable Expense Revenue

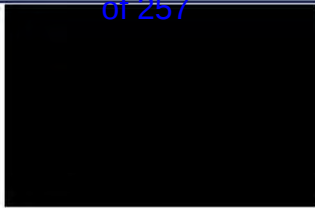
As indicated, the commercial unit is leased on a triple net basis with the tenant responsible to reimburse a pro-rata share (25%) of real estate taxes and building insurance premiums plus an additional \$185 per month in CAM expenses. When considering our projected tax liability excluding the abatement, this equates to approximately \$15,887. The apartment tenants reimburse an additional \$50 monthly water fee equating to \$7,200 annually. Based upon the previous analysis we have projected the total potential income for the subject property as follows.

Potential Gross Income	
Commercial Income	\$81,600
Residential Income	\$195,300
Commercial Expense Income	\$15,887
Apartment Water Utility Income	\$7,200
Total	\$299,987

Vacancy & Collection Loss

Based on the strength of the subject’s immediate rental market, and considering the information presented in the previous Market Analysis, a blended vacancy allowance of and collection loss of 6.0% was applied against anticipated gross receipts of the commercial and residential units. These were considered a reasonable contingency as demonstrated by the local marketplace reflecting the proportional impact that vacancy and credit losses would inflict on potential income.





Operating Expenses

The total expenses incurred in the production of revenues from the subject property are segregated into two categories; operating and non-operating items. The operating items of expense include real estate taxes, insurance, building maintenance, administration, management fees and utilities. Other, non-operating expenses include tenant improvements costs, leasing commissions and a reserve for the replacement of short-lived capital components.

As stated, the commercial tenant is responsible to reimburse a pro-rata share of some expenses. The landlord is responsible for all remaining expenses including the remaining real estate taxes, insurance premiums, professional / accounting and rental licenses, common utilities, repairs and maintenance, and structural repairs and reserves for the replacement of short-lived items. We have considered limited actual operating expenses provided by the property contact. However, many of the reported expenses appear excessive with no clarification available or provided.

We have also considered the appraiser’s knowledge of expense data from similar type mixed-use properties in the general market area in order to project reasonable operating expenses for the subject property and are presented in the following chart.

Comparable Operating Income and Expense Analysis								
	Comparable No. 1		Comparable No. 2		Comparable No. 3		Comparable No. 4	
	22,000 SF		9,566 SF		5,589 SF		3,097 SF	
	Annual Amount	Per SF	Annual Amount	Per SF	Annual Amount	Per SF	Annual Amount	Per SF
Effective Gross Income	\$617,634	\$28.07	\$290,127	\$30.33	\$131,640	\$23.55	\$92,900	\$30.00
RE Taxes	\$46,753	\$2.13	\$41,154	\$4.30	\$19,930	\$3.57	\$13,231	\$4.27
District Taxes	\$2,617	\$0.12	\$6,443	\$0.67	\$2,063	\$0.37	\$0	\$0.00
Insurance	\$21,932	\$1.00	\$0	\$0.00	\$8,509	\$1.52	\$3,595	\$1.16
Management & Admin (1)	\$37,058	\$1.68	\$9,775	\$1.02	\$7,898	\$1.41	\$5,574	\$1.80
CAM / Repairs & Maintenance	\$28,872	\$1.31	\$9,668	\$1.01	\$5,501	\$0.98	\$3,500	\$1.13
Utilities	\$27,848	\$1.27	\$5,421	\$0.57	\$5,639	\$1.01	\$1,900	\$0.61
Rental Licenses	\$1,134	\$0.05	\$567	\$0.06	\$252	\$0.05	\$126	\$0.04
Total Expenses	\$166,214	\$7.56	\$73,028	\$7.63	\$49,792	\$8.91	\$27,926	\$9.02
Reserves for Replacement	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00
Total Expenses and Reserves	\$166,214	\$7.56	\$73,028	\$7.63	\$49,792	\$8.91	\$27,926	\$9.02
Net Operating Income	\$451,420	\$20.52	\$217,099	\$22.69	\$81,848	\$14.64	\$64,974	\$20.98
Management % of EGI		6.00%		3.37%		6.00%		6.00%
Operating Expense Ratio		26.91%		25.17%		37.82%		30.06%

(1) Management and Admin expenses were projected if not provided.

The following is a summary and discussion of the typical operating expenses which an informed investor can expect to incur in the production of rental income from the subject property during the initial year of the investment holding period.





Reimbursable Expenses

Real Estate Taxes

As indicated, according to the Office of Property Assessment, real estate taxes for 2024 excluding the tax abatement are \$47,326 or the equivalent of \$6.24 per square foot of gross building area. The estimated contributory value of the tax abatement savings will be included in the following proforma.

Insurance

The building insurance premium was reported at \$7,340 annually or the equivalent of \$0.97 per square foot and is considered reasonable.

Utilities

Water / sewer and common electric utility expenses were estimated at \$6,066 or \$0.80 per square foot and considered reasonable.

CAM

CAM expenses including common area maintenance, elevator service contracts, fire alarm fees, security, janitorial expenses, etc. is estimated at \$6,066 or \$0.80 ± per square foot.

Management

Professional management, accounting and administrative expenses were projected at 6.0% of the effective gross base rental income.

Non-Reimbursable Expenses

District Taxes

Old City District Taxes are estimated at \$2,700.

Rental Licenses

In the City of Philadelphia, there is a license fee of \$63 per apartment unit equating to \$756 for the twelve apartment units in the subject.

Repairs, Maintenance & Turnover

The landlord's repairs and maintenance expenses were estimated at \$4,171 annually or \$0.55 per square foot. This would include general repairs and maintenance of the apartment units, painting & decorating expenses for unit turnover, etc.

Reserves

We have projected reserves for replacement of short-lived items at \$3,000 . This is equivalent to \$0.40 per square foot of gross above grade building area.

The projected operating expenses are \$95,424 or the equivalent of \$12.58 per square foot. This equates to an operating expense ratio of 33.84% which is within an acceptable range of the comparable data presented.

Net Operating Income

The net operating income for the subject property was estimated to be \$186,564 .





Development of Capitalization Rate

Market Extracted Capitalization Rate

In developing a reasonable overall capitalization rate, we have extracted the following capitalization rates from actual market transactions which were utilized in direct comparison to the subject in the previous Sales Comparison Approach. The comparables do provide a reasonably valid benchmark to forecast a capitalization rate for the subject property and are reflective of actual or forecasted vacancy, management and reserve expenses.

SUMMARY OF CAPITALIZATION RATES			
	No. 1	No. 2	No. 3
Address	715 Sansom Street	216-18 Market Street	136 Chestnut Street
Date	3/13/2024	7/27/2023	12/10/2021
Price	\$2,100,000	\$2,850,000	\$1,230,000
NOI	\$116,853	\$155,109	\$70,711
Cap Rate	5.56%	5.44%	5.75%

The market transactions exhibit overall capitalization rates ranging from 5.44% to 5.75% with an average of 5.58%. Based on the foregoing, we believe that a property with the economic and physical characteristics of the subject would potentially trade at an overall rate of 5.50%. However, we have adjusted the concluded capitalization rate upward 50 basis points to 6.00%, to reflect the above market commercial rent in the subject property and the risk associated with receiving the contract rent into the future.

As described earlier, first year net income was projected to be \$186,564 divided by an overall rate of 6.00% results in a “stabilized” market value of \$3,109,393. However, when adding the estimated contributory value of the assumed tax abatement of \$169,459, the total “As Is” market value is estimated to be \$3,278,852, which we have rounded.

Conclusion

As a result, the “As Is” market value of the leased fee interest in the subject property via the Income Capitalization Approach, as of March 5, 2024, excluding all furniture, fixtures and equipment, and subject to the extraordinary assumptions and conditions contained herein, is estimated to be:

THREE MILLION TWO HUNDRED EIGHTY THOUSAND DOLLARS
(\$3,280,000)

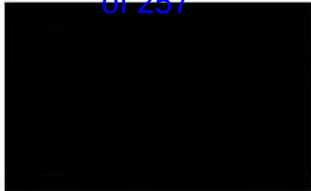
The pro-forma is presented on the following page.



SUMMARY INCOME CAPITALIZATION APPROACH

**300 Market Street
Philadelphia, Pennsylvania**

	PS RAG FORECAST	
	Annual Amount	Per SF
Income		
Potential Gross Commercial Rent	\$81,600	\$10.76
Commercial Expense Revenue	\$15,887	\$2.10
Potential Gross Apartment Rent	\$195,300	\$25.75
Water Utility Expense Revenue	\$7,200	\$0.95
Total Gross Revenue	\$299,987	\$39.56
Vacancy & Credit Loss	\$17,999	\$2.37
Effective Gross Income	\$281,988	\$37.19
Reimbursable Expenses		
Real Estate Taxes	\$47,326	\$6.24
Insurance	\$7,340	\$0.97
Utilities	\$6,066	\$0.80
CAM	\$6,066	\$0.80
Management & Admin	\$17,999	\$2.37
Non-Reimbursable Expenses		
District Taxes	\$2,700	\$0.36
Rental Licenses	\$756	\$0.10
Repairs, Maintenance, Turnover	\$4,171	\$0.55
Reserves	\$3,000	\$0.40
Total Operating Expenses	\$95,424	\$12.58
Net Operating Income	\$186,564	\$24.60
Overall Capitalization Rate	6.00%	
Capitalized Net Operating Income	\$3,109,393	\$410.05
Contributory Value of Tax Abatement	\$169,459	\$22.35
"Stabilized" Market Value	\$3,278,852	\$432.40
"As Is" Market Value (rounded)	\$3,280,000	\$432.55



RECONCILIATION OF VALUES

Value indications for the subject property are as follows:

RECONCILIATION OF MARKET VALUE ESTIMATES		
SALES COMPARISON APPROACH	INCOME CAPITALIZATION APPROACH	COST APPROACH
\$3,215,000	\$3,280,000	Not Applicable

Due to the inherent age of the building/structural components and the resulting subjectivity in the estimation of the total accrued depreciation inherent in them, the Cost Approach was not considered applicable to the valuation of the subject property. Moreover, an informed prospective buyer would not employ the mechanics of the cost approach in tendering an offer to purchase the subject property.

The Income Capitalization Approach is predicated upon the principle of anticipation which assumes that value is determined by the future income one can expect to receive from real estate. In this approach, the direct capitalization technique was used to develop our indication of market value. Investment properties are generally bought and sold based upon their ability to produce income. All sources of data relative to the income capitalization approach were carefully researched and documented. The subject property is tenant occupied and would appeal to the investment community. As a result, the Income Capitalization Approach was fully processed and considered a relevant approach to value.

The Sales Comparison Approach shows that the price per square foot of building area is in line with market behavior, after adjustment for pertinent dissimilarities for properties of similar utility. Multiple recent comparable sales of mixed-use commercial properties were found throughout the immediate area and offered a reasonable indication of market value for the subject property after adjustments for pertinent dissimilarities. Thus, the Sales Comparison Approach was fully processed and considered equal in relevance as compared to the results produced by the Income Capitalization Approach.

As a result of our analysis, which involved research of data relating to mixed use buildings of equivalent utility and condition in the surrounding area, it is our opinion that "As Is" market value of the leased fee interest in the subject property as of March 5, 2024, and subject to those extraordinary assumptions, limiting conditions, certifications and definitions contained herein, was estimated to be:

THREE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS
(\$3,250,000)

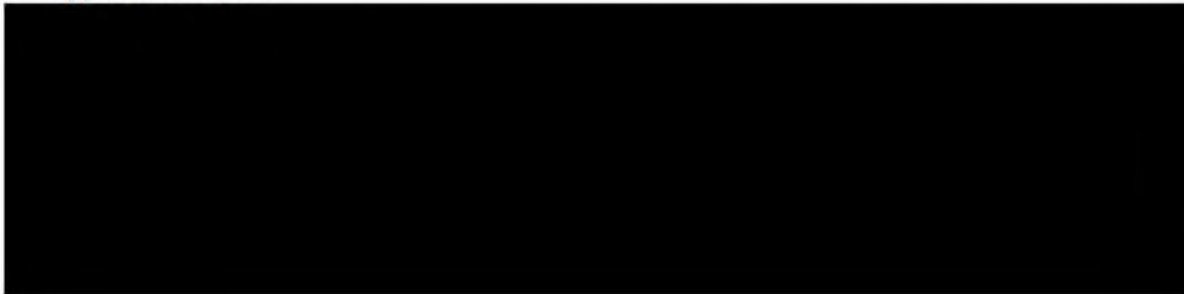




CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- [REDACTED], MAI have not performed services as an appraiser regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment..
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standard of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, [REDACTED], MAI has completed the continuing education program of the Appraisal Institute.
- [REDACTED] made a personal inspection of the property that is the subject of this report.
- No one provided significant real property assistance to the person signing this certification.
- This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.




ASSUMPTIONS AND LIMITING CONDITIONS


This valuation assignment was made subject to the following Assumptions and Limiting Conditions, in addition to any special assumptions or limiting conditions cited in the appraisal and incorporated herein by reference.

This appraisal is made subject to the following assumptions and limiting conditions:

1. The Appraiser(s) assume no responsibility for matters legal in nature, nor do I render an opinion as to title, which is assumed to be marketable. The Appraiser(s) is not qualified to render an "opinion of title", no responsibility is assumed or accepted for matters of a legal nature affecting the property being appraised. No formal investigation of legal title was made, and I render no opinion as to ownership of the property or condition of the title.
2. The Appraiser (s) have made no survey of the property. Plans furnished the appraiser or obtained from the public record are assumed to be correct and square foot areas or acreage reported herein are the appraiser's best judgment. No responsibility, however, can be assumed for their accuracy. The legal description of the appraised property, if exhibited in the report, is assumed correct.
3. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there are no encroachments, easements, trespass, etc., unless noted within the report. The Appraiser (s) has not made a survey of the property and no responsibility is assumed in connection with any matter that may be disclosed by a proper survey. If a subsequent survey should reflect a differing land area and/or frontages, I reserve the right to review my final value estimate(s).
4. All maps, plats, building diagrams, site plans, floor plans, photographs, etc. incorporated into the appraisal are for illustrative purposes only, to assist the reader in visualizing the property. They are believed to accurately represent the property but are not guaranteed to be exact. Dimensions and descriptions are based on public records and/or information furnished by others and are not meant to be used as a reference in legal matters or matters of survey.
5. The Appraiser(s) herein, by reason of the report, is not required to give testimony or be in attendance at any court or administrative proceeding with reference to the property appraised unless additional compensation is agreed to and prior written arrangements have been made.
6. To the best of my knowledge and belief, the statements of fact contained in the appraisal report, upon which the analyses, opinions and conclusions expressed are based, are true and correct. Information, estimates and opinions furnished to the Appraiser(s) and contained in the report or utilized in the formation of the value conclusion(s) were obtained from sources considered reliable and believed to be true and correct. However, no representations, liability or warranty for the accuracy of such items is assumed by or imposed on the Appraiser(s), and is subject to corrections, errors, omissions and withdrawal without notice.
7. This appraisal is to be used in whole and not in part. No part of it shall be used in conjunction with any other appraisal.
8. All conclusions and opinions concerning the real estate that are set forth in the appraisal report were prepared by the Appraiser(s) whose signature(s) appears on the Certificate of Appraisal and Certification.
9. Neither all nor any part of the contents of this report, or copy thereof, shall be used for any purpose by any but the client without the previous written consent of the appraiser and/or of the client; nor shall it be conveyed by any including the client to the public through advertising, public relations, news, sales or other media, without the written consent and approval of the author, particularly as to valuation conclusions, the identity of the appraiser, or a firm with which he is connected, or any reference to any professional society or institute. The



appraisal report may not be reproduced, in whole or in part, and the findings of the report may not be utilized by a third party without the written consent of the Appraiser(s).

10. Neither all nor any part of the contents of this report, essentially any conclusions as to value, the identity of the appraiser or the firm with which he is connected shall be disseminated to the public through advertising media, public relations media, news media, or any other public means of communication without the prior written consent and approval of the appraiser.
 11. The appraisal report covering the subject property is limited to the surface rights and does not include any inherent subsurface or mineral rights.
 12. No change of any items of the appraisal report shall be made by anyone other than the Appraiser(s), and the Appraiser(s) shall have no responsibility for any such unauthorized change.
 13. The Appraiser(s) takes no responsibility for any events, conditions or circumstances affecting the property's market value that take place subsequent to either the date of value contained in this report, or the date of my field inspection, whichever occurs first. The estimate(s) of value stated in the appraisal applies only to the effective date of value stated in the report. Value is affected by many related and unrelated economic conditions within a local, regional, national and/or worldwide context, which might necessarily affect the future value of the subject property. The Appraiser(s), therefore, assumes no liability for an unforeseen precipitous change in the economy, subject property, or project, if applicable.
 14. Unless otherwise noted in the appraisal, it is assumed that there are no encroachments, zoning, building, fire or safety code violations, or restrictions of any type affecting the subject property. It is assumed that the property is in full compliance with all applicable federal, state, local and private codes, laws, consents, licenses and regulations, and that all licenses, permits, certificates, franchises and so forth can be freely renewed and/or transferred to a purchaser.
 15. All mortgages, liens, encumbrances, leases and servitudes have been disregarded unless specified within the report.
 16. If the reader is making a fiduciary or individual investment decision and has any questions concerning the material contained in this report, it is recommended that the reader contact the appraiser.
 17. In completing this appraisal, it is understood and agreed that the report is not now intended and will not be used in connection with a Real Estate Syndication or Syndicates. The report and any liability or obligation on the part of the appraiser is invalid if used in connection with the syndication.
 18. A Real Estate Syndicate means a general or limited partnership, joint venture, unincorporated association or similar organization formed for the purpose of, and engaged in, investment or gain from an interest in real property, including but not limited to sale, exchange, trade or development of such real property, on behalf of other, or which is required to be registered with the United States Securities and Exchange Commission or any state regulatory agency which regulates investments made as a public offering.
 19. The prior written consent and approval of the review by the signatory(s) of the appraisal report to ensure the accuracy and adequacy of any references to the appraisal report is required.
 20. Unless specifically so stated, the value conclusion(s) contained in the appraisal apply to the real estate only, and do not include personal property, machinery and equipment, trade fixtures, business value, goodwill or other non-realty items. Income tax considerations have not been included or valued unless so specified in the appraisal. The Appraiser(s) makes no representations as to the value increment which may be attributed to such considerations.
 21. The appraisal was not prepared for income tax purposes, and shall not be used, in whole or in part, in regard to any matter involving the Internal Revenue Service.
- 

- [REDACTED]
22. Any and all findings, projections, assumptions, conclusions and the like contained in the appraisal report shall be the professional opinion of [REDACTED]. [REDACTED] shall retain ownership of all reports and all original documentation, field notes, memoranda, data and the like made or assembled in or about the preparation of the report. No one other than the client may rely on or utilize the report without the express written consent of [REDACTED]. The use of the report is expressly prohibited unless all contractual obligations for payment thereof have been completed.
 23. Management is assumed to be competent, and the ownership to be in responsible hands. The quality of property management can have a direct effect on a property's economic viability and value. The financial forecasts contained in the appraisal assume both responsible ownership and competent management. Any variance from this assumption could have a significant impact on the final value estimate(s).
 24. The estimated operating results shown in this report are based upon an evaluation of the present general level of the economy of the area, and neither takes into account nor makes provision for the effect of any sharp rise or decline in local or general economic conditions.
 25. The Appraiser(s) assumes that there are no hidden or unapparent conditions of the property, soil, subsoil or structures which would render it more or less valuable. No responsibility is assumed for such conditions, or for engineering which might be required to discover such factors. Detailed soil studies were not made available to the Appraiser(s). Statements regarding soil qualities, if made in the report, are not conclusive but have been considered consistent with information available to the Appraiser(s) and provided by others. In addition, unless stated otherwise in the appraisal, the land and soil of the area under appraisal appears firm and solid, but the appraisal does not warrant this condition.
 26. The appraisal is made for valuation purposes only. It is not intended nor to be construed to be an engineering report. The Appraiser(s) is not a qualified structural engineer(s), therefore, is not qualified to judge the structural integrity of the improvements. Consequently, no warranty, representations or liability are assumed for the structural soundness, quality, adequacy or capacities of said improvements and utility services, including the construction materials, particularly the roof, foundation, and equipment, including the HVAC systems. Should there be any question concerning same, it is strongly recommended that an Engineering/Construction inspection be obtained. The value estimate(s) stated in the appraisal is predicated on the assumption that all improvements, equipment and building services are structurally sound and suffer no concealed or latent defects or inadequacies other than those noted in the appraisal.
 27. Any proposed construction or rehabilitation referred to in the appraisal report is assumed to be completed within a reasonable time and in a workmanlike manner according to or exceeding currently accepted standards of design and methods of construction.
 28. Any areas or inaccessible portions of the property or improvements not inspected are assumed to be as reported or similar to the areas which were inspected.
 29. Unless specifically stated in the report, the Appraiser(s) found no obvious evidence of insect infestation or damage, dry or wet rot. Since a thorough inspection by a competent inspector was not performed for the Appraiser(s), the subject is assumed to be free of existing insect infestation, wet rot, dry rot, and any structural damage which may have been caused by pre-existing infestation or rot which was subsequently treated.
 30. In the appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the improvements, such as the presence of urea formaldehyde foam insulation, asbestos, toxic waste, radon and/or any other prohibited material or chemical which may or may not be present on or in the property, was, unless specifically indicated in the report, not observed by the Appraiser(s), nor does he have any knowledge of the existence such materials on or in the property. The Appraiser(s) however, is not qualified to detect such substances. The existence of these potentially hazardous materials may have a significant effect



on the value of the property. The client is urged to retain an expert in this field, if desired. The value conclusion(s) assumes the property is “clean” and free of any of these adverse conditions unless notified to the contrary in writing.

31. No effort has been made to determine the possible effect, if any, on this project of energy shortages or present or future federal, state or local legislation, including any environmental or ecological matters or interpretations thereof.
32. The Appraiser(s) believes that the underlying assumptions and current conditions provided a reasonable basis for the value estimate(s) stated in the appraisal. The Appraiser(s) assumes there will be no major changes in current economic mortgage interest rates and/or terms or property assessment; and/or major revisions in current state and/or federal tax or regulatory laws in the foreseeable future. If significant changes would occur, variations in the value estimate(s) stated in the report could occur.



ADDENDUM



February 28, 2024
Ryan Stumphauzer, Court Appointed Receiver
c/o Mr. Tim Hazel
Pietragallo Gordon Alfano Bosick & Raspanti, LLP
Via Email: TMH@pietragallo.com

RE: 627 East Girard Avenue &
300 Market Street
Philadelphia, PA

Dear Mr. Hazel:

[REDACTED] is pleased to provide Ryan Stumphauzer with a proposal to complete appraisals of the above-referenced properties. The purpose and function of the appraisal is to estimate the current "As Is" market value of the leased fee interests in the properties for asset monitoring and internal planning purposes. The appraisals will be completed per the Uniform Standards of Professional Appraisal Practice (USPAP) in developing an opinion of the property's market value.

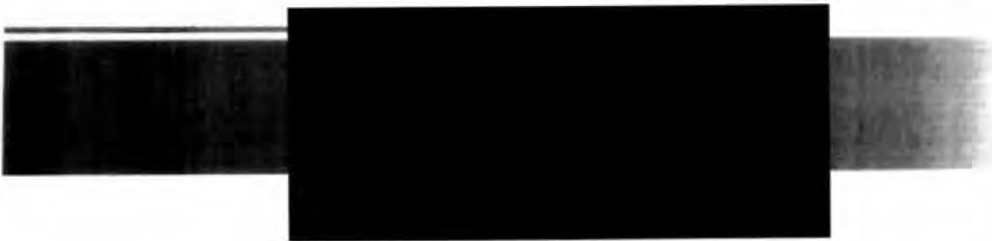
[REDACTED] cannot agree to provide a value opinion to the client that is contingent on a predetermined amount. The appraiser cannot guarantee the outcome of the assignment in advance. The appraiser cannot ensure that the opinion of value developed as a result of this assignment will serve to facilitate any specific objective by the client or others or advance any particular cause. The appraiser's opinion of value will be developed competently and with independence, impartiality, and objectivity.

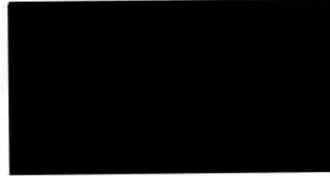
Any changes to the assignment as outlined in this agreement shall necessitate a new agreement. The identity of the client, intended users, or intended use; the date of value; type of value; or property appraised cannot be changed without a new agreement.

The fees to complete the appraisals are as follows:
627 East Girard Avenue - \$2,250
300 Market Street - \$2,550

Our office requires the total combined fee of \$4,800 to be paid no later than 30-days after completion of the appraisal reports. Provided we can inspect the property and obtain all the necessary information in a timely manner we expect to have the appraisal reports delivered to you in three (3) weeks from the date of property inspection.

The fee does not include testimony. If required, the fee for preparation and attendance at a hearing for the purpose of providing testimony will be \$300 per hour. Please give our firm two weeks' notice if our presence at the hearing is required.



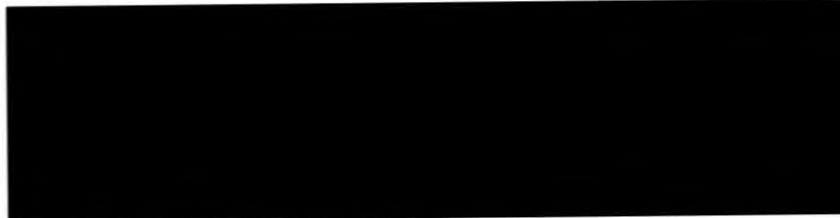


February 28, 2024

Page 2

Thank you for the opportunity to provide you with our proposal. We look forward to working with you. If you agree to the terms outlined above, please affix your signature below and return it to our office or via email.

Respectfully Submitted,

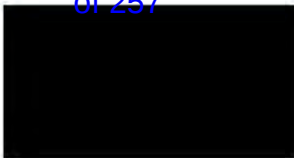


Authorized signature for acceptance of the foregoing terms and conditions:

2/28/24

Mr. Ryan Stumphauer, Court Appointed Receiver Date:





Deed

eRecorded in Philadelphia PA Doc Id: 53413629
09/06/2018 10:23 AM Page 1 of 5 Rec Fee: \$256.75
Receipt#: 18-88886
Records Department Doc Code: D
State RTT: \$44,000.00 Local RTT: \$144,232.00

Prepared by and Return to:
First Platinum Abstract, LLC
2416 Bristol Road
Bensalem, PA 19020
215-741-2000

File No. 21425-FPA
BRT # 881007028

This Indenture, made the 15th day of August, 2018,

Between

MSP PHILLY I, LP, A PENNSYLVANIA LIMITED PARTNERSHIP

(hereinafter called the Grantor), of the one part, and

300 MARKET STREET LLC, A PENNSYLVANIA LIMITED LIABILITY COMPANY

(hereinafter called the Grantee), of the other part,

Witnesseth, that the said Grantor for and in consideration of the sum of **Four Million Four Hundred Thousand And 00/100 Dollars (\$4,400,000.00)** lawful money of the United States of America, unto it well and truly paid by the said Grantee, at or before the sealing and delivery hereof, the receipt whereof is hereby acknowledged, has granted, bargained and sold, released and confirmed, and by these presents does grant, bargain and sell, release and confirm unto the said Grantee, as sole owner

Street Address: **300 Market Street, Philadelphia, PA**

ALL THAT CERTAIN lot or piece of ground with the buildings and improvements thereon erected.

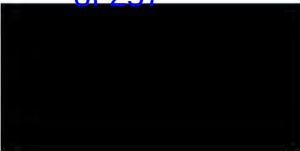
SITUATE on the South side of Market (Formerly High) Street, and the West side of Third Street in the Sixth Ward of the City of Philadelphia.

CONTAINING in front or breadth on the said Market Street 22 feet, and extending on said Third Street 80 feet.

BOUNDED on the East by Third Street aforesaid, South by a 4 feet wide alley, West by a lot at the same time sold to Martin Barsh and North by said Market Street.

BEING known as No. 300 Market Street.

Being the same premises which 300 Market Street Associates LLC, a Pennsylvania limited liability company by Deed dated 11/16/2015 and recorded 11/19/2015 in



Deed

53413629 Page 2 of 5 09/06/2018 10:23 AM

Philadelphia County as Document No. 52990430 conveyed unto MSP Philly I, LP, a Pennsylvania limited partnership, in fee.

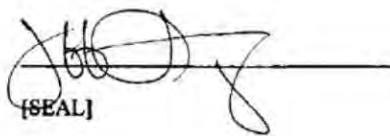
Together with all and singular the buildings and improvements, ways, streets, alleys, driveways, passages, waters, water-courses, rights, liberties, privileges, hereditaments and appurtenances, whatsoever unto the hereby granted premises belonging, or in anywise appertaining, and the reversions and remainders, rents, issues, and profits thereof; and all the estate, right, title, interest, property, claim and demand whatsoever of it, the said grantor, as well at law as in equity, of, in and to the same.

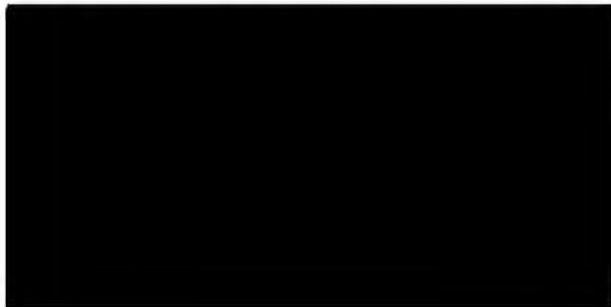
To have and to hold the said lot or piece of ground described above, with the buildings and improvements thereon erected, hereditaments and premises hereby granted, or mentioned and intended so to be, with the appurtenances, unto the said Grantee, his heirs and assigns, to and for the only proper use and behoof of the said Grantee, his heirs and assigns, forever.

And the said Grantor, for itself, its successors and assigns, does, by these presents, covenant, grant and agree, to and with the said Grantee, his heirs and assigns, that it, the said Grantor, and its successors and assigns, all and singular the hereditaments and premises herein described and granted, or mentioned and intended so to be, with the appurtenances, unto the said Grantee, his heirs and assigns, against it, the said Grantor, and its successors and assigns, will **WARRANT SPECIALLY** and defend against the lawful claims of all persons claiming by, through or under the said Grantor but not otherwise.

In Witness Whereof, the party of the first part has caused its common and corporate seal to be affixed to these presents by the hand of its Authorized Signer, and the same to be duly attested by its Secretary. Dated the day and year first above written.

ATTEST


[SEAL]





Deed

53413629 Page 3 of 5 09/06/2018 10:23 AM

State of ~~South Carolina~~ }
~~Commonwealth of Pennsylvania~~ } as
County of Charleston

This record was acknowledged before me on August 13 2018 by Charles Stephen Wendell
as Authorized Signer of Wendell Family Investments LTD, LLC, who represents that they are
authorized to act on behalf of MSP Philly I, LP, a Pennsylvania Limited Partnership as the General
Partner.

[Signature]
Notary Public
My commission expires 11-26-23

The precise residence and the complete post office
address of the above-named Grantee is:

205 Arch St. 2nd Floor
Philadelphia PA 19106

[Signature]
On behalf of the Grantee



File No.

Record and return to:
First Platinum Abstract, LLC
2416 Bristol Road
Bensalem, PA 19020

Deed

BRT # 881007028

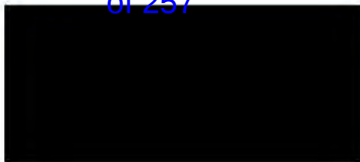
MSP Philly I, LP, a Pennsylvania Limited
Partnership

TO

300 Market Street LLC, a Pennsylvania
Limited Liability Company

Deed

53413629 Page 4 of 5 09/06/2018 10:23 AM



Rent Roll / Commercial Lease Excerpts

300 Market St Rent Roll

Unit	BD/BA	Status	Rent	Deposit	Lease From	Lease To
Commercial	--/--	Current	\$6,800.00	\$6,800.00	12/15/2022	12/31/2025
201	--/--	Current	\$1,290.00	\$2,500.00	05/15/2021	05/26/2024
202	0/1.00	Current	\$1,345.00	\$2,690.00	05/15/2023	05/26/2024
203	0/1.00	Current	\$1,295.00	\$2,600.00	08/01/2023	07/26/2024
204	0/1.00	Current	\$1,375.00	\$2,750.00	09/01/2023	08/26/2024
301	--/--	Current	\$1,425.00	\$2,850.00	07/17/2023	07/26/2024
302	0/1.00	Current	\$1,395.00	\$2,790.00	02/01/2024	01/25/2025
303	--/--	Current	\$1,365.00	\$2,650.00	09/01/2022	06/25/2024
304	0/1.00	Current	\$1,395.00	\$2,790.00	12/09/2023	02/25/2025
401	--/--	Current	\$1,355.00	\$1,355.00	09/01/2022	08/26/2024
402	--/--	Current	\$1,330.00	\$1,250.00	07/01/2021	06/25/2024
403	--/--	Current	\$1,310.00	\$1,235.00	10/03/2020	06/25/2024
404	0/1.00	Current	\$1,395.00	\$2,790.00	09/11/2023	08/26/2024



Rent Roll

Exported On: 2023-12-20 10:43:05 -0500

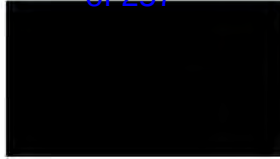
Properties: 300 Market Street Philadelphia, PA 19106

Units: Active

As of: 12/20/2023

Include Non-Revenue Units: No

Unit	Tags	BD/BA	Tenant	Status	Sqft	Market Rent	Rent	Deposit	Lease From	Lease To	Move-in	Move-out	Past Due	NSF Count	Late Count	Recurring Charges
300 Market Street Philadelphia, PA 19106																
403		+-		Current		1,200.00	1,310.00	1,235.00	10/03/2020	06/25/2024	10/03/2020		0.00	3	0	50.00
201		+-		Current		1,375.00	1,290.00	2,500.00	05/15/2021	05/26/2024	05/15/2021		0.00	0	0	50.00
402		+-		Current		1,365.00	1,330.00	1,250.00	07/01/2021	06/25/2024	07/01/2021		0.00	0	0	50.00
303		+-		Current		1,335.00	1,365.00	2,650.00	09/01/2022	06/25/2024	09/01/2022		0.00	9	0	50.00
401		+-		Current		1,200.00	1,355.00	1,355.00	09/01/2022	08/26/2024	09/01/2022		-1,275.00	0	0	50.00
Commercial		+-		Current		9,364.00	6,800.00	6,800.00	12/15/2022	12/31/2025	12/15/2022		0.00	0	0	1,034.00
202		0/1.00		Current		1,345.00	1,345.00	2,690.00	05/15/2023	05/26/2024	05/15/2023		0.00	0	0	50.00
301		+-		Current		1,425.00	1,425.00	2,850.00	07/17/2023	07/26/2024	07/17/2023		0.00	0	0	50.00
203		0/1.00		Current		1,295.00	1,295.00	2,600.00	08/01/2023	07/26/2024	08/01/2023		0.00	0	0	50.00
204		0/1.00		Current		1,323.00	1,375.00	2,750.00	09/01/2023	08/26/2024	09/01/2023		150.00	0	0	50.00
404		0/1.00		Current		1,375.00	1,395.00	2,790.00	09/11/2023	08/26/2024	09/11/2023		0.00	0	0	50.00
304		0/1.00		Current		1,395.00	1,395.00	2,790.00	12/09/2023	02/25/2025	12/09/2023		-1,072.10	0	0	50.00
302		0/1.00		Current		1,342.00	1,395.00	1,395.00	02/01/2024	01/25/2025						0.00
13 Units				92.3% Occupied	0	25,339.00	#####	#####					-2,197.10	12	0	1,584.00
Total 13 Units				92.3% Occupied	0	25,339.00	#####	#####					-2,197.10	12	0	1,584.00



Rent Roll / Commercial Lease Excerpts

DocuSign Envelope ID: BF05C4CF-9632-4D76-B437-46F90D1D4346



COMMERCIAL LEASE

CL

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

PARTIES	
TENANT(S): [REDACTED]	LANDLORD(S): [REDACTED]
Authorized Signer [REDACTED]	Authorized Signer [REDACTED]
TENANT'S PRINCIPAL PLACE OF BUSINESS: 300 Market St, Commercial Unit, Philadelphia, PA 19106	LANDLORD'S PRINCIPAL PLACE OF BUSINESS: [REDACTED]
TENANT'S EMAIL ADDRESS: [REDACTED]	LANDLORD'S EMAIL ADDRESS: [REDACTED]

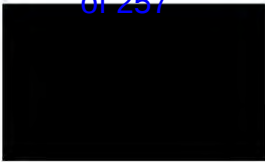
PREMISES	
A portion of the real property known as Suite Number(s) <u>Comm</u> <u>2</u> floor(s), consisting of approximately <u>2800</u> square feet and located at <u>300 Market St</u> in the municipality of <u>Philadelphia</u> , County of <u>Philadelphia</u> , ZIP <u>19106</u> in the Commonwealth of Pennsylvania, with improvements consisting of _____	

TENANT'S RELATIONSHIP WITH PA LICENSED BROKER	
<input checked="" type="checkbox"/> No Business Relationship (Tenant is not represented by a broker)	
Broker (Company) _____ Company Address _____ Company Phone _____ Company Fax _____ Broker is (check only one): <input type="checkbox"/> Tenant Agent (Broker represents Tenant only) <input type="checkbox"/> Dual Agent (See Dual and/or Designated Agent box below)	Licensee(s) (Name) _____ State License # _____ Direct Phone(s) _____ Cell Phone(s) _____ Email _____ Licensee(s) is (check only one): <input type="checkbox"/> Tenant Agent (all company licensees represent Buyer) <input type="checkbox"/> Tenant Agent with Designated Agency (only Licensee(s) named above represent Buyer) <input type="checkbox"/> Dual Agent (See Dual and/or Designated Agent box below)
<input type="checkbox"/> Transaction Licensee (Broker and Licensee(s) provide real estate services but do not represent Tenant)	

LANDLORD'S RELATIONSHIP WITH PA LICENSED BROKER	
<input type="checkbox"/> No Business Relationship (Tenant is not represented by a broker)	
Broker (Company) [REDACTED] Company Address [REDACTED] Company Phone [REDACTED] Company Fax _____ Broker is (check only one): <input checked="" type="checkbox"/> Landlord Agent (Broker represents Landlord only) <input type="checkbox"/> Dual Agent (See Dual and/or Designated Agent box below)	Licensee(s) (Name) [REDACTED] State License # _____ Direct Phone(s) _____ Cell Phone(s) _____ Email [REDACTED] Licensee(s) is (check only one): <input checked="" type="checkbox"/> Landlord Agent (all company licensees represent Landlord) <input type="checkbox"/> Landlord Agent with Designated Agency (only Licensee(s) named above represent Landlord) <input type="checkbox"/> Dual Agent (See Dual and/or Designated Agent box below)
<input type="checkbox"/> Transaction Licensee (Broker and Licensee(s) provide real estate services but do not represent Landlord)	

DUAL AND/OR DESIGNATED AGENCY	
A Broker is a Dual Agent when a Broker represents both Buyer and Seller in the same transaction. A Licensee is a Dual Agent when a Licensee represents Buyer and Seller in the same transaction. All of Broker's licensees are also Dual Agents UNLESS there are separate Designated Agents for Buyer and Seller. If the same Licensee is designated for Buyer and Seller, the Licensee is a Dual Agent. By signing this Agreement, Buyer and Seller each acknowledge having been previously informed of, and consented to, dual agency, if applicable.	
Tenant Initials: [REDACTED]	Landlord Initials: [REDACTED]





Rent Roll / Commercial Lease Excerpts

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1 **1. LEASE DATE AND RESPONSIBILITIES**

2 For and in consideration of the rents, covenants and agreements contained herein and for other good and valuable consideration, the
3 receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Landlord leases to Tenant, and
4 Tenant accepts from Landlord, the Premises described above, and any riders, supplements, addenda and exhibits which are made a part
5 of this Lease, dated November 22, 2022.

6 **2. DEFINITIONS**

7 (A) "Additional Rent" shall mean all sums, charges or amounts of whatever nature (other than Base Rent) to be paid by Tenant to
8 Landlord in accordance with the provisions of this Lease and any addenda including, but not limited to, taxes, water, electricity,
9 security deposits, insurance premiums, repairs, and security services, whether or not such sums, charges or amounts are referred
10 to as "Additional Rent." Landlord shall have the same remedies for default in the payment for Additional Rent as for default in the
11 payment of Base Rent.

12 (B) "Base Rent" shall mean the minimum rent due as set forth in Paragraph 5.

13 (C) "Common Area Maintenance" (CAM) shall mean Tenant's pro rata share of the cost to maintain, clean or repair the common areas
14 and amenities of the Premises as set forth in Paragraph 7.

15 (D) "Improvements" shall mean any equipment, device, capital improvement or replacement to Landlord's Premises (i) required to
16 achieve economies in operating, maintaining and/or repairing the Premises; (ii) required by any governmental authority, board or
17 agency having jurisdiction over Landlord's Premises; or (iii) recommended or required by any insurance carrier in connection with
18 provisions of insurance for Landlord's Premises.

19 (E) "Landlord" shall mean the party named above as Landlord and any subsequent person(s) who succeeds to the rights of Landlord
20 herein, each of whom shall have the same rights and remedies as he would have possessed had he originally signed this Lease as
21 Landlord.

22 (F) "Operating Expenses" shall mean all expenses incurred in operating, maintaining, managing and repairing the building, land and
23 all improvements, fixtures and equipment located thereon, including but not limited to sidewalks, parking areas, driveways and
24 landscaping as set forth in Paragraph 7.

25 (G) "Real Property Taxes" shall mean all ad valorem, real property, personal property or similar taxes, charges and assessments,
26 whether general, special or otherwise, which are levied, assessed or imposed during the Term by any governmental authority upon
27 Landlord's Premises or any other property of Landlord, real or personal, located on Landlord's Premises, and any increase or
28 decrease thereof. "Real Property Taxes" shall also include any tax that shall be levied or assessed in addition to, or in lieu of, such
29 real or personal property taxes. It shall not include federal, state or local income taxes, any franchise, estate or inheritance tax, or
30 any real estate transfer, documentary or intangible tax imposed by reason of sale or financing on Landlord's Premises.

31 (H) "Rent" shall mean the total sums due and payable to Landlord.

32 (I) "Tenant" shall mean the party named above as Tenant, as well as its or their respective heirs, personal representatives, successors
33 and assigns, each of which shall be under the same obligations, liabilities and disabilities, and have only such rights, privileges
34 and powers as he would have possessed had he originally signed this Lease as Tenant.

35 **3. STARTING AND ENDING DATES OF LEASE (also called "Term")**

36 (A) The Commencement Date shall be (select one):

- 37 Substantial Completion: _____
- 38 Occupancy Date: December 15, 2022
- 39 Signing Date: _____
- 40 Rent Commencement Date: _____
- 41 Other: _____

42 Tenant's failure to take possession of the Premises for any reason when possession is delivered by Landlord shall not delay the
43 Commencement Date.

44 (B) The Term of this Lease shall begin on the Commencement Date and expire on December 31, 2025 ("Expiration
45 Date"). This date in subsequent years shall operate as the renewal date, if any.

46 (C) As used in this Lease, Substantial Completion shall mean that Tenant may utilize the Premises for Tenant's proposed use with-
47 out material interference with Tenant's business activities.

48 **4. RENEWAL TERM**

49 (A) This Lease will renew as indicated below unless proper notice to terminate is given. In the event that the Lease is not renewed for
50 any reason whatsoever, and Tenant does not vacate the Premises as set forth herein, Tenant will be considered a "hold over Tenant"
51 and the provisions of Paragraph 32 shall apply.

52 (B) **Option 1 - Automatic Termination**

53 This Lease will automatically terminate at the expiration of the Term unless Landlord and Tenant enter into a written extension or
54 renewal of the Lease prior to the last day of the Term ("Renewal Term").

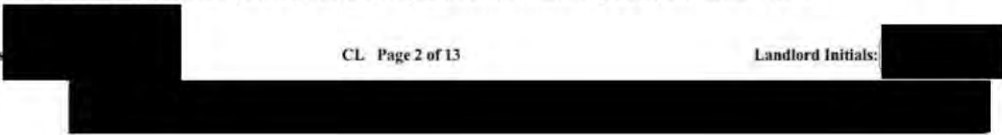
55 (C) **Option 2 - Automatic Renewal**

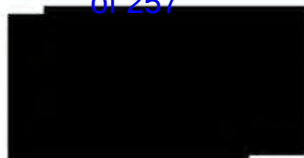
56 1. If neither party terminates this Lease as set forth herein, this Lease will automatically renew for _____ additional month(s)
57 (3 if not specified) OR _____ additional year(s) (1 if not specified) ("Renewal Term").

58 2. It is hereby mutually agreed that either party may terminate this Lease by providing written notice to the other party no less
59 than 90 days (90 if not specified) prior to the expiration of the Term or any subsequent Renewal Term.

60 Tenant Initials: _____

Landlord Initials: _____





Rent Roll / Commercial Lease Excerpts

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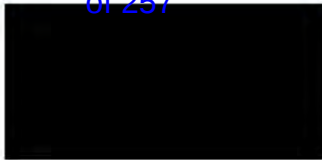
- 61 (D) **Option 3 - Tenant's Option to Renew**
- 62 Landlord and Tenant agree that Tenant has the right to exercise 1 option(s) (1 if not specified) to extend the Lease, provided
- 63 Tenant is not in continuing, material default or breach at the time the option is exercised. ~~Each option shall be for a term identical~~
- 64 ~~to the term identified in Paragraph 3.1 (Renewal Term).~~ Tenant shall provide Landlord no less than 60 days (60 if not specified)
- 65 written notice of Tenant's intention to exercise its option to renew the Lease.
- 66 (E) If notice of termination is given later than required, Rent is due for the entirety of the Renewal Term.
- 67 (F) Any renewal will be according to the terms of this Lease unless otherwise modified in a writing signed by Landlord and Tenant.
- 68 (G) At the Expiration Date or sooner termination of this Lease, Tenant shall peacefully surrender to Landlord possession of the
- 69 Premises in the same condition as it is hereby required to be kept by Tenant, excepting reasonable wear and tear and changes in
- 70 condition due to fire or other casualty.
- 71 1. Tenant may remove its trade fixtures from the Premises and shall repair any damage to the Premises caused thereby. Tenant
- 72 may not remove any alterations, additions or improvements other than trade fixtures. Such alterations, additions or improve-
- 73 ments shall become the property of Landlord as of the Expiration Date or sooner termination of this Lease. Lighting fixtures,
- 74 heating and air conditioning equipment, plumbing and electrical systems and fixtures, and floor coverings shall not be deemed
- 75 to be trade fixtures whether installed by Tenant or by anyone else, and shall not be removed from the Premises by or on behalf
- 76 of Tenant at any time.
- 77 2. Landlord may, in Landlord's sole discretion, conduct an inspection of the Premises. Landlord shall provide written notice to
- 78 Tenant of the date of the inspection so that representatives of both Landlord and Tenant may attend. Following such inspection,
- 79 Landlord shall provide Tenant with written notice within days (10 if not specified) of such inspection setting forth
- 80 those conditions for which Tenant is responsible to repair or restore under the Lease.
- 81 3. Tenant may, at Tenant's election, either (i) make such repairs or restorations; or (ii) notify Landlord that Tenant desires
- 82 Landlord to perform such repairs and restorations at Landlord's actual, reasonable costs. If Tenant elects not to perform the
- 83 repairs and restorations, Tenant shall pay Landlord's actual, reasonable costs promptly after receiving notice that Landlord has
- 84 completed the same. Such notice shall include an invoice or other record setting forth, in reasonable detail, Landlord's actual
- 85 costs of repairs and restorations.

- 86 5. **BASE RENT**
- 87 (A) Rent is due without demand, abatement, deduction or set-off at the address set forth on Page 1 of this Lease, unless otherwise stated.
- 88 (B) Base Rent shall be paid in monthly quarterly annual other: installments of
- 89 \$ 6,800.00 on or before the 1 day of each month quarter other: ("Due Date").
- 90 (C) Base Rent shall be calculated as \$ /sq. ft. OR \$ 6,800.00 per month
- 91 amounting to Base Rent of \$ 61,600.00 (U.S. Dollars) per year.
- 92 If checked, Base Rent is subject to an incremental rent increase during the Term of this Lease. Each increase in Base
- 93 Rent owed to Landlord will be no more than % or \$ in each instance and,
- 94 following proper notice to Tenant, will take effect on the anniversary of the Commencement Date set forth in this Lease unless
- 95 otherwise stated here: .
- 96 (D) Any Base Rent installment, Additional Rent, or any other payment not received by Landlord within days (5 if not speci-
- 97 fied) of the Due Date shall be subject to a late charge of 10.000 % of the installment due or \$ ("Late Charge").
- 98 (E) Tenant agrees that all payments will be applied against outstanding Additional Rent that is due before they will be applied against
- 99 the current Base Rent due. When there is no outstanding Additional Rent, payment will be applied to the month's Base Rent that
- 100 is currently due.
- 101 (F) Landlord will accept the following methods of payment: Cash Money Order Personal Check Credit Cards (additional
- 102 fees may apply) Cashier's Check Other: ACH: Via Tenant Portal . Landlord, at Landlord's sole discretion, reserves
- 103 the right to change or modify the acceptable methods of payment if any method fails (a check is returned or not honored, credit
- 104 card is declined, etc.), by providing Tenant with notice not less than ten (10) days before the next Base Rent installment is due.
- 105 (G) Tenant will pay a fee of \$ 50.00 for any payment that is returned or declined by any
- 106 financial institution for any reason. Notwithstanding any other provisions in this Lease, if payment is returned or declined, Late
- 107 Charges will be calculated from the Due Date. Any late charges will continue to apply until a valid payment is received.

- 108 6. **SECURITY DEPOSIT**
- 109 (A) A security deposit of \$ 6,800.00 will be paid in U.S. Dollars to Landlord or Landlord's representative, and held
- 110 in escrow by Landlord or Landlord's representative as named here: TD Bank -
- 111 (B) The Security Deposit will be held for the performance by Tenant of all of its covenants, obligations and agreements set forth in
- 112 this Lease, but in no event shall Landlord be obligated to apply the Security Deposit to Rent or other charges in arrears, or damages
- 113 for Tenant's default hereunder; however, Landlord may so apply the Security Deposit at its option. Landlord's right to possess the
- 114 Premises for Tenant's default, or other such reason, shall not be affected by the fact that Landlord holds the Security Deposit.
- 115 (C) The Security Deposit, if not so applied by Landlord, shall be returned to Tenant within 60 (60 if not specified) days after this
- 116 Lease terminates, provided that Tenant has vacated the Premises and delivered the same to Landlord as herein provided.
- 117 (D) In the event of any transfer of Landlord's interests in the Premises, Landlord shall have the right to transfer its interest in the Security
- 118 Deposit following proper notice to Tenant, whereupon Landlord shall be released of all liability with respect to such a Security
- 119 Deposit, and Tenant shall look solely to such transferee for the return of the same in accordance with the terms of the Lease.

120 Tenant Initials:

Landlord Initials:



Rent Roll / Commercial Lease Excerpts

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121 **7. ADDITIONAL RENT**

- 122 (A) As Additional Rent and/or costs, Tenant agrees to timely pay all or Tenant's proportionate share of the following:
- 123 Common Area Maintenance (CAM)
- 124 Improvements
- 125 Real Property Taxes
- 126 Operating Expenses
- 127 (B) Tenant's prorata share of CAM expenses are _____% (100 if not specified) of the total cost. Upon demand for payment, Landlord is required to submit to Tenant an accounting statement which documents the actual cost of the CAM expenses. Tenant is hereby notified that CAM expenses may fluctuate and are subject to modification based upon actual charges.
- 128 (C) Unless otherwise indicated, Tenant agrees to pay all Operating Expenses, including but not limited to outdoor maintenance, utilities, service contracts, insurance, structural maintenance and repairs, and government assessments. Those Operating Expenses included in CAM will be paid by Tenant according to Paragraph 7 (B), above.
- 129 Operating Expense Addendum to Commercial Lease (PAR Form OXA) is attached and made part of this Lease.

134 **8. PAYMENT SCHEDULE**

	Total Due	Due Date	Paid	Balance Due
136 (A) First month's Base Rent:	\$ 6,800.00	24hr after lease signing	\$ _____	\$ 6,800.00
137 (B) Security Deposit:	\$ 6,800.00	12/15/2022	\$ _____	\$ 6,800.00
138 (C) Additional Rent:	\$ 1034.00	12/15/2022	\$ _____	\$ 1034.00
139 (D) Other:	\$ _____	_____	\$ _____	\$ _____
140 TOTALS:	\$ 13,600.00	_____	\$ _____	\$ 13,600.00

141 **9. SIGNS**

- 142 (A) All signs are subject to approval of Landlord, in its sole discretion. In addition, all signs must be in accordance and comply with, and if needed, be approved by, Philadelphia (municipality) and any other necessary governmental authority, prior to installation. Upon request of Landlord, Tenant shall provide Landlord with a scaled drawing of the sign, including colors, for Landlord's approval.
- 143 (B) Tenant shall remove all signs upon the expiration or earlier termination of the Lease, and such removal shall be at Tenant's sole cost and expense. Tenant shall repair any damage and fill any holes caused by such removal. In the event of a breach of this Lease, and in addition to all other remedies given to Landlord, Landlord shall have the privilege and right to remove any and all signs and restore the Premises to its prior condition, and Tenant shall be liable for any and all expenses so incurred by Landlord.

150 **10. LANDLORD'S REPRESENTATIONS**

- 151 Landlord warrants and represents that:
- 152 (A) As of the date of execution and during the term of this Lease, and any extensions or renewals thereto, Landlord has the full power and authority to execute and deliver this Lease, and to perform its obligations under this Lease.
- 153 (B) As of the date of execution and during the term of this Lease, and any extensions or renewals thereto, none of the terms, conditions or obligations of this Lease shall be precluded by or cause a breach of any other agreement, mortgage, contract or other instrument or document to which Landlord is a party.
- 154 (C) Upon paying Rent and performing its obligations as required under this Lease, Tenant shall be permitted to peaceably and quietly have, hold and enjoy the Premises.
- 155 (D) As of the Occupancy/Commencement Date, all exterior portions of the Premises, including any paved areas, parking areas and sidewalks, shall be in satisfactory condition and repair, and usable for the purposes intended.

161 **11. ACCEPTANCE; POSSESSION**

- 162 (A) By taking possession of the Premises, Tenant affirms and represents that the Premises is in good and tenable condition, meets Tenant's needs for the use set forth in Paragraph 13, and that all work that was to be performed by Landlord pursuant to the terms of this Lease, if any, has been substantially completed. By taking possession, Tenant is accepting the Premises in "as is" condition.
- 163 (B) If Landlord is unable to give Tenant possession of the Premises on the Occupancy Date by reason of the holding over of a previous occupant or due to any cause beyond Landlord's control, Landlord shall not be liable in damages to Tenant. During the period that Landlord is unable to give possession, all rights and remedies of both parties, including Tenant's obligation to pay Rent, shall be suspended.
- 164 (C) If Tenant cannot take possession within 60 days (60 if not specified) of the Occupancy Date, Tenant's exclusive rights are to:
- 165 1. Change the Occupancy Date of the Lease to the day when Premises is available. Tenant will not owe or be charged Base Rent until Property is available; OR
- 166 2. Terminate the Lease and have all money already paid as Rent, Additional Rent or Security Deposit returned, with no further liability on the part of Landlord or Tenant.

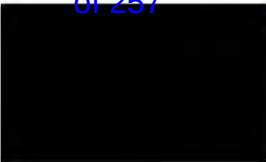
174 **12. GOVERNMENTAL REGULATIONS**

175 Tenant shall, in the use and occupancy of the Premises, comply with all applicable laws, ordinances, notices and regulations of all governmental and municipal authorities, and with the regulations of the insurers of the property. Tenant shall keep in force at all times all licenses, consents and permits necessary for the lawful conduct of Tenant's business at the Premises. Nothing in the foregoing shall require Tenant to perform any work or make any improvements or repairs that Landlord is required to make pursuant to other provisions of this Lease.

180 Tenant Initials: _____

Landlord Initials: _____





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596 and validly existing LLC (nature of entity) under the laws of Delaware (state), that
597 Landlord is authorized to do business in the Commonwealth of Pennsylvania, that Landlord has full rights, power and authority to
598 enter into this Lease, and that each person signing on behalf of Landlord is authorized to do so.

599 (B) The person(s) executing this Lease on behalf of Tenant do/does hereby represent and warrant that Tenant is a duly authorized and
600 validly existing LLC (nature of entity) under the laws of Pennsylvania (state), that
601 Tenant is authorized to do business in the Commonwealth of Pennsylvania, that Tenant has full rights, power and authority to enter
602 into this Lease, and that each person signing on behalf of Tenant is authorized to do so.

603 **50. NOTICES**

604 (A) Notices shall be in writing and shall be deemed properly served three (3) business days after depositing in the United States postal
605 service, as registered or certified mail, return receipt requested, postage prepaid, or upon receipt when sent by overnight express
606 carrier with a request that the addressee sign a receipt evidencing delivery, and addressed as follows, or to any other address fur-
607 nished in writing by any of the foregoing:

608 **TO TENANT:**

609 300 Market St, Commercial Unit, Philadelphia, PA 19106

610 **TO LANDLORD:**



611
612
613 (B) Any change of address furnished by either party shall comply with the notice requirements of this Paragraph, and shall include a
614 complete outline of the current notice of addresses to be used for all parties, including electronic mail addresses.

615 **51. SPECIAL CLAUSES**

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

- 617 Change of Lease Terms Addendum (PAR Form CLT)
- 618 Floorplan of Premises
- 619
- 620
- 621

622 (B) Additional Terms:

623 90 day concession - tenant responsible to pay NNNs during this period.

624 Premises is being delivered as is. Tenant is fully responsible for all maintenance, repairs and replacements to mechanicals that
625 are utilized in or by the unit. This includes but is not limited to HVAC systems, hot water heaters, appliances etc.

626 Tenant responsible for establishing and maintaining accounts for all utilities. Utilities must be transferred into Tenants' name
627 prior to the lease start date.

628 Trash service is the tenant's responsibility and all applicable insurances. Designated trash holding is in the basement.

629 Owner must review signage before installed.

630 **Base Rent Schedule**

631 12/15/2022 - 12/31/2023: \$ 6800/month

632 01/01/2024 - 12/31/2024: \$ 6800/month

633 01/01/2025 - 12/31/2025: \$ 6800/month

634 **Monthly Additional Rent*:**

635 CAM Charges: \$100/Month

636 U&O Charges: \$511/Month (estimated)

637 Management Fee: \$85/Month

638 Property Tax: \$99/Month (estimated)

639 Property Insurance: \$239/Month (estimated)

640 *monthly additional rent amounts subject to annual adjustments.

641 Assessments based off of 25% of the building.

642 **Option:**

643 One (1) Five (5) Year Option with 3% annual base rent increases as follows;

644 01/01/2026 - 12/31/2026: \$6,995/month

645 01/01/2027 - 12/31/2027: \$7,205/month

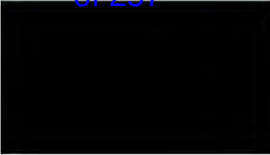
646 01/01/2028 - 12/31/2028: \$7,420/month

647 Continued... See Addendum Additional Terms 1

655 Tenant Initials:

Landlord Initials:





Rent Roll / Commercial Lease Excerpts

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656 NOTICE BEFORE SIGNING: If Tenant or Landlord has legal questions, Tenant or Landlord is advised to consult an attorney.
657 Landlord and Tenant have negotiated the terms and conditions of this Lease, including any and all addenda hereto, and have ini-
658 tialled any and all changes made, and identify this Date _____ as the "Signing Date" of this Lease.

659 TENANT/AUTHORIZED SIGNER _____ DATE November 22, 20

660 Title _____

661 TENANT/AUTHORIZED SIGNER _____ DATE _____

662 Title _____

663 TENANT/AUTHORIZED SIGNER _____ DATE _____

664 Title _____

665 TENANT/AUTHORIZED SIGNER _____ DATE _____

666 Title _____

667 CO-SIGNER _____ DATE November 22, 20

668 Title _____

669 CO-SIGNER _____ DATE _____

670 Title _____

671 LANDLORD/AUTHORIZED SIGNER _____ DATE November 22, 20

672 Title _____

673 LANDLORD/AUTHORIZED SIGNER _____ DATE _____

Agent for Landlord

674 Title _____

675 **LANDLORD TRANSFERS LEASE TO A NEW LANDLORD**

676 As part of payment received by Landlord, _____ (current Landlord) now transfers to
677 _____ (new landlord) his heirs and estate, this Lease and the right to receive the Rents and
678 other benefits.

679 CURRENT LANDLORD _____ DATE _____

680 Title _____

681 CURRENT LANDLORD _____ DATE _____

682 Title _____

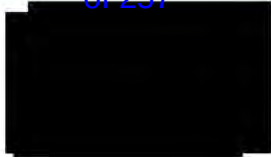
683 NEW LANDLORD _____ DATE _____

684 Title _____

685 NEW LANDLORD _____ DATE _____

686 Title _____





Rent Roll / Commercial Lease Excerpts

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ADDENDUM

PROPERTY: **300 Market St, Philadelphia, 19106**

1) Additional Terms

01/01/2029 - 12/31/2029: \$7,645/month

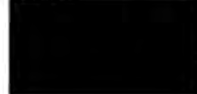
01/01/2030 - 12/31/2030: \$7,875/month

Multiple horizontal lines for additional terms or notes.

Date: November 22, 2022



Date: November 22, 2022



Date: November 22, 2022

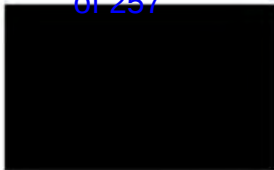


Date: _____

Signature _____

Addendum





QUALIFICATIONS

BUSINESS EXPERIENCE

- Present Principal of [REDACTED] which specializes in the valuation of various types of commercial, industrial and special purpose real estate.
- 2000-2003 Cushman & Wakefield of Pennsylvania Brokerage Services Group. Participated in \$40 million in transactions, representing landlords and tenants. Some of his clients include Equity One, Ohio Casualty Group, AIG Insurance and Hewlett Packard.
- 1996 – 2000 Cushman & Wakefield of Pennsylvania Staff Appraiser and consultant to major financial institutions, pension funds and insurance companies specializing in the valuation of institutional grade office, industrial and multi-family portfolios valued in excess of \$50 million.
- 1990 – 1996 Louis A. Iatarola, MAI Fee appraiser involved in the valuation of commercial, industrial and special purpose real estate.

FORMAL EDUCATION

Temple University, Philadelphia, Pennsylvania

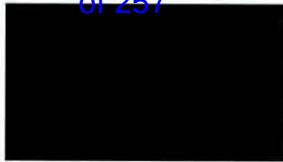
May 1992, Bachelor of Science, Real Estate

Appraisal Institute, Chicago Illinois -

- Real Estate Appraisal Principals – Course 1A-1
- Basic Valuation Procedures – Course 1A-2
- Advanced Capitalization – Course 550
- Basic Capitalization – Course 310
- Advanced Sales Comparison & Cost Approach – Course 530
- Highest and Best Use & Market Analysis – Course 520
- Report Writing – Course 540
- Restricted Appraisal Report Writing Seminar
- Standards of Professional Practice – Part A
- Standards of Professional Practice – Part B
- Subdivision Analysis Seminar

PROFESSIONAL AFFILIATION

- MAI Designated - Appraisal Institute
- Pennsylvania Certified General Appraiser (Certificate #GA-001242-L)
- Pennsylvania Real Estate Salesperson (License #RS-198856-L)
- New Jersey General Real Estate Appraiser (License #42RG00163600)



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

[Redacted]

License Status
Active

Initial License Date
05/12/1994

License Number

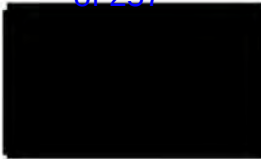
[Redacted]

Expiration Date
06/30/2025

[Redacted]

Acting Commissioner: [Redacted]

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




QUALIFICATIONS



BUSINESS EXPERIENCE

2001 – Present

, *General Certified Appraiser* involved in the valuation of various types of residential, commercial, industrial and special purpose real estate.

Property types include but are not limited to: office (multi-tenant, suburban, high-rise, owner-user, medical office, condominiums), retail (big box, mixed-use, specialty, movie theaters, health clubs/fitness centers, shopping centers), industrial (cold storage, self-storage/mini-storage, heavy manufacturing, warehousing, multi-property portfolios/industrial parks), single-family residential, residential portfolios, multi-family residential (walk-ups (5-25 units), high-rise, urban, luxury suburban, garden style, condo conversions, lofts, historic, land (industrial, excess/surplus, leased, residential subdivision lots, retail, commercial, agricultural, other (student housing, land-residual, ground lease, hospitals, museums, schools/education facilities, government offices) to name a few.

FORMAL COURSE EDUCATION

**Temple University Real Estate Institute -
Appraisal Institute -**

- Standards of Professional Practice – Part A
- Standards of Professional Practice – Part B
- Basic Appraisal Principles – Course 110
- Appraisal Procedures – Course 120
- Valuation of Residential Properties – Course 009
- Appraising Complex Residential Properties – CR – 2070 B
- Appraising Historic Residential Properties
- Sales Comparison & Cost Approach
- Appraising Income Producing Properties – Course 019
- General Market Analysis/Highest and Best Use
- Analysis of Special Purpose Real Estate
- General Appraisal Report Writing & Case Studies

In addition to the foregoing, I have attended and continue to attend numerous courses and seminars over the past several years since 2001 involving a wide variety of real estate topics.

Furthermore, I am an active participant in continuing education through attendance at seminars and courses pursuant to the requirements of the professional education certification program for appraisers and real estate brokers as mandated by the Commonwealth of Pennsylvania.

PROFESSIONAL AFFILIATION

Pennsylvania Certified General Appraiser (Certificate #GA-003635)
New Jersey Certified General Appraiser (Certification #42RG00241600)



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
12/14/2007

Expiration Date
06/30/2025

License Number

Acting Commissioner

Signature



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

Exhibit C

*Purchase and Sale Agreement
Dated April 5, 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.: [REDACTED] email address: [REDACTED]
mailing address: _____
- C. Purchase Price: \$3,250,395(which equals Buyer’s offer price of \$3,250,000
plus a Transaction Fee of \$395
- D. Earnest Money Deposit: \$100,000 (if blank, then 10% of the Purchase Price,
but no less than \$50,000).
- E. Property: Address: 300 Market St., Philadelphia, PA 19106 as legally
described on Exhibit A, including all permanent improvements thereon (but
excluding any personal property unless specifically identified by addendum or
amendment to this Agreement).
- F. Closing Date: June 27, 2024, (if blank, then (i) 30 calendar days after the
Effective Date). If the Closing Date falls on a weekend or a state or federally
recognized holiday, the Closing Date shall be the next business day.
- G. Closing Agent: [REDACTED] contact [REDACTED] address: [REDACTED]
[REDACTED]
phone number: [REDACTED] email address: [REDACTED]
- H. Title Insurance Company: Land Services USA, 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 RLS CAR

BUYER'S INITIALS 

(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 reasonable 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) Prohibite 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	

Closing Costs (as applicable)	Seller Pays	Buyer Pays	50% Seller/ 50% Buyer
Deed Notarization and Recording Fees		X	
Real Estate Broker/Agent Commissions Due Listing Broker (5%)	X		
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 RS

BUYER'S INITIALS _____ / _____

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

(REMAINDER OF PAGE INTENTIONALLY BLANK)

SELLER:

BUYER:

COURT APPOINTED RECEIVER

DocuSigned by:
By: Ryan K Stumphauzer, Court Appointed Receiver
Name: Ryan Stumphauzer
Title: Court Appointed Receiver

[Redacted]
By: [Redacted]
Name: [Redacted]
Title: _____

Date: 04/05/24 | 4:37 PM EDT, 2024

Date: 04/05/24 | 3:02 PM EDT, 2024

LISTING BROKER (if any):

BUYER'S BROKER (if any):

Name: [Redacted]
License No. [Redacted]
State: Pennsylvania

Name: [Redacted]
License No.: [Redacted]
State: Pennsylvania

(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 lot or piece of ground with the buildings and improvements thereon erected.

SITUATE on the South side of Market (Formerly High) Street, and the West side of Third Street in the Sixth Ward of the City of Philadelphia.

CONTAINING in front or breadth on the said Market Street 22 feet, and extending on said Third Street 80 feet.

BOUNDED on the East by Third Street aforesaid, South by a 4 feet wide alley, West by a lot at the same time sold to Martin Barsh and North by said Market Street.

BEING known as No. 300 Market Street.

EXHIBIT B

Assignment and Assumption of Leases and Contracts

Commercial	--/--	Feng Z LLC	12/15/2022	12/31/2025
201	--/--	Jessica Mixon	05/15/2021	05/26/2024
202	0/1.00	Erin N. Francese	05/15/2023	05/26/2024
203	0/1.00	Abigail Gaudinier	08/01/2023	07/26/2024
204	0/1.00	Fassil M. Befekadu	09/01/2023	08/26/2024
301	--/--	Andi N. Mazzarella	07/17/2023	07/26/2024
302	0/1.00	Manuel Aguirre	02/01/2024	01/26/2025
303	--/--	Jordan Greco	09/01/2022	06/25/2024
304	0/1.00	Vichakarn Rattanasangpunth	12/09/2023	02/25/2025
401	--/--	Victoria Blair	09/01/2022	08/26/2024
402	--/--	Robert Verderame	07/01/2021	06/25/2024
403	--/--	Suman Bhattacharyya	10/03/2020	06/25/2024
404	0/1.00	Anairis Chacon	09/11/2023	08/26/2024

EXHIBIT C

Leases

**PENNSYLVANIA RIDER TO
PURCHASE AND SALE AGREEMENT**

STATE-SPECIFIC PROVISIONS.

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

(REMAINDER OF PAGE INTENTIONALLY BLANK)

ADDENDUM/ENDORSEMENT TO AGREEMENT OF SALE

ASA

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

PROPERTY 300 Market Street , Philadelphia , PA 19106

SELLER Ryan Stumphauzer

BUYER Xian Feng Zhang, Wei Lin

DATE OF AGREEMENT April 5, 2024

Buyer and seller agree to give the buyer 45 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 45-day period.

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

DocuSigned by: <i>Xian Feng Zhang</i>	Xian Feng Zhang	DATE 04/05/24 3:02 PM EDT
DocuSigned by: <i>Wei Lin</i>	Wei Lin	DATE 04/05/24 3:04 PM EDT
DocuSigned by: <i>Ryan & Stumphauzer, Court Appointed Receiver</i>	Ryan Stumphauzer	DATE 04/05/24 4:37 PM EDT
DocuSigned by: <i>Ryan Stumphauzer</i>		DATE
DocuSigned by: <i>Ryan Stumphauzer</i>		DATE



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09/02

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<i>Wei Lin</i>	Wei Lin	DATE 04/05/24 3:04 PM EDT
DocuSigned by: <i>Ryan Stumphauzer, Court Appointed Receiver</i>	Ryan Stumphauzer	DATE 04/05/24 4:37 PM EDT
BUYER		DATE
BUYER		DATE
BUYER		DATE
SELLER		DATE
SELLER		DATE
SELLER		DATE



Exhibit 2

*Proposed Order Authorizing Receiver's Sale of Real Property Located at
300 Market Street, Philadelphia, PA 19106*

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

CASE NO. 20-CV-81205-RAR

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

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

Defendants.

**[PROPOSED] ORDER AUTHORIZING RECEIVER'S SALE OF REAL PROPERTY
LOCATED AT 300 MARKET STREET, PHILADELPHIA, PA 19106**

THIS CAUSE comes before the Court upon the Receiver's Motion for Order Approving Receiver's Sale of Real Property Located at 300 Market Street, Philadelphia, PA 19106 [ECF No. ____] (the "Motion"), filed on May 31, 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 300 Market Street, Philadelphia, PA 19106.

The Receiver has made a sufficient and proper showing in support of the relief requested in the Motion. Accordingly, for the reasons stated in the Motion, it is hereby **ORDERED AND ADJUDGED** that the Motion is **GRANTED** as set forth herein.

In accordance with its Order granting Receiver's Motion for Order Authorizing Receiver's Sale of All Real Property Within the Receivership Estate [ECF No. 1486], this Court has reviewed the Declaration [ECF No. ____-1] of Ryan K. Stumphauzer, Esq., the Court-Appointed Receiver

(the “Receiver”), regarding his proposed sale of the real property located at and commonly known as 300 Market Street, Philadelphia, PA 19106 (the “Property”), and orders as follows:

A. The terms of the Purchase and Sale Agreement, a copy of which is attached to the Declaration as Exhibit C (collectively, the “Contract”), by and between the Receiver and X.F.J. and W.L., dated April 5, 2024¹ (the “Buyers”) in connection with the Receiver’s proposed sale of the Property to Buyers are approved;

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

C. The Receiver is authorized to sell the Property to Buyer or Buyers’ designee, as contemplated in the Contract, in exchange for the aggregate sum of \$3,250,000, 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, Buyers or Buyers’ 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. Buyers 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 is not relying on any representation or warranty of the Receiver, except as expressly set forth in the Contract;

¹ For security purposes, the Buyers’ 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 Buyers 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 Buyers or Buyers' 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 Buyers or Buyers' 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 Buyers or Buyers' 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 Buyers or Buyers' 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 the Buyer, the Receiver shall provide Buyers or Buyers' 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 Buyers or Buyers' 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

Copies to: Counsel of record