

# Appraisal Report

**Brookstone Senior Living**  
15300 Dino Dr, Burtonsville, Maryland 20866

**Effective date of value**  
April 7, 2024

**Date of Report**  
April 17, 2024

**Client**  
US Capital Global

Date of Report: April 17, 2024

Jorge Cuadros  
Vice President, Operations  
**US CAPITAL GLOBAL**  
1 Ferry Building  
San Francisco, California 94111

RE: Appraisal of:  
Brookstone Senior Living  
15300 Dino Dr,  
Burtonsville, Maryland 20866  
CBRE File: CB24US025193-1

Dear Jorge Cuadros:

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market value of the referenced property. This analysis is presented in the following appraisal report.

The subject, identified as Brookstone Senior Living, will be a senior housing community located at 15300 Dino Dr in Burtonsville, Maryland. Comprised of a site with 5.867 acres, the subject will be developed in 2026 with improvements totaling 190,850 square feet of gross building area.

As a senior housing community, the set-up of units, beds, and the most appropriate unit of measurement is shown within the following chart. Revenue units are based on the operating capacity and are considered the more relevant unit of measure for valuation purposes. Thus, the term 'Unit' is intended to represent the 'Revenue Unit' unless otherwise noted.

SUBJECT UNITS OF MEASURE BY CARE LEVEL				
Care Level	Units	Beds	Unit of Measure	Revenue Units
Independent Living	88	88	Units	88
Assisted Living	64	64	Beds	64
Memory Care	24	27	Beds	27
<b>Total</b>	<b>176</b>	<b>179</b>	-	<b>179</b>

Compiled by CBRE

The subject will be operated by Distinctive Senior Living, a national operator and developer of seniors housing communities. Currently, the operator manages communities throughout 12 states. Services offered include independent living, assisted living, and memory care. Notably, market value is predicated on competent management.

Notably, the subject was approved for 121 independent living "beds", however given that independent living revenue units are based upon physical units, we have utilized the subject's physical independent living unit count for our revenue unit allocation. Management has allocated the 33 remaining independent living "beds" to second residents within the provided proforma. As licensing requirements do not exist for independent living, any amount of second residents may be permitted within the independent living portion of the community, as will be discussed within the proceeding sections of this report.

CBRE has projected a stabilized occupancy of 94.0% comprised of a private pay census. CBRE's estimated absorption period required to achieve stabilization is 36 months, resulting in an Upon Stabilization date of value of August 7, 2028.

The subject's proposed community is scheduled for completion after a construction period of 16 months for a corresponding Upon Completion date of August 7, 2025. Additionally, CBRE projected an estimated absorption (stabilization) period of 36 months, resulting in an Upon Stabilization date of value of August 7, 2028. During this assignment, CBRE was provided a budget which included hard costs, soft costs, FF&E, indirect costs, and entrepreneurial incentive. When considering our conclusion via the Cost approach compared with our market value estimates Upon Completion and Upon Stabilization, the proposed senior housing facility is feasible.

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

SUMMARY OF THE VALUE CONCLUSIONS			
Value Scenario	Date of Value	Interest Appraised	Value Conclusion
<b>Current Value</b>			
As Is - Land Value	Apr 7, 2024	Fee Simple Estate	<b>\$11,200,000</b>
<b>Prospective Value</b>			
Upon Completion	Aug 7, 2025	Fee Simple Estate	<b>\$76,100,000</b>
Upon Stabilization	Aug 7, 2028	Fee Simple Estate	<b>\$107,800,000</b>

CBRE Valuation & Advisory | Senior Housing & Healthcare

## Allocation of the Going Concern

The allocation of the going concern has been estimated as follows:

ALLOCATION OF THE TOTAL ASSETS OF THE BUSINESS					
Value Scenario	Date of Value	Real Property		Business	Going Concern
		Value	FF&E	Value	Value
<b>Prospective Value</b>					
Upon Completion	Aug 7, 2025	\$74,219,750	\$1,700,000	\$180,250	\$76,100,000
Upon Stabilization	Aug 7, 2028	\$91,239,665	\$1,700,000	\$14,860,335	\$107,800,000

CBRE Valuation & Advisory | Senior Housing & Healthcare

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. It also conforms to Title XI Regulations and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) updated in 1994 and further updated by the Interagency Appraisal and Evaluation Guidelines promulgated in 2010.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. As a condition to being granted the status of an intended user, any intended user who has not entered into a written agreement with CBRE in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between CBRE and the client who ordered the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

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

Respectfully submitted,

CBRE, Inc.



---

**Daniel A. Lincoln, MAI**  
Executive Vice President | National Practice  
Leader  
Cert. General: 34785  
Phone: +1 205 515 5985  
Email: daniel.lincoln@cbre.com



---

**Joe Nassau, MAI**  
Executive Vice President  
Cert. General: 27569  
Phone: 703 734 4774  
Email: joseph.nassau@cbre.com

## Certification

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. CBRE no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Maryland.
7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. As of the date of this report, Daniel A. Lincoln, MAI and Joe Nassau, MAI have completed the continuing education program of the Appraisal Institute for Designated Members.
10. Daniel A. Lincoln, MAI has not and Joe Nassau, MAI has made a personal inspection of the property that is the subject of this report.
11. Daniel Clemons provided significant real property appraisal assistance to the persons signing this report in the form of data collection and entry.
12. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
13. Daniel A. Lincoln, MAI and Joe Nassau, MAI have not provided any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding agreement to perform this assignment. CBRE has previously completed a market study for the site that is the subject of this report in October 2021.



---

**Daniel A. Lincoln, MAI**  
Cert. General: 34785



---

**Joe Nassau, MAI**  
Cert. General: 27569

# Subject Photographs



AERIAL VIEW



SITE VIEW



Dino Dr Facing West



Valley Stream Ave Facing South



Dino Dr Facing East



View of Dino Dr from Site, Facing North

# Executive Summary

## ASSET SUMMARY

<b>Property Name</b>	<b>Brookstone Senior Living</b>
<b>Management Company</b>	Distinctive Senior Living
<b>Location</b>	15300 Dino Dr, Burtonsville, Maryland 20866
<b>Assessor's Parcel Number</b>	05-03552453
<b>Land Area</b>	5.867 Acres
<b>Excess Land Area</b>	None
<b>Improvements</b>	
Property Type	Independent, Assisted Living, and Memory Care Community
Number of Buildings	1
Number of Stories	4
Building Area	190,850 SF
Year Built	2026
Condition / Quality	New / Good

<b>Units of Measure</b>	<b>Units</b>	<b>Beds</b>	<b>Unit of Measure</b>	<b>Revenue Units</b>
Independent Living	88	88	Units	<b>88</b>
Assisted Living	64	64	Beds	<b>64</b>
Memory Care	24	27	Beds	<b>27</b>
<b>Total</b>	<b>176</b>	<b>179</b>		<b>179</b>

## FINANCIAL SUMMARY

Stabilized Occupancy	94.0%		
Estimated Absorption Period	36 Months		
Overall Capitalization Rate (Going-In Cap Rate)		Complete: 7.00%	Stabilized: 7.00%
Terminal Capitalization Rate (Exit Cap Rate)		Complete: 7.50%	Stabilized: 7.50%
Discount Rate		Complete: 10.50%	Stabilized: 9.00%
<b>Stabilized Pro Forma Operating Data</b>	<b>Total</b>	<b>Per Rev Unit</b>	<b>Per RD</b>
Effective Gross Income	\$16,390,888	\$91,569	\$266.71
Operating Expenses	\$9,888,982	\$55,246	\$160.91
Net Operating Income	\$6,501,907	\$36,324	\$105.80
Expense Ratio	60.33%		

## VALUE SUMMARY

<b>Property Rights Appraised</b>	Fee Simple Estate
<b>Highest and Best Use</b>	
As Vacant	Senior Housing
As Proposed	Senior Housing
<b>Exposure/Marketing Time</b>	6 to 12 Months / 6 to 12 Months

CBRE Valuation & Advisory | Senior Housing & Healthcare



## SUMMARY OF THE APPROACHES TO VALUE

Value Scenario	Date of Value	Cost Approach	Income Capitalization	Sales Comparison	Reconciled Value
<b>Current Value</b>					
As Is - Land Value	Apr 7, 2024	-	-	\$11,200,000	<b>\$11,200,000</b>
<b>Prospective Value</b>					
Upon Completion	Aug 7, 2025	\$68,900,000	\$76,100,000	\$75,400,000	<b>\$76,100,000</b>
Upon Stabilization	Aug 7, 2028	\$75,300,000	\$107,800,000	\$107,100,000	<b>\$107,800,000</b>

CBRE Valuation & Advisory | Senior Housing & Healthcare

## Allocation of the Going Concern

The allocation of the going concern has been allocated as follows:

### ALLOCATION OF THE TOTAL ASSETS OF THE BUSINESS

Value Scenario	Date of Value	Real Property		Business	Going Concern
		Value	FF&E	Value	Value
<b>Prospective Value</b>					
Upon Completion	Aug 7, 2025	\$74,219,750	\$1,700,000	\$180,250	\$76,100,000
Upon Stabilization	Aug 7, 2028	\$91,239,665	\$1,700,000	\$14,860,335	\$107,800,000

CBRE Valuation & Advisory | Senior Housing & Healthcare

## Extraordinary Assumptions

### EXTRAORDINARY ASSUMPTIONS<sup>1</sup>

- Under the Upon Completion scenario, our analysis makes the extraordinary assumption that the proposed improvements will be completed of similar quality, similar to the description within this report and will be approved for development as well as completed within a similar timeframe to the description within this report. The use of this extraordinary assumption may have affected the
- Under the Upon Completion scenario, our analysis makes the extraordinary assumption that the proposed use will obtain all required licensing, consistent with the Upon Completion date, to operate improvements in a similar manor to the description within this report. The use of this extraordinary assumption may have affected the assignment results.
- Under the Upon Stabilization scenario, our analysis makes the extraordinary assumption that the proposed improvements will be completed of similar quality, similar to the description within this report and will be approved for development as well as completed within a similar timeframe to the description within this report. The use of this extraordinary assumption may have affected the assignment results.
- Under the Upon Stabilization scenario, our analysis makes the extraordinary assumption that the proposed use will obtain all required licensing to operate improvements in a similar manor to the description within this report. The use of this extraordinary assumption may have affected the assignment results.

<sup>1</sup>An extraordinary assumption is defined as “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.” The Appraisal Foundation, USPAP, 2024 Edition (Effective January 1, 2024)

## Hypothetical Conditions

### HYPOTHETICAL CONDITIONS<sup>2</sup>

- The value conclusions within this report do not rely on a hypothetical condition.

<sup>2</sup>A hypothetical condition is defined as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purposes of analysis.” The Appraisal Foundation, USPAP, 2024 Edition (Effective January 1, 2024)

CBRE Executive Summary

## Market Volatility

CBRE draws your attention to a combination of inflationary pressures (leading to higher interest rates) and recent failures/stress in banking systems which have significantly increased the potential for constrained credit markets, negative capital value movements and enhanced volatility in property markets over the short-to-medium term.

Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility. Lending or investment decisions should reflect this heightened level of volatility and the potential for deteriorating market conditions.

It is important to note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, CBRE recommends that the valuation is closely monitored, as CBRE continues to track how markets respond to evolving events.

## Current Economic Conditions

At its March 2024 meeting, the Federal Reserve held the federal funds rate at a range of 5.25% to 5.50%, but indicated it still expects to make three quarter-percentage-point cuts by year-end. While the Fed expects that GDP growth and inflation will become more balanced by year-end, it remains attentive to inflation risks.

While opinions vary on future economic issues, the general market consensus at the time of this appraisal is that high interest rates and economic uncertainty will keep real estate capital markets activity subdued in the first half of 2024. The prospect of higher inflation in coming months will likely cause volatility in financial markets; however, leasing activity will likely remain relatively resilient as economic growth outpaces expectations. CBRE expects that investment activity will pick up later in the year as markets fully reprice amid greater interest rate certainty. Amid this uncertain and dynamic environment, investment market performance will be uneven across property types.

# Table of Contents

Executive Summary .....	v
Table of Contents .....	viii
Introduction .....	9
Senior Housing Industry Overview.....	14
Area Analysis .....	16
Neighborhood Analysis .....	19
Market Analysis.....	22
Site Description & Analysis .....	50
Building Improvements Description & Analysis.....	55
Tax and Assessment Data .....	63
Highest and Best Use .....	65
Appraisal Methodology.....	67
Market Growth Rate .....	68
Furniture, Fixtures, & Equipment Allocation.....	69
Land Value .....	70
Cost Approach .....	74
Insurable Value (Replacement Cost).....	81
Sales Comparison Approach .....	83
Income Capitalization Approach .....	92
Income Valuation .....	117
Reconciliation of Value.....	132
Allocation of the Going Concern .....	134
Assumptions and Limiting Conditions .....	138
Addenda .....	142

# Introduction

## Property Identification

Community Name: Brookstone Senior Living  
Address: 15300 Dino Dr,  
Burtonsville, Montgomery County,  
Maryland 20866

## Ownership and Property History

The following table summarizes the subject's ownership history:

OWNERSHIP SUMMARY	
Parcel Number	05-03552453
Current Owner	ELDERHOME LAND LLC
Acquisition Price & Date	\$1,700,540 1999
Legal Reference	46830-00124
Transfer of Ownership (3-Yr):	No
Pending Sale, List or Offer:	No

Compiled by CBRE

**Listing for Sale, Agreements or Options of Sale:** CBRE is not aware of any current listings, offers for purchase, or contracts for purchase involving the subject.

**Ownership Transfer Discussion & Analysis:** The subject does not have a recorded transaction during the prior three years.

## Scope of Work

This Appraisal Report is intended to comply with the real property appraisal development and reporting requirements set forth under Standards Rule 1 and 2 of USPAP. The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered, and analysis is applied. CBRE, Inc. completed the following steps for this assignment:

- Client
- Intended use
- Intended user
- Type of opinion
- Effective date of opinion
- Relevant characteristics about the subject
- Assignment conditions

# Premise of the Appraisal

The following table illustrates the various dates associated with the valuation of the subject, the valuation premise(s) and the rights appraised for each premise/date:

PREMISE OF THE APPRAISAL		
Item	Date	
Date of Report	Apr 17, 2024	
Date of Inspection	Apr 7, 2024	
Value Scenario	Date of Value	Interest Appraised
<b>Current Value</b>		
As Is - Land Value	Apr 7, 2024	Fee Simple Estate
<b>Prospective Value</b>		
Upon Completion	Aug 7, 2025	Fee Simple Estate
Upon Stabilization	Aug 7, 2028	Fee Simple Estate

CBRE Valuation & Advisory | Senior Housing & Healthcare

## Purpose of the Appraisal

The purpose of this appraisal is to estimate the market value of the subject property.

## Definition of Market Value

The current economic definition of market value agreed upon by agencies that regulate federal financial institutions in the U.S. (and used herein) is as follows:

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

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

## Definition of Going Concern

**Going Concern:** A going concern is one of the premises under which the total assets of a business can be valued; the assumption that a company is expected to continue operating well into the future (usually

indefinitely). Note that an outdated label or the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern or market value of the total assets of the business.

**Market Value of the Going Concern:** Market value of the going concern is defined as, the market value of an established and operating business including the real property, personal property, financial assets, and the intangible assets of the business.<sup>2</sup>

## Interest Appraised

The value estimated represents the Fee Simple Estate as defined below:

**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.<sup>3</sup>

**Leased Fee Interest:** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires<sup>4</sup>

**Leasehold Estate:** The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.<sup>5</sup>

## Client

US Capital Global

## Intended Use of Report

This appraisal is to be used for financing purposes and no other use is permitted.

## Intended User of Report

This appraisal is to be used by US Capital Global; no other user may rely on our report except as specifically indicated in the report. Intended users are those who an appraiser intends will use the appraisal or review report. In other words, appraisers acknowledge at the outset of the assignment that they are developing their expert opinions for the use of the intended users they identify. Although the client provides information about the parties who may be intended users, ultimately it is the appraiser who decides who they are. This is an important point to be clear about: The client does not tell the appraiser

---

<sup>1</sup> Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472.

<sup>2</sup> The Dictionary of Real Estate Appraisal, 7<sup>th</sup> Edition (Chicago: Appraisal Institute, 2022), 119.

<sup>3</sup> Appraisal Institute, The Dictionary of Real Estate Appraisal, 7<sup>th</sup> ed. (Chicago: Appraisal Institute, 2022), 73.

<sup>4</sup> *Dictionary of Real Estate Appraisal*, 105.

<sup>5</sup> *Dictionary of Real Estate Appraisal*, 105.

who the intended users will be. Rather, the client tells the appraiser who the client needs the report to be speaking to, and given that information, the appraiser identifies the intended user or users.

## Extent to Which the Property was Inspected

CBRE, Inc. inspected the subject site, as well as its surrounding environs on the effective date of appraisal. This inspection sample was considered an adequate representation of the subject property and is the basis for our findings.

## Type and Extent of the Data Researched

CBRE, Inc. reviewed the micro and macro market environments with respect to physical and economic factors relevant to the valuation process. This process included interviews with regional and local market participants, available published data, and other various resources. CBRE, Inc. also conducted regional and local research with respect to the following:

- applicable tax data
- zoning requirements
- flood zone status
- demographics
- income and expense data
- comparable data

## Type and Extent of Analysis Applied

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. The steps required to complete each approach are discussed in the methodology section.

# Exposure/Marketing Time

Appraisal guidelines require a reasonable time-period estimate in which the subject could be brought to market and sold. This timeframe can either be examined historically or prospectively. In a historical analysis, this is referred to as exposure time. Exposure time always precedes the date of value, with the underlying premise being the time a property would have been on the market prior to the date of value, such that it would sell at its appraised value as of the valuation date. On a prospective basis, the term marketing time is most often used. The marketing time is a function of price, time, and use. It is not an isolated estimate of time alone. CBRE analyzed exposure periods for comparable sales included within the CBRE VIEW database and CBRE U.S. Senior Housing Investor Survey, as summarized within the following table. The exposure and marketing time conclusions below apply to each value estimate.

EXPOSURE & MARKETING TIME INFORMATION		
Investment Type	Exposure/Marketing Periods	
	Min - Max	Average
Comparable Sales Data (CBRE VIEW)	3 - 9 Months	6 Months
CBRE Senior Housing Investor Survey		
Senior Housing Transactions - Core Assets	8 - 10 Months	9 Months
Senior Housing Transactions - Non-Core Assets	10 - 15 Months	12 Months
CBRE Exposure Time Estimate		<b>6 to 12 Months</b>
CBRE Marketing Time Estimate		<b>6 to 12 Months</b>

**\*Note: These exposure and marketing time estimates apply to each of the value estimates.**

CBRE Valuation & Advisory | Senior Housing & Healthcare



# Senior Housing Industry Overview

Senior housing communities provide accommodation, an array of services, and healthcare options to the senior population and are subdivided into several principal community types. The following classifications incorporate publicized standards consistent with industry groups including LeadingAge; American Health Care Association (AHCA); American Seniors Housing Association (ASHA); Argentum; and the National Investment Center for the Senior Housing & Care Industry, Inc. (NIC).

## Senior Housing Principal Types

**Senior Multifamily:** Senior multifamily, age-restricted (55+/62+), communities include for-rent single-family homes, townhomes, mobile homes, or rental apartments. These properties are typically restricted to adults at least 55 years of age who generally lead independent lifestyles. While these communities would likely include an assortment of residential amenities, such as a clubhouse, golf course and recreational spaces, no specialized services are available. Outdoor maintenance is normally included in the homeowner's association or condominium fee. These properties do not have a commercial kitchen and generally do not provide meals or other services to residents.

**Active Adult Communities (AA):** Active adult communities are generally considered a 'bridge' between market-rate apartments and independent living senior housing, catering to the more lifestyle focused senior. Amenities, building design, and services, including meals, activities, and transportation, are not included in the monthly rent, but can be arranged at the request of the resident, or on an ala carte basis. These properties do not typically have commercial kitchen, and community dining rooms are usually smaller than independent living communities. Activities of daily living (ADL) services may also be provided through third-party home care providers.

**Independent Living (IL):** Independent living communities are usually offered on a rental basis with resident access to meals and other services such as housekeeping, linen service, transportation, beauty salon/ barber shop, and social or recreational activities, as part of their monthly fees. Such properties do not provide assistance with ADLs, such as supervision of medication, bathing, dressing, toileting, etc. Residents of independent units may have some home health care services provided by in-house staff or an outside agency. Licensure requirements typically do not apply.

**Assisted Living (AL):** Assisted living residences are state-regulated communities that provide similar services and amenities as independent living, while also providing supportive care. The staff within these communities are trained in aiding residents who are unable to live independently and require assistance with activities of daily living (ADL) including management of medications, bathing, dressing, toileting, ambulating and eating.

**Memory Care (MC):** Typically considered a subset of assisted living, memory care residences offer ADL support similar to an assisted living residence. However, this care level is dedicated to residents with Alzheimer's or other forms of dementia. Memory Care residences have 24-hour support with more

structured activities to ensure safety and quality of life by trained staff members. Most memory care living environments are fully secured with locked areas and allow access to outdoor walking paths or gardens.

**Skilled Nursing Facilities (SNF):** Skilled nursing facilities (nursing care) are the most need-driven demand segment. These properties are the most care intensive and highly regulated segment of the senior housing and healthcare sector. Most individuals require 24-hour nursing and medical care. In most cases, these properties are licensed for Medicaid and Medicare reimbursement. Nursing care properties fall into two categories: Long Term Care and Post-Acute Care. Medicaid typically is the largest payor source of long-term care properties while Medicare is the largest payor source for post-acute care (rehabilitation) properties.

**Continuing Care Retirement Community (CCRCs):** Continuing care retirement communities (also referred to as Life-Plan Communities (LPC)) provide independent living, assisted living, and skilled nursing options on a single campus, typically within different buildings. This arrangement allows older adults to remain in the same community with the same provider, even if their future care needs change (age-in-place). Modern CCRCs tend to target an independent living customer seeking hospitality style amenities and services with the security of knowing that future care needs will be met. Resident payment plans vary and include entrance fee, condo/coop, and rental programs.

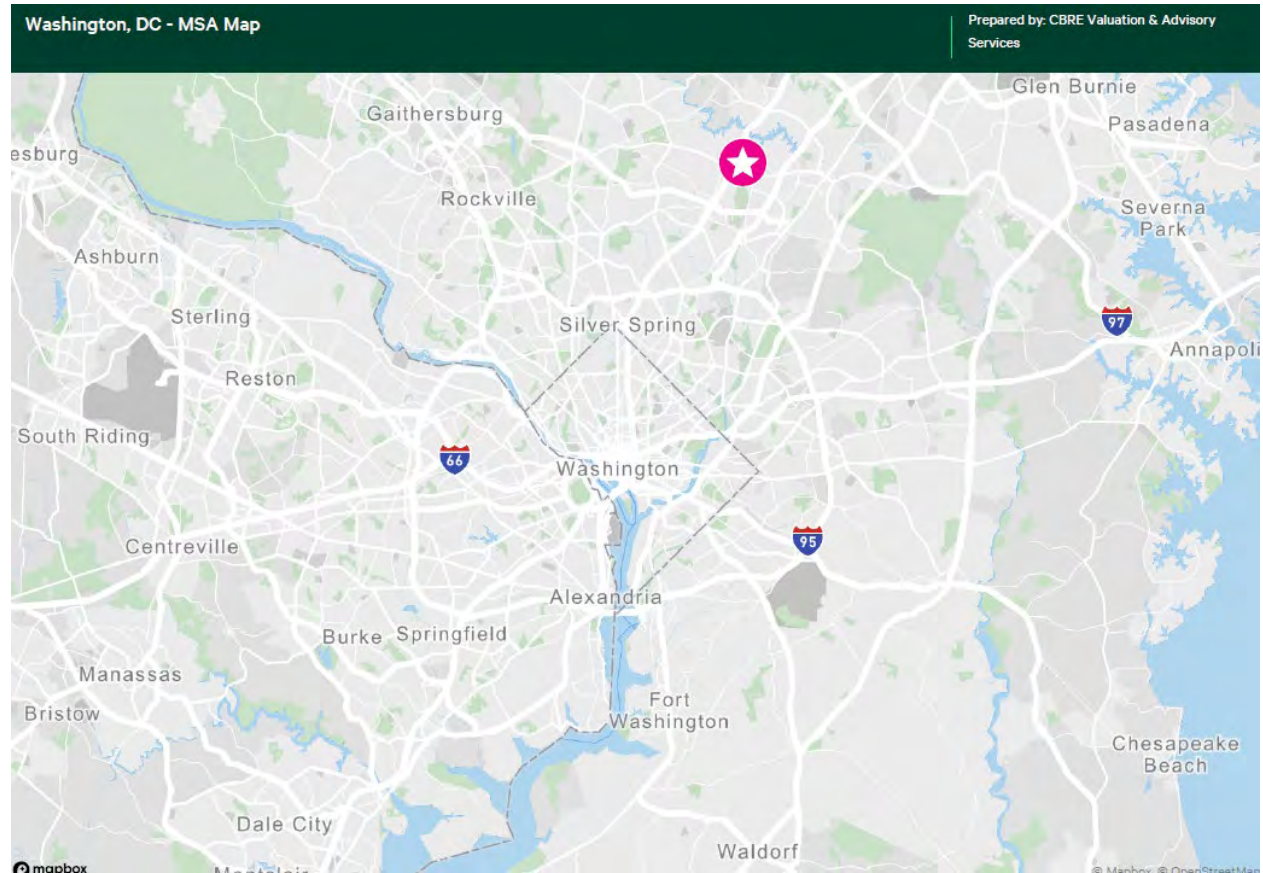
## Asset Components

Senior housing communities include an operation that are comprised of tangible and intangible assets. These components consist of the real property assets, inclusive of the real property (land and improvements) and furniture, fixtures, and equipment (FF&E); additionally, real estate-based senior housing and healthcare operations also include a meaningful intangible component. These asset components are summarized as follows:

ASSET COMPONENTS	
Tangible Assets	Intangible Assets
Furniture, Fixtures & Equipment	Operating Policies & Procedures
Building Envelope	Brand
HVAC & Mechanical Systems	Assembled Workforce
Elevator(s)	Market Relationships
Land	License*
<i>*Federal, state, and local</i>	

The senior housing and care business model is more involved than core-asset classes, making property operations an essential component of value. This 'active management' component is correctly viewed by the market as adding incremental risk and complexity versus the conventional commercial real estate asset classes, which translates into higher return expectations by investors.

# Area Analysis



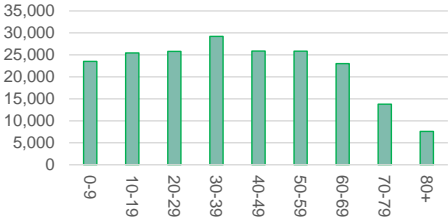
The dynamic nature of economic relationships within a market area has a direct bearing on real estate values and the long-term quality of a real estate investment. The value of a property is not based on the price paid for it in the past or the cost of its creation, but on what buyers and sellers perceive it will provide in the future. Consequently, the attitude of the market toward a property within a specific neighborhood or market area reflects the probable future trend of that area.

# Regional Overview

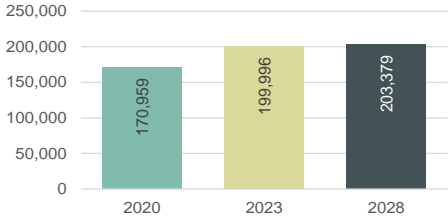
**Population by Age:** The area has a population of 199,996 and a median age of 39, with the largest population group in the 30-39 age range and the smallest population in 80+ age range.

**Population by Year:** Population has increased by 29,037 since 2020, reflecting an annual increase of 5.4%. Population is projected to increase by an additional 3,383 by 2028, reflecting 0.3% annual population growth.

AREA POPULATION BY AGE



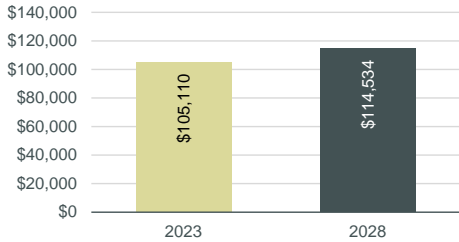
POPULATION BY YEAR



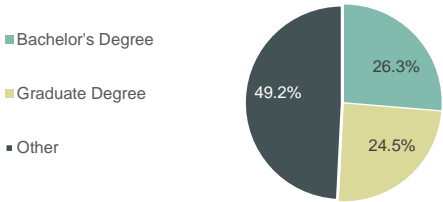
**Median Income:** The area features an average household income of \$146,516 and a median household income of \$105,110. Over the next five years, median household income is expected to increase by 9.0%, or \$1,885 per annum.

**Education:** A total of 50.8% of individuals over the age of 24 have a college degree, with 26.3% holding a bachelor's degree and 24.5% holding a graduate degree.

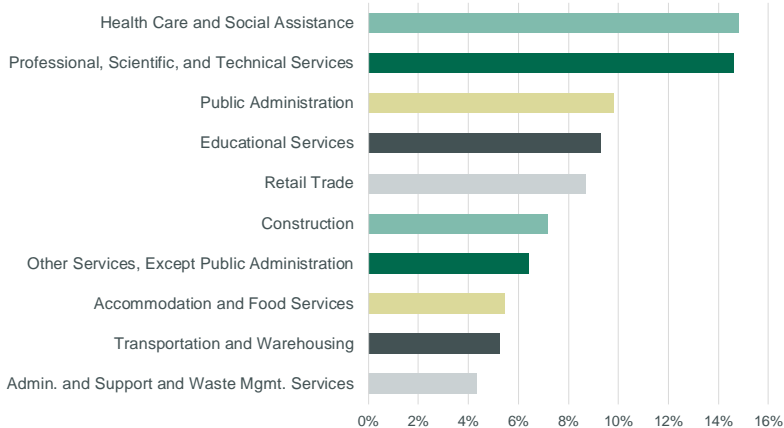
MEDIAN INCOME BY YEAR



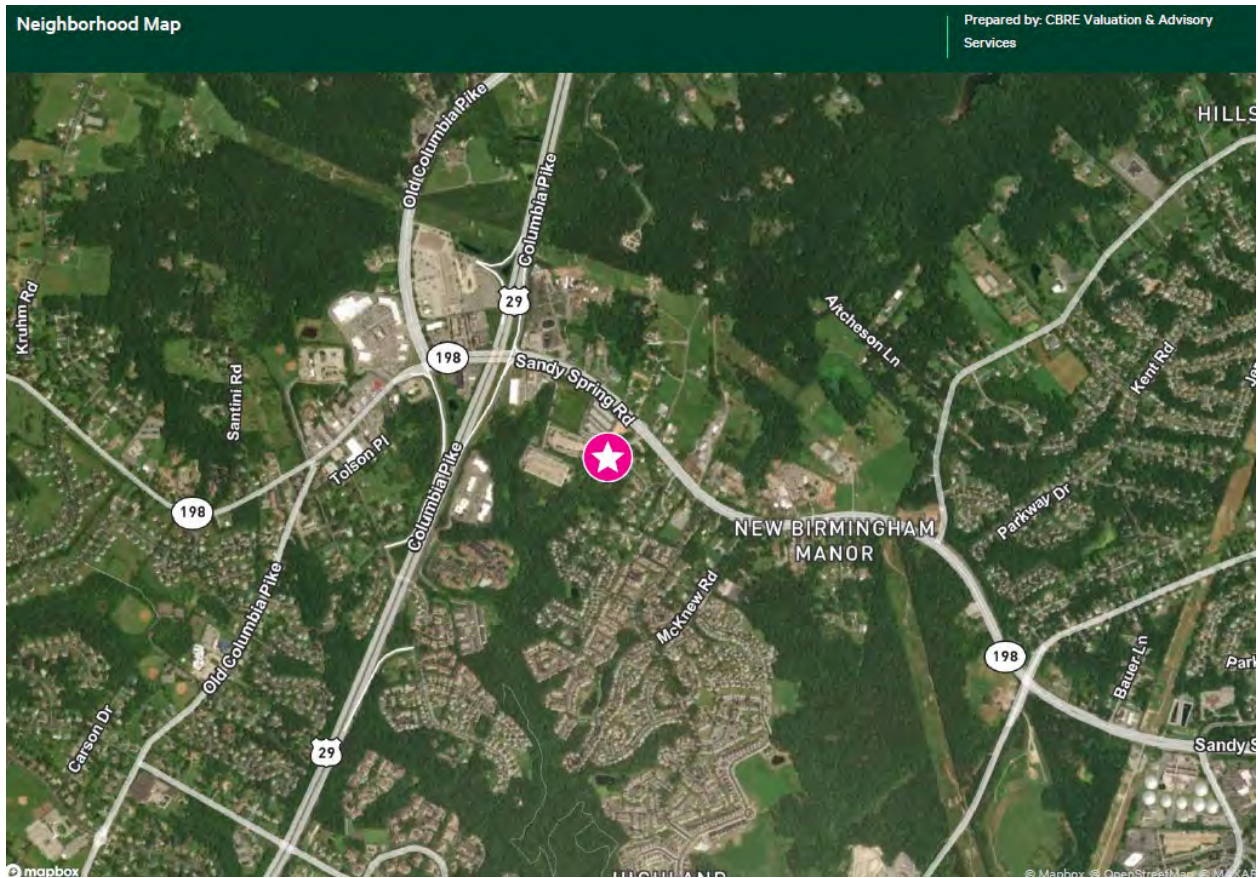
POPULATION BY DEGREE



**Employment:** The area includes a total of 108,860 employees and has a 3.7% unemployment rate. The top three industries within the area are Health Care And Social Assistance, Professional, Scientific, And Technical Services and Public Administration, which represent a combined total of 39% of the population.



# Neighborhood Analysis



## Location

The subject is located within the city limits of Burtonsville and is considered a suburban location.

## Neighborhood Boundaries

The neighborhood boundaries are generally as follows:

North: City of Fulton

East: City of Laurel

South: City of Calverton

West: City of Cloverly

## Land Use & Growth Patterns

Immediate uses surrounding the subject are primarily residential and commercial in nature. Retail uses are primarily located along the arterial roadways. The neighborhood contains several recreational uses including a golf course and various parks and conservation areas. The subject's direct vicinity contains various restaurants and grocery stores with additional supportive retail uses being located to the east within the city of Laurel along Highway 1.

## Proximity to Healthcare Providers

The following table summarizes the area hospitals and their respective distance from the subject:

HOSPITAL SUMMARY		
Hospital	Miles From Subject	Beds
Adventist Healthcare - White Oak	4.30	196
UM Laurel Medical Center	4.70	124
Howard County General Hospital	7.40	250
Medstar Montgomery Medical Center	7.80	138

Source: American Hospital Directory.

## Area & Neighborhood Transportation Network

Primary neighborhood access is provided as follows:

**Collector Streets:** Dino Dr

**Arterial Roadways:** Sandy Spring Rd, Highway 29

**Interstates/Highways:** Highway 29, Interstate 95

**Other:** BWI Thurgood Marshall Airport, Ronald Reagan Washington National Airport

## Demographics

Selected demographics proximate to the neighborhood are included within the following table:

SELECTED NEIGHBORHOOD DEMOGRAPHICS						
15300 Dino Dr Burtonsville, MD 20866	3 Mile Radius	5 Mile Radius	7 Mile Radius	Maryland	Washington-Arlington- Alexandria, DC-VA-MD- WV Metropolitan Statistical Area	Montgomery County
Population						
2028 Population	56,881	203,379	359,462	6,330,833	6,708,726	1,089,580
2023 Population	56,875	199,996	354,275	6,259,408	6,535,041	1,075,762
2010 Population	48,849	170,959	308,987	5,773,552	5,649,515	971,777
2000 Population	42,174	147,388	276,408	5,296,486	4,849,900	873,384
Annual Growth 2023 - 2028	0.00%	0.34%	0.29%	0.23%	0.53%	0.26%
Annual Growth 2010 - 2023	5.20%	5.37%	4.66%	2.73%	4.97%	3.45%
Annual Growth 2000 - 2010	1.48%	1.49%	1.12%	0.87%	1.54%	1.07%
Households						
2028 Households	19,859	72,053	127,054	2,410,408	2,510,039	399,568
2023 Households	19,801	70,577	124,772	2,363,944	2,426,870	392,973
2010 Households	17,357	61,907	111,821	2,156,411	2,099,108	357,086
2000 Households	15,798	54,752	102,055	1,980,859	1,819,915	324,577
Annual Growth 2023 - 2028	0.1%	0.4%	0.4%	0.4%	0.7%	0.33%
Annual Growth 2010 - 2023	4.5%	4.5%	3.7%	3.1%	5.0%	3.24%
Annual Growth 2000 - 2010	0.9%	1.2%	0.9%	0.9%	1.4%	0.96%
Income						
2023 Average Household Income	\$150,095	\$146,516	\$151,395	\$134,130	\$162,829	\$176,367
2023 Per Capita Income	\$52,588	\$51,787	\$53,392	\$50,721	\$60,561	\$64,475

CBRE Valuation & Advisory | Senior Housing & Healthcare

## Area & Neighborhood Conclusion

The immediate neighborhood is supportive of the subject's use as senior housing. The neighborhood contains healthcare providers that are supportive of the subject. Access to area highways, employment centers, and shopping is adequate. Development has been occurring within the subject's neighborhood. These developments do conform to the existing uses and are considered to benefit the subject. The neighborhood is in a stage of balance having a favorable impact on the subject property.



# Market Analysis

The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. Primary data sources utilized for this analysis include National Investment Center for The Senior Housing & Care Industry (NIC), American Seniors Housing Association (ASHA), and CBRE primary research. In analyzing the subject's market as well as the overall supply and demand fundamentals that impact the subject's occupancy, the following steps have been taken:

## MARKET ANALYSIS STEPS

- Senior Housing Market Overview
- Analyze Market and Submarket Trends
- Delineate and Analyze the Subject's Primary Market Area
- Conduct a Penetration Analysis
- Conduct a Demand Coverage Analysis
- Conclusion

CBRE Valuation & Advisory | Senior Housing & Healthcare

## National Senior Housing Market Overview

The following discussion illustrates some general observations regarding the overall fundamentals of the subject's property type within the senior housing sector. NIC MAP serves as a primary resource to lenders, investors, developers, and operators of senior housing and care properties. NIC MAP reports industry specific data for 140 metro markets in the continental United States.

### National Senior Housing Overview

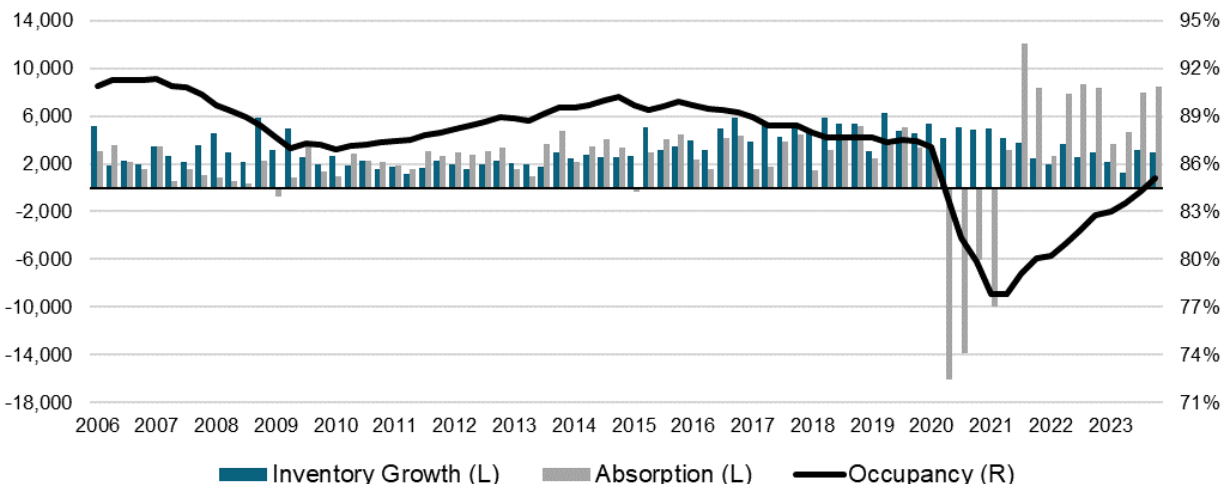
"The senior housing sector's occupancy improved for the tenth consecutive quarter to 85.1% in the fourth quarter. Eight of the last Ten quarters have seen the highest volumes of absorption in the history of NIC data collection, a strong indication of consumer demand for senior housing following the COVID-19 pandemic. Senior housing occupancy is up 80 basis points from the previous quarter, 230 basis points above the fourth quarter of last year, and 730 basis points above its pandemic-low of 77.8% in the 2nd quarter of 2021. However, the current occupancy rate remains 200 basis points below the pre-pandemic benchmark of 87.1% (Q1-2020).

This quarter marks the tenth consecutive quarter that absorption, the net change in occupied units, has exceeded inventory growth, the net change in operational units, which has led to continued occupancy growth across the sector. Absorption increased by 6% compared to the previous quarter and is up less than 1% compared to the fourth quarter of last year. Furthermore, while fourth quarter absorption is flat compared to last year, this quarter indicates post-pandemic demand remains higher than the pre-pandemic quarterly norm as this quarter is the third highest absorption volume in the history of NIC data collection.

The pace of new inventory growth slightly decelerated in the fourth quarter. Inventory growth delivered to primary markets declined by 8% compared to the previous quarter and was nearly identical to the fourth quarter of last year. However, the number of senior housing units currently under construction is down

almost 15% compared to last year. Given the overall trend in new construction, the expectation is for units under construction to continue to decline through into the first half of 2024.

### Seniors Housing Supply-Demand Trends



While senior housing occupancy is increasing, the reported annual rent change, measured against the previous year, has begun to decelerate from its all-time peak high during 2023. The average asking rent for senior housing in the fourth quarter almost reached \$5,150, the highest average rent in history. This is a 5.0% increase compared to the previous year. After nine straight quarters of rate acceleration, we have now seen two consecutive quarters of deceleration from a 6.0% peak in Q2-2023 to 5.0% this quarter. However, the 5.0% increase is the fifth highest in history. Keep in mind, those five instances have all occurred over the last five quarters, from Q4-2022 to Q4-2023 ranging from 5.0% to 6.0% year-over-year rent increases. Furthermore, the average rate increase has gone from 1.3% year-over-year in the first quarter of 2021 to 6.0% year-over-year in the second quarter of 2023. No other period in the history of the data collection has this pace of acceleration occurred. Splitting out Senior Housing shows Majority Assisted Living properties have decelerated rent growth rates of 5.7% compared to 4.4% for Majority Independent Living properties in the fourth quarter.

Construction activity in the fourth quarter continues its slow downward trend, currently just above 30,000 senior housing units in primary markets. This downward trend started in late 2019 prior to the COVID-19 pandemic when there were just under 50,000 senior housing units under construction. Construction represented 4.3% of existing inventory in the fourth quarter, down from 5.1% a year prior.”<sup>6</sup>

<sup>6</sup> NIC MAP Monitor®, Quarterly Report Q4 2023

## National Independent Living Overview

“Majority Independent Living property occupancy increased to 86.8% in the fourth quarter of 2023. This is an increase of 80 basis points from the previous quarter and 180 basis points higher than the fourth quarter of last year. However, the occupancy rate remains 280 basis points below its pre-pandemic benchmark of 89.6% in Q1-2020.

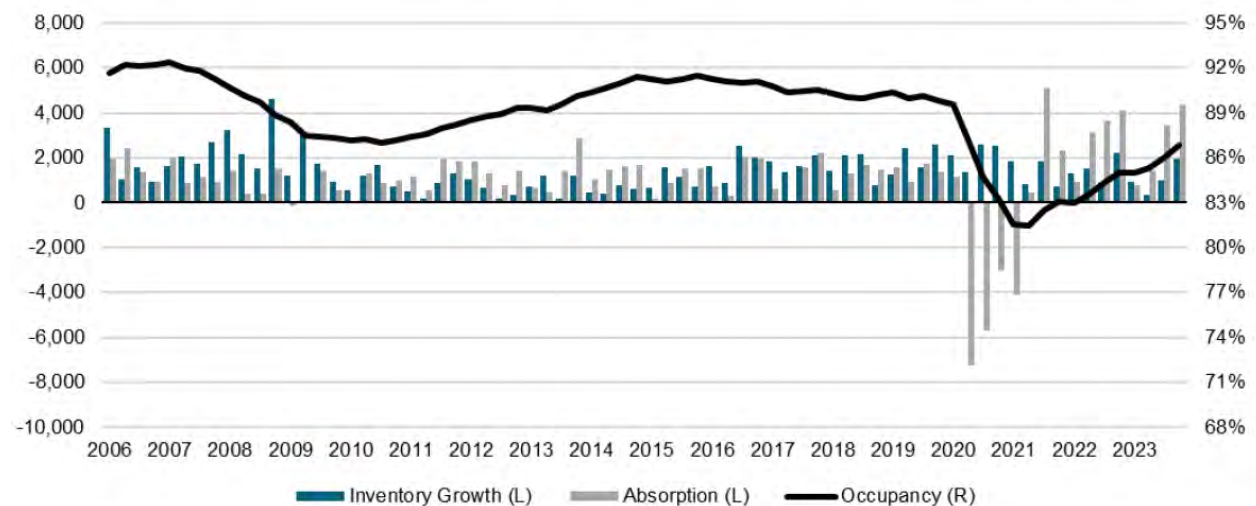
While the fourth quarter marked the tenth consecutive quarter of positive absorption, absorption for Majority Independent Living increased by 27% compared to the previous quarter, marking the second highest quarter for Majority IL absorption in the history. Absorption, the net change in occupied units, increased by almost 4,400 units in primary markets in the fourth quarter.

The pace of inventory growth delivered in the fourth quarter almost doubled compared to the previous quarter to just short of 2,000 Majority Independent Living units delivered to primary markets. However, this marks the first quarter above 1,000 Majority IL units delivered in a quarter since the fourth quarter of last year. By comparison, the fourth quarter of 2024 is down slightly (12%) compared to last year. In total, only 4,200 Majority IL units were delivered in 2024, the lowest on record since 2015.

Rent growth for Majority Independent Living decelerated for the second consecutive quarter to 4.4% year-over-year. That is a deceleration from a peak of 5.4% two quarters prior. Even with the deceleration the fourth quarter marks the fifth highest increase in history. The average asking rent for Majority Independent Living was \$4,017 in the fourth quarter.

Compared to the previous quarter, construction activity for Majority Independent Living properties decreased by 12% in the fourth quarter, dropping below 15,000 units under construction in primary markets. That is the lowest number of Majority IL units under construction since early 2016. Construction represented 4.1% of existing inventory in the fourth quarter, down from 4.8% a year prior.”<sup>7</sup>

**MAJORITY INDEPENDENT LIVING SUPPLY-DEMAND TRENDS**



<sup>7</sup> NIC MAP Monitor®, Quarterly Report Q4 2023

## National Assisted Living Overview

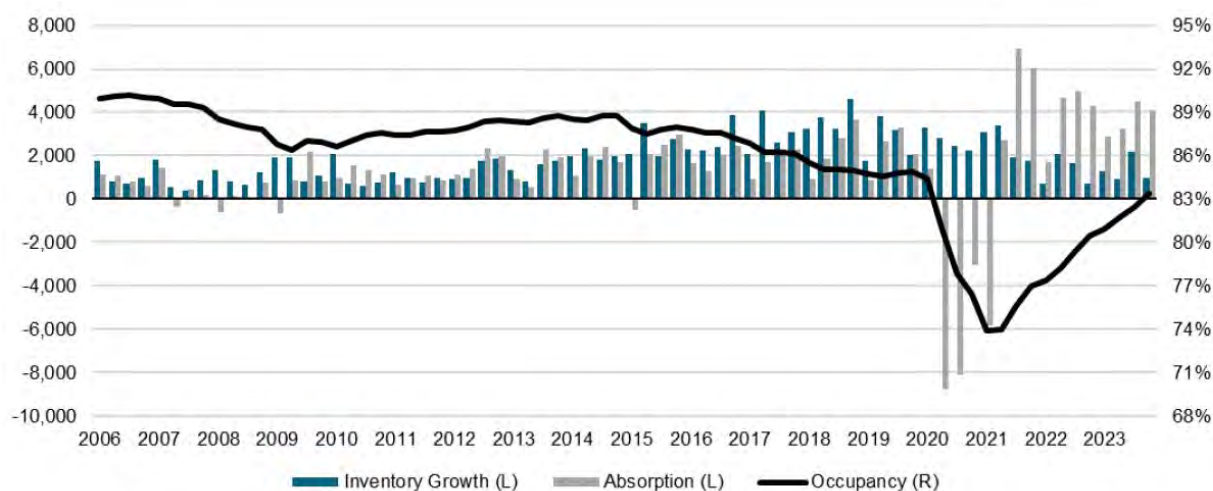
“Majority Assisted Living property occupancy increased in the fourth quarter to 83.4%. This is 90 basis points higher than the previous quarter, 300 basis points higher than last year, and 950 basis points higher than the pandemic low of 73.9% in Q1-2021. However, the occupancy rate remains 110 basis points below its pre-pandemic benchmark of 84.5% in Q1-2020.

Net absorption in the fourth quarter was at 4,072 units absorbed in primary markets. This is down 9% compared to the previous quarter and down 5% compared to last year. However, this is the 7<sup>th</sup> time in history where absorption for Majority AL was above 4,000 units in a quarter. Prior to the pandemic, a quarterly absorption volume of over 3,000 Majority AI units had only happened twice in the history of the data set. Since Q3-2021, we have had five quarters exceeding 4,000 absorbed Majority AL units.

Majority Assisted Living properties had less than 1,000 units of inventory growth added to primary markets in the fourth quarter (972 units). This is down 55% compared to last quarter, but up 36% compared to last year. Furthermore, every quarter for the last ten quarters has seen absorption (demand) outpace inventory growth (new supply). In total, over the last ten quarters absorption has well outpaced inventory growth by a ratio of 3 to 1 meaning for every 1 unit opened, another 3 units are being occupied.

The increase in consumer demand exceeding new units and the inflationary pressures on operators contributed to historic acceleration in asking rents from 2022 through most of 2023. However, asking rents for Majority Assisted Living properties in the fourth quarter decelerated for the second consecutive quarter to 5.7% year-over-year. While the fourth quarter marks the second deceleration in asking rents after ten consecutive quarters of acceleration, the fourth quarter year-over-year increase remains the fifth highest in the history. The average asking rent for Majority Assisted Living was \$6,445 in the fourth quarter.

**MAJORITY ASSISTED LIVING SUPPLY-DEMAND TRENDS**



Compared to the previous quarter, construction activity for Majority Assisted Living properties declined in the fourth quarter, falling just below 16,000 units under construction in primary markets. This is the lowest number of Majority AL units under construction since mid-2014. This is down 15% from the fourth quarter

of last year. Construction represented 4.6% of existing inventory in the fourth quarter, down from 5.5% a year prior.”<sup>8</sup>

## Construction Levels

“This insight provides an overview of construction activity for both newly constructed properties and existing properties that are adding units (i.e., expansions) across the primary markets for each of the following senior housing campuses:

- CCRCs, including non-CCRC entrance fee properties
- Independent living, including freestanding and combined properties
- Assisted living, including freestanding and combined properties
- Freestanding memory care properties

As of the third quarter of 2023, assisted living campuses (i.e., freestanding, and combined majority assisted living communities) had the most units under construction at 15,546, followed by independent living with 12,063, CCRCs with 5,005 and freestanding memory care with 475. Assisted living campus type construction is down 14% and independent living campus type constructions is likewise down 14% compared to the third quarter of last year. Freestanding memory care spaces under construction are down more than other levels of care (30%) compared to last year.

As a percent of existing inventory, independent living construction outpaced activity in other campus types. As of the third quarter, current construction in independent living represented 7.3% of existing inventory, and this percentage has hovered between 7% to 10% since the start of the pandemic. Assisted living construction represented 5.1% of inventory, down from 6.0% in the third quarter of last year. The number of units under construction as a share of inventory in freestanding memory care units was 1.7%. Construction in CCRCs represented 2.1% of existing inventory, where it has hovered between 1.4% to 2.0% for the last two years.

The bar chart to the right refers to new properties under construction and does not include expansions within existing properties. Using this metric, the Washington D.C. CBSA ranks as the number one market with sixteen (16) new properties under construction, with a somewhat even split between independent living and assisted living projects. Also, noteworthy is that D.C. has three (3) CCRCs under construction which is half of the CCRCs under construction across all primary markets. Los Angeles, Dallas, New York, and Detroit round out the top five primary markets with properties under development.”<sup>9</sup>

---

<sup>8</sup> NIC MAP Monitor®, Quarterly Report Q4 2023

<sup>9</sup> NIC MAP Monitor®, Quarterly Report Q4 2023

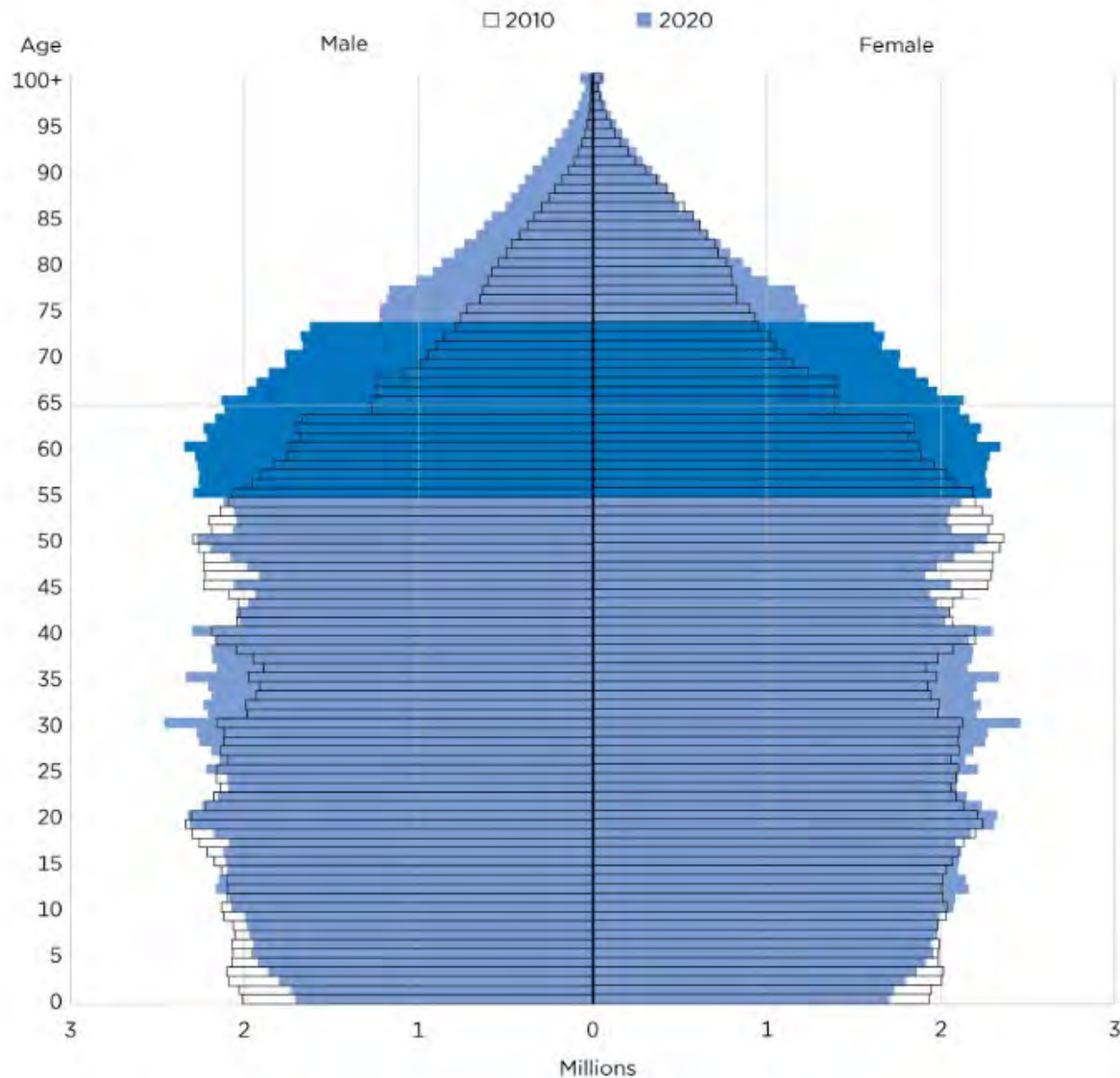
## Primary Market Construction Trends

Seniors Housing									
	Existing Inventory		Occupancy		Supply and Demand		Under Construction		Annual Rent
	# Properties	# Units	All	Stabilized	Absorption	Inventory Growth	# Properties	# Units	Growth
3Q23	5,459	700,212	84.4%	85.5%	7,853	2,806	288	32,772	5.4%
2Q23	5,442	697,406	83.6%	84.9%	4,844	1,257	308	34,100	5.9%
1Q23	5,433	696,149	83.1%	84.5%	3,500	2,143	320	34,933	5.7%
4Q22	5,419	694,006	82.8%	84.3%	8,430	3,024	326	35,446	5.2%
3Q22	5,403	690,982	81.9%	83.6%	8,621	2,392	346	36,176	4.9%
2Q22	5,384	688,590	81.0%	82.9%	7,811	3,564	349	37,015	4.1%
1Q22	5,372	685,026	80.3%	82.3%	2,722	2,027	359	38,102	3.8%
2021	5,356	682,999	80.1%	82.2%	8,400	2,413	370	39,705	2.8%
2020	5,226	667,477	79.9%	82.3%	-5,997	4,716	384	41,211	1.7%
2019	5,079	647,561	87.4%	89.7%	3,359	4,597	460	49,851	3.5%
2018	4,927	629,098	87.7%	89.9%	5,220	5,537	431	46,911	3.2%
2017	4,767	607,593	88.5%	90.3%	4,437	4,996	462	46,832	2.6%
2016	4,606	589,030	89.3%	90.9%	4,384	5,853	448	41,395	3.9%

## Demand Influences

Demand for senior housing is primarily driven by people over the age 65. As of 2020, approximately 16.8% of the US population, or roughly 55.0 million individuals, were aged 65 years or older. The percentage of senior in this age group is projected to grow at a much more significant rate due to the aging of the baby boomers. According to projections provided by the United States Census Bureau, the population age 65 and older is expected to nearly double between 2020 and 2060.

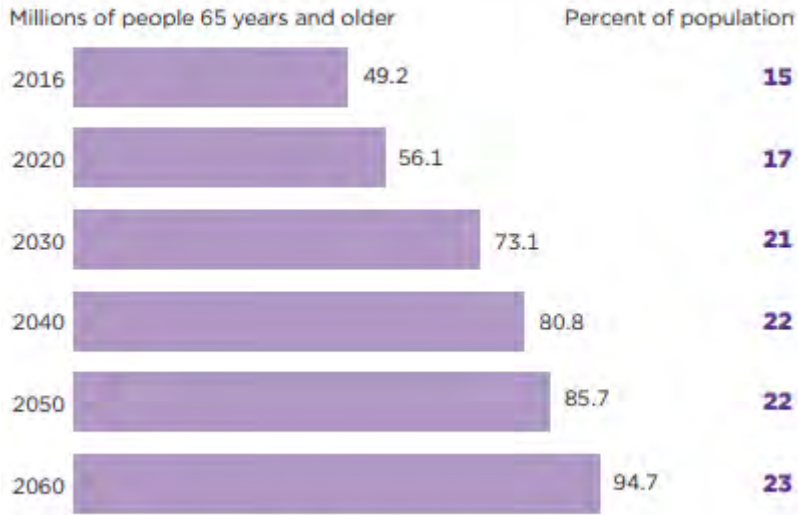
**POPULATION BY AGE: 2010 AND 2020**



Baby boomers are defined as persons born between 1946 and 1964. As of 2022, this generation accounted for approximate 76.4 million people, or about one-quarter of the U.S. population. The baby boomers began turning 65 in 2011.

### Projections of the Older Adult Population: 2020 to 2060

By 2060, nearly one in four Americans is projected to be an older adult.



Source: U.S. Census Bureau, 2017 National Population Projections.

By 2050, the 65-plus age group is estimated to equal 85.7 million, approximately 56% above its current population (55 million). The projected growth in this age group will present many challenges to policy makers and programs by having a significant impact on families, businesses, healthcare providers and, most notably, the demand for senior housing.

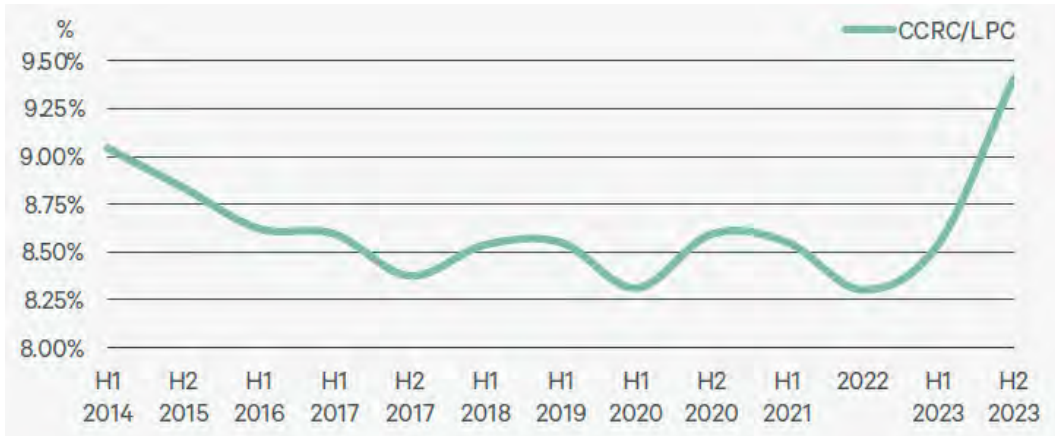


## National Capitalization Rate Trends

	Class A			Class B			Class C			
	Low - High (%)	Avg. (%)	Change (bps)	Low - High (%)	Avg. (%)	Change (bps)	Low - High (%)	Avg. (%)	Change (bps)	
Core	Active Adult	5.0 - 7.0	5.8	64	5.0 - 7.0	6.6	66	6.0 - 9.0	7.3	70
	Independent Living	5.0 - 7.0	6.4	67	5.0 - 7.0	7.2	71	7.0 - 9.0	7.8	77
	Assisted Living	6.0 - 9.0	7.1	73	6.0 - 9.0	7.9	77	7.0 - 10.0	8.9	85
	Memory Care	6.0 - 9.0	8.3	84	6.0 - 9.0	9.2	82	7.0 - 12.0	10.0	88
	Skilled Nursing	8.0 - 13.0	11.2	64	8.0 - 13.0	12.2	69	9.0 - 14.0	12.9	63
	CCRC/LPC	6.0 - 11.0	8.4	67	6.0 - 11.0	9.2	69	6.0 - 13.0	9.9	65
Non-Core	Active Adult	5.0 - 8.0	6.5	66	5.0 - 8.0	7.2	68	6.0 - 10.0	7.8	76
	Independent Living	5.0 - 8.0	7.0	69	5.0 - 8.0	7.8	72	7.0 - 10.0	8.5	75
	Assisted Living	6.0 - 9.0	7.5	73	6.0 - 9.0	8.5	76	7.0 - 13.0	9.5	84
	Memory Care	6.0 - 10.0	8.7	81	6.0 - 10.0	9.5	79	7.0 - 12.0	10.5	89
	Skilled Nursing	8.0 - 14.0	11.9	70	8.0 - 14.0	12.7	78	9.0 - 14.0	13.4	83
	CCRC/LPC	6.0 - 12.0	8.9	75	6.0 - 12.0	9.7	82	7.0 - 13.0	10.4	79
<b>Average Change per Class</b>			<b>71</b>	<b>74</b>			<b>78</b>			

CBRE Senior Housing Investor Survey results, H2 2023; change from H1 2023, Survey.

The CBRE Valuation & Advisory Senior Housing and Healthcare practice group recently published the U.S. Senior Housing & Care Investor Survey. In this survey, capitalization rates for all segments of the senior housing industry have compressed since H1 2014, while all property types began trending up in 2022 with the exception of Skilled Nursing Facilities which began trending up in the second half of 2023.



## Submarket Performance Trends

The National Investment Center for the Senior Housing and Care Industry (NIC) tracks and reports various operational and statistical data through their NIC MAP database. NIC MAP covers 140 U.S. Metropolitan Areas (Metro). The Washington, DC, Metro is the most applicable to the subject's market. Overall Metro performance trends and attributes for Senior Housing communities are summarized as follows:

SENIOR HOUSING MARKET TRENDS   WASHINGTON, DC METRO							
INDEPENDENT LIVING TRENDS							
Period	Period Range	Existing Units	Stabilized Occupancy	New Unit Pipeline	Pipeline Vs. Inventory (%)	Annual Rent Growth	
<b>Trailing Average</b>	<b>4Q2012 - 4Q2023</b>	<b>15,546</b>	<b>91.4%</b>	<b>1,075</b>	<b>6.7%</b>	<b>3.3%</b>	
5-Year Average	1Q2019 - 4Q2023	16,361	89.6%	1,821	11.0%	3.1%	
3-Year Average	1Q2021 - 4Q2023	16,792	88.6%	2,313	13.7%	1.9%	
1-Year Average	1Q2023 - 4Q2023	17,407	90.0%	2,919	16.7%	2.7%	
Current Period	4Q2023	17,500	91.0%	3,779	21.6%	1.7%	
<b>Trailing Pre-COVID*</b>							
High	4Q2012 - 1Q2020	15,983	94.3%	1,255	8.0%	8.6%	
Average	4Q2012 - 1Q2020	15,008	92.7%	564	3.7%	4.1%	
Low	4Q2012 - 1Q2020	14,570	90.9%	83	0.6%	1.8%	
ASSISTED LIVING TRENDS							
Period	Period Range	Existing Units	Stabilized Occupancy	New Unit Pipeline	Pipeline Vs. Inventory (%)	Annual Rent Growth	
<b>Trailing Average</b>	<b>4Q2012 - 4Q2023</b>	<b>9,046</b>	<b>87.0%</b>	<b>1,125</b>	<b>12.4%</b>	<b>3.3%</b>	
5-Year Average	1Q2019 - 4Q2023	10,897	80.9%	1,322	12.5%	3.1%	
3-Year Average	1Q2021 - 4Q2023	11,558	78.2%	1,031	9.1%	1.9%	
1-Year Average	1Q2023 - 4Q2023	12,116	79.8%	904	7.5%	3.1%	
Current	4Q2023	12,236	81.6%	887	7.2%	2.6%	
<b>Trailing Pre-COVID*</b>							
High	4Q2012 - 1Q2020	10,056	93.7%	1,999	24.6%	5.9%	
Average	4Q2012 - 1Q2020	7,919	91.2%	1,089	13.2%	2.9%	
Low	4Q2012 - 1Q2020	6,790	85.9%	86	1.2%	1.3%	

\*Prior to 2Q 2020

Source: NIC MAP® Data & Analysis Service

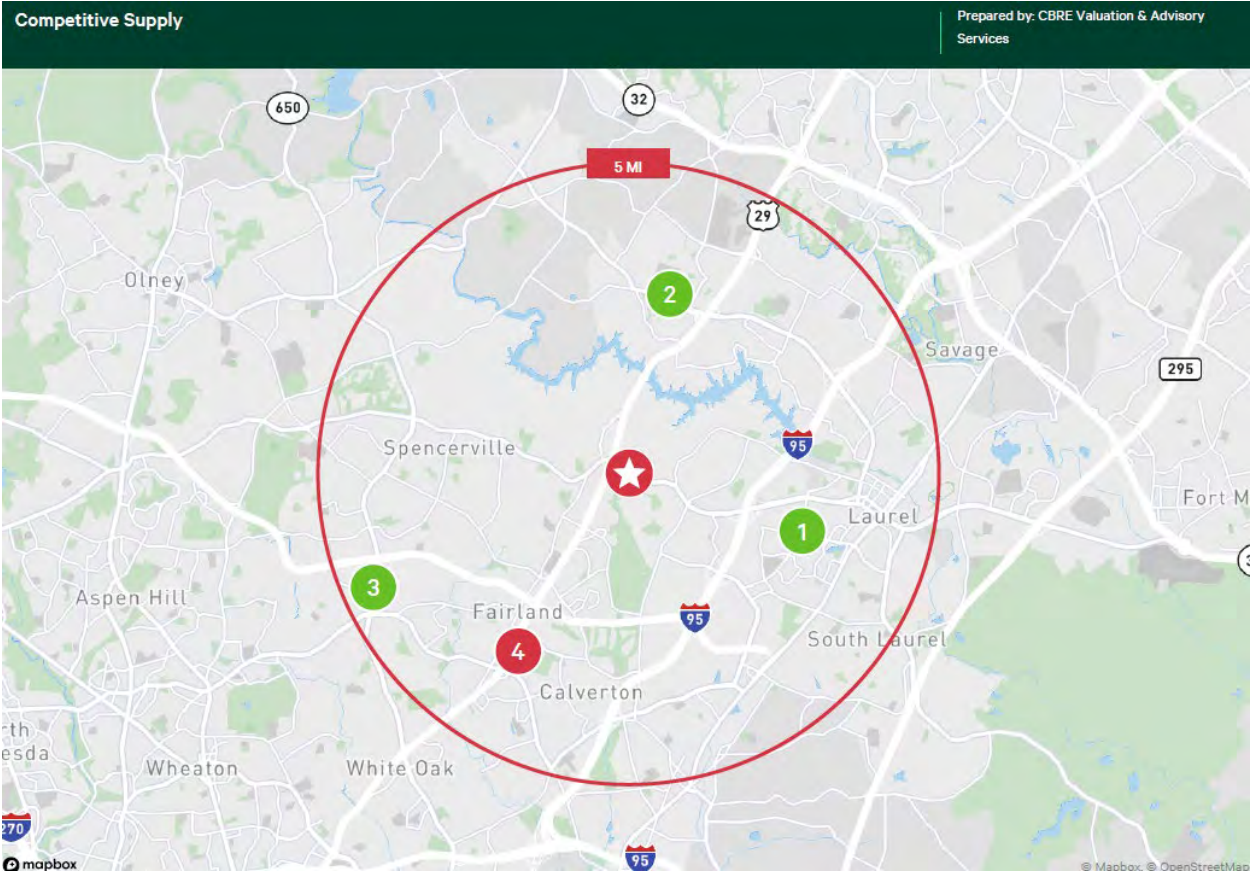
# Primary Market Area Performance Summary

The first step in analyzing the competitive market for the subject is delineating the subject's primary market area (PMA). A PMA can be defined by a radius, node(s), submarket(s), zip code(s), county(s) or township(s), or any variety of such defining terms. This cohort represents where approximately 70% to 80% of the residents currently occupying the subject resided prior to moving into the subject property.

## Competitive Supply

CBRE researched all current and proposed supply within the subject's primary market area. Based on discussions with property management as well as marketing directors at comparable properties to the subject, the subject's primary market area is outlined in the map below as well as summarized in a following table.

As shown in the map, the comparable rental properties are denoted by 'Green Indicators' and additional competitive supply via 'Red Indicators'. Notably, three of the comparable rental properties used in the Income Capitalization Approach section were not considered direct competitors due to their locations outside of the defined PMA and have been excluded from the below map.



COMPETITIVE SUPPLY SUMMARY						
Property	CURRENT (2024)			FUTURE (2029)		
	IL	AL	MC	IL	AL	MC
SUBJECT	88	64	27	88	64	27
<b>RENT COMPARABLES - Green Indicators in Map</b>						
1 Morningside House of Laurel	-	60	26	-	60	26
2 Arbor Terrace Fulton	-	73	29	-	73	29
3 Wilshire Estates Gracious Retirement Living	141	-	-	141	-	-
<b>ADDITIONAL SUPPLY - Red Indicators in Map</b>						
4 Arden Courts of Silver Spring	-	-	48	-	-	48
<b>Total Supply</b>	<b>229</b>	<b>197</b>	<b>130</b>	<b>229</b>	<b>197</b>	<b>130</b>

Source: CBRE VIEW Database

## Future Supply

Future supply is one of the greatest potential impacts on a market's balance. Hence, any properties under construction or proposed for construction within the subject's PMA must be identified. To do so, data obtained by NIC Map® was researched and inquiries to local planning and zoning approval offices were conducted. Based on this research, no additional supply was identified within the defined PMA.

## Direct Competitors

In addition to the above PMA analysis, the following comparable properties have been surveyed to identify the occupancy and rental trends within the subject's immediate market area. Only properties offering similar services were identified as direct competition to the subject. Note communities within as well as surrounding the subject PMA were considered, with the most comparable properties included; these comparables will be further discussed within the Income Capitalization Approach section of this report. The comparable data is summarized in the following table:

SUMMARY OF COMPARABLE COMMUNITY RENTALS					
No.	Name	Miles from Subject	Base Rate IL	Base Rate AL	Base Rate MC
1	Morningside House of Laurel	2.9	-	\$4,000 - \$6,400	\$5,325 - \$6,575
2	Arbor Terrace Fulton	3.0	-	\$5,789 - \$9,269	\$7,209 - \$8,339
3	Wilshire Estates Gracious Retirement Living	4.5	\$3,355 - \$5,465	-	-
4	Aspenwood Senior Living	7.6	\$3,800 - \$5,400	\$4,700 - \$6,200	-
5	Modena Reserve at Kensington	9.7	\$6,165 - \$8,530	\$7,709 - \$8,359	\$11,855
6	Brightview Annapolis	21.3	\$8,750 - \$11,959	\$8,750 - \$11,959	\$9,995
	Subject Brookstone Senior Living	-	\$1,348 - \$6,234	\$7,438 - \$11,100	\$10,982

Source: CBRE VIEW Database

## Market Occupancy

Occupancies at the competing properties has been gathered as included within the following table:

COMPETITIVE OCCUPANCY SUMMARY						
Property	IL	Stabilized	AL	Stabilized	MC	Stabilized
Morningside House of Laurel	-	-	93.3%	Yes	88.5%	No
Arbor Terrace Fulton	-	-	91.8%	Yes	89.7%	Yes
Wilshire Estates Gracious Retirement Living	80.1%	Yes	-	-	-	-
Estimated Occupied Supply	113		123		92	
<b>Avg. for Stabilized Properties</b>	<b>80.1%</b>		<b>92.5%</b>		<b>89.7%</b>	

Source: CBRE VIEW Database

Notably, Wilshire Estates Gracious Retirement Living is not considered to be fully stabilized, however given it is the only independent living competitor within the PMA, has been utilized as the stabilized occupancy for independent living occupancy for comparative analysis.

## Submarket & PMA Summary

The following table summarizes key market statistics identified by CBRE for the subject's PMA, NIC MAP metro market, and NIC MAP Primary or Secondary market average.

SENIOR HOUSING MARKET STATISTICS			
Category	Subject's PMA	Washington, DC	MAP Primary
<b>Independent Living</b>			
Average Stabilized Occupancy	80.1%	91.0%	88.0%
Average Monthly Rent	6,678	3,849	4,042
Property Count	4	48	2,151
Inventory (Rev. Units)	229	17,500	294,016
Construction (Rev. Units)	-	3,779	13,012
Construction vs. Inventory	-	21.6%	3.7%
Penetration	2.1%	8.1%	6.0%
<b>Assisted Living</b>			
Average Stabilized Occupancy	92.5%	81.6%	85.0%
Average Monthly Rent (AL & MC)	7,652	8,158	6,479
Property Count (AL & MC)	5	143	4,692
Inventory (Rev. Units)	327	12,236	294,600
Construction (Rev. Units)	-	887	12,581
Construction vs. Inventory	-	7.2%	8.6%
Penetration	3.5%	3.9%	4.5%

Source: NIC MAP

## Senior Housing Demand Analysis

Demand for senior housing and care properties can be clearly defined by specific age cohorts, healthcare requirements, and income levels. Future demand can be estimated by understanding population shifts or trends relative to this defined population segment.

This section of the market analysis begins by identifying the age-qualified segment of the population. Various methodologies suggest that consideration should be given to the “adult child” influence, which typically result in an in-migration to the PMA as the adult child will typically bring their respective parent to a property close to their home. However, in accounting for an “adult child” factor, out-migration must also be considered for similar reasoning.

Considering that various markets can behave differently based on locational attributes, climates, local economies, and overall population behaviors, this analysis assumes that the typical in-migration will net out the typical out-migration. This also allows for accurate benchmarking in comparing the subject’s market to the various data-points presented.

### Population by Age Cohorts

According to The National Study of Long-Term Care Providers published by the Centers for Disease Control and Prevention (CDC) and National Center for Health Statistics (NCHS), published in May 2022, the average age of residents living in residential care communities (IL, AL, MC) is 86.9 years. The following table illustrates the population and projected household changes for the subject’s primary market area, as well as additional, proximate geographical segments.

SENIOR POPULATION BY AGE			
15300 Dino Dr Burtonsville, MD 20866	3 Mile Radius	5 Mile Radius	7 Mile Radius
<b>2023 Population</b>	56,875	199,996	354,275
Age 55-64	7,709	25,661	46,126
Age 65-74	4,991	18,548	33,546
Age 75-84	2,275	9,379	16,123
Age 85+	659	3,850	6,171
<b>2028 Population</b>	56,881	203,379	359,462
Age 55-64	6,675	23,484	42,240
Age 65-74	5,615	20,242	36,472
Age 75-84	2,819	11,882	20,774
Age 85+	828	4,584	7,445
<b>% Change</b>			
Total Population	0.01%	1.69%	1.46%
Age 55 - 64	-13.41%	-8.48%	-8.42%
Age 65-74	12.50%	9.13%	8.72%
Age 75-84	23.91%	26.69%	28.85%
Age 85+	25.64%	19.06%	20.64%

CBRE Valuation & Advisory | Senior Housing & Healthcare

Considering 85+ is the average resident population age at senior living communities, it can be assumed that residents enter these communities at earlier ages as well as later ages. Therefore, this analysis considers the 75 to 84 and the 85+ age cohort as age-qualified demand.

## Income Distributions

Income available for expenditure on housing and other consumer items is a primary factor in determining income qualified demand. Similar to the age cohorts, the following table illustrates estimated household income distributions for the subject's primary market area.

ESTIMATED HOUSEHOLD INCOME BY AGE				
2023 Households	55-64 Years	65-74 Years	75-84 Years	85+ Years
- Income Less than \$15,000	682	759	408	168
- Income \$15,000 to \$24,999	465	546	484	198
- Income \$25,000 to \$34,999	501	544	467	192
- Income \$35,000 to \$49,999	715	696	577	237
- Income \$50,000 to \$74,999	1,295	1,679	837	344
- Income \$75,000 to \$99,999	1,456	1,195	562	230
- Income \$100,000 to \$149,999	2,982	1,873	657	270
- Income \$150,000 to \$199,999	2,211	1,023	420	173
- Income \$200,000 and Over	3,784	1,571	395	162
<b>Total Households</b>	<b>14,091</b>	<b>9,886</b>	<b>4,808</b>	<b>1,973</b>
<b>Average Household Income</b>	<b>174,995</b>	<b>174,995</b>	<b>97,335</b>	<b>n/a</b>
<b>Median Household Income</b>	<b>127,547</b>	<b>127,547</b>	<b>61,625</b>	<b>n/a</b>
<b>Average Housing Value (All Age Groups)</b>	<b>\$571,717</b>	<b>\$571,717</b>	<b>\$571,717</b>	<b>\$571,717</b>
2028 Households	55-64 Years	65-74 Years	75-84 Years	85+ Years
- Income Less than \$15,000	501	700	358	339
- Income \$15,000 to \$24,999	331	464	363	342
- Income \$25,000 to \$34,999	342	468	351	332
- Income \$35,000 to \$49,999	504	595	448	423
- Income \$50,000 to \$74,999	1,008	1,594	677	640
- Income \$75,000 to \$99,999	1,201	1,212	496	468
- Income \$100,000 to \$149,999	2,645	2,042	623	589
- Income \$150,000 to \$199,999	2,228	1,322	468	443
- Income \$200,000 and Over	3,948	2,197	486	460
<b>Total Households</b>	<b>12,708</b>	<b>10,594</b>	<b>4,271</b>	<b>4,035</b>
<b>Average Household Income</b>	<b>197,600</b>	<b>155,814</b>	<b>116,121</b>	<b>n/a</b>
<b>Median Household Income</b>	<b>145,230</b>	<b>104,404</b>	<b>71,910</b>	<b>n/a</b>
<b>Average Housing Value (All Age Groups)</b>	<b>\$599,170</b>	<b>\$599,170</b>	<b>\$599,170</b>	<b>\$599,170</b>

CBRE Valuation & Advisory | Senior Housing & Healthcare

The immediate area surrounding the subject is projected to experience growth relative to households, population, and income levels over the next five-year period. Foregoing any changes in competitive supply, these trends do indicate a favorable demand outlook.



# Penetration Analysis

A penetration analysis can be performed to determine the overall market depth, as well as the potential impact of any future supply within the subject’s defined market area. Penetration is defined as the competitive inventory (including the subject) divided by the number of age-qualified households. There are several methodologies in calculating penetration. Though somewhat simplistic, this method is the most widely recognized respective to the subject’s property type. Most importantly, it represents the methodology employed by the National Investment Center for the Senior Housing & Care Industry, therefore allowing for accurate benchmarking against other markets.

This analysis begins by identifying current and proposed competitive supply within the subject’s defined PMA, as presented earlier in this report section. The supply estimate is then applied to the age-qualified demographics within the PMA.

Applying the competitive supply indications to the total demand indications yields the following penetrations rates:

MARKET PENETRATION		
	CURRENT (2024)	FUTURE (2029)
<b>Independent Living</b>		
Age Qualified Households (75+)	6,781	8,306
Total Supply	141	229
<b>Indicated Penetration Rate:</b>	<b>2.08%</b>	<b>2.76%</b>
<b>Assisted Living</b>		
Age Qualified Households (75+)	6,781	8,306
Total Supply	133	197
<b>Indicated Penetration Rate:</b>	<b>1.96%</b>	<b>2.37%</b>
<b>Memory Care</b>		
Age Qualified Households (75+)	6,781	8,306
Total Supply	103	130
<b>Indicated Penetration Rate:</b>	<b>1.52%</b>	<b>1.57%</b>

Compiled by CBRE

Penetration rates alone can have multiple meanings. To properly understand market penetration, market occupancy must also be considered. The various market types are summarized as follows:

**Low Penetration/ High Occupancy:** This combination is the most favorable. The high occupancy indicates that the local population is accepting the subject’s product type with significant room for expansion. This combination also suggests a higher than typical ratio of residents emanating from outside the defined PMA, or above market net in-migration. This market suggests strong occupancy, stable rent growth, and healthy absorption for proposed properties.

**Low Penetration/ Low Occupancy:** Age and income qualified senior are either not accepting the property type or are traveling outside the defined PMA to obtain their respective needs, due to

unsatisfactory product within the PMA. This combination suggests that market opportunity does exist but will likely require additional marketing efforts to achieve a favorable stabilized occupancy level.

**High Penetration/ High Occupancy:** While this combination can indicate a competitive market, it does presume that the local population is well educated with the property type and generally receptive to the services provided. Markets displaying this combination require less marketing efforts in terms of product education but may require more resources from a competitive market position standpoint, such as superior quality or affordable rents.

**High Penetration/ Low Occupancy:** This combination is the least favorable and most likely depicts a saturated market. Decreasing rental rates, prevalence of concessions, and less than favorable occupancy can be expected when this combination is displayed.

The subject’s primary market area is defined by comparing the PMA occupancy and penetration metrics to the respective NIC MAP market metrics as summarized below.

PENETRATION ANALYSIS CONCLUSION						
Property Type	NIC MSA		Subject PMA		CBRE Market Rating	
	Penetration	Occupancy	Penetration	Occupancy	Penetration	Occupancy
<b>Current Market Rating</b>						
Independent Living	8.1%	91.4%	2.1%	80.1%	Low	Low
Assisted Living	3.9%	81.6%	3.5%	92.5%	Low	High
<b>Future Market Rating (Five Years)</b>						
Independent Living	8.1%	91.4%	2.8%	80.1%	Increase	-
Assisted Living	3.9%	81.6%	3.9%	92.5%	Increase	-

Source: Compiled from Various Sources

### Independent Living Penetration Summary

The independent living market yields low penetration with low market occupancy. During the next five years, the 75+ age-cohort is forecasted to increase while the supply of independent living units is expected to increase due to new development, indicating competitive supply is anticipated to change at a faster rate than demand. When incorporating consideration for the projected population and supply, the corresponding penetration rate for independent living is expected to increase over the next five years.

Notably, occupancies for independent living properties outside of the subject’s PMA fall in-line with or above the MSA as a whole. Given Wilshire Estates Gracious Retirement Living is currently leasing back up from occupancy loss due to Covid-19, we have placed primary emphasis on the competitors just outside of the subject’s PMA for our conclusions.

### Assisted Living Penetration Summary

Analysis of the assisted living, including memory care, market yields low penetration with high market occupancy. Over the next five years, the 75+ age-cohort is forecasted to increase while the supply of assisted living supply units is expected to increase, indicating competitive supply is anticipated to change at a faster rate than demand. In looking at the juxtaposition for projected population and supply, the

penetration rate for assisted living, including memory care, is expected to increase over the next five years.

## Demand Coverage Analysis

While the penetration analysis looks at age-qualified households, the demand coverage analysis also qualifies age by population segment as well as income in an effort to derive indicated demand.

### Demand Analysis

Demand for senior housing and care properties can be clearly defined by specific age cohorts, healthcare requirements, and income levels. Future demand can be estimated by understanding population shifts or trends relative to this defined population segment.

This section of the market analysis begins by identifying the age-qualified segment of the population. Various methodologies suggest that consideration should be given to the “adult child” influence, which typically result in an in-migration to the PMA as the adult child will typically bring their respective parent to a property close to their home. However, in accounting for an “adult child” factor, out-migration must also be considered for similar reasoning.

Considering that various markets can behave differently based on locational attributes, climates, local economies, and overall population behaviors, this analysis assumes that the typical in-migration will net out the typical out-migration. This also allows for accurate benchmarking in comparing the subject’s market to the various data-points presented.

### Age Qualified Demand

A demand coverage analysis serves as a more detailed way of understanding specific supply and demand characteristics of a primary market area. This methodology incorporates income qualifications, care utilization specific to the sub-property type and specific age cohorts. Once market vacancy is considered, a net demand indication is calculated.

This method begins by identifying the age and income qualified portion of the population. Whereas the penetration analysis utilizes the 75+ population, this analysis incorporates the 65+ population. Though it is not typical for people between the ages of 65 to 74 to require ADL (Assistance with Activities of Daily Living) services, this demographic is included in this analysis. Hence, this analysis considers the 65 to 85+ age cohort as age-qualified demand.

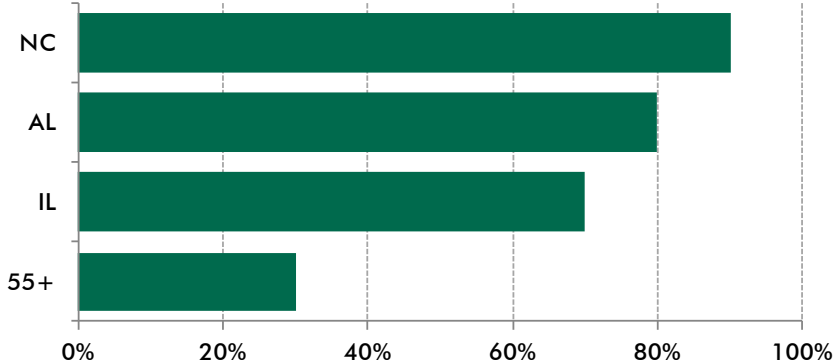
DEMAND BY POPULATION SEGMENT		
CURRENT (2024)	IL	AL
65 - 74 Population	18,548	18,548
75 - 84 Population	9,379	9,379
85+ Population	3,850	3,850
<b>Age Qualified Population</b>	<b>31,777</b>	<b>31,777</b>
FUTURE (2029)	IL	AL
65 - 74 Population	20,242	20,242
75 - 84 Population	11,882	11,882
85+ Population	4,584	4,584
<b>Age Qualified Population</b>	<b>36,708</b>	<b>36,708</b>

Source: Compiled by CBRE

### Income Requirement

A base income qualification is used to qualify the respective age cohorts. According to the 2015 (most recent available) “Cost of Care” Survey, conducted by Genworth, a typical cost requirement for senior living is summarized below, by care level:

### Percent of Income Required by Care Type



Source: U.S. Department of Health and Human Services & Genworth

To estimate the base income requirement, the minimum rent charged for each care level from the competitive set was utilized. Details relating to these rents are included later in this report, with a summary of the base income requirement calculation.

The annual income statistics reported by ESRI do not include equity gained from home sales. Home equity is a significant component of affordability. Hence, the average home value as reported by ESRI for the subject’s defined PMA was also considered.

National census data suggests that the 65 to 85+ years of age demographic holds significant equity in their home due to year purchased and standard inflation. According to the American Community Survey, conducted by the U.S. Census Bureau, senior ages 65+ have an average 83.98% equity in their home. By applying a reinvestment rate of 4.5% to the 84.0% (rounded) home equity contribution, an adjustment to the indicated base income requirement can be applied.

BASE INCOME REQUIREMENT		
	IL	AL
Base Market Rent (Monthly)	\$3,400	\$4,000
Base Market Rent (Annual)	\$40,800	\$48,000
Allocated % of Annual Income	70.00%	80.00%
<b>Indicated Base Income Requirement</b>	<b>\$58,286</b>	<b>\$60,000</b>
Median Home Value	\$571,717	\$571,717
<b>Estimated Equity at 84% of Home Value</b>	<b>\$480,242</b>	<b>\$480,242</b>
Rate of Return	4.50%	4.50%
<b>Home Equity Contribution</b>	<b>\$21,611</b>	<b>\$21,611</b>
<b>Adjusted Income Requirement</b>	<b>\$36,675</b>	<b>\$38,389</b>
<b>Concluded Income Requirement Parameters</b>		
Base Income Requirement	\$35,000	\$35,000
Income Cap	\$100,000	\$100,000

Source: Compiled by CBRE

Notably, a cap to the minimum income requirement may be considered reasonable and is noted in the prior chart, assuming senior with annual income above this level will opt to hire personalized care and likely remain in a private home.

### Income Qualified Demand

The next step is delineating the income qualified portion of the age qualified population. As ESRI only reports income levels by households, a household to population factor must be applied. According to the U.S. Census Bureau, 57.8% of the senior population are widowed, or living alone prior to moving into an assisted living residence.

AGE AND INCOME QUALIFIED POPULATION		
<b>CURRENT (2024)</b>	IL	AL
Income Qualified 65 - 74 Households	3,570	3,570
Income Qualified 75 - 84 Households	1,976	1,976
Income Qualified 85+ Households	811	811
Household to Population Adjustment	57.80%	57.80%
<b>Age/ Income Qualified Population</b>	<b>10,998</b>	<b>10,998</b>
<b>FUTURE (2029)</b>	IL	AL
Income Qualified 65 - 74 Households	3,401	3,401
Income Qualified 75 - 84 Households	1,621	1,621
Income Qualified 85+ Households	1,531	1,531
Household to Population Adjustment	57.80%	57.80%
<b>Age/ Income Qualified Population</b>	<b>11,337</b>	<b>11,337</b>

Source: Compiled by CBRE

## Level of Care Requirement

The final step in estimating demand is delineating the percentage of the age and income population that will require care, respective of the subject property type. The U.S. Department of Health and Human Services reports the percentage of the population requiring care levels that are consistent with the senior population occupying the respective sub-property type. These care utilization factors have been applied to the age and income qualified population cohort.

AGE AND INCOME QUALIFIED DEMAND		
CURRENT (2024)	IL	AL
Income Qualified 65 - 74 Population	6,176	6,176
65 - 74 Care Utilization Factor	5.9%	3.6%
65 - 74 Age/ Care Qualified Demand	364	222
Income Qualified 75 - 84 Population	3,419	3,419
75 - 84 Care Utilization Factor	7.3%	7.7%
75 - 84 Age/ Care Qualified Demand	250	263
Income Qualified 85+ Population	1,403	1,403
85+ Care Utilization Factor	12.2%	21.1%
85+ Age/ Care Qualified Demand	171	296
<b>Total Age/ Care Qualified Demand</b>	<b>785</b>	<b>782</b>
FUTURE (2029)	IL	AL
Income Qualified 65 - 74 Population	5,884	5,884
65 - 74 Care Utilization Factor	5.9%	3.6%
65 - 74 Age/ Care Qualified Demand	347	212
Income Qualified 75 - 84 Population	2,804	2,804
75 - 84 Care Utilization Factor	7.3%	7.7%
75 - 84 Age/ Care Qualified Demand	205	216
Income Qualified 85+ Population	2,649	2,649
85+ Care Utilization Factor	12.2%	21.1%
85+ Age/ Care Qualified Demand	323	559
<b>Total Age/ Care Qualified Demand</b>	<b>875</b>	<b>987</b>

Care Factor Source: U.S. Department of Health and Human Services

Source: Compiled by CBRE

## Net Demand Coverage Indications

Once an adjustment for frictional vacancy is applied, the adjusted demand can be applied to the indicated supply. The difference between the adjusted demand and the competitive market supply yields the net demand indication. This calculation is summarized below.

DEMAND COVERAGE		
<b>CURRENT (2024)</b>	<b>IL</b>	<b>AL</b>
Total Demand	785	782
Frictional Vacancy	5.0%	5.0%
<b>Total Adjusted Demand</b>	<b>826</b>	<b>823</b>
Total Supply	141	133
<b>Net Surplus Demand (Rev. Units)</b>	<b>685</b>	<b>690</b>
Market Balance	Under Supply	Under Supply
<b>FUTURE (2029)</b>	<b>IL</b>	<b>AL</b>
Total Demand	875	987
Frictional Vacancy	5.0%	5.0%
<b>Total Adjusted Demand</b>	<b>921</b>	<b>1,039</b>
Total Supply	229	197
<b>Net Surplus Demand (Rev. Units)</b>	<b>692</b>	<b>842</b>
Market Balance	Under Supply	Under Supply

Source: Compiled by CBRE

The above analysis applies to overall assisted living market. The subject's memory care component is considered a subset of assisted living, and specific demand characteristics relative to standard assisted living and memory care must be further understood. Thus, this analysis also delineates memory care services from traditional assisted living.

The National Study of Long-Term Care Providers published by the National Center for Health Statistics (NCHS) reported that 40% of assisted living residents are diagnosed with Alzheimer's or other dementias. This ratio was applied to the total assisted living demand to segment out memory care specific demand.

MEMORY CARE DEMAND COVERAGE		
	<b>CURRENT (2024)</b>	<b>FUTURE (2029)</b>
Total Demand - AL and MC	782	987
MC Utilization Factor	40.0%	40.0%
Total Demand - MC	313	395
Frictional Vacancy	5.00%	5.00%
<b>Total Adjusted Demand - MC</b>	<b>329</b>	<b>415</b>
Total Supply - MC	130	130
<b>Net Surplus Demand (Rev. Units)</b>	<b>199</b>	<b>285</b>
Market Balance	Under Supply	Under Supply

Compiled By: CBRE & NCHS Study of Long-Term Care Providers

## Demand Coverage Analysis & Conclusion

While the penetration analysis looks at age qualified households, the demand coverage analysis utilizes age and income qualified individuals. This analysis also delineates memory care services from traditional assisted living.

The results of the demand coverage analysis indicates Under Supply for independent living, Under Supply for assisted living, and Under Supply for memory care.

Considering the projected change in competitive supply and income qualified demand over the next five years, the demand coverage indicates Under Supply for independent living, Under Supply for assisted living, and Under Supply for memory care, as of 2029.

## Market Analysis Conclusion

To determine market demand, CBRE employed a penetration analysis and a demand coverage analysis, and both analyses are independent of the other. These conclusions are further supported by discussions with local marketing directors at comparable properties within and around the subject's defined market area.

The subject's market is undersupplied for all care levels with the subject required to less than its proportionate share of market demand to obtain the estimated stabilized levels. The proposed addition to competitive supply has a small impact on penetration indicating a healthy market. The subject will be the newest property in the market and will fall at the upper end of the market in terms of overall quality and amenities offered.

The location of the subject with favorable economic and population trends, along with superior physical and operational attributes suggest that the subject will capture the appropriate share of the market to maintain a stabilized occupancy level at the high end of current market indications for stabilized properties.



# Subject Market Position

## Management Overview

The subject will be managed by Distinctive Senior Living, an operator of senior housing properties. The analysis and conclusions within this report assume competent management and market operations.

## Subject Licensure and Regulations

LICENSURE AND REGULATIONS	
Licensed Beds	91

---

CBRE Valuation & Advisory | Senior Housing & Healthcare

## Assisted Living Licensure Summary

The following exhibit summarizes assisted living licensure requirements within the State of Maryland:

ASSISTED LIVING STATE REGULATORY OVERVIEW (MD)	
CLASSIFICATION	Assisted Living Programs
REGULATORY REFERENCES	MD Code Ann. 19-1801 es seq.; Code of MD Reg. 10.07.14 et seq.
MINIMUM SIZE (UNITS)	1+
ADL CARE:	
Transportation	Y (or arrange)
Laundry	Y
Activities /Recreation	Y
Arranging Health Related	Y
Housekeeping	Y
Medications Management	Y
Monitoring	Y
Other	3 meals/day & snacks
PERMITTED SERVICES:	
Assistance with Medications	Y
Administer Medications	Moderate and high*
Intermittent Nursing	Y
Other	Hospice Home Health
REGULATED SUBJECTS:	
Admission Agreements	Detailed
Resident Funds	Y
Care Plan	Y
Medication Storage	Y
Dietary Requirements	Y
Other	Uniform Disclosure Statement which describes the facilities services
ADMINISTRATOR:	
Education/ exam	HS or equivalent + 80 hr training program
Continuing Education	Ongoing training
Availability	24 hrs (or alternate)
Other (Qualifications, etc.)	Revised requirements for delegating
STAFFING LEVELS:	
Staff; Resident Ratio	Must be sufficient in number & qualifications to meet 24 hour needs
Required Hours	24 hrs /day
Other Qualifications	On-going training
MANDATORY DISCHARGE:	
Ongoing Nursing Care	Y
Danger to Self/Others	Y
PHYSICAL PLANT:	
Maximum Occupancy/Unit	2
Size of Unit (single occ.)	80 square feet
Size of Unit (multiple occ.)	120 square feet
Toilet	1:4 residents
Bath or er	1:8 beds
Other	Detailed requirements for Emergency Preparedness
CERTIFICATE OF NEED	N
LICENSING AGENCY	Health and Mental Hygiene Office of Health Care Quality
MEDICAID WAIVER/ST. PLAN	Approved, not implemented
NOTES	*Three levels of care: low, moderate and high

Source: American Senior Housing Assoc., State Regulatory Handbook

## Stabilized Occupancy Estimate

The following chart includes market occupancy data, the subject's reported occupancy levels, and CBRE's conclusion of stabilized occupancy. These levels are based on the physical occupancy for the subject.

OCCUPANCY CONCLUSIONS					
<b>Subject MSA - NIC Map Census Levels</b>		<b>IL</b>	<b>AL</b>	<b>MC</b>	
Trailing Avg (4Q2012 - 4Q2023)		91.4%	85.0%	85.0%	
Trailing Pre-COVID Avg (4Q2012 - 1Q2020)		92.7%	81.6%	81.6%	
<b>Subject PMA Census Levels</b>		<b>IL</b>	<b>AL</b>	<b>MC</b>	
Primary Market Area (Stabilized Only)		80.1%	92.5%	89.7%	
<b>Subject Reported &amp; Current Census Levels</b>		<b>Overall</b>	<b>IL</b>	<b>AL</b>	<b>MC</b>
2026 Lease-up	41.8%	35.8%	35.7%	75.9%	
2027 Lease-up	83.9%	83.8%	83.5%	85.1%	
2028 Stabilized	93.9%	93.9%	93.9%	93.9%	
2028 As If Stabilized	93.9%	93.9%	93.9%	93.9%	
CBRE Estimated Stabilized Occupancy	94.0%	94.0%	94.0%	94.0%	
Lease-up Period	36 Months				

Compiled by CBRE

The vacancy estimate above represents physical occupancy based on resident days while the weighted average vacancy represents economic vacancy based on potential gross income (PGI) attributable to each component. Any disparity between the two figures is due to the differing levels of revenue by care level. The concluded occupancy was applied to the subject's unit mix to derive a weighted average economic vacancy, as detailed below:

WEIGHTED AVERAGE ECONOMIC VACANCY					
Care Level	% of Total PGI		Vacancy		
Independent Living	37.8%	x	6.0%	=	2.3%
Assisted Living	38.6%	x	6.0%	=	2.3%
Memory Care	23.5%	x	6.0%	=	1.4%
<b>Indicated Weighted Average Vacancy (Rounded)</b>					<b>6.0%</b>

Compiled by CBRE

Based on the market analysis, the subject's PMA shows positive indicated demand. Additionally, in our discussions with representatives at nearby, direct competitors, occupancies are reported to be in-line with or above the MSA as a whole. The CBRE stabilized occupancy conclusion places primary weight on the stabilized competitors within the subject's PMA and surrounding area.

Upon completion, the subject will be operating at sub-stabilized levels. Thus, CBRE included an estimate of absorption within proceeding sections of this report.

## Absorption Data

As the subject will undergo an absorption period to achieve stabilization, CBRE researched absorption rates for comparable properties for an absorption rate estimate for the subject. The following comparables were utilized from within the subject's general market area.

COMPARABLE SPACE ABSORPTION								
Community	State	Region	Rev. Units	Care Type	Occupancy Date	Surveyed Census	Lease Up Period	Absorption/ Month
Modena Reserve at Kensington	MD	Mid-Atlantic	135	IL-AL-MC	Mar-23	73.0%	15 Months	6.6 Units
Seneca Rockville	MD	Mid-Atlantic	147	AL-MC	May-23	50.0%	22 Months	3.3 Units
Tribute at Melford	MD	Mid-Atlantic	140	AL-MC	Jan-23	47.9%	29 Months	2.3 Units
Atrium of Allentown	PA	Northeast	80	AL-MC	Jun-23	57.0%	15 Months	3.1 Units
Allegro Harrington Park	NJ	Northeast	194	IL-AL-MC	Jun-22	42.0%	16 Months	5.1 Units
The Landing of Washington Square	NJ	Northeast	138	IL-AL-MC	Apr-21	35.0%	8 Months	5.9 Units
The Pinnacle	PA	Northeast	196	IL-AL-MC	May-23	70.0%	30 Months	4.1 Units
Mercer Hill at Doylestown	PA	Northeast	148	IL-AL-MC	Mar-24	89.7%	24 Months	5.5 Units
Coterie Cathedral Hill	NY	Northeast	285	IL-AL-MC	Apr-23	35.0%	31 Months	3.3 Units
Absorption Rate Range:							2.3 Units - 6.6 Units	
Absorption Rate Average:							4.4 Units	
SUBJECT CONCLUSION								
SUBJECT	MD	Mid-Atlantic	179	IL/AL/MC	-	94.0%	36 Months	4.1 Units

Complied by CBRE

The following table outlines average monthly move-ins for each property type as reported by NIC.

MOVE-IN RATES	
Property Type	Average Move-Ins /Month
Independent Living	6.1
Assisted Living	4.8
Skilled Nursing (SNF)	14.3
CCRC	13.5
Source: NIC	

## Absorption Conclusion

The subject benefits from its location within the market. The improvements will be well designed for their respective use and offer amenities that are commensurate with the demands of the local population. The data presented throughout the market analysis indicates that operating levels projected for the subject are achievable following a lease-up period. CBRE's estimated absorption period required to achieve stabilization is 36 months, resulting in an Upon Stabilization date of value of August 7, 2028. The corresponding lease-up velocity of 4.1 Units per month falls in line with the range of the absorption comparables at an average of 4.4 Units per month.

# Site Description & Analysis

The following chart summarizes the subject site characteristics:

SITE CHARACTERISTICS			
<b>Physical Description</b>			
Primary Site Area	5.867 Acres	255,567 SF	
Excess Land Area	None		
Surplus Land Area	None		
Total Land Area	5.867 Acres	255,567 SF	
Site Area Source	Site Survey		
Shape	Irregular		
Topography	Generally Level		
Flood Zone / Panel No. / Date	Zone X (Unshaded)	24031C0385D	September 29, 2006
Functional Utility	Good		
Earthquake (Seismic) Zone	N/A		
<b>Development Potential</b>			
Primary Land	1,950 Units	Density: 332.37/AC	
<b>Regulations &amp; Restrictions</b>			
Deed Restrictions	There are no known deed restrictions adversely impacting the site.		
Detrimental Easements	The site has no known easements adversely impacting the site.		
Encroachments	The site has no known encroachments impacting the site.		
<b>Property Frontage &amp; Access</b>			
Cross Access Easement	The site does not appear to have a cross-access easement the adjoining properties.		
<b>Adjacent Properties</b>			
North	Industrial		
South	Residential		
East	Residential		
West	Office		
<b>Analysis &amp; Conclusions</b>			
Conform to Neighborhood	Yes		
Complementary to Subject	Yes		
Nearby Detrimental Uses	No		
Functional Utility	Good		

CBRE Valuation & Advisory | Senior Housing & Healthcare

## Excess & Surplus Land

The subject is not considered to include excess or surplus site area.

## Easements & Encroachments

The subject does not appear to have any adverse easements and/or encroachments.

## Zoning

The following chart summarizes the subject's zoning requirements:

ZONING SUMMARY	
Current Zoning	R-200
Legally Conforming	Yes
Uses Permitted	Pursuant to conditional use permit no. CU202312, the subject's use a seniors housing residence is permitted.
Ability to Restore Without Permit	Yes
Zoning Change	Not likely

Source: Planning & Zoning Department

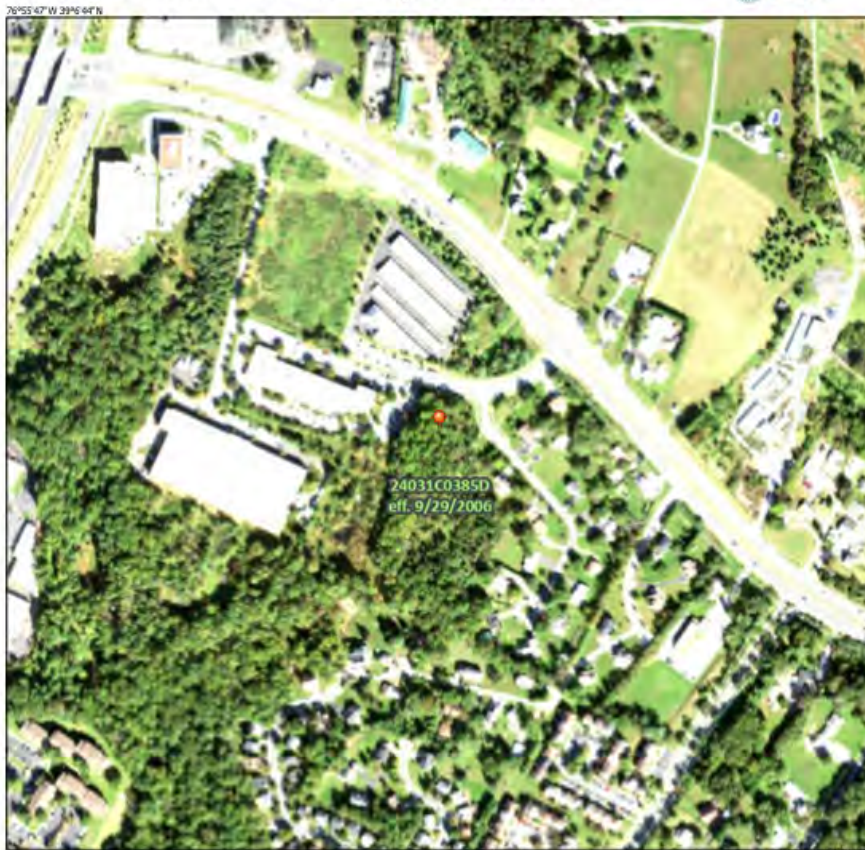
It is recommended that local planning and zoning personnel be contacted regarding more specific information that might be applicable to the subject.

# Flood Zone Description

According to flood hazard maps published by the Federal Emergency Management Agency (FEMA), the subject's respective zone flood zone is defined as follows: "Zones C and X (Unshaded) are flood insurance rate zones used for areas outside the 0.2-percent-annual-chance floodplain. No Base Flood Elevations (BFEs) or depths are shown in this zone, and insurance purchase is not required."

## FLOOD MAP

### National Flood Hazard Layer FIRMette



#### Legend

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

<b>SPECIAL FLOOD HAZARD AREAS</b>	Without Base Flood Elevation (BFE) Zone A, X, AP
	With BFE or Depth Zone AC, AD, AH, VE, AP
	Regulatory Floodway
<b>OTHER AREAS OF FLOOD HAZARD</b>	0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone B
	Future Conditions 1% Annual Chance Flood Hazard Zone X
	Area with Reduced Flood Risk due to Levee. See Notes. Zone X
	Area with Flood Risk due to Levee. Zone D
<b>OTHER AREAS</b>	NO SCREEN Area of Minimal Flood Hazard Zone X
	Effective LOMPs
	Area of Undetermined Flood Hazard Zone D
<b>GENERAL STRUCTURES</b>	Channel, Culvert, or Storm Sewer
	Levee, Dike, or Floodwall
<b>CROSS SECTIONS</b>	26.2 Cross Sections with 1% Annual Chance
	17.8 Water Surface Elevation
	Coastal Transect
	Base Flood Elevation Line (BFE)
	Limit of Study
	Jurisdiction Boundary
	Coastal Transect Baseline
	Profile Baseline
	Hydrographic Feature
<b>OTHER FEATURES</b>	Digital Data Available
	No Digital Data Available
	Unmapped
<b>MAP PANELS</b>	The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

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

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 4/16/2024 at 4:09 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

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

# Site Improvements

The subject site improvements are described within the following table:

SITE IMPROVEMENTS SUMMARY			
<b>Site Improvements</b>			
Signage:	Monument sign at entrance		
Landscaping:	Assumed to be commensurate with community quality		
Water Retention or Ponds:	Stormwater management pond		
Drainage:	Assumed adequate		
Ancillary Structures:	None (Not Included in GBA)		
Condition:	Good		
Utilities:	Assumed adequate		
<b>Parking Description</b>			
Onsite Surface Parking:	Yes	Covered Parking:	No
Structured Parking Garage:	No	Private Garages:	No
Accessible (ADA) Parking:	Yes		
Total On-Site Parking:	133 Spaces	0.70/1,000 SF (GBA)	0.74 per Rev. Unit
Street Parking:	No		
Reciprocal Parking Rights:	No		
Parking Rating:	Considered adequate		
Parking Data Source:	Property Site Plan and Physical Inspection		

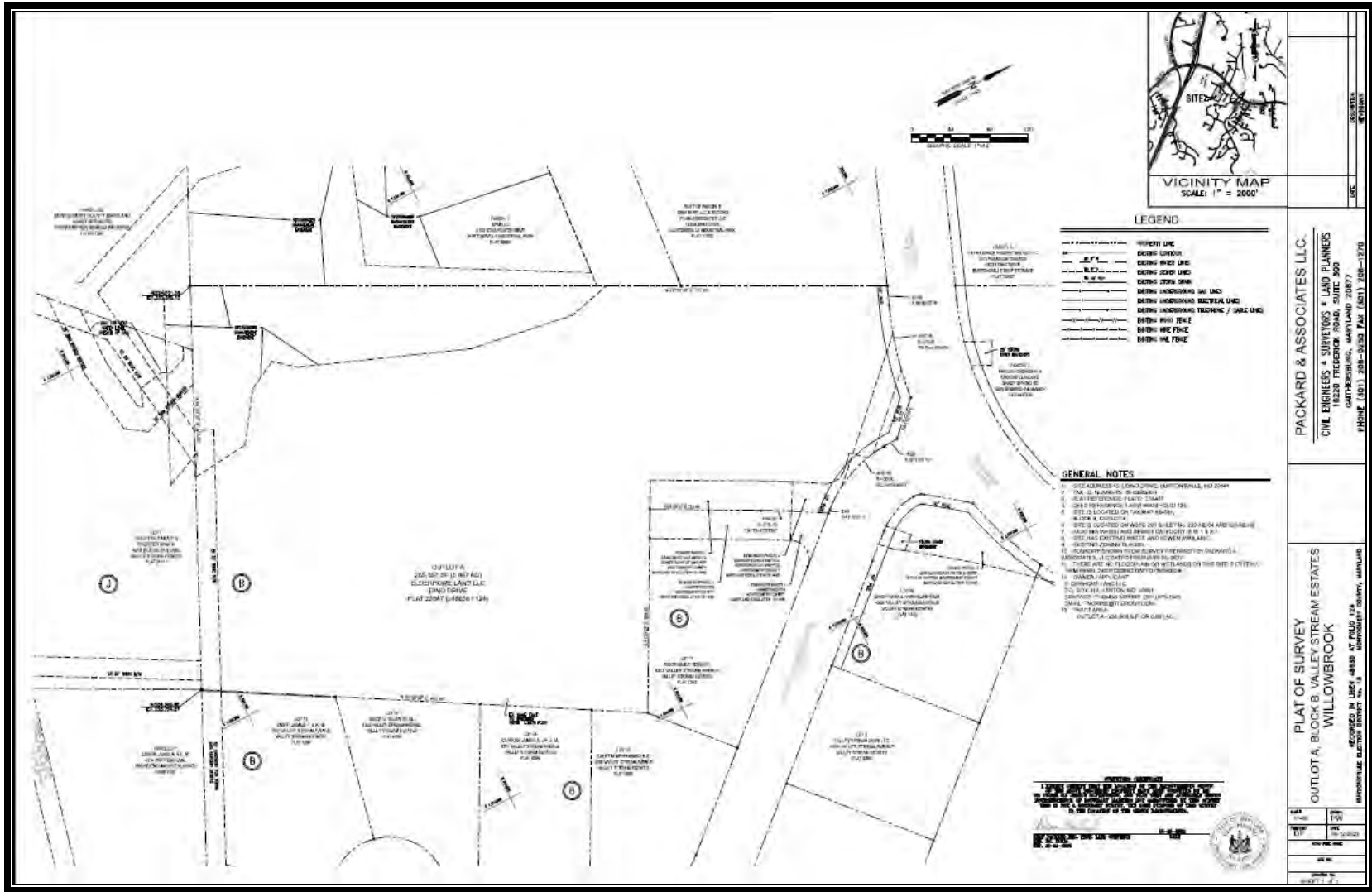
CBRE Valuation & Advisory | Senior Housing & Healthcare

# Conclusion

The site is well located and affords good access and visibility from roadway frontage. The size of the site is typical for the area and use, and there are no known detrimental uses in the immediate vicinity. There are no known factors that are considered to prevent the site from development to its highest and best use, as if vacant, or adverse to the existing use of the site.



# SITE SURVEY



# Building Improvements Description & Analysis

## BUILDING IMPROVEMENTS

### Improvements Summary

Property Type	Independent, Assisted Living, and Memory Care Community		
Proposed Year Built	2026	(Proposed Year of Completion)	
Const. Class / Quality	D / Good		
Number of Buildings	1	Number of Stories	4
Gross Building Area	190,850 SF (GBA)	Net Rentable Area	126,742 SF (NRA)
Floor Area Ratio (FAR)	0.75	Land-to-Building Ratio	1.34 : 1
Building Size Source	Building Plans		
Condition	New	Deferred Maintenance	No

## DESCRIPTION OF IMPROVEMENTS FINISHES

### Exterior Materials

Foundation	Concrete slab on grade
Basement	No
Exterior Finish	Brick
Roof Cover	Flat, single-ply EPDM
Porte-cochere	Covered main entry

### Interior Materials

Common Area Flooring	Commercial grade carpet, laminate wood, and tile
In-Unit Flooring	Commercial grade carpet, laminate wood, and tile
Ceiling	Textured, with decorative coffered ceilings in common areas
Lighting	Standard lighting throughout
Common Area Rest Rooms	Common restrooms
In Unit Bathrooms	Full in-unit bathrooms

### Mechanicals

HVAC System	Central HVAC
Fire Sprinkler System	Full Building
Security	Resident call system and emergency back-up lighting.
Generator	Essential services

### Improvements Access

Unit Access	Interior Hallways
Elevators	Three elevator stacks throughout building
Stairwells	Four staircases, including emergency stairwells.

CBRE Valuation & Advisory | Senior Housing & Healthcare

## Unit Mix

As a senior housing community, the set-up of units, beds, and the most appropriate unit of measurement is shown within the following chart. Revenue units are based on the operating capacity and are considered the more relevant unit of measure for valuation purposes. Thus, the term 'Unit' is intended to represent the 'Revenue Unit' unless otherwise noted.

## SUBJECT UNIT MIX SUMMARY

Unit Type	No. Beds	No. Units	Revenue Units	% of Total	Unit Size (SF) Range	Unit Size (SF) Avg	NRA (SF) Avg
<b>Independent Living</b>							
Studio	3	3	3	1.7%	435	435	1,305
1 Bedroom	58	58	58	32.4%	500 - 1,219	860	49,851
2 Bedroom	27	27	27	15.1%	1,100 - 1,219	1,160	31,307
<b>Total/Average:</b>	<b>88</b>	<b>88</b>	<b>88</b>	<b>49.2%</b>	<b>435 - 1,219</b>	<b>937</b>	<b>82,463</b>
<b>Assisted Living</b>							
Studio	15	15	15	8.4%	425	425	6,375
1 Bedroom	40	40	40	22.3%	600 - 700	650	26,000
2 Bedroom	9	9	9	5.0%	875 - 1,500	1,188	10,688
<b>Total/Average:</b>	<b>64</b>	<b>64</b>	<b>64</b>	<b>35.8%</b>	<b>425 - 1,500</b>	<b>673</b>	<b>43,063</b>
<b>Memory Care</b>							
Companion	6	3	6	3.4%	550	550	1,650
Studio	21	21	21	11.7%	310	310	6,510
<b>Total/Average:</b>	<b>27</b>	<b>24</b>	<b>27</b>	<b>15.1%</b>	<b>310</b>	<b>340</b>	<b>8,160</b>
<b>Subject Unit Total</b>	<b>179</b>	<b>176</b>	<b>179</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Unit Mix Source: Building Plans

## Layout of Improvements

The proposed improvements are generally “L” shaped and four levels in height. The main entrance is centrally located and opens to a lobby area. Most of the administrative offices are located adjacent to the main lobby. Common areas include a library and a private dining room. Independent and assisted living units are spread throughout the property. Memory care units are located adjacent to the lobby on the first floor in a secured wing, with its own kitchen and dining areas. All support areas including a full commercial kitchen and commercial laundry room are located at the central portion of the property.

## COMMUNITY AMENITIES

### Property Level Amenities

Secured Courtyards	Fitness Room	Salon	Mail Room
Dining Rooms	Commercial Kitchen	Commercial Laundry	Art Studio
Pool	Theatre	Media Rooms	Clinic
Bistro / Café	Multi-Purpose Rooms		

### In-Unit Amenities

Walk-In Showers	Walk-In Closets	Upgraded Flooring	Kitchen / Kitchenettes
Individual Air Control	Upscale Finishes	24-Hour Response System	

CBRE Valuation & Advisory | Senior Housing & Healthcare

## Utilities

The subject operations indicate that management is responsible for all utilities including electricity, water, and sewer costs. The individual units are separately wired for phone and cable services with the tenants paying these costs. The plumbing and electrical systems are assumed to be adequate for the existing use and in compliance with local law and building codes.

## Fire Protection

It is assumed the improvements have adequate fire alarm systems, fire exits, fire extinguishers, fire escapes and other fire protection measures to meet local fire marshal requirements. CBRE, Inc. is not qualified to determine adequate levels of safety & fire protection, whereby it is recommended that the client/reader review available permits, etc. prior to making a business decision.

## ADA Compliance

The client/reader's attention is directed to the specific limiting conditions regarding ADA compliance.

## Furniture, Fixtures and Equipment

Additional personal property including all common area furniture, as well as all equipment required to operate the subject property are typically included in the sale of a senior housing property.

## Environmental Issues

A Phase I Environmental Site Assessment was not provided to us during this assignment. CBRE, Inc. is not qualified to detect the existence of any potentially hazardous materials such as lead paint, asbestos, urea formaldehyde foam insulation, or other potentially hazardous construction materials on or in the improvements. The existence of such substances may affect the value of the property. This analysis assumes that any hazardous materials that may cause a loss in value do not affect the subject.

## Deferred Maintenance

As the subject will be new upon completion, we have assumed that there will not be deferred maintenance.

## Economic Age and Life

CBRE, Inc.'s estimate of the subject improvements effective age and remaining economic life is depicted in the following chart:

ECONOMIC AGE AND LIFE	
Actual Age	0 Years
Effective Age	0 Years
MVS Expected Life	55 Years
Remaining Economic Life	55 Years
Accrued Physical Incurable Depreciation	0.0%

Compiled by CBRE

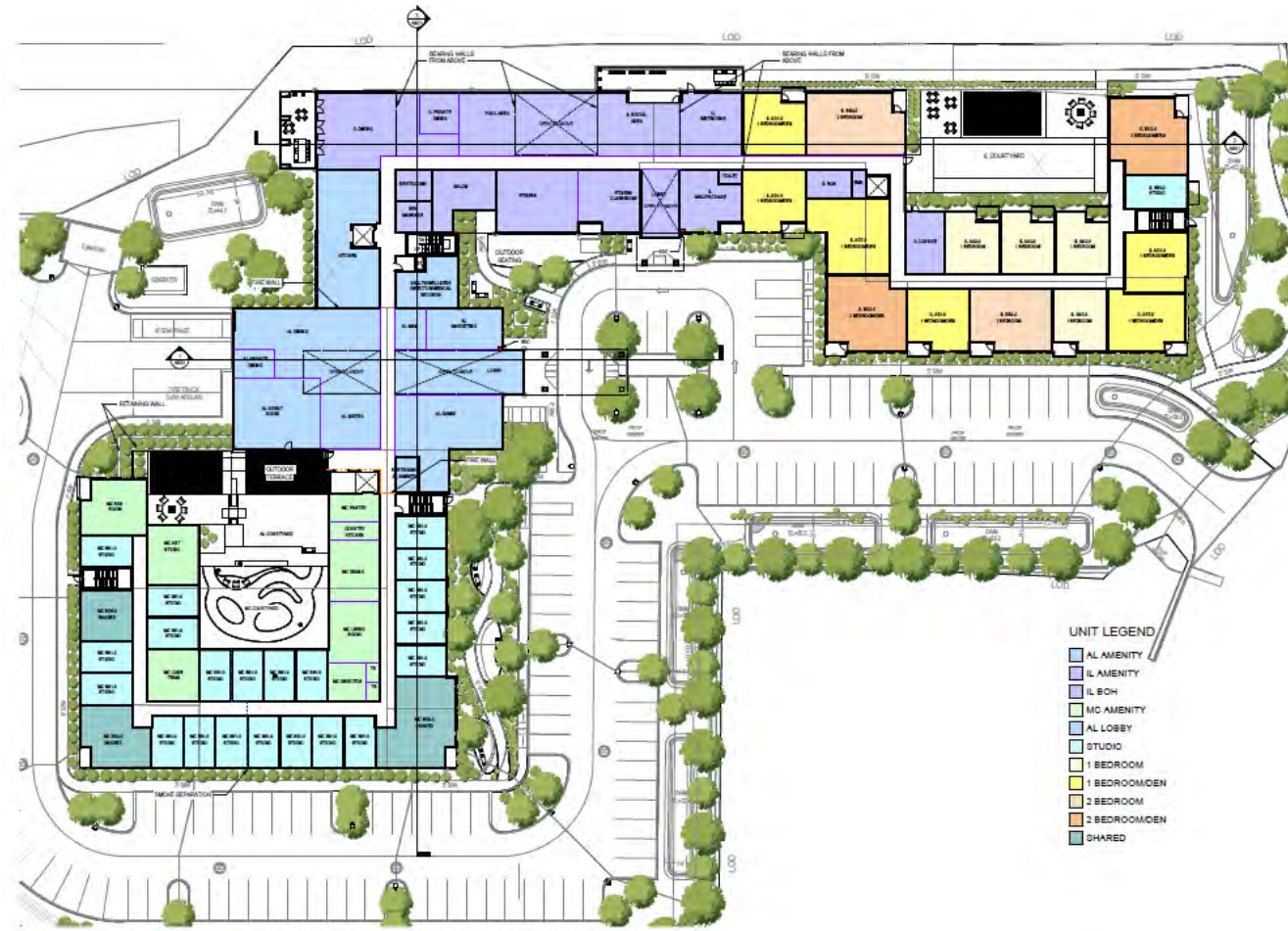
The overall life expectancy is based upon our on-site observations and a comparative analysis of typical life expectancies reported for buildings of similar construction as published by Marshall and Swift, LLC, in

the *Marshall Valuation Service* cost guide. While CBRE, Inc. did not observe anything to suggest a different economic life, a capital improvement program could extend the life expectancy.

## Conclusion

The subject will be considered a Class-A investment, Independent, Assisted Living, and Memory Care Community. In comparison, the subject's improvements are generally considered to conform to overall design trends for similar property types. The floor plans are considered to feature functional layouts and the layout of the overall project is considered functional in utility.

# FLOOR PLANS (LEVEL 1)



# FLOOR PLANS (LEVEL 2)

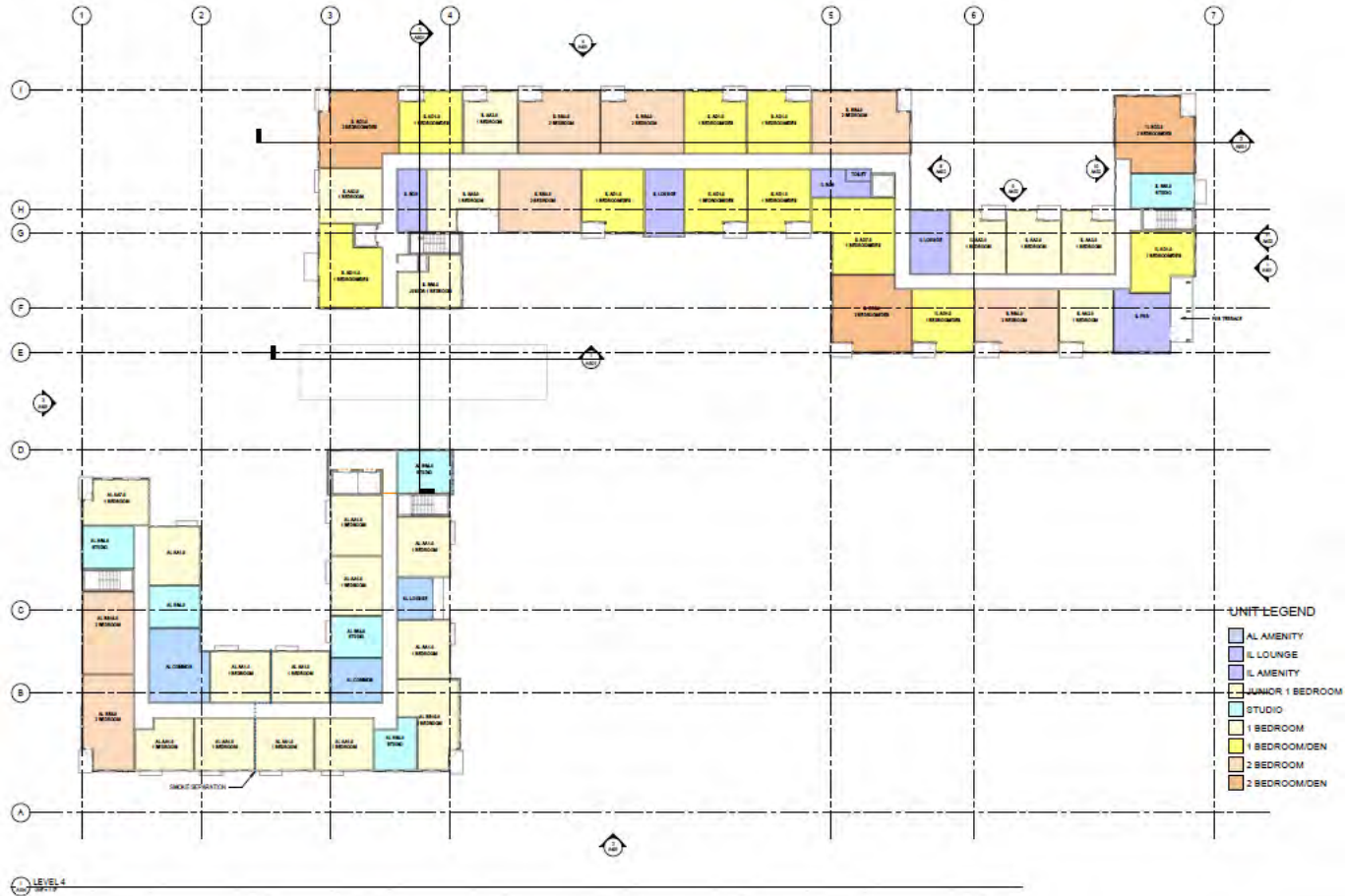


# FLOOR PLANS (LEVEL 3)





# FLOOR PLANS (LEVEL 4)



# Tax and Assessment Data

The subject's market value, assessed value, and taxes are summarized below, and do not include any furniture, fixtures, and equipment.

AD VALOREM TAX INFORMATION		
Assessor's Market Value	2023 (Vacant Land)	CBRE Year 1
05-03552453	\$215,000	
<b>Subtotal</b>	<b>\$215,000</b>	<b>\$50,604,147</b>
Assessed Value @	100%	100%
<b>Total Assessed Value</b>	<b>\$215,000</b>	<b>\$50,604,147</b>
General Tax Rate (per 100 A.V.)	1.15220	1.15220
General Tax	\$2,477	\$583,061
Special Assessments / Non-Ad Valorem	\$651	\$0
<b>Total Taxes</b>	<b>\$3,129</b>	<b>\$583,061</b>

Source: Assessor's Office

## Property Tax Methodology

The subject falls under the jurisdiction of the State of Maryland Department of Assessments & Taxation and the Montgomery County Assessor and Taxation Board. In general, the sale of the subject would not trigger an immediate assessment for the following year. However, reassessments are triggered by a change in land use, permit being pulled, or a physical change to the property, such as major renovations. The completion of the improvements will likely result in the reassessment the following year. Thus, we have estimated the subject's assessment to equate to the real estate only market value based upon the leading 12 months Tax Period and respective assessments, as concluded further within this report. We note that we have utilized the real estate only value, as tax authorities do not typically assess properties for tax purposes based on their going concern.

In this analysis we have placed most weight on the Cost Approach, with the concluded market value being 85% of hard and soft costs plus land value, to reflect typical investor underwriting for new construction.

## Delinquency

According to our search of local public records, the subject does not have any outstanding (delinquent) property taxes.

## Property Tax Comparable Data

CBRE, Inc. has reviewed the real estate tax information for comparable properties in the subject's respective taxing district. Due to the limited number of properties located within the subject's taxing district, comparable properties were also utilized from surrounding taxing districts. The following table summarizes the comparables employed for this analysis:

### AD VALOREM TAX COMPARABLES

Tax Comparable	Morningside House of Laurel	Arbor Terrace Fulton	Aspenwood Senior Living	Modena Reserve at Kensington	Brightview Annapolis	CBRE Stabilized
Address	7700 Cherry Lane	11584 Scaggsville Road	14400 Homecrest Rd	10540 Metropolitan Ave	1935 Generals Highway	Estimate
County	Prince George's	Howard	Montgomery	Montgomery	Anne Arundel	
City/ Town	Laurel	Fulton	Silver Spring	Kensington	Annapolis	
Land SF	191,228	130,682	272,250	69,295	291,329	255,567
Year Built	1996	2019	1989	2021	2018	2026
No. Rev. Units	86	102	132	135	164	179
GBA (SF)	66,073	72,778	85,210	167,823	141,793	190,850
Tax Year	2024	2024	2024	2024	2024	2024
Total Assessed Value	\$10,130,600	\$18,013,533	\$11,999,500	\$25,183,600	\$43,544,900	\$50,604,147
<b>AV Per Rev. Unit</b>	<b>\$117,798</b>	<b>\$176,603</b>	<b>\$90,905</b>	<b>\$186,545</b>	<b>\$265,518</b>	<b>\$282,705</b>

Source: Assessor

## Conclusion

Based upon an estimated assessment value of \$50,604,147, the total taxes for the subject have been estimated as \$583,061. This is above the current assessment, based on the subject as-if complete and stabilized, with the concluded market value for the real estate only, at 85% of hard and soft costs plus land. This falls above the range of the comparables on a per unit basis, however is considered reasonable given the age and condition of the improvements upon completion.

# Highest and Best Use

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

- legally permissible
- physically possible
- financially feasible
- maximally productive

The highest and best use analysis of the subject is discussed on the following pages.

## As Vacant

### Legally Permissible

The legally permissible uses were discussed in the Site Analysis and Zoning Sections.

### Physically Possible

The subject is adequately served by utilities, and has an adequate shape and size, sufficient access, etc., to be a separately developable site. There are no known physical reasons why the subject site would not support any legally probable development (i.e. it appears adequate for development). Existing structures on similar sites provide additional evidence for the physical possibility of development.

### Financially Feasible

Potential uses of the site include seniors housing uses, per the subject's conditional use permit, as previously detailed in the zoning analysis. The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally probable land uses versus the cost to create the uses.

### Maximally Productive

The final test of highest and best use of the site as vacant is that the use be maximally productive, yielding the highest return to the land. Surrounding uses are complementary in nature. Hence, in the case of the subject as vacant, the analysis has indicated that immediate development of a senior housing project would be most appropriate.

## Conclusion: Highest and Best Use As Vacant

Based on the information presented above and contained in the market and neighborhood analysis, the highest and best use of the subject as vacant would be the immediate development of a senior housing project. More specifically, the subject would be developed at a density that would maximize the allowable unit or bed count under current zoning code. Our analysis of the subject and its respective market characteristics indicate the most likely buyer, as vacant, would be an investor (land speculation) or a developer.

## As Proposed

### Legally Permissible

The site is proposed with a legal, conforming use.

### Physically Possible

The layout and positioning of the proposed improvements are considered functional for senior housing use. While it would be physically possible for a wide variety of uses, based on the legal restrictions and the design of the improvements, the most functional use of the subject would be as senior housing.

### Financially Feasible

The financial feasibility of the subject is based on the amount of rent which can be generated, less operating expenses required to generate that income; if a residual amount exists, then the land is being put to a productive use. Based upon the income capitalization approach conclusion, the subject is expected to produce a positive net cash flow and utilization of the improvements for senior housing purposes is considered financially feasible.

### Maximally Productive

The maximally profitable use of the subject as proposed should conform to neighborhood trends and be consistent with existing land uses. Although several uses may generate sufficient revenue to satisfy the required rate of return on investment and provide a return on the land, the single use that produces the highest price or value is typically the highest and best use. As shown in the applicable valuation sections, buildings that are similar to the subject have been acquired or continue to be used by senior housing owners/tenants. These comparables would indicate that the maximally productive use of the property is consistent with the proposed senior housing use.

## Conclusion: Highest and Best Use As Proposed

The highest and best use of the property as proposed, is consistent with the proposed use for senior housing. Additionally, the most probable purchaser as improved is an institutional investor or owner-operator.

# Appraisal Methodology

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

## Cost Approach

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

## Sales Comparison Approach

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

## Income Capitalization Approach

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

## Methodology Applicable to the Subject

In valuing the subject, all three approaches are applicable and have been utilized.

# Market Growth Rate

In each approach to value, the most recent available market data is utilized in providing estimates of value. For estimating an annual inflation rate to be applied within the valuation modeling where applicable, this is estimated by analyzing the expectations typically used by buyers and sellers in the local marketplace. An analysis of the Consumer Price Index (CPI), published survey, as well as data provided via developer and investor proformas is shown in the following chart. The concluded annual rate of inflation is 3.00%.

SUMMARY OF GROWTH RATES		
Investment Type	Min - Max	Average
U.S. Bureau of Labor Statistics (CPI-U) - As of December 2023		
<b>10-Year Snapshot Average</b>		<b>2.79%</b>
<b>Current Annual Inflation Rate</b>		<b>3.34%</b>
CBRE Senior Housing & Care Investor Survey (2023)		
<b>(National) - Proforma Rent Change</b>	<b>0.00% - 7.00%</b>	<b>4.50%</b>
Senior Living Valuation Services Survey (Fall 2022)		
<b>Senior Housing Annual Growth Rate - Revenues</b>	<b>3.00% - 8.00%</b>	<b>5.00%</b>
<b>Senior Housing Annual Growth Rate - Expenses</b>	<b>3.00% - 10.00%</b>	<b>4.90%</b>
<b>Senior Housing Annual Growth Rate - General Inflation</b>	<b>3.00% - 8.00%</b>	<b>5.20%</b>
IBISWorld: Retirement Communities in the US (December 2020)		
<b>2026</b>		<b>4.30%</b>
<b>Annual Industry Value Added (IVA) Five-Year Outlook (2020-2026)</b>		<b>4.06%</b>
Market Participants:		
<b>Current Senior Housing Investor / Developer Proformas</b>	<b>2.50% - 4.50%</b>	<b>3.00%</b>
<b>CBRE Inflation Estimate</b>		<b>3.00%</b>

Source: Compiled by CBRE

# Furniture, Fixtures, & Equipment Allocation

As discussed within the Senior Housing Industry Overview section, senior housing communities include an operation comprised of tangible and intangible assets. The tangible assets are comprised of real property (land and improvements) and furniture, fixtures, and equipment (FF&E). For use within the valuation sections of this report, an appropriate allocation for FF&E has been estimated within this subsection.

In estimating an allocation for FF&E, numerous developers have been consulted as well as property owners. The following table outlines budgeted FF&E cost comparables for new construction.

FF&E COST COMPARABLES		
Property Type	# of Units	\$/ Unit
IL/AL/MC	80	\$6,397
IL/AL/MC	144	\$9,375
IL/AL/MC	141	\$12,961
IL/AL/MC	179	\$10,704
IL/AL/MC	114	\$16,906
IL/AL/MC	214	\$8,040
IL/AL/MC	201	\$8,279
IL/AL/MC	147	\$9,796
IL/AL/MC	186	\$7,258
IL/AL/MC	157	\$8,540
IL/AL/MC	255	\$6,544
IL/AL/MC	204	\$12,500
<b>Weighted Average FF&amp;E Cost:</b>		<b>\$9,528</b>
<b>Subject Budgeted FF&amp;E Cost:</b>		<b>\$9,567</b>

Source: Compiled by CBRE

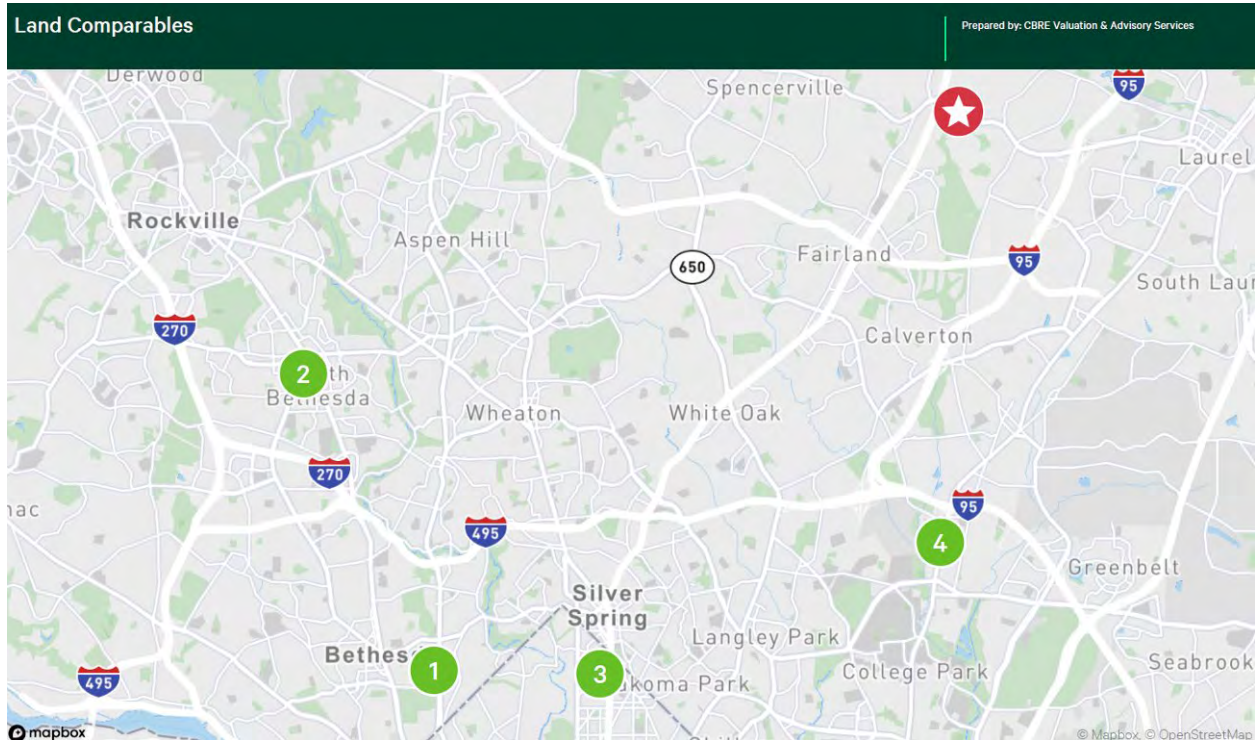
As shown within the above chart, FF&E costs for similar acuity senior housing communities range from \$6,397 to \$16,906 per revenue unit, with variation based on quality of assets. Given the degree of construction and quality associated with the subject property, combined with its size, and also giving consideration to the construction budget for the subject, an FF&E cost estimate of \$9,500 per revenue unit is considered reasonable for the subject.

Notably, for the subject Upon Stabilization, the property would have undergone an absorption period. However, depreciation does not typically occur in a linear fashion, and the subject would not be fully occupied during the absorption period. Furthermore, this estimate is based on the contributory value of the FF&E as it relates to the going concern, and it is not expected to have incurred significant, measurable depreciation during this period. As such, in this case, depreciation is not applied to the FF&E under prospective value scenarios.



# Land Value

The following map and table summarize the comparable data used in the valuation of the subject site. A detailed description of each transaction is included in the addenda.



SUMMARY OF COMPARABLE LAND SALES										
Property No	Location	Miles From Subject	Transaction Type	Transaction Date	Actual Sale Price	Adjusted Sale Price <sup>1</sup>	Size (Acres)	Density (RUPA)	Allowable Rev. Units	Price Per Rev. Unit
1	7100 Connecticut Avenue, Chevy Chase, MD	10.8	Sale	Dec-21	\$40,000,000	\$42,600,000	12.23	34.10	417	\$102,158
2	11555 Old Georgetown Road, North Bethesda, MD	13.3	Sale	Mar-23	\$12,650,000	\$12,598,000	1.11	171.48	190	\$66,305
3	7709 Georgia Avenue, NW, Washington, DC	7.6	Sale	Mar-23	\$10,185,000	\$10,185,000	0.63	244.44	155	\$65,710
4	9137 Baltimore Avenue, College Park, MD	1.6	Sale	Jul-23	\$14,000,000	\$14,750,000	4.26	74.44	317	\$46,530
<b>SUBJECT</b>										
	15300 Dino Dr, Burtonsville, MD	---	---	---	---	---	5.87	30.00	176	---

<sup>1</sup>Transaction amount adjusted for cash equivalency and/or development costs (where applicable)  
Source: CBRE VIEW Database

The sales utilized represent the best data available for comparison with the subject. These sales were chosen based upon use, condition and quality, date of transaction, and location. Considering the size of the senior housing market, comparable sales outside the subject's direct market were selected. CBRE did attempt to select comparables located in markets with similar economic attributes as the subject.

## Discussion/Analysis of Land Sales

### Land Sale One

The downward market conditions (time) adjustment reflects the declining market conditions since the date of sale. The upward adjustment for size reflects this comparable's inferior feature with respect to its larger size resulting in a lower price point on a per unit basis due to the economies of scale gained with larger purchases. A downward adjustment was applied to this comparable for its superior frontage attribute when compared to the subject, based upon the location on a major thoroughfare with high visibility. The adjustment for location was warranted due to the property's location in a high barrier market with favorable income levels and demographic growth. Therefore, a downward adjustment was judged proper for this comparable. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

### Land Sale Two

The downward adjustment for size reflects this comparable's superior feature with respect to its smaller size resulting in a higher price point on a per unit basis due to the economies of scale lost with smaller purchases. In terms of corner, this comparable was judged superior due to superior visibility and access and received a downward adjustment for this characteristic. A downward adjustment was applied to this comparable for its superior frontage attribute when compared to the subject, based upon the location on a major thoroughfare with high visibility. The adjustment for location was warranted due to the property's location in a high barrier market with favorable income levels and demographic growth. Therefore, a downward adjustment was judged proper for this comparable. With respect to zoning/density, this comparable was considered inferior in this aspect and received an upward adjustment because of the higher density resulting in increased costs to the developer. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

### Land Sale Three

The downward adjustment for size reflects this comparable's superior feature with respect to its smaller size resulting in a higher price point on a per unit basis due to the economies of scale lost with smaller purchases. A downward adjustment was applied to this comparable for its superior frontage attribute when compared to the subject, based upon the location on a major thoroughfare with high visibility. An adjustment for topography was considered appropriate for this comparable given current site improvements that will need to be demolished. Because of this inferior trait, an upward adjustment was considered appropriate. The adjustment for location was warranted due to the property's location in a high barrier market with favorable income levels and demographic growth. Therefore, a downward adjustment was judged proper for this comparable. With respect to zoning/density, this comparable was considered inferior in this aspect and received an upward adjustment because of the higher density resulting in increased costs to the developer. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

## Land Sale Four

A downward adjustment was applied to this comparable for its superior frontage attribute when compared to the subject, based upon the location on a major thoroughfare with high visibility. The adjustment for location was warranted due to the property's location in a high barrier market with favorable income levels and demographic growth. Therefore, a downward adjustment was judged proper for this comparable. With respect to zoning/density, this comparable was considered inferior in this aspect and received an upward adjustment because of the higher density resulting in increased costs to the developer. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

## Summary of Adjustments

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

LAND SALES ADJUSTMENT GRID					
Comparable Number	1	2	3	4	Subject
Transaction Type	Sale	Sale	Sale	Sale	---
Transaction Date	Dec-21	Mar-23	Mar-23	Jul-23	---
Actual Sale Price	\$40,000,000	\$12,650,000	\$10,185,000	\$14,000,000	---
Adjusted Sale Price <sup>1</sup>	\$42,600,000	\$12,598,000	\$10,185,000	\$14,750,000	---
Size (Acres)	12.23	1.11	0.63	4.26	5.87
Size (SF)	532,739	48,264	27,623	185,504	255,567
Density (RUPA)	34.10	171.48	244.44	74.44	30.00
Allowable Rev. Units	417	190	155	317	176
Price (\$ Per Rev. Unit)	\$102,158	\$66,305	\$65,710	\$46,530	---
Property Rights Conveyed	0%	0%	0%	0%	---
Financing Terms <sup>1</sup>	0%	0%	0%	0%	---
Conditions of Sale	0%	0%	0%	0%	---
Market Conditions (Time)	-5%	0%	0%	0%	---
<b>Subtotal</b>	<b>\$97,050</b>	<b>\$66,305</b>	<b>\$65,710</b>	<b>\$46,530</b>	---
Size	10%	-10%	-10%	0%	---
Shape	0%	0%	0%	0%	---
Corner	0%	-5%	0%	0%	---
Frontage	-5%	-5%	-5%	-5%	---
Topography	0%	0%	5%	0%	---
Location	-10%	-5%	-10%	-5%	---
Zoning/Density	0%	10%	10%	5%	---
Utilities	0%	0%	0%	0%	---
Highest & Best Use	0%	0%	0%	0%	---
<b>Total Other Adjustments</b>	<b>-5%</b>	<b>-15%</b>	<b>-10%</b>	<b>-5%</b>	---
<b>Value Indication for Subject</b>	<b>\$92,198</b>	<b>\$56,359</b>	<b>\$59,139</b>	<b>\$44,203</b>	---

<sup>1</sup>Transaction amount adjusted for cash equivalency and/or development costs (where applicable)

Source: CBRE VIEW Database

## Conclusion

The comparables indicate an unadjusted range of \$46,530 to \$102,158 per unit with an adjusted range of \$44,203 to \$92,198 per unit. The adjusted average indication of per unit represents an approximate - 10.26% difference from the unadjusted average.

Given the similar uses of all comparables, a price per unit indication consistent with the overall average of the range is most appropriate for the subject. The following table presents the valuation conclusion:

CONCLUDED LAND VALUE					
\$ Per					
Rev. Unit		Rev. Units		Total	
\$62,000	x	179	=	\$11,098,000	
\$63,000	x	179	=	\$11,277,000	
Indicated Value				\$11,200,000	
			(Rounded Rev. Unit)	\$62,570	

Compiled by CBRE

# Cost Approach

In estimating the replacement cost new for the subject, the following methods/data sources have been utilized (where available):

- the comparative unit method has been employed, utilizing the Marshall Valuation Service (MVS) cost guide, published by Marshall and Swift, LLC;
- the subject's actual construction costs (where available); and
- actual/budget construction cost figures available for comparable properties have been considered.

## Marshall Valuation Service

### Direct Cost (Base Building Cost)

Salient details regarding the direct costs are summarized in the Cost Approach Conclusion at the end of this section. The *MVS* cost estimates include the following:

1. average architect's and engineer's fees for plans, plan check, building permits and survey(s) to establish building line
2. normal interest in building funds during the period of construction plus a processing fee or service charge
3. materials, sales taxes on materials, and labor costs
4. normal site preparation including finish grading and excavation for foundation and backfill
5. utilities from structure to lot line figured for typical setback
6. contractor's overhead and profit, including job supervision, workmen's compensation, fire and liability insurance, unemployment insurance, equipment, temporary facilities, security, etc.
7. site improvements (included as lump sum additions)
8. initial tenant improvement costs are included in *MVS* cost estimate. However, additional lease-up costs such as advertising, marketing and leasing commissions are not included.

Base building costs (direct costs) are adjusted to reflect the physical characteristics of the subject. Making these adjustments, including the appropriate local and current cost multipliers, the direct building cost is indicated.

<b>MVS BASE BUILDING COST SCHEDULE</b>	
Size of Building Component	190,850 SF
MVS Sec/Page	Sec 11 / Pg 13
Quality/Bldg. Class	Good / D
Base Square Foot Cost	\$225.00
<b>Square Foot Refinements</b>	
Heating and Cooling	In Base Cost
Fire Sprinklers	\$3.56
<b>Subtotal Per Square Foot</b>	<b>\$228.56</b>
<b>Height and Size Refinements</b>	
Height per Story	9'
Number of Stories Multiplier	1.000
Height per Story Multiplier	1.000
Floor Area Multiplier	0.920
<b>Subtotal</b>	<b>\$210.28</b>
<b>Cost Multipliers</b>	
Current Cost Multiplier	0.990
Local Multiplier	0.990
<b>Final Square Foot Cost</b>	<b>\$206.09</b>
<b>Base Component Cost</b>	<b>\$39,332,415</b>
<b>Base Building Cost</b>	<b>\$39,332,415</b>

CBRE Valuation & Advisory | Senior Housing & Healthcare

## Site Improvements (Additions)

Items not included in the direct building cost estimate include parking and walks, signage, landscaping, and miscellaneous site improvements. The cost for these items is estimated separately using the segregated cost sections of the *MVS* cost guide; these costs have been included within a following chart:

<b>MVS SITE IMPROVEMENTS</b>					
<b>Site Improvements (Additions)</b>	<b>% of Site</b>	<b>Allocation (SF)</b>	<b>\$/SF</b>	<b>Subtotal</b>	<b>Total</b>
Signage	N/A	N/A	N/A	\$20,000	
Landscaping	25%	63,892	\$2.14	\$136,728	
Misc. Site Work	50%	127,784	\$2.50	\$319,459	
Parking/ Walkways	25%	63,892	\$6.00	\$383,351	
<b>Site Improvements Cost</b>					<b>\$859,538</b>

CBRE Valuation & Advisory | Senior Housing & Healthcare

## Indirect Cost Items

Several indirect cost items are not included in the direct building cost figures derived through the *MVS* cost guide. These items include developer overhead (general and administrative costs), property taxes, legal and insurance costs, local development fees and contingencies, and miscellaneous costs.

As part of the research for the most recent U.S. Senior Housing Development Costs Report, indirect (soft) costs were predominantly reported to range between 20% and 35% of the direct costs. For our

conclusion, CBRE utilized an indirect cost based on 20% of the total direct costs; this calculation is shown within the MVS Conclusion Summary chart.

## MVS Conclusion

The concluded direct and indirect building cost estimates obtained via the MVS cost guide are illustrated as follows:

MVS COST SUMMARY			
Effective Age	0 Years		
Condition	New	Number of Buildings	1
Gross Building Area	190,850 SF	Net Rentable Area	126,742 SF
Number of Revenue Units	179	Average Unit Size	1,066 SF
Number of Stories	4	Average Floor Area	47,713 SF
MVS Base Building Cost			\$39,332,415
Site Improvements Cost			\$859,538
<b>Direct Building Cost</b>			<b>\$40,191,952</b>
Indirect Costs	20.0% of Direct Building Cost		\$8,038,390
<b>MVS Direct &amp; Indirect Building Cost</b>			<b>\$48,230,343</b>
<b>MVS Direct &amp; Indirect Building Cost (Rounded)</b>			<b>\$48,200,000</b>

CBRE Valuation & Advisory | Senior Housing & Healthcare

## Construction Costs Comparables

Comparable cost information on several comparable properties recently constructed or under construction within the subject's general market area is illustrated in the following table. The following costs do not include land or FF & E. These items are added later in this analysis.

CONSTRUCTION COSTS COMPARABLES					
Comparable	1	2	3	Average	Subject
Revenue Units	196	240	197	211	179
Size (SF)	138,886	306,870	183,296	209,684	190,850
<b>Total Hard &amp; Soft Cost</b>	<b>\$37,363,700</b>	<b>\$78,502,601</b>	<b>\$36,794,937</b>	<b>\$50,887,079</b>	<b>\$46,357,820</b>
<b>Cost Per Rev. Unit</b>	<b>\$190,631</b>	<b>\$327,094</b>	<b>\$186,776</b>	<b>\$234,834</b>	<b>\$258,982</b>
<b>Cost Per SF</b>	<b>\$269.02</b>	<b>\$255.82</b>	<b>\$200.74</b>	<b>\$241.86</b>	<b>\$242.90</b>

Source: CBRE VIEW Database

# Direct and Indirect Cost Conclusion

The indicated direct and indirect building costs for the subject are illustrated as follows:

DIRECT AND INDIRECT COST CONCLUSION			
Source	Total	Per SF	Per Unit
MVS Cost Guide	\$48,200,000	\$252.55	\$269,274
Cost Comparables (Avg.)	-	\$241.86	\$234,834
Subject's Construction Costs (Rounded)	\$46,400,000	\$242.90	\$258,982
<b>CBRE Estimate (Rounded)</b>	<b>\$46,357,820</b>	<b>\$242.90</b>	<b>\$258,982</b>

CBRE Valuation & Advisory | Senior Housing & Healthcare

The estimates derived via MVS represent replacement cost while the comparable actual/budgeted figures represent reproduction costs. The subject's budgeted cost was given primary consideration towards a cost conclusion for the subject.

## Entrepreneurial Incentive

Entrepreneurial profit represents the return to the developer and is separate from the contractor's overhead and profit. This line item, which is a subjective figure, tends to range from 10.0% to 25.0% of total direct and indirect costs for this property type, based on discussions with developers active in this market.

COST APPROACH   REPLACEMENT COST NEW		
Direct and Indirect Building Cost		\$46,357,820
Entrepreneurial Incentive	15.0% of Total Building Cost	\$6,953,673
<b>Replacement Cost New (RCN)</b>		<b>\$53,311,493</b>

Compiled by CBRE

## Accrued Depreciation

There are essentially three sources of accrued depreciation:

1. Physical deterioration, both curable and incurable
2. Functional obsolescence, both curable and incurable
3. External obsolescence

Distinction must also be made between short lived and long-lived items.

### Short Lived Physical Deterioration

Short lived items include roof cover, floor cover, HVAC, a portion of the site improvements, and FF & E. The appropriate depreciation was applied based on our physical inspection of the property. These items are summarized within the following chart along with the expected remaining life and depreciated basis.



## Long Lived Physical Deterioration

The subject's physical condition was detailed in the improvement analysis. Curable deterioration affecting the improvements results from deferred maintenance, and if applicable, was previously discussed. Regarding incurable deterioration, the subject's long-lived improvements are considered to have deteriorated due to normal wear and tear associated with natural aging. The following chart provides a summary of the remaining economic life.

## Functional Obsolescence

Based on a review of the layout of the improvements, no forms of curable functional obsolescence were noted. Because replacement cost considers the construction of the subject improvements utilizing modern materials and current standards, design and layout, functional incurable obsolescence normally is not applicable.

## External Obsolescence

Based on a review of the local market and neighborhood, no forms of external obsolescence affect the subject.

COST APPROACH   ACCRUED DEPRECIATION		
<b>Short &amp; Long-Lived Physical Depreciation</b>		
Replacement Cost New (RCN): (Inclusive of Short & Long-Lived Items)		\$53,311,493
<b>Short Lived Items</b>		
Roof Cover	\$175,582	
Floor Cover	\$1,740,552	
HVAC	\$1,872,239	
Site Improvements	\$859,538	
<b>Short Lived Items RCN</b>	<b>\$4,647,910</b>	
Short Lived Physical Incurable Depreciation (Less FF&E)	0.00%	\$0
<b>Long Lived Items</b>		
Long Lived RCN Depreciable Basis	\$48,663,583	
<b>Long Lived Depreciable Basis (RCN)</b>	<b>\$48,663,583</b>	
Long Lived Incurable Physical Deterioration (Less Curable Items)	0.00%	\$0
<b>Functional Obsolescence</b>		
Functional Obsolescence Conclusion		\$0
<b>External Obsolescence</b>		
External Obsolescence Conclusion		\$0
<b>Depreciated Replacement Cost Summary</b>		
Replacement Cost New (RCN): (Inclusive of Short & Long-Lived Items)		\$53,311,493
Accrued Depreciation		
Short Lived Physical Incurable Depreciation		\$0
Long Lived Incurable Physical Deterioration		\$0
Functional Obsolescence Conclusion		\$0
External Obsolescence Conclusion		\$0
<b>Total Accrued Depreciation</b>	<b>0.0% of RCN</b>	<b>\$0</b>
Contributory Value of FF&E		\$1,700,000
<b>Depreciated Replacement Cost (Rounded)</b>		<b>\$55,011,493</b>

CBRE Valuation & Advisory | Senior Housing & Healthcare

## Furniture, Fixtures and Equipment

Furniture, fixtures, and equipment (FF&E) costs have been added to the Cost Approach consistent with the analysis presented earlier in this report.

FF&E ALLOCATION ESTIMATE			
<b>Replacement Cost New (RCN)</b>		<b>\$9,500/Rev. Unit</b>	
<b>Incurable Physical Deterioration</b>	<b>Age (Yrs)</b>	<b>%</b>	
Effective Age	0	0%	
MVS Expected Life	10	100%	
Remaining Economic Life	10	100%	
Less: Incurable Physical Deterioration		0.0%	\$0
<b>Current Contributory Value of FF&amp;E Per Rev. Unit</b>			<b>\$9,500</b>
<b>FF&amp;E - Upon Completion Indication</b>	<b>Rev. Units</b>	<b>\$/Unit</b>	<b>Total</b>
Current Contributory Value of FF&E	179	\$9,500	\$1,700,500
<b>Upon Completion Indication (Rounded)</b>	<b>Aug 7, 2025</b>	<b>179</b>	<b>\$9,500</b>
			<b>\$1,700,000</b>

Compiled by CBRE

## Cost Approach Conclusion

The value estimate is calculated within the following chart. Additionally, as the Indicated Value estimate is based on current market data. To derive estimates of prospective value, an annual growth rate of 3.00% is applied to the Indicated Value during the period prior to subject's operations achieving stabilization, as included within the following chart. Notably, this methodology is consistent with increases in construction costs during recent years.

As the subject will be complete during the stabilization period, the improvements may incur depreciation. However, depreciation is not linear, and the subject will not be fully stabilized during this period; thus, any incurred depreciation is expected to be nominal, and an adjustment is not applied.

## COST APPROACH | CONCLUSION

Direct and Indirect Building Cost			\$46,357,820
Entrepreneurial Incentive	15.0% of Total Building Cost		\$6,953,673
<b>Replacement Cost New</b>			<b>\$53,311,493</b>
Less: Depreciation			\$0
Less: External Obsolescence			\$0
Plus: Contributory Value of FF&E			\$1,700,000
<b>Depreciated Replacement Cost</b>			<b>\$55,011,493</b>
Land Value			\$11,200,000
FF&E Value			\$1,700,000
<b>Indicated Value</b>			<b>\$66,211,493</b>
<b>Indicated Value Rounded</b>			<b>\$66,200,000</b>
Indicated Value Per Rev Unit			\$369,832
Indicated Value Per SF			\$346.87
<b>Upon Completion Value Indication</b>	<b>Rev. Units</b>	<b>\$/Unit</b>	<b>Total</b>
Current Indicated Value	179	\$369,832	\$66,200,000
	Construction Period	16	
	Applied Annual Growth Rate	3.00%	
	Applied Growth Rate Factor	1.040198683	
<b>Upon Completion Value Indication</b>		<b>Aug 7, 2025</b>	<b>\$68,873,108</b>
<b>Upon Completion Value Indication (Rounded)</b>		<b>Aug 7, 2025</b>	<b>\$68,900,000</b>
<b>Upon Stabilization Indication</b>			<b>Total</b>
Upon Completion Value Indication			\$68,873,108
	Stabilization Period	36	
	Applied Annual Growth Rate	3.00%	
	Applied Growth Rate Factor (\$ Adj)	1.092727	\$6,386,397
	Applied Annual Depreciation Rate	1.82%	
	Applied Depreciation Rate Factor (\$ Adj)	1	\$0
<b>Upon Stabilization Value Indication</b>		<b>Aug 7, 2028</b>	<b>\$75,259,505</b>
<b>Upon Stabilization Value Indication (Rounded)</b>		<b>Aug 7, 2028</b>	<b>\$75,300,000</b>
Indicated Value Per Rev Unit			\$420,670
Indicated Value Per SF			\$394.55

Compiled by CBRE

# Insurable Value (Replacement Cost)

Insurable value is defined as follows:

1. the value of an asset or asset group that is covered by an insurance policy; can be estimated by deducting costs of noninsurable items (e.g., land value) from market value.
2. value used by insurance companies as the basis for insurance. Often considered to be replacement or reproduction cost plus allowances for debris removal or demolition less deterioration and noninsurable items. Sometimes cash value or market value, but often entirely a cost concept.<sup>10</sup>
3. a type of value for insurance purposes.<sup>11</sup>

CBRE, Inc. has followed traditional appraisal standards to develop a reasonable calculation based upon industry practices and industry-accepted publications such as the Marshall Valuation Service. The methodology employed is a derivation of the cost approach and is not reliable for insurable value estimates. Actual construction costs and related estimates can vary greatly from this estimate.

The insurable value estimate presented herein is intended to reflect the value of the destructible portions of the subject, based on the replacement of physical items that are subject to loss from hazards (excluding indestructible items such as basement excavation, foundation, site work, land value and indirect costs). In the case of the subject, this estimate is based upon the base building costs (direct costs) as obtained via the Marshall Valuation Service handbook, with appropriate deductions.

This analysis should not be relied upon to determine proper insurance coverage, as only consultants considered experts in cost estimation and insurance underwriting are qualified to provide an insurable value. It is provided to aid the client/reader/user as part of their overall decision-making process, and no representations or warranties are made by CBRE, Inc. regarding the accuracy of this estimate. It is strongly recommended that other sources be utilized to develop any estimate of insurable value.

---

<sup>10</sup> Marshall & Swift/Boeckh, LLC, *Marshall Valuation Service*, (Los Angeles: Marshall & Swift/Boeckh, LLC, 2010), Sec 3, p2.

<sup>11</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7<sup>th</sup> ed. (Chicago: Appraisal Institute, 2022), 97.

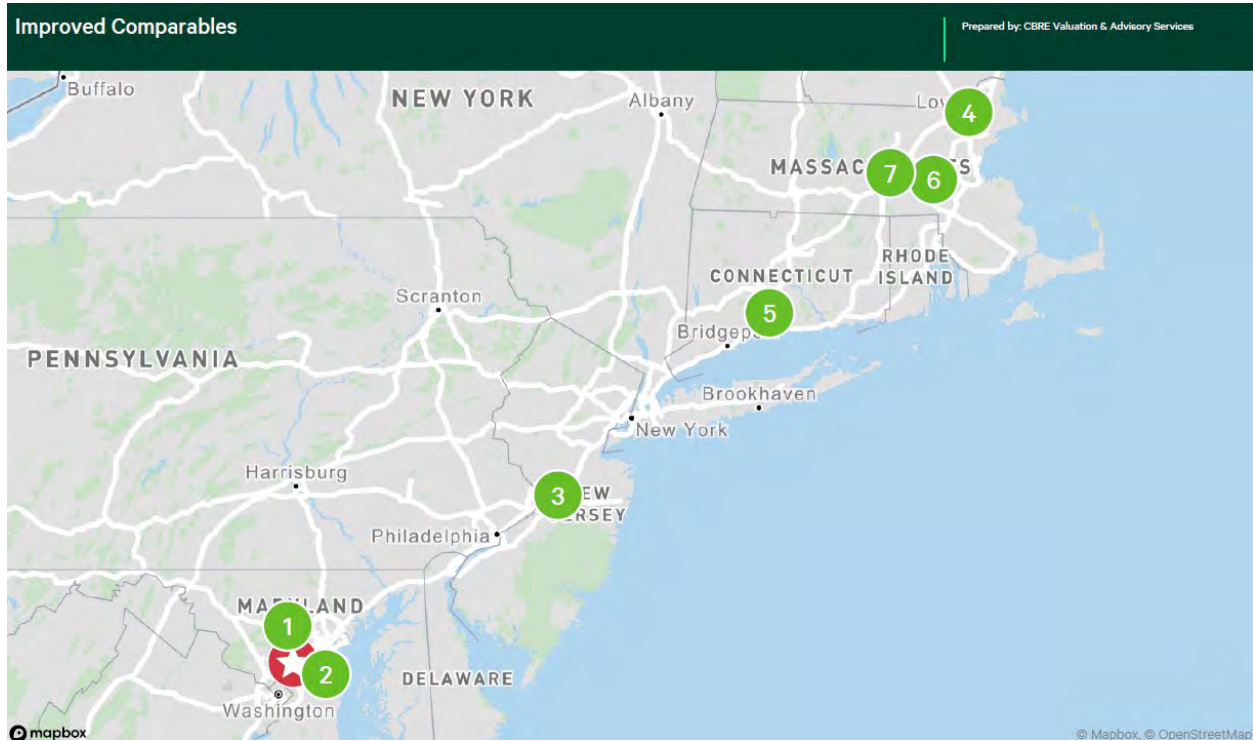
## INSURABLE VALUE CONCLUSION

Size of Building Component		190,850 SF
MVS Sec/Page		Sec 11 / Pg 13
Quality/Bldg. Class		Good / D
<hr/>		
Base Square Foot Cost		\$225.00
Square Foot Refinements		
Heating and Cooling		In Base Cost
Fire Sprinklers		\$3.56
Height and Size Refinements		
Height per Story		9'
Number of Stories Multiplier		1.000
Height per Story Multiplier		1.000
Floor Area Multiplier		0.920
<b>Subtotal</b>		<b>\$210.28</b>
Cost Multipliers		
Current Cost Multiplier		0.990
Local Multiplier		0.990
<b>Final Square Foot Cost</b>		<b>\$206.09</b>
<b>Base Component Cost</b>		<b>\$39,332,415</b>
<b>Base Building Cost</b>		<b>\$39,332,415</b>
Insurable Exclusions (% of Base Building Cost)		
Foundation	5.00%	(\$1,966,621)
Other	5.00%	(\$1,966,621)
<b>Insurable Value (Rounded)</b>		<b>\$35,400,000</b>

Source: Marshall Valuation Service cost data.

# Sales Comparison Approach

The following map and table summarize the comparable data used in the valuation of the subject. A detailed description of each transaction is included in the addenda.



SUMMARY OF COMPARABLE SALES										
No	Name	Transaction Type	Date	Year Built	Rev. Units	Adjusted Sale Price <sup>1</sup>	Price Per Rev. Unit <sup>1</sup>	Occ.	NOI Per Rev. Unit	OAR
1	Arbor Terrace Fulton, Fulton, MD	Sale	Oct-21	2019	102	\$62,350,000	\$611,275	80%	\$36,041	5.90%
2	Arbor Terrace Waugh Chapel, Odenton, MD	Sale	Oct-21	2019	91	\$48,400,000	\$531,868	64%	\$31,846	5.99%
3	Homestead at Hamilton, Hamilton, NJ	Sale	Jun-22	2017	206	\$97,500,000	\$473,301	93%	\$29,507	6.23%
4	Stone Hill at Andover, Andover, MA	Sale	Jul-22	2018	107	\$62,000,000	\$579,439	75%	\$32,561	5.62%
5	The Landing at North Haven, North Haven, CT	Sale	Sep-23	2018	122	\$41,100,000	\$336,885	96%	\$24,146	7.17%
6	The Residence at Valley Farms, Ashland, MA	Sale	Dec-23	2015	82	\$29,500,000	\$359,756	90%	\$25,138	6.99%
7	The Residence at Orchard Grove, Shrewsbury, MA	Sale	Jan-24	2017	81	\$36,000,000	\$444,444	100%	\$30,885	6.95%
<b>Subject</b>										
	Brookstone Senior Living, Burtonsville, MD	---	---	2026	179	---	---	94%	\$36,324	(Est)

<sup>1</sup>Transaction amount adjusted for cash equivalency and/or deferred maintenance (where applicable)  
Compiled by CBRE

Given the finite number of properties in this sector, single-asset arm's length transfers remain limited relative to other property types. Recognizing the impact of a property's operating attributes on pricing, it is appropriate to utilize comparable properties exemplifying similar operational margins to accurately

interpret pricing metrics employed by market participants. To do so, a more regional search was performed with comparables chosen based on care level provided, operating metrics at time of sale, and condition of the property. The sales utilized represent the best data available for comparison with the subject.

## Analysis of Improved Sales

### Improved Sale One

Arbor Terrace Fulton is an assisted living and memory care community located at 11584 Scaggsville Road, Fulton, Maryland. The 72,778 square foot improvements were built in 2019 and are situated on a 3.00-acre parcel. Amenities and services offered are superior to the local market. The property is managed by The Arbor Company, which will retain operations post transaction. The Purchase and Sale Agreement was originally signed on June 14, 2021 and closed in October 2021. Based on the PSA, the subject's sale is involved in a seven-property portfolio transaction (Project Boomerang). The portfolio transaction includes seven communities, located throughout New Jersey, Maryland, Virginia, and Florida. The overall purchase price for the seven communities was reported to be \$326,000,000 or \$475,219 per revenue unit based on a total of 686 revenue units. The allocated purchase price for the subject property was reported to be \$62,350,000 or \$611,275 per revenue unit. No portfolio premium was reported for this sale. The portfolio was presented to the prospective buyer off market through an existing relationship from prior transactions. The prospective buyer initially evaluated the portfolio in January 2020 but had to put it on hold in March 2020 due to COVID-19. The prospective buyer reengaged in 1Q 2021, executing the LOI on May 10, 2021.

The downward market conditions (time) adjustment reflects the declining market conditions since the date of sale. Upon comparison with the subject, this comparable was considered inferior in terms of project size and received an upward adjustment for this characteristic due to smaller unit count resulting in the loss of economies of scale. An other category adjustment was considered appropriate for this comparable given the lower occupancy at the time of sale. Because of this inferior trait, an upward adjustment was considered appropriate. Overall, this comparable was deemed inferior in comparison to the subject and an upward net adjustment was warranted to the sales price indicator.

### Improved Sale Two

Arbor Terrace Waugh Chapel is an assisted living and memory care community located at 2535 Evergreen Road, Odenton, Maryland. The 71,923-square foot improvements were built in 2019 and are situated on a 4.116-acre parcel. Amenities and services offered are superior to the local market. The property is managed by The Arbor Company, which will retain operations post transaction. The Purchase and Sale Agreement was originally signed on June 14, 2021 and closed in October 2021. Based on the PSA, the subject's sale is involved in a seven-property portfolio transaction (Project Boomerang). The portfolio transaction includes seven communities, located throughout New Jersey, Maryland, Virginia, and Florida. The overall purchase price for the seven communities was reported to be \$326,000,000 or \$475,219 per revenue unit based on a total of 686 revenue units. The allocated purchase price for the subject property was reported to be \$48,400,000 or \$531,868 per revenue unit. No portfolio premium was reported for this sale. The portfolio was presented to the prospective buyer off market through an existing

relationship from prior transactions. The prospective buyer initially evaluated the portfolio in January 2020 but had to put it on hold in March 2020 due to COVID-19. The prospective buyer reengaged in 1Q 2021, executing the LOI on May 10, 2021.

The downward market conditions (time) adjustment reflects the declining market conditions since the date of sale. Upon comparison with the subject, this comparable was considered inferior in terms of project size and received an upward adjustment for this characteristic due to smaller unit count resulting in the loss of economies of scale. An upward adjustment was applied to this comparable for its inferior quality of construction attribute when compared to the subject, based upon the inferior quality of construction and finishes. An other category adjustment was considered appropriate for this comparable given the lower occupancy at the time of sale. Because of this inferior trait, an upward adjustment was considered appropriate. Overall, this comparable was deemed inferior in comparison to the subject and an upward net adjustment was warranted to the sales price indicator.

### Improved Sale Three

Homestead at Hamilton is a senior housing facility consisting of 96 independent living units, 83 traditional assisted living beds in 75 units, and 27 memory care assisted living beds in 24 units (206 total operating beds in 195 units). The facility was constructed in 2017 at a cost of approximately \$60 million, or \$308,000 per unit, by a joint venture between Pike Construction Company and Solvere Living. The COVID-19 pandemic reportedly had a moderate impact on overall absorption, but the facility achieved an overall occupancy rate of 93% by mid-2021. The facility was marketed for sale by James Dooley with Cushman & Wakefield. The offer was exposed to the market and the LOI was signed in late December 2021. The financial data is based on the outgoing operator's 2022 budget, and includes a 5% management fee and replacement reserves at \$350 per bed. The community was previously operated by Solvere Living and the buyer brought in Volante Senior Living upon completion of the transaction. The buyer is an Arizona-based private real estate investment firm with a focus on seniors housing.

The downward market conditions (time) adjustment reflects the declining market conditions since the date of sale. The upward adjustment for location reflects this comparable's inferior feature with respect to the location in a lower barrier market with lower income levels and demographic growth. An upward adjustment was applied to this comparable for its inferior quality of construction attribute when compared to the subject, based upon the inferior quality of construction and finishes. Overall, this comparable was deemed inferior in comparison to the subject and an upward net adjustment was warranted to the sales price indicator.

### Improved Sale Four

Stone Hill at Andover is a good quality seniors housing and care community located at 141 Elm Street, Andover, Massachusetts. The improvements were constructed in 2018 and are located on a 10.07-acre site. The property is managed by Northbridge Communities and contains 28 independent living units, 49 assisted living units, and 30 memory care units. Overall occupancy was reported at 75%. The fee simple transferred July 1, 2022 for \$62,000,000 or \$579,439 per revenue unit. Net operating income at the time of sale was \$2,836,993, or \$26,514 per revenue unit, for an overall capitalization rate of 4.58% and EGIM of 7.39. The buyer acquired a six-property portfolio from the seller back in December 2021 and this was a follow-on acquisition. While not openly marketed, the seller and buyer were equally motivated with no



atypical motivations noted. The 'Other' column is the buyer budget, which was not stabilized as the community is still in lease up. The 'Pro Forma Stabilized' column is the appraisers estimates based on discussion with buyer of stabilized operations.

The downward market conditions (time) adjustment reflects the declining market conditions since the date of sale. Upon comparison with the subject, this comparable was considered inferior in terms of project size and received an upward adjustment for this characteristic due to smaller unit count resulting in the loss of economies of scale. An upward adjustment was applied to this comparable for its inferior quality of construction attribute when compared to the subject, based upon the inferior quality of construction and finishes. An other category adjustment was considered appropriate for this comparable given the lower occupancy at the time of sale. Because of this inferior trait, an upward adjustment was considered appropriate. Overall, this comparable was deemed inferior in comparison to the subject and an upward net adjustment was warranted to the sales price indicator.

### Improved Sale Five

The transaction consists of an assisted living and memory care facility that offers 122 beds within 122 units. Of the 122 units, 87 are assisted living while the remaining 35 are memory care. The facility opened in October 2019 and was able to gradually improve occupancy despite challenges stemming from the pandemic up to 96.7% by the beginning of 2023. The buyer, Inspired Healthcare Capital, is a senior housing private equity group based out of Arizona. The occupancy and operating data presented above is based on the buyer's Year 1 projections, which is consistent with the in-place occupancy levels and overall operations at the time of the transaction. The expenses reported above include a 5% management fee and reserves for replacement. The sale was verified by the buyer as well as public records.

The upward adjustment for location reflects this comparable's inferior feature with respect to the location in a lower barrier market with lower income levels and demographic growth. Upon comparison with the subject, this comparable was considered inferior in terms of project size and received an upward adjustment for this characteristic due to smaller unit count resulting in the loss of economies of scale. An upward adjustment was applied to this comparable for its inferior quality of construction attribute when compared to the subject, based upon the inferior quality of construction and finishes. Overall, this comparable was deemed inferior in comparison to the subject and an upward net adjustment was warranted to the sales price indicator.

### Improved Sale Six

The Residence at Valley Farms is an independent and assisted living community with memory care situated in a suburban area. While all units are licensed, the independent living units represent residents not requiring care. The improvements were constructed in 2015 and are in good condition. At the time of sale, the comparable's occupancy was reportedly 90%. The buyer was Blue Moon Capital Partners, while the seller was Bridge Investment Group with LCB Senior Living remaining as operator post-acquisition. The comparable sold for \$29,500,000, or \$359,756 per revenue unit, in December 2023 after having been professionally marketed by JLL. Based on financial data provided by a seller representative, adjusted for replacement reserves of \$350 per unit and 5% management fee, the purchase price implies an OAR of 6.99% and EGIM of 4.01.

Upon comparison with the subject, this comparable was considered inferior in terms of project size and received an upward adjustment for this characteristic due to smaller unit count resulting in the loss of economies of scale. An upward adjustment was applied to this comparable for its inferior quality of construction attribute when compared to the subject, based upon the inferior quality of construction and finishes. Overall, this comparable was deemed inferior in comparison to the subject and an upward net adjustment was warranted to the sales price indicator.

### Improved Sale Seven

The Residence at Orchard Grove is an independent and assisted living community with memory care situated in a suburban area. While all units are licensed, the independent living units represent residents not requiring care. The improvements were constructed in 2017 and are in excellent condition. At the time of sale, the comparable's occupancy was reportedly 100%. The buyer was Ventas, while the seller was Blue Moon Capital Partners with LCB Senior Living remaining as operator post-acquisition. The comparable sold for \$36,000,000, or \$444,444 per revenue unit, in January 2024 after having been professionally marketed by JLL beginning in late August 2023. Based on financial data provided by a seller representative, adjusted for replacement reserves of \$350 per unit and 5% management fee, the purchase price implies an OAR of 6.95% and EGIM of 4.84.

Upon comparison with the subject, this comparable was considered inferior in terms of project size and received an upward adjustment for this characteristic due to smaller unit count resulting in the loss of economies of scale. An upward adjustment was applied to this comparable for its inferior quality of construction attribute when compared to the subject, based upon the inferior quality of construction and finishes. Overall, this comparable was deemed inferior in comparison to the subject and an upward net adjustment was warranted to the sales price indicator.

### Comparable Listings

In addition to recent transactions, comparable listings were considered. Brokers active in the space were interviewed for any comparable properties that are being actively marketed. Data sources were also researched, and no comparable listings were discovered through this process. Senior housing properties are typically directly marketed to a smaller group of potential buyers without ever being exposed to the open market; furthermore, communities are not typically marketed with a listing price, but on a 'call for offers' basis.

### Summary of Adjustments

The market improved from 2019 through 2021. However, since August 2022 the market has trended downward due to the pressure of rising interest rates. The 13th edition of CBRE's Senior Housing & Care Investor Survey, conducted in October 2023 and published December 19, 2023, polled a group of senior housing real estate professionals and investors and focused largely on market changes due to debt liquidity and rising interest rates. The following was noted from this survey:

- Skilled Nursing (SN) capitalization rates increased by 71 basis points (bps) between April and October, after falling by 34 bps between the previous two surveys.

- The average cap rate for Active-Adult (AA) communities increased by 68 bps between April and October.
- Cap rates for Independent Living (IL), Assisted Living (AL) and Memory Care (MC) facilities increased by 73 bps on average over the past six months, with greater increases for Class C assets than Class A and for non-core markets than core. This is a reversal from the April survey, which reported the biggest increases for Class A assets and core markets.
- Seventy-five percent of survey respondents reported cap rate increases of 50, 75 or 100 bps across all senior housing categories. Thirty-one percent reported increases of 100 bps or more.

Based on this data, CBRE compiled the following chart showing indicated value change based on cap rate increases from 25 to 100 bps.

MARKET CONDITIONS ADJUSTMENT (BASED ON OAR INCREASES SINCE 2022)											
Overall Capitalization Rate											
Bps Increase	5.00%	6.00%	7.00%	8.00%	9.00%	10.00%	11.00%	12.00%	13.00%	14.00%	15.00%
25	-5.0%	-4.2%	-3.6%	-3.1%	-2.8%	-2.5%	-2.3%	-2.1%	-1.9%	-1.8%	-1.7%
50	-10.0%	-8.3%	-7.1%	-6.3%	-5.6%	-5.0%	-4.5%	-4.2%	-3.8%	-3.6%	-3.3%
75	-15.0%	-12.5%	-10.7%	-9.4%	-8.3%	-7.5%	-6.8%	-6.3%	-5.8%	-5.4%	-5.0%
100	-20.0%	-16.7%	-14.3%	-12.5%	-11.1%	-10.0%	-9.1%	-8.3%	-7.7%	-7.1%	-6.7%

Source: Compiled by CBRE

Based on the above, a 5% to 10% decrease from peak 2022 values is suggested, given typical overall rates for Class B/C properties. A market conditions adjustment of 5% downward is applied.

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sales. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons. Based on a comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

After applied gross adjustments of 10.00% to \$0 , the adjusted average of all comparables representing an approximate 8.80% difference over the unadjusted average. The indicated value range for the sales is from \$395,732 to \$638,782 per unit, with an average of \$522,693 per unit.

COMPARABLE SALES ADJUSTMENT GRID								
Comparable Number	1	2	3	4	5	6	7	
Transaction Type	Sale	Sale	Sale	Sale	Sale	Sale	Sale	---
Transaction Date	Oct-21	Oct-21	Jun-22	Jul-22	Sep-23	Dec-23	Jan-24	---
Year Built	2019	2019	2017	2018	2018	2015	2017	2026
Revenue Units (Beds)	102	91	206	107	122	82	81	179
Adjusted Sale Price <sup>1</sup>	\$62,350,000	\$48,400,000	\$97,500,000	\$62,000,000	\$41,100,000	\$29,500,000	\$36,000,000	---
Occupancy	80%	64%	93%	75%	96%	90%	100%	94%
NOI Per Rev. Unit	\$36,041	\$31,846	\$29,507	\$32,561	\$24,146	\$25,138	\$30,885	\$36,437
OAR	5.90%	5.99%	6.23%	5.62%	7.17%	6.99%	6.95%	(Est)
<b>Price Per Rev. Unit</b>	<b>\$611,275</b>	<b>\$531,868</b>	<b>\$473,301</b>	<b>\$579,439</b>	<b>\$336,885</b>	<b>\$359,756</b>	<b>\$444,444</b>	
Property Rights Conveyed	0%	0%	0%	0%	0%	0%	0%	
Financing Terms <sup>1</sup>	0%	0%	0%	0%	0%	0%	0%	
Conditions of Sale	0%	0%	0%	0%	0%	0%	0%	
Market Conditions (Time)	-5%	-5%	-5%	-5%	0%	0%	0%	
<b>Subtotal - Price Per Rev. Unit</b>	<b>\$580,711</b>	<b>\$505,275</b>	<b>\$449,636</b>	<b>\$550,467</b>	<b>\$336,885</b>	<b>\$359,756</b>	<b>\$444,444</b>	
Location	0%	0%	10%	0%	10%	0%	0%	
Project Size	5%	5%	0%	5%	5%	5%	5%	
Age/Condition	0%	0%	0%	0%	0%	0%	0%	
Quality of Construction	0%	5%	5%	5%	5%	5%	5%	
Avg. Unit Size	0%	0%	0%	0%	0%	0%	0%	
Project Amenities	0%	0%	0%	0%	0%	0%	0%	
Other	5%	5%	0%	5%	0%	0%	0%	
<b>Total Other Adjustments</b>	<b>10%</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>	<b>20%</b>	<b>10%</b>	<b>10%</b>	
<b>Indicated Value Per Rev. Unit</b>	<b>\$638,782</b>	<b>\$581,066</b>	<b>\$517,081</b>	<b>\$633,037</b>	<b>\$404,262</b>	<b>\$395,732</b>	<b>\$488,889</b>	

<sup>1</sup>Transaction amount adjusted for cash equivalency and/or deferred maintenance (where applicable)  
Compiled by CBRE

## Effective Gross Income Multiplier Analysis

As the above analysis is heavily dependent on the net operating income of a property, the EGIM can be applied to a property's gross income and is therefore less dependent upon an accurate estimation of net operating income.

The EGIM analysis compares the subject's income characteristics with those of the comparable properties and develops a multiplier that is appropriate for the subject. Based on our analysis, CBRE concluded to an appropriate EGIM as follows:

EGI MULTIPLIER ANALYSIS			
Sale No.	Occupancy	OER	EGIM
1	80%	61.55%	6.52
2	64%	63.84%	6.04
3	93%	60.79%	6.29
4	75%	64.07%	6.39
5	96%	69.58%	4.24
6	90%	72.00%	4.01
7	100%	66.38%	4.84
<b>Subj.</b>	<b>94%</b>	<b>60.33%</b>	<b>6.25</b>

Compiled by CBRE

For senior housing assets, there is typically an inverse relationship between the EGIM and OER, we considered the OERs at each comparable for our conclusion. As the subject's concluded OER falls slightly below the range, CBRE placed weight on towards the upper end of the comparable EGIM range, falling in line with comparable 3.

## Sales Comparison Approach Conclusion

In completing this analysis, CBRE contacted various market participants that include specialty brokers and national investors of well-known senior housing investment funds. These participants all indicated that in pricing the subject property, primary weight would be placed on the in-place cash flow with the applied risk based on the amount of historical operations supporting the respective cash flows. It was further indicated that comparable sales would be utilized as a secondary measure. These participants advised that when selecting comparable sales for the subject, a regional search should be employed to appropriately account for comparable operations respective to the subject property.

The following table presents the estimated value for the subject as indicated by the sales comparison approach.

SALES COMPARISON APPROACH				
Paired Sales				
Total Rev. Units		Value Per Rev. Unit		Value
179	X	\$522,693	=	\$93,562,006
EGIM				
EGI		ANALYSIS		Value
\$16,390,888	X	6.25	=	\$102,443,052
VALUE CONCLUSIONS				
Indicated As If Stabilized Value				\$98,002,529
Rounded				\$98,000,000
Value Per Rev. Unit				\$563,687
Compiled by CBRE				

The comparable sales utilized within this approach represent current market data, and the indicated value is considered to be consistent with current price levels. As discussed within the Appraisal Methodology section of this report, to derive estimates of prospective value, the current value indication is escalated by 3.00% per annum during the stabilization period.

To derive an indicated value for the subject in As Is condition via the Sales Comparison Approach, a deduction from the Upon Stabilization value indication is necessary. This deduction accounts for not only for rent loss during absorption, but also for the time value of money and the entrepreneurial incentive necessary for an investor to undertake the lease-up of a sub-stabilized project. For this deduction, CBRE applied a lease-up discount (LUD) as derived via the discounted cashflow (DCF) analyses as will be fully discussed in the Income Capitalization Approach section of this report, or the delta between the Upon Stabilization value indication and the As Is value indications via the DCF analyses. This calculation is summarized within the following chart:

## SALES COMPARISON APPROACH PROSPECTIVE VALUE ESTIMATES

### UPON STABILIZATION INDICATION

<b>Indicated As If Stabilized Value</b>	<b>April 7, 2024</b>	<b>\$98,002,529</b>
Construction & Stabilization Period	36 months	
Annual Applied Growth Rate	3.00%	
Applied Growth Rate Factor	1.0927	
<b>Upon Stabilization Indication</b>	<b>August 7, 2028</b>	<b>\$107,090,009</b>
<b>Upon Stabilization Indication (Rounded)</b>	<b>August 7, 2028</b>	<b>\$107,100,000</b>
Less LUD (Stabilized DCF - As Is DCF)		<b>(\$31,700,000)</b>
<b>Upon Completion Indication</b>	<b>August 7, 2025</b>	<b>\$75,390,009</b>
<b>Upon Completion Indication (Rounded)</b>	<b>August 7, 2025</b>	<b>\$75,400,000</b>

Compiled by CBRE

# Income Capitalization Approach

As discussed, the subject will be operating as a senior housing community. The set-up of units, beds, and most appropriate unit of measurement is shown within the following chart.

SUBJECT UNITS OF MEASURE BY CARE LEVEL				
Care Level	Units	Beds	Unit of Measure	Revenue Units
Independent Living	88	88	Units	88
Assisted Living	64	64	Beds	64
Memory Care	24	27	Beds	27
<b>Total</b>	<b>176</b>	<b>179</b>	<b>-</b>	<b>179</b>

Compiled by CBRE

## Operating Summary

In this valuation section, the subject's reported operating data is presented. This data is followed by stabilized revenue and expenses that are estimated with consideration of the subject's report operating data as well as supported by current market levels.

As shown in the following table, CBRE was provided the subject's operating budget that includes two lease-up periods (2026 and 2027) as well as a Stabilized period (2028). Note that during the absorption periods, the budget utilizes annual revenue escalations of 3.0% and annual expense escalations of 3.0%. As we are utilizing current market data to estimate revenue and expenses, we have included the subject's budgeted 'Stabilized' operating period (2028), as well as trended these figures to a present value (PV) level, or '2028 As If Stabilized', for comparison purposes.

Notably, management's provided proforma does not bifurcate revenues within the 2026 and 2027 lease-up periods and has been displayed in aggregate under 'Independent Living Rent' for these periods. Additionally, management's proforma does not fully break out real estate and property insurance from each other as well as laundry & housekeeping and repair & maintenance expenses.

SUBJECT OPERATING SUMMARY																				
Reporting Period	2026 Lease-up				2027 Lease-up				2028 Stabilized				2028 As If Stabilized				CBRE Stabilized Estimate			
	Rev. Units	Occ.	AMR	R-Days	Rev. Units	Occ.	AMR	R-Days	Rev. Units	Occ.	AMR	R-Days	Rev. Units	Occ.	AMR	R-Days	Rev. Units	Occ.	AMR	R-Days
Independent Living	88	35.8%		11,498	88	83.8%		26,919	88	93.9%	6,004	30,193	88	93.9%	5,495	30,193	88	94.0%	5,635	30,213
Assisted Living	64	35.7%		8,349	64	83.5%		19,528	64	93.9%	8,699	21,958	64	93.9%	7,961	21,958	64	94.0%	7,904	21,973
Memory Care	27	75.9%		7,483	27	85.1%		8,395	27	93.9%	11,329	9,264	27	93.9%	10,367	9,264	27	94.0%	11,428	9,270
<b>Total</b>	<b>179</b>	<b>41.8%</b>	<b>4,947</b>	<b>27,329</b>	<b>179</b>	<b>83.9%</b>	<b>7,797</b>	<b>54,841</b>	<b>179</b>	<b>93.9%</b>	<b>7,771</b>	<b>61,415</b>	<b>179</b>	<b>93.9%</b>	<b>7,111</b>	<b>61,415</b>	<b>179</b>	<b>94.0%</b>	<b>7,320</b>	<b>61,456</b>
	<b>Total (\$)</b>	<b>% EGI</b>	<b>\$/Rev Unit</b>	<b>\$/RD</b>	<b>Total</b>	<b>% EGI</b>	<b>\$/Rev Unit</b>	<b>\$/RD</b>	<b>Total</b>	<b>% EGI</b>	<b>\$/Rev Unit</b>	<b>\$/RD</b>	<b>Total</b>	<b>% EGI</b>	<b>\$/Rev Unit</b>	<b>\$/RD</b>	<b>Total</b>	<b>% EGI</b>	<b>\$/Rev Unit</b>	<b>\$/RD</b>
<b>Income</b>																				
Independent Living Rent	4,441,602	100.0%	24,813	162.52	14,048,637	100.0%	78,484	256.17	5,956,166	32.7%	33,275	96.98	5,450,736	32.7%	30,451	88.75	5,593,120	34.1%	31,246	91.01
Assisted Living Rent	-	0.0%	-	0.00	-	0.0%	-	0.00	6,275,820	34.4%	35,060	102.19	5,743,264	34.4%	32,085	93.52	5,705,988	34.8%	31,877	92.85
Memory Care Rent	-	0.0%	-	0.00	-	0.0%	-	0.00	3,448,015	18.9%	19,263	56.14	3,155,422	18.9%	17,628	51.38	3,480,444	21.2%	19,444	56.63
Level of Care Fees	-	0.0%	-	0.00	-	0.0%	-	0.00	905,512	5.0%	5,059	14.74	828,672	5.0%	4,629	13.49	794,112	4.8%	4,436	12.92
Second Resident Fees	-	0.0%	-	0.00	-	0.0%	-	0.00	562,536	3.1%	3,143	9.16	514,800	3.1%	2,876	8.38	305,011	1.9%	1,704	4.96
Community Fees	-	0.0%	-	0.00	-	0.0%	-	0.00	826,495	4.5%	4,617	13.46	756,360	4.5%	4,225	12.32	290,972	1.8%	1,626	4.73
Other Income	-	0.0%	-	0.00	-	0.0%	-	0.00	242,801	1.3%	1,356	3.95	222,198	1.3%	1,241	3.62	221,240	1.3%	1,236	3.60
<b>Effective Gross Income</b>	<b>4,441,602</b>	<b>100.0%</b>	<b>24,813</b>	<b>162.52</b>	<b>14,048,637</b>	<b>100.0%</b>	<b>78,484</b>	<b>256.17</b>	<b>18,217,346</b>	<b>100.0%</b>	<b>101,773</b>	<b>296.63</b>	<b>16,671,452</b>	<b>100.0%</b>	<b>93,137</b>	<b>271.46</b>	<b>16,390,888</b>	<b>100.0%</b>	<b>91,569</b>	<b>266.71</b>
<b>Expenses</b>																				
Real Estate Taxes	304,292	6.9%	1,700	11.13	674,273	4.8%	3,767	12.29	920,992	5.1%	5,145	15.00	842,838	5.1%	4,709	13.72	583,061	3.6%	3,257	9.49
Property Insurance	-	0.0%	-	0.00	-	0.0%	-	0.00	-	0.0%	-	0.00	-	0.0%	-	0.00	362,588	2.2%	2,026	5.90
Utilities	95,570	2.2%	534	3.50	419,757	3.0%	2,345	7.65	654,294	3.6%	3,655	10.65	598,772	3.6%	3,345	9.75	599,193	3.7%	3,347	9.75
Administration & General	303,234	6.8%	1,694	11.10	611,044	4.3%	3,414	11.14	787,196	4.3%	4,398	12.82	720,396	4.3%	4,025	11.73	1,093,911	6.7%	6,111	17.80
Marketing	250,875	5.6%	1,402	9.18	436,906	3.1%	2,441	7.97	537,187	2.9%	3,001	8.75	491,602	2.9%	2,746	8.00	494,718	3.0%	2,764	8.05
Resident Care	551,890	12.4%	3,083	20.19	1,500,080	10.7%	8,380	27.35	1,671,076	9.2%	9,336	27.21	1,529,271	9.2%	8,543	24.90	1,530,246	9.3%	8,549	24.90
Culinary Services	454,725	10.2%	2,540	16.64	1,722,914	12.3%	9,625	31.42	2,392,799	13.1%	13,368	38.96	2,189,750	13.1%	12,233	35.66	2,190,894	13.4%	12,240	35.65
Laundry & Housekeeping	256,988	5.8%	1,436	9.40	652,703	4.6%	3,646	11.90	891,112	4.9%	4,978	14.51	815,494	4.9%	4,556	13.28	245,823	1.5%	1,373	4.00
Repairs & Maintenance	-	0.0%	-	0.00	-	0.0%	-	0.00	-	0.0%	-	0.00	-	0.0%	-	0.00	614,557	3.7%	3,433	10.00
Programming	117,172	2.6%	655	4.29	243,544	1.7%	1,361	4.44	348,105	1.9%	1,945	5.67	318,565	1.9%	1,780	5.19	319,569	1.9%	1,785	5.20
Payroll Taxes & Benefits	325,254	7.3%	1,817	11.90	862,501	6.1%	4,818	15.73	1,046,474	5.7%	5,846	17.04	957,672	5.7%	5,350	15.59	972,228	5.9%	5,431	15.82
Management Fee	222,080	5.0%	1,241	8.13	702,432	5.0%	3,924	12.81	910,867	5.0%	5,089	14.83	833,573	5.0%	4,657	13.57	819,544	5.0%	4,578	13.34
Reserves for Replacement	62,650	1.4%	350	2.29	62,650	0.4%	350	1.14	62,650	0.3%	350	1.02	62,650	0.4%	350	1.02	62,650	0.4%	350	1.02
<b>Operating Expenses<sup>1</sup></b>	<b>2,944,730</b>	<b>66.3%</b>	<b>16,451</b>	<b>107.75</b>	<b>7,888,804</b>	<b>56.2%</b>	<b>44,072</b>	<b>143.85</b>	<b>10,222,752</b>	<b>56.1%</b>	<b>57,110</b>	<b>166.45</b>	<b>9,360,583</b>	<b>56.1%</b>	<b>52,294</b>	<b>152.42</b>	<b>9,888,982</b>	<b>60.3%</b>	<b>55,246</b>	<b>160.91</b>
<b>Net Operating Income</b>	<b>\$1,496,872</b>	<b>33.7%</b>	<b>8,362</b>	<b>54.77</b>	<b>\$6,159,833</b>	<b>43.8%</b>	<b>34,412</b>	<b>112.32</b>	<b>\$7,994,594</b>	<b>43.9%</b>	<b>44,663</b>	<b>130.17</b>	<b>\$7,310,869</b>	<b>43.9%</b>	<b>40,843</b>	<b>119.04</b>	<b>\$6,501,907</b>	<b>39.7%</b>	<b>36,324</b>	<b>105.80</b>

<sup>1</sup>Operating statements have been adjusted to include the market-level management fees and replacement reserves.  
Source: Operating statements



## Operating Revenue Analysis

The subject's rental rate structure, care plan type, second resident fee, and community fee are included below. CBRE has projected a stabilized occupancy of 94.0% comprised of a private pay census.

SUBJECT RENTAL INFORMATION					
Type	Revenue Units	Quoted Base Rate \$/Rev Unit	Care Plan Type	Second Resident Fee	Community Fee
<b>Independent Living</b>					
Studio	3	\$1,348	None	Yes	Yes
1 Bedroom	58	\$5,974 - \$6,234	None	Yes	Yes
2 Bedroom	27	\$6,039 - \$6,095	None	Yes	Yes
<b>Assisted Living</b>					
Studio	15	\$7,438	Levels	Yes	Yes
1 Bedroom	40	\$7,860 - \$7,970	Levels	Yes	Yes
2 Bedroom	9	\$8,874 - \$11,100	Levels	Yes	Yes
<b>Memory Care</b>					
Companion	6	\$10,982	All-Inclusive	No	Yes
Studio	21	\$11,560	All-Inclusive	No	Yes
<b>Total/Average</b>	<b>179</b>	<b>\$1,348 - \$11,560</b>	<b>-</b>	<b>-</b>	

Compiled by CBRE

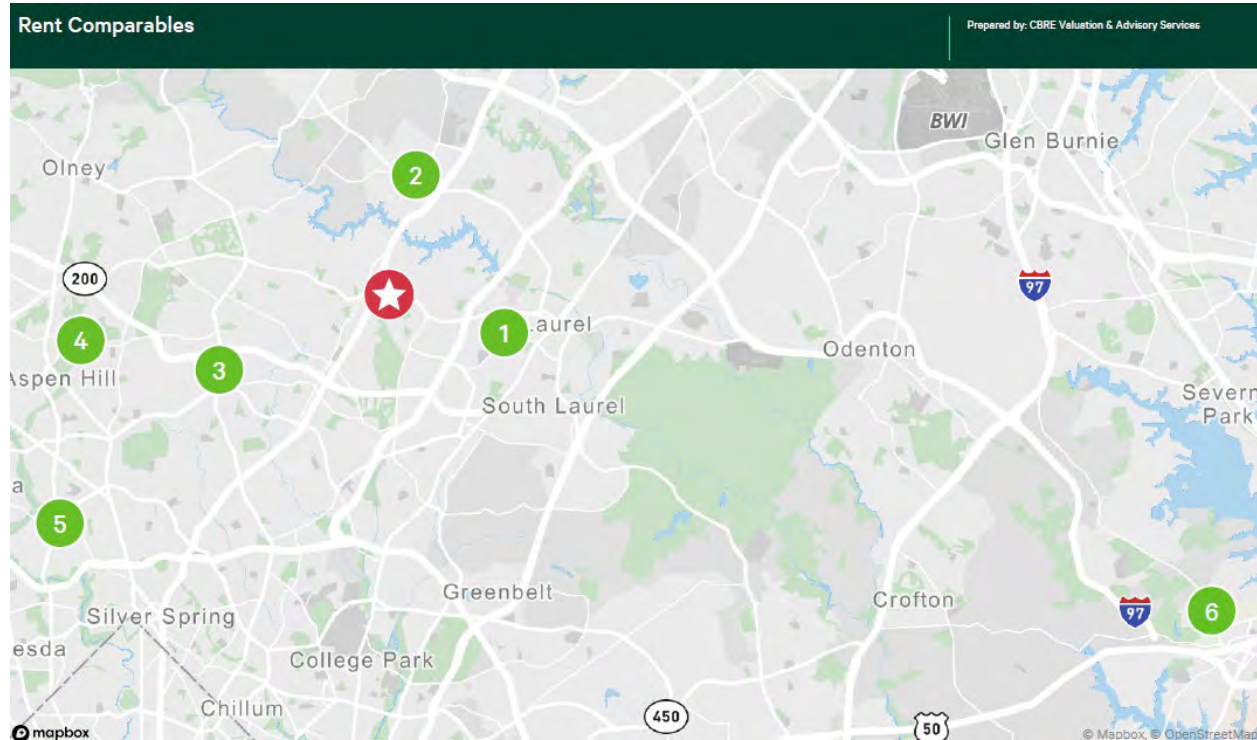
The subject has three studio units and eight one-bedroom units that are required to be offered as Moderately Priced Dwelling Units (MPDU's) per the Montgomery County Code that requires 12.5% of independent living units to be offered as such. All independent living studio units within the subject are MPDU units and the rental rate for such units is displayed within the above chart. Within the below chart represents the breakout of one-bedroom units along with the weighted AMR which has been utilized as CBRE's one-bedroom rental rate estimate.

ONE BEDROOM RENTAL RATE				
Unit	SF	Units	Quoted Rent	Potential Gross Income
1-Bedroom Market	675	13	\$5,974	\$77,659
1-Bedroom Market	839	37	\$6,234	\$230,649
1-Bedroom MPDU	500	2	\$1,400	\$2,800
1-Bedroom MPDU	675	6	\$1,425	\$8,550
<b>Total</b>		<b>58</b>		<b>\$319,658</b>
			Weighted AMR	\$5,511
			Rounded	<b>\$5,500</b>

Source: Provided by Management

## Rent Comparables

Comparable properties have been surveyed to identify the occupancy and rental trends, which are summarized in the following map and table. A description of each comparable is included in the addenda.



## Senior Housing Rent Comparable Summary

The following chart provides a summary of the senior housing comparable communities.

SUMMARY OF COMPARABLE SENIOR HOUSING RENTALS														
No.	Property Name Location	Year Built Total Units	Rev. Units			Census			Base Rent (\$/Month)			LOC \$/Month	Community Fee	Second Sec. Res. Fee
			IL	AL	MC	IL	AL	MC	IL	AL	MC			
1	Morningside House of Laurel 7700 Cherry Lane Laurel, MD	1996 86	-	60	26	-	93%	88%	-	\$4,000 \$6,400	\$5,325 \$6,575	\$400 \$2,400	\$4,000	\$1,500
2	Arbor Terrace Fulton 11584 Scaggsville Road Fulton, MD	2019 102	-	73	29	-	92%	90%	-	\$5,789 \$9,269	\$7,209 \$8,339	\$400 \$2,850	\$4,500	\$2,000
3	Wilshire Estates Gracious Retirement Living 13716 New Hampshire Ave Silver Spring, MD	2020 141	141	-	-	80%	-	-	\$3,355 \$5,465	-	-	-	\$1,680 \$2,730	\$495
4	Aspenwood Senior Living 14400 Homecrest Rd Silver Spring, MD	1989 132	82	50	-	90%	86%	-	\$3,800 \$5,400	\$4,700 \$6,200	- \$1,000	\$370	\$4,000	\$1,000
5	Modena Reserve at Kensington 10540 Metropolitan Ave Kensington, MD	2021 135	62	47	26	100%	94%	81%	\$6,165 \$8,530	\$7,709 \$8,359	\$11,855	\$400 \$2,500	\$7,500	\$1,200
6	Brightview Annapolis 1935 Generals Highway Annapolis, MD	2018 164	88	52	24	95%	94%	100%	\$8,750 \$11,959	\$8,750 \$11,959	\$9,995	\$750 \$2,250	\$6,000	\$1,200
<b>SUBJECT</b> Brookstone Senior Living 15300 Dino Dr Burtonsville, Maryland		2026 179	88	64	27	-	-	-	\$5,000 \$6,234	\$7,438 \$11,100	\$10,982 \$11,560	\$650 \$2,145	\$5,000 \$11,560	\$1,300 \$2,600

Source: CBRE VIEW Database

## Comparable Community Descriptions

In order to estimate the market rates, the subject unit types have been compared with similar units and care levels. While independent living rents are typically all inclusive, assisted living and memory care units are often rented under various rental structures. These structures range from all inclusive, base rent plus additional charges for activity of daily living (ADL) services charged by level, or base rent plus additional charges for ADL services charged a la carte. For an accurate understanding of the subject market position, the comparable rents have been adjusted accordingly. The comparable communities are described within the following paragraphs.

### Rent Comparable One

Morningside House of Laurel is an assisted living and memory care community, located in a suburban area. Amenities and services offered are consistent with the local market. The property is managed by Morningside House Senior Living, a regional operator of seniors housing communities. Assisted living and memory care rents are based on a base plus level-of-care structure. Notably, pre-Covid occupancy for the comparable was in the 90%+ range and the subject experienced move-outs during Covid, significantly lowering occupancy. Currently, the subject has since recovered to pre-Covid levels.

### Rent Comparable Two

Arbor Terrace Fulton is an assisted living and memory care community located in a suburban area. The improvements were built in 2019 and are situated on a 3.00-acre parcel. Amenities and services offered are superior to the local market. The property is managed by The Arbor Company, a national operator of seniors housing communities. Assisted living and memory care services are based upon a base plus level of care structure.

### Rent Comparable Three

Wilshire Estates Gracious Retirement Living is an excellent quality independent living community situated in suburban area. The community opened in February of 2020 and is operated by Hawthorn Senior Living, a national operator of seniors housing communities. The community fee is half of the monthly rent. Occupancy was reported to be around 75-80% and the community is still in lease-up, as Covid-19 caused issues with initial lease-up.

### Rent Comparable Four

Aspenwood Senior Living is an independent and assisted living community, located in a suburban area. The property is managed by Five Star Senior Living, a national operator of seniors housing communities. Assisted living rents are based on a base plus level-of-care structure.

### Rent Comparable Five

Modena Reserve at Kensington is an independent and assisted living residence with memory care, located in a suburban area. Amenities and services offered are superior to the local market. The property is managed by Solera Senior Living, a national operator of seniors housing communities. Assisted living

rents are based on a base plus level-of-care structure. Memory care rents are based on an all-inclusive care structure.

## Rent Comparable Six

Brightview Annapolis is an independent, assisted living community, located in a suburban area. Amenities and services offered are superior to the local market. The property is managed by Brightview, a regional operator of seniors housing communities. Assisted living rents are based on a base plus level-of-care structure. Memory care rents are based on an base plus level-of-care structure.

## Independent Living

SUMMARY OF COMPARABLE RENTALS INDEPENDENT LIVING - STUDIO UNITS	
Comparable Rates	Rate \$/Mo.
Wilshire Estates Gracious Retirement Living	\$3,355
Aspenwood Senior Living	\$3,800
<b>Comparable Rates Range</b>	<b>\$3,355 - \$8,750</b>
<b>Subject Private Pay Quoted Rates (Affordable)</b>	<b>\$1,348</b>
<b>Subject Market Rate Conclusion</b>	<b>\$1,348</b>

Compiled by CBRE

SUMMARY OF COMPARABLE RENTALS INDEPENDENT LIVING - 1 BEDROOM UNITS	
Comparable Rates	Rate \$/Mo.
Wilshire Estates Gracious Retirement Living	\$4,045
Aspenwood Senior Living	\$4,000 - \$4,400
Modena Reserve at Kensington	\$6,165
<b>Comparable Rates Range</b>	<b>\$4,000 - \$9,200</b>
<b>Subject Private Pay Quoted Rates</b>	<b>\$5,974 - \$6,234</b>
<b>Subject Market Rate Conclusion</b>	<b>\$5,500</b>

Compiled by CBRE

SUMMARY OF COMPARABLE RENTALS INDEPENDENT LIVING - 2 BEDROOM UNITS	
Comparable Rates	Rate \$/Mo.
Wilshire Estates Gracious Retirement Living	\$5,465
Aspenwood Senior Living	\$5,400
Modena Reserve at Kensington	\$8,530
<b>Comparable Rates Range</b>	<b>\$5,400 - \$11,959</b>
<b>Subject Private Pay Quoted Rates</b>	<b>\$6,039 - \$6,095</b>
<b>Subject Market Rate Conclusion</b>	<b>\$6,400</b>

Compiled by CBRE

The subject's quoted rental rates fall at the upper end of the adjusted range indicated by the rent comparables. Recognizing the subject's superior quality and location in relation to the comparables, it is appropriate that the subject's rent fall at the upper end of the range. As previously discussed, the subject's studio is representative of independent living MPDU rates and therefore is not comparable to market rate competitors. Additionally, the subject's one bedroom rate incorporates weight for the eight MPDU units within the subject's unit mix as detailed previously.

## Assisted Living

SUMMARY OF COMPARABLE RENTALS				
ASSISTED LIVING - STUDIO UNITS				
Comparable Rates	Base \$/Mo.	Plan Type	ADL \$/Mo.	Adj. \$/Mo.
Morningside House of Laurel	\$5,200	Levels	\$400 - \$2,400	\$5,600 - \$7,600
Arbor Terrace Fulton	\$6,179	Levels	\$750 - \$2,850	\$6,929 - \$9,029
Aspenwood Senior Living	\$5,300	Levels	\$370 - \$1,000	\$5,670 - \$6,300
Modena Reserve at Kensington	\$7,709	Levels	\$400 - \$2,500	\$8,109 - \$10,209
Brightview Annapolis	\$8,750	Levels	\$750 - \$2,250	\$9,500 - \$11,000
<b>Comparable Rates Range</b>	<b>\$5,200 - \$8,750</b>	<b>-</b>	<b>\$370 - \$2,850</b>	<b>\$5,600 - \$11,000</b>
<b>Subject Private Pay Quoted Rates</b>	<b>\$7,438</b>	<b>Levels</b>	<b>\$650 - \$2,145</b>	<b>\$8,088 - \$9,583</b>
<b>Subject Market Rate Conclusion</b>	<b>\$7,450</b>	<b>Levels</b>	<b>\$1,100</b>	<b>\$8,550</b>

Compiled by CBRE

SUMMARY OF COMPARABLE RENTALS				
ASSISTED LIVING - ONE BEDROOM UNITS				
Comparable Rates	Base \$/Mo.	Plan Type	ADL \$/Mo.	Adj. \$/Mo.
Morningside House of Laurel	\$5,525	Levels	\$400 - \$2,400	\$5,925 - \$7,925
Arbor Terrace Fulton	\$6,999	Levels	\$750 - \$2,850	\$7,749 - \$9,849
Aspenwood Senior Living	\$6,000 - \$6,200	Levels	\$370 - \$1,000	\$6,370 - \$7,200
Modena Reserve at Kensington	\$8,359	Levels	\$400 - \$2,500	\$8,759 - \$10,859
Brightview Annapolis	\$9,200	Levels	\$750 - \$2,250	\$9,950 - \$11,450
<b>Comparable Rates Range</b>	<b>\$5,525 - \$9,200</b>	<b>-</b>	<b>\$370 - \$2,850</b>	<b>\$5,925 - \$11,450</b>
<b>Subject Private Pay Quoted Rates</b>	<b>\$7,860 - \$7,970</b>	<b>Levels</b>	<b>\$650 - \$2,145</b>	<b>\$8,510 - \$10,115</b>
<b>Subject Market Rate Conclusion</b>	<b>\$7,850</b>	<b>Levels</b>	<b>\$1,100</b>	<b>\$8,950</b>

Compiled by CBRE

SUMMARY OF COMPARABLE RENTALS				
ASSISTED LIVING - TWO BEDROOM UNITS				
Comparable Rates	Base \$/Mo.	Plan Type	ADL \$/Mo.	Adj. \$/Mo.
Morningside House of Laurel	\$6,400	Levels	\$400 - \$2,400	\$6,800 - \$8,800
Arbor Terrace Fulton	\$9,269	Levels	\$750 - \$2,850	\$10,019 - \$12,119
Brightview Annapolis	\$10,675 - \$11,959	Levels	\$750 - \$2,250	\$11,425 - \$14,209
<b>Comparable Rates Range</b>	<b>\$6,400 - \$11,959</b>	<b>-</b>	<b>\$400 - \$2,850</b>	<b>\$6,800 - \$14,209</b>
<b>Subject Private Pay Quoted Rates</b>	<b>\$8,874 - \$11,100</b>	<b>Levels</b>	<b>\$650 - \$2,145</b>	<b>\$9,524 - \$13,245</b>
<b>Subject Market Rate Conclusion</b>	<b>\$8,900</b>	<b>Levels</b>	<b>\$1,100</b>	<b>\$10,000</b>

Compiled by CBRE

The subject's quoted rental rates fall at the upper end of the adjusted range indicated by the rent comparables. Recognizing the subject's superior quality and location in relation to the comparables, it is appropriate that the subject's rent fall at the upper end of the range.

## Memory Care

SUMMARY OF COMPARABLE RENTALS MEMORY CARE - COMPANION UNITS				
Comparable Rates	Base \$/Mo.	Plan Type	ADL \$/Mo.	Adj. \$/Mo.
Morningside House of Laurel	\$5,325	Levels	\$400 - \$2,400	\$5,725 - \$7,725
Arbor Terrace Fulton	\$7,209	Levels	\$400 - \$1,000	\$7,609 - \$8,209
<b>Comparable Rates Range</b>	<b>\$5,325 - \$7,209</b>	<b>-</b>	<b>\$400 - \$2,400</b>	<b>\$5,725 - \$8,209</b>
<b>Subject Private Pay Quoted Rates</b>	<b>\$10,982</b>	<b>All-Inclusive</b>	<b>-</b>	<b>\$10,982 - \$10,982</b>
<b>Subject Market Rate Conclusion</b>	<b>\$11,000</b>	<b>All-Inclusive</b>	<b>-</b>	<b>\$11,000</b>

Compiled by CBRE

SUMMARY OF COMPARABLE RENTALS MEMORY CARE - STUDIO UNITS				
Comparable Rates	Base \$/Mo.	Plan Type	ADL \$/Mo.	Adj. \$/Mo.
Morningside House of Laurel	\$6,250	Levels	\$400 - \$2,400	\$6,650 - \$8,650
Arbor Terrace Fulton	\$8,339	Levels	\$400 - \$1,000	\$8,739 - \$9,339
Modena Reserve at Kensington	\$11,855	All-Inclusive	-	\$11,855
Brightview Annapolis	\$9,995	Levels	\$750 - \$2,250	\$10,745 - \$12,245
<b>Comparable Rates Range</b>	<b>\$6,250 - \$11,855</b>	<b>-</b>	<b>\$400 - \$2,400</b>	<b>\$6,650 - \$12,245</b>
<b>Subject Private Pay Quoted Rates</b>	<b>\$11,560</b>	<b>All-Inclusive</b>	<b>-</b>	<b>\$11,560 - \$11,560</b>
<b>Subject Market Rate Conclusion</b>	<b>\$11,550</b>	<b>All-Inclusive</b>	<b>-</b>	<b>\$11,550</b>

Compiled by CBRE

The subject's quoted rental rates fall at the upper end of the adjusted range indicated by the rent comparables. Recognizing the subject's superior quality and location in relation to the comparables, it is appropriate that the subject's rent fall at the upper end of the range.

## Market Rent Conclusions

The following chart shows the market rent conclusions for the subject:

MARKET RENT CONCLUSIONS						
Unit Type	Revenue Units	Unit Size (SF)	Monthly Rent \$/Rev. Unit	Monthly Rent PRI	Annual Rent \$/Rev. Unit	Annual Potential Total
<b>Independent Living</b>						
Studio	3	435	\$1,348	\$4,044	\$16,176	\$48,528
1 Bedroom	58	860	\$5,500	\$319,000	\$66,000	\$3,828,000
2 Bedroom	27	1,160	\$6,400	\$172,800	\$76,800	\$2,073,600
<b>Assisted Living</b>						
Studio	15	425	\$7,450	\$111,750	\$89,400	\$1,341,000
1 Bedroom	40	650	\$7,850	\$314,000	\$94,200	\$3,768,000
2 Bedroom	9	1,188	\$8,900	\$80,100	\$106,800	\$961,200
<b>Memory Care</b>						
Companion	6	550	\$11,000	\$66,000	\$132,000	\$792,000
Studio	21	310	\$11,550	\$242,550	\$138,600	\$2,910,600
<b>Conclusions</b>	<b>179</b>	<b>756</b>	<b>\$7,320</b>	<b>\$1,310,244</b>	<b>\$87,838</b>	<b>\$15,722,928</b>

CBRE Valuation & Advisory | Senior Housing & Healthcare

## Concessions

Based on our discussions with marketing directors at comparable properties, concessions were reported to be prevalent in the local market. Typical concessions range from waiving the community fee or offering one-month's free rent. These concessions were considered in concluding a market rent for each of the subject's unit types.

## Care Fee Revenue

The subject's range of quoted monthly care fees as well as the comparables are summarized within the following chart. As utilization of care fees vary by operational model, CBRE applied an overall average monthly care fee applied to the subject's census.

MONTHLY CARE FEES					
Care Level	Care Plan	Subject Care Fees:		Comparable Range	CBRE Conclusion
		Quoted Fees	Avg		
Assisted Living	Levels	\$650 - \$2,145	-	\$370 - \$2,850	\$1,100
Memory Care	All-Inclusive	-	-	\$400 - \$2,400	-

Source: Property Management

On an annual basis, a summary of the subject's care fees during the reporting period as well as CBRE's stabilized projections are presented below:

CARE FEE REVENUE				
REPORTING PERIOD	\$/RD	\$/REV UNIT	% EGI	ANNUAL
2026 Lease-up	\$0.00	\$0	0.0%	\$0
2027 Lease-up	\$0.00	\$0	0.0%	\$0
2028 Stabilized	\$14.74	\$5,059	5.0%	\$905,512
2028 As If Stabilized	\$13.49	\$4,629	5.0%	\$828,672
CBRE CONCLUSIONS	\$/RD	\$/REV UNIT	% EGI	ANNUAL
As Stabilized Estimate	\$12.92	\$4,436	4.8%	\$794,112
CBRE CONCLUSION	MONTHLY AVG RATE	ANNUAL STABILIZED AVG RATE	CENSUS	ANNUAL
Assisted Living Revenue	\$1,100	\$13,200	60.16	\$794,112
Memory Care Revenue	All-Inclusive	-	25.38	-
As Stabilized Estimate				\$794,112

Compiled by CBRE

As concluded within the above chart, the subject's care fees are consistent with the comparable data and considered reasonable.

## Second Resident Fees

Second resident fees are prevalent in the market, whereby couples are charged for double occupancy. The second-resident fee revenue for the subject is summarized within the following chart.

SECOND RESIDENT FEES				
REPORTING PERIOD	\$/RD	\$/REV UNIT	% EGI	ANNUAL
2026 Lease-up	\$0.00	\$0	0.0%	\$0
2027 Lease-up	\$0.00	\$0	0.0%	\$0
2028 Stabilized	\$9.16	\$3,143	3.1%	\$562,536
2028 As If Stabilized	\$8.38	\$2,876	3.1%	\$514,800
CBRE CONCLUSIONS	\$/RD	\$/REV UNIT	% EGI	ANNUAL
As Stabilized Estimate	\$4.96	\$1,704	1.9%	\$305,011

Compiled by CBRE

Standard double occupancy typically ranges from 1.05 to 1.20; this range generally varies by acuity, with an inverse relationship between community acuity and double occupancy prevalence. By applying the concluded second resident fee of \$1,300 for the subject to an average double occupancy ratio of 13.7% weighted, and adjusting for vacancy, an annual revenue for this source is indicated, as reported in the table above. Notably, management's proforma projects a second resident ratio of 37.5% (33 second residents out of 88 units) and falls above the typical range. CBRE has concluded in line with the upper end of the typical double occupancy range at 20.0% for IL and at the typical range for AL at 5.0%. Second residents are not common in memory care and CBRE has not concluded to additional revenue from this source.

The subject's range of quoted second resident fees as well as the comparables are summarized within the following chart, along with the utilization by care level. Additionally, utilization and the second-resident fee calculation is also included.

SECOND RESIDENT FEE MARKET DATA & SUMMARY				
SECOND RESIDENT FEE MARKET DATA		LOW	HIGH	AVERAGE
Comparable Rates (Monthly)		\$495	\$2,000	\$1,233
Subject Quoted Fees (Monthly)		\$1,300	\$1,300	\$1,300
CBRE 2nd Person Fee Conclusion (Monthly)				\$1,300
CBRE CONCLUSION	2nd PERSON FEE	UTILIZATION	STABILIZED 2nd PERSONS	ANNUAL*
Independent Living	Yes	20.0%	16.54	\$258,086
Assisted Living	Yes	5.0%	3.01	\$46,925
Memory Care	No	-	-	-
Total Stabilized Second-Person Fees			19.55	\$305,011

\*Annual Revenue: Stabilized 2nd Persons x Average Monthly 2nd Person Fee x 12 Months.

Compiled by CBRE

## Community Fee

It is common for senior housing properties to charge a one-time community fee at move-in. Property management charging a community fee. The subject's community fee collections for this source reported below:



COMMUNITY FEES				
REPORTING PERIOD	\$/RD	\$/REV UNIT	% EGI	ANNUAL
2026 Lease-up	\$0.00	\$0	0.0%	\$0
2027 Lease-up	\$0.00	\$0	0.0%	\$0
2028 Stabilized	\$13.46	\$4,617	4.5%	\$826,495
2028 As If Stabilized	\$12.32	\$4,225	4.5%	\$756,360
CBRE CONCLUSIONS	\$/RD	\$/REV UNIT	% EGI	ANNUAL
As Stabilized Estimate	\$4.73	\$1,626	1.8%	\$290,972

Compiled by CBRE

The market indicated range of \$1,680 to \$7,500 and the subject's community fee is quoted at \$5,000 to \$11,100, or one-month's rent. Since full or partial waiver of community fees is typically the first and most common form of concession to be offered, CBRE considered the current level of concessions in the market within our community fee projection, which we estimate a reasonable average community fee at the subject is \$5,490. This estimate is based upon the concluded AMR of \$7,320 with an applied 25.0% concession.

The recent The State of Senior Housing 2021 report notes median annual resident turnover rates, as well as lower and upper quartiles, as follows:

- 20.0% | 9.0% - 39.3% for independent/assisted living
- 31.5% | 15.1% - 46.7% for independent/assisted living/memory care
- 47.6% | 32.4% - 72.0% for assisted living
- 53.8% | 31.1% - 76.2% for assisted living/memory care
- 63.0% | 41.0% - 93.6% for memory care
- 10.9% | 0.5% - 25.4% for CCRC/LPC (excluding SNF beds)

Given the subject's acuity level, CBRE utilized an annual turnover ratio of 31.5%, or 53.0 unit rollovers per year (occupied beds x ) based on CBRE's stabilized estimate. The annual revenue for this source can be estimated by applying the indicated unit turnover to the estimated community fee as indicated in the table above.

COMMUNITY FEE CALCULATION SUMMARY				
Community Fees by Care Level	FEES	AVG FEE CONCLUSION	UNIT R*	ANNUAL REVENUE
Independent Living	Yes	\$5,490	26.06	\$143,048
Assisted Living	Yes	\$5,490	18.95	\$104,035
Memory Care	Yes	\$5,490	7.99	\$43,890
<b>Total Community Fees</b>			<b>53.00</b>	<b>\$290,972</b>

\*Unit Turnover: Revenue Units x Stabilized Occupancy x Annual Turnover Ratio (31.5%).  
Compiled by CBRE

## Other Income

Other income includes ancillary services such as guest meals, late fees, medication management, and other add-on services. A summary of the other income fees collected by the subject as well as CBRE's stabilized projections are presented below:

OTHER INCOME				
REPORTING PERIOD	\$/ RD	\$/REV UNIT	% EGI	ANNUAL
2026 Lease-up	\$0.00	\$0	0.0%	\$0
2027 Lease-up	\$0.00	\$0	0.0%	\$0
2028 Stabilized	\$3.95	\$1,356	1.3%	\$242,801
2028 As If Stabilized	\$3.62	\$1,241	1.3%	\$222,198
CBRE CONCLUSIONS	\$/RD	\$/REV UNIT	% EGI	ANNUAL
As Stabilized Estimate	\$3.60	\$1,236	1.3%	\$221,240

Compiled by CBRE

Other Income includes all resident incidental charges. Management has provided a breakout of quoted Other Income fees as displayed within the below table. CBRE finds management's projected Other Income estimate to be reasonable and has concluded in line with the projected stabilized figures on a per resident day basis.

OTHER INCOME - QUOTED FEES	
Line-Item	Fee
Hair Salon	\$60
Nail Salon	\$30
Pet Deposit	\$400
Pet Rent (Monthly)	\$50
Transportation	\$20
Furniture at Move-In	\$1,000
Cable TV (Monthly)	\$30
Laundry	\$20
Family Meals	\$30
Celebrations	\$100
Late Fees	\$250
Educational Classes	\$30
Fitness Classes	\$40
Nursing Services	\$250
Blood Pressure Check	\$12
Injections	\$50
Inhaler Assistance (Monthly)	\$200
Rehab	\$50 - \$75
Care Supplies	\$35

Source: Provided by Management

## Vacancy

The subject's estimated stabilized occupancy rate was previously discussed in the market analysis. The concluded occupancy was applied to the subject's unit mix in order to derive a weighted average vacancy, as detailed below:

WEIGHTED AVERAGE ECONOMIC VACANCY					
Care Level	% of Total PGI		Vacancy		
Independent Living	37.8%	x	6.0%	=	2.3%
Assisted Living	38.6%	x	6.0%	=	2.3%
Memory Care	23.5%	x	6.0%	=	1.4%
<b>Indicated Weighted Average Vacancy (Rounded)</b>					<b>6.0%</b>

Compiled by CBRE

As mentioned, the above vacancy estimate represents weighted average vacancy represents economic vacancy based on potential gross income (PGI) attributable to each component while the below vacancy indications are based on physical occupancy calculated on a resident day basis. Any disparity between the two figures is due to the differing levels of rent for the subject's care levels. The subject's average vacancy is detailed as follows:

VACANCY	
REPORTING PERIODS	Vacancy %
2026 Lease-up	58.2%
2027 Lease-up	16.1%
2028 Stabilized	6.1%
2028 As If Stabilized	6.1%
<b>CBRE Stabilized Estimate</b>	<b>6.0%</b>

Compiled by CBRE

## Effective Gross Income

The following table summarizes the projected gross rental and effective gross rental revenue for the subject:

CONCLUDED RENTAL REVENUE SUMMARY					
Care Level / Payor	Potential	Occupancy	Net (Effective) Rental Income		
	Rental Income	(Rounded)	Annual	% of Total	PRD
Independent Living	\$5,950,128	94.0%	\$5,593,120	37.8%	\$91.01
Assisted Living	\$6,070,200	94.0%	\$5,705,988	38.6%	\$92.85
Memory Care	\$3,702,600	94.0%	\$3,480,444	23.5%	\$56.63
<b>Total / Average</b>	<b>\$15,722,928</b>	<b>94.0%</b>	<b>\$14,779,552</b>		<b>\$240.49</b>

Source: Compiled by CBRE

The subject's effective gross income is detailed below which includes all revenue sources detailed in this analysis.

EFFECTIVE GROSS INCOME				
REPORTING PERIOD	\$/RD	\$/REV UNIT	% Change	ANNUAL
2026 Lease-up	\$162.52	\$24,813	---	<b>\$4,441,602</b>
2027 Lease-up	\$256.17	\$78,484	216.3%	<b>\$14,048,637</b>
2028 Stabilized	\$296.63	\$101,773	29.7%	<b>\$18,217,346</b>
2028 As If Stabilized	\$271.46	\$93,137	-8.5%	<b>\$16,671,452</b>
<b>CBRE CONCLUSIONS</b>	<b>\$/RD</b>	<b>\$/REV UNIT</b>	<b>% EGI</b>	<b>ANNUAL</b>
As Stabilized Estimate	\$266.71	\$91,569	---	\$16,390,888

Compiled by CBRE

The CBRE Stabilized estimate falls slightly lower than management's stabilized projections given the lower second resident utilization and lower turnover rate utilized for our estimates. As detailed throughout

this report, market data was extracted and utilized in determining these estimates. Overall, the concluded effective gross income estimated by CBRE is well supported by market extracted indications.

## Operating Expense Analysis

### Expense Comparables

CBRE's analysis and estimates of stabilized operating expenses for the subject is presented in the following section. In analyzing operating data relative to the subject's property type, the "per resident day" (\$/RD) indicator is considered the most accurate element of comparison for a majority of the departmental expense; in some cases, as will be outlined, weight is placed on alternative units of comparison. The chart on the following page summarizes expenses obtained from comparable properties.

EXPENSE COMPARABLES												
	Comparable 1			Comparable 2			Comparable 3			Comparable 4		
Expense Year	2023 YTD Ann.			2022 TTM			2022 Actual			2023 YTD Ann.		
GBA (SF)	113,756			81,620			302,077			194,656		
Year Built	2002			2011			2018			2018		
Unit Type:	Res Days	Rev Units		Res Days	Rev Units		Res Days	Rev Units		Res Days	Rev Units	
Independent Living	27,375	80		14,135	39		21,535	100		41,913	118	
Assisted Living	12,045	36		16,310	45		42,705	145		17,707	51	
Memory Care	0	0		0	0		9,855	45		7,770	22	
<b>Totals</b>	<b>39,420</b>	<b>116</b>		<b>30,445</b>	<b>84</b>		<b>74,095</b>	<b>290</b>		<b>67,390</b>	<b>191</b>	
	<b>\$/RD</b>	<b>\$/Rev Unit</b>	<b>%/ EGI</b>	<b>\$/RD</b>	<b>\$/Rev Unit</b>	<b>%/ EGI</b>	<b>\$/RD</b>	<b>\$/Rev Unit</b>	<b>%/ EGI</b>	<b>\$/RD</b>	<b>\$/Rev Unit</b>	<b>%/ EGI</b>
Effective Gross Income	<b>\$257.94</b>	<b>\$87,656</b>	-	<b>\$255.31</b>	<b>\$92,536</b>	-	<b>\$303.79</b>	<b>\$77,618</b>	-	<b>\$227.67</b>	<b>\$80,328</b>	-
<b>Operating Expenses</b>												
Real Estate Taxes	<b>\$7.22</b>	\$2,453	2.8%	<b>\$10.72</b>	\$3,887	4.2%	<b>\$5.75</b>	\$1,470	1.9%	<b>\$12.51</b>	\$4,412	5.5%
Property Insurance	<b>\$9.28</b>	\$3,154	3.6%	<b>\$5.39</b>	\$1,955	2.1%	<b>\$7.66</b>	\$1,958	2.5%	<b>\$6.84</b>	\$2,412	3.0%
Utilities	<b>\$8.58</b>	\$2,915	3.3%	<b>\$9.27</b>	\$3,359	3.6%	<b>\$12.63</b>	\$3,228	4.2%	<b>\$7.13</b>	\$2,516	3.1%
Administrative & General	<b>\$25.22</b>	\$8,572	9.8%	<b>\$20.00</b>	\$7,249	7.8%	<b>\$29.81</b>	\$7,616	9.8%	<b>\$18.22</b>	\$6,427	8.0%
Marketing	<b>\$7.45</b>	\$2,533	2.9%	<b>\$9.98</b>	\$3,616	3.9%	<b>\$17.77</b>	\$4,540	5.8%	<b>\$7.09</b>	\$2,500	3.1%
Resident Care	<b>\$33.55</b>	\$11,400	13.0%	<b>\$21.27</b>	\$7,709	8.3%	<b>\$27.71</b>	\$7,079	9.1%	<b>\$20.82</b>	\$7,348	9.1%
Culinary Services	<b>\$33.71</b>	\$11,454	13.1%	<b>\$26.82</b>	\$9,721	10.5%	<b>\$45.98</b>	\$11,747	15.1%	<b>\$31.30</b>	\$11,042	13.7%
Laundry & Housekeeping	<b>\$9.58</b>	\$3,256	3.7%	<b>\$3.17</b>	\$1,147	1.2%	<b>\$15.64</b>	\$3,996	5.1%	<b>\$4.20</b>	\$1,482	1.8%
Repairs & Maintenance	<b>\$13.46</b>	\$4,573	5.2%	<b>\$7.18</b>	\$2,601	2.8%	<b>\$10.17</b>	\$2,598	3.3%	<b>\$10.82</b>	\$3,818	4.8%
Programming	<b>\$7.14</b>	\$2,425	2.8%	<b>\$5.12</b>	\$1,857	2.0%	<b>\$9.66</b>	\$2,469	3.2%	<b>\$6.58</b>	\$2,323	2.9%
Payroll Taxes & Benefits	<b>\$0.00</b>	\$0	0.0%	<b>\$18.67</b>	\$6,766	7.3%	<b>\$20.28</b>	\$5,182	6.7%	<b>\$9.67</b>	\$3,412	4.2%
Management Fee <sup>1</sup>	<b>\$12.90</b>	\$4,383	5.0%	<b>\$12.77</b>	\$4,627	5.0%	<b>\$15.19</b>	\$3,881	5.0%	<b>\$11.38</b>	\$4,016	5.0%
Reserves <sup>1</sup>	<b>\$1.04</b>	350	0.4%	<b>0.97</b>	350	0.4%	<b>1.37</b>	350	0.5%	<b>0.99</b>	350	0.4%
<b>Total Operating Expense</b>	<b>\$169.11</b>	<b>\$57,466</b>	<b>65.6%</b>	<b>\$151.32</b>	<b>\$54,845</b>	<b>59.3%</b>	<b>\$219.63</b>	<b>\$56,114</b>	<b>72.3%</b>	<b>\$147.54</b>	<b>\$52,057</b>	<b>64.8%</b>

CBRE Database

<sup>1</sup>Operating statements have been adjusted to include the market-level management fees and replacement reserves.

[2] Operating statements have been trended to current levels based on general inflation.

Notably, expense comparable 1 does not bifurcate payroll and departmental expenses and has been included as a check of reasonableness on an overall basis by total departmental expense levels and OER.

## Real Estate Taxes

Real estate taxes for the subject are detailed as follows:

REAL ESTATE TAXES				
SUBJECT REPORTING PERIODS	\$/Sq.Ft.	TOTAL EXPENSE		
		\$/RD	% EGI	ANNUAL
2026 Lease-up	\$1.59	\$11.13	6.9%	\$304,292
2027 Lease-up	\$3.53	\$12.29	4.8%	\$674,273
2028 Stabilized	\$4.83	\$15.00	5.1%	\$920,992
2028 As If Stabilized	\$4.42	\$13.72	5.1%	\$842,838
Expense Comparables	\$/Sq.Ft.	\$/RD	% EGI	
Expense Comparable 1	\$2.48	\$7.16	2.8%	
Expense Comparable 2	\$3.85	\$10.33	4.2%	
Expense Comparable 3	\$1.36	\$5.54	1.9%	
Expense Comparable 4	\$4.29	\$12.41	5.5%	
Comparable Mean <sup>1</sup>	\$3.00	\$8.86	3.6%	
CBRE CONCLUSIONS	\$/Sq.Ft.	\$/RD	% EGI	ANNUAL
<b>As Stabilized Estimate</b>	<b>\$3.06</b>	<b>\$9.49</b>	<b>3.6%</b>	<b>\$583,061</b>

Compiled by CBRE; <sup>1</sup>Mean solely includes datapoints above \$0.00.

Our conclusion is based on the analysis and discussion as presented within the Taxes and Assessment Data section. Note that this line item includes real property tax only, with the subject's personal property tax included under the Administrative & General expense line item.

## Property Insurance

Property insurance expenses typically include fire and extended coverage and owner's liability coverage. The subject's expense is detailed as follows:

PROPERTY INSURANCE				
REPORTING PERIOD	\$/Sq.Ft.	TOTAL EXPENSE		
		\$/RD	% EGI	ANNUAL
2026 Lease-up	\$0.00	\$0.00	0.0%	\$0
2027 Lease-up	\$0.00	\$0.00	0.0%	\$0
2028 Stabilized	\$0.00	\$0.00	0.0%	\$0
2028 As If Stabilized	\$0.00	\$0.00	0.0%	\$0
EXPENSE COMPARABLES	\$/Sq.Ft.	\$/RD	% EGI	
Expense Comparable 1	\$3.19	\$9.21	3.6%	
Expense Comparable 2	\$1.94	\$5.20	2.1%	
Expense Comparable 3	\$1.81	\$7.38	2.5%	
Expense Comparable 4	\$2.35	\$6.78	3.0%	
Comparable Mean <sup>1</sup>	\$2.32	\$7.14	-	
CBRE CONCLUSIONS	\$/Sq.Ft.	\$/RD	% EGI	ANNUAL
<b>As Stabilized Estimate</b>	<b>\$1.90</b>	<b>\$5.90</b>	<b>2.2%</b>	<b>\$362,588</b>

Compiled by CBRE; <sup>1</sup>Mean solely includes datapoints above \$0.00.

Given management has not fully bifurcated real estate taxes and property insurance expenses within the provided proforma, primary weight has been placed on the expense comparables for our estimates. Overall, the CBRE Estimate falls in line with expense comparables 2 and 3 on a PSF basis.

## Utilities

Utility expenses include electricity, natural gas, water, and sewer. The subject's expense is detailed as follows:

UTILITIES				
		TOTAL EXPENSE		
REPORTING PERIOD	\$/Sq.Ft.	\$/RD	% EGI	ANNUAL
2026 Lease-up	\$0.50	\$3.50	2.2%	\$95,570
2027 Lease-up	\$2.20	\$7.65	3.0%	\$419,757
2028 Stabilized	\$3.43	\$10.65	3.6%	\$654,294
2028 As If Stabilized	\$3.14	\$9.75	3.6%	\$598,772
EXPENSE COMPARABLES	\$/Sq.Ft.	\$/RD	% EGI	
Expense Comparable 1	\$2.95	\$8.51	3.3%	
Expense Comparable 2	\$3.33	\$8.93	3.6%	
Expense Comparable 3	\$2.98	\$12.17	4.2%	
Expense Comparable 4	\$2.45	\$7.07	3.1%	
<b>Comparable Mean<sup>1</sup></b>	<b>\$2.93</b>	<b>\$9.17</b>	<b>-</b>	
CBRE CONCLUSIONS	\$/Sq.Ft.	\$/RD	% EGI	ANNUAL
<b>As Stabilized Estimate</b>	<b>\$3.14</b>	<b>\$9.75</b>	<b>3.7%</b>	<b>\$599,193</b>

Compiled by CBRE; <sup>1</sup>Mean solely includes datapoints above \$0.00.

Like insurance expenses, utilities are a highly, property-specific expense; therefore, CBRE has placed primary weight on the projected figures for its conclusion, falling within the comparable range on a PSF basis, and providing further support for our estimate.

## Administrative & General

Administrative expenses typically include legal costs, accounting, telephone, supplies, furniture, temporary help, and items that are not provided by off-site management. The subject's expense is detailed as follows:

ADMINISTRATIVE & GENERAL					
SUBJECT REPORTING PERIODS	EXPENSE	PAYROLL	TOTAL EXPENSE		
	\$/RD	\$/RD	\$/RD	% EGI	ANNUAL
2026 Lease-up	\$3.34	\$7.75	\$11.10	6.8%	\$303,234
2027 Lease-up	\$4.42	\$6.72	\$11.14	4.3%	\$611,044
2028 Stabilized	\$5.16	\$7.66	\$12.82	4.3%	\$787,196
2028 As If Stabilized	\$4.72	\$7.01	\$11.73	4.3%	\$720,396
Expense Comparables	\$/RD	\$/RD	\$/RD	% EGI	
Comparable 1	\$25.02	\$0.00	\$25.02	9.8%	
Comparable 2	\$5.57	\$13.69	\$19.26	7.8%	
Comparable 3	\$13.01	\$15.70	\$28.71	9.8%	
Comparable 4	\$8.27	\$9.80	\$18.07	8.0%	
Comparable Mean <sup>1</sup>	\$12.97	\$13.06	\$22.77	-	
CBRE CONCLUSIONS	\$/RD	\$/RD	\$/RD	% EGI	ANNUAL
<b>As Stabilized Estimate</b>	<b>\$9.00</b>	<b>\$8.80</b>	<b>\$17.80</b>	<b>6.7%</b>	<b>\$1,093,911</b>

Compiled by CBRE; <sup>1</sup>Mean solely includes datapoints above \$0.00.

The CBRE Estimate places primary weight on expense comparables 2, 3, and 4 for the department expense estimate and reconciles between the expense comparables and management's proforma for the payroll estimate.

## Marketing

Marketing expenses typically include all costs associated with the promotion of the subject, including advertisements in local publications, trade publications, yellow pages, et cetera. The subject's expense is detailed as follows:

MARKETING					
SUBJECT REPORTING PERIODS	EXPENSE	PAYROLL	TOTAL EXPENSE		
	\$/RD	\$/RD	\$/RD	% EGI	ANNUAL
2026 Lease-up	\$3.16	\$6.02	\$9.18	5.6%	\$250,875
2027 Lease-up	\$3.43	\$4.54	\$7.97	3.1%	\$436,906
2028 Stabilized	\$4.51	\$4.24	\$8.75	2.9%	\$537,187
2028 As If Stabilized	\$4.13	\$3.88	\$8.00	2.9%	\$491,602
EXPENSE COMPARABLES	\$/RD	\$/RD	\$/RD	% EGI	
Expense Comparable 1	\$7.39	\$0.00	\$7.39	2.9%	
Expense Comparable 2	\$5.24	\$4.37	\$9.61	3.9%	
Expense Comparable 3	\$9.88	\$7.23	\$17.11	5.8%	
Expense Comparable 4	\$2.42	\$4.61	\$7.03	3.1%	
Comparable Mean <sup>1</sup>	\$6.23	\$5.40	\$10.29	-	
CBRE CONCLUSIONS	\$/RD	\$/RD	\$/RD	% EGI	ANNUAL
<b>As Stabilized Estimate</b>	<b>\$4.15</b>	<b>\$3.90</b>	<b>\$8.05</b>	<b>3.0%</b>	<b>\$494,718</b>

Compiled by CBRE; <sup>1</sup>Mean solely includes datapoints above \$0.00.

The CBRE Estimate concludes in line with management's stabilized estimates, falling in line with the expense comparable range.



## Resident Care

One of the more costly items involved in operating the subject property is resident care services. In addition to departmental employees, this category includes supplies and drugs, as well as medical and therapy fees necessary for operation. The nurse's aides are on duty 24 hours a day during all shifts and perform light housekeeping duties, serve meals, and provide personal care assistance to the residents. The subject's expense is detailed as follows:

RESIDENT CARE					
REPORTING PERIOD	EXPENSE	PAYROLL	TOTAL EXPENSE		
	\$/RD	\$/RD	\$/RD	% EGI	ANNUAL
2026 Lease-up	\$1.29	\$18.90	<b>\$20.19</b>	12.4%	\$551,890
2027 Lease-up	\$1.87	\$25.48	<b>\$27.35</b>	10.7%	\$1,500,080
2028 Stabilized	\$2.39	\$24.82	<b>\$27.21</b>	9.2%	\$1,671,076
2028 As If Stabilized	\$2.19	\$22.71	<b>\$24.90</b>	9.2%	\$1,529,271
EXPENSE COMPARABLES	\$/RD	\$/RD	\$/RD	% EGI	
Expense Comparable 1	\$33.28	\$0.00	<b>\$33.28</b>	13.0%	
Expense Comparable 2	\$0.39	\$20.09	<b>\$20.49</b>	8.3%	
Expense Comparable 3	\$0.51	\$26.18	<b>\$26.69</b>	9.1%	
Expense Comparable 4	\$0.91	\$19.75	<b>\$20.66</b>	9.1%	
<b>Comparable Mean<sup>1</sup></b>	<b>\$8.77</b>	<b>\$22.00</b>	<b>\$25.28</b>	-	
CBRE CONCLUSIONS	\$/RD	\$/RD	\$/RD	% EGI	ANNUAL
<b>As Stabilized Estimate</b>	<b>\$2.20</b>	<b>\$22.70</b>	<b>\$24.90</b>	9.3%	\$1,530,246

Compiled by CBRE; <sup>1</sup>Mean solely includes datapoints above \$0.00.

The CBRE Estimate concludes in line with management's stabilized estimates, falling in line with the expense comparable range.

## Culinary Services

Another significant departmental expense in the operation of a senior housing property is the dietary department, which provides food service for the residents, guests, and employees. High-quality food and service is a priority consideration in properties such as the subject. The subject's expense is detailed as follows:

CULINARY SERVICES					
REPORTING PERIOD	EXPENSE	PAYROLL	TOTAL EXPENSE		
	\$/RD	\$/RD	\$/RD	% EGI	ANNUAL
2026 Lease-up	\$6.14	\$10.50	<b>\$16.64</b>	10.2%	\$454,725
2027 Lease-up	\$15.09	\$16.32	<b>\$31.42</b>	12.3%	\$1,722,914
2028 Stabilized	\$19.85	\$19.11	<b>\$38.96</b>	13.1%	\$2,392,799
2028 As If Stabilized	\$18.17	\$17.49	<b>\$35.66</b>	13.1%	\$2,189,750
EXPENSE COMPARABLES	\$/RD	\$/RD	\$/RD	% EGI	
Expense Comparable 1	\$33.44	\$0.00	<b>\$33.44</b>	13.1%	
Expense Comparable 2	\$9.50	\$16.33	<b>\$25.83</b>	10.5%	
Expense Comparable 3	\$16.03	\$28.25	<b>\$44.28</b>	15.1%	
Expense Comparable 4	\$13.96	\$17.08	<b>\$31.05</b>	13.7%	
Comparable Mean <sup>1</sup>	<b>\$18.23</b>	<b>\$20.56</b>	<b>\$33.65</b>	-	
CBRE CONCLUSIONS	\$/RD	\$/RD	\$/RD	% EGI	ANNUAL
As Stabilized Estimate	<b>\$18.15</b>	<b>\$17.50</b>	<b>\$35.65</b>	13.4%	\$2,190,894

Compiled by CBRE; <sup>1</sup>Mean solely includes datapoints above \$0.00.

The CBRE Estimate concludes in line with management's stabilized estimates, falling in line with the expense comparable range.

### Laundry & Housekeeping

Housekeeping and laundry expenses include the cost of supplies and miscellaneous expenses, uniforms, and linens. The subject's expense is detailed as follows:

LAUNDRY & HOUSEKEEPING					
REPORTING PERIOD	EXPENSE	PAYROLL	TOTAL EXPENSE		
	\$/RD	\$/RD	\$/RD	% EGI	ANNUAL
2026 Lease-up	\$4.05	\$5.36	<b>\$9.40</b>	5.8%	\$256,988
2027 Lease-up	\$5.21	\$6.69	<b>\$11.90</b>	4.6%	\$652,703
2028 Stabilized	\$6.26	\$8.25	<b>\$14.51</b>	4.9%	\$891,112
2028 As If Stabilized	\$5.73	\$7.55	<b>\$13.28</b>	4.9%	\$815,494
EXPENSE COMPARABLES	\$/RD	\$/RD	\$/RD	% EGI	
Expense Comparable 1	\$9.50	\$0.00	<b>\$9.50</b>	3.7%	
Expense Comparable 2	\$0.79	\$2.26	<b>\$3.05</b>	1.2%	
Expense Comparable 3	\$1.14	\$13.93	<b>\$15.06</b>	5.1%	
Expense Comparable 4	\$0.54	\$3.63	<b>\$4.17</b>	1.8%	
Comparable Mean <sup>1</sup>	<b>\$2.99</b>	<b>\$6.60</b>	<b>\$7.95</b>	-	
CBRE CONCLUSIONS	\$/RD	\$/RD	\$/RD	% EGI	ANNUAL
As Stabilized Estimate	<b>\$1.00</b>	<b>\$3.00</b>	<b>\$4.00</b>	1.5%	\$245,823

Compiled by CBRE; <sup>1</sup>Mean solely includes datapoints above \$0.00.

As management did not bifurcate laundry & housekeeping and repairs & maintenance expenses within the stabilized proforma, primary weight has been placed on the expense comparables for our estimates.

## Repairs & Maintenance

Repairs and maintenance expenses typically include all outside maintenance service contracts and the cost of maintenance and repairs supplies. Landscaping and security expenses typically include all outside landscaping and grounds maintenance service contracts and the cost of landscaping supplies, as well as security services. Trash-related expenses are also included in this line item. The subject's expense is detailed as follows:

REPAIRS & MAINTENANCE					
REPORTING PERIOD	EXPENSE	PAYROLL	TOTAL EXPENSE		
	\$/RD	\$/RD	\$/RD	% EGI	ANNUAL
2026 Lease-up	\$0.00	\$0.00	\$0.00	0.0%	\$0
2027 Lease-up	\$0.00	\$0.00	\$0.00	0.0%	\$0
2028 Stabilized	\$0.00	\$0.00	\$0.00	0.0%	\$0
2028 As If Stabilized	\$0.00	\$0.00	\$0.00	0.0%	\$0
EXPENSE COMPARABLES	\$/RD	\$/RD	\$/RD	% EGI	
Expense Comparable 1	\$13.35	\$0.00	\$13.35	5.2%	
Expense Comparable 2	\$3.56	\$3.35	\$6.91	2.8%	
Expense Comparable 3	\$6.25	\$3.55	\$9.80	3.3%	
Expense Comparable 4	\$8.19	\$2.55	\$10.74	4.8%	
<b>Comparable Mean<sup>1</sup></b>	<b>\$7.84</b>	<b>\$3.15</b>	<b>\$10.20</b>	<b>-</b>	
CBRE CONCLUSIONS	\$/RD	\$/RD	\$/RD	% EGI	ANNUAL
<b>As Stabilized Estimate</b>	<b>\$6.50</b>	<b>\$3.50</b>	<b>\$10.00</b>	<b>3.7%</b>	<b>\$614,557</b>

Compiled by CBRE; <sup>1</sup>Mean solely includes datapoints above \$0.00.

As management did not bifurcate laundry & housekeeping and repairs & maintenance expenses within the stabilized proforma, primary weight has been placed on the expense comparables for our estimates.

## Programming

Programming includes all expenses associated with resident activities, social services, and scheduled transportation.

PROGRAMMING					
REPORTING PERIOD	EXPENSE	PAYROLL	TOTAL EXPENSE		
	\$/RD	\$/RD	\$/RD	% EGI	ANNUAL
2026 Lease-up	\$0.96	\$3.33	\$4.29	2.6%	\$117,172
2027 Lease-up	\$1.17	\$3.28	\$4.44	1.7%	\$243,544
2028 Stabilized	\$1.45	\$4.21	\$5.67	1.9%	\$348,105
2028 As If Stabilized	\$1.33	\$3.86	\$5.19	1.9%	\$318,565
EXPENSE COMPARABLES	\$/RD	\$/RD	\$/RD	% EGI	
Expense Comparable 1	\$7.08	\$0.00	\$7.08	2.8%	
Expense Comparable 2	\$2.21	\$2.73	\$4.94	2.0%	
Expense Comparable 3	\$1.64	\$7.67	\$9.31	3.2%	
Expense Comparable 4	\$1.32	\$5.21	\$6.53	2.9%	
<b>Comparable Mean<sup>1</sup></b>	<b>\$3.06</b>	<b>\$5.20</b>	<b>\$6.96</b>	<b>-</b>	
CBRE CONCLUSIONS	\$/RD	\$/RD	\$/RD	% EGI	ANNUAL
<b>As Stabilized Estimate</b>	<b>\$1.35</b>	<b>\$3.85</b>	<b>\$5.20</b>	<b>1.9%</b>	<b>\$319,569</b>

Compiled by CBRE; <sup>1</sup>Mean solely includes datapoints above \$0.00.

The CBRE Estimate concludes in line with management's stabilized estimates, falling in line with the expense comparable range.

### Payroll Taxes & Benefits

Payroll taxes and benefits expenses typically include all ancillary payroll and payroll-related items for all directly employed administrative personnel, excluding salaries. Not included are the salaries or fees for off-site management firm personnel and services. The subject's expense is detailed as follows:

PAYROLL TAXES & BENEFITS					
REPORTING PERIOD	PAYROLL	PAYROLL	TOTAL EXPENSE		
	TAXES	BENEFITS	\$/RD	% of PAYROLL	ANNUAL
	\$/RD	\$/RD			
2026 Lease-up	\$11.90	\$0.00	\$11.90	22.9%	\$325,254
2027 Lease-up	\$15.73	\$0.00	\$15.73	25.0%	\$862,501
2028 Stabilized	\$17.04	\$0.00	\$17.04	25.0%	\$1,046,474
2028 As If Stabilized	\$15.59	\$0.00	\$15.59	25.0%	\$957,672
EXPENSE COMPARABLES	\$/RD	\$/RD	\$/RD	% of PAYROLL	ANNUAL
Expense Comparable 1	\$0.00	\$0.00	\$0.00	0.0%	
Expense Comparable 2	\$0.00	\$17.98	\$17.98	28.6%	
Expense Comparable 3	\$8.86	\$10.67	\$19.54	19.1%	
Expense Comparable 4	\$4.87	\$4.72	\$9.59	15.3%	
<b>Comparable Mean<sup>1</sup></b>	<b>\$6.87</b>	<b>\$11.13</b>	<b>\$15.70</b>	<b>-</b>	
CBRE CONCLUSIONS	\$/RD	\$/RD	\$/RD	% of PAYROLL	ANNUAL
<b>As Stabilized Estimate</b>	<b>\$9.49</b>	<b>\$6.33</b>	<b>\$15.82</b>	<b>25.0%</b>	<b>\$972,228</b>

Compiled by CBRE; <sup>1</sup>Mean solely includes datapoints above \$0.00.

As a check of reasonableness, payroll taxes and benefits typically ranges between 15.0% and 25.0% of the Total Employee Payroll for similar facilities and our conclusion, which falls around 25.0% of the total payroll expenses, is supported by this range.

### Management Fee

Management expenses are typically negotiated as a percentage of collected revenues (i.e., effective gross income). Notably, for valuation purposes, the reported and comparable datasets have been adjusted to include the market-level management fees. As reported in the 2018 SOSH report, management fees currently charged in the market range from 3.5% to 6.5% depending upon a wide assortment of attributes ranging from size, location, etc. When considering the subject's operations and physical features, CBRE concludes an appropriate management expense is 5.0%.

### Reserves for Replacement

As shown, for valuation purposes, the reported and comparable datasets have been adjusted to include the market-level replacement reserves. Reserves for replacement have been estimated based on market parameters with an indicated range of \$250 to \$550 per unit for comparable properties. A reserve replacement of \$350 per unit has been applied to CBRE's pro forma.

### Operating Expense Conclusions

As detailed within the departmental operating expense discussions, each conclusion includes payroll expenses. The table on the following page summarizes the breakdown between department payroll and department expenses.

As a check of reasonableness for the operating expense conclusions, CBRE considered the subject's indicated operating expense ratio.

- Implied expense ratios for the comparable properties range from 59.3% to 72.3%

The subject's indicated expense ratio of 60.33% falls within the comparable range, providing further support for the operating expenses conclusion.

Overall, the CBRE Stabilized operating expense falls above the total operating expenses indicated by management's proforma given it does not fully break out expense levels. It is well supported by the market comparables as well as nationally published data-points.

**OPERATING EXPENSE SUMMARY**

Department Payroll	SUBJECT 2026 Lease-up		SUBJECT 2027 Lease-up		SUBJECT 2028 Stabilized		SUBJECT 2028 As If Stabilized		CBRE Stabilized Estimate		Comparable Dataset			
	Total	\$/RD	Total	\$/RD	Total	\$/RD	Total	\$/RD	Total	\$/RD	Comp 1 \$/RD	Comp 2 \$/RD	Comp 3 \$/RD	Comp 4 \$/RD
Admin & General	\$211,834	\$7.75	\$368,593	\$6.72	\$470,566	\$7.66	\$430,635	\$7.01	\$540,810	\$8.80	\$0.00	\$13.69	\$15.70	\$9.80
Marketing	\$164,553	\$6.02	\$248,913	\$4.54	\$260,242	\$4.24	\$238,158	\$3.88	\$239,677	\$3.90	\$0.00	\$4.37	\$7.23	\$4.61
Resident Care	\$516,566	\$18.90	\$1,397,440	\$25.48	\$1,524,358	\$24.82	\$1,395,004	\$22.71	\$1,395,043	\$22.70	\$0.00	\$20.09	\$26.18	\$19.75
Culinary Services	\$286,843	\$10.50	\$895,232	\$16.32	\$1,173,487	\$19.11	\$1,073,907	\$17.49	\$1,075,474	\$17.50	\$0.00	\$16.33	\$28.25	\$17.08
Laundry & Housekeeping	\$146,388	\$5.36	\$367,115	\$6.69	\$506,773	\$8.25	\$463,769	\$7.55	\$184,367	\$3.00	\$0.00	\$2.26	\$13.93	\$3.63
Repairs & Maintenance	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$215,095	\$3.50	\$0.00	\$3.35	\$3.55	\$2.55
Programming	\$91,052	\$3.33	\$179,623	\$3.28	\$258,858	\$4.21	\$236,892	\$3.86	\$236,604	\$3.85	\$0.00	\$2.73	\$7.67	\$5.21
<b>Total Employee Payroll</b>	<b>\$1,417,236</b>	<b>\$51.86</b>	<b>\$3,456,916</b>	<b>\$63.03</b>	<b>\$4,194,284</b>	<b>\$68.29</b>	<b>\$3,838,364</b>	<b>\$62.50</b>	<b>\$3,887,070</b>	<b>\$63.25</b>	<b>\$0.00</b>	<b>\$62.82</b>	<b>\$102.50</b>	<b>\$62.62</b>
Payroll Taxes	\$325,254	\$11.90	\$862,501	\$15.73	\$1,046,474	\$17.04	\$957,672	\$15.59	\$583,214	\$9.49	\$0.00	\$0.00	\$8.86	\$4.87
Benefits	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$389,014	\$6.33	\$0.00	\$17.98	\$10.67	\$4.72
<b>Payroll Taxes &amp; Benefits</b>	<b>\$325,254</b>	<b>\$11.90</b>	<b>\$862,501</b>	<b>\$15.73</b>	<b>\$1,046,474</b>	<b>\$17.04</b>	<b>\$957,672</b>	<b>\$15.59</b>	<b>\$972,228</b>	<b>\$15.82</b>	<b>\$0.00</b>	<b>\$17.98</b>	<b>\$19.54</b>	<b>\$9.59</b>
% of Employee Payroll		22.9%		25.0%		25.0%		25.0%		25.0%	-	28.6%	19.1%	15.3%
<b>Total Payroll Expense</b>	<b>\$1,742,490</b>	<b>\$63.76</b>	<b>\$4,319,417</b>	<b>\$78.76</b>	<b>\$5,240,758</b>	<b>\$85.33</b>	<b>\$4,796,036</b>	<b>\$78.09</b>	<b>\$4,859,298</b>	<b>\$79.07</b>	<b>\$0.00</b>	<b>\$80.80</b>	<b>\$122.03</b>	<b>\$72.22</b>
% of Operating Expenses		59.2%		54.8%		51.3%		51.2%		49.1%	0.0%	55.4%	57.7%	49.3%
Department Expenses	SUBJECT 2026 Lease-up		SUBJECT 2027 Lease-up		SUBJECT 2028 Stabilized		SUBJECT 2028 As If Stabilized		CBRE Stabilized Estimate		Comparable Dataset			
	Total	\$/RD	Total	\$/RD	Total	\$/RD	Total	\$/RD	Total	\$/RD	Comp 1 \$/RD	Comp 2 \$/RD	Comp 3 \$/RD	Comp 4 \$/RD
Real Estate Taxes	\$304,292	\$11.13	\$674,273	\$12.29	\$920,992	\$15.00	\$842,838	\$13.72	\$583,061	\$9.49	\$7.16	\$10.33	\$5.54	\$12.41
Property Insurance	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$362,588	\$5.90	\$9.21	\$5.20	\$7.38	\$6.78
Utilities	\$95,570	\$3.50	\$419,757	\$7.65	\$654,294	\$10.65	\$598,772	\$9.75	\$599,193	\$9.75	\$8.51	\$8.93	\$12.17	\$7.07
Admin & General	\$91,400	\$3.34	\$242,451	\$4.42	\$316,630	\$5.16	\$289,761	\$4.72	\$553,101	\$9.00	\$25.02	\$5.57	\$13.01	\$8.27
Marketing	\$86,322	\$3.16	\$187,993	\$3.43	\$276,945	\$4.51	\$253,444	\$4.13	\$255,041	\$4.15	\$7.39	\$5.24	\$9.88	\$2.42
Resident Care	\$35,324	\$1.29	\$102,640	\$1.87	\$146,718	\$2.39	\$134,268	\$2.19	\$135,202	\$2.20	\$33.28	\$0.39	\$0.51	\$0.91
Culinary Services	\$167,882	\$6.14	\$827,682	\$15.09	\$1,219,312	\$19.85	\$1,115,843	\$18.17	\$1,115,420	\$18.15	\$33.44	\$9.50	\$16.03	\$13.96
Laundry & Housekeeping	\$110,600	\$4.05	\$285,588	\$5.21	\$384,339	\$6.26	\$351,725	\$5.73	\$61,456	\$1.00	\$9.50	\$0.79	\$1.14	\$0.54
Repairs & Maintenance	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$399,462	\$6.50	\$13.35	\$3.56	\$6.25	\$8.19
Programming	\$26,120	\$0.96	\$63,921	\$1.17	\$89,247	\$1.45	\$81,674	\$1.33	\$82,965	\$1.35	\$7.08	\$2.21	\$1.64	\$1.32
Management Fee*	\$222,080	\$8.13	\$702,432	\$12.81	\$910,867	\$14.83	\$833,573	\$13.57	\$819,544	\$13.34	\$12.79	\$12.30	\$14.63	\$11.29
Reserves*	\$62,650	\$2.29	\$62,650	\$1.14	\$62,650	\$1.02	\$62,650	\$1.02	\$62,650	\$1.02	\$1.03	\$0.97	\$1.37	\$0.99
<b>Total Expense Items</b>	<b>\$1,202,240</b>	<b>\$43.99</b>	<b>\$3,569,387</b>	<b>\$65.09</b>	<b>\$4,981,994</b>	<b>\$81.12</b>	<b>\$4,564,547</b>	<b>\$74.32</b>	<b>\$5,029,683</b>	<b>\$81.84</b>	<b>\$167.77</b>	<b>\$64.99</b>	<b>\$89.55</b>	<b>\$74.16</b>
<b>Operating Expense</b>	<b>\$2,944,730</b>	<b>\$107.75</b>	<b>\$7,888,804</b>	<b>\$143.85</b>	<b>\$10,222,752</b>	<b>\$166.45</b>	<b>\$9,360,583</b>	<b>\$152.42</b>	<b>\$9,888,982</b>	<b>\$160.91</b>	<b>\$167.77</b>	<b>\$145.78</b>	<b>\$211.59</b>	<b>\$146.38</b>
Operating Expense Ratio		66.3%		56.2%		56.1%		56.1%		60.3%	65.6%	59.3%	72.3%	64.8%

Compiled by CBRE; \*Operating statements have been adjusted to include market level management fees and replacement reserves.

## Net Operating Income Conclusion

The subject's net operating income is detailed as follows:

NET OPERATING INCOME				
REPORTING PERIOD	\$/RD	\$/REV UNIT	% EGI	ANNUAL
2026 Lease-up	\$54.77	\$8,362	33.7%	\$1,496,872
2027 Lease-up	\$112.32	\$34,412	43.8%	\$6,159,833
2028 Stabilized	\$130.17	\$44,663	43.9%	\$7,994,594
2028 As If Stabilized	\$119.04	\$40,843	43.9%	\$7,310,869
CBRE CONCLUSIONS	\$/RD	\$/REV UNIT	% EGI	ANNUAL
<b>As Stabilized Estimate</b>	<b>\$105.80</b>	<b>\$36,324</b>	<b>40%</b>	<b>\$6,501,907</b>

Compiled by CBRE

As the revenue, occupancy, and individual operating expense line items are supported by the projected and market data, the corresponding net operating income is considered to be well supported.

# Income Valuation

In this valuation approach, two recognized market-based indications of analysis include Direct Capitalization Approach and Discounted Cash Flow methods.

## Growth Rate Assumptions

As the valuation model incorporates future cash flows, annual growth rates are estimated by analyzing the expectations typically used by buyers and sellers in the local marketplace. Market data including the Consumer Price Index (CPI), published survey, as well as data provided via developer and investor proformas, was presented in the Appraisal Methodology section of this report.

For our conclusion, CBRE applied an annual inflation rate of 3.00% during these periods. In addition to the overall inflation rate, CBRE considered annual growth rates for the individual revenue and expense line items as these can also fluctuate.

## Revenue and Expense Growth Rate Discussion

The concluded growth rates are included within the following table:

ANNUAL GROWTH RATES	
	Stabilized Growth Rate
<b>Inflation</b>	
General Inflation	3.0%
<b>Revenue</b>	
All Revenue Line Items	3.0%
<b>Expenses</b>	
Real Estate Taxes	3.0%
Operating Expenses	3.0%

CBRE Conclusions



# Absorption (Stabilization) Period

For the Upon Completion value scenario, the subject will undergo a lease-up period. The subject's absorption period includes consideration for the following:

ABSORPTION SUMMARY	
Pre-Leased Units	Senior Housing communities typically start marketing efforts prior to the grand opening, leading to 'pre-leased' units. It is not unusual for operators to report significant pre-leasing, depending on care levels; however, actual resident move-ins from pre-leases are much lower. Additionally, when pre-leasing exceeds threshold levels, move-ins are spread over several months, based on staff availability and initial operational capacity, and are effectively incorporated within the overall net absorption rate. For the subject, we have projected an overall pre-leasing level of 13.25%. Notably, in the CBRE valuation model, pre-leased units will be applied during the initial month of analysis.
Resident Turnover	As previously concluded, we forecast a stabilized annual turnover ratio of 31.5%, or 53.0019 unit rollovers per year. In the initial months of absorption, turnover is expected to be nominal, progressively increasing to stabilized levels. As such, turnover is excluded during the initial 3 months, as well as applied on a graduated basis during the subsequent 9 months.
Absorption Rate	Consistent with the discussion in the Market Analysis section, the absorption period is projected at 36 months, for a net absorption of 4.05 units per month.

CBRE Conclusions

## Positive Absorption Period

When analyzing the lease-up (positive absorption), two methods are typically utilized, including straight-line absorption and weighted absorption:

**Straight Line:** Under this method, all revenue units are absorbed consistent with the overall average absorption rate, net of pre-leases, on a linear basis.

**Weighted:** In this method, absorption is not considered to be linear, and the appraiser subjectively incorporates consideration for variation in the lease-up rate. During an absorption period, similar senior housing communities typically report that the rate of absorption slow as they near stabilization. For this method, the appraiser subjectively incorporates a percentage of absorption per each annual lease-up period.

In the subject's case, the appraiser has utilized the straight-line method. The following chart summarizes the annual, positive net absorption projected for the subject, through stabilization:

## Absorption Period Summary

The following chart summarizes the projected census fluctuations during the stabilization period as well as percentage of absorption applied by care level and the corresponding net monthly revenue unit absorption:

CENSUS ESTIMATES					
Occupancy Summary	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Stabilization Months in Period</b>	12	12	12	Stabilized	Stabilized
Positive Absorption Months	12	12	12	-	-
Average Census (Resident Days)	17,021	34,781	52,541	61,422	61,422
<b>Average Occupancy (%)</b>	26.1%	53.2%	80.4%	94.0%	94.0%
<b>Average Occupancy by Acuity</b>					
Independent Living	28.2%	54.5%	80.8%	94.0%	94.0%
Assisted Living	24.0%	52.0%	80.0%	94.0%	94.0%
Memory Care	24.0%	52.0%	80.0%	94.0%	94.0%
CENSUS LEVELS <sup>1</sup>					
Stabilization Summary	Year 1	Year 2	Year 3	Year 4	Year 5
Existing Census	-	-	-	-	-
<b>Positive Absorption</b>					
Independent Living	23.2	23.2	23.2	-	-
Assisted Living	17.9	17.9	17.9	-	-
Memory Care	7.6	7.6	7.6	-	-
<b>Positive Absorption Total</b>	48.7	48.7	48.7	Stabilized	Stabilized
Months of Positive Absorption	12	12	12	-	-
Turnover	6.9	30.0	45.3	53.0	53.0
<b>Pre-Leases</b>	22.3	-	-	-	-
Physical Move-Ins	77.8	78.7	94.0	53.0	53.0
<b>Net Monthly Absorption</b>	4.1	4.1	4.1	-	-
Net Change in Census	77.8	78.7	94.0	53.0	53.0
<b>Average Census</b>	46.6	95.3	143.9	168.3	168.3

CBRE Conclusions; <sup>1</sup>Revenue Units.

## Operating Expenses During the Absorption Period

The following discussion points reference the estimated operating expenses during absorption. Note that the correlation between census and expenses is not a one-to-one relationship; therefore, the occupancy conclusion is not directly applied to variable expenses.

### Fixed Expense

**Real Estate Taxes:** As this is a fixed expense, property taxes are expected to be consistent with the stabilized conclusion; however, in Year 1, the assessment will not likely have adjusted to incorporate consideration for the improvements. Thus, the valuation model utilizes a lower property tax level in Year 1, adjusting to the stabilized level starting in Year 2.

**Property Insurance:** As a fixed expense, it has been applied at a stabilized level.

**Reserves for Replacement:** This expense is fixed and applied consistently with the stabilized conclusion.

## Variable Expense

Note that the correlation between census and expenses is not a one-to-one relationship and, therefore, the occupancy conclusion is not directly applied to variable expenses.

**Utilities:** As utilities fluctuate based on census, an adjustment has been applied throughout the absorption period.

**Administrative & General:** This line item is expected to be lower as the subject opens and begins absorption and therefore, an adjustment has been applied for years 1 and 2.

**Marketing:** This expense is expected to be somewhat elevated during the absorption period, with adjustments applied.

**Resident Care:** Primarily driven by fluctuations in staffing, this expense is expected to fluctuate based on census levels.

**Culinary Services:** While culinary staffing positions are mostly filled in the early stages of absorption, food and supplies costs are reflective of census levels. An adjustment was applied.

**Laundry & Housekeeping:** This expense is correlated to census levels and, thus, has been adjusted during stabilization.

**Repairs & Maintenance:** As the property will be new and operating at sub-stabilized levels during absorption, this expense is expected to be somewhat reduced during stabilization, and a reduction is applied.

**Programming:** Programming is highly associated with census levels and, thus, has been adjusted during stabilization.

**Payroll Taxes & Benefits:** This expense is tied to the total payroll, and it has been adjusted on a consistent basis as further employees will be onboarded as the property gains census.

**Management Fee:** A management expense based on 5.0% of EGI is applied.

**Reserves for Replacement:** This expense is fixed and applied consistently with the stabilized conclusion.

## EXPENSES DURING ABSORPTION

Proforma Period	% of Stabilized Estimate				
	Year 1	Year 2	Year 3	Year 4	Year 5
Real Estate Taxes	20%	100%	100%	100%	100%
Property Insurance	100%	100%	100%	100%	100%
Utilities	50%	75%	90%	100%	100%
Administrative & General	80%	90%	100%	100%	100%
Marketing	120%	120%	110%	100%	100%
Resident Care	50%	75%	90%	100%	100%
Culinary Services	50%	75%	90%	100%	100%
Laundry & Housekeeping	50%	75%	90%	100%	100%
Repairs & Maintenance	80%	90%	100%	100%	100%
Programming	50%	75%	90%	100%	100%
Payroll Taxes & Benefits	70%	85%	100%	100%	100%
Management Fee is % of EGI	100%	100%	100%	100%	100%
Reserves for Replacement	100%	100%	100%	100%	100%

CBRE Conclusions

## Investment Rates

For estimating value via the Income Capitalization Approach, investment rates are applied to the projected income levels. The primary investment rates utilized within our analysis include the overall capitalization rate (going-in rate), reversion (disposition) capitalization rate, and the discount rate (unleveraged IRR).

### Overall Capitalization Rate

The following subsections represent different techniques for deriving an overall capitalization rate, or “going-in rate”, for direct capitalization.

### Comparable Sales

The overall capitalization rates (OARs) confirmed for the comparable sales analyzed in the sales comparison approach are as follows:

COMPARABLE CAPITALIZATION RATES			
Sale	Sale Date	Sale Price \$/Rev. Unit	OAR
1	Oct-21	\$611,275	5.90%
2	Oct-21	\$531,868	5.99%
3	Jun-22	\$473,301	6.23%
4	Jul-22	\$579,439	5.62%
5	Sep-23	\$336,885	7.17%
6	Dec-23	\$359,756	6.99%
7	Jan-24	\$444,444	6.95%
Indicated OAR:			<b>5.62% - 7.17%</b>

Source: CBRE VIEW Database

## Published Investor Surveys

The results of the most recent investor surveys are summarized in the following chart.

OVERALL CAPITALIZATION RATES		
Investment Type	OAR Range	Average
NIC-RCA Sales Transaction Report		
Senior Housing:		
Trailing 12 Months (Through 1Q 2022)	- -	6.20%
1Q 2022	- -	6.60%
Senior Living Valuation Services Survey (Fall 2022)		
Independent Living	5.00% - 7.50%	6.20%
Assisted Living	6.00% - 8.70%	7.50%
Memory Care	7.00% - 9.50%	8.00%
CBRE Senior Housing Investor Survey (H2 2023)		
Independent Living		
Class A: Core Locations	5.00% - 8.00%	6.40%
Class A: Non-Core Locations	6.00% - 9.00%	7.00%
Assisted Living		
Class A: Core Locations	6.00% - 9.00%	7.10%
Class A: Non-Core Locations	6.00% - 10.00%	7.50%
Memory Care		
Class A: Core Locations	6.00% - 10.00%	8.30%
Class A: Non-Core Locations	7.00% - 11.00%	8.70%
<b>Indicated OAR:</b>		<b>6.50% - 7.50%</b>
Source: CBRE, RealtyRates.com, NIC		

## Market Participants

The results of recent interviews with knowledgeable real estate professionals are summarized in the following table.

MARKET PARTICIPANT INTERVIEWS		
Respondent Company	Date of Survey	OAR
Walker & Dunlop	Dec-23	6.75% - 8.00%
SLIB	Dec-23	6.75% - 7.75%
Blueprint	Dec-23	7.00% - 7.75%
National SH Investor	Dec-23	7.00% +
Indicated OAR:		<b>6.75% - 8.00%</b>

Compiled by: CBRE

## Band of Investment

The band of investment technique has been utilized as a crosscheck to the foregoing techniques. The Mortgage Interest Rate and the Equity Dividend Rate (EDR) are based upon current market yields for similar investments. The following Band of Investment analysis is summarized within the following chart:

BAND OF INVESTMENT			
Mortgage Interest Rate		7.00%	
Mortgage Term (Amortization Period)		25 Years	
Mortgage Ratio (Loan-to-Value)		65%	
Mortgage Constant (monthly payments)		8.48%	
Equity Dividend Rate (EDR)		5.00%	
Mortgage Requirement	65%	x	0.0848 = 0.05513
Equity Requirement	35%	x	0.0500 = 0.01750
	100%		0.07263
<b>Indicated OAR:</b>			<b>7.30%</b>

Compiled by: CBRE

## Capitalization Rate Conclusion

CBRE also considered recent events and prevailing market conditions with respect to capitalization rates. This includes a combination of inflationary pressures and higher cost of capital (considering interest rates as well as risk spreads). While the overall long-term outlook for commercial real estate remains positive, the full effect of these factors may not yet be reflected in transactional data. Overall, CBRE views uncertainty and the higher cost of capital to have an upward influence on capitalization rates which is considered with respect to our conclusion herein.

The subject's Strengths/Opportunities and Weaknesses/Threats (SWOT) are considered, and outlined within the following bullets:

### Strengths / Opportunities

- Superior product and design of the proposed improvements
- Lack of new construction of similar facilities in the local market
- Positive growth in age 75+ population and households

- Experienced national operator
- Undersupplied market

### Weaknesses / Threats

- Low barrier market in terms of availability of land
- Overall price per unit indication falling towards the upper end of national market indications
- Lease-up risk associated with new development

The following chart summarizes the OAR conclusions.

OVERALL CAPITALIZATION RATE - CONCLUSION	
Source	Indicated OAR
Comparable Sales	5.62% - 7.17%
National Investor Surveys and Transaction Reports	6.50% - 7.50%
Market Participants	6.75% - 8.00%
Band of Investment	7.30%
<b>CBRE Estimate</b>	<b>7.00%</b>

Compiled by: CBRE

### Terminal Capitalization Rate

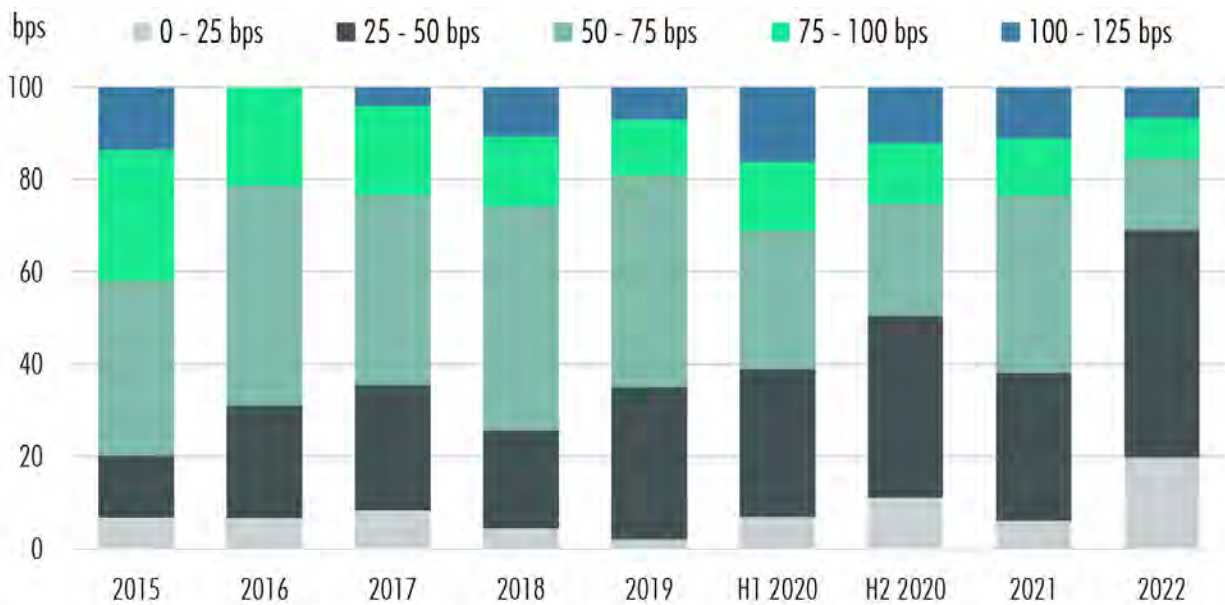
The reversionary value of the subject is based on an assumed sale at the end of the holding period based on capitalizing the Year 11 NOI at a terminal capitalization rate. Typically, market participants utilize a terminal capitalization rate that falls above the going-in capitalization rate (OAR); this practice is a result of the uncertainty of future economic conditions and the natural aging of the property. The following chart includes the reported basis point (bps) spread between the going-in capitalization rate and the terminal capitalization rate, as reported by the CBRE Senior Housing Investor Survey. Additionally, average terminal capitalization rate spreads for multifamily assets, as provided via a recent PwC Real Estate Investor Survey, are also included.

TERMINAL CAPITALIZATION RATES		
Investment Type	Spread Over Going-In Cap Rate	
	Min - Max	Average
CBRE Senior Housing Investor Survey - Spread Over Going-In Rate		
89% of Respondents Reported a Spread:	0 bps - 100 bps	
73% of Respondents Reported a Spread:	0 bps - 75 bps	
PwC Real Estate Investor Survey (3Q 2023)		
National Apartment Market - Avg Spread Over Going-In Rate:		39 bps
Regional Apartment Market - Avg Spread Over Going-In Rate:		20 bps - 84 bps
CBRE Estimate Spread Over Going-In Rate		50 bps
<b>CBRE Estimate - Stabilized</b>		<b>7.50%</b>
<b>CBRE Estimate - Upon Completion</b>		<b>7.50%</b>

Source: CBRE Investor Survey

The following graph summarizes the reported basis point (bps) spread between the going-in capitalization rate and the terminal capitalization rate, as provided within the CBRE Senior Housing & Care Investor Surveys.

## Going-In and Reversion Capitalization Rate Spreads



Source: CBRE Seniors Housing & Care Investor Surveys.

As indicated by the current and historical data, a vast majority of market participants utilize a terminal rate spread 25 and 100 bps. In the most recent survey, the spread shifted downward somewhat with nearly 50% of respondents opining to 25 – 50 bps, and a total of 85% of respondents reported utilizing a spread of between 0 – 75 bps. For the subject, CBRE concludes loading 50 basis points to the going-in rate of 7.00% is appropriate based on this dataset; the corresponding reversion rate utilized is 7.50%.

### Discount Rate Analysis

CBRE also considered prevailing market conditions (including inflationary pressures, cost of capital, etc.) in concluding an appropriate discount rate. While the overall long-term outlook for commercial real estate remains positive, these factors are impacting price discovery and underwriting for buyers. The impact can vary depending on location and asset class, and in some cases is yielding smaller buyer pools. Overall, CBRE views this investment environment to have some potential upward influence on yields. Our discount rate conclusion considers available information and our view of market/investment conditions.

The primary rates utilized within our analysis include the overall capitalization rate (going-in rate), reversion (disposition) capitalization rate, and the discount rate (unleveraged IRR). The results of the most recent investor surveys are summarized in the following chart.



DISCOUNT RATES				
Investment Type	Min	-	Max	Average
<b>Senior Living Valuation Services Survey (Fall 2022)</b>				
Independent Living	6.50%	-	10.00%	8.60%
Assisted Living	7.00%	-	11.00%	9.30%
Memory Care	8.00%	-	12.00%	9.80%
<b>RealtyRates Investor Survey - Assisted Living</b>				
New Development	9.06%	-	16.04%	11.12%
Acquisitions	7.88%	-	13.95%	9.67%
Recapitalizations	8.97%	-	15.88%	11.01%
<b>CBRE Senior Housing &amp; Care Investor Survey (2023)*</b>				
Independent Living	7.00%	-	11.00%	9.90%
Assisted Living	7.00%	-	12.00%	10.80%
Memory Care	8.00%	-	13.00%	11.90%
<b>CBRE Estimate - Stabilized</b>				<b>9.00%</b>
<b>CBRE Estimate - Upon Completion</b>				<b>10.50%</b>
Source: Senior Living Valuation Services & RealtyRates.com; *(Primary Range of Respondents)				

The discount rate conclusion is based on the subject under the Upon Stabilization scenario at 9.00%. As the subject will undergo a lease-up period to reach stabilization, the perceived risk is increased and we have, therefore, loaded this risk into the discount rate selection for this value scenario. Notably, this conclusion incorporates consideration for the entrepreneurial incentive required for an investor to undertake a sub-stabilized community. Thus, the Upon Stabilization discount rate selection has been increased by 150 basis points, resulting in a corresponding discount rate of 10.50% for the Upon Completion valuation premise. Note that the discount rate is applied to periods with a positive cash flow, excluding periods with an overall negative cash flow.

## Direct Capitalization

Direct capitalization is a method used to convert a single year's estimated stabilized net operating income into a value indication. A summary of the direct capitalization at stabilized occupancy is illustrated in the following chart.

DIRECT CAPITALIZATION SUMMARY		
	As If Stabilized Apr-24	Upon Stabilization Aug-28
<b>Income</b>		
Independent Living	\$5,593,120	\$6,357,438
Assisted Living	\$5,705,988	\$6,485,729
Memory Care	\$3,480,444	\$3,956,058
<b>Net Rental Income</b>	<b>\$14,779,552</b>	<b>\$16,799,225</b>
Level of Care Fees	\$794,112	\$902,630
Second Person Revenue	\$305,011	\$346,692
Community Fees	\$290,972	\$330,735
Other Income	\$221,240	\$251,474
<b>Effective Gross Income</b>	<b>\$16,390,888</b>	<b>\$18,630,755</b>
<b>Operating Expenses</b>		
Real Estate Taxes	\$583,061	\$662,738
Property Insurance	\$362,588	\$412,137
Utilities	\$599,193	\$681,074
Administration & General	\$1,093,911	\$1,243,397
Marketing	\$494,718	\$562,323
Resident Care	\$1,530,246	\$1,739,359
Culinary Services	\$2,190,894	\$2,490,287
Laundry & Housekeeping	\$245,823	\$279,415
Repairs & Maintenance	\$614,557	\$698,538
Programming	\$319,569	\$363,240
Payroll Taxes & Benefits	\$972,228	\$1,105,087
Management Fee	\$819,544	\$931,538
Reserves for Replacement	\$62,650	\$71,211
<b>Operating Expenses</b>	<b>\$9,888,982</b>	<b>\$11,240,343</b>
Operating Expense Ratio	60.33%	60.33%
<b>Net Operating Income</b>	<b>\$6,501,907</b>	<b>\$7,390,413</b>
<b>OAR</b>	<b>/ 7.00%</b>	<b>/ 7.00%</b>
Indicated Value	\$92,884,380	\$105,577,327
<b>Indicated Value (Rounded)</b>	<b>\$92,900,000</b>	<b>\$105,600,000</b>

Compiled by CBRE

# Discounted Cash Flow Analysis (DCF)

For the discounted cash flow analysis, fluctuations in revenue and expenses are incorporated into the valuation model. Consistent with typical market underwriting methodology, a 10-Year discounted cash flow model has been utilized. The DCF assumptions concluded for the subject are summarized as follows and the schedule as well as value conclusions are depicted on the following page:

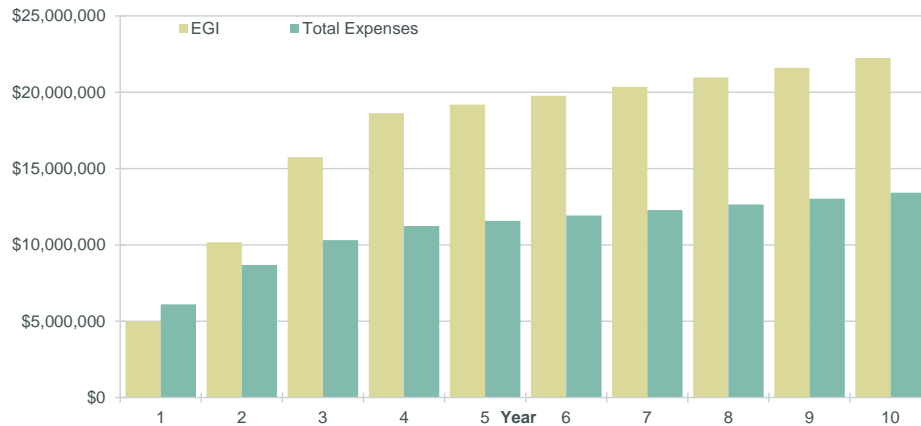
SUMMARY OF DCF ASSUMPTIONS								
Valuation Scenario	Start Date	Term of Analysis	Occupancy		Months to Stabilization	Reversion Cap Rate	Discount Rate	Cost of Sale
			Starting	Stabilized				
Upon Completion - Going Concern	Aug 7, 2025	10 Years	0.0%	94.0%	36 Months	7.50%	10.50%	2.50%
Upon Stabilization - Going Concern	Aug 7, 2028	10 Years	94.0%	94.0%	-	7.50%	9.00%	2.50%

Compiled by CBRE

**BROOKSTONE SENIOR LIVING**

**UPON COMPLETION VALUATION SCENARIO | AUGUST 2025**

Period	1	2	3	4	5	6	7	8	9	10	Reversion
Period Date (Begin)	Aug-25	Aug-26	Aug-27	Aug-28	Aug-29	Aug-30	Aug-31	Aug-32	Aug-33	Aug-34	Aug-35
<b>Revenue</b>											
Independent Living Rent	1,743,324	3,474,372	5,307,714	6,357,438	6,548,161	6,744,606	6,946,944	7,155,353	7,370,013	7,591,113	7,818,847
Assisted Living Rent	1,515,411	3,381,893	5,359,000	6,485,729	6,680,301	6,880,710	7,087,132	7,299,746	7,518,738	7,744,300	7,976,629
Memory Care Rent	924,346	2,062,831	3,268,794	3,956,058	4,074,739	4,196,982	4,322,891	4,452,578	4,586,155	4,723,740	4,865,452
Level of Care Fees	210,902	470,664	745,821	902,630	929,709	957,600	986,328	1,015,918	1,046,395	1,077,787	1,110,121
Second Resident Fees	89,148	185,809	288,191	346,692	357,093	367,805	378,840	390,205	401,911	413,968	426,387
Community Fees	444,383	462,705	569,434	330,735	340,657	350,876	361,403	372,245	383,412	394,915	406,762
Other Income	63,773	134,227	208,851	251,474	259,018	266,788	274,792	283,036	291,527	300,273	309,281
<b>Effective Gross Income</b>	<b>\$4,991,286</b>	<b>\$10,172,501</b>	<b>\$15,747,805</b>	<b>\$18,630,755</b>	<b>\$19,189,678</b>	<b>\$19,765,368</b>	<b>\$20,358,329</b>	<b>\$20,969,079</b>	<b>\$21,598,152</b>	<b>\$22,246,096</b>	<b>\$22,913,479</b>
<b>Expenses</b>											
Real Estate Taxes	121,300	624,694	643,435	662,738	682,620	703,099	724,192	745,918	768,295	791,344	815,084
Insurance	377,164	388,479	400,133	412,137	424,501	437,236	450,353	463,864	477,780	492,113	506,877
Utilities	311,640	481,483	595,113	681,074	701,506	722,552	744,228	766,555	789,552	813,238	837,635
Administration & General	910,308	1,054,819	1,207,182	1,243,397	1,280,699	1,319,120	1,358,693	1,399,454	1,441,438	1,484,681	1,529,221
Marketing	617,526	636,052	600,539	562,323	579,192	596,568	614,465	632,899	651,886	671,443	691,586
Resident Care	795,880	1,229,634	1,519,828	1,739,359	1,791,539	1,845,286	1,900,644	1,957,664	2,016,393	2,076,885	2,139,192
Culinary Services	1,139,483	1,760,501	2,175,979	2,490,287	2,564,995	2,641,945	2,721,203	2,802,840	2,886,925	2,973,533	3,062,738
Laundry & Housekeeping	127,852	197,532	244,149	279,415	287,798	296,431	305,324	314,484	323,919	333,636	343,645
Repairs & Maintenance	511,409	592,595	678,192	698,538	719,494	741,079	763,311	786,210	809,797	834,090	859,113
Programming	166,208	256,791	317,394	363,240	374,137	385,361	396,922	408,829	421,094	433,727	446,739
Payroll Taxes & Benefits	707,918	885,403	1,072,900	1,105,087	1,138,239	1,172,386	1,207,558	1,243,785	1,281,098	1,319,531	1,359,117
Management Fee	249,564	508,625	787,390	931,538	959,484	988,268	1,017,916	1,048,454	1,079,908	1,112,305	1,145,674
Reserves for Replacement	65,168	67,124	69,137	71,211	73,348	75,548	77,815	80,149	82,553	85,030	87,581
<b>Operating Expenses</b>	<b>\$6,101,418</b>	<b>\$8,683,730</b>	<b>\$10,311,370</b>	<b>\$11,240,343</b>	<b>\$11,577,553</b>	<b>\$11,924,879</b>	<b>\$12,282,626</b>	<b>\$12,651,105</b>	<b>\$13,030,638</b>	<b>\$13,421,557</b>	<b>\$13,824,204</b>
<b>Net Income</b>	<b>(\$1,110,132)</b>	<b>\$1,488,770</b>	<b>\$5,436,434</b>	<b>\$7,390,413</b>	<b>\$7,612,125</b>	<b>\$7,840,489</b>	<b>\$8,075,704</b>	<b>\$8,317,975</b>	<b>\$8,567,514</b>	<b>\$8,824,539</b>	<b>\$9,089,276</b>



**DCF UPON COMPLETION CONCLUSION SUMMARY**

**REVERSION SUMMARY**

Net Income ( Year 11 )	\$9,089,276
Sale at a Reversion Cap Rate of 7.50%	\$121,190,342
Less Cost of Sale at 2.50%	(\$3,029,759)
<b>Net Reversion Sale Price</b>	<b>\$118,160,583</b>

**YIELD MATRIX (ROUNDED)**

IRR	Reversion CAP Rate		
	7.75%	7.50%	7.25%
-	7,750,000	7,500,000	7,250,000
10.75%	<b>73,200,000</b>	74,600,000	76,100,000
<b>10.50%</b>	74,700,000	<b>76,100,000</b>	77,600,000
10.25%	76,100,000	77,500,000	<b>79,100,000</b>

**VALUE CONCLUSIONS**

Indicated Value Upon Completion	\$76,055,360
Indicated Value (Rounded)	\$76,100,000
Indicated Value As If Complete (Rounded)	\$73,100,000

**BROOKSTONE SENIOR LIVING  
UPON STABILIZATION VALUE SCENARIO**

Period	1	2	3	4	5	6	7	8	9	10	Reversion
Period Date (Begin)	Aug-28	Aug-29	Aug-30	Aug-31	Aug-32	Aug-33	Aug-34	Aug-35	Aug-36	Aug-37	Aug-38
<b>Revenue</b>											
Independent Living Rent	6,357,438	6,548,161	6,744,606	6,946,944	7,155,353	7,370,013	7,591,113	7,818,847	8,053,412	8,295,015	8,543,865
Assisted Living Rent	6,485,729	6,680,301	6,880,710	7,087,132	7,299,746	7,518,738	7,744,300	7,976,629	8,215,928	8,462,406	8,716,278
Memory Care Rent	3,956,058	4,074,739	4,196,982	4,322,891	4,452,578	4,586,155	4,723,740	4,865,452	5,011,416	5,161,758	5,316,611
Level of Care Fees	902,630	929,709	957,600	986,328	1,015,918	1,046,395	1,077,787	1,110,121	1,143,425	1,177,727	1,213,059
Second Resident Fees	346,692	357,093	367,805	378,840	390,205	401,911	413,968	426,387	439,179	452,354	465,925
Community Fees	330,735	340,657	350,876	361,403	372,245	383,412	394,915	406,762	418,965	431,534	444,480
Other Income	251,474	259,018	266,788	274,792	283,036	291,527	300,273	309,281	318,559	328,116	337,959
<b>Effective Gross Income</b>	<b>\$18,630,755</b>	<b>\$19,189,678</b>	<b>\$19,765,368</b>	<b>\$20,358,329</b>	<b>\$20,969,079</b>	<b>\$21,598,152</b>	<b>\$22,246,096</b>	<b>\$22,913,479</b>	<b>\$23,600,884</b>	<b>\$24,308,910</b>	<b>\$25,038,177</b>
<b>Expenses</b>											
Real Estate Taxes	662,738	682,620	703,099	724,192	745,918	768,295	791,344	815,084	839,537	864,723	890,665
Property Insurance	412,137	424,501	437,236	450,353	463,864	477,780	492,113	506,877	522,083	537,746	553,878
Utilities	681,074	701,506	722,552	744,228	766,555	789,552	813,238	837,635	862,764	888,647	915,307
Administration & General	1,243,397	1,280,699	1,319,120	1,358,693	1,399,454	1,441,438	1,484,681	1,529,221	1,575,098	1,622,351	1,671,022
Marketing	562,323	579,192	596,568	614,465	632,899	651,886	671,443	691,586	712,334	733,704	755,715
Resident Care	1,739,359	1,791,539	1,845,286	1,900,644	1,957,664	2,016,393	2,076,885	2,139,192	2,203,368	2,269,469	2,337,553
Culinary Services	2,490,287	2,564,995	2,641,945	2,721,203	2,802,840	2,886,925	2,973,533	3,062,738	3,154,621	3,249,259	3,346,737
Laundry & Housekeeping	279,415	287,798	296,431	305,324	314,484	323,919	333,636	343,645	353,955	364,573	375,510
Repairs & Maintenance	698,538	719,494	741,079	763,311	786,210	809,797	834,090	859,113	884,887	911,433	938,776
Programming	363,240	374,137	385,361	396,922	408,829	421,094	433,727	446,739	460,141	473,945	488,164
Payroll Taxes & Benefits	1,105,087	1,138,239	1,172,386	1,207,558	1,243,785	1,281,098	1,319,531	1,359,117	1,399,891	1,441,887	1,485,144
Management Fee	931,538	959,484	988,268	1,017,916	1,048,454	1,079,908	1,112,305	1,145,674	1,180,044	1,215,446	1,251,909
Reserves for Replacement	71,211	73,348	75,548	77,815	80,149	82,553	85,030	87,581	90,208	92,915	95,702
<b>Operating Expenses</b>	<b>\$11,240,343</b>	<b>\$11,577,553</b>	<b>\$11,924,879</b>	<b>\$12,282,626</b>	<b>\$12,651,105</b>	<b>\$13,030,638</b>	<b>\$13,421,557</b>	<b>\$13,824,204</b>	<b>\$14,238,930</b>	<b>\$14,666,098</b>	<b>\$15,106,080</b>
<b>Net Income</b>	<b>\$7,390,413</b>	<b>\$7,612,125</b>	<b>\$7,840,489</b>	<b>\$8,075,704</b>	<b>\$8,317,975</b>	<b>\$8,567,514</b>	<b>\$8,824,539</b>	<b>\$9,089,276</b>	<b>\$9,361,954</b>	<b>\$9,642,813</b>	<b>\$9,932,097</b>



**UPON STABILIZATION DCF SUMMARY**

**REVERSION SUMMARY**

Net Income ( Year 11 )	\$9,932,097
Sale at a Reversion Cap Rate of 7.50%	\$132,427,959
Less Cost of Sale at 2.50%	(\$3,310,699)
<b>Net Reversion Sale Price</b>	<b>\$129,117,260</b>

**YIELD MATRIX (ROUNDED)**

IRR	Reversion CAP Rate		
	7.75%	7.50%	7.25%
-			
9.25%	<b>104,200,000</b>	105,900,000	107,800,000
<b>9.00%</b>	106,000,000	<b>107,800,000</b>	109,700,000
8.75%	107,900,000	109,700,000	<b>111,600,000</b>

**VALUE CONCLUSIONS**

Indicated Value Upon Stabilization	\$107,790,323
Indicated Value (Rounded)	\$107,800,000

# Income Capitalization Approach Summary

The conclusions via the valuation methods employed for this approach are as follows:

INCOME CAPITALIZATION APPROACH CONCLUSIONS				
Value Scenario	Date of Value	Direct Capitalization	Discounted Cash Flow Analysis	Reconciled Value
<b>Prospective Value</b>				
Upon Completion	Aug 7, 2025	-	\$76,100,000	<b>\$76,100,000</b>
Upon Stabilization	Aug 7, 2028	\$105,600,000	\$107,800,000	<b>\$107,800,000</b>

CBRE Valuation & Advisory | Senior Housing & Healthcare

Direct capitalization is typically utilized in estimating a market value for stabilized properties, while the discounted cash flow analysis recognizes the changes in cash flows over the holding period of an asset. In this case, while both methods provided relatively similar value indications, primary weight has been placed on the discounted cash flow analysis as this methodology is considered to best reflect the actions of buyers and sellers currently active in this market.

# Reconciliation of Value

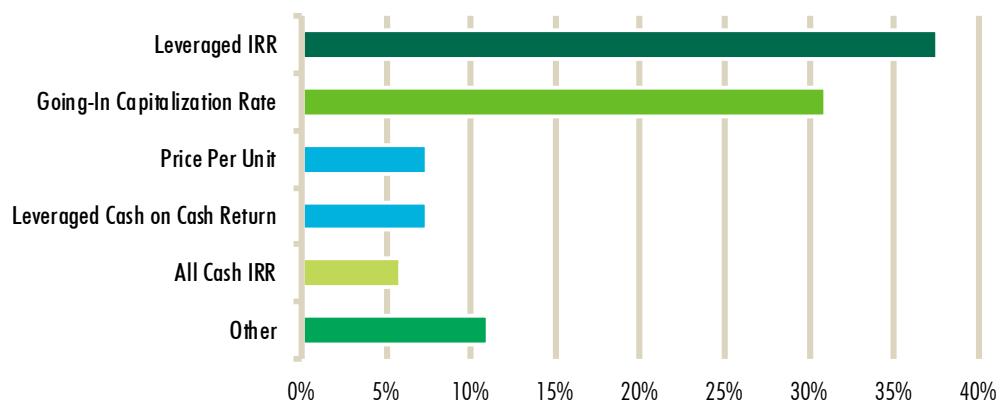
The value indications from the approaches to value are summarized as follows:

SUMMARY OF THE APPROACHES TO VALUE					
Value Scenario	Date of Value	Cost Approach	Income Capitalization	Sales Comparison	Reconciled Value
<b>Current Value</b>					
As Is - Land Value	Apr 7, 2024	-	-	\$11,200,000	<b>\$11,200,000</b>
<b>Prospective Value</b>					
Upon Completion	Aug 7, 2025	\$68,900,000	\$76,100,000	\$75,400,000	<b>\$76,100,000</b>
Upon Stabilization	Aug 7, 2028	\$75,300,000	\$107,800,000	\$107,100,000	<b>\$107,800,000</b>

CBRE Valuation & Advisory | Senior Housing & Healthcare

In reconciling the value indications as provided via the utilized approaches to value, the estimate of value is based on valuation techniques as employed by market participants when underwriting acquisitions/dispositions. As part of the CBRE U.S. Senior Housing & Care Investor Survey, H1 2020, market participants opined as to their primary applied senior housing underwriting methodology; these results are summarized within the following graph.

## Market Participant Underwriting Methodology



Source: CBRE Investor Survey, H1 2020.

The cost approach typically gives a reliable value indication when there is strong support for the replacement cost estimate and when there is minimal depreciation. However, the cost approach does not consider the business value. Therefore, the cost approach is considered less applicable to the subject and is used primarily as a test of reasonableness against the other valuation techniques. However, conclusions derived from this approach are utilized in allocating business value for the subject.

The sales used in this analysis are considered comparable to the subject, and the required adjustments were based on reasonable and well-supported rationale. However, as shown, market participants do not rely heavily on the price per unit indications for estimating value. Therefore, while the sales comparison approach is considered to provide a reliable value indication, it has been given secondary emphasis in the final value reconciliation.

The income capitalization approach is applicable to the subject since it will be an income producing property leased in the open market. As shown above, over 80% of market participants primarily utilize

analysis of income generating capability, via multiple methods. Therefore, the income capitalization approach has been given primary emphasis in the final value estimate.

Based on the foregoing, the market value of the subject has been concluded as follows:

SUMMARY OF THE VALUE CONCLUSIONS			
Value Scenario	Date of Value	Interest Appraised	Value Conclusion
<b>Current Value</b>			
As Is - Land Value	Apr 7, 2024	Fee Simple Estate	<b>\$11,200,000</b>
<b>Prospective Value</b>			
Upon Completion	Aug 7, 2025	Fee Simple Estate	<b>\$76,100,000</b>
Upon Stabilization	Aug 7, 2028	Fee Simple Estate	<b>\$107,800,000</b>

CBRE Valuation & Advisory | Senior Housing & Healthcare



# Allocation of the Going Concern

This “going concern” value of the fee simple in the subject property includes value attributable to furniture, fixtures, and equipment (FF&E), business operation, and the real property. According to the Uniform Standards of Professional Appraisal Practice, Standards Rule 1-2(e), it is necessary to “identify and consider the effect on value of any personal property, trade fixtures or intangible items that are not real property but are included in the appraisal.” The subject property contains elements of all three types of values: real property, intangible items (or business value), and personal property.

## Cost Residual

The allocated value of the real estate and the furnishing, fixtures, and equipment are based on estimates contained in the Cost Approach. In this approach, the depreciated value of the improvements and FF&E was estimated along with a value for the subject site. This allows for the value of the business/intangibles to be estimated by taking the market value of the subject and deducting the estimated personal property value, and the estimated real property value. The remaining value therefore represents the contribution of the business/intangibles.

Based upon the differences presented in the Cost and Income Approach sections of this report, the subject’s values are allocated as follows:

COST RESIDUAL METHOD					
Value Scenario	Date of Value	Real Property Value	FF&E	Business Value	Going Concern Value
<b>Prospective Value</b>					
Upon Completion	Aug 7, 2025	\$67,200,000	\$1,700,000	\$7,200,000	\$76,100,000
Upon Stabilization	Aug 7, 2028	\$73,600,000	\$1,700,000	\$32,500,000	\$107,800,000

CBRE Valuation & Advisory | Senior Housing & Healthcare

## Lease Coverage Ratio Analysis

A lease coverage ratio (LCR) analysis can be utilized to allocate the going concern of the fee simple interest. To calculate the real estate value component, a market-derived lease coverage ratio is applied to the concluded net operating income for the subject. The result is an indicated annual market lease payment for the subject. Market participants utilize this method to value the real property. REITs and other buyers of senior housing properties also utilize this methodology to determine market rent. Hence, this method is considered to best reflect actions taken by actual market participants in allocating business value for the subject’s property type.

In support of lease coverage ratios, CBRE included the following dataset is comprised of lease coverage ratios as recently reported by REITs for portfolios of assets:

### SENIOR HOUSING REIT PORTFOLIO LEASE COVERAGE ANALYSIS

Property/ Portfolio	Type/Beds	Period	EBITDAR LCR (Ex HHS)	EBITDAR LCR (Inc. HHS)
Caretrust REIT - Top Ten Tenants	14,099 SNF / 5,314 SH	T-12; Dec 2023	2.27	2.27
Caretrust REIT - All Other	2,103 SNF / 793 SH	T-12; Dec 2023	1.39	1.43
Caretrust REIT - Total	16,203 SNF / 6,108 SH	T-12; Dec 2023	2.19	2.20
Ventas - Total Senior Housing	241 Properties	T-12; March 2023	1.10	1.20
Omega Healthcare Investors	893 Properties	T-12; Sept 2023	1.28	N/A
Total Dataset		Max	2.27	
		Mean	1.65	
		Min	1.10	

Compiled by: CBRE

As part of the recent 2023 CBRE Senior Housing Investor Survey, market participants were asked to opine as to lease coverage ratio expectations for each acuity level. The following dataset includes the indicated range, based on a vast majority of respondent indications; i.e. 80.00% or more of respondents provided a lease coverage ratio expectation that falls within the indicated range.

### CBRE INVESTOR SURVEY LEASE COVERAGE RATIOS

Property Type / Care Level	% of Respondents	Indicated Range
Active Adult	95.5%	1.10 - 1.40
Independent Living	91.7%	1.20 - 1.50
Assisted Living	90.9%	1.20 - 1.60
Memory Care	86.2%	1.20 - 1.60
Skilled Nursing	83.5%	1.30 - 1.70
CCRC / LPC	82.9%	1.20 - 1.60
	Max:	1.90
	Min:	1.00

Source: CBRE 2023 Investor Survey Results.

As shown, stabilized lease coverage ratios for senior housing assets range from 0.99 to 2.24, with a majority of ratios ranging from 1.10 to 1.90. In consideration of the subject's acuity level, for purposes of this analysis, a coverage ratio of 1.35 was used. The inferred rent is assumed to be on an absolute net basis with no expenses to the lessor. Furthermore, the market rent is based upon a long-term lease of 20+ years, which is common. These terms are common for this property type.

The next step is estimating an absolute net lease capitalization rate. The results of CBRE's Healthcare Real Estate Investor & Developer Survey are summarized as follows, relative to capitalization rates for absolute net leased healthcare properties:

CAP RATE	Above 9.00%	8.50% - 8.99%	8.00% - 8.49%	7.50% - 7.99%	7.00% - 7.49%	6.50% - 6.99%	6.00% - 6.49%	5.50% - 5.99%	5.00% - 5.49%	4.50% - 5.00%	4.00% - 4.49%
Medical Office Building	1%	0%	0%	3%	1%	8%	10%	23%	32%	17%	5%
Freestanding Emergency Department	2%	3%	3%	7%	19%	17%	24%	14%	2%	9%	0%
Ambulatory Surgery Center	1%	1%	0%	1%	7%	9%	26%	28%	15%	10%	0%
Wellness Center	2%	2%	8%	8%	10%	20%	27%	7%	8%	5%	2%
Acute Care Hospital	0%	6%	6%	11%	17%	23%	11%	8%	6%	11%	2%
Long Term Acute Care Hospital	10%	10%	10%	24%	12%	8%	6%	2%	12%	8%	0%
Rehabilitation Hospital	0%	4%	4%	15%	16%	20%	20%	9%	7%	5%	0%
Behavioral Hospital	0%	4%	15%	15%	19%	21%	12%	6%	4%	4%	0%
Skilled Nursing Facility	22%	10%	18%	12%	6%	10%	8%	6%	8%	2%	0%
Life Sciences	2%	0%	2%	4%	4%	5%	14%	20%	20%	16%	14%

Absolute net transactions for senior housing and similar (medical) net leased properties are summarized below:

SENIORS HOUSING NET LEASE TRANSACTIONS									
Property / Portfolio	Type	Units	State	Lease Date	Sale Price Per Unit	Fee Simple Cap Rate	Leased Fee Cap Rate	Basis Point Spread	
Central Wisconsin SC Portfolio	IL/AL/SNF	215	WI	Mar-18	\$105,116	8.27%	7.80%	<b>47</b>	
Pinnacle Senior Housing	AL/MC	75	TX	Jul-18	\$260,000	8.56%	5.95%	<b>261</b>	
Colorado Springs SNF	SNF	80	CO	Jul-18	\$263,750	9.52%	7.24%	<b>228</b>	
Arizona SNF	SNF	96	AZ	Jul-18	\$241,042	12.68%	7.58%	<b>510</b>	
Michigan ALF Portfolio	AL	162	MI	Dec-18	\$345,679	8.27%	6.85%	<b>142</b>	
Tarzana & Valley View	AL	81	CA	Oct-19	\$283,951	8.66%	5.44%	<b>322</b>	
Family Initiative Residences	IL/AL	38	GA	Oct-19	\$81,579	11.07%	8.52%	<b>255</b>	
Omega Healthcare Investor	AL/SNF	820	NC	Dec-22	\$107,927	N/A	8.93%	<b>N/A</b>	
Kentucky SNF	SNF	120	KY	Jan-23	\$44,166	14.19%	10.00%	<b>419</b>	
CareTrust REIT	SNF	280	TX	Apr-23	\$61,429	N/A	9.48%	<b>N/A</b>	
California SNF	SNF	135	CA	Jun-23	\$108,000	12.92%	9.79%	<b>312</b>	

Compiled by CBRE

Net leased transactions typically yield a capitalization rate ranging from 50 to 500 basis points below the fee simple cap rate. The leased fee capitalization rate is increased for the Upon Completion scenario given the increased risk associated with the property, as tenant operations have not yet achieved stabilized operations and tenant lease default risk is elevated in comparison to the Upon Stabilization scenario.

The final step is applying the concluded lease coverage ratio and absolute net capitalization rate to the estimated NOI for the subject. By capitalizing the indicated annual lease payment, a leased fee value or value allocation of the real estate allocation is determined.

## LEASE COVERAGE ANALYSIS | INDICATED REAL PROPERTY ALLOCATION

Value Scenario	Concluded EBITDAR (NOI)	Lease Coverage Ratio	Real Property Cashflow	Real Property Cap Rate	Indicated Real Property Allocation
<b>Prospective Value</b>					
Upon Completion	\$6,763,275	1.35	\$5,009,833	6.75%	\$74,219,750
Upon Stabilization	\$7,390,413	1.35	\$5,474,380	6.00%	\$91,239,665

CBRE Valuation & Advisory | Senior Housing & Healthcare

The business value is the difference in the going concern and the inferred leased fee or real property value allocation and FF&E value allocation, as summarized below.

## LEASE COVERAGE ANALYSIS | ALLOCATION CONCLUSIONS

Value Scenario	Date of Value	Real Property Value	FF&E	Business Value	Going Concern Value
<b>Prospective Value</b>					
Upon Completion	Aug 7, 2025	\$74,219,750	\$1,700,000	\$180,250	\$76,100,000
Upon Stabilization	Aug 7, 2028	\$91,239,665	\$1,700,000	\$14,860,335	\$107,800,000

CBRE Valuation & Advisory | Senior Housing & Healthcare

### Intangible Component Allocation Conclusion

When concluding to an appropriate business value of the subject, to reflect market-based underwriting, primary weight was placed on the lease coverage method, with secondary consideration for the cost residual method of analysis.

### INDICATION OF REAL PROPERTY ALLOCATION

Value Scenario	Cost Residual	Lease Coverage	Conclusion
<b>Prospective Value</b>			
Upon Completion	\$67,200,000	\$74,219,750	\$74,219,750
Upon Stabilization	\$73,600,000	\$91,239,665	\$91,239,665

Compiled by CBRE

### Allocation of the Going Concern Conclusion

By utilizing the concluded business value detailed above, an allocation of the going concern has been estimated as follows:

### ALLOCATION OF THE TOTAL ASSETS OF THE BUSINESS

Value Scenario	Date of Value	Real Property Value	FF&E	Business Value	Going Concern Value
<b>Prospective Value</b>					
Upon Completion	Aug 7, 2025	\$74,219,750	\$1,700,000	\$180,250	\$76,100,000
Upon Stabilization	Aug 7, 2028	\$91,239,665	\$1,700,000	\$14,860,335	\$107,800,000

CBRE Valuation & Advisory | Senior Housing & Healthcare

# Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
4. Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
5. Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
6. Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
7. Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
8. No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
9. There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
10. 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 readily obtained or renewed for any use on which the Report is based.

11. The subject property is managed and operated in a prudent and competent manner, neither inefficiently, nor super-efficiently.
12. The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
13. The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.
14. All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property, nor reviewed or confirmed the accuracy of any legal description of the subject property.
15. Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report and any conclusions stated therein. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.
16. CBRE has assumed that all documents, data and information furnished by or on behalf of the client, property owner or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report and any conclusions stated therein. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
17. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including, without limitation, any termite inspection, survey or occupancy permit.
18. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
19. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. This Report has been prepared in good faith, based on CBRE's current anecdotal and evidence-based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this Report, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual

results may ultimately differ from these projections, and CBRE does not warrant any such projections. Further, other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later change or be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

20. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
21. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge including, but not limited to, environmental, social, and governance principles ("ESG"), beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
22. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
23. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
24. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.
25. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
26. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
27. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants

for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.



# Addenda

APPENDIX A:  
COMPARABLE DATA SHEETS

---

Property Name Former National 4-H Conference Center (Corso Chevy Chase Site)  
 Address 7100 Connecticut Avenue  
 Chevy Chase, MD 20815  
 United States

Government Tax Agency Montgomery  
 Govt./Tax ID 07-00464946

**Site/Government Regulations**

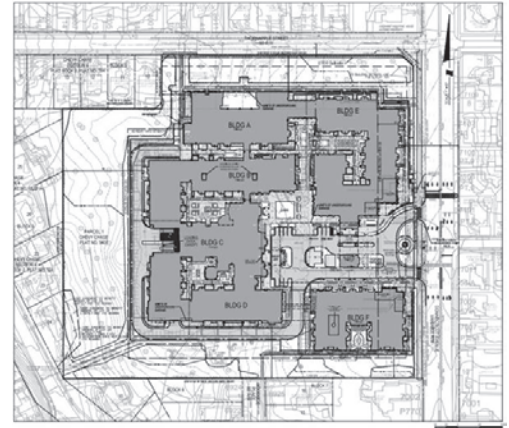
	Acres	Square feet
Land Area Net	12.230	532,739
Land Area Gross	12.280	534,917

Site Development Status	Finished
Shape	Rectangular
Topography	Generally Level
Utilities	All

Maximum FAR 1.31  
 Min Land to Bldg Ratio 0.76:1  
 Maximum Density 34.10 per ac

Frontage Distance/Street 700 ft Connecticut Avenue

General Plan Seniors Housing  
 Specific Plan 07-PREL-120240020-001, 8/17/2023  
 Zoning R-60  
 Entitlement Status None



**Sale Summary**

Recorded Buyer	Corso DC, LLC	Marketing Time	2 Month(s)
True Buyer	Galerie Capital	Buyer Type	Developer
Recorded Seller	National 4H Council	Seller Type	End User
True Seller	National 4H Council	Primary Verification	Broker, Public Records

Interest Transferred Fee Simple/Freehold  
 Current Use Hotel/Conference Center  
 Proposed Use Senior Housing  
 Listing Broker CBRE  
 Selling Broker N/A  
 Doc # 65068/00481

Type	Sale
Date	12/16/2021
Sale Price	\$40,000,000
Financing	Other(See Comments)
Cash Equivalent	\$40,000,000
Capital Adjustment	\$2,600,000
Adjusted Price	\$42,600,000

**Transaction Summary plus Five-Year CBRE View History**

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
12/2021	Sale	Corso DC, LLC	National 4H Council	\$40,000,000	\$3,483,238 / \$79.96
05/2021	Available/Listing	N/A	National 4H Council	\$30,000,000	\$2,654,723 / \$60.94

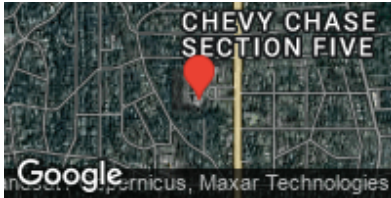
**Units of Comparison**

\$79.96 / sf	\$102,158 / Unit
\$3,483,237.94 / ac	\$102,158 / Allowable Bldg. Units
	\$60.86 / Building Area

**Financial**

**No information recorded**

**Map & Comments**



This comparable represents the former National 4-H Conference Center in Bethesda/Chevy Chase, Maryland, with Connecticut Avenue frontage. It is a mostly rectangular lot with an existing 228,000 square foot, 246 room, 40,000 square foot meeting space, 1970s-era hotel/conference center. The property was being marketed as a residential redevelopment before being acquired by a senior housing developer. At the time of sale, the zoning was R-60. The contract purchase price was \$40,000,000; however, this was considered slightly below below-market as the seller needed a quick close without any contingencies for approvals. According to information from the listing broker with CBRE, the property was marketed for approximately six weeks and received multiple As Is offers and many more offers with approval contingencies. No offers were received contemplating re-use of the existing structures. The site reportedly closed in January 2022 without entitlements. The price has been adjusted upward by \$2,600,000 for demolition costs, based on actual demo cost quotes.

The property received conditional approval for the senior housing development on February 7, 2024. According to the recorded Preliminary Plan (120240020) there will be 287 independent living units, 190 assisted living beds (101 suites) and 30 memory care beds (29 suites) to total 417 units/suites with 5,000 square feet of retail. In total, the project will consist of 700,000 gross square feet. The comparable sold for an adjusted sale price of \$42,600,000 or \$60.86 per square foot of FAR and \$102,158 per allowable building unit.

Property Name Pinnacle at North Bethesda Site  
 Address 11555 Old Georgetown Road  
 North Bethesda, MD 20852  
 United States

Government Tax Agency Montgomery  
 Govt./Tax ID 04-03275473

**Site/Government Regulations**

	Acres	Square feet
Land Area Net	1.108	48,264
Land Area Gross	1.108	48,264

Site Development Status	Semi-Finished
Shape	Irregular
Topography	Generally Level
Utilities	All to site

Maximum FAR 4.10  
 Min Land to Bldg Ratio 0.24:1  
 Maximum Density 171.48 per ac

Frontage Distance/Street	N/A	Old Georgetown Road
Frontage Distance/Street	N/A	Banneker Ave

General Plan N/A  
 Specific Plan N/A  
 Zoning CR-4.0, C-2.0, R-3.5, H-250  
 Entitlement Status Fully Entitled/Planning Permissions



**Sale Summary**

Recorded Buyer	Silverstone Bethesda Owner, LLC	Marketing Time	N/A
True Buyer	Silverstone Senior Living	Buyer Type	Developer
Recorded Seller	Old Georgetown SB Property, LLC; OGRCAP1, LLC; Old Georgetown Nissan Property, LLC	Seller Type	Developer
True Seller	Old Georgetown SB Property, LLC; OGRCAP1, LLC; Old Georgetown Nissan Property, LLC	Primary Verification	Buyer, PSA, public records
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	N/A	Date	3/1/2023
Proposed Use	Senior housing/care	Sale Price	\$12,650,000
Listing Broker	N/A	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	\$12,650,000
Doc #	66780/00174	Capital Adjustment	\$-52,000
		Adjusted Price	\$12,598,000

**Transaction Summary plus Five-Year CBRE View History**

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
03/2023	Sale	Silverstone Bethesda Owner, LLC	Old Georgetown SB Property, LLC; OGRCAP1, LLC; Old Georgetown Nissan Property, LLC	\$12,650,000	\$11,370,036 / \$261.02

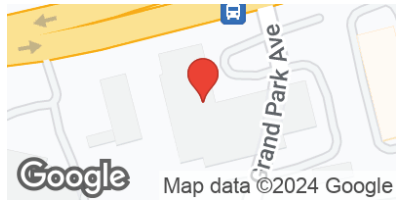
**Units of Comparison**

\$261.02 / sf	\$66,305 / Unit
\$11,370,036.10 / ac	\$66,305 / Allowable Bldg. Units
	\$63.71 / Building Area

**Financial**

**No information recorded**

**Map & Comments**



This comparable represents a 1.11-acre site purchased for the development of The Pinnacle North Bethesda, a Class A+ proposed seniors housing community. The community is to include 190 total units, comprised of 101 independent living units, 38 assisted living units, and 51 memory care units. Of these, 14 are dedicated MPDUs. The building will encompass 291,348 square feet, inclusive of 17,489 square feet of ground level retail space, and 93,605 square feet of parking garage. The price per square foot is based on the total building square feet minus the parking structure's square footage (291,348 SF - 93,605 SF = 197,743 SF). The project is expected to break ground summer 2023, with completion in 2025. SSL Investment Partners II, LP, dba Silverstone Bethesda, LLC acquired the subject site from Grand Park Development LLC for a recorded consideration of \$12,650,000. The original PSA was executed December 10, 2020. There were seven subsequent amendments to the original agreement, primarily to extend the due diligence period. The seventh amendment included provisions to increase the price based on expansion of development approvals. Per a review of the settlement statement, and conversations with the buyer, it was indicated that there was an expansion option escrow amount, but this was cost neutral to the overall project. The price was increased \$125,000 for an increased in permitted density, which was paid to the seller. However, the buyer was credited \$33,000 for utility work, and \$144,000 for HPA work. Overall, the reported net purchase price was \$12,598,000 (\$12,650,000 + \$125,000 - \$33,000 - \$144,000) or \$63.71 per square foot FAR. It should be noted that the subject site was resultant from a multi-year redevelopment of three adjacent tax lots, inclusive of a land swap with the county, land condo plat no. 12482, and recorded lot-line adjustment plat no. 25952, recorded on February 2, 2023 and February 27, 2023. The site is part of a three-unit land condo development, in which the subject and two neighboring parcels benefit from common areas serving each of the sites.

# Sale

# Land - Seniors Housing & Care

# No. 3

Property Name 7709 Georgia Avenue, NW  
 Address 7709 Georgia Avenue, NW  
 Washington, DC 20012  
 United States

Government Tax Agency District of Columbia  
 Govt./Tax ID 2961-0810

### Site/Government Regulations

	Acres	Square feet
Land Area Net	0.634	27,623
Land Area Gross	N/A	N/A

Site Development Status	N/A
Shape	Irregular
Topography	Generally Level
Utilities	N/A

Maximum FAR 3.00  
 Min Land to Bldg Ratio 0.33:1  
 Maximum Density 244.44 per ac

Frontage Distance/Street	N/A Georgia Avenue, NW
Frontage Distance/Street	N/A Kalmia Road, NW

General Plan N/A  
 Specific Plan N/A  
 Zoning MU-4  
 Entitlement Status N/A



### Sale Summary

Recorded Buyer	7709 Georgia Avenue NW, LLC	Marketing Time	N/A
True Buyer	Gragg Cardona Partners, LLC	Buyer Type	Developer
Recorded Seller	Georgia Avenue Gateway, LLC (50%); SMS Gateway, LLC (50%)	Seller Type	Developer
True Seller	Georgia Avenue Gateway, LLC (50%); SMS Gateway, LLC (50%)	Primary Verification	Public records, CoStar Group
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Retail	Date	3/23/2023
Proposed Use	Assisted living (affordable)	Sale Price	\$10,185,000
Listing Broker	ReconCRE	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	\$10,185,000
Doc #	2023024606	Capital Adjustment	\$0
		Adjusted Price	\$10,185,000

### Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
03/2023	Sale	7709 Georgia Avenue NW, LLC	Georgia Avenue Gateway, LLC (50%); SMS Gateway, LLC (50%)	\$10,185,000	\$16,062,135 / \$368.71

**Units of Comparison**

\$368.71 / sf  
\$16,062,135.31 / ac

\$65,710 / Unit  
\$65,710 / Allowable Bldg. Units  
\$122.90 / Building Area

**Financial**

**No information recorded**

**Map & Comments**



This comparable represents the sale of a 27,623 SF site at 7709 Georgia Avenue, NW in the Brightwood neighborhood of the District of Columbia. The improvements at the time of the sale included a +/- 13,500 SF single-story strip center. The site was zoned MU-4, which can accommodate development to 3.0 FAR (with bonuses for inclusionary zoning), or 82,869 SF. The buyer was planning development of a 155-unit, affordable assisted living facility. The site sold in March 2023 for \$10,185,000 or \$122.90 per-FAR (based on 82,869 SF of density).



# Sale

# Land - Multi Unit Residential

# No. 4

Property Name Flats at College Park Site (Affordable)  
 Address 9137 Baltimore Avenue  
 College Park, MD 20740  
 United States

Government Tax Agency Prince George's  
 Govt./Tax ID Multiple

### Site/Government Regulations

	Acres	Square feet
Land Area Net	4.259	185,504
Land Area Gross	N/A	N/A

Site Development Status	N/A
Shape	Irregular
Topography	Generally Level
Utilities	N/A

Maximum FAR 2.57  
 Min Land to Bldg Ratio 0.39:1  
 Maximum Density 74.44 per ac

Frontage Distance/Street N/A Baltimore Avenue

General Plan N/A  
 Specific Plan N/A  
 Zoning LTO-E  
 Entitlement Status N/A



### Sale Summary

Recorded Buyer Flats at College Park, LLC  
 True Buyer RST Development, LLC  
 Recorded Seller Royal Hospitality, Inc.; Capitol Hospitality, Inc.  
 True Seller Royal Hospitality, Inc.; Capitol Hospitality, Inc.

Marketing Time N/A  
 Buyer Type Developer  
 Seller Type Private Investor  
 Primary Verification Public records, CoStar Group

Interest Transferred Fee Simple/Freehold  
 Current Use Hotel  
 Proposed Use Multifamily (affordable)  
 Listing Broker BridgeWater Real Estate Brokerage  
 Selling Broker N/A  
 Doc # 49056-0183; 0189

Type	Sale
Date	7/27/2023
Sale Price	\$14,000,000
Financing	Cash to Seller
Cash Equivalent	\$14,000,000
Capital Adjustment	\$0
Adjusted Price	\$14,750,000

### Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
07/2023	Sale	Flats at College Park, LLC	Royal Hospitality, Inc.; Capitol Hospitality, Inc.	\$14,000,000	\$3,463,580 / \$79.51

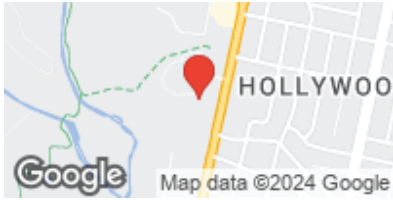
**Units of Comparison**

\$79.51 / sf	\$46,530 / Unit
\$3,463,579.58 / ac	\$46,530 / Allowable Bldg. Units
	\$30.89 / Building Area

**Financial**

**No information recorded**

**Map & Comments**



This comparable represents the sale of four tax parcels totaling 4.2586 acres at 9137 Baltimore Avenue in College Park, Maryland. The site was improved with three hotels and a small single-family residence (built in 1953) at the time of the sale. The hotels (built between 1940 and 1966) included a former Days Inn by Wyndham College Park (82 keys); Howard Johnson by Wyndham College Park (29 keys); and Red Roof Inn Washington DC College Park (68 keys). The hotels closed shortly after the sale. Most of the site (3.81 acres) is zoned LTO-E, while the two smaller parcels (0.44 acres) are zoned RSF-65. The buyer is planning to build a five-story, 317-unit multifamily building (affordable housing) with 3,937 SF of commercial space intended for Meals on Wheels. The developer plans to use Low-Income Housing Tax Credits to make all of the project's units affordable (60% of AMI). The detailed site plan (DSP-22015) was approved in 2023. The property sold in July 2023 for \$14 million; however, the comparable requires adjustment for demolition costs, which have been estimated at approximately \$10 PSF, or \$750,000. The adjusted sale price is \$14,750,000 or \$46,530 per proposed unit. Based on the approved density (477,510 GSF, which excludes the 129,446 GSF, 360-space parking garage), the price per-FAR is \$30.89.

# Sale

# Seniors Housing & Care - Single-Care

# No. 1

Property Name Arbor Terrace Fulton  
 Address 11584 Scaggsville Road  
 Fulton, MD 20759  
 United States

Government Tax Agency Howard  
 Govt./Tax ID 05-417813

### Care Levels: AL , MC

Land Area	3.000 ac	Year Built	2019
Gross Building Area (GBA)	72,778 sf	Year Renovated	N/A
Total Units	86	Buildings	1
Total Beds	102	Floor Count	3
Total Revenue Units	102	Condition	Excellent
Investment Class	A	Construction Class	D - Wood frame, floor and structure; considered combustible



### Care Level Summary

### Census Mix

Level	Units	Beds	Measure	Revenue Units	Occupancy	Resident Ratio	Level	Private Pay	Medicaid	Medicare	Other
AL	62	73	Beds	73	77%	N/A	AL	100%	N/A	N/A	N/A
MC	24	29	Beds	29	90%	N/A	MC	100%	N/A	N/A	N/A
<b>Totals</b>	<b>86</b>	<b>102</b>		<b>102</b>	<b>80%</b>						

### Amenities

General: Formal Dining, Café, Library, Media Room, Salon, Wellness Center, Secured Courtyard, Scheduled Transportation

Unit Specific: 24-Hour Response System

### Sale Summary

Recorded Buyer	SHP VI Fulton, LLC	Marketing Time	N/A
True Buyer	PGIM	Buyer Type	Private Investor
Recorded Seller	CSH Fulton, LLC	Seller Type	Developer
True Seller	Capitol Seniors Housing	Primary Verification	Buyer
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Seniors Housing AL/MC	Date	10/7/2021
Proposed Use	Seniors Housing AL/MC	Sale Price	\$62,350,000
Listing Broker	None	Financing	Market Rate Financing
Selling Broker	None	Cash Equivalent	\$62,350,000
Doc #	21029/412	Capital Adjustment	\$0
		Adjusted Price	\$62,350,000

### Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
10/2021	Sale	SHP VI Fulton, LLC	CSH Fulton, LLC	\$62,350,000	\$856.71

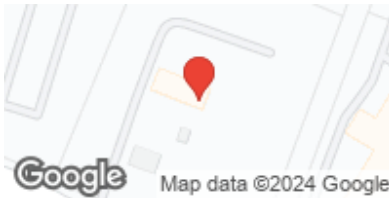
## Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Actual Occupancy at Sale	80%
Buyer's Primary Analysis	Static Capitalization Analysis	Eff Gross Inc Mult (EGIM)	6.52
Net Initial Yield/Cap. Rate	5.90%	Price / Revenue Unit	\$611,275
Projected IRR	N/A		

## Financial

Revenue Type	Pro Forma Stabilized	Trailing Actuals
Period Ending	5/9/2022	9/9/2021
Source	Buyer	Buyer
Price	\$62,350,000	\$62,350,000
Occupancy	93%	67%
Resident Days	34624	24572
Effective Gross Income	\$9,561,377	\$8,152,006
Expenses	\$5,885,197	\$5,052,857
Net Operating Income	\$3,676,180	\$3,099,149
NOI/Revenue Unit	\$36,041	\$30,384
OER	61.55%	61.98%
EGIM	6.52	7.65
Net Initial Yield/Cap. Rate	5.90%	4.97%

## Map &amp; Comments



Arbor Terrace Fulton is an assisted living and memory care community located at 11584 Scaggsville Road, Fulton, Maryland. The 72,778 square foot improvements were built in 2019 and are situated on a 3.00-acre parcel. Amenities and services offered are superior to the local market. The property is managed by The Arbor Company, which will retain operations post transaction. The Purchase and Sale Agreement was originally signed on June 14, 2021 and closed in October 2021. Based on the PSA, the subject's sale is involved in a seven-property portfolio transaction (Project Boomerang). The portfolio transaction includes seven communities, located throughout New Jersey, Maryland, Virginia, and Florida. The overall purchase price for the seven communities was reported to be \$326,000,000 or \$475,219 per revenue unit based on a total of 686 revenue units. The allocated purchase price for the subject property was reported to be \$62,350,000 or \$611,275 per revenue unit. No portfolio premium was reported for this sale. The portfolio was presented to the prospective buyer off market through an existing relationship from prior transactions. The prospective buyer initially evaluated the portfolio in January 2020 but had to put it on hold in March 2020 due to COVID-19. The prospective buyer reengaged in 1Q 2021, executing the LOI on May 10, 2021.

# Sale

# Seniors Housing & Care - Single-Care

# No. 2

Property Name Arbor Terrace Waugh Chapel  
 Address 2535 Evergreen Road  
 Odenton, MD 21113  
 United States

Government Tax Agency Anne Arundel  
 Govt./Tax ID 04-883-90245577



### Care Levels: AL , MC

Land Area	4.116 ac	Year Built	2019
Gross Building Area (GBA)	71,923 sf	Year Renovated	N/A
Total Units	84	Buildings	1
Total Beds	91	Floor Count	3
Total Revenue Units	91	Condition	Excellent
Investment Class	A	Construction Class	D - Wood frame, floor and structure; considered combustible

Care Level Summary							Census Mix				
Level	Units	Beds	Measure	Revenue Units	Occupancy	Resident Ratio	Level	Private Pay	Medicaid	Medicare	Other
AL	41	41	Beds	41	63%	N/A	AL	100%	N/A	N/A	N/A
MC	43	50	Beds	50	64%	N/A	MC	100%	N/A	N/A	N/A
<b>Totals</b>	<b>84</b>	<b>91</b>		<b>91</b>	<b>64%</b>						

**Amenities**  
 General: Formal Dining, Private Dining, Mail Room, Library, Arts / Crafts Studio, Media Room, Salon, Wellness Center, Secured Courtyard, Scheduled Transportation  
 Unit Specific: 24-Hour Response System

Sale Summary			
Recorded Buyer	SHP VI Gambrills, LLC	Marketing Time	N/A
True Buyer	PGIM	Buyer Type	Private Investor
Recorded Seller	CSH Gambrills, LLC	Seller Type	Developer
True Seller	Capitol Seniors Housing	Primary Verification	Buyer
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Seniors Housing AL/MC	Date	10/7/2021
Proposed Use	Seniors Housing AL/MC	Sale Price	\$48,400,000
Listing Broker	None	Financing	Market Rate Financing
Selling Broker	None	Cash Equivalent	\$48,400,000
Doc #	37811/351	Capital Adjustment	\$0
		Adjusted Price	\$48,400,000

Transaction Summary plus Five-Year CBRE View History					
Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
10/2021	Sale	SHP VI Gambrills, LLC	CSH Gambrills, LLC	\$48,400,000	\$672.94

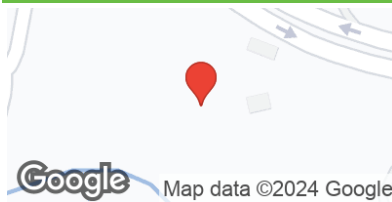
## Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Actual Occupancy at Sale	64%
Buyer's Primary Analysis	Static Capitalization Analysis	Eff Gross Inc Mult (EGIM)	6.04
Net Initial Yield/Cap. Rate	5.99%	Price / Revenue Unit	\$531,868
Projected IRR	N/A		

## Financial

Revenue Type	Pro Forma Stabilized	Trailing Actuals
Period Ending	9/9/2022	9/9/2021
Source	Buyer	Buyer
Price	\$48,400,000	\$48,400,000
Occupancy	93%	66%
Resident Days	30890	21590
Effective Gross Income	\$8,013,774	\$5,521,245
Expenses	\$5,115,815	\$4,676,905
Net Operating Income	\$2,897,959	\$844,340
NOI/Revenue Unit	\$31,846	\$9,278
OER	63.84%	84.71%
EGIM	6.04	8.77
Net Initial Yield/Cap. Rate	5.99%	1.74%

## Map &amp; Comments



Arbor Terrace Waugh Chapel is an assisted living and memory care community located at 2535 Evergreen Road, Odenton, Maryland. The 71,923-square foot improvements were built in 2019 and are situated on a 4.116-acre parcel. Amenities and services offered are superior to the local market. The property is managed by The Arbor Company, which will retain operations post transaction. The Purchase and Sale Agreement was originally signed on June 14, 2021 and closed in October 2021. Based on the PSA, the subject's sale is involved in a seven-property portfolio transaction (Project Boomerang). The portfolio transaction includes seven communities, located throughout New Jersey, Maryland, Virginia, and Florida. The overall purchase price for the seven communities was reported to be \$326,000,000 or \$475,219 per revenue unit based on a total of 686 revenue units. The allocated purchase price for the subject property was reported to be \$48,400,000 or \$531,868 per revenue unit. No portfolio premium was reported for this sale. The portfolio was presented to the prospective buyer off market through an existing relationship from prior transactions. The prospective buyer initially evaluated the portfolio in January 2020 but had to put it on hold in March 2020 due to COVID-19. The prospective buyer reengaged in 1Q 2021, executing the LOI on May 10, 2021.

# Sale

# Seniors Housing & Care - Multi-Care

# No. 3

Property Name Homestead at Hamilton  
 Address 2560 Kuser Road  
 Hamilton, NJ 08691  
 United States

Government Tax Agency Mercer  
 Govt./Tax ID Block 2173, Lot 8.01



### Care Levels: AL , MC , IL

Land Area	23.130 ac	Year Built	2017
Gross Building Area (GBA)	226,791 sf	Year Renovated	N/A
Total Units	195	Buildings	1
Total Beds	206	Floor Count	4
Total Revenue Units	206	Condition	Excellent
Investment Class	A	Construction Class	A - Fireproofed structural steel frames with reinforced concrete or masonry floors and roofs

### Care Level Summary

Level	Units	Beds	Measure	Revenue Units	Occupancy	Resident Ratio
IL	96	96	Units	96	N/A	N/A
AL	75	83	Beds	83	N/A	N/A
MC	24	27	Beds	27	N/A	N/A
<b>Totals</b>	<b>195</b>	<b>206</b>		<b>206</b>	<b>N/A</b>	

### Amenities

General: Formal Dining, Private Dining, Concierge, Mail Room, Library, Arts / Crafts Studio, Game Room, Media Room, Salon, Sundry Shop, Wellness Center, Secured Courtyard, Scheduled Transportation, Therapy Services  
 Unit Specific: Kitchenette, Private Bath, Walk-In Shower, Walk-In Closets, Individual Air Control, Internet Access, Kitchen, Laundry, Upgraded Floor Covering

### Sale Summary

Recorded Buyer	N/A	Marketing Time	N/A
True Buyer	Inspired Healthcare Capital LLC	Buyer Type	N/A
Recorded Seller	Homestead Senior Living LLC	Seller Type	N/A
True Seller	N/A	Primary Verification	Buyer
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	N/A	Date	6/15/2022
Proposed Use	N/A	Sale Price	\$97,500,000
Listing Broker	Cushman & Wakefield	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	\$97,500,000
Doc #	N/A	Capital Adjustment	\$0
		Adjusted Price	\$97,500,000

### Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
06/2022	Sale	N/A	Homestead Senior Living LLC	\$97,500,000	\$429.91

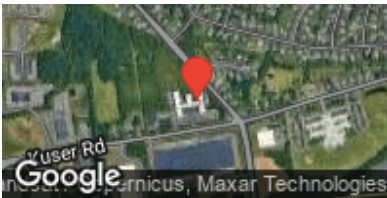
## Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Actual Occupancy at Sale	93%
Buyer's Primary Analysis	Static Capitalization Analysis	Eff Gross Inc Mult (EGIM)	6.29
Net Initial Yield/Cap. Rate	6.23%	Price / Revenue Unit	\$473,301
Projected IRR	N/A		

## Financial

	Pro Forma
Revenue Type	Stabilized
Period Ending	12/31/2022
Source	Buyer
Price	\$97,500,000
Occupancy	93%
Resident Days	69175
Effective Gross Income	\$15,502,448
Expenses	\$9,423,936
Net Operating Income	\$6,078,512
NOI/Revenue Unit	\$29,507
OER	60.79%
EGIM	6.29
Net Initial Yield/Cap. Rate	6.23%

## Map &amp; Comments



Homestead at Hamilton is a senior housing facility consisting of 96 independent living units, 83 traditional assisted living beds in 75 units, and 27 memory care assisted living beds in 24 units (206 total operating beds in 195 units). The facility was constructed in 2017 at a cost of approximately \$60 million, or \$308,000 per unit, by a joint venture between Pike Construction Company and Solvere Living. The COVID-19 pandemic reportedly had a moderate impact on overall absorption, but the facility achieved an overall occupancy rate of 93% by mid-2021. The facility was marketed for sale by James Dooley with Cushman & Wakefield. The offer was exposed to the market and the LOI was signed in late December 2021. The financial data is based on the outgoing operator's 2022 budget, and includes a 5% management fee and replacement reserves at \$350 per bed. The community was previously operated by Solvere Living and the buyer brought in Volante Senior Living upon completion of the transaction. The buyer is an Arizona-based private real estate investment firm with a focus on seniors housing.



Property Name Stone Hill at Andover  
 Address 141 Elm Street  
 Andover, MA 01810  
 United States

Government Tax Agency Essex  
 Govt./Tax ID Multiple



#### Care Levels: IL , AL , MC

Land Area	10.070 ac	Year Built	2018
Gross Building Area (GBA)	85,000 sf	Year Renovated	N/A
Total Units	96	Buildings	1
Total Beds	107	Floor Count	3
Total Revenue Units	107	Condition	Good
Investment Class	A	Construction Class	B - Reinforced concrete frames and concrete or masonry floors and roofs

#### Care Level Summary

Level	Units	Beds	Measure	Revenue Units	Occupancy	Resident Ratio
IL	28	28	Units	28	100%	N/A
AL	44	49	Beds	49	63%	N/A
MC	24	30	Beds	30	70%	N/A
<b>Totals</b>	<b>96</b>	<b>107</b>		<b>107</b>	<b>75%</b>	

#### Amenities

General: Formal Dining, Private Dining, Café, Library, Arts / Crafts Studio, Game Room, Media Room, Salon, Computer Center, Wellness Center, Secured Courtyard, Scheduled Transportation, Common Laundry, Therapy Services

Unit Specific: Kitchenette, Private Bath, Individual Air Control, 24-Hour Response System, Kitchen

#### Sale Summary

Recorded Buyer	SHP VI Andover, LLC	Marketing Time	N/A
True Buyer	PGIM Real Estate	Buyer Type	REIT
Recorded Seller	CSH Andover, LLC	Seller Type	Developer
True Seller	Capitol Seniors Housing	Primary Verification	Buyer

Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	IL/AL/MC	Date	7/1/2022
Proposed Use	IL/AL/MC	Sale Price	\$62,000,000
Listing Broker	N/A	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	\$62,000,000
Doc #	17497-153	Capital Adjustment	\$0
		Adjusted Price	\$62,000,000

#### Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
07/2022	Sale	SHP VI Andover, LLC	CSH Andover, LLC	\$62,000,000	\$729.41

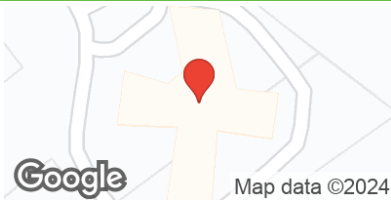
## Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Actual Occupancy at Sale	75%
Buyer's Primary Analysis	Static Capitalization Analysis	Eff Gross Inc Mult (EGIM)	6.39
Net Initial Yield/Cap. Rate	5.62%	Price / Revenue Unit	\$579,439
Projected IRR	N/A		

## Financial

Revenue Type	Pro Forma Stabilized	Other See Comments
Period Ending	12/31/2023	12/31/2022
Source	Appraiser	Buyer
Price	\$62,000,000	\$62,000,000
Occupancy	93%	80%
Resident Days	36321	31244
Effective Gross Income	\$9,696,214	\$8,386,248
Expenses	\$6,212,153	\$5,549,255
Net Operating Income	\$3,484,061	\$2,836,993
NOI/Revenue Unit	\$32,561	\$26,514
OER	64.07%	66.17%
EGIM	6.39	7.39
Net Initial Yield/Cap. Rate	5.62%	4.58%

## Map &amp; Comments



Stone Hill at Andover is a good quality seniors housing and care community located at 141 Elm Street, Andover, Massachusetts. The improvements were constructed in 2018 and are located on a 10.07-acre site. The property is managed by Northbridge Communities and contains 28 independent living units, 49 assisted living units, and 30 memory care units. Overall occupancy was reported at 75%. The fee simple transferred July 1, 2022 for \$62,000,000 or \$579,439 per revenue unit. Net operating income at the time of sale was \$2,836,993, or \$26,514 per revenue unit, for an overall capitalization rate of 4.58% and EGIM of 7.39. The buyer acquired a six-property portfolio from the seller back in December 2021 and this was a follow-on acquisition. While not openly marketed, the seller and buyer were equally motivated with no atypical motivations noted. The 'Other' column is the buyer budget, which was not stabilized as the community is still in lease up. The 'Pro Forma Stabilized' column is the appraisers estimates based on discussion with buyer of stabilized operations.

# Sale

# Seniors Housing & Care - Multi-Care

# No. 5

Property Name The Landing at North Haven  
 Address 201 Clintonville Rd  
 North Haven, CT 06473  
 United States

Government Tax Agency N/A  
 Govt./Tax ID NRHV M:068 L:179

### Care Levels: AL , MC

Land Area	11.400 ac	Year Built	2018
Gross Building Area (GBA)	97,898 sf	Year Renovated	N/A
Total Units	122	Buildings	1
Total Beds	0	Floor Count	2
Total Revenue Units	122	Condition	Good
Investment Class	A	Construction Class	D - Wood frame, floor and structure; considered combustible



### Care Level Summary

Level	Units	Beds	Measure	Revenue Units	Occupancy	Resident Ratio
AL	87	N/A	Units	87	97%	N/A
MC	35	N/A	Units	35	97%	N/A
<b>Totals</b>	<b>122</b>	<b>N/A</b>		<b>122</b>	<b>97%</b>	

### Amenities

General: N/A

Unit Specific: N/A

### Sale Summary

Recorded Buyer	Inspired Healthcare Capital	Marketing Time	N/A
True Buyer	Inspired Healthcare Capital	Buyer Type	Private Investor
Recorded Seller	Columbia Wegman NH LLC	Seller Type	Private Investor
True Seller	Columbia Pacific Advisors	Primary Verification	Buyer
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	AL/MC	Date	9/5/2023
Proposed Use	N/A	Sale Price	\$41,100,000
Listing Broker	Blueprint	Financing	All Cash
Selling Broker	N/A	Cash Equivalent	\$41,100,000
Doc #	202300001992	Capital Adjustment	\$0
		Adjusted Price	\$41,100,000

### Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
09/2023	Sale	Inspired Healthcare Capital	Columbia Wegman NH LLC	\$41,100,000	\$419.82

## Units of Comparison

Static Analysis Method	Trailing Actuals	Actual Occupancy at Sale	96%
Buyer's Primary Analysis	Static Capitalization Analysis	Eff Gross Inc Mult (EGIM)	4.24
Net Initial Yield/Cap. Rate	7.17%	Price / Revenue Unit	\$336,885
Projected IRR	N/A		

## Financial

Revenue Type	Pro Forma Stabilized	Trailing Actuals	Other See Comments
Period Ending	N/A	N/A	N/A
Source	Appraiser	Appraiser	Appraiser
Price	\$41,100,000	\$41,100,000	\$41,100,000
Occupancy	96%	96%	96%
Resident Days	42749	42749	42749
Effective Gross Income	\$9,683,872	\$9,683,872	\$9,683,872
Expenses	\$6,738,052	\$6,738,052	\$6,738,052
Net Operating Income	\$2,945,820	\$2,945,820	\$2,945,820
NOI/Revenue Unit	\$24,146	\$24,146	\$24,146
OER	69.58%	69.58%	69.58%
EGIM	4.24	4.24	4.24
Net Initial Yield/Cap. Rate	7.17%	7.17%	7.17%

## Map &amp; Comments



The transaction consists of an assisted living and memory care facility that offers 122 beds within 122 units. Of the 122 units, 87 are assisted living while the remaining 35 are memory care. The facility opened in October 2019 and was able to gradually improve occupancy despite challenges stemming from the pandemic up to 96.7% by the beginning of 2023. The buyer, Inspired Healthcare Capital, is a senior housing private equity group based out of Arizona. The occupancy and operating data presented above is based on the buyer's Year 1 projections, which is consistent with the in-place occupancy levels and overall operations at the time of the transaction. The expenses reported above include a 5% management fee and reserves for replacement. The sale was verified by the buyer as well as public records.

# Sale

# Seniors Housing & Care - Multi-Care

# No. 6

Property Name The Residence at Valley Farms  
 Address 369 Pond Street  
 Ashland, MA 01721  
 United States

Government Tax Agency Middlesex  
 Govt./Tax ID 0140290015300000

### Care Levels: IL , AL , MC

Land Area	2.880 ac	Year Built	2015
Gross Building Area (GBA)	71,500 sf	Year Renovated	N/A
Total Units	80	Buildings	1
Total Beds	82	Floor Count	3
Total Revenue Units	82	Condition	Good
Investment Class	A	Construction Class	D - Wood frame, floor and structure; considered combustible



### Care Level Summary

Level	Units	Beds	Measure	Revenue		Resident Ratio
				Units	Occupancy	
IL	15	15	Units	15	93%	N/A
AL	45	45	Units	45	87%	N/A
MC	20	22	Beds	22	95%	N/A
<b>Totals</b>	<b>80</b>	<b>82</b>		<b>82</b>	<b>90%</b>	

### Amenities

General: N/A

Unit Specific: N/A

### Sale Summary

Recorded Buyer	BMSH II Ashland MA Owner, LLC	Marketing Time	N/A
True Buyer	Blue Moon Capital Partners LP	Buyer Type	Private Investor
Recorded Seller	Ashland MA Senior Property, LLC	Seller Type	Private Investor
True Seller	Bridge Investment Group	Primary Verification	Buyer-Representative Information, Deed
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Senior Housing	Date	12/15/2023
Proposed Use	IL/AL/MC	Sale Price	\$29,500,000
Listing Broker	JLL, Rick Swartz	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	\$29,500,000
Doc #	82318-0102	Capital Adjustment	\$0
		Adjusted Price	\$29,500,000

### Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
12/2023	Sale	BMSH II Ashland MA Owner, LLC	Ashland MA Senior Property, LLC	\$29,500,000	\$412.59

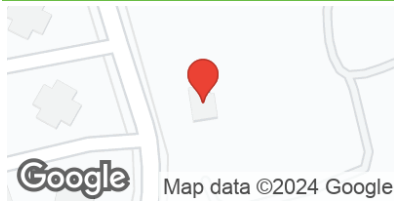
## Units of Comparison

Static Analysis Method	Trailing Actuals	Actual Occupancy at Sale	90%
Buyer's Primary Analysis	Static Capitalization Analysis	Eff Gross Inc Mult (EGIM)	4.01
Net Initial Yield/Cap. Rate	6.99%	Price / Revenue Unit	\$359,756
Projected IRR	N/A		

## Financial

	Trailing Actuals
Revenue Type	
Period Ending	12/1/2023
Source	N/A
Price	\$29,500,000
Occupancy	90%
Resident Days	26937
Effective Gross Income	\$7,361,786
Expenses	\$5,300,486
Net Operating Income	\$2,061,300
NOI/Revenue Unit	\$25,138
OER	72.00%
EGIM	4.01
Net Initial Yield/Cap. Rate	6.99%

## Map &amp; Comments



The Residence at Valley Farms is an independent and assisted living community with memory care situated in a suburban area. While all units are licensed, the independent living units represent residents not requiring care. The improvements were constructed in 2015 and are in good condition. At the time of sale, the comparable's occupancy was reportedly 90%. The buyer was Blue Moon Capital Partners, while the seller was Bridge Investment Group with LCB Senior Living remaining as operator post-acquisition. The comparable sold for \$29,500,000, or \$359,756 per revenue unit, in December 2023 after having been professionally marketed by JLL. Based on financial data provided by a seller representative, adjusted for replacement reserves of \$350 per unit and 5% management fee, the purchase price implies an OAR of 6.99% and EGIM of 4.01.

# Sale

# Seniors Housing & Care - Multi-Care

# No. 7

Property Name The Residence at Orchard Grove  
 Address 258 Walnut Street  
 Shrewsbury, MA 01545  
 United States

Government Tax Agency Worcester  
 Govt./Tax ID 12943

### Care Levels: IL , AL , MC

Land Area	5.580 ac	Year Built	2017
Gross Building Area (GBA)	76,059 sf	Year Renovated	N/A
Total Units	80	Buildings	1
Total Beds	81	Floor Count	3
Total Revenue Units	81	Condition	Excellent
Investment Class	A-	Construction Class	D - Wood frame, floor and structure; considered combustible



Care Level Summary							Census Mix				
Level	Units	Beds	Measure	Revenue Units	Occupancy	Resident Ratio	Level	Private Pay	Medicaid	Medicare	Other
IL	18	18	Beds	18	100%	N/A	IL	100%	N/A	N/A	N/A
AL	42	42	Beds	42	100%	N/A	AL	100%	N/A	N/A	N/A
MC	20	21	Beds	21	100%	N/A	MC	100%	N/A	N/A	N/A
<b>Totals</b>	<b>80</b>	<b>81</b>		<b>81</b>	<b>100%</b>						

### Amenities

General: N/A  
 Unit Specific: N/A

### Sale Summary

Recorded Buyer	VTR ORCHARD GROVE LLC	Marketing Time	N/A
True Buyer	Ventas, Inc.	Buyer Type	Private Investor
Recorded Seller	BMSH I/LCB SHREWSBURY MA LLC	Seller Type	Private Investor
True Seller	Blue Moon Capital Partners LP	Primary Verification	Seller-Provided Information; Deed
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Senior Housing	Date	1/23/2024
Proposed Use	N/A	Sale Price	\$36,000,000
Listing Broker	JLL	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	\$36,000,000
Doc #	70119-61	Capital Adjustment	\$0
		Adjusted Price	\$36,000,000

### Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
01/2024	Sale	VTR ORCHARD GROVE LLC	BMSH I/LCB SHREWSBURY MA LLC	\$36,000,000	\$473.32

## Units of Comparison

Static Analysis Method	Trailing Actuals	Actual Occupancy at Sale	100%
Buyer's Primary Analysis	Static Capitalization Analysis	Eff Gross Inc Mult (EGIM)	4.84
Net Initial Yield/Cap. Rate	6.95%	Price / Revenue Unit	\$444,444
Projected IRR	N/A		

## Financial

	Trailing Actuals
Revenue Type	
Period Ending	8/31/2023
Source	Seller
Price	\$36,000,000
Occupancy	100%
Resident Days	29565
Effective Gross Income	\$7,441,176
Expenses	\$4,939,526
Net Operating Income	\$2,501,650
NOI/Revenue Unit	\$30,885
OER	66.38%
EGIM	4.84
Net Initial Yield/Cap. Rate	6.95%

## Map &amp; Comments



The Residence at Orchard Grove is an independent and assisted living community with memory care situated in a suburban area. While all units are licensed, the independent living units represent residents not requiring care. The improvements were constructed in 2017 and are in excellent condition. At the time of sale, the comparable's occupancy was reportedly 100%. The buyer was Ventas, while the seller was Blue Moon Capital Partners with LCB Senior Living remaining as operator post-acquisition. The comparable sold for \$36,000,000, or \$444,444 per revenue unit, in January 2024 after having been professionally marketed by JLL beginning in late August 2023. Based on financial data provided by a seller representative, adjusted for replacement reserves of \$350 per unit and 5% management fee, the purchase price implies an OAR of 6.95% and EGIM of 4.84.



Property Name Morningside House of Laurel  
 Address 7700 Cherry Lane  
 Laurel, MD 20707  
 United States  
 Government Tax Agency Prince George's  
 Govt./Tax ID 10 2870038



**Care Levels: AL , MC**

Land Area	4.390 ac	Year Built	1996
Gross Building Area (GBA)	66,073 sf	Year Renovated	N/A
Total Units	86	Buildings	1
Total Beds	86	Floor Count	3
Total Revenue Units	86	Condition	Good
Investment Class	B+	Construction Class	D - Wood frame, floor and structure; considered combustible

**Care Level Summary**

**Census Mix**

Level	Units	Beds	Measure	Revenue		Resident		Level	Private Pay	Medicaid	Medicare	Other
				Units	Occupancy	Ratio						
AL	60	60	Beds	60	93%	N/A	AL	100%	N/A	N/A	N/A	
MC	26	26	Beds	26	88%	N/A	MC	100%	N/A	N/A	N/A	
<b>Totals</b>	<b>86</b>	<b>86</b>		<b>86</b>	<b>92%</b>							

**Amenities**

General: Formal Dining, Private Dining, Concierge, Salon, Wellness Center, Secured Courtyard, Scheduled Transportation

Unit Specific: Private Bath, Individual Air Control, 24-Hour Response System

**Rental Survey**

Services Included	N/A	Verification	Management
Concessions	N/A	Contact	470-349-0637
Last Rent Increase	N/A	Survey Date	04/11/2024
Management	Morningside House Senior Living		

# Comparable Seniors Housing & Care - Single-Care No. 1

## Unit Mix & Asking Rates

Care Level	Unit Type	Units	Beds	Size (sf)	Move-In Fee	Rental Fee	Fee Basis	Meals
AL	Companion	N/A	N/A	323	\$4,000	\$4,000	Monthly	3/Day
AL	Studio	N/A	N/A	323	\$4,000	\$5,200	Monthly	3/Day
AL	1 Bedroom	N/A	N/A	418	\$4,000	\$5,525	Monthly	3/Day
AL	2 Bedroom	N/A	N/A	487	\$4,000	\$6,400	Monthly	3/Day
MC	Companion	N/A	N/A	323	\$4,000	\$5,325	Monthly	3/Day
MC	Studio	N/A	N/A	323	\$4,000	\$6,250	Monthly	3/Day
MC	1 Bedroom	N/A	N/A	418	\$4,000	\$6,575	Monthly	3/Day

## Entrance Fee Structure

Plan Type	Refundable	Healthcare Benefits	Amortization Schedule	Residents
		No information recorded		

## Second Resident Fees

Care Level	Monthly Fee	Move-In Fee
AL	\$1,500	N/A
MC	\$1,500	N/A

## Care Service Fees

Care Level	Type	Monthly Fee
AL	Levels	\$400 - 2,400
MC	Levels	\$400 - 2,400

## Other Fees

Care Level	Description	Fee
	No information recorded	

## Map & Comments



Morningside House of Laurel is an assisted living and memory care community, located in a suburban area. Amenities and services offered are consistent with the local market. The property is managed by Morningside House Senior Living, a regional operator of seniors housing communities. Assisted living and memory care rents are based on a base plus level-of-care structure. Notably, pre-Covid occupancy for the comparable was in the 90%+ range and the subject experienced move-outs during Covid, significantly lowering occupancy. Currently, the subject has since recovered to pre-Covid levels.

Property Name      Arbor Terrace Fulton  
 Address              11584 Scaggsville Road  
                             Fulton, MD 20759  
                             United States

Government Tax Agency      Howard  
 Govt./Tax ID                  05-417813

**Care Levels: AL , MC**

Land Area	3.000 ac	Year Built	2019
Gross Building Area (GBA)	72,778 sf	Year Renovated	N/A
Total Units	86	Buildings	1
Total Beds	102	Floor Count	3
Total Revenue Units	102	Condition	Excellent
Investment Class	A	Construction Class	D - Wood frame, floor and structure; considered combustible



**Care Level Summary**

**Census Mix**

Level	Units	Beds	Measure	Revenue		Resident		Level	Private Pay	Medicaid	Medicare	Other
				Units	Occupancy	Ratio						
AL	62	73	Beds	73	92%	N/A		AL	100%	N/A	N/A	N/A
MC	24	29	Beds	29	90%	N/A		MC	100%	N/A	N/A	N/A
<b>Totals</b>	<b>86</b>	<b>102</b>		<b>102</b>	<b>91%</b>							

**Amenities**

General: Formal Dining, Café, Library, Media Room, Salon, Wellness Center, Secured Courtyard, Scheduled Transportation

Unit Specific: 24-Hour Response System

**Rental Survey**

Services Included	N/A	Verification	Management
Concessions	N/A	Contact	443-791-4939
Last Rent Increase	N/A	Survey Date	04/11/2024
Management	The Arbor Company		

Unit Mix & Asking Rates

Care Level	Unit Type	Units	Beds	Size (sf)	Move-In Fee	Rental Fee	Fee Basis	Meals
AL	Studio	25	25	350 - 400	\$4,500	\$6,179	Monthly	3/Day
AL	1 Bedroom	20	20	600 - 650	\$4,500	\$6,999	Monthly	3/Day
AL	2 Bedroom	6	6	735 - 821	\$4,500	\$9,269	Monthly	3/Day
AL	Companion	11	22	550	\$4,500	\$5,789	Monthly	3/Day
MC	Studio	19	19	350 - 400	\$4,500	\$8,339	Monthly	3/Day
MC	Companion	5	10	550	\$4,500	\$7,209	Monthly	3/Day

Entrance Fee Structure

Plan Type	Refundable	Healthcare Benefits	Amortization Schedule	Residents
		No information recorded		

Second Resident Fees

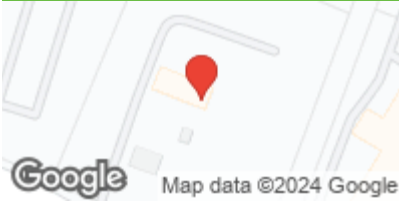
Care Level	Monthly Fee	Move-In Fee
AL	\$2,000	N/A

Care Service Fees

Other Fees

Care Level	Type	Monthly Fee	Care Level	Description	Fee
AL	Levels	\$750 - 2,850		No information recorded	
MC	Levels	\$400 - 1,000			

Map & Comments



Arbor Terrace Fulton is an assisted living and memory care community located in a suburban area. The improvements were built in 2019 and are situated on a 3.00-acre parcel. Amenities and services offered are superior to the local market. The property is managed by The Arbor Company, a national operator of seniors housing communities. Assisted living and memory care services are based upon a base plus level of care structure.

# Comparable

# Seniors Housing & Care - Single-Care

No. 3

Property Name Wilshire Estates Gracious Retirement Living  
 Address 13716 New Hampshire Ave  
 Silver Spring, MD 20904  
 United States  
 Government Tax Agency Montgomery  
 Govt./Tax ID 05-03794635



**Care Levels: IL**

Land Area	4.448 ac	Year Built	2020
Gross Building Area (GBA)	130,577 sf	Year Renovated	N/A
Total Units	141	Buildings	1
Total Beds	141	Floor Count	4
Total Revenue Units	141	Condition	New
Investment Class	A	Construction Class	D - Wood frame, floor and structure; considered combustible

**Care Level Summary**

**Census Mix**

Level	Units	Beds	Measure	Revenue Units	Occupancy	Resident Ratio	Level	Private Pay	Medicaid	Medicare	Other
IL	141	141	Units	141	80%	N/A	IL	100%	N/A	N/A	N/A
<b>Totals</b>	<b>141</b>	<b>141</b>		<b>141</b>	<b>80%</b>						

**Amenities**

General: Formal Dining, Private Dining, Library, Game Room, Media Room, Prayer Room, Salon, Computer Center, Wellness Center, Scheduled Transportation

Unit Specific: Private Bath, Internet Access, 24-Hour Response System

**Rental Survey**

Services Included	N/A	Verification	Management
Concessions	N/A	Contact	301-246-8432
Last Rent Increase	N/A	Survey Date	04/11/2024
Management	Hawthorn Senior Living		

**Unit Mix & Asking Rates**

Care Level	Unit Type	Units	Beds	Size (sf)	Move-In Fee	Rental Fee	Fee Basis	Meals
IL	Studio	N/A	N/A	388 - 825	\$1,680	\$3,355	Monthly	3/Day
IL	1 Bedroom	N/A	N/A	513 - 1,051	\$2,020	\$4,045	Monthly	3/Day
IL	2 Bedroom	N/A	N/A	937 - 1,001	\$2,730	\$5,465	Monthly	3/Day

**Entrance Fee Structure**

Plan Type	Refundable	Healthcare Benefits	Amortization Schedule	Residents
No information recorded				

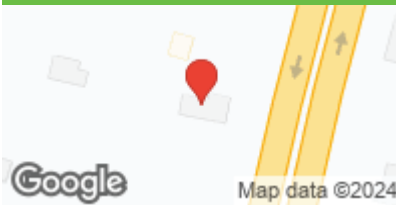
**Second Resident Fees**

Care Level	Monthly Fee	Move-In Fee
IL	\$495	N/A

**Care Service Fees**

Care Level	Type	Monthly Fee	Other Fees
No information recorded			No information recorded

**Map & Comments**



Wilshire Estates Gracious Retirement Living is an excellent quality independent living community situated in suburban area. The community opened in February of 2020 and is operated by Hawthorn Senior Living, a national operator of seniors housing communities. The community fee is half of the monthly rent. Occupancy was reported to be around 75-80% and the community is still in lease-up, as Covid-19 caused issues with initial lease-up.

# Comparable

# Seniors Housing & Care - Multi-Care

No. 4

Property Name Aspenwood Senior Living  
 Address 14400 Homecrest Rd  
 Silver Spring, MD 20906  
 United States

Government Tax Agency Montgomery  
 Govt./Tax ID 13-02774084



**Care Levels: IL , AL**

Land Area	6.250 ac	Year Built	1989
Gross Building Area (GBA)	85,210 sf	Year Renovated	N/A
Total Units	132	Buildings	2
Total Beds	132	Floor Count	3
Total Revenue Units	132	Condition	Good
Investment Class	B	Construction Class	D - Wood frame, floor and structure; considered combustible

**Care Level Summary**

**Census Mix**

Level	Units	Beds	Measure	Revenue Units	Occupancy	Resident Ratio	Level	Private Pay	Medicaid	Medicare	Other
IL	82	82	Units	82	90%	N/A	IL	100%	N/A	N/A	N/A
AL	50	50	Beds	50	86%	N/A	AL	100%	N/A	N/A	N/A
<b>Totals</b>	<b>132</b>	<b>132</b>		<b>132</b>	<b>89%</b>						

**Amenities**

General: N/A

Unit Specific: N/A

**Rental Survey**

Services Included	N/A	Verification	Marketing
Concessions	N/A	Contact	(301) 598-6424
Last Rent Increase	Rents raised approximately \$200 into 2024.	Survey Date	04/11/2024
Management	Five Star Senior Living		

Unit Mix & Asking Rates

Care Level	Unit Type	Units	Beds	Size (sf)	Move-In Fee	Rental Fee	Fee Basis	Meals
IL	Studio	N/A	N/A	N/A	\$4,000	\$3,800	Monthly	2/Day
IL	1 Bedroom	N/A	N/A	N/A	\$4,000	\$4,000 - 4,400	Monthly	2/Day
IL	2 Bedroom	N/A	N/A	N/A	\$4,000	\$5,400	Monthly	2/Day
AL	Companion	N/A	N/A	N/A	\$4,000	\$4,700	Monthly	3/Day
AL	Studio	N/A	N/A	N/A	\$4,000	\$5,300	Monthly	3/Day
AL	1 Bedroom	N/A	N/A	N/A	\$4,000	\$6,000 - 6,200	Monthly	3/Day

Entrance Fee Structure

Plan Type	Refundable	Healthcare Benefits	Amortization Schedule	Residents
		No information recorded		

Second Resident Fees

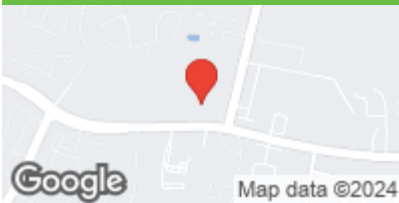
Care Level	Monthly Fee	Move-In Fee
IL	\$1,000	N/A
AL	\$1,000	N/A

Care Service Fees

Care Level	Type	Monthly Fee	Care Level	Description	Fee
AL	Levels	\$370 - 1,000		No information recorded	

Other Fees

Map & Comments



Aspenwood Senior Living is an independent and assisted living community, located in a suburban area. The property is managed by Five Star Senior Living, a national operator of seniors housing communities. Assisted living rents are based on a base plus level-of-care structure.



Property Name           Modena Reserve at Kensington  
 Address                   10540 Metropolitan Ave  
                                   Kensington, MD 20895  
                                   United States

Government Tax Agency   Montgomery  
 Govt./Tax ID             Lot 30, Grid HP43, Parcel N407 Acct No. 03841830



**Care Levels: IL , AL , MC**

Land Area	1.591 ac	Year Built	2021
Gross Building Area (GBA)	167,823 sf	Year Renovated	N/A
Total Units	135	Buildings	1
Total Beds	135	Floor Count	5
Total Revenue Units	135	Condition	Excellent
Investment Class	A	Construction Class	A - Fireproofed structural steel frames with reinforced concrete or masonry floors and roofs

**Care Level Summary**

Level	Units	Beds	Measure	Revenue		Resident	
				Units	Occupancy	Ratio	
IL	62	62	Units	62	100%	1.16	
AL	47	47	Beds	47	94%	N/A	
MC	26	26	Beds	26	81%	N/A	
<b>Totals</b>	<b>135</b>	<b>135</b>		<b>135</b>	<b>94%</b>		

**Census Mix**

Level	Private Pay	Medicaid	Medicare	Other
IL	100%	N/A	N/A	N/A
AL	100%	N/A	N/A	N/A
MC	100%	N/A	N/A	N/A

**Amenities**

General: Formal Dining, Private Dining, Café, Clubhouse, Mail Room, Library, Game Room, Media Room, Salon, Doctor’s Office, Wellness Center, Secured Courtyard, Garage Parking, Scheduled Transportation, Common Laundry, Therapy Services

Unit Specific: Kitchenette, Walk-In Shower, Walk-In Closets, Individual Air Control, Internet Access, 24-Hour Response System, Upgraded Floor Covering

**Rental Survey**

Services Included	N/A	Verification	Janet Bradley
Concessions	N/A	Contact	240-423-5325
Last Rent Increase	N/A	Survey Date	04/11/2024
Management	Solera Senior Living		

Unit Mix & Asking Rates

Care Level	Unit Type	Units	Beds	Size (sf)	Move-In Fee	Rental Fee	Fee Basis	Meals
IL	1 Bedroom	52	52	675	\$7,500	\$6,165	Monthly	3/Day
IL	2 Bedroom	10	10	927	\$7,500	\$8,530	Monthly	3/Day
AL	Studio	23	23	435	\$7,500	\$7,709	Monthly	3/Day
AL	1 Bedroom	24	24	667	\$7,500	\$8,359	Monthly	3/Day
MC	Studio	26	26	406	\$7,500	\$11,855	Monthly	3/Day

Entrance Fee Structure

Plan Type	Refundable	Healthcare Benefits	Amortization Schedule	Residents
		No information recorded		

Second Resident Fees

Care Level	Monthly Fee	Move-In Fee
IL	\$1,200	N/A
AL	\$1,400	N/A
MC	\$4,750	N/A

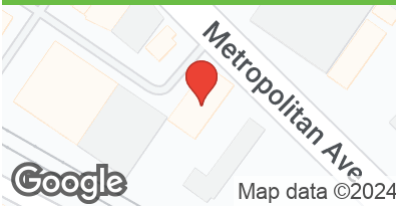
Care Service Fees

Care Level	Type	Monthly Fee
AL	Levels	\$400 - 2,500
MC	All-Inclusive	N/A

Other Fees

Care Level	Description	Fee
No information recorded		

Map & Comments



Modena Reserve at Kensington is an independent and assisted living residence with memory care, located in a suburban area. Amenities and services offered are superior to the local market. The property is managed by Solera Senior Living, a national operator of seniors housing communities. Assisted living rents are based on a base plus level-of-care structure. Memory care rents are based on an all-inclusive care structure.

Property Name      Brightview Annapolis  
 Address              1935 Generals Highway  
                             Annapolis, MD 21401  
                             United States

Government Tax Agency    Anne Arundel  
 Govt./Tax ID                02-000-10672200



**Care Levels: IL , AL , MC**

Land Area	6.688 ac	Year Built	2018
Gross Building Area (GBA)	141,793 sf	Year Renovated	N/A
Total Units	140	Buildings	1
Total Beds	164	Floor Count	3
Total Revenue Units	164	Condition	Good
Investment Class	A	Construction Class	D - Wood frame, floor and structure; considered combustible

**Care Level Summary**

**Census Mix**

Level	Units	Beds	Measure	Revenue		Resident		Level	Private Pay	Medicaid	Medicare	Other
				Units	Occupancy	Ratio						
IL	88	88	Units	88	95%	N/A	IL	100%	N/A	N/A	N/A	
AL	52	52	Beds	52	94%	N/A	AL	100%	N/A	N/A	N/A	
MC	N/A	24	Beds	24	100%	N/A	MC	100%	N/A	N/A	N/A	
<b>Totals</b>	<b>140</b>	<b>164</b>		<b>164</b>	<b>96%</b>							

**Amenities**

General: N/A

Unit Specific: N/A

**Rental Survey**

Services Included	N/A	Verification	Admissions
Concessions	N/A	Contact	410-695-6655
Last Rent Increase	N/A	Survey Date	04/11/2024
Management	Brightview Senior Living		

**Unit Mix & Asking Rates**

Care Level	Unit Type	Units	Beds	Size (sf)	Move-In Fee	Rental Fee	Fee Basis	Meals
IL	Studio	N/A	N/A	N/A	\$6,000	\$8,750	Monthly	3/Day
IL	1 Bedroom	N/A	N/A	N/A	\$6,000	\$9,200	Monthly	3/Day
IL	2 Bedroom	N/A	N/A	N/A	\$6,000	\$10,675 - 11,959	Monthly	3/Day
AL	Studio	N/A	N/A	N/A	\$6,000	\$8,750	Monthly	3/Day
AL	1 Bedroom	N/A	N/A	N/A	\$6,000	\$9,200	Monthly	3/Day
AL	2 Bedroom	N/A	N/A	N/A	\$6,000	\$10,675 - 11,959	Monthly	3/Day
MC	Studio	N/A	N/A	N/A	\$6,000	\$9,995	Monthly	3/Day

**Entrance Fee Structure**

Plan Type	Refundable	Healthcare Benefits	Amortization Schedule	Residents
		No information recorded		

**Second Resident Fees**

Care Level	Monthly Fee	Move-In Fee
AL	\$1,200	N/A

**Care Service Fees**

**Other Fees**

Care Level	Type	Monthly Fee	Care Level	Description	Fee
AL	Levels	\$750 - 2,250	No information recorded		
MC	Levels	\$750 - 2,250			

**Map & Comments**



Brightview Annapolis is an independent, assisted living community, located in a suburban area. Amenities and services offered are superior to the local market. The property is managed by Brightview, a regional operator of seniors housing communities. Assisted living rents are based on a base plus level-of-care structure. Memory care rents are based on an base plus level-of-care structure.

APPENDIX B:  
OPERATING DATA

---

**Income Statement (12-Year, pro-forma)**

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	TOTAL	
	Rate	Div.	Pip-	Consti-	Compl./Alts+Up	Lease-up	Stabilized	Stabilized		Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12		
		Div.	Com	0%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%		
<b>Net Revenue</b>																		
Sales Revenue <sup>2</sup>		\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Revenue Increase <sup>1</sup>																		
Expense Increase																		
<b>Operating Expenses</b>																		
Salaries & Wages		\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
General & Administration																		
Marketing																		
Nursing Supplies & Agencies																		
Program & Activities																		
Maintenance & Housekeeping																		
Dining Services																		
Utilities																		
Taxes & Insurance																		
<b>Subtotal</b>		\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Management Fees:																		
Operator	5.0%	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Corporate Administration																		
<b>Subtotal, Operating Expenses</b>		\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
<b>Net Operating Income<sup>3</sup></b>		\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
<b>Debt Service &amp; Other Expenses</b>																		
Loan Payments (P&I) <sup>4</sup>		\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Loan Payments (Interest Reserve)																		
Pace Equity (P&I, 20 yrs) <sup>5</sup>	5.45%	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Replacement Reserves																		
<b>Subtotal, Debt &amp; Other Expenses</b>		\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
<b>Net Income (EBITDA)<sup>6</sup></b>		\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Net Income %																		
Interest (funded by R/Project Costs Reserve)		\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Operating Costs (funded by O/D Reserve)		\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
<b>Actual Net Income</b>		\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-

<sup>1</sup>The revenue projections above are for three years from now. According to industry experts (e.g., Grand View Research), the assisted living facility market is expected to grow 6.5% per year from 2023 to 2030. This P&L conservatively estimates 3% growth.

<sup>2</sup>Adjusted by a 6% vacancy rate.

<sup>3</sup>NOI is projected to be three years from now.

<sup>4</sup>Included in Interest Reserve and/or Interim Operating deficit.

<sup>5</sup>Year 0 and Year 1 Operating deficit included in Project Costs.

Revenue Projections

Room Summary: Community Units	Occupied (90%)	
	Units	Beds
Assisted living	64	60
Memory care	24	23
Independent	88	121
<b>Total</b>	<b>176</b>	<b>212</b>

Building SF Summary	
Assisted living	76,806 SF
Memory care	15,034 SF
Independent Living	99,008 SF
<b>Total</b>	<b>190,852 SF</b>

Square Foot Summary	
Rentable Areas	126,742 SF
Common Areas	35,644 SF
Corridors, walks, chaises, stairs	28,464 SF
<b>Total Square Foot</b>	<b>190,852 SF</b>

	MONTHLY RATE			REVENUE (unaudited)		
	CURRENT	YEAR 1	YEAR 2	Rate	Monthly	Yearly
		3%	3%	3%		
<b>Assisted Living:</b>						
Unit Type:	SF	Units	Beds	Annual Income		
Studio	425	15	15	6,375		
One bedroom	600	37	37	22,200		
One bedroom Deluxe	700	3	3	2,100		
Two bedroom	875	3	3	2,625		
Two bedroom deluxe	1,200	3	3	3,600		
Two bedroom + Den	1,500	3	3	4,500		
Second Occupants <sup>1</sup>						
		<b>64</b>	<b>64</b>	<b>41,400</b>		
Acuity-Based Care:						
Level 1		10	10	15,000		
Level 2		26	26	40,000		
Level 3		13	13	20,000		
Level 4		6	6	10,000		
Entrance Fee (one-time)		4	4	6,300		
Ancillary Income <sup>2</sup>		32	32	50,000		
				<b>41,400</b>		
Vacancy/Back Debt Adjustment						
						<b>6.0%</b>
						<b>Adjusted Gross Income, AL</b>
<b>Memory Care:</b>						
Unit Type:	Total SF	Units	Beds	Total SF		
Private Suite	310	21	21	6,510		
Shared Suites	550	3	3	1,650		
Second Occupants <sup>1</sup>						
		<b>24</b>	<b>27</b>	<b>8,160</b>		
Entrance Fee (one-time)		1	1	3,700		
Ancillary Income <sup>2</sup>		14	14	50,000		
				<b>6,000</b>		
Vacancy/Back Debt Adjustment						
						<b>6.0%</b>
						<b>Adjusted Gross Income, MC</b>
<b>Independent:</b>						
Unit Type:	Total SF	Units	Beds	Total SF		
Studio	435	-	-	-		
One Bedroom Junior	500	-	-	-		
One bedroom	675	13	13	8,775		
One bedroom + Den	839	37	37	31,043		
Two bedrooms	1,100	16	16	17,600		
Two bedrooms + Den	1,219	11	11	13,409		
Second Occupants**						
MPDUS:						
Studio	435	3	3	1,305		
One Bedroom Junior	500	2	2	1,000		
One Bedroom	675	6	6	4,050		
		<b>88</b>	<b>121</b>	<b>77,182</b>		
Entrance Fee (one-time)		4	4	3,300		
Ancillary Income <sup>2</sup>		22	22	25,000		
				<b>6,000</b>		
Vacancy/Back Debt Adjustment						
						<b>6.0%</b>
						<b>Adjusted Gross Income, IL</b>
<b>Community Totals</b>						
Rentable Areas		176	212	126,742		
						<b>TOTAL, Adjusted Annual Revenue<sup>3</sup></b>
						<b>\$ 1,518,112 \$18,217,346</b>

• assumes four tiers of assistance above the base.

• Entrance fee has been conservatively estimated.

• Conservatively estimated.

• Entrance fee has been conservatively estimated.

• Conservatively estimated.

• To be conservative, entrance fee not been included.

• Entrance fee has been conservatively estimated.

• Conservatively estimated.

<sup>1</sup>Second occupants (may be related to primary).

<sup>2</sup>Conservatively estimated. Recurring charges: telephone, exercise/therapy, internet and cable, laundry; revenue from beauty/barber, guest meals, and fee-based activities and transportation. Also includes respite care.

<sup>3</sup>Revenue is conservatively estimated. See Brightview in Columbia pricing rates.

APPENDIX C:  
LEGAL DESCRIPTION

---



[View Map](#)

[View GroundRent Redemption](#)

[View GroundRent Registration](#)

**Special Tax Recapture:** None

**Account Identifier:** District - 05 Account Number - 03552453

**Owner Information**

**Owner Name:** ELDERHOME LAND LLC **Use:** RESIDENTIAL  
**Mailing Address:** PO BOX 310 **Principal Residence:** NO  
 ASHTON MD 20861-0310 **Deed Reference:** /46830/ 00124

**Location & Structure Information**

**Premises Address:** DINO DR **Legal Description:** OLA VALLEY STREAM  
 0-0000 ESTATES

Map:	Grid:	Parcel:	Neighborhood:	Subdivision:	Section:	Block:	Lot:	Assessment Year:	Plat No:	23347
KS61	0000	0000	5020092.16	0092		B		2024	Plat Ref:	

**Town:** None

Primary Structure Built	Above Grade Living Area	Finished Basement Area	Property Land Area	County Use
			5.8600 AC	910

Stories	Basement	Type	Exterior	Quality	Full/Half Bath	Garage	Last Notice of Major Improvements
			/				

**Value Information**

	Base Value	Value	Phase-in Assessments	
		As of	As of	As of
<b>Land:</b>	215,000	01/01/2024	07/01/2023	07/01/2024
<b>Improvements</b>	0	0		
<b>Total:</b>	215,000	215,000	215,000	215,000
<b>Preferential Land:</b>	0	0		

**Transfer Information**

<b>Seller:</b> ELDERHOME LAND LLC	<b>Date:</b> 05/22/2013	<b>Price:</b> \$0
<b>Type:</b> NON-ARMS LENGTH OTHER	<b>Deed1:</b> /46830/ 00124	<b>Deed2:</b>
<b>Seller:</b> ELDERHOME LAND LLC	<b>Date:</b> 03/25/2010	<b>Price:</b> \$0
<b>Type:</b> NON-ARMS LENGTH OTHER	<b>Deed1:</b> /39036/ 00383	<b>Deed2:</b>
<b>Seller:</b>	<b>Date:</b>	<b>Price:</b>
<b>Type:</b>	<b>Deed1:</b>	<b>Deed2:</b>

**Exemption Information**

<b>Partial Exempt Assessments:</b>	<b>Class</b>	07/01/2023	07/01/2024
<b>County:</b>	000	0.00	
<b>State:</b>	000	0.00	
<b>Municipal:</b>	000	0.00 0.00	0.00 0.00

**Special Tax Recapture:** None

**Homestead Application Information**

**Homestead Application Status:** No Application

**Homeowners' Tax Credit Application Information**

**Homeowners' Tax Credit Application Status:** No Application **Date:**

APPENDIX D:  
CLIENT CONTRACT INFORMATION

---

# Proposal and Contract for Services

March 26, 2024

Jorge Cuadros  
Vice President, Operations  
**US Capital Global**  
1 Ferry Building, Suite 201  
San Francisco, CA 94111  
Phone: 415-889-1039  
Email: [jcuadros@uscapglobal.com](mailto:jcuadros@uscapglobal.com)

RE: Assignment Agreement | CB24US025193  
Seniors Housing & Care  
Willow Brook Senior Living and Spa,  
15300 Dino Dr  
Burtonsville, MD 20866

Dear Mr. Cuadros:

We are pleased to submit this proposal and our Terms and Conditions for this assignment.

## PROPOSAL SPECIFICATIONS

<b>Purpose:</b>	To estimate the Market Value of the referenced real estate
<b>Premise:</b>	As Is, As Complete, and As Stabilized
<b>Rights Appraised:</b>	Fee Simple
<b>Intended Use:</b>	Mortgage Lending
<b>Intended User:</b>	The intended user is <b>US Capital Global</b> ("Client"), and such other parties and entities (if any) expressly recognized by CBRE as intended users (each an "Intended Users" and collectively the "Intended Users") provided that any Intended User's use of, and reliance upon, any report produced by CBRE under this Agreement shall be subject to the Terms and Conditions attached hereto and incorporated herein (including, without limitation, any limitations of liability set forth in the attached Terms and Conditions).
<b>Reliance:</b>	Reliance on any reports produced by CBRE under this Agreement is extended solely to parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the respective reports, provided that any conditions to such acknowledgement required by CBRE or hereunder have been satisfied. Parties or entities other than Intended Users who obtain a copy of the report or any portion thereof (including Client if it is not named as an Intended User), whether as a result of its direct dissemination or by any other means, may not use or rely upon any opinions or conclusions

CBRE, Inc.  
777 Brickell Ave, Ste 1100  
Miami, FL 33131

[www.cbre.us/valuation](http://www.cbre.us/valuation)

**Jay Hertzbach, MAI**  
Vice President

contained in the report or such portions thereof, and CBRE will not be responsible for any unpermitted use of the report, its conclusions or contents or have any liability in connection therewith. Unless otherwise expressly identified in this Agreement, there are no third-party beneficiaries of this Agreement pertaining to this appraisal assignment or any reports produced by CBRE under this Agreement, and no other person or entity shall have any right, benefit or interest under this Agreement or with respect to any reports produced by CBRE under this Agreement.

**Scope of Inspection:**

A full interior and exterior inspection of the property will be conducted and arranged with the property contact and performed by CBRE Valuations.

If this expected property inspection is not possible due to unforeseen issues (such as lack of on-site personnel cooperation, physical obstructions, or appraiser/property contact health and safety concerns), the client will be promptly advised. The client may continue this assignment based on other inspection options agreed upon by CBRE and client or provide CBRE with a written notice to cancel. If CBRE determines that a credible appraisal result cannot be achieved due to inspection limitations, it will promptly provide the client with a written cancellation of this assignment.

**Valuation Approaches:**

All three traditional approaches to value will be considered.

**Report Type:**

Appraisal Report

**Appraisal Standards:**

USPAP

**Appraisal Fee:**

\$6,250.00. If cancelled by either party before a completion, the fee will be based on CBRE's hourly rates for the time expended; plus actual expenses.

**Expenses:**

Fee includes all associated expenses.

**Retainer:**

A retainer of \$3,125.00 is due prior to commencement of the outlined services.

Please remit retainer payments via wire to:

**Name:** Wells Fargo

**ABA No.:** 121000248

**Swift ID:** WFBIUS6S

**Name on Account:** CBRE Valuation Wire Receipts

**General Account No.:** 4121248561

**Address:** 420 Montgomery Street

San Francisco, CA 94104

**Bank Contact:** Michele Polcari

**Telephone Number:** (310) 606-4792

Please include the invoice number when submitting payment.

For additional payment remittance options, contact CBRE VAS Accounts Receivable - 901-620-3232 | [CBREVASAR@cbre.com](mailto:CBREVASAR@cbre.com)

**Payment Terms:**

Final payment is due upon delivery of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. The full appraisal fee is considered earned upon delivery of the draft report. We will invoice you for the assignment in its entirety at the completion of the assignment.

**Delivery Instructions:**

CBRE encourages our clients to join in our environmental sustainability efforts by accepting an electronic copy of the report.

An Adobe PDF file via email will be delivered to [jcuadros@uscglobal.com](mailto:jcuadros@uscglobal.com). The client has requested 0 bound final copy (ies).

**Delivery Schedule:**

**Preliminary Value:**

Not Required

**Draft Report:**

Not Required

**Final Report:**

10 business days after the Start Date

**Start Date:**

The appraisal process will start upon receipt of your signed agreement, the retainer, and the property specific data.

**Acceptance Date:**

These specifications are subject to modification or withdrawal if this proposal is not accepted within 5 business days from the date of this letter.

When executed and delivered by all parties, this letter, together with the Terms and Conditions and the Specific Property Data Request attached hereto and incorporated herein, will serve as the Agreement for appraisal services by and between CBRE and Client. Each person signing below represents that it is authorized to enter into this Agreement and to bind the respective parties, including all intended users, hereto.

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

Sincerely,

**CBRE, Inc.**  
**Valuation & Advisory Services**




Jay Hertzbach, MAI  
Vice President  
As Agent for CBRE, Inc.  
T +1 305 3816465  
Jay.Hertzbach@cbre.com

+11,000.00

PROPERTY NAME	PROPERTY LOCATION	REPORT TYPE	APPRAISAL FEES
Willow Brook Senior Living and Spa	15300 Dino Dr, Burtonsville, MD 20866	Appraisal Report	\$6,250.00
Assignment Total:			\$6,250.00

# AGREED AND ACCEPTED

## FOR US CAPITAL GLOBAL ("CLIENT"):

 _____ Signature	April 2, 2023 _____ Date
Jorge Cuadros _____ Name	Vice President, Operations _____ Title
415-889-1039 _____ Phone Number	jcuadros@uscappglobal.com _____ E-Mail Address

## ADDITIONAL OPTIONAL SERVICES

**Assessment & Consulting Services:** CBRE's Assessment & Consulting Services group has the capability of providing a wide array of solution-oriented due diligence services in the form of property condition and environmental site assessment reports, ALTA Surveys, and other necessary due diligence service (seismic risk analysis, zoning compliance service, construction risk management, annual inspections, etc.).

Initial below if you desire CBRE to contact you to discuss a proposal for any part or the full complement of consulting services, or you may reach out to us at [ACSProposals@cbre.com](mailto:ACSProposals@cbre.com). We will route your request to the appropriate manager. For more information, please visit [www.cbre.com/assessment](http://www.cbre.com/assessment).



# TERMS AND CONDITIONS

1. The Terms and Conditions herein are part of an assignment agreement (the "Agreement") for appraisal services ("Services") between CBRE, Inc. ("CBRE") and the client signing this Agreement and for whom the Services will be performed (the "Client") for the property identified herein (the "Property") and shall be deemed a part of such Agreement as though fully set forth therein. In addition, with respect to any appraisal report prepared by CBRE pursuant to the Agreement (the "Report"), any use of, or reliance on, the Report by any Intended User constitutes acceptance of these Terms and Conditions as well as acceptance of all qualifying statements, limiting conditions, and assumptions stated in the Report. The Agreement shall be governed and construed by the laws of the state where the CBRE office executing this Agreement is located without regard to conflicts of laws principles.
2. Client shall be responsible for the payment of all fees stipulated in this Agreement. Payment of the fees and preparation of the Report are not contingent upon any predetermined value or on any action or event resulting from the analyses, opinions, conclusions, or use of the Report. Final payment is due as provided in the Proposal Specifications Section of this Agreement. If a draft Report is requested, the fee is considered earned upon delivery of the draft Report. It is understood that the Client may cancel this assignment in writing at any time prior to delivery of the completed Report. In such event, the Client is obligated to pay CBRE for the time and expenses incurred (including, but not limited to, travel expenses to and from the job site) prior to the effective date of cancellation, with a minimum charge of \$500. Hard copies of the Reports are available at a cost of \$250 per original color copy and \$100 per photocopy (black and white), plus shipping fees of \$30 per Report.
3. If CBRE is subpoenaed or ordered to give testimony, produce documents or information, or otherwise required or requested by Client or a third party to participate in meetings, phone calls and conferences (except routine meetings, phone calls and conferences with the Client for the sole purpose of preparing the Report), litigation, or other legal proceedings (including preparation for such proceedings) because of, connected with or in any way pertaining to this assignment, the Report, CBRE's expertise, or the Property, Client shall pay CBRE's additional out-of-pocket costs and expenses, including but not limited to CBRE's reasonable attorneys' fees, and additional time incurred by CBRE based on CBRE's then-prevailing hourly rates and related fees. Such charges include and pertain to, but are not limited to, time spent in preparing for and providing court room testimony, depositions, travel time, mileage and related travel expenses, waiting time, document review and production, and preparation time (excluding preparation of the Report), meeting participation, and CBRE's other related commitment of time and expertise. Hourly charges and other fees for such participation will be provided upon request. In the event Client requests additional Services beyond the scope and purpose stated in the Agreement, Client agrees to pay additional fees for such services and to reimburse related expenses, whether or not the completed Report has been delivered to Client at the time of such request.
4. CBRE shall have the right to terminate this Agreement at any time for cause effective immediately upon written notice to Client on the occurrence of fraud or the willful misconduct of Client, its employees or agents, or without cause upon 5 days written notice.
5. In the event Client fails to make payments when due then, from the date due until paid, the amount due and payable shall bear interest at the maximum rate permitted in the state where the CBRE office executing this Agreement is located. **EACH PARTY, AFTER HAVING THE OPPORTUNITY TO CONSULT WITH COUNSEL OF ITS CHOICE, KNOWINGLY AND VOLUNTARILY, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION IN ANY WAY RELATED TO THIS AGREEMENT.**
6. CBRE assumes there are no major or significant items or issues affecting the Property that would require the expertise of a professional building contractor, engineer, or environmental consultant for CBRE to prepare a valid Report hereunder. Client acknowledges that such additional expertise is not covered in the fee and agrees that, if such additional expertise is required, it shall be provided by others at the discretion and direction of the Client, and solely at Client's additional cost and expense.
7. Client acknowledges that CBRE is being retained hereunder as an independent contractor to perform the Services described herein and nothing in this Agreement shall be deemed to create any other relationship between Client and CBRE. Unless otherwise stated in this Agreement, Client shall not designate or disclose CBRE or any of its agents or employees as an expert or opinion witness in any court, arbitration, or other legal proceedings without the prior written consent of CBRE.
8. This assignment shall be deemed concluded and the Services hereunder completed upon delivery to Client of the Report discussed herein.

9. All statements of fact in the Report which are used as the basis of CBRE's analyses, opinions, and conclusions will be true and correct to CBRE's actual knowledge and belief. CBRE does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the condition of the Property furnished to CBRE by Client or others. TO THE FULLEST EXTENT PERMITTED BY LAW, CBRE DISCLAIMS ANY GUARANTEE OR WARRANTY AS TO THE OPINIONS AND CONCLUSIONS PRESENTED ORALLY OR IN ANY REPORT, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE EVEN IF KNOWN TO CBRE. Furthermore, the conclusions and any permitted reliance on and use of the Report shall be subject to the assumptions, limitations, and qualifying statements contained in the Report.
10. CBRE shall have no responsibility for legal matters, including zoning, or questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The Report will not constitute a survey of the Property analyzed.
11. Client shall provide CBRE with such materials with respect to the assignment as are requested by CBRE and in the possession or under the control of Client. Client shall provide CBRE with sufficient access to the Property to be analyzed, and hereby grants permission for entry unless discussed in advance to the contrary.
12. The data gathered in the course of the assignment (except data furnished by Client, "Client Information") and the Report prepared pursuant to the Agreement are, and will remain, the property of CBRE. With respect to Client Information provided by Client, CBRE shall not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential and proprietary Client Information furnished to CBRE. Notwithstanding the foregoing to the contrary, CBRE is authorized by Client to disclose all or any portion of the Report and related data as may be required by applicable law, statute, government regulation, legal process, or judicial decree, including to appropriate representatives of the Appraisal Institute if such disclosure is required to enable CBRE or its employees and agents to comply with the Bylaws and Regulations of the Appraisal Institute as now or hereafter in effect.
13. Unless specifically noted, in preparing the Report CBRE will not be considering the possible existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (collectively, "Hazardous Materials") on or affecting the Property, or the cost of encapsulation or removal thereof. Further, Client represents that there are no major or significant repairs, improvements or deferred maintenance of the Property that would require the expertise of a professional cost estimator, engineer, architect or contractor. If any such repairs, improvements or maintenance are needed, the estimates for such repairs, improvements or maintenance are to be prepared by other parties pursuant to a separate written agreement in Client's sole discretion and direction, and are not deemed part of the Services or otherwise covered as part of the fee hereunder.
14. In the event Client intends to use the Report in connection with a tax matter, Client acknowledges that CBRE provides no warranty, representation or prediction as to the outcome of such tax matter. Client understands and acknowledges that any relevant taxing authority (whether the Internal Revenue Service or any other federal, state or local taxing authority) may disagree with or reject the Report or otherwise disagree with Client's tax position, and further understands and acknowledges that the taxing authority may seek to collect additional taxes, interest, penalties or fees from Client beyond what may be suggested by the Report. Client agrees that CBRE shall have no responsibility or liability to Client or any other party for any such taxes, interest, penalties or fees and that Client will not seek damages or other compensation from CBRE relating to any such taxes, interest, penalties or fees imposed on Client, or for any attorneys' fees, costs or other expenses relating to Client's tax matters.
15. **LIMITATION OF LIABILITY.** NOTWITHSTANDING ANY PROVISION OF THIS AGREEMENT TO THE CONTRARY:
  - (A) EXCEPT TO THE EXTENT ARISING FROM SECTION 16, OR SECTION 17 IF APPLICABLE, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR CONTRACTORS BE LIABLE TO THE OTHER PARTY, FOR ANY LOST OR PROSPECTIVE PROFITS OR ANY OTHER INDIRECT, CONSEQUENTIAL, SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT OR OTHER EXEMPLARY LOSSES OR DAMAGES, WHETHER BASED IN CONTRACT, WARRANTY, INDEMNITY, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT OR OTHERWISE, REGARDLESS OF THE FORESEEABILITY OR THE CAUSE THEREOF.
  - (B) EXCEPT TO THE EXTENT ARISING FROM SECTION 16, OR SECTION 17 IF APPLICABLE, AGGREGATE DAMAGES IN CONNECTION WITH THIS AGREEMENT FOR EITHER PARTY (EXCLUDING THE OBLIGATION TO PAY THE FEES AND COSTS REQUIRED HEREUNDER) SHALL NOT EXCEED THE GREATER OF THE TOTAL FEES PAYABLE TO CBRE UNDER THIS AGREEMENT OR TEN THOUSAND DOLLARS (\$10,000).
  - (C) CBRE SHALL HAVE NO LIABILITY WITH RESPECT TO ANY LOSS, DAMAGE, CLAIM OR EXPENSE INCURRED BY OR ASSERTED AGAINST CLIENT ARISING OUT OF, BASED UPON OR RESULTING FROM CLIENT'S OR ANY INTENDED USER'S FAILURE TO PROVIDE ACCURATE OR COMPLETE INFORMATION OR DOCUMENTATION PERTAINING TO ANY SERVICES OR REPORT ORDERED UNDER OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING CLIENT'S OR ANY INTENDED USER'S FAILURE, OR THE FAILURE OF ANY OF CLIENT'S OR ANY

INTENDER USER'S RESPECTIVE OFFICERS, DIRECTORS, MEMBERS, PRINCIPALS, AGENTS OR EMPLOYEES, TO PROVIDE A COMPLETE AND ACCURATE COPY OF THE REPORT TO ANY THIRD PARTY. CBRE SHALL HAVE NO LIABILITY WHATSOEVER FOR REPORTS OR DELIVERABLES THAT ARE SUBMITTED IN DRAFT FORM.

(D) THE LIMITATIONS OF LIABILITY IN SUBSECTIONS 15(A) AND 15(B) ABOVE SHALL NOT APPLY IN THE EVENT OF A FINAL FINDING BY A COURT OF COMPETENT JURISDICTION THAT SUCH LIABILITY IS THE RESULT OF A PARTY'S FRAUD OR WILLFUL MISCONDUCT.

16. (a) Client shall not disseminate, distribute, make available or otherwise provide any Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Report, in whole or in part, in any offering, including, but not limited to any offering of the Property or any securities offering as defined by applicable law, or other material intended for review by other third parties) except (i) to any third party (a) identified in the Agreement as an Intended User subject to the terms and conditions of this Agreement or (b) otherwise expressly acknowledged in a separate writing executed by CBRE, such third party and Client, setting forth that such third party is an "Intended User" of the Report and providing CBRE with an acceptable release from such third party with respect to such Report or wherein Client provides acceptable indemnity protections to CBRE against any claims resulting directly from the distribution of the Report to such third party; (ii) to any third party service provider (including accountants, attorneys, rating agencies and auditors) using the Report in the course of providing Services for the sole benefit of an Intended User and limited to the Intended Use of the Report as defined in this Agreement, or (iii) to the extent required by applicable law, statute, government regulation, legal process, or judicial decree.
- (b) In the event CBRE consents, in writing, to Client incorporating or referencing the Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such other materials available to any such parties unless and until Client has provided CBRE with complete copies of such offering or other materials and CBRE has approved the inclusion of the Report, or reference to the Report and/or CBRE, in such offering and other materials in writing. Further, CBRE's consent to such inclusion of the Report, or reference to the Report and/or CBRE, in any securities offering is subject to (i) CBRE's and CBRE's securities counsel's review and approval, in writing, of any inclusion of the Report, or reference to the Report and/or CBRE, in such securities offering; (ii) Client shall not modify the Report, any such inclusion of or reference to the Report and/or CBRE in such securities offering once approved by CBRE and its securities counsel in writing; and (iii) Client shall reimburse CBRE for its out-of-pocket costs and expenses, including attorneys' fees, arising from legal review of such securities offering and related materials on CBRE's behalf.
- (c) In the absence of satisfying the conditions of this Section 16 with respect to any party who is not designated as an Intended User, in no event shall the receipt of a Report by such party extend any right to the party to use and rely on such Report, and CBRE shall have no liability for such unauthorized use and reliance on any Report.
- (d) In the event Client breaches the provisions of this Section 16, Client shall indemnify, defend and hold CBRE and its affiliates and their officers, directors, employees, contractors, agents and other representatives (CBRE and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Report.
17. In the event Client incorporates or references the Report, in whole or in part, in any offering, including, but not limited to any offering of the Property or any securities offering as defined by applicable law, or other material intended for review by other parties, Client shall indemnify, defend and hold each of the Indemnified Parties harmless from and against any Damages in connection with (i) any transaction contemplated by this Agreement or in connection with the Report or the engagement of or performance of Services by any Indemnified Party hereunder, (ii) any Damages claimed by any user or recipient of the Report, whether or not an Intended User, (iii) any actual or alleged untrue statement of a material fact, or the actual or alleged failure to state a material fact necessary to make a statement not misleading in light of the circumstances under which it was made with respect to all information furnished to any Indemnified Party or made available to a prospective party to a transaction, or (iv) an actual or alleged violation of applicable law by an Intended User (including, without limitation, securities laws) or the negligent or intentional acts or omissions of an Intended User (including the failure to perform any duty imposed by law); and will reimburse each Indemnified Party for all reasonable fees and expenses (including fees and expenses of counsel) (collectively, "Expenses") as incurred in connection with investigating, preparing, pursuing or defending any threatened or pending claim, action, proceeding or investigation (collectively, "Proceedings") arising therefrom, and regardless of whether such Indemnified Party is a formal party to such Proceeding. Client agrees not to enter into any waiver, release or settlement of any Proceeding (whether or not any Indemnified Party is a formal party to such Proceeding) without the prior written consent of CBRE (which consent will not

be unreasonably withheld or delayed) unless such waiver, release or settlement includes an unconditional release of each Indemnified Party from all liability arising out of such Proceeding.

18. Time Period for Legal Action. Unless the time period is shorter under applicable law, except in connection with [Section 16](#) and [Section 17](#), CBRE and Client agree that any legal action or lawsuit by one party against the other party or its affiliates, officers, directors, employees, contractors, agents, or other representatives, whether based in contract, warranty, indemnity, negligence, strict liability or other tort or otherwise, relating to (a) this Agreement, (b) any Services or Reports under this Agreement or (c) any acts or conduct relating to such Services or Reports, shall be filed within two (2) years from the date of delivery to Client of the Report to which the claims or causes of action in the legal action or lawsuit relate. The time period stated in this section shall not be extended by any incapacity of a party or any delay in the discovery or accrual of the underlying claims, causes of action or damages.
19. Miscellaneous.
- (a) This Agreement contains the entire agreement and understanding of the parties with respect to the subject matter hereof. This Agreement may not be amended, modified or discharged, nor may any of its terms be waived except by written agreement of both parties. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. A signed copy of this Agreement transmitted by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes.
  - (b) Neither party shall assign this Agreement in whole or in part (other than by operation of law) to any person or entity without the prior written consent of the other party. Subject to the foregoing, this Agreement and all of its provisions shall be binding upon and shall inure to the benefit of the parties and their respective successors and permitted assigns.
  - (c) No consent or waiver, either expressed or implied, by a party to or of any breach or default, shall be construed to be a consent or waiver to or of any other breach or default in the performance of any obligations hereunder. Failure of a party to complain or declare the other party in default shall not constitute a waiver by such party of rights and remedies hereunder.
  - (d) Except as hereinafter provided, no delay or failure in performance by a party shall constitute a default hereunder to the extent caused by Force Majeure. Unless the Force Majeure substantially frustrates performance of the Services, Force Majeure shall not operate to excuse, but only to delay, performance of the Services. If Services are delayed by reason of Force Majeure, CBRE promptly shall notify Client. Once the Force Majeure event ceases, CBRE shall resume performance of the Services as soon as possible. As used herein, "Force Majeure" means any event beyond the control of the Party claiming inability to perform its obligations and which such Party is unable to prevent by the exercise of reasonable diligence, including, without limitation, the combined action of workers, fire, acts of terrorism, catastrophes, changes in laws, condemnation of property, governmental actions or delays, national emergency, war, civil disturbance, floods, unusually severe weather conditions, endemic or pandemic, or other acts of God. Inability to pay or financial hardship shall not constitute Force Majeure regardless of the cause thereof and whether the reason is outside a party's control.
  - (e) Any provision of this Agreement that, by its language, contemplates performance or observation subsequent to any termination or expiration of this Agreement shall survive such termination or expiration and shall continue in full force and effect.
  - (f) If any provision of this Agreement, or application thereof to any person or circumstance, shall to any extent be invalid, then such provision shall be modified, if possible, to fulfill the intent of the parties reflected in the original provision. The remainder of this Agreement, or the application of such provision to person or circumstance other than those as to which it is held invalid, shall not be affected thereby, and each provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

## SPECIFIC PROPERTY DATA REQUEST

In order to complete this assignment under the terms outlined, CBRE, Inc., Valuation & Advisory Services, will require the following specific information for the property:

1. PLEASE NOTIFY US IMMEDIATELY IF ANY OTHER CBRE SERVICE LINE (INCLUDING CAPSTONE) IS INVOLVED IN THE BROKERAGE, FINANCING, INVESTMENT OR MANAGEMENT OF THIS ASSET.
2. [DataRequestList]

If any of the requested data and information is not available, CBRE, Inc., reserves the right to extend the delivery date by the amount of time it takes to receive the requested information or make other arrangements. Please have the requested information delivered to the following:

Jay Hertzbach, MAI  
Vice President  
Jay.Hertzbach@cbre.com  
CBRE, Inc.  
Valuation & Advisory Services  
777 Brickell Ave, Ste 1100  
Miami, FL 33131

APPENDIX E:  
APPRAISER QUALIFICATIONS

---



VALUATION & ADVISORY SERVICES / NATIONAL PRACTICE

## Daniel Lincoln

Executive Vice President  
National Practice Leader  
Seniors Housing & Healthcare  
**M** +1 205 515 5985  
**E** daniel.lincoln@cbre.com

---

### Pro Affiliations / Accreditations

- Appraisal Institute, Designated Member (MAI)
- Multiple Advanced Level Courses

### Education

- Bachelor of Science in Finance from the University of Alabama
- Masters of Science in Finance from the University of Alabama

### Certified General Licenses

- Alabama
- Arizona
- Florida
- Georgia
- Illinois
- Kentucky
- Louisiana
- Maryland
- Michigan
- Minnesota
- Mississippi
- Missouri
- New Jersey
- North Carolina
- Ohio
- Oklahoma
- Pennsylvania
- South Carolina
- Tennessee
- Texas
- Virginia
- Washington

### Professional Experience

Daniel Lincoln is an Executive Vice President for CBRE Valuation & Advisory Services and National Practice Leader of CBRE’s Seniors Housing & Healthcare specialty practice. His focus is third-party valuations, operational and market due-diligence, and consulting assignments. Daniel has market experience throughout the United States with more than 2,000 seniors housing valuation assignments completed in 44 states and US Territories. As National Practice Leader, Daniel serves CBRE’s clients together with a team of seven regional leaders and 35 seniors housing & healthcare subject matter experts across the United States.

Based in Birmingham, Alabama, Daniel has practiced with CBRE for over 13 years, providing a broad range of valuation and consulting services across all property types. Daniel’s experience includes market and feasibility studies, operating pro forma development, agency reporting (HUD, Fannie Mae, Freddie Mac), and valuations of single assets to institutional portfolios.

COMMISSION OF RE APPRAISERS & HOME INSPECTORS

10 04 34785  
MESSAGE(S) :

DANIEL AARON LINCOLN

6087 09-25-2022



LICENSE \* REGISTRATION \* CERTIFICATION \* PERMIT

STATE OF MARYLAND  
MARYLAND DEPARTMENT OF LABOR

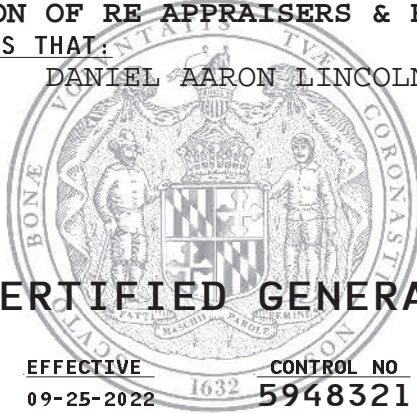
Lawrence J. Hogan, Jr.  
Governor

Boyd K. Rutherford  
Lt. Governor

Tiffany P. Robinson  
Secretary

COMMISSION OF RE APPRAISERS & HOME INSPECTORS  
CERTIFIES THAT:

DANIEL AARON LINCOLN



IS AN AUTHORIZED: 04 - CERTIFIED GENERAL

LIC/REG/CERT	EXPIRATION	EFFECTIVE	CONTROL NO
34785	09-25-2025	09-25-2022	5948321

Signature of Bearer

Secretary

WHERE REQUIRED BY LAW THIS MUST BE CONSPICUOUSLY DISPLAYED IN OFFICE TO WHICH IT APPLIES

10 04 34785

5,948,321

10 04 34785  
COMMISSION OF RE APPRAISERS & HOME INSPECTORS  
1100 N. EUTAW STREET  
BALTIMORE, MD 21201

DANIEL AARON LINCOLN  
1414 ROSELAND DRIVE

HOMWOOD

AL 35209

LICENSE \* REGISTRATION \* CERTIFICATION \* PERMIT

STATE OF MARYLAND  
MARYLAND DEPARTMENT OF LABOR

COMMISSION OF RE APPRAISERS & HOME INSPECTORS  
CERTIFIES THAT:  
DANIEL AARON LINCOLN

IS AN AUTHORIZED: 04 - CERTIFIED GENERAL

LIC/REG/CERT	EXPIRATION	EFFECTIVE	CONTROL NO
34785	09-25-2025	09-25-2022	5948321

Signature of Bearer \_\_\_\_\_ Secretary





VALUATION & ADVISORY SERVICES

## Joe Nassau, MAI

Executive Vice President, McLean, Virginia

**T** +1 703 734 4774

**E** joseph.nassau@cbre.com

### Professional Experience

Joe Nassau, MAI is Executive Vice President in the Valuation & Advisory Services Group’s Washington, DC regional office with over 15 years of real estate appraisal and market research experience specializing in the Mid-Atlantic region primarily in the Washington, DC and Baltimore markets.

Mr. Nassau is a Designated Member (MAI) of the Appraisal Institute and a Certified General Real Estate Appraiser in the Commonwealth of Virginia, the State of West Virginia, the State of Maryland and the District of Columbia.

Mr. Nassau has expertise in the appraisal of a diverse range of property types including multifamily, office, industrial and retail properties. His assignment specialties include multifamily residential properties (both conventional market-rate and affordable properties), residential condominium properties, retail properties, mixed-use developments, ground leases, redevelopments and new construction projects. He also has additional specialized experience relating to supply and demand and highest and best use analysis, as well as the valuation of Low-Income Housing Tax Credit (LIHTC) properties, and is part of the National Multi-Housing Valuation Group with CBRE. Assignments have included portfolio valuation, highest and best use analysis, feasibility studies, appraisal report review, tax appeal and litigation support.

### Professional Affiliation & Accreditations

- Designated Member, Appraisal Institute (MAI)
- CBRE Top 25 U.S. Producer, Valuation & Advisory Services (2012-2022)

---

### Select Clients Represented

- Akelius Real Estate Management
- Capital One Bank
- EagleBank
- HSBC
- M&T Bank
- Manulife Financial
- Pacific Western Bank
- PNC Bank
- Sandy Spring Bank
- Santander Bank
- TD Bank
- TIAA
- United Bank
- Walker & Dunlop

### Education

- Bachelor of Science Degree in Finance and Political Science from American University in Washington, DC

COMMISSION OF RE APPRAISERS & HOME INSPECTORS

10 04 27569  
MESSAGE(S):

JOSEPH E NASSAU

6298 04-24-2022



LICENSE \* REGISTRATION \* CERTIFICATION \* PERMIT

STATE OF MARYLAND  
MARYLAND DEPARTMENT OF LABOR

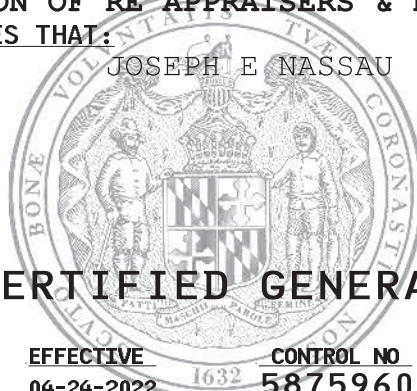
Lawrence J. Hogan, Jr.  
Governor

Boyd K. Rutherford  
Lt. Governor

Tiffany P. Robinson  
Secretary

COMMISSION OF RE APPRAISERS & HOME INSPECTORS  
CERTIFIES THAT:

JOSEPH E NASSAU



IS AN AUTHORIZED: 04 - CERTIFIED GENERAL

LIC/REG/CERT	EXPIRATION	EFFECTIVE	CONTROL NO
27569	04-28-2025	04-24-2022	5875960

Signature of Bearer

Secretary

WHERE REQUIRED BY LAW THIS MUST BE CONSPICUOUSLY DISPLAYED IN OFFICE TO WHICH IT APPLIES

10 04 27569

5,875,960

10 04 27569

COMMISSION OF RE APPRAISERS & HOME INSPECTORS  
500 N. CALVERT STREET  
BALTIMORE, MD 21202-3651

JOSEPH E NASSAU  
1606 STOWE ROAD

RESTON

VA 20194

LICENSE \* REGISTRATION \* CERTIFICATION \* PERMIT  
STATE OF MARYLAND  
MARYLAND DEPARTMENT OF LABOR

Lawrence J. Hogan, Jr.  
Governor  
Boyd K. Rutherford  
Lt. Governor  
Tiffany P. Robinson  
Secretary

COMMISSION OF RE APPRAISERS & HOME INSPECTORS  
CERTIFIES THAT:  
JOSEPH E NASSAU

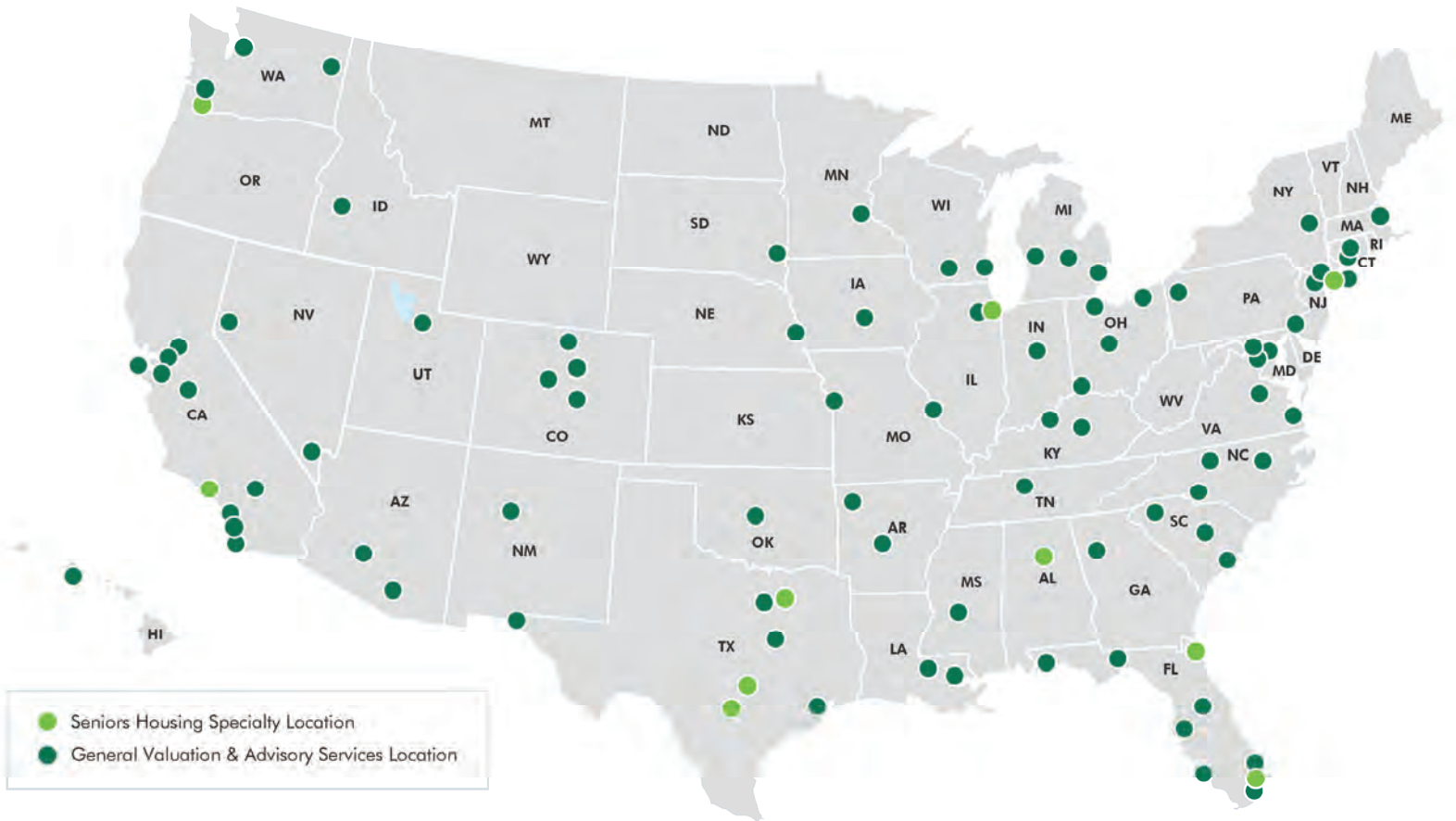
IS AN AUTHORIZED: 04 - CERTIFIED GENERAL

LIC/REG/CERT	EXPIRATION	EFFECTIVE	CONTROL NO
27569	04-28-2025	04-24-2022	5875960

Signature of Bearer

Secretary

## U.S. SENIORS HOUSING & HEALTHCARE PRACTICE



### SENIORS HOUSING & HEALTHCARE ADVANTAGE

- 15+ Seniors Housing Specialists
- 3 MAI Appraisers
- 10-Year Average Valuation Tenure
- \$30BN+ Seniors Housing Annual Valuations
- 30+ Seniors Housing Annual Portfolio Valuations
- 2,100+ Seniors Housing Valuations Annually

**Daniel Lincoln, MAI**  
Director | Practice Leader  
Seniors Housing & Healthcare Practice  
+1 205 515 5985  
[daniel.lincoln@cbre.com](mailto:daniel.lincoln@cbre.com)