

LAND APPRAISAL



"Providing solutions & exceeding expectations through vision, integrity & excellence"

Marquesa Apartments
5203-5231 Coconut Creek Parkway
Margate, Florida 33063



Effective Date of Valuation
August 11, 2021

Date of the Report
March 17, 2022

Prepared for
Mr. Mitchell Reiser
Greystone Funding Company, LLC
152 West 57th Street, 4th Floor
New York, NY 10019

File Number 2021-189

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"Providing solutions & exceeding expectations through vision, integrity & excellence"

March 17, 2022

Mr. Mitchell Reiser
Greystone Funding Company, LLC
152 West 57th Street, 4th Floor
New York, NY 10019

Internal File Number: 2021-189

Re: **Appraisal Report** of Marquesa Apartments, a proposed 220-unit Market-Rate apartment complex to be located at 5203-5231 Coconut Creek Parkway in Margate, Broward County, Florida 33063.

Dear Mr. Reiser:

At your request, we prepared a complete appraisal of the property referenced above. The subject property is further described and identified by legal and narrative descriptions within the text of the following report.

The subject is a proposed rental community that will provide a quality living environment accommodating the various households locating to the region to fill employment opportunities including those that align with workforce salaries. The subject is a proposed grandfathered use and if approved by city/county officials will not be required to provide income-restricted apartments. This appraisal assumes the approval of the grandfathered use and is subject to change should a portion of the project be subject to rental and/or tenant income restrictions.

The proposed project will consist of the redevelopment of the eastern portion of an existing retail shopping center. The retail center is no longer the highest and best use of the land. Thus, redevelopment will include four (4) new four-story buildings and a clubhouse with a swimming pool and additional site amenities.

The subject property is located within the TOC-C Corridor zoning district, and has an underlying land use designation of Transit Oriented Corridor (TOC). Buildings are allowed to be up to four (4) stories which aligns with the proposed project concept. The TOC Corridor includes properties along and proximate to Stat Road 7/US 441. The developer has a commitment to comply with City of Margate Code Section 31-19E in the development.

The project will be modern in scope providing a quality living environment for residents. The complex has been designed to enhance and support pedestrian travel and the use of public transportation.

The market is operating at capacity. Job growth remains strong and long-term sustainability is projected.

Rental rates were derived with direct comparisons to the apartment communities in the immediate market as well as the typical premium associated with new construction and providing quality floor plans and amenities. Rental rates are sufficient to support new construction. Expenses were projected based on market comparables.

Our analyses and forecasts are based upon assumptions, limiting conditions, and definitions presented in this report. In addition, the valuation adheres to the guidelines imposed under USPAP and the HUD MAP 221(d)(4) program.

Mr. Mitchell Reiser
Greystone Funding Company, LLC

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March 17, 2022

We appreciate the ability to provide appraisal services to Greystone Funding Company, LLC.

Respectfully submitted,

VALUE TECH REALTY SERVICES, INC.



Kay C. Kauchick, MAI
State-Certified General Real Estate Appraiser – Florida License #RZ 2066

KK:kw: 2021-189

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Certificate of Appraisal

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
- We have not performed a prior service concerning the subject property within the three-year period immediately preceding acceptance of this appraisal assignment.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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;
- Our compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this report or from its use;
- Our analyses, opinions, and conclusions were developed, and this report prepared in conformity with the *Uniform Standards of Professional Appraisal Practice* of the Appraisal Foundation.
- The racial/ethnic composition of the neighborhood surrounding the property in no way affected the appraisal determination.
- This appraisal conforms to the standards required by 12 U.S.C. Part 34.4 etc. issued pursuant to Title XI of the Financial Institutions Reform Recovery and Enforcement Act of 1989 (FIRREA).
- This report has been prepared in compliance with the Office of Thrift Supervision of the Department of Treasury's Regulation 12 CFR Part 564 and the Office of the Comptroller of Currency (OCC) Regulation Part 12 CFR, 34.44, written appraisal guidelines.
- Kay C. Kauchick, MAI has obtained her HUD MAP and LEAN training and consistently attends MAP/LEAN conferences.
- Kay C. Kauchick, MAI conducted a physical inspection of the subject, market and the comparables indicated.
- It is acknowledged that Quintin James Kauchick, Registered Trainee Appraiser No. RI24977 as supervised by Kay C. Kauchick, MAI, State-Certified General Real Estate Appraiser – Florida License #RZ 2066 made significant professional contributions to this appraisal, consisting of participating in

the property inspection, conducting research on the subject, competitive markets and comparable data, performing appraisal analyses and assisting in the report writing, all under appropriate supervision.

- I, Kay C. Kauchick, MAI, State-Certified General Real Estate Appraiser – Florida License #RZ 2066, the supervisory appraiser of a 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 appraiser trainee named in this report as if it were my own work.
- We certify that, to the best of our knowledge and beliefs, the reported analyses, opinions, and conclusions were developed, and this report was prepared in conformity with the requirements of the *Code of Professional Ethics* and the *Standards of Professional Appraisal Practice* of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Kay Kauchick, MAI, has completed the continuing education program for Designated Members of the Appraisal Institute.

Based on the inspection of the property and the investigation and the analysis undertaken, we have formed the opinion that the “as is - land only” market value of the fee simple estate, effective August 11, 2021 was:

AS IS - LAND ONLY MARKET VALUE
EIGHT MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$8,800,000)

Based on the inspection of the property and the investigation and the analysis undertaken, we have formed the opinion that the Net Operating Income Hypothetical 'As-if-Complete and Stabilized' in current dollars of the fee simple estate as of August 11, 2021 was:

NET OPERATING INCOME HYPOTHETICAL 'AS-IF-COMPLETE AND STABILIZED'
THREE MILLION NINE HUNDRED THIRTY SEVEN THOUSAND SIX HUNDRED SEVENTY
NINE DOLLARS
(\$3,937,679)

This appraisal is not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

Respectfully submitted,

VALUE TECH REALTY SERVICES, INC.



Kay C. Kauchick, MAI
State-Certified General Real Estate Appraiser – Florida License # RZ 2066

APPRAISER CERTIFICATION FOR HUD

I understand that my appraisal will be used by Greystone Funding Company, LLC to document to the U.S. Department of Housing and Urban Development and that the MAP Lender's application for FHA multifamily mortgage insurance was prepared and reviewed in accordance with HUD requirements. This report has been made, presented, and delivered for the purpose of influencing an official action of the FHA, and of the Commissioner, and may be relied upon by the Commissioner as a true statement of the facts contained therein.

I certify that my review was in compliance with HUD program and processing requirements applicable on the date of my review and that I have no financial interest or family relationship with the officers, directors, shareholders, members or partners of the Lender or affiliated entities, Borrower or affiliated entities, the General Contractor, any subcontractors, the buyer, or seller of the proposed property and that I have not engaged in any business that might present a conflict of interest. I am employed under contract for this specific assignment, and I have no other side arrangements, agreements or financial considerations with MAP Lender or others in connection with this transaction.



Signature

Warning: I hereby certify under penalty of perjury that all of the information I have provided on this form and in any accompanying documentation is true and accurate. I acknowledge that if I knowingly have made any false, fictitious, or fraudulent statement, representation, or certification on this form or on any accompanying documents, I may be subject to criminal, civil, and/or administrative sanctions, including fines, penalties, and/or imprisonment under applicable federal law, including but not limited to 12 U.S.C. §§ 1708 and 1735f-14, and 1833a; 18 U.S.C. §§1001, 1006, 1010, 1012, and 1014; and 31 U.S.C. §§3729 and 3802.

Executive Summary

Property Name

Marquesa Apartments

Purpose of the Appraisal**Pertinent Dates**

Inspection Date

August 11, 2021

Valuation Date

August 11, 2021

Report Date

March 17, 2022

Certification

Appraiser

Kay C. Kauchick, MAI

Appraisal Type

State-Certified General Real Estate Appraiser

License Number

#RZ 2066

1-Project Site

The subject is a proposed rental apartment complex with 220 units in Margate, Broward County, Florida. The site is located at the northwest corner of Coconut Creek Parkway and Banks Road. The site is sufficient in size and shape to support a residential multifamily complex.

Property Identification

Street Address

5203-5231 Coconut Creek Parkway

Municipality

Margate

County

Broward

State

Florida

Zip

33063

Site Description/Evaluation

Parcel ID

4844230-17-0193

Site Size (Acres)

8.11

Site Size (SF)

353,402

Shape

Irregular Rectangle

Topography

Level

Zoning

TOC-C. The subject is a proposed grandfathered use and if approved by city/county officials will not be required to provide income-restricted apartments

Zoning Comments

The subject is zoned TOC-C for Transit Orientated Corridor-Corridor use.

Utilities

All Available

Flood Hazard Zone

Zone

Zone X

Panel Number

12011C0355H

Panel Date

August 18, 2014

Flood Insurance Required

The subject is not located within the 100-year flood plain. Flood insurance may not be required.

CENSUS TRACT	
Congressional District	22
State Code	12
MSA Code	22744
County Code	11
Tract/BNA Code	201.04

Neighborhood land uses are supportive of a multifamily use. This includes residential developments proximate to residential support services.

2-Subject Development

Property Type	Mid, High-Rise Multifamily
Year of Construction	2023
Construction Type	C - Masonry
Investment Class	A
Rentable SF	211,796
Number of Stories	4
Number of Units	220
Parking Spaces	347
Parking Description	Surface Parking including 337 standard and 10 handicap

Unit Mix

SUBJECT UNIT MIX				
Unit Description	Unit Type	Size (SF)	No. of Units	NRA Sq Ft
A	1x1	715	68	48,620
B	2x2	1,059	120	127,080
C	3x2	1,128	32	36,096
Totals/Averages		963	220	211,796

3-Summary of Demographic and Economic Conditions

The following chart provides historical population data as well as future projections by age for Broward County:

BROWARD COUNTY POPULATION PROJECTIONS BY AGE					
Total Number of Residents					
Age	2010	2021	2026	Change 2021 - 2026	% Change
0-4	103,256	98,706	104,729	6,023	6.1%
5-9	104,071	103,246	104,730	1,484	1.4%
10-14	112,207	109,481	110,117	636	0.6%
15-19	114,200	102,711	106,286	3,575	3.5%
20-24	104,783	107,888	105,168	-2,720	-2.5%
25-34	224,479	266,933	271,358	4,425	1.7%
35-44	251,425	241,377	268,969	27,592	11.4%
45-54	277,040	245,643	236,226	-9,417	-3.8%
55-64	207,181	262,480	252,562	-9,918	-3.8%
65-74	125,353	202,640	227,823	25,183	12.4%
75-84	82,545	107,227	137,987	30,760	28.7%
85+	41,526	50,579	54,854	4,275	8.5%
Total	1,748,066	1,898,911	1,980,809	81,898	4.3%
% Change		8.6%	4.3%		
Compounded annual growth rate (2010 to 2026)			0.8%		
Compounded annual growth rate (2021 to 2026)			0.8%		
Source: Demographic and Income Profile, ESRI Site Analysis					

The county has experienced positive growth trends which are projected to continue through 2026. The age groups between 65 and 84 are becoming a more important segment within the rental housing industry as seniors seek low maintenance lifestyles within a secured living environment.

The following table exhibits household growth within Broward County as well as expected future growth:

HOUSEHOLD PROJECTION FOR 2021 to 2026					
BROWARD COUNTY					
				% Household Change	
Year	2010	2021	2026	2010-2021	2021-2026
Total	686,047	736,288	764,440	7.3%	3.8%
Compounded annual growth rate				0.6%	0.8%
Average Size	2.52	2.56	2.57		
Source: Site To Do Business					

The number of households increased from 2010 to 2020 and is projected to continue this trend through 2026.

The civilian labor force is defined as all employed or unemployed persons 16+ years of age who are actively looking for work and available to accept employment. Persons in the Armed Forces or within institutional settings such as prisons, nursing homes, etc. are not counted within the civilian labor force. The trend in employment is provided:

LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT DATA IN BROWARD COUNTY				
<i>Year</i>	<i>Civilian Labor Force</i>	<i>Employment</i>	<i>Unemployment</i>	<i>Unemployment Rate (%)</i>
2021 YTD	1,055,676	995,012	60,664	5.7%
2020	1,020,586	930,297	90,289	8.8%
2019	1,041,334	1,008,095	33,239	3.2%
2018	1,031,568	996,114	35,454	3.4%
2017	1,021,018	980,078	40,940	4.0%
2016	1,007,259	961,500	45,759	4.5%
2015	992,033	940,668	51,365	5.2%
2014	985,640	925,482	60,158	6.1%
2013	971,733	903,073	68,660	7.1%
2012	957,268	878,506	78,762	8.2%
2011	946,171	856,799	89,372	9.4%
Source: Bureau of Labor Statistics				
YTD 2021 consists of data through Jun 2021; the data is not seasonally adjusted.				

Employment in Broward County⁶ has nearly recovered from the impact of COVID-19. Most of the impact was on the hospitality and cruise industries. Cruise activity has commenced, and the county is anticipated to return to near full employment in 2022.

4-Summary of Competitive/Comparable Market Conditions

Rental apartment communities in the subject's region were interviewed in order to understand the dynamics of the market. Occupancy levels for competitive properties in the area follow:

MARKET-AREA RENTAL PROPERTIES				
Property Name	Year Built	Number of Units	Occupancy	Occupied Units
<i>SUBJECT - Projected</i>	<i>2023</i>	<i>220</i>	<i>93.0%</i>	<i>205</i>
1 Atlantico at Palm Aire -Lease Up	2018	210	97.5%	205
2 Luzano Apartments	2016	404	94.1%	380
3 The Reserve at Coral Springs	2017	248	100.0%	248
4 Celebration Pointe	2016	282	96.5%	272
5 Monarch Station	2017	296	99.7%	295
6 Vista Verde at Coconut Creek	2004	288	100.0%	288
7 Avalon Toscana	2016	240	98.0%	235
8 Avana Cypress Creek	2009	220	98.6%	217
Totals-Stabilized Properties		1,960	84.1%	1,648
Totals Includes Lease-Up Properties		2,188	97.8%	2,140

5-Key Conclusion

The subject is a proposed rental community that will provide a quality living environment accommodating the various households locating to the region to fill employment opportunities including those that align with workforce salaries.

The proposed project will consist of the redevelopment of the eastern portion of an existing retail shopping center. The retail center is no longer the highest and best use of the land. Thus, redevelopment will include four (4) new four-story buildings and a clubhouse with a swimming pool and additional site amenities.

The subject property is located within the TOC-C Corridor zoning district, and has an underlying land use

designation of Transit Oriented Corridor (TOC). Buildings are allowed to be up to four (4) stories which aligns with the proposed project concept. The TOC Corridor includes properties along and proximate to Stat Road 7/US 441.

Demand models were prepared at the anticipated rental rates with ample capacity to absorb the subject. Job growth remains strong and long-term sustainability is projected.

Rental rates were derived with direct comparisons to the apartment communities in the immediate market. Rental rates are sufficient to support new construction. Expenses were projected based on market comparables.

Concluded Rents

SUBJECT RENT CONCLUSIONS					
Unit Size			Market Rent		
Unit Type	(SF)	No. of Units	Monthly	Per SF	Annual Rent
1x1	715	68	\$1,985	\$2.78	\$1,619,760
2x2	1,059	120	\$2,615	\$2.47	\$3,765,600
3x2	1,128	32	\$2,875	\$2.55	\$1,104,000
Totals/Average	963	220	\$2,458	\$2.55	\$6,489,360

Market Support Yes

As Is Market Value - Vacant Land	\$8,800,000
Net Operating Income Hypothetical 'As-if-Complete and Stabilized'	\$3,937,679

6-Conditions

This appraisal is subject to the General Assumptions, General Limiting Conditions, Special Conditions, and Certificate of Appraisal contained within this report. We reserve the right to modify the conclusions contained herein if any information provided on the subject should significantly change.

Definitions

The definitions included in this section have been extracted, solely or in combination, from definitions and descriptions printed in:

The Uniform Standards of Professional Appraisal Practice (*USPAP*);

The Dictionary of Real Estate Appraisal, Appraisal Institute, Chicago, Illinois, (*Dictionary*);

The Appraisal of Real Estate, Appraisal Institute, Chicago, Illinois; and/or

Marshall Valuation Service, Marshall & Swift, L. P., Los Angeles, California, (*MVS*).

Accrued Depreciation

The difference between the reproduction or replacement cost of the improvements on the effective date of the appraisal and the market value of the improvements on the same date. (*Dictionary*)

Appraisal

The act or process of developing an opinion of value. (*USPAP*)

Business Value

A value enhancement that results from items of intangible personal property such as marketing and management skill, an assembled work force, working capital, trade names, franchises, patents, trademarks, contracts, leases, and operating agreements (*Dictionary*).

Deferred Maintenance

Curable, physical deterioration that should be corrected immediately, although work has not commenced; denotes the need for immediate expenditures but does not necessarily suggest inadequate maintenance in the past. (*Dictionary*)

Direct Capitalization

A method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the income estimate by an appropriate rate or by multiplying the income estimate by an appropriate factor.

Effective Date of the Appraisal

The date at which the value opinion is an appraisal applies, which may or may not be the date of inspection; the date of the market conditions that provide the context for the value opinion. Current appraisals occur when the effective date of the appraisal is contemporaneous with the date of the report. Prospective value opinions (effective date of the appraisal subsequent to the date of the report) are intended to reflect the current expectations and perceptions along with available factual data. Retrospective value opinions are likely to apply as of a specific historic date; the opinions are intended to reflect the expectations and perceptions of market participants at the specified date, along with available factual data. Data subsequent to the effective date may be considered in estimating a retrospective value as a confirmation of trends. (*Dictionary and USPAP*)

HUD defines the **effective date** as the most current date that the appraiser inspected the subject, comparables and has made estimates of rents and expenses. The HUD definition applies in this report and is a jurisdictional exception over the USPAP definition. (*MAP Guide January 2016*)

Entrepreneurial Profit

Entrepreneurial profit is a “market-derived figure that represents the amount an entrepreneur expects to receive for his or her contribution to a project”; may be measured by the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise presented with development. The term “entrepreneurial incentive” has the same definition as profit, but the perspective of the use of the word “incentive” is forward-looking (expected reward), whereas the use of the word “profit” indicates a retrospective perspective of a quantifiable amount earned. Unless otherwise noted, as used in this report, the terms are synonymous. (*Definition*)

Exposure Time

Exposure time is the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time differs from the marketing period in that exposure time is assumed to precede the effective date of the appraisal. (*USPAP and Dictionary*)

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. (*Dictionary*)

Family Household (Family)

A family includes a householder and one or more people living in the same household who are related to the householder by birth, marriage, or adoption. All people in a household who are related to the householder are regarded as members of his or her family. A family household may contain people not related to the householder, but those people are not included as part of the householder's family in census tabulations. Thus, the number of family households is equal to the number of families, but family households may include more members than do families. A household can contain only one family for purposes of census tabulations. Not all households contain families since a household may comprise a group of unrelated people or one person living alone.

Gross Building Area (GBA)

The total floor area of a building, including below-grade space but excluding unenclosed areas; measured from the exterior of the walls. (*Dictionary*)

Highest and Best Use

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability. (*Dictionary*)

Household

A household includes all the people who occupy a housing unit as their usual place of residence.

Householder

The person, or one of the people, in whose name the home is owned, being bought, or rented.

If there is no such person present, any household member 15 years old and over can serve as the householder for the purposes of the census.

Two types of householders are distinguished: a family householder and a non-family householder. A family householder is a householder living with one or more people related to him or her by birth, marriage, or adoption. The householder and all people in the household related to him are family members. A non-family householder is a householder living alone or with non-relatives only.

Housing Unit

A house, an apartment, a mobile home or trailer, a group of rooms, or a single room occupied as separate living quarters, or if vacant, intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live separately from any other individuals in the building and which have direct access from outside the building or through a common hall. For vacant units, the criteria of separateness and direct access are applied to the intended occupants whenever possible.

Insurable Value

The Appraisal Institute defines insurable value as the value based on the replacement and/or reproduction cost of physical items that are subject to loss from hazards. It is that portion of an asset or asset group that is acknowledged or recognized under the provisions of an applicable loss insurance policy. *Marshall & Swift* defines insurable value as the “replacement or reproduction cost less deterioration and uninsurable items.” (*MVS and Dictionary*)

Investment Value

The specific value of an investment to a particular investor or class of investors based on individual investment requirements; distinguished from market value, which is impersonal and detached. (*Dictionary*)

Leased Fee Estate

An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease. (*Dictionary*)

Leasehold Estate

The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions. (*Dictionary*)

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently 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 best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in United States 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 presented with the sale. (*USPAP, according to the Federal Register, CFR 34.43(F)*)

Marketing Period

A reasonable marketing period is the period of time it might take to sell a property interest in real estate at or near the concluded market value during the period immediately following the effective date of the appraisal. A marketing period is a function of price, time, use, and anticipated market conditions.

Replacement Cost

The estimated cost to construct, at current prices as of the effective date of the Appraisal, a building with utility equivalent to the building being appraised, using modern materials and current standards, design, and layout. (*Dictionary and USPAP*)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the Appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building. (*Dictionary*)

Use Value

The value a specific property has for a specific use. (*Dictionary*)

Scope of Work

This appraisal has been prepared under the HUD 221(d)(4) Program guidelines. This appraisal has been prepared in conformity with USPAP.

Scope of Work, Market Research and Appraisal Procedures

Standards Rule 2-2(a;viii) of the Uniform Standards of Professional Appraisal Practice requires that all appraisals "describe the information analyzed, the appraisal techniques employed, and the reasoning that supports the analyses, opinions, and conclusions. The scope of work includes the following steps:

Identification of Subject;
Identification of Property Rights to be Valued;
Define Use of Appraisal;
Define User of Appraisal;
Definition of Value;
Date of Value;
3-year history of arm's length transactions involving the subject, if any;
Special Assumptions and Limiting Conditions;
Data Selection and Collection-General and Specific;
Examination of Economic Influences;
Housing Market Area Analysis;
Highest and Best Use Analysis;
Approaches to Value as appropriate (Cost, Sales Comparison and/or Income);
Reconciliation; and
Appraisal Report.

Kay C. Kauchick, MAI conducted a physical inspection of the subject, market, and the comparables indicated. An analysis of the rental market was conducted to determine vacancy rates and achievable rents. Financial comparables were utilized to provide guidance with the estimates of revenues, expenses, and net operating income. A number of sales were obtained and utilized as the basis for deriving the land value. Market expense comparables were utilized for the basis of projecting the hypothetical net operating income as if stabilized. Kay C. Kauchick, MAI prepared the appraisal and conclusions presented. No other persons provided significant professional assistance in the preparation of this appraisal report.

Background Information

Identification of the Subject

The subject will be a multifamily apartment community to be known as Marquesa Apartments, located at 5203-5231 Coconut Creek Parkway, Margate, Broward County, Florida. The community will deliver units in 2023.

Intended Use of the Appraisal

The purpose of the appraisal is to estimate the “as is - land only” market value of the subject property as of the valuation date indicated. In addition, the “Net Operating Income Hypothetical 'As-if-Complete and Stabilized” is also provided.

Intended User of the Appraisal

This appraisal is to be used by Greystone Funding Company, LLC and the U.S. Department of Housing and Urban Development in underwriting a mortgage loan to be secured by the subject.

Effective Dates

Date of Report	March 17, 2022
Inspection Date	August 11, 2021
Valuation Date	August 11, 2021

Inspection

The property was inspected by Kay C. Kauchick, MAI.

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently 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 best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in United States 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 Presented with the sale. (*USPAP, according to the Federal Register, CFR 34.43(F)*)

Data Collection

Three types of data are normally gathered while completing an appraisal: general, specific, and competitive supply and demand.

General Data—General data concerns the social, economic, governmental, and environmental forces that impact property values. General data presented in this appraisal is found in the Area Description and Analysis and the Neighborhood Description and Analysis Sections. We gathered general data from a variety of sources and publications as noted in the analyses. General data concerning the neighborhood is also based upon observations made during our inspection of the neighborhood.

General Data Sources: 2010 Census, ESRI

Specific Data—Data relating to the property being analyzed and/or appraised, and to comparable properties, is referred to as specific data. Documents we relied upon for specific data pertaining to the subject are listed in the General Assumptions. Additional data pertaining to the subject was gathered from subject contacts, local city and county offices and chambers of commerce, various State offices, and other resources maintained in our library.

Specific comparable data was gathered from market participants. The extent of the comparable data collection process varies from each type of comparable data. Refer to discussions preceding the presentation of each approach to value (cost, sales comparison, and income) for descriptions of the data sources used and the search criteria applied.

Specific Data Sources: Interviews with the zoning department, planning department, economic development department, chamber of commerce, rent comparables (see addenda), real estate brokers (see improved sales in addenda).

Compliance

We developed this report in compliance with the requirements of the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute, the *Uniform Standards of Professional Appraisal Practice* promulgated by the Appraisal Foundation. Further, the appraisal was prepared in conformance with the requirements of the U.S. Department of Housing and Urban Development under the 221(d)(4) program.

Ownership and History of the Subject

The owner of the property is TC MC Margate Apartments LLC.

Sale Date	July 9, 2018
Purchase/Contract Price	\$5,500,000
Grantor (Seller)	Alliance XVI, LLC
Grantee (Buyer)	TC MC Margate Apartments, LLC
Sale Comments	The parcel includes an under-utilized rental center that outlived its useful life. The buyer is responsible for the demolition costs and obtaining the necessary approvals to redevelop the land. About 220 units of multifamily will be constructed.

No other transactions have occurred involving the subject property within the past three-year period. No current listings were discovered and no known offers such as purchase, lease or option for the project are known to exist.

Assumptions and Limiting Conditions

The use of this report is subject to the following assumptions and limiting conditions:

General Assumptions

- No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- The property was analyzed “free and clear” of any and all liens or encumbrances unless otherwise stated.
- Responsible ownership and competent property management are assumed.
- The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
- 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 this report.
- It is assumed that all applicable zoning and land use regulations and restrictions have been complied with unless a non-conformity has been stated, defined, and considered in this report.
- It is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the market support and/or value estimate contained in this report is based.
- It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in this report.
- The appraiser has not made an environmental inspection of the subject and is not qualified to detect the existence of hazardous materials. The appraiser assumes no responsibility for any existing conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if so desired.
- The presence of hazardous materials such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value and/ or marketability of the property. The appraiser assumes no responsibility for any existing conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if so desired.

- The Americans with Disabilities Act (ADA) became effective January 26, 1992. Noncompliance with the ADA could cause a loss in value. Unless otherwise stated in this report, Value Tech Realty Services, Inc. has not been provided with a compliance survey; therefore, our value estimate is predicated upon the assumption that the subject is not negatively or positively impacted by issues relating to Fair Housing and ADA.

General Limiting Conditions

- Possession of this report, or a copy thereof, does not carry with it the right of publication.
- The appraiser herein by reason of this report is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
- Neither all nor any part of the contents of this report (especially any conclusions as to market support and/or value estimates, the identity of the appraiser or that with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.

Specific Assumptions and Limiting Conditions

This report has also been made subject to the following specific assumptions and limiting conditions:

- We assume that the project will be constructed as proposed and maintained in a quality condition;
- We assume that the subject will be aggressively marketed and professionally managed; and,
- We provided a value that adheres to the guidelines and limitations outlined under the HUD MAP 221(d)(4) Pre-Application program.

Extraordinary Assumption & Hypothetical Condition

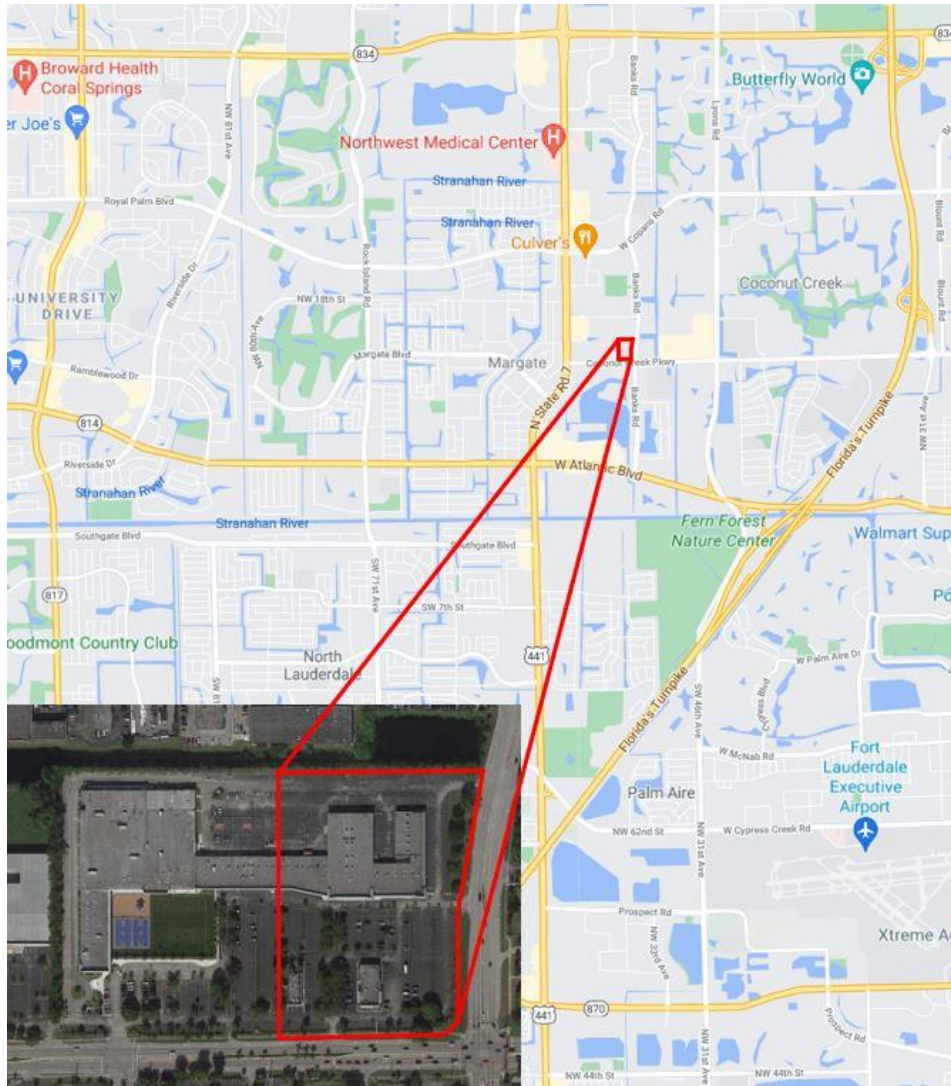
An **extraordinary assumption** is an underlying premise of the assignment, something that is believed to be true for the sake of the analysis, but whether or not it is in fact true is uncertain. Extraordinary assumptions differ from the general assumptions that are often made and reported in all assignments. An extraordinary assumption is specific to the assignment at hand. Further, if an extraordinary assumption is contrary to the truth, the assignment results would be affected.

No extraordinary assumption is incorporated into the analysis.

Hypothetical conditions are things that are known to be contrary to fact but are taken to be true for the purpose of the analysis. Contrast these with extraordinary assumptions, which are about uncertainties. The hypothetical condition must be appropriate given the client's intended use of the assignment results and cannot be so outlandish that it leads to non-credible results.

This report has been prepared incorporating the hypothetical condition that the subject property is constructed as proposed. The revenues and expenses incorporate the condition that the project is currently constructed as proposed and operating at stabilized levels. The assignment results would be affected if the project is not developed as proposed.

Project Site Description



Overview

This section provides information regarding the site including location and access, area and dimensions, soil and subsoil, topography, flood plain, utilities, land uses, zoning, hazardous materials, and related. The latter portion of this section provides detailed information on the improvements.

Location and Access

The subject is a proposed 220-unit market-rate apartment complex to be located on 8.11 acres. The site is located at the northwest corner of Coconut Creek Parkway and Banks Road.

Site Description

Identification

Location	5203-5231 Coconut Creek Parkway
Location Description	The site is located at the northwest corner of Coconut Creek Parkway and Banks Road.
Parcel Number	4844230-17-0193

Physical Features

Size	Approximately 8.11 acres, or 353,402 square feet.
Configuration	Irregular Rectangle
Topography	Level
Drainage	Appears Adequate
Flood Plain	
In Flood Plain	No
Flood Map #	12011C0355H
Date of Flood Map	August 18, 2014
Flood Zone	Zone X
Flood Description	The subject is not located within the 100-year flood plain. Flood insurance may not be required.
Utilities	All Available
Ground Stability	We were not provided with a soil report. We assume that the load bearing capacity of the soil is sufficient to support the existing structure. We did not observe any evidence to the contrary during our physical inspection of the property.

Streets, Access, Frontage

Access	Coconut Creek Parkway
Frontage	The multifamily portion of the site has approximately 444 feet of frontage along Coconut Creek Parkway.
Curbs/Gutters	Yes
Sidewalks	Yes
Left Turn Available	Yes
Median Cut	N/A
Visibility	Excellent
Easements, Encumbrances, Moratoriums	We were not provided a current title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search be completed to determine whether any adverse conditions exist.
Encroachments	We were provided an ALTA survey. An inspection of the site revealed no apparent encroachment(s) that would impact the marketability of the subject site. The uplands are outside the flood zone.

Access

The site plan provides access from Coconut Creek Parkway with secured access gates. Secondary access will be available from Banks Road.

Legal

Zoning	TOC-C. The subject is a proposed grandfathered use and if approved by city/county officials will not be required to provide income-restricted apartments
Conformance	The subject will be a legally conforming use.

The subject property is located within the TOC-C Corridor zoning district, and has an underlying land use designation of Transit Oriented Corridor (TOC). Buildings are allowed to be up to four (4) stories which aligns with the proposed project concept. The TOC Corridor includes properties along and proximate to Stat Road 7/US 441.

Utilities and Services

UTILITIES AND RELATED SERVICES	
Water	City of Margate
Sewer	City of Margate
Electricity	FPL
Gas	TECO Peoples Gas
Police/Fire	City of Margate
Trash	City of Margate
Telephone	AT&T
Cable/Satellite	Xfinity Comcast

Land Uses

The surrounding uses complement the subject site. These are shown below:

LAND USES	
North	Commercial
East	Multifamily Residential, Commercial
West	Place of Worship, Commercial
South	Government Facility, Commercial

Noise

No significant noise hazards impact the subject.

Hazardous or Toxic Materials

During our visual inspection of the subject, we did not observe any hazardous substances. We are not experts, however, in determining the presence of hazardous substances, defined as all hazardous or toxic wastes, pollutants, or contaminants (including asbestos, PCB's, or raw materials) either used in construction or stored on the property. The appraiser has not been provided with certification from the client or current property owner that no hazardous substances are present, which would adversely affect the use of the subject property. This report reflects the assumption that the subject property is not so affected.

Civic, Social and Commercial Centers

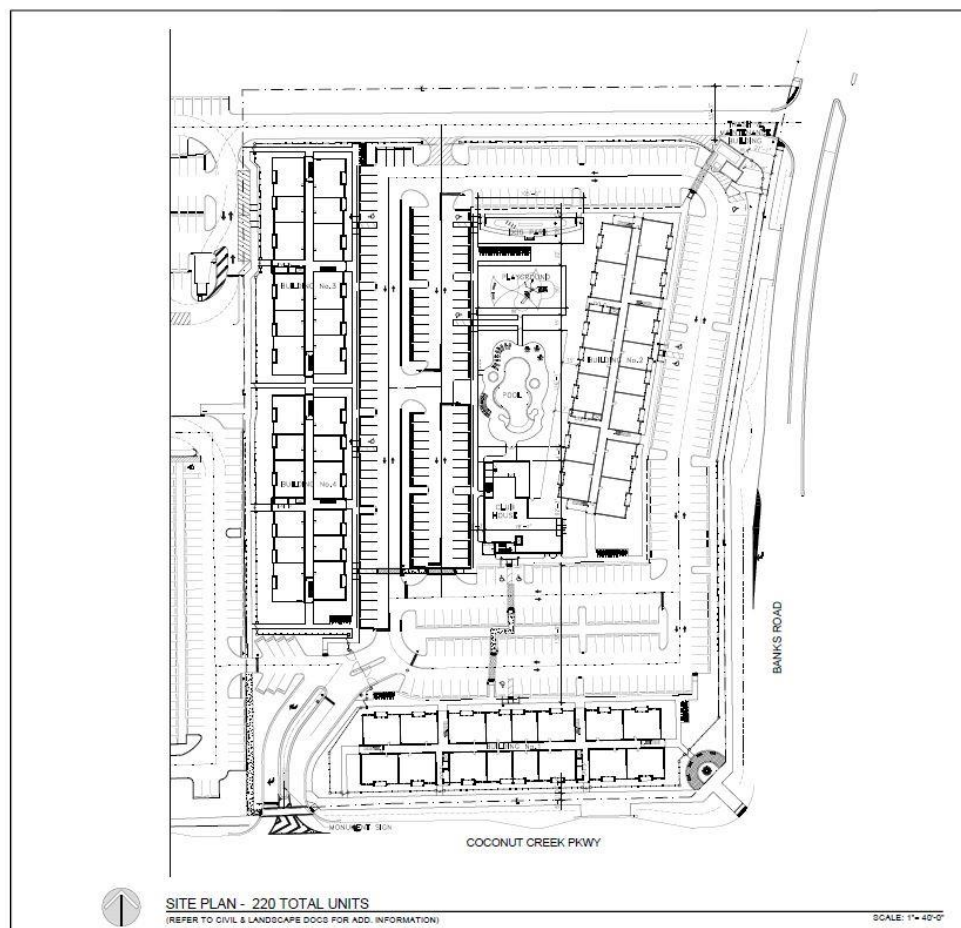
The subject is proximate a number of important residential support services as summarized in the following table:

CIVIC, SOCIAL AND COMMERCIAL CENTERS	
Item:	Distance (Miles)
Commercial Area	~0.1
Pharmacy	~0.3
Bank	~0.3
Grocery	~0.4
Coconut Creek High School	~0.7
Liberty Elementary School	~1.0
Margate Middle School	~1.1
Northwest Medical Center	~1.3

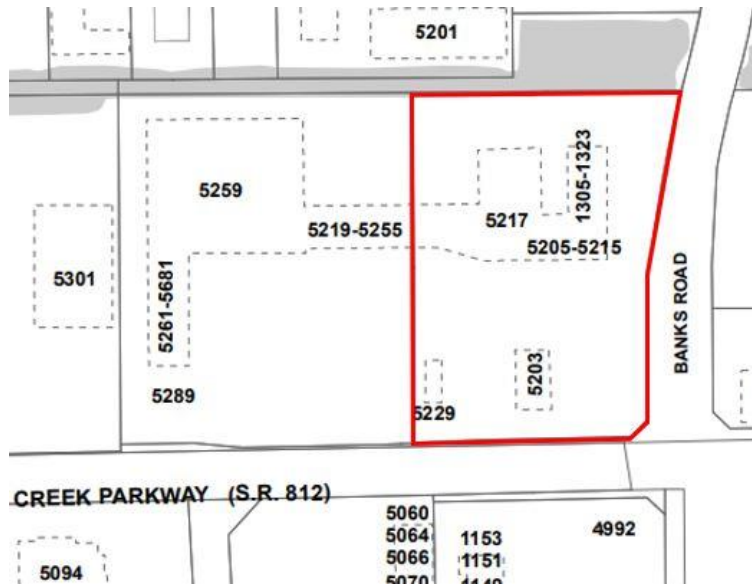
The subject site has convenient access to civic, social, and commercial centers. Thus, the site is well supported by all of the services necessary for a rental complex.

Site Plan

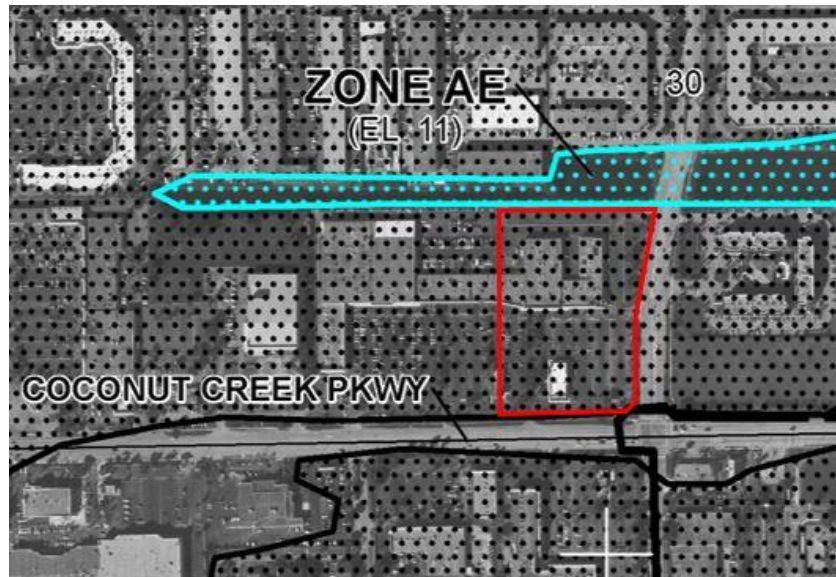
The site plan is illustrated below:



Tax Map



Flood Zone Map



Site Photographs



Street Scenes

Banks Road Facing North, Subject on Left



Coconut Parkwas Facing East, Subject on Left



Coconut Parkway Facing West, Subject on Right

Conclusion

The site is sufficient in size and shape to support a residential multifamily complex. The subject is a permitted use under current zoning. No adverse conditions were noted at the time of inspection. Entrance to and from the subject property is easily accessible. A rental apartment use of the property is compatible with the surrounding market. The subject site's location is good based on its proximity to major employers, major roadways, and residential support services including retail and schools. Access is good via Coconut Creek Parkway. The topography supports a rental apartment community and availability of utilities is considered suitable for the development of a property such as the subject.

Improvement Description

Overview

The subject will be constructed as elevator-serviced buildings with units to be delivered in 2023. The proposed unit mix is shown in the following table:

SUBJECT UNIT MIX				
Unit Description	Unit Type	Size (SF)	No. of Units	NRA Sq Ft
A	1x1	715	68	48,620
B	2x2	1,059	120	127,080
C	3x2	1,128	32	36,096
Totals/Averages		963	220	211,796

The unit mix is appropriate for the tenant base including singles, couples, and families.

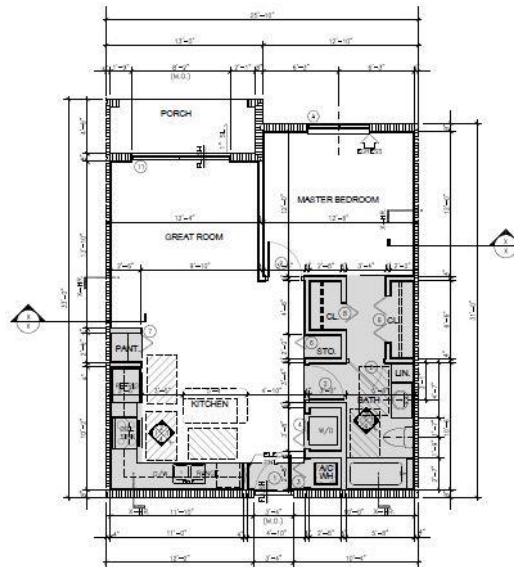
Unit and Property Amenities

Unit and property amenities are as follows:

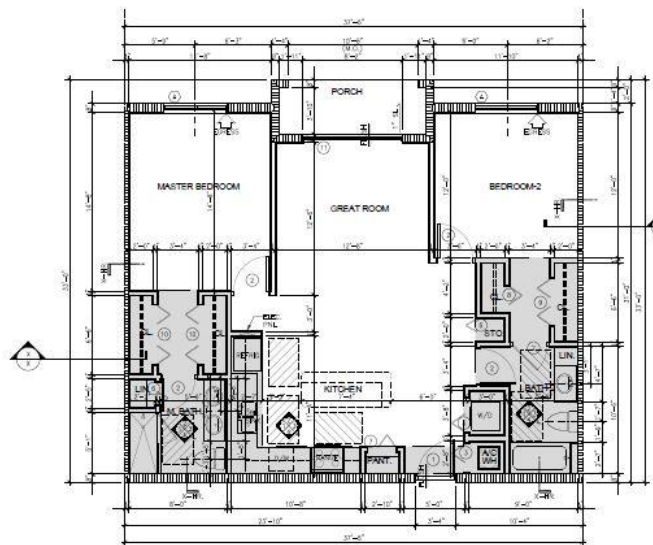
UNIT AMENITIES
Balcony/Patio
Walk-in Closets
Tile Flooring
Granite Countertops
Blinds
Stainless Steel Appliances
Refrigerator
Range/Oven
Dishwasher
Garbage Disposal
Microwave
Washer/Dryer

PROPERTY AMENITIES
Clubhouse
Business Center
Fitness Center
Pool with Spa
Barbeque/Picnic Area
Playground
Pet Park
Car Care Center
Gated/Secured Access

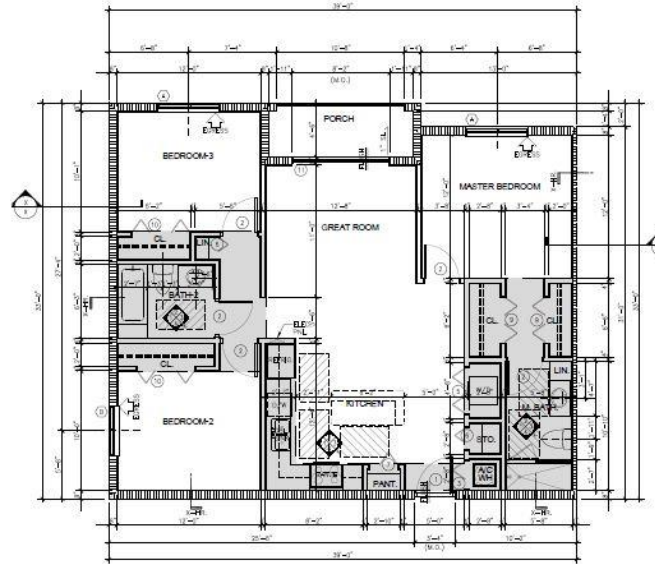
Apartment Floor Plans



Floor Plan A



Floor Plan B



Floor Plan C

General

Design/Use	Multifamily
Number of Units	220
Number of Buildings	4
Number of Stories	4-story
Building Size	RSF: 211,796 square feet
Year Built	2023
Investment Class	A

Exterior/Structural

Construction Type	Class C - Masonry
Quality	New
Basement	None
Exterior Walls	Stucco
Building Condition	New
Foundation Type	Concrete Slab
Fire Sprinkler	Wet system
Roof Material	Varies

Interior Finish

Interior Walls	Metal
Floor cover	Varies
Window Type	Aluminum Frame
Ceilings	Painted gypsum board
Kitchens	Stainless Steel Appliances, Refrigerator, Range/Oven, Dishwasher, Garbage Disposal, Microwave, Washer/Dryer

Mechanical

Air Conditioning	Central
Plumbing	Assumed adequate to meet code requirements.
Electrical	Assumed adequate to meet code requirements.

Parking and Site Improvements

Parking	
Spaces	347
Parking Description	Surface Parking including 337 standard and 10 handicap
Parking Ratio	1.58
Condition	Good
Landscaping	Landscaping includes trees, shrubs, and an irrigated lawn.
Drainage and Retention	Appears adequate
Gated/Secured Access	Yes

Americans with Disabilities Act of 1990

The Americans with Disabilities Act of 1990 sets strict and specific standards for handicapped access to and within most commercial and industrial buildings. Determination of compliance with these standards is beyond appraisal expertise and, therefore, has not been attempted by the appraisers. For purposes of this appraisal, we are assuming the improvements comply with Fair Housing and ADA requirements.

Remaining Economic Life Analysis (REL)

We have estimated the subject has an economic life of 60 years. The subject is proposed.

Conclusion

The subject's development is attractive and will provide a quality living environment for the tenants. The units will have functional floor plans with amenities that are comparable to the newer product available in the region. The subject's unit mix is appropriate to compete for a variety of household types. The improvements have an attractive design. The subject should become a strong competitor in the future.

Ad Valorem Tax Analysis

In Florida, real estate taxes are levied on all real property. Real property means land, buildings, fixtures, and all other improvements to land. The terms land, real estate, realty, and real property may be used interchangeably. Real property includes all other permanent improvements on the land and is broadly classified based on land use.

By July 1 of each year, the property appraiser must report the just value of all real property in the county as of January 1. The just value of a property is equal to the property's market value. This market value is the cash amount that a hypothetical willing buyer would pay for a property to a hypothetical willing seller on the open market under normal financial conditions. Factors that are considered in determining just value are present cash value, use, location, quantity or size, cost, replacement value of improvements, condition, income from property and net proceeds if the property is sold. The tax due for each parcel is calculated by dividing the assessed value by 1,000, then multiplying the taxable value by the tax rate (millage) levied by the taxing authority within that county. The proposed tax bill is mailed to the taxpayer usually in August or September. Any timely appeal of the tax assessment shall be made against this notice. The actual tax bill is mailed to the taxpayer, usually by November 1. The payment must be made to the tax collector by April 1 of the following year. There are discounts for early payment and penalties for delinquency. Taxable value is the assessed value of property minus the amount of any applicable exemption provided under s.3 or s.6, Art. VII of the State Constitution and Chapter 196.

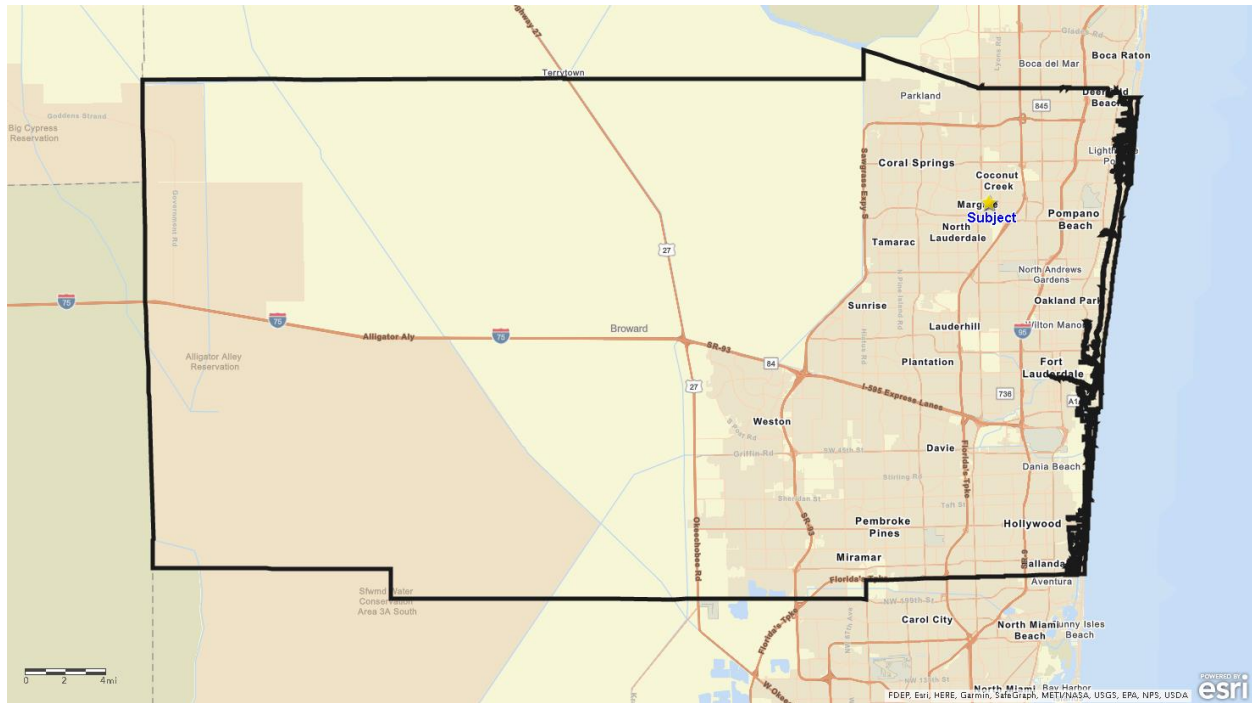
The subject is proposed. Real estate taxes were estimated by utilizing tax comparables. Real estate tax comparables are provided:

REAL ESTATE TAX COMPARABLES				
	Subject	Comparable 1	Comparable 2	Comparable 3
Property	Marquesa Apartments	Atlantico at Palm Aire	Monarch Station	Celebration Pointe
Address	3360 NW 1st Ct	3360 NW 1st Ct.	4901 W. Sample Rd	5555 Celebration Point Lane
City	Margate	Coconut Creek	Coconut Creek	Margate
ID#	4844230-17-0193	48-42-32-19-0021	48-42-18-26-0010	48-42-19-35-0011
Year Built	2023	2018	2017	2016
# Units	220	210	296	282
Current Assessment				
Tax Year	2021	2021	2021	2021
Land Value	\$5,550,000	\$6,090,690	\$7,958,230	\$4,293,280
Improvement Value		\$35,589,310	\$54,524,920	\$47,044,500
Total Market Value	\$5,550,000	\$41,680,000	\$62,483,150	\$51,337,780
Total Assessment	\$5,550,000	\$41,680,000	\$62,483,150	\$51,337,780
Per Unit	\$25,227	\$198,476	\$211,092	\$182,049
Non Ad-Valorem Taxes	\$23,559	\$48,226	\$70,437	\$84,600
Ad-Valorem Taxes	\$121,251	\$911,585	\$1,357,023	\$1,104,426
Gross Taxes	\$144,810	\$959,811	\$1,427,460	\$1,189,026
Per Unit	\$658	\$4,571	\$4,823	\$4,216

Assessments in Margate are slightly lower than Coconut Creek. The real estate taxes are estimated above Celebration Pointe due to the newness of the subject and below the Coconut Creek properties. The real estate tax is estimated as follows:

REAL ESTATE TAX ESTIMATE- MARKET	
Number of Units	220
Taxes per Unit	\$4,400
Total	\$968,000

Broward County Area Analysis



Introduction

Broward County was founded in 1915 and named after Napoleon Bonaparte Broward, the 19th Governor of Florida. The county covers approximately 1,203 square miles and has an estimated population of nearly 1.9 million people. The county's density is 1,578 people per square mile. Broward County is the second most populous county in Florida and 17th most populous in the United States. Fort Lauderdale is the county seat. Pembroke Pines, Hollywood, Coral Springs, and Miramar are major cities in Broward County.

Broward County is surrounded by Palm Beach County to the north, Miami-Dade County to the south, Hendry and Collier Counties to the west, and the Atlantic Ocean to the east. The county is included in the Miami-Fort Lauderdale-West Palm Beach, FL metropolitan statistical area (MSA).

Population and Demographics

The information in this section was obtained through the U.S. Census Bureau and ESRI. Broward County continues to experience positive population growth as evidenced by the following:

POPULATION AND HOUSEHOLDS: BROWARD COUNTY				
	2010	2021	Change	% Change
Total Population	1,748,066	1,898,911	150,845	8.6%
Total Households	686,047	736,288	50,241	7.3%
Source: Demographic and Income Profile, ESRI Site Analysis				

Total population and the total number of households have increased over the past 11 years.

The following chart provides historical population data as well as future projections by age for Broward County:

BROWARD COUNTY POPULATION PROJECTIONS BY AGE					
Total Number of Residents					
Age	2010	2021	2026	Change 2021 - 2026	% Change
0-4	103,256	98,706	104,729	6,023	6.1%
5-9	104,071	103,246	104,730	1,484	1.4%
10-14	112,207	109,481	110,117	636	0.6%
15-19	114,200	102,711	106,286	3,575	3.5%
20-24	104,783	107,888	105,168	-2,720	-2.5%
25-34	224,479	266,933	271,358	4,425	1.7%
35-44	251,425	241,377	268,969	27,592	11.4%
45-54	277,040	245,643	236,226	-9,417	-3.8%
55-64	207,181	262,480	252,562	-9,918	-3.8%
65-74	125,353	202,640	227,823	25,183	12.4%
75-84	82,545	107,227	137,987	30,760	28.7%
85+	41,526	50,579	54,854	4,275	8.5%
Total	1,748,066	1,898,911	1,980,809	81,898	4.3%
% Change		8.6%	4.3%		
Compounded annual growth rate (2010 to 2026)		0.8%			
Compounded annual growth rate (2021 to 2026)		0.8%			
Source: Demographic and Income Profile, ESRI Site Analysis					

The county has experienced positive growth trends which are projected to continue through 2026. The largest increase in population is projected for the age groups between 65 and 84. The 65+ age cohorts represent the empty nester housing market. This is becoming a more important segment within the rental housing industry as seniors seek low maintenance lifestyles within a secured living environment.

The following table provides information on the working-age population within Broward County:

BROWARD COUNTY WORKING-AGE RESIDENTS					
Total Number of Residents					
Age	2010	2021	2026	Change 2021 - 2026	% Change
20-24	104,783	107,888	105,168	-2,720	-2.5%
25-34	224,479	266,933	271,358	4,425	1.7%
35-44	251,425	241,377	268,969	27,592	11.4%
45-54	277,040	245,643	236,226	-9,417	-3.8%
55-64	207,181	262,480	252,562	-9,918	-3.8%
Total	1,064,908	1,124,321	1,134,283	9,962	0.9%
% Change		5.6%	0.9%		
Compounded annual growth rate (2010 to 2026)		0.4%			
Compounded annual growth rate (2021 to 2026)		0.2%			
Source: Demographic and Income Profile, STDB, Inc., ESRI Site Analysis.					

The working-age population increased from 2010 to 2021 and will continue this trend through 2026.

The following table exhibits household growth within Broward County as well as expected future growth:

HOUSEHOLD PROJECTION FOR 2021 to 2026					
BROWARD COUNTY					
				% Household Change	
Year	2010	2021	2026	2010-2021	2021-2026
Total	686,047	736,288	764,440	7.3%	3.8%
Compounded annual growth rate				0.6%	0.8%
Average Size	2.52	2.56	2.57		
Source: Site To Do Business					

The number of households increased from 2010 to 2021 and is projected to continue this trend through 2026.

Households by size within Broward County are provided:

HOUSEHOLDS BY SIZE IN BROWARD COUNTY		
Tenure	2010	
Persons Per Household	Number	Percentage
One Person	197,582	28.8%
Two People	214,047	31.2%
Three People	111,826	16.3%
Four People	92,616	13.5%
Five People	42,535	6.2%
Six People	16,465	2.4%
Seven or More People	11,663	1.7%
Total	686,047	100%
Source: ESRI, Market Profile, 2010		

The majority of households within Broward County is one- or two-person households. Further, husband-wife families make up the majority of two-person households, as provided:

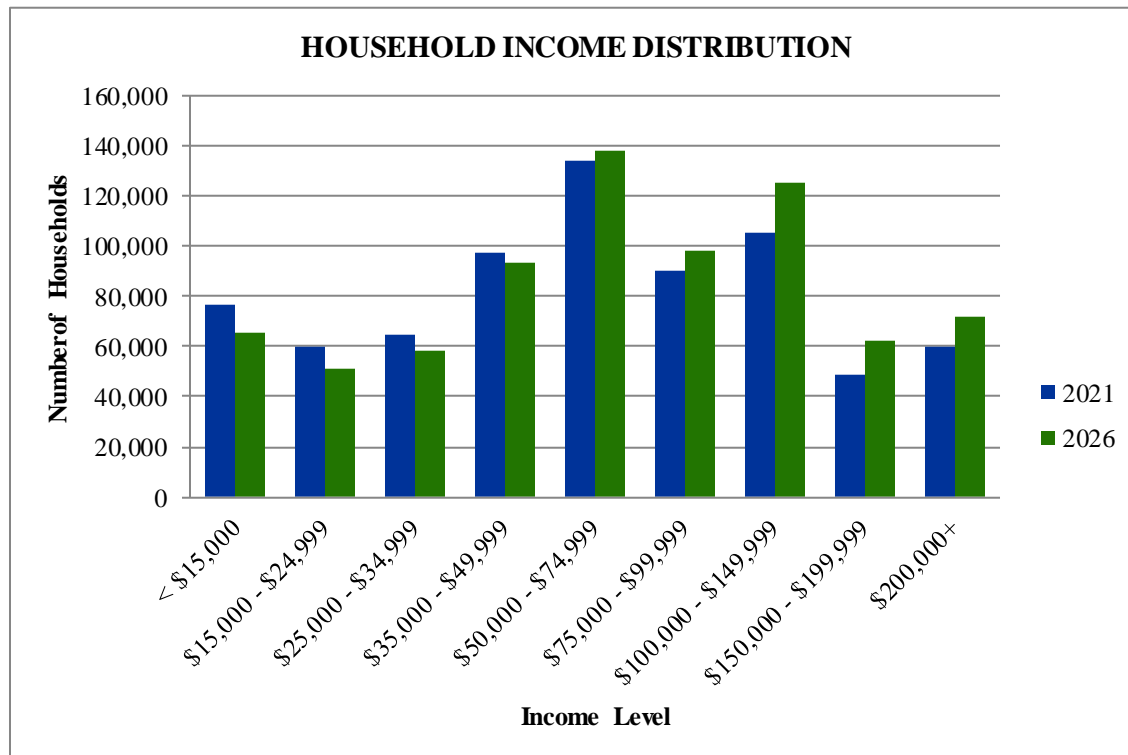
HOUSEHOLDS BY TYPE IN BROWARD COUNTY	
Households with Two or More People	71.2%
Family Households	63.3%
Husband-wife Families	42.8%
With Related Children	19.6%
Other Family (No Spouse Present)	20.5%
Other Family with Male Householder	5.3%
With Related Children	2.7%
Other Family with Female Householder	15.3%
With Related Children	9.6%
Nonfamily Households	7.9%
Households with One Person	28.8%
Total Households	100.0%
Source: ESRI, Market Profile, 2010	

Household Income

The median household income in Broward County is provided:

MEDIAN HOUSEHOLD INCOME IN BROWARD COUNTY	
2021	2026
\$60,691	\$69,068
Source: Age by Income Profile, ESRI Site Analysis	

More than 59% of households earn more than \$50,000 per year, the income levels typically associated with new market-rate rental housing in Broward County. The income distribution in Broward County is provided:



Households are generally projected to earn higher incomes by 2026.

Employment Trends

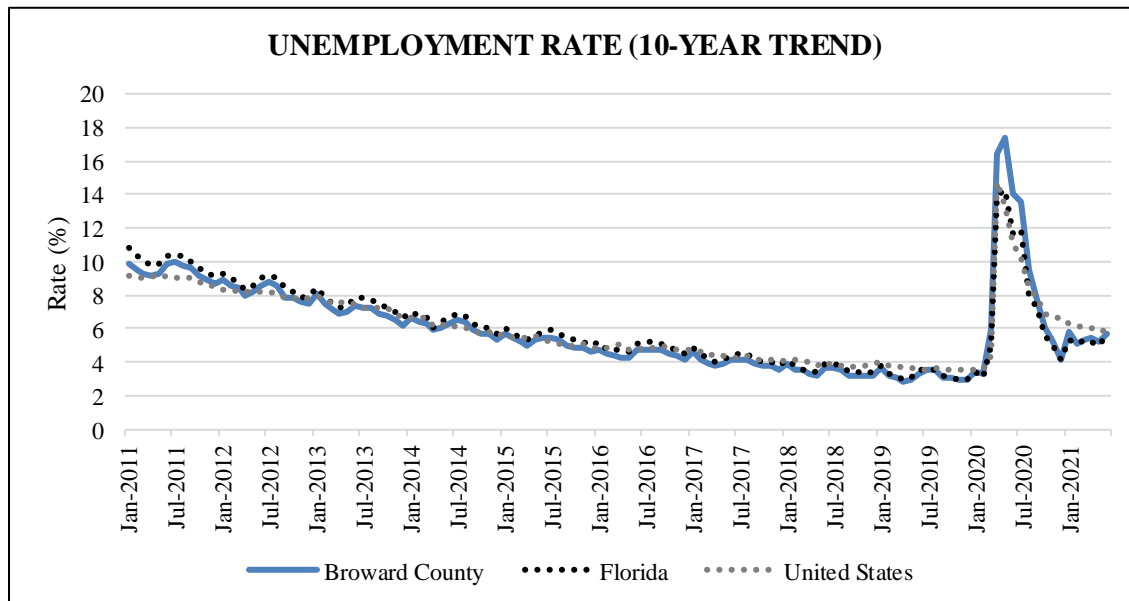
The civilian labor force is defined as all employed or unemployed persons 16+ years of age who are actively looking for work and available to accept employment. Persons in the Armed Forces or within institutional settings such as prisons, nursing homes, etc. are not counted within the civilian labor force. The trend in employment is provided:

LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT DATA IN BROWARD COUNTY				
Year	Civilian Labor Force	Employment	Unemployment	Unemployment Rate (%)
2021 YTD	1,055,676	995,012	60,664	5.7%
2020	1,020,586	930,297	90,289	8.8%
2019	1,041,334	1,008,095	33,239	3.2%
2018	1,031,568	996,114	35,454	3.4%
2017	1,021,018	980,078	40,940	4.0%
2016	1,007,259	961,500	45,759	4.5%
2015	992,033	940,668	51,365	5.2%
2014	985,640	925,482	60,158	6.1%
2013	971,733	903,073	68,660	7.1%
2012	957,268	878,506	78,762	8.2%
2011	946,171	856,799	89,372	9.4%
Source: Bureau of Labor Statistics				
YTD 2021 consists of data through Jun 2021; the data is not seasonally adjusted.				

The unemployment rate in Broward County has been decreasing over the past several years, despite that the labor force is increasing.

The employed population decreased by 198,126 (19.4%) from February 2020 to April 2020 due the impact of COVID-19 on businesses. By June 2021, the employed population had increased by 171,048 from its April 2020 trough, as 86.3% of the decrease in the employed population was recovered. The employed population will continue to increase as the economy recovers.

The county's unemployment rate compared to the state and nation's unemployment rate over the past 10 years is provided:



Broward County's unemployment rate has generally mirrored the state and national unemployment rate over the past 10 years. As of June 2021, Broward County's unemployment rate of 5.7% was equal to the state unemployment rate and below the national unemployment rate of 5.9%.

At-place employment refers to jobs that are filled and located within the same county. The trend in the market is presented:

AT-PLACE EMPLOYMENT IN BROWARD COUNTY			
Year	Employment	Change	Percent
2020 YTD	778,813	-45,382	-5.5%
2019	824,195	12,031	1.5%
2018	812,164	14,655	1.8%
2017	797,509	14,586	1.9%
2016	782,923	21,521	2.8%
2015	761,402	21,299	2.9%
2014	740,103	21,263	3.0%
2013	718,840	17,416	2.5%
2012	701,424	16,254	2.4%
2011	685,170	7,511	1.1%
2010	677,659	-	-
YTD data is provided through Dec. 2020			
Source: Department of Labor Statistics			

The trend in the market was positive through 2019 as employment increased. From February to April 2020, at-place employment decreased by approximately 133,500 jobs due to the impact of COVID-19 on the economy. From April to December 2020 (most recent data available), at-place employment increased by approximately 80,600 jobs. Employment recovery is projected to continue along a positive trajectory.

The following chart illustrates employment by sector with the most recent data for Broward County:

BROWARD COUNTY EMPLOYMENT BY INDUSTRY		
Industry Sector	Dec2020 (Most Recent Data)	
	Jobs #	Jobs %
Private sector	676,443	86.9%
Goods producing	75,298	9.7%
Natural resources and mining	847	0.1%
Construction	47,150	6.1%
Manufacturing	27,301	3.5%
Service providing	601,145	77.2%
Trade, transportation, and utilities	182,561	23.4%
Information	16,444	2.1%
Financial activities	59,186	7.6%
Professional and business services	137,068	17.6%
Education and health services	104,800	13.5%
Leisure and hospitality	76,119	9.8%
Other services	24,633	3.2%
Unclassified	334	0.0%
Public sector	102,370	13.1%
Federal government	6,999	0.9%
State government	8,746	1.1%
Local government	86,625	11.1%
TOTAL EMPLOYMENT	778,813	100.0%
Source: Bureau of Labor Statistics		

The top three private employment sectors in the county are the trade, transportation, and utilities industry, the professional and business services industry, and the education and health services industry.

Employment totals by industry sector over the previous five years are provided:

BROWARD COUNTY EMPLOYMENT BY INDUSTRY									
Industry Sector	Annual 2016	Annual 2017	% Chg	Annual 2018	% Chg	Annual 2019	% Chg	Annual 2020	% Chg
Private sector	680,884	694,315	2.0%	707,695	1.9%	718,636	1.5%	664,728	-7.5%
Goods producing	70,974	73,374	3.4%	75,958	3.5%	77,826	2.5%	75,504	-3.0%
Natural resources and mining	916	1,050	14.6%	977	-7.0%	836	-14.4%	791	-5.4%
Construction	42,930	45,309	5.5%	47,405	4.6%	48,537	2.4%	47,696	-1.7%
Manufacturing	27,129	27,016	-0.4%	27,577	2.1%	28,453	3.2%	27,017	-5.0%
Service providing	609,910	620,941	1.8%	631,737	1.7%	640,810	1.4%	589,224	-8.1%
Trade, transportation, and utilities	176,500	178,970	1.4%	182,891	2.2%	186,548	2.0%	176,165	-5.6%
Information	17,990	18,601	3.4%	18,498	-0.6%	18,267	-1.2%	16,717	-8.5%
Financial activities	54,078	54,587	0.9%	57,108	4.6%	60,131	5.3%	58,800	-2.2%
Professional and business services	135,102	137,293	1.6%	138,702	1.0%	139,821	0.8%	132,467	-5.3%
Education and health services	102,852	107,185	4.2%	108,409	1.1%	109,472	1.0%	104,614	-4.4%
Leisure and hospitality	92,995	93,526	0.6%	95,213	1.8%	96,387	1.2%	75,323	-21.9%
Other services	29,917	30,020	0.3%	30,170	0.5%	29,506	-2.2%	24,549	-16.8%
Unclassified	478	759	58.8%	746	-1.7%	679	-9.0%	588	-13.4%
Public sector	102,039	103,194	1.1%	104,469	1.2%	105,560	1.0%	101,846	-3.5%
Federal government	6,814	6,858	0.6%	6,910	0.8%	6,949	0.6%	7,357	5.9%
State government	5,629	8,880	57.8%	8,794	-1.0%	8,887	1.1%	8,467	-4.7%
Local government	89,596	87,456	-2.4%	88,765	1.5%	89,724	1.1%	86,022	-4.1%
TOTAL EMPLOYMENT	782,923	797,509	1.9%	812,164	1.8%	824,196	1.5%	766,574	-7.0%
Source: Bureau of Labor Statistics									

The following chart provides the total job growth for Broward County through 2028:

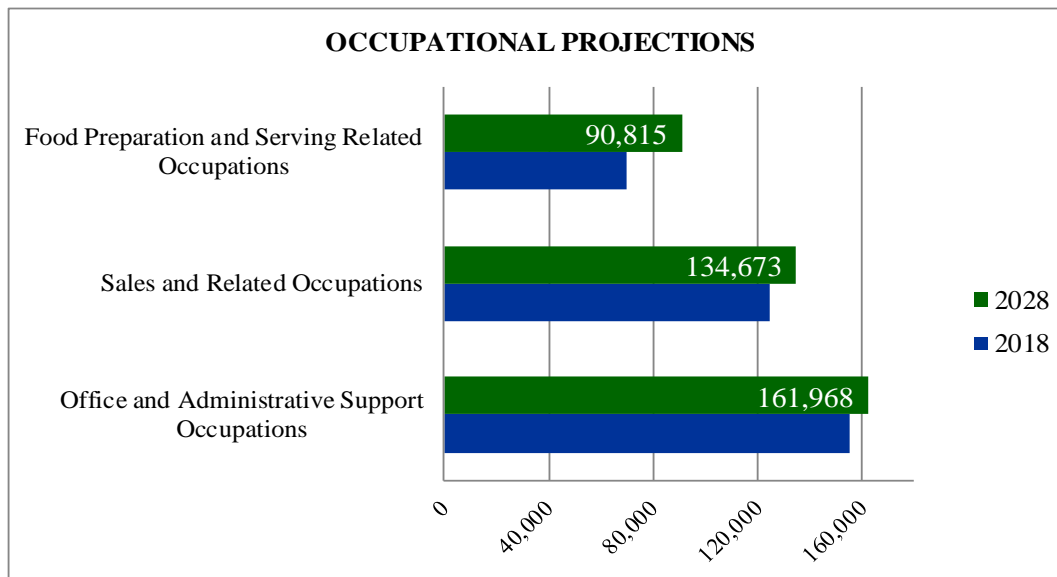
OCCUPATIONAL PROJECTIONS				
<i>Total Employment</i>	2018	2028	<i>Total Growth %</i>	<i>Total Growth</i>
All Occupations	901,102	1,011,643	12.3%	110,541
Compounded Annual Growth Rate			1.2%	
Source:				

Jobs are projected to grow at an annual rate of 1.2% between 2018 and 2028. This amounts to an increase of over 110,500 total job openings.

The following chart illustrates the largest occupation categories and projected growth within those categories within the county:

OCCUPATIONAL PROJECTIONS				
Occupation Category	Employment		Total Growth %	Total Growth
	2018	2028		
Office and Administrative Support Occupations	155,344	161,968	4.3%	6,624
Sales and Related Occupations	124,654	134,673	8.0%	10,019
Food Preparation and Serving Related Occupations	70,088	90,815	29.6%	20,727
Healthcare Practitioners and Technical Occupations	58,987	67,385	14.2%	8,398
Transportation and Material Moving Occupations	56,330	65,074	15.5%	8,744
Management Occupations	52,750	59,644	13.1%	6,894
Business and Financial Operations Occupations	51,391	57,565	12.0%	6,174
Construction and Extraction Occupations	42,806	47,203	10.3%	4,397
Installation, Maintenance, and Repair Occupations	40,328	44,195	9.6%	3,867
Education, Training, and Library Occupations	39,007	45,471	16.6%	6,464
Source:				

Office and administrative support occupations, sales and related occupations, and food preparation and serving related occupations were the largest categories in 2018 and are expected to remain the largest through 2028.



The following chart shows the typical annual wages by occupation type for the Miami-Fort Lauderdale-West Palm Beach, FL MSA:

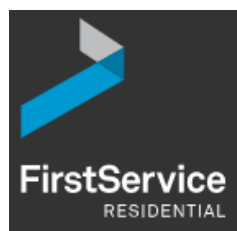
ANNUAL WAGE LEVEL BY OCCUPATION		
Occupation Type	Miami-Fort Lauderdale- West Palm Beach, FL MSA	Florida
Management Occupations	\$119,110	\$111,190
Business and Financial Operations Occupations	\$73,960	\$71,080
Computer and Mathematical Occupations	\$84,950	\$82,810
Architecture and Engineering Occupations	\$78,430	\$80,230
Life, Physical, and Social Science Occupations	\$71,980	\$68,120
Community and Social Service Occupations	\$49,220	\$46,010
Legal Occupations	\$116,000	\$99,170
Education, Training, and Library Occupations	\$57,270	\$52,820
Arts, Design, Entertainment, Sports, and Media Occupations	\$57,180	\$54,370
Healthcare Practitioners and Technical Occupations	\$82,920	\$80,240
Healthcare Support Occupations	\$32,390	\$32,110
Protective Service Occupations	\$49,290	\$45,710
Food Preparation and Serving Related Occupations	\$27,060	\$26,720
Building and Grounds Cleaning and Maintenance Occupations	\$28,950	\$29,640
Personal Care and Service Occupations	\$30,140	\$30,160
Sales and Related Occupations	\$44,690	\$42,090
Office and Administrative Support Occupations	\$40,490	\$39,300
Farming, Fishing, and Forestry Occupations	\$29,040	\$31,660
Construction and Extraction Occupations	\$45,240	\$42,930
Installation Maintenance and Repair Occupations	\$47,720	\$46,560
Production Occupations	\$37,470	\$37,700
Transportation and Material Moving Occupations	\$39,910	\$37,270
Source: Bureau of Labor Statistics		

The average annual salaries in the Miami-Fort Lauderdale-West Palm Beach, FL MSA are over \$2,500 higher than the state of Florida overall.

The following table illustrates the major employers in the area:

MAJOR EMPLOYERS IN BROWARD COUNTY		
<i>Company</i>	<i>Number of Employees</i>	<i>Industry</i>
Broward County Public Schools	34,218	Education
Broward County Government	12,787	Government
Memorial Healthcare System	11,200	Healthcare
Broward Health	8,270	Healthcare
Nova Southeastern University	6,114	Education
FirstService Residential	5,400	Professional Services
HEICO	4,532	Aerospace
Spirit Airlines	3,790	Aviation
American Express	3,500	Financial
AutoNation	3,000	Automotive
City of Fort Lauderdale	2,847	Government
Mednax	2,636	Healthcare
UKG, f.k.a. Ultimate Software	1,800	Software
The Castle Group	1,790	Automotive
JM Family Enterprises, Inc.	1,719	Automotive
Citrix	1,700	Software
City Furniture	1,629	Retail
Broward College	1,468	Education
DHL Express	1,400	Logistics
National Beverage Corp.	1,300	Food & Beverage
Kaplan	1,291	Education
City of Hollywood	1,205	Distribution
City of Miramar	1,118	Government
City of Pembroke Pines	1,023	Government
Rick Case Automotive Group	905	Automotive

Source: Greater Fort Lauderdale Alliance



FirstService Residential is a residential property management company serving over 8,000 communities in North America. FirstService's clientele includes low- to high-rise condominiums, homeowners' associations, and large-scale master-planned communities. The company also provides financial management, project development, and insurance services to residential property owners. The company generates approximately \$2 billion in annual revenues and has more than 20,000 employees in North America. FirstService Residential was founded in 1989 and is headquartered in Ontario, Canada. The company employs more than 5,000 people throughout Broward County.



HEICO Corporation is a technology-driven aerospace, industrial, defense and electronics company. Their products are found on large commercial aircraft, business, military, and regional aircraft. HEICO also has products involved with a large variety of industrial turbines, missiles, targeting systems and electro-optical devices. The company is headquartered in Hollywood, Florida and has over one million square feet of design, manufacturing, distribution, sales, repair, overhaul, and support capabilities. HEICO is a top employer in the county with over 4,500 employees.

Economic Development

Port Everglades

In May 2020, it was announced that Port Everglades is undergoing massive changes to keep up with the rapid innovation in the shipping industry. The port has \$900 million in infrastructure improvements planned for the next five years. The most recent project approved was a \$471 million expansion of the Southport turning notch and crane rail. The turning notch portion of construction will add new cargo berths and extend the deep-water area for cargo ships from 900 to 2,400 feet. Three new gantry cranes will be added. When this project is complete, it is expected to provide 7,000 more jobs in Broward County.

Broward County Convention Center

In March 2020, construction began on an expansion of the Broward County Convention Center. The project is expected to cost around \$1 billion. It will add an additional 600,000 square feet along with an 800-room hotel. Once complete in 2024, the center will add up to 1,000 local jobs and boost the economy by \$100 million each year.

Florida Power & Light

Florida Power & Light (FPL) began construction in May 2019 on a new Clean Energy Center in Dania Beach, Florida. The new energy center will be housed on an already existing FPL property in Dania Beach. The construction is estimated at \$880 million and is expected to cut air emissions by 70%, save customers up to \$337 million, and generate \$297 million in tax revenue. The project will create 600 construction related jobs and at least 30 full time positions within the center. Operation of the center is slated to begin in 2022. A map of the site is provided:



Pier 66 Development

In May 2019, the City of Fort Lauderdale Planning and Zoning Board approved the development of a mixed-use complex surrounding Pier 66 Hotel & Marina. The hotel is closed for construction and plans to reopen in 2022. The hotel, which was damaged during Hurricane Irma, will be revamped and an additional 10-story hotel building will be added on the north side. The developments to the hotel will also include a new restaurant, fitness center, rooftop lawn, and pool. Alongside the hotel improvements, the project will build four waterfront villas, two 11-story condominium buildings featuring ground floor restaurants and 12 single-family homes, as well as 32,000 square feet of retail and office space.

Spirit Airlines Headquarters

Spirit Airlines has been headquartered in Miramar for 20 years but has submitted plans to build a new \$250 million 500,000-square-foot headquarters in Dania Beach. By 2022, the company hopes to start transitioning employees to the new headquarters. Below is a rendering of the completed development:

*FATVillage*

A key parcel to the 506,000-square-foot large-scale mixed-use project, FATVillage, was purchased in late 2019. The \$300 million project will have eight buildings offering residential, commercial, and culinary space. Construction has already begun on Forge Lofts, consisting of 35 rental lofts and two residential towers consisting of 307 units.

Metropica

Metropica is a 65-acre mixed used development under construction in Sunrise. The development is adjacent to an outlet shopping mall, Sawgrass Mills. The \$1.5 billion development will include 2,250 condominiums in eight towers, 485,000 square feet of retail space, 650,000 square feet of Class A office space, and a boutique hotel. The first residential tower was completed in January 2018 and the whole project will be completed by the end of 2021. A rendering for Metropica is provided:

*Virgin Voyages*

In 2018, Virgin announced a \$15.9 million-dollar investment on a new headquarters for its cruise branch, Virgin Voyages in Plantation. The company completed the relocation in early 2021 and expects to have approximately 300 employees by the end of 2021. The headquarters will have staff in charge of management and sales. No announcement has been released regarding how COVID-19-related travel limitations have affected its hiring goals.

PJ SOLOMON Expansion

The Manhattan-headquartered investment bank PJ SOLOMON established a new office in downtown Fort Lauderdale in May 2021. The company advises clients on mergers, divestitures, acquisitions, recapitalizations, restructurings, activism defense and capital markets solutions in a variety of industries. In the coming months, PJ SOLOMON plans to add bankers and support staff to the Fort Lauderdale office. PJ SOLOMON also serves the sectors of consumer retail, healthcare, fintech, grocery, restaurants, pharmacy, infrastructure, technology, power, renewables, media, and telecommunications.

Beach Refurbishment

In 2021, the U.S. Army Corps of Engineers will complete Segment II and III of a \$7.9 million project to infill sand along 7.2 miles of beaches from Dania Beach to Hallandale Beach. The overall \$50 million plan also consists of beach access construction and beach staging at select intervals along State Route A1A.

New Amazon Fulfillment Center

In February 2021, Amazon announced plans to construct a new fulfillment center in Sunrise, Florida. The project is still acquiring necessary approvals. The development would employ over 1,000 people.

Shiji Group

In February 2020, Shiji Group, a Chinese hospitality technology supplier, opened a new headquarters in Hollywood. The firm created approximately 70 new jobs in the area.

Hayes Locums

In late 2020, Hayes Locums, a medical professional recruiting company, invested \$6.8 million into a 77,105-square-foot space in Cypress Financial Center. The location serves as its new headquarters and has added 250 office and administrative jobs to the 184 employees the firm already had working within Broward County.

Techtronic Industries

Techtronic Industries relocated its U.S. headquarters to Fort Lauderdale in the third quarter of 2019. The transition brought its executive, finance, legal, and human departments to Broward County and created approximately 75 new executive level jobs.

Road Projects

As Broward County expands, roads must be continually updated to accommodate the increasing population. Several major road projects are presented below:

Lyons Road Mobility Improvement Project

This project will span about five miles from the C-14 Canal to the Sawgrass Expressway and is estimated to cost \$11 million. Sidewalks, signalization, pavement, and lighting will be improved and renovated to meet Americans with Disabilities Act standards. It will also widen the roads and add new bike lanes. This project is scheduled to be complete in Fall 2021.

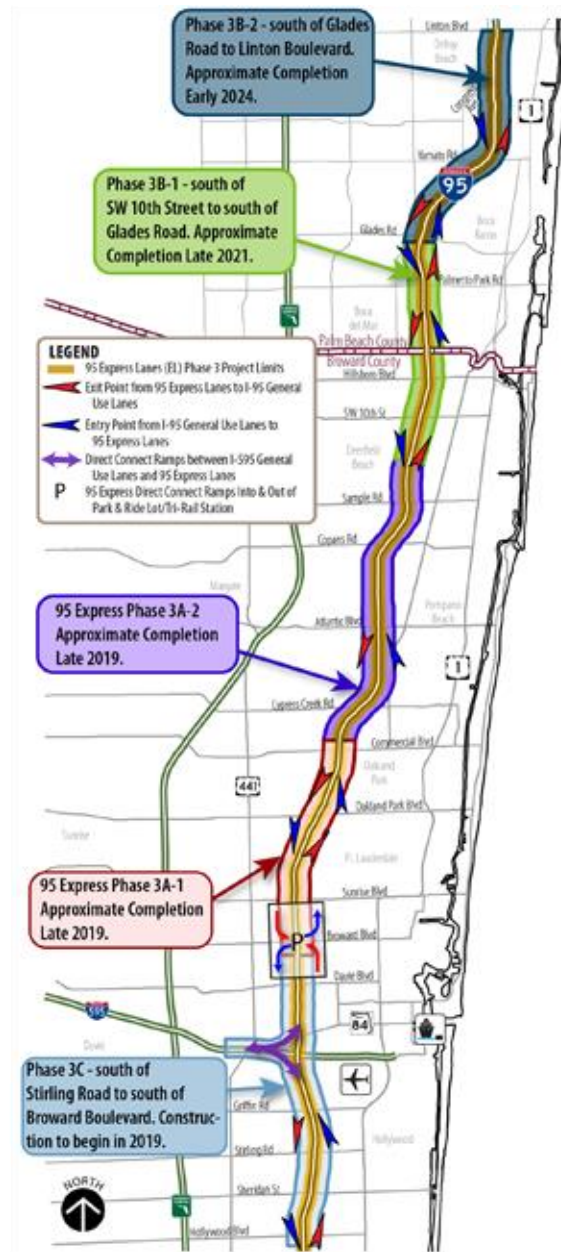
State Road 7 (SR 7)

There are four minor projects currently under construction or recently completed:

- An almost 10-mile stretch from the Broward/ Palm Beach County Line to Commercial Boulevard finished construction on May 7, 2020. The construction includes upgraded sidewalks, bike lanes, crosswalks, road surfacing, drainage structures, and signalization. The project's final construction cost is estimated at \$14.2 million.
- Construction from Filmore Street to Stirling Road is approximately 2.08 miles long and will cost about \$29.6 million. It will add two lanes, reconstruct the sewer system, add new bus stops, replace sidewalks, curbs, and gutters, and upgrade signalization.
- A \$1.4 million project from Northwest 29th Street to Oakland Park Boulevard will increase pedestrian safety by adding signage and a safety barrier, and repaving sidewalks.
- From Hallandale Beach Boulevard to the south of Stirling Road, a \$1.9 million landscaping project will install new palm trees, shade trees, shrubs, and a new irrigation system along the 4.2-mile stretch of road.
- The final project on SR 7 will cost approximately \$500,000 and will increase pedestrian safety from Northwest 36th Street to Northwest 41st Street by adding mid-block crossings and light poles.

Interstate-95 (I-95) has three major projects under construction.

- Phase 3A-1 began in October of 2015 and will be complete by the end of summer of 2021. It is 6.7 miles long and is estimated to cost \$149 million. It will have one express lane added in each direction, have Intelligent Transportation System (ITS) installed, and widened bridges. Noise barriers will be installed on I-95 northbound between Powerline Road and Commercial Boulevard and on I-95 southbound, between Broward Boulevard and Northwest 6th Street.
- Phase 3B-1 began in January 2018 and is slated for completion in the spring of 2022. It is expected to cost \$102 million and is around 4.8 miles long. It will convert and widen existing lanes into express lanes, resurface I-95 from Southwest 10th Street to Glades Road, add new auxiliary lanes in select locations, install ITS, noise barriers, and add new guard rails, barrier walls, shoulder gutters, and signage.
- Phase 3C will be the most costly and extensive of the I-95 projects. Costing an estimated \$457 million, it will add an express lane in each direction from Stirling Road to Broward Boulevard, a southbound and northbound entrance and exit serving Sheridan Street, dual right turn lane improvements for the ramp on Griffin Road, I-95/ State Road 84 interchange modifications, and the reconstruction, milling, widening, and resurfacing of I-595 from State Road 7 to I-95. The project overview is below.

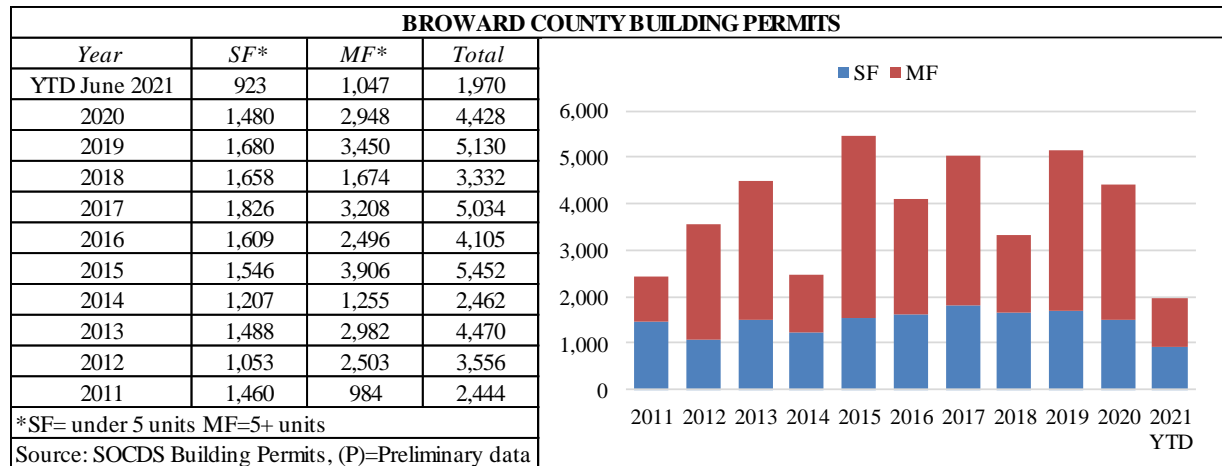


State Road 93/ Interstate-75

This \$8.5 million, six-mile improvement was completed in August 2020. The project's purpose was to resurface roads and install double facing guard rails along State Road 93/ Interstate-75 from Miami Dade/ Broward County Line to Sheridan Street.

Housing Market

Residential building permits for Broward County are presented below:

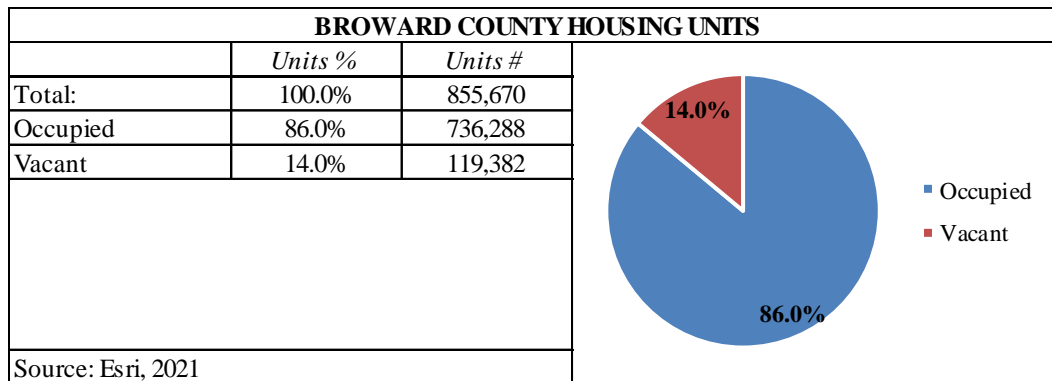


Residential development in the market has trended upward.

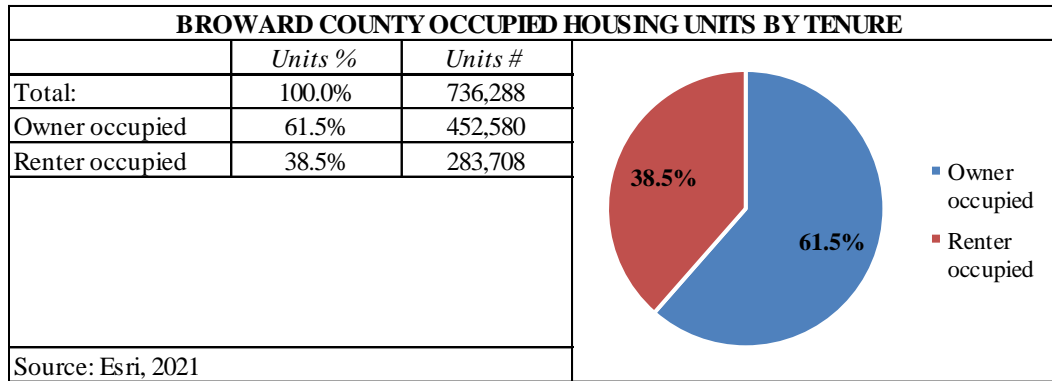
The median home price for Broward County is provided:

MEDIAN HOME PRICES FOR BROWARD COUNTY	
2021	2026
\$322,079	\$352,547
Source: Housing Profile	

The following table displays the occupancy and vacancy rates for the housing market in the county:



The vacancy rate includes all vacant homes regardless of their availability to be rented. Most housing units in the county are owner occupied. Rental housing includes all types of units such as apartments, duplexes, triplexes, manufactured housing, single-family homes, etc. The number of owner and renter occupied units for the area is provided:



For Sale Housing Trends

June 2021 single-family housing trends in Broward County were obtained from the Miami Association of Realtors and are provided below:

Broward Single Family Homes	June 2021	June 2020	% Change Year-over-Year
Closed Sales	1,803	1,313	37.3%
% Paid in Cash	25.0%	15.9%	57.1%
Median Sale Price	\$498,203	\$390,000	27.7%
Dollar Volume	\$1,296,885,279	\$654,081,454	98.3%
% of Original List Price Received	100	97	4%
Median Time to Contract	11	44	-75.0%
Median Time to Sales	57	90	-36.7%
Active Inventory	2,405	4,088	-41.2%
Months Supply of Inventory	1.5	3.4	-55.9%

Closed sales and median sale price increased 37.3% and 27.7%, respectively, year-over-year from June 2020 to June 2021 as month's supply of inventory decreased 55.9%. Additionally, the median time to contract decreased over 75%. These trends indicate that Broward County has a strong single-family housing market favoring sellers.

Medical

The area is well serviced by the following major medical facilities:

MAJOR HOSPITALS IN BROWARD COUNTY		
Facility	Beds	City
Memorial Regional Hospital	1,014	Hollywood
Broward Health Medical Center	716	Fort Lauderdale
Plantation General Hospital	660	Plantation
Memorial Hospital West	486	Pembroke Pines
Florida Medical Center	434	Fort Lauderdale
Holy Cross Health	367	Fort Lauderdale
Broward Health North	334	Deerfield Beach
University Hospital and Medical Center	305	Tamarac
Memorial Hospital Pembroke	301	Pembroke Pines
Northwest Medical Center	289	Margate
Westside Regional Medical Center	250	Plantation
Kindred Hospital - South Florida Fort Lauderdale	244	Fort Lauderdale
Cleveland Clinic Florida	230	Weston
Broward Health Coral Springs	224	Coral Springs
Saint John's Nursing Center	207	Lauderdale Lakes
Broward Health Imperial Point	204	Fort Lauderdale
Fort Lauderdale Behavioral Health Center	182	Oakland Park
Encompass Health Rehabilitation Hospital of Sunrise	126	Sunrise
Larkin Community Hospital Behavioral Health Services	50	Hollywood
South Florida State Hospital	49	Pembroke Pines
Source: American Hospital Directory		



Memorial Regional Hospital is a full-service hospital with 1,014 beds serving all of Broward County. It is a part of the Memorial Healthcare System, which encompasses 11 healthcare facilities in Broward County.

It is one of the largest hospitals in Florida. The ER and Trauma Center is a Level 1 Trauma Center. The hospital also houses the Memorial Cardiac and Vascular, Memorial Cancer, and Memorial Neuroscience Institutes. The hospital admits over 43,000 patients, has over 108,000 emergency department visits, and completes over 12,000 surgeries annually.



Northwest Medical Center is a 289-bed hospital that serves Margate, Coconut Creek, Coral Springs, Parkland, and the surrounding communities in Broward County. The hospital offers open heart surgery, robotic and minimally invasive surgery, a 24-hour Adult and Pediatric

ER, maternity, orthopedics, pediatrics, heart and vascular, weight loss surgery, rehabilitation, and women's services. The campus employs more than 700 physicians and 1,100 healthcare professionals. Northwest Medical Center is the closest hospital to the subject.

Schools



Broward County Public Schools is one of the largest employers in the county.

Broward County Public School District is the second largest school system in Florida and sixth largest in the U.S. The school district consists of 330 schools serving 267,970 students in the county. The district has a 17:1 student teacher ratio and employs over 34,000 full and part-time



Broward College first opened in 1960 and has more than 68,000 students annually with over 1,400 staff and faculty members. There are 13 locations across Broward County, international programs, study abroad options and an online campus.



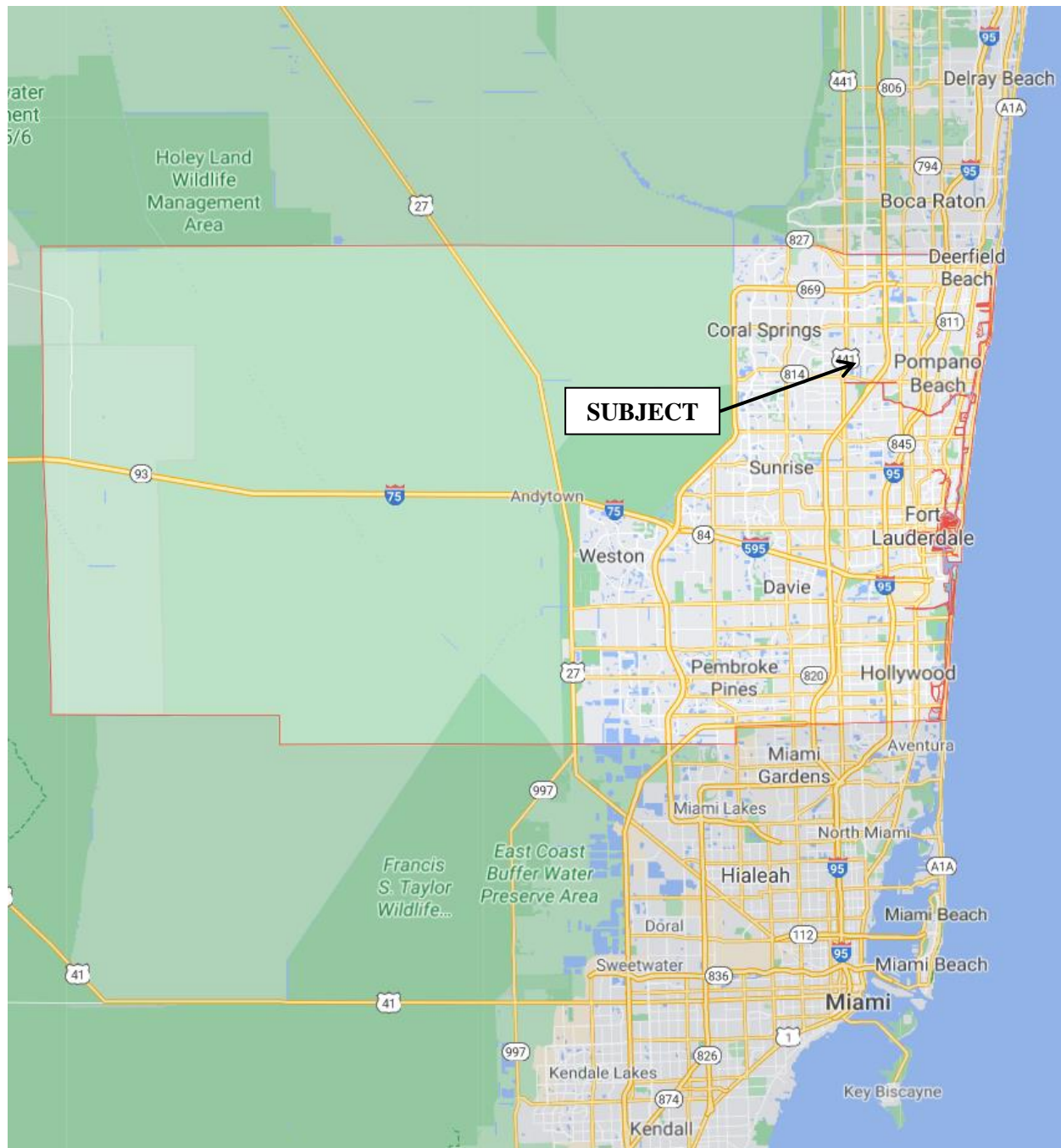
Nova Southeastern University (NSU) is a private research university based out of Davie, Florida. It first opened in 1964 as Nova University before merging with the Southeastern University of the Health Sciences in 1994 to create NSU. Today, the university has over 18 campus and academic centers throughout Florida and Puerto Rico, and over 150 programs of study. The campus has approximately 24,000 students. With numerous locations in Broward County, NSU is one of the largest employers in the county with over 6,000 employees.

Government



Broward County is comprised of a nine-district commission who vote in a Mayor and Vice-Mayor annually. Commissioners are voted through a bi-partisan election into four year terms. Commissioners must be a resident in the district in which they are elected.

Transportation



Highway Network

Broward County is located halfway between Miami and West Palm Beach. Interstate 95 provides north-south access along the eastern coast of Florida. In addition to I-95, Florida's Turnpike, U.S. Highway 27, U.S. Highway 441, and U.S. Highway 1 (U.S. 1) also provide north-south travel throughout the county. State Road A1A runs north-south along the Atlantic Ocean, from Key West at the southern tip of Florida, to Fernandina Beach on Amelia Island. Interstate 75 is the main arterial through the center of the county, providing a route to Naples on the western coast. There are several state roads and county roads throughout the area providing local access to employment nodes, residences, and support services.

Travel patterns in the county provide an indication of where residents work and their commuting patterns. The typical modes of transportation are provided:

TYPICAL MODE OF TRANSPORTATION		
Mode of Transportation	Worker's Age 16+	
	Number	Percent
Drove Alone	754,014	79.5%
Carpooled	85,817	9.1%
Public Transit	24,825	2.6%
Walked	11,497	1.2%
Other Means	22,599	2.4%
Worked at Home	49,414	5.2%
Total	948,166	100.0%
Source: 2019 American Community Survey		

The majority of residents commute alone. Typical travel time provides an indication of the distance from employment residents live and/or the traffic congestion involved with their commutes. The typical travel time is provided:

TYPICAL TRAVEL TIME		
Travel Time	Worker's Age 16+	
	Number	Percent
Less Than 15 Minutes	155,459	17.3%
15 to 29 Minutes	334,614	37.2%
30 to 44 Minutes	235,454	26.2%
45 to 59 Minutes	90,543	10.1%
60 or More Minutes	82,682	9.2%
Total	898,752	100.0%
Source: 2019 American Community Survey		

Most residents have travel times less than 30 minutes. This suggests that a majority of the residents will live within urban or suburban areas.

Public Transit

Broward County Transit (BCT) provides fixed route bus, shuttles, and door-to-door public transportation within the county. BCT routes cover the majority of residential areas in Broward County east of Interstate 75 and the Sawgrass Expressway. It has a mobile app that allows residents to purchase and scan their ticket on their smart phone.

Port

Port Everglades is the leading container port in Florida and one of the most active cargo ports in the U.S. with about \$24 billion in yearly cargo value. The port's cruise sector served 3.9 million passengers in 2019. The port generates \$32 billion in economic activity and draws over 13,000 local jobs from the companies that utilize its services.

Locomotive

Brightline is the only privately owned passenger train system in the U.S. It provides access to Miami, Fort Lauderdale, and West Palm Beach, with plans to expand to Orlando by 2023. These plans received \$1.75 billion in bond funding in August 2018. The earliest released map of the line with approximate travel times is provided:



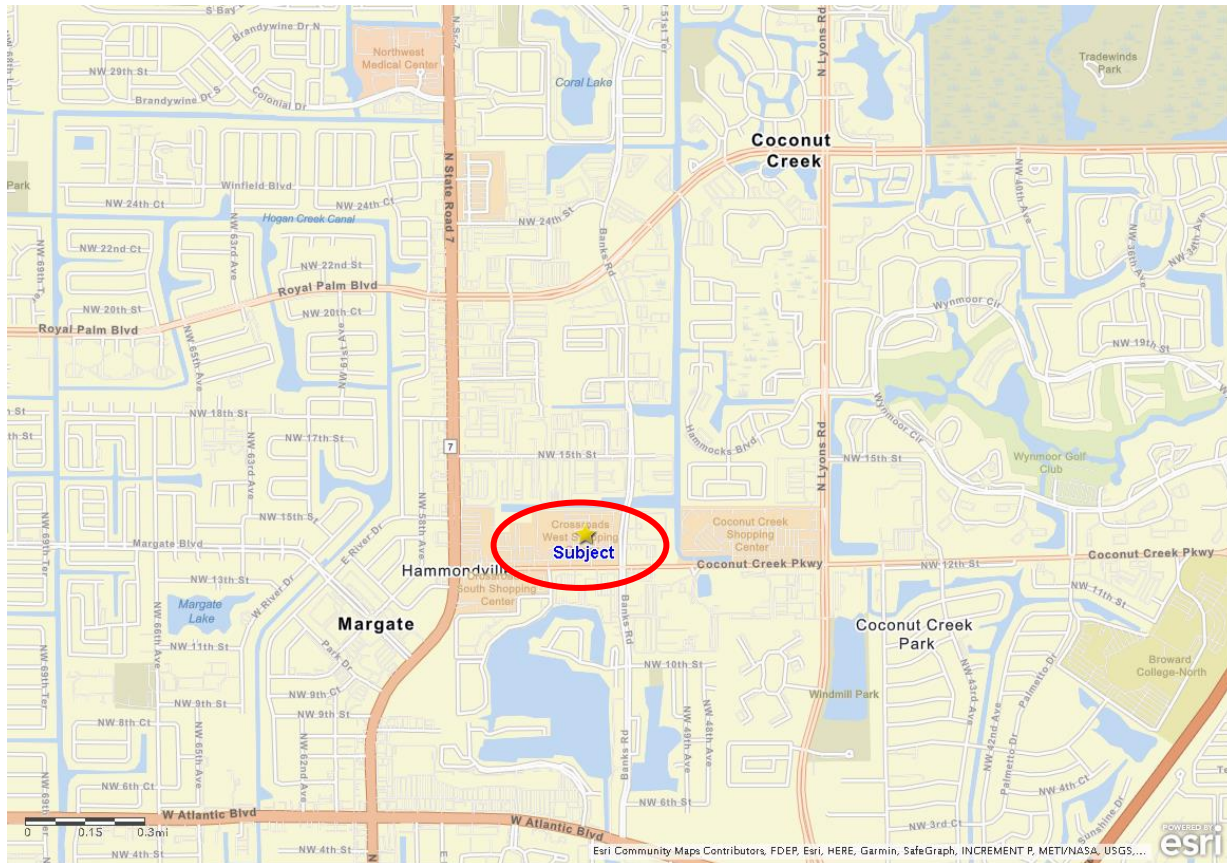
Airport

Fort Lauderdale-Hollywood International Airport (FLL) is the primary airport in Broward County. The airport sits in between the city limits of Fort Lauderdale, Hollywood, and Dania Beach. The airport is a regional hub for residents and tourists seeking destinations in the Caribbean. FLL handled over 36 million passengers in 2019 and over 330,000 flights. The airport is self-sufficient in that it takes no tax revenue, employs nearly 18,000 individuals, and has an average annual economic impact of \$37.5 billion.

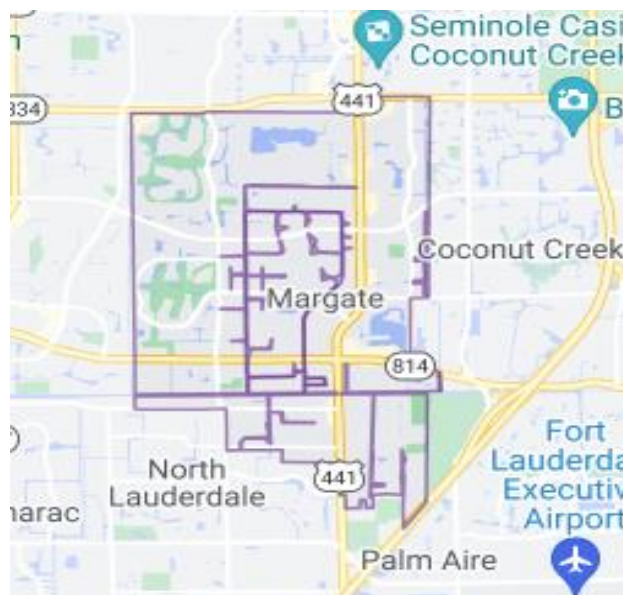
Conclusion

Broward County is located in southeast Florida along the coast between Miami and West Palm Beach. The county's population and household development have expanded over the last several years and this trend is expected to continue into the foreseeable future. The county's diverse economy provides stability to the workforce and attracts a steady in-migration of residents. The presence of Port Everglades and its importance in the intermodal distribution of goods in and out of the southeast United States helps further insulate the county from industry specific downturns. Overall, the county has the necessary infrastructure to support a multifamily community such as the subject.

Neighborhood Analysis



A neighborhood is an area of similar or complementary land uses, inhabitants, buildings, and business enterprises that are relatively uniform; that is, a neighborhood exhibits a greater degree of commonality than the larger surrounding area. The subject is located in Margate. The city is geographically defined as noted on the map:



Overview of Neighborhood

The City of Margate encompasses a nine-square-mile area and has a population over 59,000. Margate was incorporated as a city in 1961 and derived its name from the founder's last name, Jack Marquese, and the word gateway, since it is considered a "gateway" to western Broward County. Margate has fully developed over the past 60+ years with virtually no vacant land remaining.

The city is strategically targeting the preservation of housing. The location is convenient to employment nodes offered throughout the county. Thus, the city and specific subject neighborhood will likely remain residentially-dominated.

Access

The neighborhood can be accessed via North State Road 7 and Coconut Creek Parkway. A commercial area is centered on this intersection of these roads. North State Road 7 travels north-south through the neighborhood. Coconut Creek Parkway travels east-west. The neighborhood is well connected through a network of smaller streets.

School District

School districts are typically an important factor when selecting housing. The following provides the schools within the subject's neighborhood:

SUBJECT'S DISTRICT SCHOOLS		
<i>Name</i>	<i>Grades</i>	<i>Enrollment</i>
Liberty Elementary School	PK-5	989
Margate Middle School	6-8	1,211
Coconut Creek High School	9-12	1,524
Source: Greatschools.org		

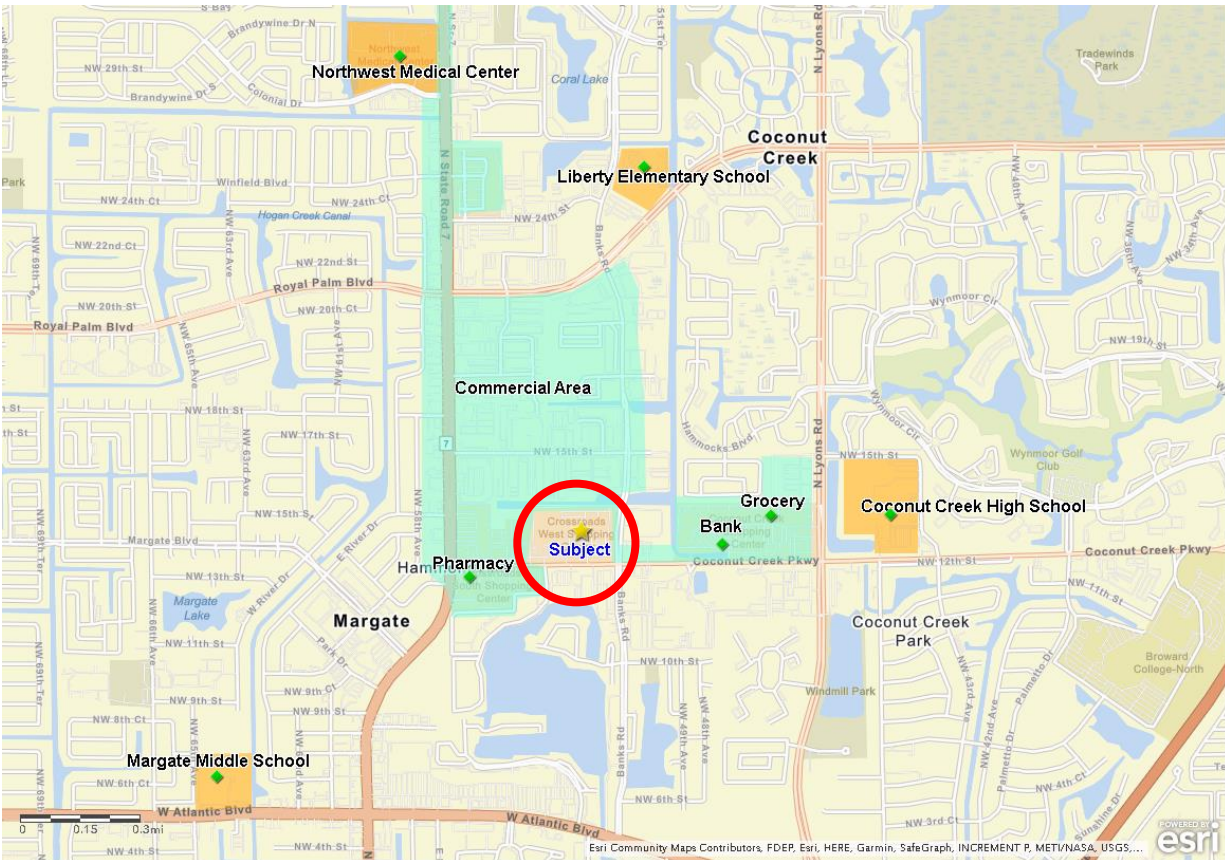
Margate's primary development activity was during the 1960-1980s. A large elderly-population is located within the city who have aged-in-place. Thus, they are not as dependent on the quality of schools in making their decision to remain residents within the city.

Worker Adjustment and Retraining Notification Act (WARN)

WARN Notices are sent in coordination with the United States labor law which protects employees by requiring most employers with 100 or more employees to provide 60 calendar day advance notification of plant closings and mass layoffs of employees. There have been no WARN notices issued in the City of Margate in the last two years.

Community Support Services

There are a number of residential support services in the market area. Support services provide a network of easily accessible medical, shopping, dining and social opportunities for residents and their families. The following map highlights several of the residential support services available within the market:



CIVIC, SOCIAL AND COMMERCIAL CENTERS

Item:	Distance (Miles)
Commercial Area	~0.1
Pharmacy	~0.3
Bank	~0.3
Grocery	~0.4
Coconut Creek High School	~0.7
Liberty Elementary School	~1.0
Margate Middle School	~1.1
Northwest Medical Center	~1.3

The subject is proximate major support services necessary for a residential property. These support services include a grocery store, pharmacy, bank, and schools. Charter schools are adjacent the subject. This includes West Broward Academy and Ascend Academy Charter High School.

West Broward Academy is a charter school for elementary and middle school aged children. The school is Cognia accredited. The school follows the Cambridge Program that develops and fosters critical thinking. The school serves about 535 students.

Ascend Academy Charter High School has a student enrollment of about 225. The school is oriented to the 9-12 grade levels with a student-teacher ratio of about 24 to 1. The school was founded in 2015. The school provides traditional academics as well as career courses such as a Drone program, HVAC maintenance and nursing programs.

Crime Statistics

The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country. The most recent update showed an overall coverage rate of 95% of all jurisdictions nationwide with a coverage rate of 97% of all jurisdictions in metropolitan areas.

The subject is within the jurisdiction of the Margate Police Department. The following chart illustrates the crime rate per 10,000 persons that were committed in the City of Margate, the state of Florida, and the United States as a whole in 2019:

2019 CRIME STATISTICS			
	Margate	Florida	National
Violent Crime	16.6748	37.8392	36.6747
Murder and Nonnegligent Manslaughter	0.1684	0.5224	0.5004
Rape	1.5159	3.9371	4.2595
Robbery	4.7161	7.5506	8.1644
Aggravated Assault	10.2744	25.8291	25.0178
Property Crime	157.4843	214.5692	210.9946
Burglary	16.6748	29.5171	34.0512
Larceny-Theft	123.1241	166.8714	154.9507
Motor Vehicle Theft	17.6854	18.1807	21.9926
Source: FBI.gov			

Crime rates are below both state and national rates.

Conclusion

Margate is located in Florida's southeastern coast. The city covers nine square miles and has a population over 59,000. Margate is residentially dominated with convenient access to the major traffic arterials linking to employment nodes throughout the county. The subject site is well-positioned within the city and adjacent two charter schools. Overall, Margate has the necessary services to support a multifamily community such as the subject.

Primary Market Area (PMA)

Methodology

The defined primary market area (PMA) is evaluated to determine the overall strength of the housing market and the ability to absorb additions to the rental supply.

PMA Delineation

The PMA is the geographic area that a proposed or existing housing community serves. The primary market area was established by evaluating the transportation link between the subject and key employment nodes and residential support services.

Margate was established in the 1960s as development patterns moved west from the Atlantic Coast towards farmlands and the Everglades. Margate is a self-contained municipality as one of the few cities in Broward County that provides its own Fire, Police, Building, and Parks Departments as well as its own bus system. The city has grown beyond the original plans calling for 35,000 residents at buildout to a population of more than 58,000.

Development peaked in the 1990s when the city's population grew by more than 25%. Since this boom, household expansion has been constrained by the lack of developable land. The city is currently in the redevelopment phase of growth. Low-density development will be razed to make way for higher-density residential offerings and older shopping centers, poorly maintained roadways, and golf courses will be redeveloped or refreshed.

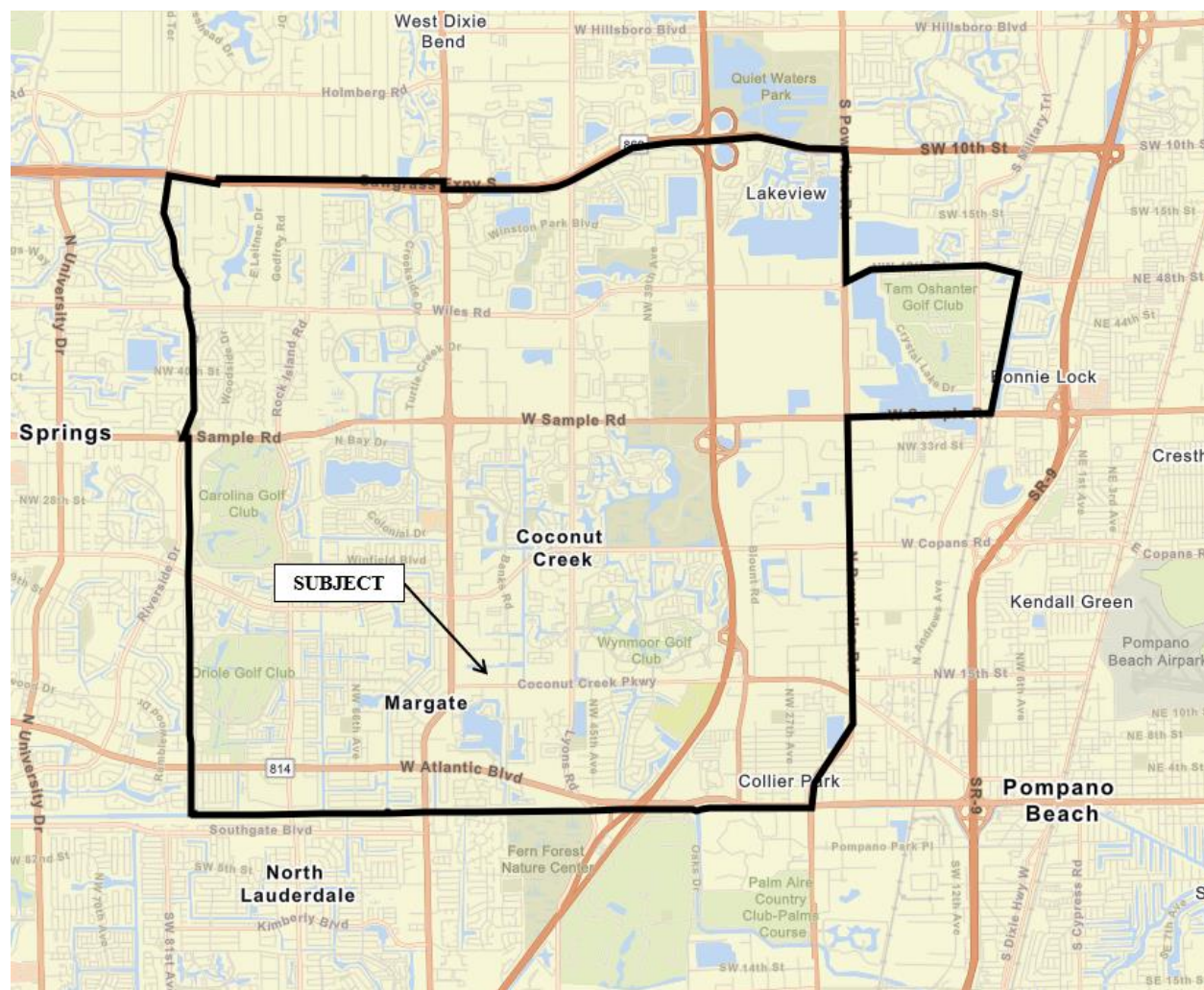
The PMA's boundaries were defined to include the City of Margate along with apartment nodes bounded by major commuting corridors surrounding the city:

Boundaries	Area of Delineation	Distance from Subject (mi)
Northern	Sawgrass Expressway	~3.8 miles
Southern	Stranahan River	~1.0 mile
Eastern	Powerline Road	~3.6 miles
Western	Stranahan River	~2.4 miles

The selected census tracts are presented in the chart as follows:

CENSUS TRACTS	
120110104.05	120110202.09
120110104.06	120110202.10
120110106.05	120110202.11
120110106.06	120110202.12
120110106.07	120110203.08
120110201.01	120110203.09
120110201.03	120110306.00
120110201.04	120110307.02
120110202.04	120110307.03
120110202.05	120110307.04
120110202.06	120110307.05
120110202.07	

The following map illustrates the PMA:



PMA Recent Demographic Trends

Historic counts and future estimates for households and population within the PMA are provided below utilizing current ESRI demographic information:

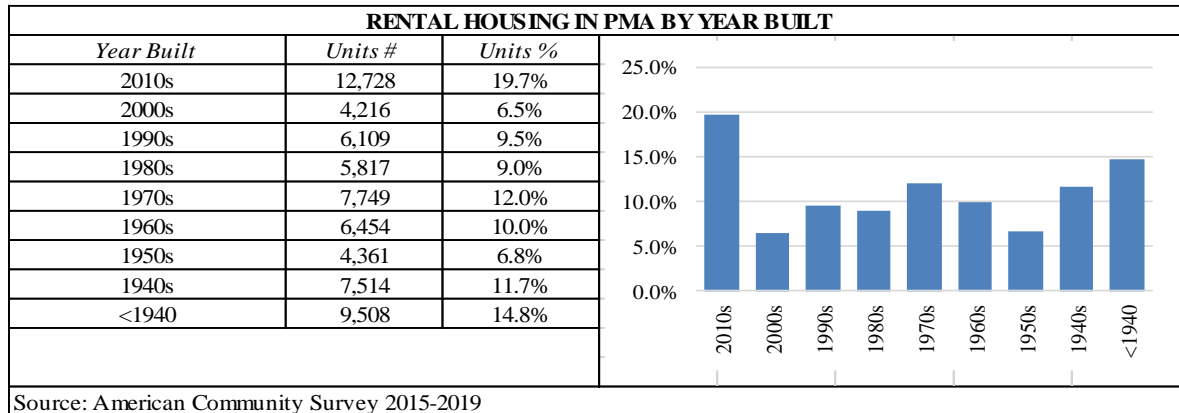
HOUSEHOLD GROWTH: PRIMARY MARKET AREA				
Year	Households	Change #	Change %	CAGR
2010	48,269	---	---	---
2021	51,568	3,299	6.8%	0.7%
2026	52,852	1,284	2.5%	0.5%
Source: STDB ESRI Site Analysis				

POPULATION GROWTH: PRIMARY MARKET AREA				
Year	Population	Change #	Change %	CAGR
2010	119,696	---	---	---
2021	129,898	10,202	8.5%	0.8%
2026	133,997	4,099	3.2%	0.6%
Source: STDB ESRI Site Analysis				

Households and population have maintained steady growth which is projected to continue through 2026. Household formation is constrained by lack of developable land and available rental product. The rental market is operating at capacity. The subject will alleviate pent up demand.

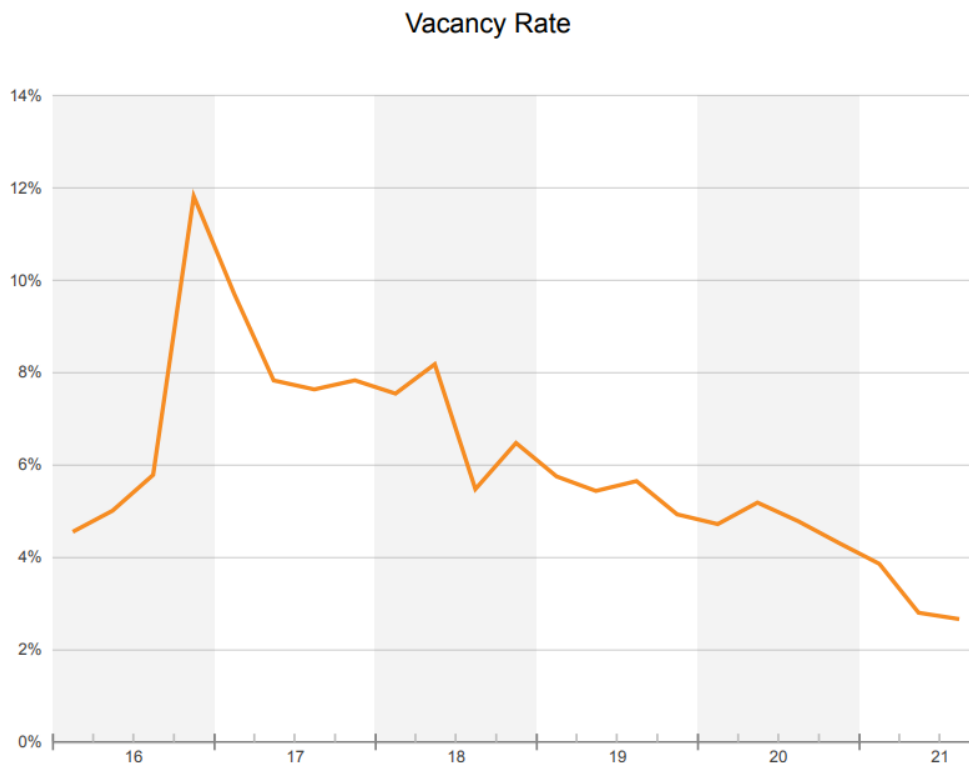
PMA Rental Market Overview

Rental housing options in the PMA are summarized by year built:



Most of the rental housing in the PMA was built in the past decade. As the area enters the redevelopment phase of its growth cycle, low-density development has been demolished so that higher-density residential such as apartments can be built.

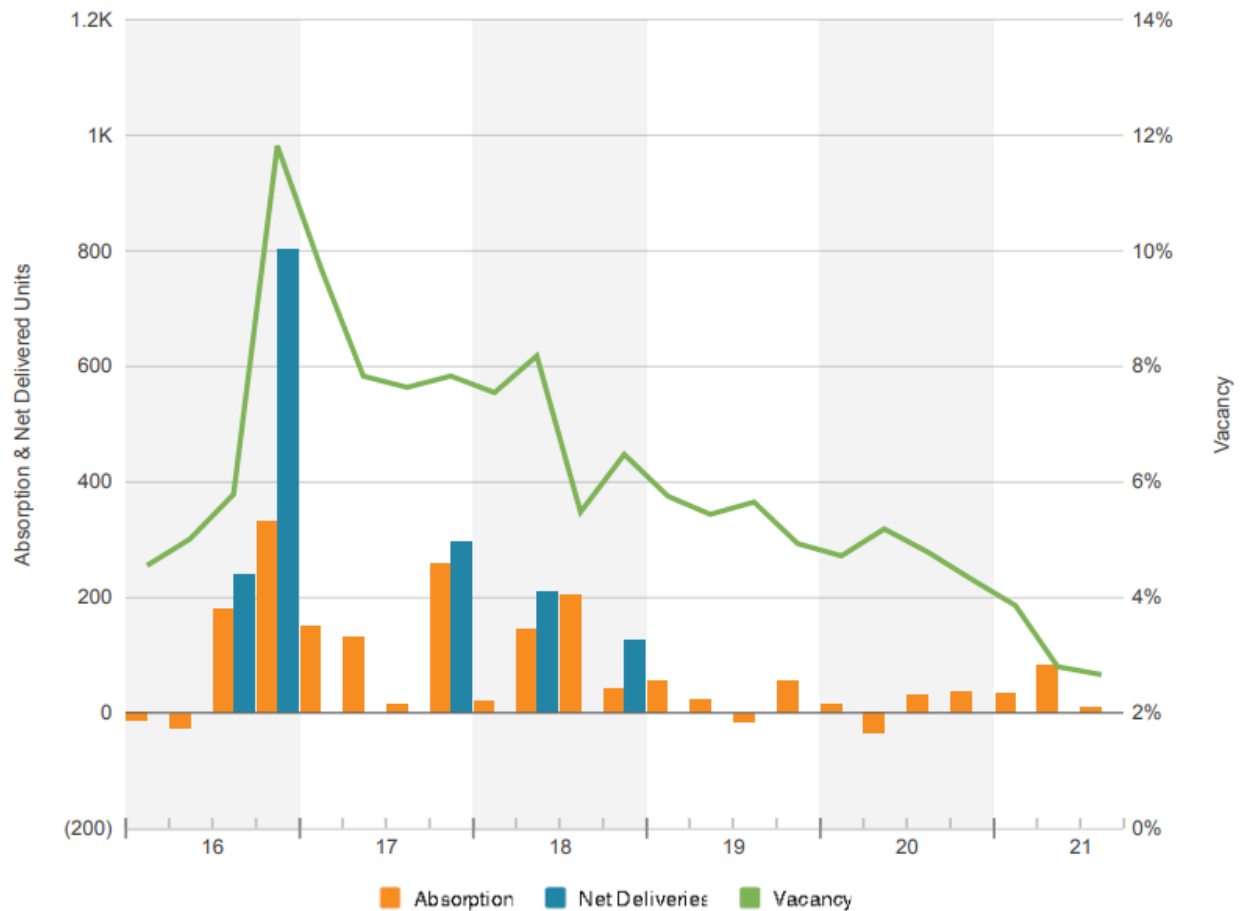
The vacancy of apartment communities within the PMA is presented:



Vacancy in the PMA spiked in 2016 as multiple communities delivered units but has trended downward in the following years. The market has been operating at stabilized levels since 2019. At the time of the survey, the market was 2.6% vacant, indicating an undersupply of apartments.

The vacancy rate relative to unit absorption and delivery is presented:

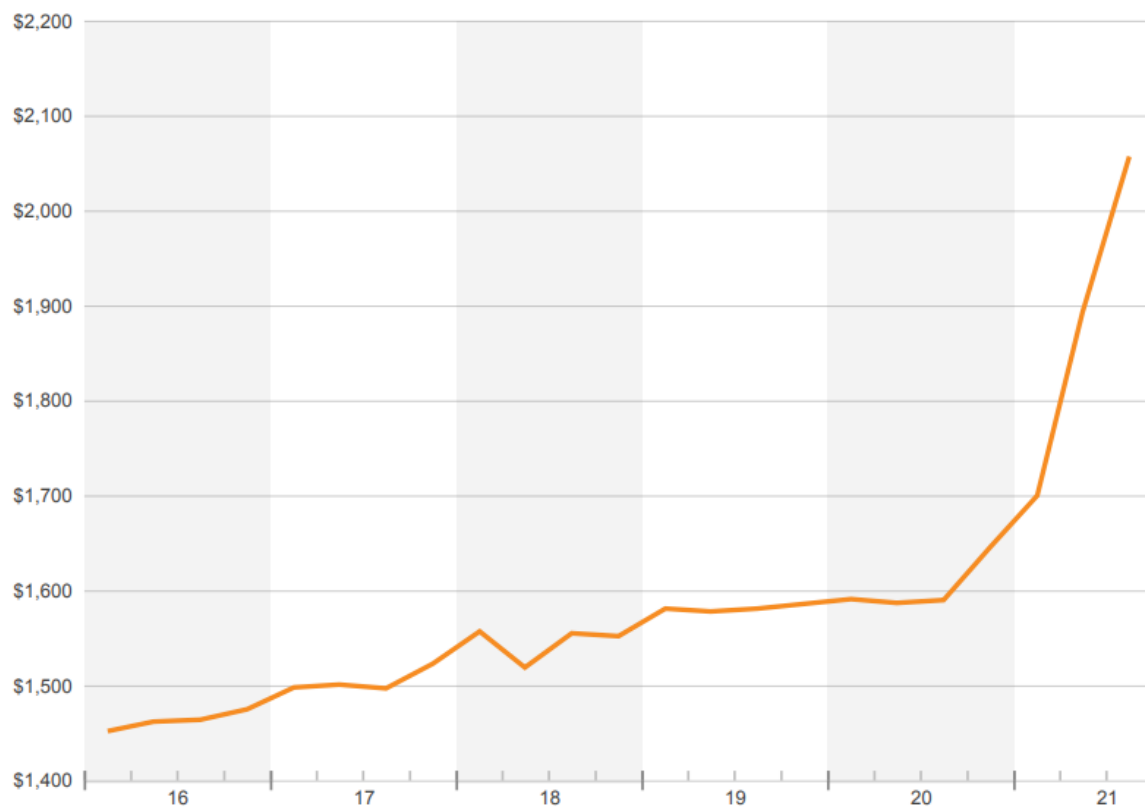
Absorption, Net Deliveries & Vacancy



The market continues to absorb units despite minimal market-rate rental product delivered in the past four years.

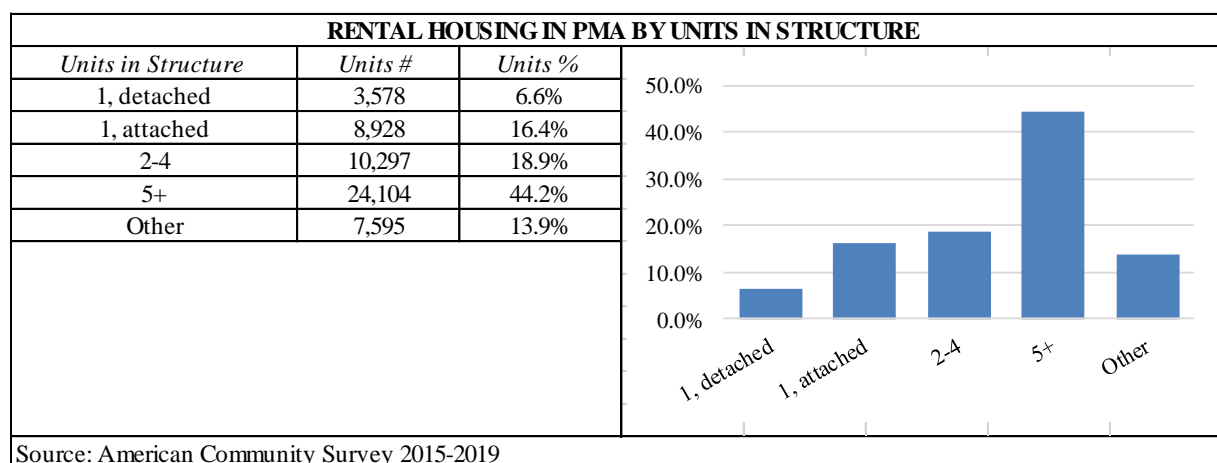
The undersupply of rental housing has fueled exponential rent growth:

Market Asking Rent Per Unit



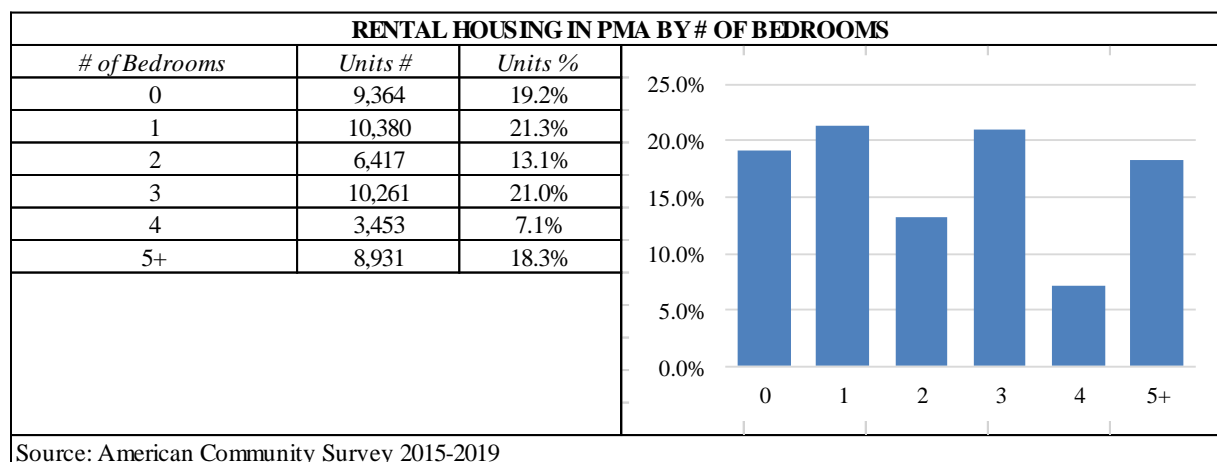
Average asking rent per unit has increased approximately 27% over the past year.

Rental housing options in the PMA are summarized by units per structure:



Most rental housing options in the PMA are 5+ units. Apartment complexes in the PMA are operating at capacity. With apartments as the predominant rental housing type in the area, limited rental options are available for new households.

Rental housing options in the PMA are summarized by number of bedrooms:



Rental housing options in the PMA contain a mix of bedroom types. Single family rentals skew towards three-bedrooms, while newer apartments contain a balanced mix including studio units.

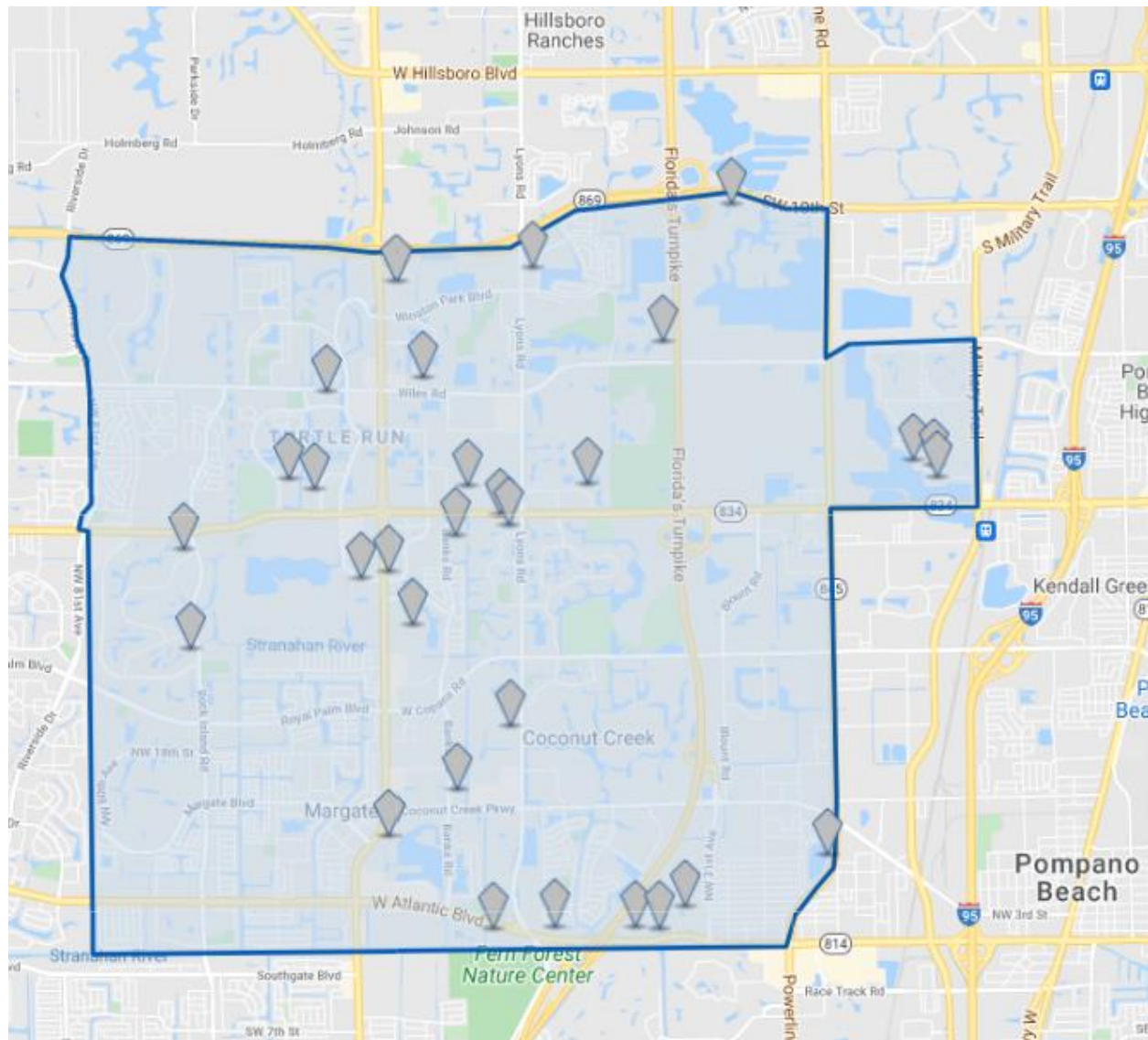
PMA Rental Survey Results

Rental apartment communities in the subject's region were interviewed in order to understand the dynamics of the market. Occupancy levels for the properties in the PMA are as follows:

APARTMENTS LOCATED WITHIN THE SUBJECT'S PMA					
Property Name	Year Built	Type	# Units	Occupancy	Occupied Units
Marquesa Apartments	2022	Market-Rate	220	--	--
Atlantico at Palm Aire	2018	Market-Rate	210	98%	205
Luzano Apartments	2016	Market-Rate	404	94%	380
The Reserve at Coral Springs	2017	Market-Rate	248	100%	248
Celebration Pointe	2016	Market-Rate	282	97%	272
Monarch Station	2017	Market-Rate	296	100%	295
Vista Verde at Coconut Creek	2004	Market-Rate	288	100%	288
Avalon Toscana	2016	Market-Rate	240	98%	235
Avana Cypress Creek	2009	Market-Rate	220	99%	217
The Club at Crystal Lakes	2018	Market-Rate	125	100%	124
Solaire at Coconut Creek	2014	Market-Rate	270	98%	266
The Park at Turtle Run Apartments	2002	Market-Rate	257	98%	252
The Enclave Apartments at Waterways	1998	Market-Rate	300	96%	289
St. Andrews at Winston Park Apartments	1997	Market-Rate	562	97%	543
The Grove at Turtle Run	1997	Market-Rate	510	100%	510
Forest Pointe Apartments	1995	Market-Rate	272	98%	267
The Fairways of Carolina Apartments	1993	Market-Rate	208	95%	198
Coconut Palm Club Apartments	1992	Market-Rate	301	96%	289
Cypress Shores	1991	Market-Rate	300	99%	297
Park Place At Turtle Run	1989	Market-Rate	350	98%	342
Pinebrook Pointe	1988	Market-Rate	394	96%	380
Blue Isle Apartment Homes	1988	Market-Rate	340	98%	334
Lakes of Margate	1987	Market-Rate	280	93%	261
Advenir at Cocoplum	1987	Market-Rate	360	97%	347
Banyan Bay	1986	Market-Rate	416	95%	397
The Landings at Coconut Creek	1985	Market-Rate	268	99%	266
Pinnacle Village Apartments	2005	Affordable	148	99%	147
Colonial Park Apartments	2003	Affordable	160	99%	158
Surveyed Rental Units in PMA			7,541	97%	7,342
Additional Properties in PMA					
Legacy at Palm Aire	1988	Market-Rate	260	NA	-
Crystal Rivierya Apartments	2016	Market-Rate	117	NA	-
Apartments at Crystal Lake	1959	Market-Rate	89	NA	-
Arbor View	2018	Affordable	100	NA	-
Banyan Pointe Apartments	2001	Affordable	300	NA	-

The market is operating at capacity. Leasing agents noted significant increases in rents due to supply constraints. Additions to supply are necessary to alleviate the pressure on supply by excess demand.

A map of the rental properties in the PMA is presented:



PMA Future Supply

There are no apartments, other than the subject, proposed or under construction in the PMA.

Absorption

The subject will be new construction and require lease up. The absorption rates for new properties in the area are provided:

ABSORPTION ANALYSIS					
Property	Month Lease-Up Began	Total # of Units	Months in Lease Up	Absorbed Units per Month	Current Occupancy
The Six13	Jul-20	142	5	26	98.0%
Catalina at Miramar	Oct-20	300	12	23	93.0%
Eurus at Miramar	Oct-20	280	12	22	98.0%

Source: Leasing agents at each community

There are no properties currently in lease up. The most recent properties to enter the market experienced strong absorption. With continued household growth and existing properties operating at capacity, the subject is likely to experience accelerated lease up.

The subject is anticipated to be fully absorbed within 11 months after leasing commences even with more moderate absorption project. The absorption schedule for the subject is estimated as follows:

Marquesa Apartments			
Total Units			220
Stabilized Occupancy			95.0%
Stabilized Units			209
	Move Ins	Occ. Units	Occupancy
Construction Begins	0.0	0.0	0%
Month 1 (First C/O - Leasing Begins)	20.0	20.0	9%
Month 2	20.0	40.0	18%
Month 3	20.0	60.0	27%
Month 4	20.0	80.0	36%
Month 5	20.0	100.0	45%
Month 6	20.0	120.0	55%
Month 7	20.0	140.0	64%
Month 8	20.0	160.0	73%
Month 9	20.0	180.0	82%
Month 10	20.0	200.0	91%
Month 11	9.0	209.0	95%
Total	209.0	209.0	95%

Conclusion

Conditions in the PMA are ideal for additions to supply. The area is in a redevelopment phase as old, low-density, or poorly maintained buildings are razed to make space for apartment complexes are single-family communities. Low vacancy rates caused by limited new rental product indicates there is pent up demand for rental housing. The lack of developable land will constrain future supply as developers must assemble parcels to redevelop. The subject will help fill a void in quality rental product.

Highest and Best Use (Intended)

Introduction

According to *The Appraisal of Real Estate*, the highest and best use of a property is defined as follows:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

Fundamental in the above definition are separate estimates of the highest and best use of the subject property as if vacant and as improved. Although the highest and best use of the site may be determined to be different from the existing improvements, the improvements will continue as the highest and best use until land value exceeds the properties total value plus demolition costs.

In this section of the appraisal, we address the highest and best use relative to the HUD requirement that the property be examined based on its intended use.

As-If Vacant

Physically Possible

The subject site is irregular rectangle in shape and contains 8.11 acres of land. The site is ample in size to accommodate a number of land uses. The site has excellent frontage and visibility, providing convenient access to major traffic routes in the area. As such, a residential (including multifamily) or residential support use would be physically possible.

Legally Permissible

The subject is zoned TOC-C, (Transit Orientated Corridor-Corridor) which allows apartment development. Moreover, the subject is located within an area that supports a multifamily use. The subject is a legally conforming use of the site and is compatible with adjacent land uses.

Financially Feasible

Because residential development was the intended use and the project is financially viable based on this appraisal, it is considered a feasible use of the property.

Conclusion of Highest and Best Use — (Intended)

The subject's intended use is considered to be the likely highest and best use as a multifamily development oriented to moderate income rental households.

Highest and Best Use – As Improved

The subject provides good-quality rental product designed to meet the needs of rental households. The subject's unit mix and improvements are physically well suited for the market. The subject's improvements are considered the highest and best use of the site.

Marketing Time and Financing

Typical Buyers

Typical buyers for apartment complexes similar to the subject include limited partnerships, REIT's, insurance companies and pension funds.

Marketing Time

According to the verifying sources for each of the sales within the Sales Comparison Approach, the typical marketing time for their respective complexes was 6± months.

Based on the actual marketing periods for several of the sales that will be discussed in detail in the Sales Comparison Approach, as well as the recent investor surveys, we estimated a typical marketing time for the subject of 6± months.

Exposure Time

Exposure time may be defined as follows:

The estimated length of time the property being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events, assuming a competitive and open market. (Source: "USPAP," Statement on Appraisal Standards No. 6 {SMT-6})

The market value estimates derived herein assume an exposure time for the subject of 6± months.

Financing

Financing for the subject property would most likely be obtained from an agency such as HUD, Freddie Mac or Fannie Mae as well as a regional bank or life insurance company. Permanent lenders in the area are presently underwriting loans based on a 1.176x to 1.25x DSCR, with 25- to 35-year amortization period, and a rate based on a spread of 175 to 250 basis points over the 10-year U.S. Treasury rate. Agency rates are between 4.0% and 5.0% depending on the property and various underwriting standards.

Appraisal Process

Three traditional approaches are normally used by appraisers in the estimation of market value of a property, providing data from three market perspectives. These three techniques are the cost approach, the income approach, and the sales comparison approach (market approach).

The **cost approach** is the sum of the land value and the cost new of the improvements less accrued depreciation. The cost approach is based on the premise that an informed, rational investor/purchaser would pay no more for an existing property than it would cost him to reproduce a substitute property with the same utility without undue delay. The cost approach provides an excellent valuation method for recently constructed or proposed improvements as well as unique or special purpose property types in which improved sales or comparable leases are not readily available.

The **sales comparison approach** (market approach) is the process of comparing prices paid for properties having a satisfactory degree of similarity to the subject property adjusted for differences in time, location, and physical characteristics. This approach is based upon the principle of substitution, which implies that a prudent purchaser will not pay more to buy a property than it would cost to buy a comparable substitute property in a similar location.

The **income approach** is based on the premise that a prudent investor would pay no more for the subject property than they would for another investment with similar risk and return characteristics. Since the value of an investment can be considered equal to the present worth of anticipated future benefits in the form of dollar income or amenities, this approach estimates the present value of the net income that the property is capable of producing. This amount is capitalized at a rate that should reflect risk to the investor and the amount of income necessary to support debt service or the mortgage requirement.

Each technique or approach to value has its strengths and weaknesses, depending largely on the type of property being appraised and the quality of available data. In most instances, one or more of these approaches will produce a more reliable value indication than the other approach or approaches.

The final step in the appraisal process is the reconciliation and correlation of all of the value indications into a final value estimate. This step usually begins with a discussion of the merits and demerits of each approach and an analysis of the reliability of the data used in each approach. It concludes with the statement of final value estimate.

Cost Approach

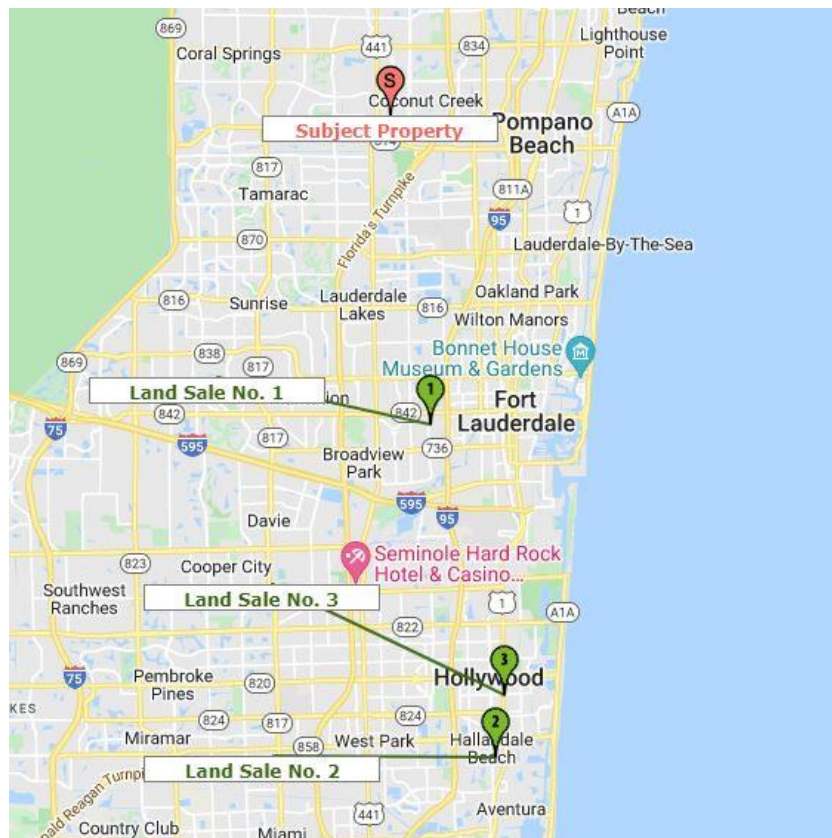
The cost approach is based on the principle of substitution, which states that a prudent purchaser would not pay more for a property than the amount required to purchase a similar site and construct similar improvements, without undue delay, to produce a property of equal desirability and utility. The procedure begins by estimating the value of the subject site at its highest and best use, based upon a market analysis of recent comparable sales of vacant land similar to the subject site. The next step involves estimating the current reproduction cost of the improvements including entrepreneurial profit, less accrued depreciation, if any. The final step involves adding the land value to the contributory value of the improvements to result in a value indication.

The subject is a proposed grandfathered use and if approved by city/county officials will not be required to provide income-restricted apartments

Basis of Analysis

Sales used to value the subject site were analyzed on a per unit basis. The locations of the land sales are referenced in the land sales map, and detailed descriptions of the comparable land sales are in the addenda. These complete discussions may facilitate further understanding of the adjustment discussion that follows the land sales analysis table.

Land Sales Map



Land Sales Summary

A summary of the sales follows.

LAND SALE DATA			
	1	2	3
Property ID	19381	19778	19780
Property Name	Sunset Colony Mobile Home Park - Pearl Riverland Apartments	Solaris - Development Site	Proposed Hudson Village
Address	400 SW 27th Ave	118 Southeast 7th Street	901 South Federal Highway
City/Municipality	Fort Lauderdale	Hallandale Beach	Hollywood
County	Broward	Broward	Broward
State	Florida	Florida	Florida
Zip Code	33312-2039	33009	33020
Zoning Description	Mobile Home Park	Central Regional Activity Center	Mixed Use
Seller	Clarkson-Bergman Family Partnership, LTD.	Crossings at Hallandale, LLC	VK Development Group, LLC
Buyer	Riverland Owner, LLC	Solaris Apartments, LTD	HTG Fiori, LLC
Sale Date	1/27/2020	11/17/2020	3/12/2020
Sale Price	\$10,000,000	\$4,500,000	\$3,500,000
Number of Acres	10.91	1.71	0.87
Number of Units	276	78	97
Price/Acre	\$916,466	\$2,638,646	\$4,029,194
Price/Unit	\$36,232	\$57,692	\$36,082

Land Sales Analysis

As shown in the table at the end of this section entitled land sale analysis, we made adjustments to the comparable sales as necessary to offset differences for various factors affecting value such as date of sale, location/access, zoning/density, physical characteristics, and condition/other. Explanations of the adjustment categories utilized to reflect the similarities between these sales and the subject property are discussed in the following section.

Sunset Colony Mobile Home Park - Pearl Riverland Apartments (Land Sale No. 1)

This land parcel is located on the east side of Southwest 27th Avenue, south of West Broward Boulevard, in Fort Lauderdale, Broward County, Florida. The zoning at the time was for mobile home park use but easily lends itself to multi-family development. Access is via the east side of Southwest 27th Avenue.

This sale occurred January 2020. It was a former mobile home park that was acquired to develop a 276-garden apartment community. There were no unusual sale conditions. The sale was contingent upon development approvals.

No adjustments were made for conditions of sale or financing. Market conditions relates to time and changes in investor activity. An adjustment was made for time based on a 2.0% annual change. The sale has a superior location in a higher income market. A downward adjustment was made. The zoning/density is similar, and no adjustment made. The frontage and exposure are similar. The neighborhood characteristics were taken into consideration in the location adjustment. No unusual site conditions existed, and no adjustment made. No other adjustments were made.

Solaris - Development Site (Land Sale No. 2)

This is a 1.70+/- acre tract located on the east side of South Dixie Highway and the southeast corner of Southeast 7th Street, in Hallandale Beach, Broward County, Florida. It is zones as a central regional activity center within the Transit Core. It permits a myriad of medium density uses.

This is the November 2020 sale of vacant cleared land that was purchased with the intent to develop an 8-story, 78-unit affordable housing project. Cornerstone Group Partners will develop the asset. Construction costs were estimated at \$26-million dollars.

No adjustments were made for conditions of sale or financing. Market conditions relates to time and changes in investor activity. An adjustment was made for time based on a 2.0% annual change. The sale has a superior location more proximate the urban center of Fort Lauderdale and adjusted downward. The zoning/density is higher and adjusted upward to reflect the theory high-density parcels will sell for less per-unit than low-density sites. The frontage and exposure are similar. The neighborhood characteristics were taken into consideration in the location adjustment. No unusual site conditions existed, and no adjustment made. No other adjustments were made.

Proposed Hudson Village (Land Sale No. 3)

This is a 0.87+/- acre tract located on the west side of South Federal Highway, between Washington Street and Dewey Street, in the City of Hollywood, Broward County, Florida. It is located in the Federal Highway Medium-High Intensity Mixed-Use District which permits a myriad of zoning options. There is a signalized intersection at the corner of Washington and South Federal Highway.

The sale occurred in March 2020 sale and consisted of vacant land acquired by the buyer for the development of an eight-story, 96-unit affordable apartment project. The project is named Hudson Village. There will be one and two-bedroom apartments for residents earning 30%, 60% and 70% of the local area median income. Rents will range from \$501 to \$1,403 a month for those who qualify. Amenities will include a 6,000-square-foot pool deck with swimming pool, BBQ area, clubhouse with kitchen, bar, and media center, fitness room, package delivery room, bike storage, and parking garage. There were no unusual sale conditions. The loan amount was \$27.9 million with \$26 million in 9 percent low-income housing tax credits from Florida Housing Finance Corporation, and \$9.75 million permanent loan from Walker & Dunlap, through Freddie Mack.

No adjustments were made for conditions of sale or financing. Market conditions relates to time and changes in investor activity. An adjustment was made for time based on a 2.0% annual change. The subject parcel has similar location, and no adjustment is made. The zoning/density is higher and adjusted upward to reflect the theory high-density parcels will sell for less per-unit than low-density sites. The frontage and exposure are similar. The neighborhood characteristics were taken into consideration in the location adjustment. No unusual site conditions existed, and no adjustment made. No other adjustments were made.

Conclusion Land Value Estimate

After analyzing all available land sales data and making the necessary adjustments, the indicated range of values for the subject was:

LAND VALUE RECONCILIATION	
Minimum	\$38,345
Maximum	\$52,702
Average	\$43,954
Standard Deviation	\$7,676
Reconciled Value	\$40,000

Most weight was placed on the Comparables 1 and 3. Sale 2 has a premium location with less weight placed on this transaction. The land analysis is presented:

8. Value Fully Improved	Location of Project				Units
	Margate				
	Comparable Sales Address No. 1	Comparable Sales Address No. 2	Comparable Sales Address No. 3	Comparable Sales Address No. 4	Comparable Sales Address No. 5
	Sunset Colony Mobile Home Park - Pearl Riverland Apartments	Solaris - Development Site	Proposed Hudson Village		Subject
	Fort Lauderdale	Hallandale Beach	Holly wood		
Date of Sale	January-20	November-20	March-20		
Sales Price	\$10,000,000	\$4,500,000	\$3,500,000		
Size (Acres)	10.91	1.71	0.87		8.11
Size (SF)	475,304	74,288	37,839		353,402
Number of Units	276	78	97		220
Density	25.29	45.74	111.67		27.12
Price per Unit	\$36,232	\$57,692	\$36,082		
Price Per Acre	\$916,466	\$2,638,646	\$4,029,194		
Price Per SF	\$21.04	\$60.57	\$92.50		
Unit of Comparison	\$36,232	\$57,692	\$36,082		
Adjustments (%)					
Time	5.8%	1.5%	2.8%		
Adjusted \$/Unit	\$38,345	\$58,558	\$37,105		
Location	0%	-15%	0%		
Zoning/Density	0%	5%	10%		
Frontage/Exposure	0%	0%	0%		
Neighborhood	0%	0%	0%		
Unusual Site conditions	0%	0%	0%		
Other	0%	0%	0%		
Total Adjustment Factor	0.0%	-10.0%	10.0%		
Adjusted Price	\$38,345	\$52,702	\$40,815		
Indicated Value by Comparison	\$8,435,990	\$11,594,423	\$8,979,364		
Reconciled:	\$40,000	Per Unit			\$8,800,000

Improvement Valuation

The steps in developing the cost approach:

- Estimate the value of the land as though vacant and available for development to its highest and best use.
- Estimate the reproduction or replacement cost of all improvements on the effective date of the appraisal. This includes direct (hard) and indirect (soft) costs.
- Estimate other costs (indirect costs) incurred after construction to bring the new, vacant building up to market conditions and occupancy levels.
- Estimate entrepreneurial profit, when appropriate, from an analysis of the market.
- Add estimated replacement or reproduction cost, indirect costs, and entrepreneurial profit, often expressed as a percentage of total direct and indirect costs and sometimes land value, to arrive at the total replacement or reproduction cost of the primary structure(s).
- Estimate the amount of accrued depreciation in the structure, which is divided into three major categories: physical deterioration, functional obsolescence, and external obsolescence.
- Deduct the estimated depreciation from the total reproduction or replacement costs of the structure to derive an estimate of the structure's depreciated reproduction or replacement costs.
- Estimate reproduction or replacement costs and depreciation for any accessory buildings and site improvements and then deduct estimated depreciation from the reproduction or replacement costs of these improvements. Site improvements and minor buildings are often appraised at their net value, i.e., directly on a depreciated basis.
- Add the depreciated reproduction or replacement costs of the structure, the accessory buildings, and the site improvements to obtain the estimated total depreciated reproduction or replacement cost of all improvements.
- Add the land value to the total depreciated reproduction or replacement cost of all improvements to arrive at the indicated value of the fee simple interest in the property.
- Adjust the indicated fee simple value to reflect the property interest being appraised, if necessary, to produce an indicated value for the interest in the subject property.

Replacement Cost New

Reproduction cost and replacement cost are the two types of cost. Replacement cost is the cost to construct a building having functional utility the same as the building being appraised. Reproduction cost is the cost to construct an exact replica of the subject. Both consist of the three basic components of direct costs, indirect costs, and entrepreneurial profit.

Reproduction cost is commonly used for structures that suffer from super-adequacies so that the impact of the superadequacy can be measured. Because the subject suffers from no super-adequacies, replacement cost is used in this analysis.

The replacement cost estimate was provided by the cost engineer.

Analysis of Depreciation

Depreciation is any loss in value from reproduction or replacement cost new as of the effective date of appraisal. Physical deterioration, functional obsolescence and external obsolescence are the three types of depreciation. Both physical deterioration and functional obsolescence can be segregated as either curable or incurable. External obsolescence is always said to be incurable, since only changes in circumstances outside of the property can reverse external obsolescence.

We measured incurable physical deterioration using the modified economic age-life method. This method presumes that the utility of improvements is reduced on a straight-line basis. It utilizes the estimated effective age and economic life of the improvements considered after correction of curable items of physical deterioration and functional obsolescence (if any). If the improvements suffer from external obsolescence, the effect of that upon the economic life should be considered.

There was no functional obsolescence noted.

Economic obsolescence does not exist in the subject market. Therefore, no external economic obsolescence was applied in the analysis.

The subject is proposed. No depreciation is deducted.

The following table summarizes the cost approach and concludes at a value indication.

G. Estimated Replacement Cost

36a. Unusual Land Improvements	\$	
b. Other Land Improvements	\$	
c. Total Land Improvements	\$	0

Structures

37. Main Buildings	\$	34,946,340	165
38. Accessory Buildings	\$		
39. Garages	\$		
40. All other Buildings	\$	0	
41. Total Structures	\$	34,946,340	
42. General Requirements	\$	0	
Subtotal		34,946,340	

Fees

43. Soft Costs	at	%	\$	484,653
44. Civil Engineering	at	%	\$	200,000
45. Arch. Fee-Design	at	%	\$	0
46. Impact Fees	at	%	\$	1,760,000
47. Permit Fees	at	%	\$	919,600
48. Other Fees	at	%	\$	398,660
49. Total Fees			\$	3,762,913
50. Total All Improvements				
(Lines 36c. plus 41 plus 42 plus 49)			\$	38,709,253
51. Cost Per Gross Sq. Ft.			\$	#VALUE!
52. Estimated Construction Time (Months)				18

Note 1: Jurisdictional Exception: In HUD programs, land, and/or existing improvements are not valued for their "highest and best use," but instead, for their intended multifamily use (See Section J analysis below.) (Exception: Title II or VI Preservation). Offsite improvements are assumed completed in new construction land valuations (See Line M17 for estimated cost.) Unusual costs of site preparation are deducted from the "Value of the Site Fully Improved" to determine "Warranted Price of Land Fully Improved."

Carrying Charges & Financing

53. Interest:	20	Mos. at	3.50%	
	on	\$40,000,000		\$ 0
54. Taxes				\$ 130,000
55. Insurance				\$ 450,000
56. FHA Mtg. Ins. Prem.	(	0.50%	)	\$ 200,000
57. FHA Exam Fee	(	0.30%	)	\$ 120,000
58. FHA. Inspec. Fee	(	0.50%	)	\$ 200,000
59. Financing Fee	(	3.03%	)	\$ 1,212,000
60. Permanent Placement	(	0.07%	)	\$ 28,000
61. Working Capital	(		)	\$ 200,000
62. Title & Recording				\$ 273,900
63. Total Carrying Charges & Financing				\$ 2,813,900

Legal, Organization & Audit Fee

64. Legal	\$	150,000
65. Organizational	\$	
66. Cost Certification Audit Fee	\$	
67. Total Legal, Organization & Audit Fees (64+65+66)	\$	150,000
68. Sponsor Profit & Risk", "Builder and Sponsor Profit & Risk	\$	500,000
69. Marketing	\$	250,000
70. Depreciation	\$	0
71. FF&E	\$	415,800
72. Total Est. Development Cost (Excl. of Land or Off-site Cost) (50 plus 63 plus 67 thru 71)	\$	42,838,953
73a. Warranted Price of Land J-14(3)		
353,402 sq. ft. @ \$ 24.90 per sq. ft.	8,800,000	* see note 1
73b. As Is Property Value (Rehab only)	\$	0 * see note 2
73c. Off-Site (if needed, Rehab only)	\$	0 * see note 1
74. Total Estimated Replacement Cost of Project		
(72 plus 73a or 73b and 73c)	\$	\$51,638,953

Sales Comparison Approach

The sales comparison approach is a method of estimating the market value of a property by the comparison of actual sales or offerings of properties considered similar to the subject. This approach reflects the market value of a property, based on actions of typical buyers and sellers in the marketplace, and simplifies the principles of substitution. The principle of substitution affirms that the maximum value of a property tends to be set by the cost of acquiring an equally desirable and valuable substitute property, assuming that no costly delays are encountered in making the substitution.

The Sales Comparison Approach is not required in a HUD 221(d)(4) Application.

Income Approach

Introduction

The income approach is based on the premise that a prudent investor would not pay more for an alternative investment that offers similar financial return characteristics. This method is usually the most appropriate technique for valuation of income producing properties similar to the subject.

The income approach is an appraisal technique that translates anticipated or future benefits from a property into an indication of value. The basic steps involved in the income approach include the following:

1. Research the subject market area for rental and expense information on similar properties to the subject.
2. Estimate potential gross income for the subject through analyzing appropriate market derived data and the subject's actual income.
3. Estimate appropriate vacancy and operating expenses for the subject to arrive at a net operating income.
4. Capitalize or discount net income to arrive at a present value indication that reflects typical market reactions and parameters.

Subject Base Rents

Base rents for the subject include the following:

FEATURES AND AMENITIES			
15. Equipment		16. Services	Type
a. A/C	CENTRAL	a. Heat/Type	Electric
b. Range/Oven	Yes	b. Cook/Type	Electric
c. Refrigerator	Yes	c. Electricity	Electric
d. Disposal	Yes	d. Water Cold/Hot	Electric
e. Microwave	Yes	17. Storage	No
f. Dishwasher	Yes	a. Secured Access	Yes
g. Washer/Dryer	Yes	b. Utilities in Rent	None
h. Carpet/Blinds	No/Yes		
i. Pool/Rec. Area	Yes/Yes		

Income and Expense Analysis:

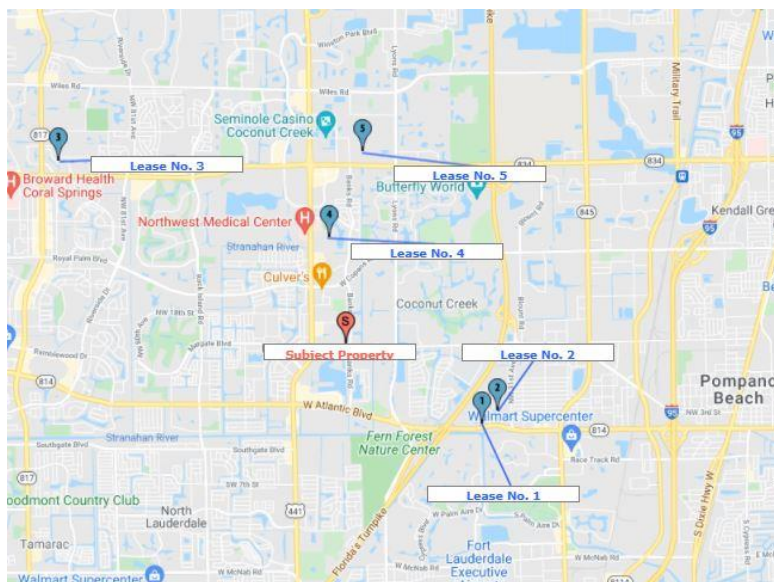
The income and expense analysis are provided in order to document via market rent comparables our estimate of rental revenue as provided on the HUD 92273 Forms. In addition, we have provided an operating expense analysis with descriptive support for our conclusions presented on HUD 92274 Form.

Market Rent Survey

The rental rates for the subject are based on a comparison of the direct competitors within the market. The properties utilized in the HUD 92273 Forms are illustrated on the map and then described. All rent comparables were selected based on their similarity to the subject, location within the immediate area and/or their targeted tenant is similar to the subject.

The following map shows the locations of the comparable rentals followed by a summary table and detailed written descriptions of each comparable in the addenda.

Comparable Rentals Map



A summary of the rental data for comparable properties follows.

Atlantico at Palm Aire (Lease No. 1)

Atlantico at Palm Aire is a 210-unit apartment community built in 2018. It offers one-, two-, and three-bedroom units ranging from 787 to 1,363 square feet. The community features a clubhouse, business center, fitness center, pool, barbeque/picnic area, playground, pet park, electric car charging stations, and gated/secured access. Each unit includes a balcony/patio, security system, walk-in closets, ceiling fans, porcelain tile, blinds, granite counter tops, stainless steel appliances, refrigerator, range/oven, dishwasher, garbage disposal, microwave, and washer/dryer.

Water, sewer, trash removal, pest control, and in-unit alarm are included in base rents. Detached garages and storage units are available for \$175 and \$30 per month, respectively. At the time of the survey, the property was 97.5% occupied and 100% leased.

Luzano Apartments (Lease No. 2)

Luzano Apartments is a 404-unit apartment community built in 2016. It offers one-, two-, and three-bedroom units ranging from 665 to 1,545 square feet. The community includes a clubhouse, fitness center, pool, barbeque/picnic area, playground, and pet park. Each unit includes a balcony/patio, walk-in closet, ceiling fan, wood vinyl flooring/tile/carpet, blinds, stainless steel appliances, refrigerator, range/oven, dishwasher, garbage disposal, microwave, and washer/dryer.

Pest control is included in base rents. Trash removal is billed at \$25 per month. Detached garages are available for \$200 per month. Storage units are available for \$25, \$38, and \$50 per month. Wood vinyl flooring is available for a premium of \$50 for one bedrooms and \$50 for two bedrooms. There are roughly \$1,000 premiums for units based on view and unit floor. At the time of the survey, occupancy was 94.1%

The Reserve at Coral Springs (Lease No. 3)

The Reserve at Coral Spring provides both flat-style apartments and townhome units. There is a clubhouse with swimming pool, media center, fitness center, game room with billiards table, BBQ and outdoor living with fireplace. The community is gated. Apartments include wood plank flooring, granite countertops, stainless steel appliances, washer & dryer included, hurricane impact windows and doors, and patio/balcony.

Pest control is included in rent. Trash removal is billed above rent at \$20 per month. Carports and detached garages are available for \$50 and \$150 per month, respectively. At the time of the survey, occupancy was 100%.

Celebration Pointe (Lease No. 4)

Celebration Pointe is a 282-unit multifamily facility built in 2016. It offers one-, two-, and three-bedroom units ranging in size from 786 to 1,154 square feet. The community features a clubhouse, business center, fitness center, pool, barbeque/picnic area, playground, pet park, and gated access. Unit amenities include balcony/patio, tile flooring, walk-in closet, granite countertop, stainless steel appliances, refrigerator, range/oven, microwave, dishwasher, garbage disposal, and washer/dryer.

No utilities are included in rent. Sewer, trash removal, and pest control are billed above rent at \$25.54, \$25 and \$3 per month, respectively. Detached garages are available for \$150 per month. At the time of the survey, the property was 96.5% occupied and 97.6% leased.

Monarch Station (Lease No. 5)

The property offers a clubhouse, social lounge, fitness center, business area, plaza area, car charging station, and BBQ area. The apartment buildings are elevator-served. Apartments have stainless steel appliances including refrigerator, oven/stove, microwave, dishwasher, garbage disposal, wood-style flooring, and washer/dryers.

Trash removal and pest control are included in rent. Detached garages and storage are available for \$150 and \$35 per month, respectively. At the time of the survey, the property was 99.7% occupied.

Rental Rate Analysis

The market rent comparables discussed above were utilized in the rent adjustment grid for each unit type that is provided in the addenda. The following paragraphs provide a discussion of each of the line items that were considered as part of the analysis.

Effective Date of Rental

The market was surveyed at the time of inspection. All of the rent comparables were surveyed during the same period. As such, no adjustment was made for the effective date.

Type of Project/Stories

The subject will be an elevator-serviced midrise. Comparable Five is also elevator-serviced, and the remaining comparables are garden-style. The comparables were adjusted according to the style of apartment buildings offered relative to the subject. The adjustment was calculated according to the following:

Elevator Adjustment			
Property	Unit Type	SF	Adj. Rent
Monarch Station (Elevator)	1x1	860	\$2,195
Celebration Pointe	1x1	786	\$2,103
	Difference	(74)	\$91.80
Monarch Station (Elevator)	3x2	1,352	\$2,566.40
Celebration Pointe	3x2	1,154	\$2,455.80
	Difference	(198)	\$110.60
Conclusion			\$100

Floor of Unit in Building

The subject and the rent comparables were all analyzed based on “base” rents. Thus, no adjustments were necessary for floor of unit within a building.

Project Occupancy

The subject’s estimated stabilized occupancy level includes physical loss. This is the same as the comparables. The comparables were all operating at stabilized occupancies and no adjustment was necessary.

Concessions

Concessions in the market are generally reflected in current market rents. If management finds they have an unusually high vacancy rate in a particular type of unit, a temporary move-in special might be offered. However, these are temporary in nature and not considered a significant factor in the overall marketplace. Further, properties may suppress rental rates due to additions to supply and competition in the market. The comparables were not offering concessions at the time of the survey. No adjustment was made.

Year Built/Age

The adjustment process employed for age takes into consideration a number of factors. These include differences in standards due to changes in lifestyles of rental tenants, modernization of appliances and/or lack thereof, floor plan layouts, as well as general quality. A new community has the opportunity to utilize all of the most modern construction techniques and features to provide state-of-the-art residences. Today, features that are in demand include washer/dryers in the units, wireless internet access and open floor plans. This is different than when apartments were constructed with more closed interiors and did not provide washer/dryers or internet access. The basis for adjustments is from comparisons of older properties with newer properties and pricing differentials over the course of time. This methodology provides a quantification process that can be calculated rather than utilizing a more subjective basis of comparing “good” to “average” to “fair.”

The subject will be new construction. The comparables similar in era and were not adjusted for age.

Square Feet Area

An adjustment is made for differences in unit size. An analysis was conducted of similar unit types within the same complex to determine a size adjustment. The size adjustment was estimated as follows:

SF Adjustment			
Property	Unit Type	SF	Rent
Avena Cypress Creek	1 x 1	811	\$1,883
	1 x 1	1,097	\$1,960
	Difference	286	\$77
	Total Difference		\$77
	SF Adjustment		\$0.27
Conclusion			\$0.30

Number of Bedrooms

A bedroom adjustment is made if the number of bedrooms in the subject is different from the rent comparables. No adjustment was necessary.

Number of Bathrooms

A bathroom adjustment is made if the number of bathrooms in the subject is different from the rent comparables. The adjustment is provided:

Bathroom Adjustment			
Property	Unit Type	SF	Rent
The Edge by Common	1x1	779	\$2,089
	1x2	957	\$2,223
	Difference	178	\$134.00
	SF Adjustment		(\$53.40)
	Remainder is Bathroom		\$80.60
Community Acres	2x1	805	\$1,380
	2x2	1,000	\$1,495
	Difference	195	\$115.00
	SF Adjustment		(\$58.50)
	Remainder is Bathroom		\$56.50
Conclusion		Full Bath	\$60

Due to the lack of apartments in the PMA that offer varying numbers of bathrooms, comparables from the Greater Fort Lauderdale area were utilized to derive an adjustment.

Garage or Carport/Covered Parking

The subject and the comparables do not provide garages within base rent.

Equipment

The subject provides functional equipment within the apartments. This includes oven/stove, garbage disposal, central AC, refrigerator, dishwasher, carpet, and window covering. Further, the complex features a complement of recreational amenities.

Adjustments to the rent comparables were made if they provided equipment or complex amenities that were superior or inferior to the subject. Adjustments of \$2 were made to the rent comparables where necessary. The adjustment is based on discussions with leasing agents and the value presented with different equipment.

Washer/Dryer

The subject will provide a washer/dryer. The comparables also provide washer/dryers.

Services

The subject and all of the comparables provide electric appliances and central HVAC. No adjustments were required for services.

Storage Units

The subject does not provide additional storage within units that include a balcony/patio. No adjustment was required for this line item.

Project Location

The subject and all of the comparables are located in the same market. All the rent comparables were considered similar and not adjusted.

Project Amenity Package

The subject and comparables offer similar amenity packages. No adjustment was made.

Limited Access

The subject will feature secured access. Comparables that do not offer this feature were adjusted downward by

Utilities in Rent

The subject does not provide utilities in rent. Those comparables that provide different utilities in their base rents were adjusted as follows:

Trash Adjustment	
Property	Trash Amount
Luzano Apartments	\$25
The Reserve at Coral Springs	\$20
Conclusion	\$25

Water/Sewer Adjustment			
Property	1x1	2x2	3x2
Utility Allowance - Water	\$17	\$19	\$26
Utility Allowance - Sewer	\$37	\$42	\$53
Conclusion	\$54	\$61	\$79

Market Rental Rate Conclusions

The concluded market rents are shown on the following table:

SUBJECT RENT CONCLUSIONS					
Unit Size			Market Rent		
Unit Type	(SF)	No. of Units	Monthly	Per SF	Annual Rent
1x1	715	68	\$1,985	\$2.78	\$1,619,760
2x2	1,059	120	\$2,615	\$2.47	\$3,765,600
3x2	1,128	32	\$2,875	\$2.55	\$1,104,000
Totals/Average	963	220	\$2,458	\$2.55	\$6,489,360

The subject will be a high-quality, modern-designed rental community and should set near the higher-end of the market. The concluded rents in comparison to the comparable range is provided:

SUBJECT RENT CONCLUSIONS IN COMPARISON TO MARKET RANGE				
Unit Type	Unit Size	Comparable Low End of Range	Comparable High End of Range	Subject Rent Conclusion
1x1	715	\$1,704	\$2,203	\$1,985
2x2	1,059	\$1,997	\$2,808	\$2,615
3x2	1,128	\$2,230	\$2,905	\$2,875

The rent conclusions are within the range of the comparables. The market is reporting positive trends in occupancy and rental rates.

The HUD 92273 Forms are as follows:

Estimates of Market Rent by Comparison				U.S. Department of Housing and Urban Development Office of Housing				OMB Approval No. 2502-0029 (exp. 07/31/2009)			
1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)		B. Comparable Property No. 2 (address)		C. Comparable Property No. 3 (address)		D. Comparable Property No. 4 (address)		E. Comparable Property No. 5 (address)	
A	Marquesa Apartments	Atlantico at Palm Aire		Luzano Apartments		The Reserve at Coral Springs		Celebration Pointe		Monarch Station	
Address	5203-5231 Coconut Creek Parkway	3360 NW 1st Court		100 NW 33rd Avenue		3591 NW 88th Dr		5555 Celebration Point Lane		4901 W Sample Rd	
City	Margate	Pompano Beach		Pompano Beach		Coral Springs		Margate		Coconut Creek	
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments
3. Effective Date of Rental	Aug-21	Aug-21	- +	Aug-21	- +	Aug-21	- +	Aug-21	- +	Aug-21	- +
4. Type of Project/Stories	Elevator/4	Garden/3	\$100.00	Garden/3	\$100.00	Garden/3	\$100.00	Garden/3	\$100.00	Elevator/4	
5. Floor of Unit in Building	Base	Base		Base		Base		Base		Base	
6. Project Occupancy %	93.0%	98%		94%		100%		97%		100%	
7. Concessions	None	None		None		None		None		None	
8. Year Built	2023	2018		2016		2017		2016		2017	
9. Sq. Ft. Area	715	787	(\$21.60)	798	(\$24.90)	851	(\$40.80)	786	(\$21.30)	860	(\$43.50)
10. Number of Bedrooms	1.0	1.0		1.0		1.0		1.0		1.0	
11. Number of Baths	1.0	1.0		1.0		1.0		1.0		1.0	
12. Number of Rooms	4.0	4.0		4.0		4.0		4.0		4.0	
13. Balc/Terrace/Patio/Sunroom	Yes	Yes		Yes		Yes		Yes		Yes	
14. Garage or Carport	No	No		No		No		No		No	
15. Equipment											
a. A/C	CENTRAL	CENTRAL		CENTRAL		CENTRAL		CENTRAL		CENTRAL	
b. Range/Oven	Yes	Yes		Yes		Yes		Yes		Yes	
c. Refrigerator	Yes	Yes		Yes		Yes		Yes		Yes	
d. Disposal	Yes	Yes		Yes		Yes		Yes		Yes	
e. Microwave	Yes	Yes		Yes		Yes		Yes		Yes	
f. Dishwasher	Yes	Yes		Yes		Yes		Yes		Yes	
g. Washer/Dryer	Yes	Yes		Yes		Yes		Yes		Yes	
h. Carpet/Blinds	No/Yes	No/Yes		Yes/Yes		Yes/Yes		No/No		No/Yes	
i. Pool/Rec. Area	Yes/Yes	Yes/Yes		Yes/Yes		Yes/Yes		Yes/Yes		Yes/Yes	
16. Services											
a. Heat/Type	ELECTRIC	ELECTRIC		ELECTRIC		ELECTRIC		ELECTRIC		ELECTRIC	
b. Cook/Type	ELECTRIC	ELECTRIC		ELECTRIC		ELECTRIC		ELECTRIC		ELECTRIC	
c. Electricity	ELECTRIC	ELECTRIC		ELECTRIC		ELECTRIC		ELECTRIC		ELECTRIC	
d. Water Cold/Hot	ELECTRIC	ELECTRIC		ELECTRIC		ELECTRIC		ELECTRIC		ELECTRIC	
17. Storage	No	No		No		Yes	(\$2.00)	No		No	
18. Project Location	GOOD	SIMILAR		SIMILAR		SIMILAR		SIMILAR		SIMILAR	
19. Other											
a. Secured Access	Yes	Yes		No	\$2.00	Yes		Yes		Yes	
b. Utilities in Rent	None	WSTP	(\$82.00)	P	(\$3.00)	P	(\$3.00)	None		TP	(\$28.00)
20. Unit Rent per Month		\$1,979		\$2,035		\$1,650		\$2,124		\$2,266	
21. Total Adjustment			(\$3.60)		\$74.10		\$54.20		\$78.70		(\$71.50)
22. Indicated Rent	\$2.78	\$1,975.40	\$2.51	\$2,109.10	\$2.64	\$1,704.20	\$2.00	\$2,202.70	\$2.80	\$2,194.50	\$2.55
Concluded Rent	\$1,985	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of the page.									
Adjustments	W/S	One Bed	Two Bed	Three Bed							
		\$54.00	\$61.00	\$79.00							
	Trash	\$25									
	Cable/Internet	\$0	Pest Control	\$3							
Previous versions are obsolete					form HUD-92273 (07/2009)						

Estimates of Market by Comparison		U.S. Department of Housing and Urban Development Office of Housing										OMB Approval No. 2502-0029 (exp. 07/31/2009)					
1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)			B. Comparable Property No. 2 (address)			C. Comparable Property No. 3 (address)			D. Comparable Property No. 4 (address)			E. Comparable Property No. 5 (address)			
B	Marquesa Apartments	Atlantico at Palm Aire			Luzano Apartments			The Reserve at Coral Springs			Celebration Pointe			Monarch Station			
Address	5203-5231 Coconut Creek Parkway	3360 NW 1st Court			100 NW 33rd Avenue			3591 NW 88th Dr			5555 Celebration Point Lane			4901 W Sample Rd			
City	Margate	Pompano Beach			Pompano Beach			Coral Springs			Margate			Coconut Creek			
Characteristics	Data	Data	Adjustments		Data	Adjustments		Data	Adjustments		Data	Adjustments		Data	Adjustments		
3. Effective Date of Rental	Aug-21	Aug-21	-	+	Aug-21	-	+	Aug-21	-	+	Aug-21	-	+	Aug-21	-	+	
4. Type of Project/Stories	Elevator/4	Garden/3		\$100.00	Garden/3		\$100.00	Garden/3		\$100.00	Garden/3		\$100.00	Elevator/4			
5. Floor of Unit in Building	Base	Base			Base			Base			Base			Base			
6. Project Occupancy %	93.0%	98%			94%			100%			97%			100%			
7. Concessions	None	None			None			None			None			None			
8. Year Built	2023	2018			2016			2017			2016			2017			
9. Sq. Ft. Area	1,059	958		\$30.30	1,140		(\$24.30)	1,218		(\$47.70)	1,045		\$4.20	1,271		(\$63.60)	
10. Number of Bedrooms	2.0	2.0			2.0			2.0			2.0			2.0			
11. Number of Baths	2.0	2.0			2.0			2.0			2.0			2.0			
12. Number of Rooms	6.0	6.0			6.0			6.0			6.0			6.0			
13. Balc/Terrace/Patio/Sunroom	Yes	Yes			Yes			Yes			Yes			Yes			
14. Garage or Carport	No	No			No			No			No			No			
15. Equipment																	
a. A/C	CENTRAL	CENTRAL			CENTRAL			CENTRAL			CENTRAL			CENTRAL			
b. Range/Oven	Yes	Yes			Yes			Yes			Yes			Yes			
c. Refrigerator	Yes	Yes			Yes			Yes			Yes			Yes			
d. Disposal	Yes	Yes			Yes			Yes			Yes			Yes			
e. Microwave	Yes	Yes			Yes			Yes			Yes			Yes			
f. Dishwasher	Yes	Yes			Yes			Yes			Yes			Yes			
g. Washer/Dryer	Yes	Yes			Yes			Yes			Yes			Yes			
h. Carpet/Blinds	No/Yes	No/Yes			Yes/Yes			Yes/Yes			No/No			No/Yes			
i. Pool/Rec. Area	Yes/Yes	Yes/Yes			Yes/Yes			Yes/Yes			Yes/Yes			Yes/Yes			
16. Services																	
a. Heat/Type	ELECTRIC	ELECTRIC			ELECTRIC			ELECTRIC			ELECTRIC			ELECTRIC			
b. Cook/Type	ELECTRIC	ELECTRIC			ELECTRIC			ELECTRIC			ELECTRIC			ELECTRIC			
c. Electricity	ELECTRIC	ELECTRIC			ELECTRIC			ELECTRIC			ELECTRIC			ELECTRIC			
d. Water Cold/Hot	ELECTRIC	ELECTRIC			ELECTRIC			ELECTRIC			ELECTRIC			ELECTRIC			
17. Storage	No	No			No			Yes		(\$2.00)	No			No			
18. Project Location	GOOD	SIMILAR			SIMILAR			SIMILAR			SIMILAR			SIMILAR			
19. Other																	
a. Secured Access	Yes	Yes			No		\$2.00	Yes			Yes			Yes			
b. Utilities in Rent	None	WSTP		(\$89.00)	P		(\$3.00)	P		(\$3.00)	None			TP		(\$28.00)	
20. Unit Rent per Month		\$2,100			\$2,390			\$1,950			\$2,249			\$2,900			
21. Total Adjustment				\$41.30			\$74.70			\$47.30			\$104.20			(\$91.60)	
22. Indicated Rent	\$2.47	\$2,141.30	\$2.24		\$2,464.70	\$2.16		\$1,997.30	\$1.64		\$2,353.20	\$2.25		\$2,808.40	\$2.21		
Concluded Rent	\$2,615		<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of the page.														
Adjustments	W/S	One Bed	Two Bed	Three Bed													
		\$54.00	\$61.00	\$79.00													
	Trash	\$25			Appraiser's Signature <i>Kay Hauck</i> Date (mm/dd/yyyy) 8/11/2021												
	Cable/Internet	\$0	Pest Control	\$3	Reviewer's Signature Date (mm/dd/yyyy)												
Previous versions are obsolete														form HUD-92273 (07/2009)			

Estimates of Market by Comparison		U.S. Department of Housing and Urban Development Office of Housing										OMB Approval No. 2502-0029 (exp. 07/31/2009)				
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C	Marquesa Apartments	Atlantico at Palm Aire			Luzano Apartments			The Reserve at Coral Springs			Celebration Pointe			Monarch Station		
Address	5203-5231 Coconut Creek Parkway	3360 NW 1st Court			100 NW 33rd Avenue			3591 NW 88th Dr			5555 Celebration Point Lane			4901 W Sample Rd		
City	Margate	Pompano Beach			Pompano Beach			Coral Springs			Margate			Coconut Creek		
Characteristics	Data	Data	Adjustments		Data	Adjustments		Data	Adjustments		Data	Adjustments		Data	Adjustments	
3. Effective Date of Rental	Aug-21	Aug-21	-	+	Aug-21	-	+	Aug-21	-	+	Aug-21	-	+	Aug-21	-	+
4. Type of Project/Stories	Elevator/4	Garden/3		\$100.00	Garden/3		\$100.00	Garden/3		\$100.00	Garden/3		\$100.00	Elevator/4		
5. Floor of Unit in Building	Base	Base			Base			Base			Base			Base		
6. Project Occupancy %	93.0%	98%			94%			100%			97%			100%		
7. Concessions	None	None			None			None			None			None		
8. Year Built	2023	2018			2016			2017			2016			2017		
9. Sq. Ft. Area	1,128	1,363	(\$70.50)		1,491	(\$108.90)		1,345	(\$65.10)		1,154	(\$7.80)		1,352	(\$67.20)	
10. Number of Bedrooms	3.0	3.0			3.0			3.0			3.0			3.0		
11. Number of Baths	2.0	2.0			2.0			2.0			2.0			2.0		
12. Number of Rooms	7.0	7.0			7.0			7.0			7.0			7.0		
13. Balc/Terrace/Patio/Sunroom	Yes	Yes			Yes			Yes			Yes			Yes		
14. Garage or Carport	No	No			No			No			No			No		
15. Equipment																
a. A/C	CENTRAL	CENTRAL			CENTRAL			CENTRAL			CENTRAL			CENTRAL		
b. Range/Oven	Yes	Yes			Yes			Yes			Yes			Yes		
c. Refrigerator	Yes	Yes			Yes			Yes			Yes			Yes		
d. Disposal	Yes	Yes			Yes			Yes			Yes			Yes		
e. Microwave	Yes	Yes			Yes			Yes			Yes			Yes		
f. Dishwasher	Yes	Yes			Yes			Yes			Yes			Yes		
g. Washer/Dryer	Yes	Yes			Yes			Yes			Yes			Yes		
h. Carpet/Blinds	No/Yes	No/Yes			Yes/Yes			Yes/Yes			No/No			No/Yes		
i. Pool/Rec. Area	Yes/Yes	Yes/Yes			Yes/Yes			Yes/Yes			Yes/Yes			Yes/Yes		
16. Services																
a. Heat/Type	ELECTRIC	ELECTRIC			ELECTRIC			ELECTRIC			ELECTRIC			ELECTRIC		
b. Cook/Type	ELECTRIC	ELECTRIC			ELECTRIC			ELECTRIC			ELECTRIC			ELECTRIC		
c. Electricity	ELECTRIC	ELECTRIC			ELECTRIC			ELECTRIC			ELECTRIC			ELECTRIC		
d. Water Cold/Hot	ELECTRIC	ELECTRIC			ELECTRIC			ELECTRIC			ELECTRIC			ELECTRIC		
17. Storage	No	No			No			Yes	(\$2.00)		No			No		
18. Project Location	GOOD	SIMILAR			SIMILAR			SIMILAR			SIMILAR			SIMILAR		
19. Other																
a. Secured Access	Yes	Yes			No		\$2.00	Yes			Yes			Yes		
b. Utilities in Rent	None	WSTP	(\$107.00)		P	(\$3.00)		P	(\$3.00)		None			TP	(\$28.00)	
20. Unit Rent per Month		\$2,700			\$2,800			\$2,200			\$2,802			\$3,000		
21. Total Adjustment			(\$77.50)			(\$9.90)		\$29.90			\$92.20				(\$95.20)	
22. Indicated Rent	\$2.55	\$2,622.50	\$1.92		\$2,790.10	\$1.87		\$2,229.90	\$1.66		\$2,894.20	\$2.51		\$2,904.80	\$2.15	
Concluded Rent	\$2,875	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of the page.														
Adjustments	W/S	One Bed	Two Bed	Three Bed												
		\$54.00	\$61.00	\$79.00												
	Trash	\$25			Appraiser's Signature <i>Kay Hauchick</i>											
	Cable/Internet	\$0	Pest Control	\$3	Date (mm/dd/yyyy) 8/11/2021											
Reviewer's Signature																
Date (mm/dd/yyyy) 8/11/2021																
Previous versions are obsolete																
form HUD-92273 (07/2009)																

Other Income

There are a number of other income items that the subject utilizes to generate additional revenue. The expense comparables provide a summary as noted:

OTHER INCOME COMPARABLES					
Comparables	1	2	3	Projection	Projection w/Vacancy
Utility Reimbursement	\$56.25	\$43.27	\$99.89	\$37.50	\$34.87
Garage & Storage Revenue	\$17.98	\$0.00	\$19.56	\$6.05	\$5.62
Miscellaneous Revenue	\$47.36	\$28.30	\$62.63	\$60.00	\$55.80
Cable TV Revenue	\$5.89	\$0.00	\$3.32	\$0.00	\$0.00
Pet Fees	\$4.02	\$3.26	\$6.60	\$7.00	\$6.51
Premium Rent	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$131.50	\$74.83	\$192.00	\$110.54	\$102.80

These items are further discussed below:

Utility Allowance

The subject will receive reimbursements for utilities. The reimbursement is based on Comparables 2 and 3 were recent in their conversion to utility reimbursements. The projection is provided:

Utility Reimbursement			
Item:	Units	Reimbursement \$/Unit/Month	Reimbursement Annual \$
Water/Sewer One Bed	68	\$12.00	\$9,792.00
Water/Sewer Two Bed	120	\$16.00	\$23,040.00
Water/Sewer Three Bed	32	\$20.00	\$7,680.00
Trash	220	\$18.75	\$49,500.00
Pest Control	220	\$3.40	\$8,976.00
Total	220	\$70.15	\$98,988.00

The projection is provided:

Utility Reimbursement			
	Budget	Conclusion - Market	After vacancy- Market
Per Unit/Month	\$32.36	\$37.50	\$34.87
Per Unit	\$388	\$450	\$418
Revenue	\$85,418	\$98,988	\$92,059

Garage/Storage

The subject will provide 38 storage spaces for rent. Market Comparables provide the following:

Storage Comparables-Monthly Fees	
Property	Storage
Atlantica	\$30
Luzan	\$25, \$38, \$50
Monarch Station	\$35
Subject Projection	\$35

Reliance is placed on the budget:

Garage & Storage Revenue			
	Budget	Conclusion - Market	After vacancy- Market
Per Unit/Month	\$6.06	\$6.05	\$5.62
Per Unit	\$73	\$73	\$67
Revenue	\$16,000	\$15,960	\$14,843

Miscellaneous Income

Miscellaneous income can be generated from a number of other sources. Generally, other revenue items that are available are late fees, vending income, application fees, etc. The projection is based on the comparables. The projection follows:

Miscellaneous Revenue			
	Budget	Conclusion - Market	After vacancy- Market
Per Unit/Month	\$55.15	\$60.00	\$55.80
Per Unit	\$662	\$720	\$670
Revenue	\$145,596	\$158,400	\$147,312

Pet Fees

The subject will charge pet deposits and monthly rent. This is projected based on the comparables and the number of pet owners on-site.

Pet Fees			
	Budget	Conclusion - Market	After vacancy- Market
Per Unit/Month	\$0.00	\$7.00	\$6.51
Per Unit	\$0	\$84	\$78
Revenue	\$0	\$18,480	\$17,186

Total Other Income

The total other income for the subject is summarized in the following chart:

Other Potential Income/Loss	Unit #	\$	Monthly	Annually
Utility Reimbursement	220	\$37.50	/Month	\$98,988
Garage & Storage Revenue	220	\$6.05	/Month	\$15,960
Miscellaneous Revenue	220	\$60.00	/Month	\$158,400
Pet Fees	220	\$7.00	/Month	\$18,480
Total Other Income	220	\$110.54	/Month	\$291,828

Forecasted Stabilized Occupancy

Occupancy levels of properties in the area follows:

MARKET-AREA RENTAL PROPERTIES				
Property Name	Year Built	Number of Units	Occupancy	Occupied Units
<i>SUBJECT - Projected</i>	<i>2023</i>	<i>220</i>	<i>93.0%</i>	<i>205</i>
1 Atlantico at Palm Aire -Lease Up	2018	210	97.5%	205
2 Luzano Apartments	2016	404	94.1%	380
3 The Reserve at Coral Springs	2017	248	100.0%	248
4 Celebration Pointe	2016	282	96.5%	272
5 Monarch Station	2017	296	99.7%	295
6 Vista Verde at Coconut Creek	2004	288	100.0%	288
7 Avalon Toscana	2016	240	98.0%	235
8 Avana Cypress Creek	2009	220	98.6%	217
Totals-Stabilized Properties		1,960	84.1%	1,648
Totals Includes Lease-Up Properties		2,188	97.8%	2,140

Most of the apartment communities report stabilized occupancy levels. The projection is based on a stabilized property:

Projected Market Occupancy	93.0%
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Total Revenue

Total revenue for the subject is estimated at a 93% occupancy level that includes vacancy and collection loss as follows:

Marquesa Apartments Revenue Projections - Market					
Unit Type					93.0%
	SF	Units	Monthly Rate		Annual
1x1	715	68	\$1,985	/Month	\$1,619,760
2x2	1,059	120	\$2,615	/Month	\$3,765,600
3x2	1,128	32	\$2,875	/Month	\$1,104,000
Gross Rental Revenue		220	\$2,458	/Month	\$6,489,360
Other Potential Income/Loss					
Utility Reimbursement		220	\$37.50	/Month	\$98,988
Garage & Storage Revenue		220	\$6.05	/Month	\$15,960
Miscellaneous Revenue		220	\$60.00	/Month	\$158,400
Pet Fees		220	\$7.00	/Month	\$18,480
Total Other Income		220	\$110.54	/Month	\$291,828
Gross Income Potential					\$6,781,188
Vacancy Factor					7.0%
Vacancy Amount					(\$474,683)
Effective Gross Income		220	\$2,389	/Month	\$6,306,505
EGI Per Unit					\$28,666

Expense Comparables and Analysis

Expense comparables utilized were considered to represent the best comparables relative to the subject. Our search for expense comparables was based primarily on properties that would operate in a similar manner to the subject. We were able to obtain expense information in sufficient detail to apply them to the HUD 92274 Form. A brief summary of the income and expense comparables utilized in the analysis are presented in the following table.

EXPENSE COMPARABLES-MARKET												
Property Name	Solmar on Six				Legacy Palm Aire				33 West			
												
Address	Ft. Lauderdale				Pompano Beach				Ft. Lauderdale, FL			
Type of Project	Market-Rate				Market-Rate				Market-Rate			
# of Stories	5				2				3			
Type of Construction	Masonry				Wood Frame				Wood Frame			
# of Units	286				260				376			
Year Built	2009				1988				2014			
Project Unit Composition	BDRM	BDRM	BDRM	BDRM	BDRM	BDRM	BDRM	BDRM	BDRM	BDRM	BDRM	BDRM
Composition	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
No. of Each Type Unit	94	140	52		96	164			168	184	24	
Sq. Ft. Each Type Unit	835	1,219	1,488		752	978			709	1,178	1,442	
Average Unit Area	1,142				895				985			
Comparability	Similar				Similar				Similar			

Trending

An updating percentage is defined as the application of a time adjustment to comparables in order to bring them forward to the same date as the most current comparable. The subject is then compared to the trended expenses. Once the subject's expense estimates have been made, then a final upward trend is applied from the point in time of the expense estimate to the current date. The trending date is the "beginning" period of the financial information utilized. For example, a financial period from January 1 through December 31 would have a "date" of January 1. The subject's expenses are trended forward to the valuation date.

Advertising

Advertising is generally the cost for local apartment guides, yellow pages, internet web pages and promotional efforts. The comparables provide the following:

TOTAL ADVERTISING & MARKETING				
	Comp. 1	Comp 2	Comp 3	Projection - Market
Total Advertising & Marketing	\$369	\$87	\$158	\$200
Projection				\$44,000

Advertising is higher for Comparables 1 and 2 that included a significant amount of resident-oriented event expenses. Near the middle portion of the range was relied upon for the projection:

ADVERTISING		
	Budget	Conclusion - Market
Per Unit	\$188	\$200
Expense	\$41,360	\$44,000

Management Fee

Management fees in the market generally range from 3% to 5%. The projection relative to the comparables is presented as follows:

TOTAL MANAGEMENT FEE				
	Comp. 1	Comp 2	Comp 3	Projection - Market
Total Management Fee	\$677	\$608	\$498	\$1,003
	2.73%	3.50%	2.28%	3.50%
Projection				\$220,728

The budget and projection for management fee expense is presented below:

MANAGEMENT FEE		
	Budget	Conclusion - Market
Per Unit	\$834	\$1,003
Revenue	3.50%	3.50%
Expense	\$183,439	\$220,728

The management fee for the subject is based on the management contract.

General Administrative

The general administrative expense includes the costs related to such items as office supplies, telephones, computer equipment and maintenance, travel, training, accounting, and legal. The comparables provide the following:

TOTAL OTHER GENERAL ADMINISTRATIVE				
	Comp. 1	Comp 2	Comp 3	Projection - Market
Total General Administrative	\$427	\$160	\$229	\$300
Projection				\$66,000

Owners are not consistent with the items that will be classified as “general administrative.” Greatest reliance is placed on near the middle-portion of the range. The budget is presented below:

OTHER-GENERAL ADMINISTRATIVE		
	Budget	Conclusion - Market
Per Unit	\$200	\$300
Expense	\$44,000	\$66,000

Total Administration

Total administrative expenses for the comparables compared to the subject’s projection are as follows:

TOTAL ADMINISTRATIVE				
	Comp. 1	Comp 2	Comp 3	Projection - Market
Total Administrative	\$1,473	\$855	\$885	\$1,503
Projection				\$330,728

The subject’s projection is within the range of the comparables. The budget follows:

TOTAL ADMINISTRATIVE EXPENSES (ADV, MGMT, AND GEN)		
	Budget	Conclusion - Market
Per Unit	\$1,222	\$1,503
Expense	\$268,799	\$330,728

Elevator

The subject will be elevator-serviced. Elevator expense for the comparables is provided:

TOTAL ELEVATOR EXPENSE				
	Comp. 1	Comp 2	Comp 3	Projection - Market
Total Elevator Expense	\$116	\$0	\$0	\$120
Projection				\$26,400

Two of the comparables are not elevator-serviced. Reliance was placed on Comparable One:

ELEVATOR		
	Budget	Conclusion - Market
Per Unit	\$0	\$120
Expense	\$0	\$26,400

Utilities

This category includes all of the costs related to the property owner's utilities. Utility costs were examined on an individual basis for electric, water/sewer, and garbage removal. The comparables provide the following:

TOTAL UTILITIES				
Electricity				
	Comp. 1	Comp 2	Comp 3	Projection - Market
Electricity	\$343	\$93	\$200	\$250
Water/Sewer				
	Comp. 1	Comp 2	Comp 3	Projection - Market
Water/Sewer	\$550	\$606	\$1,074	\$600
Gas				
	Comp. 1	Comp 2	Comp 3	Projection - Market
Gas	\$0	\$0	\$6	\$0
Trash				
	Comp. 1	Comp 2	Comp 3	Projection - Market
Trash	\$314	\$179	\$249	\$250
Projection				\$242,000

Utility costs are property specific and not directly comparable. The utility reimbursement includes water/sewer and trash as well as pest control. Comparable 3 had experienced a high-water usage and not directly comparable. Reliance was placed on Comparables 1 and 2. Trash is projected with reliance on Comparables 1 and 3 that have a similar tenant profile.

The budget versus the projection follows:

UTILITIES		
Electricity		
	Budget	Conclusion - Market
Per Unit	\$425	\$250
Expense	\$93,500	\$55,000
Water/Sewer		
Per Unit	\$0	\$600
Expense	\$0	\$132,000
Gas		
Per Unit	\$0	\$0
Expense	\$0	\$0
Garbage/Trash Removal		
Per Unit	\$0	\$250
Expense	\$0	\$55,000
Projection		\$242,000

Payroll/Taxes & Benefits

Payroll expenses were based on the subject's salary information. The following staffing chart was utilized as the basis for the projection of payroll expenses.

PAYROLL AND RELATED - MARKET		FTE	Annual
Manager	\$65,000 /year	1.0	\$65,000
Leasing Agent/ Asst. Mgr	\$16.00 /hour	1.5	\$49,920
Maintenance	\$20.00 /hour	1.0	\$41,600
Asst. Maintenance	\$15.00 /hour	3.0	\$93,600
Total Payroll		6.5	\$250,120

The comparables provide the following:

TOTAL PAYROLL & RELATED				
	Comp. 1	Comp 2	Comp 3	Projection - Market
Total Payroll & Related	\$1,334	\$1,238	\$1,073	\$1,137
Projection				\$250,120

The comparables were relied on for the projection. The budget includes payroll taxes and benefits. The projection follows:

PAYROLL		
	Budget	Conclusion - Market
Per Unit	\$1,222	\$1,137
Expense	\$268,840	\$250,120

Total Operation

Total operating expenses for the comparables and the subject is provided below:

TOTAL OPERATING				
	Comp. 1	Comp 2	Comp 3	Projection - Market
Total Operating	\$2,676	\$2,117	\$2,601	\$2,357
Projection				\$518,520

The projection is within the range of the comparables. The budget and projection are provided below:

TOTAL OPERATION EXPENSES (UTILITIES AND PAYROLL)		
	Budget	Conclusion - Market
Per Unit	\$1,647	\$2,357
Expense	\$362,340	\$518,520

Decorating

Operators are not consistent with the items they classify as turnover costs/decorating. Total decorating expenses for the comparables and the subject is provided below:

TOTAL DECORATING				
	Comp. 1	Comp 2	Comp 3	Projection - Market
Total Decorating	\$106	\$314	\$258	\$260
Projection				\$57,200

The subject will utilize low maintenance construction including faux wood flooring in most of the common areas and in high traffic areas within the apartments. This will reduce maintenance expenditures. The budget does not break out this expense:

DECORATING		
	Budget	Conclusion - Market
Per Unit	\$200	\$260
Expense	\$44,000	\$57,200

Repairs

Repair expenses can vary widely by the condition of units, common areas and turnover rates. The comparables provide the following:

TOTAL REPAIRS				
	Comp. 1	Comp 2	Comp 3	Projection - Market
Total Repairs	\$663	\$362	\$322	\$350
Projection				\$77,000
Decorating & Repairs	\$769	\$677	\$580	\$610

The projection is similar to Comparable One. The subject's budget is presented as follows:

REPAIRS		
	Budget	Conclusion - Market
Per Unit	\$250	\$350
Expense	\$55,000	\$77,000
Combined Dec. & Repairs	\$450	\$610

Exterminating

The comparables provide the following range:

TOTAL EXTERMINATING				
	Comp. 1	Comp 2	Comp 3	Projection - Market
Total Exterminating	\$34	\$27	\$62	\$45
Projection				\$9,900

The projection is similar to the comparables. The budget did not include a separate exterminating expense for the subject:

EXTERMINATING		
	Budget	Conclusion - Market
Per Unit	\$0	\$45
Expense	\$0	\$9,900

Insurance

The comparables provide the following range:

TOTAL INSURANCE				
	Comp. 1	Comp 2	Comp 3	Projection - Market
Total Insurance	\$943	\$623	\$428	\$935
Projection				\$205,700

Insurance is property specific. Reliance is placed on the comparables. The budget and projection are provided:

INSURANCE		
	Budget	Conclusion - Market
Per Unit	\$950	\$935
Expense	\$209,000	\$205,700

The insurance projection is based on a one asset insurance policy.

Grounds Maintenance

Grounds maintenance expenses include all of the costs relating to the upkeep of the grounds, including landscaping. These costs can vary depending on the size and landscaping program of the property. The comparables provide the following:

TOTAL GROUNDS MAINTENANCE				
	Comp. 1	Comp 2	Comp 3	Projection - Market
Total Grounds Maintenance	\$125	\$217	\$321	\$400
Projection				\$88,000

Reliance is placed on the budget:

GROUNDS MAINTENANCE		
	Budget	Conclusion - Market
Per Unit	\$400	\$400
Expense	\$88,000	\$88,000

Total Maintenance

The total maintenance expense includes the sum of decorating, repairs, exterminating, insurance, and grounds maintenance. The comparables provide the following:

TOTAL MAINTENANCE				
	Comp. 1	Comp 2	Comp 3	Projection - Market
Total Maintenance	\$2,162	\$1,544	\$1,464	\$1,990
Projection				\$437,800

The subject's total maintenance expense is supported by the comparables. The budget versus the projection follows:

TOTAL MAINTENANCE (DEC/REPAIRS, EXT, INS, AND GROUNDS)		
	Budget	Conclusion - Market
Per Unit	\$1,800	\$1,990
Expense	\$396,000	\$437,800

Replacement Reserves

Replacement reserves were estimated at a market level:

TOTAL RESERVES	
	Conclusion - Market
Per Unit	\$250
Expense	\$55,000

Taxes and Insurance

Taxes and other includes real estate taxes and related. Property liability insurance was included under maintenance. Reliance for real estate taxes were based on our previous ad valorem analysis. The comparables provide the following:

TOTAL TAXES				
	Comp. 1	Comp 2	Comp 3	Projection - Market
Real Estate Taxes	\$4,392	\$2,464	\$4,612	\$4,400
Payroll Taxes & Benefits	\$361	\$342	\$278	\$267
Total Taxes	\$4,753	\$2,807	\$4,890	\$4,667
Projection				\$1,026,778

The cost for this category is property specific. The budget is as follows:

TOTAL REAL ESTATE AND RELATED EXPENSES		
	Budget	Conclusion - Market
Real Estate Taxes (Per Unit)	\$2,900	\$4,400
Payroll Taxes & Benefits	\$0	\$267
Total Per Unit	\$2,900	\$4,667
Expense	\$638,000	\$1,026,778

Real estate taxes were projected at market.

Overall Expenses

Overall expenses for the comparables are presented as follows:

TOTAL EXPENSES				
	Comp. 1	Comp 2	Comp 3	Projection - Market
Total Expenses	\$11,064	\$7,322	\$9,841	\$10,767
Projection				\$2,368,826

Overall projected expenses are within the range of the comparables. The following is the budget expense total for the subject:

OVERALL EXPENSES		
	Budget	Conclusion - Market
Per Unit	\$7,849	\$10,767
Expense	\$1,726,739	\$2,368,826

Overall, the individual expense categories were projected at a market level.

Revenue and Expense Summary

The revenue and expense estimates for the subject are projected to be as follows:

REVENUE AND EXPENSE SUMMARY-MARKET	
Potential Rental Income	\$6,489,360
Other Income	\$291,828
Potential Gross Income	\$6,781,188
Less: Vacancy and Collection	(\$474,683)
Effective Gross Income	\$6,306,505
Less: Total Expenses	(\$2,368,826)
Apt. Net Operating Income	\$3,937,679

FINANCIAL ANALYSIS				
Units Operating Year	220 Budget		220 Projected	
	Actual	Per Unit	Dollars	Per Unit
Revenues				
Rental Revenue	\$5,335,200	\$24,251	\$6,489,360	\$29,497
Utility Reimbursement	\$85,418	\$388	\$98,988	\$450
Garage & Storage Revenue	\$16,000	\$73	\$15,960	\$73
Miscellaneous Revenue	\$145,596	\$662	\$158,400	\$720
Pet Fees	\$0	\$0	\$18,480	\$84
Vacancy and Collections	(\$341,112)	(\$1,551)	(\$474,683)	(\$2,158)
Effective Gross Income	\$5,241,102	\$23,823	\$6,306,505	\$28,666
Administrative				
Advertising	\$41,360	\$188	\$44,000	\$200
Management Fee	\$183,439	\$834	\$220,728	\$1,003
Other-General Administrative	\$44,000	\$200	\$66,000	\$300
Total Administrative	\$268,799	\$1,222	\$330,728	\$1,503
Operating				
Elevator	\$0	\$0	\$26,400	\$120
Electricity	\$93,500	\$425	\$55,000	\$250
Water/Sewer	\$0	\$0	\$132,000	\$600
Garbage/Trash Removal	\$0	\$0	\$55,000	\$250
Payroll	\$268,840	\$1,222	\$250,120	\$1,137
Total Operating	\$362,340	\$1,647	\$518,520	\$2,357
Maintenance				
Decorating	\$44,000	\$200	\$57,200	\$260
Repairs	\$55,000	\$250	\$77,000	\$350
Exterminating	\$0	\$0	\$9,900	\$45
Insurance	\$209,000	\$950	\$205,700	\$935
Grounds Maintenance	\$88,000	\$400	\$88,000	\$400
Total Maintenance	\$396,000	\$1,800	\$437,800	\$1,990
Replacement Reserves	\$61,600	\$280	\$55,000	\$250
Taxes				
Real Estate Taxes	\$638,000	\$2,900	\$968,000	\$4,400
Employee Payroll Tax	\$0	\$0	\$20,010	\$91
Workers Compensation	\$0	\$0	\$3,752	\$17
Employee Benefits	\$0	\$0	\$35,017	\$159
Total Taxes	\$638,000	\$2,900	\$1,026,778	\$4,667
Total Expenses	\$1,726,739	\$7,849	\$2,368,826	\$10,767
Net Operating Income	\$3,514,363	\$15,974	\$3,937,679	\$17,899

Operating Expense Analysis Worksheet

U.S. Department of Housing and Urban Development

OMB Approval No. 2502-0331
(exp. 4/30/2006)

Office of Housing
Federal Housing Commissioner

Kay Hauck

MARKET SCENARIO

See Instructions on back and Refer to Handbook
4480.1 for details on completing this form.

Project Name Marquesa Apartments										Project Number							
City Margate										Date of Appraisal (mm/dd/yyyy) August 11, 2021							
Signature of Processor										Signature of Reviewer				Date (mm/dd/yyyy)			
Project Name		Solmar on Six				Legacy Palm Aire				33 West				Marquesa Apartments			
Project Number																	
Location		Ft. Lauderdale				Pompano Beach				Ft. Lauderdale, FL				Margate			
Type of Project		Market-Rate				Market-Rate				Market-Rate				Market Rate			
No. of Stories		5				2				3				4			
Type of Construction		Masonry				Wood Frame				Wood Frame				C - Masonry			
No. of Living Units		286				260				376				220			
Age of Project		2009				1988				2014				2023			
Project Unit Composition		BRM	BRM	BRM	BRM	BRM	BRM	BRM	BRM	BRM	BRM	BRM	BRM	BRM	BRM	BRM	BRM
Composition		(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
No. of Each Type Unit		94	140	52	0	96	164	0	0	168	184	24	0	68	120	32	0
Sq. Ft. Each Type Unit		835	1,219	1,488	0	752	978	0	0	709	1,178	1,442	0	715	1,059	1,128	
Average Unit Area		1142				895				985				963			
Same Tax Rate as Subject*		No				No				No							
Effective Date/Updating		8/1/2019				7/1/2020				1/1/2017				8/11/2021			
Months/Percentage		0.00		0.0%		28.00		4.7%		18.00		3.0%					
Same Utility Rate *		No				No				No							
Equip. & Services Inc. in Rent																	
Equipment Included in Rent										Services Included in Rent							
1	Ranges & Refrig.	2	Carpet & Drapes	3	Disposal	Gas	10	Heat	11	Cooking	12	Hot Water	13	A/C			
4	Dishwasher	5	Laundry Fac.	6	Air Cond.	Elec.	14	Heat	15	Cooking	16	Hot Water	17	A/C	18	Lights	
7	Microwave	8	Pool/Tennis	9	Other	Other Fuel	19	Heat	20	Hot Water	21	Water	22	Other	Trash Removal/Pest		

Items of Expense by Units of Comparison ***	Exp.	Adj. + −	Ind. Exp.	Exp.	Updated Exp.	Adj. + −	Ind. Exp.	Exp.	Updated Exp.	Adj. + −	Ind. Exp.	Correlated Expense-Market Scenario	
													Trended
1. Advertising	\$369	\$0	\$369	\$83	\$87	\$0	\$87	\$154	\$158	\$0	\$158	\$197	\$200
2. Management	\$677	\$0	\$677	\$581	\$608	\$0	\$608	\$483	\$498	\$0	\$498	\$990	\$1,003
3. Other	\$427	\$0	\$427	\$152	\$160	\$0	\$160	\$222	\$229	\$0	\$229	\$296	\$300
4. Total Admin.	\$1,473	\$0	\$1,473	\$816	\$855	\$0	\$855	\$859	\$885	\$0	\$885	\$1,484	\$1,503
5. Elevator	\$116	\$0	\$116	\$0	\$0	\$0		\$0	\$0	\$0		\$118	\$120
6. Fuel	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0
7. Lighting & Mis. Power	\$343	\$0	\$343	\$89	\$93	\$0	\$93	\$194	\$200	\$0	\$200	\$247	\$250
8. Water	\$550	\$0	\$550	\$579	\$606	\$0	\$606	\$1,042	\$1,074	\$0	\$1,074	\$592	\$600
9. Gas	\$0	\$0		\$0	\$0	\$0		\$6	\$6	\$0	\$6	\$0	\$0
10. Garbage & Trash	\$314	\$0	\$314	\$171	\$179	\$0	\$179	\$241	\$249	\$0	\$249	\$247	\$250
11. Payroll	\$1,334	\$0	\$1,334	\$1,182	\$1,238	\$0	\$1,238	\$1,042	\$1,073	\$0	\$1,073	\$1,122	\$1,137
12. Other	\$18	\$0	\$18	\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0
13. Total Operating	\$2,676	\$0	\$2,676	\$2,021	\$2,117	\$0	\$2,117	\$2,525	\$2,601	\$0	\$2,601	\$2,326	\$2,357
14. Decorating	\$106	\$0	\$106	\$300	\$314	\$0	\$314	\$250	\$258	\$0	\$258	\$257	\$260
15. Repairs	\$663	\$0	\$663	\$346	\$362	\$0	\$362	\$313	\$322	\$0	\$322	\$345	\$350
16. Exterminating	\$34	\$0	\$34	\$26	\$27	\$0	\$27	\$60	\$62	\$0	\$62	\$44	\$45
17. Insurance	\$943	\$0	\$943	\$595	\$623	\$0	\$623	\$415	\$428	\$0	\$428	\$923	\$935
18. Ground Expenses	\$125	\$0	\$125	\$207	\$217	\$0	\$217	\$312	\$321	\$0	\$321	\$395	\$400
19. Other	\$292	\$0	\$292	\$0	\$0	\$0		\$72	\$74	\$0	\$74	\$0	\$0
20. Total Maint.	\$2,162	\$0	\$2,162	\$1,474	\$1,544	\$0	\$1,544	\$1,422	\$1,464	\$0	\$1,464	\$1,964	\$1,990
20a. Total Operating Expense Exclusive of Reserve Time and Trend (Sum of Lines 4, 13 and 20)												\$5,773	
20b. Trend Adjustment				Aug-21				Annual Rate		2.00%		1.33%	
21. Replacement Reserve (Per Applicable Formula from Forms HUD-92264 or HUD-92264B)												\$250	
22. Total Operating Expenses Including Reserve Time and Trend (Sum of Lines 20a, 20b and 21)												\$6,100	
23. Taxes/Real Estate	\$4,392	\$0	\$4,392	\$2,353	\$2,464	\$0	\$2,464	\$4,477	\$4,612	\$0	\$4,612	\$4,342	\$4,400
24. Personal Prop. Tax	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0
25. Emp. Payroll Tax	\$120	\$0	\$120	\$99	\$104	\$0	\$104	\$38	\$39	\$0	\$39	\$90	\$91
26. Other	\$104	\$0	\$104	\$18	\$19	\$0	\$19	\$86	\$89	\$0	\$89	\$17	\$17
27. Other	\$138	\$0	\$138	\$209	\$219	\$0	\$219	\$145	\$149	\$0	\$149	\$157	\$159
27a Total Taxes w/o trend	\$4,753	\$0	\$4,753	\$2,680	\$2,807	\$0	\$2,807	\$4,747	\$4,890	\$0	\$4,890	\$4,606	\$4,667
27b. Trend Adjustment				Aug-21				Annual Rate		2.00%		1.33%	
28. Total Taxes (Including Time and Trend) (Sum of Lines 27a and 27b)												\$4,667	
29. Total Expense (Sum of Lines 22 and 28)												\$10,767	

Previous editions are obsolete

form HUD-92274 (05/2003)

Reconciliation-Final Value Estimate

The purpose of this appraisal was to estimate the “As Is - Land Only” net operating income of the fee simple interest in the subject. The Fee Simple value of the land is also provided.

VALUE RECONCILIATION	
Approach to Value	
Fee Simple Land Only	\$8,800,000
Hypothetical NOI As If Complete & Stabilized	\$3,937,679

In the cost approach, the value of the land plus the depreciated reproduction cost of the improvements is typically estimated. This approach to value provides an excellent method of estimating the value of recently constructed or proposed properties that represent the highest and best use of the site. The cost approach is provided.

The sales comparison approach is not provided. This is not part of the 221(d)(4) program requirements.

The income approach provides the projected net operating income. The HUD Form 92273 is utilized for estimating rent levels. Expense comparables were relied on for estimating expenses. The net operating income is projected based on the hypothetical as if complete and stabilized condition.

Based on the inspection of the property and the investigation and the analysis undertaken, we have formed the opinion that the “as is - land only” market value of the fee simple estate, effective August 11, 2021 was:

**AS IS - LAND ONLY MARKET VALUE
EIGHT MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$8,800,000)**

Based on the inspection of the property and the investigation and the analysis undertaken, we have formed the opinion that the Net Operating Income Hypothetical 'As-if-Complete and Stabilized' in current dollars of the fee simple estate as of August 11, 2021 was:

**NET OPERATING INCOME HYPOTHETICAL 'AS-IF-COMPLETE AND STABILIZED'
THREE MILLION NINE HUNDRED THIRTY SEVEN THOUSAND SIX HUNDRED SEVENTY
NINE DOLLARS
(\$3,937,679)**

Operating Deficit

The subject property is proposed and will require a lease-up period. As such, an operating deficit is required as per the HUD MAP Guide, Chapter 7.14. In accordance with the guidelines, three intervals are considered. These are:

Interval 1 - spans the period of time between certificate of occupancy and the end of construction period/cost certification period. The construction period is defined as construction time plus two months for cost certification process. This interval includes the appraiser's estimate of all of the applicable operating and lease expenses for each month in this interval. Replacement reserves are not included in Interval 1. Property taxes and property insurance are not included during the construction period these expenses are covered through the builder's risk insurance and taxes during construction.

Interval 2 - begins at the end of the construction period/cost certification process and ends at the beginning of amortization. Per the guidelines, this period can be no greater than two months. Debt service during this interval should include payment for interest and MIP, but not amortization. Replacement reserves are not included in Interval 2.

Interval 3 - is the beginning of amortization and continues through the period when revenue is sufficient to sustain positive cash flow after payment of operating expenses and debt service. This interval should include the appraiser's estimate of all applicable operating expenses for each period (month). Amortized debt service is mandatory in this interval and should include payment to principle, interest, and MIP. Interval 3 should end when cash flow becomes positive.

The Operating Deficit is calculated by a sum of the negative cash flows during the three-interval period. That is, if the dollar debt service for a period (month) is greater than the net income for that period, the difference represents the estimate of the operating deficit.

Based on this absorption data from the region it appears that demand for new Class A rental product in the region is strong and sufficient to absorb this new supply and the subject.

Effective rents and occupancy levels in the HMA have remained very strong despite new additions to future supply. Occupancy levels are currently at capacity levels. Overall, new additions and/or the absorption of any properties in lease-up will be required to meet the housing needs of the new households.

Market absorption is provided:

ABSORPTION ANALYSIS					
Property	Month Lease-Up Began	Total # of Units	Months in Lease Up	Absorbed Units per Month	Current Occupancy
The Six13	Jul-20	142	5	26	98.0%
Catalina at Miramar	Oct-20	300	12	23	93.0%
Eurus at Miramar	Oct-20	280	12	22	98.0%
Source: Leasing agents at each community					

An absorption rate of 20 units, rounded, was concluded for the subject.

Marquesa Apartments						
Total Units		220				
Stabilized Occupancy		93.0%				
Stabilized Units		204.60				
		Units Available	Average Rent	Absorption	Occ. Units	Occupancy
Month	Comment					
1	First Units Available	220.0	\$2,569	24.6	24.6	11.2%
2		220.0	\$2,569	20.0	44.6	20.3%
3		220.0	\$2,569	20.0	64.6	29.4%
4		220.0	\$2,569	20.0	84.6	38.5%
5		220.0	\$2,569	20.0	104.6	47.5%
6	Construction Complete	220.0	\$2,569	20.0	124.6	56.6%
7		220.0	\$2,569	20.0	144.6	65.7%
8		220.0	\$2,569	20.0	164.6	74.8%
9		220.0	\$2,569	20.0	184.6	83.9%
10		220.0	\$2,569	20.0	204.6	93.0%

Operating Expenses During Initial Lease-Up

A cash flow schedule for the initial lease-up period will vary slightly from the stabilized cash flow. Variable Operating Expenses are influenced by the number of units completed and/or occupied and will therefore be lower than the costs incurred when the project is stabilized (less occupied units). The stabilized level is provided on the For-HUD-92274. The expense level will gradually increase as more units are delivered and occupied.

Variable Expenses

Depending on the size of a community, gradual build-up in personnel, utilities, and general maintenance items will occur. Staff levels required to operate the community is relatively fixed. Utilities will be near stabilized levels in a short period of time (under a year). Therefore, the full monthly operating expenses will be estimated with the exception of the real estate taxes, insurance and reserves as indicated under the HUD Map Guide. Furthermore, monthly expenses excluded repairs/decorating which are costs that will be minimal during lease-up.

Replacement Reserve

The Replacement Reserve will begin in Interval 3.

Debt Service

Mortgage interest and MIP will begin in Interval 2 with amortization being added in Interval 3. The following parameters have been used to calculate debt service for the project.

Expenses

Expenses for the project during the lease-up period as are follows:

Expenses for Lease-Up Period	
Mortgage Amount	\$40,000,000
Mortgage Interest	3.25%
MIP	0.25%
All In interest Rate (Rate + MIP)	3.50%
Monthly Rate	0.29%
Amortization Period	40.00
Months of Amortizaion	480.00
Monthly Interest	\$108,333
Monthly Interest- Only New Debt	
Monthly Amortization	\$149,016
MIP	\$8,333
MIP- Only New Debt	
Reserves	\$4,583
Taxes	\$80,667
Insurance	\$17,142
Monthly Expenses	\$95,010
Construction Period (Months)	18
Certification Period (Months)	2

The Operating Deficit is calculated by a sum of the negative cash flows during the three interval periods. That is, if the dollar debt service for a period (month) is greater than the net income for that period, the difference represents the estimated of the operating deficit. The Operating Deficit is shown below.

DEFICIT SUMMARY			
Interval:	Month	Occ. Units	Deficit
1	1	24.6	(\$31,822)
1	2	44.6	\$19,550
1	3	64.6	\$70,923
1	4	84.6	\$122,296
1	5	104.6	\$173,668
2	6	124.6	\$108,374
2	7	144.6	\$159,747
3	8	164.6	\$76,378
3	9	184.6	\$127,751
3	10	204.6	\$179,123
3	11	204.6	\$179,123
3	12	204.6	\$179,123
3	13	204.6	\$179,123
3	14	204.6	\$179,123
3	15	204.6	\$179,123
3	16	204.6	\$179,123
3	17	204.6	\$179,123
3	18	204.6	\$179,123
	Total Deficit		(\$31,822)

The detailed calculation of the operating deficit is provided on the following page.

ESTIMATED OPERATING DEFICIT												
Interval	Month	Move Ins	Cum. Units	Monthly Revenue \$6,781,188	Monthly Expenses \$1,140,126	Insurance \$205,700	Reserves \$55,000	Taxes \$968,000	Interest \$108,333	MIP \$8,333	Amortization \$149,016	Operating Deficit
1	1	24.6	24.6	\$63,188	\$95,010	\$0	\$0	\$0	\$0	\$0	\$0	(\$31,822)
1	2	20.0	44.6	\$114,561	\$95,010	\$0	\$0	\$0	\$0	\$0	\$0	\$19,550
1	3	20.0	64.6	\$165,934	\$95,010	\$0	\$0	\$0	\$0	\$0	\$0	\$70,923
1	4	20.0	84.6	\$217,306	\$95,010	\$0	\$0	\$0	\$0	\$0	\$0	\$122,296
1	5	20.0	104.6	\$268,679	\$95,010	\$0	\$0	\$0	\$0	\$0	\$0	\$173,668
2	6	20.0	124.6	\$320,052	\$95,010	\$0	\$0	\$0	\$108,333	\$8,333	\$0	\$108,374
2	7	20.0	144.6	\$371,424	\$95,010	\$0	\$0	\$0	\$108,333	\$8,333	\$0	\$159,747
3	8	20.0	164.6	\$422,797	\$95,010	\$17,142	\$4,583	\$80,667	\$0	\$0	\$149,016	\$76,378
3	9	20.0	184.6	\$474,169	\$95,010	\$17,142	\$4,583	\$80,667	\$0	\$0	\$149,016	\$127,751
3	10	20.0	204.6	\$525,542	\$95,010	\$17,142	\$4,583	\$80,667	\$0	\$0	\$149,016	\$179,123
3	11	0.0	204.6	\$525,542	\$95,010	\$17,142	\$4,583	\$80,667	\$0	\$0	\$149,016	\$179,123
3	12	0.0	204.6	\$525,542	\$95,010	\$17,142	\$4,583	\$80,667	\$0	\$0	\$149,016	\$179,123
3	13	0.0	204.6	\$525,542	\$95,010	\$17,142	\$4,583	\$80,667	\$0	\$0	\$149,016	\$179,123
3	14	0.0	204.6	\$525,542	\$95,010	\$17,142	\$4,583	\$80,667	\$0	\$0	\$149,016	\$179,123
3	15	0.0	204.6	\$525,542	\$95,010	\$17,142	\$4,583	\$80,667	\$0	\$0	\$149,016	\$179,123
3	16	0.0	204.6	\$525,542	\$95,010	\$17,142	\$4,583	\$80,667	\$0	\$0	\$149,016	\$179,123
3	17	0.0	204.6	\$525,542	\$95,010	\$17,142	\$4,583	\$80,667	\$0	\$0	\$149,016	\$179,123
3	18	0.0	204.6	\$525,542	\$95,010	\$17,142	\$4,583	\$80,667	\$0	\$0	\$149,016	\$179,123
Monthly Expenses excludes repairs/decorating which are costs that will be minimal during lease-up.												

ADDENDUM A

SUBJECT INFORMATION

**PROPERTY SUMMARY****Tax Year:** 2021**Property Id:** 484230170193**Property Owner/s:** TC MC MARGATE APARTMENTS LLC**Mailing Address:** 3850 BIRD RD 8TH FLOOR CORAL GABLES, FL 33146**Physical Address:** 5203 - 5231 COCONUT CREEK PARKWAY MARGATE, 33063**Property Use:** 11 - Stores, 1-story**Millage Code:** 1212**Adj. Bldg. S.F:** 70387**Bldg Under Air S.F:****Effective Year:** 1986**Year Built:** 1985**Units/Beds/Baths:** 0 / /**Deputy Appraiser:** Commercial Department**Appraisers Number:** 954-357-6835**Email:** commercialtrim@bcpa.net**Zoning:** TOC-C - TRANSIT-ORIENTED CORRIDOR-CORRIDOR**Abbr. Legal Des.:** CENTRAL PARK OF COMMERCE 119-27 B PCR PAR A DESC AS: COMM NW CORPAR A, E 604.01 TO POB/E 548.98 TO P/C.SLY 142.09.SLY 240.11.S 300.SW 49.13.W 300.WLY 144.45.N 720.32 TO POB

2020 values are considered "working values" and are subject to change.

PROPERTY ASSESSMENT

Year	Land	Building / Improvement	Agricultural Saving	Just / Market Value	Assessed / SOH Value	Tax
2021	\$3,534,920	\$2,005,330	0	\$5,540,250	\$5,540,250	
2020	\$3,534,920	\$2,015,080	0	\$5,550,000	\$5,550,000	\$121,251.43
2019	\$3,534,920	\$2,015,080	0	\$5,550,000	\$5,550,000	\$122,138.87

EXEMPTIONS AND TAXING AUTHORITY INFORMATION

	County	School Board	Municipal	Independent
Just Value	\$5,540,250	\$5,540,250	\$5,540,250	\$5,540,250
Portability	0	0	0	0
Assessed / SOH	\$5,540,250	\$5,540,250	\$5,540,250	\$5,540,250
Granny Flat				
Homestead	0	0	0	0
Add. Homestead	0	0	0	0
Wid/Vet/Dis	0	0	0	0
Senior	0	0	0	0
Exemption Type	0	0	0	0
Affordable Housing	0	0	0	0
Taxable	\$5,540,250	\$5,540,250	\$5,540,250	\$5,540,250

SALES HISTORY FOR THIS PARCEL

Date	Type	Price	Book/Page or Cin
06/24/2018	Special Warranty Deed Disqualified Sale	\$5,500,000	115192623

LAND CALCULATIONS

Unit Price	Units	Type
\$10.00	353,492 SqFt	Square Foot

RECENT SALES IN THIS SUBDIVISION

Property ID	Date	Type	Qualified/ Disqualified	Price	CIN	Property Address
484230170200	06/04/2020	Special Warranty Deed	Disqualified Sale	\$14,500,000	116537075	1300 BANKS RD MARGATE, FL 33063
484230170220	04/20/2020	Multi Special Warranty Deed	Disqualified Sale	\$4,650,000	116472231	BANKS RD MARGATE, FL 33063
484230170120	10/29/2019	Multi Special Warranty Deed	Excluded Sale	\$7,800,000	116150807	1690 BANKS RD MARGATE, FL 33063
484230170170	10/29/2019	Multi Special Warranty Deed	Excluded Sale	\$7,800,000	116150807	1700 BANKS RD MARGATE, FL 33063
484230170201	08/30/2018	Special Warranty Deed	Qualified Sale	\$10,120,000	115309619	5185 COCONUT CREEK PKWY MARGATE, FL 33063

SPECIAL ASSESSMENTS

Fire	Garb	Light	Drain	Impr	Safe	Storm	Clean	Misc
------	------	-------	-------	------	------	-------	-------	------

SCHOOLLiberty Elementary: C
Margate Middle: B
Coconut Creek High: C**ELECTED OFFICIALS**

Property Appraiser Marty Kiar	County Comm. District 2	County Comm. Name Mark David Bogen	US House Rep. District 22	US House Rep. Name Ted Deutch
Florida House Rep. District 96	Florida House Rep. Name Christine Hunschofsky	Florida Senator District 33	Florida Senator Name Perry E. Thurston, Jr.	School Board Member Nora Rupert

ADDENDUM B

COMPARABLES

LAND
RENT

LAND SALES

Land Sale 1
Sunset Colony Mobile Home Park - Pearl Riverland Apartments



Property Identification

Property ID	19381
Property Type	Multi-Family Land
Property Name	Sunset Colony Mobile Home Park - Pearl Riverland Apartments
Address	400 SW 27th Ave
City, State Zip	Fort Lauderdale, Florida 33312-2039
County	Broward
Tax ID	50-42-08-00-0050

Sale Data

Seller	Clarkson-Bergman Family Partnership, LTD.
Buyer	Riverland Owner, LLC
Sale Date	January 27, 2020
Sale Price	\$10,000,000
Financing	Cash to seller
Property Rights	Fee Simple
Reference Number	116315281
Verification	Chris Conklin, Walker Dunlop, LLC

Land Data

Land Size	10.91 acres or 475,304 SF
Zoning	MHP Mobile Home Park
Number of Units	276
Shape	L-shaped
Topography	Generally Level
Frontage	There is approximately 600 feet on the east side of SW 27th Ave
Utilities	All municipal utilities available

Indicators

Sale Price/Gross Acre	\$916,466 per Acre
Sale Price/Gross SF	\$21.04 per SF
Sale Price/Unit	\$36,232

Remarks

This sale occurred January 2020. It was a former mobile home park that was acquired to develop a 276-garden apartment community. There were no unusual sale conditions. The sale was contingent upon development approvals.

This land parcel is located on the east side of Southwest 27th Avenue, south of West Broward Boulevard, in Fort Lauderdale, Broward County, Florida. The zoning at the time was for mobile home park use but easily lends itself to multi-family development. Access is via the east side of Southwest 27th Avenue.

Land Sale 2
Village Shoppes Of Pine Plaza - Vista Verde at Sunrise



Property Identification

Property ID	19380
Property Type	Multi-Family Land
Property Name	Village Shoppes Of Pine Plaza - Vista Verde at Sunrise
Address	4255 North Pine Island Road
City, State Zip	Sunrise, Florida 33351
County	Broward
Tax ID	49-41-20-33-0040

Sale Data

Seller	Pine Plaza Holdings, LLC
Buyer	Pine Park Apartments LLC
Sale Date	January 14, 2019
Sale Price	\$10,918,000
Financing	Cash to seller
Property Rights	Fee Simple
Reference Number	115555623
Verification	Doron Valero, Buyer Representative

Land Data

Land Size	15.30 acres or 666,402 SF
Zoning	PDD Planned Development
Number of Units	288
Shape	Rectangular
Topography	Level
Frontage	There is approximately 630 feet on the north side of NW 4th St
Utilities	All municipal utilities available

Indicators

Sale Price/Gross Acre	\$713,666 per Acre
Sale Price/Gross SF	\$16.38 per SF
Sale Price/Unit	\$37,910

Remarks

This is the January 2019 sale of a high vacancy shopping center. The property was purchased with the intent to raze the improvements and develop a 288-unit apartment project to be named Riverland Apartments. The sale price was adjusted upward by \$550,000 for demolition costs of the existing improvements.

The property is located in the southwest corner of Northwest 44th Street and North Pine Island Road, in Sunrise, Broward County, Florida. This was previously improved by a retail shopping center. It was part of a larger parent tract. Access is good from to roadways. Exposure is average being located setback off of NW 44th Street.

**Land Sale 3
Modera Cornerstone**



Property Identification

Property ID	13724
Property Type	Multi-Family Land
Property Name	Modera Cornerstone
Address	1240 South Pine Island Road
City, State Zip	Plantation, Florida 33324
County	Broward
Tax ID	504116290016

Sale Data

Seller	PG-Plantation CS Four, LLC
Buyer	Columbia Cornerstone Ventures, LLC
Sale Date	March 29, 2018
Sale Price	\$11,400,000
Financing	Cash to seller
Property Rights	Fee Simple

Land Data

Land Size	6.26 acres or 272,686 SF
Zoning	B7-Q Planned Commercial Development
Number of Units	330
Shape	Irregular
Topography	Generally Level
Frontage	There is approximately 825 feet of frontage on the east side of an interior access road and 595 feet on the south side of a shared access road in the Cornerstone Corporate Center.
Utilities	All municipal utilities available
Flood Zone	No 12011C0535H

Reference Number	114984804
Verification	Jeff Meran, Mill Creek Residential

Indicators

Sale Price/Gross Acre	\$1,821,086 per Acre
Sale Price/Gross SF	\$41.81 per SF
Sale Price/Unit	\$34,545

Remarks

This is the March 2018 sale of a developed pad site within the Cornerstone Corporate Center. The site was pad ready with a parking lot and utilities in place. The site benefits from off-site drainage. The buyer intends on utilizing some of the existing parking lot. Minor demolition of the parking lot and lateral sewer lines are required for the planned development. The buyer intends on constructing a seven-story, 330-unit hospitality inspired apartment project. It will include one-, two- and three-bedroom apartments ranging in square footage from 657 to 1,384 with den layouts available. Community amenities will include outdoor pool, fitness center, controlled -access garage, parking, dog park, pet spa, clubhouse, and barbecue area. Construction is set for completion in October 2019 with move ins to begin January 2020. This was a fully negotiated arm's length transaction.

This is a 6.26-acre pad site located in the Cornerstone Corporate Center. Cornerstone is a 58-acre class A business campus located in the northwest quadrant of South Pine Island Road and Interstate 595. The site has infrastructure in place, a paved parking lot and frontage on an 11-acre lake.

RENT COMPARABLES

Lease Comparable 1
Atlantico at Palm Aire

Property Identification - 17987

Property Name Atlantico at Palm Aire
Property Type Multifamily
Address 3360 NW 1st Court
City, State, Zip Pompano Beach, Florida 33069-2663
Occupancy 97.5%
Confirmed By Kay C. Kauchick, MAI
Confirmed With Leasing Agent
Date of Confirmation 08-12-2021
Confirmation Phone 954-228-7575



Physical Data

Year Built 2018
Stories 3
Number of Units 210

Property Amenities Clubhouse, Business Center, Fitness Center, Pool, Barbeque/Picnic Area, Playground, Pet Park, Electric Car Charging Stations, Gated/Secured Access

Unit Amenities Balcony/Patio, Security System, Walk-In Closets, Ceiling Fans, Porcelain Tile, Blinds, Granite Counter Tops

Unit Appliances Stainless Steel Appliances, Refrigerator, Range/Oven, Dishwasher, Garbage Disposal, Microwave, Washer/Dryer

Utilities with Rent Water, Sewer, Trash Removal, Pest Control, In-Unit Alarm

Unit Description	Unit Type	Unit Mix		Avg Rent/Mo	Total Rent	Rent/SF	% of Total
		Avg Unit SF	Total SF				
Abbey	1 Bd 1.0 Ba	787		\$1,979		\$2.51	
Bourbon	2 Bd 2.0 Ba	958		\$2,100		\$2.19	
Beacon	2 Bd 2.0 Ba	1,109		\$2,591		\$2.34	
Camden	3 Bd 2.0 Ba	1,363		\$2,700		\$1.98	

Remarks

Atlantico at Palm Aire is a 210-unit apartment community built in 2018. It offers one-, two-, and three-bedroom units ranging from 787 to 1,363 square feet. The community features a clubhouse, business center, fitness center, pool, barbeque/picnic area, playground, pet park, electric car charging stations, and gated/secured access. Each unit includes a balcony/patio, security system, walk-in closets, ceiling fans, porcelain tile, blinds, granite counter tops, stainless steel appliances, refrigerator, range/oven, dishwasher, garbage disposal, microwave, and washer/dryer. Water, sewer, trash removal, pest control, and in-unit alarm are included in base rents. Detached garages and storage units are available for \$175 and \$30 per month, respectively. At the time of the survey, the property was 97.5% occupied and 100% leased.

**Lease Comparable 2
Luzano Apartments**

Property Identification - 17979

Property Name Luzano Apartments
Property Type Multifamily
Address 100 NW 33rd Avenue
City, State, Zip Pompano Beach, Florida 33069
Occupancy 94.1%
Confirmed By Kay C. Kauchick, MAI
Confirmed With Leasing Agent
Date of Confirmation 08-12-2021
Confirmation Phone 833-883-7453



Physical Data

Year Built 2016
Stories 3
Number of Units 404

Property Amenities Clubhouse, Fitness Center, Pool, Barbeque/Picnic Area, Playground, Pet Park
Unit Amenities Balcony/Patio, Walk-In Closet, Ceiling Fan, Wood Vinyl Flooring/Tile/Carpet, Blinds
Unit Appliances Stainless Steel Appliances, Refrigerator, Range/Oven, Dishwasher, Garbage Disposal, Microwave, Washer/Dryer
Utilities with Rent Pest

Unit Description	Unit Type	<u>Unit Mix</u>		Rent/SF
		Avg Unit SF	Avg Rent/Mo	
Den	1 Bd 1.0 Ba	665	\$1,780	\$2.68
	1 Bd 1.0 Ba	798	\$2,035	\$2.55
	1 Bd 1.0 Ba	846	\$2,090	\$2.47
	2 Bd 2.0 Ba	1,140	\$2,390	\$2.10
	2 Bd 2.0 Ba	1,222	\$2,505	\$2.05
Den & Garage	2 Bd 2.0 Ba	1,349	\$2,565	\$1.90
Den & Garage	3 Bd 2.0 Ba	1,491	\$2,800	\$1.88
Den & Garage	3 Bd 2.0 Ba	1,545	\$3,000	\$1.94

Remarks

Luzano Apartments is a 404-unit apartment community built in 2016. It offers one-, two-, and three-bedroom units ranging from 665 to 1,545 square feet. The community includes a clubhouse, fitness center, pool, barbeque/picnic area, playground, and pet park. Each unit includes a balcony/patio, walk-in closet, ceiling fan, wood vinyl flooring/tile/carpet, blinds, stainless steel appliances, refrigerator, range/oven, dishwasher, garbage disposal, microwave, and washer/dryer. Pest control is included in base rents. Trash removal is billed at \$25 per month. Detached garages are available for \$200 per month. Storage units are available for \$25, \$38, and \$50 per month. Wood vinyl flooring is available for a premium of \$50 for one bedrooms and \$50 for two bedrooms. There are roughly \$1,000 premiums for units based on view and unit floor. At the time of the survey, occupancy was 94.1%

Lease Comparable 3
The Reserve at Coral Springs

Property Identification - 20234

Property Name The Reserve at Coral Springs
Property Type Multifamily
Address 3591 NW 88th Dr
City, State, Zip Coral Springs, Florida 33065-1809
Occupancy 100.0%
Confirmed By Kay C. Kauchick, MAI
Confirmed With Leasing Agent
Date of Confirmation 08-12-2021
Confirmation Phone (561) 914-6011



Physical Data

Year Built 2017
Stories 3
Number of Units 248
Property Amenities Clubhouse, Fitness Center, Pool, Barbeque/Picnic Area, Playground, Tennis Court, Controlled Access,
Unit Amenities Balcony/Patio w Storage, Blinds, Carpeting/Wood Vinyl Flooring, Walk-In Closet, Granite Countertops
Unit Appliances Stainless Steel Appliances, Refrigerator, Range/Oven, Microwave, Dishwasher, Garbage Disposal, Washer/Dryer

Unit Description	Unit Type	Units	Unit Mix		Avg Rent/Mo	Total Rent	Rent/SF	% of Total
			Avg Unit SF	Total SF				
TH	1 Bd 1.0 Ba	54	851	45,954	\$1,650	\$89,100	\$1.94	22%
	2 Bd 2.0 Ba	102	1,218	124,236	\$1,950	\$198,900	\$1.60	41%
	2 Bd 2.5 Ba	16	1,637	26,192	\$2,375	\$38,000	\$1.45	6%
	3 Bd 2.0 Ba	12	1,345	16,140	\$2,200	\$26,400	\$1.64	5%
TH	3 Bd 2.5 Ba	64	1,626	104,064	\$2,400	\$153,600	\$1.48	26%
* Totals *		248	1,277	316,586	\$2,040	\$506,000	\$1.60	100%

Remarks

The Reserve at Coral Spring provides both flat-style apartments and townhome units. There is a clubhouse with swimming pool, media center, fitness center, game room with billiards table, BBQ, and outdoor living with fireplace. The community is gated. Apartments include wood plank flooring, granite countertops, stainless steel appliances, washer & dryer included, hurricane impact windows and doors, and patio/balcony. Pest control is included in rent. Trash removal is billed above rent at \$20 per month. Carports and detached garages are available for \$50 and \$150 per month, respectively. At the time of the survey, occupancy was 100%.

**Lease Comparable 4
Celebration Pointe**

Property Identification - 20235

Property Name Celebration Pointe
Property Type Multifamily
Address 5555 Celebration Point Lane
City, State, Zip Margate, Florida 33063
Occupancy 96.5%
Confirmed By Kay C. Kauchick, MAI
Confirmed With Leasing Agent
Date of Confirmation 08-12-2021
Confirmation Phone (754) 228-5717



Physical Data

Year Built 2016
Stories 3
Number of Units 282

Property Amenities Clubhouse, Business Center, Fitness Center, Pool, Barbeque/Picnic Area, Playground, Pet Park, Gated Access

Unit Amenities Balcony/Patio, Tile Flooring, Walk-In Closet, Granite Countertop

Unit Appliances Stainless Steel Appliances, Refrigerator, Range/Oven, Microwave, Dishwasher, Garbage Disposal, Washer/Dryer

Unit Description	Unit Type	Units	Unit Mix		Avg Rent/Mo	Total Rent	Rent/SF	% of Total
			Avg Unit SF	Total SF				
A1	1 Bd 1.0 Ba	72	786	56,592	\$2,124	\$152,928	\$2.70	26%
B3	2 Bd 2.0 Ba	174	1,045	181,830	\$2,249	\$391,326	\$2.15	62%
C3	3 Bd 2.0 Ba	36	1,154	41,544	\$2,802	\$100,872	\$2.43	13%
* Totals *		282	993	279,966	\$2,288	\$645,126	\$2.30	100%

Remarks

Celebration Pointe is a 282-unit multifamily facility built in 2016. It offers one-, two-, and three-bedroom units ranging in size from 786 to 1,154 square feet. The community features a clubhouse, business center, fitness center, pool, barbeque/picnic area, playground, pet park, and gated access. Unit amenities include balcony/patio, tile flooring, walk-in closet, granite countertop, stainless steel appliances, refrigerator, range/oven, microwave, dishwasher, garbage disposal, and washer/dryer.

No utilities are included in rent. Sewer, trash removal, and pest control are billed above rent at \$25.54, \$25, and \$3 per month, respectively. Detached garages are available for \$150 per month. At the time of the survey, the property was 96.5% occupied and 97.6% leased.

**Lease Comparable 5
Monarch Station**

Property Identification - 20236

Property Name Monarch Station
Property Type Multifamily
Address 4901 W Sample Rd
City, State, Zip Coconut Creek, Florida 33073
Occupancy 99.7%
Confirmed By Kay C. Kauchick, MAI
Confirmed With Leasing Agent
Date of Confirmation 08-12-2021
Confirmation Phone (954) 271-3930



Physical Data

Year Built 2017
Stories 4
Number of Units 296

Property Amenities Clubhouse, Business Center, Fitness Center, Pool, Barbeque/Picnic Area, Secured Access, Elevators
Unit Amenities Balcony, Tile Flooring, Blinds, Ceiling Fan, Walk-In Closet, Granite Countertops
Unit Appliances Stainless Steel Appliances, Refrigerator, Range/Oven, Microwave, Dishwasher, Garbage Disposal, Washer/Dryer
Utilities with Rent Trash Removal, Pest Control

Unit Description	Unit Type	Units	<u>Unit Mix</u>		Avg Rent/Mo	Total Rent	Rent/SF	% of Total
			Avg Unit SF	Total SF				
	0 Bd 1.0 Ba	4	731	2,924	\$2,790	\$11,160	\$3.82	1%
	1 Bd 1.0 Ba	48	860	41,280	\$2,266	\$108,768	\$2.63	16%
	1 Bd 1.0 Ba	24	872	20,928	\$2,390	\$57,360	\$2.74	8%
	1 Bd 1.0 Ba	52	879	45,708	\$2,376	\$123,552	\$2.70	18%
	2 Bd 2.0 Ba	54	1,135	61,290	\$3,029	\$163,566	\$2.67	18%
	2 Bd 2.0 Ba	76	1,271	96,596	\$2,900	\$220,400	\$2.28	26%
	2 Bd 2.0 Ba	8	1,727	13,816	\$3,464	\$27,712	\$2.01	3%
	3 Bd 2.0 Ba	30	1,352	40,560	\$3,000	\$90,000	\$2.22	10%
* Totals *		296	1,092	323,102	\$2,711	\$802,518	\$2.48	100%

Remarks

The property offers a clubhouse, social lounge, fitness center, business area, plaza area, car charging station, and BBQ area. The apartment buildings are elevated. Apartments have stainless steel appliances including refrigerator, oven/stove, microwave, dishwasher, garbage disposal, wood-style flooring, and washer/dryers. Trash removal and pest control are included in rent. Detached garages and storage are available for \$150 and \$35 per month, respectively. At the time of the survey, the property was 99.7% occupied.

ADDENDUM C

HUD FORMS

Multifamily Summary Appraisal Report

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commission

OMB Approval No. 2502-0029
(exp. 9/30/2016)

This form is in compliance with the requirements of the Uniform Standards of Professional Appraisal Practice for written reports, except where the Jurisdiction Exception is invoked to allow for minor deviations, as noted throughout.

Additional technical direction is contained in the HUD Handbooks referenced in the lower right corner.

Application Processing Stage	<input type="checkbox"/> SAMA	<input type="checkbox"/> Feasibility (Rehab)	<input checked="" type="checkbox"/> Firm
Property Rights Appraised	<input checked="" type="checkbox"/> Fee Simple	<input type="checkbox"/> Leasehold	
Project Name			Project Number
Marquesa Apartments			

Purpose. This appraisal evaluates the subject property as security for a long-term insured mortgage. Included in the appraisal (consultation for Section 221) are the analyses of market need, location, earning capacity, expenses, taxes, and warranted cost of the property.

Scope. The Appraiser has developed, and hereunder reports, conclusions with respect to: feasibility; suitability of improvements; extent, quality, and duration of earning capacity; the value of real estate proposed or existing as security for a long-term mortgage; and several other factors which have a bearing on the economic soundness of the subject property.

A. Location and Description of Property

1. Street Nos. 5203-5231 Coconut Creek Parkway	2. Street	3. Municipality Margate				
4a. Census Tract No. 201.04	4b. Placement Code	4c. Legal Description (Optional)	5. County Broward	6. State and Zip Code Florida 33063		
7. Type of Project <input checked="" type="checkbox"/> Elevator(s) 2 <input type="checkbox"/> Detached	<input type="checkbox"/> Highrise <input type="checkbox"/> Walkup <input type="checkbox"/> Semi-detached	<input checked="" type="checkbox"/> 2 - 5 sty. Elev. <input type="checkbox"/> Row House <input type="checkbox"/> Town House	8. No. Stories 4	9a. Foundation <input checked="" type="checkbox"/> Slab on Grade <input type="checkbox"/> Partial Basement	<input type="checkbox"/> Full Basement <input type="checkbox"/> Crawl Space	9b. Basement Floor <input type="checkbox"/> Structural Slab <input type="checkbox"/> Slab on Grade
10. <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing	11. Number of Units Revenue 220	12. No. of Bldgs. Non Revenue 0	13a. List Accessory Bldgs. and Area None	Area (s.f.): 15549		

13b. List Recreational Facilities and Area

Clubhouse, Business Center, Fitness Center, Pool with Spa, Barbeque/Picnic Area, Playground, Pet Park, Car Care Center, Gated/Secured Access	Area (s.f.):
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13c. Neighborhood Description

Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Present Land Use	50 % 1 Family	% 2 to 4 Family
Built Up	<input type="checkbox"/> Fully Developed	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%	15 % Multifamily	% Condo/Coop
Growth Rate	<input checked="" type="checkbox"/> Rapid	<input type="checkbox"/> Steady	<input type="checkbox"/> Slow	<input type="checkbox"/> 30 % Commer.	% Industrial	
Property Values	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining	<input type="checkbox"/> 5 % Vacant		
Demand/Supply	<input checked="" type="checkbox"/> Shortage	<input type="checkbox"/> In Balance	<input type="checkbox"/> Oversupply	Change in Use	<input checked="" type="checkbox"/> Not Likely	<input type="checkbox"/> Likely
Rent Controls	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Likely			<input type="checkbox"/> Taking Place
				Predominant Occupancy	<input checked="" type="checkbox"/> Owner	<input type="checkbox"/> Tenant
						<input type="checkbox"/> % Vacant

Description of Neighborhood. (Note: Race and racial composition of the neighborhood are not appraisal factors.) Describe the boundaries of the neighborhood and those factors, favorable or unfavorable, that affect marketability, including neighborhood stability, appeal, property conditions, vacancies, rent control, etc.

The neighborhood is residentially dominated with retail and commercial along the major traffic arterials. The parcel was part of a shopping center than was 50% converted to accommodate charter schools and the balance generally vacant. There are superior retail sites and centers thus, redevelopment to apartments is the highest and best use of the land. Adjacent land uses are compatible with a residential use of the site.

Site Information

14. Dimensions ft. by ft. or 353,402 sq. ft.	15a. Zoning (if recently changed, submit evidence) TOC-C; Transit Orientated Corridor-Corridor
15b. Zoning Compliance <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Illegal	<input type="checkbox"/> Legal nonconforming (Grandfathered use) <input checked="" type="checkbox"/> No zoning
15c. Highest and Best Use as Improved <input type="checkbox"/> Present Use <input checked="" type="checkbox"/> Proposed Use	<input type="checkbox"/> Other use (explain)
15d. Intended M/F Use (summarize: e.g., Market Rent: Hi - Med. - Lo-End; Rent Subsidized; Rent Restricted with or without Subsidy; Applicable Percentages)	
Market Rent	

Building Information

16a. Yr. Built 2023	16b. <input type="checkbox"/> Manufactured Housing <input type="checkbox"/> Modules	<input checked="" type="checkbox"/> Conventionally Built <input type="checkbox"/> Components	17a. Structural System Masonry	17b. Floor System Concrete	17c. Exterior Finish Stucco	18. Heating-A/C System Electric
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B. Additional Information Concerning Land or Property

19. Date Acquired 7/9/2018	20. Purchase Price \$5,500,000	21. Additional Costs Paid or Accrued	22. If Leasehold, Annual Ground Rent	23a. Total Cost \$5,500,000	23b. Outstanding Balance -
24a. Relationship (Business, Personal, or Other) Between Seller and Buyer Business		24b. Has the Subject Property been sold in the past 3 years? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," explain:			
25. Utilities	Public <input checked="" type="checkbox"/> Community <input type="checkbox"/>	Distance from Site ft.	26. Unusual Site Features		
Water	<input checked="" type="checkbox"/>		<input type="checkbox"/> Cuts <input type="checkbox"/> Fills	<input type="checkbox"/> Rock Formations	<input type="checkbox"/> Erosion <input type="checkbox"/> Poor Drainage <input checked="" type="checkbox"/> None
Sewers	<input checked="" type="checkbox"/>		<input type="checkbox"/> High Water Table	<input type="checkbox"/> Retaining Walls	<input type="checkbox"/> Off-Site Improvements
			<input type="checkbox"/> Other (Specify)		

C. Estimate of Income (Attach forms HUD-92273, 92264-T, as applicable)

27. No. of Each Family Type Unit	Rentable Living Area (Sq. Ft.)	Composition of Units	Unit Rent per Mo. (\$)	Total Monthly Rent for Unit Type (\$)
(a) 68	715	1x1	\$1,985	\$134,980
(b) 120	1,059	2x2	\$2,615	\$313,800
(c) 32	1,128	3x2	\$2,875	\$92,000
28. Total Estimated Rentals for All Family Units				\$540,780

29. Number of Parking Spaces	Offstreet Parking and Other Non-Commercial Ancillary Income (Not Included in Unit Rent)				
<input type="checkbox"/> Attended		Open Spaces	total, with	@	per month = \$
		Covered Spaces	total, with	@	per month = \$
<input checked="" type="checkbox"/> Self Park	347	Laundry	Sq. Ft. or Living Units	@	per month = \$
Total Spaces	347	Other	Utility Reimbursement	220	\$37.50 per month = \$8,249
Plus:		Other	Garage & Storage Revenue	220	\$6.05 per month = \$1,330
42 Parking Garages for Rent		Other	Miscellaneous Revenue	220	\$60.00 per month = \$13,200
28 Storage Units For Rent		Other	Cable TV Revenue	220	\$0.00 per month = \$0
		Other	Laundry Revenue	220	\$0.00 per month = \$0
		Other	Pet Fees	220	\$7.00 per month = \$1,540
		Other	Premium Rent	220	\$0.00 per month = \$0
Total Monthly Ancillary Income					\$ 24,319

30. Commercial Income (Attach Documentation)

Area-Ground Level	0.00 sq. ft. @ \$	0.00 per sq. ft./month = \$	0.00	Total Monthly Commercial Income	\$ -
Other Levels	0.00 sq. ft. @ \$	0.00 per sq. ft./month = \$	0.00		
Other	0.00 sq. ft. @ \$	0.00 per sq. ft./month = \$	0.00		

31. **Total Estimated Monthly Gross Income at 100 Percent Occupancy** \$ 565,09932. **Total Annual Rent** (Item 31 x 12 months) \$ 6,781,188

33. Gross Floor Area N/A Sq. Ft.	34. Net Rentable Residential Area 211,796 Sq. Ft.	35. Net Rentable Commercial Area Sq. Ft.
-------------------------------------	--	---

36. Non-Revenue Producing Space

Type of Employee	No. Rms.	Composition of Unit	Location of Unit in Project

36a. Personal Benefit Expense (PBE) (May produce additional revenue and expenses to be considered above and below.)

Tenant/Employee-Paid Utilities	Type(s)	Monthly Cost	\$ -
Landlord/Employer-Paid Utilities	Type(s)	Monthly Cost	\$ -

D. Amenities and Services Included in Rent (Check and circle appropriate items; fill-in number where indicated)**37a. Unit Amenities**

<input checked="" type="checkbox"/> Ranges - Elec or	<input checked="" type="checkbox"/> Disposal/Compactor
<input checked="" type="checkbox"/> Refrig - Elec or	<input checked="" type="checkbox"/> Air Conditioning - Central
<input checked="" type="checkbox"/> Microwave	<input checked="" type="checkbox"/> Dishwasher
<input type="checkbox"/> Carpet	<input checked="" type="checkbox"/> Window treatmt - Blinds
<input checked="" type="checkbox"/> Balcony/Patio	<input type="checkbox"/> Fireplace(s) No.
<input checked="" type="checkbox"/> Laundry hookups (in units)	
<input type="checkbox"/> Upper level vaulted ceiling/Skylight(s) No.	
<input checked="" type="checkbox"/> Washer/Dryer (in units)	<input checked="" type="checkbox"/> Security System(s) (Describe)
<input type="checkbox"/> Other(Specify)	Gated and secured community and buildings.

37b. Project Amenities

<input type="checkbox"/> Guest room(s) No.	<input checked="" type="checkbox"/> Community room(s) No.	1
<input type="checkbox"/> Sauna/Steam room No.	<input checked="" type="checkbox"/> Swimming Pool(s) No.	1
<input checked="" type="checkbox"/> Exercise room(s) No.	<input type="checkbox"/> Racquetball court(s) No.	
<input type="checkbox"/> Tennis Court(s) No.	<input checked="" type="checkbox"/> Picnic/Play area(s) No.	1
<input type="checkbox"/> Laundry Facilities (coin)	Gated community and secured buildings	
<input checked="" type="checkbox"/> Project Security System(s) (Describe)		
<input type="checkbox"/> Jacuzzis/Community Whirlpool(s) No.		
<input checked="" type="checkbox"/> Other (specify)	Clubhouse, Business Center, Fitness Center, Pool with Spa, Barbeque/Picnic Area, Play ground, Pet Park, Car Care Center, Gated/Secured Access	

37c. Unit Rating

	Good	Aver.	Fair	Poor
Condition of Improvement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Room Sizes and Layout	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adequacy of Closets and Storage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kitchen Equip., Cabinets, Workspace	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plumbing - Adequacy and Condition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Electrical - Adequacy and Condition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Soundproofing - Adequacy and Condition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Insulation - Adequacy and Condition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Livability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Appeal and Marketability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

37d. Project Rating

	Good	Aver.	Fair	Poor
Location	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General Appearance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Amenities & Rec. Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Density (units per acre)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Unit Mix	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of Construction (matl. & finish)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Condition of Exterior	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Condition of Interior	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Appeal to Market	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Soundproofing - Vertical	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Soundproofing - Horizontal	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

38. Services

Gas:	<input type="checkbox"/> Heat	<input type="checkbox"/> Hot Water	<input type="checkbox"/> Cooking	<input type="checkbox"/> Air Conditioning
Elec:	<input type="checkbox"/> Heat	<input type="checkbox"/> Hot Water	<input type="checkbox"/> Cooking	<input type="checkbox"/> Air Conditioning
Other:	<input type="checkbox"/> Heat	<input type="checkbox"/> Hot Water	<input type="checkbox"/> Water	<input checked="" type="checkbox"/> Other (specify) None

39. Special Assessments

a.	<input type="checkbox"/> Prepayable	<input type="checkbox"/> Non-Prepayable
b.	Principal Balance	
c.	Annual Payment	
d.	Remaining Term	Years

E. Estimate of Annual Expense**Administrative**

1. Advertising	\$44,000
2. Management	\$220,728
3. Other	\$66,000
4. Total Administrative	\$ 330,728

Operating

5. Elevator Main. Exp.	\$26,400
6. Fuel (Heating and Domestic Hot Water)	\$0
7. Lighting & Misc. Power	\$55,000
8. Water	\$132,000
9. Gas	\$0
10. Garbage & Trash Removal	\$55,000
11. Payroll	\$250,120
12. Other	\$0
13. Total Operating	\$ 518,520

Maintenance

14. Decorating	\$57,200
15. Repairs	\$77,000
16. Exterminating	\$9,900
17. Insurance	\$205,700
18. Ground Expense	\$88,000
19. Other	\$0
20. Total Maintenance	\$ 437,800

21. Replacement Reserve (0.006 x total structures Line G41) or (0.004 x MTG. for Rehab)	\$ 55,000
22. Total Operating Expense	\$ 1,342,048

Taxes

23. Real Estate: Est. Assessed Value	\$ 5,550,000
at \$ per \$1000	\$ 968,000
24. Personal Prop. Est. Assessed Value	
at \$ per \$1000	\$0
25. Empl. Payroll Tax	\$ 20,010
26. Workers Comp	\$ 3,752
27. Employee Benefits	\$ 35,017
28. Total Taxes	\$ 1,026,778
29. Total Expenses (Attach form HUD-92274, as necessary)	\$ 2,368,826

F. Income Computations			
30a. Estimated Residential Project Income (Line C28 x 12)	\$	6,489,360	
b. Estimated Ancillary Project Income (Line C29 x 12)	\$	291,828	
c. Residential and Ancillary Occupancy Percentage *		93.0%	
d. Effective Gross Residential and Ancillary Income (Line 30c. x (Line 30a. plus Line 30b.))	\$	6,306,505	
e. Total Residential and Ancillary Project Expenses (Line E29)	\$	2,368,826	
31. Net Residential and Ancillary Income to Project (Line 30d. minus Line 30e.)	\$	3,937,679	
32a. Estimated Commercial Income (Line C30 x 12)	\$	0	
b. Commercial Occupancy (See instructions)		0.0%	
c. Effective Gross Commercial Income (Line 32a. x Line 32b.)	\$	0	
d. Total Commercial Project Expenses (From Attached Analysis)	\$	0	
33. Net Commercial Income to Project (Line 32c. minus Line 32d.)	\$	0	
34. Total Project Net Income (Line 31 plus Line 33)	\$	3,937,679	
35a. Residential and Ancillary Project Expense Ratio (Line E29 divided by Line 30d.)		37.6%	
35b. Commercial Expense Ratio (Line 32d. divided by 32c.)		0.0%	

* Vacancy and collection loss rates and corresponding residential and commercial occupancy percentages are analyzed through market data, but subject by Jurisdictional Exception to overall HUD underwriting mandates.

G. Estimated Replacement Cost			
36a. Unusual Land Improvements	\$		
b. Other Land Improvements	\$		
c. Total Land Improvements	\$	0	
Structures			
37. Main Buildings	\$	34,946,340	165
38. Accessory Buildings	\$		
39. Garages	\$		
40. All other Buildings	\$	0	
41. Total Structures	\$	34,946,340	
42. General Requirements	\$	0	
Subtotal		34,946,340	
Fees			
43. Soft Costs	at	%	\$ 484,653
44. Civil Engineering	at	%	\$ 200,000
45. Arch. Fee-Design	at	%	\$ 0
46. Impact Fees	at	%	\$ 1,760,000
47. Permit Fees	at	%	\$ 919,600
48. Other Fees	at	%	\$ 398,660
49. Total Fees			\$ 3,762,913
50. Total All Improvements (Lines 36c. plus 41 plus 42 plus 49)			\$ 38,709,253
51. Cost Per Gross Sq. Ft.			\$ #VALUE!
52. Estimated Construction Time (Months)			18
<p>Note 1: Jurisdictional Exception: In HUD programs, land, and/or existing improvements are not valued for their "highest and best use," but instead, for their intended multifamily use (See Section J analysis below.) (Exception: Title II or VI Preservation). Offsite improvements are assumed completed in new construction land valuations (See Line M17 for estimated cost.) Unusual costs of site preparation are deducted from the "Value of the Site Fully Improved" to determine "Warranted Price of Land Fully Improved."</p>			
Carrying Charges & Financing			
53. Interest:	20	Mos. at	3.50%
	on	\$40,000,000	\$ 0
54. Taxes			\$ 130,000
55. Insurance			\$ 450,000
56. FHA Mtg. Ins. Prem.	(	0.50%	) \$ 200,000
57. FHA Exam Fee	(	0.30%	) \$ 120,000
58. FHA. Inspec. Fee	(	0.50%	) \$ 200,000
59. Financing Fee	(	3.03%	) \$ 1,212,000
60. Permanent Placement	(	0.07%	) \$ 28,000
61. Working Capital	(		) \$ 200,000
62. Title & Recording			\$ 273,900
63. Total Carrying Charges & Financing			\$ 2,813,900
Legal, Organization & Audit Fee			
64. Legal			\$ 150,000
65. Organizational			\$
66. Cost Certification Audit Fee			\$
67. Total Legal, Organization & Audit Fees (64+65+66)			\$ 150,000
68. Sponsor Profit & Risk", "Builder and Sponsor Profit & Risk			\$ 500,000
69. Marketing			\$ 250,000
70. Depreciation			\$ 0
71. FF&E			\$ 415,800
72. Total Est. Development Cost (Excl. of Land or Off-site Cost) (50 plus 63 plus 67 thru 71)			\$ 42,838,953
73a. Warranted Price of Land J-14(3)			
353,402	sq. ft. @	\$ 24.90	per sq. ft. 8,800,000 * see note 1
73b. As Is Property Value (Rehab only)			\$ 0 * see note 2
73c. Off-Site (if needed, Rehab only)			\$ 0 * see note 1
74. Total Estimated Replacement Cost of Project (72 plus 73a or 73b and 73c)			\$ \$51,638,953

H. Remarks	
(Note 2: For Rehab only: Estimated Value of land without Improvements	\$ 0
Estimated Value of land and improvements 'As Is' by Residual Method, i.e., After Rehabilitation Correlated Value minus line G72 Cost of Rehabilitation Improvements equals \$; line G73b is the lesser of this residual amount, and the amount estimated by Supplemental form HUD-92264 'As Is'.	

Per current MAP guidance, the IOD period should be divided into three intervals; however, because the form has input spaces only for two intervals, the 1st period in Section I. below includes both the first and second intervals when applicable, and the 2nd period in Section I. below represents the third interval. For that reason, the occupancy percentage displayed in the periods below represent the overall economic occupancy for the entire interval(s). Please see the detailed absorption schedule and formula calculation of IOD that is included with the application; it contains the expected physical occupancy, income and expenses for each month prior to stabilization. Although we have estimated the initial operating deficit by formula calculation, the Initial Operating Deficit escrow recommended for this transaction is not based on the MAP Guide's formula; instead the recommended operating deficit escrow is equal to

I. Estimate of Operating Deficit								
Residential Periods	Gross Income	Occup. %	Effec. Gross	Expenses	Net Income	Debt Serv. Reqmt.	Deficit	
1. 1st Mos		0.0%						
2. 2nd Mos		0.0%						
Commercial Periods	Gross Income	Occup. %	Effec. Gross	Expenses	Net Income	Debt Serv. Reqmt.	Deficit	
1. 1st Mos		0.0%						
2. 2nd Mos		0.0%						

3. Total Operating Deficit

Previous editions are obsolete

J. Project Site Analysis and Appraisal (See Chapter 2, Handbook 4465.1)**MARKET SCENARIO**

1. Is Location and Neighborhood acceptable? Yes No
2. Is Site adequate in Size for proposed Project? Yes No
3. Is Site Zoning permissive for intended use? Yes No
4. Are Utilities available now to serve the Site? Yes No
5. Is there a Market at this location for the Facility at the proposed Rents? Yes No
6. ☒ Site acceptable for type of Project proposed under Section 223(f). (If checked, acceptance subject to qualifications listed at bottom of page 6.)
7. ☐ Site not acceptable (see reasons listed at bottom of page 6.)

Date of Inspection

8/11/21

Note: The Effective Date of all land valuations is the date of inspection

8. Value Fully Improved	Location of Project				Units
	Comparable Sales Address No. 1	Comparable Sales Address No. 2	Comparable Sales Address No. 3	Comparable Sales Address No. 4	Comparable Sales Address No. 5
	Sunset Colony Mobile Home Park - Pearl Riverland Apartments	Solaris - Development Site	Proposed Hudson Village		Subject
	Fort Lauderdale	Hallandale Beach	Holly wood		
Date of Sale	January-20	November-20	March-20		
Sales Price	\$10,000,000	\$4,500,000	\$3,500,000		
Size (Acres)	10.91	1.71	0.87		8.11
Size (SF)	475,304	74,288	37,839		353,402
Number of Units	276	78	97		220
Density	25.29	45.74	111.67		27.12
Price per Unit	\$36,232	\$57,692	\$36,082		
Price Per Acre	\$916,466	\$2,638,646	\$4,029,194		
Price Per SF	\$21.04	\$60.57	\$92.50		
Unit of Comparison	\$36,232	\$57,692	\$36,082		
Adjustments (%)					
Time	5.8%	1.5%	2.8%		
Adjusted \$/Unit	\$38,345	\$58,558	\$37,105		
Location	0%	-15%	0%		
Zoning/Density	0%	5%	10%		
Frontage/Exposure	0%	0%	0%		
Neighborhood	0%	0%	0%		
Unusual Site conditions	0%	0%	0%		
Other	0%	0%	0%		
Total Adjustment Factor	0.0%	-10.0%	10.0%		
Adjusted Price	\$38,345	\$52,702	\$40,815		
Indicated Value by Comparison	\$8,435,990	\$11,594,423	\$8,979,364		
Reconciled:	\$40,000	Per Unit			\$8,800,000
10.	Value "As is" No. 1	Value "As is" No. 2	Value "As is" No. 3		
Date of Sale					
Sales Price					
Price per Unit					
Price Per Acre					
Price Per SF					
Unit of Comparison					
Adjustments (%)					
Time					
Location					
Zoning					
Plottage					
Demolition					
Piling, Etc.					
Other					
Total Adjustment Factor					
Adjusted Sq. Ft. Price					
Indicated Value by Comparison					
					N/A

12. Acquisition Cost (Last Arms-Length Transaction)

Buyer	TC MC Margate Apartments, LLC	Address	
Seller	Alliance XVI, LLC	Address	
Date	7/9/2018	Price	\$5,500,000
Source			

13. Other Costs

(1) Legal Fees and Zoning Costs	
(2) Recording and Title Fees	
(3) Interest on Investment	
(4) Other	
(5) Acquisition Cost (From 12 above)	\$ -
(6) Total Cost to Sponsor	\$ -

14. Value of Land and Cost Certification

(1) Fair Market Value of land fully improved (from 9 above)	\$ -
(2) Deduct unusual items from Section G, item 36a	\$ -
(3) Warranted price of land fully improved (Replacement Cost items excluded) (enter G-73)	\$ -
For Cost Certification Purposes	
(3a) Deduct cost of demolition 0 and required off-sites 0 to be paid by Mtgor. or by special assessments	\$ -
(4) Estimate of "As Is" by subtraction from improved value	\$ -
(5) Estimate of "As Is" by direct comparison with similar unimproved sites (from 11 above)	\$ -
(6) "As Is" based on acquisition cost to sponsor (from 13 above)	\$ -
(7) Commissioner's estimated value of land "As Is" (the lesser of [4] or [5] above)*	\$ -

* Where land is purchased from LPA or other Governmental authority for specific reuse, use the least of 4, 5, or 6.

K. Income Approach to Value

(1) Estimated Remaining Economic Life	60.0 Years
(2) Capitalization Rate Determined By (See Chapter 7, Handbook 4465.1)	
<input checked="" type="checkbox"/> Overall Rate From Comparable Projects	
<input checked="" type="checkbox"/> Rate From Band of Investment	
<input type="checkbox"/> Cash Flow to Equity	
(3) Rate Selected	
(4) Net Income	\$ 3,937,679
(5) Capitalized Value (Line 4 divided by Line 3)	
(5) Capitalized Value Rounded	
(6) Value of Leased Fee (See Chapter 3, Handbook 4465.1) Ground Rent \$0 divided by Cap. Rate 0 equals Value of Leased Fee	\$ -

Remarks: (See item 6 and 7 on page 5)

L. Comparison Approach to Value-Not Utilized in the HUD MAP 221(d)(4) Program

7. The undersigned has recited three sales of properties most similar and proximate to the subject property and has described and analyzed these in this analysis. If there is a significant variation between the subject and comparable properties, the analysis includes a dollar adjustment reflecting the market reaction to those items or an explanation supported by the market data. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of the subject property. If a significant item in the comparable property is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject property. *[(1) equals the Sales Price divided by Annual EGI].

Item	Subject Property	Comparable Sale No. 1	Comparable Sale No. 2	Comparable Sale No. 3
Name	Marquesa Apartments			
Address	5203-5231 Coconut Creek Parkway			
Proximity to Subject				
Sales Price		<input checked="" type="checkbox"/> Unf. <input type="checkbox"/> Furn. #REF!	<input checked="" type="checkbox"/> Unf. <input type="checkbox"/> Furn. #REF!	<input checked="" type="checkbox"/> Unf. <input type="checkbox"/> Furn. #REF!
Sales Price per GBA				
Effective Gross Income	\$6,306,505			
Effective Gross Rent Multiplier (1)*				
Sales Price per Unit				
Sales Price per Room				
Data Source		Public Records, ARA	Public Records, ARA	Public Records
Adjustments	Description	Description + (-) \$ Adjust.	Description + (-) \$ Adjust.	Description + (-) \$ Adjust.
Sales or Financing Concessions				
Date of Sale/Time				
Location	Good			
Site/View	Good			
Design and Appeal	Good			
Quality of Construction	Good			
Year Built	2023			
Condition	Good			
Gross Rentable Area				
Average Unit Size				
Unit Breakdown				
Basement Description				
Functional Utility				
Heating/Cooling				
Parking On/Off Site				
Project Amenities and Fee				
Other				
Net Adjustment (Total)		<input type="checkbox"/> + <input type="checkbox"/> - 0.00%	<input type="checkbox"/> + <input type="checkbox"/> - 0.0%	<input type="checkbox"/> + <input type="checkbox"/> - 0.0%
Adjusted Sales Price of Comparables		\$0	\$0	\$0
8. Value by Sales Comparison via Per Unit			220	\$0
9. Indicated Value by EGIM	EGIM:	Effective Gross Income:		
10. Concluded Value via Comparison Approach				#VALUE!
Reconciliation				
Capitalization-Hypothetical NOI as Stabilized		Summation	Comparison	
9. The market value of the subject property, as of the effective date of the appraisal, is				** see note below

**** Note:** For Section 221 mortgage insurance application processing, acceptable risk analysis produces a supportable replacement cost estimate, and the estimate reflected here is the replacement cost new/summation approach result. In effect, such "appraisals" are in fact USPAP "consultations" concerning economically supportable cost limits. For Section 207 and 223 processing, all three approaches to value are included in the appraisal, but the subject property is appraised for its intended multifamily use, not necessarily its "highest and best use." The definition provided in USPAP for "market value" is generally observed, but see Handbook 4465.1, paragraph 8-4, for qualifications.

Effective Dates: For new construction or substantial rehabilitation proposals, the effective date of the improvements component cost estimation is the Line G53 month estimate added to the report and certification date below. The land component is valued as of the inspection date. For Section 223, the effective date of the appraisal is the same as the reporting date, but assumes (hypothetically) the completion of all required repairs/work write-up items.

Comments on: (continue on separate page if necessary)

1. Sales comparison (including reconciliation of all indicators of value as to consistency and relative strength and evaluation of the typical investors'/purchasers' motivation in that market).
2. Analysis of any current agreement of sale, option, or listing of the subject property and analysis of any prior sales of subject and comparables within three years of the date of appraisal.

M. To Be Completed by Construction Cost Analyst

Cost Not Attributable to Dwelling Use		Total Est. Cost of Off-Site Requirements	
	Area (s.f.)	Estimated Cost	
10. Parking		\$	16. Off-Site
11. Garage		\$	
12. Commercial		\$	
13. Special Ext Land Improvements		\$	
14. Other		\$	
15. Total		\$	
		%	17. Total Off-Site Costs


N. Signatures and Appraiser Certification

Architectural Processor	Date	Architectural Reviewer	Date
Cost Processor	Date	Cost Reviewer	Date

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

- o the statements of fact contained in this report are true and correct.
- o the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- o I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- o my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- o my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice; HUD Handbook 4465.1, The Valuation Analysis Handbook for Project Mortgage Insurance; HUD Handbook 4480.1, Multifamily Underwriting Forms Catalog; and other applicable HUD handbooks and Notices.
- o I have made a personal inspection of the property that is the subject of this report.
- o professionals signing above. These professionals' estimations of the subject property's dimensions and "hard" replacement costs have been relied upon by the Appraiser and Review Appraiser.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Appraiser Kay C. Kauchick, MAI 	Date 8/11/2021	Review Appraiser	Date
State Certification Number RZ 2066	State Florida	State Certification Number	State
The Review Appraiser certifies that he/she <input checked="" type="checkbox"/> Did <input type="checkbox"/> Did not inspect the subject property			
Signature (Proposed Mortgagee)	Date	Director, Housing Development	Date

O. Remarks and Conclusions (continue on separate page if necessary. Appraisal reports must be kept for a minimum of five years.)

Public Reporting Burden for this collection of information is estimated to average 114 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

This information is being collected under Public Law 101-625 which requires the Department of to implement a system for mortgage insurance for mortgages insured under Sections 207, 221, 223, 232, or 241 of the National Housing Act. The information will be used by HUD to approve rents, property appraisals, and mortgage amounts, and to execute a firm commitment. Confidentiality to respondents is ensured if it would result in competitive harm in accord with the Freedom of Information Act (FOIA) provisions or if it could impact on the ability of the Department's mission to provide housing units under the various Sections of the Housing legislation.

ADDENDUM D
QUALIFICATION/LICENSE



"Providing solutions & exceeding expectations through vision, integrity & excellence"

Kay Kauchick, MAI

President

Value Tech Realty Services, Inc.

240 Crystal Grove Boulevard

Lutz, FL 33548

813.948.0545 ph

813.909.9338 fax

Certifications

Member: Appraisal Institute (MAI No. 10510)
NCHMA – National Council of Housing Market Analysts

State-Certified General Real Estate Appraiser in the following states:

- Alabama – G00706
- Arizona – 32204
- Arkansas – CG 4260
- Florida – RZ 2066
- Georgia – 251355
- Indiana – CG40700410
- Iowa – CG03490
- Kentucky – 003868
- Maryland – 32466
- Michigan – 1201006024
- Mississippi – GA-813
- New Jersey – 42RG00194800
- New York – 46000051995
- North Carolina – A6711
- Ohio – 2006006410
- Pennsylvania – GA004330
- South Dakota – 1403CG
- Texas – TX-1336610-G
- Virginia – 4001-015705

Education

Bachelor of Arts – Michigan State University with specializations in Tourism and Travel Management, Economics, and Marketing.

Mrs. Kauchick has successfully completed numerous real estate related courses and seminars sponsored by the Appraisal Institute, accredited universities and others. She is currently certified by the Appraisal Institute's voluntary program of continuing education for its designated members. Mrs. Kauchick completed the HUD sponsored MAP training session in October 2000. She regularly updates her USPAP training and other education requirements as needed to maintain licensure in each state.

Professional Experience

Mrs. Kauchick is co-founder of Value Tech Realty Services, Inc. She is a real estate consultant and Member of the Appraisal Institute. Her consulting services cover a broad spectrum of industries including market analytics, economic evaluations and financial valuations with deliverables that include a variety of real estate related services such as appraisals, market studies, economic impact reports and investment consulting. Reports have been prepared for a variety of private and governmental entities including the U.S Department of Housing and Urban Development (HUD) including MAP applications, Fannie Mae, Freddie Mac, LIHTC and various Bond programs. Each report was prepared in conformance with its individual agency requirements and with adherence to USPAP.

Mrs. Kauchick has been actively engaged in real estate valuation and consulting since 1979 on national and international levels. Her background includes experience with the creation of economic development programs for third world countries utilizing tourism and real estate development as a stimulus for growth and detail market studies for private and public entities. She has assisted banks, international investment funds, and various profit and non-profit entities, evaluate investment opportunities. Her specialization has been within the housing, healthcare, multifamily, retail, office and hospitality industries. Clients served include accountants, investment firms, law firms, and lenders, private and public agencies. Valuations and market studies have been done on proposed, partially completed, renovated and existing structures.

Military-related work has been completed for the Navy, Air Force, Army, Army Core of Engineers, AAFES and developers providing services to each of the divisions. Economic and market program models have been created for the ability to evaluate various development scenarios. Demand studies were developed to interface with financial modeling programs in order to judge the highest and/or best use for military projects.



Ron DeSantis, Governor

Halsey Beshears, 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

KAUCHICK, KAY C

19711 KELL ESTATES LANE
LUTZ FL 33549

LICENSE NUMBER: RZ2066

EXPIRATION DATE: NOVEMBER 30, 2022

Always verify licenses online at MyFloridaLicense.com



Do not alter this document in any form.

This is your license. It is unlawful for anyone other than the licensee to use this document.

ADDENDUM E
ENGAGEMENT LETTER

GREYSTONE

GREYSTONE
419 Belle Air Lane
Warrenton, VA 20186
Phone: 540.341.2100
Fax: 540.341.7359

7/14/2021

VIA EMAIL

Kay Kauchick
Value Tech Realty Services, Inc.
240 Crystal Grove Blvd.
Lutz, FL 33548
KayK@gotovalue.com; kwiedinger@gotovalue.com

RE: Engagement Letter

Property Name (the "Project")	LEGACY AT MARGATE	
Street Address	5203-5231 COCONUT CREEK PKWY	
City, State, Zip	MARGATE, FLORIDA 33063	
Unit Count/Year Built	220	N.A
# of Buildings /# of Stories	4	4
Type of Deal	MAP 221(D)(4)	

Dear Kay Kauchick:

Please accept this letter (the "Engagement Letter") as confirmation of the terms of the engagement of Value Tech Realty Services, Inc. (the "Vendor") by Greystone Funding Company LLC ("Greystone").

Scope of Work

Report(s)	Fee	Payment Code*
Appraisal (Two-Stage)		APP7142021MAR
TOTAL		

* Engagement Letter will serve as the invoice

Scope of Services. The individual responsible for the preparation of each of the Report(s) must satisfy the minimum qualifications, and each of the Report(s) must strictly comply in form and substance with the requirements, of the Department of Housing and Urban Development ("HUD") outlined in the Multifamily Accelerated Processing ("MAP") Guide (and appendices for multifamily properties) and in the Section 232 Handbook for healthcare properties, as applicable and promulgated by HUD and amended from time to time, all as intended by HUD in its sole satisfaction. The MAP Guide and Section 232 Handbook, as well as any HUD rules you may require, may be accessed on HUD's website at <http://www.hudclips.org>.

Scope of Services:

- **Appraisal (Two-Stage)** - Provide a self-contained Initial / Pre-Application Appraisal and Firm Application Appraisal for the Project. If a Firm Application Appraisal should be required hereunder, Greystone will notify the Appraiser, and only then shall the Appraiser be required to provide the Firm Application Appraisal to Greystone. In that case a draft of the Firm Application Appraisal must be received by Greystone via email. Greystone will provide any comments it may have. Within five business days of the Appraiser's receipt of Greystone's comments and no later than ten days after the Firm Application Appraisal Draft Delivery Date (the "Final Firm Application Appraisal Delivery Date"), an electronic version of the Final Firm Application Appraisal must be delivered to Greystone. Note that the Initial / Pre-Application Appraisal may vary in scope from the Firm Application Appraisal. Please refer to the MAP Guide or Section 232 Handbook as applicable for full requirements.

Compensation: It is agreed that the total fee to prepare all the required Report(s) outlined above is \$_____ the "Fee"), which includes all costs and expenses (including, but not limited to, any travel, printing and copying costs) incurred by the Vendor with respect to the Report(s). Greystone agrees to pay the Vendor the full amount of the Fee related to each Report. Payment will be paid referencing the payment code within the Scope of Work section of this Engagement Letter.

Delivery & Completion: Please notify Greystone as soon as possible of any major issues that may require additional testing and/or mitigation, any unanticipated delays, or unusual findings discovered during the preparation of the Report(s). Communication prior to delivery of each draft Report is greatly appreciated. Greystone must receive an unlocked draft of each Report via email on or before 8/19/2021 (the "Draft Delivery Date"). All draft and final report(s) must be either in Word, Excel, or non-scanned PDF form, so that word searches are possible. All completed HUD forms must accompany the draft of each Report; otherwise, the Report will be deemed incomplete.

Greystone will provide any comments it may have within seven (7) business days of its receipt of each draft Report. Within five (5) business days of the Vendor's receipt of Greystone's comments to each Report and no later than twelve (12) days after the Draft Delivery Date (the "Final Delivery Date"), an electronic version of each final Report must be emailed to Greystone with blue signatures embedded. If hard copies of each final Report(s) are required for the application submission to HUD, Greystone will request hard copies from the Vendor. Please provide hard copies unbound and un-punched of each Report with all signatures in blue ink.

Responding to any deficiency letters or emails from HUD is part of the scope of this engagement; and the Vendor must respond within four (4) business days of notification of any such communication from HUD.

Greystone reserves the right to impose a five percent (5%) penalty for each week each Report(s) is/are late unless an alternative delivery date is mutually agreed upon by Greystone and Vendor in writing. After review and approval of each of the Report(s), the final signed electronic copy of each Report(s) will be promptly due thereafter. Additionally, unexcused delays in the delivery of any Report(s) may require the Vendor, at no additional fee, cost or expense to Greystone, to revisit

the Project or undertake other measures as required by Greystone or HUD to ensure the information contained in each Report(s) is/are within the timeframe permitted by HUD. The Vendor understands and agrees that time is of the essence with respect to the performance of its obligations hereunder.

Please IMMEDIATELY furnish Greystone by email a list of what information you need to (1) begin your work and (2) timely complete each of the Report(s). The effective date of each of the Report(s) will be the site visit date, and the Vendor understands and agrees that each of the Report(s) has/have a limited shelf life. If the Vendor makes the site visit prior to its receipt of any critical piece of information required to conduct its review and assessment of the Project and prepare the Report(s), then Greystone may require the Vendor to re-issue each of the Report(s) at no further fee, cost, or expense to Greystone. Greystone prefers that the Vendor not make the site visit to the Project until all critical information has been delivered to it, but in all cases, the parties will work together to ensure that you receive the information you need in a timely fashion.

Distribution of Report: It is understood and agreed by the Vendor that a copy of each of the Report(s) may be provided by Greystone to any representative and/or employee of Greystone (and/or any affiliate of Greystone), the Borrower/Owner and/or sponsor(s) of the Project (and their respective representatives and employees), HUD and all other third-party report providers.

Identity-of-Interest: The Vendor represents and warrants to Greystone that neither the Vendor nor any of the individuals conducting any review and assessment of the Project and preparing any of the Report(s) is/are affiliated with the Borrower, any Sponsor or any individual or entity involved in the Project of which Vendor is made aware by Greystone, nor involved in any way with respect to the proposed HUD loan for the Project, other than the engagement with Greystone hereunder to prepare the Report(s).

Requested Amendments. It is agreed that the final Report(s) provided to Greystone hereunder will not be amended or otherwise revised without the written consent and approval of Greystone. In addition, the terms and conditions of this Engagement Letter be not be amended, modified, and/or supplemented except in writing signed by both parties, nor will any provision of this Engagement Letter be waived except in writing signed by the party waiving its rights hereunder.

Applicable Law. By signing this Engagement Letter agreement, the parties agree that this Engagement Letter was negotiated and made in the Commonwealth of Virginia, that any action with respect to this Engagement Letter shall only be brought in a court of competent jurisdiction in the Commonwealth of Virginia, and that the rights and obligations of the parties with respect to this Engagement Letter shall be interpreted, construed and determined in accordance with the laws of the Commonwealth of Virginia, including any applicable federal law, without giving effect to any conflict of laws provisions.

Please acknowledge your acceptance of the terms and conditions of this Engagement Letter by executing below and returning via e-mail to Ilene.Plotkin@greyco.com. Please provide us with the name of each individual(s) who will be working on each Report(s). Failure to complete and timely deliver any one or more of the foregoing items shall entitle Greystone, at its option, to terminate this Engagement Letter upon written notice to the Vendor, all without any fee or liability to the

Vendor. The effectiveness of this Engagement Letter is conditioned on HUD team member approval for this Project.

All electronic drafts of each Report(s) should be sent to the loan processor or underwriter. Contact either of them for instructions on posting files to our FTP site for any files larger than 6Mb; our email system will block such large files. Please send *all* regular mail or overnight deliveries – relating to this Engagement Letter, the Report(s) or otherwise – to 419 Belle Air Lane, Warrenton, VA 20186.

Greystone Contacts:

Please reach out to the following with questions:

- Engagement Letter Only: Ilene.Plotkin@greyco.com.
- Invoices and Payments: FHAThirdParties@greyco.com.
- Execution of Engagement Letter, Due Diligence and Report Distribution:
 - Project Manager, Pam Keyser, at pam.keyser@greyco.com or 540-359-7007
 - Underwriter, Mitchell Reiser, at mitchell.reiser@greyco.com or 917-421-4544


I / We agree to the terms of the assignment stated in this engagement letter:


Greystone Funding Company, LLC
Inc.

Vendor Name: Value Tech Realty Services,

Printed Name: Ilene Plotkin

Printed Name: Kay Kauchick

Signature: 

Signature: 

Date: 7/14/2021

Date: July 15, 2021

Report to be completed by: _____

(Name of Individual)