

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 205 B ARCH STREET, PHILADELPHIA, PA 19106**

Ryan K. Stumphauzer, Esq., Court-Appointed Receiver ("Receiver") of the Receivership Entities, by and through his undersigned counsel, files this Motion for Order Authorizing Receiver's Sale of Real Property Located at 205 B Arch Street, Philadelphia, PA 19106 ("Arch Street Property").¹ 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").

¹ The Arch Street Property also is known as 104 North Second Street and also known as 205 Arch Street, Unit 205, Cook's Row Condominium.

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 Arch Street Property.

4. 205 B Arch St. Management LLC, a Receivership Entity, is the owner of record of the Arch Street Property and the Receiver is vested with full legal authority to act on behalf of 205 B Arch St. Management LLC, pursuant to the Amended Order Appointing Receiver, [ECF 141], including the authority to waive the requirements of 28 U.S.C. § 2001 and 28 U.S.C. § 2004 for the sale of the Arch Street Property.

5. In accordance with the Order Authorizing Sale, the Receiver has entered into a Purchase and Sale Agreement for the sale of the Arch Street Property (“Contract”). The Contract, which is subject to approval by this Court, is scheduled for a closing on June 13, 2025, provided the Court approves the Contract and authorizes the sale of the Arch Street Property.

6. Attached hereto as **Exhibit 1** is a Declaration of Ryan K. Stumphauzer, Esq. (“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 Arch Street Property under the Contract, which he has accepted subject to this Court’s approval, is in the best interests of the Receivership Estate.

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

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

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

11. To provide an opportunity for any potential objections to the sale of the Arch Street Property pursuant to the Contract, the Receiver requests that the Court enter the Proposed Order on or after May 28, 2025.

WHEREFORE, the Receiver respectfully requests that the Court enter the Proposed Order on or after May 28, 2025, approving the Contract and authorizing the Receiver to sell the Arch Street Property.

Local Rule 7.1 Certification

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

Dated: May 21, 2025

Respectfully Submitted,

**STUMPHAUZER KOLAYA
NADLER & SLOMAN, PLLC**
Two South Biscayne Blvd., Suite 1600
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By: /s/ Timothy A. Kolaya
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Co-Counsel for Receiver

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on May 21, 2025, 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 205 B Arch St. Management LLC. 205 B Arch St. Management LLC owns the real property located at 205 B Arch Street, Philadelphia, PA 19106 (“Property” or “Arch Street Property”).

The legal description of the Property is:

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.; 205 B Arch St Management LLC; 1635 East Passyunk LLC; 1932 Spruce St. LLC; 1223 N. 25th St. LLC; Liberty Eighth Avenue LLC; Blue Valley Holdings, LLC; The LME 2017 Family Trust; Recruiting and Marketing Resources, Inc.; Contract Financing Solutions, Inc.; LM Property Management LLC; and ALB Management, LLC; and the receivership also includes the property located at 107 Quayside Dr., Jupiter FL 33477.

Street Address: 104 North 2nd Street, Philadelphia, PA

ALL THAT CERTAIN Unit, designated as Unit Number 250 (sic), being a Unit in Cook's Row Condominium, in the 5th Ward of the City of Philadelphia and Commonwealth of Pennsylvania, as designated in that certain Declaration of Condominium of Cook's Row Condominium dated 6/15/2001 and recorded in the Department of Records, in and for the City and County of Philadelphia, on 6/22/2001 as Document No. 50280207, and that certain Declaration Plan of Cook's Row Condominium, dated 6/15/2001 and recorded on 6/22/2001 as Document No. 50280207; as amended by First Amendment to Declaration dated 6/6/2002 and recorded as Document No. 50474408; and a Corrective Amendment to Declaration of Condominium dated 10/1/2015 and recorded 10/16/2015 as Document No. 52978112.

BEING NO. 104 North 2nd Street, also known as 205 Arch Street, Unit No. 205, Cook's Row Condominium.

TOGETHER with all the right, title and interest of, in and to the common elements, as more fully set forth in the aforesaid Declaration of Condominium, and Declaration Plan thereto; and any Amendments thereto.

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

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

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

5. 205 B Arch St. Management LLC purchased the Property from M.H.J. Associates Real Estate, L.P. on April 27, 2017, for \$260,000. The Property is located in the Old City neighborhood of Philadelphia. It consists of approximately 2,190 square feet of office space. It is accessible only through a hallway and staircase shared with a first-floor dance studio. There is no elevator to the office space. The condominium fee and related expenses average over \$1,000 a month.

6. Before listing the Property, I obtained a Pennsylvania Certified Residential Appraisal of the Property dated June 5, 2023 ("Appraisal"). The Appraisal valued the Property at \$525,000. A true and correct copy of the 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 July 8, 2024 ("Second Appraisal"). The Second Appraisal valued the Property at \$430,000. A true and correct copy of the Second Appraisal is attached as **Exhibit B**.

7. I initially listed the Property for sale for \$650,000 based on advice from a former Broker. I then reduced it to \$450,000 in February 2024 and subsequently reduced the listing price to \$399,000 in July 2024. Based upon feedback from prospective buyers and the Broker, I periodically reduced the listing price to its final listing price of \$260,000.

8. The Property has been on the market for over 23 months and was shown to prospective buyers fewer than 10 times. As a result of my marketing efforts and after negotiations, I have received an offer from __ Realty, LLC,² a third party unaffiliated with the Receivership

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

Entities (“Buyer”), to purchase the Property out of receivership for \$260,000. The Buyer’s offer is only the second offer I received for the Property.³ The Property is a second floor “walkup” office condominium that housed Par Funding’s pre- Receivership financial offices. The condominium fee and related carrying costs exceed \$1,000 a month. Due to its location, limited accessibility, high carrying costs, and the plethora of available office space in Philadelphia, the Property has limited commercial appeal. The comparable sales discussed in the Appraisals are distinguishable as those buildings generally are either ground floor units or have elevator service. I accepted this offer because, although it is less than the Appraised Value, it aligns with the prevailing expectations of commercial real estate investors for a return on investment. Increasing interest rates and adjustments in cap rates, which signify the 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.

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 \$260,000 is appropriate, and consistent with the Property’s current market value. As a result, on or about May 20, 2025, I entered into a Contract for Sale of Real Estate (“Contract”) for the Property with Buyer, a true and correct copy of which is attached hereto as **Exhibit C** to this Declaration, and which has been redacted for security purposes. Closing is scheduled for June 13, 2025.

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

³ The same Buyer previously submitted a Contract to purchase the Property on January 10, 2025, under the same terms, but withdrew its proposed offer to purchase the Property after conducting due diligence. The purchase price is the same under both Contracts.

Property will be made on an “as-is / where-is basis,” with no representations or warranties on my part, individually or on behalf of the Receivership Entities, except as expressly set forth in the Contract. In the event that the Court authorizes and approves the proposed sale of the Property as provided for in the Contract, and the sale is consummated, the Broker will receive a commission of 5% of the sale price, consistent with ordinary custom and practice.

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

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

Executed on May 21, 2025

/s/ Ryan K. Stumphauzer

Ryan K. Stumphauzer
Court-Appointed Receiver

Exhibit A

*Pennsylvania Certified Residential Appraisal
Dated June 5, 2023*

[REDACTED]

205 Arch Street, Unit B

205 Arch Street, Unit B
Philadelphia, PA 19106

[REDACTED]

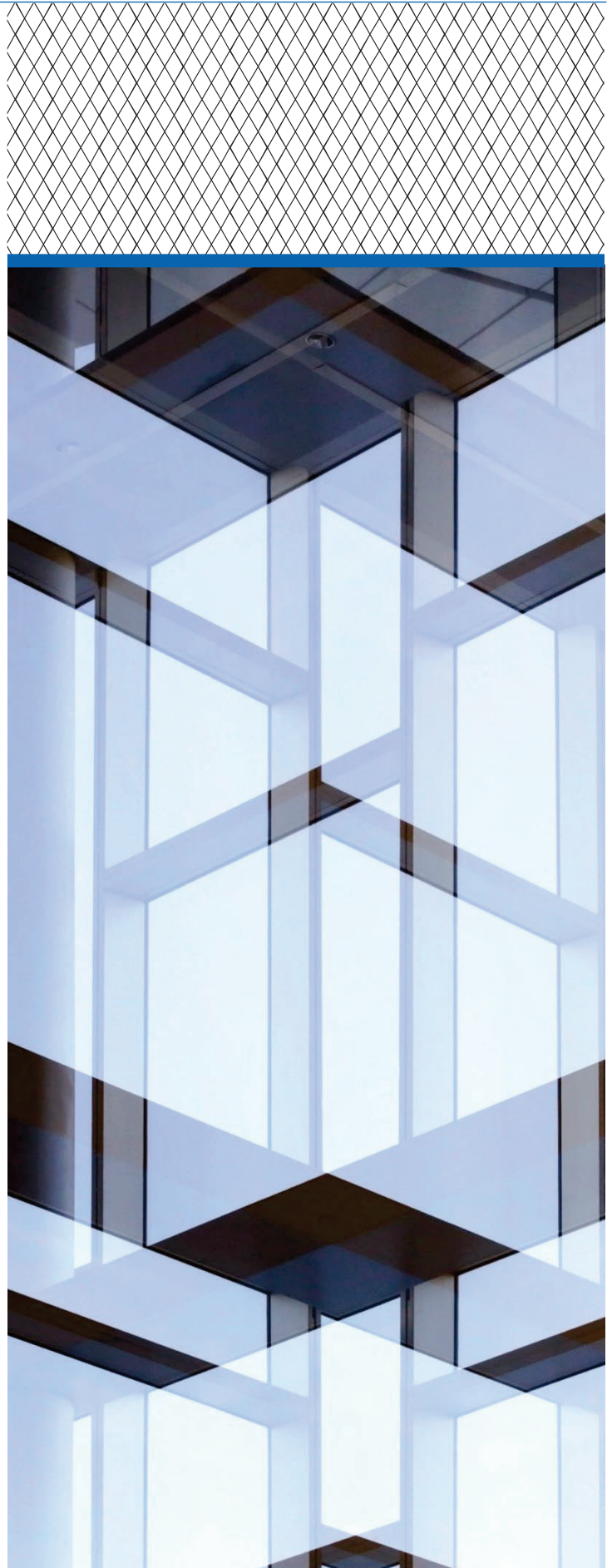
Appraisal Report Prepared For:

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

Prepared By:

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]



[REDACTED]

June 5, 2023

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

RE: Appraisal of an owner-occupied office condominium known as 205 Arch Street, Unit B and addressed as 104 N. 2nd Street, Unit 205, Philadelphia, Philadelphia County, PA 19106, prepared by [REDACTED] (herein "Firm" or [REDACTED])

[REDACTED]

Dear Mr. Hazel:

The "Subject Property" is a 2,190 square foot office condominium unit located on the second floor of a mixed-use building with 21,233 square feet. The property was constructed c. 1900 and most recently renovated in 2001. The improvements are in good condition and are of good quality and tenant appeal. At time of inspection, the unit was entirely owner-occupied and was most recently operating as Complete Business Solutions Group, though the office did not appear to be in use at that time.

Key Value Considerations

Strengths

1. The subject is located along Arch Street in Old City, which has above average accessibility and good visibility.
2. The property was in good condition at time of inspection with no items of deferred maintenance observed.

National Trends and Uncertainties

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

June 5, 2023
TIMOTHY M. HAZEL, ESQUIRE

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

Value Conclusions			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Fee Simple	4/10/2023	\$525,000
Compiled by [REDACTED]			

Extraordinary Assumptions

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

1. None

Hypothetical Conditions

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

1. None

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

Certification

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

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

CERTIFICATION

5

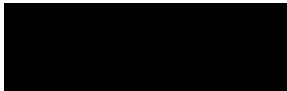


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Addenda

A. Glossary of Terms

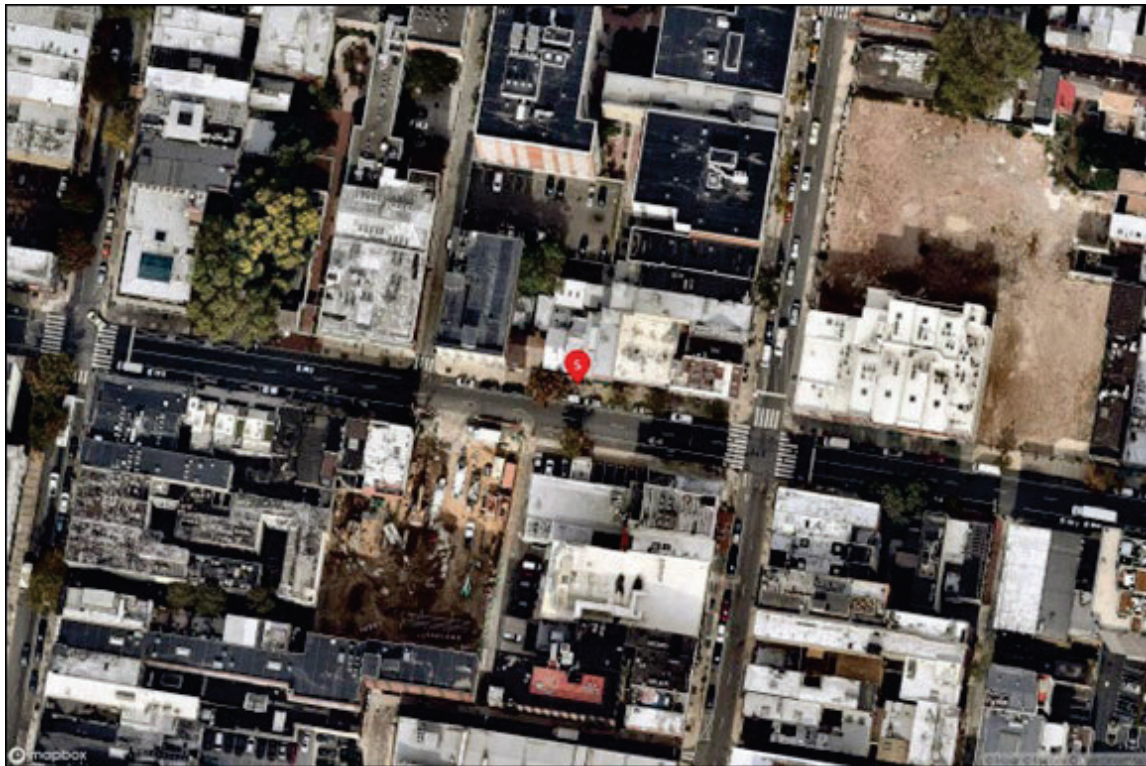
B. Engagement Letter

C. Financials and Property Information

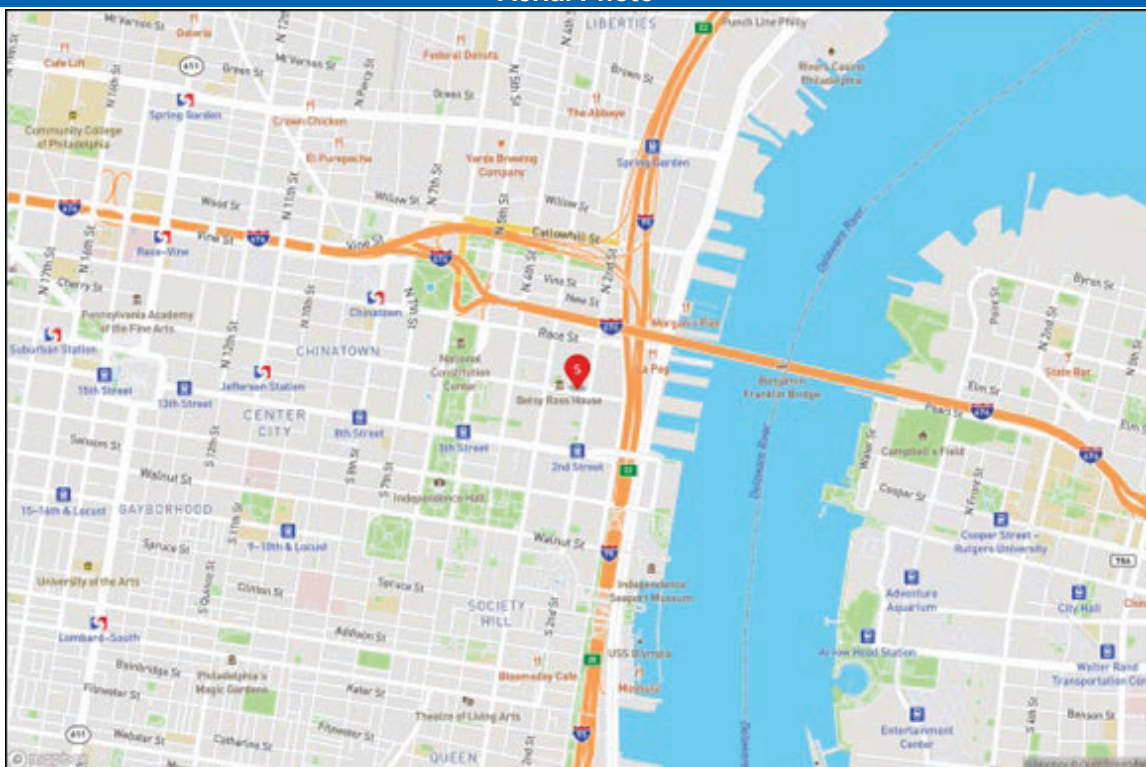
D. Comparable Data

SUBJECT MAPS

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Aerial Photo



Location Map

SUBJECT PHOTOGRAPHS

8



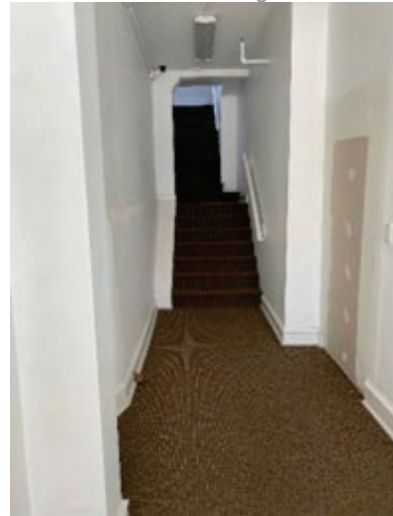
Arch Street facing East



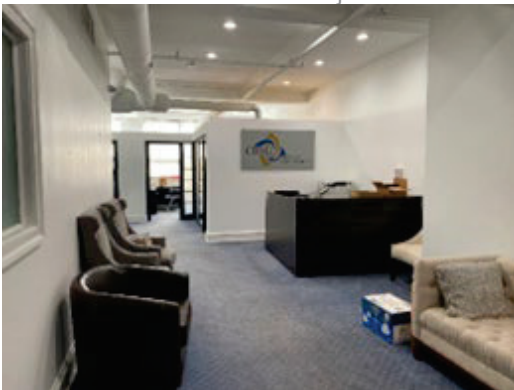
Arch Street facing West



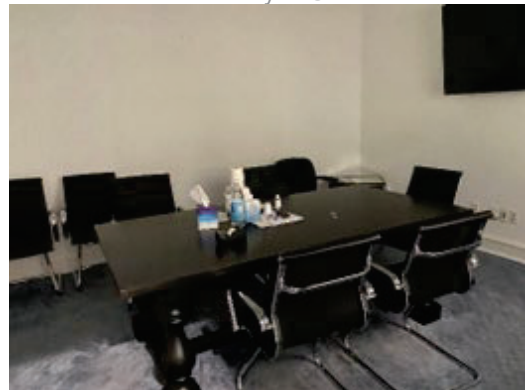
Front View of Subject



Stairway to Unit



Reception Area



Conference Room



SUBJECT PHOTOGRAPHS

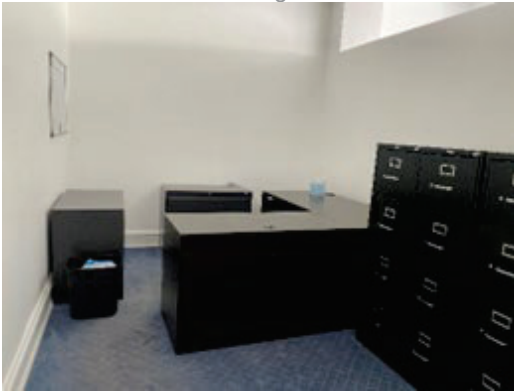
9



Lounge



Corner Office



Office



Rear Storage Room



Restroom



EXECUTIVE SUMMARY

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Executive Summary

205 Arch Street

Property Type:	Office Condominium
Street Address:	104 N. 2nd Street, Unit 205 aka 205 Arch Street, Unit B
City, State & Zip:	Philadelphia, PA 19106
MSA Name:	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD
Market Name:	PA - Philadelphia - Greater
Submarket Name:	Independence Hall
Investment Class:	Class B
Latitude:	39.95209
Longitude:	-75.14383
Census Tract:	1.02
Gross Building Area (SF):	2,190
Net Rentable Area (SF):	2,190
Year Built (Renovated):	1900 (2001)
Current Occupancy:	100.0%
Land Area:	0.223 acres (9,734 SF)
Zoning:	CMX3
Assessor's Parcel ID(s):	888049225
Highest and Best Use - As Vacant:	Mixed Use: Retail/Multifamily
Highest and Best Use - As Improved:	Office Condominium Use

Analysis Details

Valuation Date:	April 10, 2023
Market Value "As Is"	April 10, 2023
Inspection Date and Date of Photos:	June 5, 2023
Report Date:	Appraisal Report
Report Type:	Pietragallo Gordon Alfano Bosick & Raspanti, LLP
Client:	Establishing market value for pricing in connection with a potential disposition involving each of the subject properties and no other use
Intended Use:	Client and OCF Realty and no other party is permitted to use or rely on the appraisal.
Intended User:	Market Value "As Is"
Appraisal Premise:	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.
Intended Use and User:	
Interest Appraised:	Fee Simple
Exposure Time (Marketing Period) Estimate:	9 to 12 Months (9 to 12 Months)

EXECUTIVE SUMMARY

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Valuation Summary			
Sales Comparison Approach		\$/SF	\$ Total
Office Condominium		104 N. 2nd Street, Unit 205 (aka 205 Arch Street) - 2,190 SF	
Number of Sales			4
Range of Sale Dates			Oct-20 to Jan-22
Adjusted Range of Comparables (\$/SF)			\$185.78 to \$229.13
Value Conclusion:		\$205.48	\$450,000
Indicated Sales Comparison Approach Value	As Is	\$205.48	\$450,000
Income Capitalization Approach - Direct Capitalization Method		\$/SF	\$ Total
Capitalization Rate Indicators and Conclusion			Indication
Comparable Sales & Listings			5.00% - 7.53%
Investor Surveys			6.44% - 8.50%
Band of Investment			8.25%
Concluded Going-In Capitalization Rate			8.50%
Stabilized Income Estimate			
Potential Gross Income		\$33.59	\$73,558
Stabilized % Vacancy & Collection Loss		-13.00%	(\$9,563)
Effective Gross Income		\$29.22	\$63,996
Operating Expenses		\$8.59	\$18,822
Operating Expense Ratio			29.4%
Net Operating Income		\$20.63	\$45,173
Capitalization Rate			8.50%
Indicated Direct Capitalization Value	As Is	\$239.73	\$525,000
Market Value Conclusions	As Is	Reconciled Value	\$525,000
Exposure / Marketing Time			
Concluded Exposure Time	9 to 12	Months or Less	
Concluded Marketing Time	9 to 12	Months or Less	

Compiled by [REDACTED]

Extraordinary Assumptions and Hypothetical Conditions

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

1. None

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

1. None

Compiled by [REDACTED]

Introduction

OWNERSHIP HISTORY

The current owner is 205 B Arch Street Managem. The following summarizes the three-year history of ownership.

Ownership History

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

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

Previous Sales

Sales in the Previous Three Years:	None
Most Recent Reported Sale:	April 27, 2017
Buyer:	205 B Arch Street Managem.
Seller:	Mhj Associates Real Estate Lp
Purchase Price:	\$260,000 \$118.72 Per SF (Net Rentable Area)
Deed Information:	53207263

Compiled by [REDACTED]

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

INTENDED USE AND USER

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

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

DEFINITION OF VALUE

Market value is defined as:

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

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

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

APPRAISAL REPORT

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

PURPOSE OF THE APPRAISAL & INTEREST APPRAISED

The primary purpose of the appraisal is to develop an opinion of the Market Value "As Is" of the Fee Simple 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"	Fee Simple	4/10/2023
Compiled by: [REDACTED]		



Extent to Which the Property is Identified

- ## Extent to Which the Property is Inspected

made a personal inspection of the property that is the subject of this report.

_____ has not personally inspected the subject.

- 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

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

Economic Analysis

NATIONAL TRENDS AND UNCERTAINTIES

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

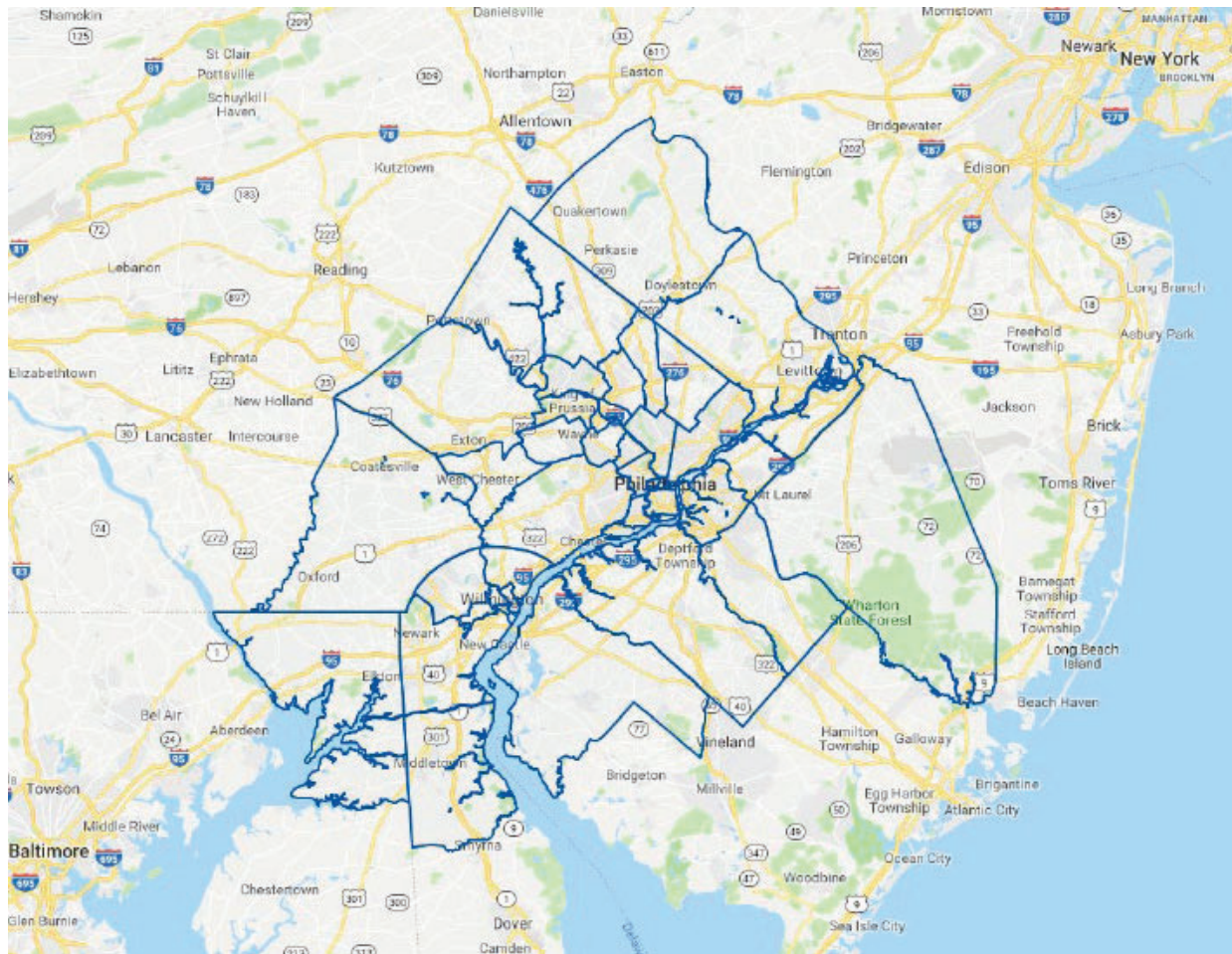
In an effort to curtail inflation, The Fed has embarked on an aggressive strategy. As of February, 2023, the Federal Reserve has raised rates eight times for a total of 450 basis points over the course of 2022 into 2023. The Federal Reserve is targeting a range of 4.50% to 4.75% for the Federal Funds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

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

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

GREATER PHILADELPHIA

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



Source: Costar

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

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



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

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

Transportation Infrastructure

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

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

Other Factors Fueling the Growth of Greater Philadelphia

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

Major Employers

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

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

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

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

Expansion of Life Sciences

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

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

Labor Pool

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

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

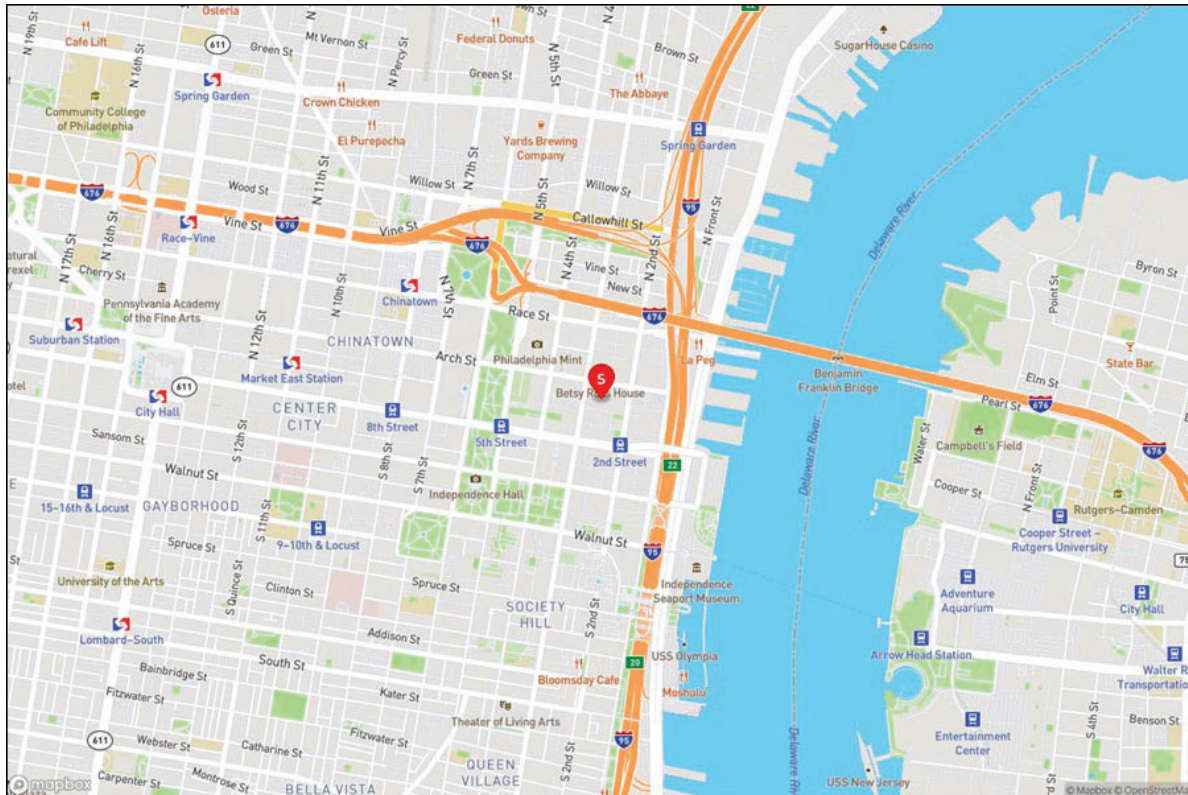
Greater Philadelphia is a National Leader in Higher Education

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

Summary

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

NEIGHBORHOOD ANALYSIS



Area Map

Boundaries

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

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

Access & Transportation

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

ECONOMIC ANALYSIS

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

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



Drive Time Map

Land Uses



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

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



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

Demographics

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

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

Source: ESRI; Compiled by [REDACTED]

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

Demand Generators

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

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

Employment

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



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

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

Residential Market

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

Conclusion

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

OFFICE MARKET ANALYSIS

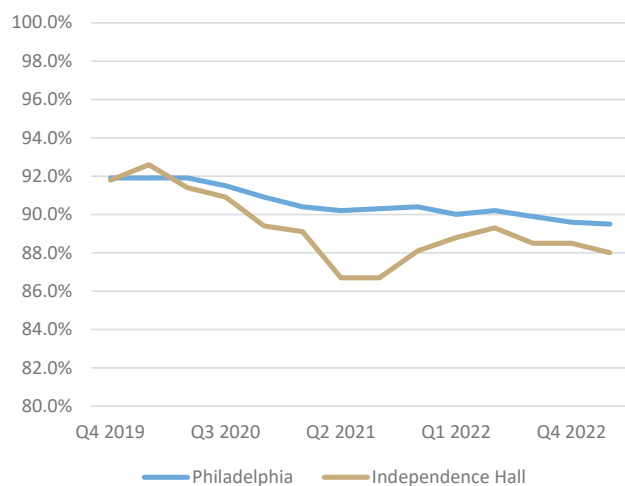
Classification

The subject is in the Independence Hall submarket of the Philadelphia market. The property is considered a Class B Office Building in this market.

Office Market Overview

The following discussion outlines overall market performance in the surrounding office market. Presented first are market statistics of the Philadelphia area and the subject's Independence Hall submarket overall along with more closely focused statistics related specifically to the subject property and its market segment.

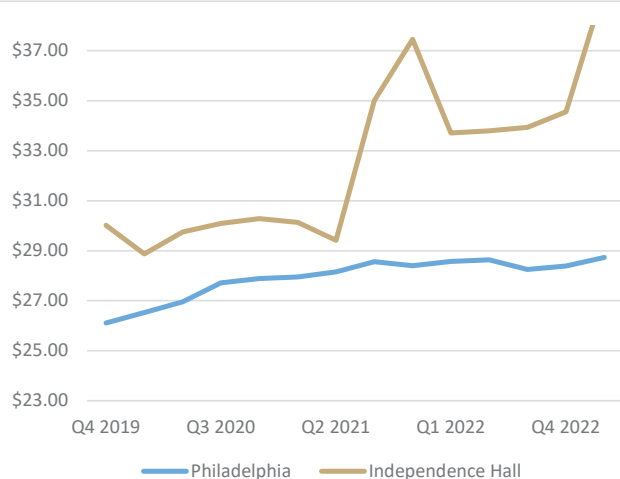
Occupancy Rate



Period	Philadelphia	Independence Hall
Q4 2019	91.9%	91.8%
Q1 2020	91.9%	92.6%
Q2 2020	91.9%	91.4%
Q3 2020	91.5%	90.9%
Q4 2020	90.9%	89.4%
Q1 2021	90.4%	89.1%
Q2 2021	90.2%	86.7%
Q3 2021	90.3%	86.7%
Q4 2021	90.4%	88.1%
Q1 2022	90.0%	88.8%
Q2 2022	90.2%	89.3%
Q3 2022	89.9%	88.5%
Q4 2022	89.6%	88.5%
Q1 2023	89.5%	88.0%

Source: Costar; Compiled by [REDACTED]

Asking Rent Per SF



Period	Philadelphia	Independence Hall
Q4 2019	\$26.11	\$30.02
Q1 2020	\$26.53	\$28.87
Q2 2020	\$26.96	\$29.75
Q3 2020	\$27.72	\$30.09
Q4 2020	\$27.89	\$30.28
Q1 2021	\$27.95	\$30.13
Q2 2021	\$28.15	\$29.42
Q3 2021	\$28.56	\$35.00
Q4 2021	\$28.40	\$37.46
Q1 2022	\$28.57	\$33.71
Q2 2022	\$28.64	\$33.79
Q3 2022	\$28.25	\$33.93
Q4 2022	\$28.39	\$34.55
Q1 2023	\$28.73	\$39.53

Source: Costar; Compiled by [REDACTED]

ECONOMIC ANALYSIS

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Office Market Statistics

Trailing Four Quarters Ended Q1 2023

Market / Submarket	Inventory (SF)	Completions (SF)	Vacancy (%)	Net Absorption (SF)	Office Gross Rent Overall / SF	Office Base Rent Overall / SF
Philadelphia	325,342,395	1,006,150	10.50%	-955,186	\$28.73	\$24.21
Independence Hall	9,451,316	0	12.00%	-75,849	\$39.53	\$35.48

Source: Costar; Compiled by [REDACTED]

- The average vacancy rate for the subject submarket is modestly lower than that of the overall market area.
- The average rental rate for Independence Hall is higher than the overall Philadelphia market. The Independence Hall submarket is considered an upper tier as compared to the other submarkets in the overall Philadelphia area due to its position within the CBD.
- New construction in the submarket has halted as a result of the COVID-19 pandemic and continued prominence of work from home/flexible office hours.

Market and Submarket Trends

Office Market Trends

	Philadelphia				Independence Hall			
	Inventory (SF)	Completions (SF)	Vacancy %	Office Gross Rent Overall / SF	Inventory (SF)	Completions (SF)	Vacancy %	Office Gross Rent Overall / SF
Q1 2021	322,787,674	32,000	9.6%	\$27.95	9,451,316	0	10.9%	\$30.13
Q2 2021	322,965,308	177,634	9.8%	\$28.15	9,451,316	0	13.3%	\$29.42
Q3 2021	323,901,135	935,827	9.7%	\$28.56	9,451,316	0	13.3%	\$35.00
Q4 2021	324,033,562	132,427	9.6%	\$28.40	9,451,316	0	11.9%	\$37.46
Q1 2022	324,336,245	302,683	10.0%	\$28.57	9,451,316	0	11.2%	\$33.71
Q2 2022	324,389,909	53,664	9.8%	\$28.64	9,451,316	0	10.7%	\$33.79
Q3 2022	324,923,195	533,286	10.1%	\$28.25	9,451,316	0	11.5%	\$33.93
Q4 2022	325,342,395	419,200	10.4%	\$28.39	9,451,316	0	11.5%	\$34.55
Q1 2023	325,342,395	0	10.5%	\$28.73	9,451,316	0	12.0%	\$39.53

* Forecast

Source: Costar; Compiled by [REDACTED]

- Market rental rates for the overall Philadelphia area have remained virtually unchanged over the past two years, while the subject's submarket has increased significantly in Q1 2023, up \$10.00 per square foot from Q2 2021.
- On the other hand, vacancy rates have remained steady, fluctuating between 10.7% to 13.3% over the last three years.

Supply & Demand

Construction Versus Absorption

Construction/Absorption Change									
Market / Submarket	Prior Calendar Years History								
	Prior Calendar Year History			Prior Three Year History			Prior Five Year History		
	SF Built	SF Absorbed	Const. / Abs. Ratio	SF Built	SF Absorbed	Const. / Abs. Ratio	SF Built	SF Absorbed	Const. / Abs. Ratio
Philadelphia	1,308,833	-1,393,968	-0.9	3,687,346	-3,893,072	-0.9	8,395,137	-266,573	-31.5
Independence Hall	0	43,193	0.0	3,261	-307,141	0.0	3,261	-33,109	-0.1

Source: Costar; Compiled by [REDACTED]

- Absorption in the Center City submarket has been negative over the past 5 years, however, this is primarily due to the effects of the COVID-19 pandemic on the office market.

Trends and Projections

Subject and Market Historical and Forecast Trends

Market Vacancy Rate Indicators					
	Current	Most Recent Full Year	Trailing 3-Year	Trailing 5-Year	Trailing 10-Year
Costar					
Philadelphia	10.50%	10.40%	9.10%	7.80%	9.70%
Independence Hall	12.00%	11.50%	10.60%	9.90%	9.50%

Concluded Subject Vacancy Rate 12.00%

Source: Costar; [REDACTED]

- [REDACTED] expects the mix of property fundamentals and economic conditions in the area to dip in the interim period and slowly improve thereafter. At time of inspection, numerous 'for lease' signs were observed in the immediate area for office space.
- We have concluded a stabilized vacancy rate of 12% given the uncertain economic picture and extended stabilization period as projected. To this we also add 1.00% for collection loss.

Land and Site Analysis



Tax Map



Flood Map

LAND AND SITE ANALYSIS

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Land Description

Total Land Area	0.223 Acres; 9,734 SF
Usable Land Area	0.223 Acres; 9,734 SF
Excess Land Area	None
Surplus Land Area	None
Source of Land Area	Public Records
Percent of Interest in Common Elements	10.36%

Site Characteristics

Primary Street Frontage	Arch Street
Traffic Control at Entry	None
Traffic Flow	Moderate
Accessibility Rating	Above Average
Visibility Rating	Good
Shape	Irregular
Corner	No
Topography	Level
Easement/Encroachments	None Noted
Environmental Issue	None Noted

Flood Zone Analysis

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

Utilities

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

Compiled by [REDACTED]

EXCESS OR SURPLUS LAND

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

EASEMENTS, ENCROACHMENTS AND RESTRICTIONS

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

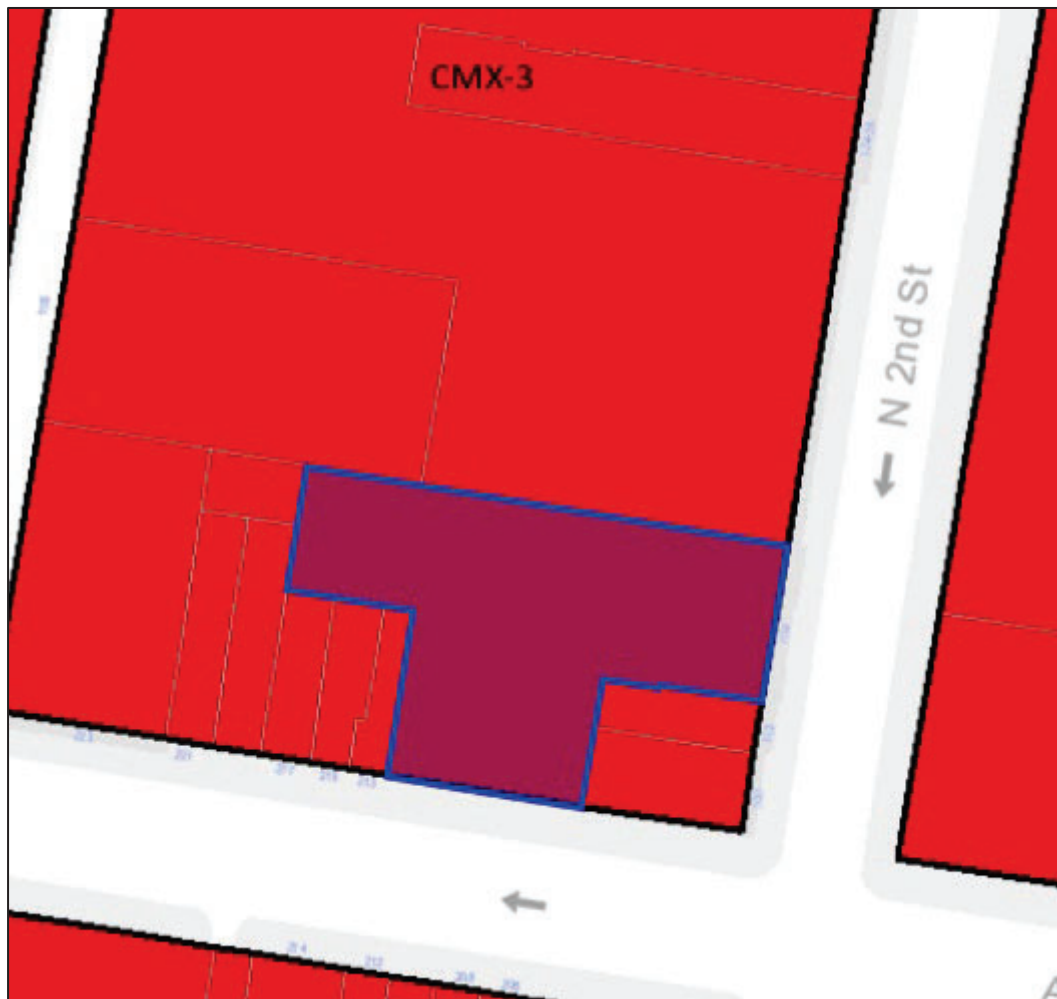
ENVIRONMENTAL ISSUES

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

CONCLUSION

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

Zoning and Legal Restrictions




Zoning Map

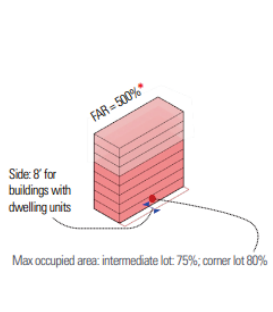
ZONING AND LEGAL RESTRICTIONS

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

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

	Max. Occupied Area	Lot: Intermediate 75% Corner 80%
	Min. Side Yard Width	8 ft. if used for buildings containing dwelling units
	Max. Floor Area Ratio	500%* With additional bonuses



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



Improvements Analysis

The "Subject Property" is a 2,190 square foot office condominium unit located on the second floor of a mixed-use building with 21,233 square feet. The property was constructed c. 1900 and most recently renovated in 2001. The improvements are in good condition and are of good quality and tenant appeal. At time of inspection, the unit was entirely owner-occupied and was most recently operating as Complete Business Solutions Group, though the office did not appear to be in use at that time. The improvements are more fully described in the following table.



Front View of Arch Street Entrance

REAL ESTATE TAXES

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Improvements Description	
Component Structures	
Improvements (Structures)	Primary Use
General Improvement Type	Office
Use Description	Low Rise
No. Buildings	1
GBA (SF)	2,190
Rentable SF	2,190
% Occupied	100.00%
Construction Status	Existing, Stabilized Operations
Construction Class	C
Quality	Good
Current Condition	Good
Age/Life Depreciation Analysis	
Year Built	1900
Year Renovated	2001
Actual Age (Yrs.)	123
Economic Life (Yrs.)	60
Effective Age (Yrs.)	15
Remaining Economic Life (Yrs.)	45
Percent Depreciation	25.00%
Floor Area Analysis	
Number of Stories	2
Max Ceiling Height (Ft)	11
Attributed Site Area (SF)	9,734
Parking Type	No off-street parking
Construction Details	
Low Rise	
Foundation	Stone and concrete, presumed
Basement	None
Structural Frame/Construction Summary	Masonry
Exterior Walls	Brick
Windows	Low-E fixed pane windows with aluminum framing
Roof	Flat rolled tar, presumed
Interior Finish	
Low Rise	
Floors	Wall to wall carpeting
Walls	Textured and painted sheetrock
Ceilings	Textured and painted sheetrock
Lighting	Ceiling-mounted fluorescent lighting
Engineering & Mechanical	
Low Rise	
HVAC	Central air conditioning; forced warm air heat
Electrical	Assumed adequate
Plumbing	Assumed adequate
Utility Meters	Individually metered
Elevators	None for Unit
Rest Rooms	Two individual restrooms
Fire Sprinklers	Wet

Compiled by [REDACTED]

PROPERTY CONDITION

Recent Renovations

The building was renovated in 2001 and is in good condition. A breakdown of renovations was not available.

Deferred Maintenance

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

OTHER PROPERTY CONSIDERATIONS

Functional Utility

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

ADA Compliance

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

Environmental Assessment

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

Personal Property

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

CONCLUSION

The improvements are of good quality construction and are in good condition, having been renovated in in 2001. Overall, the improvements are well suited for the existing use.

Real Estate Taxes

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

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

Taxes and Assessments											
Tax Year 2023		Assessor's Market Value			Assessed Value			Tax Rates		Taxes and Assessments	
ix ID	Land	Improvements	Total	Assessment Ratio	Land	Improvements	Total	Land & Improvements	Ad Valorem Taxes	Old City District Taxes	Total
888049225	\$67,795	\$384,205	\$452,000	100.0%	\$67,795	\$384,205	\$452,000	1.3998%	\$6,327	\$348	\$6,675

Compiled [REDACTED]

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

TAX COMPARABLES

Tax Comparables						
Tax Year 2023	1	2	3	4	5	Subject (Actual)
Address	104 N. 2nd Street, Unit 100	11-15 N. 2nd Street, Unit 105	102-22 Church Street, Unit 103	815-837 Arch Street, Unit 217	225 Race Street, Unit 100	205 Arch Street
City, State	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA
Improvements SF	2,390	1,015	1,434	910	2,700	2,190
Total Assessed Value	\$503,600	\$306,400	\$447,000	\$319,400	\$457,800	\$452,000
Assessed Value/SF	\$210.71	\$301.87	\$311.72	\$350.99	\$169.56	\$206.39
Total Taxes	\$7,049	\$4,289	\$6,257	\$4,471	\$6,408	\$6,675
Taxes/SF	\$2.95	\$4.23	\$4.36	\$4.91	\$2.37	\$3.05

Compiled by [REDACTED]

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

Highest and Best Use

AS VACANT

Legally Permissible

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

Physically Possible

The subject property has an approximately 10.36% interest in the common elements of the condominium building. The building as an entirety sits on a large mid-block site and is considered to have favorable topography, adequate access, and all necessary utilities to support the range of legally permissible uses. No significant physical limitations were noted. The size of the site is typical for the categories of uses allowed under zoning. In total, the site is physically capable of supporting the legally permissible uses.

Financially Feasible

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

Given the underlying market conditions and activity, it appears that only a mixed-use retail/multifamily 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 retail/multifamily 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 retail/multifamily development.

AS IMPROVED

Legally Permissible

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

Physically Possible

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

Financially Feasible

Financial feasibility tends to imply the presence of an income stream. The subject, though, is a typically owner-occupied property and the real estate itself is not expected to generate an income stream. Financial feasibility for such a property is not demonstrated through income methods but through market sales activity. As demonstrated in the sales comparison approach section of this report, there is ongoing sales activity for properties like the subject. Therefore, the continued use of the improvements in this manner is feasible. Since the concluded value as though improved exceeds the value of the underlying land, it follows that removal of the improvements for redevelopment or substantial conversion to an alternative use is not indicated.

Maximally Productive

The existing office 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 office development.

Highest and Best Use – As Improved

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



Appraisal Methodology

COST APPROACH

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

SALES COMPARISON APPROACH

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

INCOME CAPITALIZATION APPROACH

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

Application of Approaches to Value

Approach	Comments
Cost Approach	The Cost Approach is not applicable and is not utilized in this appraisal.
Sales Comparison Approach	The Sales Comparison Approach is applicable and is utilized in this appraisal.
Income Capitalization Approach	The Income Capitalization Approach is applicable and is utilized in this appraisal.

Compiled by [REDACTED]

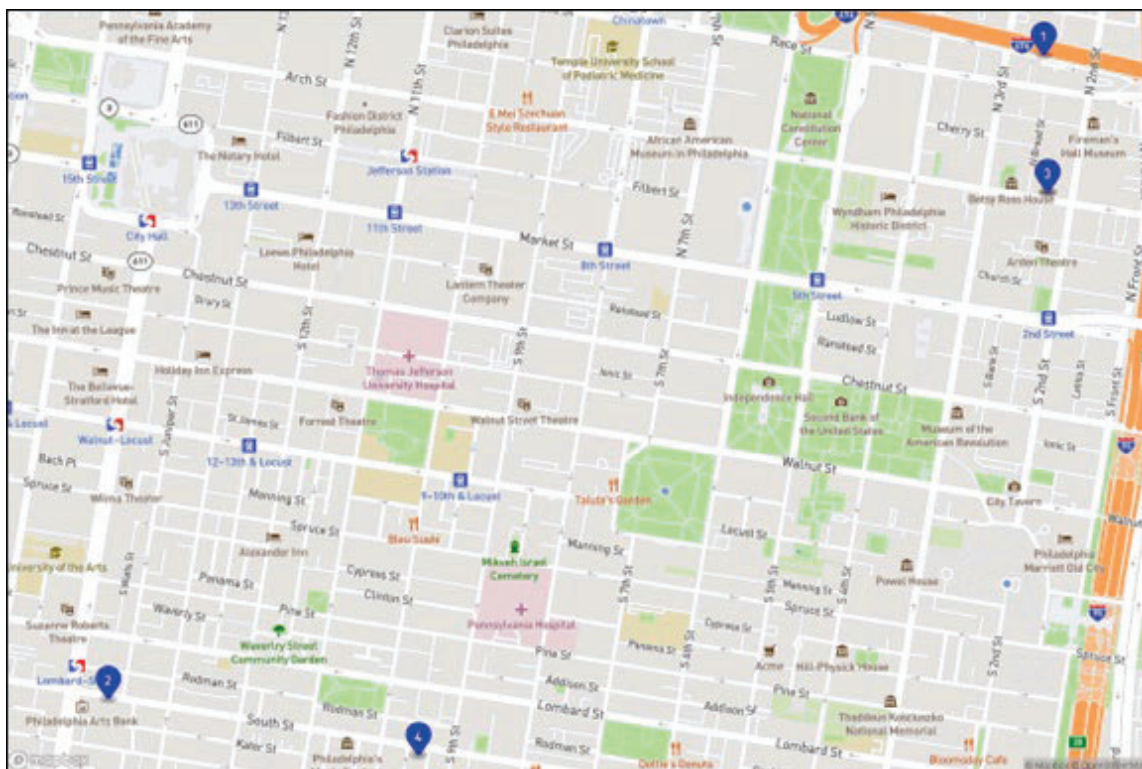
The cost approach was not utilized in this appraisal as market participants considering properties like the subject do not give consideration to the cost approach. The exclusion of this approach is not considered to impact the reliability of the appraisal.

Sales Comparison Approach

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

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



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



Comparable Map

SALES COMPARISON APPROACH

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Comparable Sales Summary					
	Subject	Sale 1	Sale 2	Sale 3	Sale 4
					
Address	104 N. 2nd Street, Unit 205 (aka 205 Arch Street)	225 Race Street, Unit 100	1352 South Street, Unit 215	104 N. 2nd Street, Unit 100	610 S. Percy Street, Unit P6
City, State	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA
Rentable Area (SF)	2,190 SF	2,500 SF	1,476 SF	2,390 SF	2,422 SF
Year Built (Renovated)	1900 (2001)	1930 (2006)	2007	1900	1900
Occupancy/Owner Occ.	100%	100%	100%	100%	100%
Condition	Good	Good	Excellent	Good	Good
Buyer	--	Falasca Holding Company LLC	Klausner Daniel G. Trust	Shadowrock Piter LLC	West RI & JA Living Trust
Seller	--	225 Race Street Investors LP	Ketkar Leena	Kachinske Property LLC	Brophy Robert W Jr
Interest Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Competitive Class	Class B	Class B	Class B	Class B	Class B
Transaction Status	--	Closed	Closed	Closed	Closed
Transaction Date	--	Apr-21	Jan-22	Oct-20	Jan-22
Price	--	\$550,000	\$406,000	\$540,000	\$480,000
Price per SF	--	\$220.00	\$275.07	\$225.94	\$198.18
Compiled by [REDACTED]					

ANALYSIS OF IMPROVED COMPARABLE DATA

Property Rights Conveyed

Each of the comparable sales is the transfer of the fee simple interest, therefore no adjustments apply.

Financing

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

Conditions of Sale

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

Market Conditions

The sales took place from October 2020 to January 2022. The office market has remained volatile over the last few years due to the COVID-19 pandemic, changes in work habits, and current economic climate (rising interest rates, high cost of financing, lack of office sales). Given the continued negative outlook for the office market due to these factors, we have applied a -2% annualized adjustment to account for the continued market volatility.

Location/Access/Exposure

Sales 1 is located several blocks away from the subject in Old City, and Sale 3 is located in the same building as the subject. Neither of these sales required locational adjustments. Sales 2 and 4 are located on or just off South Street. This location is considered inferior to Old City therefore both received an upward adjustment for location.

Size

Sale 2 received a downward adjustment for its smaller size, as smaller properties typically sell for more per square foot. All other properties were considered similar.

Age/Condition/Quality

Sale 1 received a downward adjustment for its superior bilevel design, while Sale 2 received a downward adjustment for its superior condition. All others were deemed similar.

Parking

Sale 2 received a downward adjustment for its inclusion of a designated off-street parking space.

Economic Characteristics

No adjustments were required for economic characteristics.

Functional Utility

Sales 1, 2, and 3 received downward adjustments for their positioning on the first floor, allowing for easier accessibility.

Summary of Adjustments / Adjustment Grid

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

SALES COMPARISON APPROACH

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Comparable Sales Adjustment Grid					
	Subject	Sale 1	Sale 2	Sale 3	Sale 5
Address	104 N. 2nd Street, Unit 205 (aka 205 Arch Street)	225 Race Street, Unit 100	1352 South Street, Unit 215	104 N. 2nd Street, Unit 100	610 S. Percy Street, Unit P6
City	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA
Size (Rentable Area)	2,190 SF	2,700 SF	1,476 SF	2,390 SF	2,422 SF
Year Built (Renovated)	1900 (2001)	1930 (2006)	2007	1900	1900
Transaction Type	--	Closed	Closed	Closed	Closed
Transaction Date	--	Apr-21	Jan-22	Oct-20	Jan-22
Actual Sale Price	--	\$550,000	\$406,000	\$540,000	\$480,000
Price per SF	--	\$203.70	\$275.07	\$225.94	\$198.18
Occupancy	100%	100%	100%	100%	100%
Transaction Adjustments					
Property Rights		0%	0%	0%	0%
Financing		0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%
Market Conditions (Time)	4/10/2023	-4%	-2%	-5%	-2%
Subtotal (adjustments are multiplied)		-4.0%	-2.0%	-5.0%	-2.0%
Transaction Adjusted Price per SF		\$195.56	\$269.57	\$214.64	\$194.22
Property Adjustments					
Location/Access/Exposure		0%	5%	0%	10%
Size		5%	-5%	0%	0%
Age/Condition/Quality		-5%	-5%	0%	0%
Parking		0%	-5%	0%	0%
Economic Characteristics		0%	0%	0%	0%
Functional Utility		-5%	-5%	-5%	0%
Subtotal (adjustments are summed)		-5%	-15%	-5%	10%
Gross Adjustment		19%	27%	10%	12%
Overall Adjustment		-8.8%	-16.7%	-9.75%	7.8%
Indicated Price per SF		\$185.78	\$229.13	\$203.91	\$213.64

Compiled by [REDACTED]

SALES COMPARISON APPROACH CONCLUSION

Office Sales Adjustment Summary			
Price per SF	Low	High	Average
Unadjusted Range	\$198.18	\$275.07	\$225.72
Adjusted Range	\$185.78	\$229.13	\$208.12
Concluded Price per SF Indication			\$205.00

Compiled by [REDACTED]

- Prior to adjustments, the sales reflect a range of \$198.02 to \$275.07 per square foot.
- After adjustment, the range is narrowed to \$185.78 to \$229.13 per square foot with an average of \$208.12 per square foot.
- Primary weight applies to Sale 3 as it is located within the same building as the subject. For this reason, a price per square foot of \$205 is reasonable.

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

Sales Comparison Approach Conclusion		
Reconciliation of Price per SF Indication		Value Indication
Adjusted Value Range - Low		\$185.78
Adjusted Value Range - High		\$229.13
Reconciled As Is Value - Price per SF	Effective Date: 4/10/2023	\$205.00
Subject Rentable Area (SF)		2,190
Reconciled As Is Value - Price per SF Analysis		\$448,950
Reconciled As Is Value - Sales Comparison Approach	Effective Date: 4/10/2023	\$448,950

Value Indications		
As Is		Value Indication
Reconciled As Is Value	Effective Date: 4/10/2023	\$448,950
As Is Value	Effective Date: 4/10/2023	\$448,950
Rounded		\$450,000

Compiled by [REDACTED]

Income Capitalization Approach

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

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

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

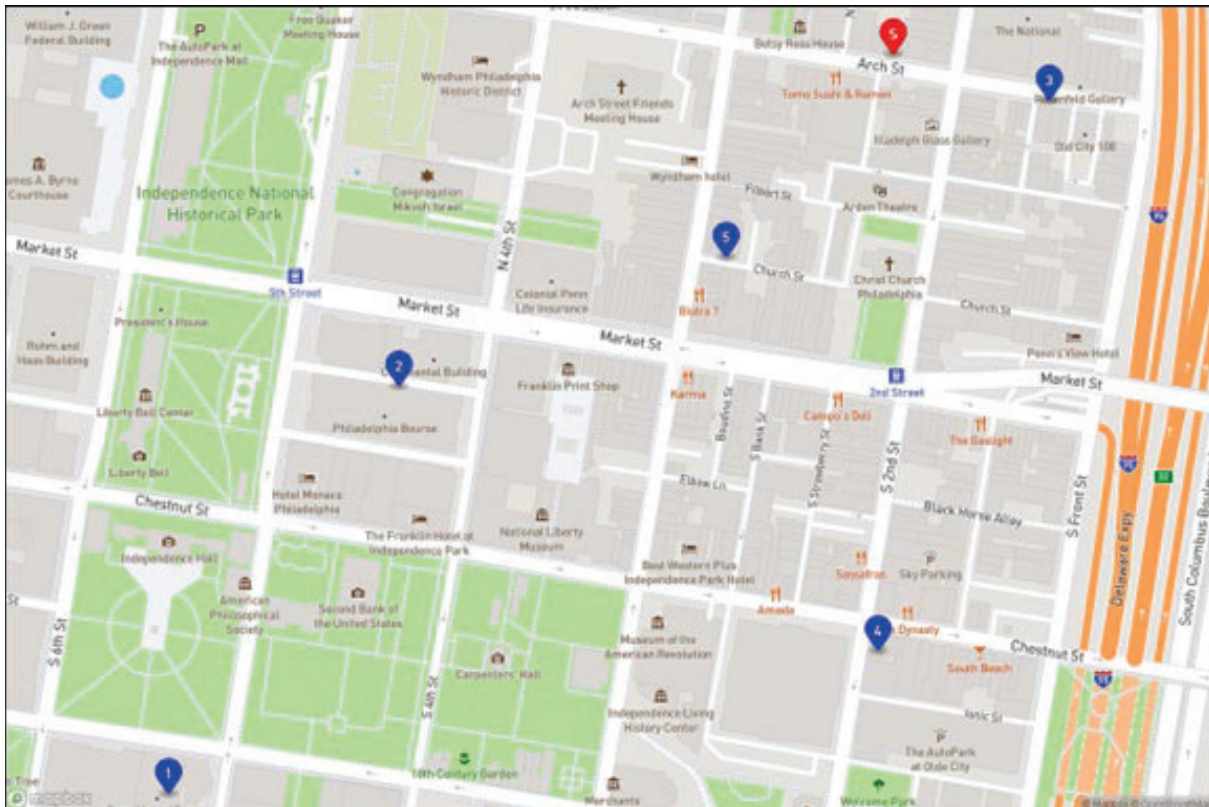
CURRENT OCCUPANT

At time of inspection, the subject property was owner-occupied and was most recently operating as Complete Business Solutions Group.

On the following pages, we have researched and analyzed similar office units to determine the market rent for the subject property.

MARKET RENT ANALYSIS

In estimating market rent for the subject property, we considered actual recent leases from comparable buildings and asking rents from competitive properties (such as those presented in the office market analysis section of this report).



Comparable Map

Comparable Lease Photographs



Comparable One



Comparable Two



Comparable Three



Comparable Four



Comparable Five



INCOME CAPITALIZATION APPROACH

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Analysis of Comparable Leases

Comparable Rentals Summary						
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Address	205 Arch Street	510 Walnut Street	111 S. Independence Mall E.	116 Arch Street	107-115 S. 2nd Street	224 Church Street
State	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA
Leasable Area (SF)	21,233 SF	843,715 SF	298,697 SF	6,640 SF	38,772 SF	54,000 SF
Built (Renovated)	1900 (2001)	1914 (1991)	1895 (1982)	2005	1985	2015
Condition	Good	Average	Average	Good	Average	Good
Financing	None	None	Surface	None	None	None
Details						
Status	--	Signed	Signed	Signed	Signed	Signed
Date	--	Apr-21	Jul-22	Jul-21	Oct-21	May-21
Size (SF)	2,190	3,128	3,135	600	1,541	1,300
Financial Measures						
Effective Rental Rate	--	\$22.00	\$30.00	\$30.00	\$25.00	\$40.00
Lease Reimbursement Method	--	Triple Net	Full Service	Triple Net	Triple Net	Triple Net

Compiled by [REDACTED]

The following table summarizes the adjustments made to each comparable.

Comparable Rentals Adjustment Grid						
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Address	205 Arch Street	510 Walnut Street	111 S. Independence Mall E.	116 Arch Street	107-115 S. 2nd Street	224 Church Street
Lease Date		Apr-21	Jul-22	Jul-21	Oct-21	May-21
Size (SF)	2,190	3,128	3,135	600	1,541	1,300
Effective Rental Rate		\$22.00	\$30.00	\$30.00	\$25.00	\$40.00
Lease Reimbursement Method		Triple Net	Full Service	Triple Net	Triple Net	Triple Net
Financial Adjustments						
Expense Structure (\$ PSF Adjustment)		\$0.00	(\$8.59)	\$0.00	\$0.00	\$0.00
Expense Structure		0%	-29%	0%	0%	0%
Conditions of Lease		0%	0%	0%	0%	0%
Market Conditions (Time)	4/10/2023	-6%	-2%	-5%	-4%	-6%
Subtotal		-6%	-30%	-5%	-4%	-6%
Financial Adjusted Rent Per SF		\$20.68	\$20.98	\$28.50	\$24.00	\$37.60
Physical Adjustments						
Location/Access/Exposure		-5%	-5%	0%	0%	0%
Size		10%	10%	-10%	-5%	-5%
Age/Condition/Quality		5%	5%	0%	5%	-5%
Parking		0%	-5%	0%	0%	0%
Features/Amenities		-5%	-5%	0%	0%	0%
Functional Utility		0%	0%	-5%	0%	0%
Subtotal		5%	0%	-15%	0%	-10%
Overall Adjustment		-1%	-30%	-19%	-4%	-15%
Adjusted Rent Per SF		\$21.71	\$20.98	\$24.23	\$24.00	\$33.84
Range of Adjusted Rents	\$20.98 - \$33.84					
Average	\$24.95					
Indicated Rent	\$25.00					

Compiled by [REDACTED]

MARKET RENT CONCLUSION

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

Concluded Market Lease Terms							
MLA Category	Rentable SF	Market Rent	Measure	Rent Escalations	Reimbursement Method	Term (Mos.)	Mos. Free
Office Condominium	2,190	\$25.00	\$/SF/Year	2.50%/year	Triple Net	60	0
Compiled by [REDACTED]							

Escalation Conclusion

Our research suggests that a 2.5% annual escalation is typical for office space and accounts for rising inflation.

Expense Reimbursement Structure Conclusion

Our analysis of the subject's office market indicates that the majority of office leases in the submarket are written on a triple net basis. Given the self-contained nature of improvements as an office condominium, we have concluded triple net terms for the subject. In this case, the tenant would be responsible for real estate taxes and rent association fees (covering insurance, management, utilities, repairs and maintenance, and replacement reserves).

Lease Term Conclusion

We have determined that a lease term of 60 months is reasonable, given the shift in demand away from long-term leases of office space.

Months Free

None of the comparable office leases include free months of rent, therefore we have excluded a deduction from our concluded market lease terms.

Tenant Improvement Conclusion

Comparable leases do not include allowances for tenant improvements. Basic cosmetic upgrades (painting/carpeting for example) are typical upon tenant turnover.

GROSS INCOME ESTIMATE

Potential Gross Rent

Potential Gross Rent			
MLA Category	Leased SF	Potential Rent At Market	
		Annual	\$/SF/Yr
Occupied Space			
Office Condominium	2,190	\$54,750	\$25.00
Compiled by [REDACTED]			

- For the direct capitalization analysis, potential gross rent is based on the previously established market rent.

Operating History

Three years of historical operating data, trailing 12 month data, year-to-date, and a current budget for the property were requested. Two years of historical operating data were provided. 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. This property is owner-occupied therefore no revenue has been reported.

The condominium fee for the unit is \$1,009.45 per month (\$12,133.40 annually). Based on our review of the 2023 budget for Cooks Row Condo Association, the following expenses are included in the monthly fee: property management, property insurance, repairs and maintenance, snow/trash removal, common area maintenance, utilities, and replacement reserves.

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

INCOME CAPITALIZATION APPROACH

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Application of [REDACTED] Account Standards to Owner's Expenses			
Actual or Proforma		Actuals	Actuals
Period Length		12 Mos.	12 Mos.
Period Ending		12/31/2021	12/31/2022
SF		2,190	2,190
Owner's Operating Expense Category	[REDACTED] Operating Expense Category		
Bank Fees	General and Administrative	\$137	\$207
Insurance	Insurance	\$2,616	\$1,976
Rent - Association Fees	General and Administrative	\$11,062	\$8,133
Licenses, Property, and Other Taxes	Real Estate Taxes	\$6,117	\$6,435
Total Operating Expenses	Total Operating Expenses	\$19,932	\$16,751

Compiled by [REDACTED]

Operating History and Projections						
Period Length	12 Mos.	12 Mos.				
Period Ending	12/31/2021	12/31/2022			Projection	
Occupancy	100.0%	100.0%			100.0%	
SF		2,190		2,190		2,190
Office Income	Total \$	\$/SF	Total \$	\$/SF	Total \$	\$/SF
Potential Base Rent	\$0	\$0.00	\$0	\$0.00	\$54,750	\$25.00
Scheduled Base Rent	\$0	\$0.00	\$0	\$0.00	\$54,750	\$25.00
Expense Recoveries	\$0	\$0.00	\$0	\$0.00	\$18,808	\$8.59
Total Tenant Revenue	\$0	\$0.00	\$0	\$0.00	\$73,558	\$33.59
Potential Gross Income	\$0	\$0.00	\$0	\$0.00	\$73,558	\$33.59
Vacancy Allowance	\$0	\$0.00	\$0	\$0.00	(\$8,827)	(\$4.03)
Collection Allowance	\$0	\$0.00	\$0	\$0.00	(\$736)	(\$0.34)
Effective Gross Office Income	\$0	\$0.00	\$0	\$0.00	\$63,996	\$29.22
Effective Gross Income	\$0	\$0.00	\$0	\$0.00	\$63,996	\$29.22
Operating Expenses	Total \$	\$/SF	Total \$	\$/SF	Total \$	\$/SF
Real Estate Taxes	\$6,117	\$2.79	\$6,435	\$2.94	\$6,675	\$3.05
Insurance	\$2,616	\$1.19	\$1,976	\$0.90	\$2,190	\$1.00
Utilities	\$0	\$0.00	\$0	\$0.00	\$1,467	\$0.67
Repairs and Maintenance	\$0	\$0.00	\$0	\$0.00	\$4,380	\$2.00
General and Administrative	\$11,199	\$5.11	\$8,340	\$3.81	\$1,095	\$0.50
Management	\$0	\$0.00	\$0	\$0.00	\$1,920	\$0.88
Replacement Reserves	\$0	\$0.00	\$0	\$0.00	\$1,095	\$0.50
Total Operating Expenses	\$19,932	\$9.10	\$16,751	\$7.65	\$18,822	\$8.59
Operating Expense Ratio	N/A		N/A		29.4%	
Net Operating Income	N/A	N/A	N/A	N/A	\$45,173	\$20.63

Compiled by [REDACTED]

Potential Base Rent

The following depicts the potential base rent for the property if leased at a market rental rate.

Scheduled Base Rent		
Subject	\$/SF	Total
██████████ Projection	\$25.00	\$54,750
Compiled by ██████████		

- As previously mentioned, we conclude triple net lease terms for the subject and include a line item for expense reimbursements.

Expense Recoveries

Expense Recoveries		
Subject	\$/SF	Total
██████████ Projection	\$8.59	\$18,808
Compiled by ██████████		

- Expense reimbursements for the subject include real estate taxes and the condominium fee (insurance, repairs and maintenance, utilities, management, and replacement reserves).

Total Tenant Revenue

Total tenant revenue incorporates the potential base rent for the subject plus expense reimbursements.

Total Tenant Revenue		
Subject	\$/SF	Total
██████████ Projection	\$33.59	\$73,558
Compiled by ██████████		

Vacancy & Collection Loss Allowance**Vacancy Allowance****Market Vacancy Rate Indicators**

	Current	Most Recent Full Year	Trailing 3-Year	Trailing 5-Year	Trailing 10-Year
Costar					
Philadelphia	10.50%	10.40%	9.10%	7.80%	9.70%
Independence Hall	12.00%	11.50%	10.60%	9.90%	9.50%

Concluded Subject Vacancy Rate 12.00%

Source: Costar, [REDACTED]

- The vacancy estimate for the subject was previously developed in the market analysis section of this report and was determined to be 12.00%.

Collection Loss

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

Combined Vacancy and Collection Loss Conclusion

- Based on this analysis, the total stabilized vacancy and collection loss allowance for the subject is 13.00%.

Effective Gross Income**Effective Gross Income**

Subject	\$/SF	Total
[REDACTED] Projection	\$29.22	\$63,996

Compiled by [REDACTED]

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	1920 (1994)	1970 (2019)	1916 (2000)	1915	1900		
SF	6,295	9,450	4,600	2,646	2,190	2,190	2,190
Operating Data Type	Actual	Actual	Actual	Actual	Actual	Actual	
Year	2020	2021	2020	2022	2021	2022	Projection
Operating Expenses Per SF							
Real Estate Taxes	\$4.84	\$7.84	\$5.18	\$3.20	\$2.79	\$2.94	\$3.05
Insurance	\$0.97	\$1.73	\$1.15	\$1.17	\$1.19	\$0.90	\$1.00
Utilities	\$0.00	\$2.59	\$0.00	\$2.12	\$0.00	\$0.00	\$0.64
Repairs and Maintenance	\$0.00	\$0.00	\$0.00	\$0.91	\$0.00	\$0.00	\$2.00
General and Administrative	\$2.29	\$2.48	\$1.15	\$0.00	\$5.11	\$3.81	\$0.50
Management	\$2.80	\$2.64	\$3.04	\$1.18	\$0.00	\$0.00	\$0.90
Replacement Reserves	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.50
Total Operating Expenses Per SF	\$10.90	\$17.28	\$10.52	\$8.58	\$9.10	\$7.65	\$8.59

Compiled by [REDACTED]

Real Estate Taxes

Real Estate Taxes		
Source	\$/SF	Total
Comparables Low	\$3.20	
Comparables High	\$7.84	
Comparables Average	\$5.27	
Subject		
2021 (Actual Operations)	\$2.79	\$6,117
2022 (Actual Operations)	\$2.94	\$6,435
[REDACTED] Projection	\$3.05	\$6,675

Compiled by [REDACTED]

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

Insurance

Insurance		
Source	\$/SF	Total
Comparables Low	\$0.97	
Comparables High	\$1.73	
Comparables Average	\$1.26	
Subject		
2021 (Actual Operations)	\$1.19	\$2,616
2022 (Actual Operations)	\$0.90	\$1,976
██████████ Projection	\$1.00	\$2,190

Compiled by ██████████

- Our estimate is similar to the most recent year of operating history for the property.

Utilities

Utilities		
Source	\$/SF	Total
Comparables Low	\$0.00	
Comparables High	\$2.59	
Comparables Average	\$1.18	
Subject		
2021 (Actual Operations)	\$0.00	\$0
2022 (Actual Operations)	\$0.00	\$0
██████████ Projection	\$0.67	\$1,467

Compiled by ██████████

- The provided historical operating expenses does not account for utilities as they are included in the condominium fee. For valuation purposes, we have estimated the utilities for the subject and include them in expense reimbursements.

Repairs and Maintenance

Repairs and Maintenance		
Source	\$/SF	Total
Comparables Low	\$0.00	
Comparables High	\$0.91	
Comparables Average	\$0.23	
Subject		
2021 (Actual Operations)	\$0.00	\$0
2022 (Actual Operations)	\$0.00	\$0
██████████ Projection	\$2.00	\$4,380

Compiled by ██████████

- We've estimated a rate of \$2.00 per SF which is typical for a property of this size.

General and Administrative

General and Administrative		
Source	\$/SF	Total
Comparables Low	\$0.00	
Comparables High	\$2.48	
Comparables Average	\$1.48	
Subject		
2021 (Actual Operations)	\$5.11	\$11,199
2022 (Actual Operations)	\$3.81	\$8,340
██████████ Projection	\$0.50	\$1,095

Compiled by ██████████

- For purposes of our analysis, we estimated a general and administrative amount of \$0.25 per square foot, however we note that the historical general and administrative amount is inclusive of the condominium fee (\$1,009/month or \$5.54/SF).
- The condominium fee includes insurance, repairs and maintenance, management, utilities, and replacement reserves. We broke out these expenses in our projection for each individual item, as estimated by the expense comps included in this section.

Management

Management		
Source	\$/SF	Total
Comparables Low	\$1.18	
Comparables High	\$3.04	
Comparables Average	\$2.42	
Subject		
2021 (Actual Operations)	\$0.00	\$0
2022 (Actual Operations)	\$0.00	\$0
██████████ Projection	\$0.88	\$1,920

Compiled by ██████████

- Management fees typically range from 2% to 5% of the effective gross income. We've utilized a 3% management fee which is standard for this property type.

Replacement Reserves

Replacement Reserves		
Source	\$/SF	Total
██████████ Projection	\$0.50	\$1,095
<i>Compiled by</i> ██████████		

- Replacement reserves are not included as an expense in the historical operating data that was provided for us. Our projection of expenses includes a line item for replacement reserves which serve as a rainy day fund for any repairs or updates not included in the condominium fee.

Total Operating Expenses

Total Operating Expenses		
Source	\$/SF	Total
Comparables Low	\$8.58	
Comparables High	\$17.28	
Comparables Average	\$11.82	
Subject		
2021 (Actual Operations)	\$9.10	\$19,932
2022 (Actual Operations)	\$7.65	\$16,751
██████████ Projection	\$8.59	\$18,822
<i>Compiled by</i> ██████████		

- Our projected total operating expenses are similar to the reported historical operating expenses for the property.

NET OPERATING INCOME

Net Operating Income		
Source	\$/SF	Total
██████████ Projection	\$20.63	\$45,173
<i>Compiled by</i> ██████████		

CAP RATE AND VALUE CHANGES – EARLY 2Q 2023

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

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

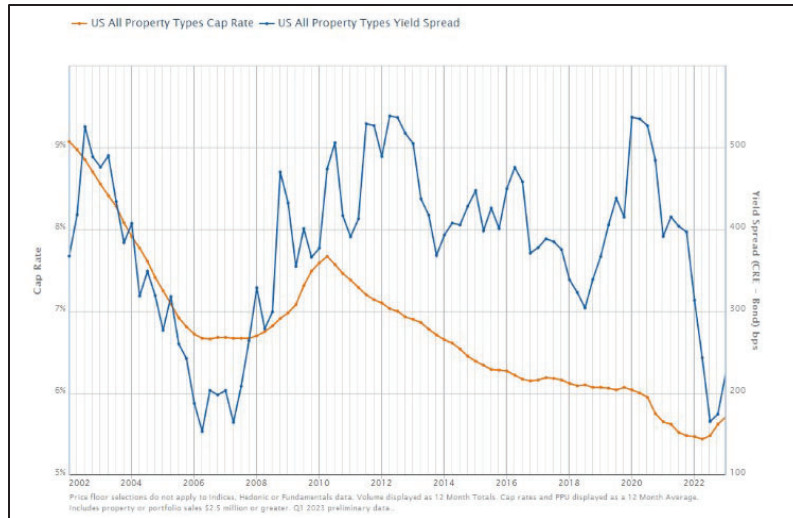
Real Capital Analytics reported in their Q1 2023 Capital Trends publication that “Deal volume is down at double-digit rates from a year earlier, prices are in retreat and cap rates are ticking upward.” “The RCA CPPI National All-Property Index fell 8.0% from a year earlier in the first quarter, marking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

Cost of Capital

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

Capitalization Rates

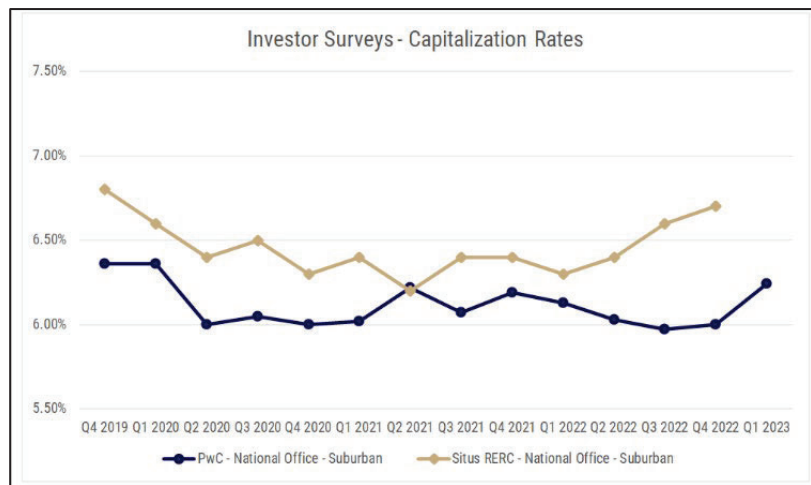
The majority of investors surveyed by PwC for their First Quarter 2023 Real Estate Investor Survey expect capitalization rates to increase over the next six months. This translates to slowing transaction volume but also directly impacts pricing expectations. “We need higher returns due to rising capital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



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

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

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



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

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

conditions and stock market trends. This makes the Green Street data more reflective of trends as opposed to actual changes now occurring.

Green Street – Cap Rate Observer – February 2023

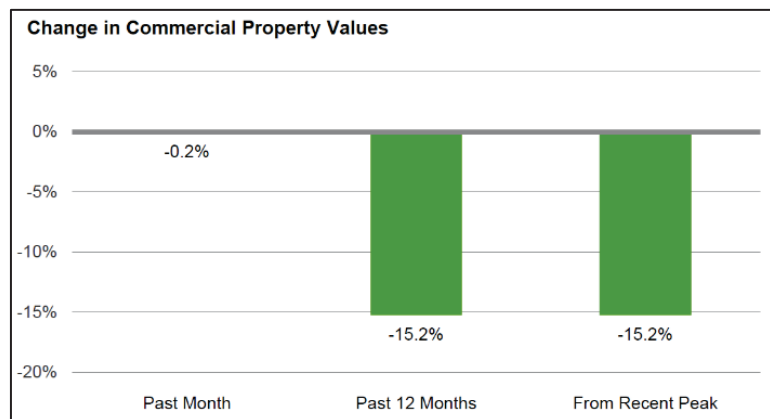
Property Type Sector	March 22 Cap Rates	March 23 Cap Rates	One Year ▲ (bps)
Apartment	3.9%	5.2%	+130
Industrial	3.9%	4.6%	+70
Office	6.5%	8.7%	+220
Strip Center	5.5%	6.6%	+110
Self-Storage	4.3%	5.1%	+80
Single-Family Rental	4.6%	5.1%	+50

Compiled by [REDACTED]

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

Property Values

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



Green Street CPPI®: Sector-Level Indexes

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

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

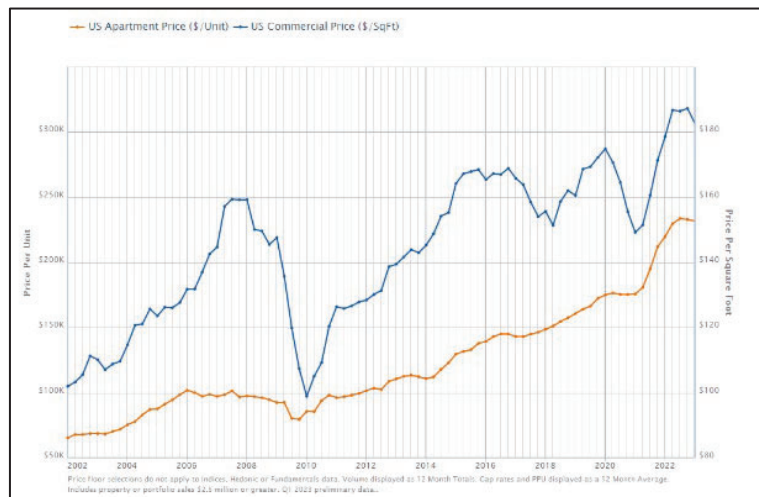
All property sectors have now turned negative since the recent

peak as shown in the table to the left. The largest downturn is in the malls and apartment

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

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

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



56% this quarter. Demand is clearly falling – which means that pricing will fall as well just from a simple economics supply and demand model. On the other hand, pricing metrics from Real Capital Analytics have not been severely impacted – for first quarter 2023, the price change was only -8.0% year over year. The graph to the right shows price per unit for apartments (orange line) and price per square foot for commercial properties (blue line) – neither has moved significantly downward yet.

Final Thoughts / Action Items

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

We have to make sure we are considering data relevant to the property we are appraising. Remember, the definition of market value talks about the buyer and seller being “knowledgeable” and “well informed or well advised”. These individuals will be fully cognizant

of the challenges they face from cost of capital and will make appropriate adjustments in their underwriting – this means that we must do the same.

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

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

Comparable Properties

Cap Rates for Recent Sales and Listings of Office Buildings

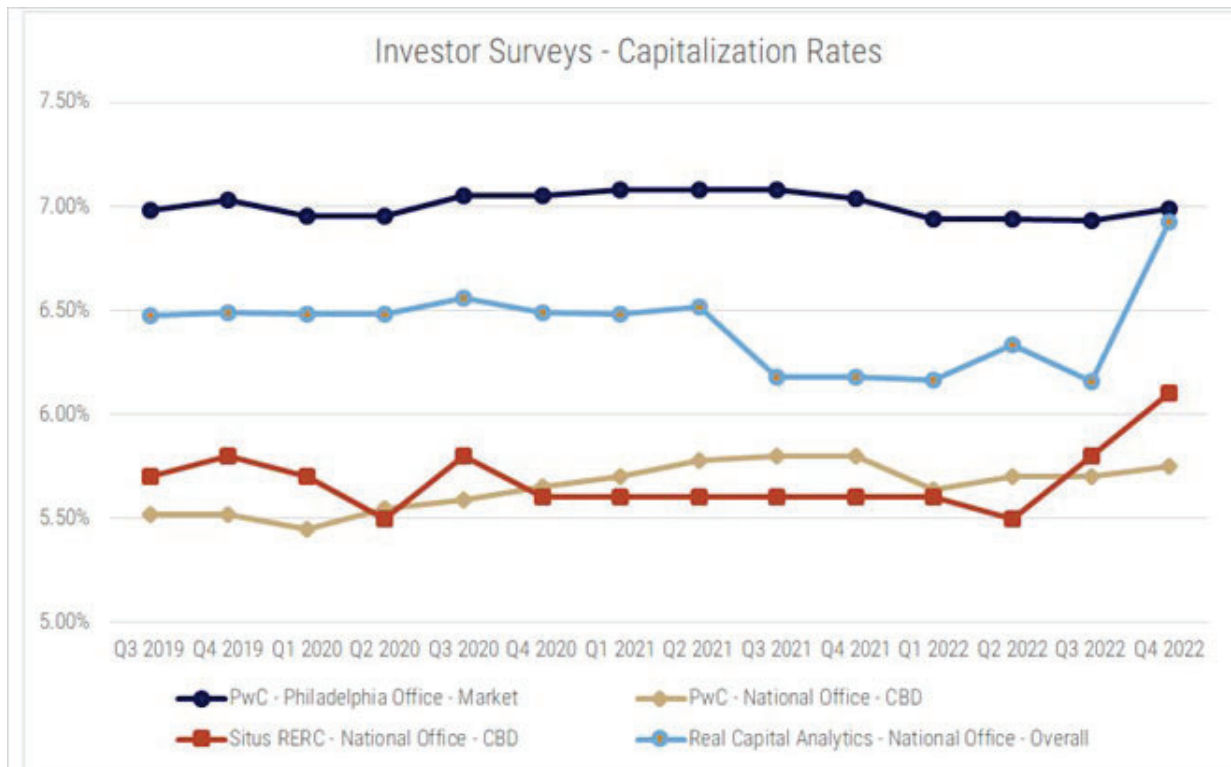
No.	Property Location	Yr. Built	Sale Date	Rentable		
				Area	Price per SF	OAR
1	32-34 S. Strawberry Street	1881 (2023)	N/A	4,800	\$521	6.00%
2	333 Bainbridge Street	1860	N/A	4,400	\$222	5.41%
3	1636 Ridge Avenue	2016	N/A	1,234	\$223	7.53%
4	2043 Locust Street	1799 (2007)	Jun-2022	4,815	\$239	5.00%
Average (Mean) Cap Rate:						5.99%

Compiled by [REDACTED]

Investor Surveys

Investor Surveys - Capitalization Rates				
Source	Period	Low	High	Average
PwC - Philadelphia Office - Market	Q4 2022	5.00%	8.50%	6.99%
PwC - National Office - CBD	Q4 2022	4.25%	7.50%	5.75%
Situs RERC - National Office - CBD	Q4 2022	5.00%	8.00%	6.10%
Real Capital Analytics - National Office - Overall	Q4 2022	N/A	N/A	6.92%

Compiled by [REDACTED]



- The most current national survey data indicates that going-in capitalization rates range from 4.25% to 8.50% and average 6.44%.
- Accordingly, based on the survey data and comparable properties, a capitalization rate within a range of 6.50% to 7.50% could be expected for the subject.

Band of Investment**Band of Investment****Mortgage/Equity Assumptions**

Loan to Value Ratio	70%
Interest Rate	6.00%
Amortization (Years)	25
Mortgage Constant	0.0773
Equity Ratio	30%
Equity Dividend Rate	9.25%

Weighted Average Of Mortgage/Equity Requirements

Mortgage Requirement	70%	x	7.73%	=	5.41%
Equity Requirement	30%	x	9.25%	=	2.78%

Indicated Capitalization Rate (Rounded) **8.25%**

Compiled by [REDACTED]

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

Key Value Considerations**Strengths**

1. The subject is located along Arch Street in Old City, which has above average accessibility and good visibility.
2. The property was in good condition at time of inspection with no items of deferred maintenance observed.

National Trends and Uncertainties

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

Capitalization Rate Conclusion	
Source	Indication
Comparable Office Sales and Listings	5.00% - 7.53%
Investor Surveys	6.44% - 8.50%
Band of Investment	8.25%
Concluded Going-In Capitalization Rate	8.50%
Compiled by [REDACTED]	

- We have concluded a capitalization rate of 8.50% considering the subject's position on the second floor and volatile market conditions for office space.

INCOME CAPITALIZATION APPROACH

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Direct Capitalization Summary

Net operating income is divided by the capitalization rate to derive the stabilized value of the subject. The as-is value indication is derived through the adjustments noted above. Valuation of the subject by direct capitalization is shown in the table immediately following.

Income Capitalization Approach			
Summary of Stabilized Net Operating Income			
Item Description	% of Income	\$ / SF	Total \$
Office Income		2,190 SF	
Potential Base Rent		\$25.00	\$54,750
Expense Recoveries		\$8.59	\$18,808
Total Tenant Revenue		\$33.59	\$73,558
Potential Gross Income		\$33.59	\$73,558
Vacancy Allowance	-12.00%	(\$4.03)	(\$8,827)
Collection Allowance	-1.00%	(\$0.34)	(\$736)
Effective Gross Office Income		\$29.22	\$63,996
Effective Gross Income		\$29.22	\$63,996
Operating Expenses		2,190 SF	
Real Estate Taxes		\$3.05	\$6,675
Insurance		\$1.00	\$2,190
Utilities		\$0.67	\$1,467
Repairs and Maintenance		\$2.00	\$4,380
General and Administrative		\$0.50	\$1,095
Management	3.00%	\$0.88	\$1,920
Replacement Reserves		\$0.50	\$1,095
Total Operating Expenses	29.41%	\$8.59	\$18,822
Net Operating Income		\$20.63	\$45,173
Direct Capitalization Method			
Value Indication		\$ / SF	Total \$
Stabilized Net Operating Income		\$20.63	\$45,173
Overall Capitalization Rate			8.50%
As Stabilized Value	Effective Date: 4/10/2023		\$531,453
Rounded		\$239.73	\$525,000

Valuation Matrix	
OAR	Value
8.00%	\$564,669
8.25%	\$547,558
8.50%	\$531,453
8.75%	\$516,269
9.00%	\$501,928

As Is		
As Is Value as of Current Date	Effective Date: 4/10/2023	\$531,453
Rounded		\$239.73
		\$525,000

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 10, 2023
Cost Approach:	Not Used
Sales Comparison Approach:	\$450,000
Income Capitalization Approach:	\$525,000
Market Value Conclusion	\$525,000
Compiled by [REDACTED]	

Cost Approach

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

Sales Comparison Approach

The Sales Comparison Approach is focused on comparing the subject to sale and other market transactions with the aim to develop an indication of value that is founded on the theory of substitution. Basically, the intention is to determine value through considering the prices of properties which would be a substitute property to the subject. The subject property is an owner-occupied property. In this market, it would not be commonly leased and the typical owner would also be the user. Therefore, the sales comparison approach takes on added significance. As the sales comparison approach specifically utilizes sales data from properties acquired for owner-occupancy as well, this approach is given primary weight in this appraisal.

Income Capitalization Approach

The subject property is an owner occupied office property. The income approach was developed on the basis of leasing at market rent. Only direct capitalization was developed in accordance with typical investor analyses. Market rent was well established by reasonably similar lease data. Capitalization rates were developed from a number of sources including the sales and listings of recent office properties. In total, the income capitalization approach is considered to be reliable but, as an owner-occupied property, the income capitalization

RECONCILIATION OF VALUE

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approach is less applicable than would be typical. This approach is given less weight than the other approaches for that reason.

FINAL VALUE CONCLUSIONS**Value Conclusions**

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Fee Simple	4/10/2023	\$525,000

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.

1. None

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

1. None

Compiled by [REDACTED]

EXPOSURE TIME

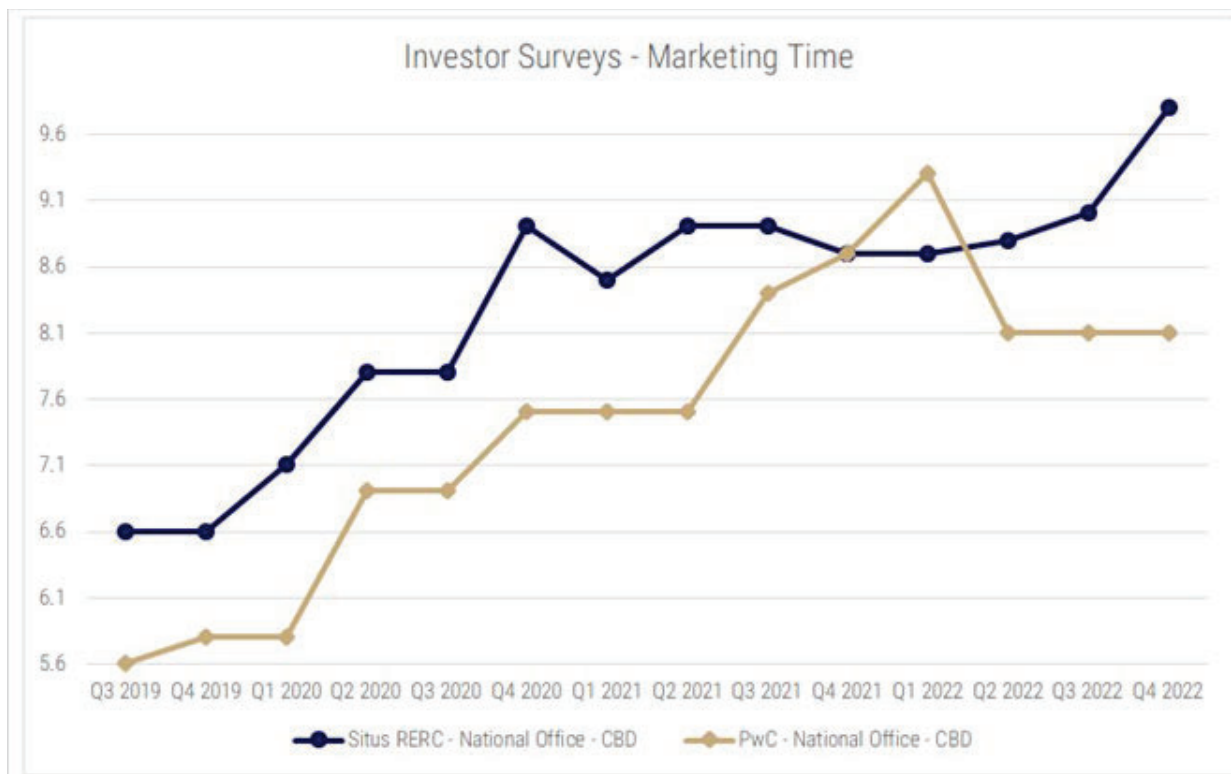
Exposure time is the estimated length of time the subject property would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. It is a retrospective estimate based on an analysis of past events assuming a competitive and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

The following is national investor survey data which is one source for the underlying data to this conclusion.

Investor Surveys - Marketing Times

Source	Period	Low	High	Average
Situs RERC - National Office - CBD	Q4 2022	N/A	N/A	9.8
PwC - National Office - CBD	Q4 2022	3.0	12.0	8.1

Compiled by [REDACTED]



Recent sales transaction data for similar properties, supply and demand characteristics for the local office 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 9 to 12 months.

MARKETING TIME

Marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. As no significant changes in market conditions are foreseen in the near term, it is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 9 to 12 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

ASSUMPTIONS AND LIMITING CONDITIONS

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

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

ASSUMPTIONS AND LIMITING CONDITIONS

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

ADDENDA

Addendum A

Glossary of Terms



ADDENDA

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

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

ADDENDA

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

ADDENDA

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

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

ADDENDA

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

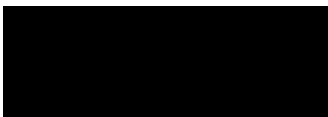
- ◆ **Net Lease:** A lease in which the landlord passes on all expenses to the tenant. See also *gross lease*; *modified gross lease*.
- ◆ **Net Net Net Lease:** An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses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

ADDENDA

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

ADDENDA

Addendum B
Engagement Letter



[REDACTED]

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]

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

VALUATION PREMISE: Market Value As-Is

INTEREST IN THE
PROPERTY APPRAISED: Leased Fee Interest

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

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

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

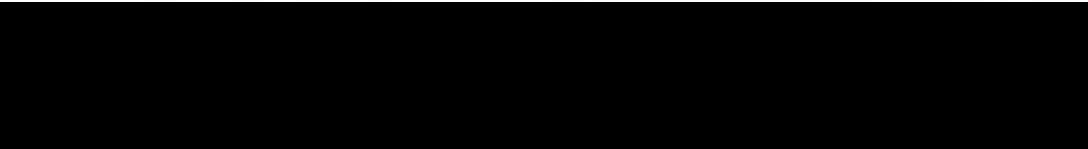
RELIANCE LANGUAGE: None

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

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

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

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



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

PAYMENT:

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

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

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

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

CHANGES TO THE AGREEMENT:

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

CANCELLATION OF ASSIGNMENT:

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

NO THIRD-PARTY BENEFICIARIES:

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

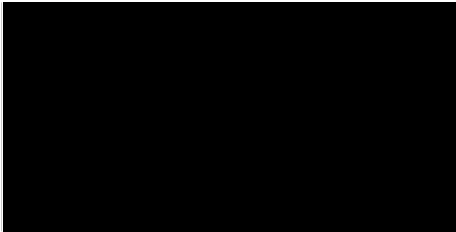
Timothy M. Hazel, Esquire
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In addition, this Agreement is not intended to, and shall not be construed to, render any person or entity a third-party beneficiary of this Agreement. Client acknowledges and agrees that the appraisal report shall reflect 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:

A handwritten signature in blue ink, appearing to read "Gaetan J. Alfano", written over a horizontal line.

PRINT NAME:

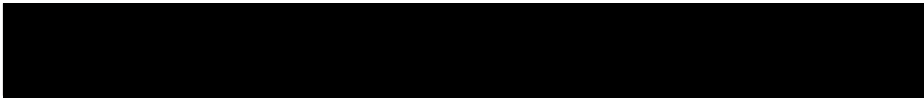
GAETAN J. ALFANO

TITLE:

PARTNER

DATE:

3-24-23



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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.
- [REDACTED]

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FOR APARTMENT PROPERTY

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

FOR COMMERCIAL PROPERTY

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

FOR ALL INCOME-PRODUCING PROPERTIES

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

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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



of 217
eRecorded in Philadelphia PA Doc Id: 53207263
05/03/2017 06:08 PM Page 1 of 5 Rec Fee: \$252.00
Receipt#: 17-45347
Records Department Doc Code: D
State RTT: \$2,600.00 Local RTT: \$8,060.00

Prepared by and Return to:

First Platinum Abstract, LLC
2416 Bristol Road
Bensalem, PA 19020
215-741-2000

File No. 19965-FPA

BRT # 888049225

This Indenture, made the 27th day of April, 2017,

Between

M.H.J. ASSOCIATES REAL ESTATE, L.P.

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

205 B ARCH STREET MANAGEMENT LLC

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

Witnesseth, that the said Grantor for and in consideration of the sum of **Two Hundred Sixty Thousand And 00/100 Dollars (\$260,000.00)** lawful money of the United States of America, unto it well and truly paid by the said Grantee, at or before the sealing and delivery hereof, the receipt whereof is hereby acknowledged, has granted, bargained and sold, released and confirmed, and by these presents does grant, bargain and sell, release and confirm unto the said Grantee, its successors and assigns,

Street Address: 104 North 2nd Street, Philadelphia, PA

ALL THAT CERTAIN Unit, designated as Unit Number 250, being a Unit in Cook's Row Condominium, in the 5th Ward of the City of Philadelphia and Commonwealth of Pennsylvania, as designated in that certain Declaration of Condominium of Cook's Row Condominium dated 6/15/2001 and recorded in the Department of Records, in and for the City and County of Philadelphia, on 6/22/2001 as Document No. 50280207, and that certain Declaration Plan of Cook's Row Condominium, dated 6/15/2001 and recorded on 6/22/2001 as Document No. 50280207; as amended by First Amendment to Declaration dated 6/6/2002 and recorded as Document No. 50474408; and a Corrective Amendment to Declaration of Condominium dated 10/1/2015 and recorded 10/16/2015 as Document No. 52978112.

BEING NO. 104 North 2nd Street, also known as 205 Arch Street, Unit No. 205, Cook's Row Condominium.

TOGETHER with all the right, title and interest of, in and to the common elements, as more fully set forth in the aforesaid Declaration of Condominium, and Declaration Plan thereto; and any Amendments thereto.

Being inter-alia, the same premises which MC Real Estate Partners I, L.P., a PA limited partnership by Deed dated 3/30/2005 and recorded 5/2/2005 in Philadelphia County as Document No. 51166737 conveyed unto MHJ Associates Real Estate, LP, in fee.

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

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

And the said Grantor, for itself, its successors and assigns, does, by these presents, covenant, grant and agree, to and with the said Grantee, its successors and assigns, that it, the said Grantor, and its successors and assigns, all and singular the hereditaments and premises herein described and granted, or mentioned and intended so to be, with the appurtenances, unto the said Grantee, its successors and assigns, against it, the said Grantor, and its successors and assigns, and against all and every other person and persons whosoever lawfully claiming or to claim the same or any part thereof, by, from or under him, her, it, or any of them, shall and will

Warrant and Forever Defend.

In Witness Whereof, the party of the first part has caused its common and corporate seal to be affixed to these presents by the hand of its General Partner. Dated the day and year first above written.

**Sealed and Delivered
in the Presence of Us:**

**M.H.J. ASSOCIATES REAL ESTATE, LP BY ITS
GENERAL PARTNER M.H.J. ASSOCIATES, LLC,
PA LLC**



By:

Michael Yaron, Member

By:

Harrise Yaron, Member

Commonwealth of Pennsylvania }
County of Philadelphia } ss

AND NOW, this 27th day of April, 2017, before me, the undersigned Notary Public, appeared Michael Yaron and Harrise Yaron, who acknowledged themselves to be the Members (title) of M.H.J. ASSOCIATES, LLC, General Partner of M.H.J. ASSOCIATES REAL ESTATE, LP, a limited partnership, and they, as such Members (title) being authorized to do so, executed the foregoing instrument for the purposes therein contained on behalf of M.H.J. ASSOCIATES REAL ESTATE, LP by signing the name of the general partnership by themselves as Members (title) thereof.

IN WITNESS WHEREOF, I hereunder set my hand and official seal.

[Signature]
Notary Public

My commission expires

2/11/19

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

104 N. 2nd ST, Unit 205
Philadelphia, PA 19106

[Signature]
On behalf of the Grantee

COMMONWEALTH OF PENNSYLVANIA

NOTARY SEAL

Gabriel G. DiCiurcio, Notary Public
Conshohocken Borough, Montgomery County
My Commission Expires February 11, 2019

Deed

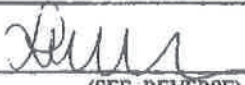
BRT # 888049225

M.H.J. ASSOCIATES REAL ESTATE, L.P.

TO

205 B Arch Street Management LLC

First Platinum Abstract, LLC
2416 Bristol Road
Bensalem, PA 19020
Telephone: 215-741-2000 Fax: 215-741-1440

PHILADELPHIA REAL ESTATE TRANSFER TAX CERTIFICATION		BOOK NO. _____ PAGE NO. _____ DATE RECORDED _____ CITY TAX PAID _____	
Complete each section and file in duplicate with Recorder of Deeds when (1) the full consideration/value is/is not set forth in the deed, (2) when the deed is with consideration, or by gift, or (3) a tax exemption is claimed. If more space is needed, attach additional sheet(s).			
A. CORRESPONDENT — All inquiries may be directed to the following person:			
NAME 205 B Arch Street Management LLC		TELEPHONE NUMBER: _____	
STREET ADDRESS 104 N. 2nd ST Unit 205		AREA CODE () PA	ZIP CODE 19106
CITY Phila		STATE PA	ZIP CODE 19106
B. TRANSFER DATA GRANTOR(S)/LESSOR(S) M.H.J. ASSOCIATES REAL ESTATE, L.P.		DATE OF ACCEPTANCE OF DOCUMENT: April 27, 2017 GRANTEE(S)/LESSEE(S) 205 B Arch Street Management LLC	
STREET ADDRESS 104 N. 2nd ST Unit 205		STREET ADDRESS 104 N. 2nd ST, Unit 205	
CITY Phila	STATE PA	ZIP CODE 19106	CITY Phila
STATE PA		ZIP CODE 19106	
C. PROPERTY LOCATION			
STREET ADDRESS 104 North 2nd Street		CITY, TOWNSHIP, BOROUGH Philadelphia City	
COUNTY Philadelphia	SCHOOL DISTRICT Philadelphia	TAX PARCEL NUMBER 888049225	
D. VALUATION DATA			
1. ACTUAL CASH CONSIDERATION 260,000.00	2. OTHER CONSIDERATION + 0.00	3. TOTAL CONSIDERATION = 260,000.00	
4. COUNTY ASSESSED VALUE 378,800.00	5. COMMON LEVEL RATIO FACTOR X 1.02	6. FAIR MARKET VALUE = 386,376.00	
E. EXEMPTION DATA			
1A. AMOUNT OF EXEMPTION 0.00	1B. PERCENTAGE OF INTEREST CONVEYED 100%		
2. Check Appropriate Box Below for Exemption Claimed			
<input type="checkbox"/> Will or intestate succession _____ <div style="text-align: center; font-size: small;">(NAME OF DECEDENT) (ESTATE FILE NUMBER)</div>			
<input type="checkbox"/> Transfer to Industrial Development Agency.			
<input type="checkbox"/> Transfer to agent or straw party. (Attach copy of agency/straw party agreement).			
<input type="checkbox"/> Transfer between principal and agent. (Attach copy of agency/straw trust agreement). Tax paid prior deed \$ _____.			
<input type="checkbox"/> Transfers to the Commonwealth, the United States, and Instrumentalities by gift, dedication, condemnation or in lieu of condemnation. (Attach copy of resolution).			
<input type="checkbox"/> Transfer from mortgagor to a holder of a mortgage in default. Mortgage Book Number _____, Page Number _____. Mortgagee (grantor) sold property to Mortgagor (grantee) (Attach copy of prior deed).			
<input type="checkbox"/> Corrective deed (Attach copy of the prior deed).			
<input checked="" type="checkbox"/> Other (Please explain exemption claimed, if other than listed above.) <u>This is a arms length transaction for valid consideration.</u>			
Under penalties of law or ordinance, I declare that I have examined this Statement, including accompanying information, and to the best of my knowledge and belief, it is true, correct and complete.			
SIGNATURE OF CORRESPONDENT OR RESPONSIBLE PARTY 205 B Arch Street Management LLC 			DATE April 27, 2017

COOK'S ROW
Condominium Association

	<u>Description</u>	<u>2023 BUDGET</u>
6310	Condominium Fees Fees	116,924
	Total Income	<u>116,924</u>
	<u>General & Administrative</u>	
7010	Management Fees	7,080
7020	Accounting Fees	1,500
7160	Legal Fees	400
7260	Postage & Mail	250
7280	Insurance	21,500
7400	Printing & reproduction	582
7430	Federal income Tax	150
7890	Misc. G & A	540
	Total General & Administrative	<u>32,002</u>
	<u>Utilities</u>	
8910	Electricity	5,000
8930	Water & Sewer	9,000
8970	Telephone	3,138
	Total Utilities	<u>17,138</u>
	<u>Maintenance</u>	
9011	Window Cleaning	1,600
9180	Plumbing Repairs	3,000
9190	Electrical Repairs	1,500
9195	Roof Repairs	3,500
9580	Bldg Repairs - general	5,000
9581	Janitorial Services	11,520
		<u>26,120</u>
	<u>Contract Services</u>	
9611	Sprinkler Svc/Equipment	2,800
9612	Elevator Maintenance	3,500
9650	Fire & Security Monitoring	1,500
9700	Trash Removal	4,764
9750	Extermination	1,900
9800	Snow Removal	2,000
	Total Contract Services	<u>16,464</u>
	<u>Reserve Contributions</u>	
9910	Reserves - Unallocated	25,200
	Total reserve contributions	<u>25,200</u>
	TOTAL EXPENSES	<u><u>116,924</u></u>
	NET INCOME/(LOSS)	<u><u>0</u></u>

determine how entry shall be gained to these two basement areas for Units 101 and 102.

Section 4.3. Percentage Interest of Unit Owners. The percentage of undivided interest in fee simple in the Common Elements appurtenant to each Unit shall be as set forth below, and, except as otherwise provided herein or in the Bylaws, such percentage shall not be altered except by recording an amended Declaration duly executed by all of the Unit Owners affected thereby. ("Unit Owners affected thereby" for purposes of this Section 4.3 only meaning Unit owners at the time of said amendment to this Declaration, and Permitted Mortgagees).

Unit Identification Number	Percentage of Undivided Interest in Common Elements. Pro Rata Share of Common Elements	Number of Votes
100		
101	9.17%	917
102	3.59%	359
103	8.70%	870
104	5.72%	572
200	3.36%	336
201	7.76%	776
202	3.45%	345
203	4.61%	461
204	4.47%	447
205	4.54%	454
301	10.36%	1036
302	3.55%	355
303	4.63%	463
304	4.23%	423
401	4.63%	463
402	3.41%	341
403	4.82%	482
404	4.21%	421
	<u>4.78%</u>	478
	100.00%	

The pro rata shares of common expenses were allocated in direct proportion to THE SQUARE FOOTAGE OF EACH RESPECTIVE UNIT. The number of votes was calculated by multiplying the share of common expenses by One-Hundred (100).

Section 4.4. Common Expenses. Each Unit owner shall be liable for his pro rata share of the Common Expenses, as set forth in Section 4.3 above. "Common Expenses" means:

- (a) Expenses of administration, maintenance, repair and replacement of the Common Elements, unless otherwise provided in Section 4.2 hereof;
- (b) Expenses agreed upon as common by all the Unit owners; and



Consolidated Profit & Loss		Offices
January through December 2021		205 Arch
Ordinary Income/Expense		
Rental Income	\$ -	
Rent Reimbursement	\$ -	
Interest Income	\$ -	
Total Income	-	
Expenses		
Bank Fees	\$ 137	
Insurance	\$ 2,616	
Repairs and Maintenance	\$ -	
Rent - Association Fees	\$ 11,062	
Licenses, Property and other Taxes	\$ 6,117	
Utilities	\$ -	
Management & Professional Fees	\$ -	
Non Receiver / Defendant	\$ -	
Total Expense	19,932	
Net Income	\$ (19,932)	

Consolidated Profit & Loss		Offices
January through December 2021		205 Arch
Ordinary Income/Expense		
Rental Income	\$ -	
Rent Reimbursement	\$ -	
Interest Income	\$ -	
Total Income	-	
Expenses		
Bank Fees	\$ 137	
Insurance	\$ 2,616	
Repairs and Maintenance	\$ -	
Rent - Association Fees	\$ 11,062	
Licenses, Property and other Taxes	\$ 6,117	
Utilities	\$ -	
Management & Professional Fees	\$ -	
Non Receiver / Defendant	\$ -	
Total Expense	19,932	
Net Income	\$ (19,932)	

ADDENDA

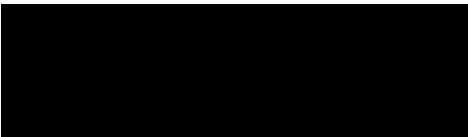
Addendum D
Comparable Data



ADDENDA

Improved Sales

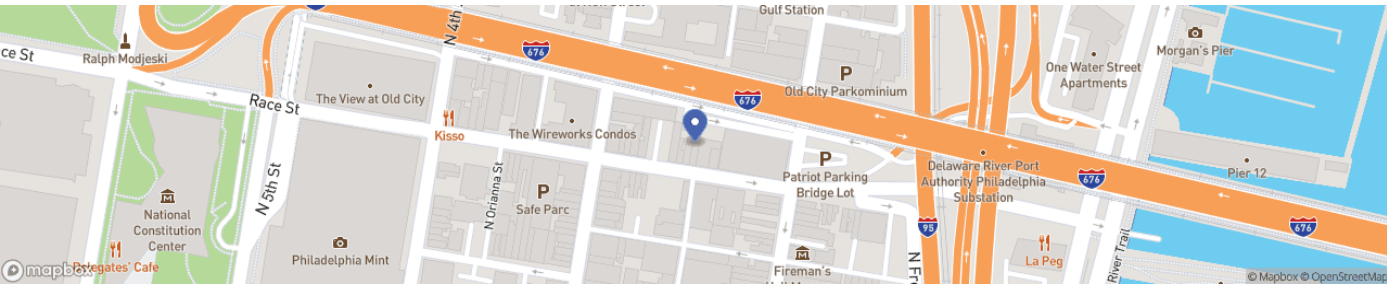




Office Sale

225 Race Street

225 Race Street #100



Location & Property Info

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



Improvement Details		Sale Information	
Rentable Area SF	2,700	Assemblage	Yes
Gross Building Area	2,700	Listing Date	12/09/2020
Number Of Demised Units	1	Listing Price	\$575,000
Average Unit Size (SF)	2,700	Sale Status	Closed
Construction Status	Completed	Sale Date	04/16/2021
Construction Purpose	Owner-built	Sale Price	\$550,000
Year Built	2007	Grantor (Seller)	225 Race Street Investors
Investment Class	Class B	Grantee (Buyer)	Falasca Holding Co. LLC
Condition	Good	Contract Date	04/14/2021
Construction Type	Masonry	Property Rights	Condominium
Construction Quality	Good	Financing Type	Cash to seller
Number Of Buildings	1	Effective Sales Price	\$550,000.00
Exterior Walls	Brick	Price Per SF GBA	\$203.70
Number Of Stories/Floors	1.00	Price Per SF NRA	\$203.70
HVAC Comments	Forced Air	Effective Price Per Unit	\$550,000.00



Multifamily Sale

1352 South St. 1352 Lofts

Location & Property Info

Property Name	1352 Lofts
Property Type	Multifamily
Sub Type	Other
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia - Greater
Address	1352 South St. , Philadelphia, PA 19147
County	Philadelphia
Country	USA
Latitude	39.94342000
Longitude	-75.16473000
MSA	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD
Market Orientation	CBD
Event ID	923279



Site Details

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

Improvement Details

Rentable Area SF	80,000
Gross Building Area	80,000
Demised Unit Of Comparison	Approved Units
Number Of Demised Units	72
Average Unit Size (SF)	1,111
Construction Status	Completed
Year Built	2007
Investment Class	Class A
Condition	Excellent
Construction Quality	Good
Number Of Buildings	1
Parking Description	Off-street parking available for purchase

Unit Mix

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

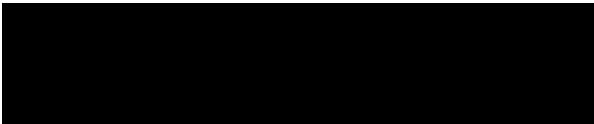
Sale Information

Sale Status	Closed
Sale Date	01/12/2022
Sale Price	\$406,000
Grantor (Seller)	Ketkar Leena
Grantee (Buyer)	Klausner Daniel G. Trust
Property Rights	Fee Simple
Document Type	Document
Recording Number	53981160
Effective Sales Price	\$406,000.00
Price Per SF GBA	\$5.08
Price Per SF NRA	\$5.08
Effective Price Per Unit	\$5,638.89

Comments

The sale transaction is for Unit 215, a commercial condominium containing 1,476 square feet.

Retail Sale



104 N. 2nd Street

104 N 2nd. Street

Location & Property Info

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



Site Details

Source Of Land Info	Public Records
Zoning Designation	CMX3
Zoning Description	Community Commercial Mixed Use
Flood Insurance Required	No
Site Shape	T-Shaped
Site Topography	Level
Flood Zone Designation	X
Traffic Control At Entry	None
Traffic Flow	Moderate
Utilities	<ul style="list-style-type: none">• Electricity• Gas• Sewer• Water
Corner Lot	No
Accessibility Rating	Above Average
Visibility Rating	Good

Land Parcels

IMPORTED GROUP 1

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

Improvement Details

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

Sale Information

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

Comments

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

Multifamily Sale



610 South Percy Street

Location & Property Info

Property Type	Multifamily
Sub Type	Other
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia - Greater
Address	610 South Percy Street, Philadelphia, PA 19147
Country	USA
Latitude	39.94235000
Longitude	-75.15802900
MSA	Philadelphia-Camden- Wilmington-PA-NJ-DE CBD
Market Orientation	
Verification Type	Secondary Verification
Event ID	923298



Site Details

Source Of Land Info	Public Records
Zoning Designation	CMX2
Zoning Description	Neighborhood Commercial Mixed Use
Flood Insurance Required	No
Site Topography	Level
Flood Zone Designation	X
Traffic Control At Entry	None
Utilities	<ul style="list-style-type: none">• Electricity• Gas• Sewer• Water

Improvement Details

Sale Information

Sale Status	Closed
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Demised Unit Of Comparison	Approved Units	Sale Date	01/18/2022
Number Of Demised Units	12	Sale Price	\$480,000
Construction Status	Completed	Grantor (Seller)	Brophy Robert W Jr
Year Built	1900	Grantee (Buyer)	West RI & JA Living Trust
Investment Class	Class B	Property Rights	Fee Simple
Condition	Good	Document Type	Document
Number Of Stories/Floors	3.00	Recording Number	53988519
Parking Description	Surface	Effective Sales Price	\$480,000.00
Open Parking Spaces	8	Effective Price Per Unit	\$40,000.00
Total Parking Spaces	8		

Comments

The sale transaction is for commercial condominium Unit P6, consisting of 2,422 square feet.

ADDENDA

Lease Comparables



Office Lease Summary

510 Walnut St The Washington

Location & Property Info

Property Name	The Washington
Property Type	Office
Sub Type	High Rise
Major Market	PA - Philadelphia - Greater
Sub Market	CBD-Independence Square
Address	510 Walnut St, Philadelphia, PA 19106
County	Philadelphia
Country	USA
Latitude	39.94724000
Longitude	-75.15003000
MSA	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD 883006500
Legal/Tax/Parcel ID	883006500
Market Orientation	CBD
Verification Type	Confirmed-Other
Verification Source	Public Records
Event ID	833597



Site Details

Source Of Land Info	Public Records
Usable/Gross Ratio	1.00
Zoning Designation	CMX-4
Site Shape	Rectangular
Site Topography	Generally Level and at Street Grade
Flood Zone Designation	X
Vegetation	Minimal
Traffic Control At Entry	Traffic Light
Traffic Flow	High
Utilities	<ul style="list-style-type: none"> • Electricity • Gas • Sewer • Water
Frontage Street Name	Walnut St
Frontage Feet	324
Corner Lot	Yes
Accessibility Rating	Average
Visibility Rating	Excellent

Land Parcels

IMPORTED GROUP 1

ROW NUMBER	ASSOCIATED APN(S)	CLASSIFICATION	LAND AREA (SF)	LAND AREA (ACRES)
1	883006500	Usable Land Area	69,998	1.6069
Total Gross Land Area			69,998	1.6069
Total Gross Land Area			69,998	1.6069
Total Usable Land Area			69,998	1.6069

Lease Availability Information

Survey Date 3/15/2022

Improvement Details

Rentable Area SF 843,715
Gross Building Area 986,960
Construction Status Completed
Construction Purpose Owner-built
Year Built 1914
Year Renovated 1991
Investment Class Class A
Construction Class A
Condition Average
Construction Type Steel
Construction Quality Good
Construction Description Steel Frame
Exterior Walls Concrete Precast
Number Of Stories/Floors 20.00
Land To Building Ratio 0.07

Unit Mix

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

Lease Summary

START DATE	TERM	SPACE TYPE	LESSEE	LESSEE TYPE	LEASE SF	ALTERNATE SF	EFF. RATE	RENT MEASURE	BASE ESC. TYPE	REIMB. METHOD	TI \$/SF
4/1/2021	112		Ufinancial		3,128		\$22.00	\$/SF/Yr		Triple Net	\$75.00

Specific Lease Details: Ufinancial

Description of Premises

Rentable Area 3,128
Full Building Lease No

Lease Details

Lease Status Signed Lease
Lease Start/Available Date 4/1/2021
Lease Expiration Date 7/1/2030
Term Of Lease (Months) 112
Lessee Ufinancial

Rates & Measures

Measure \$/SF/Yr
Face Rental Rate \$22.00
Effective Rental Rate \$22.00
Escalation Description 2.5% annual
Lease Reimbursement Method Triple Net
Free Rent (Months) 6
TI Allowance/SF \$75.00

Office Lease Summary

111 S. Independence Mall E. The Bourse Building

Location & Property Info

Property Name	The Bourse Building
Property Type	Office
Sub Type	High Rise
Major Market	PA - Philadelphia - Greater
Sub Market	CBD-Independence Square
Address	111 S. Independence Mall E. , Philadelphia, PA 19106
County	Philadelphia
Country	USA
Location	East side Independence Park
Latitude	39.94978400
Longitude	-75.14862100
MSA	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metropolitan Statistical Area 883101010
Legal/Tax/Parcel ID	
Market Orientation	CBD
Verification Type	Not Verified
Verification Source	Public Records
Event ID	734280



Site Details

Source Of Land Info	Other
Zoning Designation	Commercial
Zoning Description	CMX4
Site Shape	Rectangular
Site Topography	Level
Flood Zone Designation	X
Vegetation	Trees And Shrubs
Traffic Control At Entry	Traffic Light
Traffic Flow	Moderate
Utilities	<ul style="list-style-type: none">• Electricity• Gas• Sewer• Telephone• Water
Frontage Street Name	4 streets
Frontage Feet	988
Frontage Type	1 way 2 lane
Corner Lot	Yes
Accessibility Rating	Average
Visibility Rating	Average

Land Parcels

IMPORTED GROUP 1 OF 217

ROW NUMBER	ASSOCIATED APN(S)	CLASSIFICATION	LAND AREA (SF)	LAND AREA (ACRES)
1	883101010	Gross Land Area	47,764	1.0965
		Total Gross Land Area	47,764	1.0965
Total Gross Land Area			47,764	1.0965

Lease Availability Information

Survey Date	6/4/2021
Leasing Agent	Thomas Mcdugall
Company	JLL

Improvement Details

Rentable Area SF	298,679
Gross Building Area	298,679
Construction Status	Completed
Construction Purpose	Build-to-suit
Year Built	1895
Year Renovated	1982
Investment Class	Class B
Construction Class	C
Condition	Average
Construction Type	Masonry
Construction Quality	Average
Construction Description	Masonry
Number Of Buildings	1
Exterior Walls	Brick and Masonry
Number Of Stories/Floors	10.00
Fire Sprinkler Type	Yes
HVAC Comments	HVAC systems rehabbed in 2000
Roof Description	Flat
Parking Description	Surface
Total Parking Spaces	14
Spaces/1,000 SF NRA Ratio	0.05
Land To Building Ratio	0.16

Leasing Details

Owner Tenant Status	Multi-tenant
Occupant Type	Multi Tenant

Unit Mix

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

Lease Summary

START DATE	TERM	SPACE TYPE	LESSEE	LESSEE TYPE	LEASE SF	ALTERNATE SF	EFF. RATE	RENT MEASURE	BASE ESC. TYPE	REIMB. METHOD	TI \$/SF
8/20/2022	36	Office			3,135		\$30.00	\$/SF/Yr		Full Service	

Comments

The comparable is a 298,679 SF Office building. The property was built in 1895 and renovated in 1982. The property is Class B asset.

Specific Lease Details: Signed Lease

Description of Premises

Rentable Area	3,135
Full Building Lease	No
Space Type	Office

Lease Details

Lease Status	Signed Lease
Lease Signed Date	7/21/2022
Lease Start/Available Date	8/20/2022
Term Of Lease (Months)	36

Rates & Measures

Measure	\$/SF/Yr
Effective Rental Rate	\$30.00
Lease Reimbursement Method	Full Service

Multifamily Lease Summary



116 Arch Street

Location & Property Info

Property Type	Multifamily
Sub Type	Other
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia - Greater
Address	116 Arch Street, Philadelphia, PA 19106
County	Philadelphia
Country	USA
Latitude	39.95159000
Longitude	-75.14236000
MSA	Philadelphia-Camden-Wilmington-PA-NJ-DE CBD
Market Orientation	
Verification Type	Secondary Verification
Event ID	923317



Site Details

Source Of Land Info	Public Records
Zoning Designation	CMX3
Zoning Description	Community Commercial Mixed Use
Flood Insurance Required	No
Site Topography	Level
Flood Zone Designation	X
Utilities	<ul style="list-style-type: none"> Electricity Gas Sewer Water
Corner Lot	No
Accessibility Rating	Above Average
Visibility Rating	Good

Lease Availability Information

Survey Date	6/22/2021
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Improvement Details

Construction Status	Completed
Year Built	2005
Investment Class	Class B
Construction Class	C
Condition	Good
Number Of Buildings	1
Number Of Stories/Floors	4.00

Lease Summary

START DATE	TERM	SPACE TYPE	LESSEE	LESSEE TYPE	LEASE SF	ALTERNATE SF	EFF. RATE	RENT MEASURE	BASE ESC. TYPE	REIMB. METHOD	TI \$/SF
7/22/2021		Office		Local	6,640		\$30.00	\$/SF/Yr		Triple Net	

Specific Lease Details: Signed Lease

Description of Premises

Rentable Area	6,640
Full Building Lease	No
Space Type	Office

Lease Details

Lease Status	Signed Lease
Lease Signed Date	6/22/2021
Lease Start/Available Date	7/22/2021
Lessee Type	Local

Rates & Measures

Measure	\$/SF/Yr
Effective Rental Rate	\$30.00
Lease Reimbursement Method	Triple Net



Office Lease Summary

105-107 South 2nd Street

Location & Property Info

Property Type	Office
Sub Type	Mid Rise
Major Market	PA - Philadelphia - Greater
Sub Market	CBD-Independence Square
Address	105-107 South 2nd Street, Philadelphia, PA 19106
County	Philadelphia
Country	USA
Latitude	39.94813000
Longitude	-75.14398000
MSA	Philadelphia-Camden- Wilmington-PA-NJ-DE CBD
Market Orientation	
Verification Type	Secondary Verification
Event ID	923320



Site Details

Source Of Land Info	Public Records
Zoning Designation	CMX3
Zoning Description	Community Commercial Mixed Use
Flood Insurance Required	No
Site Shape	Irregular
Site Topography	Level
Flood Zone Designation	X
Traffic Control At Entry	None
Utilities	<ul style="list-style-type: none">• Electricity• Gas• Sewer• Water
Corner Lot	No
Accessibility Rating	Above Average
Visibility Rating	Good

Land Parcels

NEW GROUP				
ROW NUMBER	ASSOCIATED APN(S)	CLASSIFICATION	LAND AREA (SF)	LAND AREA (ACRES)
1		Gross Land Area	6,499	0.1492
		Total Gross Land Area	6,499	0.1492
Total Gross Land Area			6,499	0.1492

Lease Availability Information		Improvement Details	
Survey Date	10/9/2021	Rentable Area SF	38,772
		Construction Status	Completed
		Year Built	2015
		Investment Class	Class B
		Condition	Good
		Number Of Buildings	1
		Number Of Stories/Floors	6.00
		Fire Sprinkler Type	Wet

Lease Summary											
START DATE	TERM	SPACE TYPE	LESSEE	LESSEE TYPE	LEASE SF	ALTERNATE SF	EFF. RATE	RENT MEASURE	BASE ESC. TYPE	REIMB. METHOD	TI \$/SF
10/6/2021		Office		Local	1,541		\$25.00	\$/SF/Yr		Triple Net	

Specific Lease Details: Signed Lease

Description of Premises

Rentable Area	1,541
Full Building Lease	No
Space Type	Office

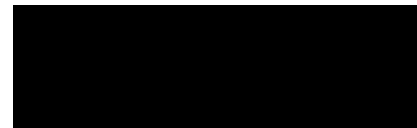
Lease Details

Lease Status	Signed Lease
Lease Start/Available Date	10/6/2021
Lease Expiration Date	11/5/2021
Lessee Type	Local

Rates & Measures

Measure	\$/SF/Yr
Effective Rental Rate	\$25.00
Lease Reimbursement Method	Triple Net

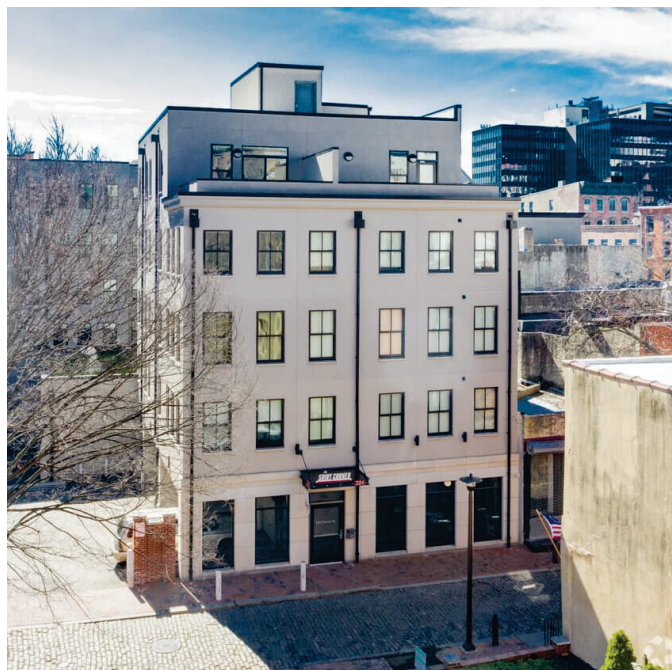
Multifamily Lease Summary



224 Church Street

Location & Property Info

Property Type	Multifamily
Sub Type	Other
Major Market	PA - Philadelphia - Greater
Sub Market	Philadelphia - Greater
Address	224 Church Street, Philadelphia, PA 19106
County	Philadelphia
Country	USA
Latitude	39.95066300
Longitude	-75.14477900
MSA	Philadelphia-Camden-Wilmington-PA-NJ-DE CBD
Market Orientation	
Verification Type	Secondary Verification
Event ID	923329



Site Details

Source Of Land Info	Public Records
Zoning Designation	CMX3
Zoning Description	Community Commercial Mixed Use
Flood Insurance Required	No
Site Topography	Level
Flood Zone Designation	X
Traffic Control At Entry	None
Utilities	<ul style="list-style-type: none"> Electricity Gas Sewer Water
Corner Lot	No
Accessibility Rating	Above Average

Lease Availability Information

Survey Date	5/21/2021
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Improvement Details

Rentable Area SF	54,000
Investment Class	Class A
Construction Class	C
Condition	Good
Construction Quality	Good
Number Of Buildings	1
Number Of Stories/Floors	5.00

Lease Summary

START DATE	TERM	SPACE TYPE	LESSEE	LESSEE TYPE	LEASE SF	ALTERNATE SF	EFF. RATE	RENT MEASURE	BASE ESC. TYPE	REIMB. METHOD	TI \$/SF
6/25/2021		Office		Local	1,300		\$40.00	\$/SF/Yr		Triple Net	

Comments

224 Church Street is the rear multifamily/office portion of 302 Market Street, with a separate entrance in the rear.

Specific Lease Details: Signed Lease

Description of Premises

Rentable Area	1,300
Full Building Lease	No
Space Type	Office
Suite/Space Number	243

Lease Details

Lease Status	Signed Lease
Lease Signed Date	5/21/2021
Lease Start/Available Date	6/25/2021
Lessee Type	Local

Rates & Measures

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

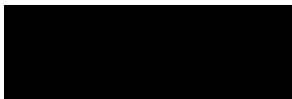
Lease Notes

Located on the second floor

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 Integra Realty Resources in 2017.

Quotes from Publications

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

Professional Affiliations


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



Licenses and Designations

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

Education

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

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

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

License Type
Certified General Appraiser

License Status
Active

Initial License Date
09/04/1996

Expiration Date
06/30/2023

License Number

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

Commonwealth of Pennsylvania Department of State Bureau of Professional and Occupational Affairs PO BOX 2649 Harrisburg PA 17105-2649		
License Type Certified General Appraiser		License Status Active
		Initial License Date 03/03/2022
	License Number	Expiration Date 06/30/2023

Exhibit B

Pennsylvania Certified Residential Appraisal
Dated July 8, 2024

APPRAISAL OF REAL PROPERTY

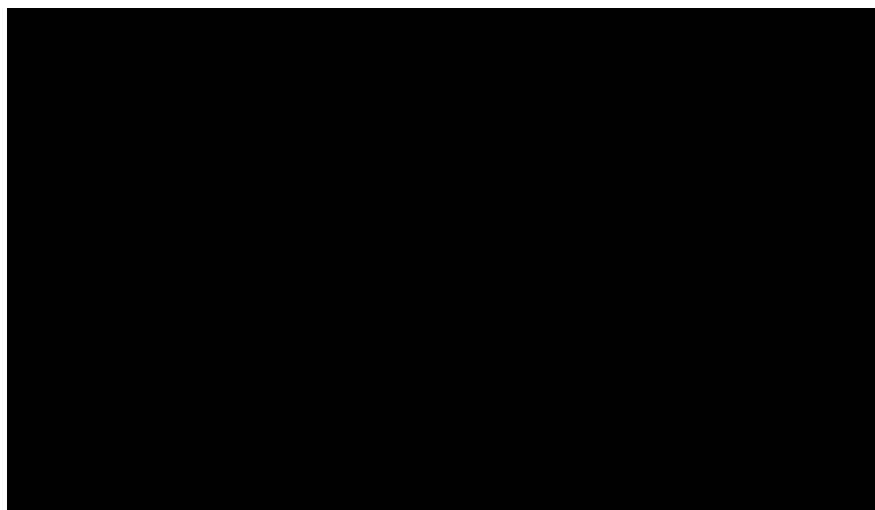
**104 NORTH 2ND STREET AKA 205 ARCH STREET - UNIT NO. 205
PHILADELPHIA, PA 19106
TAX PARCEL NO: 888049225**

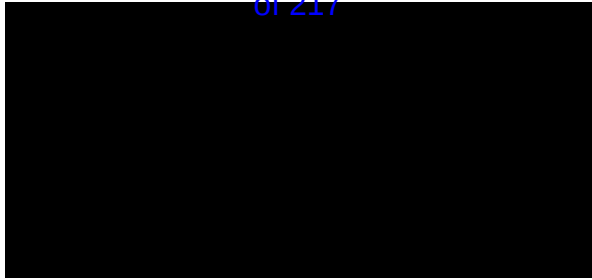
AS OF

JULY 8, 2024

Prepared For:

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





July 26, 2024

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

Attention: Ryan Stumphauzer

**RE: 104 North 2nd Street aka 205 Arch Street - Unit No. 205
Philadelphia, PA 19106
Tax ID No: 888049225**

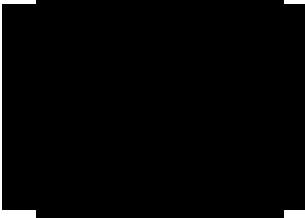
Dear Mr. Stumphauzer:

In accordance with the terms of your engagement letter dated July 5, 2024, we have prepared an appraisal report in order to estimate the 'As Is' market value of the fee simple interest in the subject property as of July 8, 2024 the date of property inspection, including a fractional interest in the common elements, and subject to the assumptions and limiting conditions contained herein.

The appraisal report was prepared for our exclusive client Mr. Ryan Stumphauzer, Court Appointed Receiver c/o Mr. Tim Hazel of Pietragallo Gordon Alfano Bosick & Raspanti, LLP and is intended for their exclusive use. The valuation assignment was developed consistent with the scope specified by the client. The intended use of this appraisal report is to function as a supporting document for its intended use in the asset monitoring and internal planning by the client. The appraisal report may not be distributed to or relied upon by other persons or entities without the written permission of [REDACTED]

We have prepared the appraisal report for the subject property in accordance with the Uniform Standards of Professional Practice of the Appraisal Foundation. This appraisal report makes a concise, summary presentation of the data and analyses at a level of detail, which, in our opinion, is sufficient for the client, the public and the intended users to readily understand the appraisal without being misled or confused.

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



Mr. Ryan Stumphauzer
July 26, 2024

Page 2

Assuming a reasonable time was allowed for exposure on the open market, we have formed the opinion that, as of July 8, 2024, the market value of the fee simple interest in the subject property, in its "As Is" condition, including a fractional interest in the common elements, and subject to those assumptions, limiting conditions, certifications and definitions contained herein, was estimated to be:

FOUR HUNDRED THIRTY THOUSAND DOLLARS
(\$430,000)

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

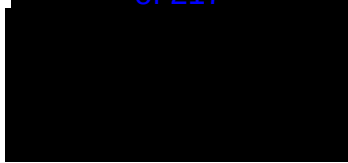
Respectfully submitted,

[Redacted Signature]

[Redacted Block]

[Redacted Block]

[Redacted Block]



SUMMARY OF SALIENT FACTS

Subject Property:	104 North 2nd Street aka 205 Arch Street - Unit No. 205 Philadelphia, PA 19106
Tax ID:	888049225
Property Type:	Commercial condominium
Interest Appraised:	Fee simple interest
Land Area:	9,691± square feet of common land area
Gross Unit Area:	2,190± square feet
Current Owner:	205 B Arch Street Management, LLC
Real Estate Tax Assessment:	\$452,000
Real Estate Taxes:	\$6,327
Zoning:	CMX-3 Commercial Mixed-Use District
Highest & Best Use:	
- As Vacant	-Not applicable.
- As Improved	-Continued commercial utilization
“As Is” Market Value Estimates:	
- Sales Comparison Approach:	\$445,000
- Income Capitalization Approach:	\$415,000
- Cost Approach:	Not Applicable
“As Is” Market Value Conclusion:	\$430,000
Estimate of Exposure Time:	6-12 months
Estimate of Marketing Time:	6-12 months
Extraordinary Assumptions / Hypothetical Conditions:	There are no hypothetical conditions employed in the appraisal of the subject property. There are no extraordinary assumptions utilized in the appraisal of the subject property. A list of Assumptions and Limiting Conditions is included in this report.





Front Exterior Elevation



Front Exterior Elevation



View of Arch Street



View of Arch Street

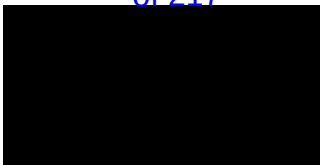


1st Floor Common Area / Entrance



1st Floor Common Area / Entrance





Interior View



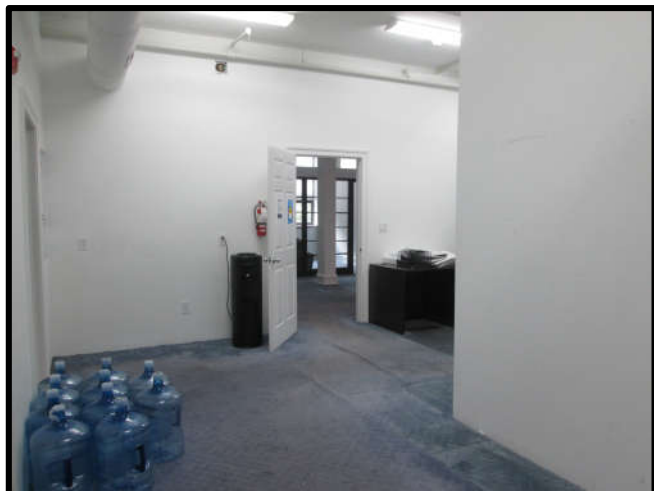
Interior View



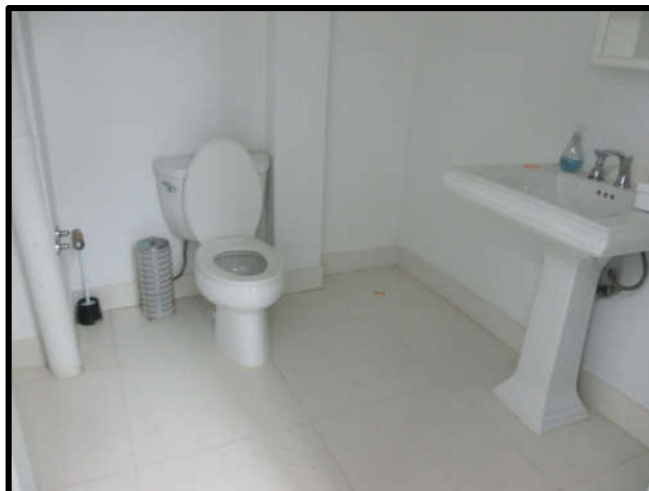
Interior View



Interior View

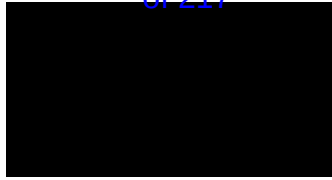


Interior View



Interior View





INTRODUCTION



Aerial View

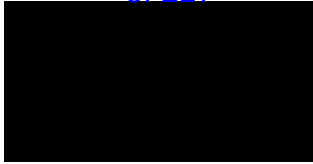
Identification of Subject Property

The subject property is identified as 104 North 2nd Street aka 205 Arch Street - Unit No. 205 or by the City of Philadelphia Tax Assessor's office as parcel number 888049225. The subject improvements consist of a second-floor commercial condominium unit last utilized as a professional office containing approximately 2,190± square feet of gross unit area. The subject unit was observed to be in overall average physical condition. In addition to the subject commercial unit, the condominium complex known as Cook's Row Condominiums, consists of four additional commercial units and fourteen residential units at the upper levels. The complex is situated on an interior parcel of land containing approximately 9,691± square feet of common land area.

Ownership & Occupancy

According to the last recorded deed and public record, the subject property is presently titled to 205 B Arch Street Management, LLC which acquired the property from MHJ Associates Real Estate, LP on April 27, 2017 for a consideration of \$260,000 as recorded in document number 53207263. No transactions have been recorded within the past three years. To our knowledge, the subject property is not currently encumbered by a lease or an agreement of sale. According to the Multiple Listing Service, the subject property is currently being professionally marketed for sale for \$450,000. The listing has been active for approximately six months. The property is also being marketed for rent by a separate real estate brokerage at \$5,400 per month or \$29.59 per square foot on a triple net basis. The listing has been active for over two years.





Intended Use & Scope of Appraisal

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

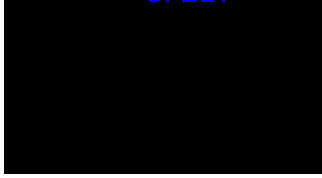
- Our effective date of appraisal is July 8, 2024, date of property inspection.
- A study of current regional economic trends, nearby neighborhood influences and local market characteristics.
- The gross unit area of the subject property as well as the comparable data utilized in the appraisal is based upon information contained within the condominium documents and the public record which are assumed to be accurate. The land area was estimated based on the legal description / site plan. The appraiser is not an architect or engineer. If the estimated unit size or land area is found to be inaccurate, the appraiser reserves the right to amend the report and adjust the market value if necessary.
- Conducted market inquiries into recent commercial condominium unit sales and commercial rentals considered compatible to the subject. This process involved telephone interviews with sellers, buyers and/or participating brokers, regarding the state of the real estate market on a local level.
- Prepared the Sales Comparison and Income Capitalization Approaches to derive an estimate of market value.
- The subject property is currently leased to the equitable owner, at the request of the client, we have valued the fee simple interest.
- Data accumulated was then processed in formulating an opinion of market value for the subject property. Features unique to the subject property, i.e., pertinent physical characteristics, functional utility and locational attributes, all of which will be elaborated upon in the accompanying text, were taken into account in final reconciliation.
- We have made a cursory review of the zoning code however; we are not experts in its interpretation. The subject property is assumed to represent a legal conforming use. A use permit from the City of Philadelphia should be obtained to determine the legal registered use of the subject property. The appraiser makes no warranties to the zoning compliance of the subject property. If the property is found to be an illegal use, the appraiser reserves the right to amend the report and adjust the market value contained herein, if necessary.

Client & Intended User

The intended users of this appraisal report are Mr. Ryan Stumphauzer, Court Appointed Receiver c/o Mr. Tim Hazel of Pietragallo Gordon Alfano Bosick & Raspanti, LLP and it is intended for their exclusive use. The valuation assignment was developed consistent with the scope specified by the client. The report may not be distributed to or relied upon by other persons or entities without the written permission of [REDACTED]

[REDACTED]

[REDACTED]



Definitions of Value, Interest Appraised & Other Pertinent Terms

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

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

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

Fee Simple Interest

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.

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

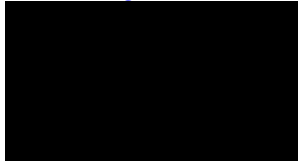
Market Value "As Is"

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

Condominium

Condominium defines a method of separating the ownership of individually occupied units in a structure housing a quantity of similar units, e.g., apartment or office building, and is coupled with an undivided interest in the land and any portion of the building in common use. The condominium owner has exclusive control of a private unit, which is treated as real property and may be sold, leased, mortgaged, taxed, assessed and willed. The expense of the common areas (parking, lawn care, walkways, etc.) is shared by all members. In buying a condominium, the owner receives a deed and gets a mortgage on a particular unit and tax bills are levied individually.





Common Expenses

It has been assumed that common expenses will include all costs in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvements to the General Common Elements, or which relate to services provided to all unit owners. The common expenses are assumed to be as follows:

- a. Taxes, assessments, water rents that may be levied against the common area of the property.
- b. Expenses of the condominium association in carrying out its powers and duties.
- c. Expenses of obtaining trash removal service for all unit owners.
- d. Expense of payroll.
- e. Premiums on all policies of insurance
- f. Fees or compensation due to any managing agent retained by the association.
- g. Such amounts, if any as the board of directors shall deem necessary to establish reserves for the replacement of the general common elements.
- h. Such amounts as the Board of Directors deems proper for working capital, general operating reserves, reserves for contingencies and to make up any uncollectible delinquencies in the payment of assessments or budget deficits with respect to the operation of the common elements.

Condominium Fees

Condominium fees were reported at \$1,009 per month.

Percentage Interest

The subject property's percentage interest in the common elements is 10.36%.

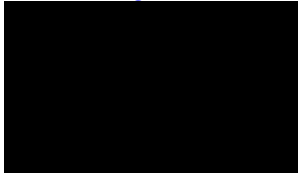
Exposure Time

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

Marketing Time

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





Extraordinary Assumption

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

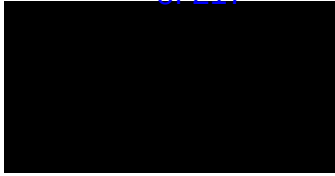
There are no extraordinary assumptions utilized in the appraisal of the subject property.

Hypothetical Condition

A condition that is presumed to be true when it is known to be false. (SVP). A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

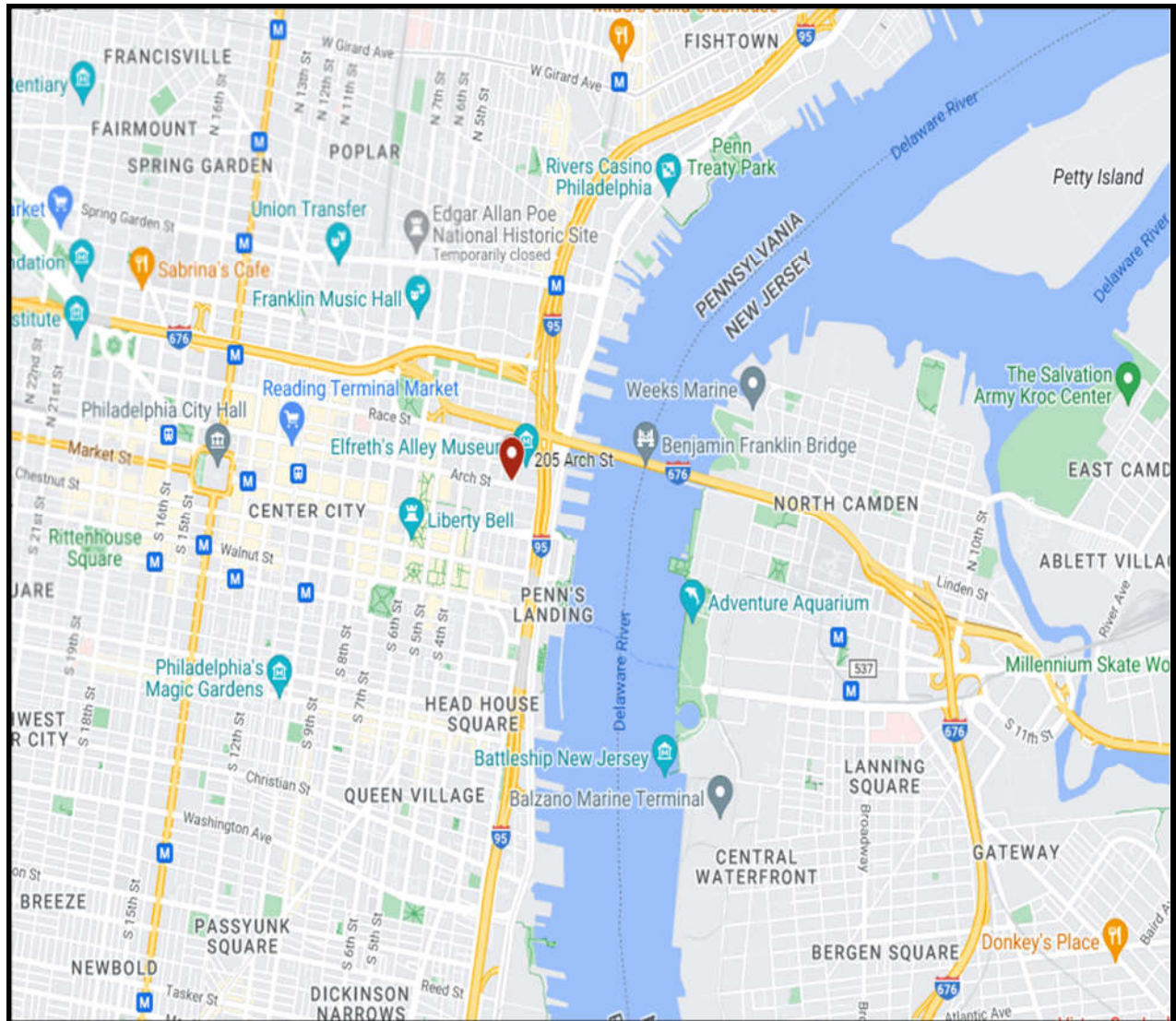
There are no hypothetical conditions employed in the appraisal of the subject property.





LOCATION & MARKET ANALYSIS

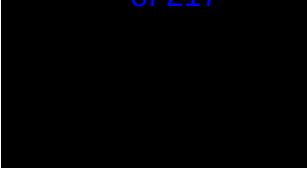
The subject property is located along the 200 block of Arch Street within the Old City section of Center City Philadelphia, Pennsylvania. The location of the subject property is heavily traveled and densely populated consisting of a mix of commercial, office, multifamily and mixed-use buildings. The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



Demographic Summary

The City of Philadelphia is an established and diverse area comprised of residential, retail/commercial, industrial, cultural, educational and recreational land uses with an extensive transportation infrastructure for rail, shipping, airline and automobile transportation. The City of Philadelphia is centrally situated within a 3 division region encompassing 11 counties and 3 states. Based upon the 2020 Census, the City of Philadelphia had seen a modest increase in population from the 2010 estimate. As of 2020 the population was quantified to be 1,595,579 which represents a 0.44% annual return over 2010 or a total growth of 4.55% over the 2010 census. The City of Philadelphia and State of Pennsylvania demographics chart is set forth on the following page.

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



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

Transportation

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


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

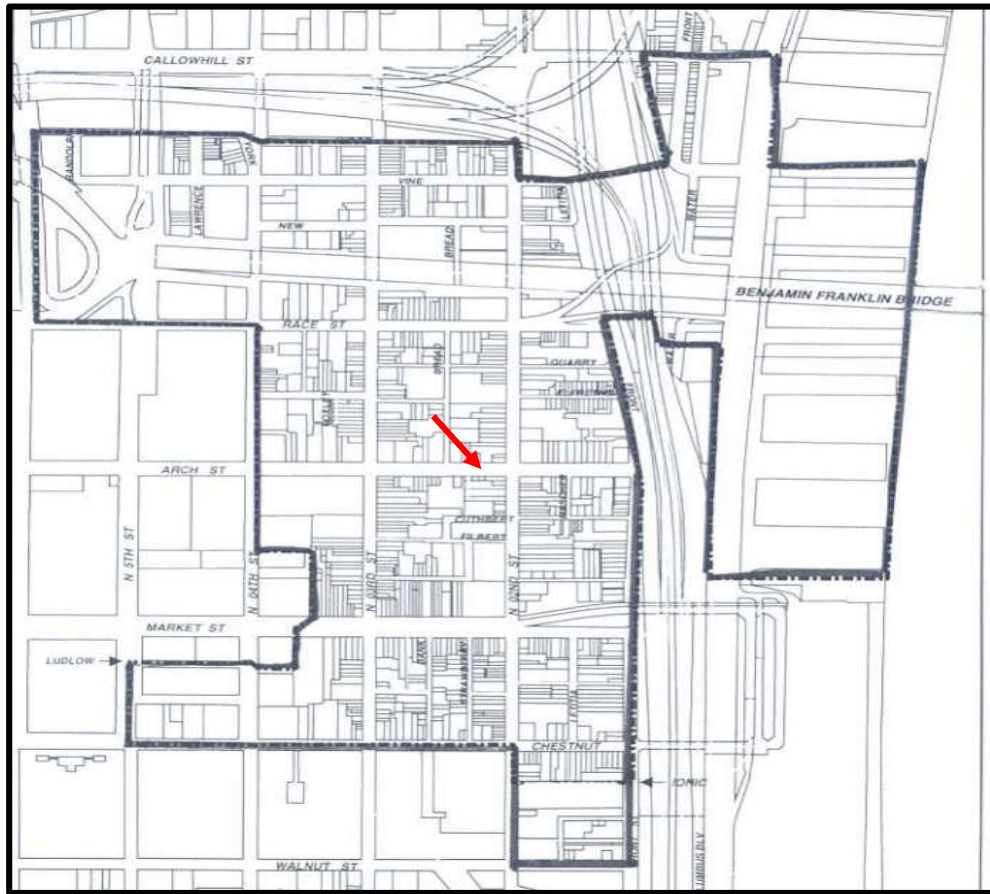
Known as the Phlash, its route runs from Headhouse Square in Society Hill to Penn's Landing, through the Central Business District and westward along the Benjamin Franklin Parkway to Logan Circle and returning via the Rittenhouse Square neighborhood and returning to Headhouse Square. Major roadways in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

Old City District

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

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





Old City Historical District Map

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

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

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



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

New Construction

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

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

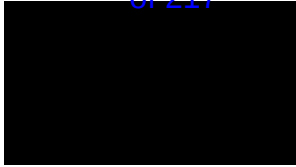
The Delaware River Waterfront Corporation selected the Durst Organization to execute a \$2.2 billion redevelopment of two prominent parcels along Old City's riparian shore. The eight-year redevelopment process will also integrate a new cap over I-95 which will feature a public park. Durst, a \$10 billion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

Center City Commercial

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

It is typical for inner city commercial districts to exhibit a wide range of market rents. Well located properties concentrated around the CBD provide appeal to national retailers, which command premium rents; however, in-line, row retail stores operated by local merchants has appeal to the dense residential population that surrounds the neighborhood. Locations with the greatest exposure and accessibility such as the 1400 through 1900 blocks of





Walnut Street and 1500 to 1900 blocks of Chestnut Street indicate rents ranging from a low of \$50 for larger blocks of space to more than \$130 per square foot and beyond on a net basis for smaller retail space.

2nd Street, 3rd Street, Chestnut and Market Streets are the main commercial arteries in Old City consisting of a variety of commercial retail, restaurant and mixed-use commercial / residential buildings as well as several mid-rise office structures. The streets consist of a variety of stores and shops ranging from retail uses catering to the masses to high quality antique stores, small theaters, art galleries, gourmet restaurants and gift shops, among others, all of which contribute a unique and un-monotonous vitality to the area.

Immediately on Market Street are a number of national or regional retailers in addition to stores operated by local merchants. The commercial market, in which the subject competes, appears to be enjoying a moderate to high level of occupancy regarding storefront rentals with rates typically ranging from \$25 to \$45 per square foot net to gross with some in excess of \$50 per square foot depending on specific locations along the corridor.

Financial Overview

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

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

In a move that financial markets had completely priced in, the central bank's Federal Open Market Committee raised its funds rate by a quarter percentage point to a target range of 5.25%-5.5%. The midpoint of that target range would be the highest level for the benchmark rate since early 2001.

The increase in July 2023 was the 11th time the FOMC has raised rates in a tightening process that began in March 2022. The committee decided to skip the June meeting as it assessed the impact that the hikes have had. Since that time, the Fed has not raised interest rates through May 1, 2024. The following chart summarizes the rate increases over the past twelve months.





FED RATE CHANGES 2022-2024: TAMING INFLATION		
FOMC Meeting Date	Rate Change (BPS)	Federal Funds Rate
9/20/2023 - 5/1/2024	No Change	5.25%-5.50%
7/25/2023	(+25)	5.25%-5.50%
5/2/2023	(+25)	5.00% - 5.25%
3/3/2023	(+25)	4.75% - 5.00%
2/1/2023	(+25)	4.50% - 4.75%
12/14/2022	(+50)	4.25% - 4.50%
11/2/2022	(+75)	3.75% - 4.00%
9/21/2022	(+75)	3.00% - 3.25%
7/27/2022	(+75)	2.25% - 2.50%
6/16/2022	(+75)	1.50% - 1.75%
5/5/2022	(+50)	0.75% - 1.00%
3/17/2022	(+25)	0.25% - 0.50%

Inflation's broad slowdown extended through October, likely ending the Federal Reserve's historic interest-rate increases. Consumer prices overall were flat in October and rose 3.2% from a year earlier, a slower pace than in September, the Labor Department reported on November 14th, 2023. Overall inflation hit a recent peak of 9.1% in June 2022. In May, the decision to leave the benchmark federal-funds rate in a range between 5.25% and 5.5% was widely anticipated. Investors also expect the Fed to stand pat at its subsequent meeting in mid-June 2024 after higher inflation readings derailed prospects for a series of cuts aimed at pre-empting an economic slowdown. The fed-funds rate influences other borrowing costs throughout the economy, such as on mortgages, credit cards and business loans. The 30-year fixed-rate mortgage stood at 7.17% last week, up from 6.61% at the end of last year, according to Freddie Mac. Higher rates have also boosted the U.S. government's cost of interest payments on more than \$27 trillion in publicly-held debt. Those expenses are on pace to surpass defense spending this year.

A measure of inflation that strips out volatile food and energy prices stood at 2.8% in March 2024 from a year earlier, down from 4.8% in March 2023. But the 12-month measure masks the more recent setbacks: Over the six months through March, prices rose at an annualized 3.0% rate, up from 1.9% for the six months ending in December. The Fed targets 2% inflation over time.

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

Powell pivoted at the end of last year from focusing on whether the Fed would need to raise rates again to when the central bank might be in a position to lower them. Market participants raced ahead and began anticipating a string of six or seven rate cuts, puzzling Fed leaders who didn't think such exuberant expectations were aligned with their own outlook. Powell maintained through early April that rate cuts seemed more likely than not this year. President Biden, who had mostly avoided commenting on the Fed, joined in on rate-cut speculation in March, declaring shortly after his State of the Union address that the "little outfit" that sets rates might be lowering them soon. The stakes are high for Fed officials, who are trying to navigate two risks. One is that they ease too soon, allowing inflation to become entrenched at a level above their 2% target. The other is that they wait until the economy crumples under the weight of higher rates.



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

Independence Hall Office Submarket Analysis – Costar

According to the most recent Costar market survey, the Independence Hall office submarket has a vacancy rate of 15.1%. This vacancy rate is 3.0% higher than it was this time last year. There was 279,000 SF of negative absorption and no net deliveries. Rents have decreased by 0.6% in the past 12 months and are currently around \$31.39/SF. Nothing is under construction in the Independence Hall office submarket. In the past year, there have been 5 sales. Vacancy is 16.1% in 4 & 5 Star buildings, and 38,000 SF has been absorbed in this asset class over the past year. Within 3 Star buildings, vacancy is 17.3% and there has been 310,000 SF of negative absorption. Around 6.3% of 1 & 2 Star space is vacant, and there has been 11,000 SF of negative absorption over the past year.

Current vacancy is higher than its trailing three-year average of 12.5%, which is higher than the 10.2% trailing three-year average of the Philadelphia market as a whole. The submarket is the same size as it was three years ago as nothing has been built or demolished in this period. Rents have increased by 0.9% over the past three years. Meanwhile, average rents increased by 2.2% in the wider Philadelphia market. There have been 14 sales over the past three years, amounting to \$67.0 million in volume and 690,000 SF of inventory. The total Independence Hall office submarket comprises 9,495,410 SF of inventory.

These statistics are displayed on the following chart.

KEY INDICATORS							
Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	5,037,262	16.1%	\$34.70	19.6%	5,888	0	0
3 Star	3,052,845	17.3%	\$28.93	31.5%	693	0	0
1 & 2 Star	1,405,303	6.3%	\$24.86	7.4%	0	0	0
Submarket	9,495,410	15.1%	\$31.39	21.7%	6,581	0	0
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	2.9%	9.6%	16.2%	15.1%	2024 Q2	4.2%	2008 Q4
Net Absorption SF	(279K)	(30,902)	(69,603)	359,741	1999 Q4	(551,028)	2009 Q4
Deliveries SF	0	7,369	0	208,270	1998 Q4	0	2024 Q2
Market Asking Rent Growth	-0.6%	2.5%	0.3%	12.3%	2001 Q1	-3.3%	2010 Q1
Sales Volume	\$55.7M	\$61.4M	N/A	\$328.5M	2016 Q2	\$0	2009 Q2

Independence Hall Retail Submarket Analysis – Costar

According to the most recent Costar market survey, the Independence Hall retail submarket has a vacancy rate of 5.3%. This vacancy rate is unchanged from where it was a year ago. There was 432 SF of positive absorption and 1,600 SF of net deliveries. Rents have decreased 3.7% in the past 12 months and are currently around \$28.00/SF. Nothing is under construction in the Independence Hall retail submarket. In the past year, there have been 15 sales, which traded for approximately \$18.4 million in volume. Vacancy is 5.3% in general retail buildings, and 432 SF has been absorbed in this asset class over the past year. No vacancies were reported in strip centers, and absorption has been flat in this asset class over the past year.

Current vacancy is higher than its trailing three-year average of 4.9%, which in turn, is higher than the trailing three-year average for the Philadelphia market as a whole, which is 4.4%. Rents have decreased 5.2% over the past three years, lower than the 3.9% change seen in the wider Philadelphia market for the same period. There have been 60 sales over the past three years, amounting to \$66.4 million in volume and 300,000 SF of inventory. The total Independence Hall retail submarket comprises 3,248,844 SF of inventory..

These statistics are displayed on the following chart.

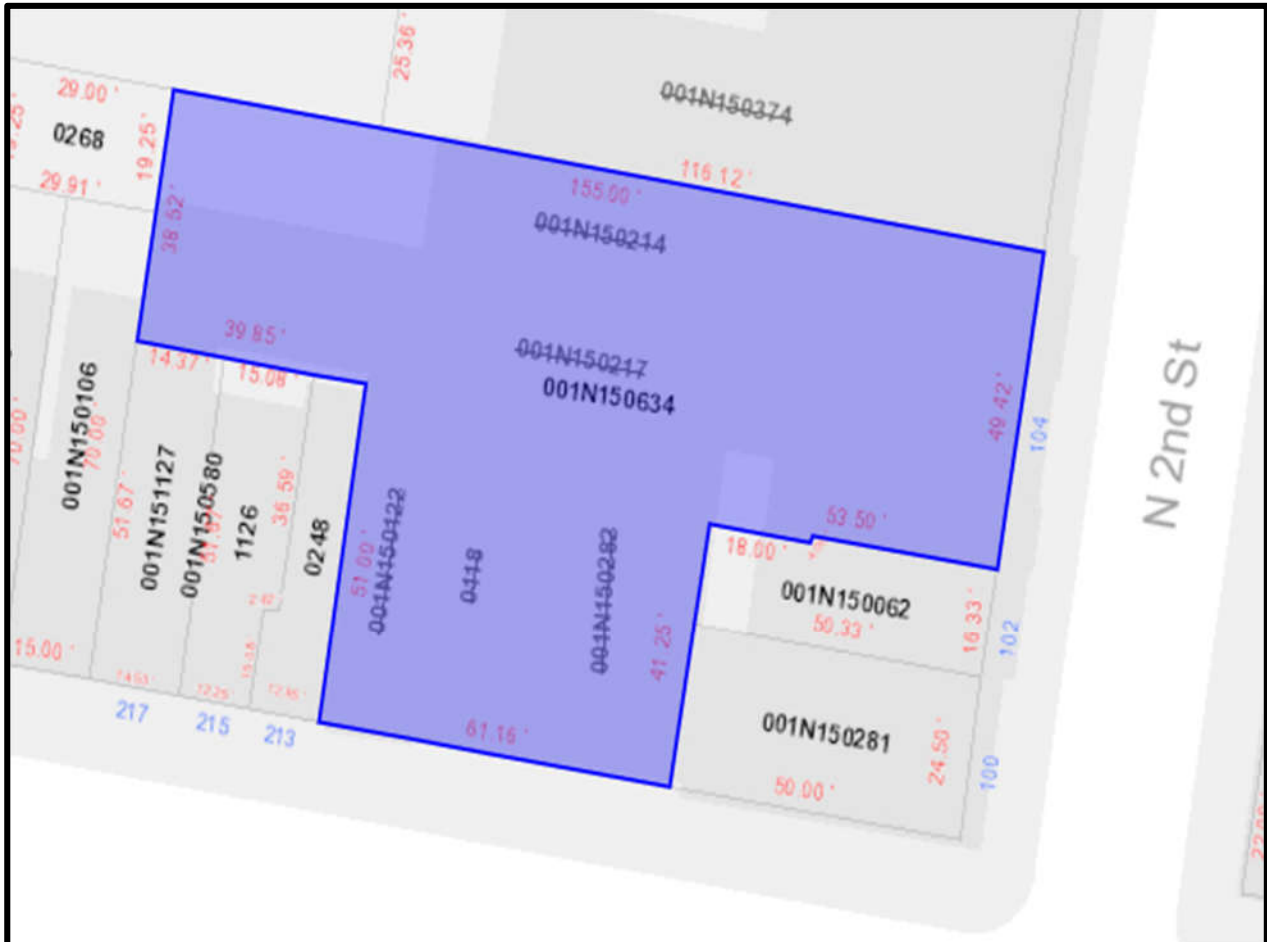
KEY INDICATORS							
Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	0	-	-	-	0	0	0
Power Center	0	-	-	-	0	0	0
Neighborhood Center	0	-	-	-	0	0	0
Strip Center	20,913	0%	\$26.60	0%	0	0	0
General Retail	3,227,931	5.3%	\$28.16	6.2%	15,406	0	0
Other	0	-	-	-	0	0	0
Submarket	3,248,844	5.3%	\$28.15	6.1%	15,406	0	0
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0%	3.7%	5.3%	6.0%	2024 Q1	2.4%	2012 Q2
Net Absorption SF	432	(2,218)	4,645	79,508	2006 Q4	(64,250)	2014 Q2
Deliveries SF	1.6K	4,831	6,573	50,186	2006 Q4	0	2023 Q2
Market Asking Rent Growth	-3.7%	1.1%	0.7%	4.7%	2007 Q1	-4.0%	2024 Q2
Sales Volume	\$18.4M	\$18.7M	N/A	\$41.2M	2022 Q1	\$3.1M	2009 Q4

Conclusion

As indicated, the subject property is located in the Old City section of Center City Philadelphia which is heavily traveled and densely populated. The area of the subject has a history of desirability and relatively moderate vacancy rates for retail and 1 & 2 star office and the location attributes have created a forceful inducement for private commercial and residential investment in the community. The subject property consists of a commercial condominium which is adaptable to a variety of office and some retail applications. Considering the foregoing, the subject property should continue to be in relatively high demand by tenants and owner-users alike.

PHYSICAL DESCRIPTION

Site Description –



Tax Map

Land Area:

According to the legal description, the entire site supporting the condominium complex contains 9,691± square feet of common area.

Frontage:

The site contains 61.16' of frontage along Arch Street and 49.42' along North 2nd Street

Shape:

Irregular in shape.

Topography:

Level at street grade.

Utilities:

All municipal utilities are available and connected to the site.

**Easements &
Land Use Restrictions:**

There are no known adverse easements that affect the subject site. The subject is assumed to be encumbered by normal utility easements.



Site Improvements:

Site improvements include concrete curbs and sidewalks.

Soil Conditions

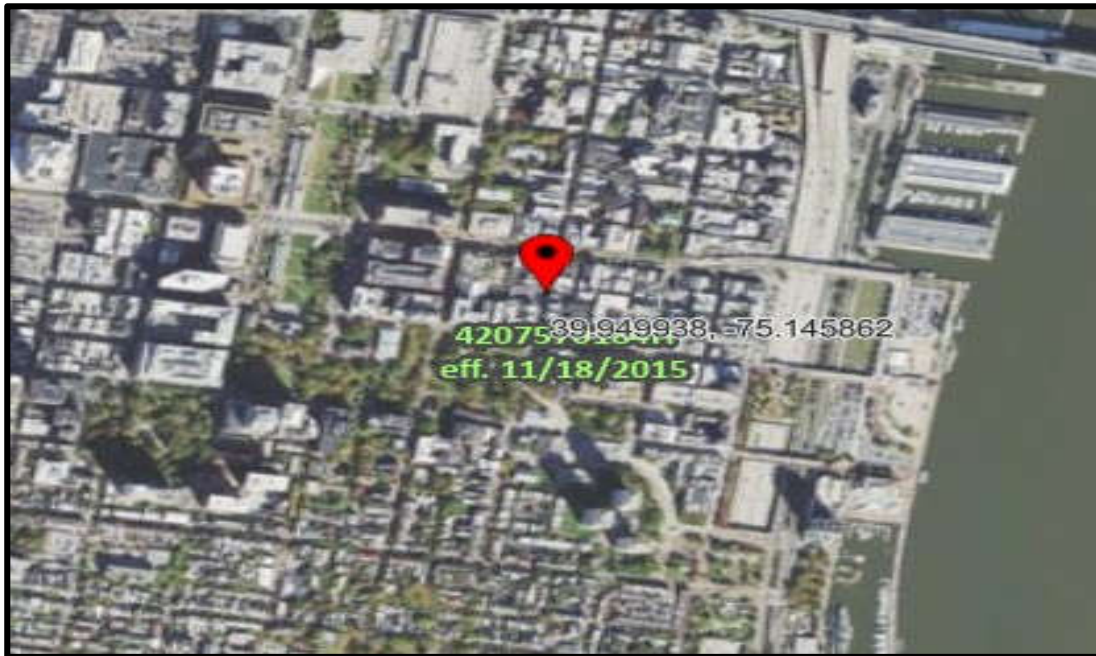
I have not reviewed a soil survey of the subject site; however, based on the surrounding developed uses and the existing subject improvements, it appears that there is sufficient load bearing capacity to support commercial development.

Environmental Hazards

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

Flood Plain Information

Community Panel No. 4207570184H dated January 17, 2007 indicated that the subject property is situated in Zone X, an area outside of the 100 and 500-year flood plain.. The flood map is presented below.



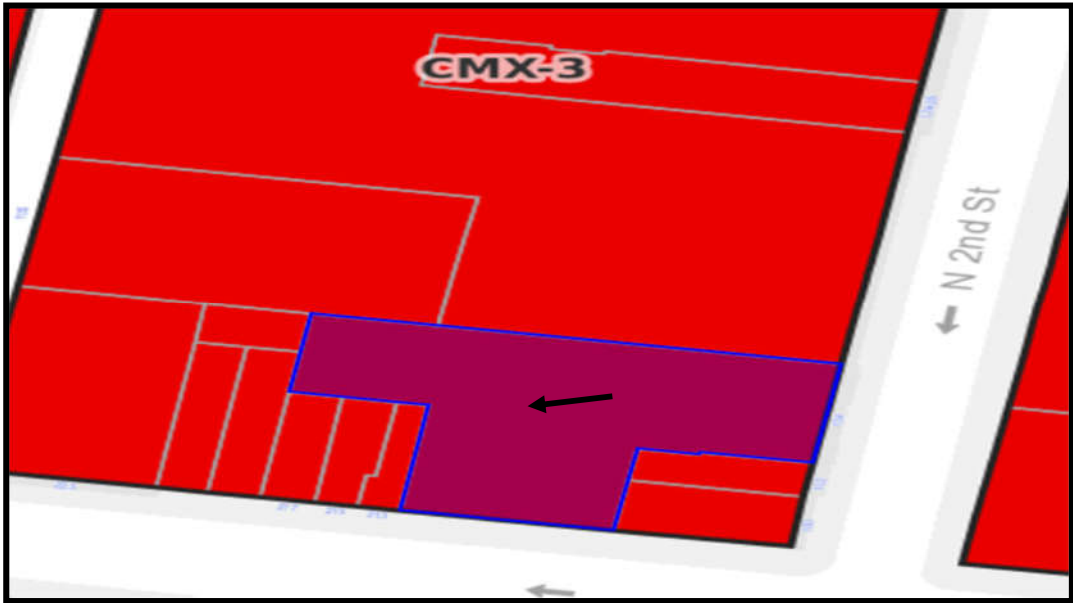
Flood Map





Zoning

Based on the zoning map for the City of Philadelphia, which is reproduced below, the subject property is located in an CMX-3 Commercial Mixed-Use zoning district. The zoning map is reproduced below.



The CMX-3 Commercial Mixed-Use district permits a variety of mixed-use, multi-family and commercial uses like the subject property. The improvements also appear to conform to the area requirements of this district. Specific use and dimensional standards for and permitted uses for the CMX-3 zoning district are set forth on the chart below.

CMX-3

Description: Community commercial and residential mixed use

Uses permitted as of right: Household Living; Group Living; Recreation; Day Care; Educational Facilities; Fraternal Organization; Hospital/Libraries and Cultural Exhibits; Religious Assembly; Safety Services; Transit Station; Utilities and Services; Basic; Wireless Service Facility; Office; Building Supplies and Equipment; Consumer Goods (except Drug Paraphernalia and Guns); Food, Beverage, and Groceries; Pets and Pet Supplies; Sundries, Pharmaceuticals, and Convenient Sales; Wearing Apparel and Accessories; Animal Services; Assembly and Entertainment (except Amusement Arcade, Casino, and Pool or Billiards Room); Building Services; Business Support; Eating and Drinking Establishment; Financial Services (except Personal Credit Establishments); Funeral and Mortuary Services; Maintenance and Repair of Consumer Goods; Structured Parking; Personal Services (except Body Art Services); Radio, Television, and Recording Services; Visitor Accommodations; Personal Vehicle Repair Sales and Rental; Personal Vehicle Repair and Maintenance; Gasoline Station; Vehicle Equipment and Supplies Sales and Rental; Moving and Storage Facilities; Artist Studios and Artisan Industrial; Research and Development; Community Garden; Market or Community-Supported Farm

Uses requiring special exception approval: Surface Parking

Bonus FAR = Up to 300% Lot Area

FAR = 500

Bonus Categories:

- Mixed Income Housing
- Green Building

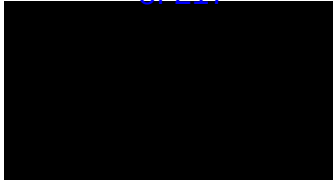
Max. occupied area is 75% of the lot

Side Yard 8', if used for dwellings

Max. Occupied Area	Intermediate: 75% Corner: 80%
Min. Front Yard Depth	NA
Min. Side Yard Width	8 ft. if used for building w/ dwelling units
Min. Rear Yard Depth	NA
Max. FAR	500%; up to an additional 300% with bonuses

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





Improvements

The subject improvements consist of a second-floor commercial condominium unit last utilized as a professional office containing approximately 2,190± square feet of gross unit area. The improvements were observed to be in overall average physical condition.

Pertinent construction details and property characteristics are as follows.

Foundation:	Stone foundation walls over concrete footings resting on sufficient bearing soil assumed.
Exterior Walls:	Masonry brick.
Framing:	Masonry and wood.
Floors:	The unit contains mainly carpet flooring in the office area with porcelain or ceramic tile in the lavatories.
Roof:	Condition unknown and assumed good.
Windows:	Fixed windows with operating panels in aluminum frames.
Power:	The service is assumed to be adequate for the current use.
HVAC:	The unit contains a forced air furnace with central air conditioning. The system was not in view or available for inspection.
Fire Protection:	The unit is protected by a wet sprinkler system and contains hard wired heat and smoke alarms, and emergency lighting fixtures.
General Layout & Finishes:	The unit is accessed by a storefront entry along the front elevation leading to a common hallway and staircase which is utilized primarily by the subject property. The unit consists of approximately 2,190+/- square feet of commercial area on the second floor. The unit was last utilized as a professional office and consists of a reception area, conference room, administrative room, and private office rooms some of which are enclosed by partial glass partitions. The unit also contains two (2) two-fixture lavatories. The interior finishes consist of mainly carpet flooring in the office area with porcelain or ceramic tile in the lavatories floors, painted sheetrock ceilings, and painted sheetrock walls.
Condition:	The subject improvements were observed to be in overall average physical condition.
Quality of Construction:	Average
Functional Utility:	Average





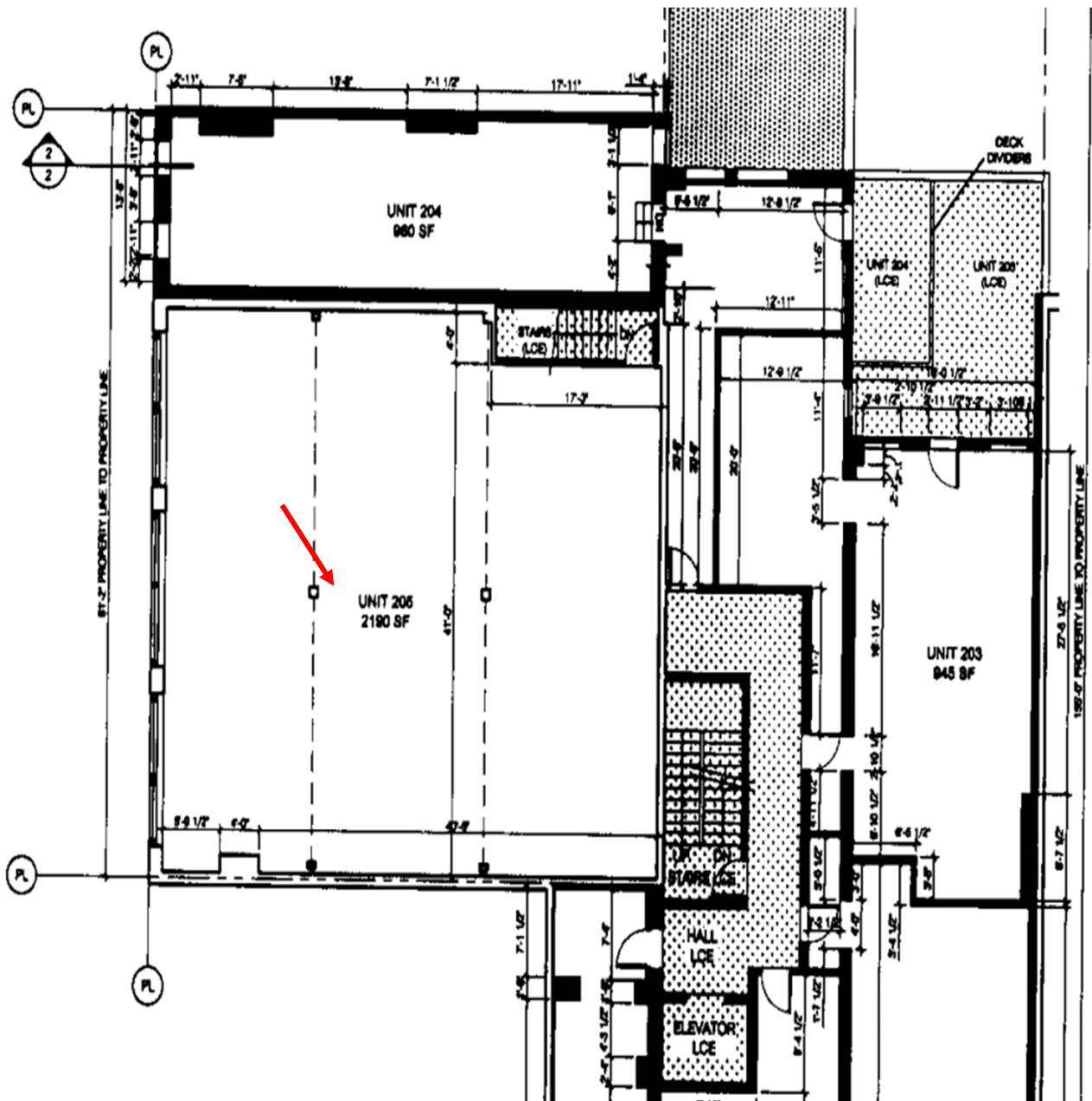
Environmental Hazard

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

Americans with Disability Act

The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made, nor are we qualified by training to make, a specific compliance survey and analysis of this property to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey and a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have not been provided with the results of a survey, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.





REAL ESTATE TAXES & ASSESSMENT

The property is identified as 104 North 2nd Street aka 205 Arch Street - Unit No. 205 or by the City of Philadelphia Tax Assessor's office as tax parcel number 888049225. According to the Philadelphia Office of Property Assessment, the current 2024 assessment for the subject property is \$452,000. The current millage rate for Philadelphia is \$13.9980 per \$1,000 of assessed value, which produces a current annual tax liability of \$6,327 as demonstrated below.

Real Estate Assessment and Taxes					
Tax Year 2024					
Tax ID	Land	Improvements	Total	Tax Rate	Taxes
888049225	\$67,795	\$384,205	\$452,000	\$13.998	\$6,327

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

Special Services District Tax

The subject property is also located in the Old City Special Services District. An additional surtax is charged based upon a property's proportionate share of the total assessment of the entire district. The proportionate share is multiplied by the total project cost to determine the amount charged to property owners in this district. The district taxes were estimated at \$360 per year.

HIGHEST & BEST USE

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

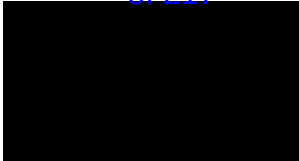
"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." To estimate highest and best use, four elements are considered:

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

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

Highest & Best Use "As Though Vacant"

As the subject property is a condominium, the owners have only partial ownership in the underlying land. Therefore, the highest and best use of the land "As Vacant" is not applicable.



Highest & Best Use “As Improved”

The subject improvements consist of a second-floor commercial condominium unit last utilized as a professional office containing approximately 2,190± square feet of gross unit area. The subject property has a functional layout which is adaptable to a variety of commercial and office uses and was observed to be in average physical condition at the time of inspection. The subject is located in the CMX-3 Commercial Mixed-Use and is assumed to represent a legal conforming use.

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

Based upon my investigation, with consideration given to the subject's location, specifically within a densely populated section of Philadelphia which exhibits a variety of residential as well as commercial uses much like the subject; at this point, there is no justifiable economic reason to reposition the property. On a financial basis, market evidence indicates that there is a continued demand for physically sound commercial condominium units affording functional utility to an investor as well as an owner user. Thus, it is our conclusion that the highest and best use as improved is for the continued use as a commercial condominium unit.

VALUATION ANALYSIS

There are three conventional approaches to real estate valuation, namely - Cost, Income and Sales Comparison. The Cost approach renders an estimate of value based upon the price of obtaining a site and constructing the improvements, both with equal desirability and utility as that of the subject property. The Income Capitalization Approach renders an estimate of value based upon the present worth of the potential future benefits derived from ownership of the subject property. The Sales Comparison Approach renders an estimate of value based upon the competitive prices at which as equally desirable substitute property can be acquired in the open market.

The resulting subjectivity in the estimation of the total accrued depreciation inherent in them, the Cost approach was not considered applicable to the valuation of the subject property. Moreover, an informed prospective buyer would not employ the mechanics of the Cost Approach in tendering an offer to purchase the subject property.

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





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

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

SALES COMPARISON APPROACH

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

An acknowledged limitation of this approach is that exactly similar properties seldom exist in the open market. Commercial condominium units share many common characteristics but, at the same time, possess unique features that make them difficult to compare on the basis of the whole property. Therefore, sales data is better related when reduced to a common unit of comparison which in this analysis, the most relevant common unit of comparison was found to be price per square foot of gross unit area excluding limited common elements and unfinished lower level area.

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





Improved Sale No. 1



Sales Information

ID	13537	Date	3/26/2024
Address	934-50 North 3rd Street - C1, C2, C3	Price	\$915,000
City	Philadelphia	Price Per SF	\$291.87
State	PA	Transaction Type	Closed Sale
Tax ID	Multiple	Property Rights	Leased Fee
Grantor	Manor, LLC	Financing	Conventional
Grantee	LongBao, LLC	Conditions of Sale	Arm's length
Book/Page or Reference	54284953	Verification	Listing Agent

Site

Land SF	18,620	Topography	Level at grade
Utilities	All public utilities	Zoning	CMX-3 Commercial Mixed Use

Improvements

No. of Units	1	GBA	3,135
No. of Stories	1	Condition	Good

Financial Data

NOI	\$75,183	Cap Rate	8.22%
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Comments

Street-level commercial condominium unit consisting of approximately 3,135+/- square feet of gross unit area at street level. The property was utilized as a daycare and considered to be in good physical condition at time of sale having been constructed in 2009. The unit was leased at time of sale at \$7,000 per month NNN. Net operating income reflective of a forecasted vacancy and management expense was estimated at \$75,183 producing an overall capitalization rate of 8.22%. Condominium fees were reported at \$1,164 per month. Confirmed with the MLS, Public Record, Deed and the listing agent Josh Weiss of MSC Real Estate. The property was also appraised by our firm in 2024.





Improved Sale No. 2



Sales Information

ID	11648	Date	3/1/2023
Address	2401 Pennsylvania Avenue - Unit #1C42	Price	\$255,000
City	Philadelphia	Price Per SF	\$161.29
State	PA	Transaction Type	Closed Sale
Tax ID	888150398	Property Rights	Fee Simple
Grantor	Delia Meltontate	Financing	Conventional
Grantee	Cashman, LLC	Conditions of Sale	Motivated Seller
Book/Page or Reference	54154986	Verification	Listing Agent

Land

Land SF	138,363	Topography	Level at grade
Utilities	All public utilities	Zoning	RM-3 Residential Multi-Family

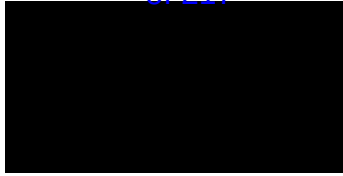
Improvements

No. of Units	1	GBA	1,581
No. of Stories	1	Condition	Average

Comments

Commercial / office condominium unit located within The Philadelphian high-rise condominium complex in the Art Museum section of greater Center City Philadelphia. The unit consists of approximately 1,581+/- square feet of gross unit area including open office / live-work areas, a full kitchen and three-fixture bathroom. The unit was vacant at time of sale and purchased for owner occupancy as a professional office. The unit was reported to be in average physical condition at time of sale. Condominium fees were reported at \$1,410 per month and includes all utilities, common area maintenance, insurance, etc. The property was marketed for approximately 77+/- days at an asking price of \$299,000 before producing the sale. The listing agent reported the seller was unduly motivated to dispose of the real estate and the property traded at a discount. The information was confirmed with the listing agent Julie Welker of Compass PA.





Improved Sale No. 3



Sales Information

ID	8611	Date	4/29/2022
Address	630 North 3rd Street - Unit #1	Price	\$280,000
City	Philadelphia	Price Per SF	\$225.81
State	PA	Transaction Type	Closed Sale
Tax ID	888049382	Property Rights	Leased Fee
Grantor	630 N Third, LLC	Financing	Conventional
Grantee	Mohammed Islam	Conditions of Sale	Arm's length
Book/Page or Reference	54034997	Verification	Listing Agent

Land

Land SF	764	Topography	Level at grade
Utilities	All public utilities	Zoning	CMX-1 Commercial Mixed Use

Improvements

No. of Units	1	GBA	1,240
No. of Stories	1	Condition	Good

Comments

Street-level plus finished lower-level commercial condominium unit located along a moderately traveled section in Northern Liberties. The unit consists of approximately 1,240+/- square feet of gross unit area of which approximately 620+/- square feet was reported to be at grade and 620+/- square feet is below grade. The site is located within a CMX-1 Commercial Mixed-Use zoning district. The unit was tenant occupied at time of sale and utilized as a professional office. The property was reported to be in good physical condition at time of sale having been constructed new in 2007. The property was marketed for approximately 75+/- days at an asking price of \$315,000 before producing the sale. Confirmed with the MLS, Public Record, Deed and the listing agent Karen Niv of RE/MAX One Realty.



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Improved Sale No. 4



Sales Information

ID	11649	Date	2/14/2022
Address	1420 Locust Street - Unit #4B1-4B2	Price	\$550,000
City	Philadelphia	Price Per SF	\$270.94
State	PA	Transaction Type	Closed Sale
Tax ID	Multiple	Property Rights	Fee Simple
Grantor	Montgomery Law, LLC	Financing	Conventional
Grantee	GLS Arch, LLC	Conditions of Sale	Arm's length
Book/Page or Reference	54011724	Verification	Listing Agent

Land

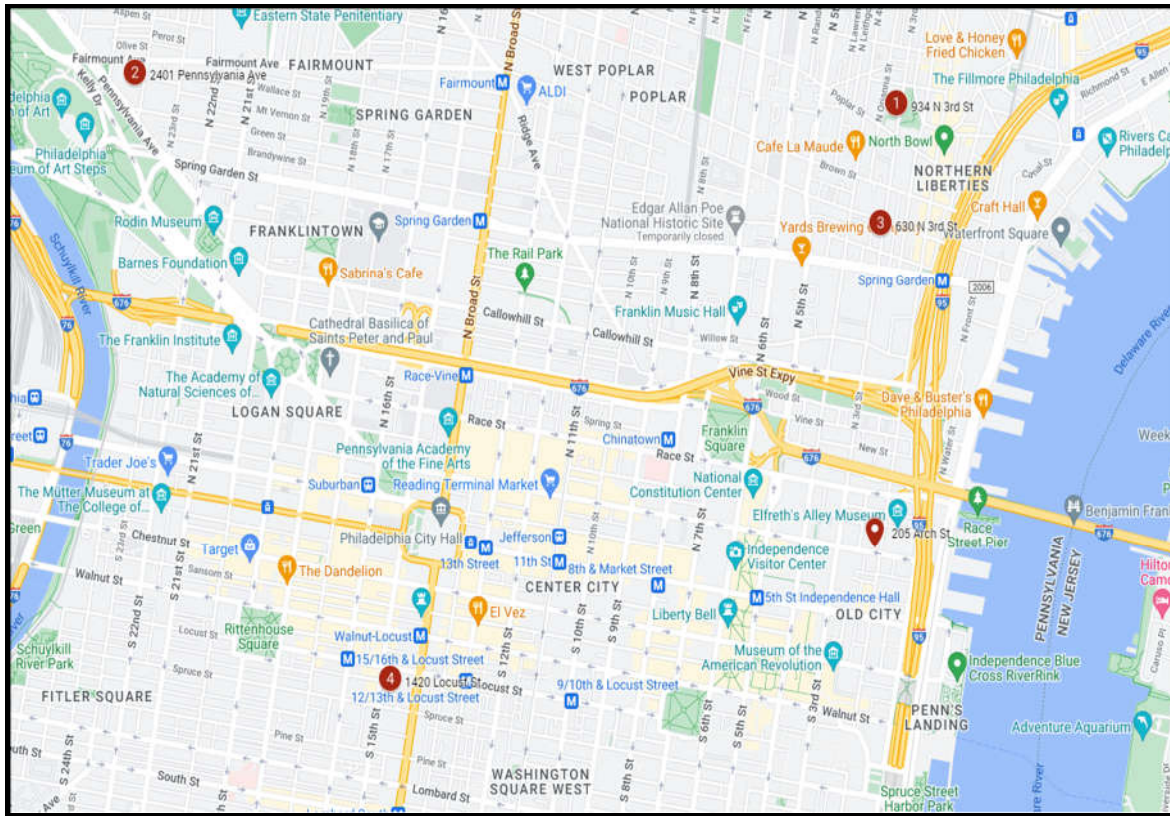
Land SF	30,449	Topography	Level at grade
Utilities	All public utilities	Zoning	CMX-5 Commercial Mixed Use

Improvements

No. of Units	1	GBA	2,030
No. of Stories	1	Condition	Average to Good

Comments

Commercial / office condominium unit located within The Academy House high-rise condominium complex in the Rittenhouse section of Center City Philadelphia. The unit consists of approximately 2,030+/- square feet of gross unit area including open office and private office areas, conference rooms, and a kitchenette. The complex offers common lavatories. The unit was previously owner occupied and purchased for owner occupancy as a professional office. The unit was reported to be in average to good physical condition at time of sale. Condominium fees were reported at \$1,800 per month and includes all utilities, common area maintenance, insurance, etc. The property was marketed for approximately 163+/- days at an asking price of \$600,000 before producing the sale. The information was confirmed with the Deed, MLS, public record and the listing agent James Labonski of BHHS Fox & Roach.



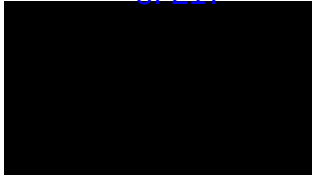
COMPARABLE SALES MAP

Correlation of Market Data

The preceding market data was gathered and utilized in forming an estimate of market value via the Sales Comparison Approach. Each transaction represents similar type property located within the competing market. Each sale was analyzed and compared to the subject property and adjustments were made for dissimilarities in property traits.

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

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



Notwithstanding, our investigation of the market in which the subject competes involved conversations with market participants who have a direct influence on real estate value, namely buyers, seller and investors or most importantly real estate brokers active in the immediate market who communicate regularly with these impactful contributors. Based on these insightful conversations we have been able to quantify the value of the individual adjustments used in this analysis. While we present numerical adjustments in the Improved Sales Adjustment Grid that follows, adjustments are based on qualitative judgment rather than statistical analysis as there is not sufficient data to develop a quantified estimate with a reasonable degree of confidence. Our qualitative adjustments are based upon a scale calibrated in 2.5% increments.

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

Property Rights Conveyed – As indicated, the fee simple interest is being appraised at the subject property. The fee simple interest conveyed in Sale Nos. 2 & 4 which were purchased for owner occupancy and no adjustment for property rights was warranted. The leased fee interest conveyed in Sale Nos. 1 & 3 which were leased to a long-term tenant at a market-oriented rent and no adjustments were necessary.

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

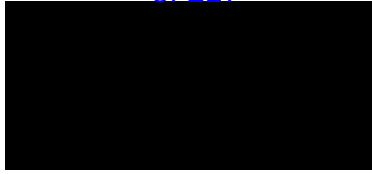
Conditions of Sale - An adjustment for conditions of sale is usually made to reflect the motivations of the participants in a transaction. The seller of Sale No. 2 was highly motivated to dispose of the real estate resulting in a discounted sale consideration. A positive adjustment was applied. The remaining comparable sales were reported to be arm's length transactions with typical motivations and sale conditions, thus, no adjustments for conditions of sale were considered necessary.

Expenditures After Purchase - An informed buyer would consider any expenditure necessary after the purchase of a property, which affects the price the buyer agrees to pay. These costs may include costs for zoning petitions and or building approvals or costs associated with the possible remediation of environmental contamination or repairs of deferred maintenance. None of the sales reported expenditures after the sale and no adjustments were deemed necessary.

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

Location – An adjustment for location is usually made when the locational characteristics of a comparable property are different from those of the subject property. Sale Nos. 1 & 3 warranted a positive adjustment to reflect their inferior commercial streets and locations. Conversely, Sale No. 4 warranted a negative adjustment for its superior Center City commercial location. The remaining sale did not require an adjustment.





Unit Area – The market typically will indicate an inverse relationship between the size of a unit and resultant price per square foot in that smaller units tend to sell for more while the opposite is true of larger units when compared on a square foot basis. The comparable sales are within a competitive range in size when compared to the subject property and no adjustments were applied.

Condition – The subject property was observed to be in average condition at the time of our inspection. Sale Nos. 1, 3 & 4 are superior to the subject in condition and quality of finishes and-or represented more recent construction warranting negative adjustments in varying degrees. The remaining comparable is considered to be similar to the subject property requiring no adjustment.

Utility – As indicated, the subject unit is located on the second floor of the complex. A negative adjustment was applied to Sale Nos. 1 & 3 for containing more desirable and superior street-level space. The adjustment to Sale No. 3 was tempered as it also includes non-daylight below grade space in the reported gross unit area. Conversely, Sale Nos. 2 & 4 are situated within high-rise office and residential complexes and offer diminished and inferior commercial exposure as compared to the subject.

Elevator – A negative adjustment was applied to Sale No. 4 for being elevator served. The remaining sales did not require an adjustment

Zoning- The subject property is in the CMX-3 Commercial Mixed-Use zoning district which permits a variety of commercial uses. Sale No. 2 warranted a positive adjustment to reflect its more restrictive residential zoning. The remaining comparable sales did not require an adjustment.

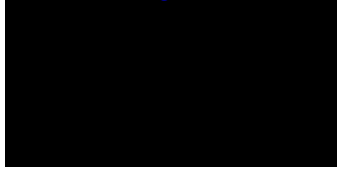
Parking – The subject property does not include on-site parking. The comparable sales are similar to the subject property and did not require an adjustment.

The following adjustment grid outlines our adjustment process:



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Sales Analysis Grid					
ID#	ID# 13537	ID# 11648	ID# 8611	ID# 11649	
Address	104 North 2nd Street aka 205 Arch Street - Unit No. 205	934-50 North 3rd Street - C1, C2, C3	2401 Pennsylvania Avenue - Unit #1C42	630 North 3rd Street - Unit #1	1420 Locust Street - Unit #4B1-4B2
City	Philadelphia	Philadelphia	Philadelphia	Philadelphia	Philadelphia
State	PA	PA	PA	PA	PA
Date	3/26/2024	3/1/2023	4/29/2022	2/14/2022	
Price	\$915,000	\$255,000	\$280,000	\$550,000	
GBA	2,190	3,135	1,240	2,030	
GBA Unit Price	\$291.87	\$161.29	\$225.81	\$270.94	
Transaction Adjustments					
Property Rights	Fee Simple	Leased Fee	Fee Simple	Leased Fee	Fee Simple
	0.0%	0.0%	0.0%	0.0%	0.0%
Financing	Conventional	Conventional	Conventional	Conventional	Conventional
	0.0%	0.0%	0.0%	0.0%	0.0%
Conditions of Sale	Arm's length	Motivated Seller	Arm's length	Arm's length	Arm's length
	0.0%	10.0%	0.0%	0.0%	0.0%
Expenditures After Sale	0.00	0.00	0.00	0.00	0.00
	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted GBA Unit Price	\$291.87	\$177.42	\$225.81	\$270.94	
Market Conditions	0.0%	0.0%	-5.0%	-5.0%	
Adjusted GBA Unit Price	\$291.87	\$177.42	\$214.52	\$257.39	
Location					
% Adjustment	5.0%	0.0%	5.0%	-15.0%	
Qualitative Adjustment	Inferior	Similar	Inferior	Superior	
GBA	2,190	3,135	1,240	2,030	
% Adjustment	0.0%	0.0%	0.0%	0.0%	
Qualitative Adjustment	Similar	Similar	Similar	Similar	
Condition	average	Good	Average	Good	Average to Good
% Adjustment	-10.0%	0.0%	-10.0%	-10.0%	-5.0%
Qualitative Adjustment	Superior	Similar	Superior	Superior	Superior
Utility					
% Adjustment	-15.0%	5.0%	-7.5%	5.0%	
Qualitative Adjustment	Superior	Inferior	Superior	Inferior	
Elevator					
% Adjustment	0.0%	0.0%	0.0%	-5.0%	
Qualitative Adjustment	Similar	Similar	Similar	Superior	
Zoning	CMX-3 Commercial Mixed-Use	CMX-3 Commercial Mixed Use	RM-3 Residential Multi-Family	CMX-1 Commercial Mixed Use	CMX-5 Commercial Mixed Use
% Adjustment	0.0%	2.5%	0.0%	0.0%	0.0%
Qualitative Adjustment	Similar	Inferior	Similar	Similar	Similar
Parking					
% Adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
Qualitative Adjustment	Similar	Similar	Similar	Similar	
Adjusted GBA Unit Price	\$233.49	\$190.73	\$187.70	\$205.91	
Net Adjustments	-20.00%	7.50%	-12.50%	-20.00%	

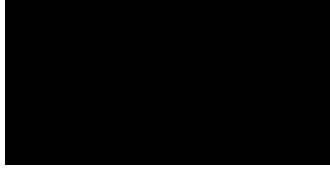


Value Ranges & Reconciled Value			
Number of Comps:	4	Unadjusted	Adjusted
	Low:	\$161.29	\$187.70
	High:	\$291.87	\$233.49
	Average:	\$237.47	\$204.46

The adjusted unit rates indicate a range of \$187.70 to \$233.49 per square foot with an average of \$204.46 per square foot of building area. Based on the foregoing analysis, and considering the subject's physical and economic characteristics, we believe the subject would trade toward the middle of the range of adjusted values.

Therefore, the "As Is" market value of the fee simple interest in the subject property as of July 8, 2024, via the Sales Comparison Approach, including a fractional interest in the common elements, and subject to the assumptions and conditions contained herein, is estimated to be: **FOUR HUNDRED FORTY FIVE THOUSAND DOLLARS (\$445,000)**. This is equivalent to approximately \$203.20 per square foot of gross unit area of 2,190+/- square feet.





INCOME CAPITALIZATION APPROACH

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

The net income stream was estimated after allowance for vacancy and turnover and expenses normally borne by the lessor. Based upon comparable rental data for similar commercial space obtained from the market in which the subject competes, leasing practice for this class of real estate typically calls for a net lease with the tenant responsible to reimburse all or the majority of operating expenses.

Potential Gross Revenues

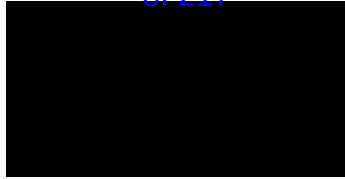
The total potential gross revenues generated by a property like the subject is often a minimum base rent determined by lease agreement. The minimum base rent represents a legal contract establishing a return to the investors in the real estate.

Base Rental Income

The first step in this approach is to estimate stabilized potential gross rental income for the subject. This is accomplished through a review of rent being paid for comparable commercial space in the competitive market environment of the subject.

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

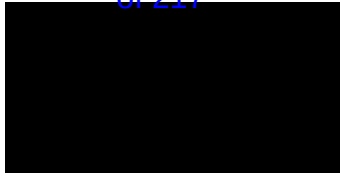




SUMMARY OF RETAIL RENTALS

No.	Address	Tenant	Leased Area (SF)	Term	Rent/SF Escalations	Expenses	Remarks
1	231 North 12th Street Philadelphia, PA	Kyle Clark	3,100	3 Years from 1/2024	\$15.48 Fixed annual increases	NNN	Second-floor loft / commercial office unit located within a walk-up building. The tenant is responsible for a pro-rata share of insurance, real estate taxes, maintenance and utility expenses.
2	307 Market Street Philadelphia, PA	Mpower Energy, LLC	2,491	Undisclosed renewal from 11/2023	\$18.45 3% annual increases	NN	Second floor commercial / office unit within a two-story walk-up commercial building. The tenant is responsible for 50% of real estate taxes and district taxes, plus all utilities and maintenance.
3	100 Market Street Philadelphia, PA	Not Disclosed / HairSalon	1,000	5 Years from 7/2023	\$30.00 3% annual increases	Gross plus utilities	Second-floor commercial unit located within a walk-up building. The tenant is responsible for maintenance and utility expenses.
4	18 South Letitia Street Philadelphia, PA	Pet Dermatology	1,842	3 Years from 5/2022	\$18.24 Flat over term	NNN	Street-level commercial / office condominium unit. The tenant is responsible for condominium fees (\$400 per month), maintenance, real estate taxes and utility expenses.





Correlation of Market Data

The comparable commercial rentals range from \$15.48 to \$30.00 per square foot on mainly triple net lease terms. Adjustments to the comparables are as follows: A positive adjustment was applied to No. 1 for its inferior location. A negative adjustment was applied to Nos. 2 & 3 to reflect their superior locations. Although No. 4 represents more desirable first-floor space, it is inferior in location and warranted a tempered positive adjustment. The comparables do not include on-site parking and no adjustments were necessary.

In terms of size, the market typically will indicate an inverse relationship between the size of a unit and resultant price per square foot in that smaller units tend to rent for more while the opposite is true of larger units when compared on a square foot basis. As a result, a negative adjustment was applied to No. 3 to reflect its smaller size. The remaining comparables range in size however are within a competitive range when compared to the subject and did not require an adjustment.

No. 3 warranted negative adjustments to reflect its superior condition and quality. The remaining comparables are relatively similar to the subject in condition and quality requiring no adjustment. The majority of the comparable are leased on a net basis and a triple net lease is being projected to the subject property with the tenant responsible for the majority of operating expenses including real estate taxes, special service district taxes, insurance, condominium fees, utilities, maintenance, and use and occupancy taxes. A negative adjustment was applied to Nos. 2 & 3 to reflect their double net or gross lease terms with the tenant responsible to reimburse a lesser share of expenses. The subject property is also subject to additional condominium fees which is not the case for the tenants in Nos. 1, 2 & 3 and negative adjustments were applied.

After adjustments to the comparables for additional pertinent dissimilarities, an economic rent of \$18.50 per square foot on a triple net basis is projected to the subject property and within an acceptable range of the adjustment market data and is utilized in the following proforma.

Potential Gross Income

The total potential income for the subject property is \$40,515.

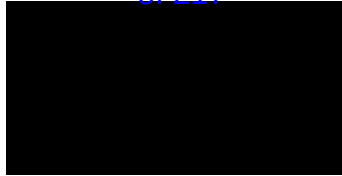
Vacancy & Collection Loss

Based on information presented in the Market Analysis, in conjunction with consideration given to the specific locational and property characteristics of the subject property, a vacancy allowance and collection loss of 7.5% was applied to income from the subject property as a reasonable contingency as demonstrated by the local marketplace reflecting the proportional impact potential vacancy and credit losses would inflict on potential income in the market.

Operating Expenses

We have projected the subject's operating expenses based on the appraiser's knowledge of expense data from similar type properties in the general market area which have been retained in our files. The following is a summary and discussion of the typical operating expenses which an informed investor can expect to incur in the production of rental income from the subject property during the initial year of the investments holding period. As indicated, a triple net basis is being projected with the tenant responsible for the majority of operating expenses with the exception of property management fees. We have also projected a reserve for repairs or replacement of short-lived items.





Management

Management and administrative expenses were projected at 5.0% of the effective gross income.

Reserves

We have projected reserves for replacement of short-lived items at \$548 . This is equivalent to \$0.25 per square foot.

Net Operating Income

The total expenses of the subject property are deducted annually from effective gross income, thereby leaving a residual net cash flow to the investors in each year of the holding period. The net operating income for the subject property was estimated to be \$35,055 .

Development of Capitalization Rate

Market Extracted Overall Capitalization Rates

We have extracted the following capitalization rate from an actual market transaction of a commercial condominium unit which is utilized in direct comparison to the subject property in the Sales Comparison Approach. The comparable provides a reasonably valid benchmark to forecast a capitalization rate for the subject property and are reflective of forecasted vacancy and management expenses.

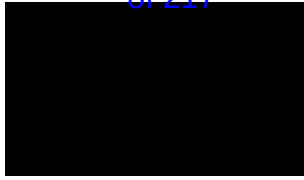
SUMMARY OF CAPITALIZATION RATES	
No. 1	
Address	934-50 North 3rd Street
Date	3/26/2024
Price	\$915,000
NOI	\$75,183
Cap Rate	8.22%

Constant Band of Investment

In developing the mortgage equity method of capitalization, we have also obtained information concerning interest rates for permanent mortgages. Based on surveys with multiple lending institutions, we estimate that a mortgage loan could be obtained on the subject property at an interest rate of 7.00% with a 25-year amortization resulting in a mortgage constant of 0.08481. We impute a 70% percent loan-to-value ratio. The remaining 30% percent represents an equity investment by the owner. Our analysis of investor requirements indicates that minimum acceptable cash on cash return was 9.50% percent.

According to RealtyRates.com 2nd Quarter 2024 Investor Survey debt coverage ratios under the under the Retail - All Types category range from 1.10 to 2.15 with an average of 1.39. Debt coverage ratios under the under the Office - CBD category range from 1.35 to 2.15 with an average of 1.75. Based upon the previous analysis, we have estimated the debt service coverage ratio at 1.45 which is considered reasonable when considering locational, economic and physical characteristics of the subject property.





The chart presented represents the mathematical development of a normal overall rate through the mortgage equity method of capitalization.

BAND OF INVESTMENT				
Capitalization Rate Variables				
Mortgage Interest Rate	7.00%			
Loan Term (Years)	25			
Loan To Value Ratio	70%			
Equity	30%			
Debt Coverage Ratio	1.45			
Equity Dividend Rate	9.50%			
Band of Investment Analysis				
Mortgage Constant	0.08481	x	Loan Ratio	
			70%	= 5.94%
Equity Dividend Rate	9.50%	x	Equity Ratio	
			30%	= 2.85%
Band of Investment Capitalization Rate				8.79%
Debt Coverage Ratio Analysis				
Debt Coverage Ratio x Loan to Value Ratio x Mortgage Constant				
	1.45 x 0.7 x 0.08481			= 8.61%
Debt Coverage Ratio Capitalization Rate				8.61%

Based on the preceding analysis, the indicated capitalization rate based upon the Band of Investment was 8.79%. In the Debt coverage ratio method, the ratio of 1.45 is multiplied by the mortgage constant of 0.08481 which indicated an 8.61% capitalization rate.

On balance, based on the foregoing information, we believe that a property with the characteristics of the subject would potentially trade at an overall rate of 8.50% based on first year income. As described earlier, first year net income was projected to be \$35,055 divided by an overall rate of 8.50% results in a “stabilized” market value of \$412,407, which we have rounded.

Conclusion

As a result, the “As Is” market value of the fee simple interest in the subject property, via the Income Capitalization Approach, as of July 8, 2024, including a fractional interest in the common elements, and subject to the assumptions and conditions contained herein, is estimated to be:

FOUR HUNDRED FIFTEEN THOUSAND DOLLARS
(\$415,000)

The pro-forma is presented on the following page.





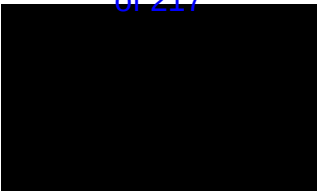
SUMMARY INCOME CAPITALIZATION APPROACH

104 North 2nd Street aka 205 Arch Street - Unit No. 205

Philadelphia, Pennsylvania

	PSRAG FORECAST	
	Annual Amount	Per SF
Income		
Potential Gross Rent	\$40,515	\$18.50
Other Income	\$0	\$0.00
Total Gross Revenue	\$40,515	\$18.50
Commercial Vacancy & Credit Loss	\$3,039	\$1.39
Effective Gross Income	\$37,476	\$17.11
Operating Expenses		
Management & Admin	\$1,874	\$0.86
Reserves / Repairs	\$548	\$0.25
Total Operating Expenses	\$2,422	\$1.11
Net Operating Income	\$35,055	\$16.01
Overall Capitalization Rate	8.50%	
Capitalized Net Operating Income	\$412,407	\$188.31
"As Is" Market Value (rounded)	\$415,000	\$189.50





RECONCILIATION OF VALUES

Value indications for the subject property are as follows:

RECONCILIATION OF MARKET VALUE ESTIMATES		
SALES COMPARISON APPROACH	INCOME CAPITALIZATION APPROACH	COST APPROACH
\$445,000	\$415,000	Not Applicable

The Cost Approach is typically a good indication of value when the subject is new or newer and a minimal amount of depreciation is present. Due to the age of the subject property and the difficulty in estimating the physical depreciation the Cost Approach was not utilized in the valuation of the subject property. In addition, an informed potential buyer would not rely on the Cost Approach in tendering an offer to purchase the subject property.

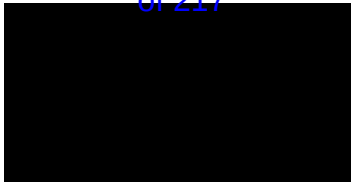
The Sales Comparison Approach is based on the principle of substitution, which implies that a prudent person will not pay more to buy a property than it would cost to buy a comparable substitute property. The subject property was compared with the most recent sales data we could obtain on relatively similar commercial units. Sales of comparable properties were found throughout the immediate area and affected by similar external forces. Thus, this approach was developed and considered well supported.

The Income Capitalization Approach is predicated upon the principle of anticipation which assumes that value is determined by the future income one can expect to receive from real estate. Investment properties are generally bought and sold based upon their ability to produce income. All sources of data relative to the Income Capitalization Approach were carefully researched and documented. The subject property does have the capability of being leased. As a result, in the final reconciliation we have given equal weight to both approaches to value.

As a result of our analysis, which involved research of data relating to commercial condominium units of equivalent utility, it is our opinion that “As Is” market value of the fee simple interest in the subject property as of July 8, 2024, including a fractional interest in the common elements, and subject to those assumptions, limiting conditions, certifications and definitions contained herein, is estimated to be:

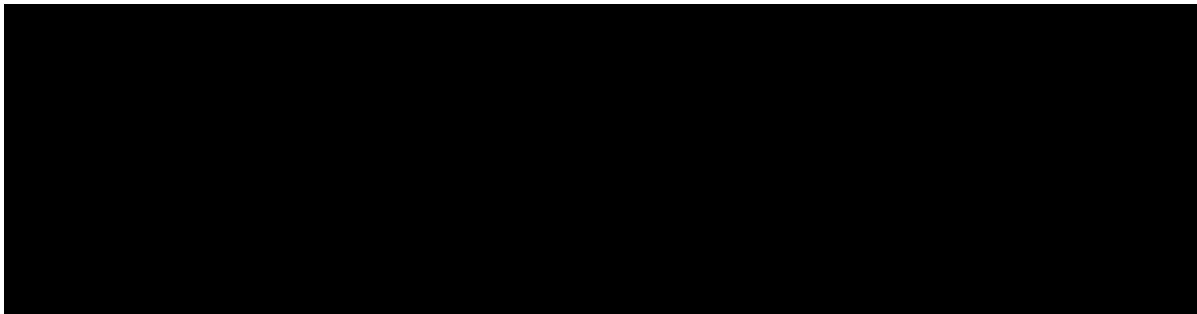
FOUR HUNDRED THIRTY THOUSAND DOLLARS
(\$430,000)

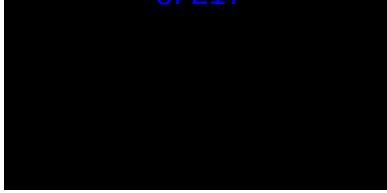




CERTIFICATION

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





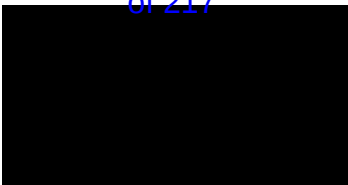
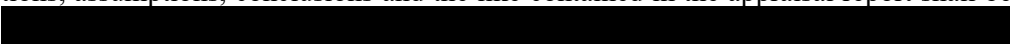


ASSUMPTIONS AND LIMITING CONDITIONS

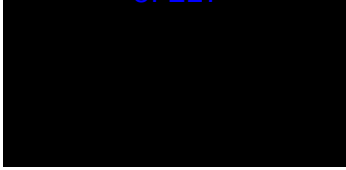
This valuation assignment was made subject to the following Assumptions and Limiting Conditions, in addition to any special assumptions or limiting conditions cited in the appraisal, and incorporated herein by reference.

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

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



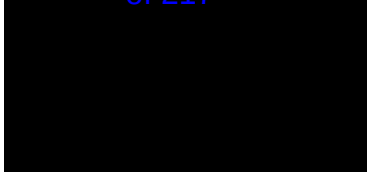
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10. Neither all nor any part of the contents of this report, essentially any conclusions as to value, the identity of the appraiser or the firm with which he is connected shall be disseminated to the public through advertising media, public relations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



on or utilize the report without the express written consent of [REDACTED]
The use of the report is expressly prohibited unless all contractual obligations for payment thereof have been completed.

23. Management is assumed to be competent, and the ownership to be in responsible hands. The quality of property management can have a direct effect on a property's economic viability and value. The financial forecasts contained in the appraisal assume both responsible ownership and competent management. Any variance from this assumption could have a significant impact on the final value estimate(s).
24. The estimated operating results shown in this report are based upon an evaluation of the present general level of the economy of the area, and neither takes into account nor makes provision for the effect of any sharp rise or decline in local or general economic conditions.
25. The Appraiser(s) assumes that there are no hidden or unapparent conditions of the property, soil, subsoil or structures which would render it more or less valuable. No responsibility is assumed for such conditions, or for engineering which might be required to discover such factors. Detailed soil studies were not made available to the Appraiser(s). Statements regarding soil qualities, if made in the report, are not conclusive but have been considered consistent with information available to the Appraiser(s) and provided by others. In addition, unless stated otherwise in the appraisal, the land and soil of the area under appraisal appears firm and solid, but the appraisal does not warrant this condition.
26. The appraisal is made for valuation purposes only. It is not intended nor to be construed to be an engineering report. The Appraiser(s) is not a qualified structural engineer(s), therefore, is not qualified to judge the structural integrity of the improvements. Consequently, no warranty, representations or liability are assumed for the structural soundness, quality, adequacy or capacities of said improvements and utility services, including the construction materials, particularly the roof, foundation, and equipment, including the HVAC systems. Should there be any question concerning same, it is strongly recommended that an Engineering/Construction inspection be obtained. The value estimate(s) stated in the appraisal is predicated on the assumption that all improvements, equipment and building services are structurally sound and suffer no concealed or latent defects or inadequacies other than those noted in the appraisal.
27. Any proposed construction or rehabilitation referred to in the appraisal report is assumed to be completed within a reasonable time and in a workmanlike manner according to or exceeding currently accepted standards of design and methods of construction.
28. Any areas or inaccessible portions of the property or improvements not inspected are assumed to be as reported or similar to the areas which were inspected.
29. Unless specifically stated in the report, the Appraiser(s) found no obvious evidence of insect infestation or damage, dry or wet rot. Since a thorough inspection by a competent inspector was not performed for the Appraiser(s), the subject is assumed to be free of existing insect infestation, wet rot, dry rot, and any structural damage which may have been caused by pre-existing infestation or rot which was subsequently treated.
30. In the appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the improvements, such as the presence of urea formaldehyde foam insulation, asbestos, toxic waste, radon and/or any other prohibited material or chemical which may or may not be present on or in the property, was, unless specifically indicated in the report, not observed by the Appraiser(s), nor does he have any knowledge of the existence such materials on or in the property. The Appraiser(s) however, is not qualified to detect such substances. The existence of these potentially hazardous materials may have a significant effect on the value of the property. The client is urged to retain an expert in this field, if desired. The value conclusion(s) assumes the property is "clean" and free of any of these adverse conditions unless notified to the contrary in writing.





31. No effort has been made to determine the possible effect, if any, on this project of energy shortages or present or future federal, state or local legislation, including any environmental or ecological matters or interpretations thereof.
32. The Appraiser(s) believes that the underlying assumptions and current conditions provided a reasonable basis for the value estimate(s) stated in the appraisal. The Appraiser(s) assumes there will be no major changes in current economic mortgage interest rates and/or terms or property assessment; and/or major revisions in current state and/or federal tax or regulatory laws in the foreseeable future. If significant changes would occur, variations in the value estimate(s) stated in the report could occur.
33. The client(s) by receipt of the appraisal, shall indemnify and hold harmless [REDACTED], from and against all damages, expenses, claims, demands and costs, including legal fees incurred in investigating and defending any claims, arising from or in any way connected to the inclusion of the aforesaid reference to [REDACTED] for damages and expenses resulting from [REDACTED] s failure to render the opinion(s) of value or produce the appraisal in a manner consistent with sound appraisal practice.

In any event, the maximum damages recoverable from [REDACTED] relative to this engagement shall be the amount of the monies actually collected by [REDACTED] for this assignment and under no circumstances shall any claim or consequential damages be made. In addition, there is no accountability or liability to any third party.

ADDENDUM

Engagement Letter

July 5, 2024
Ryan Stumphauzer, Court Appointed Receiver
c/o Mr. Tim Hazel
Pietragallo Gordon Alfano Bosick & Raspanti, LLP
Via Email: TMH@pietragallo.com

**RE: 20-22 North 3rd Street – 101
20-22 North 3rd Street – 102
205 Arch Street – 2nd Floor
Philadelphia, PA**

Dear Mr. Hazel:

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

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

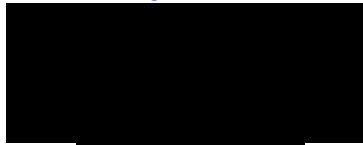
Any changes to the assignment as outlined in this agreement shall necessitate a new agreement. The identity of the client, intended users, or intended use; the date of value; type of value; or property appraised cannot be changed without a new agreement.

The fees to complete the appraisals are as follows:
20-22 North 3rd Street Unit 101 - **\$1,500**
20-22 North 3rd Street Unit 102 - **\$1,500**
205 Arch Street 2nd Floor - **\$1,750**

Our office requires the total combined fee of **\$4,750** to be paid no later than 30-days after completion of the appraisal reports. Provided we can inspect the property and obtain all the necessary information in a timely manner we expect to have the appraisal reports delivered to you in three (3) weeks from the date of property inspection.

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

[REDACTED]



Engagement Letter



July 5, 2024


Page 2

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

Respectfully Submitted,



Authorized signature for acceptance of the foregoing terms and conditions:


Mr. Ryan Stumphauzer, Court Appointed Receiver

7/8/24
Date:



of 217

Deed

eRecorded in Philadelphia PA Doc Id: 53207263
05/03/2017 06:08 PM Page 1 of 5 Rec Fee: \$252.00
Receipt#: 17-45347
Records Department Doc Code: D
State RTT: \$2,600.00 Local RTT: \$8,060.00

Prepared by and Return to:

This Indenture, made the 27th day of April, 2017,

Between

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

205 B ARCH STREET MANAGEMENT LLC

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

Witneseth, that the said Grantor for and in consideration of the sum of **Two Hundred Sixty Thousand And 00/100 Dollars (\$260,000.00)** lawful money of the United States of America, unto it well and truly paid by the said Grantee, at or before the sealing and delivery hereof, the receipt whereof is hereby acknowledged, has granted, bargained and sold, released and confirmed, and by these presents does grant, bargain and sell, release and confirm unto the said Grantee, its successors and assigns,

Street Address: **104 North 2nd Street, Philadelphia, PA**

ALL THAT CERTAIN Unit, designated as Unit Number 250, being a Unit in Cook's Row Condominium, in the 5th Ward of the City of Philadelphia and Commonwealth of Pennsylvania, as designated in that certain Declaration of Condominium of Cook's Row Condominium dated 6/15/2001 and recorded in the Department of Records, in and for the City and County of Philadelphia, on 6/22/2001 as Document No. 50280207, and that certain Declaration Plan of Cook's Row Condominium, dated 6/15/2001 and recorded on 6/22/2001 as Document No. 50280207; as amended by First Amendment to Declaration dated 6/6/2002 and recorded as Document No. 50474408; and a Corrective Amendment to Declaration of Condominium dated 10/1/2015 and recorded 10/16/2015 as Document No. 52978112.

BEING NO. 104 North 2nd Street, also known as 205 Arch Street, Unit No. 205, Cook's Row Condominium.



Deed

53207263 Page 2 of 5 05/03/2017 06:08 PM

TOGETHER with all the right, title and interest of, in and to the common elements, as more fully set forth in the aforesaid Declaration of Condominium, and Declaration Plan thereto; and any Amendments thereto.

Being inter-alia, the same premises which MC Real Estate Partners I, L.P., a PA limited partnership by Deed dated 3/30/2005 and recorded 5/2/2005 in Philadelphia County as Document No. 51166737 conveyed unto MHJ Associates Real Estate, LP, in fee.

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

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

And the said Grantor, for itself, its successors and assigns, does, by these presents, covenant, grant and agree, to and with the said Grantee, its successors and assigns, that it, the said Grantor, and its successors and assigns, all and singular the hereditaments and premises herein described and granted, or mentioned and intended so to be, with the appurtenances, unto the said Grantee, its successors and assigns, against it, the said Grantor, and its successors and assigns, and against all and every other person and persons whosoever lawfully claiming or to claim the same or any part thereof, by, from or under him, her, it, or any of them, shall and will

Warrant and Forever Defend.

In Witness Whereof, the party of the first part has caused its common and corporate seal to be affixed to these presents by the hand of its General Partner. Dated the day and year first above written.

of 217

Deed

53207263 Page 3 of 5 05/03/2017 06:08 PM

**Sealed and Delivered
in the Presence of Us:**

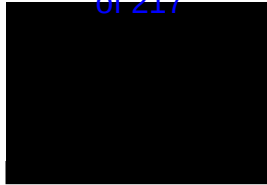
Commonwealth of Pennsylvania }
County of Philadelphia } ss

AND NOW, this 27th day of April, 2017, before me, the undersigned Notary Public, appeared [REDACTED] who acknowledged themselves to be the Members (title) of [REDACTED] a limited partnership, and they, as such Members (title) being authorized to do so, executed the foregoing instrument for the purposes therein contained on behalf of **M.H.J. ASSOCIATES REAL ESTATE, LP** by signing the name of the general partnership by themselves as Members (title) thereof.

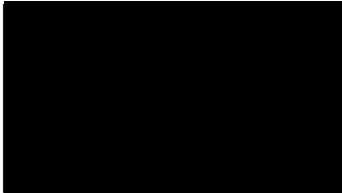
IN WITNESS WHEREOF, I hereunder set my hand and official seal.

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

COMMONWEALTH OF PENNSYLVANIA



QUALIFICATIONS



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

FORMAL EDUCATION

Temple University, Philadelphia, Pennsylvania

May 1992, Bachelor of Science, Real Estate

Appraisal Institute, Chicago Illinois -

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

PROFESSIONAL AFFILIATION

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

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

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

License Type
Certified General Appraiser

License Status
Active

Initial License Date
05/12/1994

License Number

Expiration Date
06/30/2025

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




QUALIFICATIONS



BUSINESS EXPERIENCE

2001 – Present

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

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

FORMAL COURSE EDUCATION



Temple University Real Estate Institute -
Appraisal Institute -

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

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

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

PROFESSIONAL AFFILIATION

Pennsylvania Certified General Appraiser 
New Jersey Certified General Appraiser (C



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

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

License Type
Certified General Appraiser

License Status
Active

Initial License Date
12/14/2007

Expiration Date
06/30/2025

License Number

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

Exhibit C

*Purchase and Sale Agreement
Dated May 20, 2025*

PURCHASE AND SALE AGREEMENT

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

1. KEY TERMS.

- A. Seller: Ryan Stumphauzer, Court Appointed Receiver
phone No.: (call counsel to Receiver) email address: c/o tmh@pietragallo.com
& gja@pietragallo.com
mailing address: c/o Stumphauzer Kolaya Nadler & Sloman, PLLC, One Biscayne Tower, 2 South Biscayne Boulevard, Suite 1600, Miami, FL 33131
- B. Buyer: REDACTED
phone No.: REDACTED email address: REDACTED
mailing address: _____
- C. Purchase Price: \$ \$260,000 (which equals Buyer’s offer price of \$ \$260,000 plus a Transaction Fee of \$ _____)
- D. Earnest Money Deposit: \$ \$20,000 (if blank, then 10% of the Purchase Price, but no less than \$50,000).
- E. Property: Address: 205B Arch St., Philadelphia, PA 19106 as legally described on Exhibit A, including all permanent improvements thereon (but excluding any personal property unless specifically identified by addendum or amendment to this Agreement).
- F. Closing Date: June 13th, 2025, (if blank, then (i) 30 calendar days after the Effective Date). If the Closing Date falls on a weekend or a state or federally recognized holiday, the Closing Date shall be the next business day.
- G. Closing Agent: Land Services USA contact William Homa address: 1 S. Church St. West Chester, PA 19382
phone number: 610-429-3145 email address: WHoma@lsutitle.com
- H. Title Insurance Company: Land Services USA, title insurance agent for _____, and the Title Company designated by Receiver.
- I. Closing Cost Allocations: As described in the Section below entitled “Closing Cost Allocations”.

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

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

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

4. CLOSING DELIVERIES.

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

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

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

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

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

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

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

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

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

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

5. CONDITIONS PRECEDENT TO CLOSING.

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

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

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

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

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

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

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

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

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

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

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

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

(a) Record the Deed.

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

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

7. COSTS AND PRORATIONS.

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

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

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

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

8. TERMINATION AND CANCELLATION OF ESCROW.

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

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

SELLERS INITIALS

RS/GR

BUYER'S INITIALS

Initial
REDACTED

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

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

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

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

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

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

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

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

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

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

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

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

11. SELLER'S COVENANTS.

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

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

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

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

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

12. MISCELLANEOUS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13. CLOSING COST ALLOCATIONS.

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

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

SELLER'S INITIALS

RS/AR

BUYER'S INITIALS

Initial
REDACTED

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

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SELLER:

BUYER:

COURT APPOINTED RECEIVER

[NAME]

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

Signed by:
By: REDACTED
Name: REDACTED
Title: _____

Date: 05/20/25 | 2:41 PM EDT, 2024

Date: 05/19/25 | 4:49 PM EDT, 2024

LISTING BROKER (if any):

BUYER'S BROKER (if any):

Name: Melissa Valenti & Ame Goldman
License No.: RS285747 & RS277823
State: Pennsylvania

Name: Melissa Valenti & Ame Goldman
License No.: RS285747 & RS277823
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

EXHIBIT B

Assignment and Assumption of Leases and Contracts

EXHIBIT C

Leases

**PENNSYLVANIA RIDER TO
PURCHASE AND SALE AGREEMENT**

STATE-SPECIFIC PROVISIONS.

- A. Zoning Classification: CMX3
- B. Sewage Facilities. In accordance with the Pennsylvania Sewage Facilities Act of January 24, 1996, No. 537 P.L. 1536, as amended, the following statement regarding the availability of a community sewage system is included: the Property **IS NOT** 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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Exhibit 2

*Proposed Order Authorizing Receiver's Sale of Real Property Located at
205 B Arch Street, Philadelphia, PA 19106*

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

CASE NO. 20-CV-81205-RAR

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

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

Defendants.

**ORDER AUTHORIZING RECEIVER'S SALE OF REAL PROPERTY
LOCATED AT 205 B ARCH STREET, PHILADELPHIA, PA 19106**

THIS CAUSE comes before the Court upon the Receiver's Motion for Order Approving Receiver's Sale of Real Property Located at 205 B Arch Street, Philadelphia, PA 19106, [ECF No. ____] ("Motion"), filed on May 21, 2025. 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 205 B Arch Street, Philadelphia, PA 19106.¹ 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

¹ The Arch Street Property also is known as 104 North Second Street and also known as 205 Arch Street, Unit 205, Cook's Row Condominium.

Receiver's Declaration, [ECF No. ____-1], regarding his proposed sale of the real property located at and commonly known as 205 B Arch Street, Philadelphia, PA 19106 (the "Property"), and orders as follows:

A. The terms of the Purchase and Sale Agreement, a copy of which is attached to the Declaration as Exhibit C (collectively, the "Contract"), by and between the Receiver and __ _ Realty, LLC dated May 20, 2025² (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 \$260,000, 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.

² 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 _____, 2025.

RODOLFO A. RUIZ II
UNITED STATES DISTRICT JUDGE

Copies to: Counsel of record