



HEALTHTRUST

Seniors Housing & Healthcare Real Estate Advisory Services



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MARKET STUDY

Proposed Assisted Living and Memory Care

August 9, 2023

Proposed Assisted Living and Memory Care

3550 South Washington Avenue

Titusville, Florida 32780

HT File No. 20230885



Prepared by:
HealthTrust

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October 5, 2023

Mr. Jesse Wright
Titusville Resort and Destination LLC
22939 Hawthorne Boulevard
Torrance, CA 90505

RE: Market Study of
Proposed Assisted Living and Memory Care
3550 South Washington Avenue
Titusville, Florida 32780
HT File No. 20230885

Dear Mr. Jesse Wright:

At your request and authorization, HealthTrust has prepared a Market Study Appraisal Report of the subject, a proposed Assisted Living/Memory Care Residence. The analysis is relevant as to the effective date of this report, August 9, 2023. The date of this report is October 5, 2023.

The subject's proposed project is an assisted living and memory care community located at 3350 South Washington Avenue in Titusville, Florida. The project will consist of 75 assisted living (AL), and 25 memory care units, offering studio units on a 2.185 acre site. During the course of our investigation and analysis, we noted the following:

- We have defined the subject's primary market area (PMA) consisting of the following zip codes: 32709, 32754, 32780, 32796, 32926, 32927.
- At the time of this report, the market exhibits occupancy of 97% in both AL and MC. Occupancy rates in assisted living and memory care currently are outperforming the median of the Top 140 MSA Benchmark.
- The Canopy at Hickory Creek is the newest community in the PMA, having opened in August 2022. The community reported occupancy of 100% in both AL and MC, with sales noting all AL units were pre-leased prior to the community opening. In addition, sales noted the community initially offered semi-private units in AL; however, those units were found to not be in high demand in the market and the community has since transitioned all but one unit to studios. Sales did note the one semi-private unit that is currently set up is occupied but will be converted to a studio unit once the unit turns over.
- Cerrato ALF is a proposed assisted living and memory care community located off Silverstar Road across from Parrish Medical Center. Based on our discussions with the architect of the project, Seidell Architects, the community is expected to consist of 66 assisted living and 30 memory care beds. The AL unit mix is expected to consist of 29 studio units, 29 one-bedroom units, and four two-bedroom units, with the memory care expected to consist of 30 studio units. Based on

discussions with Cindy and Mandy at the City of Titusville Planning Department, the site plan was reviewed in June 2023; however, the city is still waiting on the developer to address the comments from the review. Construction is tentatively expected to begin the first quarter of 2024; with an estimated completion date of 2025.

Based on discussions with our property contact, the proposed unit mix for the subject was provided as 75 AL studios and 25 MC studios. However, based on the development comparables, and The State of Seniors Housing (SOSH) 2022 data, we have found that the AL unit mix for similar communities consists primarily of studio and one-bedroom units. In addition, we have found that the MC unit mix for similar communities consists of studio and semi-private units. Therefore, we have reconciled our unit mix suggestion for the subject to be 35 studio units, 40 one-bedroom units for AL, and 21 studio units and four semi-private units for MC, falling between the development comparables and the SOSH 2022 data.

Overall, the subject’s proposed studio unit count exceeds what is exhibited by the market comparables; however, we do not foresee an adverse impact on the subject development. Below is the most recent 2022 SOSH Data which indicates the average percentage unit mix for IL only communities:

Assisted Living (Unit Mix)		
Studio	One-Bedroom	Two-Bedroom
48%	47%	5%

Source: The State of Seniors Housing 2022

Memory Care (Unit Mix)		
Studio	One-Bedroom	Two-Bedroom
63%	13%	25%

Source: The State of Seniors Housing 2022

Based on our investigation of the local market, we find current pent-up demand of 22 units for AL and 76 units for MC as of the date of this report. Over the next five years, with the addition of the subject and the other proposed community, we expect excess demand of 47 units for MC; however, we expect deficit demand of -44 units for AL. While our indications reflect a deficit in AL demand over the next five years, current performance in the market is strong with overall occupancy of 97% in AL and 97% in MC. In addition, the subject’s AL and MC markets are currently Type IV markets, which indicates an under-served market with high-rate growth and occupancy. Overall, the subject’s AL success will be dependent on attracting demand from the existing supply as well as the proposed project and having a good price-value offering in the market.

By the end of the first quarter of 2021, senior living operators will have vaccinated all residents and staff who wish to be vaccinated. Most operators report nearly universal resident vaccination but typically only 40-60% of staff. Although dining and other activities are beginning to resume, visitation restrictions remain until the broader communities reduce spread. Consequently, while operators report very strong lead activity, they are not reporting rising occupancy levels just yet, rather a leveling off of the drop seen to date during the pandemic. Further, instances of concessions are becoming more prevalent and desperate. Nationally, we expect despite the pent-up demand, the initial “re-fill” of communities may be slow, particularly in communities that witnessed significant new development in the years leading up to the pandemic. For this report, we have interviewed the competitive supply and analyzed demand trends to assess when the market will reach stabilization and how that timeline impacts the subject.

The report will be used to assist with internal decision-making involving the subject. The effective date of the analysis was estimated under market conditions observed at that time. Appraisal terms are defined within the text of the following report. Complete descriptions of the property, together with the sources of information and the bases of our estimates, are stated in the accompanying sections of this report.

The report complies with the reporting requirements set forth in Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice.

This report, the final analyses and conclusions are intended solely for your information and assistance for the function stated above and should not be relied upon for any other purpose. Neither our report nor any of its contents nor any reference to the appraisers or our firm, may be included or quoted in any document, offering circular or registration statement, prospectus, sales brochure, other appraisal, loan or other agreement without HealthTrust's prior written approval of the form and context in which it will appear.

Respectfully submitted,

HealthTrust

HealthTrust

Certification

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

The statements of fact contained in the accompanying report are to the best of our knowledge true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions, and conclusions.

We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute and in conformity with the current Edition of the Uniform Standards of Professional Appraisal Practice.

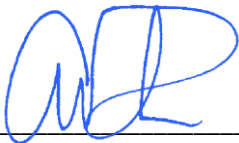
The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Alan C. Plush, MAI did not inspect the subject. No one, other than those so named in the certification pages herein, provided assistance to the undersigned with preparation of this report.

Alan C. Plush, MAI has provided services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three years immediately preceding acceptance of this assignment. Alan C. Plush, MAI inspected the subject site for our May 2023 report of the subject.

The subject of this market study, Proposed Assisted Living and Memory Care, is located at 3550 South Washington Avenue, Titusville, Florida 32780.

As of the date of this report, Alan C. Plush, MAI, has completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.



x _____
Alan C. Plush, MAI
Certified General Appraiser RZ566 (FL)
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Certification

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

The statements of fact contained in the accompanying report are to the best of our knowledge true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions, and conclusions.

We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

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The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.


Colleen H. Blumenthal, MAI did not inspect the subject. No one, other than those so named in the certification pages herein, provided assistance to the undersigned with preparation of this report.

Colleen H. Blumenthal, MAI has not provided services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three years immediately preceding acceptance of this assignment.

The subject of this market study, Proposed Assisted Living and Memory Care, is located at 3550 South Washington Avenue, Titusville, Florida 32780.

As of the date of this report, Colleen H. Blumenthal, MAI, has completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.

I, the supervisory appraiser of a registered appraiser trainee who contributed to the development or communication of this appraisal, hereby accepts full and complete responsibility for any work performed by the registered appraiser trainee named in this report as if it were my own work.

x 

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Certification

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

The statements of fact contained in the accompanying report are to the best of our knowledge true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions, and conclusions.

We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute and in conformity with the current Edition of the Uniform Standards of Professional Appraisal Practice.

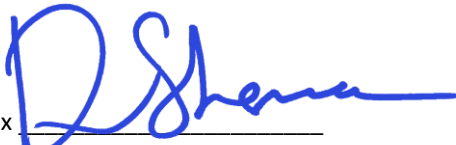
The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Daniel Shemelya did not inspect the subject but assisted with the market research and development of the report.. No one, other than those so named in the certification pages herein, provided assistance to the undersigned with preparation of this report.

Daniel Shemelya has provided services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three years immediately preceding acceptance of this assignment. Daniel Shemelya assisted with the market research for our May 2023 report of the subject.

The subject of this market study, Proposed Assisted Living and Memory Care, is located at 3550 South Washington Avenue, Titusville, Florida 32780.

As of the date of this report, Daniel Shemelya, has completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.



x
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Standard Terms and Conditions

The following Standard Terms and Conditions apply to real estate appraisals and consulting assignments prepared by HealthTrust, LLC ("HealthTrust"). This report shall be subject to standard conditions, permitted and/or limited usage, and terms of engagement, which are outlined as follows:

Report Content

Appraisals are performed, and written reports are prepared in accordance with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and with the Appraisal Institute's Standards of Professional Appraisal Practice and Code of Professional Ethics.

Unless specifically stated, the value or other conclusion(s) contained in the appraisal applies to the real estate only, and does not include personal property, machinery and equipment, trade fixtures, business value, goodwill or other non-realty items unless specifically stated or identified.

The appraisal and/or consulting report covering the subject is limited to surface rights only and does not include any inherent subsurface or mineral rights. Income tax considerations have not been included or valued unless so specified in the appraisal. We make no representations as to the value changes that may be attributed to such considerations.

The legal description used in this report is assumed to be correct and we have made no survey of the property. We assume that there are no hidden or unapparent conditions of the property, subsoil, or structures that would impact its value.

No opinion is rendered as to property title, which is assumed to be good and marketable. Unless otherwise stated, no consideration is given to liens or encumbrances against the property. Sketches, maps, photos, or other graphic aids included in appraisal reports are intended to assist the reader in ready identification and visualization of the property and are not intended for technical purposes.

It is assumed that legal, engineering, or other professional advice, as may be required, has been or will be obtained from professional sources and that the appraisal report will not be used for guidance in legal or technical matters such as, but not limited to, the existence of encroachments, easements or other discrepancies affecting the legal description of the property. It is assumed that there are no concealed or dubious conditions of the subsoil or subsurface waters including water table and flood plain, unless otherwise noted. We further assume there are no regulations of any government entity to control or restrict the use of the property unless specifically referred to in the report. It is assumed that the property will not operate in violation of any applicable government regulations, codes, ordinances or statutes.

This report is not intended to be an engineering report. We are not qualified as structural or environmental engineers; therefore, we are not qualified to judge the structural or environmental integrity of the improvements, if any. Consequently, no warranty or representations are made, nor any liability assumed for the structural soundness, quality, adequacy, or capacities of said improvements and utility services, including the construction materials, particularly the roof, foundations, and equipment, including the HVAC systems, if applicable. Should there be any question concerning same, it is strongly recommended that an engineering, construction and/or environmental inspection be obtained. The value estimate(s) or any other opinions stated in this appraisal and/or consulting assignment, unless noted otherwise, is predicated on the assumptions that all improvements, equipment and building services, if

any, are structurally sound and suffer no concealed or latent defects or inadequacies other than those noted in the appraisal and/or consulting report. We will call to your attention any apparent defects or material adverse conditions which come to our attention.

In the absence of competent technical advice to the contrary, it is assumed that the property being appraised/analyzed is not adversely affected by concealed or unapparent hazards such as, but not limited to asbestos, hazardous or contaminated substances, toxic waste or radioactivity.

Information furnished by others is presumed to be reliable, and where so specified in the report, has been verified; but no responsibility, whether legal or otherwise, is assumed for its accuracy, and it cannot be guaranteed as being certain. No single item of information was completely relied upon to the exclusion of other information.

Appraisal and consulting reports may contain estimates of future financial performance, estimates or opinions that represent the appraiser's view of reasonable expectations at a point in time, but such information, estimates or opinions are not offered as predictions or as assurances that a level of income or profit will be achieved, that events will occur, or that a price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analyses will vary from those described in our report, and the variations may be material.

Any proposed construction or rehabilitation referred to in the appraisal and/or consulting report is assumed to be completed within a reasonable time and in a workmanlike manner according to or exceeding currently accepted standards of design and methods of construction.

Any inaccessible portions of the subject property or improvements not inspected are assumed to be as reported or like the areas that are inspected.

It should be specifically noted by any prospective mortgagee that the appraisal and/or consulting report assumes the property will be competently managed, leased, and maintained by financially sound owners over the expected period of ownership. This engagement does not entail an evaluation of management's or owner's effectiveness, nor are we responsible for future marketing efforts and other management or ownership actions upon which actual results will depend.

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value and/or performance of the property.

Use of the Report

The report, the final estimate of value and estimates of future financial performance included therein, are intended for the information of the person or persons to whom they are addressed, solely for the purposes stated therein, and should not be relied upon for any other purpose. The addressee shall not distribute the report to third parties without prior permission of HealthTrust. Before such permission shall be provided, the third party shall agree to hold HealthTrust harmless relative to their use of the report.

The report may identify one or more "intended users" of the appraisal and/or consulting report, either by name or type of user. The purpose of this identification is for HealthTrust to determine the appropriate reporting of the appraisal in a manner that is clear and understandable to the identified intended user(s). Neither the appraisers identified in the report nor HealthTrust is responsible to parties who are not identified as intended users or for uses not identified as intended uses.

Neither our report, nor its contents, nor any reference to the appraisers or HealthTrust, may be included or quoted in any offering circular or registration statement, prospectus, preliminary offering statement, sales brochure, other appraisal, loan or other agreement or document without our prior written permission. Permission will be granted only upon meeting certain conditions. Generally, HealthTrust will not agree to the use of its name as a "named expert" within the meaning of the Securities Act of 1933 and the Securities Act of 1934.

The valuation applies only to the property described and for the purpose so stated and should not be used for any other purpose. Possession of the report, or copy thereof, does not carry with it the right of publication. Any allocation of total price between land and the improvements as shown is invalidated if used separately or in conjunction with any other report.

Neither the report nor any portions thereof (especially any conclusions as to value, the identity of the appraisers or HealthTrust, or any reference to the Appraisal Institute or other recognized appraisal organization or the designations they confer) shall be disseminated to the public through public relations media, news media, advertising media, sales media or any other public means of communication without the prior written consent and approval of the appraisers and HealthTrust.

The date(s) of the valuation to which the value estimate, conclusions, or analysis to which the conclusions and opinions apply within a consulting report, is set forth in the letter of transmittal and within the body of the report. The value is based on the purchasing power of the United States dollar as of that date.

Terms of the Engagement

Appraisal and consulting assignments are accepted with the understanding that there is no obligation to furnish services after completion of the original assignment. If the need for subsequent service related to an appraisal assignment (e.g., testimony, updates, conferences, reprint or copy service) is contemplated, special arrangements acceptable to HealthTrust must be made in advance. The working papers for this engagement have been retained in our files and are available for your reference.

Unless otherwise stated, no effort has been made to determine the possible effect, if any, on the subject property of energy shortage or future federal, state or local legislation, including any environmental or ecological matters or interpretations thereof.

We take no responsibility for any events, conditions or circumstances affecting the subject property or its value, that take place after either the effective date of value cited in the appraisal or the date of our field inspection, whichever occurs first.

If any provision of these Standard Terms and Conditions is held, in whole or part, to be unenforceable or invalid for any reason, the remainder of that provision and the remainder of the entire Terms and Conditions will be severable and remain in effect. If any of these Terms and Conditions conflict with an executed client Appraisal Services Agreement, the terms and conditions of the Appraisal Services

Agreement shall control, but only as between Client and HealthTrust, unless the Appraisal Services Agreement expressly states otherwise.

This engagement may be terminated whether by client or HealthTrust at any time upon written notice to that effect to the other parties. We reserve the right to withhold or withdraw services due to non-payment, delayed payment, or an ethical standard or disagreement arises. It being understood that, unless HealthTrust shall unilaterally terminate the engagement without the client's consent and without reasonable cause, the provisions related to the payment of fees and expenses through the date of termination will survive any termination, and it being further understood that the indemnification and hold harmless provisions shall survive any termination thereof, whether or not such termination is unilateral.

Acceptance of and/or use of this report constitutes acceptance of all Standard Terms and Conditions.

For more information on the NIC MAP® Data Service, please visit www.NIC.org/NIC-map or call 410-267-0504.

Hypothetical Conditions

None noted.

Extraordinary Assumptions

Although this market study is not contingent upon any particular management, it does presume that the subject’s management is competent and experienced with operations of an Assisted Living/Memory Care Residence.

We note an assisted living facility is a legally non-conforming use within the UV – Urban Village District. We presume the subject will receive the necessary zoning approvals to be permitted at the current site.

We presume that the developer will fund any cash short falls out-of-pocket until the property reaches a stabilized level of occupancy.

Please note that the use of these extraordinary assumptions and hypothetical conditions might affect our assignment results.

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PREFACE



Proposed Assisted Living and Memory Care

EXECUTIVE SUMMARY

Property Data

Name:	Proposed Assisted Living and Memory Care
Address:	3550 South Washington Avenue Titusville, Florida 32780
Property Type:	Assisted Living/Memory Care Residence
Gross Building Area (SF):	87,625
Land Area (acres):	2.19
Year Built:	2025
Condition:	Excellent
Effective Age:	0
Total Density:	100

As-Is

Unit Mix:	No. Units	Set-Up Beds
<i>AL</i>	75	75
<i>MC</i>	25	25
Total	100	100

Parcel Number:	22-35-15-00-761
Assessor's Fair Market Value:	\$3,449,350
Property Taxes:	\$94,536
Zoning District:	UV - Urban Village District
Flood Zone:	Outside
Owner of Record:	Titusville Mall LLC
Management Company:	Virtuous Senior Living

Glossary of Terms

Activities of daily living (ADLs). Everyday personal care tasks necessary for a person to maintain independence. These tasks include bathing, dressing, transferring, eating, toileting, and continence maintenance. This term is used in the analysis of senior housing properties. †

Actuary. A mathematician, often employed by an insurance company, who calculates premiums, reserves, dividends, and insurance, pension and annuity rates, using risk factors obtained through empirical analysis. †

Ad valorem tax. A tax levied in proportion to the value of the thing(s) being taxed. Exclusive of exemptions, use-value assessment provisions and the like, the property tax is an ad valorem tax †

Business value. The market value of a going-concern, including real property, personal property, and the intangible assets of the business. †

Certificate of Need (CON). A legal document required in many states before proposed acquisitions, expansions, or creations of facilities are allowed.

Density. Sum of independent living units, assisted living units, memory care units and skilled nursing beds.

Effective gross income multiplier (EGIM). The ratio between the sale price (or value) of a property and its effective gross income. †

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

Extraordinary assumption. An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis, which, if found to be false, could alter the appraiser's opinions or conclusions. †

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. †

Furniture, fixtures, and equipment (FF&E). Business trade fixtures and personal property, exclusive of inventory. †

Highest and best use. The reasonably probable use of property that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. †

Hypothetical condition. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. †

Investment value. The value of a property interest to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. †

Leased fee interest. The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires. †

Leasehold interest. The right held by the lessee to use and occupy real estate for a stated term and under conditions specified in the lease. †

Liquidation value. The most probable value price that a specified interest in real property should bring under the following conditions: 1. Consummation of a sale within a short time period; 2. The property is subjected to market conditions prevailing as of the date of valuation. 3. Both buyer and seller are acting prudently and knowledgeably. 4. The seller is under extreme compulsion to sell. 5. The buyer is typically motivated. 6. Both parties are acting in what they consider to be their best interests. 7. A normal marketing effort is not possible due to brief exposure time. 8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9. The price

represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms. See also disposition value; distress sale; forced-sale price. †

Market value. The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition 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. *

Market value of the going concern. The market value of an established and operating business including the real property, personal property, financial assets and intangible assets of the business. †

Personal property. Any tangible or intangible article that is subject to ownership and not classified as real property including identifiable tangible objects that are considered by the general public as being “personal,” such as furnishings, artwork, antiques,

gems and jewelry, collectibles, machinery and equipment; and intangible property that is created and stored electronically such as plans for installation art, choreography, emails or designs for digital tokens.‡

Real property. The interests, benefits, and rights inherent in the ownership of real estate. ‡

Replacement cost for insurance purposes. The estimated cost, at current prices as of the effective date of valuation of a substitute for the building being valued, using modern materials and current standards, design and layout for insurance coverage purposes guaranteeing that damaged property is replaced with new property (i.e., depreciation is not deducted).†

Surplus land. Land that is not currently needed to support the existing improvement but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. ✕

Uniform Standards of Professional Appraisal Practice (USPAP). In the United States, professional standards developed for appraisers and users of appraisal services by the Appraisal Standards Board of The Appraisal Foundation, that are required for use in federally related transactions. Compliance with USPAP is also required in certain appraisals by state certification and licensing boards. †

† *The Dictionary of Real Estate Appraisal*, Sixth Edition, Appraisal Institute, 2015.

✕ *The Appraisal of Real Estate Appraisal*, Fifteenth Edition, Appraisal Institute, 2020.

* Office of the Comptroller of Currency (OCC), Title 12 - Banks and Banking, Code of Federal Regulations (C.F.R.), Subpart C - Real Estate Lending and Appraisals, Part 34.42 (g).

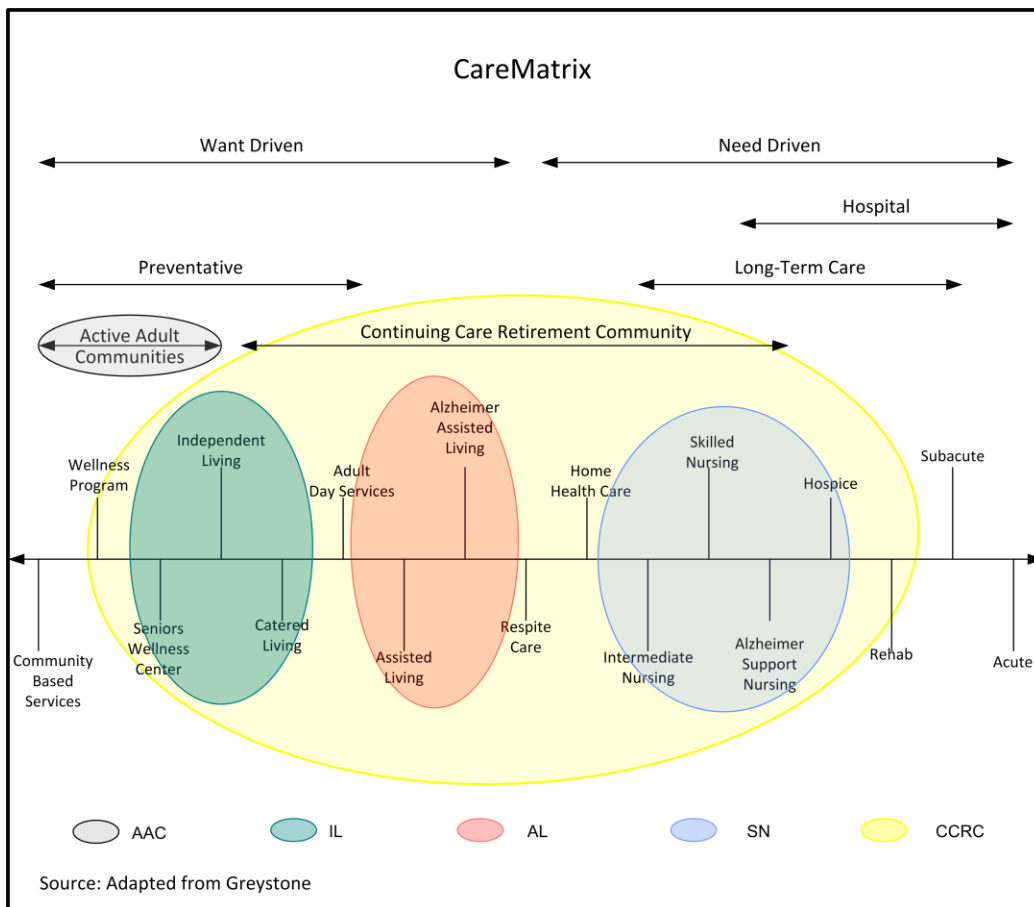
‡ The Appraisal Foundation, *Uniform Standards of Professional Appraisal Practice*, 2020-2021 Edition.

Seniors Housing and Health Care Industry Overview

Seniors housing and health care is a term used to cover three types of residential facilities designed specifically for retirees: Independent Living, Assisted Living, and Skilled Nursing. These three comprise the heart of five-category spectrum of elderly residential care. In order of care intensity, or *acuity*, from lowest to highest the categories are:

- Seniors apartments
- Independent living
- Assisted living
- Skilled nursing
- Hospital/acute care

When someone refers to seniors housing/health care, they are commonly talking about one of the middle three: Independent Living, Assisted Living, Skilled Nursing, or any combination thereof. This overview introduces these product types and touches on current trends affecting the seniors housing/health care industry.

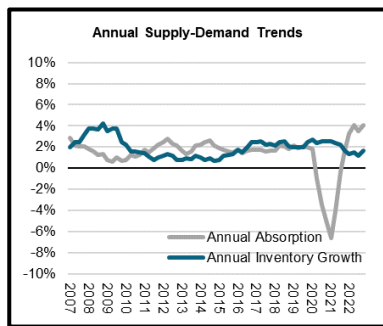


Senior Apartments: Seniors Apartments, or alternatively “active adult” and “55+” complexes, are age-restricted residences where at least 80% of residents are 55 or older. They are not normally called seniors housing/health care but are related on the acuity spectrum. Akin to traditional apartment complexes, they have clubhouses, fitness centers, covered or garage parking, and swimming pools. Health care services, meals, and housekeeping are not provided by on-site staff, but social activities are usually available. Residents are active adults not needing assistance with activities of daily living (ADLs). Units typically include a full kitchen, washer and dryer hook-ups, balconies or patios, window treatments and floor coverings.

The NIC/American Seniors Housing Association’s *Seniors Housing Construction Trends Report 2013* indicated 180 projects under construction, with 12,949 units, as of March 2013. This was down slightly from the prior year. Only 11% were *market rate* projects; the remainder being subsidized affordable housing or “HUD 202” deals. But while the total number of new projects was less than the prior year, *market rate* projects were a greater share of the total in 2013. Unfortunately, future additions of this report ceased covering senior apartments.

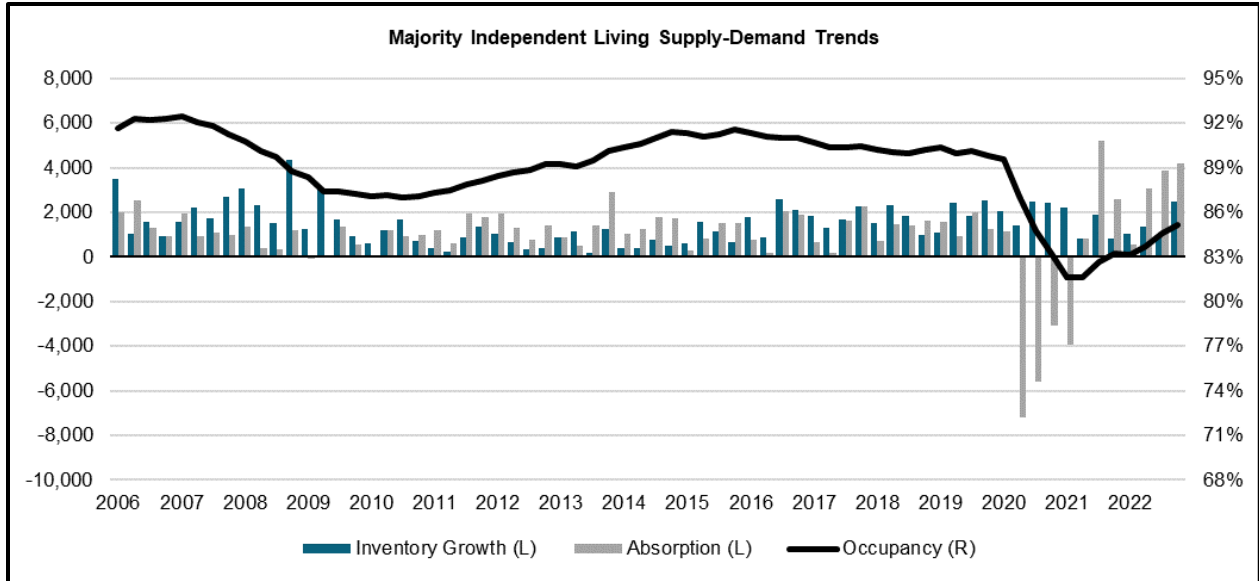
Nonetheless, we are seeing traditional multifamily developers, operators and investors begin to offer more specifically geared towards the baby boomers and are seeing seniors housing operators, such as Discovery Senior Living and Allegro, build projects to attract this demographic. This lifestyle-oriented product is a growing niche in the seniors housing spectrum.

Independent Living: Independent Living Communities (ILCs) were developed in the 1980s to meet growing demand for accommodations specifically designed for seniors. They typically range from 115 to 300 units and are designed like apartment complexes. They have self-contained units with cooking facilities but also offer formal dining and common amenities like exterior courtyards, beauty salons, lounge and activity areas. Standard services include weekly housekeeping, linen service, maintenance of grounds, social activities, and at least one meal a day. Limited health services can be provided by third-party home health agencies *a la carte*, but residents must be physically and mentally able to perform all ADLs. Unlike higher acuity seniors housing, ILCs are less need-driven, with lifestyle and social choices driving the residency decision.



According to the NIC MAP® Data Service 4Q 2022 *Monitor*, occupancy was up 60 basis points from the prior quarter to 85.2% but 440 basis below the pre-pandemic level. Construction has slowed but represents 4.7% of existing supply. Net absorption for the quarter was positive and a faster pace than the prior quarter. Rent growth at 4.0, remaining consistent with the prior quarter.

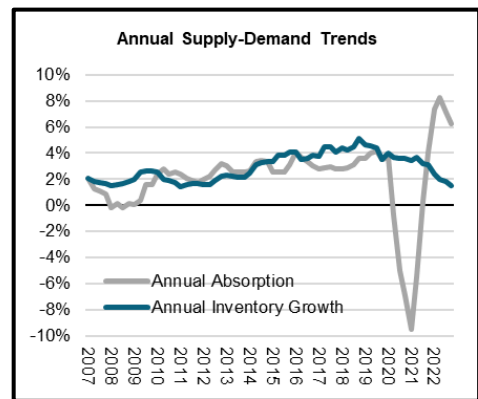
NIC MAP® Data Service reported the following supply and demand trends for Majority Independent Living Communities:



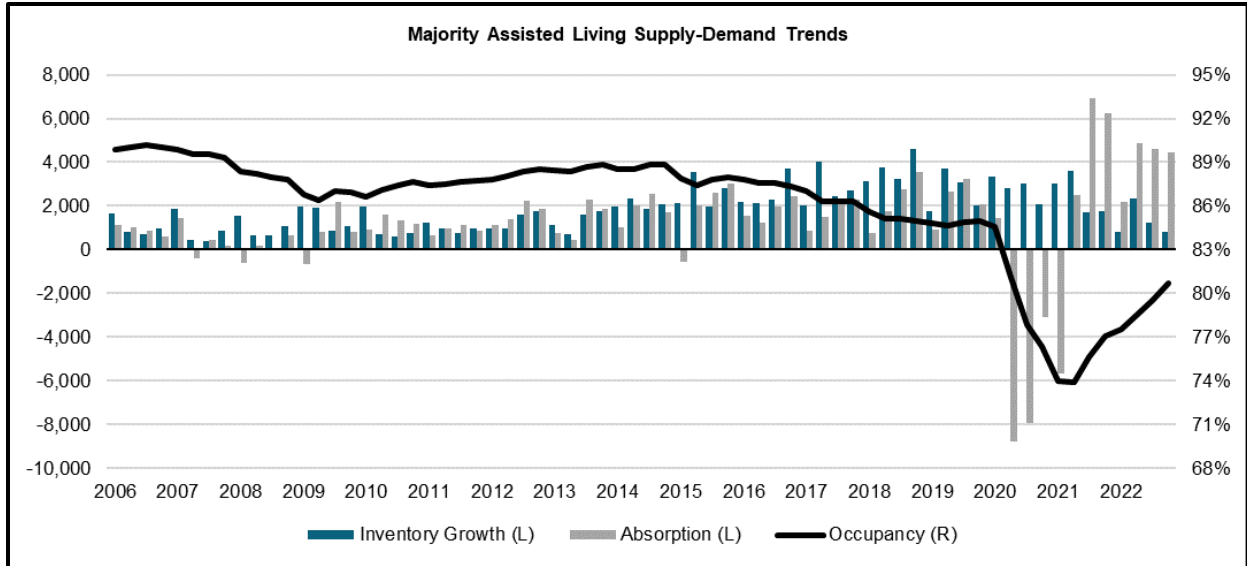
Assisted Living: Assisted Living Residences (ALRs) are for seniors who can no longer perform all ADLs. The acuity is roughly between independent living and skilled nursing. Residents live in separate units, but ADLs are centrally provided and supervised by on-site staff. Standard services include three meals a day, grooming, bathing, dressing, and toileting. Other services are offered for additional charges. Many ALRs have a secured “Memory Care” wings for Alzheimer’s/dementia with higher staff ratios, a “wander-guard” system, and dedicated amenities designed to improve quality of life. Most states require little additional certification to offer a memory care unit.

Many states offer Medicaid reimbursement for stays at ALRs, often known as “waiver”. This appears to be the final level of support needed to legitimize ALRs for institutional investment.

According the NIC MAP® Data Service 4Q 2022 *Monitor*, occupancy continued to improve by 110 basis points to 80.7%, but remains below pre-pandemic average occupancy of 84.6%. Construction ticked up from the prior quarter with 19,100 units under construction, or 5.6% of existing inventory, while absorption resulted in the number of occupied units improving by 4,451 units in primary markets. Annual absorption represents a 4% decline from the prior quarter.



The annual rate growth continues to increase and is up 5.5% and the highest increase since 2006. NIC MAP® Data Service indicated the following supply and demand trends for Majority Assisted Living Communities:

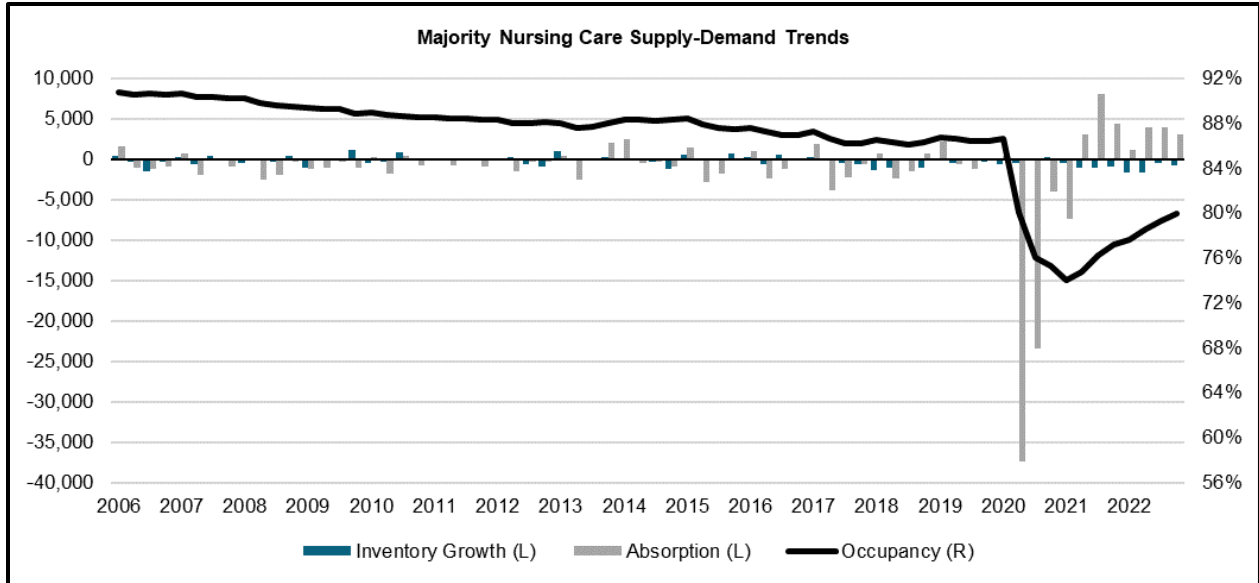


Skilled Nursing Facilities: Skilled Nursing Facilities (SNFs) are the oldest seniors housing/health care product and one step below hospitals on the acuity spectrum. They are for residents needing 24-hour care and supervision by on-site nursing personnel. They contain smaller, more institutional rooms without cooking facilities. Many older SNFs have a high ratio of semi-private (double resident) rooms. Newer SNFs are trending toward more private rooms to target profitable short-term rehab residents.

Most SNF revenue comes from The Centers for Medicare and Medicaid Services (CMS), which combined, paid about 52% of the \$172 billion expended for skilled nursing care in 2019. This heavily reliance on subsidies means any changes in reimbursements can directly impact a SNF’s profitability.

In recent decades, SNFs turned their focus to more profitable short-term rehab residents reimbursed by Medicare. Many buildings were redesigned to create more private rooms, bigger physical therapy spaces, and dedicated common areas for short-term residents. This was driven by concerns about lower reimbursement levels for long-term care and the growing trend of long-term care residents moving to ALRs and home health settings. However, following the Affordable Care Act, more rehab residents are now being discharged directly to residential settings with support from home health agencies, sometimes bypassing a short-term stay in a SNF.

The latest NIC MAP® Data Service *Construction Monitor* indicates that there were 2,010 Nursing Care Beds under construction in the 100 largest MSAs, in 1Q23. Many new SNFs are being developed within a continuum of care that includes IL, AL and MC units, or as standalone “transitional care” facilities focused almost exclusively on short-term rehab. According to the Centers for Medicare and Medicaid Services (CMS) there are 1.61 million certified SNF beds as of the beginning of 2023, but we note that the total supply has contracted over the last five years. According to NIC MAP® Data Service *Construction Monitor*, among the 100 largest MSAs, SNF construction as a share of existing inventory is only 0.2%. Many projects are replacement facilities, as CMS reports little growth in total beds. Supply and demand trends are summarized as follows:



Acute Care Hospitals: The final level of care on the acuity spectrum is the acute care hospital, which often represents the last step in the life cycle. Although part of the acuity spectrum, hospitals are a distinct kind of facility outside the seniors housing/health care classification. There is little exhibited interrelationship in the supply and demand characteristics of acute care hospitals to other elements of the seniors housing market. However, skilled nursing facilities benefit from proximity to and referral relationships with acute care hospitals.

Continuing Care Retirement Communities and Other Product Types: In seniors housing/health care there are numerous hybrids and combinations of care types under one roof. A facility may offer independent and assisted living together or have mostly skilled nursing with an assisted living wing. The most common combined facility is the Continuing Care Retirement Community (CCRC), or LifePlan community, offering all three care types from independent living to skilled nursing on one large campus, allowing residents to “age in place”. CCRCs can house hundreds, or even thousands of residents in several buildings on a campus with heightened amenities not available in smaller scale ILCs, ALRs, and SNFs.

CCRCs often require large initial entry fee deposits (“IEDs”) or buy-ins from new residents in exchange for, and offsetting, the cost of future healthcare benefits and to help reduce monthly fees during residency. Many variations exist on refund policies of the IED ranging from 0% to 100%. Many communities amortize the entire non-refundable fee over four to eight years, in some cases where no refund is due, noting currently, the most popular plans tend to be 80-90% refundable upon release of a members IL unit.

“Life Care Defined”: LeadingAge - formerly the American Association of Homes and Services for the Aging (AAHSA) - a national organization of not-for-profit CCRCs and other healthcare facilities, has created three broad designations of continuing care contract types.

- **Type "A" Life Care Contracts provide:** A lifetime guarantee of unlimited assisted Living, memory support and/or skilled nursing at significant savings compared to market rates. In other words, all additional care as residents progress through the continuum is included at discounted rates for the life of the community member. In most cases, transfer to the health center will result in little or no increase in the monthly fee paid for the independent living unit. Additional charges apply for medical supplies and meals in excess of the monthly dining account plans selected.
- **Type "B" Contracts provide:** Assisted Living, memory support or skilled nursing services for a limited number of days per year at no extra cost or at a limited discount. If the contract provides for a specified benefit period, after the limited number of days the member is charged on a per diem basis at a rate that usually equals the market rate, private-pay, direct admission fee. Common allowable days of care under this type of contract are 15 to 30 days per year or a maximum of 360 days in a lifetime. The limited discount is usually a 10-20% reduction in the per diem rate that is typically equal to the private pay fee for the duration of the contract. The Type "B" Contract can be a good choice for someone with long-term care insurance who wants to complement the benefits of their policy.
- **Type "C" Contracts provide:** Priority access to assisted living, memory support and/or skilled nursing care at the current market private pay rate. The Type "C" contract allows someone with a long-term care insurance policy to utilize their policy benefits when care is needed. It also provides the assurance of access to quality care to those who are willing to pay the market rate and remain in the same community/campus. The Type "C" contract is essentially a rental contract with no discounts to monthly or daily service fees.

Summary: This review of seniors housing is intentionally brief and is designed to acquaint the reader with the general product types and services available to the retiree consumer differentiated by price and acuity level.

Lending and Development

Well-managed, stabilized communities with established operators have access to capital from agencies (Fannie, Freddie, HUD), commercial banks, and REITs. Interest in development remains high, but construction lending is tightening with some projects with experienced developers being re-traded during construction and terms including recourse and lower levels of leverage relative to cost due to rising interest rates. Following the Federal Reserve implementing increases of 425 basis points in 2022, the highest level in 15 years with more expected throughout 2023, transaction activity in the healthcare and senior housing sector is slowing. Anecdotally we are hearing of deals that are faltering as borrowing costs rise, and we have observed terms of several transactions were renegotiated resulting in higher implied capitalization rates.

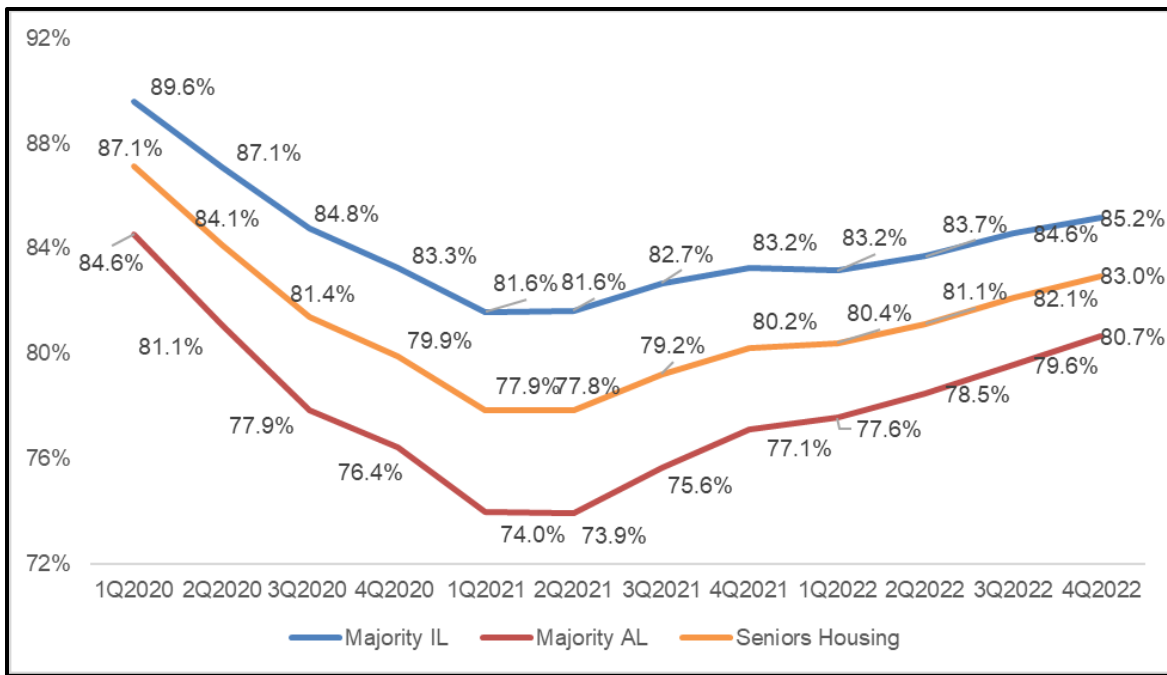
A related issue for development is staffing. Many markets are seeing severe staffing shortages at both the administrative and care levels. While especially true for nursing homes, seniors housing is feeling the pinch, too. The use of agency nursing services is more routine now than ever, and nursing homes are seeing more administrative turnover. The problem is especially acute in rural markets where fewer staff live or can commute and satellite suburban markets that must compete with a nearby metro area for talent. Many large operators now have recruitment and retention programs designed to keep quality

personnel with signing bonuses, higher wages, educational allowances, meals, transportation, and other perks. This situation puts pressure on developers to assemble competent staff for a new facility.

The most recent quarterly update from NIC MAP® Data Service details development trends in the 31 largest MSAs in Seniors Housing (Independent and Assisted Living):

	Seniors Housing								
	Existing Inventory		Occupancy		Supply and Demand		Under Construction		Annual Rent
	# Properties	# Units	All	Stabilized	Absorption	Inventory Growth	# Properties	# Units	Growth
4Q22	5,418	692,961	83.0%	84.4%	8,638	3,309	317	35,719	4.9%
3Q22	5,402	689,652	82.1%	83.7%	8,513	2,145	324	35,624	4.5%
2Q22	5,381	687,507	81.1%	83.0%	7,946	3,685	334	36,921	3.9%
1Q22	5,368	683,822	80.4%	82.3%	2,748	1,853	340	37,719	3.7%
2021	5,355	681,969	80.2%	82.3%	8,847	2,535	351	38,615	2.7%
2020	5,227	666,161	79.9%	82.3%	-6,208	4,526	379	41,450	1.7%
2019	5,082	646,567	87.5%	89.7%	3,314	4,558	460	50,320	3.5%
2018	4,932	628,109	87.7%	89.9%	5,168	5,634	429	46,815	3.2%
2017	4,773	606,669	88.5%	90.3%	4,521	5,006	464	46,914	2.7%
2016	4,614	588,346	89.3%	91.0%	4,361	5,801	450	41,393	3.9%
2015	4,477	570,707	89.9%	91.2%	4,526	3,477	412	36,468	2.7%

Finally, the NIC MAP® Data Service reports the following changes in occupancy by level of care:

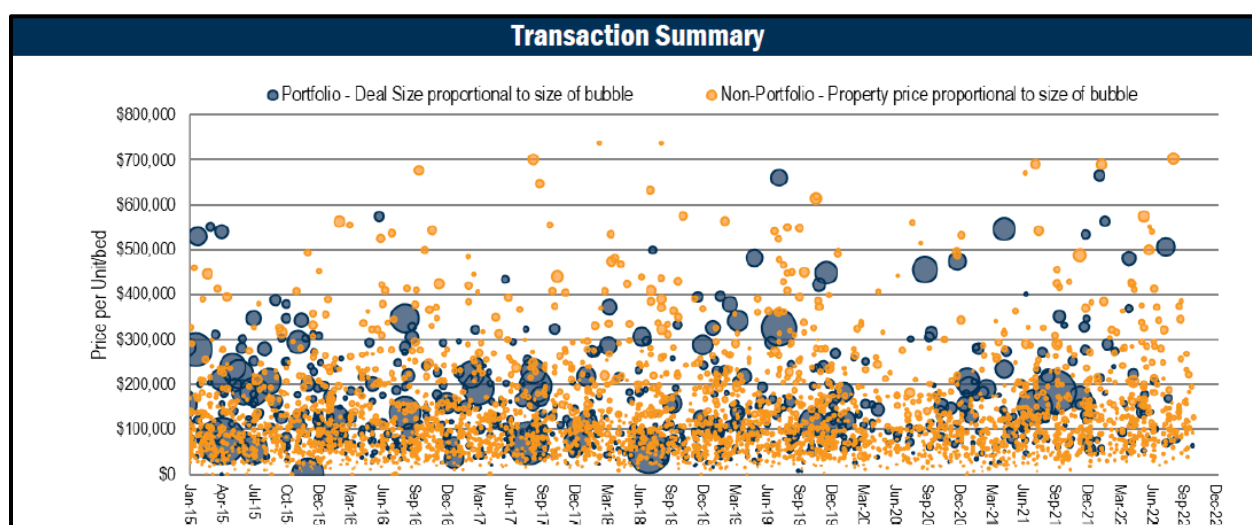


With most senior living and care communities receiving vaccines for all residents and staff in 1Q 2021, many operators and investors are cautiously optimistic that the occupancy bottom was in Q1 and Q2 of 2021. While progress varies widely market by market, we find that overall, the rapid recovery anticipated by some has not materialized.

Transactions

Following a period of relatively low volume due to perceived overbuilding and the pandemic, sales activity increased dramatically beginning in 2Q 2021 as the slowdown in Provider Relief Fund (PRF) disbursements has created some duress and over-levered and non-performing properties start to hit the market. Over the last four to five quarters, most deals have been smaller, predominantly single properties or groups of fewer than ten. However, few Class A properties built in the last five to seven years with a continuum of care in major metropolitan markets have come onto the market and when they do, attract private equity, pension funds, large cap REITs and traditional strategic buyers. With fewer of these facilities available, the bulk of transactions are now for non-institutional grade facilities traded in smaller portfolios.

NIC MAP® Data Service 4Q22 *Transaction Report* illustrates transaction activity over the last several years as follows:



Source: NIC-RCA Sales Transactions Report, 4Q 2022

We note many seniors housing transactions in 2021 involved older (1990s' and early 2000s' built) communities that suffered inadequate capital investment as well as newer (built since 2016/7) communities that failed to lease-up during the deluge of inventory growth compounded by the pandemic. Overall, buyers are making investment decisions based on yield expectations rather than cap rates. For new construction, whether stabilized or not, we had seen prices in select markets well above replacement until the second half of 2022 when we started seeing transactions below replacement cost.

In skilled nursing, investors have reassessed risk after seeing the federal government shovel \$10 billion in aid to nursing homes while seniors housing – and only licensed facilities at that – received less than \$1 billion. Consequently, as investors seek yield and recognize the broader demographics of 75+ baby boomers with less than two million SN beds, they expect current industry challenges to be resolved with longer term demand and are paying prices for SNFs that many view as exuberant, albeit generally still well below replacement cost.

However, by 1Q 2023 and following eight increases by the Federal Reserve totaling 450 basis points, activity seems to be slowing again. Anecdotally we are hearing of deals that are faltering as borrowing cost rise and even some Class A transactions with negative yields on the in-place cash flow. Until

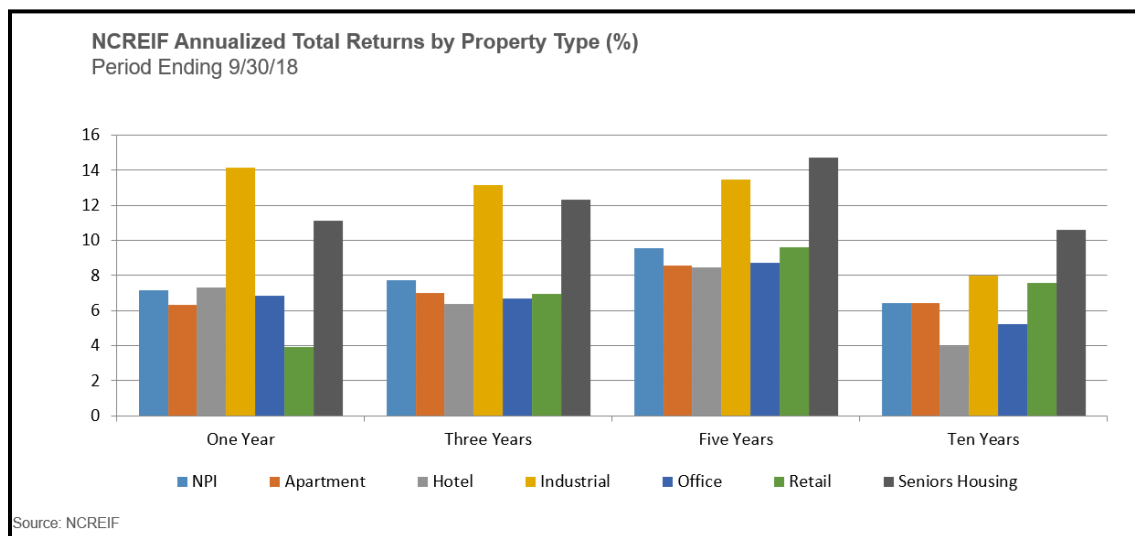
borrowing costs level off or operations stabilize at improved margins, we expect the slowdown in transactions that began in late 2022 to continue.

Key Themes in 2023

We identified the following key themes affecting the seniors housing industry and note that many have been magnified by the pandemic:

- ❑ **Financing:** Well-managed, stabilized communities with established operators have access to capital from agencies (Fannie, Freddie, HUD), commercial banks, and REITs. However, as capital costs have risen and volume of usual permanent financing sources (Fannie Mae, Freddie Mac and HUD) has dropped considerably from over \$11 billion in the year preceding the pandemic to just over \$4 billion in 2022. Further, Fannie Mae's 2022 10K filing suggests that 39% of its seniors housing debt is floating rate debt and that seniors housing loans constituted 4% of the multifamily guaranty book of business as of December 31, 2022. Although the *NIC Lending Trends Report* indicates no foreclosures in 3Q 2022, closed new permanent loans were at a time series low (since 2016) while the number of delinquent loans rose 20 to 40 basis points to 1.2% for seniors housing and 1.3% for skilled nursing, respectively. Anecdotally, we hear that most lenders are on pause as regulators increase the pressure to act on borrowers who may be tripping covenants, but no one wants the keys back on a building. Healthcare REITs will continue to be key capital sources through sale/leaseback deals and RIDEA (REIT Investment Diversification and Empowerment ACT) arrangements. The Federal Reserve's 300-basis-point increase in rates since June 2022 with more increases expected will serve to temper demand for financing, particularly on the seniors housing side as some transactions may not pencil at higher capital costs. Nonetheless, with more debt and capital active in the sector, the rate increases have not impacted demand as much as in other sectors.
- ❑ **Buyers:** Over the last 12 months, the top five buyers have included a mix of public and private buyers, namely: Welltower (\$3.0 billion), Ventas, (\$2.4 billion), Harrison Street (\$368 million), PGIM Real Estate (\$360 million) and Lone Star (\$298 million). However, to date in 2022, private equity has been responsible for 73% of the acquisitions for seniors housing and care overall and for a whopping 92% of transactions in the skilled nursing sector, as states and the federal government target private equity ownership.

The following graphic from the *NIC Investment Guide* shows these returns relative to other commercial property types:



- ❑ **Supply:** Most markets saw strong fill rates from the end of the Great Recession to 2015, but with many reporting material increases in supply – in some submarkets well in excess of 50% of existing inventory – from 2016 until today. Since the end of 2015, occupancy dropped from 90% to 85% before the pandemic with widespread drops placing formerly stabilized properties in competition with new additions in their initial fill. With over 53,000 units/beds under construction and thousands more vacant, depressed occupancy levels are expected for at least the next two to six quarters in most areas. Increasingly, the availability of labor is a constraint on occupancy growth.
- ❑ **Operations:** In many markets, seniors housing and care communities are competing with Aldi, Target, Walmart and various fast food outlets for certified nursing assistants (CNAs), food servers and other entry level staff. Shortages of nursing staff and experienced managers are also impacting operations causing greater reliance on agency nursing and overtime even in seniors housing communities that typically have not relied on agency. Based on HealthComps® indications, about 78% of skilled nursing facilities relied on agency for labor in 2022 up from 46% in 2019 with costs rising from \$4 per resident day (PRD) to nearly \$130 PRD. The same store sample of the 2022 edition of *The State of Seniors Housing* suggests that most operators have seen margin compression, dropping from an average of 29% in 2012 to just under 27% in 2021. While many expect to pass-through rate increases of 6-7% to offset rising costs and labor, some may be unable to achieve those levels on top of evaporating concessions. For skilled nursing, many states have stepped up payments, providing some relief to operators caught between rebuilding census and paying agency labor costs.
- ❑ **Diversified Yield:** The pending silver tsunami as well as NIC’s active promotion of the investment case for seniors housing, as well as its performance up to the pandemic, has attracted a seemingly endless stream of debt funds, foreign money, and investors previously focused on more traditional commercial real estate assets. The interest in the market – both debt and equity – remains high despite the headwinds and depressed performance of the last couple of years. REITs who had been on the sidelines are now strategically re-entering to offset lackluster senior housing operating portfolio (SHOP) performance. With uncertainty regarding the duration of the current

inflationary pressures, demand will remain strong for fail-to-thrive assets (new construction, never stabilized due to oversupply and then the pandemic) as owners of Class A assets are unwilling to accept reduced proceeds.

- ❑ **Regulations/Government:** States had largely cured the shortfalls plaguing their budgets after the Great Recession, but lockdowns and depressed economic activity have led to budget shortfalls and depletion of rainy day funds in some while others are implementing significant Medicaid rate increases to offset inflation and support higher wages. On a federal level, trillions in debt have been incurred since the beginning of the pandemic with more expected to be approved. Both federal and state governments stepped up financial support for the industry in terms of Provider Relief Funds and Medicaid rate add-ons. Further, CMS phased the correction for overpayment of PDPM reimbursement. But without tax revenues to offset the recent state and federal support, it is unlikely to continue indefinitely. Further, there is a growing trend of states converting to Managed Care programs, which, while not reflecting outright cuts, do bring increased operational scrutiny. In terms of Medicare, many states are instituting reimbursement structures that emphasize outcomes and performance over older models based on coding and length of stay. Nonetheless, the frequent and generally negative headlines about seniors facility deaths (conflating skilled nursing with seniors housing) has increased scrutiny by CMS and led to a House investigation of the assisted living industry. With SNFs receiving over \$10 billion in Provider Relief Fund (PRF) revenues and licensed seniors housing receiving an estimated \$700 million, increased federal oversight is a likely outcome.

Overall, the seniors housing industry has a strong long-term outlook, supported by demographic shifts and strong operational track records. The primary challenges facing the industry prior to the pandemic – occupancy softness and labor – are simply magnified following years of COVID-19. In the short-term, we expect adverse impacts to cash flows as operators rebuild occupancy and incur agency costs and high turnover. From a valuation viewpoint, we see buyers more focused on yields than capitalization rates due to uncertainty of the length and choppiness of operational recovery.

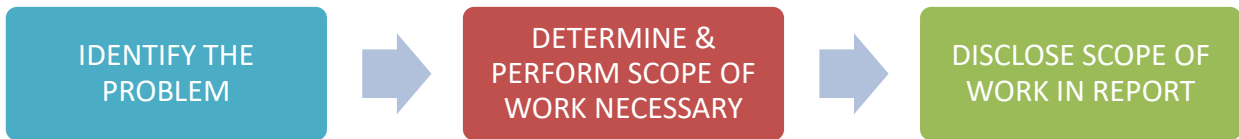
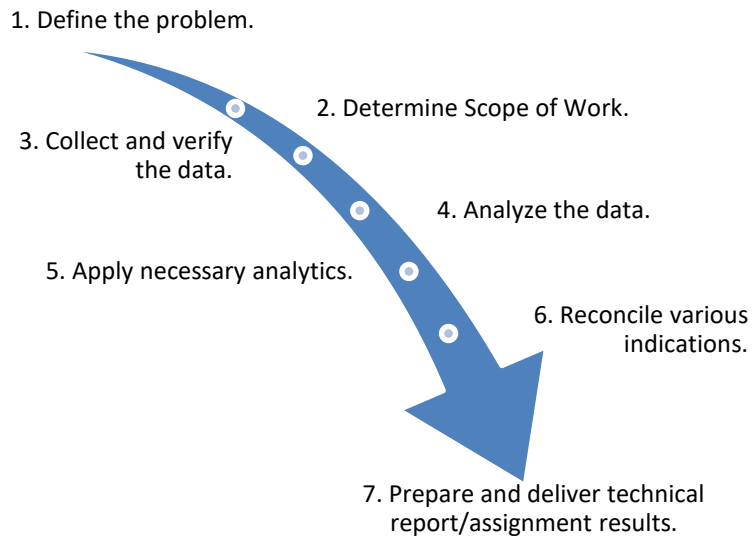
INTRODUCTION

Legal Description: The subject’s legal descriptions were provided and are presented in the addenda of this report. We presume these descriptions are correct and assume no liability for them.

Purpose and Intended Use of the Market Study: To estimate the market demand of the subject property. The intended use of this analysis is to assist with internal decision-making involving the subject. The intended users are representatives of the client: Titusville Resort and Destination LLC.

Scope of Work

Development and Reporting Process: Appraisers are required to comply with USPAP anytime an individual is performing services as an appraiser. While specific guidelines for consulting are not provided, appraisers are obligated to follow ethical, record keeping, competency and scope of work guidelines as it relates to analytics. Standards Rule 1-2(h) and 2-2(a)(viii) of USPAP requires each written report to describe the extent of the process of collecting, confirming and reporting data to develop conclusions as an appraiser. The Scope of Work is a written set of expectations between the client and the appraiser or consultant in which to be sufficient to produce credible assignment results: we performed a 7-step process to prepare our study:



Based on the identified objective of the study, we view the income-producing potential of the subject as the most salient issue. As part of the analytical process, we have:

- Identified the subject physical location or area of study
- Determined the intended use (purpose) and user of the study
- Considered any special assignment conditions (HUD, Fannie Mae, Freddie Mac, Litigation)
- Inspected the interior and exterior of the subject, driven the neighborhood and general market area
- Gathered and analyzed public records: legal, ownership history, zoning, tax assessment
- Examined supply and demand factors
- Analyzed current demographic data and projected changes over the next five years
- Researched development trends, building construction costs
- Analyzed operating characteristics of the subject and comparable properties
- Analyzed market trends and characteristics impacting the subject
- Researched the legislative environment and any necessary licensure requirements

We have surveyed the most comparable properties in the market area to assess typical demand and rates in the PMA. As the subject is an income-producing property that is typically bought by investors, we have spent the most time, effort and original research on verifying expense comparables, rent comparables, identifying trends that may impact the subject's operations.

This report is a written record of our conclusions and opinions, containing the most pertinent market data used and a discussion of the reasoning underlying our analysis.

The USPAP Competency Rule requires that appraisers have or obtain the ability and knowledge to complete an assignment while being cognizant of and in compliance with applicable laws and regulations. HealthTrust, LLC exclusively works with properties involved in healthcare and housing for older adults and the appraisers identified in the Certification comply with the Competency Rule.

Inspection and Effective Dates of Analysis

We note a site inspection was not included in the scope of work for this report. As a result, we have relied on the information obtained during our site inspection of the subject on May 11, 2023, for this report.

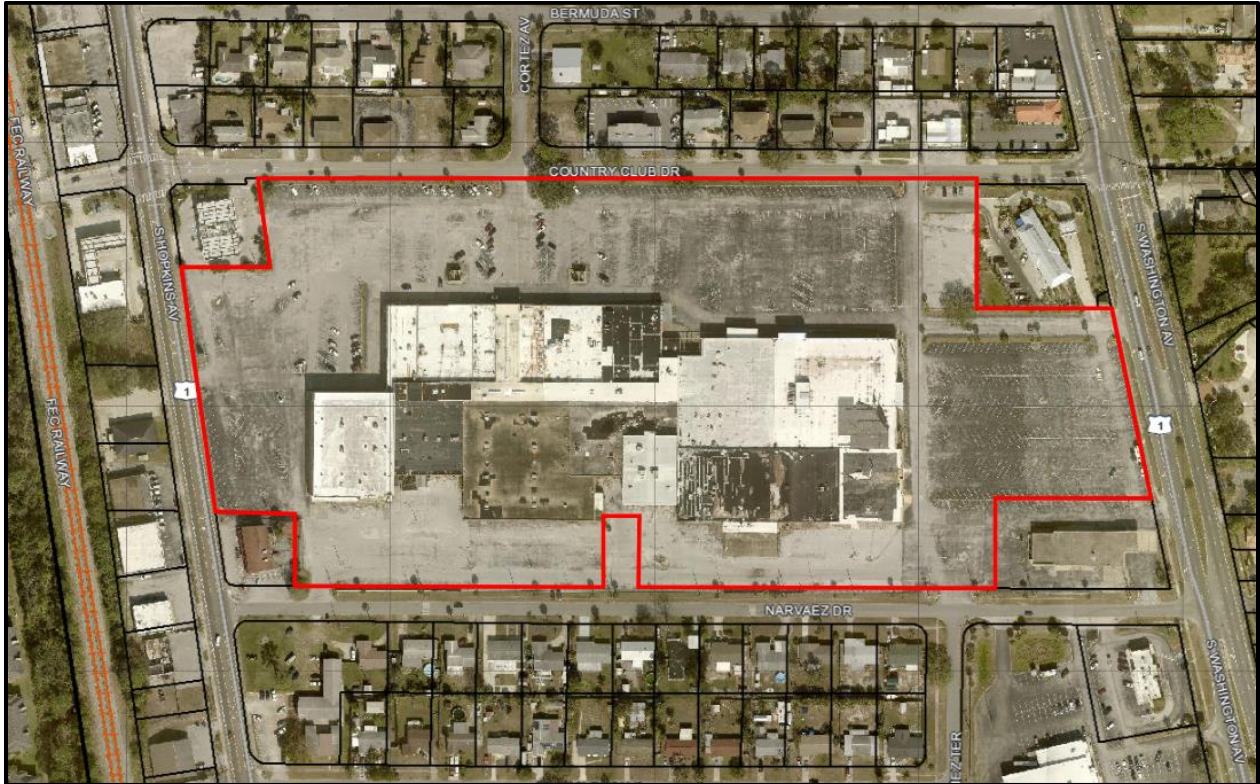
DESCRIPTIVE DATA

Site Description

We have made a visual inspection of the subject property. Where applicable, we have supplemented our analysis with information provided by the subject's management and/or the client. As previously noted, we are not experts in the presence of hazardous substances or the structural integrity of the site or improvements. Based on our inspection of the property, the subject's site characteristics are as follows:

SITE DESCRIPTION			
Access		General	
Primary Frontage:	South Washington Avenue	Site size:	2.19 acres
Type:	2-way, 2 lanes each way	Source:	Public Records
Median Divided:	Yes	Shape:	Irregular
Accessibility	Good	Topography:	Level
Visibility	Good	Other Site Improvements	
Exposure	Average	Paved Drives:	Yes
Facilitating Entry to Site		Walkways:	Yes
Turn Lane:	Yes	Landscaping:	Yes
Stop Sign:	No	Signage:	Yes
Traffic Light:	No	Ancillary Buildings:	No
Easements		Retention Ponds or areas:	No
Right of Way:	Yes	Parking	
Utility:	No	Open Parking spaces:	95
Ingress/Egress:	No	Covered Parking spaces:	0
Drainage:	No	Garage spaces:	0
Other (specify):	No	Handicap spaces:	9
Utility Services		Total	104
Electric:	Yes	Soil	
Gas:	Yes	Drainage:	Adequate
Water:	Public	Soil Conditions:	Normal
Sewer:	Public	Above-Ground Storage Tanks:	No
Telephone	Yes	Underground Storage Tanks:	No
Cable:	No	Hazardous Substances:	No
Flood Zone		Costs to cure:	\$0
Flood Plain:	Outside	Seismic	
Designation:	X	Zone:	A
Community Panel:	12009C0210H		
Date:	January 29, 2021		

AERIAL MAP



Zoning

We verified the subject’s zoning designation and reviewed the corresponding zoning ordinance with the City of Titusville. Based on discussions with the City of Titusville Zoning Department, an assisted living community is not permitted within the UV – Urban Village District. Based on discussions with the client, the subject is in the process of submitting for a zoning change to allow for the use of an assisted living facility to be permitted at the current site. As a result, we assume the necessary approvals will be granted and the subject site can be rebuilt if it were destroyed as a result. A summary of the zoning requirements is as follows:

ZONING DESIGNATION	
Designation:	UV - Urban Village District
Zoning Authority:	City of Titusville
Permitted Uses:	multifamily dwellings, neighborhood group home, emergency clinics, financial institutions, hotel/motel, legal office, medical office/clinic, professional offices, retail sales and service
Maximum Height:	50 feet
Permitted Density:	15 dwelling units per acre
Max. Permitted FAR:	N/A
Required Parking:	one space per two beds plus one space per employee
Subject Permitted As:	legally non-conforming use

Assessment and Taxes

The subject property is assessed by Brevard County. The subject's real estate is assessed annually, with the most recent assessment having occurred in 2022 and the next scheduled assessment for 2023. The sale of a property does not automatically trigger a reassessment the following year. In addition, arm's length transactions will impact the subject's assessed value in subsequent years. The following table details the subject's most recent assessment and tax information:

SUMMARY OF REAL ESTATE TAXES			
Parcel ID	Land	Building	Total
22-35-15-00-761	\$3,449,350	\$0	\$3,449,350
Total Assessor's Implied Fair Market Value:			\$3,449,350
Adjustments & Taxes:			
Exempt Value:			\$0
Assessment Ratio:			100%
Taxable Value:			\$3,449,350
Effective Tax (Millage) Rate:		17.7534	per \$1,000
Total Ad Valorem Real Estate Taxes:			\$61,238
Total Non-Ad Valorem Real Estate Taxes:			\$33,299
Total Real Estate Taxes			\$94,536
Total Taxes:			\$94,536
Assessment Year			2022
Tax Year			2022
Total Taxes Per:		\$945	\$945

\$945 ← Unit Bed → \$945

Further, we have juxtaposed the subject real estate tax indications with the comparable properties, as follows:

TAX COMPARABLE ANALYSIS			
Property	Year Built	Assessed/Density	Taxes/Density
The Watermark at Vistawilla	2018	\$149,661	\$2,351
Strive at Fern Park Senior Living	2020	\$132,582	\$1,778
The Grove at Trelago	2021	\$192,253	\$3,010
Shell Harbor Retirement Community	2021	\$180,616	\$2,944
Sonata East at Viera	2021	\$231,877	\$2,873
Subject	2025	\$34,494	\$945
Market Median	2021	\$180,616	\$2,873
Market Mean	2020	\$177,398	\$2,591

*Source: Assessor's Office; *Personal property tax not included; **Central tendencies exclude Subject*

We have not forecasted a tax amount for the subject property as part of this analysis, but would expect an assessment at the upper end, if not above, the comparable range.

Improvement Description

The following description of the subject improvements is based on our review of the floor plans and information provided by the operator. These plans are contained in the Addenda of this report. We have partitioned the subject's gross building area as follows:

SUMMARY OF GBA	
Portion	GBA
Assisted/Memory Care	87,625
Total	87,625

DESCRIPTION OF IMPROVEMENTS			
Improvement Description:			
Year Built:	2025	Building Shape	"L" shaped
Year of Last Major Renovation	N/A	Basement	None
Number of Buildings	1	Balconies	Yes
Number of Stories	3	Number of Elevators	2
Nurse's Stations	4	Dining Rooms	3
Overall Condition	Excellent	Deferred Maintenance	No
Overall Quality	Excellent	Functional Obsolescence	No

We expect the subject property to be constructed at one time. The improvements are well maintained, with replacements having been made as needed.

The subject's improvements are detailed as follows:

DESCRIPTION OF IMPROVEMENTS (CONT.)

Construction Details:

Foundation Type:	Concrete slab
Structure Type:	Concrete Block
Roof Type:	Gable
Exterior Wall Finish:	Stucco
Interior Partitions - Common Areas:	Latex paint over drywall
Interior Partitions - Resident Units:	Latex paint over drywall
Ceilings - Common Areas:	Latex paint over drywall
Ceilings - Resident Units:	Latex paint over drywall
Lighting - Common Areas:	LED and Incandescent
Lighting - Resident Units:	LED and Incandescent
HVAC - Common Areas:	Central
HVAC - Resident Units:	Central
Floor Coverings - Common Areas:	Carpet and vinyl sheet
Floor Coverings - Resident Units:	Carpet and vinyl sheet
Windows:	Aluminum frame, single-hung
Sprinkler/Security System:	All units have 24-hour emergency call system with central monitoring. The building is sprinklered and contains smoke detectors.
FF&E:	This market study includes all chattel and personal property associated with the subject's operation such as furnishings for all common and administrative areas, office equipment, kitchen and laundry equipment, maintenance equipment, and all other accessory items required for normal operation.

Community Layout

The subject is a proposed three-story assisted living and memory care community. The first floor will consist of 25 assisted living units and will house amenities such as the main dining rooms, therapy room, chapel, beauty salon, theatre, bar, and activity rooms. Back-of-house areas such as the admin offices, kitchen, and storage rooms will be located on the first floor. The second floor will consist of 25 assisted living and 25 memory care units. The memory care wing will be secured with a separate dining room and amenities. The third floor will consist of 35 assisted living units and will house additional amenities such as activity rooms and a 3,093 square foot observation deck.

The following table illustrates the amenities offered by the subject. Overall, we find these to be typical within the market, and adequate given the subject's age, quality and prospective resident:

SUMMARY OF AMENITIES			
Unit Amenities:			
Balconies/porches	Yes	Individually controlled HVAC	Yes
Cable/satellite TV	Yes	Kitchenettes	Yes
Emergency pull-cords	Yes	Private baths	Yes
Fire/smoke detectors	Yes	Walk-in closets	Yes
Full kitchens	No	Washer/dryer hookups	No
High-speed internet	No	Washers/dryers	No
Community Amenities:			
Activity rooms	Yes	Laundry facilities	Yes
Arts & crafts rooms	Yes	Library	Yes
Assistance w/ ADLs	Yes	Linen Service	Yes
Bank branch	No	Lounge areas	Yes
Beauty/barber shop	Yes	Medications	Yes
Business Center	Yes	Pharmacy	No
Chapel	Yes	Postal services	Yes
Coffee Shop/Deli	No	Putting green	No
Computer room	Yes	Reception Area	Yes
Concierge service	No	Scheduled transportation	Yes
Courtyard	Yes	Security 24 hour	Yes
Covered parking	No	Skilled nursing care	No
Dining room - main	Yes	Social activities	Yes
Dining room - private	Yes	Spa/Whirlpool	No
Exercise facilities	Yes	Storage area/bin	No
Game/billiards rooms	No	Swimming Pool	Yes
Garage parking	No	Tennis courts	No
General store	No	Theater/Auditorium	Yes
Golf course	No	Therapy Room	Yes
Guest Accommodations	Yes	Utilities	Yes
Health center	Yes	Walking/nature trails	No
Housekeeping	Yes	Wanderer Mgt. System	Yes
Ice cream parlor	No	Woodworking shop	No

*We note the Swimming Pool will be a shared amenity with the nearby hotel

The subject contains a total of 100 units and 100 beds, indicating the following unit sizes and mix:

UNIT MIX			
Type of Unit	No. of Units	Size (sf)	Net Rentable Area
Assisted Living			
Studio	75	340 - 415	28,313
Memory Care			
Studio	25	340 - 415	9,438
Total	100		37,750

Compared to the overall industry the subject's ratio of net rentable area falls below that of similar communities, while the gross building area (GBA) per unit is higher relative to the industry.

SUMMARY OF IMPROVEMENTS				
Level of Care:	No. of Units	No. SU Beds	No. Lic Beds	2022 State of Seniors Housing Average No. Of Units
AL	75	75	0	
MC	25	25	0	
Total	100	100	N/A	87

Building Efficiency:	Subject	2022 State of Seniors Housing Median Indications		
		IL	AL/MC	CCRC
Gross Building Area (GBA):	87,625	127,179	68,067	413,713
Ratio of Net Rentable Area	43.1%	67.8%	50.5%	72.9%
GBA/Unit	876	996	759	963
GBA/Bed	876	N/A	N/A	N/A

Following our property inspection, we find that the subject site is adequate to support the proposed improvements. Furthermore, we believe that being the newest community in the market will give the subject a competitive advantage with more desirable amenities than the competition.

DEVELOPMENT COMPARABLES												
	1		2		3		4		Overall		Subject	
Name	The Meridian at Brandon		Cerrato ALF		The Blake at St. Johns		The Canopy at Hickory Creek				Proposed Assisted Living and Memory Care	
City, State	Tampa, FL		Titusville, FL		St Johns, FL		Titusville, FL				Titusville, Florida	
Year Built	2022		2025		2024		2022				2025/N/A	
Model	AL/MC		AL/MC		AL/MC		AL/MC				Rental	
Total Density	124		96		118		71		563		100	
IL Units	0		0		0		0		100		0	
AL Units	106		66		70		44		320		75	
MC Units	18		30		48		27		143		25	
GBA	117,350		74,712		116,000		47,350		611,749		87,625	
GBA/Unit	946		778		983		667		1,087		876	
AL Unit Mix	Units	%	Units	%	Units	%	Units	%	Units	%	Units	%
Studio	47	44%	29	47%	0	0%	8	18%	84	30%	75	100%
One-Bedroom	54	51%	29	47%	51	73%	36	82%	170	60%	---	0%
Two-Bedroom	5	5%	4	6%	19	27%	---	0%	28	10%	---	0%
Semi-Private	---	0%	---	0%	---	0%	---	0%	0	0%	---	0%
Villa/Cottage	---	0%	---	0%	---	0%	---	0%	0	0%	---	0%
AL Unit Sizes	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max
Studio	341	362	300	---	---	---	377	---	300	377	340	415
One-Bedroom	514	547	440	533	515	538	464	495	440	547	---	---
Two-Bedroom	727	739	705	---	778	1,255	---	---	705	1,255	---	---
Semi-Private	---	---	---	---	---	---	---	---	---	---	---	---
Villa/Cottage	---	---	---	---	---	---	---	---	---	---	---	---
MC Unit Mix	Units	%	Units	%	Units	%	Units	%	Units	%	Units	%
Studio	10	56%	30	100%	48	100%	26	96%	114	93%	25	100%
One-Bedroom	---	0%	---	0%	---	0%	---	0%	0	0%	---	0%
Two-Bedroom	---	0%	---	0%	---	0%	---	0%	0	0%	---	0%
Semi-Private	8	44%	---	0%	---	0%	1	4%	9	7%	---	0%
Villa/Cottage	---	0%	---	0%	---	0%	---	0%	0	0%	---	0%
MC Unit Sizes	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max
Studio	294	311	300	---	317	417	282	401	282	417	340	415
One-Bedroom	---	---	---	---	---	---	---	---	---	---	---	---
Two-Bedroom	---	---	---	---	---	---	---	---	---	---	---	---
Semi-Private	400	---	---	---	---	---	401	---	400	401	---	---
Villa/Cottage	---	---	---	---	---	---	---	---	---	---	---	---
NRA %	47%		46%		55%		62%		45%		43%	

Based on discussions with our property contact, the proposed unit mix for the subject was provided as 75 AL studios and 25 MC studios. However, based on the development comparables, and The State of Seniors Housing (SOSH) 2022 data, we have found that the AL unit mix for similar communities consists primarily of studio and one-bedroom units. In addition, we have found that the MC unit mix for similar communities

consists of studio and semi-private units. Therefore, we have reconciled our unit mix suggestion for the subject to be 35 studio units, 40 one-bedroom units for AL, and 21 studio units and four semi-private units for MC, falling between the development comparables and the SOSH 2022 data.

Overall, the subject’s proposed studio unit count exceeds what is exhibited by the market comparables; however, we do not foresee an adverse impact on the subject development. Below is the most recent 2022 SOSH Data which indicates the average percentage unit mix for IL only communities:

Assisted Living (Unit Mix)		
Studio	One-Bedroom	Two-Bedroom
48%	47%	5%

Source: The State of Seniors Housing 2022

Memory Care (Unit Mix)		
Studio	One-Bedroom	Two-Bedroom
63%	13%	25%

Source: The State of Seniors Housing 2022

In addition, we note the subject’s average studio unit size for AL falls on the high end of the comparable range, while the subject’s average studio unit size for MC falls within the comparable range. Overall, we find the developer’s proposed unit sizes to be reasonable.

Americans With Disabilities Act: The Americans With Disabilities Act sets strict and specific standards for handicapped access to and within most commercial and industrial buildings. Determination of compliance with these standards is beyond appraisal expertise and, therefore, has not been attempted by the appraisers. For purposes of this market study, we are assuming the improvements comply. We assume no responsibility for the cost of such determination, and our appraisal is subject to revision if the improvements are not in compliance.

Conclusion - Subject Property Data: Following our review of the plans, we find that the subject site is adequate to support the improvements. Furthermore, we did not note evidence of functional obsolescence inherent in the subject’s design and believe that they are functional for seniors housing and care.

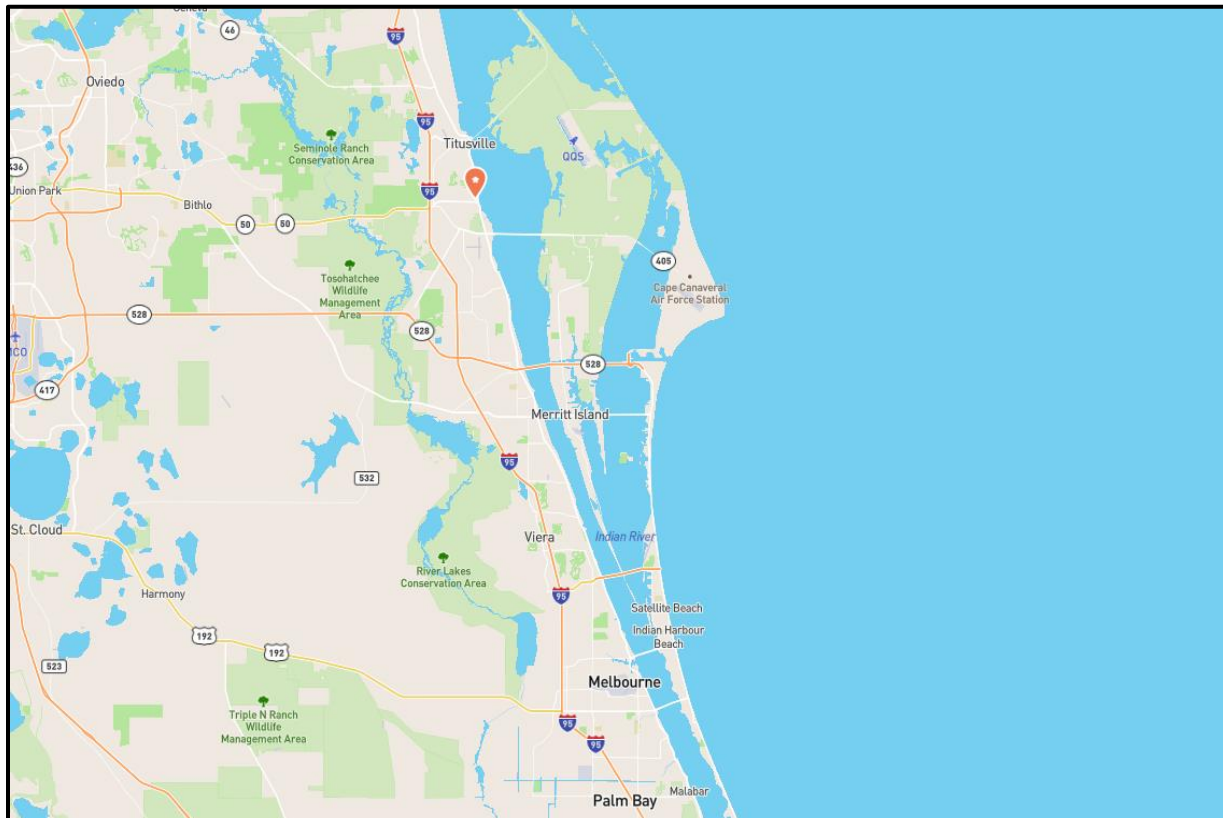
MARKET ANALYSIS

The subject of this market study is located in Titusville in the Palm Bay-Melbourne-Titusville, FL Metropolitan Statistical Area (MSA). Appraisal theory recognizes four factors (environmental, social, economic, and governmental) that influence property values within a region, county, neighborhood or district. Accordingly, a review of each as it relates to the Palm Bay-Melbourne-Titusville, FL MSA, as well as the subject’s more immediate neighborhood, is presented.

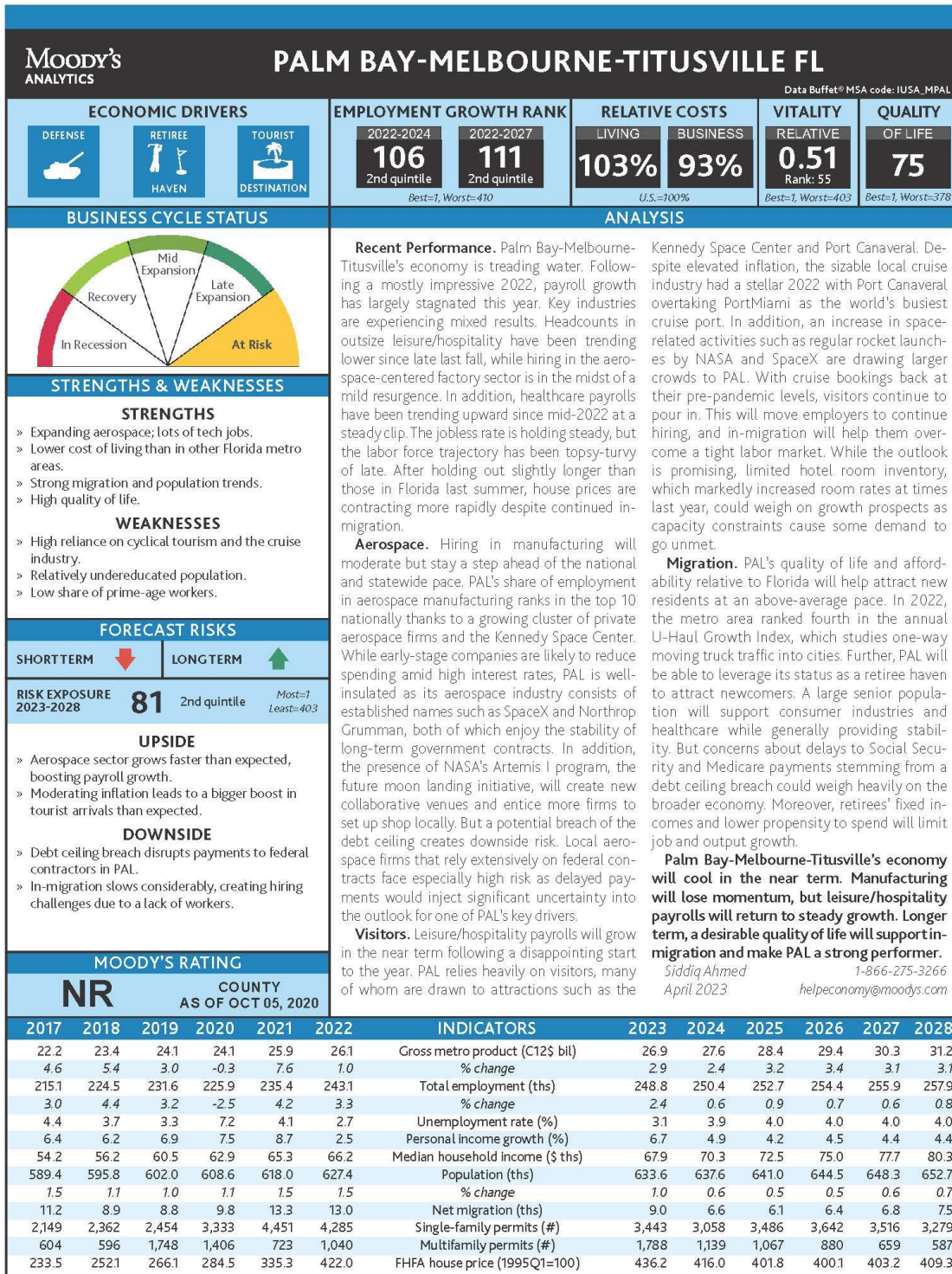
Regional Analysis

The subject’s location within the Palm Bay-Melbourne-Titusville, FL MSA is as follows:

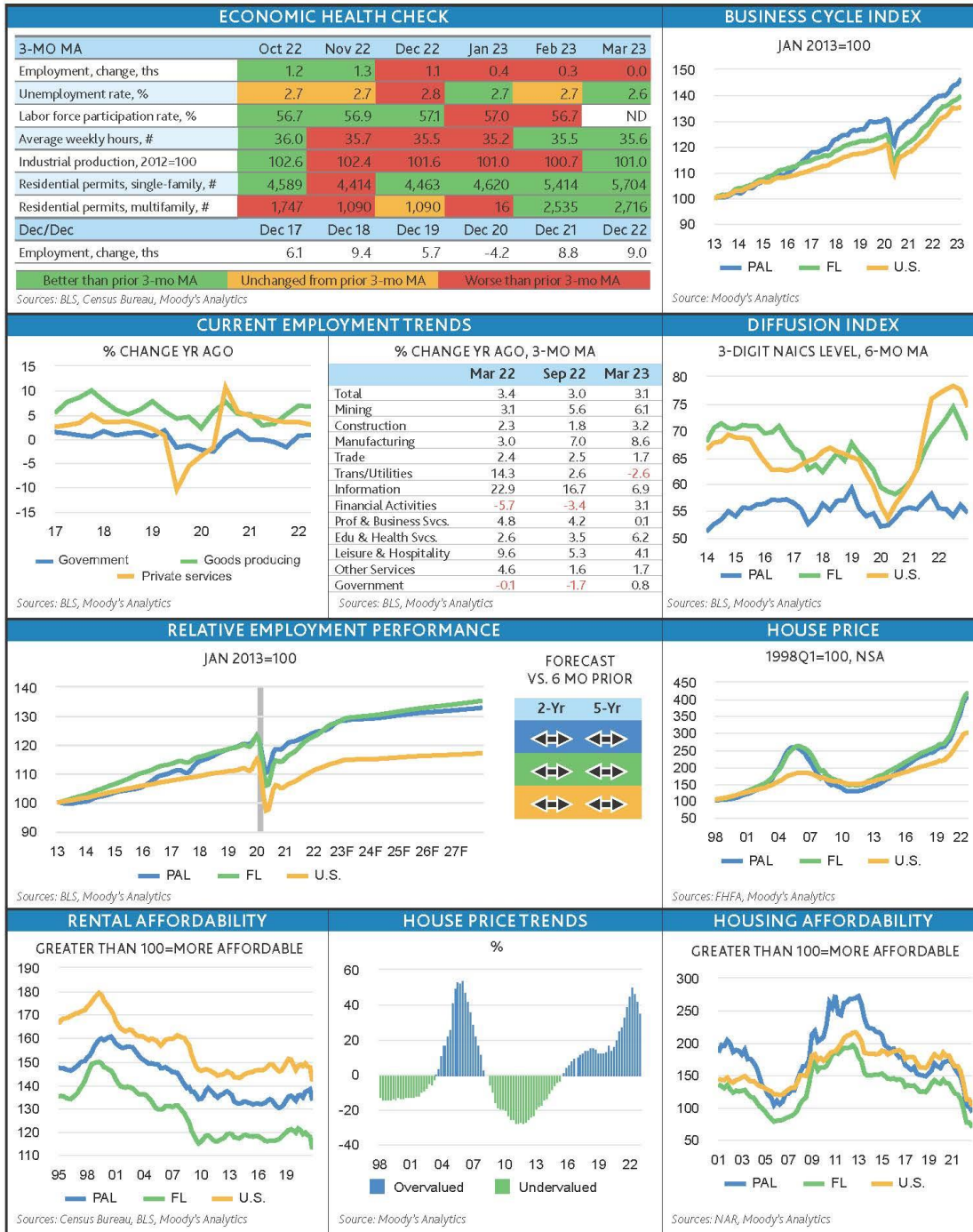
AREA MAP



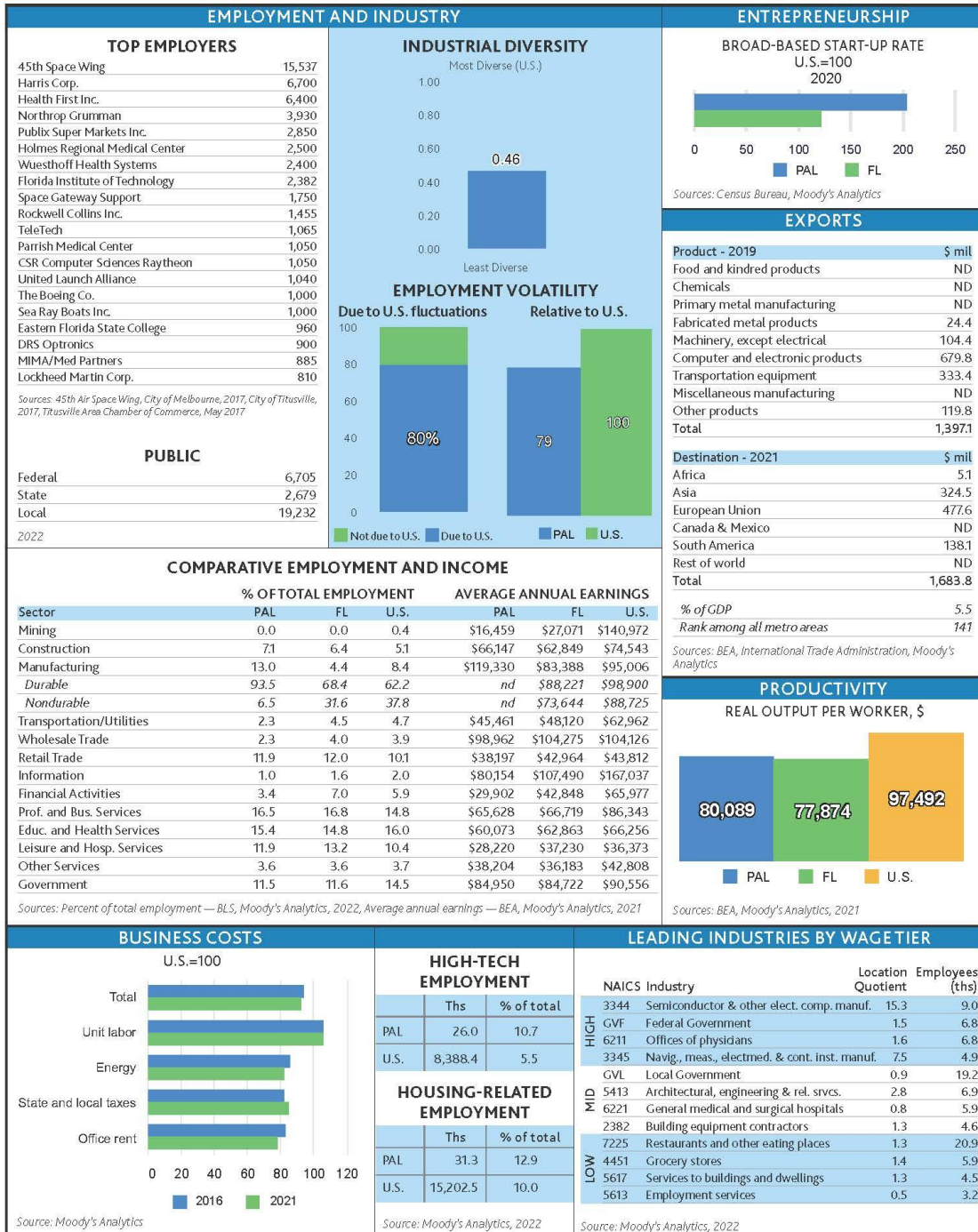
Additionally, the following pages were provided by *Moody’s Economy.com*, *Précis Metro* reports to provide a comprehensive analysis regarding current and projected economic conditions for the subject’s MSA.



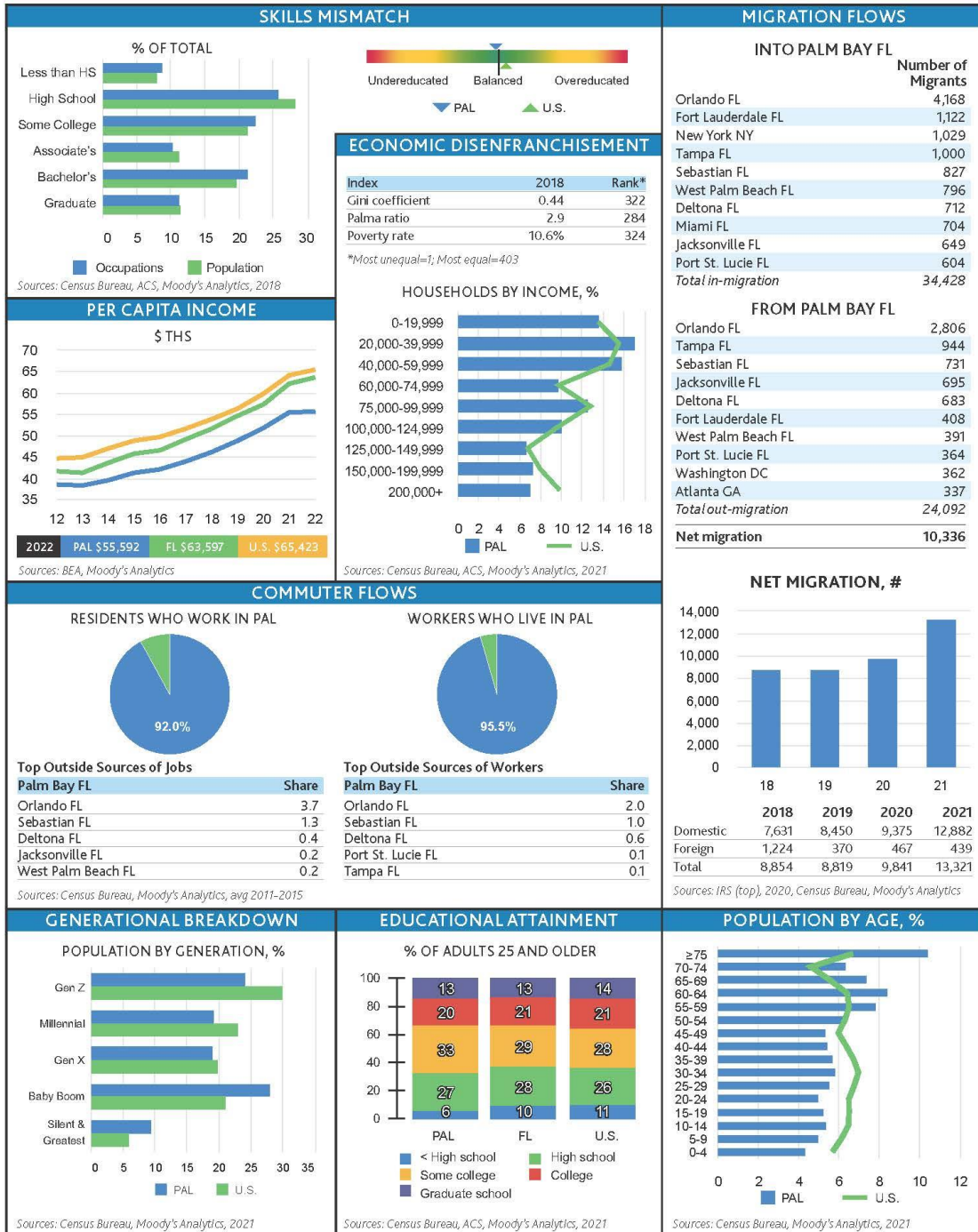
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Regional Analysis Summary

Benefits of the Palm Bay-Melbourne-Titusville, FL market area include expanding aerospace, a lot of high tech jobs, lower cost of living than in other Florida metro areas, strong migration and population trends, and a high quality of life. However, weaknesses of the area include high reliance on cyclical tourism and the cruise industry, relatively undereducated population, and a low share of prime-age workers. Unemployment is expected to increase to 4.0% by 2028, while the population is expected to increase by approximately 19,100 in the same time frame. Overall, we find the MSA positively impacts the subject and note anticipated improvement in economic conditions going forward.

Senior Housing Regional Analysis

The National Investment Center (NIC) tracks occupancy and rate statistics for the 100 largest metropolitan areas. Please note that the following data is separated by level of care by predominant unit type, and classified by Majority IL, AL and SNF. With regards to seniors housing, a summary of the current market characteristics within the subject's metro area in comparison to the 31 largest metro areas (MAP31) and the next 69 largest metro areas (MAP 32-99) is as follows:

MARKET SUMMARY				
	Melbourne, FL	Primary Markets	Secondary Markets	Additional Markets
Majority IL				
Occupancy	86.30%	85.70%	87.90%	89.70%
Units Under Construction	45	14,999	7,626	1,559
Construction as % of Supply	3.99%	5.12%	4.86%	4.63%
Average Monthly Rate	\$4,241	\$3,968	\$3,504	\$3,847
Annual Rate Growth	8.20%	5.10%	5.20%	6.20%
Majority AL				
Occupancy	85.70%	82.40%	84.10%	86.00%
Units Under Construction	142	13,885	5,224	1,117
Construction as % of Supply	7.77%	4.77%	3.30%	3.79%
Average Monthly Rate	\$5,309	\$6,329	\$5,585	\$5,773
Annual Rate Growth	3.10%	5.90%	5.50%	5.40%
Majority MC				
Occupancy	85.90%	82.20%	84.50%	87.00%
Units Under Construction	31	5,650	2,116	396
Construction as % of Supply	3.86%	5.35%	3.87%	4.04%
Average Monthly Rate	\$6,269	\$8,051	\$7,106	\$7,115
Annual Rate Growth	5.30%	6.10%	5.30%	5.60%
Majority NC				
Occupancy	87.30%	81.90%	81.60%	81.60%
Units Under Construction	0	772	1,232	0
Construction as % of Supply	0.00%	0.14%	0.42%	0.00%
Average Daily Rate	\$365	\$382	\$348	\$359
Annual Rate Growth	2.40%	3.80%	1.40%	3.70%

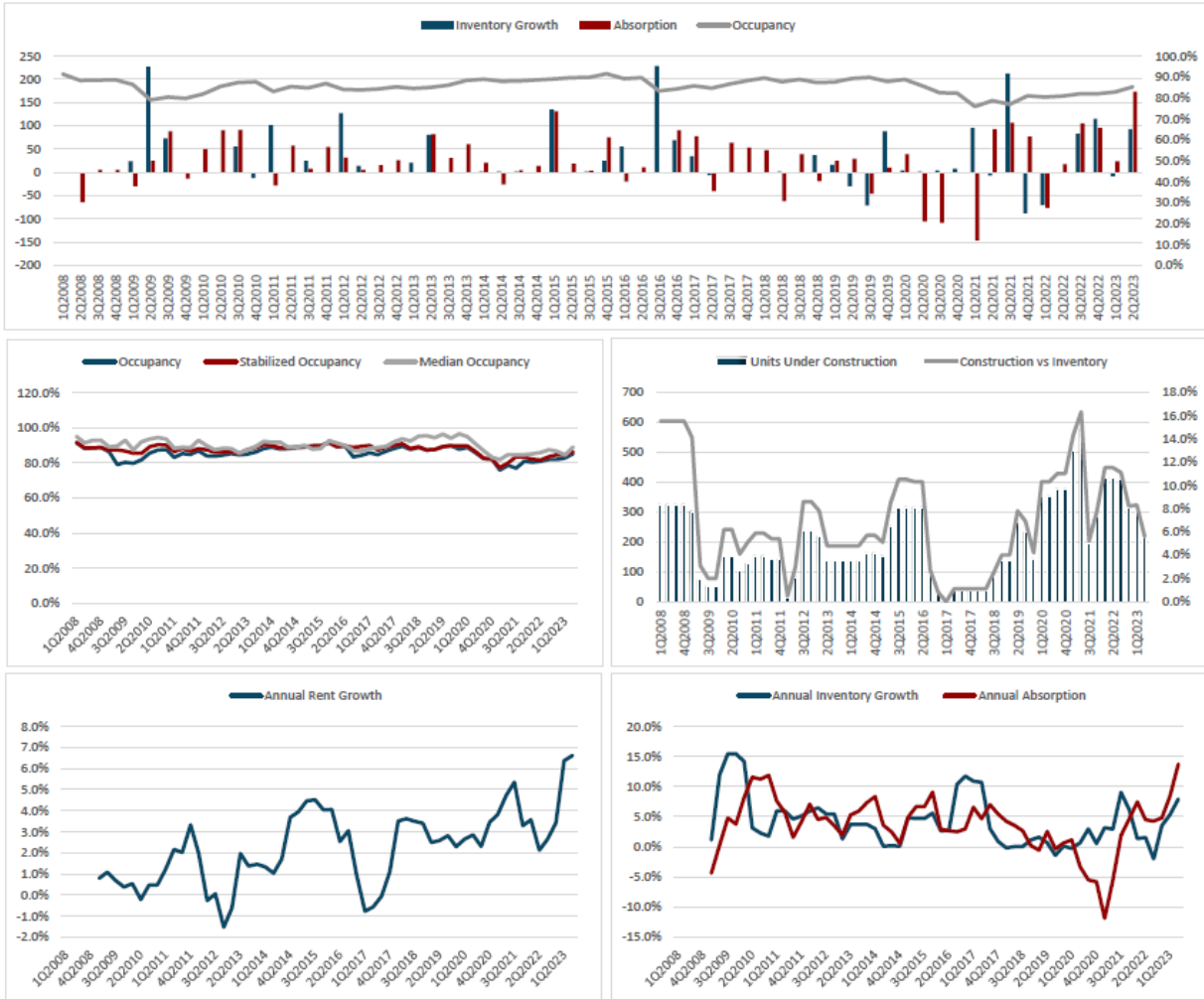
Source: NIC MAP® Data Service Q2 2023

Key observations within the market include:

- Average occupancy in the Melbourne, FL MSA for AL and MC falls above the primary and secondary markets but below the additional markets.
- In terms of construction, NIC MAP reports 142 AL units and 31 MC units under construction in the Melbourne, FL MSA.
- The average monthly rate in the Melbourne, FL MSA for AL and MC falls below the broader markets.

Further, over the last several quarters the subject's metro area has exhibited the following:

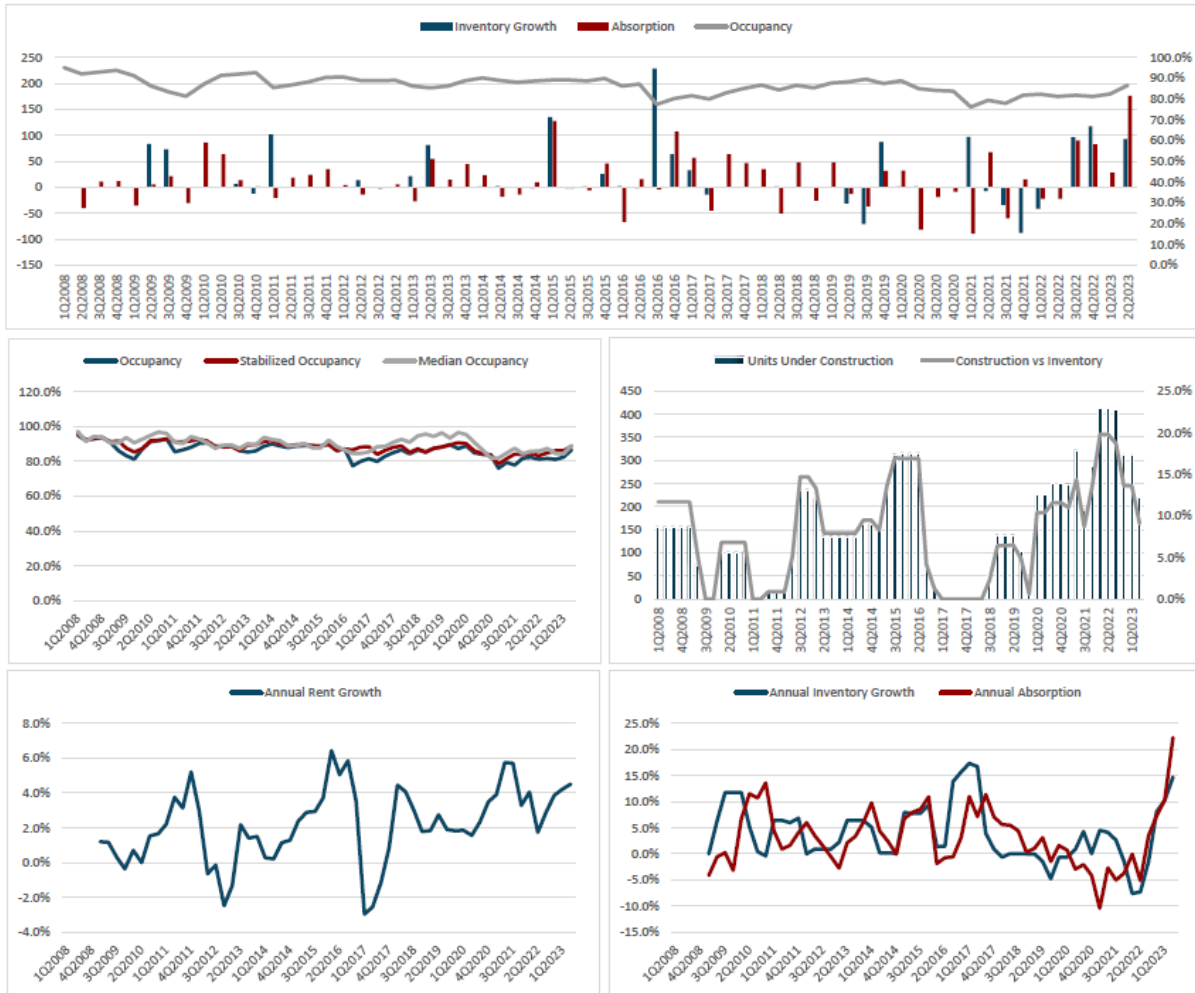
Melbourne, FL - Seniors Housing | Quarterly | 2Q2023



Source: NIC MAP® Data Service. Use of NIC MAP® data is subject to the NIC MAP® Data Attribution Requirements (<https://map.nic.org/#/dataAttributionStandalone>).

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As seen in the foregoing occupancy and rate growth have been in decline over the last several quarters, though the latter has remained positive. In terms of development pipeline, we are aware of the following properties currently under construction or in the planning phases of development:

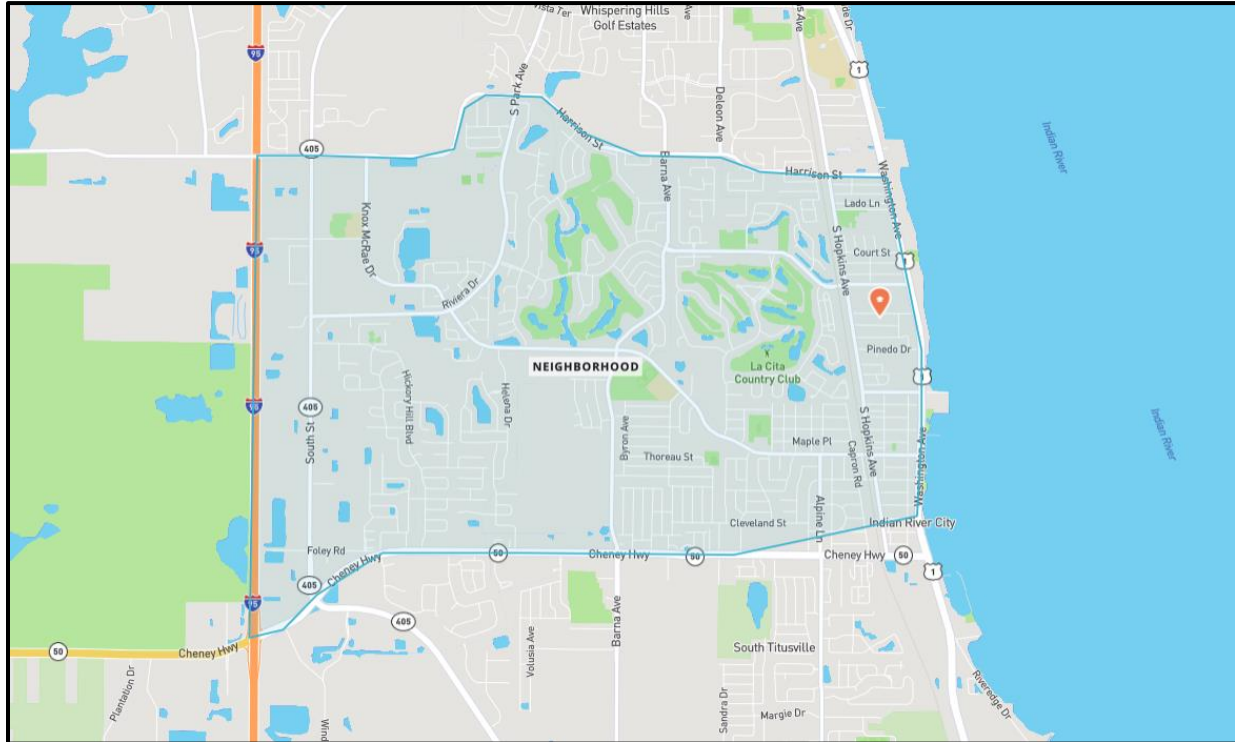
- ❑ Cerrato ALF is a proposed assisted living and memory care community located off Silverstar Road across from Parrish Medical Center. Based on our discussions with the architect of the project, Seidell Architects, the community is expected to consist of 66 assisted living and 30 memory care beds. The AL unit mix is expected to consist of 29 studio units, 29 one-bedroom units, and four two-bedroom units, with the memory care expected to consist of 30 studio units. Based on discussions with Cindy and Mandy at the City of Titusville Planning Department, the site plan was reviewed in June 2023; however, the city is still waiting on the developer to address the comments from the review. Construction is tentatively expected to begin the first quarter of 2024; with an estimated completion date of 2025.

Going forward we expect the subject to benefit from its location within the MSA, given the low unemployment and project growth due to its growth diversity and strong demographics. However, we note the new supply anticipated to enter the market will create downward pressure on overall occupancy and rates in this market. We note that the older properties will be primarily impacted as the newer properties will outperform these communities with new construction and superior amenities.

Neighborhood Analysis

The key focus of the neighborhood analysis is not as much competition-oriented as it is physical and use oriented. More specifically, this analysis describes the area of generally homogenous uses within which the subject is located. This neighborhood is not intended to reflect the competitive neighborhood of the subject; however, it instead reflects the neighborhood in physical proximity to the subject. Our assessment of the subject neighborhood is presented as follows:

NEIGHBORHOOD MAP

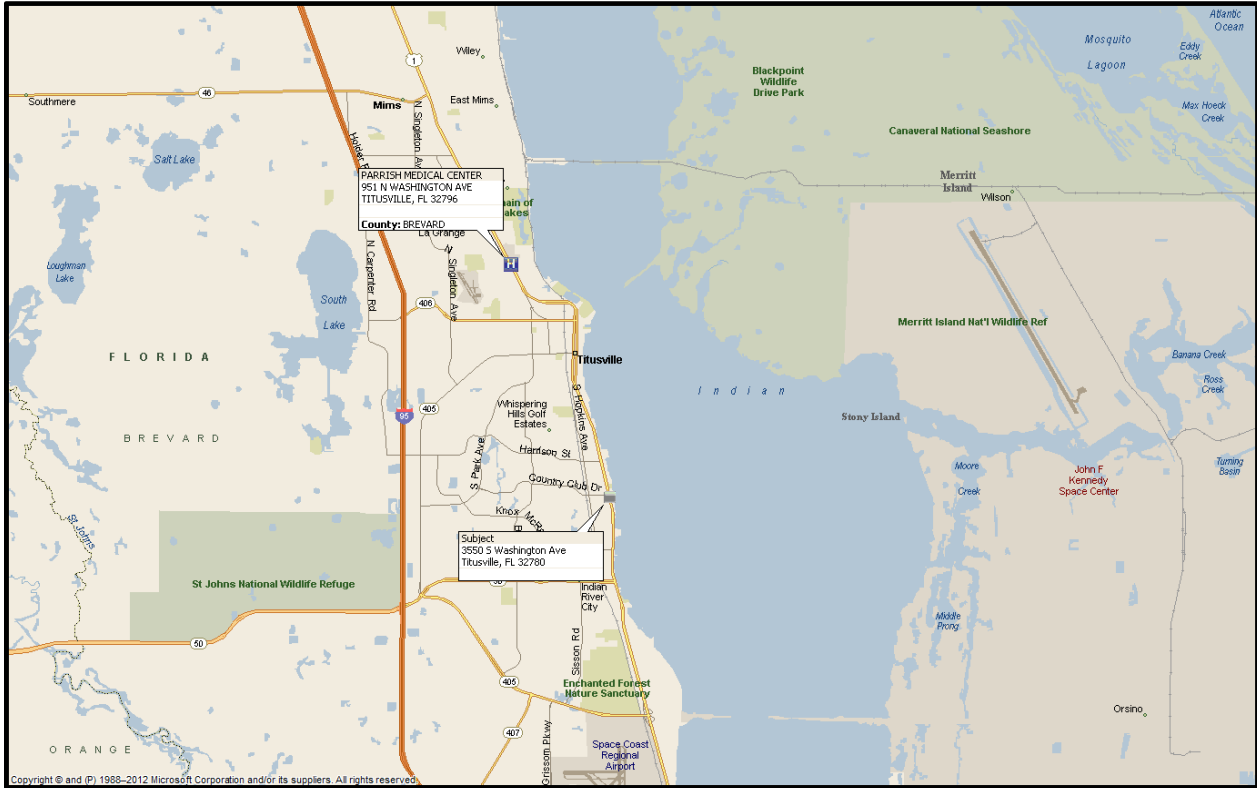


NEIGHBORHOOD TRAITS		
Boundaries		
	Neighborhood	Abutters
North	Harrison Street	Single-Family Residential/Church
East	U.S. 1	Multifamily
South	Cheney Highway	Single-Family Residential
West	I-95	Retail
Type of Neighborhood	Mixed-use	
Composition		
	Present	Prevalence
Agriculture	No	None
Community (Recreation)	Yes	Moderate
Hospitality	Yes	Low
Industrial	Yes	Low
Medical	Yes	Low
Office	Yes	Low
Public/Governmental	No	None
Residential (Single-Family)	Yes	High
Residential (Multi-Family)	Yes	Moderate
Retail	Yes	High
		Neighborhood Cycle
		<pre> graph TD Growth((Growth)) --> Stability((Stability)) Stability --> Decline((Decline)) Decline --> Revitalize((Revitalize)) Revitalize --> Growth </pre>
Demand Generators		
Hospital	No	
Regional Mall	No	
Churches	Yes	
Seniors Housing	Yes	
Adult Children Homes	Yes	
Access/Influences		
Local Area Access	U.S. 1	
Regional Ingress/Egress	I-95	
Neighborhood Cycle	Stability	
Neighborhood Influence	Positively impacts the subject	

The subject is in a mixed-use neighborhood in Titusville. Most of the neighborhood consists of single-family, multifamily, and retail. Overall, the neighborhood is in the stability stage of the neighborhood cycle.

Proximity to hospitals is often an important consideration when selecting a seniors housing community. Nearby hospitals are identified in the following map and table:

HOSPITAL MAP



Hospital	Beds	Distance from Subject
Parrish Medical Center	210	4.0 Miles

Source: American Hospital Directory

COMPETITIVE MARKET ANALYSIS

Regulatory Overview

Independent Living: Typically, there are no regulations for freestanding independent living, which generally has the same requirements from a regulatory standpoint as any multifamily development. However, independent living units that are in a continuum of care that offers some level of lifecare, are often regulated by the state's Department of Insurance.

Assisted Living: State regulations vary considerably for this level of care, ranging from states that have no regulations and classify them as hotel/motel properties to states that are considering some type of CON regulations. It is probable that, in the future, as state reimbursement becomes more common, some type of barrier to entry legislation will become common.

States typically feel that use of CON or similar legislation enhances profitability in that full occupancy is more efficient than partial occupancy, and ruinous competition is a danger to the industry and quality of care overall. As the subject is located in Florida, which has regulatory legislation, at this point it is appropriate to review this legislation and the impact it will have on the subject and residences in the market.

Florida Assisted Living Legislation: The current law licenses former Adult Congregate Living Facilities (ACLFs) as "Assisted Living Facilities." In order to provide specialized health services, a facility must be licensed by the State of Florida Department of Health. The state recognized that ALFs need to be operated and regulated as residential environments with supportive services and that they can be cost effective alternatives to nursing care.

For the purposes of this report, we have examined Chapters 408 and 429 of the Florida Statutes as well as Florida Administrative Code, Chapter 58A-5.

Chapter 429, Part I, the "Assisted Living Facility Act," is intended to "promote the availability of appropriate services for elderly persons and adults with disabilities in the least restrictive and most homelike environment ..." Four licensure categories are available: standard, extended congregate care (ECC), limited nursing services, and limited mental health services (LMH). The subject is dually licensed as ECC and LMH.

An Assisted Living Facility is defined by the statute as:

Any building or buildings, section or distinct part of a building, private home, boarding home, home for the aged, or other residential facility, whether operated for profit or not, which undertakes through its ownership or management to provide housing, meals, and one or more personal services for a period exceeding 24 hours to one or more adults who are not relatives of the administrator or owner.

The care and maintenance of residents must include supervision; provision of personal care services; provision or arrangement of social and leisure activities; arrangement for appointments and transportation to appropriate medical, dental, nursing and mental health services, as needed by residents; management of medication; nutritional needs; resident records, and internal risk management and quality assurance.

Those facilities with more than 17 residents that advertise that it provides special care for persons with Alzheimer's disease and other related disorders must have a staff person on duty 24 hours; those with less than 17 residents must have, at a minimum, mechanisms in place that would ensure the safety of the residents. In addition, these facilities must offer activities specially designed for persons who are cognitively impaired; offer a physically safe environment; and employ staff who have completed training and education specifically for this population.

All administrators must complete required training including a competency test; additionally, they must have 12 hours of continuing education every two years. Staff involved with medication management or assisting with self-administration must have at least four additional hours of training by a RN, pharmacist or department staff. All other employees shall have training as required to complete their duties.

Other issues discussed in the statutes include resident rights, resident property and personal affairs, pharmacy and dietary services, staff training and education, and contracts. Specifically, each operator must clearly detail the rates and services offered in addition to what deposits may be required and how those deposits will be held and refunded.

As far as the physical plant requirements are concerned, we note that there is a minimum of 80 square feet for each private room, 60 square feet per bed for semi-private and ward rooms, and 35 square feet of common area per resident. Furthermore, no room may have more than two residents. All buildings are required to be sprinklered although some older facilities may be grandfathered in without this feature until they undergo a major renovation.

Medicaid is a federal program administered by the state, which provides financial assistance to individuals who meet certain financial and technical requirements. States are allowed some flexibility in administration of the program, so eligibility requirements and services available may vary from State to State.

In the State of Florida, Medicaid eligibility is determined by the Department of Children and Families. Specifically, the Department of Children and Families Assisted Living for the Elderly Waiver Program (ALE Waiver) provides home and community-based services for recipients who reside in qualified assisted living facilities (ALFs). Recipients consciously choose to receive home and community-based service in lieu of nursing facility care.

To be eligible for the Assisted Living for the Elderly (ALE) Waiver or Medicaid Diversion program, an individual must meet the following criteria:

- Be age 65 and older or be ages 60 to 64 and be determined disabled according to Social Security standards.
- Meet nursing facility level-of-care criteria.
- Meet Supplemental Security Income (SSI), MED-AD or Medicaid waiver assistance income and asset requirements; and meet one or more of the following:
 - Require assistance with four or more activities of daily living.

- Require assistance with three ADLs plus supervision or administration of medication.
- Require total help with one or more ADLs.
- Have a diagnosis of Alzheimer's disease or another type of dementia and require assistance with two or more ADLs.
- Have a diagnosed degenerative or chronic medical condition requiring nursing services that cannot be provided in a standard ALR, but are available in an ALR licensed for limited nursing or extended congregate care.
- Be a Medicaid-eligible recipient who meets ALR criteria; be awaiting discharge from a nursing facility placement; and be unable to return to a private residence because of a need for supervision, personal care, periodic nursing services, or a combination of the three.

Reimbursements are determined on a per diem rate; capped at a maximum of \$1,900 per person. The reimbursement varies based on each resident's income (i.e., if Resident A has a qualified income of \$1,000 a month, Medicaid only reimburses \$900). DCF determines the resident's income based on a number of factors (savings, social security, etc.).

In addition to Medicaid Waivers, Florida has a Medicaid Diversion Program. This program is administered through third party insurance companies who are responsible for the cost of care for the individual. The reimbursement rate ranges from \$1,100 to \$1,200 per month and it does not depend on ADLs a resident receives; rates are set by the third party insurance company and can vary based on the insurance provider. The third party insurance company pays providers directly and payments vary depending on each insurance company's billing cycle. In some cases residents are responsible for additional payments to the provider, but these payments determined on a case by case basis.

Whenever a facility is sold or the ownership thereof is transferred, including leasing:

- The transferee shall make application to the agency for a new license at least 60 days before the date of transfer of ownership. The application must comply with the provisions of s. 429.11.
- The transferor shall notify the agency in writing at least 60 days before the date of transfer of ownership
- The new owner shall notify the residents, in writing, of the transfer of ownership within seven days of his or her receipt of the license.
- The transferor shall be responsible and liable for:
 - The lawful operation of the facility and the welfare of the residents domiciled in the facility until the date the transferee is licensed by the agency.

- Any and all penalties imposed against the facility for violations occurring before the date of transfer of ownership unless the penalty imposed is a moratorium on admissions or denial of licensure. The moratorium on admissions or denial of licensure remains in effect after the transfer of ownership, unless the agency has approved the transferee's corrective action plan or the conditions which created the moratorium or denial have been corrected, and may be grounds for denial of license to the transferee in accordance with chapter 120.
- Any outstanding liability to the state, unless the transferee has agreed, as a condition of sale or transfer, to accept the outstanding liabilities and to guarantee payment therefore; except that, if the transferee fails to meet these obligations, the transferor shall remain liable for the outstanding liability.
- The transferor of a facility the license of which is denied pending an administrative hearing shall, as a part of the written transfer-of-ownership contract, advise the transferee that a plan of correction must be submitted by the transferee and approved by the agency at least 7 days before the transfer of ownership and that failure to correct the condition which resulted in the moratorium on admissions or denial of licensure is grounds for denial of the transferee's license.

The transferee must provide the agency with proof of legal right to occupy the property before a license may be issued. Proof may include, but is not limited to, copies of warranty deeds, or copies of lease or rental agreements, contracts for deeds, quitclaim deeds, or other such documentation.

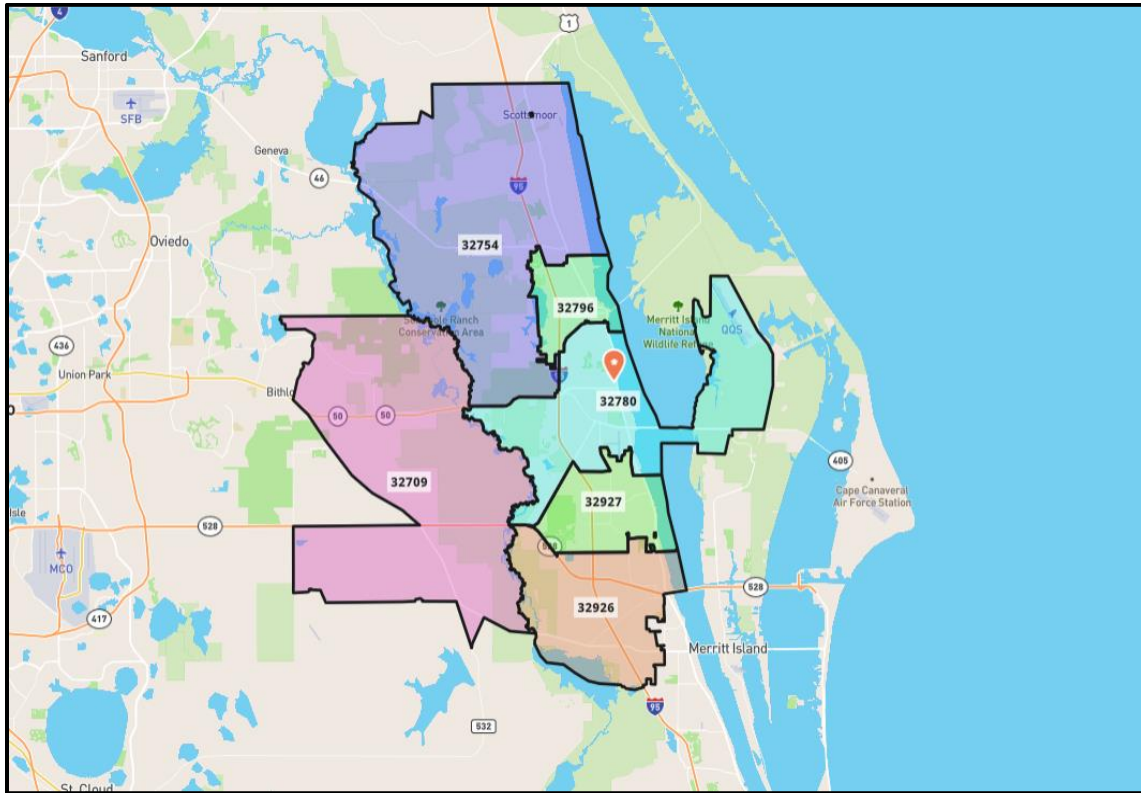
Definition of Primary Market Area

The 2009 Overview of Assisted Living completed by the Assisted Living Federation of America (ALFA), and now known as Argentum, in conjunction with AAHSA, ASHA, NCAI and NIC indicates that typical assisted living residences draw 85% of their residents from within 15 miles, which shows a change from five years earlier when 73% of the demand would emanate from within a 15-mile radius.

For the purposes of this analysis, we assume that 100% of the demand for the subject's services emanate from within the PMA. We point out that while residents may reside in a community from outside the primary market, conversely residents will also leave the primary market to reside elsewhere. Thus, while we do consider the prevalence of migration in and out of the PMA within our penetration analysis, it is viewed as being anecdotal in nature and difficult to quantify. Moreover, the Nielsen projections serve to estimate the future migration, as it pertains to the subject's PMA. However, as we will discuss later in the following sections, prevalence of adult children are a primary indicator of migration.

Based on our interviews with both executive directors and directors of marketing at comparable projects in the area, including the subject's operator, we have determined that the subject's primary market area (PMA) is zip codes: 32709, 32754, 32780, 32796, 32926, 32927. A map detailing the primary market is as follows:

PMA MAP



PMA Supply Analysis

In terms of measuring the PMA supply, while we considered management’s opinion of primary competition, we have only included units in the PMA that house seniors that are comparable to the subject. Consequently, we have excluded those facilities considered to be “mom and pop”, generally containing less than 25 beds.

With regard to assisted living and memory care, we have broken out our supply estimates separately. However, we have added back the memory care supply to assisted living, noting that the former is a subset of assisted living, with prospective memory care residents qualifying for occupancy within a traditional assisted living environment. We estimate the total number of existing and proposed beds/units in this market as presented in the following table(s):

AL SUPPLY		
Assisted Living Beds		
	PMA	
	2023	2028
Addington Place of Titusville	43	43
Crescent Wood	37	37
Riverview Retirement Center	27	27
The Canopy at Hickory Creek	44	44
Titusville Towers Assisted Living	120	120
Cerrato ALF	0	66
Subject	0	75
All Other	0	0
Total	271	412
@ 100% from PMA	271	412

MC SUPPLY		
Memory Care Beds		
	PMA	
	2023	2028
Addington Place of Titusville	37	37
The Canopy at Hickory Creek	28	28
Cerrato ALF	0	34
Subject	0	30
All Other	0	0
Total	65	129
@ 100% from PMA	65	129

There are five existing communities that offer assisted living and two that offer memory care in the subject's PMA. Based on our surveys, the market reflects overall occupancy of 97% in AL and 97% in MC. As previously noted, The Canopy at Hickory Creek is the newest community in the PMA, having opened in August 2022. The community reported occupancy of 100% in both AL and MC, with sales noting all AL units were pre-leased prior to the community opening.

Titusville Towers is an income restricted assisted living community and typically operates near or at full capacity as a result. The community does advertise independent living services; however, all beds are licensed as assisted living and we have therefore included all beds as assisted living for our supply purposes. Overall, there are limited competitors in the market, most being older in age with an average year built of 1986.

Characteristics of Pipeline Activity

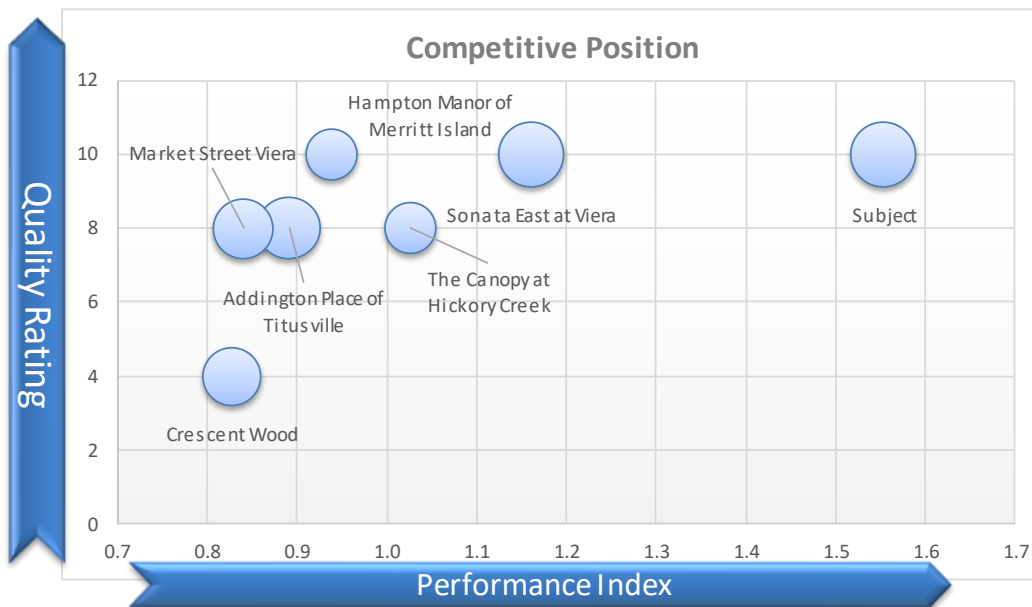
Based on our discussions with market participants and local zoning officials, we are aware of Cerrato ALF developing senior housing units as detailed above. We expect this community to be a direct competitor with the subject as they will be of similar age and offer the same levels of care.

Competitive Market Supply

Additionally, we have more closely examined the following properties that we, and management, have identified as being the subject’s primary competition:

- Crescent Wood
- The Canopy at Hickory Creek
- Addington Place of Titusville
- Hampton Manor of Merritt Island
- Market Street Viera
- Sonata East at Viera

We find the following relationship among the subject and its primary competitors:



Notes: Bubble size reflects relative variance of rates. Performance Index based on HealthTrust proprietary scoring system.

We have surveyed the following properties that offer services similar to the subject and note the following observations:

- The properties range in quality and condition from average to excellent.
- Average reported occupancy of the comparables is 93% for AL and 85% for MC, while the average occupancy in the subject’s PMA is 97% in AL and 97% in MC.
- The comparables reported monthly rates ranging from \$3,450 to \$6,475 for AL and \$4,175 to \$7,500 for MC. We note the comparables all have additional care charges based on either an ala carte or level system for AL, while most comparable offer all-inclusive rates for MC.

Detailed comparable write-ups of these reports can be found within the Valuation Analysis of this report. A summary of the competitive supply is as follows:

SUMMARY OF COMPETITIVE SUPPLY							
Property	Proposed Assisted Living and Memory Care	Crescent Wood	The Canopy at Hickory Creek	Addington Place of Titusville	Hampton Manor of Merritt Island	Market Street Viera	Sonata East at Viera
Location	Titusville	Titusville	Titusville	Titusville	Merritt Island	Melbourne	Melbourne
Year Opened	2025	1986	2022	2009	2023	2016	2021
Quality	Excellent	Average	Good	Good	Excellent	Good	Excellent
Condition	Excellent	Average	Good	Good	Excellent	Good	Excellent
<u>Unit/Bed Mix</u>							
AL Units/Beds	75/75	37/37	44/44	43/43	57/61		
MC Units/Beds	25/25		27/28	24/37	34/34	60/60	40
<u>Occupancy</u>							
AL	0%	89%	100%	95%	87%	--	--
MC	0%	--	100%	95%	59%	85%	88%
<u>Rate Range</u>							
AL	\$6,000 - \$8,000	\$3,450 - \$6,450	\$4,100 - \$4,800	\$4,400 - \$6,475	\$4,150 - \$4,850	--	--
MC	\$7,000 - \$7,500	--	\$4,175 - \$6,000	\$4,995 - \$6,395	\$6,000 - \$6,000	\$6,925 - \$6,925	\$5,600 - \$7,500
<u>Level of Care</u>							
AL Type	All-inclusive	Levels	Ala Carte	Levels	Levels	---	---
AL Range	\$ - \$	\$500 - \$1,400	\$ - \$2,500	\$350 - \$1,950	\$400 - \$1,200	----	----
MC Type	All-inclusive	---	All-inclusive	Levels	All-inclusive	All-inclusive	All-inclusive
MC Range	\$ - \$	----	\$ - \$	\$700 - \$1,550	\$ - \$	\$ - \$	\$ - \$

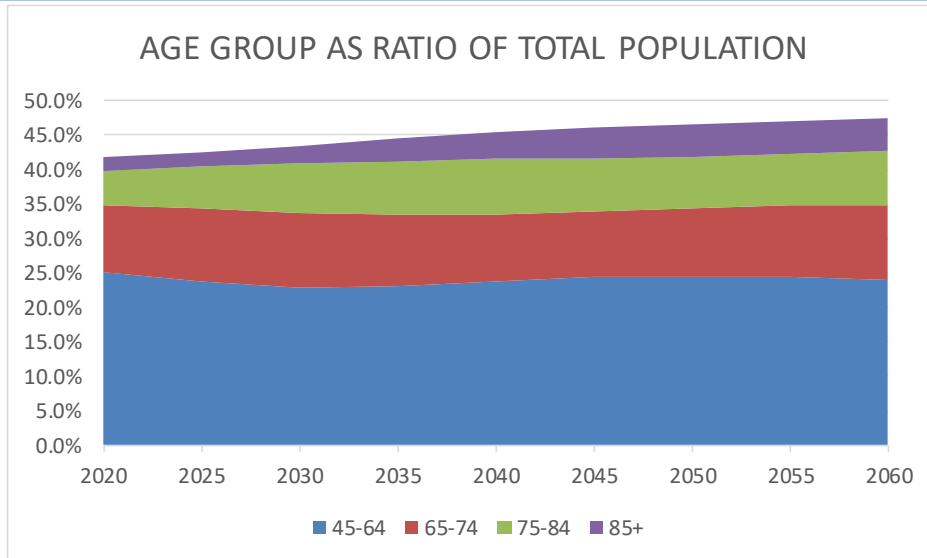
Source: HealthTrust

Demand Analysis

A major factor in estimating potential market demand for communities such as the subject involves an analysis of the number of residents within the primary market area that are qualified for residency in terms of age and income level. Prospective residents for a seniors housing community such as the subject are typically at least 75 years of age or older, have sufficient income to cover monthly rental fees and other living expenses. Historical and anticipated growth in the senior age groups, nationally, is presented in the following table:

US POPULATION PROJECTIONS BY AGE (in 1,000s)									
	2020	2025	2030	2035	2040	2045	2050	2055	2060
Total	332,639	344,234	355,101	364,862	373,528	381,390	388,922	396,557	404,483
45-64	83,398	81,472	81,329	84,314	89,136	92,997	95,437	96,838	96,973
65-74	32,789	36,640	38,686	37,532	35,879	36,009	38,204	41,356	44,153
75-84	16,561	21,137	25,377	28,673	30,517	29,872	28,909	29,346	31,504
85+	6,701	7,450	9,074	11,792	14,429	16,954	18,561	18,914	19,020

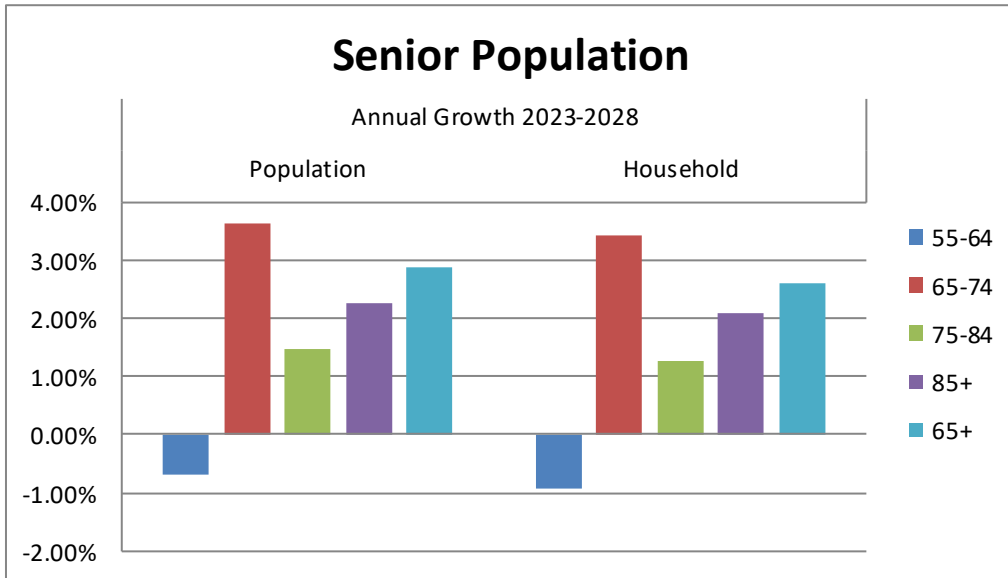
Source: US Census Bureau, 2017 National Population Projections



The elderly group age 85 and over represents the fastest-growing segment of the U.S. population. According to the US Census Bureau, there were 4.3 million seniors aged 85+ in 2000 and this segment will swell to 19.0 million by 2060. This is a key market for the seniors housing industry because 44% of those over 85 need long-term care or assistance with activities of daily living. As a result, industry analysts project strong growth in seniors housing revenue through the end of the decade and beyond.

In terms of identifying potential demand, we have begun with the examination of the number of households with persons at least 75 years of age. While we note that residents residing in senior housing communities are generally much older than 75 years of age, we have used this cohort as a minimum standard for residency in order to better reflect potential demand source across all product types.

Please note that the senior population estimates and projections prepared by Nielsen are presented in the addenda of this report. A summary of the estimated senior population and growth rates for the PMA are presented in the following chart:



Population trends within the PMA are presented in the following exhibits:

SOCIAL DEMOGRAPHIC TRENDS - PMA			
	2010	2023	2028
Total Population	123,032	128,226	133,044
Total Households	49,118	53,143	55,252
Median Age	43.81	46.69	47.63

Source: Claritas, Inc.

The senior population, 75+, within the PMA has experienced an increasing trend since the last census and is expected to continue. These growth rates are indicative that health care needs within the region will increase over the next five years due to an aging senior population, as noted below.

SUMMARY OF SENIOR POPULATION TRENDS - PMA			
Age	2010	2023	2028
65-74	12,200	18,402	22,013
75-84	7,352	9,251	9,958
85+	2,226	3,280	3,666
Total	21,778	30,933	35,637

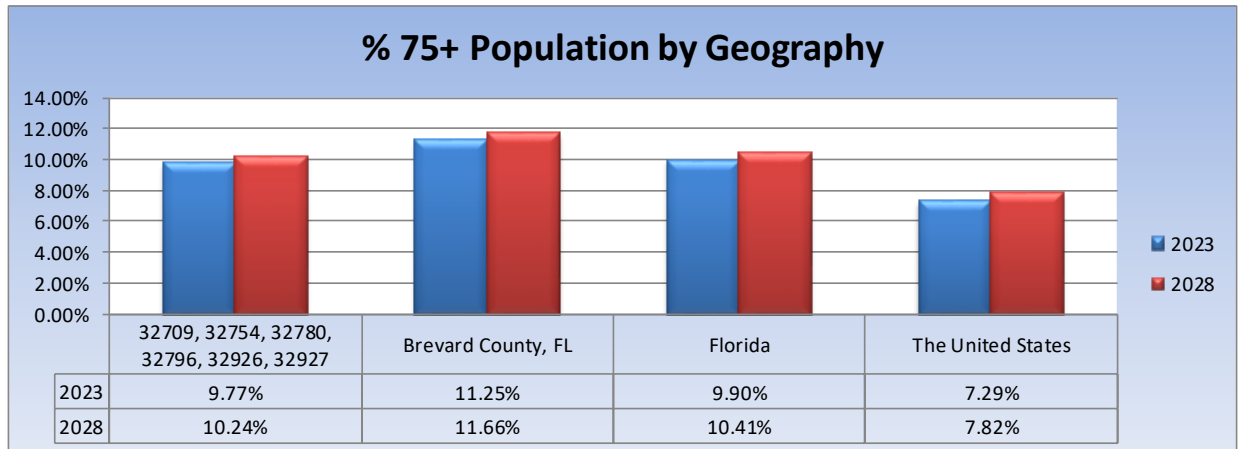
Source: Claritas, Inc.

A further breakdown of the PMA population by age indicates that the ratio of the 75+ age group will increase from 9.8% to 10.2% of the total population over the next five years.

PMA POPULATION BY AGE		
Population by Age	2023	2028
0-4	4.64%	4.55%
5-9	4.84%	4.62%
10-14	5.23%	4.88%
15-17	3.36%	3.35%
18-20	3.12%	3.19%
21-24	4.27%	4.60%
25-34	11.48%	10.39%
35-44	11.20%	11.62%
45-54	11.62%	11.03%
55-64	16.11%	15.00%
65-74	14.35%	16.55%
75-84	7.21%	7.48%
85+	2.56%	2.76%

Source: Claritas, Inc

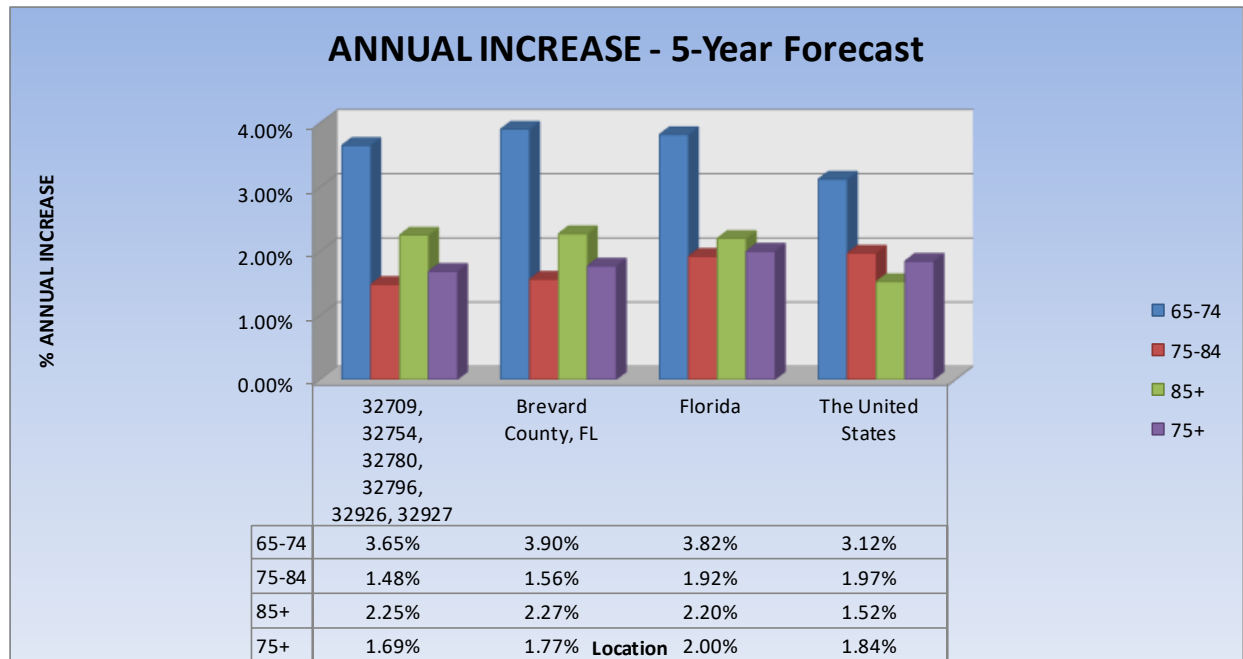
Further, the PMA indicates the concentration of the senior population (75+) relative to the SMA, state and nation as follows:



Relative population growth historically and going forward for the subject’s PMA and broader region are as follows:

ANNUAL POPULATION GROWTH COMPARISON				
	32709, 32754, 32780, 32796, 329	Brevard County, FL	Florida	The United States
<i>Annual Growth 2010 - 2023</i>				
45-64	-0.46%	0.24%	0.78%	0.10%
65-74	3.21%	3.53%	3.73%	3.88%
75-84	1.78%	1.91%	2.78%	2.27%
75+	2.09%	2.19%	2.79%	2.12%
85+	3.03%	2.90%	2.84%	1.75%
Total	0.32%	1.08%	1.27%	0.62%
<i>Annual Growth 2023 - 2028</i>				
45-64	-0.53%	-0.28%	0.14%	-0.14%
65-74	3.65%	3.90%	3.82%	3.12%
75-84	1.48%	1.56%	1.92%	1.97%
75+	1.69%	1.77%	2.00%	1.84%
85+	2.25%	2.27%	2.20%	1.52%
Total	0.74%	1.04%	0.98%	0.42%

Source: Claritas, Inc.



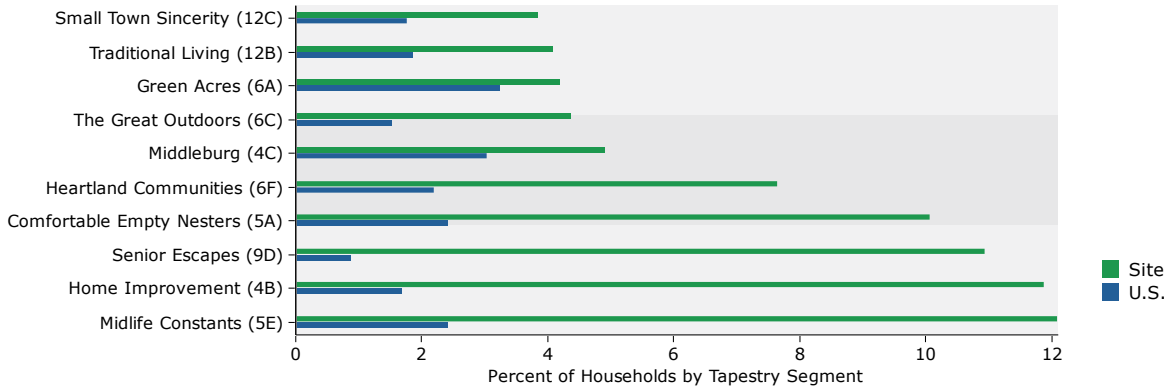
In terms of median household income, the subject’s PMA relative to the broader market indicated the following:

MEDIAN INCOME COMPARISON			
Geography	2010	2023	2028
32709, 32754, 32780, 32796, 32926, 32927		\$61,426	\$68,980
Brevard County, FL		\$65,135	\$73,197
Florida		\$64,983	\$72,817
The United States		\$73,336	\$82,759

Source: Claritas, Inc.

ESRI Business Information Solutions estimates the following demographics for the PMA compared to national trends:

Top Ten Tapestry Segments Site vs. U.S.



Source: ESRI Business Information Solutions, Inc.



LifeMode Group: GenXurban
Midlife Constants

5E

Households: 3,068,400
Average Household Size: 2.31
Median Age: 47.0
Median Household Income: \$53,200

WHO ARE WE?

Midlife Constants residents are seniors, at or approaching retirement, with below-average labor force participation and below-average net worth. Although located in predominantly metropolitan areas, they live outside the central cities, in smaller communities. Their lifestyle is more country than urban. They are generous but not spendthrifts.

OUR NEIGHBORHOOD

- Older homes (most built before 1980) found in the suburban periphery of smaller metropolitan markets.
- Primarily married couples, with a growing share of singles.
- Settled neighborhoods with slow rates of change and residents that have lived in the same house for years.
- Single-family homes, less than half still mortgaged, with a median home value of \$154,100 (Index 74).

SOCIOECONOMIC TRAITS

- Education: 63% have a high school diploma or some college.
- At 31%, the labor force participation rate is low in this market (Index 91).
- Almost 42% of households are receiving Social Security (Index 141); 27% also receive retirement income (Index 149).
- Traditional, not trendy; opt for convenience and comfort not cutting edge. Technology has its uses, but the bells and whistles are a bother.
- Attentive to price, but not at the expense of quality, they prefer to buy American and natural products.
- Radio and newspapers are the media of choice (after television).



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRI-Simmons.



LifeMode Group: Family Landscapes

Home Improvement

4B

Households: 2,114,500
Average Household Size: 2.88
Median Age: 37.7
Median Household Income: \$72,100

WHO ARE WE?

Married-couple families occupy well over half of these suburban households. Most *Home Improvement* residences are single-family homes that are owner occupied, with only one-fifth of the households occupied by renters. Education and diversity levels are similar to the US as a whole. These families spend a lot of time on the go and therefore tend to eat out regularly. When at home, weekends are consumed with home improvement and remodeling projects.

OUR NEIGHBORHOOD

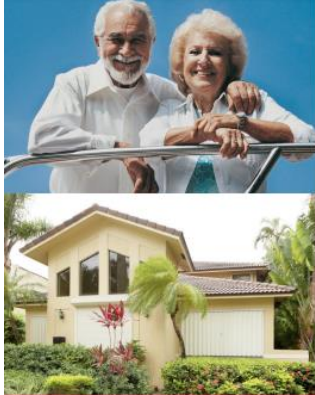
- These are low-density suburban neighborhoods.
- Eight of every 10 homes are traditional single-family dwellings, owner occupied.
- Majority of the homes were built between 1970 and 2000.
- More than half of the households consist of married-couple families; another 12% include single-parent families.

SOCIOECONOMIC TRAITS

- Higher participation in the labor force; most households have 2+ workers.
- Cautious consumers that do their research before buying, they protect their investments.
- Typically spend 4–7 hours per week commuting, and, therefore, spend significant amounts on car maintenance (performed at a department store or auto repair chain store).
- They are paying off student loans and home mortgages.
- They spend heavily on eating out, at both fast-food and family restaurants.
- They like to work from home, when possible.



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRB-Simmons.



LifeMode Group: Senior Styles
Senior Escapes



Households: 1,116,000
Average Household Size: 2.20
Median Age: 54.6
Median Household Income: \$38,700

WHO ARE WE?

Senior Escapes neighborhoods are heavily concentrated in the warmer states of Florida, California, and Arizona. These areas are highly seasonal, yet owner occupied. Many homes began as seasonal getaways and now serve as primary residences. Nearly 40% are mobile homes; over half are single-family dwellings. About half are in unincorporated and more rural areas. Nearly one-fifth of the population is between 65 and 74 years old. Residents enjoy watching TV, going on cruises, playing trivia games, bicycling, boating, and fishing. They are very conscious of their health and buy specialty foods and dietary supplements.

OUR NEIGHBORHOOD

- Neighborhoods include primary and second homes in rural or semirural settings.
- One quarter of all housing units are vacant; many are for seasonal use only.
- More than one-third of the households are married couples without children; a third are single-person households.
- More than half the homes are single family; nearly 40% are mobile homes.
- Three-quarters of all homes are owner occupied, and the majority own their homes free and clear.
- Most households have one or two vehicles.

SOCIOECONOMIC TRAITS

- Labor force participation is low, but more than half the households are drawing Social Security income.
- They spend majority of their time with spouse or significant other or alone.
- They are limited by medical conditions but still enjoy gardening and working on their vehicles.
- They take good care of vehicles, but haven't bought a new one in over five years.
- They only spend within their means, do their banking in person, and do not carry a balance on their credit card.



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRS. Simmons.



LifeMode Group: GenXurban

Comfortable Empty Nesters

5A

Households: 3,024,200

Average Household Size: 2.52

Median Age: 48.0

Median Household Income: \$75,000

WHO ARE WE?

Residents in this large, growing segment are older, with nearly half of all householders aged 55 or older; many still live in the suburbs where they grew up. Most are professionals working in government, health care, or manufacturing. These Baby Boomers are earning a comfortable living and benefitting from years of prudent investing and saving. Their net worth is well above average (Index 314). Many are enjoying the transition from child rearing to retirement. They value their health and financial well-being.

OUR NEIGHBORHOOD

- Married couples, some with children, but most without (Index 149).
- Average household size slightly higher at 2.52.
- Found throughout the suburbs and small towns of metropolitan areas, where most residents own and live in single-family detached homes (Index 142).
- Most homes built between 1950 and 1990 (Index 131).
- Households generally have one or two vehicles.

SOCIOECONOMIC TRAITS

- Education: 36% college graduates; nearly 68% with some college education.
- Average labor force participation at 61%.
- Most households' income from wages or salaries, but a third also draw income from investments (Index 150) and retirement (Index 159).
- *Comfortable Empty Nesters* residents physically and financially active.
- Prefer eating at home instead of dining out.
- Home maintenance a priority among these homeowners.



Note: The index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRI-Simmons.



LifeMode Group: Cozy Country Living
Heartland Communities



Households: 2,850,600
Average Household Size: 2.39
Median Age: 42.3
Median Household Income: \$42,400

WHO ARE WE?

Well settled and close-knit, *Heartland Communities* residents are semirural and semiretired. These older householders are primarily homeowners, and many have paid off their mortgages. Their children have moved away, but they have no plans to leave their homes. Their hearts are with the country; they embrace the slower pace of life here but actively participate in outdoor activities and community events. Traditional and patriotic, these residents support their local businesses, always buy American, and favor domestic driving vacations over foreign plane trips.

OUR NEIGHBORHOOD

- Rural communities or small towns are concentrated in the Midwest, from older Rustbelt cities to the Great Plains.
- Distribution of household types is comparable to the US, primarily (but not the majority) married couples, more with no children, and a slightly higher proportion of singles (Index 112) that reflects the aging of the population.
- Residents own modest, single-family homes built before 1970.
- They own one or two vehicles; commutes are short (Index 82).

SOCIOECONOMIC TRAITS

- Retirees in this market depress the average labor force participation rate to less than 60% (Index 94). More workers are white collar than blue collar; more skilled than unskilled.
- The rural economy of this market provides employment in the manufacturing, construction, utilities, health-care, and agriculture industries.
- These are budget-savvy consumers; they stick to brands they grew up with and know the price of goods they purchase. Buying American is important.
- Daily life is busy but routine. Working on the weekends is not uncommon.
- Residents trust TV and newspapers more than any other media.
- Skeptical about their financial future, they stick to community banks and low-risk investments.

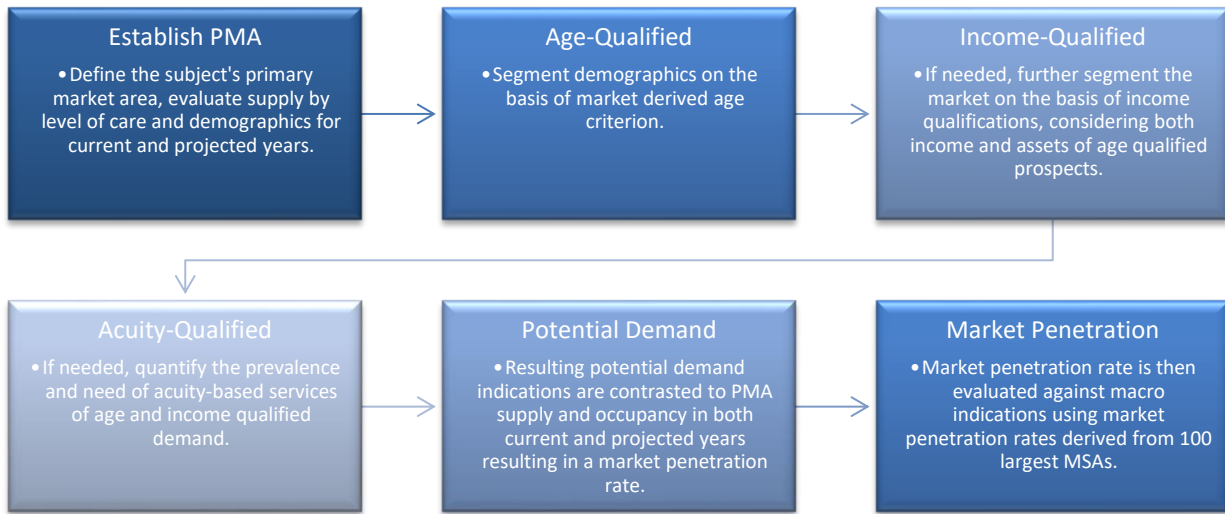


Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRI-Simmons.

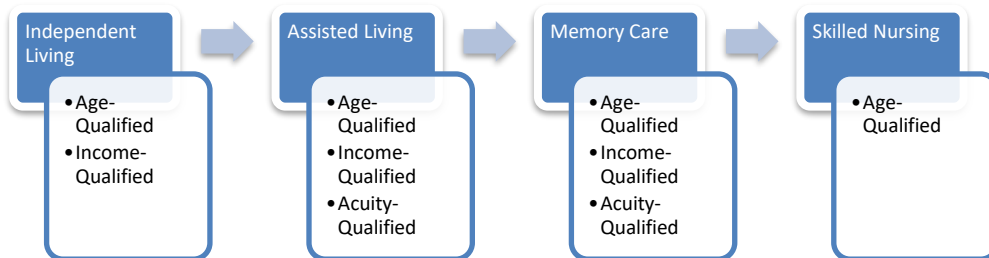
Based on the tapestry data, the subject’s PMA is comprised primarily of “Midlife Consultants”, “Home Improvement”, “Senior Escape” and “Comfortable Empty Nesters” neighborhood segments. Most of these segments represent important referral sources and are segments that represent a prospective resident to the subject.

Demand

In order to test the viability of the market, we have surveyed current and future supply pattern, analyzing age, size, amenities and service package. Moreover, we have analyzed market occupancy, current and future penetration rates, historical rate growth, development interest and the geographic composition. We firmly believe that characterizing a market based on any single factor can be inaccurate and misleading. Overall, we use the following process in identifying demand for seniors housing communities in a given market.



In terms of care levels, the following criterion is used by level of care:



In addition to reviewing the demographics, it is important to account for the potential resident's location prior to moving to seniors housing. ALFA's 2009 *Overview of Assisted Living* indicates the following prior residences before moving into an assisted living residence:

RESIDENCE PRIOR TO MOVING INTO AN ALR		
	AL/MC	IL/AL
Private Home	71.6%	70.1%
Family Residence	9.5%	6.9%
Different ALR	6.1%	6.9%
Independent Living Community	6.8%	13.8%
Nursing Home	6.1%	2.3%

Source: 2009 Overview of Assisted Living

As previously mentioned, we have relied on estimates and projections of senior population in the subject PMA prepared by Nielsen. During discussions with senior management at Nielsen, we learned that per census procedures, Nielsen household estimates only reflect seniors living in their primary residence acting as head of household. Therefore, the income statistics will not reflect that portion of the demand that emanates from nursing homes (institutionalized population) or within a family residence not acting as head of household. Thus, we have calculated a factor for each level of care in order to more accurately reflect demand sources not captured within the household data provided by Nielsen. Based on this premise, we have adjusted the household numbers, which we refer to as a Nielsen Factor, as follows:

DEMAND CAPTURED BY NIELSEN		
	AL/MC	IL/AL
Private Home	71.6%	70.1%
Different ALR	6.1%	6.9%
Independent Living Community	6.8%	13.8%
Total	84.5%	90.8%
Corresponding Nielsen Factor (Inverse of Total)	1.18	1.10

Source: 2009 Overview of Assisted Living

Thus, we can, nonetheless, reasonably estimate total demand in the PMA by using the information prepared by Nielsen and dividing it by the ratio of total demand the private residence component represents. For example, for independent living, if we calculated the current total of age/need/income-qualified households in the market, we can divide it by 90.8% to reach an estimate of total private pay demand:

$$\begin{aligned}
 \text{Nielsen Household Demand}/90.8\% &= 100\% \text{ of IL demand} \\
 &= 1/0.908 \\
 &= 1.10
 \end{aligned}$$

Please note that for the purposes of this analysis, we have also applied the relevant factors for the AL and memory care populations of 1.18.

Additionally, we need to adjust the household data in order for it to be viewed in terms of population. This is only done for assisted living and memory care, as independent living communities generally only attract the entire household, and rarely use semi-private accommodations of unrelated individuals.

Accordingly, on the supply side, we only view the number of units as opposed to the number of residents or beds.

Therefore for assisted living and memory care, we have adjusted the household figures by dividing the adjusted 75 and up population by the number of 75 and up households. The adjusted population is calculated by subtracting the institutionalized nursing home population from the overall population. This is referred to as the Household/Population Factor in the following tables.

Independent Living

According to the American Seniors Housing Association (ASHA) 2009 study *The Independent Living Report* surveyed residents of independent living communities, and found the following conclusions and key findings:

- Only 6% of new independent living residents reported having difficulty with an Activity of Daily Living (ADL).
- A statistically greater proportion of ILC residents have long term care insurance when compared to those not residing in an ILC.
- 20% of independent living residents reported incomes of less than \$25,000.
- Smaller communities were more likely to attract an older clientele who are single. Conversely, larger residences tend to attract a younger, wealthier and married clientele.
- More than 50% of new residents had been hospitalized in the previous two years prior to moving in to the independent living community.

Additionally, a previous ASHA study in 2003, *The Benefits of Independent Living Communities*, which surveyed both residents and non-residents, found the following:

- Residents and non-residents view their health status equally, despite residents having been more likely to have been in a hospital, used an assistive device, report difficulty in climbing stairs and lift heavy objects in the previous two years.
- There were no differences between the abilities of residents of an ILC and those who are not in walking, getting out of bed, bathing, dressing, or toileting.

The 2009 report goes on to survey the primary reasons for residents choosing the particular community, which included:

- Community was close to their family and friends
- Unit they wanted was available
- Safety, security decisions were made
- To be with people
- Easy lifestyle

Primary reasons for residents moving out of their primary residence include:

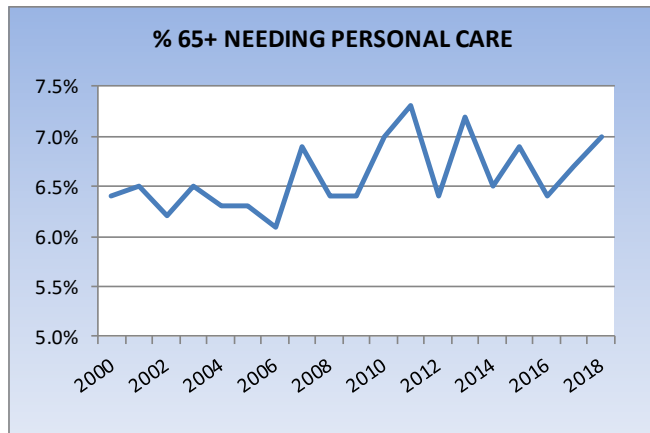
- Deterioration of health
- Unable to manage by themselves
- Death of a spouse
- Deterioration of their spouses' health
- Old age

Overall, independent living is ultimately viewed as a lifestyle choice, as opposed to a need based service. Consequently, we have only viewed the age and income criterion as driving factors for residency at these communities.

Assisted Living

The *National Health Interview Survey* is conducted by the Center for Disease Control and uses data based on household interviews of a sample of the civilian non-institutionalized population identifying personal care needs among those aged 65 and up. Personal care needs are defined as requiring assistance with any Activity of Daily Living (ADL). The NHIS has been conducted continuously since 1957, with the primary objective of monitoring the health of the United States population. The cross-sectional study includes a sample size of approximately 35,000 households and 87,500 persons, allowing for the valid reporting of health status and limitations, injuries, healthcare access and utilization in the US. The publication is widely accepted throughout the industry, including the American Seniors Housing Association. Over the last several years the survey has found the following, though we note that while there are variances year to year, they have not been defined as statistically significant:

% 65+ NEEDING PERSONAL CARE		
Year	%	95% CI Interval
2000	6.4%	5.9% - 6.9%
2001	6.5%	6.0% - 7.0%
2002	6.2%	5.7% - 6.7%
2003	6.5%	6.0% - 7.1%
2004	6.3%	5.8% - 6.8%
2005	6.3%	5.8% - 6.8%
2006	6.1%	5.4% - 6.7%
2007	6.9%	6.2% - 7.6%
2008	6.4%	5.8% - 7.0%
2009	6.4%	5.8% - 6.9%
2010	7.0%	6.4% - 7.6%
2011	7.3%	6.8% - 7.8%
2012	6.4%	5.9% - 6.8%
2013	7.2%	6.7% - 7.8%
2014	6.5%	6.0% - 6.9%
2015	6.9%	6.4% - 7.5%
2016	6.4%	5.9% - 6.9%
2017	6.7%	6.3% - 7.2%
2018	7.0%	6.4% - 7.7%



Source: NHIS

2018 data is through September 2018

Thus, to estimate potential demand for assisted living services we have applied the following personal care factors to the respective age groups:

PERSONAL CARE NEEDS	
Age Group	Percent
65-74	3.9%
75-84	8.3%
85+	20.9%

Source: CDC National Health Interview Survey United States 9/2018

Memory Care

In estimating potential demand for Memory Care we have surveyed the *Prevalence of Dementia in the United States: The Aging, Demographics and Memory Study* published in October 2007 and performed by Plassman, et al for Duke University Medical Center in which a nationally representative sample of individuals 71 and older from the *Health and Retirement Study* were evaluated for dementia via a comprehensive in-home examination. This is the first nationally representative population-based study of dementia within the United States. Based on the study the prevalence of Alzheimer’s Dementia among those 71 and older was 9.7%; however, this statistic does not differentiate between the level of Alzheimer’s Dementia, thus not all would be candidates for traditional memory care units. The most recent data we have found on prevalence of moderate and severe dementia is from a study released by the GAO in 1998, which found the following prevalence rates:

ALZHEIMER'S PREVALENCE RATES		
	Mild, Moderate & Severe	Moderate or Severe
65-74	1.63%	0.92%
75-84	6.45%	3.53%
85+	24.58%	14.54%

Source: GAO Alzheimer's Disease

Accordingly, we have only considered the statistics relevant to moderate or severe dementia to be eligible for occupancy within memory care units.

Income-Qualifications (Seniors Housing)

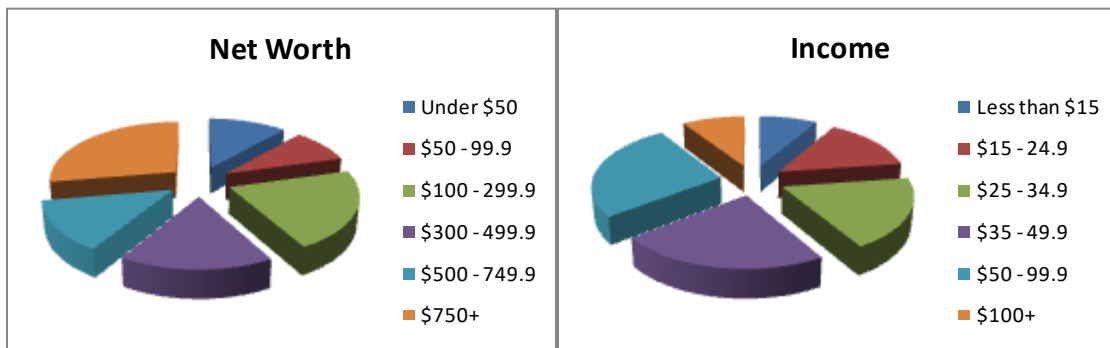
Based on the prevailing rates at the rental comparables and our estimates of market rent, we have estimated a minimum monthly fee for the subject, multiplied by 12 months and assuming that the rental fee would account for 75% of all living expenses. We note it is inappropriate to use an average rent as we are estimating the actual demand for units in the subject’s price range. Additionally, based on *The Independent Living Report*, the resident’s monthly fee accounts for 59% to 88% of a residents spending in a given month. Therefore, the following annual minimum incomes (rounded) would be required:

ANNUAL INCOME THRESHOLD		
Level of Care	Minimum Monthly Rate	Income Threshold
Assisted Living	\$6,300	\$100,800
Memory Care	\$7,450	\$119,200

Nielsen household income demographics are compiled from census data, which generally defines income as receipts for the previous year. Consequently, we find that while household income is generally a good indicator of affordability for the subject’s services, it does not necessarily correlate into a prospective resident’s ability to pay for services. Moreover, in terms of affordability a prospective resident’s net worth must be considered as assets are often spent down and home equity is tapped in order to meet housing and expense obligations. As provided within the *2008 Seniors Housing Statistical Handbook*, the following income vs. net worth characteristics reflect residents of independent, assisted and CCRC residents:

INCOME AND NET WORTH OF RESIDENTS					
		Overall	Independent Living*	Assisted Living	CCRC
Income					
In Thousands	Less than \$15	8.4%	8%	\$11.5 Lower Quartile	
	\$15 - 24.9	14.3%	13%	\$18.9 Median	\$21 Median for AL
	\$25 - 34.9	18.8%	16%		\$27.5 Median for SNF
	\$35 - 49.9	22.9%	17%	\$36.0 Upper Quartile	\$48.8 Median for IL
	\$50 - 99.9	26.4%	32%		
	\$100+	9.1%	14%		
Net Worth					
In Thousands	Under \$50	11.5%	9%		
	\$50 - 99.9	9.1%	9%	\$62 Lower Quartile	\$250 Median for SNF
	\$100 - 299.9	21.3%	18%	\$205 Median	\$281 Median for AL
	\$300 - 499.9	16.8%	15%		
	\$500 - 749.9	13.6%	15%	\$564 Upper Quartile	\$569 Median for IL
	\$750+	27.7%	33%		

Source: American Seniors Housing Association *The Independent Living Report, 2009*; *Inclusive of IL Entrance Fee residents
 Assisted Living Federation of America, with AAHSA, ASHA, NCAL and NIC, *Overview of Assisted Living, 2009*.
 American Association of Homes and Services for the Aging, with ASHA and NIC, *Continuing Care Retirement Communities: 2005 Profile*



The 2006 and 2009 Overview of Assisted Living indicated the following sources of primary payment:

PRIMARY PAYMENT SOURCE				
	2006	2009	2006	2009
	AL/MC		IL/AL	
Self	57.9%	63.5%	66.3%	82.6%
Family	30.9%	14.7%	14.7%	7.0%
Insurance	4.7%	7.1%	3.3%	3.5%
Medicaid	2.6%	12.2%	13.6%	5.8%
SSI	1.3%	1.9%	2.2%	1.2%
VA	2.6%	0.0%	0.0%	0.0%
Unknown	0.0%	0.6%	0.0%	0.0%

Source: 2006 and 2009 Overview of Assisted Living

As seen in the foregoing, residents are not typically responsible for their entire fee within senior housing communities. Further, if we view typical incomes of residents with current average fees, it is apparent that a resident's income is not the primary source of funds:

INCOME TO CHARGE COMPARISON					
	Average Monthly Rate [^]	Annual Income Threshold*	Median Income of Resident**	\$ Surplus/ Shortfall	% Shortfall/ Surplus
Independent Living	\$3,589	\$57,424	\$40,500	\$12,716	22.14%
Assisted Living	\$5,475	\$87,600	\$19,425	\$-59,739	-68.20%

[^]NIC MAP Q2 2023 2023

*Average Monthly Rate/75%*12

**The Benefits of Independent Living Communities, 2003 & Overview of Assisted Living, 2009 both trended to current dollars.

Therefore, while our analysis will focus on the income-qualified senior, we must recognize that for private pay communities, adult children and long-term care insurance policies are often covering a senior who has lower than required annual income and resources. Moreover, residents are also likely to spend down their assets in order to use care, particularly for higher levels of care (assisted living and memory care). Because household income statistics provided by Nielsen only include money receipts (pension income, social security income, etc.) for a given year, they do not include the following sources that could also fund residency:

- Stocks, bonds and other liquid assets
- Assistance from family
- Home equity
- Medicaid Waivers

Consequently, we have adjusted our income-qualifications below that of the income threshold calculated previously to account for these additional sources of income. We have viewed those residents indicating incomes of \$50,000 and up for assisted living and \$50,000 and up for memory care. We note that the difference between the required minimal income and the concluded income qualification used reflects spending down of assets associated with a resident's net worth, assistance from adult children and other sources including long-term care insurance.

Finally, based on the foregoing, we have calculated the potential demand for seniors housing as shown:

DEMAND INDICATIONS		
Assisted Living		
	PMA	
	2023	2028
75+ Population	12,531	13,624
Nursing Home Population	401	415
Adjusted 75+ Population [^]	12,130	13,209
75+ Households	8,114	8,732
Annual Minimum Income Threshold	\$100,800	
Median Owner-Occupied House Value	\$246,083	\$266,872
Income Qualification:	\$50,000 and up	
Age and Income Qualified Households		
75-84	2,494	2,958
85+	614	753
Personal Care Factor by Age		
75-84	8.30%	8.30%
85+	20.90%	20.90%
Households Meeting Income and Acuity	335	403
Household/Population Factor*	1.49	1.51
Nielsen Factor	1.18	1.18
Potential Assisted Living Demand	594	722
Memory Care		
	PMA	
	2023	2028
75+ Population	12,531	13,624
Nursing Home Population	401	415
Adjusted 75+ Population [^]	12,130	13,209
75+ Households	8,114	8,732
Annual Minimum Income Threshold	\$119,200	
Median Owner-Occupied House Value	\$246,083	\$266,872
Income Qualification:	\$50,000 and up	
Age and Income Qualified Households		
75-84	2,494	2,958
85+	614	753
AD Factor by Age		
75-84	3.53%	3.53%
85+	14.54%	14.54%
Households Meeting Income and Acuity	177	214
Household/Population Factor*	1.49	1.51
Nielsen Factor	1.18	1.18
Potential Memory Care Demand	314	384
*Adjusted Population/Households		
[^] General Population less Nursing Home Population		
Source: Nielsen GAO, CDC, HealthTrust		

Penetration Analysis

For the purpose of this analysis, the market penetration rate is measured as the number of residents from the PMA living in seniors housing communities divided by the total number of age/income/need qualified households. It can be expressed as:

$$[\text{Market Occupancy} \times \text{Supply} \times \text{Ratio from the PMA}] / \text{Income-Qualified Demand}$$

The market penetration rate is viewed as a comparison of supply and demand relative to a snapshot in time for both the current year and projected year based on information available as of the date of the inspection. Based on the PMA average occupancy level, we find that the market is currently demonstrating the following penetration level:

PENETRATION ANALYSIS		
Assisted Living		
	PMA	
	2023	2028
Total Supply	271	412
Market Occupancy	97%	95%
Total Potential Demand	594	722
Penetration Rate	44.48%	54.20%
Memory Care		
	PMA	
	2023	2028
Total Supply	65	129
Market Occupancy	97%	95%
Total Potential Demand	314	384
Penetration Rate	20.10%	31.95%
Source: HealthTrust		

Penetration rates are indices that represent the relationship between supply and demand, which allow for meaningful comparison to the broader market. Unlike other real estate asset classes, penetration rates are not to be analyzed on the basis of their absolute value, but rather used for their relative values when compared to the larger market. More clearly, due to the imperfect nature of the available data, resulting penetration rates can sometimes lead to indications that could be construed as being misleading. For example, a penetration rate in excess of 100% is not necessarily indicative of a saturated market, but only to the extent of how it relates to other market derived penetration rates using identical methodology. In doing hundreds of appraisals and market studies annually of senior housing properties, we have found the following significant trends and conclusions:

- ❑ Markets with high penetration rates have better-educated populations with regards to the seniors housing product type. Further, among the 100 MSAs, there is a positive correlation between penetration rates and occupancy levels. Conversely, as penetration rates increase, average rents decrease, indicative of a competitive market.

- ❑ Based on our analysis of the 100 largest MSAs, we find a significant variance in assisted living and memory care penetration rates for the largest 31 MSAs relative to that of the smaller MSAs (32-100). Generally, the latter indicates on average, 25% to 35% higher penetration rates, depending on age and income qualifications. Further, in our experience, we find this variance to be even more pronounced within tertiary markets. While, it's anecdotal, we attribute this to the following:
 - Greater in-migration from rural out bounding areas due to availability of healthcare resources.
 - Fewer living options available within the secondary markets relative to the larger, metropolitan markets.
 - Smaller sized markets allow for increased education and product awareness.

- ❑ Adult Children (45-64 age cohorts) play a primary role in the decision process for a prospective resident with regard to assisted living and even more so to memory care. Higher penetration rates among adult children reflect net-in migration for the particular service and result in increased penetration. This is not necessarily the case for independent living, where no correlation is found among adult children.

- ❑ Availability of State Assistance (Medicaid) is a driving demand force for senior housing properties. The utilization of such programs allows for increased access to residents who could otherwise not afford the product, thereby resulting in higher penetration rates. States with high utilization of State Assistance include North Carolina, Oregon and Washington.

Overall, while penetration rates provide a barometer for the makeup of a particular market, in analyzing any market, primary weight is placed on market occupancy levels, once adjusted for variances among the age and quality of assets available.

Market Categorization

In order to categorize the market, we have compared the subject's PMA against the 100 largest MSAs. To provide for industry benchmarks, we have used supply estimates from Q2 2023 NIC MAP and applied our supply and demand methodology previously described. Please note that the NIC MAP indications are based exclusively on the specific level of care. The subject's PMA relative to the broader market is as follows:

ASSISTED LIVING						
	Top 140 MSA Benchmark			MSA	Subject PMA	
	Median	Lower Quartile	Upper Quartile	Melbourne, FL	2023	2028
Average Occupancy	84.30%	81.60%	87.20%	85.70%	97.48%	95.00%
Average Monthly Rent	\$5,475	\$5,097	\$6,081	\$5,309	N/A	N/A
Median House Value	\$298,977	\$227,559	\$374,698	\$294,530	\$246,083	\$266,872
Adult Child Prevalence	3.17%	2.27%	4.30%	4.35%	3.45%	4.40%
AL Percentage	71.75%	68.13%	75.04%	66.93%	80.65%	76.16%
Penetration Rates						
\$50,000 and up	50.4%	38.3%	67.4%	48.1%	44.5%	54.2%

MEMORY CARE						
	Top 140 MSA Benchmark			MSA	Subject PMA	
	Median	Lower Quartile	Upper Quartile	Melbourne, FL	2023	2028
Average Occupancy	84.65%	81.03%	88.30%	85.90%	97.15%	95.00%
Average Monthly Rent	\$6,968	\$6,381	\$7,913	\$6,269	N/A	N/A
Median House Value	\$298,977	\$227,559	\$374,698	\$294,530	\$246,083	\$266,872
Adult Child Prevalence	1.17%	0.95%	1.61%	2.15%	0.82%	1.38%
MC Percentage	28.25%	24.96%	31.87%	33.07%	19.35%	23.84%
Penetration Rates						
\$50,000 and up	37.3%	28.8%	46.6%	44.2%	20.1%	32.0%

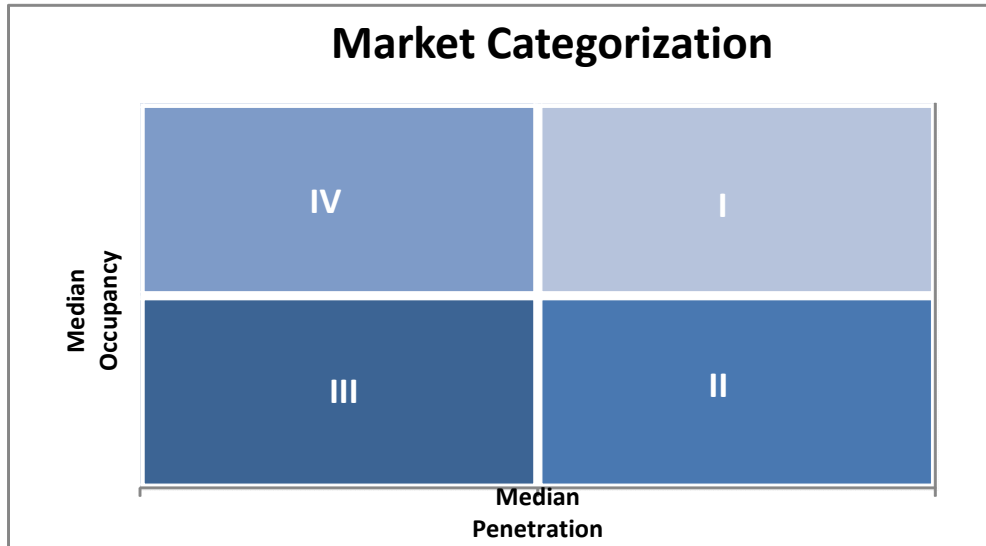
Conclusions

Based on its estimated stabilized occupancy level, we find the market's AL penetration rate is below the median of the 100 MSAs and the memory care penetration rate is below the median.

Our observations of hundreds of markets annually resulted in the following general interpretation of market indicators:

MARKET ANALYSIS INTERPRETATION			
Category	Occupancy	Penetration	Market Conclusion
I	PMA > NIC MAP Median	& PMA > Median	PMA has positive rate growth and absorption. May have net in-migration and/or prevalence of state assistance. Experienced and highly competitive market with potential of moving into II or IV depending on demographic growth and/or proposed supply.
II	PMA < NIC MAP Median	& PMA > Median	PMA is overbuilt, low/negative rate growth and low/negative absorption. Market may be skewed by dated, uncompetitive communities.
III	PMA < NIC MAP Median	& PMA < Median	PMA's consumers are not fully accepting or are inexperienced with seniors housing and/or market has net out-migration
IV	PMA > NIC MAP Median	& PMA < Median	PMA has significant potential and is under-served with high rate growth and occupancy, indicating unmet demand.

Source: HealthTrust

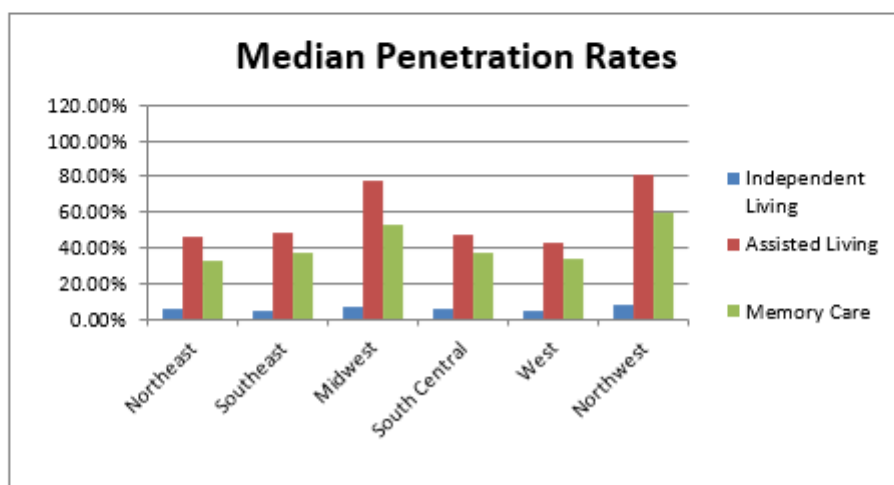


The subject’s PMA is best characterized as a Type IV market for AL and MC, indicating a market with significant potential that is under-served with high-rate growth and occupancy. We expect market occupancy to become skewed as the subject and additional proposed community enter the market; however, once stabilized occupancy is reached, we expect the AL market to shift to a Type I market, while we expect the MC market to remain a Type IV market.

Capture Analysis

By using market derived penetration rates, we are able to capture the prevailing demand that will be the users of the subject’s services, recognizing that there will be prospective residents that choose to stay home, use home health services, or move-in with family members. Regionally, capture rates vary as shown:

PENETRATION RATES BY REGION						
	Northeast	Southeast	Midwest	South Central	West	Northwest
Independent Living						
Markets	27	35	19	13	23	4
Minimum	1.15%	2.15%	2.19%	1.22%	1.52%	4.80%
Maximum	30.48%	11.21%	10.74%	9.64%	9.01%	9.94%
Median	5.13%	4.93%	6.94%	6.04%	4.35%	7.46%
Lower Quartile	3.90%	3.94%	4.99%	4.79%	2.37%	6.29%
Upper Quartile	6.88%	6.30%	7.64%	6.88%	5.34%	8.58%
Average	6.22%	5.57%	6.44%	5.50%	4.34%	7.41%
Assisted Living						
Markets	28	37	24	14	26	4
Minimum	25.84%	26.56%	32.12%	10.15%	18.29%	75.10%
Maximum	87.70%	98.87%	131.66%	88.65%	61.47%	87.44%
Median	46.63%	48.22%	77.71%	47.81%	42.36%	80.55%
Lower Quartile	38.62%	42.33%	50.12%	35.16%	31.53%	75.50%
Upper Quartile	63.82%	58.72%	89.46%	53.99%	50.56%	85.95%
Average	52.11%	50.73%	75.73%	45.34%	40.86%	80.91%
Memory Care						
Markets	18	30	19	9	13	2
Minimum	16.43%	16.75%	34.24%	15.26%	18.21%	59.30%
Maximum	63.62%	59.90%	102.34%	48.51%	46.63%	60.85%
Median	32.22%	37.14%	52.53%	37.49%	33.77%	60.07%
Lower Quartile	27.50%	31.08%	43.24%	29.22%	26.45%	59.68%
Upper Quartile	39.92%	48.60%	66.55%	46.78%	41.77%	60.46%
Average	33.56%	38.33%	58.08%	36.32%	32.90%	60.07%



Source: HealthTrust, NIC MAP® Data Service, Claritas

Because our methodology is prescribed equally to both the subject’s market as well as the broader markets, allowing for reliable and valid comparisons. Thus, using the various penetration rate indications, we have reconciled to a capture rate for the market, whereby we have forecasted the appropriate level of demand for the subject’s market, as seen in the following chart:

MARKET CAPTURE ANALYSIS - PMA				
	Assisted Living		Memory Care	
	2023	2028	2023	2028
Penetration Rates				
MAP 140 Quartile Range	38.27% - 67.43%	---	28.82% - 46.63%	---
MAP 140 Median	50.4%	---	37.3%	---
MAP 31	45.5%	---	34.3%	---
MAP 32-100	56.7%	---	41.4%	---
Southeast	48.2%	---	37.1%	---
MSA	48.1%	---	44.2%	---
PMA	44.5%	54.2%	20.1%	32.0%
Reconciled HT Market Capture	48.1%	48.1%	44.2%	44.2%
Potential Demand	594	722	314	384
Total Demand*	286	348	139	169
Occupied Supply	264	391	63	123
Net Excess/(Deficit) Demand	22	-44	76	47
*Reconciled Capture Rate x Potential Demand				

Overall, we expect that the market capture to remain near the MSA. Based on our reconciled market capture rate, the PMA suggests current unsatisfied demand of 22 units for AL and 76 units for MC as of the date of this report. In addition, we note that favorable market conditions may result in a capture rate on the high end for the MSA (53% for AL, 49% for MC), indicating suggesting current unsatisfied demand of 50 AL units and 89 MC units.

Over the next five years, with the addition of the subject and the other proposed community, we expect excess demand of 47 units for MC; however, we expect deficit demand of -44 units for AL. While our indications reflect a deficit in AL demand over the next five years, current performance in the market is strong with overall occupancy of 97% in AL and 97% in MC. In addition, the subject's AL and MC markets are currently Type IV markets, which indicates an under-served market with high-rate growth and occupancy. Overall, the subject's AL success will be dependent on attracting demand from the existing supply as well as the proposed project and having a good price-value offering in the market.

SWOT Analysis

At this point, we have developed a SWOT (Strengths, Weaknesses, Opportunities and Threats) Analysis for the subject identifying internal strengths and weakness as well as external opportunities and threats, as follows:

SWOT ANALYSIS	
Strengths:	Weaknesses:
Internal	<ul style="list-style-type: none"> ➤ The subject will be the newest community in the market ➤ Limited competition
	<ul style="list-style-type: none"> ➤ Lack of continuum of care such as assisted living, memory care, and/or skilled nursing
Opportunities:	Threats:
External	<ul style="list-style-type: none"> ➤ Expected increase in the seniors housing population.
	<ul style="list-style-type: none"> ➤ There is one new property that is proposed to come into the market. ➤ Rising interest rates and inflation.

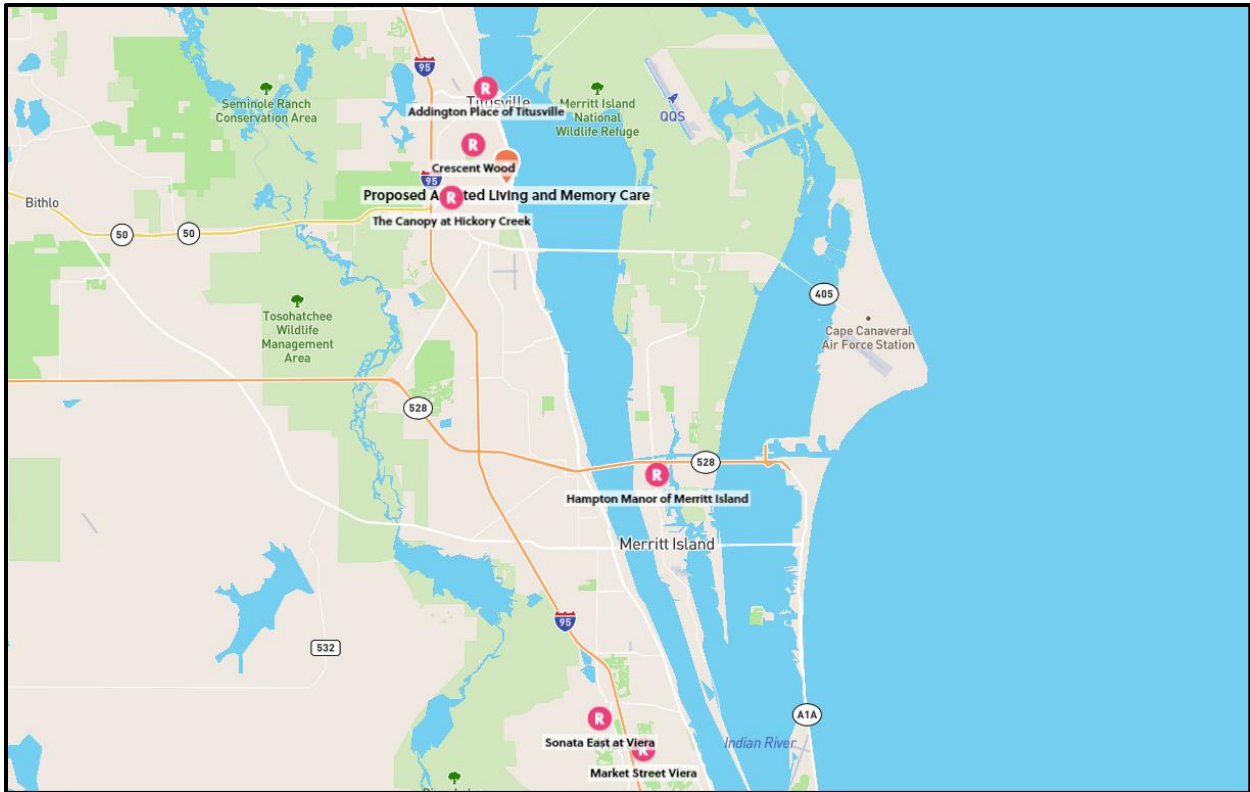
Source: HealthTrust

RATE ANALYSIS

Rate and Absorption Analysis

We have surveyed comparable and competitive communities in and near the subject’s primary market area. These communities are described on the following pages:

RENT COMPARABLE MAP



RENTAL COMPARABLE #1



Record ID: 8161709
 Property Type: Independent and Assisted Living Community
 Name: Crescent Wood
 Address: 1800 Harrison Street, Titusville, FL, 32780
 Verification With: Mary Anna at (321) 383-6000
 Management: Eagle Senior Living

BUILDING CHARACTERISTICS			
Year Opened:	1986	Quality:	Average
Number Of Buildings:	13	Condition:	Average
Number Of Stories:	1	Construction Type:	Concrete Block Stucco
Land Area:	16.07 acres	Gross Building Area:	90,911

PROPERTY MIX			
Level	Capacity	% Occupancy	Meals
IL	88 units	95%	1 daily
AL	37 beds	89%	3 daily
ALZ	---	---	---
SN	---	---	---

LEVEL OF CARE TYPE			
Level	Type	Min	Max
AL	Levels	\$500	\$1,400
ALZ - AL	---	---	---
Other	---	---	---

PROJECT AMENITIES		
• Activity rooms	• Game/billiards rooms	• Swimming Pool
• Arts & crafts rooms	• Laundry facilities	• Therapy Room
• Assistance w/ ADLs	• Library	• Utilities
• Beauty/barber shop	• Linen Service	
• Courtyard	• Lounge areas	
• Dining room - main	• Postal services	
• Exercise facilities	• Social activities	

UNIT AMENITIES		
• Balconies/porches	• Individually controlled HVAC	• Washers/dryers
• Emergency pull-cords	• Kitchenettes	
• Fire/smoke detectors	• Private baths	

SERVICE PACKAGE		
• Water/Sewer	• Electricity	• Housekeeping

INDEPENDENT LIVING RENTAL ANALYSIS									
Unit Type	Fee basis	Min Fee	Max Fee	Community Fee Min	Community Fee Max	Beds	Units	Min Size	Max Size
Studio	Monthly	\$3,325	---	\$2,500	---	80	80	605	---
1-Bedroom	Monthly	\$3,750	---	\$2,500	---	8	8	810	---

RENTAL COMPARABLE #1

ASSISTED LIVING RENTAL ANALYSIS									
Unit Type	Fee basis	Min Fee	Max Fee	Community Fee Min	Community Fee Max	Beds	Units	Min Size	Max Size
Studio	Monthly	\$5,495	---	\$2,500	---	25	25	312	---
Studio DX	Monthly	\$6,450	---	\$2,500	---	---	---	483	---
1-Bedroom	Monthly	\$3,450	---	\$2,500	---	12	12	605	---

CENSUS		
Care Level	Payor Type	% of Current Census
AL	Private pay	100.0%

REMARKS: Crescent Wood offers IL and AL services. Marketing noted the 1BD rate for AL is lower than the studio rate because these units are typically reserved for lower acuity residents and the units are located away from the main part of the campus. IL residents receive one meal per day and can purchase a meal plan for \$130 per month or purchase meals on an individual basis for \$10. The community is currently offering a special where the AL studio units are \$4,995 and the IL one-bedroom units are \$2,695. This property is tax exempt.



RENTAL COMPARABLE #2

Record ID: 8164554
 Property Type: Assisted Living/Memory Care Residence
 Name: The Canopy at Hickory Creek
 Address: 2805 Cheney Highway, Titusville, FL, 32780

Verification:
 With: DeShea Grimm at (321) 341-6206

Management: SRI Management, LLC

BUILDING CHARACTERISTICS			
Year Opened:	2022	Quality:	Good
Number Of Buildings:	1	Condition:	Good
Number Of Stories:	2	Construction Type:	Wood Frame
Land Area:	5.70 acres	Gross Building Area:	47,350

PROPERTY MIX			
Level	Capacity	% Occupancy	Meals
IL	---	---	---
AL	44 beds	100%	3 daily
ALZ	28 beds	100%	3 daily
SN	---	---	---

LEVEL OF CARE TYPE			
Level	Type	Min	Max
AL	Ala Carte	\$0	\$2,500
ALZ - AL	All-inclusive	\$0	\$0
Other	---	---	---

PROJECT AMENITIES		
• Activity rooms	• Dining room - main	• Lounge areas
• Arts & crafts rooms	• Dining room - private	• Reception Area
• Assistance w/ ADLs	• Housekeeping	• Scheduled transportation
• Beauty/barber shop	• Laundry facilities	• Social activities
• Chapel	• Library	• Therapy Room
• Courtyard	• Linen Service	• Utilities

UNIT AMENITIES		
• Cable/satellite TV	• Fire/smoke detectors	• Kitchenettes
• Emergency pull-cords	• Individually controlled HVAC	• Private baths

SERVICE PACKAGE		
• Water/Sewer	• Electricity	
• Cable/Satellite TV	• Housekeeping	

ASSISTED LIVING RENTAL ANALYSIS									
Unit Type	Fee basis	Min Fee	Max Fee	Community Fee Min	Community Fee Max	Beds	Units	Min Size	Max Size
Studio	Monthly	\$4,100	---	\$2,000	---	8	8	377	---
1-Bedroom	Monthly	\$4,550	\$4,800	\$2,000	---	36	36	464	495
Extra Person	Monthly	\$1,000	---	---	---	---	---	---	---

MEMORY CARE RENTAL ANALYSIS									
Unit Type	Fee basis	Min Fee	Max Fee	Community Fee Min	Community Fee Max	Beds	Units	Min Size	Max Size
Semi-Private	Monthly	\$4,175	---	\$2,000	---	2	1	401	---
Studio	Monthly	\$4,775	\$6,000	\$2,000	---	26	26	282	401

RENTAL COMPARABLE #2

CENSUS		
Care Level	Payor Type	% of Current Census
AL	Private pay	100.0%

REMARKS: The Canopy at Hickory Creek opened August 2022, with the community pre-selling all AL units before opening. Sales noted that the community initially offered semi-private units for MC; however, those units have not been popular in the market. The community has since transitioned all but one semi-private unit to studios, which is reflected in the higher studio rate above. AL care is offered ala carte with a \$2500 cap. No specials are being offered at this time as the community is 100% occupied.



RENTAL COMPARABLE #3

Record ID: 8163772
 Property Type: Assisted Living/Memory Care Residence
 Name: Addington Place of Titusville
 Address: 497 North Washington Avenue, Titusville, FL, 32796

Verification:
 With: Barbara at (321) 383-2112

BUILDING CHARACTERISTICS			
Year Opened:	2009	Quality:	Good
Number Of Buildings:	1	Condition:	Good
Number Of Stories:	1	Construction Type:	Masonry
Land Area:	12.97 acres	Gross Building Area:	46,069

PROPERTY MIX			
Level	Capacity	% Occupancy	Meals
IL	---	---	---
AL	43 beds	95%	3 daily
ALZ	37 beds	95%	3 daily
SN	---	---	---

LEVEL OF CARE TYPE			
Level	Type	Min	Max
AL	Levels	\$350	\$1,950
ALZ - AL	Levels	\$700	\$1,550
Other	---	---	---

PROJECT AMENITIES

- Activity rooms
- Assistance w/ ADLs
- Concierge service
- Courtyard
- Dining room - main
- Dining room - private
- Guest Accommodations
- Housekeeping
- Laundry facilities
- Linen Service
- Lounge areas
- Medications
- Reception Area
- Scheduled transportation
- Security 24 hour
- Social activities
- Utilities
- Wanderer Mgt. System

UNIT AMENITIES

- Cable/satellite TV
- Emergency pull-cords
- Fire/smoke detectors
- Individually controlled HVAC
- Private baths

SERVICE PACKAGE

- Water/Sewer
- Electricity
- Housekeeping

ASSISTED LIVING RENTAL ANALYSIS

Unit Type	Fee basis	Min Fee	Max Fee	Community Fee Min	Community Fee Max	Beds	Units	Min Size	Max Size
Studio	Monthly	\$4,400	\$5,595	\$2,500	---	---	---	282	400
1-Bedroom	Monthly	\$5,995	\$6,475	\$2,500	---	---	---	525	---
Extra Person	Monthly	\$950	---	---	---	---	---	---	---

MEMORY CARE RENTAL ANALYSIS

Unit Type	Fee basis	Min Fee	Max Fee	Community Fee Min	Community Fee Max	Beds	Units	Min Size	Max Size
Semi-Private	Monthly	\$4,995	---	\$2,500	---	---	---	---	---
Studio	Monthly	\$6,395	---	\$2,500	---	---	---	---	---

RENTAL COMPARABLE #3

CENSUS		
Care Level	Payor Type	% of Current Census
AL	Private pay	100.0%

REMARKS: Addington Place of Titusville offers AL and MC. Occupancy was given for the entire community. AL and MC both have additional levels of care. Medication management ranges from \$0 to \$250.



RENTAL COMPARABLE #4

Record ID: 8163901
 Property Type: Assisted Living/Memory Care Residence
 Name: Hampton Manor of Merritt Island
 Address: 2250 North Courtenay Parkway, Merritt Island, FL, 32953

Verification:
 With: Tim at (321) 455-5100

BUILDING CHARACTERISTICS

Year Opened:	2023	Quality:	Excellent
Number Of Buildings:	1	Condition:	Excellent
Number Of Stories:	1	Construction Type:	Wood Frame
Land Area:	6.62 acres	Gross Building Area:	---

PROPERTY MIX

Level	Capacity	% Occupancy	Meals
IL	---	---	---
AL	61 beds	87%	3 daily
ALZ	34 beds	59%	3 daily
SN	---	---	---

LEVEL OF CARE TYPE

Level	Type	Min	Max
AL	Levels	\$400	\$1,200
ALZ - AL	All-inclusive	\$0	\$0
Other	---	---	---

PROJECT AMENITIES

- Activity rooms
- Arts & crafts rooms
- Assistance w/ ADLs
- Beauty/barber shop
- Courtyard
- Dining room - main
- Dining room - private
- Laundry facilities
- Library
- Linen Service
- Lounge areas
- Putting green
- Scheduled transportation
- Social activities
- Swimming Pool
- Theater/Auditorium
- Therapy Room
- Utilities

UNIT AMENITIES

- Cable/satellite TV
- Emergency pull-cords
- Fire/smoke detectors
- High-speed internet
- Individually controlled HVAC
- Kitchenettes
- Private baths

SERVICE PACKAGE

- Water/Sewer
- Cable/Satellite TV
- Electricity
- High Speed Internet
- Housekeeping

ASSISTED LIVING RENTAL ANALYSIS

Unit Type	Fee basis	Min Fee	Max Fee	Community Fee Min	Community Fee Max	Beds	Units	Min Size	Max Size
Studio	Monthly	\$4,150	---	\$1,500	---	---	---	316	355
1-Bedroom	Monthly	\$4,450	\$4,650	\$1,500	---	---	---	451	536
2-Bedroom	Monthly	\$4,850	---	\$1,500	---	8	4	731	---
Extra Person	Monthly	\$1,200	---	---	---	---	---	---	---

MEMORY CARE RENTAL ANALYSIS

Unit Type	Fee basis	Min Fee	Max Fee	Community Fee Min	Community Fee Max	Beds	Units	Min Size	Max Size
Studio	Monthly	\$6,000	---	\$1,500	---	34	34	306	---

RENTAL COMPARABLE #4

CENSUS		
Care Level	Payor Type	% of Current Census
AL	Private pay	100.0%

REMARKS: Hampton Manor of Merritt Island is a newly built AL/MC community that opened April 1st, 2023. Marketing noted AL leased up very quickly while MC has lagged, which marketing attributed to hesitation in the market towards newly opened MC. The community offered a two-year rate lock; however, now that the community seen a quick initial lease up the rate lock is no longer being offered. The unit mix of the studio and one-bedroom units was unable to be provided by marketing; however, it was noted there are four two-bedroom units which have a two-year waiting list.



RENTAL COMPARABLE #5

Record ID: 8160167
 Property Type: Memory Care Community
 Name: Market Street Viera
 Address: 6845 Murrell Road, Melbourne, FL, 32940
 Verification With: Mark at (321) 730-2703
 Management: Watercrest Senior Living Group, LLC

BUILDING CHARACTERISTICS			
Year Opened:	2016	Quality:	Good
Number Of Buildings:	1	Condition:	Good
Number Of Stories:	---	Construction Type:	Concrete Block Stucco
Land Area:	13.14 acres	Gross Building Area:	44,460

PROPERTY MIX			
Level	Capacity	% Occupancy	Meals
IL	---	---	---
AL	---	---	---
ALZ	60 beds	85%	3 daily
SN	---	---	---

LEVEL OF CARE TYPE			
Level	Type	Min	Max
AL	---	---	---
ALZ - AL	All-inclusive	\$0	\$0
Other	---	---	---

PROJECT AMENITIES		
<ul style="list-style-type: none"> Activity rooms Assistance w/ ADLs Beauty/barber shop Coffee Shop/Deli Courtyard Dining room - main Housekeeping 	<ul style="list-style-type: none"> Laundry facilities Linen Service Lounge areas Medications Reception Area Scheduled transportation Social activities 	<ul style="list-style-type: none"> Spa/Whirlpool Utilities Wanderer Mgt. System

UNIT AMENITIES	
<ul style="list-style-type: none"> Cable/satellite TV Emergency pull-cords Fire/smoke detectors 	<ul style="list-style-type: none"> Individually controlled HVAC Private baths

SERVICE PACKAGE	
<ul style="list-style-type: none"> Water/Sewer Cable/Satellite TV Electricity 	<ul style="list-style-type: none"> High Speed Internet Housekeeping

MEMORY CARE RENTAL ANALYSIS									
Unit Type	Fee basis	Min Fee	Max Fee	Community Fee Min	Community Fee Max	Beds	Units	Min Size	Max Size
Studio	Monthly	\$6,925	---	\$3,000	---	60	60	297	355
Extra Person	Monthly	\$2,100	---	---	---	---	---	---	---

RENTAL COMPARABLE #5

CENSUS		
Care Level	Payor Type	% of Current Census
AL	Private pay	100.0%

REMARKS: Market Street Viera is a good quality memory care community that opened in December 2016 and is located in Viera, FL. The community is private pay only. Since our last survey of the property in August 2021, occupancy has risen slightly from 82% up to 85%. The community only offers private studios.



RENTAL COMPARABLE #6

Record ID: 8160171
Property Type: Independent Living and Memory Care Community
Name: Sonata East at Viera
Address: 4206 Breslay Drive, Melbourne, FL, 32940

Verification:
With: Chrissie at (321) 878-8942

BUILDING CHARACTERISTICS

Year Opened:	2021	Quality:	Excellent
Number Of Buildings:	1	Condition:	Excellent
Number Of Stories:	4	Construction Type:	Wood Frame
Land Area:	5.42 acres	Gross Building Area:	---

PROPERTY MIX

Level	Capacity	% Occupancy	Meals
IL	88 units	100%	2 daily
AL	---	---	---
ALZ	40 beds	88%	3 daily
SN	---	---	---

LEVEL OF CARE TYPE

Level	Type	Min	Max
AL	---	---	---
ALZ - AL	All-inclusive	\$0	\$0
Other	---	---	---

PROJECT AMENITIES

- Activity rooms
- Arts & crafts rooms
- Assistance w/ ADLs
- Beauty/barber shop
- Concierge service
- Courtyard
- Dining room - main
- Dining room - private
- Exercise facilities
- Game/billiards rooms
- Health center
- Housekeeping
- Laundry facilities
- Library
- Linen Service
- Lounge areas
- Medications
- Postal services
- Reception Area
- Scheduled transportation
- Security 24 hour
- Social activities
- Spa/Whirlpool
- Storage area/bin
- Therapy Room
- Utilities

UNIT AMENITIES

- Cable/satellite TV
- Emergency pull-cords
- Fire/smoke detectors
- Full kitchens
- High-speed internet
- Individually controlled HVAC
- Kitchenettes
- Private baths
- Walk-in closets
- Washer/dryer hookups
- Washers/dryers

SERVICE PACKAGE

- Water/Sewer
- Cable/Satellite TV
- Electricity
- High Speed Internet
- Housekeeping

INDEPENDENT LIVING RENTAL ANALYSIS

Unit Type	Fee basis	Min Fee	Max Fee	Community Fee Min	Community Fee Max	Beds	Units	Min Size	Max Size
Studio	Monthly	\$4,000	---	\$3,000	---	---	---	539	---
1-Bedroom	Monthly	\$4,800	---	\$3,000	---	---	---	646	876
2-Bedroom	Monthly	\$5,600	---	\$3,000	---	---	---	985	1307
Extra Person	Monthly	\$1,000	---	---	---	---	---	---	---

RENTAL COMPARABLE #6

MEMORY CARE RENTAL ANALYSIS									
Unit Type	Fee basis	Min Fee	Max Fee	Community Fee Min	Community Fee Max	Beds	Units	Min Size	Max Size
Semi-Private	Monthly	\$5,600	---	\$3,000	---	---	---	579	---
Studio	Monthly	\$7,500	---	\$3,000	---	---	---	372	---

CENSUS		
Care Level	Payor Type	% of Current Census
AL	Private pay	100.0%

REMARKS: Sonata East at Viera is an independent living (IL) and memory care (MC) community located in Melbourne, FL. The community is down the street from its sister community, Sonata Viera, an assisted living (AL) community. Sonata East at Viera opened in August 2021. Memory care is all-inclusive of care. There are no specials being run at the time of the survey.

Estimates of Market Rent - Seniors Housing

ASSISTED LIVING ASKING RENTAL ANALYSIS				
Property	Studio		Extra Person	
	Min	Max	Min	Max
Proposed Assisted Living and Memory Care	\$6,000	\$8,000	\$950	--
Crescent Wood	\$5,495	--	--	--
The Canopy at Hickory Creek	\$4,100	--	\$1,000	--
Addington Place of Titusville	\$4,400	\$5,595	\$950	--
Hampton Manor of Merritt Island	\$4,150	--	\$1,200	--
Market Street Viera	--	--	--	--
Sonata East at Viera	--	--	--	--
Median		\$5,495		\$975
Average		\$5,391		\$1,025
Mode		--		\$950
Range		\$4,100 - \$8,000		\$950 - \$1,200
Standard Deviation		\$1,380		\$119

Source: HealthTrust

The subject's proposed AL rates fall on the high end of the comparable range, which we find appropriate given the subject will be the newest community in the market. In addition to the base rates, assisted living services are provided via a variety of pricing models, the most common being:

- All-inclusive, whereby all services, including personal care and assistance with activities of daily living, are included in the monthly fee.
- Levels or point systems, where the base rent includes meals, housekeeping, activities, maintenance and security, but assistance with ADLs and personal care are charged based on the health assessment of each resident.
- Ala carte, where the base rent includes meals, housekeeping, activities, maintenance and security, but every need (toileting, incontinence, medication reminders, showers) has a separate charge.

Thus, adjusted for level of care pricing, the subject's rates fall within the comparable range. In this market, the comparables report the following care pricing:

SUMMARY OF CARE PRICING - AL			
Community	Service Type	Min Fee	Max Fee
Proposed Assisted Living and Memory Care	All-inclusive	\$0	\$0
Crescent Wood	Levels	\$500	\$1,400
The Canopy at Hickory Creek	Ala Carte	\$0	\$2,500
Addington Place of Titusville	Levels	\$350	\$1,950
Hampton Manor of Merritt Island	Levels	\$400	\$1,200
Market Street Viera	---	--	--
Sonata East at Viera	---	--	--

MEMORY CARE ASKING RENTAL ANALYSIS		
Property	Studio	
	Min	Max
Proposed Assisted Living and Memory Care	\$7,000	\$7,500
Crescent Wood	--	--
The Canopy at Hickory Creek	\$4,775	\$6,000
Addington Place of Titusville	\$6,395	--
Hampton Manor of Merritt Island	\$6,000	--
Market Street Viera	\$6,925	--
Sonata East at Viera	\$7,500	--
Median		\$6,660
Average		\$6,512
Mode		\$7,500
Range	\$4,775 - \$7,500	
Standard Deviation		\$919

Source: HealthTrust

Within the market, care pricing for memory care residents varies, with most properties offering services on an all-inclusive basis. The subject’s rates, adjusted for level of care fall on the high end of the comparable range. A summary of memory care pricing models are summarized as shown:

SUMMARY OF CARE PRICING - MC			
Community	Service Type	Min Fee	Max Fee
Proposed Assisted Living and Memory Care	All-inclusive	\$0	\$0
Crescent Wood	---	--	--
The Canopy at Hickory Creek	All-inclusive	\$0	\$0
Addington Place of Titusville	Levels	\$700	\$1,550
Hampton Manor of Merritt Island	All-inclusive	\$0	\$0
Market Street Viera	All-inclusive	\$0	\$0
Sonata East at Viera	All-inclusive	\$0	\$0

We note the subject will be an excellent quality property in excellent condition, with a good location and good amenities. We have surveyed properties located in and near the PMA to gain a better understanding of market rents. After comparing the subject to the market on the basis of many characteristics, a summary of our adjustments include:

Quality/Condition: Adjustments were made to comparables for inferior quality and condition. All of the properties range from excellent to average quality and condition. Upwards adjustments have been made to those deemed inferior relative to the subject, while negative adjustments have been made to those superior to the subject.

Location: We have made upward adjustments to those properties deemed to have inferior locations and downward adjustments to those with better locations.

Amenities: Amenities at the comparables range from average to good. As the subject will offer good amenities, those deemed inferior have been adjusted upwards, while those deemed superior have been adjusted downwards.

Level of Care: As it is most prevalent in the market, we project the subject to offer all-inclusive care charges in both AL and MC. Adjustments have been made to those properties offering levels of care rates in AL and MC.

Therefore, we have made comparisons to the competitive supply relative to the subject property for each unit type. Adjustments were made on the following basis:

ASSISTED LIVING RENTAL ADJUSTMENT GRID									
Property	Subject	Crescent Wood		The Canopy at Hickory Creek		Addington Place of Titusville		Hampton Manor of Merritt Island	
City, State	Titusville, Florida	Titusville, FL		Titusville, FL		Titusville, FL		Merritt Island, FL	
Characteristic									
Unit Type	Studio	Studio	Adjustment	Studio	Adjustment	Studio	Adjustment	Studio	Adjustment
Quality	Excellent	Average	\$300	Good	\$100	Good	\$100	Excellent	\$0
Condition	Excellent	Average	\$300	Good	\$100	Good	\$100	Excellent	\$0
Location	Good	Average	\$400	Average	\$400	Good	\$0	Good	\$0
Year Built	2025	1986	\$0	2022	\$0	2009	\$0	2023	\$0
Amenities	Good	Average	\$400	Average	\$400	Average	\$400	Good	\$0
Service Package									
Meals	3	3		3		3		3	
Water/Sewer	0	Yes		Yes		Yes		Yes	
Cable/Satellite TV	0	No		Yes		No		Yes	
Electricity	0	Yes		Yes		Yes		Yes	
Phone	0	No		No		No		No	
High Speed Internet	0	No		No		No		Yes	
Housekeeping	0	Yes		Yes		Yes		Yes	
Total Service Package			\$0		\$0		\$0		\$0
Unit Size	340 - 415	312	\$0	377	\$0	282 - 400	\$0	316 - 355	\$0
Unit Type	Studio	Studio	\$0	Studio	\$0	Studio	\$0	Studio	\$0
Level of Care	All-inclusive	Levels	\$1,000	Ala Carte	\$1,000	Levels	\$1,000	Levels	\$1,000
Service Type	Assisted Living	Assisted Living	\$0	Assisted Living	\$0	Assisted Living	\$0	Assisted Living	\$0
Net Adjustment			\$2,400		\$2,000		\$1,600		\$1,000
Average Asking Rate		\$5,495		\$4,100		\$4,998		\$4,150	
Adjusted Rate		\$7,895		\$6,100		\$6,598		\$5,150	

MEMORY CARE RENTAL ADJUSTMENT GRID											
Property	Subject	The Canopy at Hickory Creek		Addington Place of Titusville		Hampton Manor of Merritt Island		Market Street Viera		Sonata East at Viera	
City, State	Titusville, Florida	Titusville, FL		Titusville, FL		Merritt Island, FL		Melbourne, FL		Melbourne, FL	
Characteristic	Studio	Studio	Adjustment	Studio	Adjustment	Studio	Adjustment	Studio	Adjustment	Studio	Adjustment
Unit Type	Excellent	Good	\$100	Good	\$100	Excellent	\$0	Good	\$100	Excellent	\$0
Quality	Excellent	Good	\$100	Good	\$100	Excellent	\$0	Good	\$100	Excellent	\$0
Condition	Good	Average	\$400	Good	\$0	Good	\$0	Average	\$400	Good	\$0
Location	2025	2022	\$0	2009	\$0	2023	\$0	2016	\$0	2021	\$0
Year Built	Good	Average	\$400	Average	\$400	Good	\$0	Average	\$400	Good	\$0
Amenities	Service Package										
Meals	3	3		3		3		3		3	
Water/Sewer	0	Yes		Yes		Yes		Yes		Yes	
Cable/Satellite TV	0	Yes		No		Yes		Yes		Yes	
Electricity	0	Yes		Yes		Yes		Yes		Yes	
Phone	0	No		No		No		No		No	
High Speed Internet	0	No		No		Yes		Yes		Yes	
Housekeeping	0	Yes		Yes		Yes		Yes		Yes	
Total Service Package			\$0		\$0		\$0		\$0		\$0
Unit Size	340 - 415	282 - 401	\$0	N/A	\$0	306	\$0	297 - 355	\$0	372	\$0
Unit Type	Studio	Studio	\$0	Studio	\$0	Studio	\$0	Studio	\$0	Studio	\$0
Level of Care	All-inclusive	All-inclusive	\$0	Levels	\$1,400	All-inclusive	\$0	All-inclusive	\$0	All-inclusive	\$0
Service Type	Memory Care	Memory Care	\$0	Memory Care	\$0	Memory Care	\$0	Memory Care	\$0	Memory Care	\$0
Net Adjustment			\$1,000		\$2,000		\$0		\$1,000		\$0
Average Asking Rate		\$5,388		\$6,395		\$6,000		\$6,925		\$7,500	
Adjusted Rate		\$6,388		\$8,395		\$6,000		\$7,925		\$7,500	

Overall, based on the foregoing, we have reconciled to the following rental rates for the subject property:

SUMMARY OF ADJUSTED RATES							
Assisted Living							
Unit Type	Range	Average	Avg Adjustment	Median	Lower Quartile	Upper Quartile	Reconciled Rate
Studio	\$5,150 - \$7,895	\$6,436	37%	\$6,349	\$5,863	\$6,922	\$6,300
Memory Care							
Unit Type	Range	Average	Avg Adjustment	Median	Lower Quartile	Upper Quartile	Reconciled Rate
Studio	\$6,000 - \$8,395	\$7,242	12%	\$7,500	\$6,388	\$7,925	\$7,450

We have placed the most weight on The Canopy at Hickory Creek and Addington Place of Titusville's indications for the subject's studio rates as we have found those communities to be the most comparable to the subject in terms of location, and amenities. As a result, we have reconciled the subject's AL and MC studio rate falling between The Canopy at Hickory Creek and Addington Place of Titusville's indications.

Incorporating the estimates of market rents, stabilized occupancies, and ancillary income, we have prepared the following statements of estimated revenues for the subject. To determine an inflationary factor, we have reviewed the consumer price index trends over the past ten years, as shown in the following table:

10-YEAR CONSUMER PRICE INDEX TRENDS		
Year	CPI	Ann. Increase
2013	233.0	---
2014	236.7	1.6%
2015	237.0	0.1%
2016	240.0	1.3%
2017	245.1	2.1%
2018	251.1	2.4%
2019	255.7	1.8%
2020	258.8	1.2%
2021	271.0	4.7%
2022*	292.3	7.9%
10-Year Average		2.6%
10-Year Compounded Annual Change		2.6%

*Source: US Department of Labor, *Data through Nov 2022*

Further, based on our analysis of provided budget projections for more than several hundred properties over the last year, most market participants project 3.0% revenue increases and higher, driven in part by higher wages and the inflation above 5.0%. The 2022 *State of Seniors Housing* ten-year same store analysis, which indicated a revenue and expense growth over the ten-year period as shown:

COMPOUND ANNUAL GROWTH				
All Seniors Housing	YE 12/31/21	YE 12/31/22	Compound Annual Change	
Total Properties	256	256	0.0%	
Occupancy	84.6%	90.7%	-0.7%	
Total Revenues	\$3,553,019,333	\$2,809,880,326	2.4%	
Revenues per Occupied Unit	\$71,890	\$54,542	2.8%	
Total Operating Expense	\$2,603,110,013	\$1,995,610,482	2.7%	
Operating Expenses per Occupied Unit	\$52,670	\$38,736	3.1%	
Labor Expenses (included in total)	\$1,425,316,046	\$1,058,827,482	3.0%	
Labor as a Ratio of Revenues	40.1%	37.7%	0.6%	
Net Operating Income	\$949,909,320	\$814,269,844	1.6%	
NOI per Occupied Unit	\$19,220	\$15,806	2.0%	
Operating Margin	26.7%	29.0%	-0.8%	

Source: *The State of Seniors Housing, 2022*

We note that the last ten years has been a period of historically lower interest rate and growth; however, the CPI compound annual change in the preceding decade was 2.4%, above this last decade. Overall, *The State of Seniors Housing* data demonstrates that the industry has been able to increase rates about 100 basis points above CPI but that its expenses also grow at that same rate. Considering the rate increases evident in the market, continued wage pressures and nursing shortages for some time and the industry's history, we have incorporated an annual rate of increase for revenues of 3.00%.

We note that the subject's reconciled rates above are reflective of the current market indications. As the subject is anticipated to open in June 2025, we have forecasted the subject's rates at the time of opening using the previously mentioned CPI increase of 3%. A summary of the subject's forecasted 2025 rates is summarized below:

ASSISTED LIVING RENT ROLL TREND SUMMARY	
	Year: 2025
<u>Unit Type</u>	<u>Reconciled</u>
Studio	\$6,489
MEMORY CARE RENT ROLL TREND SUMMARY	
	Year: 2025
<u>Unit Type</u>	<u>Reconciled</u>
Studio	\$7,674

Source: HealthTrust

Stabilized Occupancy

The subject and comparables indicate the following as of the day of the most recent inspection:

OCCUPANCY ANALYSIS		
Property	AL	MC
Proposed Assisted Living and Memory Care	0%	0%
Crescent Wood	89%	--
The Canopy at Hickory Creek	100%	100%
Addington Place of Titusville	95%	95%
Hampton Manor of Merritt Island	87%	59%
Market Street Viera	--	85%
Sonata East at Viera	--	88%
Median	92%	88%
Average	92%	85%
Mode	--	--
Range	87% - 100%	59% - 100%
PMA Average Occupancy	97%	97%

Overall, there are limited competitors in the market, most being older in age with an average year built of 1986. There is one additional proposed community outside of the subject that is expected to enter the market in 2025. We note The Canopy at Hickory Creek is the newest community within the PMA and opened in August 2022. The community reported occupancy of 100% in both AL and MC, with sales noting all AL units were pre-leased prior to the community opening. Based on our demand analysis and the current comparable occupancy we have estimated a stabilized occupancy level for the subject of 95% for all levels of care, reconciling between market indications and current occupancy. Although the penetration rates will increase with the addition of the subject and the proposed community, the subject market is still generally underserved with high occupancy and penetration rates below the MSA and the 140 MSA benchmarks.

Absorption

For the purposes of this discussion, we have defined absorption as the move-in rate (net number of units filled divided by the number of months open) at which a property fills to stabilized occupancy. We have used these recently developed communities in the subject's region, which indicated the following absorption rates:

ABSORPTION COMPS				
Property	Open Date	Occupancy	AL	MC
The Canopy at Hickory Creek	Aug-22	100%	3.6	2.3
Hampton Manor of Merritt Island	Apr-23	77%	11.0	4.2
The Grove at Trelago	Dec-21	89%	2.4	4.3
The Blake at Hamlin	Feb-21	69%	3.0	1.4
Sonata East at Viera	Aug-21	88%	0.0	1.8

Source: HealthTrust

We reconciled in the range of the comparables above. However, beginning in year 2, we reduce the number of net move-ins to account for move-outs that will begin to occur. Please note that the indicated average annual occupancy reflects the lease-up.

ABSORPTION ANALYSIS								
		Net Move-Ins			Occupied			
	Period	AL	MC	Total	AL	MC	Total	
Inspection	Jun-25				0.0	0.0	0.0	
	Jun-25	8.0	3.0	11.0	4.0	1.5	5.5	
	Jul-25	6.0	3.0	9.0	11.0	4.5	15.5	
	Aug-25	5.0	2.0	7.0	16.5	7.0	23.5	
	Sep-25	5.0	2.0	7.0	21.5	9.0	30.5	
	Oct-25	4.0	2.0	6.0	26.0	11.0	37.0	
	Nov-25	4.0	1.0	5.0	30.0	12.5	42.5	
	Dec-25	4.0	1.0	5.0	34.0	13.5	47.5	
	Jan-26	4.0	1.0	5.0	38.0	14.5	52.5	
	Feb-26	3.0	1.0	4.0	41.5	15.5	57.0	
	Mar-26	3.0	1.0	4.0	44.5	16.5	61.0	
	Apr-26	3.0	1.0	4.0	47.5	17.5	65.0	
	May-26	3.0	0.5	3.5	50.5	18.3	68.8	
		Annual Avg.				30.4	11.8	42.1
		Avg Occupancy				41%	47%	42%
		Total RD				11,088	4,292	15,379
	Year 1	Jun-26	3.0	0.5	3.5	53.5	18.8	72.3
Jul-26		2.0	0.5	2.5	56.0	19.3	75.3	
Aug-26		2.0	0.5	2.5	58.0	19.8	77.8	
Sep-26		2.0	0.5	2.5	60.0	20.3	80.3	
Oct-26		2.0	0.5	2.5	62.0	20.8	82.8	
Nov-26		2.0	0.5	2.5	64.0	21.3	85.3	
Dec-26		2.0	0.5	2.5	66.0	21.8	87.8	
Jan-27		1.0	0.5	1.5	67.5	22.3	89.8	
Feb-27		1.0	0.5	1.5	68.5	22.8	91.3	
Mar-27		1.0	0.3	1.3	69.5	23.1	92.6	
Apr-27		1.0	0.3	1.3	70.5	23.4	93.9	
May-27		0.3	0.3	0.5	71.1	23.6	94.8	
		Annual Avg.				63.9	21.4	85.3
		Avg Occupancy				85%	86%	85%
		Total RD				23,312	7,811	31,123
Year 2		Jun-27	0.0	0.0	0.0	71.3	23.8	95.0
		Jul-27	0.0	0.0	0.0	71.3	23.8	95.0
	Aug-27	0.0	0.0	0.0	71.3	23.8	95.0	
	Sep-27	0.0	0.0	0.0	71.3	23.8	95.0	
	Oct-27	0.0	0.0	0.0	71.3	23.8	95.0	
	Nov-27	0.0	0.0	0.0	71.3	23.8	95.0	
	Dec-27	0.0	0.0	0.0	71.3	23.8	95.0	
	Jan-28	0.0	0.0	0.0	71.3	23.8	95.0	
	Feb-28	0.0	0.0	0.0	71.3	23.8	95.0	
	Mar-28	0.0	0.0	0.0	71.3	23.8	95.0	
	Apr-28	0.0	0.0	0.0	71.3	23.8	95.0	
	May-28	0.0	0.0	0.0	71.3	23.8	95.0	
		Annual Avg.				71.3	23.8	95.0
		Avg Occupancy				95%	95%	95%
		Total RD				26,006	8,669	34,675
	Year 3	Jun-27	0.0	0.0	0.0	71.3	23.8	95.0
		Jul-27	0.0	0.0	0.0	71.3	23.8	95.0
Aug-27		0.0	0.0	0.0	71.3	23.8	95.0	
Sep-27		0.0	0.0	0.0	71.3	23.8	95.0	
Oct-27		0.0	0.0	0.0	71.3	23.8	95.0	
Nov-27		0.0	0.0	0.0	71.3	23.8	95.0	
Dec-27		0.0	0.0	0.0	71.3	23.8	95.0	
Jan-28		0.0	0.0	0.0	71.3	23.8	95.0	
Feb-28		0.0	0.0	0.0	71.3	23.8	95.0	
Mar-28		0.0	0.0	0.0	71.3	23.8	95.0	
Apr-28		0.0	0.0	0.0	71.3	23.8	95.0	
May-28		0.0	0.0	0.0	71.3	23.8	95.0	
		Annual Avg.				71.3	23.8	95.0
		Avg Occupancy				95%	95%	95%
		Total RD				26,006	8,669	34,675

Source: HealthTrust

Following our estimates of rental levels and occupancy, we have estimated the subject's effective gross rental income which has been forecasted to reflect the subject's opening in 2025 as shown:

SUMMARY OF REVENUE PROJECTIONS			
			Year: HT Stabilized
	No. Units/Beds	Monthly Rent	
AL Revenues			
Studio	75	\$6,489	\$5,840,100
Total Potential AL Base Fee Income	75		\$5,840,100
Less AL Vacancy	@		5.00%
			-\$292,005
Lifecare Utilization Discount			\$0
Effective Gross AL Base Fee Income			\$5,548,095
MC Revenues			
Studio	25	\$7,674	\$2,302,050
Total Potential MC Fee Income	25		\$2,302,050
Less MC Vacancy	@		5.00%
			-\$115,103
Effective Gross MC Fee Income			\$2,186,948

Source: HealthTrust

Other Revenue Sources

We note the competitors in the market request a one-time community fee. In addition, our appraisals of competitive properties in the subject's market indicate that the market accepts these fees and collection is commonplace. We do know of some instances where waiving or reducing the community fee enticed a prospective resident to move. Therefore, we have incorporated total annual community fees of \$115,853. At a 54.2% ratio (based on the most current edition of *The State of Seniors Housing*), our estimate implies an average community fee of \$2,250 per new entrant, reconciling between The Canopy at Hickory Creek and Addington Place of Titusville comparables. This amount is supported by the market asking fees:

SUMMARY OF ASKING COMMUNITY FEES		
Property	Min	Max
Proposed Assisted Living and Memory Care	\$2,500	\$2,500
Crescent Wood	\$2,500	\$2,500
The Canopy at Hickory Creek	\$2,000	\$2,000
Addington Place of Titusville	\$2,500	\$2,500
Hampton Manor of Merritt Island	\$1,500	\$1,500
Market Street Viera	\$3,000	\$3,000
Sonata East at Viera	\$3,000	\$3,000
Median		\$2,500
Average		\$2,429
Mode		\$2,500
Range	\$1,500 - \$3,000	
Standard Deviation		\$514

Source: HealthTrust

We note the competitors charge a monthly fee for second residents (spouses, siblings and other related persons) who share a unit with the primary resident. Whereas residents of companion units typically both require assisted living care, second residents often have lower acuity needs and pay a materially lower rent. Based on comparable indications, we have incorporated additional AL monthly revenues for second residents of \$5,588 or \$67,056 annually. Below is a breakdown of average second residents of comparable communities located in the subject's region:

AL Second Resident Indications				
	Location	# AL Residents	# Second Residents	% of second residents
Comp 1	Orange City, FL	77	7	9%
Comp 2	Ocoee, FL	89	5	6%
Comp 3	Winter Garden, FL	51	3	6%
Comp 4	Port Orange, FL	47	2	4%
Comp 5	Kissimmee, FL	64	8	13%
			<i>Average:</i>	7%
			<i>Median:</i>	6%
			Projected:	7%

Source: HealthTrust

Second Resident Monthly Revenue Projections	
Total AL Beds	75
Projected Stabilized Occupancy AL	95%
Total AL Residents	71.25
Projected Seconds Residents (7%)	5.32
Projected Second Resident Monthly Rate	\$1,050
Total Average Monthly Projected	\$5,588

Source: HealthTrust

Operating Expense Summary

Per the client's request, we have included expense comparables of similar properties located in the subject's region. A summary of the expense comparables is as follows:

EXPENSE COMPARABLE SUMMARY - TRENDED															
Property	1			2			3			4			5		
State	FL			FL			FL			FL			FL		
No. IL	0			0			0			0			0		
No. AL	86			81			52			86			45		
No. MC	32			36			40			20			14		
No. SN	0			0			0			0			0		
Total Units/Beds	118			117			92			106			59		
Year	6/30/22			3/31/22			6/30/23			4/30/23			11/30/22		
Trended To:	8/9/23			8/9/23			8/9/23			8/9/23			8/9/23		
Year Built	2015			2016			2015			2016			2018		
GBA	92,450			108,841			77,655			104,467			49,403		
Occupancy	93%			92%			91%			76%			89%		
M2	0%			0%			0%			0%			0%		
Total Resident Days	42,948			40,661			36,931			29,381			19,922		
EGI/RD	\$117.95			\$212.04			\$214.03			\$254.91			\$198.59		
EXPENSES	\$/RD	\$/Unit	%EGI	\$/RD	\$/Unit	%EGI	\$/RD	\$/Unit	%EGI	\$/RD	\$/Unit	%EGI	\$/RD	\$/Unit	%EGI
Real Estate Taxes	\$0.92	\$335	0.8%	\$6.30	\$2,189	3.0%	\$5.84	\$2,346	2.7%	\$18.15	\$5,031	7.1%	\$4.31	\$1,455	2.2%
Insurance	\$7.67	\$2,790	6.5%	\$8.04	\$2,793	3.8%	\$15.39	\$6,177	7.2%	\$12.52	\$3,469	4.9%	\$15.45	\$5,217	7.8%
Utilities	\$4.08	\$1,485	3.5%	\$5.24	\$1,820	2.5%	\$3.57	\$1,435	1.7%	\$9.10	\$2,522	3.6%	\$5.86	\$1,978	3.0%
Maintenance	\$5.41	\$1,970	4.6%	\$9.41	\$3,272	4.4%	\$4.94	\$1,985	2.3%	\$7.62	\$2,113	3.0%	\$3.91	\$1,321	2.0%
Marketing	\$10.79	\$3,928	9.2%	\$13.59	\$4,724	6.4%	\$8.97	\$3,600	4.2%	\$6.45	\$1,788	2.5%	\$10.57	\$3,567	5.3%
Administrative	\$12.68	\$4,615	10.8%	\$16.35	\$5,681	7.7%	\$16.82	\$6,753	7.9%	\$33.62	\$9,319	13.2%	\$20.14	\$6,800	10.1%
Dietary	\$14.71	\$5,353	12.5%	\$24.62	\$8,555	11.6%	\$20.33	\$8,162	9.5%	\$34.06	\$9,439	13.4%	\$15.71	\$5,304	7.9%
Housekeeping/Laundry	\$2.90	\$1,056	2.5%	\$4.24	\$1,474	2.0%	\$2.65	\$1,065	1.2%	\$4.05	\$1,123	1.6%	\$3.30	\$1,113	1.7%
Nursing/Personal Care	\$19.43	\$7,070	16.5%	\$61.92	\$21,517	29.2%	\$49.23	\$19,761	23.0%	\$38.24	\$10,598	15.0%	\$45.62	\$15,403	23.0%
Activities	\$0.38	\$137	0.3%	\$1.65	\$575	0.8%	\$7.41	\$2,973	3.5%	\$5.96	\$1,653	2.3%	\$8.22	\$2,776	4.1%
Other Payroll, Taxes & Benefits	\$7.03	\$2,559	6.0%	\$10.16	\$3,530	4.8%	\$13.12	\$5,267	6.1%	\$15.65	\$4,338	6.1%	\$14.32	\$4,835	7.2%
Management Fees	\$5.90	\$2,146	5.0%	\$10.60	\$3,684	5.0%	\$10.70	\$4,296	5.0%	\$12.75	\$3,533	5.0%	\$9.93	\$3,353	5.0%
Reserves	\$1.37	\$500	1.2%	\$1.44	\$500	0.7%	\$1.25	\$500	0.6%	\$1.80	\$500	0.7%	\$1.48	\$500	0.7%
Total	\$93.27	\$33,945	79.1%	\$173.55	\$60,314	81.8%	\$160.23	\$64,320	74.9%	\$199.97	\$55,427	78.4%	\$158.81	\$53,622	80.0%
Key Categories (Included Above)															
Wages	\$39.79	\$14,484	33.7%	\$89.33	\$31,045	42.1%	\$84.46	\$33,903	39.5%	\$90.36	\$25,047	35.5%	\$74.95	\$25,307	37.7%
Other PR Tax & Ben (as % of Wages)			17.7%			11.4%			15.5%			17.3%			19.1%
Worker's Comp				\$2.27	\$788	1.1%	\$2.01	\$808	0.9%	\$2.09	\$579	0.8%	\$5.52	\$1,864	2.8%
Bad Debt	\$0.92	\$335	0.8%	\$0.21	\$74	0.1%				\$2.50	\$692	1.0%			
Food Cost	\$6.83	\$2,486	5.8%	\$9.41	\$3,272	4.4%	\$8.48	\$3,402	4.0%	\$11.65	\$3,229	4.6%	\$8.28	\$2,796	4.2%
Therapy/Ancillary Expenses															
Provider Tax/Assessment															
Source: HealthTrust															

Conclusion

In spite of the additional proposed community the PMA, we find demand to warrant development of the subject. Both AL and MC markets are strong as well as they are Type IV markets, which indicates an underserved market with high-rate growth and occupancy. Specifically, based on our reconciled market capture rate, the PMA suggests current unsatisfied demand of 22 units for AL and 76 for MC. We find that over the next five years, there is adequate support for the development of the MC; however, we expect a deficit in AL demand of -44 units. Overall, the subject's AL success will be dependent on attracting demand from the existing supply as well as the proposed project and having a good price-value offering in the market.

ADDENDA

Subject Photographs and Exhibits



Side View



Side View



Side View



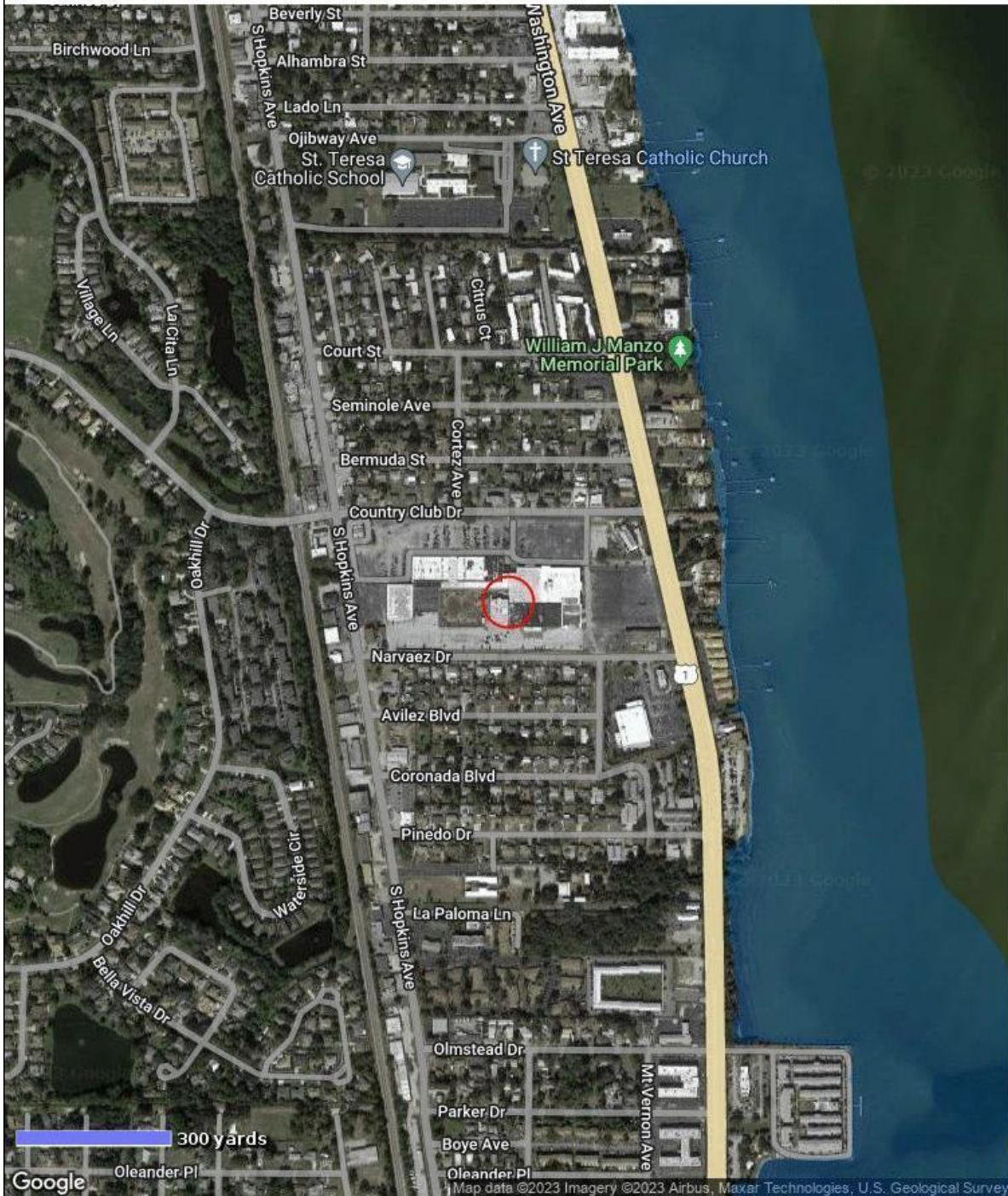
Rear View



Street Scene 1









Street Scene 2



MAP DATA

FEMA Special Flood Hazard Area: **No**
 Map Number: **12009C0210H**
 Zone: **X**
 Map Date: **January 29, 2021**
 FIPS: **12009**

MAP LEGEND

- | | |
|--|---|
|  Areas inundated by 500-year flooding |  Protected Areas |
|  Areas inundated by 100-year flooding |  Floodway |
|  Velocity Hazard |  Subject Area |

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JACK W. HUGENTGLER, II
 FLAR0010097

NOTE:
 ALL DIMENSIONS SHOWN ARE APPROXIMATE AND SUBJECT TO REVISIONS.
 THE CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING ALL DIMENSIONS AND CONDITIONS OF THE SITE AND FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS.
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A NEW DEVELOPMENT FOR:
Titusville Resort & Destination

3550 S Washington Ave,
 Titusville, Florida 32780

No.	DATE	REVISIONS

Scale: AS NOTED

Project No. 23-13915

Date: Aug 25, 2023

ISSUE PURPOSE:
 CLIENT REVIEW SET

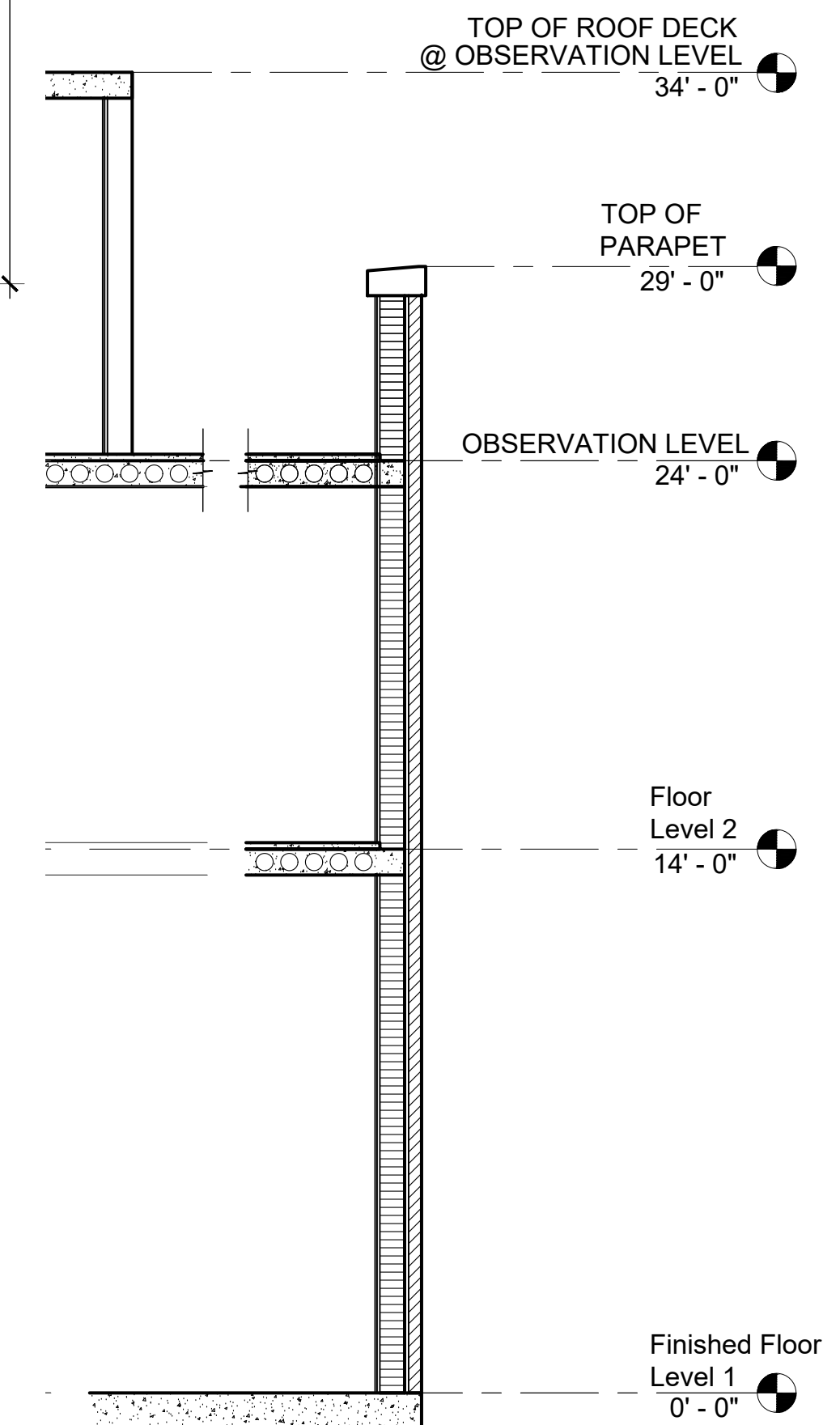
Drawn: CES
 Checked: JWH

Sheet Title:
BUILDING 'F' GROUND FLOOR

FLOOR

Sheet No.:

F-A1.0



TITUSVILLE RESORT & DESTINATION : 'BUILDING F' ANALYSIS								
UNIT TYPES								
BUILDING	TYPE 1	TYPE 2	UNITS PER FLOOR	AMENITY AREA	UNIT A/C LIVING AREA SQ.FT. TOTALS	DECKS	COMMON AREA & BALCONIES	TOTAL FLOOR PLATE
LIVING AREA	340	415						
BALCONY	--	--						
TOTAL UNIT AREA	340	415						
1ST FLR	6	9	15	19,745	5,775		5,303	30,823
2nd FLR - MEMORY CARE	20	5	25	1,631	8,875	3,406	--	--
2nd FLR - ASSISTED LIVING	12	13	25	1,380	9,475		5,330	30,097
3rd FLR - ASSISTED LIVING	25	10	35	3,828	12,650	3,790	6,437	26,705
TOTAL UNITS	63	37	100	26,584	36,775	7,196	17,070	87,625
BUILDING TOTAL AREA								87,625
UNITS %	63.0%	37.0%	100.0%					

BUILDING 'F' GROUND FLOOR
 SCALE: 3/32"=1'-0"



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A NEW DEVELOPMENT FOR:
Titusville Resort & Destination
 3550 S Washington Ave,
 Titusville, Florida 32780

No.	DATE	REVISIONS
1		
2		
3		
4		

Scale: AS NOTED

Project No. 23-13915

Date: Aug 25, 2023

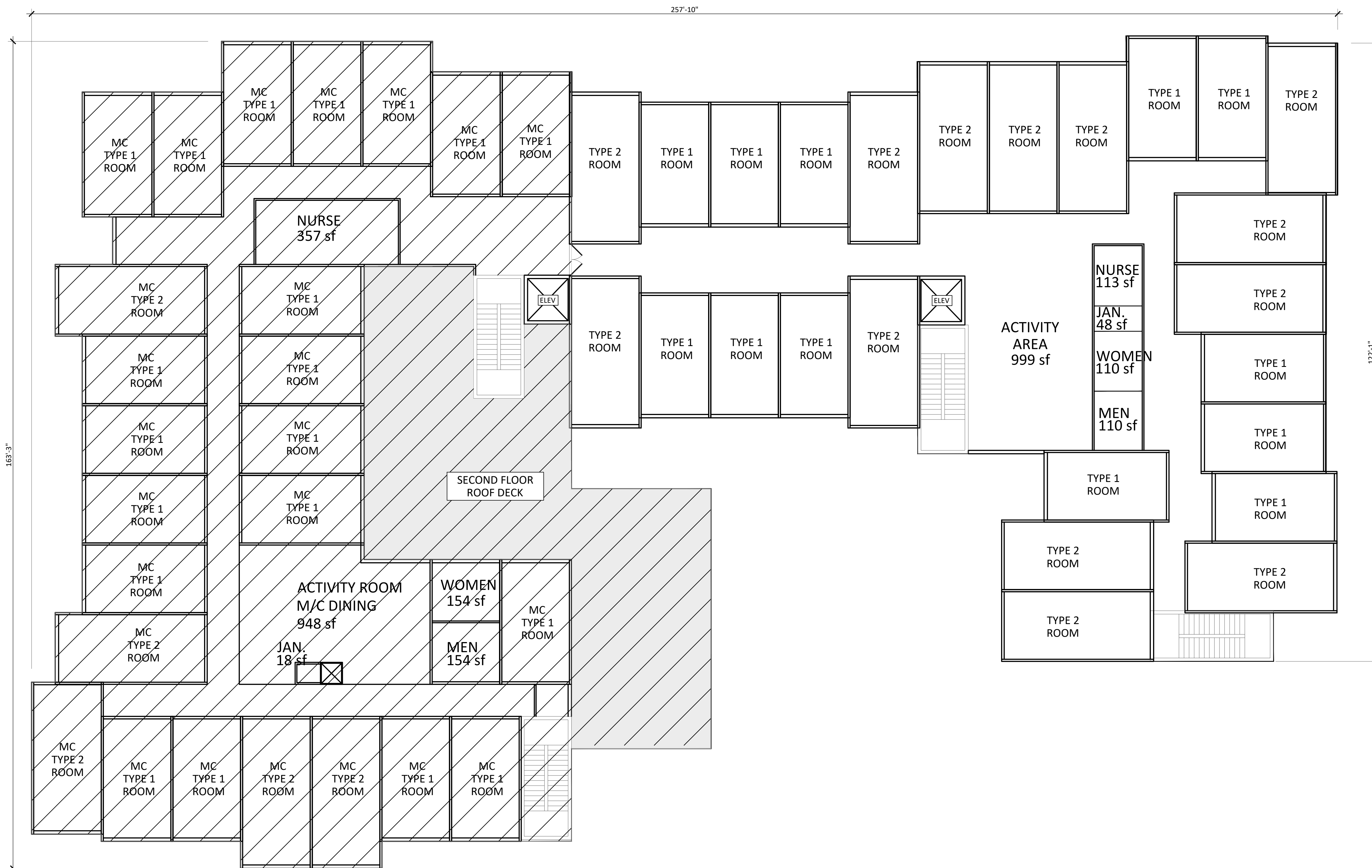
ISSUE PURPOSE:
 CLIENT REVIEW SET

Drawn: CES
 Checked: JWH

Sheet Title:
BUILDING 'F' SECOND FLOOR

Sheet No.:

F-A1.1



BUILDING 'F' SECOND FLOOR
 SCALE: 3/32"=1'-0"

2023.08.07

SECTION 15, TOWNSHIP 22 SOUTH, RANGE 35 EAST
BREVARD COUNTY, FLORIDA

TITUSVILLE RESORT AND DESTINATION - PHASE 1A, PARCEL 2 DESCRIPTION:

A PARCEL OF LAND LYING IN SECTION 15, TOWNSHIP 22 SOUTH, RANGE 35 EAST, BREVARD COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE POINT OF INTERSECTION BETWEEN THE SOUTH RIGHT OF WAY LINE OF COUNTRY CLUB DRIVE (FORMER TAYLOR STREET) AND THE WEST RIGHT OF WAY LINE OF SOUTH WASHINGTON STREET (US 1); THENCE RUN DUE WEST, ALONG SAID SOUTH RIGHT OF WAY LINE OF COUNTRY CLUB DRIVE A DISTANCE OF 497.00 FEET TO THE POINT OF BEGINNING; THENCE LEAVING SAID SOUTH RIGHT OF WAY LINE RUN DUE SOUTH, A DISTANCE OF 249.97 FEET TO A POINT ON A NON TANGENT CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 94.38 FEET, A CHORD BEARING OF S 14°15'28" E AND A CHORD DISTANCE OF 39.10 FEET; THENCE RUN SOUTHEASTERLY, ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 23°54'44", A DISTANCE OF 39.39 FEET TO A POINT OF COMPOUND CURVATURE WITH A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 36.00 FEET, A CHORD BEARING OF S 32°01'27" E AND A CHORD DISTANCE OF 7.30 FEET; THENCE RUN SOUTHERLY, ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 11°37'52", A DISTANCE OF 7.31 FEET; THENCE RUN DUE WEST, A DISTANCE OF 336.46 FEET; THENCE RUN DUE NORTH, A DISTANCE OF 294.05 FEET TO A POINT ON THE AFORE MENTIONED SOUTH RIGHT OF WAY LINE OF COUNTRY CLUB DRIVE; THENCE RUN DUE EAST, ALONG SAID SOUTH RIGHT OF WAY LINE A DISTANCE OF 322.96 FEET TO THE POINT OF BEGINNING.

CONTAINING 2.185 ACRES MORE OR LESS.

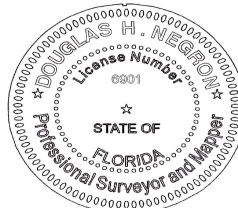
NOTES:

1. BEARINGS SHOWN HEREON ARE BASED UPON THE SOUTH RIGHT OF WAY LINE OF COUNTRY CLUB DRIVE (FORMERLY KNOWN AS TAYLOR STREET), BREVARD COUNTY, FLORIDA SAID LINE BEING DUE WEST (ASSUMED).
2. THIS SKETCH WAS PREPARED WITHOUT THE BENEFIT OF A TITLE AND MAY BE SUBJECT TO EASEMENTS, RESTRICTIONS, RIGHT OF WAY AND OTHER MATTERS OF RECORD.
3. THIS DOCUMENT CONSISTS OF 2 SHEETS AND WOULD BE CONSIDERED INCOMPLETE IF OTHERWISE.

CERTIFICATION:


I HEREBY CERTIFY THAT THE SKETCH REPRESENTED HEREON MEETS THE STANDARDS OF PRACTICE SET FORTH BY THE FLORIDA BOARD OF PROFESSIONAL SURVEYORS AND MAPPERS IN CHAPTER 5J-17, FLORIDA ADMINISTRATIVE CODE, PURSUANT TO SECTION 472.027 FLORIDA STATUES.

DOUGLAS H. NEGRON
PROFESSIONAL SURVEYOR AND MAPPER
FLORIDA REGISTRATION NUMBER 6901
DRAWING INVALID UNLESS SIGNED DATED
& SEALED BY REGISTERED PROFESSIONAL

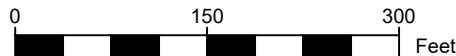


SKETCH OF DESCRIPTION
* NOT A SURVEY *

SHEET 1 OF 2

 <small>FLORIDA CERTIFICATE OF AUTHORIZATION NO. 8319</small>	ON POINT SURVEYING, INC. 2827 MIDDLETON CIRCLE KISSIMMEE, FLORIDA 34743 407-989-8102 WWW.ON-POINTSURVEYING.COM LICENSE BUSINESS NUMBER 8319	TITUSVILLE RESORT AND DESTINATION PHASE 1A / PARCEL 2 SKETCH OF DESCRIPTION	DATE 10/28/22
		PREPARED FOR AND CERTIFIED TO: TITUSVILLE MALL, LLC.	JOB NO. C015-01

SECTION 15, TOWNSHIP 22 SOUTH, RANGE 35 EAST
BREVARD COUNTY, FLORIDA



SCALE 1" = 150'

COUNTRY CLUB DRIVE
(FORMER TAYLOR STREET)

SOUTH R/W LINE
OF TAYLOR STREET
A 40' R/W
PER P.B.11/P.G.82

10' RIGHT OF WAY
CONVEYED TO CITY OF
TITUSVILLE PER
O.R.B.2547/P.G.2630

SOUTH R/W LINE OF
COUNTRY CLUB DRIVE

P.O.C.

POINT OF
INTERSECTION
BETWEEN THE WEST
R/W LINE OF SOUTH
WASHINGTON AVE
AND THE SOUTH
R/W LINE OF
COUNTRY CLUB
DRIVE

N 90°00'00" E

322.96'

P.O.B.

N 90°00'00" W
BEARING BASIS

497.00'

N 0°00'00" E

294.05'

TITUSVILLE RESORT AND DESTINATION
PHASE 1A, PARCEL 2
AREA: 95,167.66 SQUARE FEET /
2.185 ACRES MORE OR LESS

249.97'

S 0°00'00" E

R=94.38'

L=39.39'

D=23°54'44"

CB=S 14°15'28" E

CD=39.10'

PHASE 1B, PARCEL 4

SOUTH WASHINGTON
AVENUE
(US 1)

WEST R/W LINE OF SOUTH
WASHINGTON AVENUE (US 1)

336.46'

N 90°00'00" W

R=36.00'

L=7.31'

D=11°37'52"

CB=S 32°01'27" E

CD=7.30'

PHASE 1A, PARCEL 3

PHASE 1A, PARCEL 1

AGUINALDO AVENUE
(60' R/W PER PB4, PG93)
VACATED RIGHT OF WAY PER
O.R.B. 9564, PG 1075

NARVAEZ AVENUE
(60' R/W PER PB4, PG93)

LEGEND:

- P.B. = PLAT BOOK
- PG. = PAGE
- P.O.C. = POINT OF COMMENCEMENT
- P.O.B. = POINT OF BEGINNING
- O.R.B. = OFFICIAL RECORDS BOOK
- P.C. = POINT OF CURVATURE
- N.T. = NON-TANGENT
- P.C.C. = POINT OF COMPOUND CURVATURE

SKETCH OF DESCRIPTION
* NOT A SURVEY *

SHEET 2 OF 2



FLORIDA CERTIFICATE OF AUTHORIZATION NO. 8319

ON POINT SURVEYING, INC.
2827 MIDDLETON CIRCLE
KISSIMMEE, FLORIDA 34743
407-989-8102
WWW.ON-POINTSURVEYING.COM
LICENSE BUSINESS NUMBER 8319

TITUSVILLE RESORT AND DESTINATION
PHASE 1A / PARCEL 2
SKETCH OF DESCRIPTION
PREPARED FOR AND CERTIFIED TO:
TITUSVILLE MALL, LLC.

DATE
10/28/22
JOB NO.
C015-01

Demographic Data

Click to Remove Formulae



Senior Life	32709, 32754, 32780, 32796, 32926, 32927					
	2010 %		2023 %		2028 %	
	Census		Estimate		Projection	
Population	123,032		128,226		133,044	
Percent Growth (2010 to 2028)***			1.92%		3.76%	
Population by Age						
Total Population	123,032		128,226		133,044	
Age 45 to 54	21,182	17.22%	14,896	11.62%	14,671	11.03%
Age 55 to 64	16,556	13.46%	20,660	16.11%	19,951	15.00%
Age 65 to 74	12,200	9.92%	18,402	14.35%	22,013	16.55%
Age 75 to 84	7,352	5.98%	9,251	7.21%	9,958	7.48%
Age 85 and over	2,226	1.81%	3,280	2.56%	3,666	2.76%
Age 65 and over	21,778	17.70%	30,933	24.12%	35,637	26.79%
Households by HH Income by Age of Householder						
Householder Age 45 to 54			8,017		7,852	
Income Less than \$15,000			425	5.30%	321	4.09%
Income \$15,000 to \$24,999			398	4.96%	297	3.78%

Income \$25,000 to \$34,999			537	6.70%	388	4.94%
Income \$35,000 to \$49,999			836	10.43%	657	8.37%
Income \$50,000 to \$74,999			1,441	17.97%	1,295	16.49%
Income \$75,000 to \$99,999			918	11.45%	847	10.79%
Income \$100,000 to \$124,999			971	12.11%	916	11.67%
Income \$125,000 to \$149,999			802	10.00%	826	10.52%
Income \$150,000 to \$199,999			801	9.99%	951	12.11%
Income \$200,000 or more			888	11.08%	1,354	17.24%
Median Household Income			\$84,251		\$103,340	
Households by HH Income by Age of Householder						
Householder Age 55 to 64						
			11,718		11,191	
Income Less than \$15,000			947	8.08%	756	6.76%
Income \$15,000 to \$24,999			846	7.22%	659	5.89%
Income \$25,000 to \$34,999			856	7.31%	646	5.77%
Income \$35,000 to \$49,999			1,402	11.96%	1,126	10.06%
Income \$50,000 to \$74,999			2,158	18.42%	1,936	17.30%
Income \$75,000 to \$99,999			1,304	11.13%	1,216	10.87%
Income \$100,000 to \$124,999			1,223	10.44%	1,178	10.53%
Income \$125,000 to \$149,999			1,025	8.75%	1,085	9.70%
Income \$150,000 to \$199,999			931	7.95%	1,095	9.78%
Income \$200,000 or more			1,026	8.76%	1,494	13.35%
Median Household Income			\$70,344		\$83,715	
Households by HH Income by Age of Householder						
Householder Age 65 to 74						
			11,145		13,190	
Income Less than \$15,000			981	8.80%	948	7.19%
Income \$15,000 to \$24,999			937	8.41%	929	7.04%
Income \$25,000 to \$34,999			924	8.29%	920	6.97%

Income \$35,000 to \$49,999			2,034	18.25%	2,249	17.05%
Income \$50,000 to \$74,999			2,261	20.29%	2,556	19.38%
Income \$75,000 to \$99,999			1,515	13.59%	1,825	13.84%
Income \$100,000 to \$124,999			805	7.22%	1,027	7.79%
Income \$125,000 to \$149,999			484	4.34%	704	5.34%
Income \$150,000 to \$199,999			716	6.42%	1,131	8.57%
Income \$200,000 or more			488	4.38%	901	6.83%
Median Household Income			\$56,486		\$63,902	
Households by HH Income by Age of Householder						
Householder Age 75 to 84						
			6,057		6,451	
Income Less than \$15,000			729	12.04%	668	10.35%
Income \$15,000 to \$24,999			827	13.65%	789	12.23%
Income \$25,000 to \$34,999			745	12.30%	737	11.42%
Income \$35,000 to \$49,999			1,262	20.84%	1,299	20.14%
Income \$50,000 to \$74,999			1,163	19.20%	1,210	18.76%
Income \$75,000 to \$99,999			541	8.93%	634	9.83%
Income \$100,000 to \$124,999			299	4.94%	349	5.41%
Income \$125,000 to \$149,999			180	2.97%	250	3.88%
Income \$150,000 to \$199,999			194	3.20%	297	4.60%
Income \$200,000 or more			117	1.93%	218	3.38%
Median Household Income			\$43,403		\$46,680	
Households by HH Income by Age of Householder						
Householder Age 85 and over						
			2,057		2,281	
Income Less than \$15,000			340	16.53%	341	14.95%
Income \$15,000 to \$24,999			421	20.47%	426	18.68%
Income \$25,000 to \$34,999			260	12.64%	286	12.54%
Income \$35,000 to \$49,999			422	20.52%	475	20.82%

Income \$50,000 to \$74,999			313	15.22%	341	14.95%
Income \$75,000 to \$99,999			151	7.34%	185	8.11%
Income \$100,000 to \$124,999			50	2.43%	68	2.98%
Income \$125,000 to \$149,999			35	1.70%	50	2.19%
Income \$150,000 to \$199,999			38	1.85%	59	2.59%
Income \$200,000 or more			27	1.31%	50	2.19%
Median Household Income			\$35,261		\$37,704	
Households by HH Income						
Total Household			53,143		55,252	
Income Less than \$15,000			4,335	8.16%	3,855	6.98%
Income \$15,000 to \$24,999			4,286	8.07%	3,867	7.00%
Income \$25,000 to \$34,999			4,851	9.13%	4,278	7.74%
Income \$35,000 to \$49,999			8,050	15.15%	7,769	14.06%
Income \$50,000 to \$74,999			9,983	18.79%	9,943	18.00%
Income \$75,000 to \$99,999			6,414	12.07%	6,727	12.18%
Income \$100,000 to \$124,999			5,059	9.52%	5,348	9.68%
Income \$125,000 to \$149,999			3,692	6.95%	4,237	7.67%
Income \$150,000 to \$199,999			3,454	6.50%	4,520	8.18%
Income \$200,000 to \$249,999			1,560	2.94%	2,294	4.15%
Income \$250,000 to \$499,999			1,103	2.08%	1,790	3.24%
Income \$500,000 or more			356	0.67%	624	1.13%
Average Household Income			\$82,632		\$94,670	
Median Household Income			\$61,426		\$68,980	
Age 55+ Median Household Income			\$55,521		\$62,302	
Age 65+ Median Household Income			\$48,902		\$54,324	
Owner Occupied Housing Units by Value						
Total Owner-Occupied Housing Units			42,455		44,062	
Value Less than \$20,000			1,273	3.00%	1,177	2.67%

Value \$20,000 to \$39,999			821	1.93%	855	1.94%
Value \$40,000 to \$59,999			926	2.18%	807	1.83%
Value \$60,000 to \$79,999			1,128	2.66%	992	2.25%
Value \$80,000 to \$99,999			1,329	3.13%	1,212	2.75%
Value \$100,000 to \$149,999			4,881	11.50%	4,180	9.49%
Value \$150,000 to \$199,999			5,402	12.72%	5,254	11.92%
Value \$200,000 to \$299,999			11,472	27.02%	11,018	25.01%
Value \$300,000 to \$399,999			7,469	17.59%	8,041	18.25%
Value \$400,000 to \$499,999			3,523	8.30%	4,722	10.72%
Value \$500,000 to \$749,999			2,892	6.81%	3,707	8.41%
Value \$750,000 to \$999,999			669	1.58%	1,249	2.83%
Value \$1,000,000 or more			670	1.58%	848	1.92%
Value \$1,000,000 to \$1,499,999			363	0.86%	475	1.08%
Value \$1,500,000 to \$1,999,999			90	0.21%	155	0.35%
Value \$2,000,000 or more			217	0.51%	218	0.49%
Median All Owner-Occupied Housing Unit Value			\$246,083		\$266,872	
Group Quarters by Population Type	3,562		1,830		1,903	
Correctional Institutions	2624	73.67%	1090	59.56%	1138	59.80%
Nursing Homes	344	9.66%	401	21.91%	415	21.81%
Other Institutions	0	0.00%	0	0.00%	0	0.00%
College Dormitories	0	0.00%	0	0.00%	0	0.00%
Military Quarters	0	0.00%	0	0.00%	0	0.00%
Other Noninstitutional Quarters	192	5.39%	323	17.65%	333	17.50%
Occupied Housing Units by Tenure	49,118		53,143		55,252	
Owner-Occupied	38,211	77.79%	42,455	79.89%	44,062	79.75%
Renter-Occupied	10,907	22.21%	10,688	20.11%	11,190	20.25%

Households by Tenure by Age of Householder						
Total Households	49,118		53,143		55,252	
Owner-Occupied	38,211		42,455		44,062	
Householder 55 to 64 years	8,179	21.40%	10,078	23.74%	9,618	21.83%
Householder 65 to 74 years	6,788	17.76%	10,027	23.62%	11,823	26.83%
Householder 75 to 84 years	4,449	11.64%	5,449	12.83%	5,754	13.06%
Householder 85 years and over	1,208	3.16%	1,678	3.95%	1,807	4.10%
Renter-Occupied	10,907		10,688		11,190	
Householder 55 to 64 years	1,439	13.19%	1,640	15.34%	1,573	14.06%
Householder 65 to 74 years	816	7.48%	1,118	10.46%	1,367	12.22%
Householder 75 to 84 years	515	4.72%	608	5.69%	697	6.23%
Householder 85 years and over	256	2.35%	379	3.55%	474	4.24%
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***Percent growth figures are as follows: 2023 (2010-2023), and 2028 (2023-2028).						

Engagement Letter

PROPOSAL / ENGAGEMENT

August 9, 2023

Mr. Jesse Wright
California Retail Properties
22939 Hawthorne Blvd, Suite 100
Torrance CA 90505

Jesse.Wright@CaliforniaRetailProperti
es.com
310 465 0311

Dear Mr. Wright:

HealthTrust is pleased to submit this proposal for the following assignment:

SUBJECT

Proposed AL/MC
3550 S Washington Avenue
Titusville FL 32780

ASSIGNMENT

Prepare a market study on demand for Assisted Living and Memory Care at this location. Finished product will include a comparable analysis of relevant competitors, demand estimate and asking rent range. We will perform an inspection of the property and opine on its suitability for the proposed use.

SPECIFICATIONS

Purpose: Estimate the market demand for AL/MC at the proposed location

Intended Use: Provide a third-party opinion of market demand

Intended User: Client

Premise: As Is Upon Completion Prospective Stabilized N/A

Rights Appraised: Fee Simple Leased Fee Leasehold N/A Other _____

Inspection: Yes

No

Property Type: AL MC

Report Type: Market Study

Additional Deliverables: N/A

Assignment Standards: Client Fannie/Freddie FASB FIRREA HUD USPAP



PAYMENT TERMS

Proposed Fee: \$3,500

Expenses: Fee includes all associated expenses

Retainer: A retainer of 100% is required prior to the start of this assignment

Payment Terms: 100% retainer in advance

DELIVERY SCHEDULE

Preliminary Value: N/A

Draft Report: N/A

Final Report: 3.5 weeks from engagement

Start Date: Upon receipt of signed engagement

TERMS OF THE ENGAGEMENT

This contract is subject to the attached Standard Conditions. If this letter and the attached conditions correctly state your understanding of the work to be performed, please sign below and return this form as your authorization for us to proceed with the assignment. Thank you for the opportunity and please contact us with any questions.

Sincerely,

Alan C. Plush, MAI
 CEO/Partner
 HealthTrust
 941-363-7501 o
 941-350-5737 c
 alan.plush@healthtrust.com

AGREED AND ACCEPTED



 Signature

8/9/23

 Date

Jesse Whisk

 Printed Name

CEO

 Title

SAM

 Property Contact

310569-1808

 Property Contact Phone

Jessie at EnterGlobe.com

 Property Contact Email

Appraiser Qualifications

Alan C. Plush, MAI

EXPERIENCE

Mr. Plush specializes exclusively in Healthcare and Retirement valuation throughout the United States. He is currently CEO/Partner of HealthTrust, LLC following its spin-off from PricewaterhouseCoopers, where he was the national director of the Healthcare Valuation group for over three years. Prior to this, Mr. Plush was the owner and president of Gulf/Atlantic Valuation Services, Inc., which was purchased by PricewaterhouseCoopers in August 1999. In 1986, Mr. Plush began specializing in the appraisal of a large number of healthcare properties. With a foundation in the appraisal of adult congregate living facilities and nursing homes, his specialized expertise has grown substantially. To date, he has participated in the appraisal of thousands of nursing homes, congregate care facilities, continuing care retirement centers, and hospitals throughout the U.S.

Mr. Plush holds an MAI designation and a seat on the Executive Board of ASHA. He has written a variety of articles on industry topics, regularly serves as an expert witness in court proceedings and is often a guest speaker at banks and industry conferences such as NIC, ALFA, and ASHA.

EDUCATION

Mr. Plush is a graduate of the University of Florida where he received a Bachelor of Science in Business Administration in 1981. Since then, Mr. Plush has completed numerous Appraisal Institute courses and attended related seminars for continuing education.

LICENSES

Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming.

SPEAKING ENGAGEMENTS

National Medicaid/Medicare Conference, Sarasota, FL (Contributor/Sponsor)
National Investment Conference (NIC), Washington DC (Contributor/Sponsor)
2b Alive Mexico IL/AL Industry Summit & Expo, La Jolla, CA (“Valuation of Healthcare/Senior Housing Assets”)
N.C. Healthcare Association (“Market Trends for Healthcare and Senior Housing Assets”)
NIC Western Regional Conference, Las Vegas, NV (“Valuation Trends of Healthcare/Senior Housing Assets”)
IAAO annual conferences, Miami Beach, FL (“Valuation Issues for Assessment of Senior Housing/Healthcare Facilities”)
IAAO, Florida Chapter, Clearwater, FL (“Valuation Issues for Assessment of Senior Housing/Healthcare Facilities”)
Commercial Property News, New York, NY (“Seniors Housing Symposium”)

CEO / Partner

HealthTrust

6801 Energy Court, Suite 200
Sarasota, FL 34240
941.363.7501 T
941.363.7525 F
alan.plush@healthtrust.com



SPEAKING ENGAGEMENTS (Continued)

Information Management Network, New York, NY (“Seniors Housing Finance Symposium”)
National Association of Real Estate Financial Intermediaries Annual Meeting (“Transaction Overview...”)
Massachusetts ALFA, Boston, MA (“Development Trends in the Assisted Living Industry”)
Essex County Assessor’s Meeting, Danvers, MA (“Valuation Techniques for Assisted Living Properties”)
ALFA Spring Conference, Phoenix, AZ (“Transaction Survey of Congregate and Assisted Living Industries”)
Appraisal Institute, Boston Chapter, Boston, MA (“Healthcare and Retirement Property Appraisal Seminar”)
Plymouth County Assessor’s Meeting, Duxbury, MA (“Assessing Healthcare and Retirement Properties”)
IAAO annual conferences, Seattle, WA (“Methods Used to Appraise Healthcare and Retirement Properties”)

PUBLISHED ARTICLES

Seniors Housing Business, 2014 (“No Sign of Development Bubble, Only Pockets of Trouble”)
Seniors Housing Business, 2013 (“A Roadmap to Valuing CCRCs”)
Co-author and contributor to The State of Seniors Housing, published by ASHA, NIC, AAHSA, 2000 - Current
Co-author with ASHA of the annual survey of transactions and economic indicators, 2002
Co-author with ASHA of the Seniors Housing Absorption Study, 2000
Co-author with ALFA and ASHA for 1997, 1998 and 1999 survey of transactions and economic indicators
The Appraisal Journal, Appraisal Institute, July 1995 (“USPAP Competency Provision and the Appraisal of Healthcare/Retirement Facilities”)
Force Financial, Quarterly Newsletter, 1995 (“The Impact of Assisted Living on CCRCs”)

APPEARANCE AS AN EXPERT WITNESS

Bama Oaks IL/AL Federal Bankruptcy Court, Southern District, Mobile, AL 2021
Brightview v Teeters, Maryland - 2020
Riverview Senior Resort, Florida - 2020
ILC, Federal Bankruptcy Court, Chicago, Illinois - 2010
SNF, U.S. District Court of Eastern District of Pennsylvania - 2009
CCRC, Tax appeal case, Atlanta, Georgia - 2008
SNF, Federal Bankruptcy Court, Tampa, Florida - 1999
IL/AL, Superior Court, Lansing, Michigan - prior to 2000
SNF, Circuit Court, Polk County, Florida - prior to 2000
Circuit Court, Duval County, Florida - prior to 2000

MEMBERSHIPS/AFFILIATIONS

MAI designation by the Appraisal Institute (#8701)
State of Florida Building Contractor Class B (Inactive) CB C035068
Investment Committee, SHP Investments (on behalf of CalPERS Investment Fund), 2002-2007
American Seniors Housing Association (ASHA), 2001-present



Ron DeSantis, Governor

Melanie S. Griffin, Secretary



STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

FLORIDA REAL ESTATE APPRAISAL BD

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

PLUSH, ALAN CURTIS

6801 ENERGY COURT SUITE 200
SARASOTA FL 34240

LICENSE NUMBER: RZ566

EXPIRATION DATE: NOVEMBER 30, 2024

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Colleen H. Blumenthal, MAI

EXPERIENCE

Colleen Blumenthal has specialized in real estate valuation and consulting throughout her career, initially in hospitality before migrating towards seniors housing, long-term care, and acute care facilities. Mrs. Blumenthal serves as Chief Operating Officer at HealthTrust; her present focus encompasses management of the firm's agency (appraisals, management assessments, and regulatory compliance assignments), FHA and pension fund assignments, while providing valuation expertise for more complex assignments. Her efforts allow the firm to remain on the cutting edge of appraisal methodology for seniors housing and healthcare appraisals.

Ms. Blumenthal has provided valuation and consulting services for the most active lenders, operators, and investors throughout the nation and has managed the appraisal process of some of the largest portfolios completed in the industry. She holds an MAI designation, regularly speaks on various valuation panels regarding seniors housing and healthcare, hosts seminars for specialty training, and has served as the Task Force Leader for the past 18 years of the State of Seniors Housing.

EDUCATION

Mrs. Blumenthal is a graduate of the University of Denver where she received a Bachelor of Science in Business Administration in 1987. Since then, Mrs. Blumenthal has completed numerous Appraisal Institute courses, HUD LEAN training sessions and attended related seminars for continuing education.

LICENSES

Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Iowa, Maryland, Massachusetts, Michigan, Minnesota, Nebraska, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, Utah, Washington, Wisconsin.

MISCELLANEOUS

MAI designation by the Appraisal Institute (#53758)

Panelist/Moderator on Spring NIC Valuation panels 2016-2023

Task Force Leader, State of Seniors Housing, 2006 - 2023

Developer of Hospital and Ambulatory Surgery Center (ASC) Valuation Technique and Trends webinar for the IAAO (2013)

Co-authorship of Impact of Interest Rates on Seniors Housing Capitalization Rates (2004)

Co-authorship of Investment Trends in the Assisted Living Industry (1997-8); co-authorship of Investment Trends in the Senior Housing Industry (1999, 2002, 2003, 2005, 2006)

Authorship of Valuation Issues for Healthcare and Retirement Property Assessment Seminar. (1997)

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Edward D. Shemelya

EXPERIENCE

HealthTrust – August 2020 to Present
Sarasota, FL
Associate

EDUCATION

Florida State University
Bachelor of Science, December 2016
Majors: Sports Management

Florida State University
Master of Business Administration Candidate
August 2020 to Present

LICENSES

Florida - Trainee Appraiser – RI25595

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