



**Valbridge**  
PROPERTY ADVISORS

## Appraisal Report

Canterwood Manor at DeBary  
32 Dirksen Drive  
DeBary, Volusia County, Florida 32173

Report Date: **July 14, 2020**



FOR:

Robert K. Dunn / Charles Gray  
Green Leaf Development  
1344 Hardy Avenue  
Orlando, FL 32803

### Valbridge Property Advisors | Jacksonville

10950 San Jose Boulevard  
Jacksonville, FL 32223  
844-822-7825  
[valbridge.com](http://valbridge.com)

Valbridge File Number:  
FL09-20-081



July 14, 2020

Robert K. Dunn / Charles Gray  
GREEN LEAF DEVELOPMENT  
1344 Hardy Avenue  
Orlando, FL 32803

RE: CANTERWOOD MANOR AT DEBARY  
**32 Dirksen Drive**  
DeBary, Florida 32713  
Valbridge Job No.: FL09-20-081

Dear Mr. Dunn & Mr. Gray:

At Green Leaf Development's request and authorization, we have prepared an appraisal in order to form a market value opinion of the referenced property. We have prepared the written report in accordance with Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP) as an Appraisal Report. This report presents summary discussions of the subject property, scope of work, and valuation analysis. Any additional information relied upon by the appraiser, and not included in this report, has been retained in the appraiser's work file.

The purpose of this appraisal is to form the market value estimate of the "as is" fee simple interest in the subject under market conditions prevailing as of July 1, 2020, the date of our most recent inspection of the subject.

Based on the intended use and in consideration of the subject's physical and economic characteristics, we have prepared an appropriate scope of work that will provide for a credible value result. The significant elements of the scope of work included an: i) interior and exterior observation of the subject and its surroundings; ii) a collection, verification and analysis of improved sales, and rental data; iii) an analysis of the subject's existing economic operating characteristics; and iv) completion of the sales comparison and income capitalization approaches to value.

### **Property Overview**

Presently, the subject is considered a vacant commercial site, located at 32 Dirksen Drive, DeBary, Florida 32713. The site is further identified by Volusia County Property Appraiser's Office as tax parcel number 90030000240. The almost rectangular interior site includes 7.89-acres, or approximately 343,601 square feet, with about 950 feet frontage along the north side of Dirksen Drive. The site is encumbered by a 200-foot overhead powerline easement along the site's west elevation. Although this portion will not include proposed construction, it has low-lying areas that will be utilized for on-site retention. There are two old residences (1,630 square feet and 1,120 square feet) constructed in 1956/1957 and in poor condition. They add no value to that of the land and have not been given consideration in this report. The subject's net site area is 6.65 acres.

The subject is proposed to be developed into an assisted living facility known as Canterwood Manor at DeBary. Upon completion, the improvements will include a 98,720 SF building to be constructed in 2020. The property will have a licensed capacity for 137 beds.

The site is currently under contract for \$2,228,000 for a proposed Assisted Living Facility to be constructed at a future date. The original contract was for \$2,000,000, signed in 2017, with \$264,000 of extension fees via seven contract amendments. The report provides an "as is" fee simple value, as of July 1, 2020, an "upon completion" value as of August 1, 2021, and an "upon stabilization" value as of January 1, 2023. Per the client, we are also providing an "as entitled" land valuation.

### **VALUE CONCLUSION**

Data, information and calculations leading to the value conclusion(s) are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable, from this letter.

Based on the analysis contained in the following report, the market value of the subject is concluded as follows:

MARKET VALUE CONCLUSIONS			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
"Upon Completion" Market Value (MVTAB)	Fee Simple	August 1, 2021	\$29,390,000
Allocated As Follows:			
Real Estate			\$27,750,000
Personal Property			\$1,600,000
Business (Intangibles)			\$40,000
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
"Upon Stabilization" Market Value	Fee Simple	January 1, 2023	\$33,400,000
Allocated As Follows:			
Real Estate			\$27,750,000
Personal Property			\$1,600,000
Business (Intangibles)			\$4,050,000

MVTAB: Market Value of the Total Assets of the Business

### EXTRAORDINARY ASSUMPTIONS

Extraordinary assumptions are defined by the Uniform Standards of Professional Appraisal Practice as "...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. 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."

This appraisal employs the following extraordinary assumptions: We appraised the property "upon completion" based on the plans and budget information provided by the client. Should these plans be altered, our concluded value could be impacted. We have also assumed the subject will be licensed and approved for 137 resident private pay beds.

### HYPOTHETICAL CONDITIONS

Hypothetical conditions are defined by the Uniform Standards of Professional Appraisal Practice 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 assignment results, but is used for the purpose of analysis. 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 the analysis."

This appraisal employs the following hypothetical conditions: **None**

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of 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, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Title XI Regulations and the Green Leaf Development's appraisal standards.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if we can be of further service, please contact us.



Respectfully submitted,

**VALBRIDGE PROPERTY ADVISORS**

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James Toro II, MAI, SRA  
Senior Managing Director | Partner  
State-Certified General Real Estate  
Appraiser RZ1291  
E-Mail: [jtoro@valbridge.com](mailto:jtoro@valbridge.com)

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Makenna Mizell  
Trainee Appraiser  
State-Registered Trainee Appraiser  
RI24181  
E-Mail: [MMizell@valbridge.com](mailto:MMizell@valbridge.com)

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Dieter Matthes, MAI, Ph.D.  
Director  
State-Certified General Real Estate  
Appraiser RZ1413  
E-Mail: [DMathes@valbridge.com](mailto:DMathes@valbridge.com)

Draft

**CERTIFICATION**

We certify 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 is our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. 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.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Dieter Matthes, MAI, Ph.D. has performed an exterior inspection of the property that is the subject of this report. Makenna Mizell and James Toro II, MAI, SRA did not inspect the subject of this report.
9. No other individuals have provided significant real property appraisal assistance to the persons signing this certification.
10. James Toro II, MAI, SRA, Dieter Matthes, MAI, Ph.D. and Makenna Mizell have extensive experience in the appraisal of similar property types.
11. Dieter Matthes, MAI, Ph.D. and James Toro II, MAI, SRA are currently certified in the state where the subject is located.
12. We previously appraised the subject property as vacant land within the three-year period immediately preceding the date of acceptance of this assignment in February 2020, Valbridge Job No. FL07-20-033.
13. 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.
14. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
15. As of the date of this report, Dieter Matthes, MAI, Ph.D. and James Toro II, MAI, SRA have completed the continuing education program for Designated members of the Appraisal Institute.
16. This report has been prepared in accordance with the appraisal guidelines of and in accordance with the rules issued by the State of Florida for State-Certified Appraisers.
17. This appraisal report has been prepared in accordance with the appraisal guidelines of Centennial Bank.
18. I, James Toro II, MAI, SRA, the supervisory appraiser of Makenna Mizell, registered appraiser trainee who contributed to the development or communication of this appraisal, hereby accepts full and complete responsibility for any work performed by the registered trainee named in this report as if it were my own work.
19. The trainee appraiser, Makenna Mizell, has in excess of 5 years of real property appraisal experience and is competent in performing research, analysis, and valuation for this property type. The extent of work performed includes research pertaining to the subject and comparables, and development of the appraisal report, which cumulatively involved 50 hours of work. The supervisory appraiser supervised the development and reporting process and reviewed the final report.

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James Toro II, MAI, SRA  
Senior Managing Director | Partner  
State-Certified General Real Estate  
Appraiser RZ1291  
E-Mail: [jtoro@valbridge.com](mailto:jtoro@valbridge.com)

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Makenna Mizell  
Trainee Appraiser  
State-Registered Trainee Appraiser  
RI24181  
E-Mail: [MMizell@valbridge.com](mailto:MMizell@valbridge.com)

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Dieter Matthes, MAI, Ph.D.  
Director  
State-Certified General Real Estate  
Appraiser RZ1413  
E-Mail: [DMathes@valbridge.com](mailto:DMathes@valbridge.com)





SUBJECT STREET VIEW



SUBJECT LAND



SUBJECT LAND



SUBJECT LAND

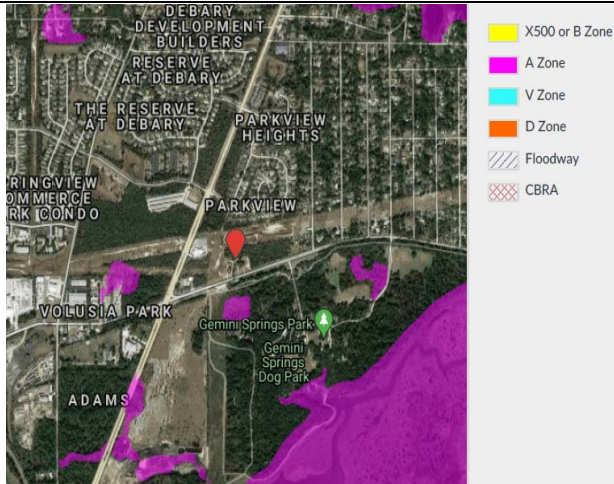


SUBJECT LAND

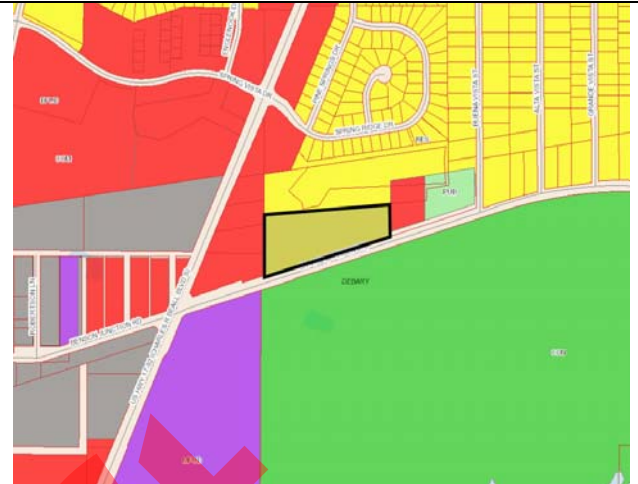


SUBJECT LAND





FLOOD MAP



ZONING MAP (PUD)



OVERALL BUILDING ELEVATION - SOUTH



OVERALL BUILDING ELEVATION - EAST



OVERALL BUILDING ELEVATION - NORTH



OVERALL BUILDING ELEVATION - WEST

RENDERING SUBJECT ELEVATIONS

## EXECUTIVE SUMMARY

EXECUTIVE SUMMARY		
<b>Property Name</b>	<b>Canterwood Manor at DeBary</b>	
Location	32 Dirksen Drive DeBary, Florida 32713	
Property Tax Parcel No.	900300000240	
<b>Appraisal Data</b>		
Interest Appraised	Fee Simple	
Current Valuation Date	July 1, 2020	- "As Is" Market Value
"Upon Completion" Valuation Date	August 1, 2021	
"Upon Stabilization" Valuation Date	January 1, 2023	
Report Date	July 14, 2020	
<b>Site Data</b>		
Gross Land Area	7.89 Acres	
Net Site Area	6.65 Acres	
Topography	Generally Level; At Road Grade	
Shape	Nearly Rectangular	
Primary Frontage Road	Dirksen Drive	- 950 Feet
Zoning	BPUD - Business Planned Unit Development	
Future Land Use	C/R - Commercial/Retail	
<b>Improvement Data - Upon Completion</b>		
No. of Buildings	1	
No. of Stories	3	
Gross Building Area (GBA)	98,720 SF	
Gross Leasable Area (GLA)	98,720 SF	
Licensed Capacity	137 Beds	
Physical Capacity	137 Beds	
Resident Rooms	108 Resident Rooms	- 29 Double-Occupancy
Year Built	2020	
Property Condition	Excellent/New	
Construction		
<b>Valuation Data - "As Is"</b>		
	<b>Nominal</b>	<b>Per SF</b>
Land Value	\$3,015,000	\$10.41
<b>Valuation Data - "As Fully Entitled"</b>		
	<b>Nominal</b>	<b>Per SF</b>
Land Value	\$3,605,000	\$12.45
<b>Valuation Data - "Upon Completion"</b>		
	<b>Nominal</b>	<b>Per Licensed Bed</b>
Cost Approach (Real Estate Only)	\$27,750,000	\$202,555
Sales Comparison Approach	\$30,740,000	\$224,380
Income Approach	\$29,390,000	\$214,526
<b>Reconciled Market Value</b>	<b>\$29,390,000</b>	<b>\$214,526</b>
Est. Exposure Time	6 to 9 Months	
<b>"Upon Completion" Conclusions</b>		
	<b>Nominal</b>	
Allocation to Real Estate	\$27,750,000	
Allocation to FF&E	\$1,600,000	
Allocation to Business Value	\$40,000	
<b>"As Is" MVTAB</b>	<b>\$29,390,000</b>	
Est. Exposure Time	6 to 9 Months	
<b>"Upon Stabilization" Conclusions</b>		
	<b>Nominal</b>	
Allocation to Real Estate	\$27,750,000	
Allocation to FF&E	\$1,600,000	
Allocation to Business Value	\$4,050,000	
<b>"Upon Stabilization" MVTAB Value</b>	<b>\$33,400,000</b>	



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ADDENDUM A: IMPROVED SALES

ADDENDUM B: RENT COMPARABLE PHOTOS

ADDENDUM C: SUBJECT PROPERTY INFORMATION

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ADDENDUM E: LETTER OF ENGAGEMENT

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## INTRODUCTION

In the section that follows, we have provided the following: identification of the property, property ownership & recent history, the purpose and intended use of this appraisal, the appraisal process, the property rights appraised, the definition of value, estimate of exposure & marketing time, and other miscellaneous terms & definitions.

### IDENTIFICATION OF PROPERTY

The subject is considered a vacant commercial site, located at 32 Dirksen Drive, DeBary, Florida 32713. The site is further identified by Volusia County Property Appraiser's Office as tax parcel number 900300000240. The almost rectangular interior site includes 6.65 acres, or about 289,674 square feet, with about 950 feet frontage along the north side of Dirksen Drive. The site is encumbered by a 200-foot overhead powerline easement along the site's west elevation. Although this portion will not include proposed construction, it has low-lying areas that will be utilized for on-site retention.

The subject has historically been a residential site with two older single-family residences (1,630 square feet and 1,120 square feet) constructed in 1956/1957. Both have been leased as an interim use. Both will be razed for re-development. The subject parcel was rezoned by the City of DeBary on November 14, 2017 from RLD (Residential Low Intensity) to C/R (Commercial/Retail). The Future Land Use designation was also changed from R-4 (Urban Single-Family Residential) to BPUD (Business Planned Unit Development). The subject has been approved for Canterwood Manor, an assisted living facility to be constructed in 2020. When appropriate, we have considered and analyzed the known history of the subject in the development of our opinions and conclusions.

The subject is proposed to be developed into an assisted living facility known as Canterwood Manor at DeBary. Upon completion, the improvements will include a 98,720 SF building to be constructed in 2020. The property will have a licensed capacity for 137 beds.

### Legal Description

3-19-30 SW 1/4 LYING N OF DIRKSEN DR / CR 4162 & INC IRREG PARCEL IN TRACT C PARKVIEW UNIT 1 MB 45 PGS 97 & 98 MEAS 40.99 FT ON W/L & MEAS 1199.17 FT ON S/L PER OR 4480 PGS 2400 & 2403 EXC E 256.0 FT AS MEAS ON S/L PER OR 1711 PG 1265 & PER OR 1915 PG 0610, Volusia County, Florida.

### PROPERTY OWNERSHIP & RECENT HISTORY

#### Current Ownership & Recent History

According to Volusia County Public Records, the subject is currently under the ownership of J. Charles and Sandra H. Gray. The current owners acquired the subject on July 15, 1977 via Warranty Deed for a consideration of \$26,000 according to O.R. Book 2744, Page 2693, Volusia County, Florida.

#### Current Listing or Contract

The subject is currently under contract for sale for \$2,000,000, based on a 2017 contract between J. Charles gray & Sandra H. Gay and Green Leaf Development LLC. There are seven Amendments to the contract, each extending the closing date with cumulative fees of \$264,000, resulting in a total acquisition cost of \$2,264,000.

According to the seller, the buyer is not able to develop more than one project at a time due to its design/build partnership with Haskell Company in Jacksonville. The buyer had a similar project in Apopka that was started before the subject. It had problems due to multiple property ownerships. Those problems were finally resolved, and the property closed in January 2020. Construction began at the beginning of this month. Haskell Company is finishing the plans and specifications on Canterwood Manor and will submit to the City of DeBary over the next few weeks for the issuance of building permits. There are no atypical conditions or terms noted in the contract. The pending price is supported by the market and this is believed to be an arm's-length transaction.

### TYPE AND DEFINITION OF VALUE

As defined by the Office of the Comptroller of the Currency under 12 CFR, Part 34, Sub-part C – Appraisals, 34.42 Definitions (g), **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 are 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.

All of the above conditions are assumed in the valuation analysis.

### **CLIENT & INTENDED USE OF THE APPRAISAL**

The intended use of this appraisal is loan underwriting and/or credit decisions. The intended users of this report are Green Leaf Development and/or affiliates.

### **SCOPE OF WORK**

In the process of preparing this appraisal:

1. We observed the exterior of the subject. Our observation was limited to those items readily observable during our visit to the property. For instance, we did not attempt to detect any physical issues that would not be readily observable without removal or alteration of the improvements (i.e., removing drywall or wallpaper, pulling up carpeting or floor tile, removing ceiling tiles, etc.). Furthermore, we did not observe the attic, roof, plumbing, electrical, HVAC or other building systems. As well, we did not attempt to detect any environmental hazards at the subject that were not readily observable during our on-site visitation, nor did we conduct any off-site research into potential environmental hazards which might impact the subject. Finally, no research into pending legal proceedings (such as planned condemnation for public-right-of-way, etc.) was undertaken;
2. We were provided with building plans that showed a dimensioned drawing of the primary structure. We crosschecked those measurements on-site during inspection. We have relied on these plans for our estimate of building area. We requested but were not provided with a survey. Therefore, we have relied on the plat records of the Lee County property appraiser for our estimate of site size;
3. We toured the subject's surrounding environment and attempted to identify and consider those characteristics that may have a legal, economic or physical impact on the subject. However, unless otherwise noted in this appraisal, we did not conduct any research into non-observable neighborhood issues such as environmental contamination, pending public condemnation issues, etc.;
4. We physically observed the micro and/or macro market environments with respect to physical and economic factors relevant to the valuation process; expanded this knowledge through interviews with regional and/or local market participants, available published data and other various resources;
5. We conducted regional and/or local research with respect to applicable tax data, zoning requirements, flood zone status and demographics;
6. We gathered information on recent comparable improved sales, monthly rental rates for comparable facilities, operating expenses, and capitalization rates;
7. We had discussions with market participants regarding the subject's market in general as well as other competing properties in the subject's market. In addition, we had discussions regarding rental rates, vacancy rates, and capitalization rate indications for the subject property;
8. We analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via the cost, sales comparison, and income capitalization approaches to value;
9. We correlated and reconciled the results into a reasonable and defensible value conclusion, as defined herein; and
10. We estimated a reasonable exposure time and marketing time associated with the value estimate presented.

### **DATE OF VALUES & PROPERTY INSPECTION**

The market value opinion is made under market conditions prevailing as of July 1, 2020, the date of our most recent inspection of the subject.

**PROPERTY RIGHTS APPRAISED**

We have appraised the fee simple interest in the subject.

**EXPOSURE TIME**

Our estimate of value is based upon a typical exposure time for the property type being appraised. Exposure time is assumed to precede the effective date of value. Exposure times vary widely from property to property and are dependent upon a number of factors. These can include the motivation of the owner, the price at which the property is offered for sale, the effectiveness of the marketing plan, the availability of financing, etc. It is important to recognize that both rehabilitation facilities and assisted living facilities are highly specialized properties, rarely exposed to the market in a traditional public offering. Transactions are more often developed as the result of motivations by a buyer or seller to divest operations, reorient services or expand into new markets. Traditional measures of exposure do not readily apply. Based on the comparables, exposure times range from 2 to 12 months. We estimate an exposure period of 6 to 9 months or less would be necessary to sell the subject based upon indications obtained from the market participants interviewed while verifying the comparable sales in this report.

**TERMS & DEFINITIONS** – The following definitions of pertinent terms are taken from the Dictionary of Real Estate Appraisal, Fifth Edition (2010), published by the Appraisal Institute.

**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.*

**Market Rent:** *The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations.*

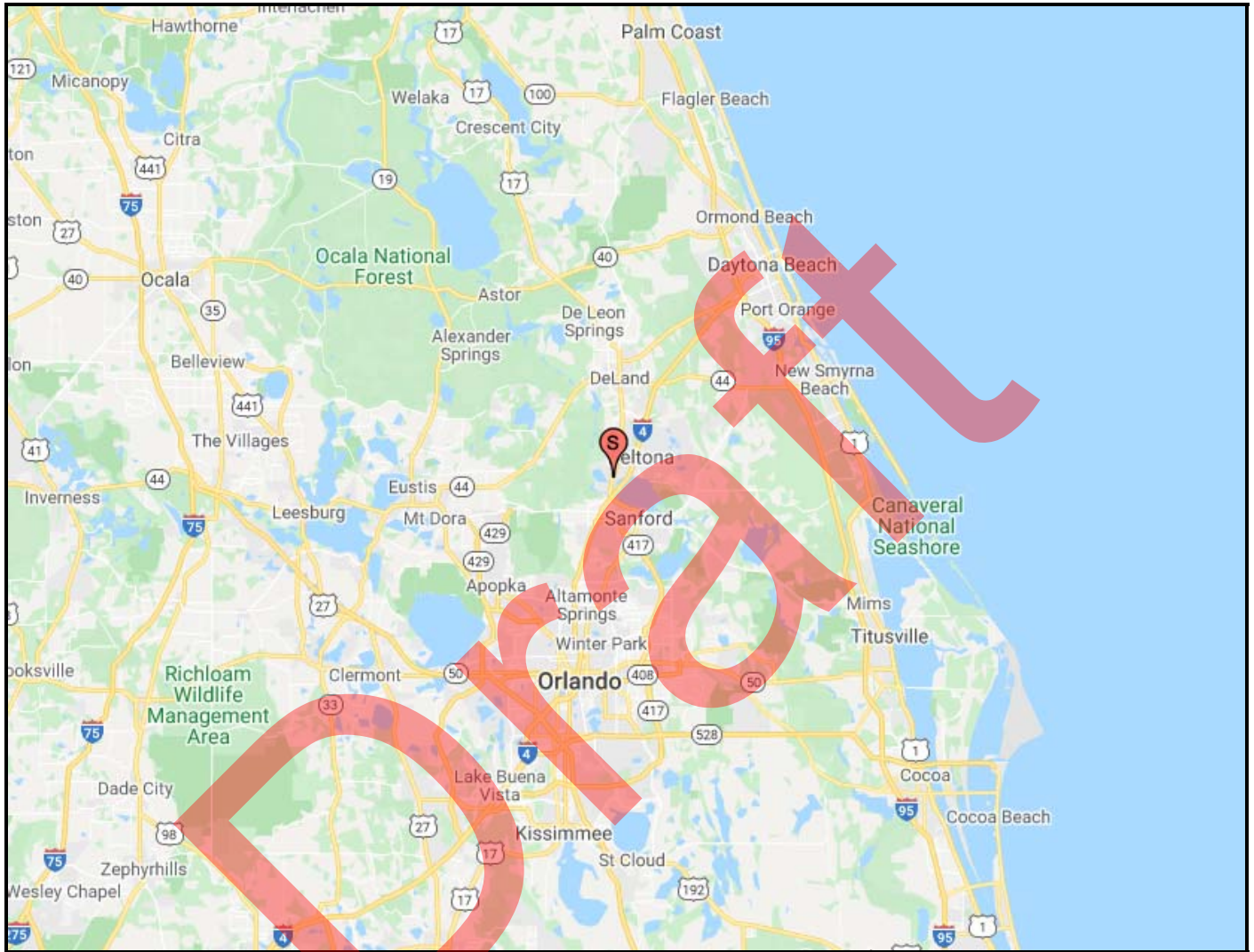
**Market Value of the Total Assets of the Business (MVTAB):** *The market value of all the tangible and intangible assets of a business as if sold in aggregate as a going concern.*

**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.*



### REGIONAL ANALYSIS

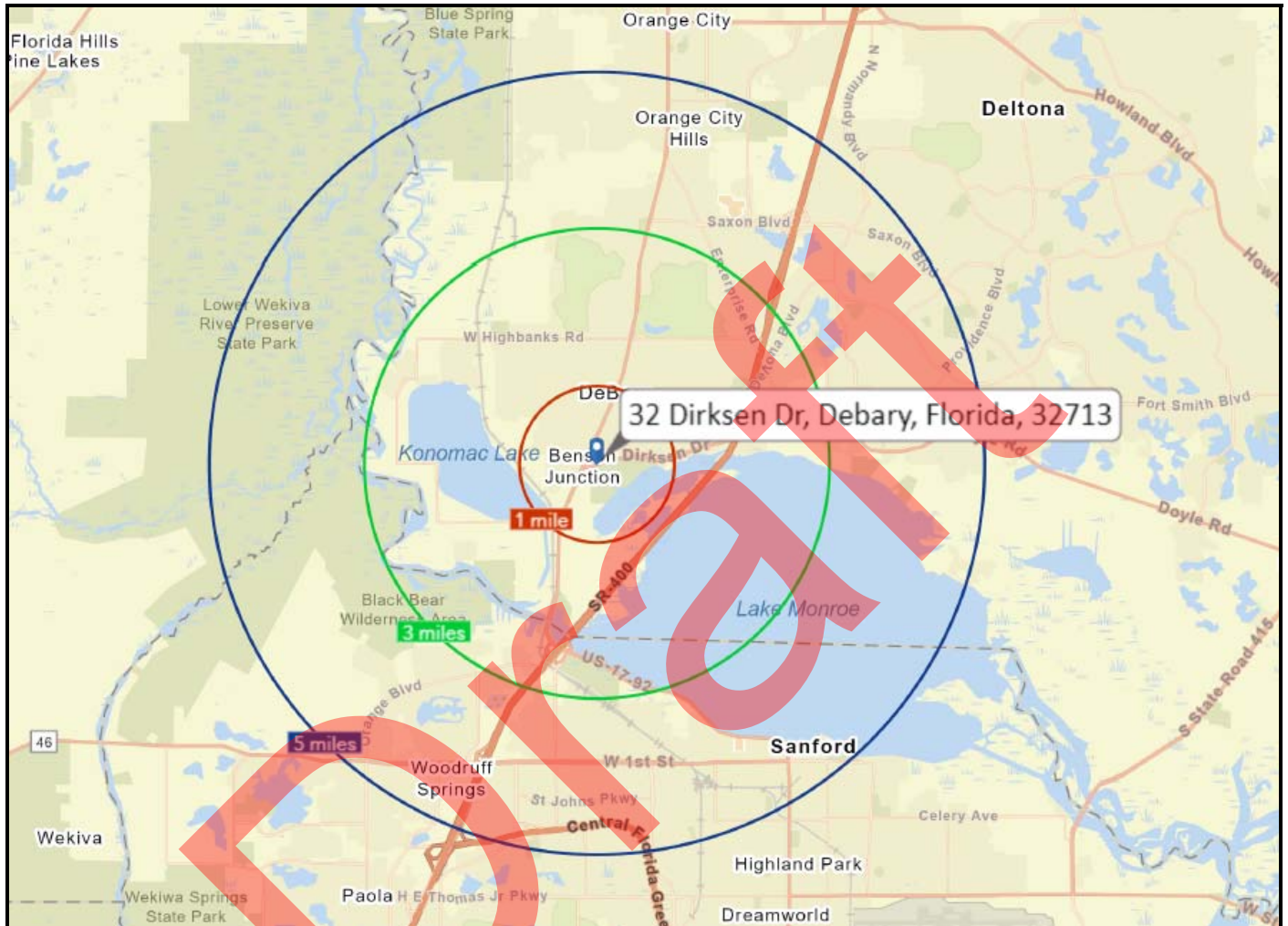
The map below depicts the subject’s physical location within the MSA.



The subject is located in Volusia County in the city of DeBary. DeBary is in the Deltona-Daytona Beach-Ormond Beach MSA. The Deltona-Daytona Beach-Ormond Beach MSA is bordered by St. Johns County to the north, Putnam and Lake Counties to the west, Brevard County to the south, and the Atlantic Ocean to the east. The more notable cities include Daytona Beach, Port Orange, Palm Coast, Deltona, and Ormond Beach.

### NEIGHBORHOOD ANALYSIS

The map below depicts the subject’s physical location within the neighborhood area.



### LOCATION

The subject is in the City of DeBary, Florida. More specifically, the subject is along the north side of Dirksen Drive, just east of U.S. Highway 17-92. The subject’s physical address is 32 Dirksen Drive, DeBary, Florida 32713.

The subject’s expanded neighborhood is construed to be the City of DeBary and is delineated by the St. John’s River to the south and west; Interstate 4 to the east; and Saxon Boulevard to the north. The subject is southern portion of this neighborhood area. This expanded neighborhood is characterized by a variety of highway commercial, secondary commercial, office and retail developments along major roadways, backed-up by supporting residential and light industrial development. The neighborhood encompasses an area considered a rural/suburban bedroom community of the metropolitan Orlando area.

The subject neighborhood has good access to major thoroughfares. U.S. Highway 17-92 is a major north-south roadway and is just west of the subject. This highway traverses through west Volusia County and was the center for all commercial development since pre-1950. Interstate 4 has several interchanges that provide easy access to the Deland/Orange City/Deltona/DeBary area. These interchanges have made access to DeBary much more convenient for travelers from both the metro Orlando area and the Daytona Beach area. The subject is near Interstate 4,

although the closest interchange is to the South with U.S. Highway 17-91, Sanford, Seminole County. Dirksen Drive is a 2-lane, east-west asphalt paved road providing direct access to residential areas to the east and west.

The City of DeBary became an incorporated city in 1993 and consists of approximately 25 square miles. It is bounded by the St. Johns River to the west, by Lake Monroe to the south, by the City of Deltona and Interstate 4 on the east, and by the City of Orange City on the north. DeBary offers a diversity of lifestyles, which include upscale country clubs and championship golf courses, rural acreage with horses, and riverside homes. Environmentally sensitive and agricultural areas of the City are separated from low-to-medium density residential areas by a power plant, a community park, and a subdivision of one-acre home sites with a rural/residential zoning classification. Events held each year in the City include art festivals, Youth Celebration of the Arts, Celebration of the 4th of July, Harvest Fall Festival, Christmas Parade, Father and Daughter Dance, theatrical performances, and concerts by the Gateway Orchestra.

The parks located in the City vary from neighborhood playgrounds and baseball parks to a large 108-acre park which remains in its natural state. Gemini Springs Park is named for its free-flowing twin springs, with full recreational activities and is located just south of the subject, along the south side of Dirksen Drive. Memorial Park is a 2.5-acre passive park with picnic pavilions, an F-15A Eagle airplane, and a 9-ton anchor from the USS Langley. Rob Sullivan Community Park is the largest sports park and is named for a former Council Member who was instrumental in the early development of the City's park system.

The St. Johns River, located to the south and west of the subject, has been important to the development of DeBary. It is one of the few rivers in the United States that flows north. It starts in the marshy swamp area of the Indian River and moves north for about 310 miles to Jacksonville, and then flows out into the Atlantic Ocean at Mayport.

In summary, the subject property is in an established neighborhood which is in a gradual transition to a more intensive residential community area with supporting commercial uses. The short-term trend is for continued stability with moderate growth. A summary of neighborhood demographics has been included on the following pages.

**POPULATION AND DEMOGRAPHICS**

Population and demographic trends influence both real estate and healthcare service demand. We have summarized the overall demographic profile within a one-, three- and five-mile radii of the subject below. Please refer to the Addenda section of this report for a more detailed demographic profile.

Population	1 Mile	3 Mile	5 Mile
2020 Total Population:	3,284	21,389	77,094
2025 Population:	3,509	23,059	83,043
Pop Growth 2020-2025:	6.85%	7.81%	7.72%
Average Age:	41.70	44.30	40.40
<b>Households</b>			
2020 Total Households:	1,287	8,685	30,790
HH Growth 2020-2025:	6.84%	7.78%	7.76%
Median Household Inc:	\$61,821	\$58,016	\$55,705
Avg Household Size:	2.50	2.40	2.50
2020 Avg HH Vehicles:	2.00	2.00	2.00
<b>Housing</b>			
Median Home Value:	\$192,466	\$217,398	\$189,890
Median Year Built:	1987	1989	1990



## MARKET ANALYSIS

The subject is proposed to be constructed as an assisted living facility in 2020. We have analyzed the senior housing market.

### SENIOR HOUSING MARKET

The senior housing market continues to perform well and attract substantial investor interest. Senior housing demand will continue to be driven by several factors including the aging of baby boomers, a steady housing market and an attractive spread between borrowing rates and capitalization rates.

Florida has a relatively old population; its 2010 median age was 40.7, above the national median (37.2). Like the country as a whole, its population is becoming grayer. By 2016, the state median age is projected to reach 42.1. Roughly 12% of its 2010 population is over 65, and about 8% is over 75, the target age for senior housing.

As a large state, with a large senior population, all forms of senior housing and care services are available. For the physically frail elderly, the settings range from senior apartments (without services) to continuing care retirement communities (CCRC) offering "life care." The vulnerability of seniors has led to a regulatory structure intended to protect residents in these care settings. Generally, as the level of care increases, the amount of regulatory oversight increases. The Florida laws and regulations affecting the subject's market value will be addressed in the Legal Constraints Analysis.

The cost of assisted living for seniors and the mentally disabled is high. There are several programs in place to help low income Florida seniors and the mentally disabled with the cost of assisted living. The most common are the optional state supplementation (OSS) and Medicaid Waiver (Med Waiver) and Diversion programs. The Florida Medicaid Diversion Program (FMD) is a managed care form of Medicaid Waiver. The "direct" Medicaid Waiver program is available in a number of counties in the state of Florida.

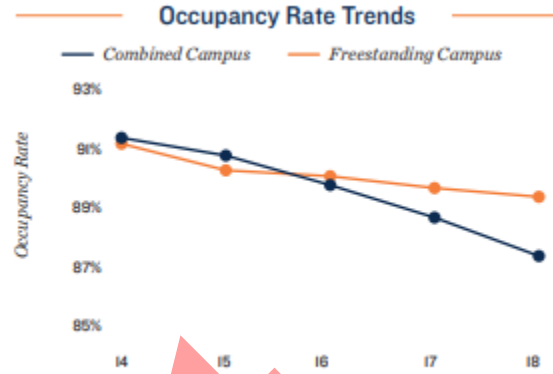
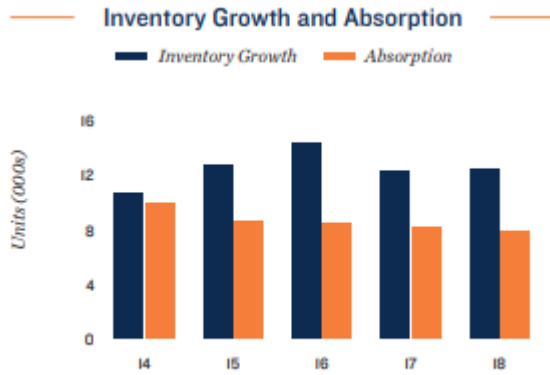
The subject will be assisted living units. The following is an excerpt from the Marcus & Millichap National Senior Housing Overview for the first half of 2019.

### Assisted Living Overview

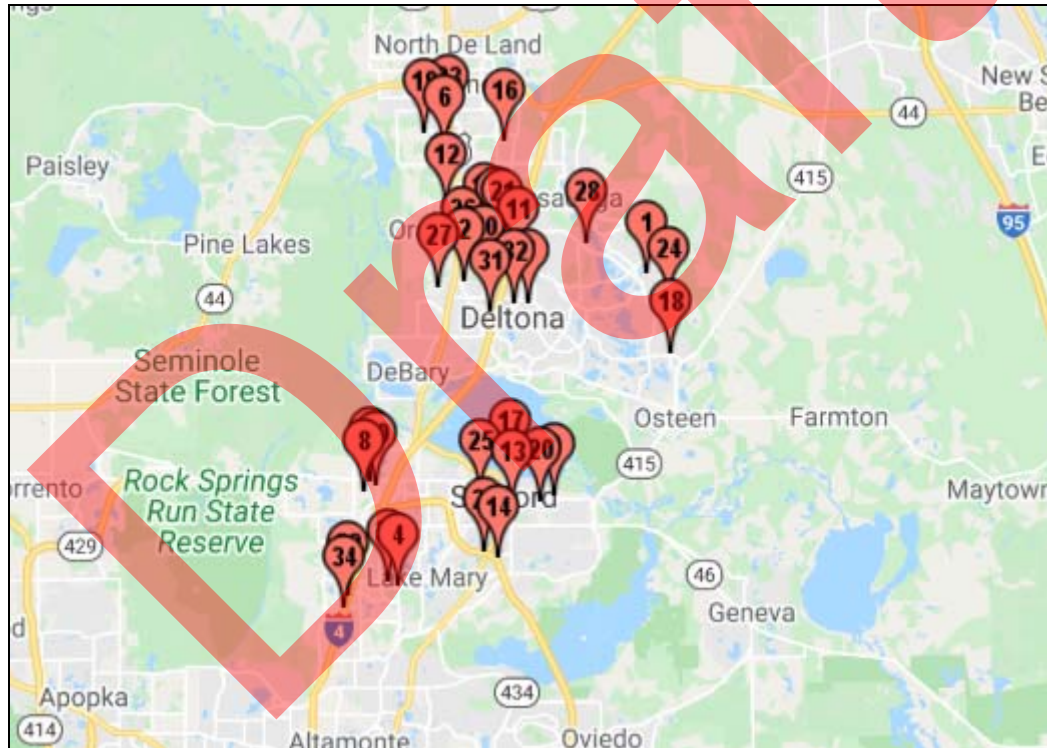
*Per NIC MAP® Data Service, stabilized occupancy at assisted living facilities has hovered in the 88 percent range over the last year after retreating from a post-recession peak reached at the end of 2014. Absorption, meanwhile, has been positive for 15 quarters, indicating inventory expansion as the primary culprit to softening occupancy. In the past 12 months, 16,300 units came online, and nearly all of those were added at properties with a combination of care. Some relief may be emerging for operators, however, as construction as a percent of inventory continues to decline. As a result, occupancy at assisted living facilities should reverse course before other seniors housing segments. At current occupancy levels, operators are more confident when considering rent hikes.*

*Last year, institutional owners transferred some of their assets into private buyer hands as they looked for efficiencies in the wake of higher costs. Approximately 50 percent of all deals had a private investor on the buy side, up from 45 percent the prior year. Average cap rates fluctuated significantly but inched up into the 7 percent range. The increase can be attributed to the quality of the properties that traded as older assets were shed. Another factor was the high presence of institutional sellers, who were under pressure to reposition their portfolios quickly. Assisted living is expected to remain the most popular seniors housing sector for investors. Buyers face less competition from the traditional multifamily market, which supports elevated cap rates*





According to the Florida Health Care Finder, there are 34 licensed assisted living facilities with 1,798 beds within a 10-mile radius of the subject. 18 of these facilities have under 15 beds and would not be considered direct competition to the subject. See map below.



### Institutional Vs Non-Institutional

Based on research, senior housing market has four primary types of buyers: Real Estate Investment Trusts (REITs), Private Equity Companies, Local and Regional Operators and "Mom & Pop" operators. REITs typically purchase properties and then sign a long term NNN lease with an operator to run the facility. Private equity firms typically buy properties and utilize a management company to operate them. Local and regional operators purchase properties looking to expand their reach. They typically own or operate between 5-50 communities. Mom and Pop operators typically run up to five communities. Approximately 50% of sales of memory care facilities went to private investors, while the limited number of trades to institutional buyers increased. Investors prefer to lend on well-performing assets with operators with proven track records.

According to a brief from the ASHA 2019 conference, the active buyers and sellers in today's market vary. All parties are active in the market. However, "the institutional groups typically chase larger, higher quality assets with consistent cash flow. Typically, the larger the offering, the better. Institutional groups have a lot of equity to deploy and if they can deploy it in ten \$30 million transactions as opposed to thirty \$10 million transactions, groups will typically prefer fewer transactions. One-off or small portfolio transactions have a different pool of buyers, which tend to be less institutional."

According to Senior Living Brokerage, based on their research "most larger buyers have a minimum threshold of 40 units for an assisted living facility, with a preference of over 60 units. With greater demand for larger communities, they typically sell for a greater price per unit. However, there are exceptions to every rule." Bradley Clousing, Senior Housing Broker, agreed that most larger investment firms tend to prefer properties above 50 units.

Given the subject's size and age/condition, we would anticipate the most likely buyer of the subject would be a regional operator. The property could be on the radar for an institutional buyer, as it is not too small.

### COMPETITIVE MARKET ANALYSIS

#### Delineation of Primary Market Area (PMA)

The Primary Market Area (PMA) for any form of senior housing is defined as the area that a majority of the facility's residents will be drawn from. According to various industry sources, the primary market area of a senior housing facility is determined by the density of the population, the proximity of competing properties, and the ease of transit in the surrounding area. The primary market area for urban facilities is generally from 5 to 10 miles, for suburban facilities 5 to 20 miles, and for small town and rural facilities 20 to 30 miles. Given the more suburban nature of the neighborhood, we concluded to 10-mile radius.

Physical barriers also shape market areas. Rivers, lakes, streams, military bases, and major highways are all examples of barriers that can constrain market areas. Barriers can also be psychological. For example, it is common for persons who live on one side of a highway to seldom access services in a similar area on the opposite side of the same freeway, even though access is not constrained. Likewise, persons living in one community may be reluctant to access services in an adjacent one. The number and location of competing facilities are also limiting factors. In areas served by a greater number of competing facilities, the primary drawing area for each facility tends to be smaller since residents of the market area tend to access the service provider nearest their location. Each of these factors is considered in the delineation of the subject's PMA.

#### Physical Barriers

The subject is located in DeBary, Volusia County, Florida. There do not appear to be any major physical barriers in the subject's area.

#### Psychological Barriers

There are no significant psychological barriers in subject's market area. Residents typically prefer to stay in their local neighborhood if possible.

**Location of Competing Facilities**

Competing facilities are addressed in detail later in the Market Analysis. There are 34 licensed ALF’s located in a 10-mile radius of the subject. However, only 16 would be considered competition for the subject. The concentration of facilities in the PMA area is a function of population density and the relative age of the PMA’s population.

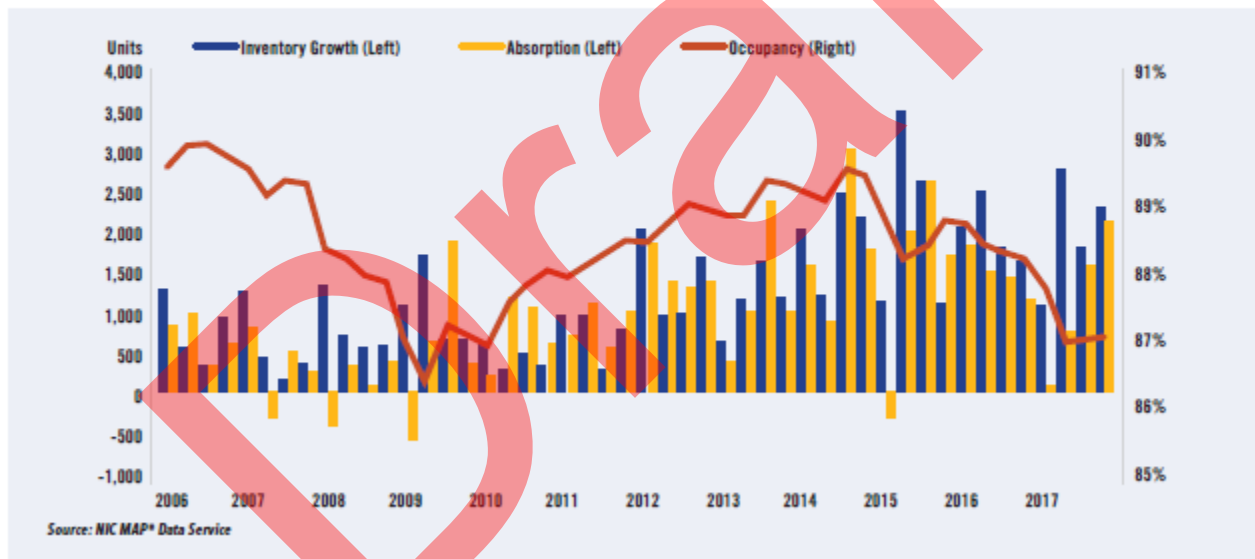
**Market Area Delineation Conclusion**

Considering physical and psychological barriers, the density of the population, and the concentration of competing facilities, we have concluded that an appropriate Primary Market Area (PMA) for the subject facility is a 10-mile radius.

**SUPPLY AND DEMAND ANALYSIS**

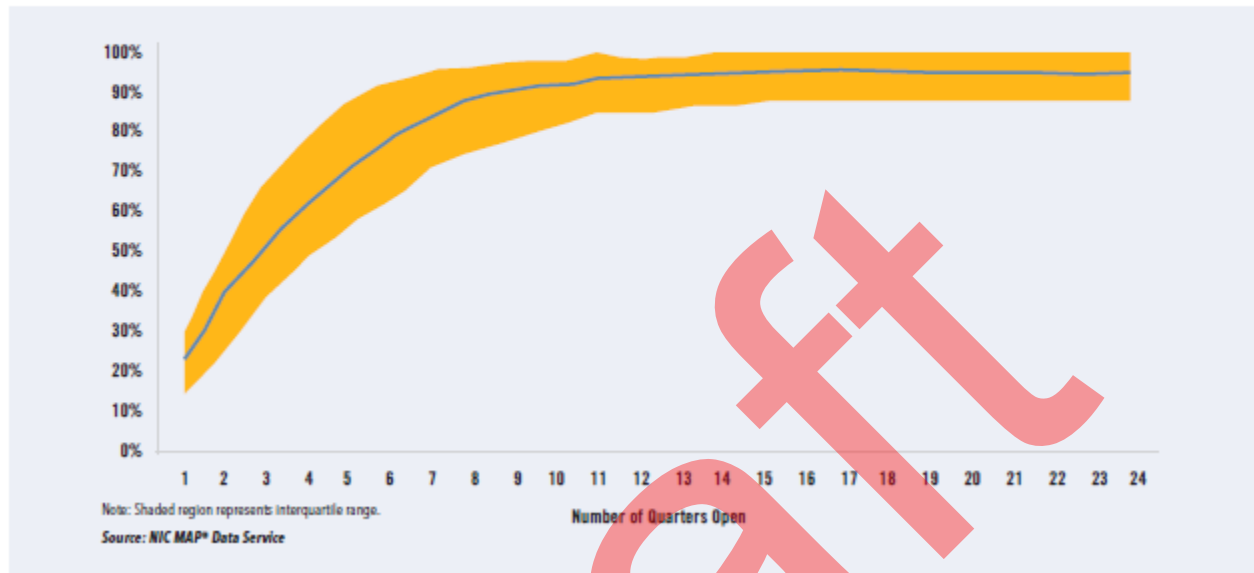
Occupancy for assisted living communities have fallen over the past few years. According to the NIC 2018 Investment Guide, memory care occupancies average 87%, down from a high of 89.8% in 2006.

**Exhibit 4.e**  
**Assisted Living Communities Supply-Demand Across the 31 Primary Markets**  
 1Q06-4Q17



The property will open in 2021. According to the developer’s pro forma 30 beds will be pre-leased and then an absorption rate of 6 beds per month is expected. They predict 18 months to stabilize the property. According the NIC survey, for newly opened assisted living properties, the median reached stabilized occupancy levels eight quarters following the property opening. At the same time, the lowest quartile had 76% occupancy or less and highest has 100% occupancy.

**Exhibit f.2**  
**Median Occupancy of Assisted Living Care Segments**  
 By Number of Quarters Open



Given the supply in the market, we believe a stabilized occupancy of 90% is reasonable for the subject.

#### Absorption

Based on our discussions with operating managers in various senior housing facilities, the average absorption time to stabilize a property is 18 to 24 months.

Based on an interview with a representative of Pacifica Senior, the average time to lease up a vacant bed ranges from 1 to 4 weeks. Given the amount of beds entering the market, we believe a lease up of 6 beds per month is reasonable.

#### Penetration Analysis

Penetration rates are calculated differently by different research and/or development firms. We have calculated our penetration rates defining demand by age and income qualified population with a five or ten mile radius. Primary urban markets have a lower distance radius (PMA) when analyzing the most pertinent competitive set. Furthermore, our research shows that primary urban markets can withstand higher penetration rates than secondary markets. Semi-rural/sub-urban (secondary) markets, are less tolerant of new inventory, relative to demand. This is all consistent with the notion that more highly and densely populated areas can absorb the introduction of new competition, relative to demand.

According to DHG Healthcare:

*In general, the lower the penetration rate, the higher the market depth for a project. The rate of change between the current year and projected year also is important. A decrease in the gross market penetration rates over time indicates that the growth in the number of age- and income-qualified households is adequate to support a project's units and other planned units within the PMA (i.e., population growth is exceeding the supply growth). A small increase in the gross market penetration rate is also a favorable indicator, suggesting that the planned units only have a slight impact on the market.*

In projecting the likelihood of new supply it is important to pair penetration data with current occupancy data.



Penetration rates calculate the supply in relation to the demand for senior housing. In the case of the subject, we utilized the population of 75+ within a 10-mile radius to determine potential demand. According to an Elder Care article "The Forgotten Middle" (May 2019, University of Chicago), approximately 43% of seniors can afford private pay facilities such as the subject. Therefore, our demand is based on income qualified seniors age 75+. We utilized the State of Florida licensing website to determine the supply of assisted living units within a ten-mile radius of the subject.

It has become more common for developers in densely populated urban locations to add a significant number of units into their demand projection. This is based on research indicating that 30% to 50% of demand may come from areas far outside the PMA. This is because seniors will tend to relocate to areas where their adult children and family members live. Those adult children tend to live in strong economic MSA's, which tend to have high density populations. The operational manager of the facility stated that of the non-PMA demand, approximately 10% are residents who relocate without having ties to the area. We are aware of a proposed independent living facility in the Orlando MSA that is projecting 50% out of market demand. They also have an acceptance of 16% penetration rate, and still show sufficient demand.

In the table below, we project Qualified Local Demand. We then add non PMA demand at 35% of local demand.

Penetration Analysis - DeBary						
Data	2020			2025		
	10-Mile Income Qualified 75+ Population	9,629	9,629	9,629	11,919	11,919
Penetration Rate	13%	16%	19%	13%	16%	19%
Qualified Local Demand (Units)	1,252	1,541	1,830	1,549	1,907	2,265
Add: Non-PMA Demand (35%)	438	539	640	542	667	793
Estimated Total Demand	1,690	2,080	2,470	2,092	2,574	3,057
Existing Supply	1,798	1,798	1,798	1,798	1,798	1,798
<b>Excess Demand</b>	<b>-108</b>	<b>282</b>	<b>672</b>	<b>294</b>	<b>776</b>	<b>1,259</b>

Based on our research with the Florida Elder Affairs, the State of Florida's penetration rate is currently 6.2%. The subject's penetration rate within a 10-mile radius is currently 19% and projected to decrease to 15% in the next five years, assuming no new construction. This points to the market being stable currently. Within 5-years there should be demand for more assisted living units within the area.

**COMPETITIVE MARKET AREA CONCLUSION**

Generally, the subject is operating in a competitive overall market. The comparables are all licensed for private beds. They have options for private and semi-private rooms.

**SITE ANALYSIS**

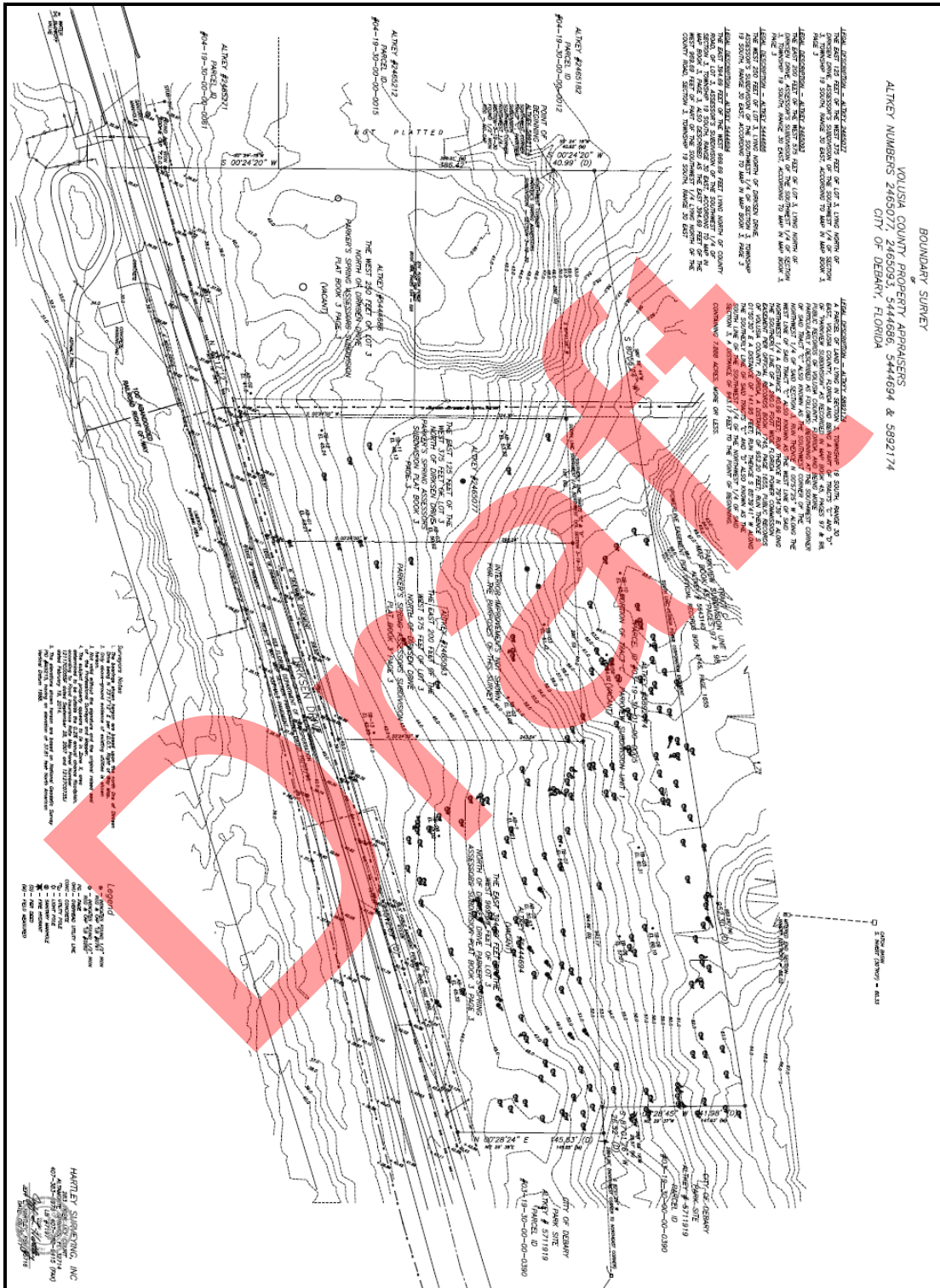
Pertinent features of the subject site are detailed in the table that follows, with additional discussion and detail provided as needed.

<b>SITE SUMMARY</b>			
<b>Land Area</b>			<b>Rating</b>
Gross Site Area	7.89 Acres	343,601 SF	Average
Net Site Area	6.65 Acres	289,674 SF	Average
Topography	Generally Level; At Road Grade		Average
Shape	Irregular		Average
<b>Infrastructure</b>			<b>Rating</b>
Primary Road	Dirksen Drive		Good
Primary Road Frontage	950 Feet		Good
Primary Road Trips	8,900 ADT		Good
Primary Road Lanes/Access	4-Lanes; Full Access		Average
Traffic Signal	None		Average
<b>Utilities</b>			<b>Rating</b>
Water	Volusia County Utilities		Average
Sewer	Volusia County Utilities		Average
Electricity	Duke Energy		Average
Telephone	Multiple Providers		Average
Mass Transit	VOLTRAN; Sunrail		Average
<b>Jurisdictional</b>			<b>Rating</b>
Zoning District	BPUD - Business Planned Unit Development		Good
Future Land Use	C/R - Commercial/Retail		Good
Flood Map Panel	12127C0730H		Average
Flood Map Date	February 19, 2014		Average
Flood Zone	Zone "X"		Average
<b>Other</b>	<b>Noted</b>	<b>Not Noted</b>	<b>Unknown</b>
Detrimental Easements	x		
Encroachments		x	
Deed Restrictions		x	
Reciprocal Park Rights		x	
Common Ingress/Egress		x	

Zoning regulations were changed by the City of DeBary on November 14, 2017, from R-4, Urban Single-Family Residential, to BPUD, Business Planned Unit Development. The Future Land Use was also changed from RLD, Residential Low Density, to C/R, Commercial/Retail.

The west 200' are encumbered by an overhead powerline easement. No construction is legal in this area although it has low-lying areas that will serve as on-site retention.

SURVEY



**ENVIRONMENTAL HAZZARDS**

An Environmental Site Assessment was not provided for our review. During our inspection, we did not observe any obvious signs of environmental contamination such as distressed vegetation, leaking or unidentified containers, vent pipes, or stained soils. We specifically assume that no “recognized environmental conditions” (RECs) are present that would affect the cost of demolition, development potential and/or marketability of the site. However, environmental issues are beyond our scope of expertise. We rely on an assumption that the property is not adversely affected by hazardous materials or environmental contamination

**GROUND STABILITY**

A soils report was not provided for our review. Based on our inspection of the subject and observation of development on nearby sites, there are no apparent ground stability problems. However, we are not experts in soils analysis. We assume that the subject’s soil bearing capacity is sufficient to support a variety of uses, including those permitted by zoning.

**CONCLUSION**

The subject site is of adequate size and configuration for future development. There are no known physical factors that would impact development. The westerly 200’ are encumbered by an overhead powerline easement. No construction will take place in this area, although a portion is low and will serve as on-site retention. A portion of the easterly elevation will remain wooded and become a park area and serve as a buffer for the adjoining City memorial Park.

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**IMPROVEMENT ANALYSIS**

Pertinent features of the subject improvements are presented below, with additional discussion and detail provided as needed in the section which follows.

<b>PROPOSED IMPROVEMENT SUMMARY</b>	
<b>Component</b>	<b>Total Development</b>
Property Type	Assisted Living Facility
Building Size (GBA)	98,720 SF
Year Built	2020
Building Physical Age	0 Years
Current Condition	Excellent/New
No. of Buildings	1
No. of Stories	0
Exterior Wall Construction	
Floor Area Ratio (Net FAR)	6.65 Net Acres 34.1%
Land-to-Building Ratio (Net LTB)	6.65 Net Acres 2.93:1
<b>Other</b>	<b>Total Development</b>
Recent Capital Improvements (Previous 12 Months)	None
Furniture, Fixtures & Equipment (FF&E)	See Separate Schedule
Functional Utility of Improvements	Adequate
Deferred Maintenance	None

The primary building is anticipated to be 98,720 SF and include 108 resident rooms with 137 licensed beds. The resident rooms range from 305 SF to 628 SF.

**AMENITIES**

Based on a similar project being completed by the same developer, we assume the subject will have good amenities. The property will likely have an outdoor courtyard, a community room, a spa, a salon and a gym.

**DEFERRED MAINTENANCE**

The property will be new construction. Therefore, there will be no deferred maintenance issues.

**FURNITURE, FIXTURES & EQUIPMENT**

Costs for commercial kitchen and laundry equipment, common area and room furnishings, communications and alarm systems, and other miscellaneous equipment, were estimated based on our inspection and data on comparable projects. The following chart summarizes three Florida projects, and their FF&E budgets.

<b>ASSISTED LIVING FF&amp;E BUDGET</b>				
<b>Location</b>	<b>Units</b>	<b>Beds</b>	<b>Per Unit</b>	<b>Per Bed</b>
Lakewood Ranch, FL	40	42	\$11,500	\$11,500
Mt. Dora, FL	71	84	\$4,250	\$3,952
Titusville, FL	46	46	\$8,587	\$8,587

As well, as can be seen from the table above, FF&E costs vary greatly from facility to facility and are dependent on the level of patient acuity (ex. A hospital-style bed required for a frail, bedridden resident can cost upwards of \$3,000 while a standard twin bed for a mobile, non-acute resident can cost as little as \$500.00) FF&E costs were provided by the owner.

Based on the provided FF&E schedule, the subject’s total FF&E costs are approximately \$1,600,000, or \$11,678 per licensed bed. This appears to be reasonable given this quality of the facility.

We have accounted for the depreciation of the FF&E below.

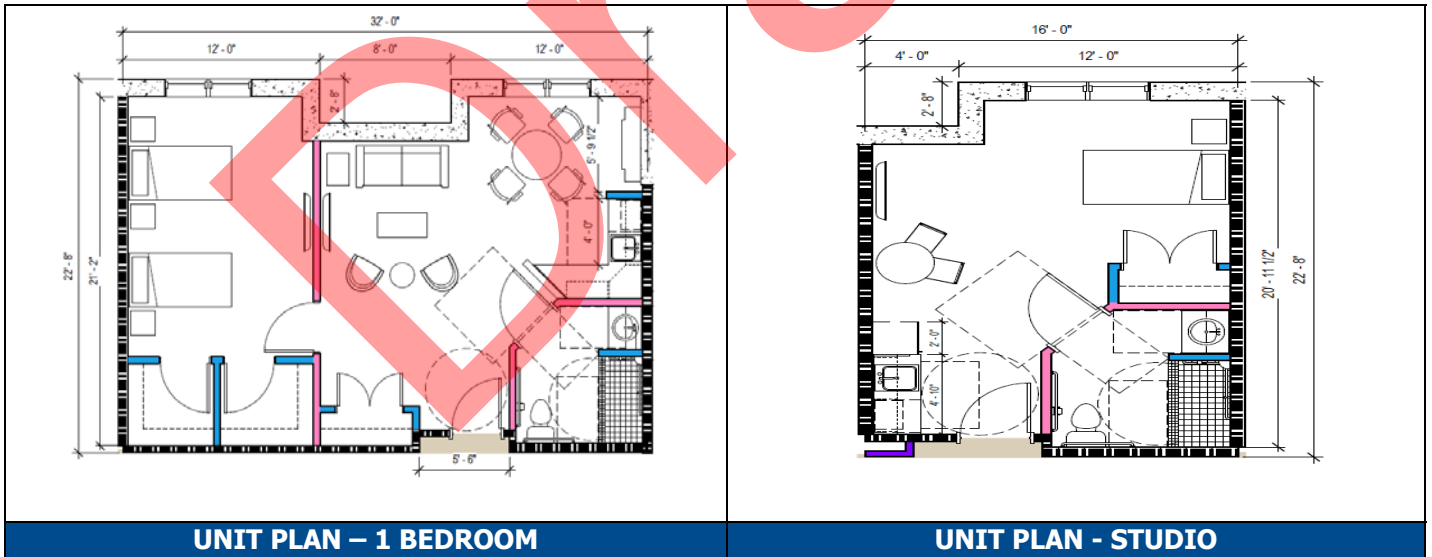
FF&E COST SCHEDULE				
<b>FF&amp;E Costs</b>				
Item				Nominal
Furniture, Fixtures & Equipment				\$1,600,000
<b>Total (Rd)</b>				<b>\$1,600,000</b>
Estimated FF&E Cost New				\$1,600,000
Less: Salvage Value @ 10%				\$160,000
Depreciable FF&E Cost				\$1,440,000
<b>Depreciated</b>	<b>Act. Age</b>	<b>Economic Life</b>	<b>Dep. %</b>	<b>Nominal</b>
Less: Depreciation	0 Yrs	10 Yrs	0%	\$0
Less: Depreciation (Hardware/Software)	0 Yrs	5 Yrs	0%	\$0
Add: Salvage Value				\$160,000
<b>Depreciated FF&amp;E Cost (Rd)</b>				<b>\$1,600,000</b>

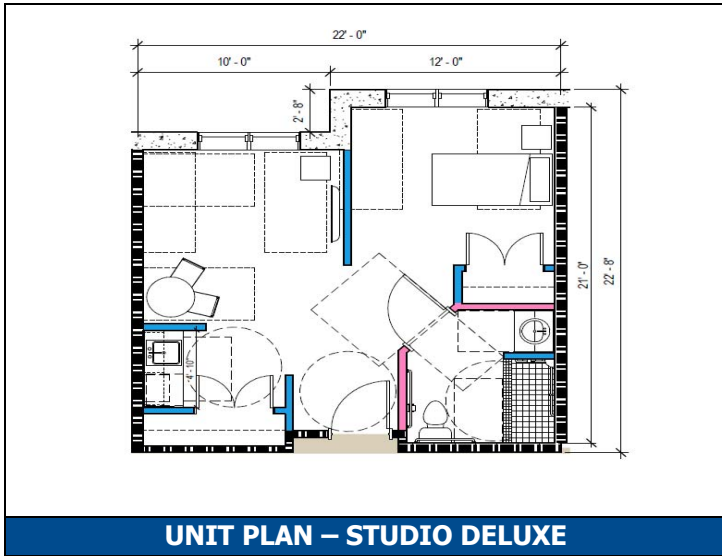
**ECONOMIC AGE & LIFE**

Our estimate of the subject improvements effective age and remaining economic life for are depicted in the following chart:

ECONOMIC AGE & LIFE - UPON COMPLETION	
<b>Component</b>	<b>Years</b>
Actual Age	0 Years
Effective Age	0 Years
Remaining Economic Life	50+ Years

**FLOOR PLANS**





**CONCLUSION**

The subject will be new construction with good quality build-out. The property will be purpose-built as an assisted living facility. The subject's proposed layout is well-suited for this use.

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## LEGAL CONSTRAINTS ANALYSIS

### ZONING

The subject site carries an underlying zoning designation of planned unit development. The table below outlines the requirements of this district as well as the future land use designation associated with the subject site. The appraisers note that the subject is a legally conforming use.

ZONING SUMMARY	
Component	Detail
Current Zoning	BPUD - Business Planned Unit Development
Future Land Use	C/R - Commercial/Retail
Legally Conforming	Yes
Uses Permitted	Permitted for Senior Housing.
Zoning Change	Not likely

*Source: Volusia County Zoning*

### DEED RESTRICTIONS

Based on our research, there does not appear to be any deed restrictions in place for the subject.

### LICENSING REQUIREMENTS

Assisted Living Facilities require state licensure in Florida. The Florida Agency for Health Care Administration (AHCA) is responsible for licensure and regulatory oversight of ALFs. Broadly, there are two ALF license categories, standard and specialty. Specialty facilities serve either higher acuity residents (extended congregate care or limited nursing services) or specific population (limited mental health).

The Extended Congregate Care (ECC), Limited Nursing Services (LNS), and Limited Mental Health (LMH) licensure standards are contained in Rule 58A-5.030, Florida Administrative Code (F.A.C.). This rule details admission and discharge criteria, as well as the type and levels of personal care services that an ECC facility may provide. Essential care services are to be provided by appropriately licensed and/or trained personal in a manner consistent with a residents care plan. Current regulations emphasize the need to maintain care plans through nursing assessments that are updated periodically.

### LICENSURE OF SUBJECT PROGRAM

The facility will be owned and operated by MJM Associates LLC, a for-profit enterprise, and is assumed to be licensed for a total of 137 beds through the State of Florida Department of Family and Child Services.

### OPTIONAL STATE SUPPLEMENTATION PROGRAM (OSS)

Optional State Supplementation (OSS) is a cash assistance program. Its purpose is to supplement a person's income to help pay for costs in an assisted living facility, mental health residential treatment facility, and adult family care home. It is NOT a Medicaid program. The monthly income limit varies by type of facility. In the assisted living environment, monthly limits (maximum) are \$813.40 for an individual and \$1,626.80 for a couple. The asset limit is \$2,000 for an individual or \$3,000 for a couple (ALFs and AFCHs).

The OSS payment is made directly to the resident. The amount is based on the client's income and the current cost of care in the facility: Monthly Cost of Care (ALF & AFCH) is capped at to \$239 for an individual and \$487 for a couple, but could be less based on personal income. The amount reimbursed to the client is based on a formula, incorporating an individual's gross income, minus a personal needs allowance of \$54.00, equals the amount the individual must pay to the facility from his or her personal income. Individuals receiving this benefit cannot concurrently be receiving Medicaid assistance for assisted living.

The larger facilities in the subject's primary market area are not licensed for OSS beds. The subject and comparables are each licensed for private beds only.



**CONCLUSION**

The subject's highest and best use, as a licensed Assisted Living Facility, represents a conforming use under its current zoning. This appraisal is completed based on the assumption the property is licensed for 137 beds.

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**ASSESSMENT & TAXES**

Pertinent information with regard to the subject’s historical assessment and real estate taxes are presented below.

<b>ASSESSMENT &amp; TAX SUMMARY</b>			
<b>Description</b>	<b>2018</b>	<b>2019</b>	<b>Pro Forma</b>
Total Assessed Value	\$174,125	\$191,538	\$6,910,400
Assessed Value PSF (GBA)	\$1.76	\$1.94	\$70.00
Tax Rate	1.80230%	1.83044%	1.83044%
Base Tax Expense	\$3,184	\$3,664	\$126,491
Add: Non Ad-Valorem	\$401	\$406	\$401
Gross Tax Expense	\$3,585	\$4,070	\$126,892
Less: 4.0% Early-Pmt Disc.	-\$143	-\$163	-\$5,076
Net Tax Expense	\$3,441	\$3,907	\$121,816
\$ PSF (GBA)	\$0.03 PSF	\$0.04 PSF	\$1.23 PSF
Assessment Ratio	1%	1%	22%

There is a 4.0% discount that is made available to property owners in the state of Florida for early payment of real estate taxes. We have assumed that competent management would act to realize the full discount, and as such, our stabilized real estate tax projection reflects the full 4.0% discount.

The law in the state of Florida is that the local assessor should reflect 100% of fee simple market value, assuming market leases in place (where applicable). However, in actual practice assessments often vary anywhere from 80% to 90% of market value for most property types. Part of the reason for this gap is that the assessor’s office allows for a discount to reflect transaction costs that the seller would experience in selling the property. Another reason for the difference is to reduce the frequency of appeals. We have considered these factors in our estimate of a stabilized assessment for the subject going forward.

**TAX COMPARABLE ANALYSIS**

We searched for similar type properties as the subject in Volusia County. Consequently, we have considered the following facilities that are also assisted living facilities in the local market for tax comparables to test the reasonableness of the subject’s assessed value.

<b>TAX COMPARABLES</b>			
<b>Comparable</b>	<b>500 Grand Plaza Drive</b>	<b>113 Chipola Avenue</b>	<b>535 N. Nova Road</b>
Parcel No.	801409-030-030	702107-000-020	421700-000-220
Year Built	1997	1989	2000
GBA (SF)	64,336 SF	202,472 SF	48,940 SF
Assessed Value	\$4,419,441	\$10,615,702	\$3,504,648
Assessed Value PSF (GBA)	\$68.69	\$52.43	\$71.61

*Source: Volusia County Property Appraiser*

All three tax comparables were purpose-built assisted living facilities. Based upon the range provided, we have concluded to a pro forma “upon completion” assessment of \$70 PSF, and we have utilized it in our direct capitalization.

## HIGHEST & BEST USE

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

- legally permissible;
- physically possible;
- financially feasible; and
- maximum profitability

Highest and best use analysis involves assessing the subject both as if vacant and as improved.

### AS VACANT

#### Legally Permissible

The subject site is zoned BPUD, Business Planned Unit Development, by the City of DeBary, which controls the general nature of permissible uses but is appropriate for the location and physical elements of the subject property, providing for a consistency of use with the general neighborhood. The location of the subject property is appropriate for the uses allowed, as noted previously, and a change in zoning is unlikely. About a 200' of the west elevation is encumbered by an overhead powerline easement. No construction can occur in this area; however, it has several low-lying areas that will serve as on-site retention. There are no known easements, encroachments, covenants or other use restrictions that would unduly limit or impede development.

#### Physically Possible

The physical attributes allow for a number of potential uses. Elements such as size, shape, availability of utilities, known hazards (flood, environmental, etc.), and other potential influences are described in the Site Description and have been considered. There are no items of a physical nature that would materially limit appropriate and likely development. Given the penetration analysis, there appears to be demand for senior housing in the immediate area. The site is in the process of being fully entitled for senior housing development.

#### Financially Feasible

The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally probable land uses versus the cost to create the uses.

The probable use of the site for commercial development conforms to the pattern of land use in the market area. A review of published yield, rental and occupancy rates suggest that there is a balanced supply and demand is sufficient to support construction costs and ensure timely absorption of additional inventory in this market. Therefore, commercial development, more specifically, senior housing development is financially feasible. The buyer will construct the Canterwood Manor at DeBary, an Assisted Living Facility.

#### Maximum Profitability

Among the financially feasible uses, the use that results in the highest value (the maximally productive use) is the highest and best use. Considering these factors, the maximally productive use, as vacant, is for senior housing use.

### CONCLUSION: HIGHEST AND BEST USE AS VACANT

The conclusion of the highest and best use, as vacant, is for senior housing use. The most likely buyer being a developer.

**AS IMPROVED "UPON COMPLETION"**

**Legally Permissible**

The subject site is approved for a senior housing facility. The property will be purpose-built as an assisted living facility. The current use is a legally conforming use.

**Physically Possible**

The layout and positioning of the improvements on the sites is functional for continued use as a 137 bed assisted living facility.

**Financially Feasible**

The financial feasibility for a facility is based on the amount of rent that can be generated, less operating expenses required to generate that income; if a residual amount exists then the land is being put to a productive use. Based on our market research and, as will be indicated in the income capitalization approach, the subject is capable of producing a positive net cash flow when utilized as a senior housing facility.

**Maximum Profitability**

The maximally profitable use of the subject as though improved should conform to neighborhood trends and be consistent with existing land uses. Although several uses may generate sufficient revenue to satisfy the required rate of return on investment and provide a return on the land, the single use that produces the highest price or value is typically the highest and best use. Overall, it appears there is no alternative use other than the current use that would produce a higher net income and/or value in the near term. Therefore, the highest and best use for the property is as a senior housing facility.

**CONCLUSION: HIGHEST AND BEST USE AS IMPROVED**

Based on the foregoing, the highest and best use of the subject, as improved, is as a senior housing facility. Given the nature of the subject and the active buyers within the senior housing market, the most likely buyer for the subject would be a regional or institutional operator.

## APPRAISAL METHODOLOGY

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

### COST APPROACH

The cost approach is based upon 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 relatively unique or specialized improvements are located on the site and for which there exist few sales or leases of comparable properties. The subject is relatively new construction. We utilized an abbreviated cost approach as a test of reasonableness for the sales comparison approach to determine the value of the real estate.

### 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 physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons. We note that property types similar to the subject are typically income driven and prices paid for assisted living facilities vary greatly dependent on not just physical items of comparison for the real estate but also the acuity of the resident mix and operating efficiency of the property. Because of this, the sales comparison approach is typically relied upon least, and serves only as a benchmark for the values arrived upon by the other approaches.

### 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.

### METHODOLOGY APPLICABLE TO THE SUBJECT

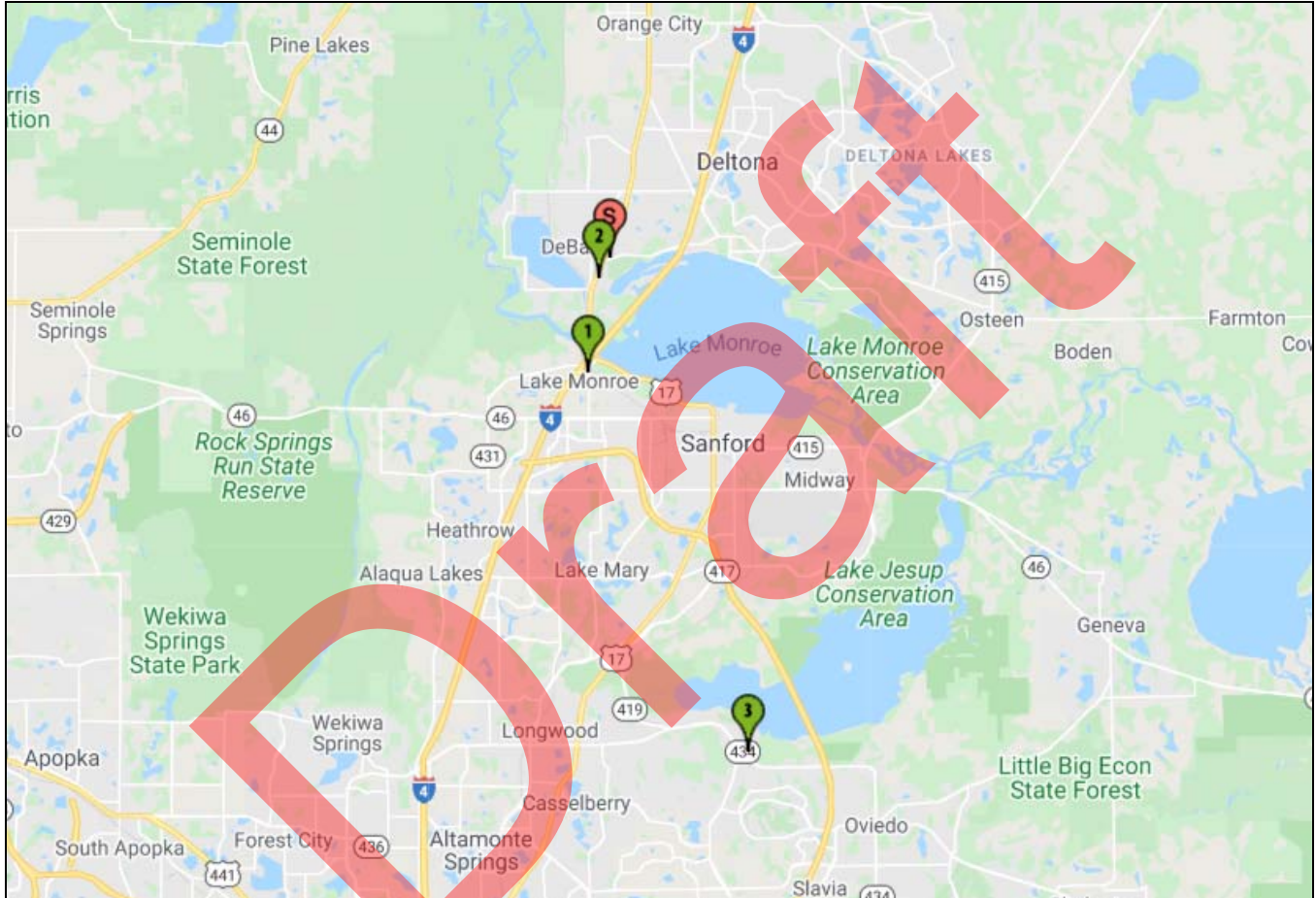
In valuing the subject, we have completed the cost, sales comparison and income capitalization approaches to value.



### LAND VALUATION

In order to estimate the market value of the subject, we have utilized the sales comparison approach that directly compares the subject to recent sales of commercial land. The most widely and market-oriented unit comparison for these asset types with similar characteristics as the subject is the sale price per useable square foot.

We used three site sales and the subject’s contract to determine land value. These were considered an adequate and reliable sample from which to derive an opinion of the subject’s site value. These comparables are summarized in the following table. The land sale write-ups are located in the addenda.



<b>COMPARABLE LAND SALE SUMMARY</b>				
	<b>Sale No. 1</b>	<b>Sale No. 2</b>	<b>Sale No. 3</b>	<b>Subject</b>
Address	888 Monroe Road	545 S. US Hwy 17/92	80 Michael Blake Boulevard	32 Dirksen Drive
City	Sanford	DeBary	Winter Springs	DeBary
Parcel ID	21-19-30-511-0000-0000 & 0030	900900000013	26-20-30-5AR-0A00-0080	900300000240
County	Seminole	Volusia	Seminole	Volusia
Transaction Type	Sale	Sale	Sale	Under Contract
Date	May-19	Oct-18	Mar-18	--
Grantor	Southern Pride, LLC and Southern Pride of Orlando, LLC	DeBary Town Center LLC	Schrimsher Land Fund 1986-II LTD, Schrimsher Land Fund LTD, et al	--
Grantee	Dan Realty Group, LLC	Integra 289 Exchange	Winter Springs Retirement	--
OR Book/Page	9357/1586	7604/2991	9101/552	--
Adi. Sale Price	\$2,399,000	\$4,118,300	\$1,525,000	\$2,264,000
Net Size (AC)	8.26 AC	15.87 AC	4.96 AC	6.65 AC
Net Size (SF)	359,762 SF	691,297 SF	216,058 SF	289,674 SF
Zoning	PD	Multi-Family	T-C	BPUD
Shape	Irregular	Irregular	Rectangular	Nearly Rectangular
Utilities	All Available	All Available	All Available	All Available
Easements	Multiple	Unknown	Unknown	Powerline
3- Mile Population	32,856	19,588	37,990	21,389
3- Mile Median Income	\$70,348	\$59,691	\$88,086	\$58,016
Traffic Counts	8,400 ADT	30,000 ADT	Not Tracked	8,900 ADT
<b>Sale Price Per SF</b>	<b>\$6.67 PSF</b>	<b>\$5.96 PSF</b>	<b>\$7.06 PSF</b>	<b>\$7.82 PSF</b>

<b>COMPARABLE LAND SALE ADJUSTMENT GRID</b>				
	<b>Sale No. 1</b>	<b>Sale No. 2</b>	<b>Sale No. 3</b>	
Sale Price Per SF	\$6.67	\$5.96	\$7.06	--
Property Rights	0%	0%	0%	--
Financing Terms	0%	0%	0%	--
Conditions of Sale	0%	0%	0%	--
Market Conditions	3%	6.0%	6%	--
<b>Adi. Sale Price PSF</b>	<b>\$6.87 PSF</b>	<b>\$6.31 PSF</b>	<b>\$7.48 PSF</b>	<b>--</b>

Location	-5%	0%	0%	--
Size	10%	20%	0%	--
Utilities/Retention	0%	0%	0%	--
Zoning	0%	0%	0%	--
Shape/Utility	10%	10%	0%	--
Easements	0%	-5%	-5%	--
Total Adjustments	15%	25%	-5%	--
<b>Adi. Price PSF</b>	<b>\$7.90 PSF</b>	<b>\$7.89 PSF</b>	<b>\$7.11 PSF</b>	

<b>PSF</b>	
Low Indication	\$7.11
Average Indication	\$7.63
High Indication	\$7.90

**Land Value Indication**

From the market data available, three site sales in the Volusia County/Seminole County market were selected as most comparable to the subject. We have adjusted the comparables based on pertinent elements of comparison as discussed earlier.

- Each sale was given a 3% annual upward adjustment for Market Conditions.
- Sale 1 was given a 5% downward adjustment for superior location with some visibility along the Interstate 4 off-ramp.
- Sales 1 and 2 were given 10% to 20% upward adjustments for larger site size.
- Sales 1 and 2 were given 10% upward adjustments for inferior configuration.
- Sales 2 and 3 were given 5% downward adjustments for lack of easements. The subject and Contract 4 included an overhead powerline easement. Sale 1 included a number of easements.
- No other adjustments were required.

**Land Entitlement Costs**

The subject is in the process of being entitled for development as an assisted living facility. There have been development fees paid to the County and City. The buyers of the land hired a land development firm to assist in obtaining all the necessary approvals for the site. The buyers are paying the consultants a fee of \$500,000. We have broken down the costs to entitle the site for breaking ground on development. The Haskell Development costs are for site plan developments necessary for final approvals. Once these costs are incurred, the property is shovel-ready for construction. To date, \$740,000 (rd) has been paid towards entitlement. There is a remaining \$590,000 to complete the process. We have valued the land "as is" based on the effective date of the appraisal and "as entitled".

<b>Land Development Costs</b>		
<b>Cost</b>	<b>Description</b>	<b>Price</b>
Site Development Agreement	Developer's Fee	\$500,000
DeBary Site Expenses		\$242,211
Haskell Development Costs		\$590,000
Total Land Development Costs (Rd)		\$1,330,000

**Land Value Conclusion**

We note that the subject is under contract for \$2,264,000 (\$7.82 PSF). We considered the contract price in our value conclusion.

<b>LAND VALUE INDICATION</b>			
<b>Price PSF</b>		<b>SF</b>	<b>Value PSF</b>
\$7.50	x	289,674 SF	= \$2,173,000
\$7.90	x	289,674 SF	= \$2,288,000
<i>Raw Land Value</i>			<i>\$2,275,000</i>
Plus: Land Development Cost Completed			\$740,000
<b>"As Is" Land Value</b>			<b>\$3,015,000</b>
Plus: Remaining Land Development Costs			\$590,000
<b>Entitled Land Value (Rd)</b>			<b>\$3,605,000</b>

## COST APPROACH

The approach will assist in reconciling the value of the real estate only.

The subject has an estimated hard cost construction budget totaling \$15,992,640, or \$162 PSF. With the estimated site and soft costs, the projected construction costs total \$21,621,619, or \$219.02 PSF.

### Cost Comparables

We were provided the construction budget for a proposed independent living property in Central Florida. This property will be a 145-unit, 142,725 SF facility. The construction cost totaled \$26,611,240 (\$186.45 PSF). This included the building, sitework and soft costs.

We know of a 99-bed assisted living facility constructed in 2018 in Winter Springs, FL. This property is 77,866 SF. It had actual costs totaling \$16,680,863 (\$214.23 PSF). This includes the building, site work and soft costs.

We were provided the construction budget for a 64-unit assisted living facility. The property is 57,799 SF and was constructed in 2016. The project totaled \$9,713,338 or \$168.05 PSF. This included the building, site work and soft costs.

We were provided the construction budget for an 84-unit assisted living facility in Central Florida. This property is 48,325 SF and was constructed in 2016. The construction cost totaled \$7,060,082 (\$146.09 PSF). This included the building costs, the site work costs and soft costs.

We know of a 37-unit memory care facility in Alabama that was constructed in 2018 for \$172.04 PSF. This includes direct and indirect costs.

### MVS Estimate

We have also utilized data within MVS. The MVS cost estimates include the following:

- Average architect's and engineer's fees for plans, plan check, building permits and survey(s) to establish building line;
- Normal interest in building funds during the period of construction plus a processing fee or service charge;
- Materials, sales taxes on materials, and labor costs;
- Normal site preparation including finish grading and excavation for foundation and backfill;
- Utilities from the structure to the lot line figured for typical setback;
- Contractor's overhead and profit, including job supervision, workmen's compensation, fire and liability insurance, unemployment insurance, equipment, temporary facilities, security, etc.;
- Site improvements (included as lump sum additions); and
- Initial tenant improvement costs are included in MVS cost estimate. However, additional lease-up costs such as advertising, marketing and leasing commissions are not included.
- Base building costs (direct costs), indicated by the MVS cost guide, are adjusted to reflect the physical characteristics of the subject. Making these adjustments, including the appropriate local and current cost multipliers, the Direct Building Cost is indicated.

### Additions

Other items not included in the direct building cost estimate include parking and walks, signage, landscaping, and miscellaneous site improvements. The cost for these items is estimated separately using the segregated cost sections of the MVS cost guide.

### Indirect Cost

Several indirect cost items are not included in the direct building cost figures derived through the MVS cost guide. These items include developer overhead (general and administrative costs), property taxes, financing costs, legal and



insurance costs, local development fees, lease-up and marketing costs and miscellaneous costs. We have reconciled to a 10% estimate for indirect costs, which we have utilized in the MVS table below.

**MVS Conclusion**

The concluded direct and indirect building cost estimate obtained via the MVS cost guide is illustrated on the following page.

MVS COST SCHEDULE			
Component	Description	Building	Details
Primary Building Type:	Senior Housing	Gross Bldg:	98,720 SF
Effective Age:	0.0 Years	Net Rentable Area:	98,720 SF
Current Condition:	Excellent/New	Building Footprint:	98,720 SF
Exterior Wall:		MVS Sec/Page/Class:	15/26/C
Number of Stories:	One	MVS Const. Type:	Good/Excellent
Height per Story:	12 Feet (Est.)	No. of Buildings:	One
Building Component			Subject
Component SF			98,720 SF
MVS Sec/Page/Class:			15/26/C
Base Cost \$PSF			\$195.00
Other: Sprinklers			\$4.00
Other: Elevator			\$5.00
Subtotal			\$204.00
Height & Size Multipliers			
Story Adjustment			1.000
Height per Story			1.000
Floor Area			0.900
Subtotal			\$183.60
Regional Cost Multipliers			
Current			1.07
Local			0.95
Final \$PSF Cost			\$186.63
Base Component Cost			\$18,424,114
Other:			\$0
Total Base Building Cost			\$18,424,114
Additions			Subject
Site work			\$1,435,000
Direct (Hard) Building Cost			\$19,859,114
Indirect (Soft) Costs Not Included in MVS (@ 10.00%)			\$1,985,911
<b>Direct &amp; Indirect Building Costs (Rd)</b>			<b>\$21,850,000</b>
Direct & Indirect \$/SF			\$221.33

We reconciled to the contractor’s budget in our cost conclusion. The budget is just above our comparables range on a PSF basis. We note that there are unusual site development costs, which inch the subject’s total projected budget above the comparable range.

According to the Dictionary of Real Estate Appraisal entrepreneurial incentive and entrepreneurial coordination are defined as follows:

Entrepreneurial Incentive: The amount an entrepreneur expects to receive for his or her contribution to the project. Entrepreneurial incentive may be distinguished from entrepreneurial profit (often times called developer’s profit) in that it is the expectation of future profit as opposed to the profit actually earned on a development or improvement.

Entrepreneurial incentive is separate from the contractor’s overhead and profit. This line item, which is a subjective figure, tends to range from 5% to 20% of total land and building costs, based on discussions with market participants. Therefore, we concluded to an incentive of 10%.

**Accrued Depreciation**

Physical Deterioration

The subject will be new construction.

Functional Obsolescence

The improvements offer a typical design with regard to layout, construction materials and overall design. As such, the improvements are considered adequately functional.

External Obsolescence

External obsolescence is defined as an element of depreciation; a defect, usually incurable, caused by negative influences usually extraneous to the site and generally incurable on the part of the owner, landlord or tenant. We have concluded to no external obsolescence.

The value estimate is calculated on the cost approach schedule that follows:

<b>COST APPROACH CONCLUSION</b>	
<b>Component</b>	<b>Detail</b>
Direct & Indirect Building Cost	\$21,620,000
Entrepreneurial Incentive @ 10.00% of Total Costs	\$2,522,500
Replacement Cost New	\$24,142,500
<b>Accrued Depreciation &amp; Land Value</b>	<b>Detail</b>
Incurable Physical Deterioration: 0.0%	\$0
Functional Obsolescence @: 0.0%	\$0
External Obsolescence @: 0.0%	\$0
Depreciated Replacement Cost (Rd)	\$24,142,500
Land Value (Entitled Land)	\$3,605,000
<b>Value Indications</b>	<b>Detail</b>
<b>"Upon Completion" Value Indication (Rd)</b>	<b>\$27,750,000</b>

### SALES COMPARISON APPROACH

In order to estimate the market value of the subject, we have utilized the sales comparison approach that directly compares the subject to recent improved sales of assisted living facilities. The most widely and market-oriented unit comparison for these asset types with similar characteristics as the subject is the sale price per licensed bed.

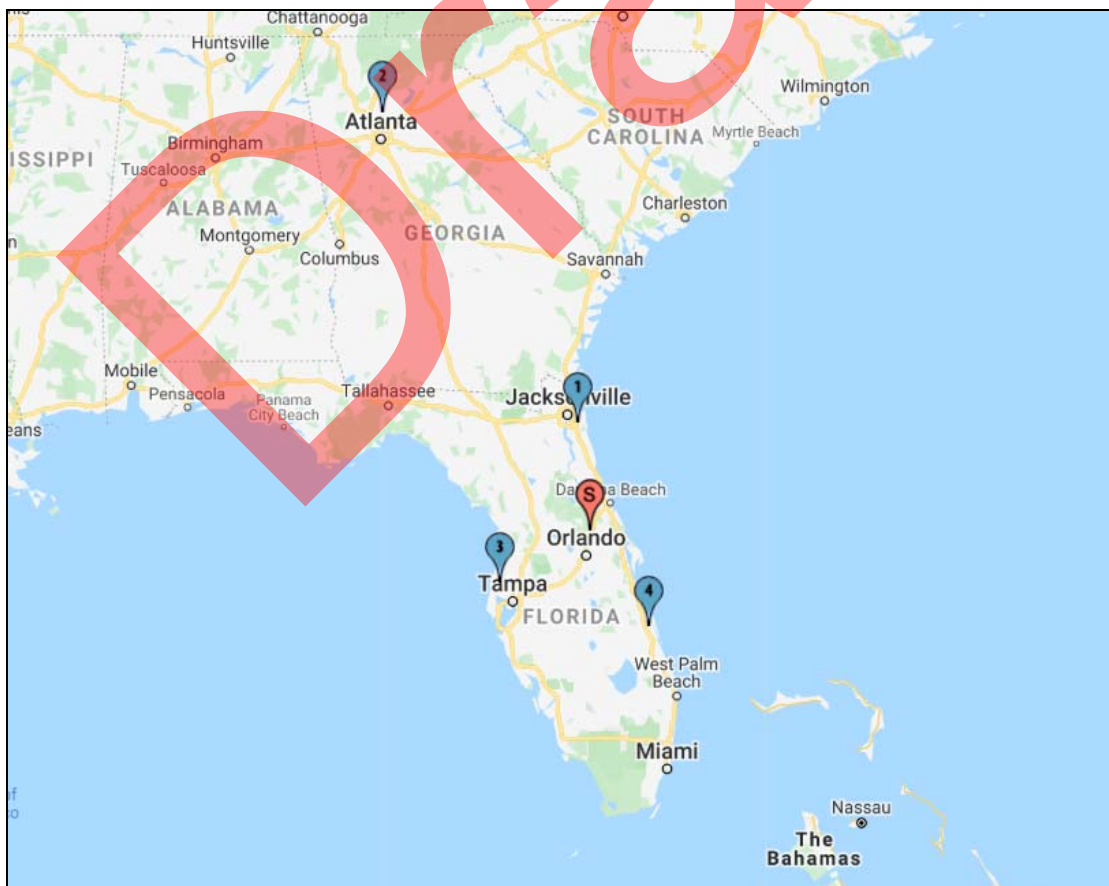
Our search parameters included:

- Assisted living facilities;
- Average to good condition;
- Sale date within the last 30 months.

There is a limited amount of sales of assisted living facilities which are similar to the subject in size. We included a search of the entire state of Florida. We found a number of comparable sales that bracketed the subject in terms of quality, age/condition, licensed beds, and other pertinent factors. The location map below and the table on the following page summarized the sales comparable data used in the valuation of the subject.

The subject will be licensed for 137 beds. The licensed capacity for similar facilities is registered with the state agency and can be independently verified. Physical capacity can be difficult to confirm. Due to this, the sales comparison approach is valued based on licensed capacity and compared to the licensed capacity of the comparable sales. The income approach is based on physical capacity as this is how the property will generate income. The sales comparison approach is given minimal weight, as income drives this type of property. In the case of the subject "upon completion" the licensed beds and physical beds are the same.

#### Sales Map



COMPARABLE SALE GRID

COMPARABLE IMPROVED SALE SUMMARY					
	No. 1	No. 2	No. 3	No. 4	Subject
Location	10061 Sweetwater Parkway	12200 Crabapple Road	1960 Blue Fox Way	1700 Waterford Drive	32 Dirksen Drive
City	Jacksonville	Alpharetta	New Port Richey	Vero Beach	DeBary
County	Duval	Fulton	Pasco	Indian River	Volusia
Transaction Type	Sale	Sale	Sale	Sale	--
Sale/Contract Date	Dec-17	Mar-18	Jun-18	Feb-19	--
Adj. Sale Price*	\$39,985,000	\$38,000,000	\$29,000,000	\$38,000,000	--
Year Built	2010	2009	2016	1989	2020
Building Condition	Good	Good	Good	Average	Excellent/New
Building Construction	CBS	Brick	CBS	CBS	CBS
Building Size (GBA)	161,394 SF	86,920 SF	83,628 SF	298,913 SF	98,720 SF
Land Size (Net Acres)	8.30 Acres	6.14 Acres	4.09 Acres	14.00 Acres	6.65 AC
No. Beds	189 Beds	93 Beds	117 Beds	232 Beds	137 Beds
Median HH Income (3-Mile)	\$68,026	\$122,252	\$67,364	\$49,057	\$58,016
Population (3-Mile)	29,802	45,387	23,283	23,601	21,389
NOI PRD	\$39.38	\$71.97	\$46.46	\$30.11	\$50.31
Capitalization Rate	6.25%	6.30%	6.50%	6.71%	--
Occupancy	92.00%	98.00%	95.00%	Unknown	--
<b>Sale Price Per Bed</b>	<b>\$211,561</b>	<b>\$408,602</b>	<b>\$247,863</b>	<b>\$163,793</b>	--
Transaction Adjustments	No. 1	No. 2	No. 3	No. 4	Subject
Property Rights	0.0%	0.0%	0.0%	0.0%	--
Financing Terms	0.0%	0.0%	0.0%	0.0%	--
Conditions of Sale	0.0%	0.0%	0.0%	0.0%	--
Market Conditions	5.0%	2.5%	2.5%	0.0%	--
<b>Adj. Price Per Bed</b>	<b>\$222,139</b>	<b>\$418,817</b>	<b>\$254,060</b>	<b>\$163,793</b>	--
Physical Adjustments	No. 1	No. 2	No. 3	No. 4	Subject
Location	0.0%	-15.0%	0.0%	0.0%	--
Size	0.0%	0.0%	0.0%	0.0%	--
Quality of Construction	0.0%	0.0%	0.0%	0.0%	--
Amenities	0.0%	0.0%	0.0%	0.0%	--
Age/Condition	0.0%	0.0%	0.0%	10.0%	--
Economic Characteristics	15.0%	-25.0%	5.0%	35.0%	--
Other	0.0%	0.0%	0.0%	0.0%	--
Total Adjustments	15.0%	-40.0%	5.0%	45.0%	--
<b>Adj. Price Per Bed</b>	<b>\$255,460</b>	<b>\$251,290</b>	<b>\$266,763</b>	<b>\$237,500</b>	--
Range	\$ Per Bed	\$ PSF			
Low Indication	\$237,500	\$184.33			
Average Indication	\$252,753	\$281.39			
High Indication	\$266,763	\$373.22			

**Property Rights Conveyed**

The comparables all transferred their fee simple interest. As such, there is no need for an adjustment for property rights.

**Financing Terms**

To the best of our knowledge, all of the comparables transferred with cash or normal market rate financing. Accordingly, no adjustments are needed for advantageous financing.

**Conditions of Sale**

Each of the comparables are closed sales and no conditions of sale adjustments were warranted.



**Market Conditions**

Assisted Living Facilities have an increase in demand given the growing elderly population. Based on the 2018 CBRE Senior Housing Market Survey, the demand for senior housing has increased in 2017 and part of 2018, prices per unit have increased, and rental rates have increased. Since then, demand has slowed down a bit. Comparable 1 sold in 2017 and comparables 2 and 3 sold in 2018. The market has continued to improve since then. Therefore, we gave comparables 1, 2 and 3 upward adjustments.

**Location**

Each of the comparables are located in strong suburban areas near large MSAs. However, comparable 2 is located in an area with superior land values and demographics. Therefore, we gave comparable 2 a downward adjustment.

**Size**

This category is based on the licensed beds of the properties. Typically, a size adjustment is made based on economies of scale. However, there are economic advantages to assisted living facilities with more beds. No adjustments were deemed necessary.

**Quality of Construction/Design Appeal**

The subject is concrete block and stucco construction with good quality build-out. The facility has good exterior appeal. Each of the comparables have similar quality of construction. No adjustments were necessary.

**Amenities**

Generally, assisted living facilities with larger bed counts offer more services or amenities. The subject is projected to have a few large patios spaces, multiple recreational rooms, a salon, and a spa. Each of the comparables have similar amenities. No adjustment necessary.

**Age/Condition**

Generally, properties in superior condition sell for more than properties with higher effective ages and perceived to be in poor condition. The subject will be new construction and in excellent condition. Comparable 4 is significantly older and in inferior condition to the subject. Comparable 4 was given an upward adjustment.

**Economic Characteristics**

Comparable 1 has an inferior NOI PRD. However, we note that comparable 1 has some independent living units, along with assisted living and memory care. IL units are more desirable, as they require lower expense per unit for care. This is valuable to an investor. Overall, we gave comparable 1 an upward adjustment.

Comparable 2 has a superior NOI PRD and has a similar unit mix with assisted living. Overall, a downward adjustment was necessary.

Comparable 3 has an inferior NOI PRD and has a similar unit mix to the subject. Overall, comparable 3 was given an upward adjustment.

Comparable 4 has an inferior NOI PRD. However, we note that comparable 4 has some independent living units, along with assisted living and memory care. Overall, we gave comparable 4 an upward adjustment.

**CONCLUSION**

We gave most weight to comparable 3, as it is most similar in unit mix and NOI PRD. The market value opinion for the subject is estimated as follows:

<b>SALES COMPARISON APPROACH CONCLUSION</b>			
<b>Subject Beds</b>	<b>x</b>	<b>Price Per Bed</b>	<b>= Value</b>
137 Beds		\$250,000	= \$34,250,000
137 Beds		\$260,000	= \$35,620,000
<b>"Upon Stabilization" Market Value</b>			<b>= \$34,750,000</b>
<i>Less: Lease Up Discount</i>			<i>= -\$3,210,000</i>
<i>Less: Entrepreneurial Profit</i>			<i>= -\$802,500</i>
<b>"As Is" Market Value</b>			<b>\$30,740,000</b>

The lease up discount and entrepreneurial profit will be discussed in the income approach.

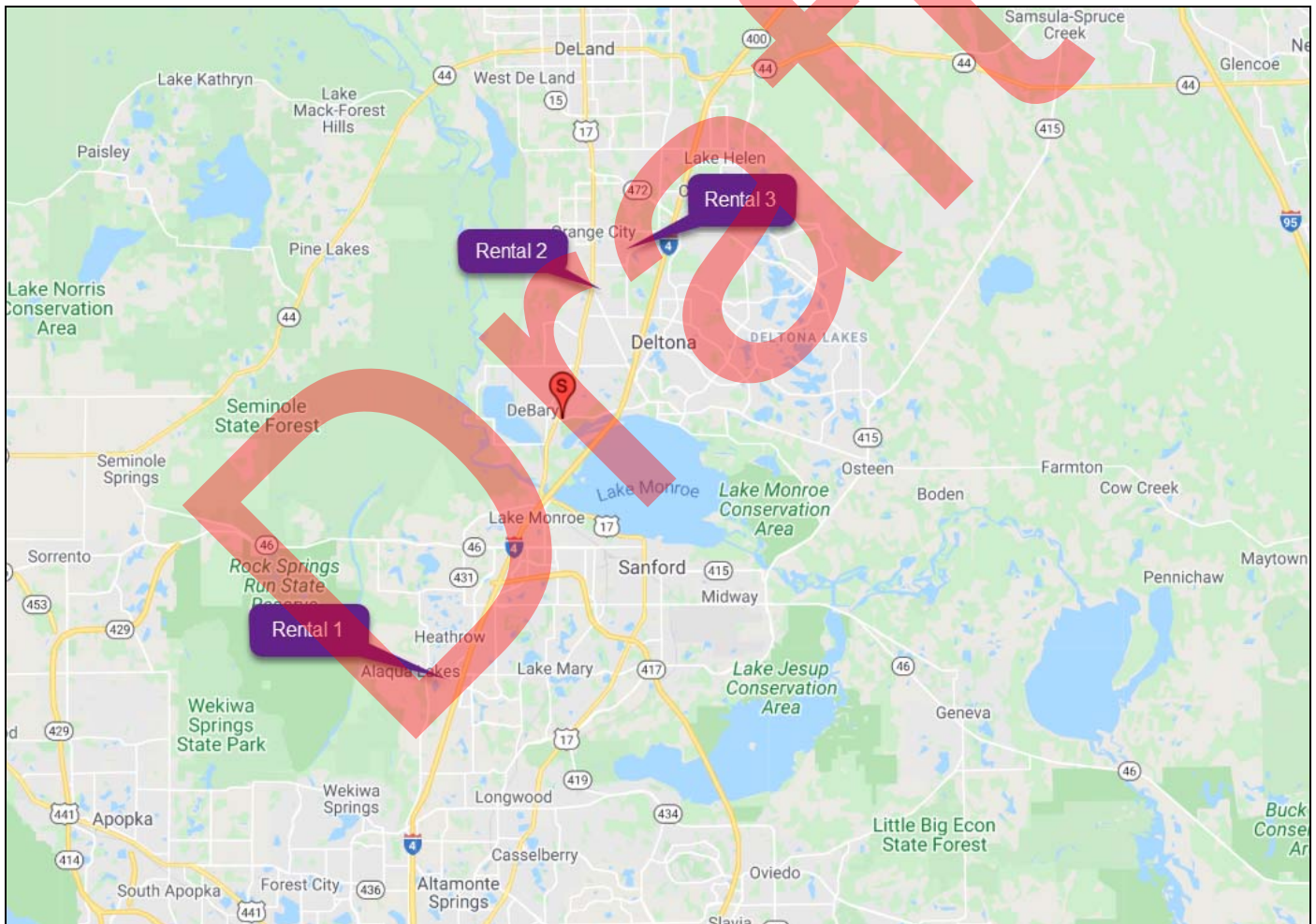
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### INCOME APPROACH

A market value opinion for the subject will be developed by the income approach. The primary methodology for the as stabilized analysis is a direct capitalization process. This process reaches a value estimate by converting a single, stabilized year's net operating income (NOI) through use of an overall rate (OAR). This technique is appropriate for stable properties or properties valued prospectively assuming stabilization.

The scope of work in this section includes the research and analysis of occupancy, revenue and expenses, and overall rates. The comparable operating and financial data was obtained from information in our files. Local occupancy and rental rate information was gathered through interviews with market participants, including facility marketing directors and administrators. In addition, published industry norms were considered in benchmarking revenue and expense forecasts for the subject. Overall rates were developed through sales transaction analysis and reference to published survey data.

*The subject will be non-stabilized after construction. We have valued the property "upon stabilization" and deducted a lease-up cost.*



**RENT COMPARABLES**

<b>RENTAL COMPARABLES</b>				
	<b>Rental 1</b>	<b>Rental 2</b>	<b>Rental 3</b>	<b>Subject</b>
Facility Name	Oakmonte Village	Atria Orange City	Springs of Parc Hill	Canterwood Manor at DeBarv
Address	1021 Royal Gardens Circle, Lake Mary	500 Grand Plaza Drive, Orange City	1101 Parc Hill Boulevard, Orange City	32 Dirksen Drive, DeBary
Year Built	2009	1997	2019	2020
Room Size (SF)	356 SF - 406 SF	280 SF - 658 SF	Unknown	305 SF - 628 SF
<i>AL Beds</i>	<i>94 Beds</i>	<i>104 Beds</i>	<i>99 Beds</i>	<i>137 Beds</i>
Occupancy	85.0%	Unknown	Unknown	--
Assisted Living Rates	Ranges from \$3,500 to \$4,200	Ranges from \$2,295 for a studio and \$3,095 for one-bedroom	Starts at \$3,600	Ranges from \$3,415 to \$4,284

These rental rates include 3 meals a day, access to activities and social events, scheduled medical and shopping transportation, housekeeping, laundry services, maintenance and board. In addition, each of the properties offer amenities. Each of the comparables are purpose-built senior housing properties. All of the facilities are licensed for private pay beds only.

It appears the subject’s proposed rates are reasonable based on the market. We have concluded to market rates as follows:

<b>RENT CONCLUSIONS</b>		
<b>Room Type</b>	<b>Number of Beds</b>	<b>Rent Per Month</b>
AL - Studio	24	\$3,420
AL - Studio Deluxe	78	\$3,925
AL - One-Bedroom	6	\$4,290
Double Occupancy	29	\$2,900

This equates to a blended rate of \$3,636 per month per resident bed.

**REVENUE**

Based on the market comparables, private pay is the most common payment for rooms in larger facilities within the subject’s primary market area. Therefore, our gross rental revenue is \$5,976,840 (\$3,636/unit/month \* 137 resident beds \* 12 months).

**LEVELS OF CARE REVENUE**

Assisted living facilities typically offer various levels of care fees which residents pay based on their individual needs. These items include help with dressing, feeding, medicine dispersion, and incontinence issues. The subject offers levels of care ranging from \$500 to \$1,700 per month. The comparables have level of care fees ranging from \$450 to \$1,500 per month. We have estimated a level of care revenue totaling \$900 per resident room.

**ANCILLARY REVENUE**

The facility charges other fees which include entrance fees, late fees and non-refundable fees. To account for these fees, we have concluded to \$110,000 in ancillary revenue, which is in-line with the operating history.

**VACANCY & COLLECTION LOSS**

Based on this absorption rate and the comparable occupancies, we have concluded to a vacancy rate of 10% of potential gross revenue. Collection loss is applied at a rate of 1.5% of collected revenue.

### Concessions

We have valued the subject "upon stabilization". Therefore, no concessions would be utilized.

### OPERATING STATEMENTS

The subject will be new construction. We were provided with the developer's pro forma operating statements. It will take approximately 18 months to lease-up the property. This is the typical time frame that senior housing development anticipate lease-up to occur. Below we have included the first fully stabilized year from the developer's pro forma.

We have analyzed the expenses on a per resident day basis. In this manner, expense categories that are tied to occupancy are better represented.

Year-Occupancy Revenue	OPERATING HISTORY		
	Pro Forma Year 3 (Stabilized)		
	Nominal	PRD	% EGI
<i>Assisted Living</i>	\$5,653,764	\$119.01	--
<i>Level of Care</i>	\$2,358,318	\$49.64	--
<i>Other Fees</i>	\$110,538	\$2.33	--
<i>Concessions</i>	\$0	\$0.00	--
<i>Less: Bad Debt</i>	(\$14,134)	(\$0.36)	--
<b>Effective Gross Income</b>	<b>\$8,108,486</b>	<b>\$170.69</b>	<b>--</b>
<i>Payroll &amp; Labor Expenses</i>	\$2,890,434	\$60.85	35.65%
<i>Dietary Expenses</i>	\$351,170	\$7.39	4.33%
<i>Resident Expenses</i>	\$186,232	\$3.92	2.30%
<i>Housekeeping Expenses</i>	\$19,770	\$0.42	0.24%
<i>Repairs &amp; Maintenance</i>	\$80,631	\$1.70	0.99%
<i>Administrative Expenses</i>	\$236,899	\$4.99	2.92%
<i>Marketing &amp; Advertising</i>	\$15,606	\$0.33	0.19%
<i>Utilities</i>	\$218,484	\$4.60	2.69%
<i>Real Estate Taxes</i>	\$250,000	\$5.26	3.08%
<i>Insurance</i>	\$135,262	\$2.85	1.67%
<i>Management Fee</i>	\$527,052	\$11.09	6.50%
<b>Operating Expenses</b>	<b>\$4,911,540</b>	<b>\$103.39</b>	
<b>Net Operating Income</b>	<b>\$3,196,946</b>	<b>\$67.30</b>	
Operating Expense Ratio	60.6%		
Resident Days	47,505		95.0%

Source: Operating Statements



## EXPENSE ANALYSIS

We have also relied on expense comparables in order to estimate the expenses applicable to the subject. The comparables are summarized as follows and are presented on a Per Resident Day (PRD) basis. In this manner, expense categories that are tied to occupancy are better represented.

We have utilized the comparables and some of the subject's historical expenses to determine stabilized expenses for the subject. We note expense 3 is an independent living facility and therefore, its expenses will vary due to the less intense medical needs from an assisted living facility such as the subject.

EXPENSE COMPARABLES						
Expense Comparable	Expense No. 1		Expense No. 2		Expense No. 3	
Building Type	ALF		ALF		ILF	
No. Residents	93		107		145	
Expense Year	2015		2015		Pro Forma	
<b>Effective Gross Income</b>	<b>\$162.00 PRD</b>	<b>% EGI</b>	<b>\$144.00 PRD</b>	<b>% EGI</b>	<b>\$115.68 PRD</b>	<b>% EGI</b>
<i>Payroll and Related</i>	\$66.31	40.93%	\$53.66	37.26%	\$8.69	6.03%
<i>Dietary</i>	\$8.27	5.10%	\$7.56	5.25%	\$9.89	6.87%
<i>Resident</i>	\$2.11	1.30%	\$3.02	2.10%	\$1.15	0.80%
<i>Housekeeping</i>	\$0.61	0.38%	\$0.36	0.25%	\$3.51	2.44%
<i>Repairs &amp; Maintenance</i>	\$3.07	1.90%	\$2.89	2.01%	\$3.05	2.12%
<i>Utilities</i>	\$4.29	2.65%	\$4.64	3.22%	\$5.19	3.60%
<i>Marketing</i>	\$0.78	0.48%	\$1.77	1.23%	\$1.94	1.35%
<i>Administrative &amp; Other</i>	\$7.18	4.43%	\$12.18	8.46%	\$5.27	3.66%
<i>Real Estate Taxes</i>	\$2.94	1.81%	\$3.28	2.28%	\$6.33	4.40%
<i>Insurance</i>	\$1.91	1.18%	\$2.53	1.76%	\$1.27	0.88%
<i>Management</i>	\$7.93	4.90%	\$7.19	4.99%	\$5.78	4.01%
<i>Replacement Reserves</i>	\$0.84	0.52%	\$1.50	1.04%	\$0.96	0.67%
Operating Expenses	\$106.24		\$100.58		\$53.03	
<b>Net Operating Income</b>	<b>\$55.76 PRD</b>		<b>\$43.42 PRD</b>		<b>\$62.65 PRD</b>	
Management Fee as % EGI	4.9%		5.0%		5.0%	
OE as % of EGI	65.6%		69.8%		45.8%	

Source: Capstone's Research

## PAYROLL & RELATED

This expense includes all assisted living or health care related staffing costs. Each facility tracks these expenses differently. In addition, this category includes administrative costs. The comparables range from \$53.66 to \$66.31 PRD. On a percentage of revenue basis, this expense ranges from 37% to 40% of revenue. Given the subject's size, we have concluded to a rate that is 38% of revenue. This equates to \$59.52 PRD.

## DIETARY

The Dietary expense typically includes all dietary salaries, food and dietary supplies. Based on the comparables, this expense ranges from \$7.56 PRD to \$9.89 PRD and equates to 5.10% to 6.87% of total revenue depending on resident diet requirements and meal options provided. We have estimated this expense at 5%. This is in-line with the rates shown by the comparables.

## RESIDENT EXPENSE

The resident expense includes the activities expenses. As can be seen from the expense comparables, this expense category varies across the board and does not appear to be tied to acuity or property size. Therefore, we have estimated this expense to be 2.00% of total revenue, which is in-line with the comparables.

## HOUSEKEEPING

The Housekeeping expense includes all supplies and equipment repair as well as miscellaneous departmental expenses. Therefore, we again have analyzed this expense based upon the range presented by the comparables and historical expenses. On a PRD, the comparables ranged from \$0.36 to \$3.51, or 0.25% to 2.44% of total revenue. We estimated this expense to be 0.35%. This equates to a total of \$0.52 PRD.

**MAINTENANCE**

The maintenance expense includes all repairs and maintenance to the buildings, including landscaping and general repairs as well as transportation expenses. The comparables provided maintenance costs that ranged from \$2.89 to \$5.47 PRD, or 1.90% to 2.12%. The subject's pro forma expense is \$1.70 PRD, or 0.99%.

We have concluded to an expense of \$2.98 PRD or 2.00%, which is in-line with the comparables.

**UTILITIES**

This expense includes water, sewer, electricity, and trash collection. The comparables provided utility costs that range from \$4.29 to \$5.19 PRD, or 2.65% to 3.60%. The subject's pro forma expense is \$4.60 PRD.

We have concluded to an expense of \$4.46 PRD or 3.00%, which is in-line with the comparables.

**GENERAL AND ADMINISTRATIVE**

The administrative expense varies based on how the property tracks its expenses. The comparables range from \$5.27 PRD to \$12.18 PRD, or 3.66% to 8.46%. The subject's pro forma expense totals \$4.99 PRD, or 2.92%.

We have concluded to an expense of \$5.95 PRD or 4.00%, which is in-line with the comparables.

**REAL ESTATE TAXES**

We previously discussed the methodology utilized to arrive at our conclusion for real estate taxes in the real estate tax analysis section. The tax amount utilized reflects a 4% discount for early payment.

**INSURANCE**

This expense includes the property insurance for the improvements. The subject's pro forma expense totals \$135,000. We have concluded to an insurance expense consistent with the pro forma value.

**MANAGEMENT FEE**

Typical third party management fees range from 3% to 7% of revenues. Given the size and nature of the facility, a 5% ratio is considered appropriate, and is utilized for our management fee forecast.

**RESERVES FOR REPLACEMENT**

Reserves for replacement account for the ongoing cost of replacing short-lived capital items that wear out, or become obsolete. The expense comparables had reserves expenses ranging from 0.52% to 1.04%. We have utilized a 1% of total revenue for reserves.

**TOTAL OPERATING EXPENSES**

Total operating expenses for the projected stabilized year are estimated to be \$4,431,959, or \$98.48 per resident day.

Operating margins are a test of reasonableness for operating efficiency. An operating margin is the percentage of revenue left after expenses. The operating expense margin is 33.8%. Based on the NIC Investment Guide, expense margins for assisted living communities range from 12.7% to 43.9%, with a median of 31.8%.

While as much care as possible was used to select the expense comparables, each facility has unique operational and market environments that makes comparison of individual expense items difficult. As indicated, in most areas, the forecast for the subject is within or near the comparable range. As discussed, expense projections were based wholly on comparable properties and subject's operating expenses and are considered to be well supported.

**NET OPERATING INCOME**

We note that our calculation of Net Operating Income is estimated to be \$2,264,341 or \$50.31 PRD. We note that this amount equates to the earnings before interest, taxes, depreciation, and amortization or EBITDA.

**CAPITALIZATION PROCESS**

The preceding section detailed the reconstruction of the projected income statement for the subject facility. Conversion of this income into an estimate of the market value will be accomplished through the direct capitalization methodology. In this process, the periodic net operating income (NOI) is processed to indicate market value through direct capitalization by an appropriate overall rate for the stabilized value estimate. The "as is" value indication will rely on our indicated capitalization rate for an appropriate discount rate. This section details that process.

**Cap Rate Factors Analysis**

Cap rates for senior housing facilities are influenced by many factors. We have evaluated the factors for the subject to arrive at a reasonable cap rate conclusion.

Type of Senior Housing: The subject will be an assisted living facility with no memory care units. This would fall under the umbrella of an assisted living facility with more intensive employment needs given the nature of the residents. Assisted living facilities are less risky than a skilled nursing facility but more risky than independent units, primarily due to the operational margins necessary to run the facilities. Overall, we would consider this to be a neutral factor for the subject.

Market: The subject's market is secondary in nature. The primary metropolis for the area is south of the subject, with DeBary being a suburban area overall. The population is growing. The median household incomes for the area cater to a population that can afford private pay rooms, which the subject offers. The nearest hospital is AdventHealth Fish Memorial, which is 4 miles from the subject. Overall, the market is a positive.

Income/occupancy history: The subject will be new construction. However, it will be managed and operated by a successful healthcare company. The developer's pro forma estimates occupancy at 95%. Based on the broader senior housing market occupancy levels, this is on the high end. Those surveys estimate between 87-92% occupancy for stabilized properties. We note that there has been a number of units entering the market. We have utilized a stabilized occupancy of 10%. Overall, this is a neutral factor for the subject.

Physical Structure of the facility: The property will be a good quality, purpose built senior housing facility. The improvements will be new construction. This factor is a positive influence for the subject.

Given the subject's location, we have concluded to a cap rate at the middle of the spectrum.

**Comparable Sales**

The reported overall rates for recent senior housing assets are as follows:

<b>COMPARABLE CAPITALIZATION RATES</b>			
<b>Location</b>	<b>Sale Date</b>	<b>No. Beds</b>	<b>Cap Rate</b>
Jacksonville, FL	Dec-17	189	6.25%
Apharetta, GA	Mar-18	93	6.34%
New Port Richey, FL	Jun-18	117	6.50%
Vero Beach, FL	Feb-19	232	6.71%
<b>Estimated Cap Rate</b>			<b>6.25% - 6.75%</b>

**Published Investor Surveys**

The results are summarized in the following table.

<b>NATIONAL INVESTOR SURVEY : CAP RATES</b>			
<b>Survey Source</b>	<b>Low</b>	<b>High</b>	<b>Average</b>
CBRE 4Q 2019 Senior Housing Market Survey Class B, Non-Core Assisted Living	6.00%	10.00%	7.60%
Marcus & Millichap Senior Housing 1st Half 2020 Assisted Living			6.00%
RealtyRates.com 2Q 2019 Assisted Living	5.21%	12.10%	8.07%
<b>Estimated Cap Rate</b>	<b>6.00% - 8.07%</b>		

**CAPITALIZATION RATE CONCLUSION**

The following table summarizes the OAR conclusions

<b>CAPITALIZATION RATE</b>	
Comparable Cap Rates	6.25% - 6.75%
National Investor Survey Cap Rates	6.00% - 8.07%
Market Participant Cap Rates	7.00%-9.00%
<b>Stabilized Estimate</b>	<b>6.75% - 7.00%</b>

Given the subject’s location, we have concluded to a cap rate near the middle of the spectrum. We have concluded to a cap rate range of 6.75% - 7.00%.

**DIRECT CAPITALIZATION SUMMARY**

We have run a direct capitalization as stabilized and deducted the lease-up costs.

Based on our discussions with market participants and market data, we anticipate an absorption rate of 6 residents per month. Therefore, our estimated stabilization date is 18 months from the effective "upon completion" date.

<b>DIRECT CAPITALIZATION SUMMARY</b>			
<b>Description</b>		<b>PRD</b>	<b>\$ Nominal</b>
Collected Rental Revenue		\$132.81	\$5,976,840
Levels of Care Revenue		\$32.88	\$1,479,600
Ancillary Revenue		\$2.44	\$110,000
<b>Potential Gross Revenue</b>		<b>\$168.13</b>	<b>\$7,566,440</b>
Less: Vacancy Loss @ 10.0%	<b>10.00%</b>	\$16.81	\$756,644
Less: Collection Loss @ 1.5%	<b>1.50%</b>	\$2.52	\$113,497
Less: Concession	<b>0.00%</b>	\$0.00	\$0
<b>Effective Gross Income</b>		<b>\$148.79</b>	<b>\$6,696,299</b>
<b>Operating Expenses</b>			
Payroll and Related	40.00%	\$59.52	\$2,678,520
Dietary	5.00%	\$7.44	\$334,815
Resident	2.00%	\$2.98	\$133,926
Housekeeping	0.35%	\$0.52	\$23,437
Repairs & Maintenance	2.00%	\$2.98	\$133,926
Utilities	3.00%	\$4.46	\$200,889
Administrative & Other	4.00%	\$5.95	\$267,852
Real Estate Taxes	1.82%	\$2.71	\$121,816
Insurance	2.02%	\$3.00	\$135,000
Management	5.00%	\$7.44	\$334,815
Replacement Reserves	1.00%	\$1.49	\$66,963
<b>Total Operating Expenses</b>	<b>66.2%</b>	<b>\$98.48</b>	<b>\$4,431,959</b>
<b>Net Operating Income</b>		<b>\$50.31</b>	<b>\$2,264,341</b>
Cap Rate		÷	6.75%
Value Indication			\$33,500,000
Cap Rate			7.00%
Value Indication		÷	\$32,300,000
<b>"Upon Stabilization" Market Value</b>			<b>\$33,400,000</b>
Minus: Lease-Up Discount			-\$3,210,000
Minus: Entrepreneurial Incentive (25%)			-\$802,500
<b>"Upon Completion" Market Value</b>			<b>\$29,390,000</b>



LEASE-UP DISCOUNT

The subject is not yet operating at stabilized occupancy. In order to determine the lease-up discount applicable to the subject, we performed a cash flow of the subject as is, showing the lease-up over time, and a second cash flow as though the subject were currently stabilized. The difference between the two revenue streams is the lease-up discount. The cash flow calculations are presented on the following page:

CASH FLOW AS IS												
Month Ending	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22
Revenue Per Bed	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636
Residents	30	36.0	42.0	48.0	54.0	60.0	66.0	72.0	78.0	84	90	96
<b>Revenue</b>												
Collected Rental Revenue	\$ 109,066	\$ 130,880	\$ 152,693	\$ 174,506	\$ 196,320	\$ 218,133	\$ 239,946	\$ 261,759	\$ 283,573	\$ 305,386	\$ 327,199	\$ 349,013
<b>Potential Gross Revenue</b>	<b>\$ 109,066</b>	<b>\$ 130,880</b>	<b>\$ 152,693</b>	<b>\$ 174,506</b>	<b>\$ 196,320</b>	<b>\$ 218,133</b>	<b>\$ 239,946</b>	<b>\$ 261,759</b>	<b>\$ 283,573</b>	<b>\$ 305,386</b>	<b>\$ 327,199</b>	<b>\$ 349,013</b>

CASH FLOW AS THOUGH STABILIZED												
Month Ending	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22
Revenue Per Bed	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636
Residents	130	130	130	130	130	130	130	130	130	130	130	130
<b>Revenue</b>												
Collected Rental Revenue	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621
<b>Potential Gross Revenue</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>

LEASE-UP DISCOUNT												
Month Ending	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22
Revenue As Though Stabilized	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621
Revenue As Is	\$ 109,066	\$ 130,880	\$ 152,693	\$ 174,506	\$ 196,320	\$ 218,133	\$ 239,946	\$ 261,759	\$ 283,573	\$ 305,386	\$ 327,199	\$ 349,013
Difference	\$ 363,555	\$ 341,741	\$ 319,928	\$ 298,115	\$ 276,302	\$ 254,488	\$ 232,675	\$ 210,862	\$ 189,048	\$ 167,235	\$ 145,422	\$ 123,609
<b>Lease-Up Discount</b>	<b>\$ 2,922,980</b>											
<b>Rounded</b>	<b>\$ 2,920,000</b>											

CASH FLOW AS IS												
Month Ending	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23
Revenue Per Bed	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636
Residents	102	108.0	114.0	120.0	126.0	130.0	130.0	130.0	130.0	130	130	130
<b>Revenue</b>												
Collected Rental Revenue	\$ 370,826	\$ 392,639	\$ 414,452	\$ 436,266	\$ 458,079	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621
<b>Potential Gross Revenue</b>	<b>\$ 370,826</b>	<b>\$ 392,639</b>	<b>\$ 414,452</b>	<b>\$ 436,266</b>	<b>\$ 458,079</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>

CASH FLOW AS THOUGH STABILIZED												
Month Ending	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23
Revenue Per Bed	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636	\$ 3,636
Residents	130	130	130	130	130	130	130	130	130	130	130	130
<b>Revenue</b>												
Collected Rental Revenue	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621
<b>Potential Gross Revenue</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>	<b>\$ 472,621</b>

LEASE-UP DISCOUNT												
Utilities	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23
Revenue As Though Stabilized	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621
Revenue As Is	\$ 370,826	\$ 392,639	\$ 414,452	\$ 436,266	\$ 458,079	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621	\$ 472,621
Difference	\$ 101,795	\$ 79,982	\$ 58,169	\$ 36,355	\$ 14,542	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Lease-Up Discount</b>	<b>\$ 290,844</b>											
<b>Rounded</b>	<b>\$ 290,000</b>											

## RECONCILIATION

The value indications from the approaches to value are summarized as follows:

SUMMARY OF VALUE CONCLUSIONS		
	Upon Completion	Upon Stabilization
Cost Approach (RE only)	\$27,750,000	--
Sales Comparison Approach	\$30,740,000	\$34,750,000
Income Approach	\$29,390,000	\$33,400,000
<b>Reconciled Value</b>	<b>\$29,390,000</b>	<b>\$33,400,000</b>

### Sales Comparison Approach

In the sales comparison approach, the subject is compared to reasonably similar properties that have been sold recently or for which listing prices are known. There was not great data for the sales comparison approach. The subject is an attractive property that would appeal to buyers. The comparables provide a basis to bracket the subject's going concern value. Therefore, we have not given this approach much weight in our valuation.

### Cost Approach

The subject is a proposed assisted living facility. Given the cost comparables and the proposed nature of the subject, we gave the cost approach significant weight in determining the subject's real estate value.

### Income Capitalization Approach

The income approach was applied to provide the prospective "upon completion" and "upon stabilization" market value opinions. A buyer or seller would use a similar analysis process to price the subject were it available for sale on effective dates of appraisal. This approach had reliable market and comparable data available to support our occupancy, revenue and expense projections, and recent sales provided sufficient data to provide reliable capitalization rates.

### Value Allocation

To determine the value allocated to the real estate, we utilized the lease coverage ratio method. This was tested against the fee simple cost approach and reconciled.

The lease coverage ratio is a method of determining the value attributable to the real estate portion of the subject property. A lease coverage ratio of 1.2 is common for senior housing lending purposes. The cap rate utilized to determine the real estate allocation is 50 basis points below our concluded cap rate for the total going concern in the previous direct capitalization. This is due to the lower amount of risk involved in strictly real estate value. Our calculation for real estate allocation is below.

Allocation via Lease Coverage Method	
NOI (MVTAB)	\$2,264,341
<i>Divided by Lease Coverage Ratio</i>	<i>1.2</i>
NOI (RE)	\$1,886,951
<i>Divided by Cap Rate (RE)</i>	<i>6.25%</i>
<b>Real Estate Allocation (Rd)</b>	<b>\$30,190,000</b>

The income approach was utilized to determine the market value of the total assets. We estimated the depreciated value of the existing FF&E. The remaining total is allocated to intangible value. Based on the analysis contained in the following report, the market values of the subject are concluded as follows:

<b>MARKET VALUE CONCLUSIONS</b>			
<b>Appraisal Premise</b>	<b>Interest Appraised</b>	<b>Date of Value</b>	<b>Value Conclusion</b>
"Upon Completion" Market Value (MVTAB)	Fee Simple	August 1, 2021	\$29,390,000
Allocated As Follows:			
Real Estate			\$27,750,000
Personal Property			\$1,600,000
Business (Intangibles)			\$40,000
<b>Appraisal Premise</b>	<b>Interest Appraised</b>	<b>Date of Value</b>	<b>Value Conclusion</b>
"Upon Stabilization" Market Value	Fee Simple	January 1, 2023	\$33,400,000
Allocated As Follows:			
Real Estate			\$27,750,000
Personal Property			\$1,600,000
Business (Intangibles)			\$4,050,000

MVTAB: Market Value of the Total Assets of the Business

**ASSUMPTIONS & LIMITING CONDITIONS**

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. Capstone is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. Capstone, however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject property's title should be sought from a qualified title company that issues or insures title to real property.
2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised 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 or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. Capstone professionals are not engineers and are not competent to judge matters of an engineering nature. Capstone has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of Capstone by ownership or management; Capstone inspected less than 100% of the entire interior and exterior portions of the improvements; and Capstone was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, Capstone reserves the right to amend the appraisal conclusions reported herein.
3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraisers. Capstone has no knowledge of the existence of such materials on or in the property. Capstone, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.  
  
Capstone has inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.
4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to Capstone. This report may be subject to amendment upon re-inspection of the subject property subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.
5. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, Capstone has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, Capstone reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify Capstone of any questions or errors.
6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions that occur subsequent to the date of the appraisal. However, Capstone will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
7. Capstone assumes no private deed restrictions, limiting the use of the subject property in any way.
8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposit or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
9. Capstone is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.

10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the 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. Capstone does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of Capstone.
12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of Capstone to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
13. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor 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.
14. This study may not be duplicated in whole or in part without the specific written consent of Capstone nor may this report or copies hereof be transmitted to third parties without said consent, which consent Capstone reserves the right to deny. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of Capstone which consent Capstone reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a "sale" or "offer for sale" of any "security", as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. Capstone shall have no accountability or responsibility to any such third party.
15. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.
17. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
18. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to Capstone unless otherwise stated within the body of this report. If the Consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. Capstone assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor Capstone assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
20. Capstone assumes that the subject property analyzed herein will be under prudent and competent management and ownership; neither inefficient nor super-efficient.
21. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
22. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
23. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, Capstone has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with 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 ADA. If so, this fact could have a negative effect on the value estimated herein. Since Capstone has no specific



information relating to this issue, nor is Capstone qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject property.

24. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate appraisal results to others, which acts of the Client proximately result in damage to Appraiser. The Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover from the other reasonable attorney fees and costs.
25. The report is for the sole use of the client; however, client may provide only complete, final copies of the appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Appraiser is not required to explain or testify as to appraisal results other than to respond to the client for routine and customary questions. Please note that our consent to allow an appraisal report prepared by Capstone or portions of such report, to become part of or be referenced in any public offering, the granting of such consent will be at our sole discretion and, if given, will be on condition that we will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to us, by a party satisfactory to us. We do consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.
26. Provision of an Insurable Value by the appraiser does not change the intended use or user of the appraisal. The appraiser assumes no liability for the Insurable Value estimate provided and does not guarantee that any estimate or opinion will result in the subject property being fully insured for any possible loss that may be sustained. The appraiser recommends that an insurance professional be consulted. The Insurable Value estimate may not be a reliable indication of the replacement or reproduction cost for any date other than the effective date of this appraisal due to changing costs of labor and materials and due to the changing building codes and governmental regulations and requirements.

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**ADDENDA**

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**ADDENDUM A  
IMPROVED SALES**

## COMPARABLE 1



### Property Identification

<b>Dataprise ID</b>	1068221/329233
<b>Property Type</b>	Continuing Care Retirement Communities
<b>Property Name</b>	Camellia at Deerwood
<b>Address</b>	10061 Sweetwater Parkway
<b>City, State Zip</b>	Jacksonville, Florida 32256
<b>County</b>	Duval
<b>MSA</b>	Jacksonville
<b>Tax ID</b>	167757-2052

### Transaction Data

<b>Sale Date</b>	December 18, 2017	<b>Financing Adj.</b>	\$0
<b>Sale Status</b>	Closed	<b>Sale Conditions Adj.</b>	\$0
<b>Grantor</b>	CRP Brighton Bay, LLC	<b>Exp. Imm. After Sale</b>	\$0
<b>Grantee</b>	CPF Senior Living - Camellia, LLC	<b>Non-Realty Adj.</b>	\$0
		<b>Excess Land Value</b>	\$0
<b>Recording Number</b>	18226-0757	<b>Adjusted Price</b>	\$40,000,000
<b>Sale Price</b>	\$40,000,000	<b>Occupancy at Sale</b>	92.0%

### Site Description

<b>Gross Acres</b>	8.28	<b>Usable LTB Ratio</b>	2.23
<b>Usable Acres</b>	8.28	<b>Density (Units/Acre)</b>	22.8
<b>Usable Land (sf)</b>	360,546	<b>On Ground Lease?</b>	No
<b>Usable Land %</b>	100.0%	<b>Utilities Description</b>	All Available
<b>Flr. Area Ratio (FAR)</b>	0.45	<b>Flood Hazard Zone</b>	Zone X (unshaded)
<b>Gross Land to Bldg</b>	2.23		

### Improvement Description

<b>Building Name</b>	Camellia at Deerwood	<b>Net Rentable SF</b>	161,394
<b>Current Use</b>	Retirement Community	<b>Efficiency (RA/GBA)</b>	100.00%
<b>Gross Building SF</b>	161,394	<b>Density (Units/Acre)</b>	22.8

<b>No. of Buildings</b>	One	<b>Year Built</b>	2010
<b>Stories</b>	Four	<b>No. of Rooms/Units</b>	189
<b>Construction Desc.</b>	EFIS/stone over wood frame	<b>Total No. of Beds</b>	0

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### Amenities

**PGIM** .000

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### Physical Indicators

<b>\$/SF GBA</b>	\$247.84	<b>\$/Unit</b>	\$211,640
<b>\$/SF NRA</b>	\$247.84		

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### Verification

<b>Confirmed By</b>	Rand Lambley
<b>Confirmation Date</b>	04-09-2018
<b>Confirmed With</b>	Co-Star / Jim Dooley - Cushman & Wakefield
<b>Phone No.</b>	617-330-6966

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### Remarks

The community consists of 110 independent living units, 63 assisted living units, and 16 memory care units. Occupancy was reported at 92%, producing \$2.5 million in net operating income.

Draft



## COMPARABLE 2



### Property Identification

<b>Dataprise ID</b>	10361881/719387
<b>Property Type</b>	Senior Housing
<b>Property Name</b>	Arbor Terrace Crabapple
<b>Address</b>	12200 Crabapple Road
<b>City, State Zip</b>	Alpharetta, Georgia 30004
<b>County</b>	Fulton
<b>MSA</b>	Atlanta

### Transaction Data

<b>Sale Date</b>	March 23, 2018	<b>Deed Book/Page</b>	58591-296
<b>Sale Status</b>	Closed	<b>Sale Price</b>	\$38,000,000
<b>Grantor</b>	SHP IV Crabapple, LLC	<b>Adjusted Price</b>	\$38,000,000
<b>Grantee</b>	FFI Crabapple Owner, LLC		

### Site Description

<b>Gross Acres</b>	6.14	<b>Density (Units/Acre)</b>	15.2
<b>Flr. Area Ratio (FAR)</b>	0.32	<b>Access</b>	Average
<b>Gross Land to Bldg</b>	3.08	<b>Zoning Code</b>	C-2

### Improvement Description

<b>Gross Building SF</b>	86,920	<b>Year Built</b>	2009
<b>Net Rentable SF</b>	86,920	<b>No. of Rooms/Units</b>	93
<b>Efficiency (RA/GBA)</b>	100.00%	<b>Total No. of Beds</b>	0
<b>Density (Units/Acre)</b>	15.2		

### Amenities

### Physical Indicators

<b>\$/SF GBA</b>	\$437.18	<b>\$/Unit</b>	\$408,602
<b>\$/SF NRA</b>	\$437.18		

## Verification

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<b>Confirmed With</b>	Grantee
<b>Phone No.</b>	312-533-2728

## Remarks

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The facility totals 93 units consisting of both assisted living and memory care units. The improvements are provided with average-good quality interior finishes. Assisted living units include a mix of studio and 1BR units with kitchenette. Memory care units consist of private studio and companion units. Common area amenities include private and public dining, library, beauty salon, wellness-therapy room, media-activity room, and meeting-greeting areas. Property was reportedly at an approximate 98% occupancy level at the time of sale. The sale price reflects going concern which has not been partitioned into real property, FF&E and BEV. Sale price equates to \$408,602 per unit. Detailed; income, expenses not available; however, the property reportedly sold at an in-place cap rate of 6.3%.

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### COMPARABLE 3



1960 Blue Fox Way

#### Property Identification

<b>Dataprise ID</b>	11048834/1460676
<b>Property Type</b>	Assisted Living Residences
<b>Property Name</b>	The Watermark at Trinity
<b>Address</b>	1960 Blue Fox Way
<b>City, State Zip</b>	New Port Richey, Florida 34655
<b>County</b>	Pasco
<b>MSA</b>	Tampa-St. Petersburg-Clearwater
<b>Tax ID</b>	31-26-17-0230-00000-003A

#### Transaction Data

<b>Sale Date</b>	June 1, 2018	<b>Financing</b>	Cash equivalent
<b>Sale Status</b>	Recorded	<b>Deed Book/Page</b>	9735/2504
<b>Grantor</b>	Trinity Senior Living LLC	<b>Recording Number</b>	2018093858
<b>Grantee</b>	Trinity AL Property Owner LLC	<b>Sale Price</b>	\$13,800,000
<b>Property Rights</b>	Fee Simple	<b>Adjusted Price</b>	\$13,800,000
		<b>Occupancy at Sale</b>	95.0%

#### Site Description

<b>Gross Acres</b>	4.09	<b>Corner/Interior</b>	Interior
<b>Usable Acres</b>	4.09	<b>Primary Traffic Count</b>	10,000 AADT
<b>Usable Land (sf)</b>	178,034	<b>Primary Traffic Loc.</b>	Trinity Blvd.
<b>Usable Land %</b>	100.0%	<b>Alt. Traffic Count</b>	20,500 AADT
<b>Flr. Area Ratio (FAR)</b>	0.47	<b>Alt. Traffic Loc.</b>	Duck Slough Blvd.
<b>Gross Land to Bldg</b>	2.13	<b>Access</b>	Adequate
<b>Usable LTB Ratio</b>	2.13	<b>Utilities Description</b>	All Available
<b>Density (Units/Acre)</b>	28.6	<b>Zoning Code</b>	MPUD
<b>Shape</b>	Irregular	<b>Future Land Use</b>	Retail/Office/Residential
<b>Topography</b>	Level	<b>Flood Hazard Zone</b>	Zone X

#### Improvement Description

<b>Building Name</b>	The Watermark at Trinity	<b>Construction Class</b>	C
<b>Current Use</b>	Assisted Living Facility	<b>Construction Desc.</b>	Masonry
<b>Gross Building SF</b>	83,628	<b>Construction Quality</b>	Average
<b>Net Rentable SF</b>	83,628	<b>Building Condition</b>	Excellent
<b>Efficiency (RA/GBA)</b>	100.00%	<b>Year Built</b>	2016
<b>Density (Units/Acre)</b>	28.6	<b>No. of Rooms/Units</b>	117
<b>Renovations?</b>	No	<b>Total No. of Beds</b>	0
<b>No. of Buildings</b>	One	<b>Parking Spaces</b>	62
<b>Stories</b>	Three	<b>Pkg/1,000 SF GBA</b>	0.74
<b>Elevators</b>	Two	<b>Pkg/1,000 SF NRA</b>	0.74

### Physical Indicators

<b>\$/SF GBA</b>	\$165.02	<b>\$/Unit</b>	\$117,949
<b>\$/SF NRA</b>	\$165.02		

### Verification

<b>Confirmed By</b>	Makenna Mizell
<b>Confirmation Date</b>	04-05-2019
<b>Confirmed With</b>	David Kliewer, Other sources: CoStar, Public Records
<b>Phone No.</b>	813.223.6300

### Remarks

This property is a 117-bed assisted living facility. The first floor is dedicated to Memory Care featuring 26 studio and 4 two-bedroom apartments, with a total of 34 beds. The second floor caters to Assisted Living residents with 17 studio, 12 one-bedroom, and 6 two-bedroom apartments, with a total of 47 beds. The third floor provides Assisted Living with 20 studio, 12 one-bedroom and 2 two-bedroom apartments, with a total of 36 beds.

3-Mile Population: \$67,364

3-Mile Median HH Income: 23,283

On June 1, 2018 Trinity Senior Living LLC sold the property to Trinity AL Property Owner LLC for the amount of \$13,800,000. The property sold for a "going concern" of \$29,000,000. However, the real estate value was \$13,800,000. According to the broker, the property reached 95% occupancy just before selling.

Property sold in August 2014 as vacant land.

## COMPARABLE 4



i10213

### Property Identification

<b>Datapraise ID</b>	11048872/1460711
<b>Property Type</b>	Senior Housing
<b>Property Name</b>	Isles of Vero Beach
<b>Address</b>	1700 Waterford Dr.
<b>City, State Zip</b>	Vero Beach, Florida 32966
<b>County</b>	Indian River
<b>MSA</b>	
<b>Tax ID</b>	33390600001014000005.0

### Transaction Data

<b>Sale Date</b>	January 31, 2019	<b>Conditions of Sale</b>	Arm's Length
<b>Sale Status</b>	Recorded	<b>Deed Book/Page</b>	3181/1835
<b>Grantor</b>	CCAT 2, LP	<b>Sale Price</b>	\$38,000,000
<b>Grantee</b>	NHI-REIT of Next House, LLC	<b>Adjusted Price</b>	\$38,000,000
<b>Property Rights</b>	Fee Simple	<b>Occupancy at Sale</b>	0.0%

### Site Description

<b>Gross Acres</b>	14.00	<b>Topography</b>	Level
<b>Flr. Area Ratio (FAR)</b>	0.49	<b>Primary Traffic Count</b>	4,200 ADT
<b>Gross Land to Bldg</b>	2.04	<b>Utilities Description</b>	All Available
<b>Density (Units/Acre)</b>	16.6	<b>Zoning Code</b>	RM-6
<b>Shape</b>	Irregular	<b>Flood Hazard Zone</b>	Zone X

### Improvement Description

<b>Gross Building SF</b>	298,913	<b>Construction Desc.</b>	Masonry
<b>Net Rentable SF</b>	298,913	<b>Construction Quality</b>	Average
<b>Efficiency (RA/GBA)</b>	100.00%	<b>Building Condition</b>	Average
<b>Density (Units/Acre)</b>	16.6	<b>Year Built</b>	1989
<b>Stories</b>	Three	<b>No. of Rooms/Units</b>	232
<b>Construction Class</b>	C	<b>Total No. of Beds</b>	0

### Physical Indicators

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<b>\$/SF GBA</b>	\$127.13	<b>\$/Unit</b>	\$163,793
<b>\$/SF NRA</b>	\$127.13		

### Verification

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<b>Confirmed By</b>	Makenna Mizell
<b>Confirmation Date</b>	04-19-2019
<b>Confirmed With</b>	Other sources: CoStar; Press Release; Public Records

### Remarks

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3-Mile Population: 23,601

3-Mile Median HH Income: \$49,057

No prior sales within the past 3 years

Cash to Seller

Draft



**ADDENDUM B**  
**SUBJECT PROPERTY INFORMATION**

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Parcel

Short Parcel Id 900300000240  
Property Location 32 DIRKSEN DR, DEBARY, 32713  
PC Code 0100 - SINGLE FAMILY  
Total Bldgs 2  
Neighborhood 5504 - PLANT EST  
Business Name  
Homestead Property No

Primary Owner

Owner GRAY J CHARLES & SAUNDRA

In Care Of

Mailing Address 263 BAYOU CIR  
DEBARY FL 32713 3707  
[Change Mailing Address Online](#)

All Owners

#	Owner 1	Owner 2	Owner %	Owner Type(s)
0	GRAY J CHARLES & SAUNDRA		100	O - O

Legal

Millage Group 015-DEBARY  
Legal Description 3-19-30 SW 1/4 LYING N OF DIRKSEN DR / CR 4162 & INC IRREG PARCEL IN TRACT C PARKVIEW UNIT 1 MB 45 PGS 97 & 98 MEAS 40.99 FT ON W/L & MEAS 1199.17 FT ON S/L PER OR 4480 PGS 2400 & 2403 EXC E 256.0 FT AS MEAS ON S/L PER OR 1711 PG 1265 & PER OR 1915 PG 0610  
Map TWP-RNG-SEC 19 - 30 - 03  
Subdivision-Block-Lot 00 - 00 - 0240  
Date Created 18-DEC-81  
Year Annexed

Special Assessment

Project #	Description	Units	Rate	Amount
0151	DEBARY SOLID WASTE	1.00	\$214.00	\$214.00
015U	DEBARY STORMWATER-PUB	1.00	\$192.00	\$192.00

Sales

Book/Page	Instr Type	Inst #	Sale Date	V/I	Sale Price
1915 / 0610	WD-WARRANTY DEED		07/15/1977	I	\$26,000

County Links

Property Tax Bill [CLICK HERE](#)  
Link to Permits [CLICK HERE](#)

Other Links

Google Street Address [CLICK HERE](#)  
Bing Maps [CLICK HERE](#)

Land & Agriculture

#	Land Code	Type	Units	Acres	Sq Feet	FF	Depth	Rate	Just Value
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1 0111-IMP PVD 5 - 9.99 AC                      ACRE                      6.6500                      289,674                      950.0                      305                      23,400.00                      \$116,708

**Land Summary**

Land Code    0111-IMP PVD 5 - 9.99 AC  
 Total Land Value                                  \$116,708  
 Value/Square Feet                                 .40  
 Value/Acre    17,550.08  
 Depth Factor                                        1.00  
 Location Factor                                    75  
 Influence 1                                         -  
 Influence 2                                         -

Total Land Value

**Total Land Value**

**\$116,708**

**AGVAL Summary**

AG Value  
 Appraised Value  
 Non AG Just Value  
 Total Land Value

**Residential**

1 of 2

Card (Bldg) #                                        1  
 # Stories    1  
 Style  
 Improvement Type                                R1 - Single Family  
 Quality Grade                                    300  
 Arch Design                                       -  
 Year Built / Eff Year                            1956 / 1970  
 Total SFLA                                         1,630

Exterior Wall                                       15 - CONCRETE - CINDER BLOCK  
 Foundation                                       2 - CONCRETE BLOCK  
 HVAC     Y - AIR CONDITIONING  
 Floor Type                                         12 - WOOD - HARDWOOD  
 Roof Type    03 - GABLE  
 Roof Cover                                         3 - ASPHALT SHINGLE  
 Wall Type    6 - WOOD PANEL/CUSTOM  
 Heat Source                                       1 - ELECTRICITY  
 Heat Method                                       6 - FORCED DUCTED  
 Bedrooms                                         2  
 2 Fixture Baths                                  0  
 3 Fixture Baths                                  2  
 4 Fixture Baths                                  0  
 5 Fixture Baths                                  0  
 6 Fixture Baths                                  0  
 7 Fixture Baths                                  0  
 Addl Fixtures                                     0  
 FPL: Stacks/Openings/Bit In                 //

Total Building Value                            \$76,209

**Additions to Base Area**

Building	Description	Year Built	Area
1	MAIN BUILDING		1,630
1	Porch, Screened Finished		128
1	Patio	1994	144

**Total Building Area**

Main Building Rates

	Base Rate	X	Level Factor	X	Area Factor	X	Story Factor	X	Grade Factor	X	Const Factor	=	RCN Value
Base House	81,779	X	1.000	X	1.333	X	1.000	X	1.020	X	1.000	=	111,191
Foundation	0	X	1.000	X	1.333	X	1.000	X	1.020	X	1.000	=	0
HVAC	0	X	1.000	X	1.333	X	1.000	X	1.020	X	1.000	=	0
Attic	0	X	1.000	X	1.333	X	1.000	X	1.020	X	1.000	=	0
Other Features													
	Rate		SLF		Units				Grade			=	
1 Story Fireplace	3,706	X	1.000	X	0	X			1.020	X		=	0
2 Story Fireplace	0	X	1.000	X	0	X			1.020	X		=	0
							Fireplace		Plumbing		Misc Value	=	
Feature Totals							0	+	7,540	+	0	=	7,540
Building Subtotal													118,731
Perimeter													35,965
Points Factor													1.000
Base RCN													154,696
Sections RCN													4,224
Total RCN													158,920
			Phy		Mkt		Obs		Ecn		Fun		
Depreciation			.520	X	.000	X	.000	X	.800	X	.000	X	.416
Base RCNLD													64,354
Sections RCNLD													1,915
Total RCNLD													66,269
Nbhd Factor													1.150
Total Building Value													76,209

Section Rates

Card	Sect	YrBlt	EffYr	Area	Rate 1St	Rate 2nd	AC Adj	SLF	GrdFact	Pts	RCN	% Gd	RCNLD
1	FSP			128	27.46		.00	1.000	1.020	1.000	3,585	52	1,491
1	PTO	1994		144	4.35		.00	1.000	1.020	1.000	639	83	424

Working Tax Roll Values

Year	Land Value	Impr Value	Just Value	Non-Sch Assd	HX Savings
2020	\$116,708	\$137,726	\$254,434	\$210,692	\$0

Working Tax Roll Taxable Values by Authority

Auth	Authority Name	Exemption/10Cap	Taxable
0011	REQ LOCAL EFFORT	\$0	\$254,434
0012	DISCRETIONARY	\$0	\$254,434
0017	CAPITAL IMPROVEMENT	\$0	\$254,434
0050	GENERAL FUND	\$43,742	\$210,692
0055	LIBRARY	\$43,742	\$210,692
0057	VOLUSIA FOREVER	\$43,742	\$210,692
0058	VOLUSIA ECHO	\$43,742	\$210,692
0059	VOLUSIA FOREVER I&S 2005	\$43,742	\$210,692
0060	ST JOHN'S WATER MANAGEMENT DISTRICT	\$43,742	\$210,692
0065	FLORIDA INLAND NAVIGATION DISTRICT	\$43,742	\$210,692
0070	WEST VOLUSIA HOSPITAL AUTHORITY	\$43,742	\$210,692
0190	DEBARY	\$43,742	\$210,692

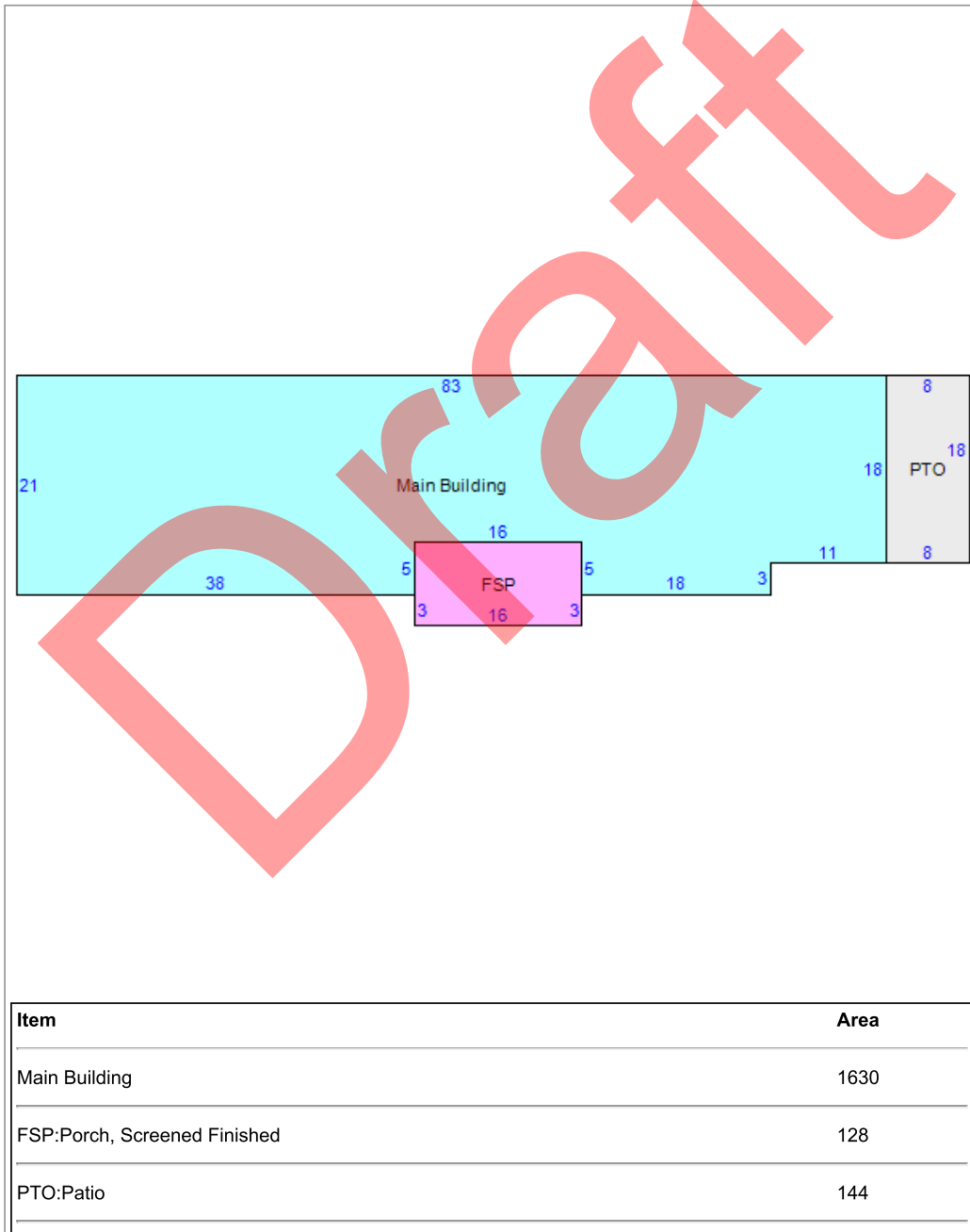
Final Years Certified Tax Roll Values

Year	Land Value	Impr Value	Just Value	Non-Sch Assd	Non-Sch Exemptions	Non-Sch Taxable	HX Savings
------	------------	------------	------------	--------------	--------------------	-----------------	------------

2019	\$89,775	\$127,668	\$217,443	\$191,538	\$0	\$191,538	\$0
2018	\$64,838	\$116,536	\$181,374	\$174,125	\$0	\$174,125	\$0
2017	\$65,701	\$101,270	\$166,971	\$158,295	\$0	\$158,295	\$0
2016	\$19,028	\$40,043	\$59,071	\$55,947	\$0	\$55,947	\$0
2015	\$19,350	\$32,379	\$51,729	\$50,861	\$0	\$50,861	\$0
2014	\$20,640	\$28,913	\$49,553	\$46,237	\$0	\$46,237	\$0
2013	\$18,920	\$25,774	\$44,694	\$42,034	\$0	\$42,034	\$0
2012	\$15,488	\$22,725	\$38,213	\$38,213	\$0	\$38,213	\$0
2011	\$29,548	\$22,395	\$51,943	\$51,943	\$0	\$51,943	\$0

**Permit Summary**

Date	Number	Description	Amount	Open/Closed
02/28/2003	20030228036	ELEC UPGRD/REP/MISC	\$0	C
02/27/2003	20030227027	MECHANICAL MISC	\$0	C



**ADDENDUM C**  
**LETTER OF ENGAGEMENT**

Draft





June 9, 2020

Green Leaf Development and Charles Gray  
1344 Hardy Ave.  
Orlando Fl. 32803

RE: Authorization & Engagement for Real Estate Appraisal Services  
Property: 32 Dirksen Drive, DeBary, FL 32713

Below please find the Terms and Conditions for appraisal services in regard to the subject property referenced above:

CONTRACT SPECIFICATIONS	
<b>Purpose:</b>	To estimate the market value of the above referenced asset
<b>Premise:</b>	As-Is Land Value, as entitled, and Upon Completion of Senior Housing Project
<b>Interest:</b>	Fee Simple
<b>Intended Use:</b>	To assist the client with internal decision making and potential financing.
<b>Intended User:</b>	Green Leaf Development and Charles Gray (Client), Azure Waterfront Capital Services
<b>Appraisal Type:</b>	Appraisal Report Detailed report thoroughly explaining the property, as well as the surrounding market, the comparable data considered, the adjustments utilized, etc.
<b>Appraisal Standards:</b>	Uniform Standards of Professional Appraisal Practice (USPAP)
<b>Fee:</b>	\$4,400
<b>Retainer:</b>	70% retainer due at the time of engagement (\$3,080)
<b>Expenses:</b>	Fee includes all expenses
<b>Report Copies:</b>	Unless otherwise instructed, we will furnish you one (1) electronic PDF copy of the report
<b>Start Date:</b>	Upon receipt of signed agreement and retainer
<b>Delivery:</b>	By July 3, 2020

**Scope of Work:** As applicable, Valbridge will perform a limited interior and exterior inspection of the subject property. The inspection will be limited to those items readily observable during our visit to the property. For instance, Valbridge will not attempt to detect any physical issues that would not be readily observable. As well, Valbridge will not attempt to detect any environmental hazards at the subject that are not readily observable during our on-site visitation, nor will we conduct any off-site research into potential environmental hazards which might impact the subject. Finally, no research will be made by Valbridge into pending legal proceedings (such as planned condemnation for public-right-of-way, etc.).

Unless otherwise noted, area measurements will be taken from the information made available to Valbridge that was provided from the client or other sources deemed reliable.

Valbridge will analyze the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via the applicable approach to value.

Valbridge will correlate and reconcile the results into a reasonable and defensible value conclusion

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**Acceptance Date:** This contract is subject to withdrawal/and or the delivery date is subject to modification if the executed engagement letter and retainer are not received with in five (5) business days

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Payment responsibility is:  
Azure Waterfront Capital Services, LLC  
941 West Morse Ave., Suite 100  
Winter Park Florida 32789

You may send your payment by check or, if preferred, we can provide wiring instructions.

- Please print, sign, and e-mail back the Engagement Letter. Make check payable to, Valbridge Property Advisors and mail to 734 Rugby Street, Orlando, FL 32804. If you would like to pay by credit card (has fee) or wire transfer, please contact Charmon Shuford at 844-822-7825 x705 or e-mail [cshuford@valbridge.com](mailto:cshuford@valbridge.com) and she will send a payment link.





Services Not Provided

Any fixed fees set forth in the Agreement apply to the appraisal services rendered by Appraiser as set forth in this Agreement. Unless otherwise specified herein, Appraiser's services for which the fixed fees in the Agreement apply shall not include meetings with persons other than Client or Client's agents or professional advisors; Appraiser's deposition(s) or testimony before judicial, arbitration or administrative tribunals; or any preparation associated with such depositions or testimony. Any additional services performed by Appraiser not set forth in the Agreement will be performed on terms and conditions set forth in this Agreement, or in a separate agreement.

Changes to Agreement

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.

Cancellation

For fixed-fee assignments client may cancel this Agreement at any time prior to Appraiser's delivery of the Appraisal Report upon written notification to Appraiser. Client shall pay Appraiser for work completed on assignment (an amount not to be less than 60% of the agreed upon fee) prior to Appraiser's receipt of written cancellation notice, unless otherwise agreed upon by Appraiser and Client in writing.

The appraisal will not take into consideration the possibility that the properties may be contaminated with PCB's, or any other hazardous, or radioactive substances. The value reported will be exclusive of the costs to discover, remove, or render harmless such environmental impairments. If you have any concern such substances may exist in the properties, you should hire a qualified independent engineer or contractor to investigate. We cannot assume any responsibility for the discovery, analysis, or treatment of such substances on the subject or its surroundings.

I trust the above is satisfactory to your needs. Attached to and incorporated in this Engagement Letter are Valbridge Property Advisors | Orlando | Tampa | Jacksonville | Tallahassee Terms and Conditions of Agreement. These Terms and Conditions are a substantive part of our engagement and govern the work to be performed for you. The appraisal will be completed in a timely fashion.

Thank you for the opportunity to be of service. We look forward to working with you.

Sincerely,

VALBRIDGE PROPERTY ADVISORS  
Orlando | Tampa | Jacksonville | Tallahassee

A handwritten signature in black ink, appearing to read 'James Toro II', written over a large, faint red watermark.

James Toro II, MAI  
Senior Managing Director  
FL Cert Gen RZ1291

VALBRIDGE PROPERTY ADVISORS  
Orlando | Tampa | Jacksonville | Tallahassee

Initials RIKD



AGREED AND ACCEPTED

*Robert K. Dunn*  
Authorized Signature  
Robert K. Dunn  
Name (type or print)  
407-579-1617  
Phone No.

President  
Title  
6/10/2020  
Date  
RKDUNN411@gmail.com  
E-mail Address

Draft



of the request. Often the Appraiser will be called upon as a witness to testify about the appraisal report or the Appraiser's conclusions or methodology. Any additional work for this purpose will be charged at Appraiser's standard hourly rate.

9. The data gathered in the course of the Assignment (except data furnished by Client) shall remain the property of the Appraiser. The appraisal report prepared pursuant to the Agreement shall remain the property of Client. With respect to data provided by Client, Appraiser shall not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to Appraiser. Notwithstanding the foregoing, Appraiser is authorized by Client to disclose all or any portion of the appraisal report and the related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable Appraiser to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
10. The fee for this appraisal is not contingent upon the valuation of the property, the funding of any loan, or the outcome of litigation. Should the assignment be terminated prior to completion, Client agrees to pay for time and costs incurred prior to our receipt of written notice of cancellation.
11. In the event Client fails to make payment when due and payable, then from that date until payment in full is received, the amount due and payable shall bear interest at the rate of 18% per annum. If collection of any past due amounts are sent to a lawyer, regardless of whether a lawsuit is filed, the Client is responsible for all costs of collection, including attorneys' fees.
12. Valbridge Property Advisors | Capstone Valuation Advisors, LLC reserves the right to approve or disapprove (the approval not to be unreasonably withheld), in writing and in advance of any filing with the SEC or other governmental agency, all uses of Valbridge Property Advisors and/or Capstone Valuation Advisors, LLC's name or references to the services provided hereunder by Valbridge Property Advisors and/or Capstone Valuation Advisors, LLC, provided however that such approval shall not be necessary in the event the appraisal report, the appraisers name, or the services provided hereunder are required to be disclosed as part of any SEC or other governmental filing.
13. We will not make a specific compliance survey and analysis of the property to determine if it is in conformity with the various requirements of the Americans with Disabilities Act ("ADA") which became effective January 26, 1992. It is possible that a compliance survey of the property, together with an 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 could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we will not consider possible non-compliance with the requirements of ADA in estimating the value of the property.
14. The appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. Nor does it certify that tenants have complied with all requirements necessary to obtain use and occupancy permits. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.

15. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Capstone Valuation Advisors, LLC. Valbridge Property Advisors Franchising Systems, LLC has not been engaged to provide this report, does not provide valuation services, and has taken no part in the preparation of this report.
16. If any claim is filed against any of Valbridge Property Advisors Franchising Systems, LLC, a Florida Limited Liability Company, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.
17. This report and any associated work files are subject to evaluation by Valbridge Property Advisors Franchising Systems, LLC for quality control purposes. If Client is unwilling to waive confidentiality for this purpose, client must inform Capstone Valuation Advisors, LLC upon acceptance of this assignment.
18. This document contains the entire agreement of the parties. No other agreement, statement or promise made on or before the effective date of this agreement will be binding on the parties. This agreement may only be modified by subsequent written agreement of the parties



**ADDENDUM D  
QUALIFICATIONS**

Draft

# Qualifications of Dieter Matthes, MAI, Ph.D.

## Director

Valbridge Property Advisors | Orlando

### *Independent Valuations for a Variable World*

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#### State Certifications

State of Florida  
State-Certified General  
Real Estate Appraiser RZ 1413

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#### Education

Assistant and Associate  
Professor  
Francis Marion College

Ph.D.  
University of Pittsburgh

B.A. and M.A.  
Florida Atlantic University &  
University of Miami

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#### Contact Details

321.303.1556 (c)  
844.822.7825 (p)  
407.841.4323 (f)  
[dmatthes@valbridge.com](mailto:dmatthes@valbridge.com) (e)

Valbridge Property Advisors |  
Orlando  
734 Rugby Street  
Orlando, FL 32804

[www.valbridge.com](http://www.valbridge.com)

#### Membership & Affiliations:

Member: Appraisal Institute - MAI Designation

#### Appraisal Institute & Related Courses:

Sponsored by the Appraisal Institute  
Basic Valuation Procedures  
Real Estate Appraisal Principles  
Case Studies in Real Estate Valuation  
Valuation Analysis and Report Writing  
Accrued Depreciation – The Breakdown Method  
Principles of Income Property Appraising  
Standards of Professional Practice  
Marshall Valuation Service Cost Estimating Seminary

#### Experience:

Director  
Valbridge Property Advisors | Orlando (2019-Present)

Managing Director  
Valbridge Property Advisors | Beaumont, Matthes & Church, Inc.  
(2013-2019)

Managing Senior Appraiser  
Beaumont, Matthes & Church, Inc. (2009-2013)

Vice President  
Beaumont & Matthes, Inc. (1994-2009)

Senior Vice President  
Bell & Company, Inc. (1993-1994)

Appraiser  
Bell & Company, Inc. (1987-1994)

#### Appraisal Specialty:

All types of commercial real estate over the past 20+ years in Orange, Seminole, Lake, Osceola, Polk, Brevard, Volusia and Marion Counties.

Experienced in preparing appraisals as an expert witness for litigation, including court testimony and depositions.



RICK SCOTT, GOVERNOR

JONATHAN ZACHEM, SECRETARY



**STATE OF FLORIDA  
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION**

**FLORIDA REAL ESTATE APPRAISAL BD**

THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE  
PROVISIONS OF CHAPTER 475, FLORIDA STATUTES

**MATTHES, DIETER**

603 HILLCREST STREET  
ORLANDO FL 32803

**LICENSE NUMBER: RZ1413**

**EXPIRATION DATE: NOVEMBER 30, 2020**

Always verify licenses online at [MyFloridaLicense.com](http://MyFloridaLicense.com)



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Qualifications of James Toro II, MAI, SRA  
Senior Managing Director  
Valbridge Property Advisors | Jacksonville | Tallahassee



*Independent Valuations for a Variable World*

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State Certifications

State of Florida  
State-Certified General  
Real Estate Appraiser RZ 1291

State of Georgia  
Certified General Real  
Property Appraiser No.359357

State of Alabama  
Certified General Real  
Property Appraiser No.G01147

Membership & Affiliations

Member: Appraisal Institute – MAI, SRA Designation, No. 10561  
Member: Appraisal Institute - North East Florida Chapter – President  
2014  
Qualified: Federal & County Courts – Florida  
Qualified: US Bankruptcy Court - Florida  
Qualified Special Master: Duval & Clay County Value Adjustment  
Board

Appraisal Institute & Related Courses

Continuing education courses taken through the Appraisal Institute  
and other real estate organizations.

Experience

Senior Managing Director  
Valbridge Property Advisors | Jacksonville (2019-Present)

Senior Managing Director  
Capstone Valuation Advisors (2011-2019)

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Education

B.A.  
University of North Florida

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Contact Details

904.608.2948 (c)  
844.822.7825 x721 (p)  
407.841.4323 (f)  
[jtoro@valbridge.com](mailto:jtoro@valbridge.com) (e)

Valbridge Property Advisors |  
Jacksonville | Tallahassee  
10950 San Jose Boulevard  
Jacksonville, FL 32223

[www.valbridge.com](http://www.valbridge.com)

Appraisal/valuation and consulting assignments include: multiple types of income producing real estate such as, senior housing, ports and marinas, logistics, religious facilities, shopping centers, residential and mixed-use subdivisions, suburban and CBD office buildings, industrial and manufacturing facilities, apartment complexes, condominium projects, manufactured housing communities, self-storage facilities, restaurants, etc. Mr. Toro has testified in courts numerous times for various types of litigation assignments. Mr. Toro is also an approved instructor with the Appraisal Institute. Clients include financial institutions, insurance companies, law firms, governmental entities, private property owners and Fortune 500 companies.





RICK SCOTT, GOVERNOR

JONATHAN ZACHEM, SECRETARY



**STATE OF FLORIDA  
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION**

**FLORIDA REAL ESTATE APPRAISAL BD**

THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE  
PROVISIONS OF CHAPTER 475, FLORIDA STATUTES

**TORO, JAMES II**

1153 LAKE ASBURY LANE  
GREEN COVE SPRINGS FL 32043

**LICENSE NUMBER: RZ1291**

**EXPIRATION DATE: NOVEMBER 30, 2020**

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# Qualifications of Makenna Mizell

## Appraiser

Valbridge Property Advisors | Jacksonville | Tallahassee



### *Independent Valuations for a Variable World*

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#### State Certifications

State of Florida  
State-Registered Trainee  
Appraiser RI 24181

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#### Education

Bachelor of Science in Real Estate  
Florida State University

Bachelor of Science in Finance  
Florida State University

---

#### Contact Details

844.822.7825 x716 (p)  
407.841.4323 (f)  
[mmizell@valbridge.com](mailto:mmizell@valbridge.com) (e)

Valbridge Property Advisors |  
Jacksonville | Tallahassee  
10950 San Jose Boulevard  
Jacksonville, FL 32223

[www.valbridge.com](http://www.valbridge.com)

#### Membership & Affiliations

Member: Appraisal Institute – Practicing Affiliate

#### Appraisal Institute & Related Courses

- Real Estate and Finance Classes - FSU
- Real Estate Valuation
- Real Estate Market Analysis
- Real Estate Investment
- Real Estate Finance
- Real Estate Law
- Financial Management of the Firm

#### Experience

Appraiser  
Valbridge Property Advisors | Jacksonville (2019-Present)

Appraiser  
Capstone Valuation Advisors (2014-2019)

Appraisal/valuation and consulting assignments include: : vacant land, small multi-family properties, retail, office, and industrial buildings.





RICK SCOTT, GOVERNOR

JONATHAN ZACHEM, SECRETARY



**STATE OF FLORIDA  
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION**

**FLORIDA REAL ESTATE APPRAISAL BOARD**

THE REGISTERED TRAINEE APPRAISER HEREIN HAS REGISTERED UNDER THE  
PROVISIONS OF CHAPTER 475, FLORIDA STATUTES

**MIZELL, MAKENNA TAYLOR**

10665 BALLESTERO DRIVE EAST  
JACKSONVILLE FL 32257

**LICENSE NUMBER: RI24181**

**EXPIRATION DATE: NOVEMBER 30, 2020**

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