

**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
1635 EAST PASSYUNK AVENUE, PHILADELPHIA, PA 19148**

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 1635 East Passyunk Avenue, Philadelphia, PA 19148 (the “East Passyunk Avenue Property”). In support thereof, the Receiver states:

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

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

4. 1635 East Passyunk LLC, a Receivership Entity, is the owner of record of the East Passyunk Avenue Property and the Receiver is vested with full legal authority to act on behalf of 1635 East Passyunk LLC, pursuant to the Amended Order Appointing Receiver [ECF No. 141], including the authority to waive the requirements of 28 U.S.C. § 2001 and 28 U.S.C. § 2004 for the sale of the East Passyunk Avenue Property.

5. In accordance with the Order Authorizing Sale, the Receiver has entered into a Purchase and Sale Agreement for the sale of the East Passyunk Avenue Property (the “Contract”). The Contract, which is subject to approval by this Court, is scheduled for a closing on September 16, 2024, provided the Court approves the Contract and authorizes the sale of the East Passyunk Avenue Property.

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

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

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

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

10. A Proposed Order authorizing and approving the sale of the East Passyunk Avenue Property is attached as **Exhibit 2**.

11. To provide an opportunity for any potential objections to the sale of the East Passyunk Avenue Property pursuant to the Contract, the Receiver requests that the Court enter the Proposed Order no earlier than five (5) days, so that the Court may consider and resolve any potential objections to the Contract. Additionally, given that the closing date is scheduled for September 16, 2024, the Receiver respectfully requests that the Court enter the Proposed Order as soon as practicable, on or after September 12, 2024.

WHEREFORE, the Receiver respectfully requests that the Court enter the Proposed Order on or after September 12, 2024, approving the Contract and authorizing the Receiver to sell the East Passyunk Avenue Property.

Local Rule 7.1 Certification

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

Dated: September 6, 2024

Respectfully Submitted,

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

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Co-Counsel for Receiver

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on September 6, 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 1635 East Passyunk LLC. 1635 East Passyunk LLC owns the real property located at 1635 East

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

Passyunk Avenue, Philadelphia, PA 19148 (the “Property” or the “East Passyunk Avenue Property”). The legal description of the Property is:

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

BEGINNING at a point on the Southeasterly side of Passyunk Avenue at the distance of one hundred ninety-one feet one inch Northeastwardly from the Northeast corner of Passyunk Avenue and Morris Street, in the 39th Ward (formerly part of the 1st Ward) of the City of Philadelphia; thence extending Southeastwardly, on a line at right angles to the said Passyunk Avenue, seventy feet to a point; thence extending Eastward, on a line parallel with the said Morris Street, twenty-three feet and one-fourth inch to the West side of Jessup Street; thence extending Northward, along the said West side of Jessup Street, fifteen feet four and one-half inches to a point; thence extending Westward, on a line parallel with the said Morris Street twelve feet eleven inches to a point; thence extending Northwestwardly on a line at right angles to the said Passyunk Avenue, seventy feet to the Southeasterly side of Passyunk Avenue; thence extending Southwestwardly, along the same, eighteen feet to the first mentioned point and place of beginning.

BEING known as No. 1635 East Passyunk Avenue.

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 East Passyunk Avenue Property in accordance with this Court’s prior Order, and now respectfully request that the Court enter an Order authorizing and approving my proposed sale of the Property.

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

Property in a manner consistent with ordinary custom and practice for sales of similar properties in Philadelphia, Pennsylvania. These efforts included marketing on the Broker's website and on the Multiple Listing Service.

5. 1635 East Passyunk LLC purchased the Property from Fran Amodei on February 1, 2018 for \$825,000. The Property is located in the East Passyunk neighborhood of South Philadelphia and is a mixed-use property consisting of two (2) apartment units (one 1 BR/1BA and one 2BR/2BA units) and 750 square feet of ground floor commercial space. The commercial space has been occupied by a pre-Receivership, long term tenant operating as "Massage Passyunk Ave."

6. Before listing the Property, I obtained a Pennsylvania Certified Residential Appraisal of the Property dated May 31, 2023 (the "First Appraisal"). The First Appraisal valued the Property at \$725,000. A true and correct copy of the First Appraisal is attached as **Exhibit A**. Based upon feedback from prospective buyers and the Broker, I obtained a second Pennsylvania Certified Residential Appraisal of the Property dated August 6, 2024 (the "Second Appraisal"). The Second Appraisal valued the Property at \$660,000. A true and correct copy of the Second Appraisal is attached as Exhibit "B".

7. I initially listed the Property for sale for \$950,000. Based upon feedback from prospective buyers and the Broker, I periodically reduced the listing price to its final listing price of \$750,000.00.

8. The Property has been on the market for over one year and was shown to prospective buyers over 20 times. As a result of my marketing efforts and after negotiations, I have received an offer from 1635 P __ A __, LLC,² a third party unaffiliated with the Receivership Entities (collectively "Buyer"), to purchase the Property out of receivership for \$675,000.00. The

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

Buyer's offer is the only written offer received for the Property. I accepted this offer because, although it is less than the First Appraised Value, it is consistent with the market value determined in the Second Appraisal Report and aligns with the prevailing expectations of commercial real estate investors for a return on investment. Increasing interest rates and adjustments in cap rates, which signify the expected rate of return on investments, have converged to depress the "capitalization approach" in valuing investment properties similar to this one. Other factors have adversely affected the local real estate market, including a softening of commercial rents in Philadelphia following the Covid-19 pandemic and a decline in residential rents due to an inventory surplus.

9. The offer is an "all cash" offer with no contingencies. In my reasonable business judgment, I believe Buyer's offer to purchase the Property for \$675,000 is appropriate, and consistent with the Property's current market value. As a result, on or about August 20, 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.³ Closing is scheduled for September 16, 2024.

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

³ The Buyer, 1635 P __ A __, LLC is a permitted assignee under the Contract.

11. Accordingly, I respectfully request that this Court enter an Order approving the sale of the East Passyunk Avenue Property, as provided for in the Contract.

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

Executed on September 6, 2024

/s/ Ryan K. Stumphauzer

Ryan K. Stumphauzer
Court-appointed Receiver

Exhibit A

*Pennsylvania Certified Residential Appraisal
Dated May 31, 2023*

NEWMARK VALUATION & ADVISORY

1635 East Passyunk Avenue

1635 East Passyunk Avenue
Philadelphia, PA 19148

[REDACTED]

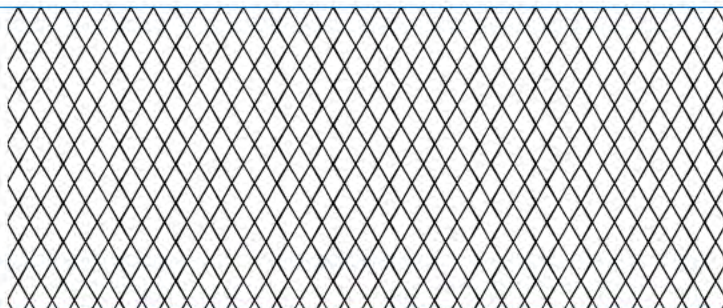
Appraisal Report Prepared For:

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]

May 30, 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 1635 East Passyunk Avenue,
Philadelphia, PA 19148, Prepared by [REDACTED] (herein "Firm"
or [REDACTED]

[REDACTED]

Dear Mr. Hazel:

The "Subject Property" is a mixed-use property consisting of 2 apartment units (one 1BR/1BA and one 2BR/2BA units) and 750 square feet of ground floor commercial space. The improvements are of good condition and total 2,521 square feet of total rentable area. As of the effective appraisal date, all 5 apartments and the commercial units are leased and occupied. The property is located along the east side of East Passyunk Avenue in the Bella Vista / Southwark neighborhood of South Philadelphia.

Key Value Considerations

Key Value Considerations

Strengths

- 1. Located along East Passyunk Avenue, one of Philadelphia's most notable dining, retail and nightlife hubs.
- 2. Investment activity has been strong amongst local and regional investors over the past several years for apartment buildings in the property's asset class.
- 3. Good building condition as a result of frequent cosmetic and mechanical updates.

Risk Factors

- 1. Larger percentage of commercial space compared with competing mixed-use assets in the local area.

[REDACTED]

[REDACTED]

May 30, 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 opinion of value for the subject is:

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Leased Fee	4/11/2023	\$725,000

Compiled by [REDACTED]

Extraordinary Assumptions

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

1. Individual unit sizes were not available for this property. We measured both apartment units and have estimated the size of the commercial unit based on available data and building measurements. We reserve the right to amend our analysis if different information is made available at a later date.

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

Hypothetical Conditions

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

1. None

The appraisal was developed based on, and this report has been prepared in conformance with the Client’s appraisal requirements, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute,



May 30, 2023
TIMOTHY M. HAZEL, ESQUIRE

Title XI of the Financial Institution Reform, Recovery and Enforcement Act (FIRREA) of 1989, and the Interagency Appraisal and Evaluation Guidelines (December 2, 2010).



Certification

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Pennsylvania.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, [REDACTED] MAI, CRE, MRICS has completed the continuing education program for Designated Members of the Appraisal Institute.
12. As of the date of this report, [REDACTED] has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.
13. [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.
14. No one provided significant real property appraisal assistance to the person(s) signing this certification.
15. The Firm operates as an independent economic entity. Although employees of other service lines or affiliates of the Firm may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
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.

CERTIFICATION

-
17. [REDACTED] has not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment. [REDACTED] has not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

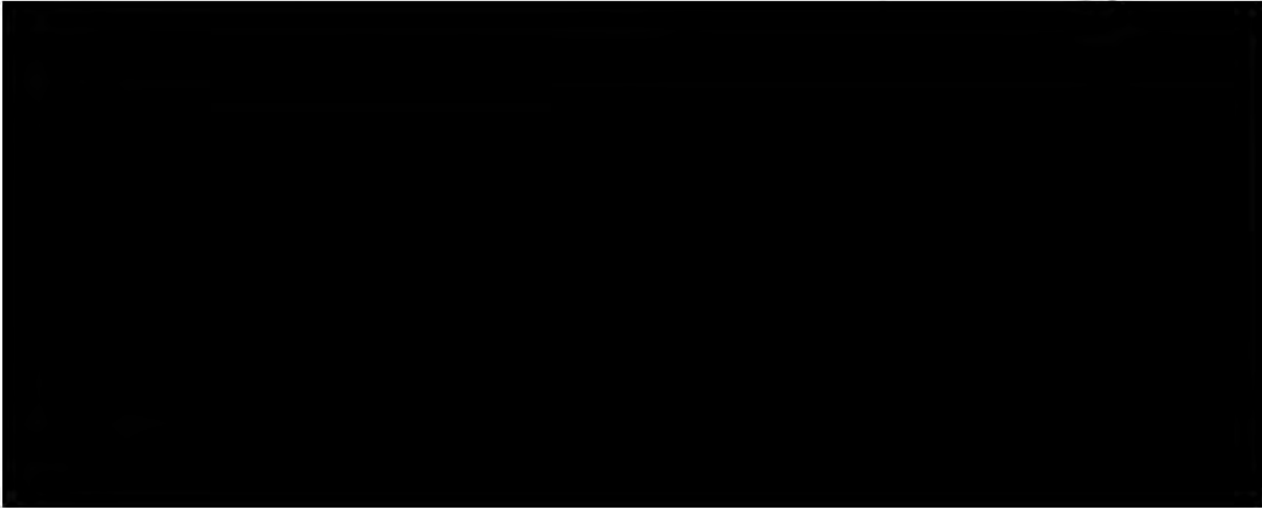


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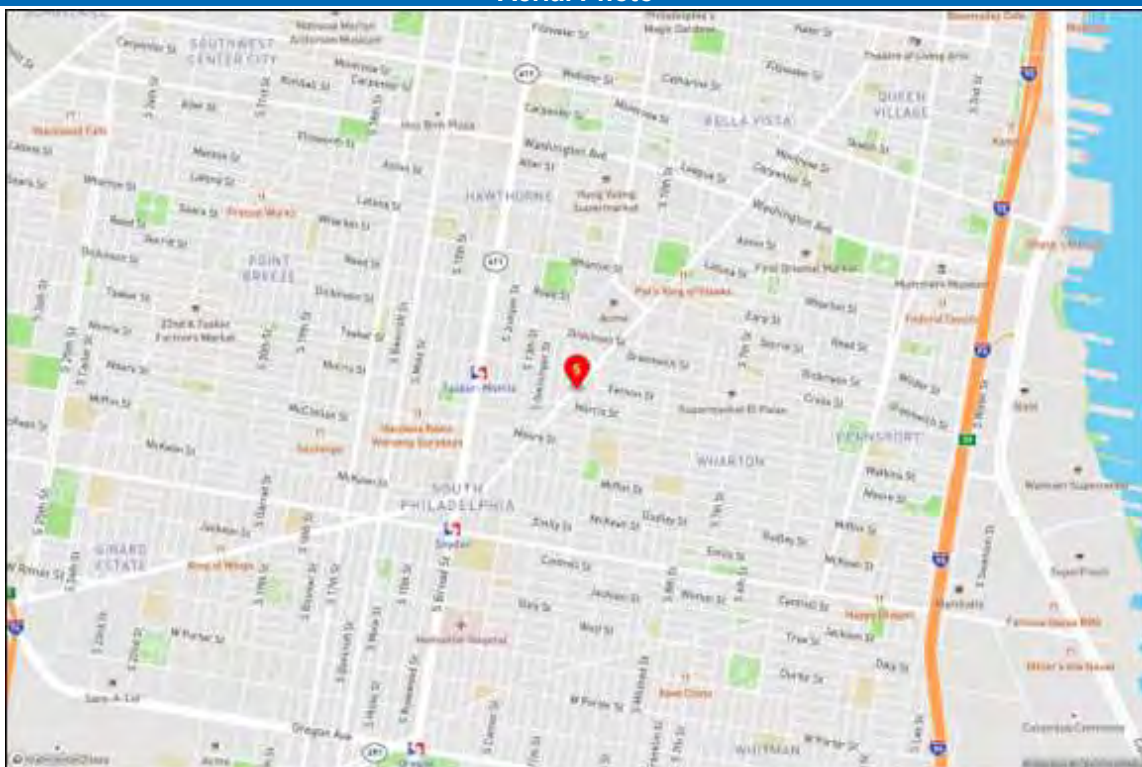
- A. Glossary of Terms
- B. Engagement Letter
- C. Financials and Property Information
- D. Comparable Data
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- E. Précis Metro Report - Economy.Com, Inc.
- F. Appraiser Qualifications and Licenses



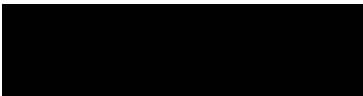
SUBJECT MAPS



Aerial Photo



Location Map



1635 East Passyunk Avenue

SUBJECT PHOTOGRAPHS



Front exterior



Ground floor retail unit



Basement (retail unit)



Unit 1 entrance



Unit 1 bedroom



Unit 1 bathroom



SUBJECT PHOTOGRAPHS



Unit 1 living room



In-unit washer/dryer



Unit 2 living space



Unit 2 kitchen



Unit 2 bathroom



Unit 2 typical bedroom



SUBJECT PHOTOGRAPHS



Unit 2 - second bedroom / home office



Unit 2 roof deck



E Passyunk Ave viewed south (subject to left)



E Passyunk Ave viewed north (subject to right)



Executive Summary

1635 East Passyunk Avenue

Property Type:	Mixed Use: Multifamily-Walk-Up, Retail-Urban Retail
Street Address:	1635 East Passyunk Avenue
City, State & Zip:	Philadelphia, Philadelphia County, PA 19145
Gross Building Area (SF):	2,956
Net Rentable Area (SF) - Commercial:	750
Net Rentable Area (SF) - Multifamily:	<u>1,771</u>
Net Rentable Area (SF) - Total:	2,521
Number of Units:	2
Year Built:	1915
Land Area:	0.032 acres; 1,405 SF
Zoning:	CMX-2.5, Commercial Mixed Use 2.5
Highest and Best Use - As Vacant:	Mixed Use Development
Highest and Best Use - As Improved:	Continued Mixed Use

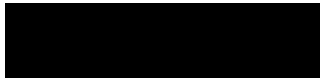
Analysis Details

Valuation Date:	April 11, 2023
Market Value "As Is"	April 11, 2023
Inspection Date and Date of Photos:	April 11, 2023
Report Date:	May 30, 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 OCF Realty and no other user is permitted by any other party for any other purpose.
Appraisal Premise:	Market Value "As Is"
Intended Use and User:	The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and [REDACTED] will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.
Interest Appraised:	Leased Fee
Exposure Time (Marketing Period) Estimate:	6 to 9 Months (6 to 9 Months)

Compiled by [REDACTED]

Leasing Summary

Rental Unit Subtotals	1 BR	2 BR	Average
Average Unit Size	450 SF	1,321 SF	886 SF
Average Unit Contract Rent	\$1,195	\$2,230	\$1,713
Unit Occupancy	100.0%	100.0%	100.0%
Unit Market Rent	\$1,200	\$2,400	\$1,800



EXECUTIVE SUMMARY

Valuation Summary			
Sales Comparison Approach		\$/SF	\$ Total
Number of Sales			5
Range of Sale Dates			Feb-20 to Jan-22
Adjusted Range of Comparables (\$/SF)			\$207.76 to \$357.37
Indicated Sales Comparison Approach Value	As Is	\$277.67	\$700,000
Income Capitalization Approach - Direct Capitalization Method		\$/SF	\$ Total
Capitalization Rate Indicators and Conclusion			
			Indication
Comparable Sales			6.25% - 7.00%
Investor Surveys			6.00% - 7.50%
Market Participants			6.25% - 6.75%
Band of Investment			7.50%
Concluded Going-In Capitalization Rate			6.25%
Stabilized Income Estimate			
Potential Gross Income		\$26.50	\$66,798
Stabilized % Vacancy & Collection Loss		-4.63%	(\$3,095)
Effective Gross Income		\$25.27	\$63,703
Operating Expenses		\$7.39	\$18,635
Operating Expense Ratio			29.3%
Net Operating Income		\$17.88	\$45,069
Capitalization Rate			6.25%
Indicated Income Capitalization Approach Value	As Is	\$287.58	\$725,000
Market Value Conclusions	As Is	\$287.58	\$725,000
Exposure / Marketing Time			
Concluded Exposure Time	6 to 9		Months or Less
Concluded Marketing Time	6 to 9		Months or Less

Compiled by [REDACTED]

Extraordinary Assumptions and Hypothetical Conditions

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

- Individual unit sizes were not available for this property. We measured both apartment units and have estimated the size of the commercial unit based on available data and building measurements. We reserve the right to amend our analysis if different information is made available at a later date.

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- None

Compiled by [REDACTED]



Introduction

OWNERSHIP HISTORY

The current owner is 1635 East Passyunk LLC. The following summarizes a three-year history of ownership, the current listing status, and pending transactions for the subject property (as applicable).

Ownership History

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

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

Previous Sales

Sales in the Previous Three Years:	None	
Most Recent Reported Sale:	January 31, 2018	
Buyer:	1635 East Passyunk LLC	
Seller:	Fran Amodei	
Purchase Price:	\$825,000	\$327.25 Per SF (Net Rentable Area)
Deed Information:	Document ID #53325692	

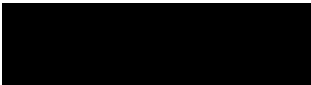
Compiled by [REDACTED]

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 OCF Realty and no other party is permitted to use or rely on the appraisal.



DEFINITION OF VALUE

Market value is defined as:

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

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

APPRAISAL REPORT

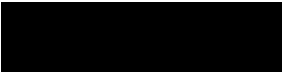
This appraisal is presented in the form of an appraisal report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. This report incorporates sufficient information regarding the data, reasoning and analysis that were used to develop the opinion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

PURPOSE OF THE APPRAISAL & INTEREST APPRAISED

The primary purpose of the appraisal is to develop an opinion of the Market Value "As Is" of the Leased Fee interest in the property. (Please see Glossary of Terms for definition(s) of interest(s) appraised)

Purpose of the Appraisal		
Appraisal Premise	Interest Appraised	Date of Value
Market Value "As Is"	Leased Fee	4/11/2023

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 11, 2023 as per the defined scope of work. ██████████
 ██████████ made a personal inspection of the property that is the subject of this report. ██████████
 ██████████ has not personally inspected the subject.

Type and Extent of the Data Researched

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

Type and Extent of Analysis Applied

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



Economic Analysis

NATIONAL TRENDS AND UNCERTAINTIES

National and Global economies have experienced record setting inflation and interest rates have continued to increase. Influences of the COVID 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 the strong likelihood of a 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.

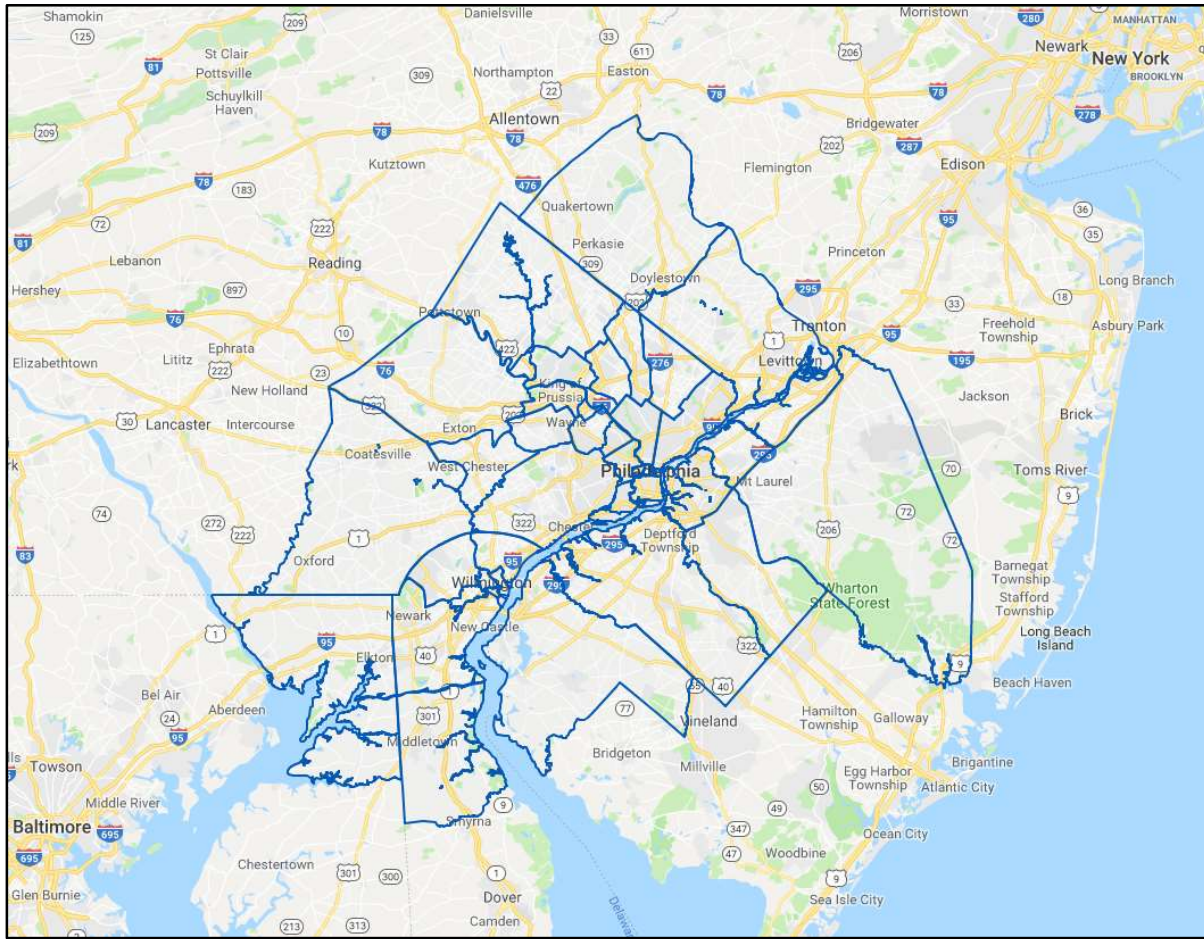
In an effort to curtail inflation, The Federal Reserve embarked on an aggressive strategy which may be bearing fruit. In spite of three major bank failures, the Fed raised rates another 25 basis points in May 2023, for a total of 500 basis points over the course of 2022 into 2023. The Fed is targeting 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



Source: Costar

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

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



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

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

Transportation Infrastructure

- New York City and Washington D.C. are within a 2.5-hour drive; high-speed Amtrak Acela and Metroliner provide fast service to both.
- Philadelphia is home to the 3rd busiest Amtrak station in the U.S. with 11,000 daily riders.
- Greater Philadelphia is at the intersection of the county’s major highway infrastructures with over 100 interstate highways connecting the various submarkets throughout the Philadelphia region.
- 100 million people are located within a one-day drive.
- Served by 30 airlines offering more than 550 daily departures to 128 cities, including 40 international destinations.
- The Delaware River Port Complex, comprised of active, full-service marine terminals in Delaware, New Jersey and Pennsylvania, is an active conduit for international trade and comprises three major ports with full-service docking facilities and over 30 active port terminals.
- The Port of Philadelphia is the only major port on the East Coast served by two Class 1 railroads (CSX Transportation and Norfolk Southern) and provides easy access to the Midwest, Mid-Atlantic, and Northeast markets.

Other Factors Fueling the Growth of Greater Philadelphia

- Top 3 major Bio-Science clusters in the Northeast.

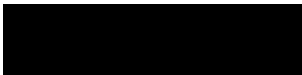


-
- Lower cost of living than other major Northeast Metros (including New York, Boston, Washington D.C.).
 - Lowest rental rates for Class A industrial space compared to other major East Coast cities.
 - Lowest rental rates for Class A office space in the Northeast Corridor.
 - 25 Fortune 500 companies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

Major Employers

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

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

Compiled by [REDACTED]

Expansion of Life Sciences

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

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

Labor Pool

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

- 16% of the population (25 years and older) have advanced degrees, compared with the U.S. average of 13%.



-
- Greater Philadelphia is the 7th largest labor force among the nation’s largest metro areas.
 - Over 1.15 million workers worked in Knowledge Occupations as defined by the Economic Development Administration (EDA), comprising 40.6% of total employment.

Greater Philadelphia is a National Leader in Higher Education

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

Conclusion-Greater Philadelphia

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. Despite some pandemic setbacks over the past 24 months, 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.



Regional highways providing linkage to this neighborhood include I-76, I-95 and I-676 (Vine Street Expressway). I-676, which is located along the northern perimeter of the CBD, links I-95 with the Schuylkill Expressway (I-76); these two interstate highways form the primary linkages with the suburban communities to the northwest, northeast and southwest of the City of Philadelphia in Pennsylvania as well as New Jersey suburban markets to the east. Access to the regional highway system, other regional employment centers and shopping to the subject is very good. A close-up view of the subject neighborhood and some of these linkages are shown below with a yellow arrow indicating the approximate location of the subject site. Local access to I-95 is provided by Christopher Columbus Boulevard.

Distance from Key Locations

The following illustrates the 30-minute drive time from the subject.

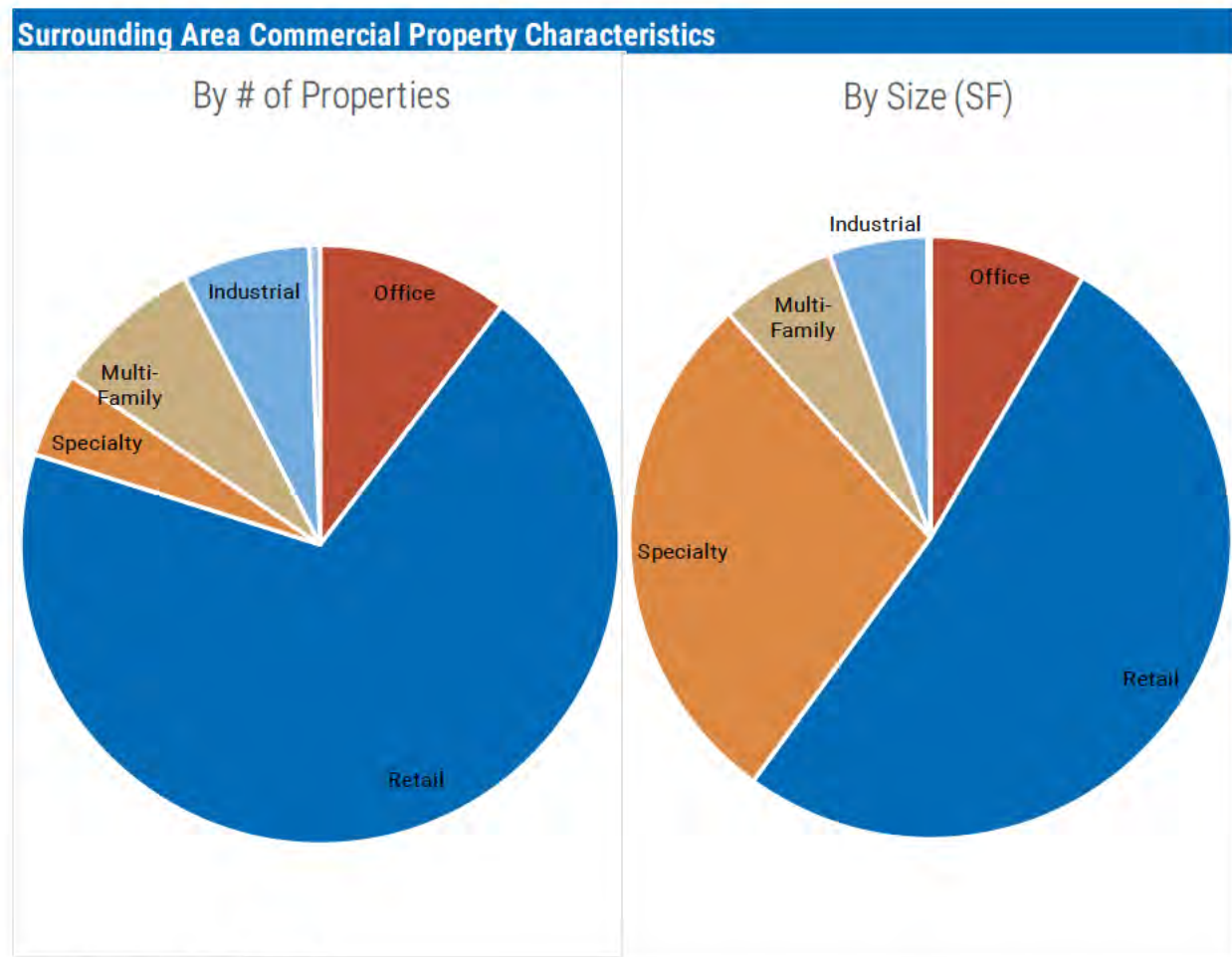


Drive Time Map

Land Use

The following was developed from Costar data for the major property types in the surrounding 0.25-mile radius around the subject.





Source: Costar, Compiled by [REDACTED]

The subject is located in the East Passyunk neighborhood of South Philadelphia. In addition to the general influences of the Center City Core, the major demand generator in the immediate local area is Passyunk Square and the eclectic East Passyunk Avenue corridor, which includes shopping and restaurants along East Passyunk Avenue. Outside of East Passyunk Avenue, the area surrounding the subject property is predominantly comprised of residential and small retail development.

Land uses surrounding the subject property are comprised of a mix of row-style residential and street corner retail as shown in the photographs on the following pages.





Mixed-use retail/residential uses along East Passyunk Avenue (above left); typical South Philadelphia row-style housing (above right)

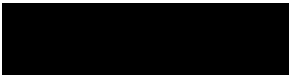


Outdoor dining along East Passyunk Avenue (above)





New construction mixed use along East Passyunk Avenue





City Fitness (gym) located one block south of subject

Demographics

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



ECONOMIC ANALYSIS

Demographic Analysis						
	1-Mile Radius	3-Miles Radius	5-Miles Radius	Philadelphia City	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA	Pennsylvania
Population						
2010 Total Population	108,607	323,938	772,694	1,526,006	5,965,343	12,702,379
2022 Total Population	119,296	376,367	836,095	1,619,078	6,290,595	13,027,451
2027 Total Population	118,755	382,441	839,408	1,604,021	6,309,366	13,011,297
Projected Annual Growth %	-0.1%	0.3%	0.1%	-0.2%	0.1%	0.0%
Households						
2010 Total Households	45,041	143,357	309,110	599,635	2,260,312	5,018,904
2022 Total Households	51,299	177,431	359,044	667,219	2,438,223	5,232,785
2027 Total Households	51,287	181,636	363,160	664,975	2,454,567	5,244,451
Projected Annual Growth %	0.0%	0.5%	0.2%	-0.1%	0.1%	0.0%
Income						
2022 Median Household Income	\$65,126	\$70,507	\$52,658	\$52,721	\$81,273	\$69,170
2022 Average Household Income	\$100,634	\$115,691	\$88,506	\$83,843	\$119,011	\$99,758
2022 Per Capita Income	\$43,535	\$54,653	\$38,176	\$34,678	\$46,256	\$40,217
Housing						
2022 Owner Occupied Housing Units	53.2%	38.7%	40.4%	46.9%	62.0%	62.1%
2022 Renter Occupied Housing Units	37.5%	51.0%	47.8%	43.5%	31.1%	28.4%
2022 Median Home Value	\$285,552	\$331,547	\$240,495	\$224,010	\$299,485	\$232,971
Median Year Structure Built	1940	1942	1941	1948	1965	1964
Miscellaneous Data Items						
2022 Bachelor's Degree	25.3%	28.6%	20.9%	19.3%	24.5%	20.8%
2022 Grad/Professional Degree	16.9%	26.1%	16.5%	13.6%	16.6%	13.4%
2022 College Graduate %	42.2%	54.7%	37.4%	32.8%	41.1%	34.2%
2022 Average Household Size	2.32	2.02	2.24	2.36	2.52	2.41
2022 Median Age	37.4	34.5	34.2	35.7	39.7	41.9

Source: ESRI; Compiled by [REDACTED]

- Median income in the immediate (1-mile) area is slightly higher than the same figure for the City of Philadelphia overall (\$65,126 vs. \$52,721)
- The population in the immediate area is projected to contract slightly year-over-year (-0.1% annually)

Demand Generators

The subject’s South Philadelphia submarket area is primarily influenced by its proximity to the Center City nucleus of the CBD. 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 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 Center City are summarized below:



-
- Is in the middle of the nation's Northeast Corridor and at the center of a nine–county region of about 6.3 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 US downtown districts.
 - 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 become a major energy hub.
 - A wide array of arts, significant history and culture institutions, four public squares, historic public markets, shops, restaurants, and outdoor cafes adds to the vitality of the City. In fact, it 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 totaled more than \$1.23 billion. Penn's expenditures accounted for nearly 75% of this total.

Conclusion

The positive trends reflected across Greater Center City and extending into the local East Passyunk neighborhood have a direct impact on the foreseeable future of the subject's immediate market area and ongoing urban renewal. We anticipate that property values will slowly increase over the long run.



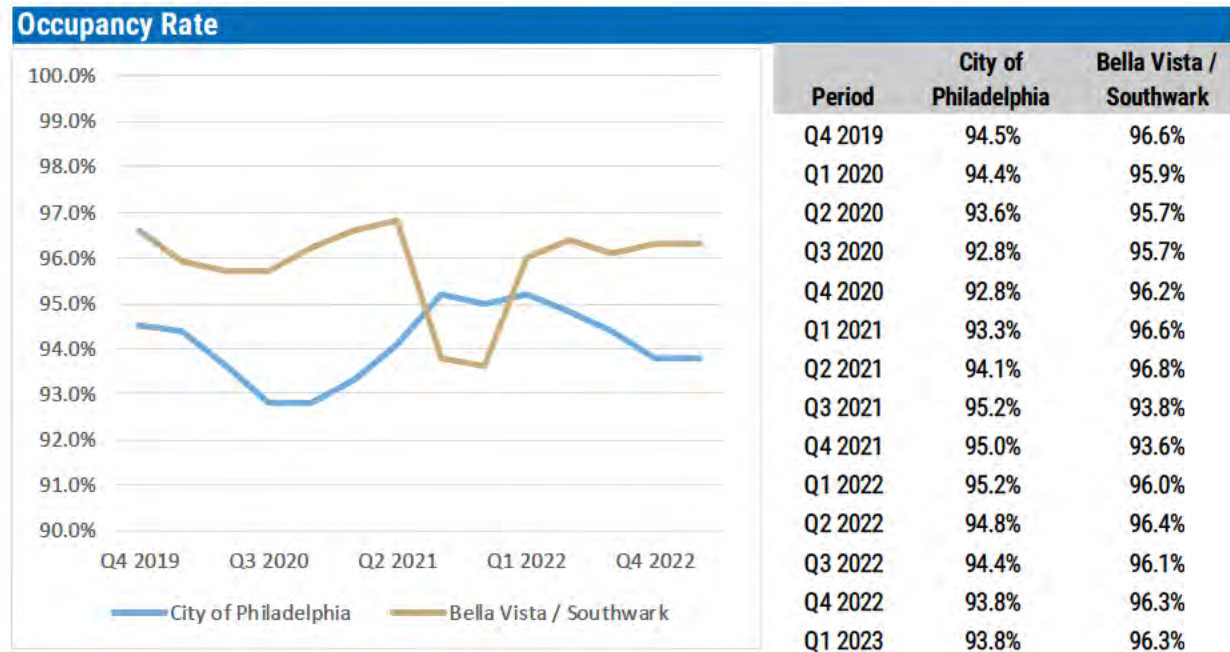
MULTIFAMILY MARKET ANALYSIS

Classification

The subject is in the Bella Vista / Southwark submarket of the City of Philadelphia market. The property is considered a Class C Walk-Up Apartment Building in this market.

Multifamily Market Overview

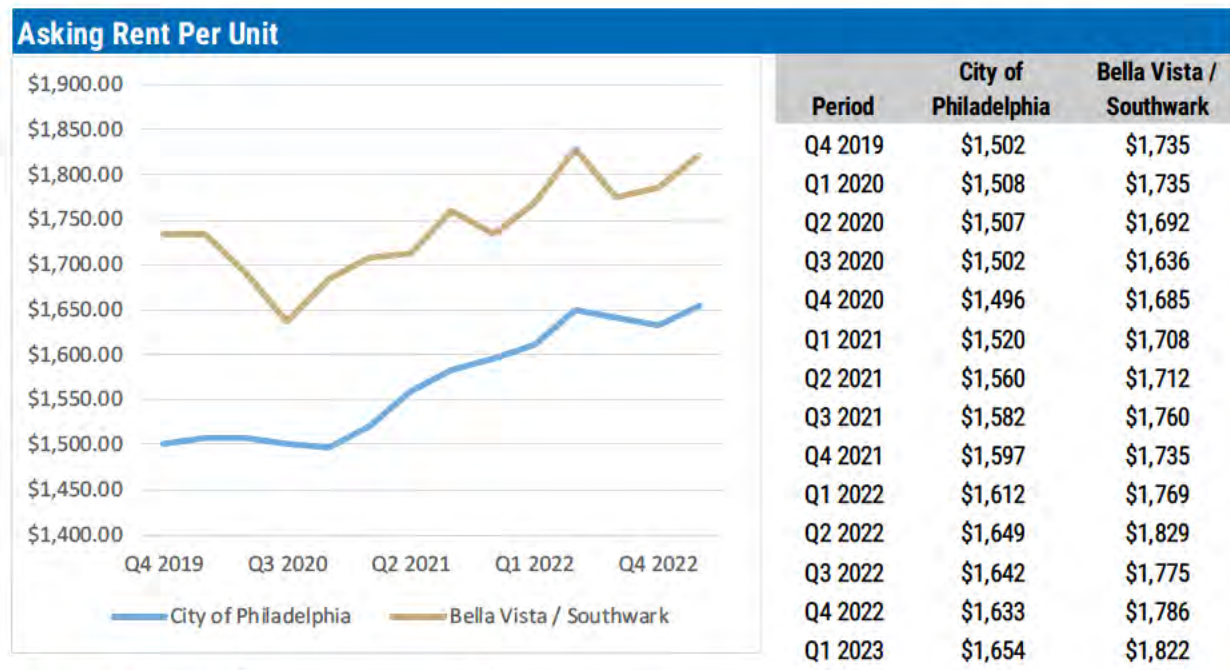
The following discussion outlines overall market performance in the surrounding Multifamily market using Costar market metric data. Presented first are market statistics of the City of Philadelphia area and the subject Bella Vista / Southwark submarket overall.



Source: Costar, Compiled by [REDACTED]



ECONOMIC ANALYSIS



Source: Costar; Compiled by [REDACTED]

Multifamily Market Statistics						
Trailing Four Quarters Ended Q1 2023						
Market / Submarket	Inventory (Unit)	Completions (Unit)	Vacancy (%)	Net Absorption (Unit)	Asking Rent Per Unit	Effective Rent Per Unit
City of Philadelphia	145,396	4,996	6.20%	2,828	\$1,654	\$1,633
Bella Vista / Southwark	1,516	0	3.70%	5	\$1,822	\$1,814

Source: Costar; Compiled by [REDACTED]

- The average vacancy rate for the subject submarket is lower than that of the overall market area.
- The average rental rate for the submarket is higher than the overall City of Philadelphia market.
- Approximately 0.0% of the submarket inventory, and 3.4% of the market inventory, represents newer construction.
- Absorption for the last 12 months was positive for the overall market area and flat at the submarket level.



Market and Submarket Trends

Multifamily Market Trends								
	City of Philadelphia				Bella Vista / Southwark			
	Inventory (Unit)	Completions (Unit)	Vacancy %	Asking Rent Per Unit	Inventory (Unit)	Completions (Unit)	Vacancy %	Asking Rent Per Unit
Q1 2021	136,830	566	6.7%	\$1,520	1,462	18	3.4%	\$1,708
Q2 2021	138,102	1,272	5.9%	\$1,560	1,480	18	3.2%	\$1,712
Q3 2021	138,910	808	4.8%	\$1,582	1,532	52	6.2%	\$1,760
Q4 2021	139,782	1,007	5.0%	\$1,597	1,532	0	6.4%	\$1,735
Q1 2022	140,405	651	4.8%	\$1,612	1,516	0	4.0%	\$1,769
Q2 2022	141,982	1,582	5.2%	\$1,649	1,516	0	3.6%	\$1,829
Q3 2022	143,292	1,310	5.6%	\$1,642	1,516	0	3.9%	\$1,775
Q4 2022	144,582	1,290	6.2%	\$1,633	1,516	0	3.7%	\$1,786
Q1 2023	145,396	814	6.2%	\$1,654	1,516	0	3.7%	\$1,822

Source: Costar; Compiled by [REDACTED]

- The submarket and overall market area have fluctuated somewhat with respect to occupancy over the past few years due to the COVID-19 pandemic.
- Over the past several years, effective rental rates have been following an increasing trend as of the effective appraisal date.

Supply & Demand

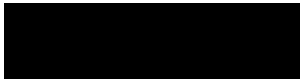
Supply Additions – City of Philadelphia

The following table shows a summary of some of the new, larger multifamily developments within the Center City Philadelphia submarket (greater than 100 units) as of this snapshot in time and reported per Reis research over the past 12 months.



ECONOMIC ANALYSIS

New Multifamily Projects in the Center City Pipeline		
Project / Location	No. Units	Status
1600 Carpenter St	131	Proposed
The Piazza / 1001 N 2nd St	695	Under Construction
2301 Walnut St	172	Proposed
21st St & Ludlow St	304	Proposed
1001 S Broad St	1,457	Under Construction
2120 Market St	147	Proposed
1101 Walnut St	198	Proposed
412 N 2nd St	397	Proposed
435-443 N Broad St	344	Under Construction
5th & Spring Garden St	329	Under Construction
700-730 N Delaware Ave	466	Proposed
918 N Delaware Ave	462	Under Construction
Harper Square / 113-121 S 19th St	215	Proposed
Italian Market Apts/1101 S 9th St	157	Proposed
Liberty on the River Ph 1 / 1375 S Christopher Columbus Blvd	280	Planned
Lits Tower / 701 Market St	342	Proposed
Mercato / 1021 N Hancock St	280	Proposed
Pier 34 / 735 S Christopher Columbus Blvd	308	Proposed
Vine St Apts / 1201 Vine St	360	Under Construction
900 Callowhill St	146	Proposed
619 N Broad St	119	Proposed
417 Callowhill St	220	Under Construction
210 S 12th St Apts	378	Under Construction
2012 Chestnut St	162	Proposed
801 N 19th St	115	Proposed
200 Spring Garden St	360	Under Construction
12+ Sansom / 123-127 S 12th St	399	Under Construction
1153 Chestnut St Apts	396	Under Construction
1001 S Broad St Ph 2 & 3	511	Planned
1100 Chestnut St	396	Proposed
The Imperium / 1499 S Christopher Columbus Blvd	370	Planned
The Carson / 501 Spring Garden St	373	Under Construction
Renaissance Plaza-Residential / 400 N Christopher Columbus Blvd	1,358	Planned
Fairmount Ave Apts / 650 Fairmount Ave	297	Planned
Broad & Lombard / 500 S Broad St	468	Planned
1428-1438 Callowhill Street	162	Proposed
Mural West / 523 N Broad St	200	Proposed
Festival Pier Waterfront South Tower / 501 N Christopher Columbus Blvd	223	Proposed
Fairmount North / 2601 Poplar St	108	Under Construction
Festival Pier Waterfront North Tower / 501 N Christopher Columbus Blvd	247	Proposed
933 N Penn St	196	Proposed
1120 Frankford Ave	150	Proposed
139 N 23rd St	115	Under Construction
The Hannah Callowhill / 1306 Callowhill St	181	Under Construction
1223-1245 Washington Ave	375	Under Construction
The Laurel Rittenhouse / 1911 Walnut St	245	Under Construction



ECONOMIC ANALYSIS

The Deliah / 900 N 8th St	338	Proposed
Quarters Co-Living / 1201-1205 Callowhill St	239	Planned
One Dock St	272	Under Construction
545 N Broad St	108	Under Construction
Penns Landing / 300 N Christopher Columbus Blvd	360	Under Construction
741 Spring Garden St	306	Under Construction
1620 Sansom St	306	Under Construction
2101 Washington Ave	247	Under Construction
1130-1134 N Delaware Ave	182	Proposed
Total	17,672	

Source: Reis New Construction Listings >100 units; compiled by [REDACTED]

New construction continues to enter the submarket; as of this writing, a total of 17,672 apartment units are in the submarket pipeline. The planned and proposed projects may or may not come to fruition depending on the availability of construction financing, increasing material and labor costs, material supply shortages, and changing market conditions and economic uncertainty.

Construction Versus Absorption

Construction/Absorption Change									
Market / Submarket	Prior Calendar Years History								
	Prior Calendar Year History			Prior Three Year History			Prior Five Year History		
	Units Built	Units Absorbed	Const. / Abs. Ratio	Units Built	Units Absorbed	Const. / Abs. Ratio	Units Built	Units Absorbed	Const. / Abs. Ratio
City of Philadelphia	4,833	2,848	1.7	11,679	9,848	1.2	18,503	17,991	1.0
Bella Vista / Southwark	0	26	0.0	88	66	1.3	148	140	1.1

Source: Costar; Compiled by [REDACTED]

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%	7.20%	6.30%	6.70%
Bella Vista / Southwark	3.70%	3.70%	3.80%	4.90%	4.30%

Subject	0.00%
Concluded Subject Vacancy Rate	4.00%

Source: Costar, [REDACTED]

- While there are proposed developments projected to come online in the submarket in coming years, we anticipate the current rates are generally reflective of the expected occupancy moving forward.



- The forecasted vacancy rate is 4%, which is similar to the average vacancy rate for the Bella Vista / Southwark submarket given the subject's smaller size and high historical occupancy.

Occupancy Conclusions

Costar

City of Philadelphia	93.80%
Bella Vista / Southwark	96.30%
Subject Property's Current Occupancy	100.00%
Subject Property's Stabilized Occupancy	96.00%

Source: Costar, [REDACTED]

- The subject's occupancy is typical of the market.
- Based on key metro trends, construction outlook, and the performance of competing properties, [REDACTED] expects the mix of property fundamentals and economic conditions in this market and submarket to have a positive impact on the subject property's performance over the long term.

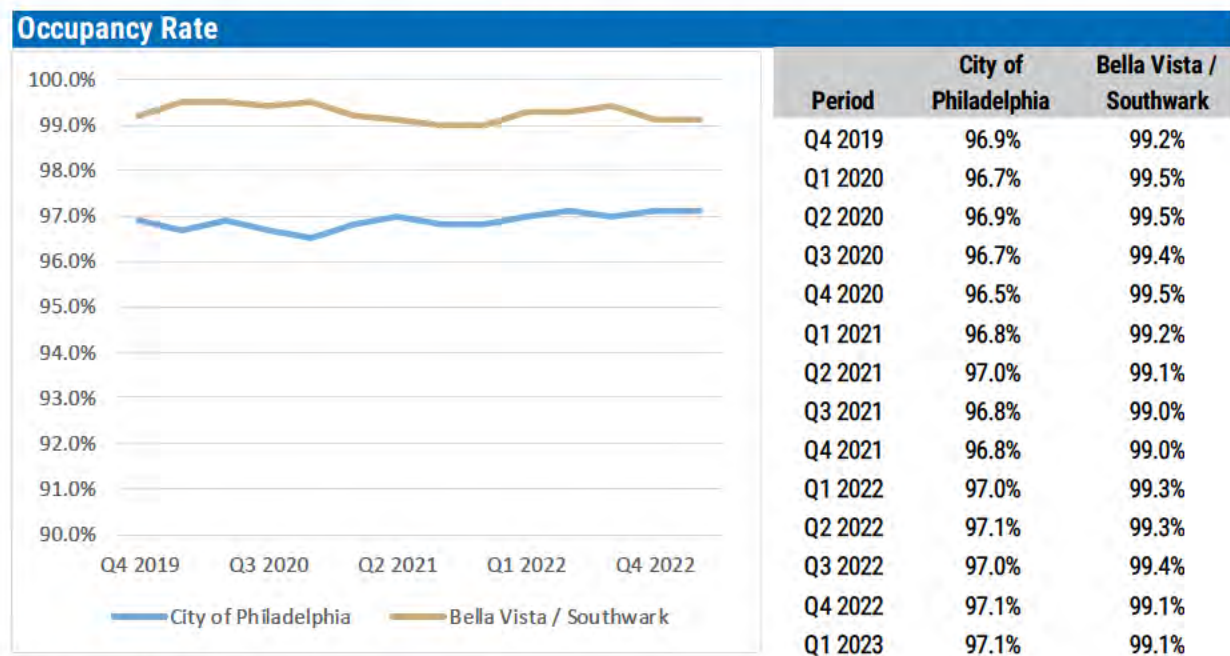
RETAIL MARKET ANALYSIS

Classification

As noted, the subject features a ground floor commercial unit. We therefore provide a brief retail market analysis herein. The subject is in the Bella Vista / Southwark submarket of the City of Philadelphia market. The property is considered an urban mixed-use property in this market.

Retail Market Overview

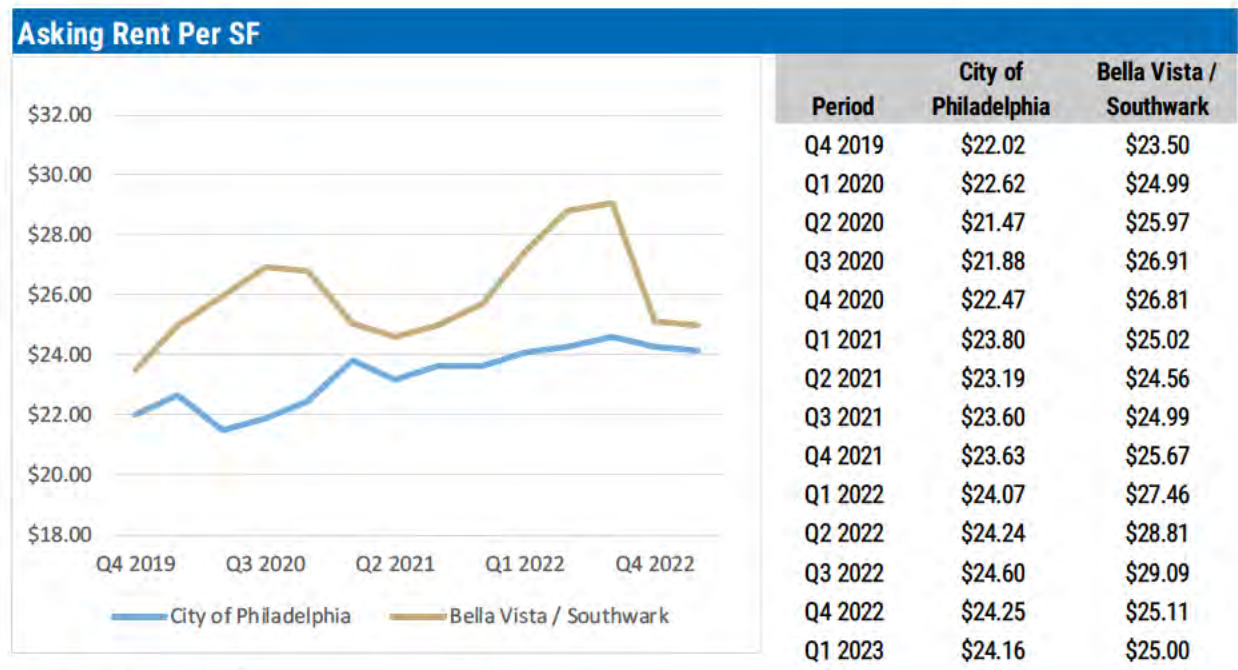
The following discussion outlines overall market performance in the surrounding Retail market using Costar market metric data. Presented first are market statistics of the City of Philadelphia area and the subject Bella Vista / Southwark submarket overall.



Source: Costar, Compiled by [REDACTED]



ECONOMIC ANALYSIS



Source: Costar; Compiled by [REDACTED]

Retail Market Statistics					
Trailing Four Quarters Ended Q1 2023					
Market / Submarket	Inventory (SF)	Completions (SF)	Vacancy (%)	Net Absorption (SF)	NNN Rent Overall / SF
City of Philadelphia	77,292,301	564,768	2.90%	524,346	\$24.16
Bella Vista / Southwark	4,194,709	0	0.90%	-11,390	\$25.00

Source: Costar; Compiled by [REDACTED]

- The average vacancy rate for the subject submarket is lower than that of the overall market area.
- The average rental rate for the submarket is higher than the overall City of Philadelphia market.
- Absorption for the last 12 months was positive for the overall market area and flat at the submarket level.



Market and Submarket Trends

Retail Market Trends								
	City of Philadelphia				Bella Vista / Southwark			
	Inventory (SF)	Completions (SF)	Vacancy %	NNN Rent Overall / SF	Inventory (SF)	Completions (SF)	Vacancy %	NNN Rent Overall / SF
Q1 2021	76,887,714	44,896	3.2%	\$23.80	4,205,553	5,215	0.8%	\$25.02
Q2 2021	76,987,574	113,660	3.0%	\$23.19	4,205,553	0	0.9%	\$24.56
Q3 2021	77,000,650	21,620	3.2%	\$23.60	4,210,553	5,000	1.0%	\$24.99
Q4 2021	76,930,517	265,677	3.2%	\$23.63	4,202,839	0	1.0%	\$25.67
Q1 2022	76,802,605	10,247	3.0%	\$24.07	4,197,009	0	0.7%	\$27.46
Q2 2022	77,086,912	298,830	2.9%	\$24.24	4,197,009	0	0.7%	\$28.81
Q3 2022	77,061,288	19,344	3.0%	\$24.60	4,194,709	0	0.6%	\$29.09
Q4 2022	77,193,283	149,600	2.9%	\$24.25	4,194,709	0	0.9%	\$25.11
Q1 2023	77,292,301	96,994	2.9%	\$24.16	4,194,709	0	0.9%	\$25.00

Source: Costar; Compiled by [REDACTED]

- Vacancy has generally remained stable over the past several quarters.
- Over the past several years, effective rental rates have been following a slightly increasing to fluctuating trend which is generally expected to continue for the foreseeable future given the current recessionary trends noted on the macro level, including record inflation.

Supply & Demand

Construction Versus Absorption

Construction/Absorption Change									
Market / Submarket	Prior Calendar Years History								
	Prior Calendar Year History			Prior Three Year History			Prior Five Year History		
	SF Built	SF Absorbed	Const. / Abs. Ratio	SF Built	SF Absorbed	Const. / Abs. Ratio	SF Built	SF Absorbed	Const. / Abs. Ratio
City of Philadelphia	478,021	501,788	1.0	1,247,891	471,664	2.6	1,895,198	1,032,392	1.8
Bella Vista / Southwark	0	-3,959	0.0	15,615	-6,610	-2.4	28,327	-4,933	-5.7

Source: Costar; Compiled by [REDACTED]

- Absorption in the Bella Vista / Southwark submarket is outpacing construction.
- The majority of new multifamily projects with the City of Philadelphia include ground-floor retail space.



Trends and Projections

Subject and Market Historical and Forecast Trends

Market Vacancy Rate Indicators					
	Current	Most Recent Full Year	Trailing 3-Year	Trailing 5-Year	Trailing 10-Year
Costar					
City of Philadelphia	2.90%	2.90%	3.50%	3.00%	4.20%
Bella Vista / Southwark	0.90%	0.90%	0.50%	0.90%	2.00%
Subject					
Subject	0.00%				
Concluded Subject Vacancy Rate	3.00%				

Source: Costar, [REDACTED]

- The subject is an urban mixed-use property, comprising multifamily and retail components.
- Based on key metro trends, construction outlook, and the performance of competing properties, [REDACTED] expects the mix of property fundamentals and economic conditions in this market and submarket to have a positive impact on the subject property’s performance over the long term.



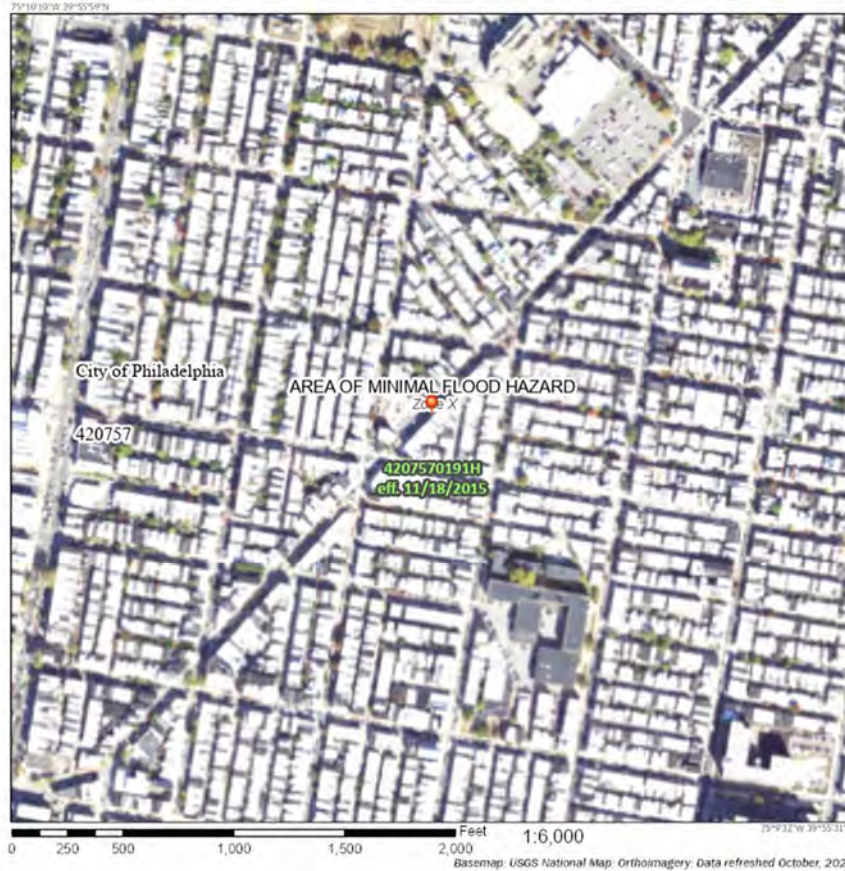
Land and Site Analysis



Tax Map



National Flood Hazard Layer FIRMeta



Legend

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

SPECIAL FLOOD HAZARD AREAS

- Without Base Flood Elevation (BFE) Zone A, B, AH
- With BFE or Depth Zone AE, AO, A9, VE, AR
- Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD

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

OTHER AREAS

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

GENERAL STRUCTURES

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

CROSS SECTIONS

- 29.2 Cross Sections with 1% Annual Chance Water Surface Elevation
- 12.6
- Coastal Transect
- Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transect Baseline
- Profile Baseline
- Hydrographic Feature

OTHER FEATURES

- Digital Data Available
- No Digital Data Available
- Unmapped

MAP PANELS

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

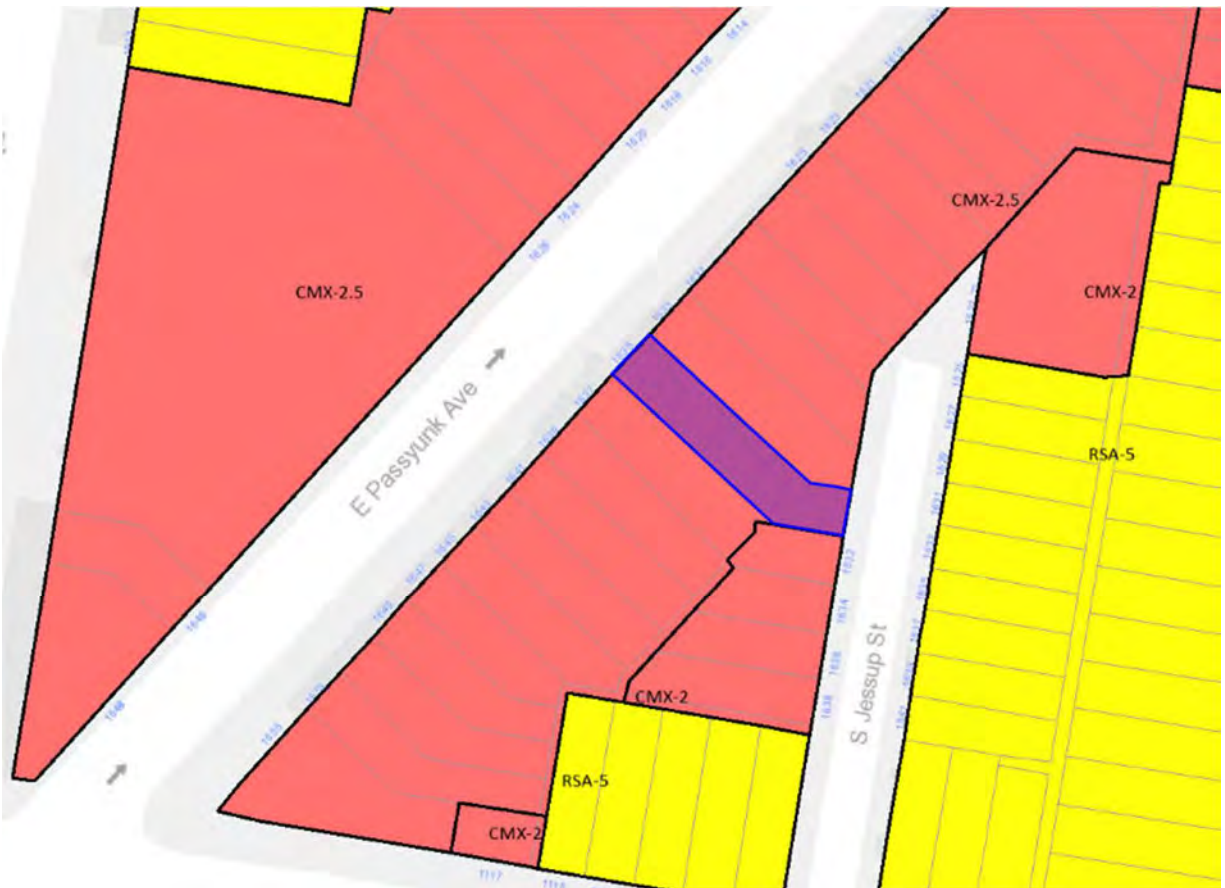
This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shows complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 04/20/23 at 4:49:08 and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

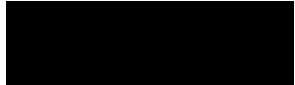
This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend scale bar, map creation date, community identifiers, FIRMeta panel number, and FIRMeta effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory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

Flood Map





Zoning Map



LAND AND SITE ANALYSIS

Land Parcels			
Parcel Summary	Associated APN(s)	Land Area (SF)	Land Area (Acres)
1635 East Passyunk Avenue	871558540	1,405	0.0323
Total Gross Land Area		1,405	0.0323
Total Usable Land Area		1,405	0.0323
Total Surplus Land Area		0	0.0000
Total Excess Land Area		0	0.0000

Compiled by [REDACTED]



Land Description

Total Land Area	0.0323 Acres; 1,405 SF
Usable Land Area	0.0323 Acres; 1,405 SF
Excess Land Area	None
Surplus Land Area	None
Source of Land Area	Public Record

Site Characteristics

Primary Street Frontage	East Passyunk Ave (18 FF)
Secondary Street Frontage	South Jessup Street (14 FF)
Traffic Control at Entry	None
Traffic Flow	Moderate
Accessibility Rating	Above Average
Visibility Rating	Average
Shape	Irregular
Corner	No
Topography	Level
Site Vegetation	Minimal
Easement/Encroachments	None Noted
Environmental Issue	None Noted

Flood Zone Analysis

Flood Area Panel Number	4207570191H
Date	11/18/2015
Zone	Zone X
Description	Area of minimal flood hazard, usually depicted on Flood Insurance Rate Maps as above the 500-year flood level.
Insurance Required?	No

Utilities

Utility Services	Electricity, gas, sewer, water
Utility Service Providers	
Water	Philadelphia Water Department (PWD)
Sewer	Philadelphia Water Department (PWD)
Electricity	PECO Energy
Natural Gas	Philadelphia Gas Works (PGW)

Compiled by [REDACTED]

EXCESS OR SURPLUS LAND

Analysis of the site and current use indicates that there is no 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 that would adversely affect value. 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.

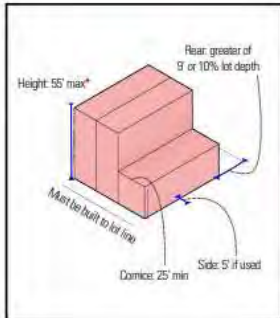
ZONING AND LEGAL RESTRICTIONS

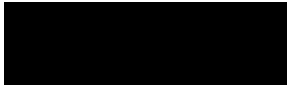
CMX-2.5

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

Max. Occupied Area	Intermediate 75%; Corner 80%
Min. Front Yard Depth	[4]
Min. Side Yard Width	5 ft. if used
Min. Rear Yard Depth	The greater of 9 ft. or 10% of lot depth
Max. Height	55 ft.*
Min. Cornice Height	25 ft.







Zoning Summary

Category	Description
Zoning Jurisdiction	City of Philadelphia
Zoning Designation	CMX-2.5, Commercial Mixed-Use
Legally Conforming?	Yes
Zoning Change Likely?	Unlikely
Permitted Uses	Single-family & multifamily housing, passive recreation, childcare, hospitals, civic services, businesses/medical offices, retail sales, restaurants
Setback Requirements	
Front	N/A
Side	5', if used
Rear	The greater of 9' or 10% of lot depth.
Building Height Restrictions	55'
Parking Requirement	None noted
Other	Bonuses to building height and number of housing units are available for mixed income housing and green roofs.

Compiled by [REDACTED]

The existing mixed-use appears to be a legally conforming use.



Improvements Analysis



Western Elevation

IMPROVEMENTS ANALYSIS

The subject is a Class C mixed use (multifamily-walk-up and ground-floor retail) located at 1635 East Passyunk Avenue, Philadelphia, PA 19148. The subject was built in 1915 and has been periodically renovated over the years. The improvements consist of two apartment units and 750 square feet of ground floor commercial space. As of the effective appraisal date, both apartments and the commercial space are fully lease and occupied. The improvements are more fully described in the following table.

Improvements Description	
Component Structures	
Improvements (Structures)	1635 East Passyunk Avenue
General Improvement Type	Mixed Use
Use Description	Multifamily / Ground Floor Retail
No. Buildings	1
No. Apt. Units	2
GBA (SF)	2,956
Rentable SF - Commercial	750
Rentable SF - Multifamily	<u>1,771</u>
Rentable SF - Total	2,521
Average Unit Size (SF)	886
Construction Status	Existing, Stabilized Operations
Construction Class	C
Quality	Average
Current Condition	Good
Age/Life Depreciation Analysis	
Year Built	1915
Year Renovated	Periodic cosmetic and mechanical updates
Actual Age (Yrs.)	108
Economic Life (Yrs.)	55
Effective Age (Yrs.)	15
Remaining Economic Life (Yrs.)	40
Percent Depreciation	27.27%
Floor Area Analysis	
Number of Stories	3
Max Ceiling Height (Ft)	9
Est. Ground Floor Area (GBA)	985
Attributed Site Area (SF)	1,405
Site Coverage	70.1%
Floor Area Ratio (FAR)	2.104
Land to Building Ratio	0.48:1
Parking Type	Street parking only
Construction Details	
Foundation	Stone and brick
Basement	Full, unfinished basement utilized for commercial unit storage and building mechanicals. Not included in calculations of rentable area
Exterior Walls	Brick, painted stucco
Windows	Fixed-pane storefront windows (first floor) with double-hung dual insulated replacement vinyl windows on upper floors
Roof	Flat, built-up composition



IMPROVEMENTS ANALYSIS

Interior Finish	
Floors	Primarily hardwood & LVP throughout with ceramic tile bathrooms
Walls	Painted drywall
Ceilings	Painted drywall
Lighting	Fluorescent and LED fixtures
Engineering & Mechanical	
HVAC	Unit 2 and commercial unit have gas-fired rooftop units; Unit 1 has electric baseboard heat
Electrical	Assumed adequate
Plumbing	Assumed adequate
Utility Meters	Individually metered for in-unit electric; water/sewer is centrally metered and billed directly to ownership
Elevators	None
Improvement Features and Amenities	
Unit Amenities	In-unit washer/dryer; Unit 2 has roof deck

Compiled by [REDACTED]

UNIT MIX

Unit Mix					
No. Units	Unit Description	Unit Size (SF)	Rentable Area (SF)	Occupied Units	Unit Occupancy
1	1 BR/1 BA 1BR/1BA - 450 SF	450	450	1	100.0%
1	2 BR/2 BA 2BR/2BA - 1,321 SF	1,321	1,321	1	100.0%
2	Totals		1,771	2	
	Averages	886			100.0%

Compiled by [REDACTED]

In addition to the unit mix of apartments, the subject has 750 square feet of ground floor commercial space, which is 100% leased and occupied as of the effective appraisal date.

Deferred Maintenance

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

Functional Utility

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

ADA Compliance

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



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. 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 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; school districts typically operate on a fiscal year.

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.

Real estate taxes and assessments for the subject for the 2023 tax year are shown in the following table.

Taxes and Assessments					
Tax Year 2023	Assessed Value			Millage Rates	Taxes and Assessments
Tax ID	Land	Improvements	Total	Land & Improvements	Ad Valorem Taxes
871558540	\$106,780	\$427,120	\$533,900	13.99800	\$7,474
	\$106,780	\$427,120	\$533,900	13.99800	\$7,474

Compiled by [REDACTED]

Based on the market value concluded herein, the current assessment appears low. To check the reasonableness of the subject’s assessment and related tax expense, we analyze the assessments of several competitive properties, summarized as follows:



TAX COMPARABLES

Tax Comparables				
Tax Year 2023	1	2	3	Subject (Actual)
Property Name	1805 - 1809 East Passyunk Avenue	914 S 6th Street	1633 E Passyunk Ave	1635 Passyunk Avenue
City, County, State	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA
Improvements SF	6,084	3,240	3,585	2,521
Total Assessed Value	\$1,068,700	\$736,000	\$579,400	\$533,900
Assessed Value/SF	\$175.66	\$227.16	\$161.62	\$211.78

Compiled by [REDACTED]

SUBJECT TAX CONCLUSION

Ad Valorem Tax Analysis				
	Comparable Data		Subject History	Conclusion
	Range	Average	2023	
Total Assessed Value			\$533,900	\$533,900
Total Assessed Value/SF	\$161.62 - \$227.16	\$188.15	\$211.78	\$211.78
Tax Rate			1.39980%	1.3998%
Ad Valorem Taxes			\$7,474	\$7,474
Direct Assessments			\$0	\$0
Actual / Pro Forma Taxes			\$7,474	\$7,474
Reported Tax Delinquencies			None	None
Tax Exemptions or Abatements			None	None

Compiled by [REDACTED]

The subject's tax assessment falls somewhat above the average of the assessment comparables. Tax assessments for comparable properties range from \$161.62 - \$227.16 per square foot. The subject's 2023 total assessed value of \$211.78 per square foot is approximately 13% above the average of the comparable data. Based on the market value concluded herein, the current assessment is deemed low and could therefore be re-assessed.



Highest and Best Use

AS VACANT

Legally Permissible

The site is zoned CMX-2.5, Neighborhood Commercial Mixed Use which allows for single-family & multifamily housing, passive recreation, childcare, hospitals, civic services, businesses/medical offices, retail sales, restaurants. 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 1,405 square feet (0.032 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 mixed-use development consisting of multifamily and commercial uses is considered to be reasonably probable. As presented in the Market Analysis section of this report, the subject submarket is supportive of these potential uses. Given the underlying market conditions and activity, it appears that a mixed-use development would have a sufficient degree of feasibility.

Maximally Productive

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

Highest and Best Use Conclusion – As Vacant

The highest and best use of the subject as though vacant is the development of a mixed use property.



AS IMPROVED

Legally Permissible

The existing mixed-use improvements appear to be legally conforming to zoning. There are no known legal restrictions to the continued use of the improvements as they were designed.

Physically Possible

As previously discussed, the improvements are rated as average for their age and location. The improvements conform to the expectations of the market and conform in general terms to the highest and best use as though vacant conclusion above. The improvements were designed for this use. Based on our analysis and review, the improvements do not appear to suffer from significant functional obsolescence. Therefore, continuation of the existing mixed-use property use 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-use development. Market and economic conditions are supportive of this continued use. The most likely buyer would be a local investor.

Appraisal Methodology

COST APPROACH

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

SALES COMPARISON APPROACH

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

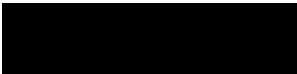
INCOME CAPITALIZATION APPROACH

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

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

Compiled by [REDACTED]

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

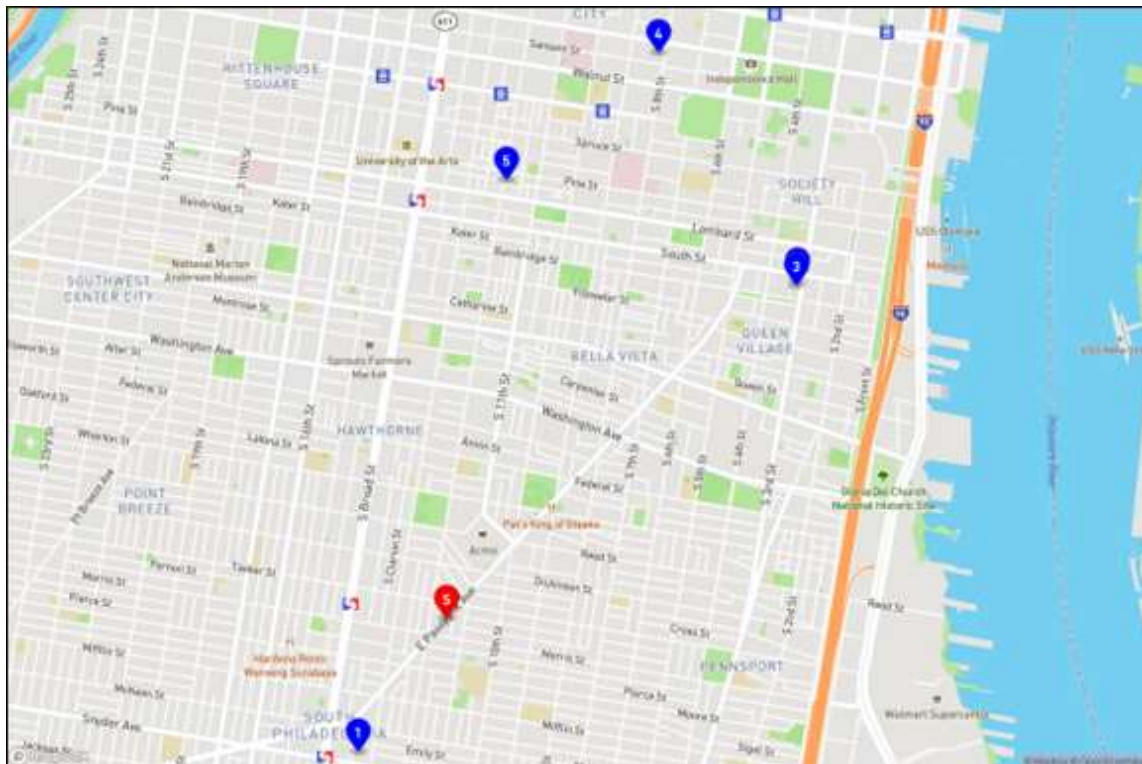


Sales Comparison Approach

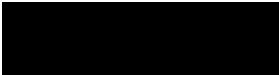
The sales comparison approach value is derived by analyzing closed sales, listings, or pending sales of properties that are similar to the subject. The sales comparison approach includes the following steps.

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

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



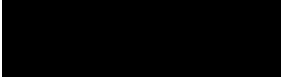
Comparable Map



SALES COMPARISON APPROACH

Comparable Sales Summary						
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Address	1635 East Passyunk	2031 S. Juniper St.	608 South 3rd Street	614 S. 3rd St.	108 South 8th Street	407 South 12th Street
City, State	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA
Land Size	0.03 Acres	0.10 Acres	0.05 Acres	0.05 Acres	0.05 Acres	0.03 Acres
Rentable Area (SF)	2,521 SF	8,857 SF	2,646 SF	5,400 SF	6,446 SF	3,516 SF
Year Built (Renovated)	1915	2016	1915	1900	1900	1920
Occupancy/Owner Occ.	100%	100%	100%	100%	100%	100%
Condition	Good	Good	Good	Average	Average	Average
Buyer	--	G Prime Juniper LLC	JFK Funding, LLC	614 S 3rd Investors LLC	Daisy Properties, LLC	Yuriy Kucherenko
Seller	--	Elitza Betta Acquisitions LLC	608 S 3rd Associates, LLC	614 S 3rd Inc	Andy/Cindy Lee Kang & Richard/Teresa Kang	Madeline Scott
Interest Conveyed	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
Transaction Status	--	Closed	Closed	Closed	Closed	Closed
Transaction Date	--	Jan-22	Oct-21	Aug-21	Nov-20	Feb-20
Price	--	\$2,150,000	\$985,000	\$1,120,000	\$1,200,000	\$1,125,000
Operating Status at Sale	--	Stabilized Operations	Stabilized Operations	Stabilized Operations	Stabilized Operations	Stabilized Operations
Price per SF	--	\$242.75	\$372.26	\$207.41	\$186.16	\$319.97
Cap Rate	--	7.52%	5.15%	6.29%		

Compiled by [REDACTED]



SALES COMPARISON APPROACH



Comparable One



Comparable Two



Comparable Three



Comparable Four



Comparable Five



ANALYSIS OF IMPROVED COMPARABLE DATA

Property Rights Conveyed

All comparables are transfers of the leased fee interest. The property rights appraised for the property in this case is that of the leased fee interest as well so no adjustment for property rights conveyed is necessary.

Financing Terms

All sales yielded cash to the seller so no adjustment for financing terms is necessary.

Conditions of Sale

No adjustments required.

Market Conditions

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

Location

This adjustment accounts for market or submarket area influences on sale price; surrounding land use influences; convenience to transportation facilities; ease of site access; visibility; traffic counts. Each of the comparable transactions are located south of the Center City CBD and benefit from high levels of pedestrian traffic, an affluent demographic base, and dense population. Sales 4 and 5 are located in closer proximity to the Center City core and are adjusted downward for mildly superior location. Sale 1 is located along a side street with inferior visibility and pedestrian traffic and is therefore adjusted upward for inferior location.

Size

Sales 1, 3 and 4 are substantially larger than the subject and are adjusted downward to account for the inverse relationship between unit pricing and size.

Age/Condition/Quality

Effective age; physical condition; quality of building improvements. Sale 1 is adjusted downward for superior building age/condition. Sales 3, 4 and 5 are adjusted upward for inferior age/condition.

Economic Characteristics

This category adjusts for tenancy, non-stabilized occupancy, above/below market rents, and other economic factors. No adjustments required.



SALES COMPARISON APPROACH

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

Comparable Sales Adjustment Grid						
Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	
Address	1635 East Passyunk	2031 S. Juniper St.	608 South 3rd Street	614 S. 3rd St.	108 South 8th Street	407 South 12th Street
City	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA
Land Size	0.03 Acres	0.10 Acres	0.05 Acres	0.05 Acres	0.05 Acres	0.03 Acres
Size (Rentable Area)	2,521 SF	8,857 SF	2,646 SF	5,400 SF	6,446 SF	3,516 SF
Year Built (Renovated)	1915	2016	1915	1900	1900	1920
Transaction Type	-	Closed	Closed	Closed	Closed	Closed
Transaction Date	-	Jan-22	Oct-21	Aug-21	Nov-20	Feb-20
Actual Sale Price	-	\$2,150,000	\$985,000	\$1,120,000	\$1,200,000	\$1,125,000
Price per SF	-	\$242.75	\$372.26	\$207.41	\$186.16	\$319.97
Occupancy	100%	100%	100%	100%	100%	100%
Cap Rate	-	7.52%	5.15%	6.29%	0.00%	0.00%
Transaction Adjustments						
Property Rights		0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%
Market Conditions (Time)	4/11/2023	-4%	-4%	-5%	-7%	-9%
Subtotal (adjustments are multiplied)		-4.0%	-4.0%	-5.0%	-7.0%	-9.0%
Transaction Adjusted Price per SF		\$233.04	\$357.37	\$197.04	\$173.13	\$291.17
Property Adjustments						
Location		5%	0%	0%	-5%	-5%
Size		5%	0%	5%	5%	0%
Age/Condition/Quality		-5%	0%	10%	20%	5%
Economic Characteristics		0%	0%	0%	0%	0%
Subtotal (adjustments are summed)		5%	0%	15%	20%	0%
Gross Adjustment		19%	4%	20%	37%	19%
Overall Adjustment		0.8%	-4.0%	9.25%	11.6%	-9.0%
Indicated Price per SF		\$244.69	\$357.37	\$226.59	\$207.76	\$291.17

Compiled by [REDACTED]

Multifamily Sales Adjustment Summary

Price per SF	Low	High	Average
Unadjusted Range	\$186.16	\$372.26	\$265.71
Adjusted Range	\$207.76	\$357.37	\$265.52
Concluded Price per SF Indication			\$280.00

Compiled by [REDACTED]

SALES COMPARISON APPROACH - CONCLUSION

To arrive at an indication of value, primary emphasis is placed on the upper end of the comparable set, as Sale 2 is deemed the most comparable property due to the lack of required adjustment to sale price.

Sales Comparison Approach Conclusion

Reconciliation of Price per SF Indication	Value Indication
Adjusted Value Range - Low	\$207.76
Adjusted Value Range - High	\$357.37
Reconciled As Stabilized Value - Price per SF	Effective Date: 4/11/2023 \$280.00
Subject Rentable Area (SF)	2,521
As Is Value	Effective Date: 4/11/2023 \$705,880
Rounded	\$700,000

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.

MULTIFAMILY RENT ROLL

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

Unit Mix									
No. Units	Unit Description	Unit Size (SF)	Rentable Area (SF)	Occupied Units	Unit Occupancy	Avg. Contract Rent		Market Rent PSF	
1	1 BR/1 BA 1BR/1BA - 450 SF	450	450	1	100.0%	\$1,195	\$1,200	\$2.67	
1	2 BR/2 BA 2BR/2BA - 1,321 SF	1,321	1,321	1	100.0%	\$2,230	\$2,400	\$1.82	
2	Totals		1,771	2					
	Averages	886			100.0%	\$1,713	\$1,800	\$2.03	

Compiled by [REDACTED]

- As of the effective appraisal date, the subject’s 2 apartment units are 100% leased and occupied/




MULTIFAMILY MARKET RENT ANALYSIS

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

- Leasing activity with competing properties;
- Market area leasing trends; and
- opinions of market rent derived from our interviews of leasing agents active in the local market.






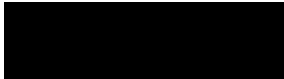
INCOME CAPITALIZATION APPROACH

MARKET RENT ANALYSIS - 1BR/1BA						
Photo	Property	Unit Size (SF)	Rent (\$)	\$/SF RA	Tenant Pays	Comparison to Subject
SUBJECT: 1635 East Passyunk Avenue, Philadelphia, PA 19148						
		450	\$1,195	\$2.66		
	1528 S 10th St #3, Philadelphia, PA 19147	650	\$1,250	\$1.92	Electric	<i>Mildly superior</i> Superior size; similar condition, in-unit laundry, location.
	1325 Dickinson St #1, Philadelphia, PA 19147	550	\$1,095	\$1.99	All utilities	<i>Mildly inferior</i> Similar location, size. Mildly inferior for in-unit washer/dryer and quality.
	1501 S 12th St #3R Philadelphia, PA 19147	575	\$1,195	\$2.08	All utilities	<i>Roughly similar</i> Mildly inferior condition, lack of in-unit washer/dryer; similar location and size; superior for roof deck
COMPETITIVE RENT SUMMARY						
		Average Rent				
		Competitors				Subject
1BR/1BA		\$1,180				\$1,200



INCOME CAPITALIZATION APPROACH

MARKET RENT ANALYSIS - 2BR/2BA						
Photo	Property	Unit Size (SF)	Rent (\$)	\$/SF RA	Tenant Pays	Comparison to Subject
SUBJECT: 1635 East Passyunk Avenue, Philadelphia, PA, 19145						
		1,321	\$2,230	\$1.69		
	1335 Mifflin St #2, Philadelphia, PA 19148	1,350	\$2,500	\$1.85	All utilities	<i>Similar</i> Similar location, condition, size, in-unit washer/dryer, roof deck
	2015 S Hutchinson #2, Philadelphia, PA 19148	1,205	\$2,000	\$1.66	N/A	<i>Inferior</i> Inferior for lack of private outdoor space; negative rent adjustment for 2-year lease term
	1318 S Broad St, Philadelphia, PA 19146	750	\$2,175	\$2.90	N/A	<i>Inferior</i> Mildly inferior location, unit size, shared roof deck; similar condition
COMPETITIVE RENT SUMMARY						
		Competitors		Average Rent		
				Subject		
2BR/2BA		\$2,225		\$2,400		



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 in the preceding.

Unit Mix									
No. Units	Unit Description	Unit Size (SF)	Rentable Area (SF)	Occupied Units	Unit Occupancy	Avg.		Market Rent	
						Contract Rent	Market Rent	PSF	PSF
1	1 BR/1 BA 1BR/1BA - 450 SF	450	450	1	100.0%	\$1,195	\$1,200	\$2.67	
1	2 BR/2 BA 2BR/2BA - 1,321 SF	1,321	1,321	1	100.0%	\$2,230	\$2,400	\$1.82	
2	Totals		1,771	2					
	Averages	886			100.0%	\$1,713	\$1,800	\$2.03	

Compiled by [REDACTED]

COMMERCIAL RENT ROLL / TENANT OVERVIEW

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

Rent Roll									
Tenant	Rentable Area (SF)	Lease Term		Rem. Mos.	MLA Category	Year 1 Market Rent		Year 1 Contract Rent	
		Start	End			\$ Total	\$ PSF	\$ Total	\$ PSF
Massage Passyunk Ave LLC	750	Oct-21	Sep-25	30	Ground Floor Retail	\$18,000	\$24.00	\$24,000	\$32.00
Occupied	750			30		\$18,000	\$24.00	\$24,000	\$32.00
Total (Average)	750			30		\$18,000	\$24.00	\$24,000	\$32.00

Compiled by [REDACTED]

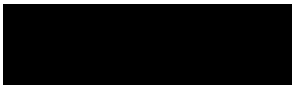
- As of the effective valuation date, the subject’s single commercial space is 100% leased and occupied.
- Note that in addition to the 750 square feet of rentable area, the tenant also has access to a portion of the unfinished basement for storage.
- The tenant is a massage parlor.

Occupancy Status

- The property is considered to be at stabilized occupancy because the percentage of leased space is typical of the market.

Tenancy Analysis

- Overall, the credit quality of the tenancy appears to be typical of the subject’s property class, i.e. local tenancy.



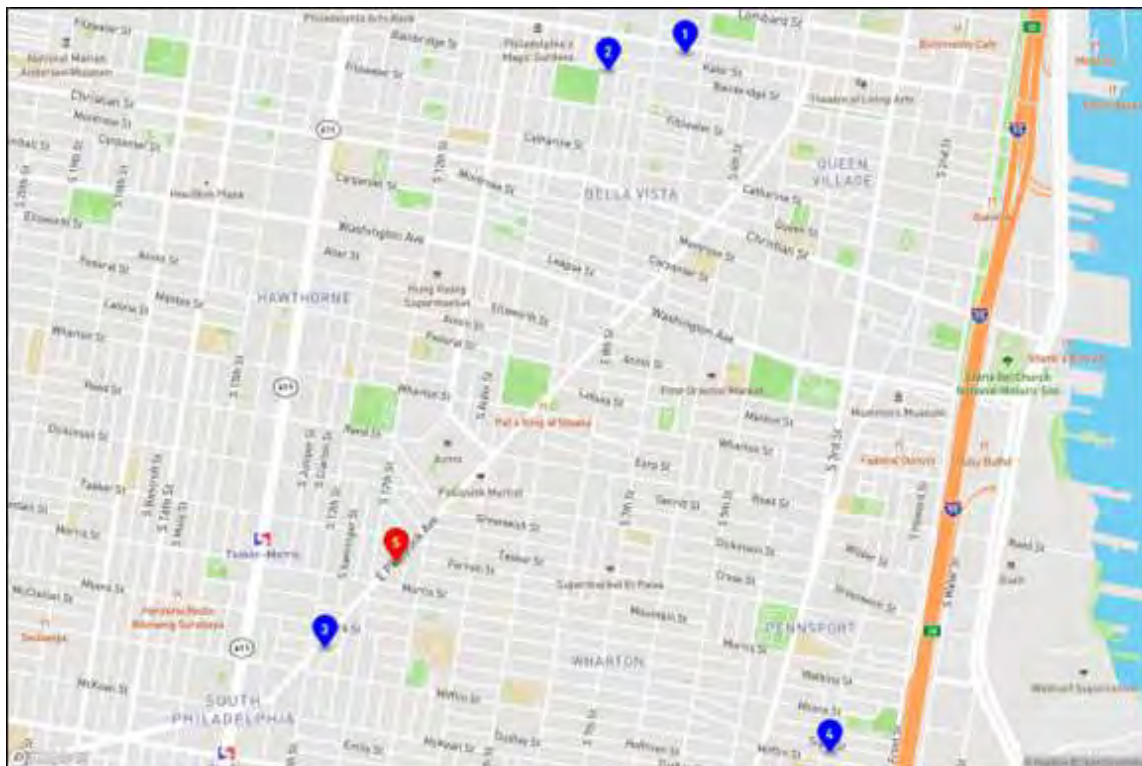
Expense Structure

- The subject is leased on a modified gross structure, wherein the tenant is responsible for all in-unit utilities, insurance, snow and trash removal, and the landlord pays all real estate taxes, repairs/maintenance expenses, general/administrative fees, and management.
- Although the prevailing leases structure in the subject’s asset class and submarket is triple, the modified gross lease structure is not atypical.

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;
- asking rents from competitive properties (presented in the office market analysis section of this report); and
- opinions of market rent derived from our interviews of leasing brokers active in the local market.



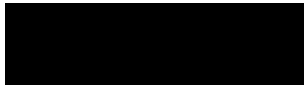
Comparable Map



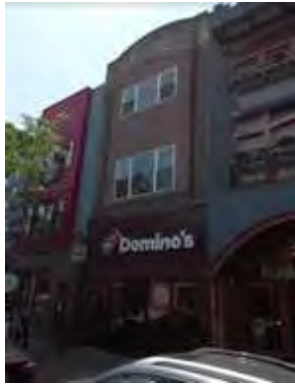
INCOME CAPITALIZATION APPROACH

No.	Name	Address
Subject	1635 East Passyunk Avenue	1635 East Passyunk Avenue, Philadelphia, PA 19145
1	716 South Street	716 South Street, Philadelphia, PA
2	701 South 9th Street	701 South 9th Street, Philadelphia, PA
3	1827 E Passyunk Ave	1827 East Passyunk Avenue, Philadelphia, PA
4	1841 S 2nd Street	1841 South 2nd Street, Philadelphia, PA

Compiled by [REDACTED]



INCOME CAPITALIZATION APPROACH



Comparable One



Comparable Two



Comparable Three



Comparable Four



INCOME CAPITALIZATION APPROACH

Analysis of Comparable Leases

Comparable Leases Summary					
Ground Floor Retail Space	Subject	Lease 1	Lease 2	Lease 3	Lease 4
Address	1635 East Passyunk Avenue	716 South Street	701 South 9th Street	1827 East Passyunk Avenue	1841 South 2nd Street
City, State	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA
Rentable Area (SF)	2,521 SF	5,025 SF	1,710 SF	2,650 SF	1,600 SF
Year Built (Renovated)	1915	1900	1920	1915	1915
Condition	Good	Average	Average	Average	Average
Lease Details					
Lease Status		Signed Lease	Signed Lease	Signed Lease	Signed Lease
Lease Date		Nov-22	Apr-22	Feb-22	Jan-20
Term (Mos.)		60	N/A	0	N/A
Lease Size (SF)		1,800	700	1,400	900
Tenant Name		Domino's Pizza	Philadelphia Cheese School	Tattoo One Five	Dolores'
Full Building Lease		No	No	No	No
Rates and Measures					
Base Rental Rate		\$29.18	\$30.00	\$17.14	\$18.60
Lease Reimbursement Method		Triple Net	Triple Net	Triple Net	Triple Net

Compiled by [REDACTED]

Comparable Leases Adjustment Grid					
Ground Floor Retail Space	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Address	1635 East Passyunk Avenue	716 South Street	701 South 9th Street	1827 East Passyunk Avenue	1841 South 2nd Street
Lease Date		Nov-22	Apr-22	Feb-22	Jan-20
Term (Mos.)		60	N/A	0	N/A
Size (SF)		1,800	700	1,400	900
Tenant Name		Domino's Pizza	Philadelphia Cheese School	Tattoo One Five	Dolores'
Base Rental Rate		\$29.18	\$30.00	\$17.14	\$18.60
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)	4/11/2023	0%	0%	0%	0%
Subtotal		0%	0%	0%	0%
Financial Adjusted Rent Per SF		\$29.18	\$30.00	\$17.14	\$18.60
Physical Adjustments					
Location/Access/Exposure		-5%	-5%	0%	5%
Size		0%	0%	0%	0%
Age/Condition/Quality		0%	0%	5%	0%
Economic Characteristics		0%	0%	0%	0%
Subtotal		-5%	-5%	5%	5%
Overall Adjustment		-5%	-5%	5%	5%
Adjusted Rent Per SF		\$27.72	\$28.50	\$18.00	\$19.53
Range of Adjusted Rents	\$18.00 - \$28.50				
Average	\$23.44				
Indicated Rent	\$24.00				

Compiled by [REDACTED]

Rents 1 and 2 are adjusted downward for superior location as it is located in closer proximity to the Center City core. Rent 3 is adjusted upward for moderately inferior condition. Rent 3 is



INCOME CAPITALIZATION APPROACH

adjusted upward for larger size and downward for new construction. Finally, Rent 4 is adjusted upward for mildly inferior location.

COMMERCIAL MARKET RENT CONCLUSION

Based on the preceding analysis, the following is the concluded market lease terms for the subject:

Concluded Market Lease Terms							
MLA Category	Rentable SF	Market Rent	Measure	Rent Escalations	Reimbursement Method	Term (Mos.)	Mos. Free
Ground Floor Retail Space:	750	\$24.00	\$/SF/Year	2.00%/year	Triple Net	60	0

Compiled by [REDACTED]

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. Three years of historical operating data and trailing 12-month data were provided. 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.

Operating History and Projections											
Period Length	12 Mos.	12 Mos.		12 Mos.		12 Mos.		T 12 Mos.	Projection		[REDACTED]
Period Ending	12/31/2020	12/31/2021	12/31/2022	3/30/2023	3/30/2023	Projection					
SF	2,521	2,521	2,521	2,521	2,521	2,521					
	Total \$	\$/SF	Total \$	\$/SF	Total \$	\$/SF	Total \$	Total \$	\$/SF	Total \$	\$/SF
Multifamily Income											
Rental Income	\$15,877	\$6.30	\$62,175	\$24.66	\$71,071	\$28.19	\$68,996	\$68,996	\$27.37	\$41,100	\$16.30
Gross Expense Reimbursements	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0	\$0.00	\$1,200	\$0.48
Vacancy	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0	\$0.00	(\$1,692)	(\$0.67)
Collection Loss	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0	\$0.00	(\$423)	(\$0.17)
Effective Gross Multifamily Income	\$15,877	\$6.30	\$62,175	\$24.66	\$71,071	\$28.19	\$68,996	\$68,996	\$27.37	\$40,185	\$15.94
Commercial Income											
Potential Base Rent	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0	\$0.00	\$24,000	\$9.52
Expense Recoveries	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0	\$0.00	\$498	\$0.20
Potential Gross Commercial Income	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0	\$0.00	\$24,498	\$9.72
Vacancy Allowance	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0	\$0.00	(\$735)	(\$0.29)
Collection Allowance	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0	\$0.00	(\$245)	(\$0.10)
Effective Gross Commercial Income	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0	\$0.00	\$23,518	\$9.33
Effective Gross Income	\$15,877	\$6.30	\$62,175	\$24.66	\$71,071	\$28.19	\$68,996	\$68,996	\$27.37	\$63,703	\$25.27
Operating Expenses											
Real Estate Taxes	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0	\$0.00	\$7,474	\$2.96
Insurance	\$0	\$0.00	\$324	\$0.13	\$0	\$0.00	\$0	\$0	\$0.00	\$1,675	\$0.66
Utilities	(\$14)	(\$0.01)	\$481	\$0.19	(\$351)	(\$0.14)	(\$372)	(\$372)	(\$0.15)	\$1,575	\$0.62
Repairs and Maintenance	\$2,184	\$0.87	\$6,608	\$2.62	\$4,514	\$1.79	\$4,221	\$4,221	\$1.67	\$3,938	\$1.56
General and Administrative	\$3,065	\$1.22	\$610	\$0.24	\$1,867	\$0.74	\$1,622	\$1,622	\$0.64	\$1,375	\$0.55
Management	\$2,125	\$0.84	\$4,080	\$1.62	\$4,080	\$1.62	\$4,080	\$4,080	\$1.62	\$1,911	\$0.76
Replacement Reserves	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0	\$0.00	\$688	\$0.27
Total Operating Expenses	\$7,359	\$2.92	\$12,103	\$4.80	\$10,110	\$4.01	\$9,551	\$9,551	\$3.79	\$18,635	\$7.39
Operating Expense Ratio	46.4%		19.5%		14.2%		13.8%		13.8%	29.3%	
Net Operating Income	\$8,518	\$3.38	\$50,072	\$19.86	\$60,961	\$24.18	\$59,445	\$59,445	\$23.58	\$45,069	\$17.88

Compiled by [REDACTED]

- The subject was operating at sub-stabilized occupancy in 2020.



- Note that the owner’s income/expense data is likely incomplete, as it does not reflect real estate taxes.

The subject includes two revenue sources – a multifamily segment and a retail segment. In the analysis of gross income which follows, both segments are developed to their own effective gross income amounts and then the two segments are added for the overall effective gross income estimate.

Multifamily Effective Gross Income Derivation

Potential Gross Rent - Multifamily

Potential Gross Rent					
Unit Description	No. SFs	Avg. Contract Rent / SF	Potential Gross Rent- Contract	Market Rent / SF	Potential Gross Rent- Market
Leased Units					
1 BR/1 BA 1BR/1BA - 450 SF	1	\$1,195	\$14,340	\$1,200	\$14,400
2 BR/2 BA 2BR/2BA - 1,321 SF	1	\$2,230	\$26,760	\$2,400	\$28,800
Total Leased	2	\$1,713	\$41,100	\$1,800	\$43,200
Grand Total	2	\$1,713	\$41,100	\$1,800	\$43,200

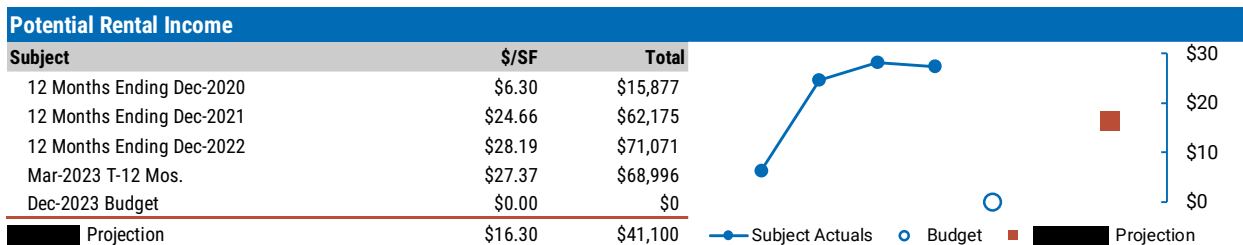
Compiled by [REDACTED]

- Our analysis utilizes contract rents in place as of the effective appraisal date.
- Note that both apartment tenants also reimburse the landlord \$50 per month for water/sewer charges.

Concessions - Multifamily

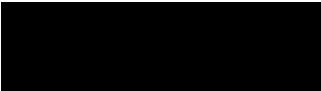
- We project no concessions in our analysis, in accordance with local market practice for properties of the subject’s asset class and ownership’s reported lack of concessions being offered as of the effective appraisal date.

Potential Rental Income – Multifamily



Compiled by [REDACTED]

- Note that the owner’s income/expense data does not bifurcate multifamily and commercial rental income streams.



Vacancy & Collection Loss Allowance – Multifamily

The vacancy estimate for the subject was previously developed in the market analysis section of this report. The following table recaps the vacancy benchmarks from our preceding multifamily market analysis:

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%	7.20%	6.30%	6.70%
Bella Vista / Southwark	3.70%	3.70%	3.80%	4.90%	4.30%
Subject					
Subject	0.00%				
Concluded Subject Vacancy Rate	4.00%				

Source: Costar, [REDACTED]

- We project a vacancy rate of 4.00% for the subject’s multifamily component, and we also include an additional 1.00% allocation for collection loss.
- Based on this analysis, the total stabilized vacancy and collection loss allowance for the subject is 5.00%.

Effective Gross Income - Multifamily

Effective Gross Multifamily Income		
Subject	\$/SF	Total
12 Months Ending Dec-2020	\$6.30	\$15,877
12 Months Ending Dec-2021	\$24.66	\$62,175
12 Months Ending Dec-2022	\$28.19	\$71,071
Mar-2023 T-12 Mos.	\$27.37	\$68,996
[REDACTED] Projection	\$15.94	\$40,185



Compiled by [REDACTED]

- Note that the owner’s income/expense data does not bifurcate multifamily and commercial rental income streams.

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						
MLA Category	Leased SF	Potential Rent At Contract Annual	Potential Rent At Contract \$/SF/Yr	Potential Rent At Market Annual	Potential Rent At Market \$/SF/Yr	Contract as % of Market
Occupied Space						
Ground Floor Retail Space:	750	\$24,000	\$32.00	\$18,000	\$24.00	133.3%
Occupied Space Total	750	\$24,000	\$32.00	\$18,000	\$24.00	133.3%
Overall Total	750	\$24,000	\$32.00	\$18,000	\$24.00	

Compiled by [REDACTED]

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

Expense Recoveries – Commercial

Expense Recoveries		
Subject	\$/SF	Total
12 Months Ending Dec-2020	\$0.00	\$0
12 Months Ending Dec-2021	\$0.00	\$0
12 Months Ending Dec-2022	\$0.00	\$0
Mar-2023 T-12 Mos.	\$0.00	\$0
[REDACTED] Projection	\$0.66	\$498



Compiled by [REDACTED]

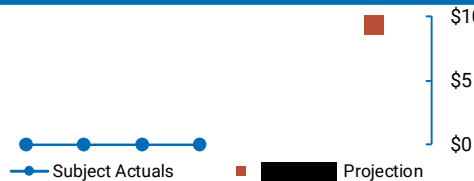
- Under the existing modified gross lease structure, the tenant reimburses the landlord for insurance costs only.

Vacancy & Collection Loss Allowance – Commercial

As previously developed in the market analysis section of the report, the total stabilized vacancy and collection loss allowance for the subject’s ground-floor retail component is concluded to be 4.00%.

Effective Gross Income – Commercial

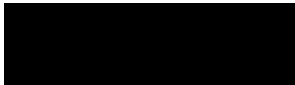
Effective Gross Commercial Income		
Subject	\$/SF	Total
12 Months Ending Dec-2020	\$0.00	\$0
12 Months Ending Dec-2021	\$0.00	\$0
12 Months Ending Dec-2022	\$0.00	\$0
Mar-2023 T-12 Mos.	\$0.00	\$0
[REDACTED] Projection	\$9.33	\$23,518



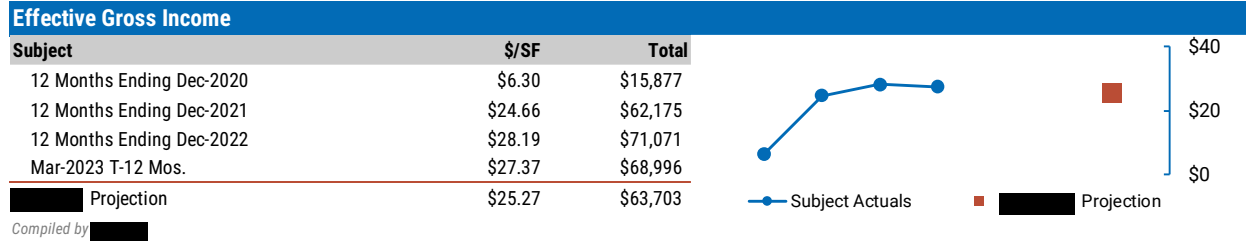
Compiled by [REDACTED]

Effective Gross Income - Overall

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



INCOME CAPITALIZATION APPROACH



Our pro forma estimate is slightly below the most recent actual figures as our analysis makes allowance for vacancy and collection losses.

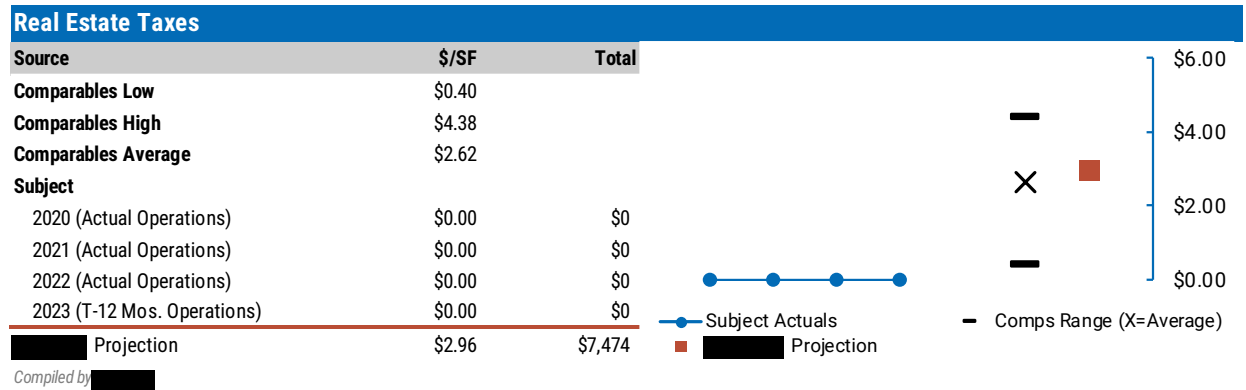
OPERATING EXPENSE ANALYSIS

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

Expense Analysis Per SF										
	Comp 1	Comp 2	Comp 3	Comp 4	Subject Historical and Projections					
Year Built	1910	1900	1920	1880	1915					
SF	5,720	5,400	5,126	3,200	2,521	2,521	2,521	2,521	2,521	2,521
Operating Data Type	Actual	Budget	Actual	Actual	Actual	Actual	Actual	Actual	T-12 Mos.	Projection
Year	2021	2021	2021	2021	2020	2021	2022	2023	2023	Projection
Operating Expenses Per SF										
Real Estate Taxes	\$0.40	\$2.54	\$3.14	\$4.38						\$2.96
Insurance	\$0.53	\$0.44	\$1.14	\$0.61		\$0.13				\$0.66
Utilities	\$0.62	\$0.46	\$0.90	\$0.46	-\$0.01	\$0.19	-\$0.14	-\$0.15	-\$0.15	\$0.62
Repairs and Maintenance	\$1.31	\$0.91	\$2.29	\$0.69	\$0.87	\$2.62	\$1.79	\$1.67	\$1.67	\$1.56
General and Administrative	\$0.63	\$0.07	\$1.23	\$0.69	\$1.22	\$0.24	\$0.74	\$0.64	\$0.64	\$0.55
Management	\$1.27	\$0.73	\$1.69	\$0.78	\$0.84	\$1.62	\$1.62	\$1.62	\$1.62	\$0.76
Replacement Reserves	\$0.00	\$0.15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.27
Total Operating Expenses Per SF	\$4.76	\$5.30	\$10.39	\$7.61	\$2.92	\$4.80	\$4.01	\$3.79	\$3.79	\$7.39

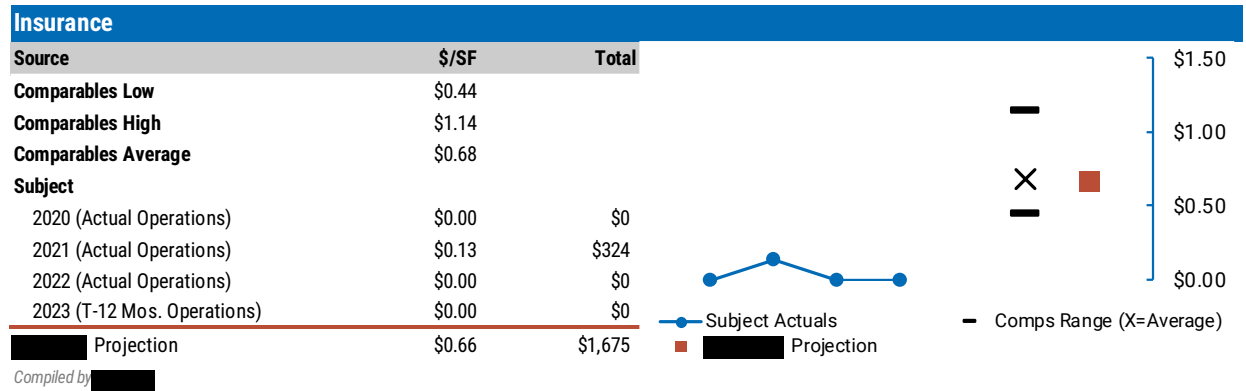
Compiled by [REDACTED]

Real Estate Taxes



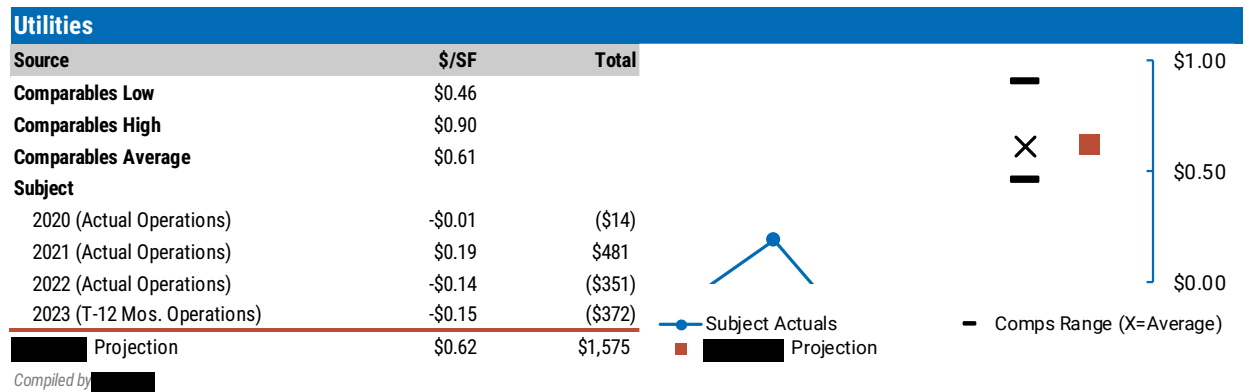
- This expense category includes all local, county, and state property tax levies.
- Our projection is based on the property assessment and tax rate for the subject, as discussed previously in the Real Estate Tax Analysis. Real estate taxes were not included as operating expenses in the owner's income and expense data submitted for our review.

Insurance



- Insurance expense includes property and casualty insurance for the subject. We researched comparable properties for our insurance estimate, as the provided historical operating income expenses exclude insurance.
- The projected expense reflects \$650 per apartment unit and \$0.50 per square foot of retail space.

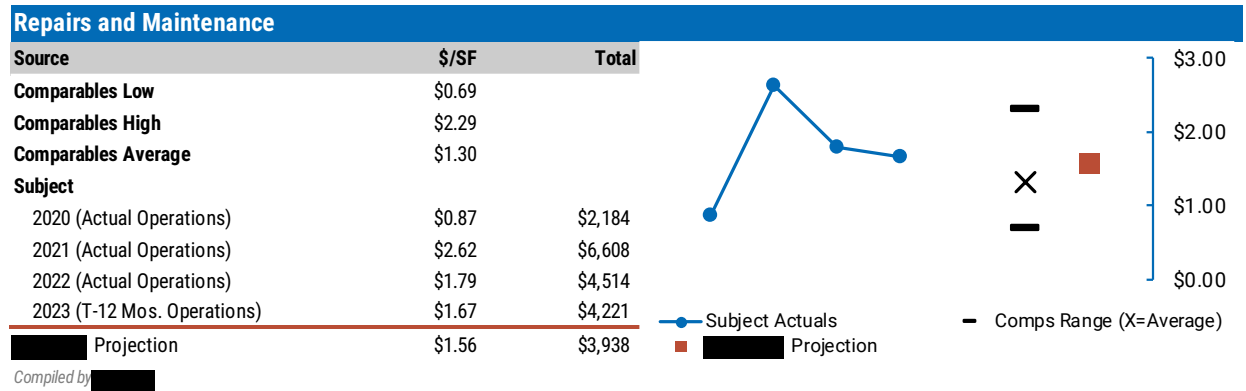
Utilities



- Utility charges include cold water, sewer, and common area electricity, all of which are centrally metered and billed to the owner. All other utilities are billed directly to the tenant.
- Our projection is reflective of \$600 per apartment units and \$0.50 per square foot of retail space and is supported by the comparable set.
- Note that the owner’s utility expenses reflect only overage refunds, with no actual expenses being tabulated.

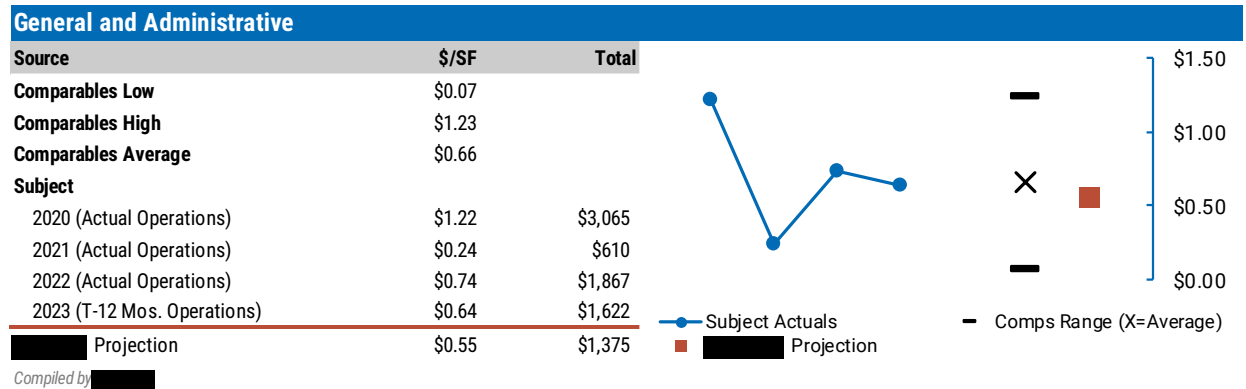


Repairs and Maintenance

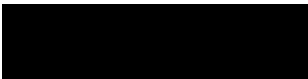


- The umbrella category of repairs and maintenance includes expenditures to repair and maintain mechanical systems and structural components, encompassing payroll and contract costs, as appropriate, pest control, snow removal, trash removal, and appliance/key replacement. Excluded are alterations and major replacements, which are considered capital costs rather than periodic expenses.
- Our projected estimate for repairs and maintenance falls in line with comparable properties and the subject’s historical figures, and is based on a projection of \$1,500 per apartment unit and \$1.25 per square foot of retail space.

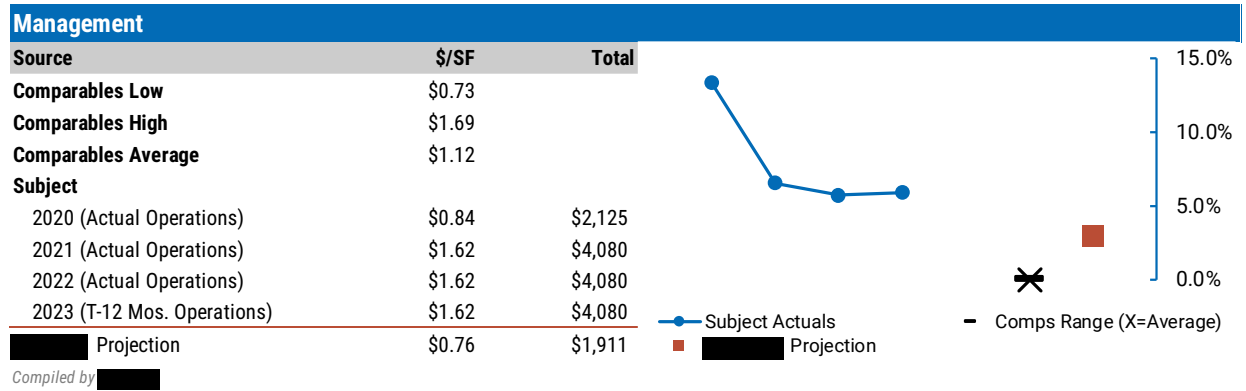
General/Administrative



- General and administrative expenses are minimal for the subject and include licenses and permits, legal expenses, and inspections and tests.
- Our projected estimate reflects \$500 per apartment unit and \$0.50 per square foot of retail space, and is well supported by the comparable set and subject’s operating history.



Management

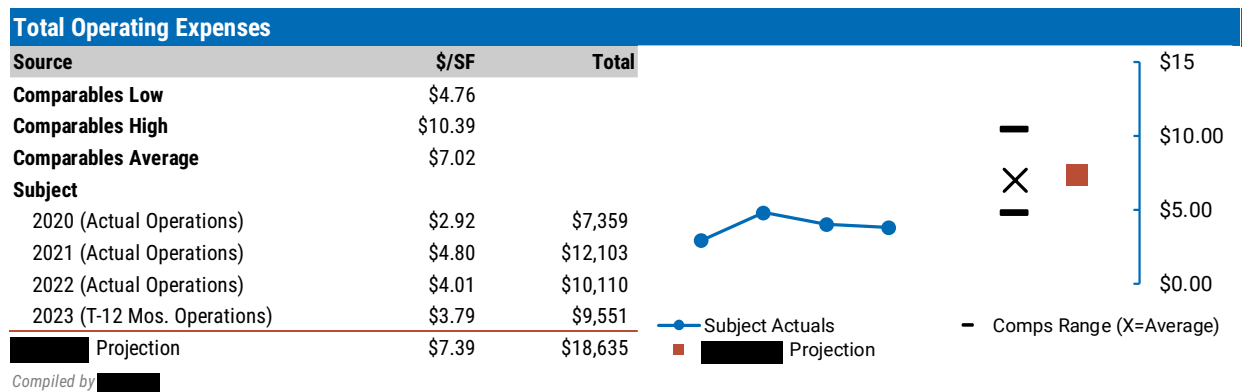


- Typical management fees for properties of this type range from 2% to 4%
- Considering that the subject has typical management needs, we project an overall management fee of 4% of effective gross income.

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.
- Our analysis utilizes a projection of \$250 per apartment unit and \$0.25 per square foot of retail space.

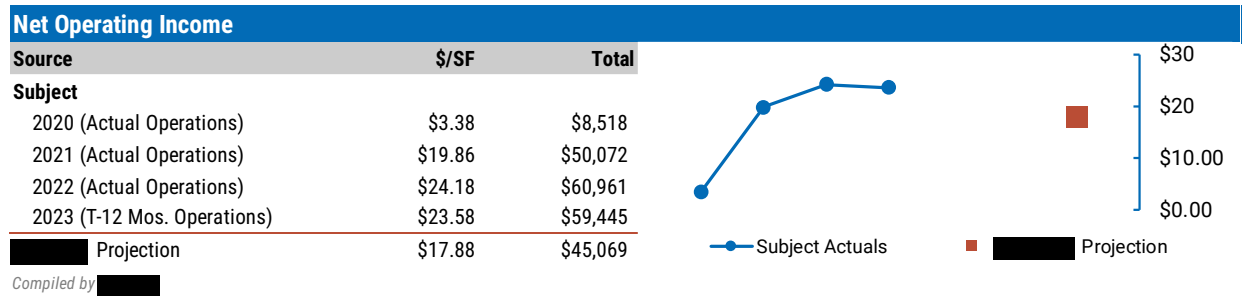
Total Operating Expenses



- The total projected operating expenses are above the recent operating as the owner's income/expense data does not reflect typical expense categories including real estate taxes, utilities or insurance.
- The projected expenses are well-supported by the comparable set.



NET OPERATING INCOME



DIRECT CAPITALIZATION

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

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

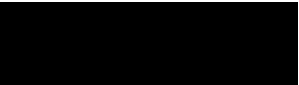
Real Capital Analytics reported in their Q1 2023 Capital Trends publication that “Deal volume is down at double-digit rates from a year earlier, prices are in retreat and cap rates are ticking upward.” “The RCA CPPI National All-Property Index fell 8.0% from a year earlier in the first quarter, marking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

Cost of Capital

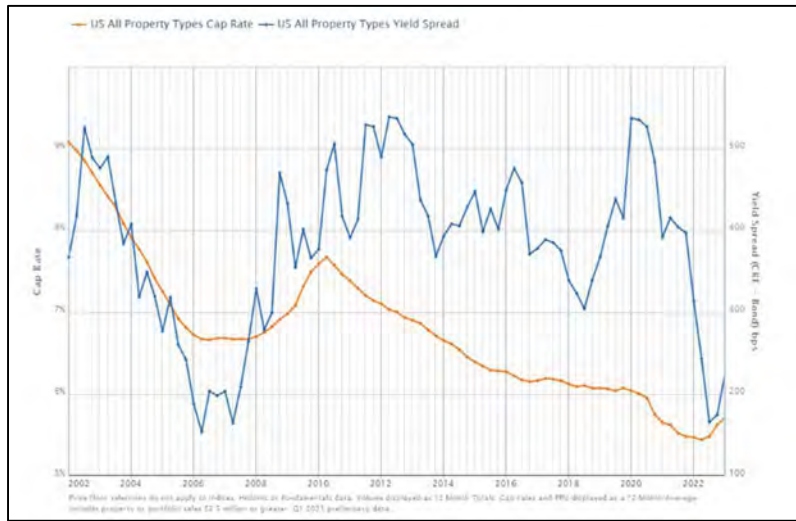
The increase in base interest rates directly affects financing rates. Various debt sources are quoting and achieving mortgage interest rates of 6% and above with bank financing commonly at 7% and above. This is creating a situation where debt coverage ratios are too low based on existing cash flows and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

Capitalization Rates

The majority of investors surveyed by PwC for their First Quarter 2023 Real Estate Investor Survey expect capitalization rates to increase over the next six months. This translates to slowing



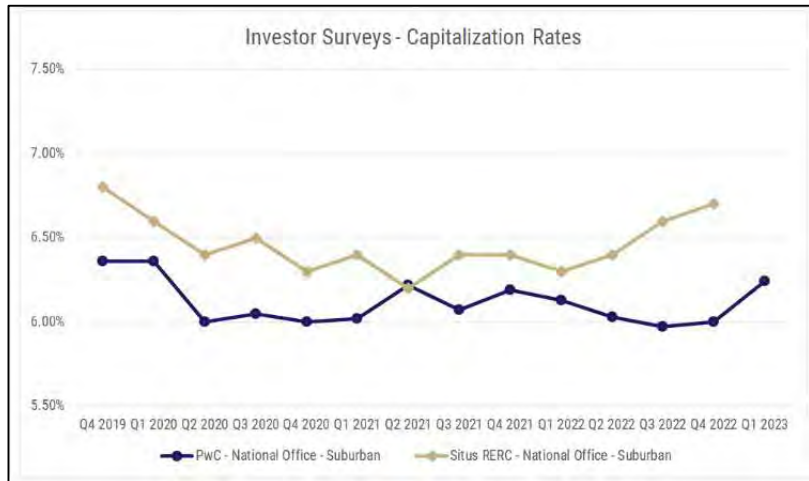
transaction volume but also directly impacts pricing expectations. “We need higher returns due to rising capital costs and additional risk,” remarks one investor surveyed by PwC.



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

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

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



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

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



include REIT returns, it tends to be more reactionary to macro-economic conditions and stock market trends. This makes the Green Street data more reflective of trends as opposed to actual changes now occurring.

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

Compiled by [REDACTED]

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

Property Values

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



Green Street CPPI®: Sector-Level Indexes

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

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

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

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

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

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



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



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

Final Thoughts / Action Items

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

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

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

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

Comparable Sales

Comparable Multifamily Sales Summary							
No.	Property Location	Yr. Built	Sale Date	Rentable			
				Area	Occ. %	Price per SF	OAR
1	2031 S. Juniper St., Philadelphia, PA	2016	Jan-2022	8,857	100%	\$243	7.52%
2	608 South 3rd Street, Philadelphia, PA	1915	Oct-2021	2,646	100%	\$372	5.15%
3	614 S. 3rd St., Philadelphia, PA	1900	Aug-2021	5,400	100%	\$207	6.29%
Secondary Cap Rate Sales							
1	2015 Walnut St, Philadelphia, PA	1840	Aug-2021	6,750	100%	\$396	7.40%
2	2136 E Dauphin St, Philadelphia, PA	1899	Mar-2020	10,175	89%	\$283	5.79%
3	2020 Locust St, Philadelphia, PA	1892	Nov-2020	3,751	100%	\$600	5.40%
4	1507 W Girard Ave, Philadelphia, PA	1915	Jan-2021	4,925	100%	\$152	7.70%
Average (Mean) Cap Rate:							6.46%

Compiled by [REDACTED]

- The above-referenced sales occurred in an superior economic climate.
- Based on this information, a capitalization rate within a range of 6.25% to 7.00% could be expected for the subject.

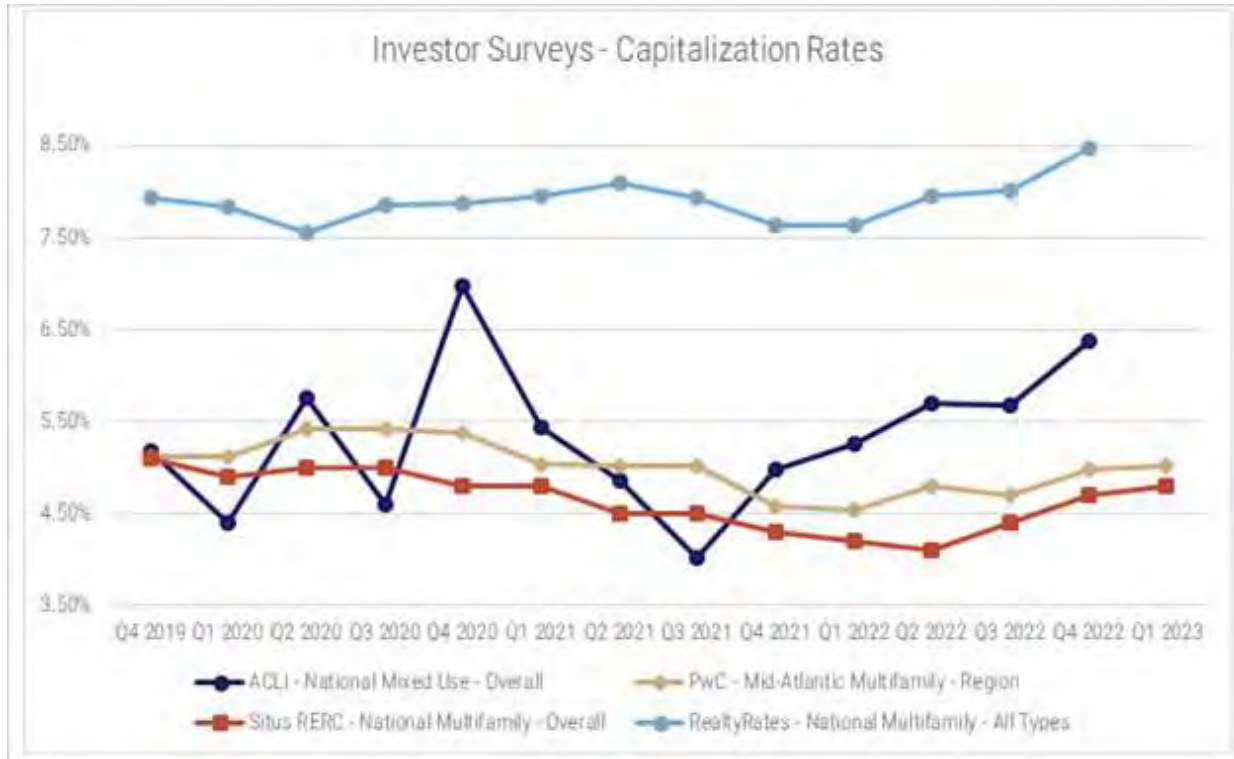
Investor Surveys

Multifamily

Investor Surveys - Capitalization Rates				
Source	Period	Low	High	Average
ACLI - National Mixed Use - Overall	Q4 2022	N/A	N/A	6.37%
PwC - Mid-Atlantic Multifamily - Region	Q1 2023	4.00%	6.50%	5.03%
Situs RERC - National Multifamily - Overall	Q1 2023	4.30%	6.00%	4.80%
RealtyRates - National Multifamily - All Types	Q4 2022	5.07%	12.10%	8.48%

Compiled by [REDACTED]

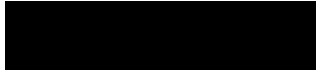


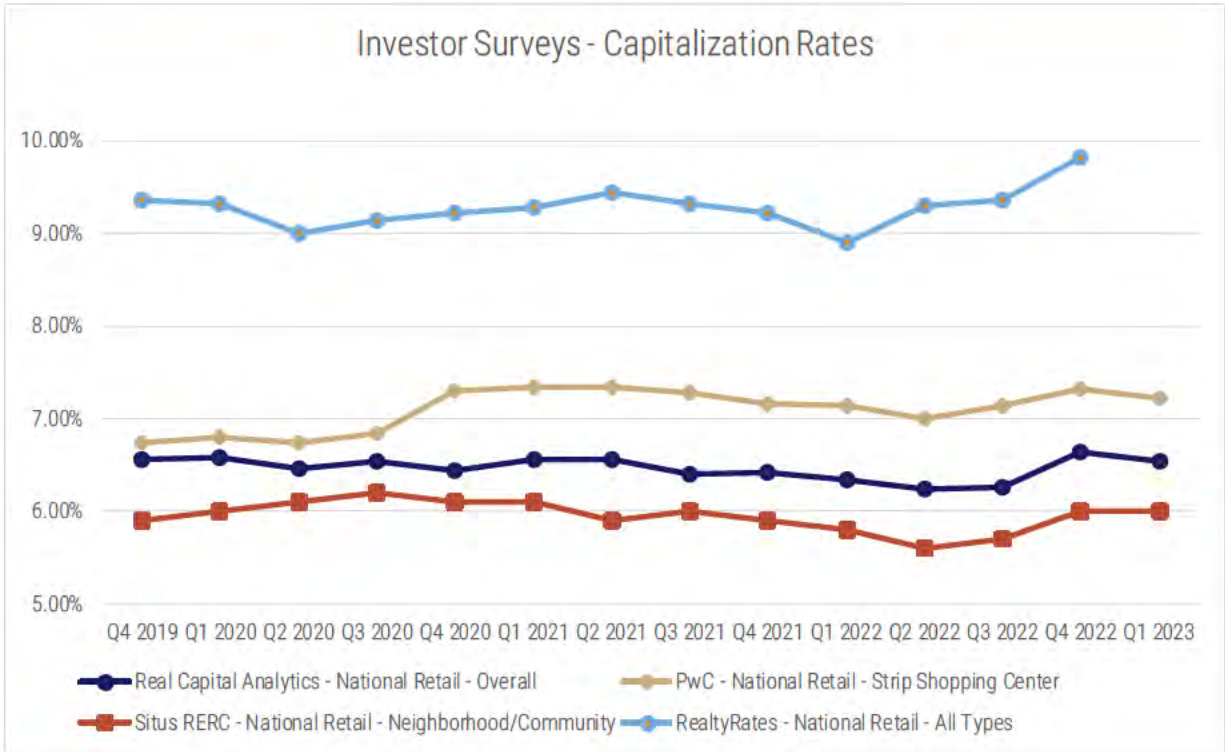


Retail

Investor Surveys - Capitalization Rates				
Source	Period	Low	High	Average
Real Capital Analytics - National Retail - Overall	Q1 2023	N/A	N/A	6.54%
PwC - National Retail - Strip Shopping Center	Q1 2023	5.00%	10.00%	7.23%
Situs RERC - National Retail - Neighborhood/Community	Q1 2023	5.00%	7.00%	6.00%
RealtyRates - National Retail - All Types	Q4 2022	5.58%	14.10%	9.82%

Compiled by [REDACTED]





- We note that investor surveys focus on the stronger institutional product. A rate above the presented survey averages can therefore be expected.
- We also consider the retail lease in place.
- Accordingly, based on the survey data, a capitalization rate within a range of 6.00% to 7.50% could be expected for the subject. Minimal weight is placed on the investor surveys.

Market Participants

Market Participant Survey - Capitalization Rates	
Respondent	Cap Rate
Multifamily Broker	Mid 6's
Mortgage Broker	6.50%
Investor	6.00% - 6.50%
Subject Indication	6.25% - 6.75%

Compiled by [REDACTED]

- Based on these responses, a capitalization rate within a range of 6.25% to 6.75% is indicated for the subject.



Band of Investment

Band of Investment						
Mortgage/Equity Assumptions						
Loan to Value Ratio	70%					
Interest Rate	5.80%					
Amortization (Years)	25					
Mortgage Constant	0.0759					
Equity Ratio	30%					
Equity Dividend Rate	7.00%					
Weighted Average Of Mortgage/Equity Requirements						
Mortgage Requirement	70%	x	7.59%	=		5.31%
Equity Requirement	30%	x	7.00%	=		2.10%
Indicated Capitalization Rate (Rounded)						7.50%

Compiled by [REDACTED]

Capitalization Rate Conclusion

Capitalization Rate Conclusion	
Source	Indication
Comparable Sales	6.25% -7.00%
Investor Surveys	6.00% - 7.50%
Market Participants	6.25% - 6.75%
Band of Investment	7.50%
<hr/>	
Concluded Going-In Capitalization Rate	6.25%

Compiled by [REDACTED]

- A capitalization rate towards the lower end of the range is selected given the subject's favorable location and below-market rents.

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

Income Capitalization Approach			
Summary of Stabilized Net Operating Income			
Item Description	% of Income	\$ / SF	Total \$
Multifamily Income		1,771 SF	
Rental Income		\$23.21	\$41,100
Gross Expense Reimbursements		\$0.68	\$1,200
Potential Gross Multifamily Income		\$23.88	\$42,300
Vacancy	-4.00%	(\$0.96)	(\$1,692)
Collection Loss	-1.00%	(\$0.24)	(\$423)
Effective Gross Multifamily Income		\$22.69	\$40,185
Commercial Income		750 SF	
Potential Base Rent		\$32.00	\$24,000
Expense Recoveries		\$0.66	\$498
Vacancy Allowance	-3.00%	(\$0.98)	(\$735)
Collection Allowance	-1.00%	(\$0.33)	(\$245)
Effective Gross Commercial Income		\$31.36	\$23,518
Effective Gross Income		\$25.27	\$63,703
Operating Expenses		2,521 SF	
Real Estate Taxes		\$2.96	\$7,474
Insurance		\$0.66	\$1,675
Utilities		\$0.62	\$1,575
Repairs and Maintenance		\$1.56	\$3,938
General and Administrative		\$0.55	\$1,375
Management	3.00%	\$0.76	\$1,911
Replacement Reserves		\$0.27	\$688
Total Operating Expenses	29.25%	\$7.39	\$18,635
Net Operating Income		\$17.88	\$45,069
Direct Capitalization Method			
Value Indication		\$ / SF	Total \$
Stabilized Net Operating Income		\$17.88	\$45,069
Overall Capitalization Rate			6.25%
As Is Value	Effective Date: 4/11/2023		\$721,100
Rounded		\$287.58	\$725,000

Compiled by [REDACTED]



Reconciliation of Value

The values indicated by our analyses are as follows:

Market Value Indications	
Market Value Premise As of Date:	As Is April 11, 2023
Cost Approach:	Not Used
Sales Comparison Approach:	\$700,000
Income Capitalization Approach:	\$725,000
Market Value Conclusion	\$725,000

Compiled by [REDACTED]

Cost Approach

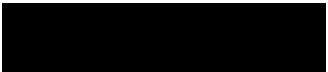
The Cost Approach has best applicability for properties with new or nearly new improvements. It is a summation approach in that the underlying land value is added to the depreciated replacement cost for the indicated value. In this case, the cost approach was not utilized due to the age of the improvements which results in significant depreciation thereby reducing the reliability of this approach. More significantly, however, market participants considering properties like the subject do not give consideration to the cost approach.

Sales Comparison Approach

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

Income Capitalization Approach

The subject property is a mixed-use property consisting of both apartment units and commercial space. It is distinctly an income producing property and this approach is specifically designed to address the value of such a property. Market rent was well established by reasonably similar



RECONCILIATION OF VALUE

lease data. 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	4/11/2023	\$725,000

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.

- Individual unit sizes were not available for this property. We measured both apartment units and have estimated the size of the commercial unit based on available data and building measurements. We reserve the right to amend our analysis if different information is made available at a later date.

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.

- None

Compiled by [REDACTED]

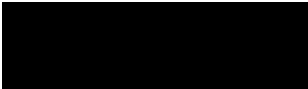
EXPOSURE TIME

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 market, and the opinions of local market participants were reviewed and analyzed. Based on this data and analysis, it is our opinion that the probable exposure time for the subject at the concluded market value stated previously is 6 to 9 months.

MARKETING TIME

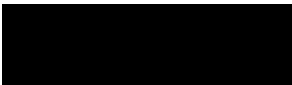
Marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. As no significant changes in market conditions are foreseen in



RECONCILIATION OF VALUE

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the near term, it is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 6 to 9 months.



Assumptions and Limiting Conditions

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

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

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

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

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

ASSUMPTIONS AND LIMITING CONDITIONS

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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.

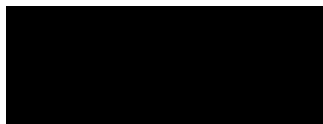
ADDENDA

- ◆ **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



March 24, 2023

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

C/O

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

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

Re: Appraisal of the property described as:
12 properties in Philadelphia, PA as described in Schedule "C" of this letter (collectively, "Property")

Dear Mr. Hazel:

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

APPRAISAL FEE: \$31,800.00 (inclusive of expense).

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

COMMENCEMENT AND DELIVERY DATE: Delivery is as follows:

Appraisal report: four (4) weeks

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

REPORT TYPE: Appraisal Report

[REDACTED]

[REDACTED]

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

VALUATION PREMISE: Market Value As-Is

INTEREST IN THE PROPERTY APPRAISED: Leased Fee Interest

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

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

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

RELIANCE LANGUAGE: None

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

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

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

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

[REDACTED]

[REDACTED]

Timothy M. Hazel, Esquire
PIETRAGALLO GORDON ALFANO BOSICK & RASPANTI, LLP
March 24, 2023
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PAYMENT:

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

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

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

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

CHANGES TO THE AGREEMENT:

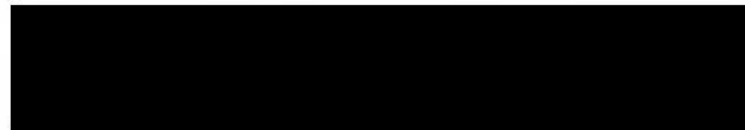
Any significant changes to the assignment as outlined in this Agreement, such as the identity of the Client, Intended User, or Intended Use, will require the preparation and execution of a new agreement.

CANCELLATION OF ASSIGNMENT:

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

NO THIRD-PARTY BENEFICIARIES:

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



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

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

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

Respectfully,



Agreed:
PIETRAGALLO GORDON ALFANO BOSICK & RASPANTI, LLP

SIGNATURE:

PRINT NAME:

GAETANO J. ALFANO

TITLE:

PARTNER

DATE:

3-24-23



Schedule "A"

TERMS AND CONDITIONS

ATTACHED TO AND A PART OF THE AGREEMENT DATED MARCH 24, 2023 TO PROVIDE APPRAISAL SERVICES FOR PIETRAGALLO GORDON ALFANO BOSICK & RASPANTI, LLP

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



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

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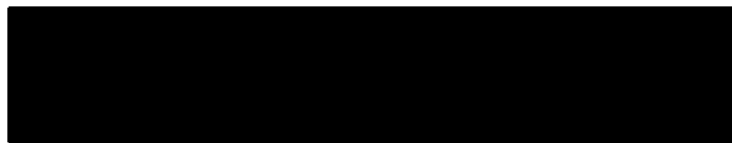
Firm or a Firm Party) for any indirect, special, exemplary, incidental, or consequential damages (including loss of profits) arising from or relating to this Agreement or the appraisal, even if such party knew or should have known of the possibility of, or could reasonably have prevented, such damages.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

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

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

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



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Schedule "B"

PROPERTY INFORMATION LIST

ATTACHED TO AND A PART OF THE AGREEMENT DATED 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.



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FOR APARTMENT PROPERTY

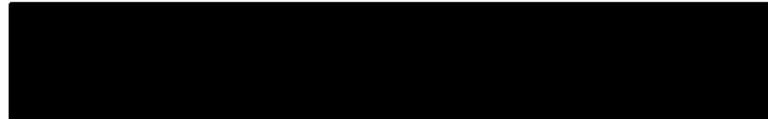
18. **Current Rent Roll** (in Excel if possible) showing tenant name, apartment number, dates of leases and the type of apartment, asking/market rents for each apartment, and contractual rent for each apartment unit. If rent roll does not show past due rent or rent in arrears, please forward aging report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

FOR COMMERCIAL PROPERTY

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

FOR ALL INCOME-PRODUCING PROPERTIES

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



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Schedule "C"

PROPERTY DETAILS

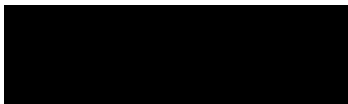
Location	Type	Fee
300 Market Street, Philadelphia, PA	(12 Apts / 1 Comm)	\$2,800
1427 Melon Street, Philadelphia, PA	(24 Apts)	\$2,800
627-629 E. Girard Avenue, Philadelphia, PA	(8 Apts / 2 Comm)	\$2,500
861 N. 3 rd Street, Philadelphia, PA	(3 Apts / 1 Comm)	\$2,500
915-917 S. 11 th Street, Philadelphia,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



ADDENDA

Addendum C

Financials and Property Information



Rent Roll (Itemized)

Exported On: 04/16/2023 12:15 PM

Properties: 300 Market Street Philadelphia, PA 19106, 1427 Melon Street Philadelphia, PA 19130, 627-29 E Girard Ave Philadelphia, PA 19125, 861 N 3rd St Philadelphia, PA 19123, 1635 E Passyunk Ave - 1635 E Passyunk Ave Philadelphia, PA 19148, 715 Sansom St Philadelphia, PA 19106, 915-17 S 11th St Philadelphia, PA 19147, 1932 Spruce St. - 1932 Spruce St Philadelphia, PA 19103, 135-37 N 3rd St

Units: Active

OL Accounts: 4100: Rent Income, 4105: Parking Fee Income, and 6430: Water

As of: 04/19/2023

Unit	BD/BA	Sqft	Status	Tenant	Lease From	Lease To	Rent Income	Water	Parking Fee Income	Other Charges
1635 E Passyunk Ave - 1635 E Passyunk Ave Philadelphia, PA 19148										
Commercial 1C	—/—	750	Current	[REDACTED]	10/01/2017	09/30/2025	2,000.00	32.00	0.00	0.00
Unit F (Maintenance Only Contract)	—/—	0	Current	[REDACTED]	06/01/2018		0.00		0.00	0.00
Unit R (1630 S. Jeesup St.)	1/1.00	450	Current	[REDACTED]	07/01/2022	06/25/2023	1,195.00	50.00	0.00	0.00
Unit 2	26R/26A	1,321	Current	[REDACTED]	10/15/2020	09/25/2023	2,230.00	60.00	0.00	0.00
4 Units		2,521	100.0% Occupied				5,425.00	110.00	0.00	0.00



1635 E PASSYUNK AVE

PHILADELPHIA, PA 19148-1121

Owner

1635 EAST PASSYUNK LLC

OPA Account Number

[REDACTED]

Mailing Address

2nd Floor
205 Arch St
Philadelphia PA 19106

Property assessment and sale information

Assessed Value	\$533,900
Sale Date	01/31/2018
Sale Price	\$825,000

Office of Property Assessment (OPA) was formerly part of the Board of Revision of Taxes (BRT) and some City records may still use that name. Source: [Office of Property Assessment \(OPA\). \(https://www.phila.gov/opa/pages/default.aspx\)](https://www.phila.gov/opa/pages/default.aspx)

Valuation History (9)

Taxable and exempt land values can represent the contributory value of land in relation to the total market value, or were no structure is present, the value of vacant land. (Consistent with International Association of Assessing Officers (IAAO) standards, the value of an improved parcel is separated into the portion of value attributed to the improvement and the portion of value attributed to the land.)

Year	Market Value	Taxable Land	Taxable Improvement	Exempt Land	Exempt Improvement
2023	\$533,900	\$106,780	\$103,220	\$0	\$323,900
2022	\$676,700	\$135,340	\$74,660	\$0	\$466,700
2021	\$676,700	\$135,340	\$74,660	\$0	\$466,700
2020	\$676,700	\$135,340	\$74,660	\$0	\$466,700
2019	\$670,000	\$134,000	\$76,000	\$0	\$460,000
2018	\$650,500	\$130,100	\$79,900	\$0	\$440,500
2017	\$367,300	\$25,087	\$184,913	\$0	\$157,300
2016	\$367,300	\$25,087	\$184,913	\$0	\$157,300

Year	Market Value	Taxable Land	Taxable Improvement	Exempt Land	Exempt Improvement
2015	\$367,300	\$25,087	\$184,913	\$0	\$157,300

Sales History (2)

Date	Adjusted Total	Grantees	Grantors	Doc Id
01/31/2018	\$825,000	1635 EAST PASSYUNK LLC	AMODEI FRAN	53325692
10/04/2000	\$100,000	AMODEI FRAN	PHILLIPS MARGARET PIGLIACELLI; PIGLIACELLI RONALD	50153551



Property Details



OPA is currently updating its data files. Some of the information below does not yet reflect the data used to calculate the tax year 2023 property value. For questions regarding the 2023 property value, call OPA at [\(215\) 686-9200](tel:(215)686-9200) (tel:+12156869200).


For all other property questions, **submit an official inquiry** (https://opainquiry.phila.gov/opa.apps/help/PropInq.aspx?acct_num=871558540).

Property characteristics described below are included for convenience, but may not reflect the most recent conditions at the property.

Year Built	1915
Building Description	ROW W/OFF STR 3 STY MASON
Building Condition	Not available
Number of Stories	Not Available
Number of Rooms	Not Available
Features	No basement No fireplace No garage
Heating and Utilities	Heater type n/a No central air Sewer type n/a
Lot Size	1,405 sq ft
Improvement Area	2,956 sq ft
Frontage	18 ft
Beginning Point	364'11 1/8" S TASKER
Zoning	CMX2.5-Neighborhood Commercial Mixed-Use-2.5  (https://atlas.phila.gov/1635%20E%20PASSYUNK%20AVE/zoning .)
OPA Account Number	
OPA Address	1635 E Passyunk Ave
Homestead Exemption	No

Local Details

Political Divisions	Ward: 39th Council District: 1st  (http://atlas.phila.gov/1635 E PASSYUNK AVE/voting)
School Catchment	Elementary: Southwark Middle: Southwark HS: South Philadelphia HS  (https://webapps1.philasd.org/school_finder/)
Police District	3rd District  (https://www.phillypolice.com/districts/3rd/index.html)
Trash Day	Wednesday  (https://www.phila.gov/services/trash-recycling-city-upkeep/residential-trash-and-recycling/find-your-trash-and-recycling-collection-day/#/)
L&I District	SOUTH
Census Tract	002802

You can download the property assessment dataset in bulk, and get more information about this data at metadata.phila.gov  (<https://metadata.phila.gov>)

Note: Taxable and exempt land values can represent the contributory value of land in relation to the total market value, or were no structure is present, the value of vacant land. (Consistent with International Association of Assessing Officers (IAAO) standards, the value of an improved parcel is separated into the portion of value attributed to the improvement and the portion of value attributed to the land.)

ADDENDA

Addendum D
Comparable Data



ADDENDA

Improved Sales



ADDENDA

Multifamily Sale Comparable 1
2031-2033 S Juniper Street

Location Information	
Location	2031 S. Juniper St. Philadelphia, PA
Market	Valuation Properties
Submarket	Valuation Apartment / Multi Housing
County	Philadelphia
APN	881137531



Physical Property Summary	
Property Type	Multifamily (Walk-Up)
Gross Building Area	10,820 SF
Rentable Area	8,857 SF
Land Acres	0.10 Acres
Land SF	4,515 SF
Number of Units	8
Density (Units per Acre)	77.2
Average Unit Size	1,107 SF
No. of Stories	3
Year Built (Renovated)	2016
Construction	Wood frame
Condition	Good
Parking	Street parking only
Investment Class	Class B
Elevators	1

Sale Data	
Transaction Type	Closed
Interest Conveyed	Leased Fee
Date	January 25, 2022
Marketing Time	N/A
Grantor	Elitza Betta Acquisitions LLC
Grantee	G Prime Juniper LLC
Document No.	53984453
Price	\$2,150,000
Financing Terms	Cash to Seller
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$2,150,000
Price Per Unit	\$268,750

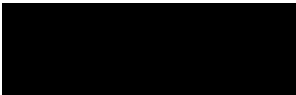
Financial Data	
Source	Pro Forma
Occupancy	100.0%
Property Operations Status	Stabilized Operations

Financial Indicators	
NOI	N/A
Derived Cap Rate	N/A
Reported Cap Rate	7.40%

Pro Forma Stabilized Operations	
Effective Gross Income	\$193,345
EGIM	11.12
Operating Expense Ratio	16.4%
NOI	\$161,664
Derived Cap Rate	7.52%
Verification	Secondary Verification

Comments

Sale of a mixed-use property in the East Passyunk neighborhood of South Philadelphia. Property is located one block east of South Broad Street in close proximity to the Snyder subway stop. Improvements were delivered to market in 2016 and comprise 8 apartment units (2 x 1BR/1BA and 6 x 2BR/1BA) and a ground floor commercial unit which was leased to South Philly Co-op, a neighborhood grocer) as of the effective sale date. Amenities include in-unit washer/dryer, shared roof deck, and elevator.



ADDENDA

Retail Sale Comparable 2
608 South 3rd Street

Location Information	
Location	608 South 3rd Street Philadelphia, PA
Market	Valuation Properties
Submarket	Valuation Retail
County	Philadelphia
APN	23116600



Physical Property Summary	
Property Type	Retail (Free-standing)
Gross Building Area	2,936 SF
Rentable Area	2,646 SF
Land Acres	0.05 Acres
Land SF	2,050 SF
Land to Building Ratio	0.70
No. of Buildings	1
No. of Stories	3
Year Built (Renovated)	1915
Construction	Masonry
Condition	Good
Parking	Surface Level Parking
Investment Class	Class B
Elevators	

Sale Data	
Transaction Type	Closed
Date	October 13, 2021
Marketing Time	N/A
Grantor	608 S 3rd Associates, LLC
Grantee	JFK Funding, LLC
Document No.	53890614
Price	\$985,000
Financing Terms	Cash to Seller
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$985,000
Price Per SF	\$372.26

Financial Data	
Occupancy	100.0%
Property Operations Status	Stabilized Operations

Financial Indicators	
NOI	N/A
Derived Cap Rate	N/A
Reported Cap Rate	5.15%
Verification	Confirmed-Other

Comments

Sale of a mixed-use property in the Society Hill / Headhouse Square neighborhood of South Philadelphia. Property is located one block south of South Street, a notable commercial corridor in the area. As of the date of sale, the property was 100% occupied (3 apartment tenants, hair salon in ground floor commercial space).



ADDENDA

Multifamily Sale Comparable 3
Mixed Use Property

Location Information	
Location	614 S. 3rd St. Philadelphia, PA
Market	Valuation Properties
Submarket	Valuation Apartment / Multi Housing
County	Philadelphia
APN	881571750



Physical Property Summary	
Property Type	Multifamily (Walk-Up)
Gross Building Area	5,400 SF
Rentable Area	5,400 SF
Land Acres	0.05 Acres
Land SF	2,205 SF
Number of Units	4
Density (Units per Acre)	79.0
Average Unit Size	1,350 SF
No. of Stories	4
Year Built (Renovated)	1900
Construction	Wood frame
Condition	Average
Parking	Street parking only
Investment Class	Class C
Elevators	

Sale Data	
Transaction Type	Closed
Interest Conveyed	Leased Fee
Date	August 26, 2021
Marketing Time	N/A
Grantor	614 S 3rd Inc
Grantee	614 S 3rd Investors LLC
Document No.	53923823
Price	\$1,120,000
Financing Terms	Cash to Seller
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$1,120,000
Price Per Unit	\$280,000

Financial Data	
Occupancy	100.0%
Property Operations Status	Stabilized Operations

Financial Indicators	
NOI	N/A
Derived Cap Rate	N/A
Reported Cap Rate	N/A

Pro Forma Stabilized Operations	
NOI	\$70,393
Derived Cap Rate	6.29%
Verification	Confirmed-Buyer Broker

Comments

Sale of mixed-use property with 4 apartments and ground floor retail space. Property was 100% occupied at the time of sale



ADDENDA

Multifamily Sale Comparable 4
108 S. 8th St

Location Information

Location	108 South 8th Street Philadelphia, PA
Market	Valuation Properties
Submarket	Valuation Apartment / Multi Housing
County	Philadelphia
APN	882615401



Physical Property Summary

Property Type	Multifamily (Walk-Up)
Gross Building Area	6,446 SF
Rentable Area	6,446 SF
Land Acres	0.05 Acres
Land SF	2,277 SF
Number of Units	6
Density (Units per Acre)	114.8
Average Unit Size	1,074 SF
No. of Stories	4
Year Built (Renovated)	1900
Construction	Masonry
Condition	Average
Parking	None
Investment Class	Class C
Elevators	

Sale Data

Transaction Type	Closed
Interest Conveyed	Leased Fee
Date	November 10, 2020
Marketing Time	N/A
Grantor	Andy/Cindy Lee Kang & Richard/Teresa Kang
Grantee	Daisy Properties, LLC
Document No.	53750362
Price	\$1,200,000
Financing Terms	Cash to Seller
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$1,200,000
Price Per Unit	\$200,000

Financial Data

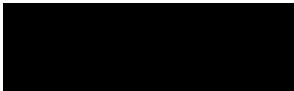
Occupancy	100.0%
Property Operations Status	Stabilized Operations

Financial Indicators

NOI	N/A	Verification	Secondary Verification
Derived Cap Rate	N/A		
Reported Cap Rate	N/A		

Comments

6 unit property Sale of 6-unit apartment complex with ground floor retail (current tenant appears to be jeweler).

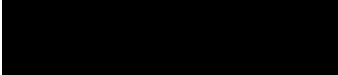


ADDENDA

Multifamily Sale Comparable 5	
407 South 12th Street	
Location Information	
Location	407 South 12th Street Philadelphia, PA
Market	PA - Philadelphia - Greater
Submarket	Philadelphia - Greater
County	Philadelphia
APN	871060000
Physical Property Summary	
Property Type	Multifamily (Walk-Up)
Gross Building Area	3,516 SF
Rentable Area	3,516 SF
Land Acres	0.03 Acres
Land SF	1,307 SF
Number of Units	0
Density (Units per Acre)	0.0
Average Unit Size	N/Ap
No. of Stories	4
Year Built (Renovated)	1920
Construction	Wood frame
Condition	Average
Parking	
Investment Class	Class B
Elevators	
Financial Data	
Occupancy	100.0%
Property Operations Status	\$0
Financial Indicators	
NOI	N/A
Derived Cap Rate	N/A
Reported Cap Rate	N/A
Comments	
Verification Confirmed-Confidential	



Sale Data	
Transaction Type	Closed
Interest Conveyed	Leased Fee
Date	February 6, 2020
Marketing Time	N/A
Grantor	Madeline Scott
Grantee	Yuriy Kucherenko
Document No.	0
Price	\$1,125,000
Financing Terms	Cash to Seller
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$1,125,000
Price Per Unit	\$0



ADDENDA

Précis Metro Report - Economy.Com, Inc.





PHILADELPHIA PA

Data Buffet® MSA code: IUSA_DMPHI

ECONOMIC DRIVERS

FINANCIAL CENTER

MEDICAL CENTER

COLLEGE TOWN

EMPLOYMENT GROWTH RANK

2021-2023

77

1st quintile

2021-2026

129

2nd quintile

Best=1, Worst=410

RELATIVE COSTS

LIVING

98%

BUSINESS

99%

U.S.=100%

VITALITY

RELATIVE

0.50

Rank: 61

Best=1, Worst=403

QUALITY

OF LIFE

213

Best=1, Worst=378

BUSINESS CYCLE STATUS



ANALYSIS

Recent Performance. Early signs suggest things are beginning to look sunnier in Philadelphia. Though a larger share of jobs lost in the COVID-19 recession are yet to be recovered than the regional average, a midyear acceleration in job growth helped narrow the shortfall. The uptick in payrolls has been driven by finance and professional services. The pickup in these high-wage jobs has supported strong growth in consumer-facing retail and leisure/hospitality. Alongside a growing supply of labor, the jobless rate had fallen below its pre-virus level by July.

demic levels than both the state and regional averages. World-class hospitals and research institutions are an advantage for PHI, attracting job seekers and funding. The recent acceleration in payroll growth, however, is owed in part to the full opening of UPenn Health's new 500-room hospital. This burst will be short-lived. Top employer Jefferson Health has downgraded its hiring outlook, contributing to the Moody's Analytics forecast for below-average payroll growth in the local industry.

Public sector. Federal aid will support PHI's public sector in the near term, though out-migration will squeeze tax revenues and limit hiring longer term. PHI's public sector has posted a subpar performance from the pandemic recession. Headcounts are 5% below early-2020 levels and have contracted over the past year. PHI's largest public school district received \$1.1 billion in federal funding via the American Rescue Plan. The funds represent about a quarter of the district's annual budget and have been earmarked to expand programs and increase pay to retain and attract staff, among other initiatives.

Residential. Though the upside is limited, there are reasons to be optimistic about PHI's residential housing market. Out-migration has weighed heavily on single-family prices in PHI, leaving the pace of appreciation below that in the U.S. and other large metro areas in the region. The worst of the pandemic-initiated outflow of residents, however, appears to have passed. Though the outlook for remote work remains cloudy, homebuilders are betting PHI's relative affordability and urban amenities will attract new residents in the coming years. Starts to build single-family homes have pushed to record highs in recent quarters. Relative to peers in the surrounding region, PHI's cost advantages will drive above-average growth in household formations. This will keep a higher floor under demand and price growth a touch more buoyant than in the typical large Northeast metro in the years ahead.

The influx of spending and pay bumps for some of the 20,000 employees at the district will have a positive near-term impact on job growth and consumer spending. However, an acceleration in the outflow of residents since the pandemic began and an unfavorable business environment are working in the opposite direction. Fewer residents and new businesses will erode the tax base, threaten spending on public services, and leave payrolls expanding at a pace below the U.S. and regional averages.

Job growth in Philadelphia will come at an above-average clip in the quarters ahead. White-collar workers' return to PHI will be slow, but healthcare will pick up some of the slack near term. Longer term, weak demographics and an unfriendly business climate will keep job growth in PHI trailing that of the U.S.

Caregivers. Healthcare will maintain its position as the primary job creator in PHI in the years ahead. Payrolls have expanded at an impressive rate for most of 2022 and are closer to pre-pandemic

Matt Colyar
August 2022

1-866-275-3266
help@economy.com

STRENGTHS & WEAKNESSES

STRENGTHS

- » World-class educational institutions.
- » Center for healthcare, medical research.
- » Well-developed port and international airport.

WEAKNESSES

- » Relatively anemic population growth.
- » Prohibitive business taxes that push firms to suburbs or nearby states.
- » Significant fiscal problems.

FORECAST RISKS

SHORT TERM ↓ | LONG TERM ↓

RISK EXPOSURE 2022-2027 **344** 5th quintile Most=7
Least=403

UPSIDE

- » Downtown investment attracts more firms to PHI and boosts long-run job growth.
- » Revamped mixed-use buildings draw more hybrid workers to locate downtown than expected.

DOWNSIDE

- » City schools' financial situation deteriorates further, forcing more job cuts.
- » Permanent remote work leads to an exodus of professional workers from the city.

MOODY'S RATING

A2

CITY
AS OF NOV 09, 2018

2016	2017	2018	2019	2020	2021	INDICATORS	2022	2023	2024	2025	2026	2027
113.3	114.3	116.9	120.3	113.9	115.9	Gross metro product (C12\$ bil)	117.0	118.9	121.9	125.0	128.2	131.2
3.0	0.8	2.3	2.9	-5.3	1.7	% change	1.0	1.6	2.5	2.6	2.6	2.3
931.4	945.9	964.1	982.3	900.3	920.7	Total employment (ths)	957.6	973.8	982.7	989.1	992.3	994.8
1.8	1.6	1.9	1.9	-8.4	2.3	% change	4.0	1.7	0.9	0.7	0.3	0.2
6.2	5.8	5.3	5.2	11.5	8.4	Unemployment rate (%)	5.4	3.8	3.7	4.0	4.6	4.9
6.3	-0.4	5.5	0.8	7.4	3.7	Personal income growth (%)	1.7	6.3	5.7	5.1	5.1	4.7
47.3	48.8	50.7	53.2	54.5	57.7	Median household income (\$ ths)	59.3	62.0	64.5	66.9	69.4	71.8
2,139.8	2,144.5	2,148.8	2,150.8	2,151.8	2,154.6	Population (ths)	2,159.8	2,164.7	2,167.1	2,167.9	2,167.9	2,167.5
0.3	0.2	0.2	0.1	0.0	0.1	% change	0.2	0.2	0.1	0.0	0.0	-0.0
-3.6	-2.8	-2.6	-4.3	-4.2	-0.9	Net migration (ths)	-1.2	-1.3	-3.8	-5.3	-5.8	-6.0
1,310	1,194	915	1,137	1,144	1,919	Single-family permits (#)	1,110	1,620	1,715	1,778	1,858	1,955
2,317	2,776	2,610	3,710	4,775	23,872	Multifamily permits (#)	2,296	2,434	2,639	2,714	2,957	3,300
232.3	245.1	259.3	272.9	288.2	320.8	FHFA house price (1995Q1=100)	348.7	350.8	354.3	356.9	361.2	367.0

ECONOMIC HEALTH CHECK						
3-MO MA	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22
Employment, change, ths	1.4	1.9	2.4	4.2	3.8	4.7
Unemployment rate, %	6.9	6.6	6.4	6.0	5.8	5.4
Labor force participation rate, %	58.6	58.6	58.6	58.7	58.8	59.0
Average weekly hours, #	35.3	35.1	34.9	35.2	35.4	35.7
Industrial production, 2012=100	97.8	98.2	98.8	99.1	99.1	99.1
Residential permits, single-family, #	3,129	963	954	881	700	700
Residential permits, multifamily, #	36,670	1,670	2,713	3,405	3,023	2,258
Dec/Dec	Dec 16	Dec 17	Dec 18	Dec 19	Dec 20	Dec 21
Employment, change, ths	17.7	15.4	14.6	23.2	-106.5	56.3

■ Better than prior 3-mo MA
 ■ Unchanged from prior 3-mo MA
 ■ Worse than prior 3-mo MA

Sources: BLS, Census Bureau, Moody's Analytics



CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO

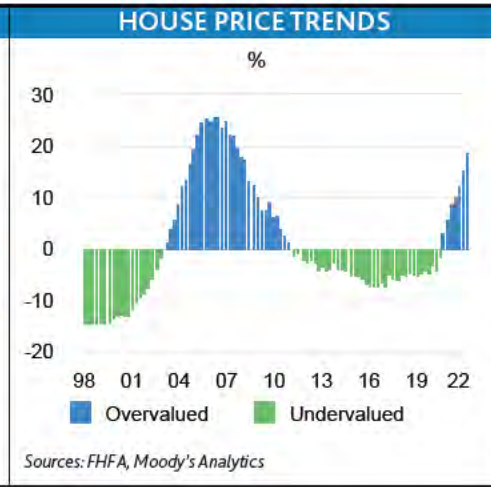
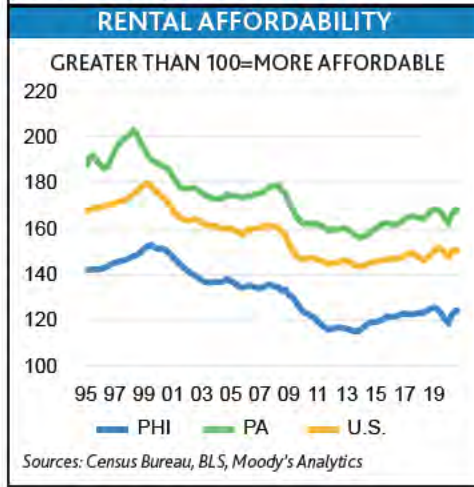
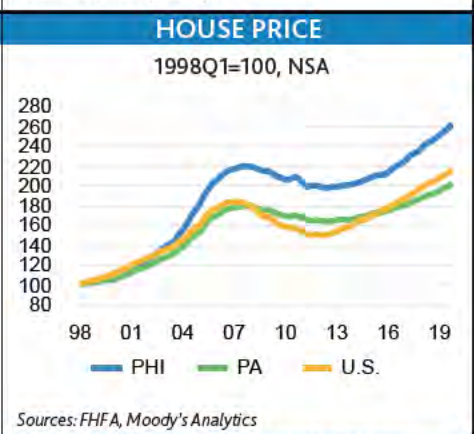
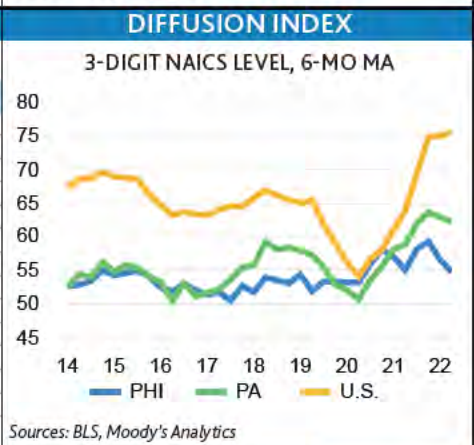
17 18 19 20 21 22

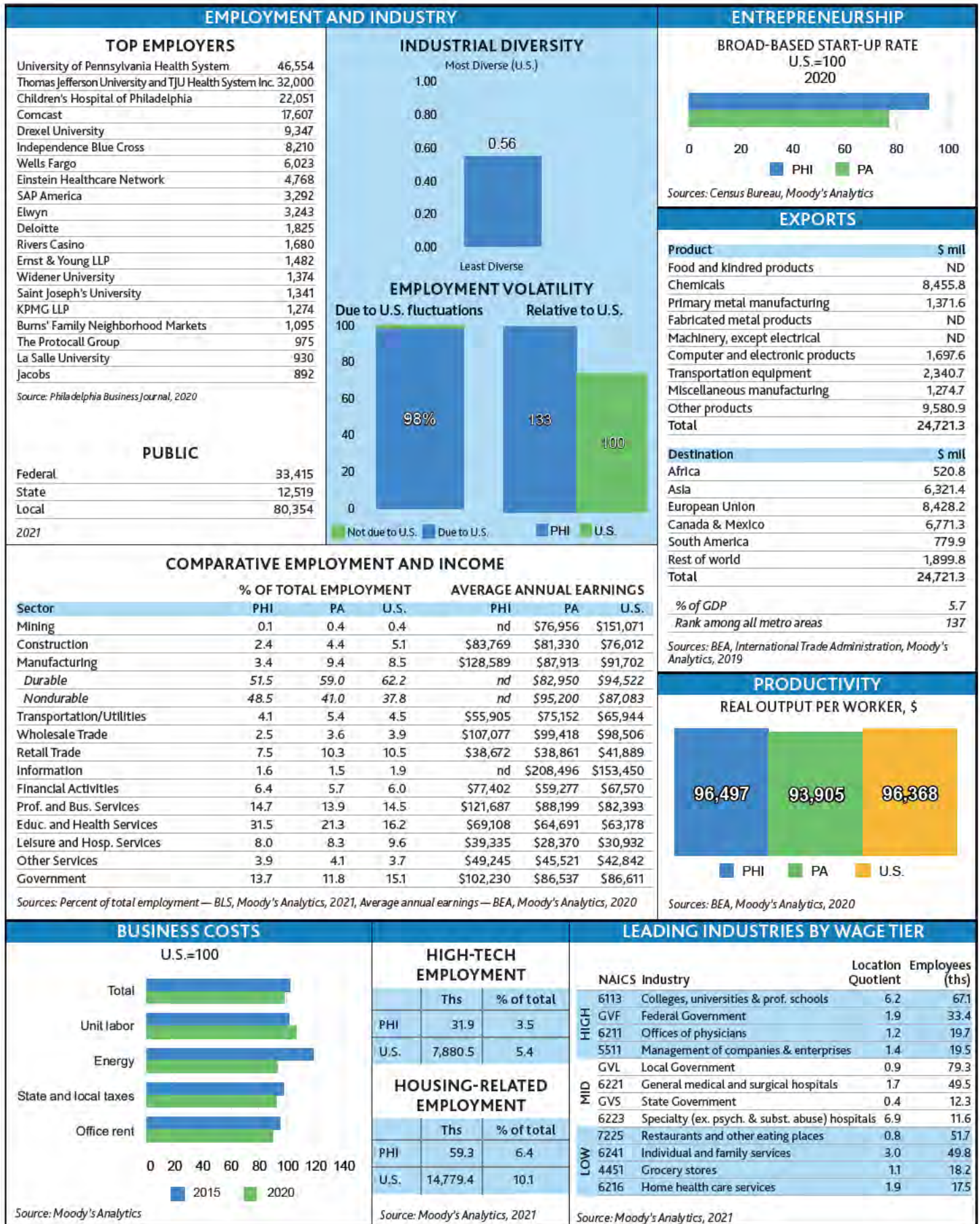
— Government — Goods producing — Private services

% CHANGE YR AGO, 3-MO MA

	Jul 21	Jan 22	Jul 22
Total	7.5	5.5	4.4
Mining	2.2	1.8	7.1
Construction	9.0	-1.0	0.8
Manufacturing	6.1	2.2	2.2
Trade	11.4	4.4	3.4
Trans/Utilities	3.3	1.2	5.4
Information	-16.1	2.2	16.4
Financial Activities	2.0	-0.2	-0.0
Prof & Business Svcs.	7.2	6.0	5.3
Edu & Health Svcs.	3.4	3.1	3.3
Leisure & Hospitality	56.5	43.6	18.3
Other Services	25.5	8.8	8.1
Government	-1.2	-1.0	-0.8

Sources: BLS, Moody's Analytics





BUSINESS COSTS

U.S.=100

Source: Moody's Analytics

HIGH-TECH EMPLOYMENT

	Ths	% of total
PHI	31.9	3.5
U.S.	7,880.5	5.4

HOUSING-RELATED EMPLOYMENT

	Ths	% of total
PHI	59.3	6.4
U.S.	14,779.4	10.1

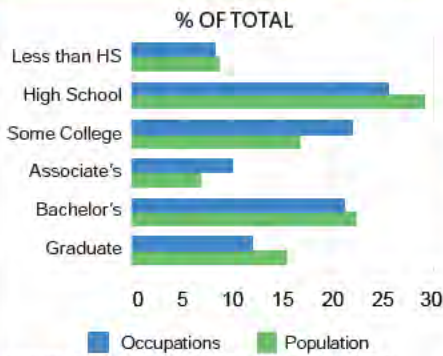
Source: Moody's Analytics, 2021

LEADING INDUSTRIES BY WAGE TIER

NAICS Industry	Location Quotient	Employees (ths)
6113 Colleges, universities & prof. schools	6.2	67.1
GVF Federal Government	1.9	33.4
6211 Offices of physicians	1.2	19.7
5511 Management of companies & enterprises	1.4	19.5
GVL Local Government	0.9	79.3
6221 General medical and surgical hospitals	1.7	49.5
GVS State Government	0.4	12.3
6223 Specialty (ex. psych. & subst. abuse) hospitals	6.9	11.6
7225 Restaurants and other eating places	0.8	51.7
6241 Individual and family services	3.0	49.8
4451 Grocery stores	1.1	18.2
6216 Home health care services	1.9	17.5

Source: Moody's Analytics, 2021

SKILLS MISMATCH

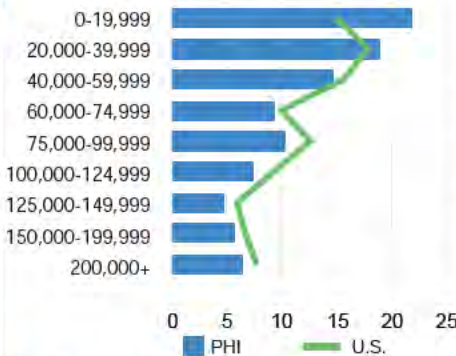


ECONOMIC DISENFRANCHISEMENT

Index	2018	Rank*
Gini coefficient	0.52	12
Palma ratio	4.1	12
Poverty rate	20.3%	45

*Most unequal=1; Most equal=403

HOUSEHOLDS BY INCOME, %



MIGRATION FLOWS

INTO PHILADELPHIA PA

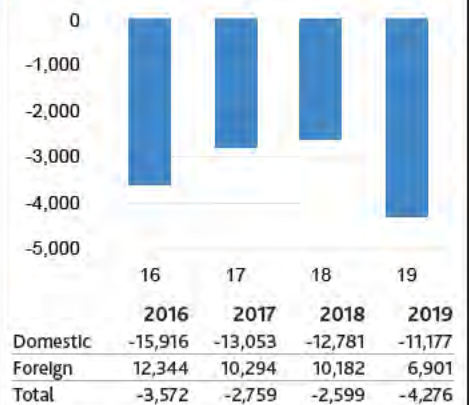
Location	Number of Migrants
Montgomery County PA	15,035
New York NY	6,753
Camden NJ	3,967
Wilmington DE	2,676
Washington DC	1,296
Newark NJ	880
Allentown PA	794
Baltimore MD	768
Pittsburgh PA	552
Los Angeles CA	550
Total in-migration	56,212

FROM PHILADELPHIA PA

Location	Number of Migrants
Montgomery County PA	23,813
Camden NJ	6,168
Wilmington DE	4,144
New York NY	4,067
Washington DC	1,112
Baltimore MD	783
Atlanta GA	731
Allentown PA	721
Los Angeles CA	678
Newark NJ	581
Total out-migration	69,219

Net migration -13,007

NET MIGRATION,



Sources: IRS (top), 2019, Census Bureau, Moody's Analytics

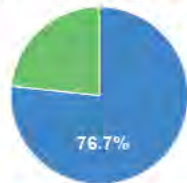
PER CAPITA INCOME



Sources: BEA, Moody's Analytics

COMMUTER FLOWS

RESIDENTS WHO WORK IN PHI



Top Outside Sources of Jobs

Location	Share
Philadelphia PA	16.5
Montgomery County PA	2.6
Camden NJ	1.6
Wilmington DE	0.5
New York NY	0.4
Trenton NJ	0.2

WORKERS WHO LIVE IN PHI



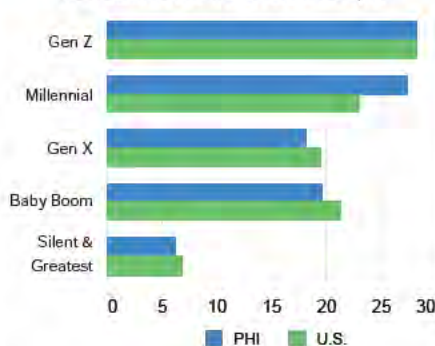
Top Outside Sources of Workers

Location	Share
Philadelphia PA	14.9
Montgomery County PA	7.6
Camden NJ	2.2
Wilmington DE	0.4
New York NY	0.2
Trenton NJ	0.2

Sources: Census Bureau, Moody's Analytics, avg 2011-2015

GENERATIONAL BREAKDOWN

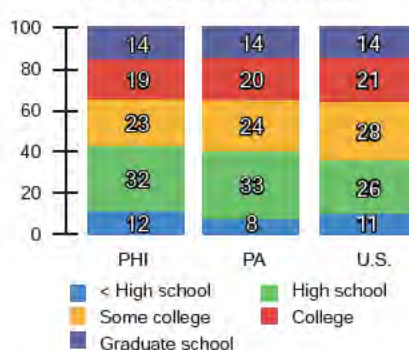
POPULATION BY GENERATION, %



Sources: Census Bureau, Moody's Analytics, 2020

EDUCATIONAL ATTAINMENT

% OF ADULTS 25 AND OLDER



Sources: Census Bureau, ACS, Moody's Analytics, 2019

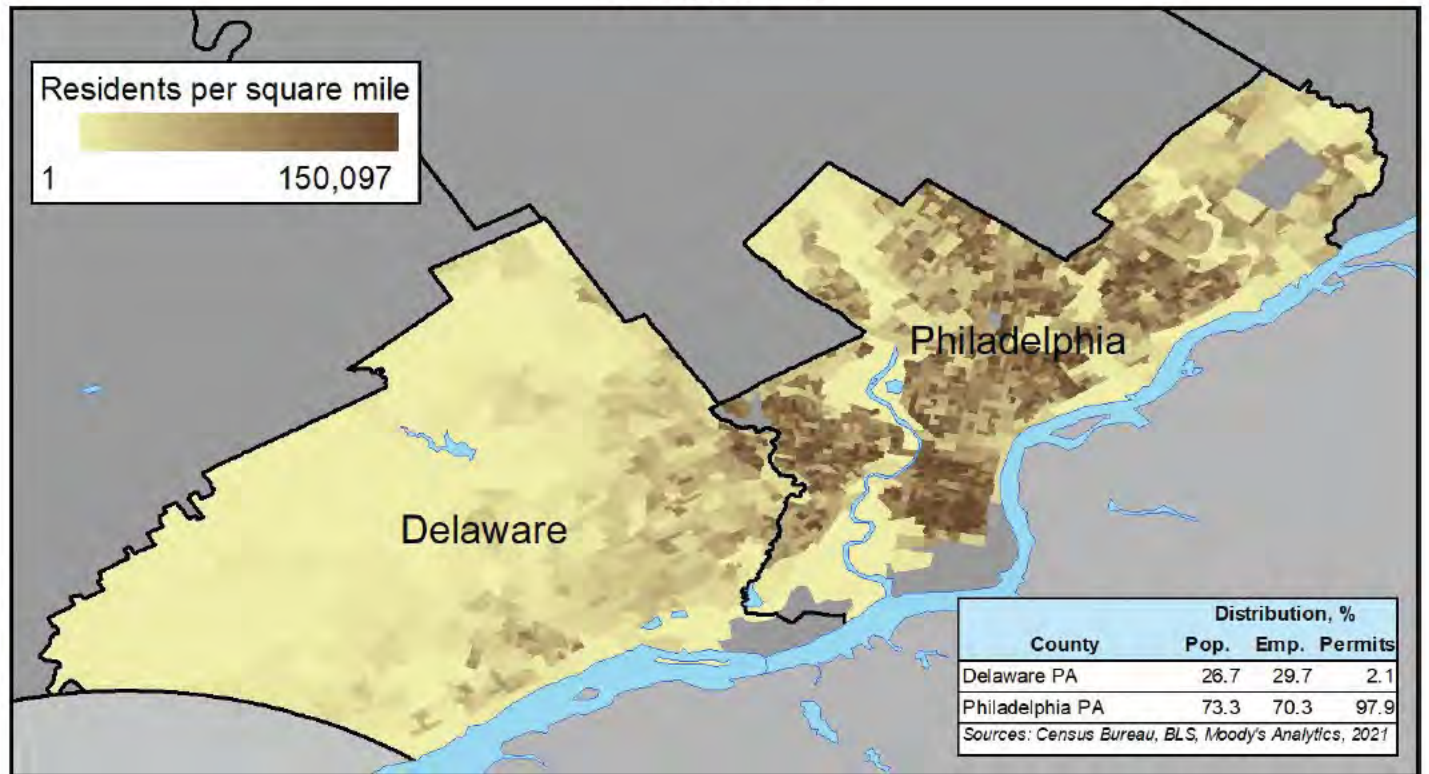
POPULATION BY AGE, %



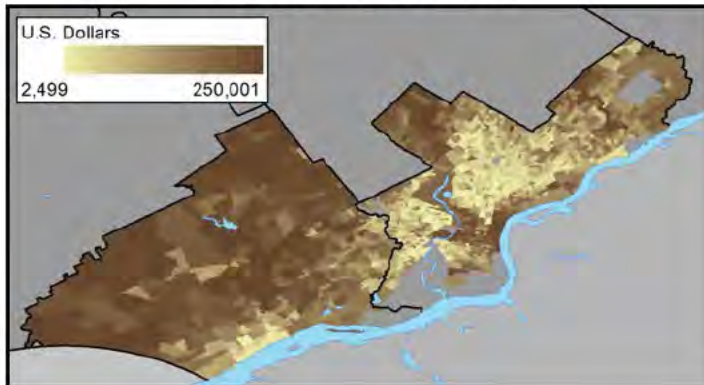
Sources: Census Bureau, Moody's Analytics, 2020

GEOGRAPHIC PROFILE

POPULATION DENSITY



MEDIAN HOUSEHOLD INCOME



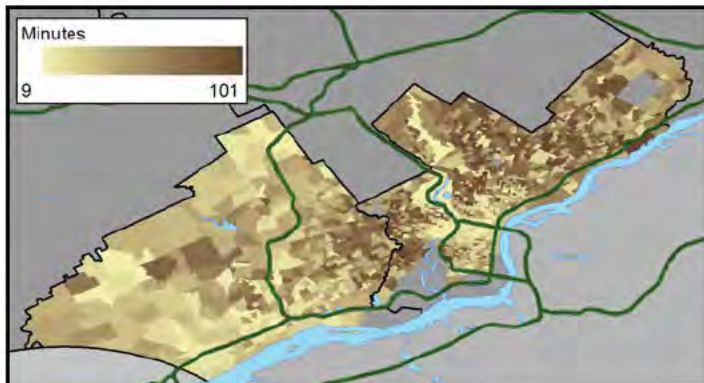
POPULATION & HOUSING CHARACTERISTICS

	Units	Value	Rank*
Total area	sq mi	333.3	400
Total water area	sq mi	15.3	291
Total land area	sq mi	317.9	399
Land area - developable	sq mi	296.9	376
Land area - undevelopable	sq mi	21.2	327
Population density	pop. to developable land	6,762.5	1
Total population	ths	2,150.1	36
U.S. citizen at birth	% of population	82.8	342
Naturalized U.S. citizen	% of population	7.3	55
Not a U.S. citizen	% of population	6.4	97
Median age		35.6	312
Total housing units	ths	913.7	32
Owner occupied	% of total	50.1	357
Renter occupied	% of total	39.2	33
Vacant	% of total	10.7	201
1-unit; detached	% of total	16.8	403
1-unit; attached	% of total	52.0	1
Multifamily	% of total	31.1	49
Median year built		1950	

* Areas & pop. density, out of 410 metro areas/divisions, including metros in Puerto Rico; all others, out of 403 metros.

Sources: Census Bureau, Moody's Analytics, 2018 except land area 2010

MEDIAN COMMUTE TIME



Sources: ACS, Moody's Analytics

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Moody's Analytics added the economic forecasting firm Economy.com to its portfolio in 2005. This unit is based in West Chester PA, a suburb of Philadelphia, with offices in London, Prague and Sydney. More information is available at www.economy.com.

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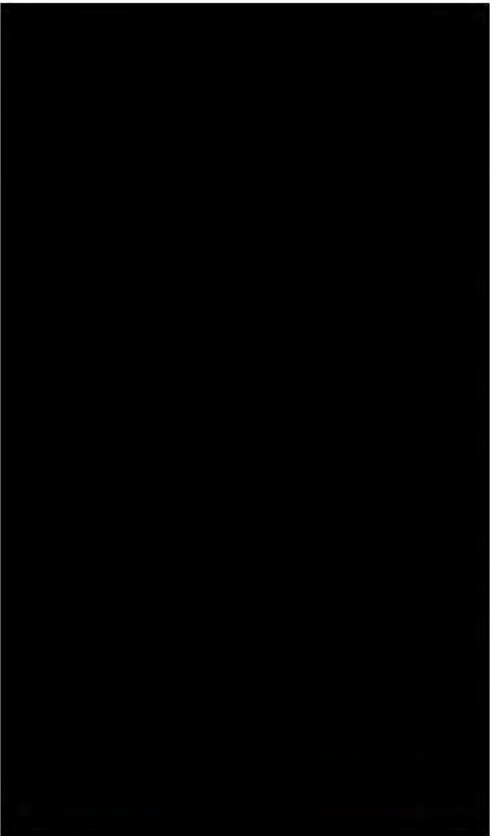
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ADDENDA

Addendum E

Appraiser Qualifications and Licenses





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

██████████ 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. ██████████ has performed valuations for condemnation purposes, title issues, matrimonial, estate planning, arbitration, lease negotiations, tax assessment appeals, financing, equity participation and due diligence support. His clients have included life insurance companies, banks and financial institutions, developers and investors, law firms, businesses, quasi government and government agencies.

He joined ██████████ from ██████████ in 2017.

Quotes from Publications

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

Professional Affiliations

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

YEARS OF EXPERIENCE

29+

AREAS OF SPECIALTY

Valuation & Advisory





Licenses and Designations

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

Education

██████ 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.

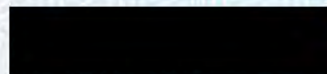


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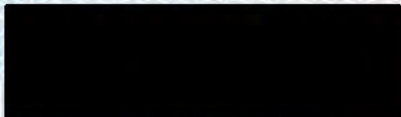
Commonwealth of Pennsylvania

Department of State

Bureau of Professional and Occupational Affairs
PO BOX 2649 Harrisburg PA 17105-2649



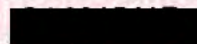
License Type
Certified General Appraiser



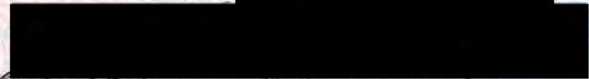
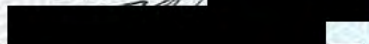
License Status
Active

Initial License Date
09/04/1996

License Number



Expiration Date
06/30/2023



Commissioner of Professional and Occupational Affairs

Signature



██████████ is a Vice President at ██████████ in the Philadelphia office, which covers Pennsylvania, the southern half of New Jersey and West Virginia.

An experienced appraiser, ██████████ has prepared and performed valuations and market studies on a broad range of properties that include lifestyle centers, neighborhood and community shopping centers, single-tenant retail, manufacturing, warehouse and flex industrial facilities, low-to-high rise office buildings and large mixed-use developments as well as vacant land. Additionally, he has performed specialized real estate valuation and market studies on religious facilities, schools, restaurants/catering halls, bank branches, theaters, convenience stores, medical offices and residential land subdivisions. Clients have included commercial banks, developers, corporations, individual property owners, public agencies, insurance companies and legal firms.

██████████ has completed valuations and market studies on proposed, partially completed, renovated and existing properties. He has carried out valuations for mortgage financing, investment counseling, potential sales and purchases, leasehold and rental analysis, and feasibility analysis.

Prior to joining ██████████ in 2018, Tom worked for several successful years at a prominent mid-sized appraisal firm.



YEARS OF EXPERIENCE

6+

AREAS OF SPECIALTY

Valuation & Appraisal

Licenses and Designations

- Pennsylvania, Certified General Appraiser, ██████████, Expires June 2023
- New Jersey, Certified General Appraiser, ██████████, Expires December 2023

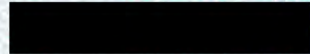
Education

- Master of Business Administration, Lebow College of Business, Drexel University, 2016
- Bachelor of Arts, The Pennsylvania State University, 2011



Commonwealth of Pennsylvania
Department of State

Bureau of Professional and Occupational Affairs
PO BOX 2649 Harrisburg PA 17105-2649



License Type
Certified General Appraiser



License Status
Active

Initial License Date
03/01/2021

License Number



Expiration Date
06/30/2023



Commissioner of Professional and Occupational Affairs

Signature

Exhibit B

*Pennsylvania Certified Residential Appraisal
Dated August 6, 2024*

APPRAISAL OF



LOCATED AT:

1635 E PASSYUNK AVE
PHILADELPHIA, PA 19148

FOR:

RYAN STUMPHAUZER

BORROWER:

RYAN STUMPHAUZER

AS OF:

AUGUST 6, 2024

BY:

[REDACTED]

Small Residential Income Property Appraisal Report

File No. 1635 E PASSYUNK AVE

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address **1635 E PASSYUNK AVE** City **PHILADELPHIA** State **PA** Zip Code **19148**
 Borrower **RYAN STUMPHAUZER** Owner of Public Record **1635 EAST PASSYUNK LLC** County **PHILADELPHIA**
 Legal Description **LOT 203**
 Assessor's Parcel # **87-1558540** Tax Year **2023** R.E. Taxes \$ **2,939.00**
 Neighborhood Name **EAST PASSYUNK CROSSING** Map Reference **ACI MAPS** Census Tract **0028.02**
 Occupant Owner Tenant Vacant Special Assessments \$ **0.00** PUD HOA \$ **0.00** per year per month
 Property Rights Appraised Fee Simple Leasehold Other (describe)
 Assignment Type Purchase Transaction Refinance Transaction Other (describe) **MARKET VALUE**
 Lender/Client **RYAN STUMPHAUZER** Address
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? Yes No
 Report data source(s) used, offering price(s), and date(s). **DOM 265; Was originally offered for sale 12/20/2023 for \$950,000. The reference number is #PAPH2306528 as provided by BRIGHTMLS, days on market is 200. Had an expired offering as of 12/15/2023 for \$950,000. The reference number is #PAPH2287156 as provided by BRIGHTMLS.**

CONTRACT
 I did did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.
 Contract Price \$ _____ Date of Contract _____ Is the property seller the owner of public record? Yes No Data Source(s) _____
 Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? Yes No
 If Yes, report the total dollar amount and describe the items to be paid. _____

NEIGHBORHOOD
Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics		2-4 Unit Housing Trends		2-4 Unit Housing		Present Land Use %	
Location	<input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	40% %
Built-Up	<input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	20% %
Growth	<input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time	<input checked="" type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	100 Low	1	Multi-Family	20 %
Neighborhood Boundaries	THE SUBJECT IS BOUND BY TASKER ST TO THE NORTH 76 HWY TO THE SOUTH, S BROAD ST TO THE WEST AND 95 HWY TO THE EAST.			1,000 High	200	Commercial	20% %
Neighborhood Description	SEE ATTACHED ADDENDUM			250 Pred.	75	Other	%

Market Conditions (including support for the above conclusions) **SEE ATTACHED ADDENDUM**

SITE
 Dimensions **18 X 83** Area **1405 sf** Shape **RECTANGULAR** View **RESIDENTIAL**
 Specific Zoning Classification **CMX2.5** Zoning Description **COMMERCIAL MIXED USE**
 Zoning Compliance Legal Legal Nonconforming (Grandfathered Use) No Zoning Illegal (describe)
 Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe. **SEE ATTACHED ADDENDUM**
 Utilities Public Other (describe) Public Other (describe) Off-site Improvements—Type Public Private
 Electricity Water Street **ASPHALT**
 Gas Sanitary Sewer Alley **NONE**
 FEMA Special Flood Hazard Area Yes No FEMA Flood Zone **X** FEMA Map # **4207570191H** FEMA Map Date **11-18-2015**
 Are the utilities and off-site improvements typical for the market area? Yes No If No, describe.
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe. **THERE ARE NO APPARENT ADVERSE EASEMENTS KNOWN AT THE TIME OF INSPECTION. SUBJECT IS A LEGAL, CONFORMING LOT.**

IMPROVEMENTS

GENERAL DESCRIPTION		FOUNDATION		EXTERIOR DESCRIPTION materials/condition		INTERIOR materials/condition	
Units	<input type="checkbox"/> Two <input checked="" type="checkbox"/> Three <input type="checkbox"/> Four	<input type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	CONCRETE/AVG		Floors	CT/HW/WW/AV
<input type="checkbox"/> Accessory Unit (describe below)	<input checked="" type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	BRICK/STUCCO/AVG		Walls	DRYWALL/AVG	
# of Stories 3 # of bldgs. 1	Basement Area 935 sq. ft.	Roof Surface	ASPHALT/AVG		Trim/Finish	PNTD WD/AVG	
Type <input type="checkbox"/> Det. <input checked="" type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Finish 0 %	Gutters & Downspouts	ALUMINUM/AVG		Bath Floor	CERAMIC/AVG	
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	DOUBHUNG/AVG		Bath Wainscot	CERAMIC/AVG	
Design (Style) COLONIAL	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	NONE		Car Storage		
Year Built 1915	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	NONE		<input checked="" type="checkbox"/> None		
Effective Age (Yrs) 30	Heating/Cooling		Amenities		<input type="checkbox"/> Driveway	# of Cars	
Attic <input checked="" type="checkbox"/> None	<input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	<input type="checkbox"/> Fireplace(s) #	<input type="checkbox"/> WoodStove(s) #		Driveway Surface		
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel GAS	<input type="checkbox"/> Patio/Deck	<input type="checkbox"/> Fence		<input type="checkbox"/> Garage	# of Cars	
<input type="checkbox"/> Floor <input type="checkbox"/> Scuttle	<input checked="" type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Pool	<input type="checkbox"/> Porch		<input type="checkbox"/> Carport	# of Cars	
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Other			<input type="checkbox"/> Att. <input type="checkbox"/> Det. <input type="checkbox"/> Built-in		
# of Appliances	Refrigerator 2 Range/Oven 2 Dishwasher 1 Disposal 0 Microwave 0 Washer/Dryer 0 Other (describe)						
Unit # 1 contains:	4 Rooms 0 Bedroom(s) .1 Bath(s) 935 Square feet of Gross Living Area						
Unit # 2 contains:	5 Rooms 2 Bedroom(s) 2 Bath(s) 1,500 Square feet of Gross Living Area						
Unit # 3 contains:	3 Rooms 1 Bedroom(s) 1 Bath(s) 521 Square feet of Gross Living Area						
Unit # 4 contains:	Rooms Bedroom(s) Bath(s) Square feet of Gross Living Area						
Additional features (special energy efficient items, etc.) NONE							
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). THERE ARE NO RECOMMENDED REPAIRS OR REMODELING REQUIRED. THERE ARE NO FUNCTIONAL OR EXTERNAL INADEQUACIES. ALL MECHANICALS WERE ON AND WORKING AT THE TIME OF INSPECTION.							

Small Residential Income Property Appraisal Report

File No. 1635 E PASSYUNK AVE

IMPROVEMENTS

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? Yes No If Yes, describe _____

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No If No, describe _____

Is the property subject to rent control? Yes No If Yes, describe _____

The following properties represent the most current, similar, and proximate comparable rental properties to the subject property. This analysis is intended to support the opinion of the market rent for the subject property.

FEATURE	SUBJECT	COMPARABLE RENTAL NO. 1			COMPARABLE RENTAL NO. 2			COMPARABLE RENTAL NO. 3											
1635 E PASSYUNK AVE Address PHILADELPHIA, PA 19148	932 SOUTH ST PHILADELPHIA, PA 19147	3 0 .1 935			3 0 1 1,500			5 2 1 1,000											
Proximity to Subject		0.98 miles NE			0.26 miles NW			0.10 miles SW											
Current Monthly Rent	\$ 4,650	\$ 4,000			\$ 2,100			\$ 2,150											
Rent/Gross Bldg. Area	\$ 1.57 sq. ft.	\$ 2.58 sq. ft.			\$ 0.75 sq. ft.			\$ 1.57 sq. ft.											
Rent Control	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
Data Source(s)	INSPECTION	MLS#PAPH2203184			MLS#PAPH2353842			MLS#PAPH2340244											
Date of Lease(s)	N/A	N/A			N/A			N/A											
Location	URBAN	URBAN			URBAN			URBAN											
Actual Age	109	124			109			109											
Condition	AVERAGE	AVERAGE			AVERAGE			AVERAGE											
Gross Building Area	2,956	1,550			2,808			1,370											
Unit Breakdown	Rm Count		Size	Rm Count		Size	Rm Count		Size	Rm Count		Size	Monthly Rent						
	Tot	Br	Ba	Sq. Ft.	Tot	Br	Ba	Sq. Ft.	Tot	Br	Ba	Sq. Ft.	Monthly Rent						
Unit # 1	4	0	.1	935	3	0	.1	516	\$ 2,400	3	0	1	1,500	\$ 2,100	5	2	1	1,000	\$ 2,150
Unit # 2	5	2	2	1,500	4	1	1.1	1,034	\$ 1,600					\$					\$
Unit # 3	3	1	1	521					\$					\$					\$
Unit # 4									\$					\$					\$
Utilities Included	NONE	NONE			NONE			NONE											

Analysis of rental data and support for estimated market rents for the individual subject units reported below (including the adequacy of the comparables, rental concessions, etc.)

COMPARABLE RENTALS ARE SIMILAR IN LOCATION AND APPEAL.

Rent Schedule: The appraiser must reconcile the applicable indicated monthly market rents to provide an opinion of the market rent for each unit in the subject property.

Unit #	Leases		Actual Rents			Opinion Of Market Rent		
	Lease Date		Per Unit		Total Rents	Per Unit		Total Rents
	Begin Date	End Date	Unfurnished	Furnished		Unfurnished	Furnished	
1	N/A	N/A	\$ 2,400	\$ N/A	\$ 2,400	\$ 2,400	\$ N/A	\$ 2,400
2	N/A	N/A	2,250	N/A	2,250	2,250	N/A	2,250
3	N/A	N/A	VACANT	N/A	VACANT	1,250	N/A	1,250
4								
Comment on lease data NONE PROVIDE			Total Actual Monthly Rent		\$ 4,650	Total Gross Monthly Rent		\$ 5,900
			Other Monthly Income (itemize)		\$	Other Monthly Income (itemize)		\$
			Total Actual Monthly Income		\$ 4,650	Total Estimated Monthly Income		\$ 5,900
Utilities included in estimated rents <input type="checkbox"/> Electric <input type="checkbox"/> Water <input type="checkbox"/> Sewer <input type="checkbox"/> Gas <input type="checkbox"/> Oil <input type="checkbox"/> Cable <input type="checkbox"/> Trash collection <input type="checkbox"/> Other (describe)								
Comments on actual or estimated rents and other monthly income (including personal property) ACTUAL RENTS ARE TYPICAL FOR MARKET AREA								

I did did not research the sale or transfer history of the subject property and comparable sales. If not, explain _____

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s) **BRIGHT MLS/PUBLIC RECORDS**

My research did did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s) **BRIGHT MLS/PUBLIC RECORDS**

Report the results of the research and analysis of the prior sale history of the subject property and comparable sales (report additional prior sales on page 4).

ITEM	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Date of Prior Sale/Transfer	NONE WITHIN 36 MONTHS	NONE WITHIN 1 YEAR	NONE WITHIN 1 YEAR	NONE WITHIN 1 YEAR
Price of Prior Sale/Transfer	0	\$0	\$0	\$0
Data Source(s)	BRIGHT TAX RECORDS	BRIGHT TAX RECORDS	BRIGHT TAX RECORDS	BRIGHT TAX RECORDS
Effective Date of Data Source(s)	08/06/2024	08/09/2024	08/09/2024	08/09/2024

Analysis of prior sale history for the subject property and comparable sales **NO SALES HISTORY FOR SUBJECT WITHIN 36 MONTHS. NO OTHER SALES HISTORY FOR COMPARABLES WITHIN 12 MONTHS. ALL COMPARABLE SALES APPEAR TO HAVE BEEN "ARMS LENGTH" TRANSACTIONS. NO FORECLOSURE SALES WERE USED.**

Small Residential Income Property Appraisal Report

File No. 1635 E PASSYUNK AVE

There are 4 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 580,000 to \$ 695,000											
There are 9 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 550,000 to \$ 794,000											
FEATURE		SUBJECT		COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3			
1635 E PASSYUNK AVE Address PHILADELPHIA, PA 19148		1822 S Broad St Philadelphia, PA 19145		1327 Tasker St Philadelphia, PA 19148		1433 S Broad St Philadelphia, PA 19147					
Proximity to Subject		0.30 miles SW		0.20 miles NW		0.27 miles NW					
Sale Price		\$ 710,000		\$ 625,000		\$ 707,000					
Sale Price/Gross Bldg. Area		\$ 0.00 sq. ft		\$ 239.06 sq. ft		\$ 254.58 sq. ft		\$ 245.49 sq. ft			
Gross Monthly Rent		\$ 4,650		\$ 4,000		\$ 5,500		\$ 5,500			
Gross Rent Multiplier		0.00		177.50		113.64		128.55			
Price Per Unit		\$ 0		\$ 236,667		\$ 208,333		\$ 176,750			
Price Per Room		\$ 0		\$ 54,615		\$ 56,818		\$ 47,133			
Price Per Bedroom		\$ 57,475		\$ 177,500		\$ 208,333		\$ 117,833			
Rent Control		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No			
Data Source(s)		VISUAL		Bright#PAPH2292236;DOM 56		Bright#PAPH2296374;DOM 24		Bright#PAPH2241408;DOM 67			
Verification Source(s)		INSPECTION		BRIGHT TAX RECORDS		BRIGHT TAX RECORDS		BRIGHT TAX RECORDS			
VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION		+(-) Adjustment		DESCRIPTION		+(-) Adjustment	
Sale or Financing Concessions		0		ArmLth Conv;0				ArmLth Cash;0			
Date of Sale/Time				s12/23;c12/23				s01/24;c12/23			
Location		URBAN		URBAN				URBAN			
Leasehold/Fee Simple		Fee Simple		Fee Simple				Fee Simple			
Site		1405 SF		1440 sf		0		976 sf		0	
View		RESIDENTIAL		RESIDENTIAL				RESIDENTIAL			
Design (Style)		COLONIAL		COLONIAL				COLONIAL			
Quality of Construction		AVERAGE		AVERAGE				AVERAGE			
Actual Age		109		103				99			
Condition		AVERAGE		AVERAGE				AVERAGE			
Gross Building Area 70.00		2,956		2,970		0		2,455		35,100	
Unit Breakdown		Total Bdrms. Baths		Total Bdrms. Baths				Total Bdrms. Baths			
Unit # 1		4 0 .1		3 0 .1				3 0 .1			
Unit # 2		5 2 2		5 2 1				3 1 1			
Unit # 3		3 1 1		5 2 1				5 2 1			
Unit # 4								6 3 1			
Basement Description		FULL		FULL				FULL			
Basement Finished Rooms		UNFINISHED		FINISHED		-10,000		UNFINISHED			
Functional Utility		3 UNIT		3 UNIT				3 UNIT		-30,000	
Heating/Cooling		FHA/CAC		FHA/CAC				HWRAD/SPLIT			
Energy Efficient Items		NONE		NONE				NONE			
Parking On/Off Site		NONE		None				NONE		-20,000	
Porch/Patio/Deck		NONE		NONE				DECK		0	
Patio								PATIO		0	
Net Adjustment (Total)				<input type="checkbox"/> + <input checked="" type="checkbox"/> -		\$ 10,000		<input checked="" type="checkbox"/> + <input type="checkbox"/> -		\$ 35,100	
Adjusted Sale Price of Comparables				Net Adj. -1.4 % Gross Adj. 1.4 %		\$ 700,000		Net Adj. 5.6 % Gross Adj. 5.6 %		\$ 660,100	
Adj. Price Per Unit (Adj. SP Comp / # of Comp Units)				\$ 233,333				\$ 220,033		\$ 164,250	
Adj. Price Per Room (Adj. SP Comp / # of Comp Rooms)				\$ 53,846				\$ 60,009		\$ 43,800	
Adj. Price Per Bdrm. (Adj. SP Comp / # of Comp Bedrooms)				\$ 175,000				\$ 220,033		\$ 109,500	
Value Per Unit		\$ X		3 Units = \$ 0				Value Per GBA \$ X		2,956 GBA = \$ 0	
Value Per Rm.		\$ X		12 Rooms = \$ 0				Value Per Bdrms. \$ X		3 Bdrms. = \$ 0	
Summary of Sales Comparison Approach including reconciliation of the above indicators of value. SEE ATTACHED ADDENDUM											
Indicated Value by Sales Comparison Approach \$ 660,000											
Total gross monthly rent \$ 5,900 X gross rent multiplier (GRM) 115.00 = \$ 678,500 Indicated value by the Income Approach											
Comments on income approach including reconciliation of the GRM GRM WAS ESTIMATED FROM GRM OF COMPARABLE SALES											
Indicated Value by: Sales Comparison Analysis \$ 660,000 Income Approach \$ 678,500 Cost Approach (if developed) \$ 695,600											
SEE ATTACHED ADDENDUM											
This appraisal is made <input checked="" type="checkbox"/> "as is," <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:											
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 660,000 as of 08/06/2024 , which is the date of inspection and the effective date of this appraisal.											

SALES COMPARISON APPROACH

INCOME

RECONCILIATION

Small Residential Income Property Appraisal Report

File No. 1635 E PASSYUNK AVE

ADDITIONAL COMMENTS

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) **THE APPRAISER HAS UTILIZED THE ABSTRACTION METHOD FROM THE IMPROVED SALES TO ARRIVE AT AN ESTIMATE OF LAND VALUE, SINCE THIS AREA IS FULLY DEVELOPED AND THERE IS AN ABSENCE OF VACANT LAND SALES.**

COST APPROACH

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE = \$ 125,000		
Source of cost data MARSHALL AND SWIFT	Dwelling	2,956 Sq. Ft. @ \$ 275.00	= \$ 812,900
Quality rating from cost service AVG Effective date of cost data 01/01/2024	BSMT: 935	Sq. Ft. @ \$ 30.00	= \$ 28,050
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	AMENITIES		
SEE ATTACHED ADDENDUM	Garage/Carport	Sq. Ft. @ \$	= \$
	Total Estimate of Cost-New = \$ 840,950		
	Less 90 Physical	Functional	External
	Depreciation \$280,316		= \$ (280,316)
	Depreciated Cost of Improvements = \$ 560,634		
	"As-is" Value of Site Improvements = \$ 10,000		
Estimated Remaining Economic Life (HUD and VA only) 60 Years	INDICATED VALUE BY COST APPROACH = \$ 695,600		

PUD INFORMATION

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? Yes No Unit type(s) Detached Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal name of project

Total number of phases Total number of units Total number of units sold

Total number of units rented Total number of units for sale Data source(s)

Was the project created by the conversion of an existing building(s) into a PUD? Yes No If Yes, date of conversion.

Does the project contain any multi-dwelling units? Yes No Data source(s)

Are the units, common elements, and recreation facilities complete? Yes No If No, describe the status of completion.

Are the common elements leased to or by the Homeowners' Association? Yes No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities.

Small Residential Income Property Appraisal Report

File No. 1635 E PASSYUNK AVE

This report form is designed to report an appraisal of a two- to four-unit property, including a two- to four-unit property in a planned unit development (PUD). A two- to four-unit property located in either a condominium or cooperative project requires the appraiser to inspect the project and complete the project information section of the Individual Condominium Unit Appraisal Report or the Individual Cooperative Interest Appraisal Report and attach it as an addendum to this report.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: 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, 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 each acting in what he or she considers his or her own best interest; (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; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements, including each of the units. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Small Residential Income Property Appraisal Report

File No. 1635 E PASSYUNK AVE

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property, including all units. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison and income approaches to value. I have adequate market data to develop reliable sales comparison and income approaches to value for this appraisal assignment. I further certify that I considered the cost approach to value but did not develop it, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

Small Residential Income Property Appraisal Report

File No. 1635 E PASSYUNK AVE

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

- 1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature [Redacted]
Name [Redacted]
Company Name [Redacted]
Company Address [Redacted]
Telephone Number [Redacted]
Email Address [Redacted]
Date of Signature and Report 08/09/2024
Effective Date of Appraisal 08/06/2024
State Certification # [Redacted]
or State License # [Redacted]
or Other (describe) State #
State PA
Expiration Date of Certification or License 06/30/2025

ADDRESS OF PROPERTY APPRAISED
1635 E PASSYUNK AVE
PHILADELPHIA, PA 19148

APPRAISED VALUE OF SUBJECT PROPERTY \$ 660,000

LENDER/CLIENT
Name NO AMC
Company Name RYAN STUMPHAUZER
Company Address
Email Address

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature
Name
Company Name
Company Address
Telephone Number
Email Address
Date of Signature
State Certification #
or State License #
State
Expiration Date of Certification or License

SUBJECT PROPERTY
Did not inspect subject property
Did inspect exterior of subject property from street
Date of Inspection
Did inspect interior and exterior of subject property
Date of Inspection

COMPARABLE SALES
Did not inspect exterior of comparable sales from street
Did inspect exterior of comparable sales from street
Date of Inspection

Small Residential Income Property Appraisal Report

File No. 1635 E PASSYUNK AVE

FEATURE	SUBJECT		COMPARABLE RENTAL NO. 4			COMPARABLE RENTAL NO. 5			COMPARABLE RENTAL NO. 6						
1635 E PASSYUNK AVE		1703 S 13TH ST #2													
Address PHILADELPHIA, PA 19148		PHILADELPHIA, PA 19148													
Proximity to Subject		0.12 miles SW													
Current Monthly Rent		\$ 4,650				\$ 1,250				\$					
Rent/Gross Bldg. Area		\$ 1.57 sq. ft.				\$ 0.67 sq. ft.				\$ sq. ft.					
Rent Control		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Yes <input type="checkbox"/> No						
Data Source(s)		INSPECTION			MLS#PAPH2287566										
Date of Lease(s)		N/A			N/A										
Location		URBAN			URBAN										
Actual Age		109			104										
Condition		AVERAGE			AVERAGE										
Gross Building Area		2,956			1,878										
Unit Breakdown	Rm Count		Size	Rm Count		Size	Monthly Rent	Rm Count		Size	Monthly Rent	Rm Count		Size	Monthly Rent
	Tot	Br	Ba	Sq. Ft.	Tot	Br		Ba	Sq. Ft.	Tot		Br	Ba	Sq. Ft.	
Unit # 1	4	0	.1	935	3	1	1	626	\$ 1,250		\$				\$
Unit # 2	5	2	2	1,500					\$		\$				\$
Unit # 3	3	1	1	521					\$		\$				\$
Unit # 4									\$		\$				\$
Utilities Included		NONE													

Analysis of rental data. _____

FEATURE	SUBJECT		COMPARABLE RENTAL NO. 7			COMPARABLE RENTAL NO. 8			COMPARABLE RENTAL NO. 9						
1635 E PASSYUNK AVE															
Address PHILADELPHIA, PA 19148															
Proximity to Subject															
Current Monthly Rent		\$ 4,650				\$				\$					
Rent/Gross Bldg. Area		\$ 1.57 sq. ft.				\$ sq. ft.				\$ sq. ft.					
Rent Control		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Yes <input type="checkbox"/> No						
Data Source(s)		INSPECTION													
Date of Lease(s)		N/A													
Location		URBAN													
Actual Age		109													
Condition		AVERAGE													
Gross Building Area		2,956													
Unit Breakdown	Rm Count		Size	Rm Count		Size	Monthly Rent	Rm Count		Size	Monthly Rent	Rm Count		Size	Monthly Rent
	Tot	Br	Ba	Sq. Ft.	Tot	Br		Ba	Sq. Ft.	Tot		Br	Ba	Sq. Ft.	
Unit # 1	4	0	.1	935				\$		\$					\$
Unit # 2	5	2	2	1,500				\$		\$					\$
Unit # 3	3	1	1	521				\$		\$					\$
Unit # 4								\$		\$					\$
Utilities Included		NONE													

Analysis of rental data. _____

COMPARABLE RENTAL DATA

Small Residential Income Property Appraisal Report

File No. 1635 E PASSYUNK AVE

FEATURE	SUBJECT	COMPARABLE SALE NO. 4			COMPARABLE SALE NO. 5			COMPARABLE SALE NO. 6			
1635 E PASSYUNK AVE Address PHILADELPHIA, PA 19148		2128 S Broad St Philadelphia, PA 19145			818 S 8Th St Philadelphia, PA 19147			1307 Mifflin St Philadelphia, PA 19148			
Proximity to Subject		0.50 miles SW			0.80 miles NE			0.25 miles SW			
Sale Price	\$	\$ 640,000			\$ 590,000			\$ 549,900			
Sale Price/Gross Bldg. Area	\$ 0.00 sq. ft	\$ 210.18 sq. ft			\$ 254.53 sq. ft			\$ 322.14 sq. ft			
Gross Monthly Rent	\$ 4,650	\$ 5,650			\$ 5,000			\$ 3,950			
Gross Rent Multiplier	0.00	113.27			118.00			139.22			
Price Per Unit	\$ 0	\$ 213,333			\$ 196,667			\$ 274,950			
Price Per Room	\$ 0	\$ 71,111			\$ 65,556			\$ 68,738			
Price Per Bedroom	\$ 57,475	\$ 320,000			\$ 295,000			\$ 274,950			
Rent Control	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Data Source(s)	VISUAL	Bright#PAPH2349566;DOM 15			Bright#PAPH2332896;DOM 11			Bright#PAPH2143790;DOM 745			
Verification Source(s)	INSPECTION	BRIGHT TAX RECORDS			BRIGHT TAX RECORDS			BRIGHT TAX RECORDS			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION		+(-) Adjustment	DESCRIPTION		+(-) Adjustment	DESCRIPTION		+(-) Adjustment	
Sale or Financing Concessions	0	ArmLth Conv;0			ArmLth Cash;0			Listing 0;			
Date of Sale/Time		s06/24;c05/24			s06/24;c05/24			Active		0	
Location	URBAN	URBAN			URBAN			URBAN			
Leasehold/Fee Simple	Fee Simple	Fee Simple			Fee Simple			Fee Simple			
Site	1405 SF	1280 sf		0	1262 sf		0	707 sf		0	
View	RESIDENTIAL	RESIDENTIAL			RESIDENTIAL			RESIDENTIAL			
Design (Style)	COLONIAL	COLONIAL			COLONIAL			COLONIAL			
Quality of Construction	AVERAGE	AVERAGE			AVERAGE			AVERAGE			
Actual Age	109	104		0	104		0	99		0	
Condition	AVERAGE	AVERAGE			AVERAGE			AVERAGE			
Gross Building Area	70,000	2,956		0	2,318		44,700	1,707		87,400	
Unit Breakdown	Total	Bdrms.	Baths		Total	Bdrms.	Baths		Total	Bdrms.	Baths
Unit # 1	4	0	.1		3	0	.1		3	0	.1
Unit # 2	5	2	2		3	1	1		5	2	2
Unit # 3	3	1	1		3	1	1				
Unit # 4											
Basement Description	FULL	FULL			FULL			FULL			
Basement Finished Rooms	UNFINISHED	FINISHED		-10,000	UNFINISHED			UNFINISHED			
Functional Utility	3 UNIT	3 UNIT			3 UNIT			2 UNIT		+30,000	
Heating/Cooling	FHA/CAC	FHA/CAC			HWRAD/NONE		+5,000	HWRAD/CAC			
Energy Efficient Items	NONE	NONE			NONE			NONE			
Parking On/Off Site	NONE	NONE			None			None			
Porch/Patio/Deck	NONE	DECK		0	NONE			PATIO/DECK			
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -		\$ 10,000	<input checked="" type="checkbox"/> + <input type="checkbox"/> -		\$ 54,700	<input checked="" type="checkbox"/> + <input type="checkbox"/> -		\$ 117,400	
Adjusted Sale Price of Comparables		Net Adj. -1.6 % Gross Adj. 1.6 %		\$ 630,000	Net Adj. 9.3 % Gross Adj. 9.3 %		\$ 644,700	Net Adj. 21.3 % Gross Adj. 21.3 %		\$ 667,300	
Adj. Price Per Unit (Adj. SP Comp / # of Comp Units)				\$ 210,000			\$ 214,900			\$ 333,650	
Adj. Price Per Room (Adj. SP Comp / # of Comp Rooms)				\$ 70,000			\$ 71,633			\$ 83,413	
Adj. Price Per Bdrm. (Adj. SP Comp / # of Comp Bedrooms)				\$ 315,000			\$ 322,350			\$ 333,650	
ITEM	SUBJECT	COMPARABLE SALE NO. 4			COMPARABLE SALE NO. 5			COMPARABLE SALE NO. 6			
Date of Prior Sale/Transfer	NONE WITHIN 36 MONTHS	NONE WITHIN 1 YEAR			NONE WITHIN 1 YEAR			NONE WITHIN 1 YEAR			
Price of Prior Sale/Transfer	0	0			0			\$0			
Data Source(s)	BRIGHT TAX RECORDS	BRIGHT TAX RECORDS			BRIGHT TAX RECORDS			BRIGHT TAX RECORDS			
Effective Date of Data Source(s)	08/06/2024	08/09/2024			08/09/2024			08/09/2024			
Summary of Sales Comparison Approach.											

SALES COMPARISON APPROACH

Borrower: RYAN STUMPHAUZER	File No.: 1635 E PASSYUNK AVE
Property Address: 1635 E PASSYUNK AVE	Case No.:
City: PHILADELPHIA	State: PA Zip: 19148
Lender: RYAN STUMPHAUZER	

Neighborhood Description

THE SUBJECT PROPERTY IS LOCATED IN A RESIDENTIAL AREA CONSISTING OF VARIOUS STYLES OF RESIDENTIAL PROPERTIES AND COMMERCIAL PROPERTIES. THIS PROPERTY MIX IS TYPICAL IN THE AREA.

Neighborhood Market Conditions

THE SUBJECT PROPERTY IS LOCATED IN A GENERALLY STABLE MARKET AREA. TYPICAL FINANCING IS CONVENTIONAL WITH BUYERS PAYING MINIMAL IF ANY POINTS. SELLER CONTRIBUTION TO CLOSING DOES NOT TYPICALLY OCCUR. FHA AND VA MORTGAGES ARE ALSO AVAILABLE. TYPICAL MARKETING TIME IS THREE TO SIX MONTHS WITH HOMES SELLING @ 5-10% OF LIST PRICE WHEN LISTED AT A REALISTIC ASKING PRICE.

Highest and Best Use

The subject's current use is considered to be the highest and best use based on it's current residential use and according to the current zoning regulations and based on the evaluation of what is physically possible, legally permissible, financially feasible and maximally productive.

Comments on Sales Comparison

ADJUSTMENTS MADE TO COMPARABLE SALES WERE BASED ON PAIRED SALES ANALYSIS AND SENSITIVITY ANALYSIS.

THE LACK OF MORE RECENT SALES MADE IT NECESSARY TO USE SALES WHICH EXCEED THE USUAL 6 MONTH GUIDELINE.

NO AGE ADJUSTMENTS WERE MADE AS AGE IS CONSIDERED AS PART OF THE DETERMINATION OF CONDITION OF THE COMPARABLES. CONDITION IS ALSO DETERMINED THROUGH THE EXTERIOR INSPECTION OF THE SALES AND INFORMATION PER MLS DATA PERTAINING TO UPDATING AND RENOVATIONS.

NO ADJUSTMENT FOR LOT SIZE MADE FOR MINIMAL DIFFERENCES AS IT DOES NOT APPEAR TO HAVE AN AFFECT ON OVERALL VALUE.

ALL OTHER ADJUSTMENTS ARE SELF EXPLANATORY.

THE SALES SELECTED WOULD COMPETE DIRECTLY WITH THE SUBJECT IN THE MARKETPLACE AND ARE THEREFORE CONSIDERED GOOD INDICATORS OF VALUE AND WERE GIVEN EQUAL WEIGHT.

Final Reconciliation

BOTH THE COST APPROACH AND THE DIRECT SALES COMPARISON APPROACH CONCUR. THE DIRECT SALES COMPARISON APPROACH WAS GIVEN THE GREATEST WEIGHT SINCE IT MOST ACCURATELY REFLECTS THE CURRENT MARKET CONDITIONS. THE INCOME APPROACH TO VALUE WAS UTILIZED AND IS SUPPORTIVE OF VALUE.

Cost Approach

THE LAND VALUE IS TYPICAL FOR THE SUBJECT AREA. AGE / LIFE METHOD USED. COST ESTIMATES DERIVED FROM LOCAL BUILDER ESTIMATES AND APPRAISER'S FILE. THE LAND TO IMPROVEMENT RATIO IS COMMON TO THIS AREA.

Borrower: RYAN STUMPHAUZER	File No.: 1635 E PASSYUNK AVE
Property Address: 1635 E PASSYUNK AVE	Case No.:
City: PHILADELPHIA	State: PA Zip: 19148
Lender: RYAN STUMPHAUZER	



FRONT VIEW OF SUBJECT PROPERTY

Appraised Date: AUGUST 6, 2024
Appraised Value: \$ 660,000



REAR VIEW OF SUBJECT PROPERTY

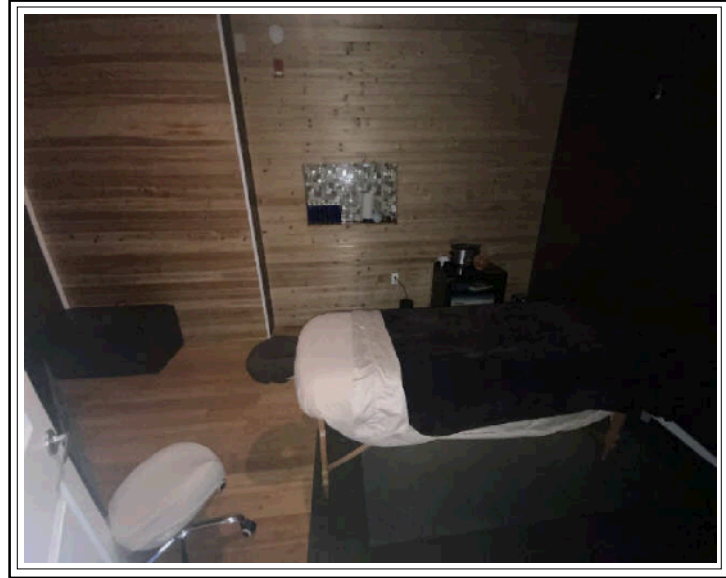


STREET SCENE

Borrower: RYAN STUMPHAUZER	File No.: 1635 E PASSYUNK AVE	
Property Address: 1635 E PASSYUNK AVE	Case No.:	
City: PHILADELPHIA	State: PA	Zip: 19148
Lender: RYAN STUMPHAUZER		



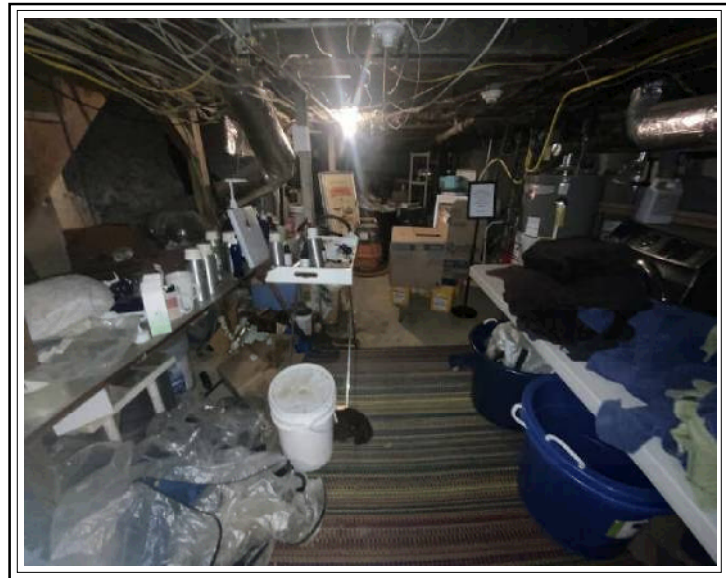
UNIT 1 COMMERCIAL SPACE



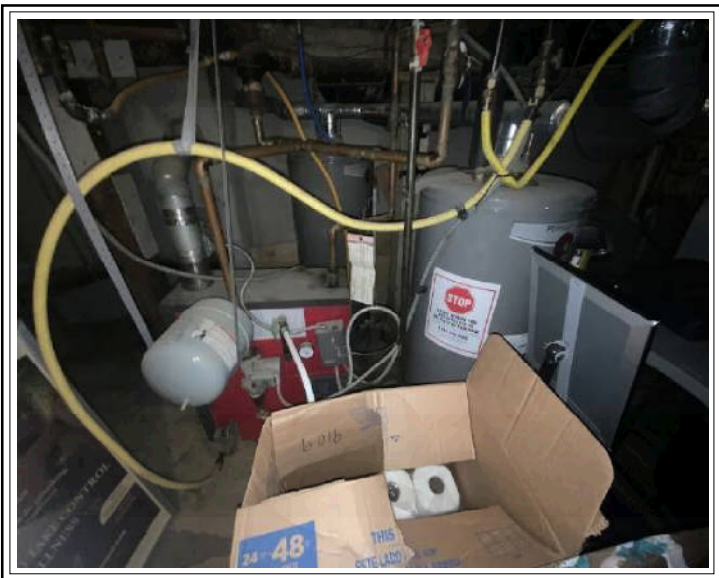
UNIT 1 COMMERCIAL SPACE



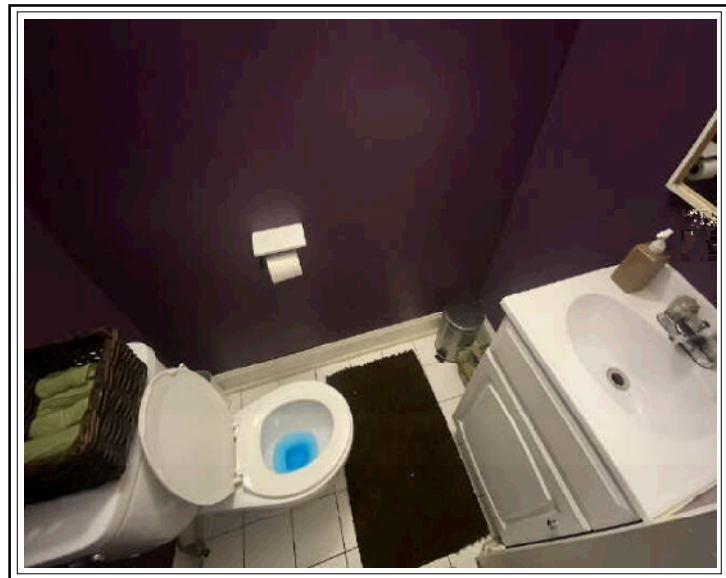
BASEMENT



BASEMENT



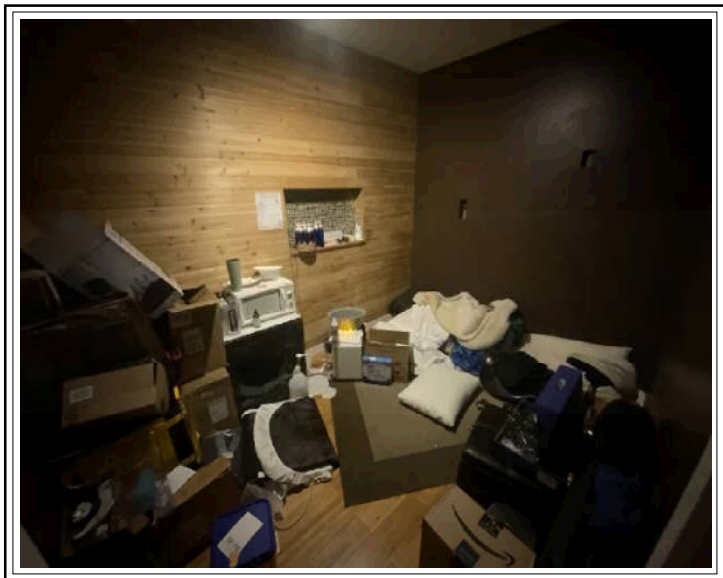
UTILITIES



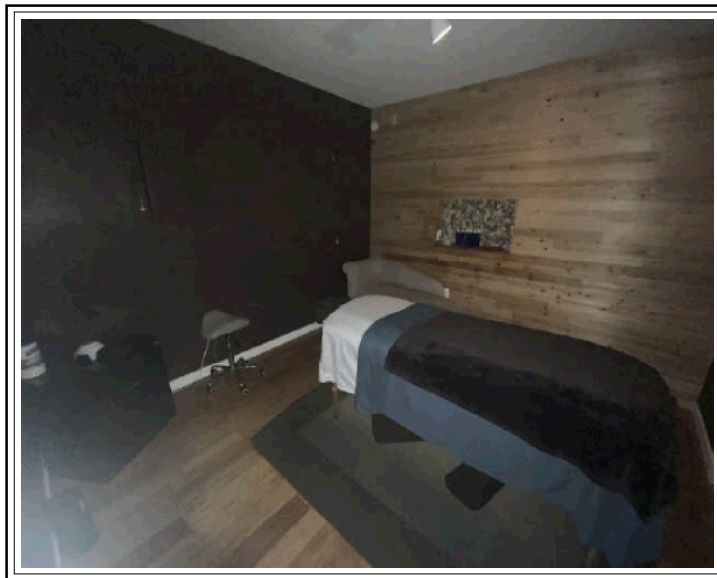
UNIT 1 COMMERCIAL SPACE HALF BATH

Borrower: RYAN STUMPHAUZER
Property Address: 1635 E PASSYUNK AVE
City: PHILADELPHIA
Lender: RYAN STUMPHAUZER

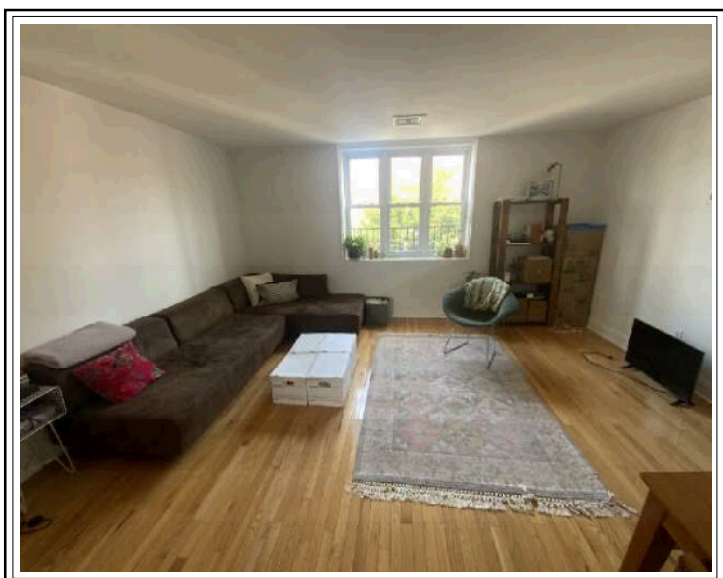
File No.: 1635 E PASSYUNK AVE
Case No.:
State: PA Zip: 19148



UNIT 1 COMMERCIAL SPACE



UNIT 1 COMMERCIAL SPACE



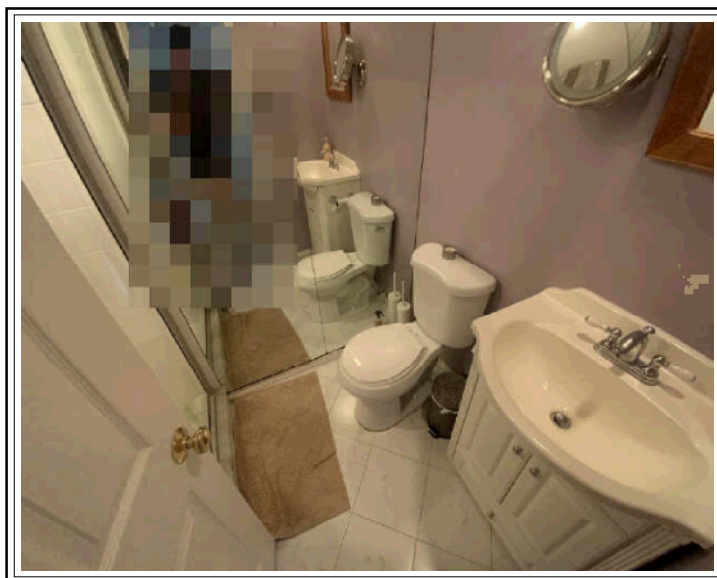
UNIT 2 LIVING ROOM



UNIT 2 DINING ROOM



UNIT 2 KITCHEN

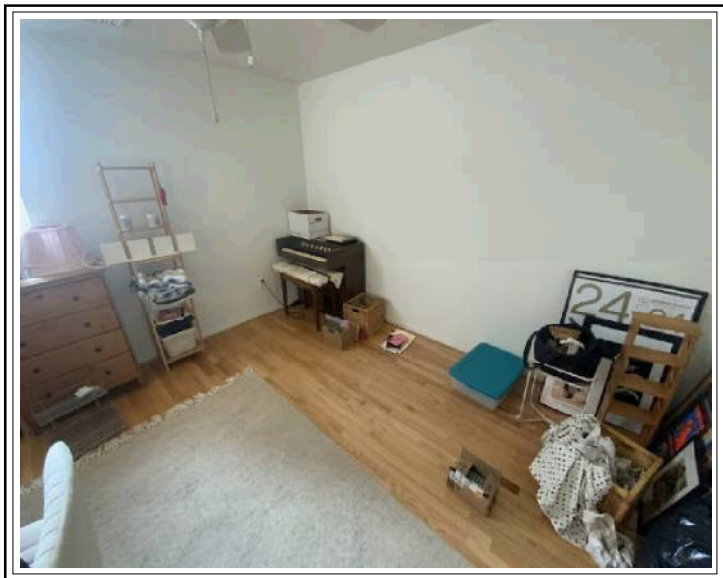


UNIT 2 BATHROOM

Borrower: RYAN STUMPHAUZER
Property Address: 1635 E PASSYUNK AVE
City: PHILADELPHIA
Lender: RYAN STUMPHAUZER

of 191

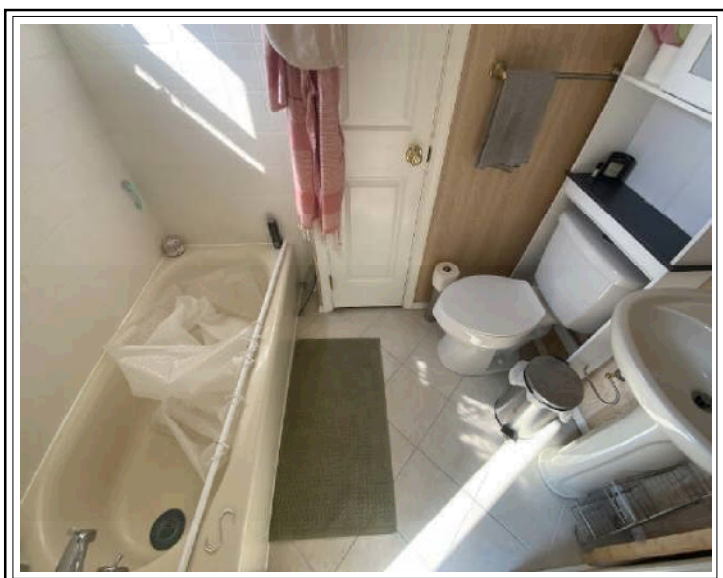
File No.: 1635 E PASSYUNK AVE
Case No.:
State: PA Zip: 19148



UNIT 2 BEDROOM



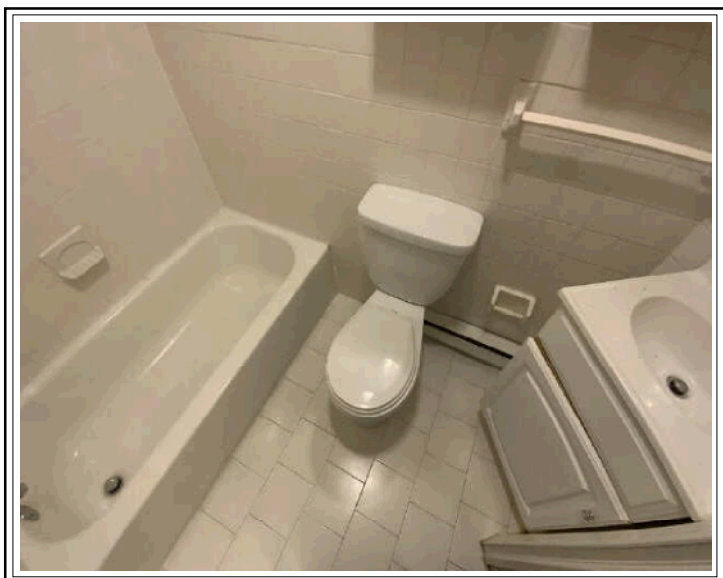
UNIT 2 BEDROOM



UNIT 2 BATHROOM



UNIT 3 KITCHEN

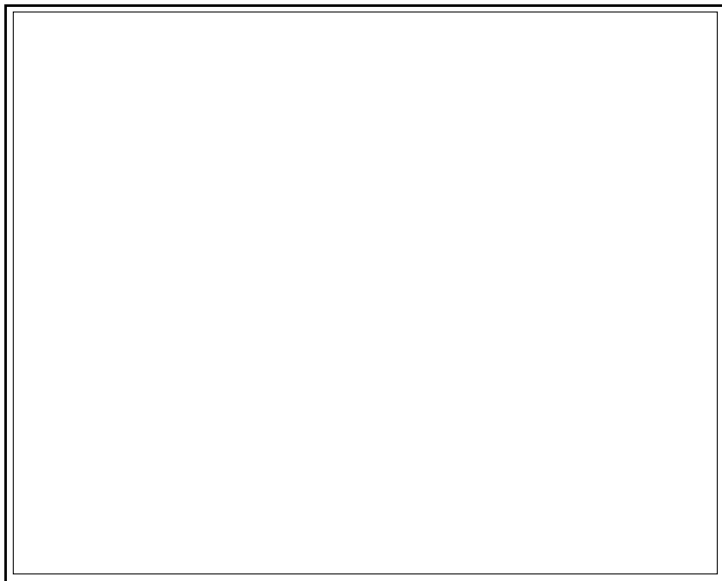
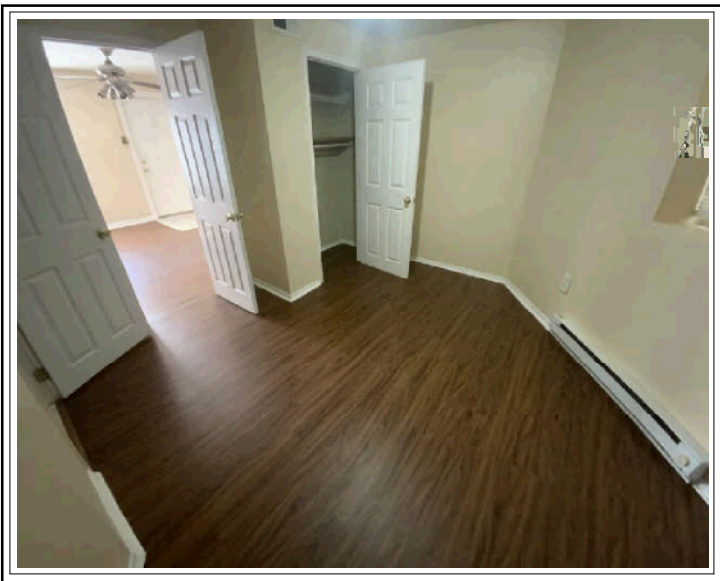


UNIT 3 BATHROOM

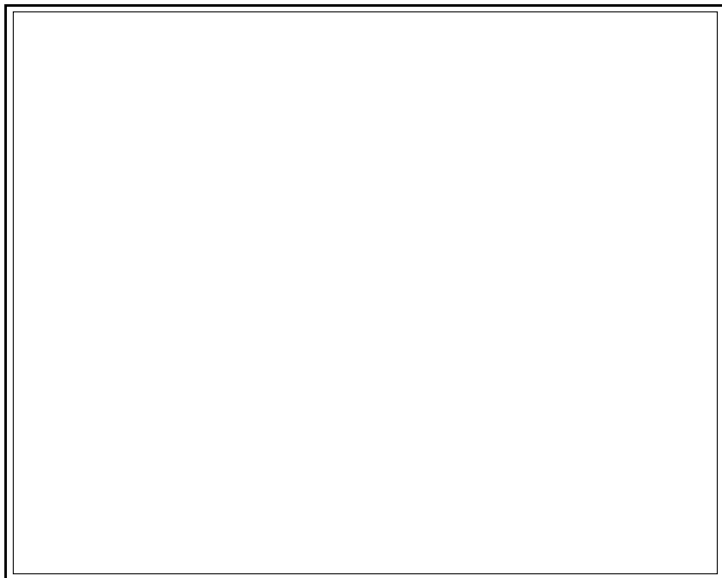
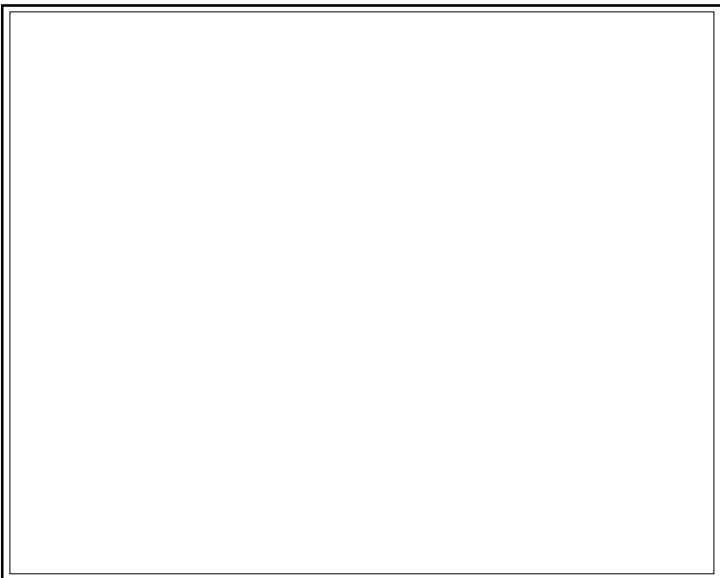
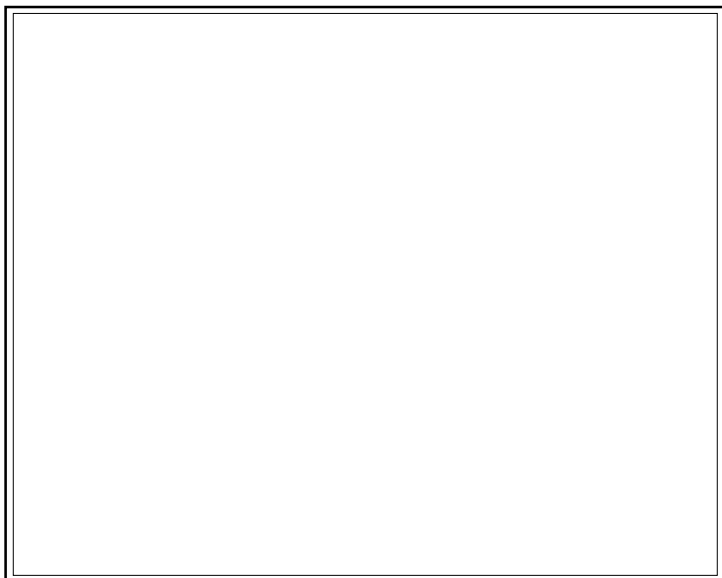
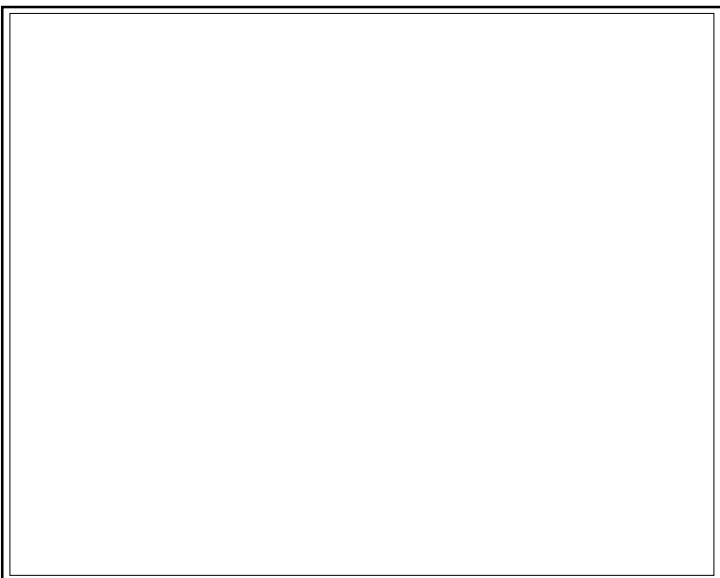


UNIT 3 LIVING ROOM

Borrower: RYAN STUMPHAUZER	File No.: 1635 E PASSYUNK AVE
Property Address: 1635 E PASSYUNK AVE	Case No.:
City: PHILADELPHIA	State: PA Zip: 19148
Lender: RYAN STUMPHAUZER	



UNIT 3 BEDROOM



Borrower: RYAN STUMPHAUZER	File No.: 1635 E PASSYUNK AVE
Property Address: 1635 E PASSYUNK AVE	Case No.:
City: PHILADELPHIA	State: PA
Lender: RYAN STUMPHAUZER	Zip: 19148



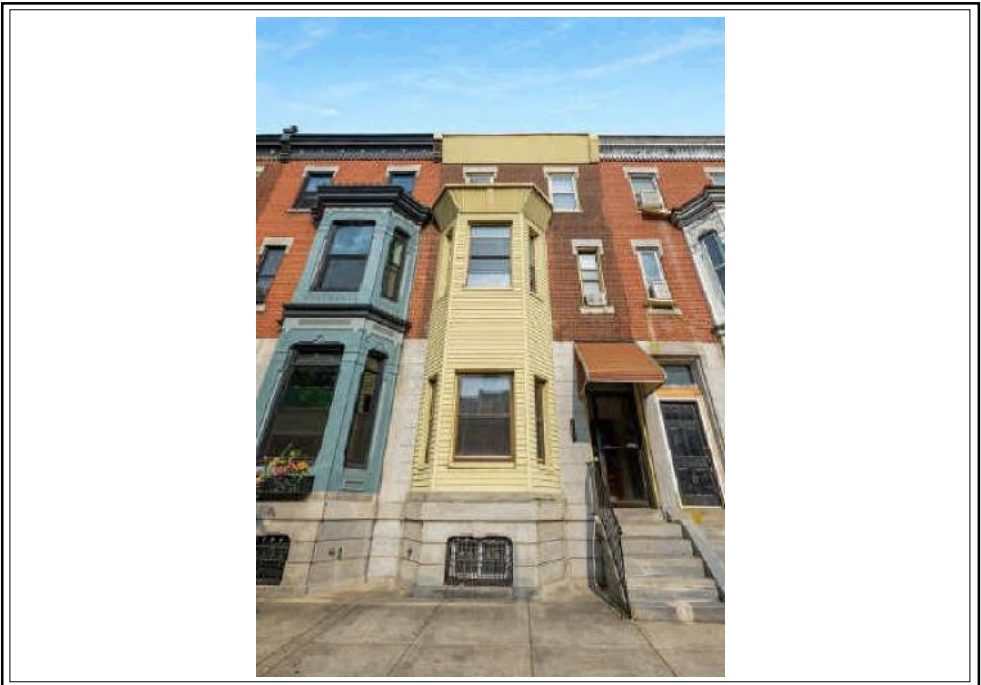
COMPARABLE SALE #1

1822 S BROAD ST
PHILADELPHIA, PA 19145
Sale Date: S12/23;C12/23
Sale Price: \$ 710,000



COMPARABLE SALE #2

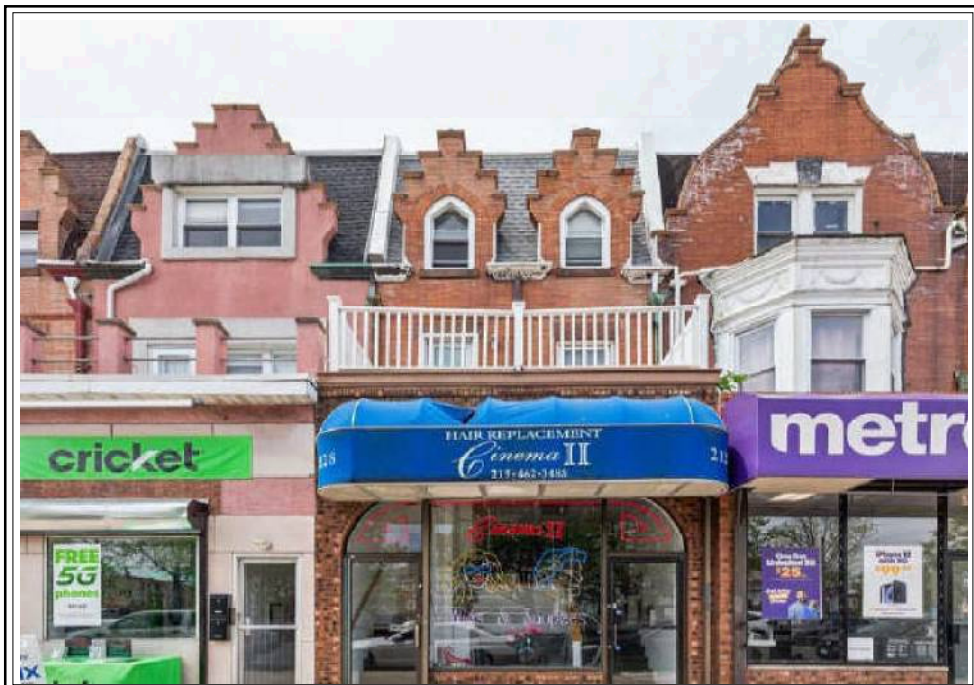
1327 TASKER ST
PHILADELPHIA, PA 19148
Sale Date: S01/24;C12/23
Sale Price: \$ 625,000



COMPARABLE SALE #3

1433 S BROAD ST
PHILADELPHIA, PA 19147
Sale Date: S08/23;C06/23
Sale Price: \$ 707,000

Borrower: RYAN STUMPHAUZER	File No.: 1635 E PASSYUNK AVE
Property Address: 1635 E PASSYUNK AVE	Case No.:
City: PHILADELPHIA	State: PA Zip: 19148
Lender: RYAN STUMPHAUZER	



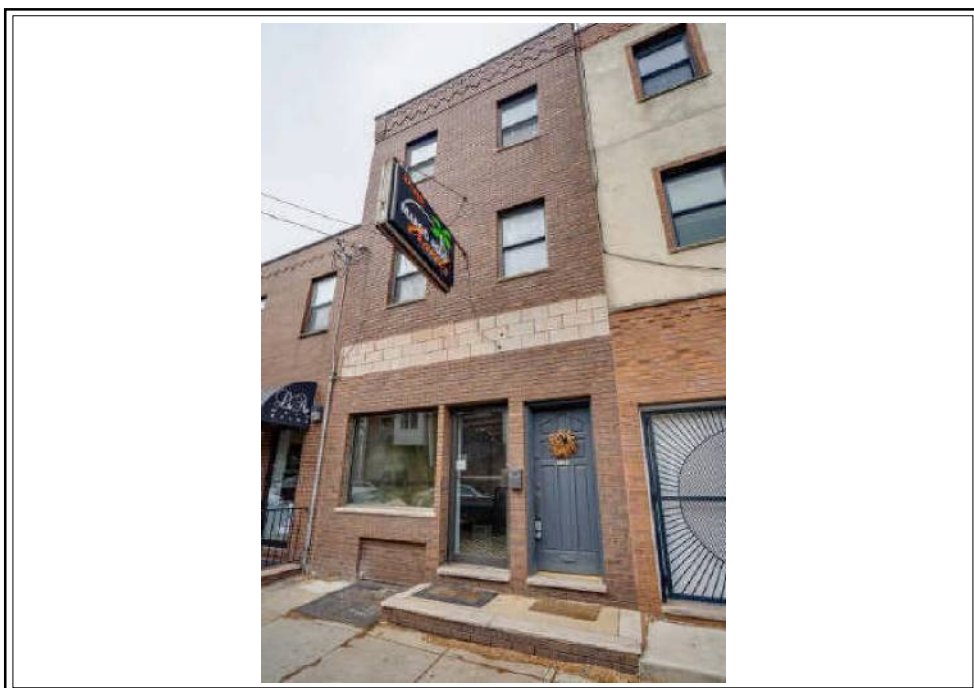
COMPARABLE SALE #4

2128 S BROAD ST
PHILADELPHIA, PA 19145
Sale Date: S06/24;C05/24
Sale Price: \$ 640,000



COMPARABLE SALE #5

818 S 8TH ST
PHILADELPHIA, PA 19147
Sale Date: S06/24;C05/24
Sale Price: \$ 590,000



COMPARABLE SALE #6

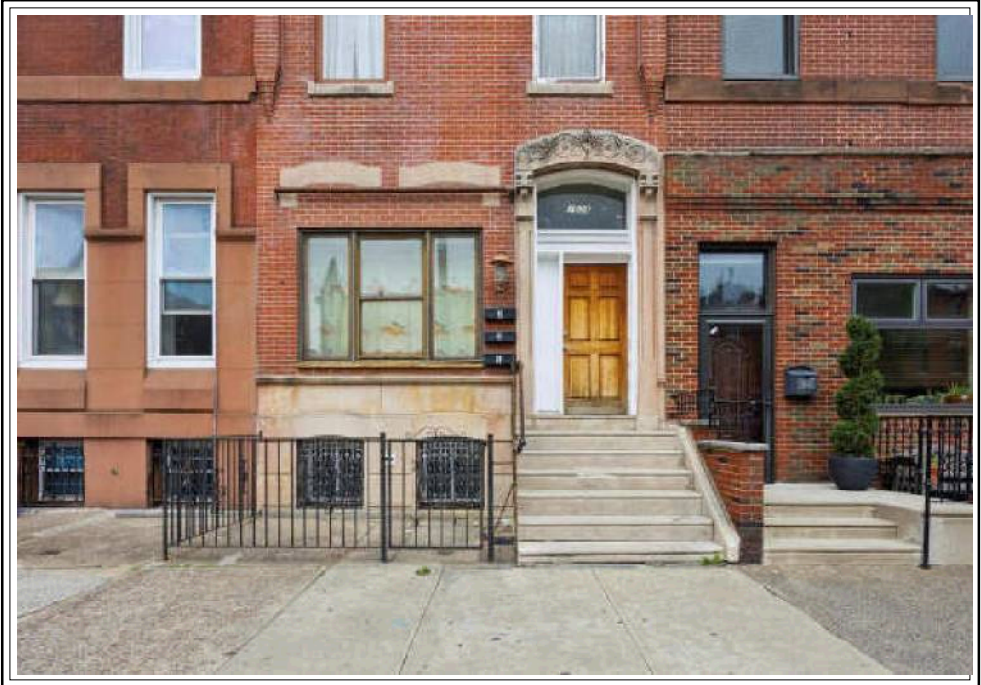
1307 MIFFLIN ST
PHILADELPHIA, PA 19148
Sale Date: ACTIVE
Sale Price: \$ 549,900

Borrower: RYAN STUMPHAUZER	File No.: 1635 E PASSYUNK AVE
Property Address: 1635 E PASSYUNK AVE	Case No.:
City: PHILADELPHIA	State: PA
Lender: RYAN STUMPHAUZER	Zip: 19148



COMPARABLE RENTAL #1

932 SOUTH ST
PHILADELPHIA, PA 19147



COMPARABLE RENTAL #2

1638 BROAD ST #1
PHILADELPHIA, PA 19145



COMPARABLE RENTAL #3

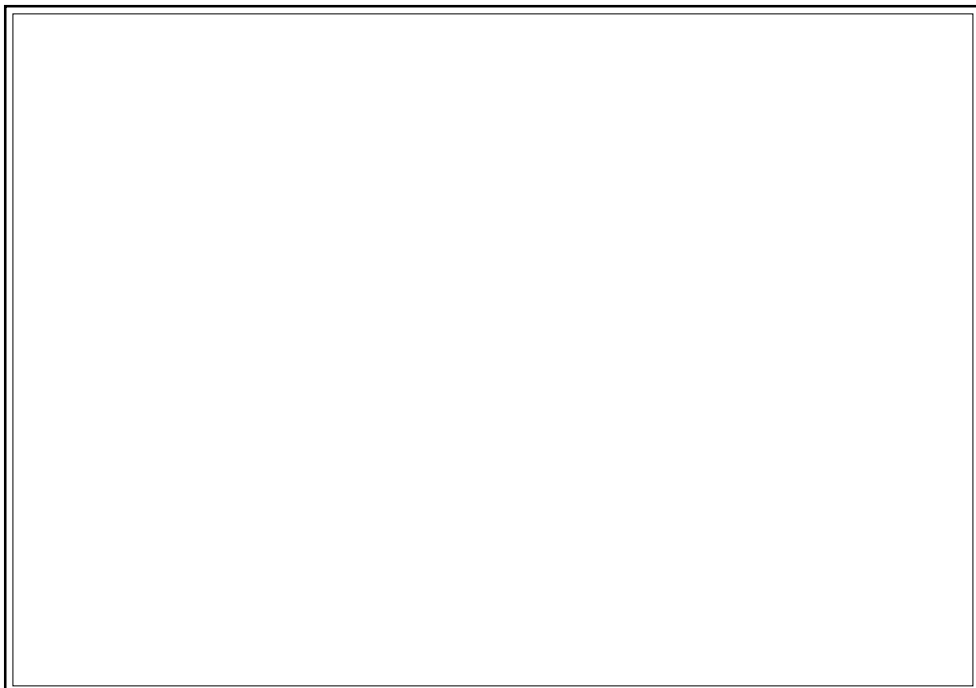
1722 E PASSYUNK AVE #2
PHILADELPHIA, PA 19148

Borrower: RYAN STUMPHAUZER	File No.: 1635 E PASSYUNK AVE
Property Address: 1635 E PASSYUNK AVE	Case No.:
City: PHILADELPHIA	State: PA
Lender: RYAN STUMPHAUZER	Zip: 19148

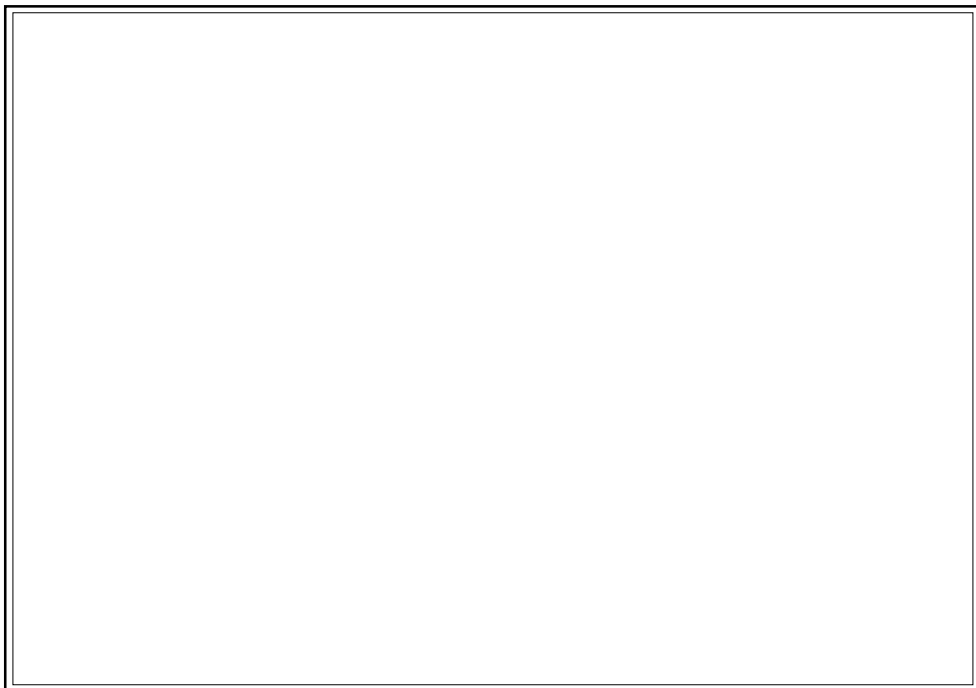


COMPARABLE RENTAL #4

1703 S 13TH ST #2
PHILADELPHIA, PA 19148



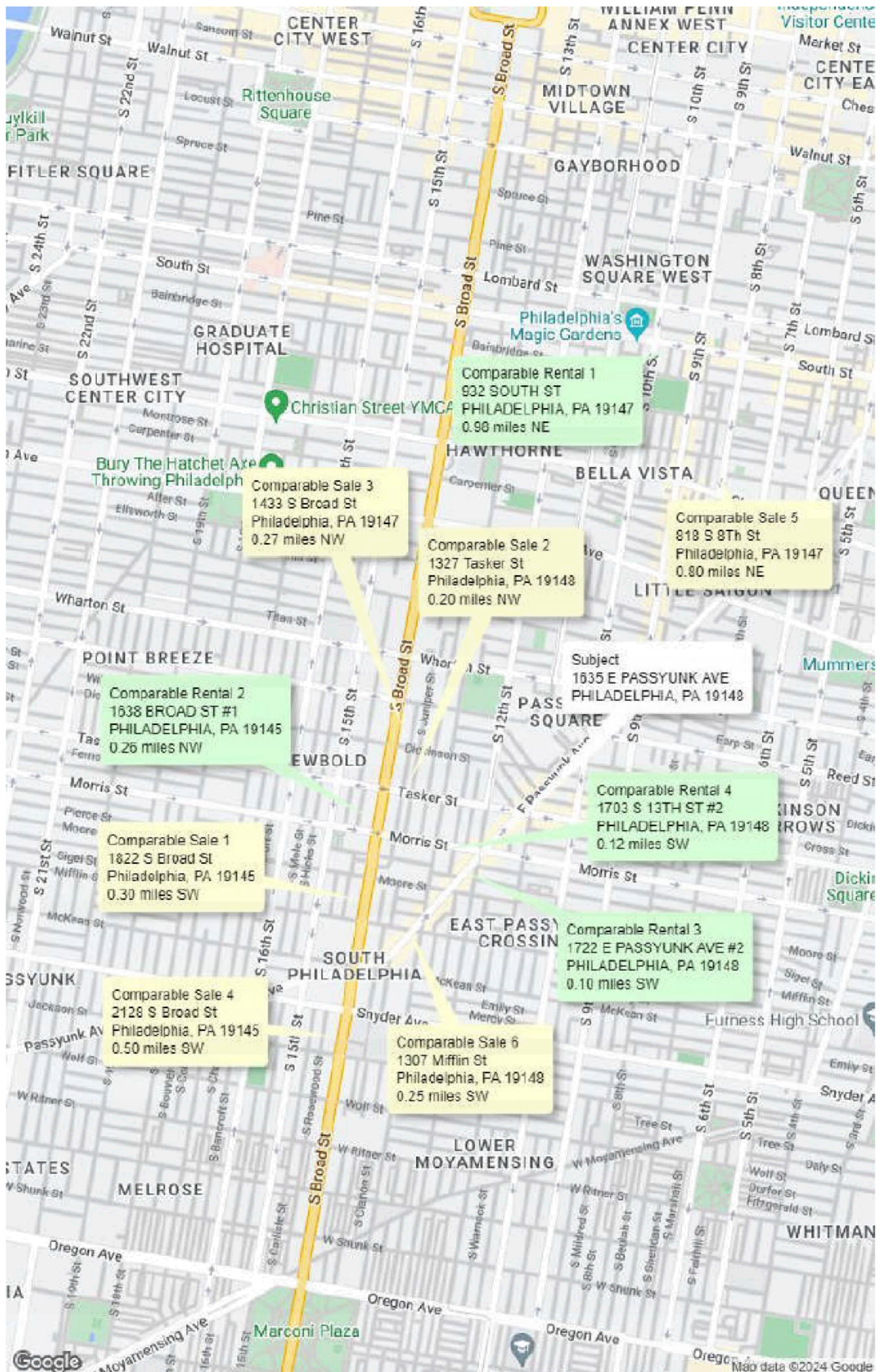
COMPARABLE RENTAL #5



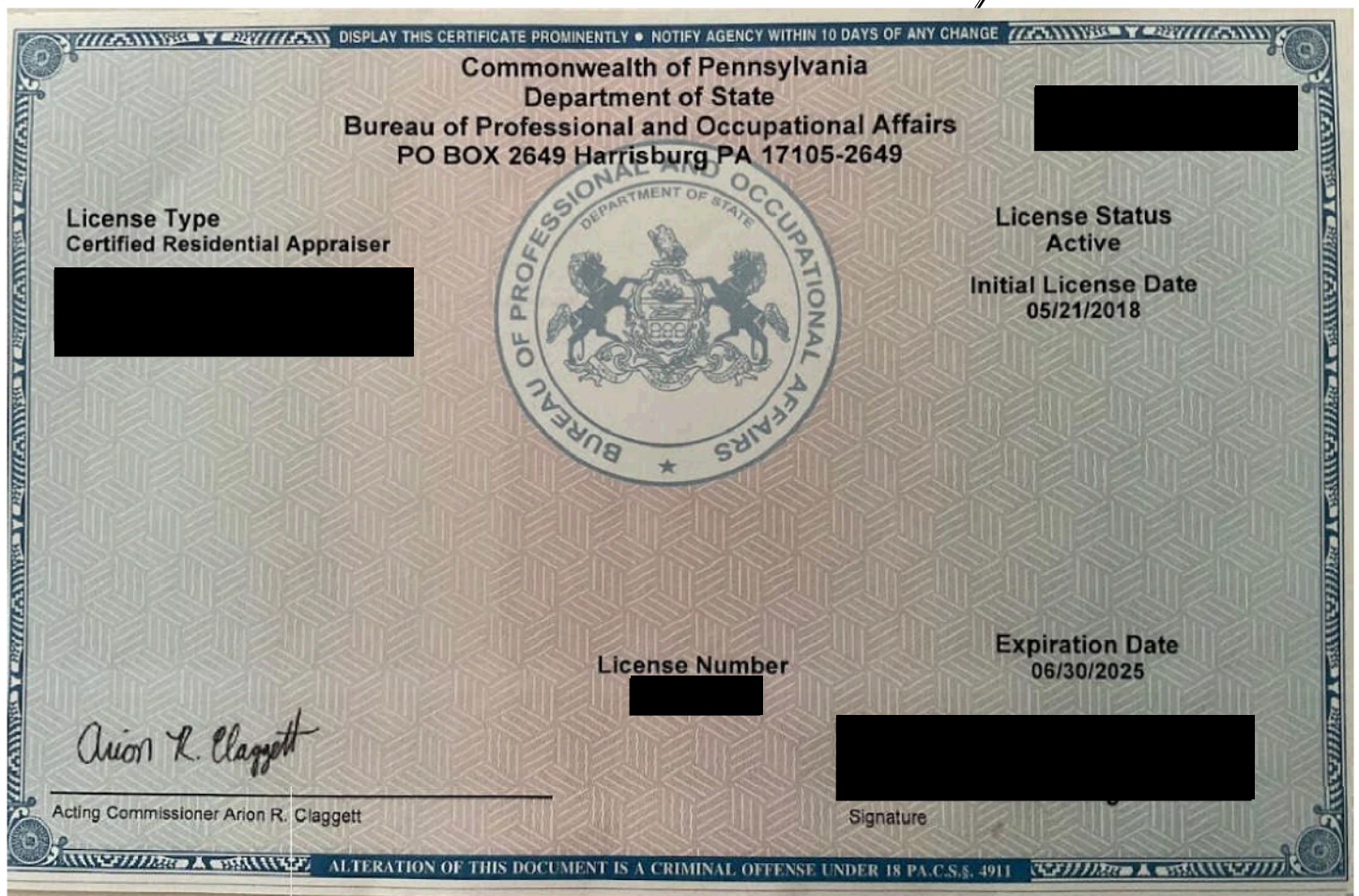
COMPARABLE RENTAL #6

Borrower: RYAN STUMPHAUZER
Property Address: 1635 E PASSYUNK AVE
City: PHILADELPHIA
Lender: RYAN STUMPHAUZER

File No.: 1635 E PASSYUNK AVE
Case No.:
State: PA
Zip: 19148



Borrower: RYAN STUMPHAUZER	File No.: 1635 E PASSYUNK AVE
Property Address: 1635 E PASSYUNK AVE	Case No.:
City: PHILADELPHIA	State: PA Zip: 19148
Lender: RYAN STUMPHAUZER	



Borrower: RYAN STUMPHAUZER	File No.: 1635 E PASSYUNK AVE
Property Address: 1635 E PASSYUNK AVE	Case No.:
City: PHILADELPHIA	State: PA Zip: 19148
Lender: RYAN STUMPHAUZER	

Accelerant National Insurance Company
 (A Stock Company)
 400 Northridge Road, Suite 800
 Sandy Springs, GA 30350

**REAL ESTATE APPRAISERS
 ERRORS AND OMISSIONS INSURANCE POLICY
 DECLARATIONS**

NOTICE: THIS IS A "CLAIMS MADE AND REPORTED" POLICY. THIS POLICY REQUIRES THAT A CLAIM BE MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND REPORTED TO THE INSURER, IN WRITING, DURING THE POLICY PERIOD OR EXTENDED REPORTING PERIOD.

PLEASE READ YOUR POLICY CAREFULLY.

Policy Number: [REDACTED] Renewal of: [REDACTED]

1. Named Insured: [REDACTED]

2. Address: [REDACTED]

3. Policy Period: From: June 29, 2024 To: June 29, 2025
 12:01 A.M. Standard Time at the address of the **Named Insured** as stated in item 2. Above.

4. Limit of Liability:	Each Claim	Policy Aggregate
Damages Limit of Liability	4A. \$ 1,000,000	4C. \$ 2,000,000
Claim Expenses Limit of Liability	4B. \$ 1,000,000	4D. \$ 2,000,000

5. Deductible (Inclusive of Claims Expenses):	Each Claim	Aggregate
	5A. \$500	5B. \$1,000

6. Policy Premium: \$ 611 State Taxes/Surcharges: \$ 0

7. Retroactive Date: June 29, 2006

8. Notice to Company: Notice of a Claim or Potential Claim should be sent to:

[REDACTED]

9. Program Administrator: [REDACTED]

10. Forms and Endorsements Attached at Policy Inception: See Schedule of Forms

If required by state law, this policy will be countersigned by an authorized representative of the Company.

Date: May 8, 2024

By: Isaac Peck
 Authorized Representative

***** INVOICE *****

File Number: 1635 E PASSYUNK AVE

RYAN STUMPHAUZER

Borrower :

Invoice # :
Order Date : 08/01/2024
Reference/Case # :
PO Number :

1635 E PASSYUNK AVE
PHILADELPHIA, PA 19148

MULTI FAMILY 1025	\$	1,000.00
	\$	-----
Invoice Total	\$	1,000.00
State Sales Tax @	\$	0.00
Deposit	(\$)
Deposit	(\$)

Amount Due	\$	1,000.00

Terms:

Please Make Check Payable To:



Fed. I.D. #:

Exhibit C

*Purchase and Sale Agreement
Dated August 20, 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: _____
phone No.: _____ email address: _____
mailing address: _____
- C. Purchase Price: \$675,000 (which equals Buyer’s offer price of \$675,000 plus a Transaction Fee of \$0)
- D. Earnest Money Deposit: \$50,000 (if blank, then 10% of the Purchase Price, but no less than \$50,000).
- E. Property: Address: 1635 E Passyunk Ave., Philadelphia, PA 19148 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: September 16, 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: _____ contact _____ address: _____
phone number: _____ email address: _____
- H. Title Insurance Company: _____, 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 AS

BUYER'S INITIALS [Redacted] 8/20/20

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

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

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

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

13. CLOSING COST ALLOCATIONS.

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

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

SELLER'S INITIALS RS /

BUYER'S INITIALS [REDACTED] 8/20/21

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

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SELLER:

COURT APPOINTED RECEIVER

By: [Signature]
Name: Ryan Stumphauzer
Title: Court Appointed Receiver

Date: _____, 2024

BUYER:

[NAME] _____

By: _____
Name: _____
Title: Manager / owner

Date: _____, 2024

LISTING BROKER (if any):

Name: _____
License No.: _____
State: Pennsylvania

BUYER'S BROKER (if any):

Name: _____
License No.: _____
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

#8137783/3

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

BEGINNING at a point on the Southeasterly side of Passyunk Avenue at the distance of one hundred ninety-one feet one inch Northeastwardly from the Northeast corner of Passyunk Avenue and Morris Street, in the 39th Ward (formerly part of the 1st Ward) of the City of Philadelphia; thence extending Southeastwardly, on a line at right angles to the said Passyunk Avenue, seventy feet to a point; thence extending Eastward, on a line parallel with the said Morris Street, twenty-three feet and one-fourth inch to the West side of Jessup Street; thence extending Northward, along the said West side of Jessup Street; fifteen feet four and one-half inches to a point; thence extending Westward, on a line parallel with the said Morris Street twelve feet eleven inches to a point; thence extending Northwestwardly on a line at right angles to the said Passyunk Avenue, seventy feet to the Southeasterly side of Passyunk Avenue; thence extending Southwestwardly, along the same, eighteen feet to the first mentioned point and place of beginning.

BEING known as No. 1635 East Passyunk Avenue.

EXHIBIT B

Assignment and Assumption of Leases and Contracts

#8137783/3

EXHIBIT C

Leases

#8137783/3

**PENNSYLVANIA RIDER TO
PURCHASE AND SALE AGREEMENT**

STATE-SPECIFIC PROVISIONS.

- A. Zoning Classification: CMX25
- B. Sewage Facilities. In accordance with the Pennsylvania Sewage Facilities Act of January 24, 1996, No. 537 P.L. 1536, as amended, the following statement regarding the availability of a community sewage system is included: the Property IS NOT X IS connected to or serviced by a Community Sewage System.
- C. Coal Notice. NOTICE – THIS DOCUMENT MAY NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE TO THE COAL AND RIGHTS OF SUPPORT UNDERNEATH THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL MAY HAVE THE COMPLETE LEGAL RIGHTS TO REMOVE ALL SUCH COAL AND IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND ANY HOUSE, BUILDING OR OTHER STRUCTURE ON OR IN SUCH LAND. THE INCLUSION OF THIS NOTICE DOES NOT ENLARGE, RESTRICT OR MODIFY ANY LEGAL RIGHTS OR ESTATES OTHERWISE CREATED, TRANSFERRED, EXCEPTED OR RESERVED BY THIS INSTRUMENT. (This notice is set forth in the manner provided in Section 1 of the Act of July 17, 1957, P.L. 984, as amended, and is not intended as notice of unrecorded instruments, if any.
- Buyer acknowledges that it may not be obtaining the right of protection against subsidence resulting from coal mining operations and that the Property may be protected from damage due to mine subsidence by a private contract with the owners of the economic interests in the coal. This acknowledgement is made for the purpose of complying with the provisions of Section 14 of the Bituminous Mine Subsidence and the Land Conservation Act of 1966, and Buyer agrees to sign the notice in the deed which will contain the aforesaid provision.
- D. Assignment. In the event this Agreement is assigned by Buyer pursuant to Section 13(b), Buyer shall be responsible for any and all transfer taxes and fees associated with such assignment.

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ADDENDUM/ENDORSEMENT TO AGREEMENT OF SALE

ASA

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

PROPERTY 1635 E Passyunk, Philadelphia, PA 19147
 SELLER Ryan K Stumphauzer, Court Appointed Receiver
 BUYER [REDACTED]
 DATE OF AGREEMENT August 18, 2024

Buyer will conduct a 14-day due diligence period. If the buyer voids the purchase agreement within the 14-day due diligence period, any and all monies in escrow will be returned to the buyer.

Notwithstanding the foregoing, the Purchase Agreement is expressly conditioned on Court Approval. Court Approval will not be sought until Buyer (i) waives the due diligence contingency or (ii) fails to terminate the Agreement during the aforesaid 14-day period.

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

BUYER	<u>[REDACTED]</u>	DATE	<u>8/20/24</u>
BUYER	<u>[REDACTED]</u>	DATE	<u>8/21/24</u>
BUYER	<u>[REDACTED]</u>	DATE	_____
SELLER	<u>[Signature]</u> Ryan K Stumphauzer, Court Appointed Receiver	DATE	_____
SELLER	_____	DATE	_____
SELLER	_____	DATE	_____



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Exhibit 2

*Proposed Order Authorizing Receiver's Sale of Real Property Located at
1635 East Passyunk Avenue, Philadelphia, PA 19148*

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

CASE NO. 20-CV-81205-RAR

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

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

Defendants.

**ORDER AUTHORIZING RECEIVER'S SALE OF REAL PROPERTY
LOCATED AT 1635 EAST PASSYUNK AVENUE, PHILADELPHIA, PA 19148**

THIS CAUSE comes before the Court upon the Receiver's Motion for Order Approving Receiver's Sale of Real Property Located at 1635 East Passyunk Avenue, Philadelphia, PA 19148 [ECF No. ____] (the "Motion"), filed on September 6, 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 1635 East Passyunk Avenue, Philadelphia, PA 19148. The Receiver has made a sufficient and proper showing in support of the relief requested in the Motion. Accordingly, for the reasons stated in the Motion, it is hereby

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

commonly known as 1635 East Passyunk Avenue, Philadelphia, PA 19148 (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 1635 P ___ A ___, LLC dated August 20, 2024¹ (collectively the “Buyer”) in connection with the Receiver’s proposed sale of the Property to Buyers are approved;

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

C. The Receiver is authorized to sell the Property to Buyer or Buyer’s designee, as contemplated in the Contract, in exchange for the aggregate sum of \$675,000, subject to the applicable terms of this Order.

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

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

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

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

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

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

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

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

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

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

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

RODOLFO A. RUIZ II
UNITED STATES DISTRICT JUDGE

Copies to: Counsel of record