

Integra Realty Resources

Tampa Bay

Market Study of

Proposed Apts Cortez

Multifamily Property

South side of Cortez Blvd, between July Ave and Frontage Rd
Spring Hill, Hernando County, Florida 34608

Prepared For:

Clever Cow, LLC

Date of the Report:

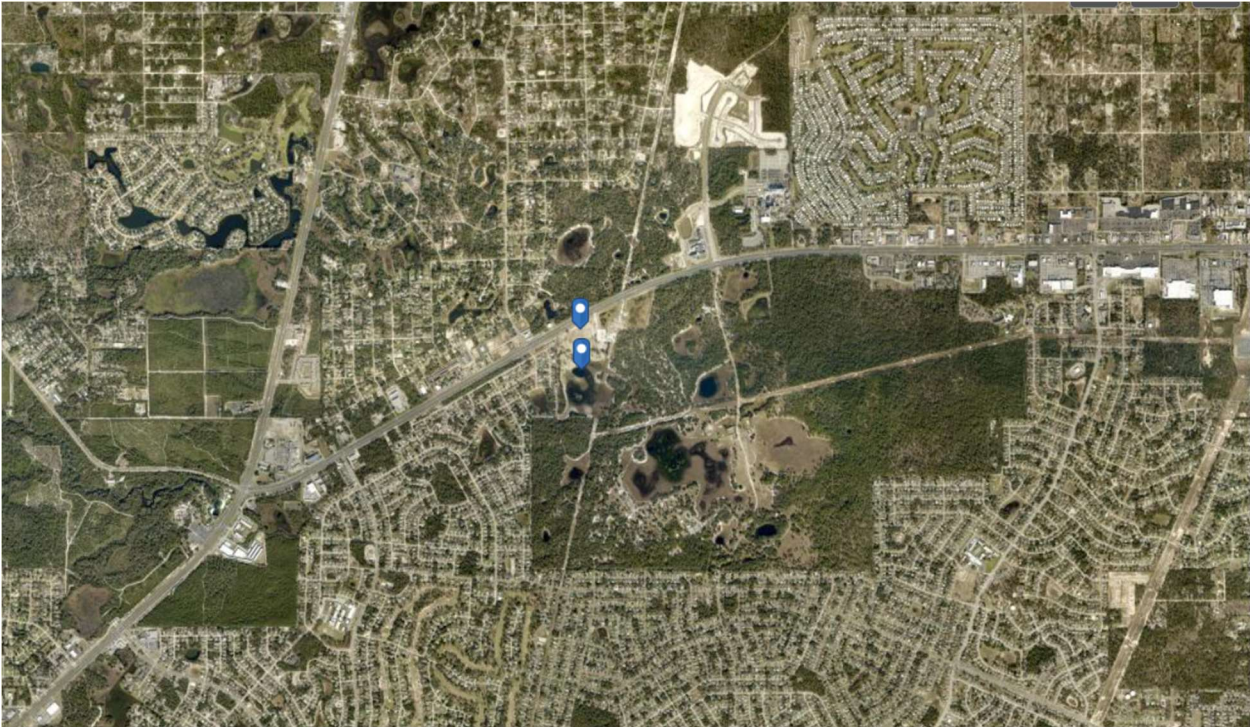
January 2, 2024

IRR - Tampa Bay

File Number: 148-2023-0736



Aerial Photograph





January 2, 2024

Todd Mooney
Clever Cow, LLC
13210 Spring Hill Dr
Spring Hill, FL 34609

SUBJECT: Market Value Appraisal
 Proposed Apts Cortez
 South side of Cortez Blvd, between July Ave and Frontage Rd
 Spring Hill, Hernando County, Florida 34608
 IRR - Tampa Bay File No. 148-2023-0736

Dear Mr. Mooney:

Integra Realty Resources – Tampa Bay is pleased to submit the accompanying market study of the referenced property. The purpose of this market study was to provide an analysis of the subject’s location, proposed improvements, market conditions and overall demand. The client for the assignment is Clever Cow, LLC and the intended use is to assisted the client with their due diligence for the proposed subject property. The intended user of this report is Clever Cow, LLC. No other use or users are intended.

The subject is a proposed market rent apartment property containing 350 dwelling units. The improvements are forecasted to be completed in 2026. The site area is 45.00 acres or 1,960,200 square feet. The forecasted unit mix is considered appropriate for its intended use as an apartment property that serves a family demographic. The design and market appeal of the subject property are considered above average for a conventional apartment property. Note that the unit mix and unit sizes have not been designed yet, although the number of units was provided. The conclusion of the supply and demand analysis that there is sufficient unmet demand to support the projected subject property.

The market study is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, applicable state appraisal regulations.

Todd Mooney
Clever Cow, LLC
January 2, 2024
Page 2

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Tampa Bay



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Appraiser #RZ2287
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Quality Assurance

IRR Quality Assurance Program

At IRR, delivering a quality report is a top priority. Integra has an internal Quality Assurance Program in which managers review material and pass an exam in order to attain IRR Certified Reviewer status. By policy, every Integra valuation assignment is assessed by an IRR Certified Reviewer who holds the MAI designation, or is, at a minimum, a named Director with at least ten years of valuation experience.

This quality assurance assessment consists of reading the report and providing feedback on its quality and consistency. All feedback from the IRR Certified Reviewer is then addressed internally prior to delivery. The intent of this internal assessment process is to maintain report quality.

Designated IRR Certified Reviewer

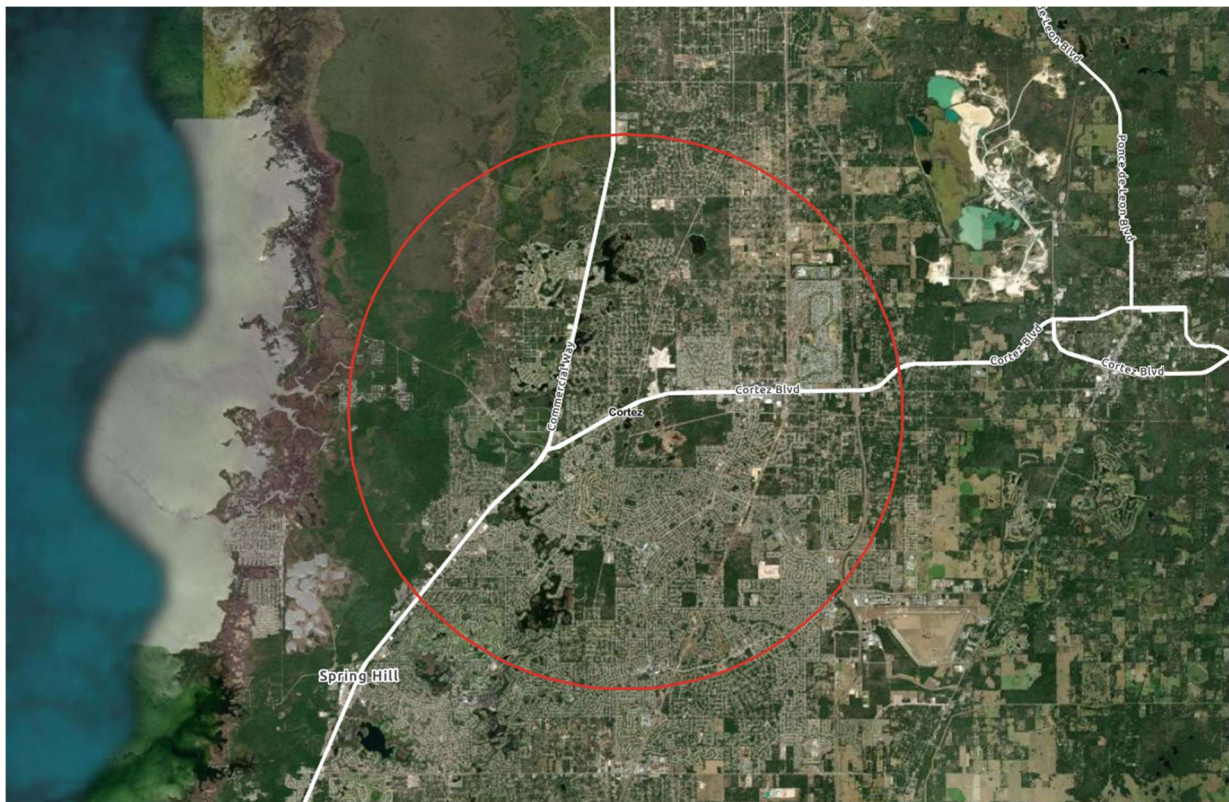
An internal quality assurance assessment was conducted by an IRR Certified Reviewer prior to delivery of this appraisal report. This assessment should not be construed as an appraisal review as defined by USPAP.

Executive Summary

The subject is located in Spring Hill, which is in Hernando County. The subject is located on the southside of Cortez Blvd, approximately 1.5 miles west of HCA Florida Oak Hill Hospital and about 1.5 miles east of U.S. Hwy 19 N.

Primary access to the area is provided by Cortez Boulevard, an east-west thoroughfare that connects Brooksville and Spring Hill. The primary north and south highways are U.S. Highway 19, Suncoast Parkway and U.S. Hwy 41. Overall, vehicular access is good.

The following map illustrates the location of the subject and surrounding area.



The subject is a proposed market rent apartment property containing 350 dwelling units. The improvements are forecasted to be completed in 2026. The site area is 45.00 acres or 1,960,200 square feet. The subject's proposed unit mix and building areas are detailed in the following table.

Unit Mix				
Floor Plan	Units	% of Total	Avg. Unit Size	Total SF
1BR/1BA Units				
1BR/1BA	135	38.6%	725	97,875
Total/Average	135	38.6%	725	97,875
2BR/2BA Units				
2BR/2BA	175	50.0%	1,050	183,750
Total/Average	175	50.0%	1,050	183,750
3BR/2BA Units				
3BR/2BA	40	11.4%	1,350	54,000
Total/Average	40	11.4%	1,350	54,000
Total Units	350	100.0%	959	335,625
*Includes employee and model units, as applicable.				

The subject is expected to be competitive with other apartment complexes in the area. Except for the number of units, the unit mix has not been designed yet. The projected unit mix is based on the market and is considered appropriate for its intended use and the design and market appeal of the subject is considered above average for the market.

Economic, Demographic and Competitive Environment

Hernando County is located in coastal Florida approximately 50 miles north of Tampa. It is 473 square miles in size and has a population density of 427 persons per square mile.

Hernando County has an estimated 2023 population of 201,873, which represents an average annual 1.2% increase over the 2020 census of 194,515. Hernando County added an average of 2,453 residents per year over the 2020-2023 period, and its annual growth rate exceeded the State of Florida rate of 0.9%.

Looking forward, Hernando County's population is projected to increase at a 1.2% annual rate from 2023-2028, equivalent to the addition of an average of 2,525 residents per year. Hernando County's growth rate is expected to exceed that of Florida, which is projected to be 1.0%.

Population Trends					
	Population			Compound Ann. % Chng	
	2020 Census	2023 Estimate	2028 Projection	2020 - 2023	2023 - 2028
Hernando County	194,515	201,873	214,496	1.2%	1.2%
Tampa MSA	3,175,275	3,268,872	3,438,675	1.0%	1.0%
Florida	21,538,187	22,144,382	23,250,669	0.9%	1.0%

Source: Claritas

Total employment in Hernando County was estimated at 49,482 jobs at year-end 2022. Between year-end 2012 and 2022, employment rose by 11,668 jobs, equivalent to a 30.9% increase over the entire period. There were gains in employment in nine out of the past ten years. Consistent with national trends, there were losses in 2020, with the onset of the COVID-19 pandemic, followed by a return to positive growth in 2021. Hernando County's rate of employment growth over the last decade surpassed that of Florida, which experienced an increase in employment of 27.6% or 2,078,171 jobs over this period.

Hernando County has a considerably lower level of household income than Florida. Median household income for Hernando County is \$55,255, which is 15.0% less than the corresponding figure for Florida.

Median Household Income - 2023

	Median
Hernando County	\$55,255
Florida	\$64,983
Comparison of Hernando County to Florida	- 15.0%

Source: Claritas

Key Conclusions

Based on the analysis of comparable rentals, market rent in the current year is estimated for each unit type as shown in the following table.

Potential Gross Rent

Unit Type	Total Units	Current Year Market Rent	Avg. current Year Rent/Unit	Market Rent/Unit	Potential Rent at Prospective Market
1BR/1BA	135	\$2,389,500	\$1,475	\$1,565	\$2,535,021
2BR/2BA	175	\$3,990,000	\$1,900	\$2,016	\$4,232,991
3BR/2BA	40	\$1,128,000	\$2,350	\$2,493	\$1,196,695
Total	350	\$7,507,500	\$1,788	\$1,896	\$7,964,707

The projected rents at completion were trended by 3% per year. Based on the recent absorption comparables in the market, the project should reach a stabilized occupancy of 95% within 17 months of obtaining the first certificate of occupancy.

Market Feasibility

There is currently residual demand for 2,324 apartment units in the PMA within the subject's projected income band. The number of households in the PMA is projected to increase 6.1% by 2027.

The current year's capture rate of 8.5% for the subject is relatively low. A high Capture Rate suggests that a property will offer too many units for the depth of the market area. When the capture rate is 5% or lower, the project has a good chance to succeed based on achieving stabilized occupancy and rental rates. Between 5% and 10% percent, there is still a reasonably good chance for success. When the capture rate exceeds 10%, the chances for failure increase.

The Penetration Rate of 43.5% indicates low risk for saturation for additional Class A rental housing in the PMA. A penetration rate below 35% indicates a low risk for saturation and that the lease-up will be at normal levels. The potential risks include a slower absorption rate and concessions during lease-up. The annual growth of income qualified renter households is 112, which will lower the projected capture rate to 7.5%. There is sufficient unmet demand to support the projected subject property.

Identification of the Appraisal Problem

Subject Description

The subject is a proposed market rent apartment property containing 350 dwelling units. The improvements are forecasted to be completed in 2026. The site area is 45.00 acres or 1,960,200 square feet.

Property Identification

Property Name	Proposed Apts Cortez
Address	South side of Cortez Blvd, between July Ave and Frontage Rd Spring Hill, Florida 34608
Tax ID	01170618 and 00346717
Owner of Record	Clever Cow, LLC
Legal Description	Lengthy legal
Census Tract Number	0412.01

Definition of Important Terms

Cost-Burden (CB)

Percentage of household income spent for mortgage costs or gross rent. According to HUD programs, households spending more than 30% of income for housing costs are considered to be "cost-burdened." Households spending more than 50% are considered to be "severely cost-burdened."

Capture Rate (CR)

The share of age, size and income qualified households in the Primary Market Area that the subject property must capture to achieve a stabilized level of occupancy. For example, with a 5% capture rate a property will need to get 1 in every 20 eligible households. With a 33% capture rate, the property needs to get 1 in every 3 eligible households.

Penetration Rate

The share of age, size and income qualified households in the Primary Market Area that all properties property must capture to achieve a stabilized level of occupancy.

This includes all existing and under construction properties that are competitively priced to the subject. The penetration rate defines how much of the potential demand has already been satisfied. It is Supply divided by Demand.

Remaining Potential Demand (Residual Demand)

Demand minus Supply. The portion of market demand that is not supplied by other properties in the market

Tenure

The distinction between owner-occupied and renter-occupied housing units.

Income Band

The range of incomes of households that can afford to pay a specific rent but do not have below any applicable program-specific maximum income limits. The minimum household income typically is based on a defined acceptable rent burden percentage and the maximum typically is pre-defined by specific program requirements or by general market parameters.

Frictional Vacancy

The amount of vacant space needed in a market for its orderly operation. In a stabilized market, where supply and demand are in balance, frictional vacancy allows for move-ins and move-outs. In markets for income-producing property, frictional vacancy measures the lost rental income as leases roll over and expire.

Purpose of the Market Study

The purpose of this market study was to provide an analysis of the subject's location, proposed improvements and market conditions as of the effective date of the report, December 19, 2023. The date of the report is January 2, 2024. The report is valid only as of the stated effective date or dates.

Client and Intended User(s)

The client and intended user is Clever Cow, LLC. No other party or parties may use or rely on the information, opinions, and conclusions contained in this report.

Intended Use

The intended use of the market study is for assisted the client with their due diligence for the proposed subject property. The market study is not intended for any other use.

Applicable Requirements

This appraisal report conforms to the following requirements and regulations:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; and,
- Applicable state appraisal regulations.

Report Format

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis used to develop the opinion of value.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

Appraiser Competency

No steps were necessary to meet the competency provisions established under USPAP. The assignment participants have appraised several properties similar to the subject in physical, locational, and economic characteristics, and are familiar with market conditions and trends; therefore, appraiser competency provisions are satisfied for this assignment. Appraiser qualifications and state credentials are included in the addenda of this report.

Scope of Work

Introduction

The appraisal development and reporting processes require gathering and analyzing information about the assignment elements necessary to properly identify the appraisal problem. The scope of work decision includes the research and analyses necessary to develop credible assignment results, given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed.

To determine the appropriate scope of work for the assignment, the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors were considered. The concluded scope of work is described below.

Research and Analysis

The type and extent of the research and analysis conducted are detailed in individual sections of the report. The steps taken to verify comparable data are disclosed in the addenda of this report. Although effort has been made to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Subject Property Data Sources

The legal and physical features of the subject property, including size of the site and improvements, flood plain data, seismic zone designation, property zoning, existing easements and encumbrances, access and exposure, and condition of the improvements (as applicable) were confirmed and analyzed.

Inspection

Details regarding the property inspection conducted as part of this appraisal assignment are summarized as follows:

Property Inspection		
Party	Inspection Type	Inspection Date
John F. Thigpen, MAI	On-site	December 19, 2023

Methodology

To determine the appropriate scope of work for the assignment, the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors were considered. The concluded scope of work is described below. A Review of regional data concerning demographics and employment as well as the characteristics of the community immediately surrounding the subject.

- An examination of the multifamily market supply and demand indicators, including vacancy, rental rates, inventory levels, new and proposed construction and absorption. Analysis was provided for the overall metro area as well as for the submarket.
- Examination of the site's development potential, including physical characteristics, access and frontage, infrastructure, land use regulations and other relevant factors that influence development potential.
- An examination of the subject's improvements, including a profile of the building and site improvements, amenities and unit features. Conclusions and recommendations are provided concerning the subject's unit mix, unit sizes, amenities and unit features relative to the most comparable and competitive properties within the Primary Market Area.
- An estimate of rental rates for each basic unit type within the subject.
- A determination of Primary Market Area (PMA) and a demographic and supply and demand analysis for the PMA. This includes an income band analysis utilizing the subject's projected rental rates, the population, income and tenure characteristics of the PMA, existing competitive supply and units under construction.
- An estimate of the average absorption rate for the subject property, if proposed.

Economic Analysis

Hernando County Area Analysis

Hernando County is located in coastal Florida approximately 50 miles north of Tampa. It is 473 square miles in size and has a population density of 427 persons per square mile.

Population

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Florida	21,538,187	22,144,382	23,250,669	0.9%	1.0%

Source: Claritas

Employment

Total employment in Hernando County was estimated at 49,482 jobs at year-end 2022. Between year-end 2012 and 2022, employment rose by 11,668 jobs, equivalent to a 30.9% increase over the entire period. There were gains in employment in nine out of the past ten years. Consistent with national trends, there were losses in 2020, with the onset of the COVID-19 pandemic, followed by a return to positive growth in 2021. Hernando County's rate of employment growth over the last decade surpassed that of Florida, which experienced an increase in employment of 27.6% or 2,078,171 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Hernando County unemployment rate has been consistently higher than that of Florida, with an average unemployment rate of 6.6% in comparison to a 5.4% rate for Florida. A higher unemployment rate is a negative indicator.

Recent data shows that the Hernando County unemployment rate is 4.1% in comparison to a 2.8% rate for Florida, a negative sign for Hernando County.

Employment Trends						
Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	Hernando County	% Change	Florida	% Change	Hernando County	Florida
2012	37,814		7,538,166		10.9%	8.6%
2013	38,515	1.9%	7,741,539	2.7%	9.4%	7.5%
2014	39,125	1.6%	8,012,496	3.5%	8.2%	6.5%
2015	41,819	6.9%	8,314,343	3.8%	7.0%	5.5%
2016	42,566	1.8%	8,542,086	2.7%	6.1%	4.9%
2017	43,990	3.3%	8,718,087	2.1%	5.3%	4.3%
2018	45,204	2.8%	8,907,904	2.2%	4.7%	3.6%
2019	45,931	1.6%	9,094,742	2.1%	4.3%	3.2%
2020	44,585	-2.9%	8,664,195	-4.7%	8.5%	8.2%
2021	48,152	8.0%	9,251,180	6.8%	5.2%	4.7%
2022	49,482	2.8%	9,616,337	3.9%	3.6%	2.9%
Overall Change 2012-2022	11,668	30.9%	2,078,171	27.6%		
Avg Unemp. Rate 2012-2022					6.6%	5.4%
Unemployment Rate - October 2023					4.1%	2.8%

Source: U.S. Bureau of Labor Statistics and Moody's Analytics. Employment figures are from the Quarterly Census of Employment and Wages (QCEW). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

Major employers in Hernando County are shown in the following table.

Major Employers - Hernando County		
	Name	Number of Employees
1	The School Board of Hernando County	3,103
2	Oak Hill Hospital	1,275
3	Publix Super Markets	1,113
4	Brooksville Regional Hospital	806
5	Hernando County Board	801
6	Rural King	596
7	Hernando County Sheriff's Office	559
8	Winn-Dixie Stores	434
9	Lowe's	345
10	Southwest Florida Water Management	330

Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area, and annual changes in Gross Domestic Product (GDP) are a gauge of economic growth.

Economic growth, as measured by annual changes in GDP, has been somewhat higher in Hernando County than Florida overall during the past decade. Hernando County has grown at a 3.1% average annual rate while Florida has grown at a 2.9% rate. However, Hernando County has recently underperformed Florida. GDP for Hernando County rose by 7.5% in 2021 while Florida's GDP rose by 8.4%.

Hernando County has a per capita GDP of \$21,422, which is 55% less than Florida's GDP of \$47,269. This means that Hernando County industries and employers are adding relatively less value to the economy than their counterparts in Florida.

Gross Domestic Product				
Year	(\$,000s)		(\$,000s)	
	Hernando County	% Change	Florida	% Change
2011	3,169,944		772,021,300	
2012	3,316,574	4.6%	778,545,000	0.8%
2013	3,314,668	-0.1%	794,842,100	2.1%
2014	3,359,679	1.4%	817,233,500	2.8%
2015	3,473,046	3.4%	852,242,400	4.3%
2016	3,541,729	2.0%	881,539,200	3.4%
2017	3,689,479	4.2%	912,687,400	3.5%
2018	3,898,798	5.7%	941,626,700	3.2%
2019	3,946,336	1.2%	965,672,500	2.6%
2020	3,996,594	1.3%	950,164,400	-1.6%
2021	4,298,015	7.5%	1,029,575,600	8.4%
Compound % Chg (2011-2021)		3.1%		2.9%
GDP Per Capita 2021	\$21,422		\$47,269	

Source: U.S. Bureau of Economic Analysis and Moody's Analytics; data released December 2022.

The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2012 dollars.

Income, Education and Age

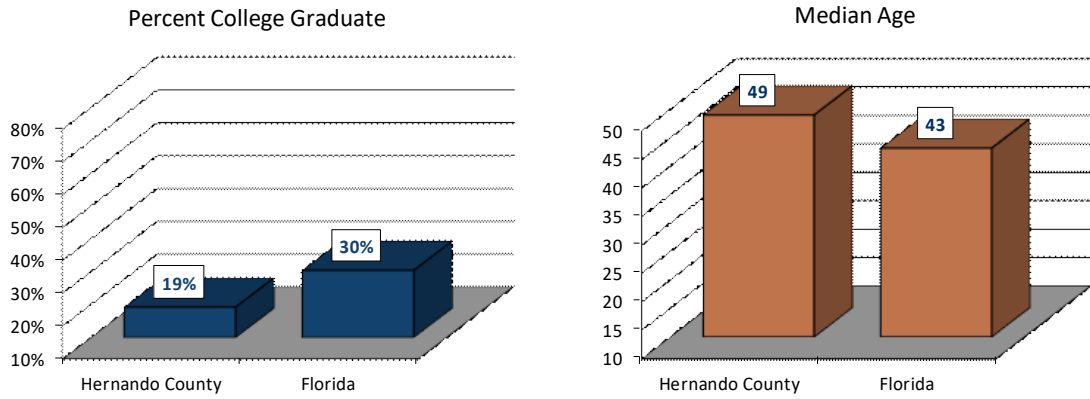
Hernando County has a considerably lower level of household income than Florida. Median household income for Hernando County is \$55,255, which is 15.0% less than the corresponding figure for Florida.

Median Household Income - 2023	
	Median
Hernando County	\$55,255
Florida	\$64,983
Comparison of Hernando County to Florida	- 15.0%

Source: Claritas

Residents of Hernando County have a lower level of educational attainment than those of Florida. An estimated 19% of Hernando County residents are college graduates with four-year degrees, versus 30% of Florida residents. People in Hernando County are older than their Florida counterparts. The median age for Hernando County is 49 years, while the median age for Florida is 43 years.

Education & Age - 2023



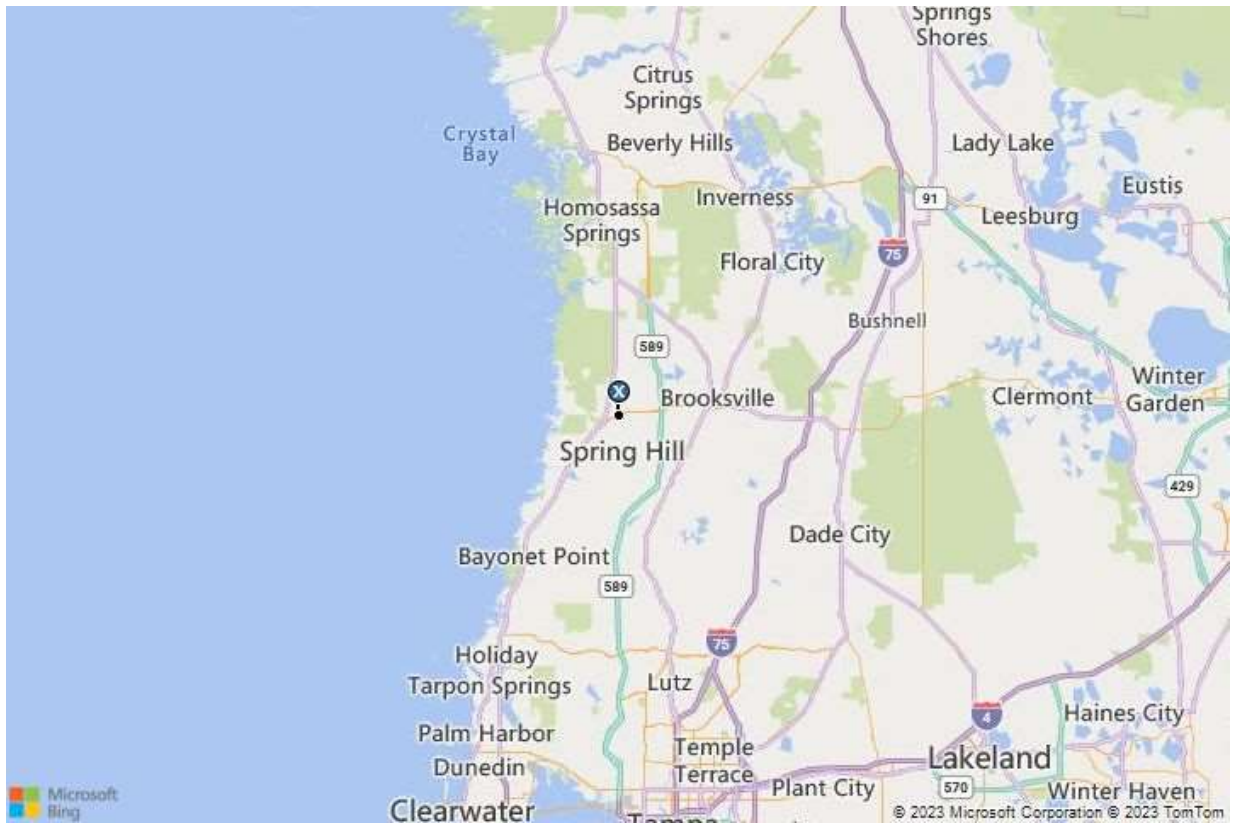
Source: Claritas

Conclusion

The Hernando County economy will be affected by a growing population base and lower income and education levels. Hernando County experienced growth in the number of jobs over the past decade, and it is reasonable to assume that employment growth will occur in the future. It is anticipated that the Hernando County economy will improve and employment will grow, strengthening the demand for real estate.



Area Map



Surrounding Area Analysis

The subject is located on the south side of Cortez Boulevard, east of HCA Florida Oakhill Hospital. This area is part of the Spring Hill submarket of Hernando County. Area boundaries and delineation are indicated in the following table. A map identifying the location of the property follows this section.

Boundaries & Delineation	
Boundaries	
Market Area	Hernando County
Submarket	Spring Hill
Area Type	Suburban
Delineation	
North	Centralia Road
South	Country Line Road
East	Suncoast Parkway
West	Gulf of Mexico

Access and Linkages

Primary access and linkages to the subject area, including highways, roadways, public transit, traffic counts, and airports, are summarized in the following table.

Access & Linkages	
Vehicular Access	
Major Highways	U.S. Hwy 19, Suncoast Parkway
Primary Corridors	U.S. Hwy 19 and Cortez Blvd
Vehicular Access Rating	Good
Public Transit	
Providers	Hernando County (TheBus)
Nearest Stop/Station	Oakhill Hospital and West Hernando Library
Transit Access Rating	Average
Airport(s)	
Name	Tampa International Airport
Distance	50 miles
Driving Time	50-60 minutes
Primary Transportation Mode	Automobile

The subject is located along the south side of Cortez Blvd. It is located approximately 10 miles west of Brooksville.

Demand Generators

The typical generators of demand affecting the subject property and its market are discussed and analyzed below.

Employment and Employment Centers

Major employers in Hernando County include The School Board of Hernando County, Oak Hill Hospital, Publix Super Markets, Brooksville Regional Hospital, Hernando County Board, Rural King, Hernando County Sheriff's Office, Winn-Dixie Stores, Lowes's and Southwest Florida Water Management. The subject has average access to all of these employers within the area.

Brooksville is the county seat with charming shops and restaurants. The neighborhood is mostly commercial/retail/light industrial with established residential neighborhoods and agricultural uses located along the secondary roadways. The area is considered a "bedroom community" to the Tampa Bay area. This urban sprawl from Hillsborough, Pinellas and Pasco counties has generated demand throughout Hernando County. The availability of vacant land and close proximity to the Tampa Bay area indicates that this trend is likely to continue. The Tampa CBD is located 51 miles southeast of the subject.

Nearby Retail Uses

The closest shopping centers are located less than 0.5 mile east of the subject at the intersection of Cortez Boulevard and Mariner Boulevard, a lighted intersection. Three corners are improved with Coastal Landing Shopping Center, Western Way Shopping Center and Mariner Square Shopping Mall. In line tenants for Coastal Landing Shopping Center include Sears Appliance Repair, Belk Department Store and Office Depot. Anchor tenants for Western Way Shopping Center include Dollar General, Bealls Outlet and Planet Fitness. Anchor tenants for Mariner Square Shopping Mall include Bealls, Ross Dress for Less and Shoe Carnival. All of these shopping centers have various restaurant and retail establishments additional to those listed.

Life Cycle

Real estate is affected by cycles involving development trends within a market area as well as market and economic forces. Trends in demand for development in a particular market are described by the Market Area Life Cycle, while market and economic trends are described by the Real Estate Cycle.

A Market Area Life Cycle typically evolves through four stages:¹

- Growth – a period during which the market area gains public favor and acceptance
- Stability – a period of equilibrium without marked gains or losses
- Decline – a period of diminishing demand
- Revitalization – a period of renewal, redevelopment, modernization, and increasing demand

The subject's market area is in the stability stage of the Market Area Life Cycle.

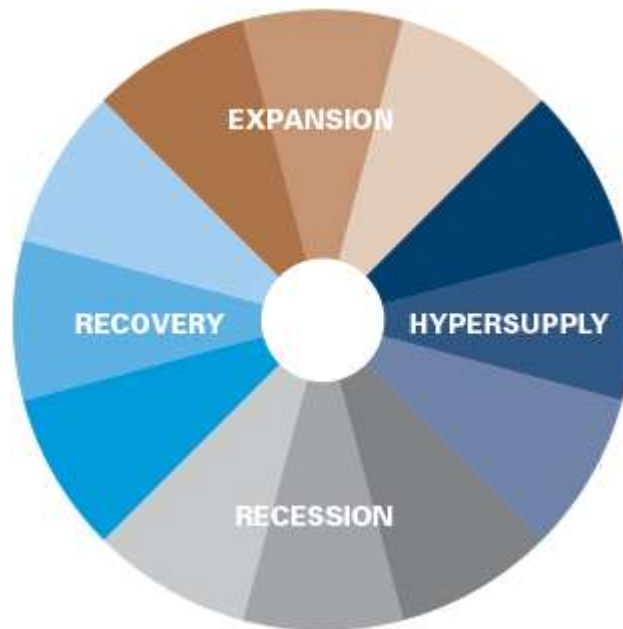
The Real Estate Cycle also impacts a neighborhood. The stages of the Real Estate Cycle include:

- Expansion – Sustained growth in demand, increasing construction

¹ Appraisal Institute, *The Appraisal of Real Estate*, 15th ed. (Chicago: Appraisal Institute, 2020)

- Hypersupply – Positive but falling demand, increasing vacancy
- Recession – Falling demand, increasing vacancy
- Recovery – Increasing demand, decreasing vacancy

These stages are illustrated below, along with a summary of common characteristics of each stage of the Real Estate Cycle. The subject is in the expansion stage of the Real Estate Cycle.



EXPANSION

Decreasing Vacancy Rates
 Moderate/High New Construction
 High Absorption
 Moderate/High Employment Growth
 Med/High Rental Rate Growth

HYPERSUPPLY

Increasing Vacancy Rates
 Moderate/High New Construction
 Low/Negative Absorption
 Moderate/Low Employment Growth
 Med/Low Rental Rate Growth

RECESSON

Increasing Vacancy Rates
 Moderate/Low New Construction
 Low Absorption
 Low/Negative Employment Growth
 Low/Neg Rental Rate Growth

RECOVERY

Decreasing Vacancy Rates
 Low New Construction
 Moderate Absorption
 Low/Moderate Employment Growth
 Neg/Low Rental Rate Growth

Demographics

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.



Surrounding Area Demographics						
2023 Estimates	1-Mile Radius	3-Mile Radius	5-Mile Radius	Hernando County	Tampa MSA	Florida
Population 2020	2,590	38,054	94,696	194,515	3,175,275	21,538,187
Population 2023	2,677	39,291	98,014	201,873	3,268,872	22,144,382
Population 2028	2,830	41,431	103,764	214,496	3,438,675	23,250,669
Compound % Change 2020-2023	1.1%	1.1%	1.2%	1.2%	1.0%	0.9%
Compound % Change 2023-2028	1.1%	1.1%	1.1%	1.2%	1.0%	1.0%
Households 2020	995	15,429	39,011	79,773	1,307,725	8,529,067
Households 2023	1,026	15,881	40,278	82,601	1,344,768	8,776,976
Households 2028	1,082	16,708	42,532	87,560	1,413,323	9,231,223
Compound % Change 2020-2023	1.0%	1.0%	1.1%	1.2%	0.9%	1.0%
Compound % Change 2023-2028	1.1%	1.0%	1.1%	1.2%	1.0%	1.0%
Median Household Income 2023	\$63,433	\$52,792	\$55,157	\$55,255	\$64,348	\$64,983
Average Household Size	2.7	2.4	2.4	2.4	2.4	2.5
College Graduate %	17%	17%	19%	19%	31%	30%
Median Age	48	49	51	49	43	43
Owner Occupied %	85%	76%	79%	79%	66%	66%
Renter Occupied %	15%	24%	21%	21%	34%	34%
Median Owner Occupied Housing Value	\$241,117	\$211,639	\$226,257	\$233,542	\$297,604	\$319,277
Median Year Structure Built	1993	1989	1991	1990	1984	1987
Average Travel Time to Work in Minutes	34	31	31	32	31	31

Source: Claritas

As shown above, the current population within a 5-mile radius of the subject is 98,014, and the average household size is 2.4. Population in the area has grown since the 2020 census, and this trend is projected to continue over the next five years. Compared to Hernando County overall, the population within a 5-mile radius is projected to grow at a slower rate.

Median household income is \$55,157, which is similar to the household income for Hernando County. Residents within a 5-mile radius have a similar level of educational attainment to those of Hernando County, while median owner occupied home values are lower.

These demographic factors combined with the employment base discussed previously provide the basis of demand for multifamily housing in this area.

Services and Amenities

The subject is served by the Hernando County school district. The nearest public services, including police and fire departments, as well as public schools are summarized in the following table.

Public Services			
Service	Name/Station	Driving Distance (Miles)	Direction
Police Department	Hernando County Sheriff's Office	4.2	SW
Fire Department	Fire Station #12	1	SW
Elementary School	Spring Hill Elementary	3.6	SW
Middle/Junior High School	Fox Chapel Middle School	1.7	SW
High School	Central High School	5.7	NE
Hospital	HCA Florida Oakhill Hospital	1.5	NE



The closest colleges and universities is St. Leo University. It offers undergraduate programs, as well as various continuing education programs. Proximity to parks, golf courses, and other recreational activities is good. Of particular note is the proximity of the Gulf of Mexico, which is located about 8 miles from the subject. The Weeki Wachee River is known for its crystal-clear spring-fed waters is located about 1.5 miles to the west of the subject. It is popular for kayaking, tubing and wildlife viewing.

Land Use

Predominant land uses in the immediate vicinity of the subject include a mix of residential and commercial uses. Land use characteristics of the area are summarized below.

Surrounding Area Land Uses

Character of Area	Suburban
Predominant Age of Improvements (Years)	25+
Predominant Quality and Condition	Average
Approximate Percent Developed	60%
Land Use Allocation	
Single-Family	40%
Multifamily	5%
Retail	10%
Office	10%
Industrial	10%
Vacant Land	25%
Infrastructure and Planning	Average
Predominant Location of Undeveloped	All directions
Prevailing Direction of Growth	All directions

Immediate Surroundings

North	Mix of commercial, undeveloped land and residences
South	Undeveloped land
East	Power station
West	Single family residences

Development Activity and Trends

During the last five years, development within five miles of the subject has been a mix of retail, healthcare, multifamily and retail uses. The pace of development has generally accelerated over this time.

Outlook and Conclusions

The area is in the stability stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will remain stable in the near future.

In comparison to other areas in the region, the area is rated as follows:

Surrounding Area Ratings

Highway Access	U.S. Highway 19 is located about 1.5 miles west of the subject. Suncoast Parkway is located about 2 miles to the east of the subject.
Demand Generators	Average
Convenience to Support Services	Average
Convenience to Medical Services	Good. HCA Oakhill Hospital is located about 1.5 miles to the east of the subject.
Convenience to Public Transit	Average
Employment Stability	The unemployment rate in the county is higher than the state.
Neighborhood Amenities	Neighborhood amenities are located along Cortez Blvd and U.S. 19
Police and Fire Protection	Average
Barriers to Competitive Entry	Average
Price/Value Trends	Average
Property Compatibility	Average

Surrounding Area Map



Multifamily Market Analysis

The apartment market conditions were examined utilizing data provided by CoStar. The analysis is limited to market rent properties and does not include income and/or rent restrictions and properties with rent subsidies or rent controls such as Section 8 properties. Supply and demand indicators, including inventory levels, absorption, vacancy, and rental rates are presented in the ensuing table.

There are 4,075 existing market rent units in in Hernando County. The overall vacancy rate is 11.4%, which is higher than the vacancy rate from the prior period of 6.0%. Current average rental rates range from \$1,342 for a one-bedroom unit to \$2,161 for a three-bedroom unit. The average rental rates are higher than the five-year average for all unit types. Concessions are negligible at 1.4%. There are 548 units under construction and there were 410 units delivered in the prior period.

INVENTORY UNITS	UNDER CONSTRUCTION UNITS	12 MO ABSORPTION UNITS	VACANCY RATE	MARKET RENT/UNIT	MARKET SALE PRICE/UNIT	MARKET CAP RATE
4,075 +11.2%	548 +33.7%	165 +739.2%	11.4% +5.4%	\$1,266 -0.4%	\$108K -6.1%	6.1% +0.5%
Prior Period 3,665	Prior Period 410	Prior Period (26)	Prior Period 6.0%	Prior Period \$1,271	Prior Period \$115K	Prior Period 5.6%

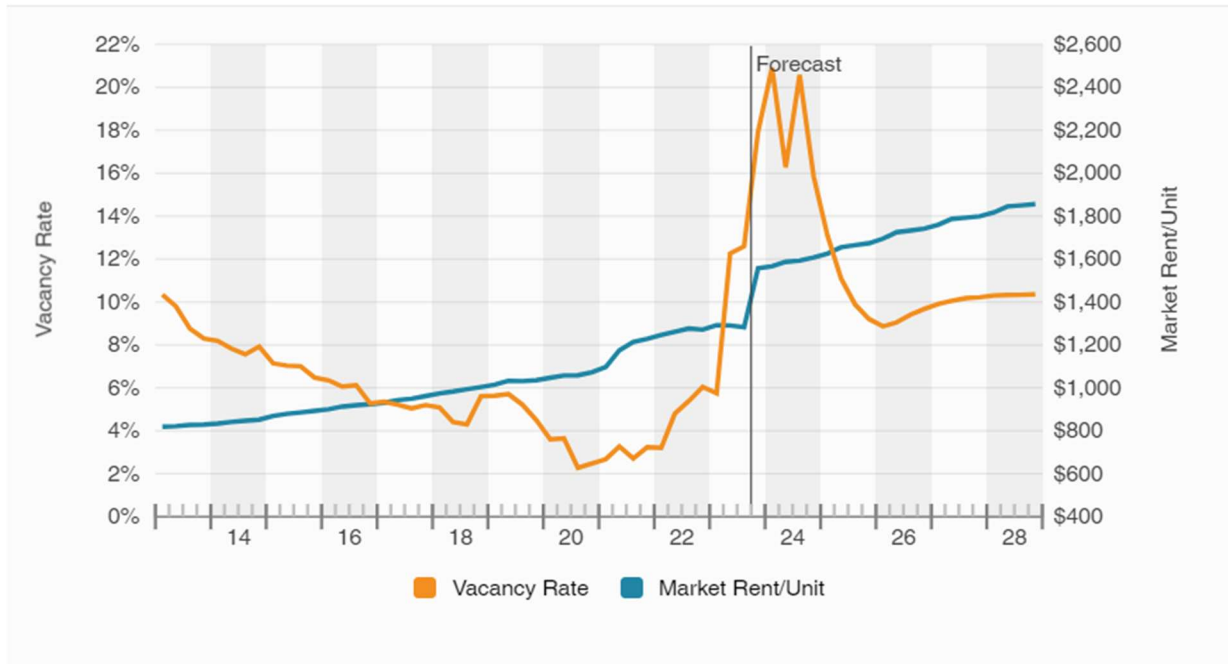
Availability		Inventory	
Vacant Units	466 ↑	Existing Buildings	71 ↑
Asking Rent/SF	\$1.45 ↓	Average Units Per Bldg	57 ↑
Concession Rate	1.4% ↑	12 Mo Demolished Units	0 ↔
Studio Asking Rent	\$1,214 ↑	12 Mo Occupancy % at Delivery	13.7% ↓
1 Bedroom Asking Rent/Unit	\$1,303 ↓	12 Mo Construction Starts Units	548 ↑
2 Bedroom Asking Rent/Unit	\$1,074 ↑	12 Mo Delivered Units	410 ↑
3 Bedroom Asking Rent/Unit	\$2,152 ↓	12 Mo Avg Delivered Units	137 ↑

Sales Past Year		Demand	
Asking Price Per Unit	-	12 Mo Absorp % of Inventory	4.1% ↑
Sale to Asking Price Differential	-	Median Household Income	60.5K
Sales Volume	\$30M ↑	Population Growth 5 Yrs 20-29	10.4%
Properties Sold	4 ↑	Population Growth 5 Yrs 30-39	1.7%
Months to Sale	-	Population Growth 5 Yrs 40-54	4.5%
For Sale Listings	2 ↔	Population Growth 5 Yrs 55+	5.0%
Total For Sale Units	233 ↑	Population Growth 5 Yrs	4.8%



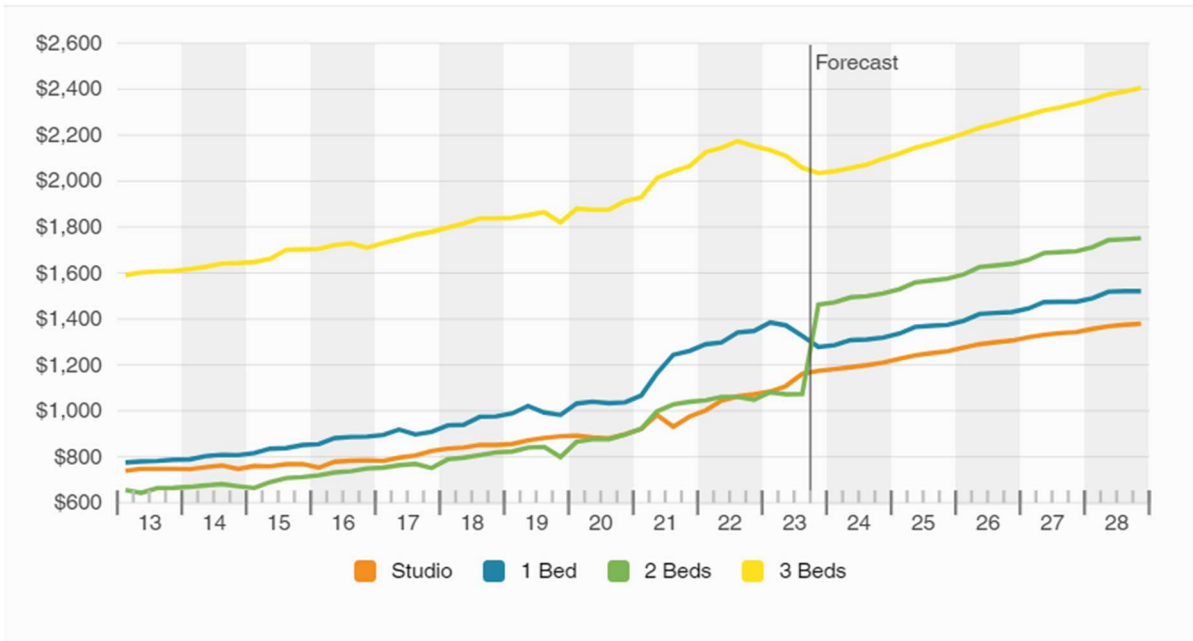
The following charts depict the 10-year trend for overall occupancy and the average monthly rate for market rent apartments in the market area. Overall vacancy has increased from 10.3% in 2013 to 11.4% in 2023. The average rate has risen steadily during this period, increasing from \$819 in 2013 to \$1,266 in 2023.

Vacancy & Market Asking Rent Per Unit

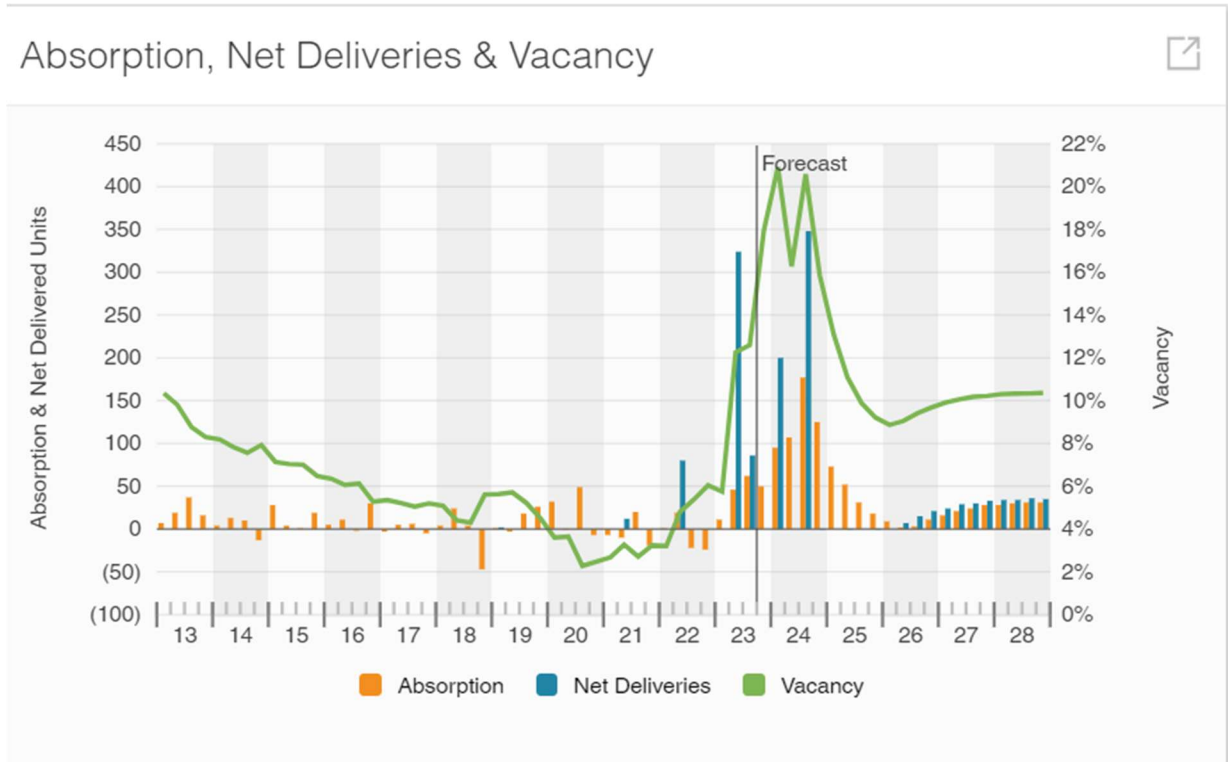


Asking rents for one-, two- and three-bedroom unit types have increased at similar rates over the last 10 years. Rents for two-bedroom units have shown the greatest improvement, increasing from an average of \$655 in 2013 to \$1,043 in 2023.

Market Effective Rent Per Unit By Bedroom



Absorption has been positive in eight of the last ten years, with 548 new deliveries. The average vacancy rate for the market steadily declined from 2017 to 2021 and is now stabilized in the 11.4% range.



Multifamily Market Outlook and Conclusions

Based on the key metro area and submarket, construction outlook, and the performance of competing properties, IRR expects the mix of property fundamentals and economic conditions in Hernando County are considered to have a positive impact on the performance for market rent housing over the long-term.

Property Analysis

Land Description and Analysis

Location

The property is located on the south side of Cortez Blvd approximately 1.5 miles east of U.S. Highway 19.

Land Description	
Land Area (Gross)	45.00 acres; 1,960,200 SF
Source of Land Area	Public Records
Primary Street Frontage	Cortez Blvd - 950 +/- feet
Shape	Irregular
Corner	No
Topography	Generally level and at street grade
Drainage	No problems reported or observed
Environmental Hazards	None reported or observed
Ground Stability	No problems reported or observed
Flood Area Panel Number	12053C0168D
Date	February 2, 2012
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No
Utilities	
Service	Provider
Water	Public
Sewer	Public
Electricity	Public
Natural Gas	Public
Local Phone	Various providers

Land Area

The following table summarizes the subject's land area.

Land Area Summary							Usable	Unusable
Tax ID	Address	SF Usable	SF Unusable	SF	Acres	Acres	Acres	
01170618	Cortez Blvd	387,684	387,684	0	8.90	8.90	0.00	
00346717	Cortez Blvd	1,572,516	570,636	1,001,880	36.10	13.10	23.00	
Total		1,960,200	958,320	1,001,880	45.00	22.00	23.00	

Source: Public Records

A portion of the land area on parcel 00346717 wetlands. This area is not considered usable.

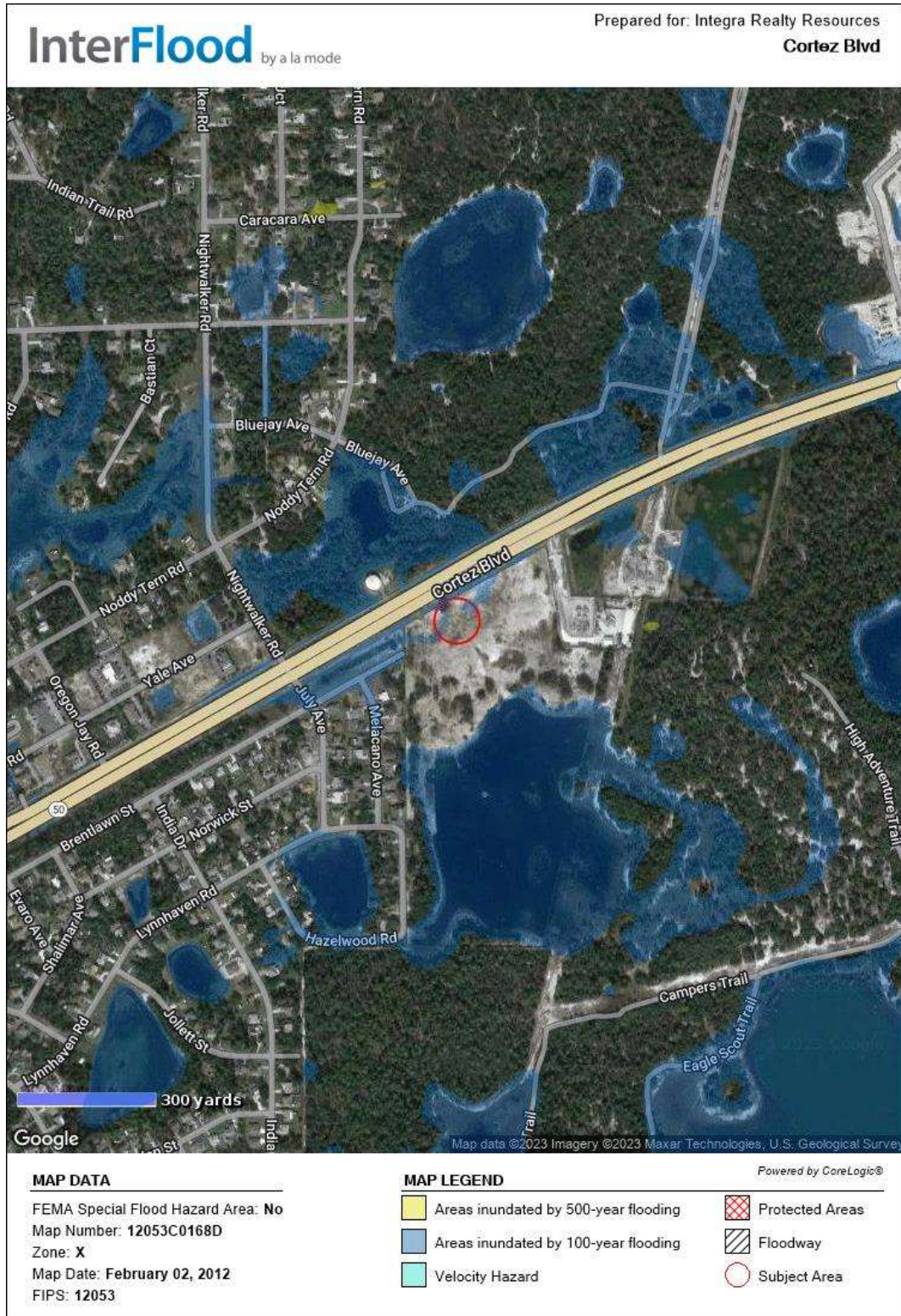
Conclusion of Site Analysis

Overall, the physical characteristics and the availability of utilities result in a functional site, suitable for a variety of uses including those permitted by zoning. No other restrictions on development are apparent.

Plat Map



Flood Hazard Map



Improvements Description and Analysis

Overview

The subject is a proposed market rent apartment property containing 350 dwelling units. The improvements are forecasted to be completed in 2026. The site area is 45.00 acres or 1,960,200 square feet. The subject is located on the southside of Cortez Blvd, approximately 1.5 miles west of HCA Florida Oak Hill Hospital and about 1.5 miles east of U.S. Hwy 19 N.

The following description is based on a preliminary profile for the project provided by the Developer.

Improvements Description	
Name of Property	Proposed Apts Cortez
General Property Type	Multifamily
Property Sub Type	Conventional
Specific Use	Garden/Low Rise
Competitive Property Class	A
Occupancy Type	Multi-Tenant
Percent Leased	100%
Number of Buildings	Multiple
Stories	2-3
Construction Class	D
Construction Type	Wood frame
Construction Quality	Good
Condition	New
Number of Units	350
Units per Acre (Density)	7.8
Rentable Floor Area (SF)	335,625
Land Area (SF)	1,960,200
Floor Area Ratio (RFA/Land SF)	0.17
Floor Area Ratio (GBA/Land SF)	–
Building Area Source	Public Records
Year Built	2026
Estimated Effective Age (Yrs.)	0
Estimated Economic Life (Yrs.)	55
Remaining Economic Life (Yrs.)	55
Parking Type	Surface

Construction Details

Foundation	Reinforced concrete
Structural Frame	Wood frame
Exterior Walls	Cement Fiber Siding
Roof	Pitched
Heating	Forced air
Air Conditioning	Forced air
Elevators	None
Sprinklers	Wet
Entry Type	Exterior
Interior Walls	Painted drywall
Floor Cover	CVT
Ceiling Heights	8'10'
Kitchen Equipment	Range/oven, microwave, dishwasher, disposal
Laundry Facilities	Washer and dryer
Bathroom Fixtures	Sink/vanity, toilet, shower/tub

Unit Mix

The subject's projected unit mix and building areas are detailed in the following table.

Floor Plan	Units	% of Total	Avg. Unit Size	Total SF
1BR/1BA Units				
1BR/1BA	135	38.6%	725	97,875
Total/Average	135	38.6%	725	97,875
2BR/2BA Units				
2BR/2BA	175	50.0%	1,050	183,750
Total/Average	175	50.0%	1,050	183,750
3BR/2BA Units				
3BR/2BA	40	11.4%	1,350	54,000
Total/Average	40	11.4%	1,350	54,000
Total Units	350	100.0%	959	335,625

*Includes employee and model units, as applicable.

The subject will have 350 units and is within the range of the comparable projects in this market. The subject's unit sizes range from 702 square feet to 1,253 square feet and averages 1,036 square feet. Considering the unit mix, the average unit size is considered fully functional.

The subject's unit mix will include one, two and three-bedroom units. One-, two- and three-bedroom units are prevalent and well-accepted in the market, as the tenants are usually comprised of households of various sizes. The comparable projects profiled in the Market Rental Rate Analysis section offer unit mixes of one-, two- and three-bedroom units as shown below.

Comparable Unit Mix Analysis													
	Year Built	Occupancy	Studio		1BR		2BR		3BR		4BR		Total
Authentix Suncoast	2023	69.0%	24	9%	108	41%	108	41%	24	9%	0	0%	264
Ariel Springs	2001	94.0%	0	0%	136	29%	313	67%	21	4%	0	0%	470
Villas at Spring Hill	2008	85.0%	0	0%	8	5%	76	49%	16	10%	56	36%	156
Julep Apartments	1986	93.0%	0	0%	87	57%	63	41%	1	1%	1	1%	152
Gables at Gulfview	2020	95.0%	0	0%	180	58%	108	35%	24	8%	0	0%	312
The Columns at Bear Creek	2008	93.0%	0	0%	78	42%	60	32%	48	26%	0	0%	186
Weighted Avg./Total	2008	77.0%	24	1.6%	597	38.8%	728	47.3%	134	8.7%	0	0.0%	1,540
Subject			0	0.0%	135	38.6%	175	50.0%	40	11.4%	0	0.0%	350

The subject’s unit mix contains a lower percentage of two- and three-bedroom units and a higher percentage of studio and one-bedroom units compared to the average of the comparable properties.

The following chart summarizes the unit sizes for each unit type within the competitive projects.

Comparable Unit Size Analysis												
	Studio			1 Bedroom			2 Bedroom			3 Bedroom		
	Min	Max	Avg	Average	Min	Max	Average	Min	Max	Average	Min	Max
Authentix Suncoast	544	622	581	683	650	712	1004	923	1,040	1314	1,277	1,348
Ariel Springs				1,100	1,100	1,100	1,450	1,450	1,450	1,371	1,371	1,371
Villas at Spring Hill				932	932	932	1,221	1,091	1,281	1,257	1,257	1,257
Julep Apartments				617	552	680	861	853	959	1,014	1,014	1,014
Gables at Gulfview				876	790	934	1,282	1,282	1,282	1,440	1,440	1,440
The Columns at Bear Creek				865	803	892	1,162	1,134	1,180	1,409	1,409	1,409
Average/Range	544	622	581	846	552	1,100	1,163	853	1,450	1,301	1,014	1,440
Subject	0			725			1,050			1,350		

The subject’s one-, two- and three-bedroom unit sizes are within the range of the comparable units. Overall, the subject’s unit sizes are considered fully functional and similar to other properties in the market.

Unit Features and Project Amenities

Amenities for the subject and the comparable projects profiled in the rental rate analysis section are summarized in the following table.

Unit Features and Project Amenities							
	Subject	Rent 1	Rent 2	Rent 3	Rent 4	Rent 5	Rent 6
	Proposed Apts Cortez	Authentix Suncoast	Ariel Springs	Villas at Spring Hill	Julep Apartments	Gables at Gulfview	The Columns At Bear Creek
Unit Features							
Patio/Balcony/Deck	x	x	x	x	x	x	x
Central AC	x	x	x	x	x	x	x
Window Blinds/Shades	x	x	x	x	x	x	x
Washer/Dryer Hookup					x		x
Washer/Dryer in Unit	x	x	x	x		x	
Dishwasher	x	x	x	x	x	x	x
Disposal	x	x	x	x	x	x	x
Range	x	x	x	x	x	x	x
Refrigerator	x	x	x	x	x	x	x
Microwave	x	x	x	x	x	x	x
Attached Garage			Select Apts				
Comparison to Subject		Similar	Similar	Similar	Inferior	Similar	Inferior
Project Amenities							
Gated Entrance						x	x
Security/Door Staff							
Common Laundry			x		x		x
Recreational Amenities	x	x	x		x	x	
Clubhouse Building	x	x	x		x	x	x
Fitness Center	x	x	x	x		x	x
Playground	x	x	x		x		x
Roofdeck/Sundeck							
Swimming Pool	x	x	x	x	x	x	x
BBQ Grill/Picnic Area	x	x	x		x	x	x
Covered Parking							
Garage/In Building			x				
Garage/Detached	x	x					
Electric Car Charging Station	x						
Bike Storage Room							
Dog Run/Spa	x	x	x		x	x	x
Extra Storage Area	x						x
Resident Lounge							
Co-Working Space							
Package System/Lockers/Rm	x						
Comparison to Subject		Similar	Similar	Inferior	Inferior	Similar	Similar

The subject’s proposed unit and project amenities are comparable to the other newly built competitive Class A properties in the market.

Improvements Analysis

Quality and Condition

The improvements will be of good quality construction and will be new at completion.

Functional Utility

The improvements appear to be adequately suited to their proposed use.

ADA Compliance

We assume that there will not be any ADA issues. However, we are not expert in ADA matters, and further review by an appropriately qualified professional would be recommended to assess ADA compliance. The Developer will engage the services of an ADA Consultant.



Personal Property

Personal property items that are included in the market study are as follows: in-unit appliances, model/leasing office furniture and equipment, security system equipment and maintenance tools/equipment.

Conclusion of Improvements Analysis

In comparison to other competitive properties in the region, the proposed subject improvements are rated as follows:

Improvements Ratings	
Design and Appearance	Good
Age/Condition	New
Room Sizes and Layouts	Typical of recently constructed apartments
Bathrooms	Above average
Kitchens	Above average
Landscaping	Typical for area
Garages	Detached and available for rent
Unit Features	Typical of recently constructed apartments
Project Amenities	Typical of recently constructed apartments

The proposed improvements will be of good quality construction and are considered to have a functional design. The subject is expected to be competitive with other apartment complexes in the area. The unit mix, features and amenities are considered appropriate for its intended use and the design and market appeal of the subject is considered above average. .

Market Rental Rate Analysis

Subject Unit Mix

The proposed unit mix for the subject is shown in the table that follows.

Unit Mix				
Floor Plan	Units	% of Total	Avg. Unit Size	Total SF
1BR/1BA Units				
1BR/1BA	135	38.6%	725	97,875
Total/Average	135	38.6%	725	97,875
2BR/2BA Units				
2BR/2BA	175	50.0%	1,050	183,750
Total/Average	175	50.0%	1,050	183,750
3BR/2BA Units				
3BR/2BA	40	11.4%	1,350	54,000
Total/Average	40	11.4%	1,350	54,000
Total Units	350	100.0%	959	335,625
*Includes employee and model units, as applicable.				

This analysis also includes potential gross income forecast for an alternative design which includes 160 units.

Utilities Expenses

The division of expense responsibilities between the tenants and property owner is assumed to be as follows.

Utilities Expenses	
Tenant-Paid Utilities	Owner-Paid-Utilities
In-Unit Electric	Common area utilities
Water	
Sewer	
Cable	
Broadband	
Trash	

This expense structure is typical of the market. Water, sewer and trash are reimbursed by the tenant.

Market Rent Analysis

In addition to contract rent, our analysis considers the market rent of each basic unit type within the subject. To estimate market rent, we analyze comparable rentals that fall within the following parameters:

- Location: Within western Hernando County
- Property Type: Class A-B market rent apartment properties
- Building Age: Built within the past 20 years and older properties that have been renovated

The comparable rentals considered most relevant are summarized in the following tables.

Summary of Comparable Rentals

No.	Property Name; Address	Survey Date	Yr Built; Stories	Unit Mix	# Units; % Occ.	Avg. Unit SF	Avg. Rent/ Month	Avg. Rent/ SF
1	Authentix Suncoast 277 Coast Dr. Brooksville	12/15/2023	2023 2		264 69%			
				Studio	6	544	\$1,274	\$2.34
				Studio	6	560	\$1,495	\$2.67
				Studio	6	596	\$1,339	\$2.25
				Studio	6	622	\$1,544	\$2.48
				1BR/1BA	27	650	\$1,364	\$2.10
				1BR/1BA	27	667	\$1,339	\$2.01
				1BR/1BA	27	701	\$1,419	\$2.02
				1BR/1BA	27	712	\$1,459	\$2.05
				2BR/1BA	3	923	\$1,879	\$2.04
				2BR/1BA	3	940	\$1,939	\$2.06
				2BR/1BA	3	974	\$1,934	\$1.99
				2BR/2BA	24	978	\$1,715	\$1.75
				2BR/2BA	24	992	\$1,609	\$1.62
				2BR/2BA	24	1,029	\$1,815	\$1.76
				2BR/2BA	24	1,040	\$1,868	\$1.80
				3BR/2BA	6	1,277	\$1,790	\$1.40
				3BR/2BA	6	1,293	\$2,330	\$1.80
				3BR/2BA	6	1,336	\$1,795	\$1.34
				3BR/2BA	6	1,348	\$2,306	\$1.71

Tenant-Paid Utilities:

Trash, Cable, Broadband, In-Unit Electric, Sewer, Water

Unit Features:

Central AC, Dishwasher, Disposal, Granite/Quartz Counters, Microwave, Patio/Balcony/Deck, Range, Refrigerator, Vinyl Plank Floors (LVT/LVP), Washer/Dryer Hookup, Washer/Dryer In Unit, Window Blinds/Shades

Project Amenities:

BBQ Grill/Picnic Area, Clubhouse Building, Dog Run/Spa, Fitness Center, Garage/Detached, Playground, Swimming Pool

Comments:

Authentix Suncoast is located at the northeast corner of County Line Road and Suncoast Parkway, in Brooksville, Hernando County, Florida. The 264-unit apartment community was constructed in 2023 and consists of 11 buildings situated on 18.03 acres. Unit features include premium finishes and lighting, energy efficient appliances, in home washer and dryer, and hardwood style flooring. Project amenities include a pet playground and spa, resort-style swimming pool, BBQ and sundeck, clubhouse, fitness center, and coffee bar.

The property offers studio, one-, two- and three-bedroom units ranging in size from 544 to 1,348 square feet. The asking rates range from \$1,274 to \$2,306 per month, per unit. Pets require a non-refundable deposit of \$375 and a monthly rent of \$25 per pet. Detached parking garages are available for \$125 per month, per garage. Administration fee is \$75 and application fee is \$200. The community began move-ins June 2023 and is currently leased at 64%, indicating an absorption rate of approximately 42.24 units per month.



Summary of Comparable Rentals

No.	Property Name; Address	Survey Date	Yr Built; Stories	Unit Mix	# Units; % Occ.	Avg. Unit SF	Avg. Rent/ Month	Avg. Rent/ SF
2	Ariel Springs 3454 Suncoast Villa Way Spring Hill	12/15/2023	2001 1		470 94%			
				1BD/ 1BA	–	1,100	\$1,483	\$1.35
				2BD/ 2BA	–	1,450	\$1,450	\$1.00
				3BD/ 2BA	–	1,650	\$1,371	\$0.83
	Tenant-Paid Utilities:		Cable, Broadband, In-Unit Electric, Sewer, Water					
	Unit Features:		Patio/Balcony/Deck, Dishwasher, Disposal, Washer/Dryer Hookup, Microwave					
	Project Amenities:		Swimming Pool, Clubhouse Building, Common Laundry, Garage/In Building, Wi Fi, Car Care Center, Outdoor Kitchen, Business Center, Basketball					
	Comments:		Ariel Springs, formerly Hibiscus Springs, is located at the southeast corner of Powell Road and Barclay Avenue in Spring Hill, Hernando County, Florida. The 470-unit apartment community was constructed in 2001, renovated in 2016 and consists of 58 buildings situated on 30.00± acres. Unit features include washer/dryer in unit, ceiling fans, window coverings and high-speed internet access. Project amenities include a business center, clubhouse, fitness center, and sundeck. The property offers one, two- and three-bedroom units ranging in size from 1,100 to 1,650 square feet.					
			Ariel Springs charges a \$60 application fee and a \$225 admin fee. Pet requires a deposit of \$500 and a monthly rent of \$25. The community offers one-, two-, and three-bedroom units ranging in size from 1,100 to 1,650 SF. . The community is currently occupancy was at 94% and no concessions are offered at this time.					
3	Villas at Spring Hill 14352 Pablo Blvd. Spring Hill	11/8/2023	2008 2		140 85%			
				1BR/ 1BA	8	932	\$1,575	\$1.69
				2BR/ 2BA	24	1,091	\$1,600	\$1.47
				2BR/ 2.5BA	52	1,281	\$1,700	\$1.33
				3BR/ 2BA	56	1,257	\$1,900	\$1.51
	Tenant-Paid Utilities:		Cable, Broadband, In-Unit Electric, Sewer, Water					
	Unit Features:		Washer/Dryer In Unit, Patio/Balcony/Deck, Carpeting, Walk-in Closets, Central AC, Ceiling Fans, Microwave, Dishwasher, Window Blinds/Shades					
	Project Amenities:		Swimming Pool, Clubhouse Building, Spa/Hot Tub, Fitness Center, Picnic Area, Dog Park, Business Center, Game Room, Theatre Room					
	Comments:		Villas at Spring Hill apartments are located along the east side of Anderson Snow Road, South of Spring Hill Drive in Spring Hill, Hernando County, Florida. The 140-unit apartment community was constructed in 2008 and consists of 19 buildings. Unit features include walk in closets, ceiling fans, and patios/balconies. Project amenities include a swimming pool, clubhouse, fitness room, hot tub, and gated entry.					
			The property offers one, two- and three-bedroom units ranging in size from 932 to 1,257 square feet. Asking rates range from \$1,575 to \$1,900 per unit, per month. Washer and dryer rentals are available for \$50 per month. Pets require a non-refundable deposit of \$400 for one pet and \$500 for two. Application fee is \$95 and administration fee is \$245. The community is currently occupied at 85%. Concessions offered at the time of survey include the month of December free if a lease is signed by November 20th.					



Summary of Comparable Rentals

No.	Property Name; Address	Survey Date	Yr Built; Stories	Unit Mix	# Units; % Occ.	Avg. Unit SF	Avg. Rent/ Month	Avg. Rent/ SF
4	Julep Apartments 1071 Candlelight Blvd. Brooksville	12/15/2023	1986 1		152 93%			
				1BR/ 1BA	42	552	\$1,068	\$1.93
				1BR/ 1BA	1	613	\$1,119	\$1.83
				1BR/ 1BA	44	680	\$1,167	\$1.72
				2BR/ 1BA	1	853	\$1,399	\$1.64
				2BR/ 2BA	61	860	\$1,551	\$1.80
				2BR2BA	1	959	\$1,746	\$1.82
				3BR/1BA	1	1,014	\$1,374	\$1.36
				4BR/1.5BA	1	1,306	\$1,777	\$1.36
	Tenant-Paid Utilities:		Trash, Cable, Broadband, In-Unit Electric, Sewer, Water					
	Unit Features:		Ceiling Fans, Patio/Balcony/Deck, Vaulted Ceilings, Washer/Dryer Hookup, Central AC, Carpeting, Window Blinds/Shades					
	Project Amenities:		Swimming Pool, Recreational Amenities, Common Laundry					
	Comments:		The Julep Apartments are located on the south side of Candlelight Boulevard, north of Cortez Boulevard, in Brooksville, Hernando County, Florida. The 152-unit apartments community was constructed in 1986, renovated in 2005 and 2010, and consist of 11 buildings situated on 10.18 acres. Unit features updated cabinets, countertops and flooring, balcony/patios, ceiling fans, dishwasher, walk-in closets and washer/ dryer connections. Project amenities include a pool, clubhouse, business center, laundry facility, racquetball court, tennis court and pet park.					
			Pets require a non-refundable deposit of \$350 and a monthly rent of \$35 per pet. Application fee is \$65 and administration fee is \$150. The property is 82.9% leased. There were no concessions being offered at the time of the survey.					
5	Gables at Gulfview 9702 Gableview Dr. Port Richey	11/8/2023	2020 3		312 95%			
				1 BR/ 1 BA	-	790	\$1,295	\$1.64
				1 BR/ 1 BA	-	934	\$1,495	\$1.60
				2 BR/ 2 BA	-	1,282	\$1,745	\$1.36
				3 BR/ 2 BA	-	1,440	\$1,995	\$1.39
	Tenant-Paid Utilities:		Trash, Broadband, In-Unit Electric, Sewer					
	Unit Features:		Stainless Steel Appliances, Washer/Dryer, Walk-in Closets					
	Project Amenities:		Fitness Center, Swimming Pool, Dog Park					
	Comments:		Gables at Gulfview is a 312-unit multi-family community located on the southside of Gableview Drive, just east of US 19 in Port Richey, Pasco County, Florida. Project amenities include a pool, fitness studio, and a dog park. Unit amenities include include stainless steel appliances, walk-in closet, and in-unit washer/dryers. The community offers one, two, and three-bedroom units ranging in size from 790 to 1,440 SF. Asking rents range from \$1295 to \$1,995 per month. Detached garages are available for \$120 per month. The community is occupied at 95%, and they are currently offering free internet and cable to new residents.					

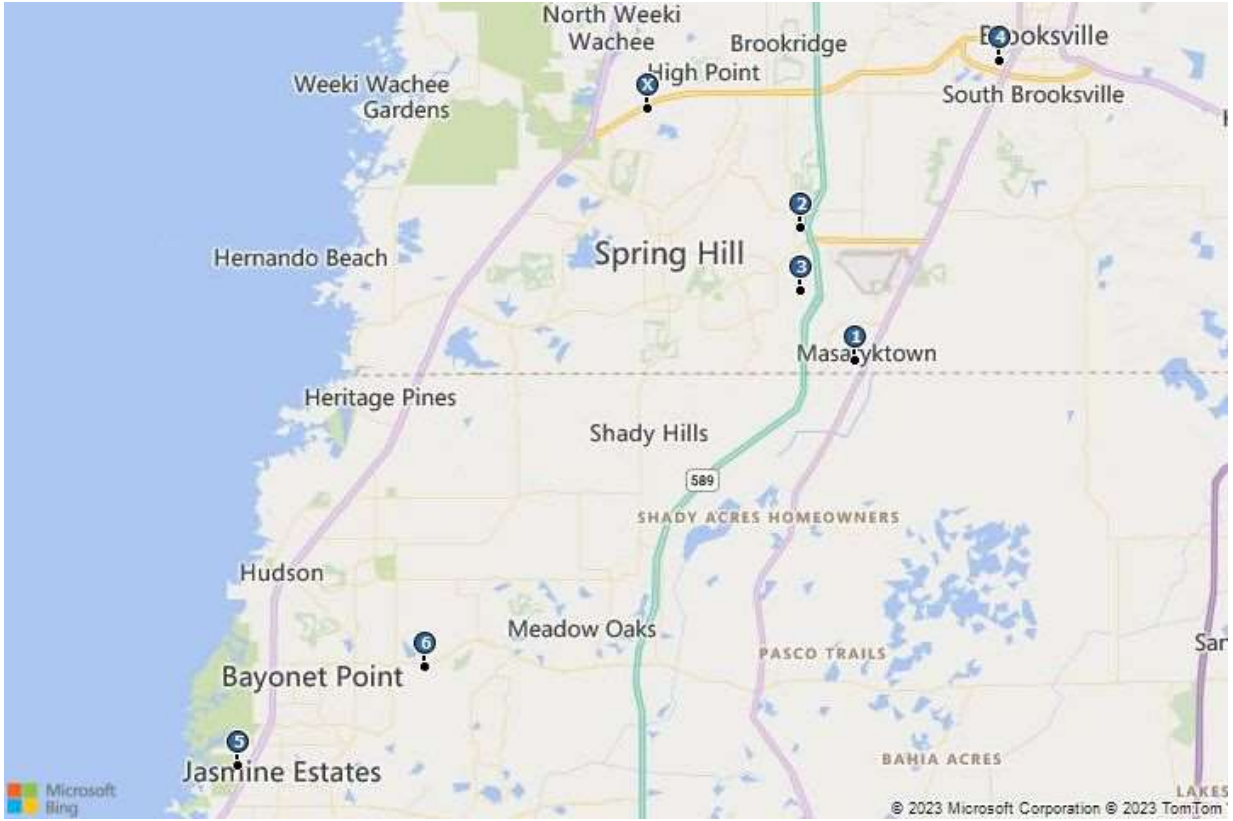


Summary of Comparable Rentals

No.	Property Name; Address	Survey Date	Yr Built; Stories	Unit Mix	# Units; % Occ.	Avg. Unit SF	Avg. Rent/ Month	Avg. Rent/ SF
6	The Columns At Bear Creek 11931 Cassandra St. New Port Richey	11/8/2023	2008 3		222 93%			
				1 Bedroom/ 1 Bath	24	803	–	–
				1 Bedroom/ 1 Bath	54	892	\$1,760	\$1.97
				2 Bedroom/ 1 Bath	24	1,134	\$1,755	\$1.55
				2 Bedroom/ 2 Bath	36	1,180	\$1,925	\$1.63
				3 Bedroom/2 Bath	48	1,409	\$1,880	\$1.33
	Tenant-Paid Utilities:		In-Unit Electric, Water, Sewer, Cable, Broadband					
	Unit Features:		Central AC, Patio/Balcony/Deck, Dishwasher, Walk-in Closets, Washer/Dryer Hookup, Ceiling Fans, Vaulted Ceilings, Microwave					
	Project Amenities:		Swimming Pool, Clubhouse Building, Fitness Center, Gated Entrance, Common Laundry, Playground, Extra Storage Area, Business Center, Business Center, Grills, Picnic Area					
	Comments:		<p>The Columns at Bear Creek Apartments are located at the southwest corner of Athena Boulevard and Cassandra Street in New Port Richey, Pasco County, Florida. The 222-unit apartment community was constructed in 2008 and consists of 10 buildings situated on 58.33 acres. Unit features include crown molding, balconies, in-unit washer and dryer, stainless steel appliances, 9 foot ceilings, and kitchen pantries. Project amenities include fitness center, clubhouse, resort style pool, business center, laundry facility, playground, and outdoor entertainment area.</p> <p>The property offers one-, two- and three-bedroom units ranging in size from 803 to 1,409 square feet. The asking rates range from \$1,755 to \$1,880 per month, per unit. Pets require a non-refundable deposit of \$400 and a monthly rent of \$20 per pet. Concessions offered at the time of survey include \$500 off the first full month for all two bedroom units.</p>					



Comparable Rentals Map





Rent Survey 1
Authentix Suncoast



Rent Survey 2
Ariel Springs



Rent Survey 3
Villas at Spring Hill



Rent Survey 4
Julep Apartments



Rent Survey 5
Gables at Gulfview



Rent Survey 6
The Columns At Bear Creek

Proposed Apts Cortez



Rental Analysis Factors

Our analysis of the comparable rentals considers the following elements of comparison.

Rental Analysis Factors	
Tenant Paid Utilities	Utilities costs for which tenants are responsible.
Unit Size	Floor area in square feet.
Location	Market or submarket area influences on rent; surrounding land use influences.
Age/Condition	Effective age; physical condition.
Quality	Construction quality, market appeal, functional utility.
Unit Features	Features included in individual residential units.
Project Amenities	Amenities available to the entire property.
Washer/Dryer	The presence of a Washer/Dryer in the unit.

The following factors require additional discussion.

Tenant Paid Utilities

Comparables 2, 3 and 4 include trash in the monthly rent. A downward adjustment of \$20 is made to these comparables.

Unit Size

Adjustments for size differences are based on the assumption that rent will vary at less than a one-to-one ratio to unit size differences.

Unit Features and Project Amenities

Standard unit features and project amenities for this market are shown in the following table.

Adjustments are made to each comparable based on a comparison of its features and amenities with those of the subject.

Unit Features and Project Amenities							
Subject	Rent 1	Rent 2	Rent 3	Rent 4	Rent 5	Rent 6	
Proposed Apts	Authentic		Villas at Spring		Gables at	The Columns At	
Cortez	Suncoast	Ariel Springs	Hill	Julep Apartments	Gulfview	Bear Creek	
Unit Features							
Patio/Balcony/Deck	x	x	x	x	x	x	x
Central AC	x	x	x	x	x	x	x
Window Blinds/Shades	x	x	x	x	x	x	x
Washer/Dryer Hookup				x			x
Washer/Dryer In Unit	x	x	x	x	x		
Dishwasher	x	x	x	x	x		x
Disposal	x	x	x	x	x		x
Range	x	x	x	x	x		x
Refrigerator	x	x	x	x	x		x
Microwave	x	x	x	x	x		x
Attached Garage			Select Apts				
Comparison to Subject	Similar	Similar	Similar	Inferior	Similar	Inferior	
Project Amenities							
Gated Entrance					x		x
Security/Door Staff							
Common Laundry			x	x			x
Recreational Amenities	x	x	x		x		
Clubhouse Building	x	x	x	x	x		x
Fitness Center	x	x	x	x	x		x
Playground	x	x	x				x
Roofdeck/Sundeck							
Swimming Pool	x	x	x	x	x		x
BBQ Grill/Picnic Area	x	x	x	x	x		x
Covered Parking							
Garage/In Building			x				
Garage/Detached	x	x					
Electric Car Charging Station	x						
Bike Storage Room							
Dog Run/Spa	x	x	x		x	x	x
Extra Storage Area	x						x
Resident Lounge							
Co-Working Space							
Package System/Lockers/Rm	x						
Comparison to Subject	Similar	Similar	Inferior	Inferior	Similar	Similar	

Adjustments for location, age/condition, and quality are discussed in the following paragraphs.

Location: The subject and comparables 1-4 are considered to have similar locations. Comparables 5 and 6 are located on western Pasco County and are adjusted downward by 10%.

Age/Condition: The comparables are adjusted by a factor of .5% for the difference in their actual age and the subject. For this adjustment, it is assumed the subject exists and was built in 2024.

Quality: Comparables 2-3 are adjusted upward by 10% for their inferior quality.

Unit Features

Comparables 4 and 6 are adjusted downward for inferior unit amenities.

Project Amenities

Comparables 2-3 are adjusted upward for their inferior project amenities. Because of its fewer project amenities, the adjustment made to Comparable 2 was greater than the adjustment made to Comparable 3.

Comparable Rental Adjustment Grids

The following tables summarize the adjustments made to the comparable rentals. Separate tables are provided for different unit types.



Rental Adjustment Grid - 1BR/1BA							
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6
Property Name	Proposed Apts Cortez	Authentix Suncoast	Ariel Springs	Villas at Spring Hill	Julep Apartments	Gables at Gulfview	The Columns At Bear Creek
Address	South side of Cortez Blvd, between July Ave and Frontage Rd	277 Coast Dr.	3454 Suncoast Villa Way	14352 Pablo Blvd.	1071 Candlelight Blvd.	9702 Gableview Dr.	11931 Cassandra St.
City	Spring Hill	Brooksville	Spring Hill	Spring Hill	Brooksville	Port Richey	New Port Richey
County	Hernando	Hernando	Hernando	Hernando	Hernando	Pasco	Pasco
State	Florida	FL	FL	FL	FL	FL	FL
Survey Date		Dec-23	Dec-23	Nov-23	Dec-23	Nov-23	Nov-23
Unit Type	1BR/1BA	1BR/1BA	1BD/ 1BA	1BR/ 1BA	1BR/ 1BA	1 BR/ 1 BA	1 Bedroom/ 1 Bath
Average Unit SF	725	712	1,100	932	680	934	892
Average Rent/Mo	\$0	\$1,459	\$1,483	\$1,575	\$1,167	\$1,495	\$1,760
Rent/SF	\$0.00	\$2.05	\$1.35	\$1.69	\$1.72	\$1.60	\$1.97
Year Built	2026	2023	2001	2008	1986	2020	2008
Average Rent/Month		\$1,459	\$1,483	\$1,575	\$1,167	\$1,495	\$1,760
Utilities Adjustment							
\$ Adjustment		-	-\$20	-\$20	-	-	-\$20
Size Adjustment							
% Adjustment	50%						
\$ Adjustment		\$13	-\$253	-\$175	\$39	-\$167	-\$165
Cumulative Adjusted Rent		\$1,472	\$1,210	\$1,380	\$1,206	\$1,328	\$1,575
Location		-	-	-	-	-10%	-10%
Age/Condition		1%	12%	8%	19%	2%	8%
Quality		-	10%	10%	-	-	-
Unit Features		-	-	-	\$50	-	\$50
Project Amenities		-	-	\$100	\$50	-	-
Net \$ Adjustment		\$7	\$260	\$348	\$329	-\$106	\$18
Net % Adjustment		1%	22%	25%	27%	-8%	1%
Final Adjusted Price		\$1,480	\$1,470	\$1,729	\$1,535	\$1,222	\$1,594
Overall Adjustment		1%	-1%	10%	32%	-18%	-9%
Summary Indicators		Range	Average	Average/SF			
Comparables - Adjusted		\$1,222 - \$1,729	\$1,505	-			
Concluded Market Rent		\$1,475 (\$2.03/SF)					

Comparables 1, 2 and 4 are assigned the most weight to derive the concluded market rent. Comparable 1 is assigned weight because it is the closest property and because it was recently built.

Rental Adjustment Grid - 2BR/2BA							
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6
Property Name	Proposed Apts Cortez	Authentix Suncoast	Ariel Springs	Villas at Spring Hill	Julep Apartments	Gables at Gulfview	The Columns At Bear Creek
Address	South side of Cortez Blvd, between July Ave and Frontage Rd	277 Coast Dr.	3454 Suncoast Villa Way	14352 Pablo Blvd.	1071 Candlelight Blvd.	9702 Gableview Dr.	11931 Cassandra St.
City	Spring Hill	Brooksville	Spring Hill	Spring Hill	Brooksville	Port Richey	New Port Richey
County	Hernando	Hernando	Hernando	Hernando	Hernando	Pasco	Pasco
State	Florida	FL	FL	FL	FL	FL	FL
Survey Date		Dec-23	Dec-23	Nov-23	Dec-23	Nov-23	Nov-23
Unit Type	2BR/2BA	2BR/2BA	2BD/ 2BA	2BR/ 2BA	2BR2BA	2 BR/ 2 BA	2 Bedroom/ 2 Bath
Average Unit SF	1,050	1,040	1,450	1,091	959	1,282	1,180
Average Rent/Mo	\$0	\$1,868	\$1,450	\$1,600	\$1,746	\$1,745	\$1,925
Rent/SF	\$0.00	\$1.80	\$1.00	\$1.47	\$1.82	\$1.36	\$1.63
Year Built	2026	2023	2001	2008	1986	2020	2008
Average Rent/Month		\$1,868	\$1,450	\$1,600	\$1,746	\$1,745	\$1,925
Utilities Adjustment							
\$ Adjustment		-	-\$20	-\$20	-	-	-\$20
Size Adjustment							
% Adjustment	40%						
\$ Adjustment		\$7	-\$160	-\$24	\$66	-\$126	-\$85
Cumulative Adjusted Rent		\$1,875	\$1,270	\$1,556	\$1,812	\$1,619	\$1,820
Location		-	-	-	-	-10%	-10%
Age/Condition		1%	12%	8%	19%	2%	8%
Quality		-	10%	10%	-	-	-
Unit Features		-	-	-	\$50	-	\$50
Project Amenities		-	-	\$100	\$50	-	-
Net \$ Adjustment		\$9	\$273	\$380	\$444	-\$129	\$14
Net % Adjustment		1%	22%	24%	25%	-8%	1%
Final Adjusted Price		\$1,885	\$1,543	\$1,936	\$2,257	\$1,489	\$1,834
Overall Adjustment		1%	6%	21%	29%	-15%	-5%
Summary Indicators		Range	Average	Average/SF			
Comparables - Adjusted		\$1,489 - \$2,257	\$1,824	-			
Concluded Market Rent		\$1,900 (\$1.81/SF)					

Comparables 1, 3 and 6 are most similar in unit size and assigned the most weight since their unit sizes are most to the subject. Comparable 1 was assigned the most weight since it was recently built and is close to the subject.



Rental Adjustment Grid - 3BR/2BA							
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6
Property Name	Proposed Apts Cortez	Authentix Suncoast	Ariel Springs	Villas at Spring Hill	Julep Apartments	Gables at Gulfview	The Columns At Bear Creek
Address	South side of Cortez Blvd, between July Ave and Frontage Rd	277 Coast Dr.	3454 Suncoast Villa Way	14352 Pablo Blvd.	1071 Candlelight Blvd.	9702 Gableview Dr.	11931 Cassandra St.
City	Spring Hill	Brooksville	Spring Hill	Spring Hill	Brooksville	Port Richey	New Port Richey
County	Hernando	Hernando	Hernando	Hernando	Hernando	Pasco	Pasco
State	Florida	FL	FL	FL	FL	FL	FL
Survey Date		Dec-23	Dec-23	Nov-23	Dec-23	Nov-23	Nov-23
Unit Type	3BR/2BA	3BR/2BA	3BD/ 2BA	3BR/ 2BA	3BR/1BA	3 BR/ 2 BA	3 Bedroom/2 Bath
Average Unit SF	1,350	1,348	1,650	1,257	1,014	1,440	1,409
Average Rent/Mo	\$0	\$2,306	\$1,371	\$1,900	\$1,374	\$1,995	\$1,880
Rent/SF	\$0.00	\$1.71	\$0.83	\$1.51	\$1.36	\$1.39	\$1.33
Year Built	2026	2023	2001	2008	1986	2020	2008
Average Rent/Month		\$2,306	\$1,371	\$1,900	\$1,374	\$1,995	\$1,880
Utilities Adjustment \$ Adjustment			-\$20	-\$20	-	-	-\$20
Size Adjustment % Adjustment	30%						
\$ Adjustment		\$1	-\$75	\$42	\$137	-\$37	-\$24
Cumulative Adjusted Rent		\$2,307	\$1,276	\$1,922	\$1,511	\$1,958	\$1,836
Location	-	-	-	-10%	-	-	-10%
Age/Condition	1%	12%	8%	19%	2%	8%	
Quality	-	10%	10%	-	-	-	-
Unit Features	\$50	-	-	-	\$50	\$50	\$50
Project Amenities	-	-	-	\$100	\$50	-	-
Room Count	-	-	-	-	\$50	-	-
Net \$ Adjustment		\$62	\$274	\$254	\$387	\$89	\$13
Net % Adjustment		3%	22%	13%	26%	5%	1%
Final Adjusted Price		\$2,369	\$1,551	\$2,176	\$1,898	\$2,047	\$1,850
Overall Adjustment		3%	13%	15%	38%	3%	-2%

Summary Indicators	Range	Average	Average/SF
Comparables - Adjusted	\$1,551 - \$2,369	\$1,982	-
Concluded Market Rent	\$2,350 (\$1.74/SF)		

Comparable 1 has the most similar unit size and it is weighted the most to derive the subject's 3BR/2BA unit rent. The other comparables are considered to support the forecasted rent.

Market Rent Conclusions

Based on the preceding analysis of comparable rentals, market rent is estimated for each unit type as shown in the following table.

Market Rent Conclusions					
Unit Type	Total Units	Avg. Unit Size	Market Rent/ Month	Market Rent/SF	
1BR/1BA	135	725	\$1,475	\$2.03	
2BR/2BA	175	1,050	\$1,900	\$1.81	
3BR/2BA	40	1,350	\$2,350	\$1.74	
Total/Avg.	350	959	\$1,788	\$1.86	



Gross Income Estimate

Potential Gross Rent

The following table summarizes the potential gross base rent of the subject based on the estimated market rent for the current year. The total is the potential rent that would be generated if the entire property were leased at market rates.

Figures presented below reflect the 12-month period assuming the property currently exists and the projected market rents upon completion. Both amounts assume the property is operating at a stabilized occupancy rate.

Potential Gross Rent					
Unit Type	Total Units	Current Year Market Rent	Avg. current Year Rent/Unit	Market Rent/Unit	Potential Rent at Prospective Market
1BR/1BA	135	\$2,389,500	\$1,475	\$1,565	\$2,535,021
2BR/2BA	175	\$3,990,000	\$1,900	\$2,016	\$4,232,991
3BR/2BA	40	\$1,128,000	\$2,350	\$2,493	\$1,196,695
Total	350	\$7,507,500	\$1,788	\$1,896	\$7,964,707

The projected construction period is two years. Rents are projected to increase by 3% per year during the period of construction. This was based on the average forecasted rent growth rate as discussed in the multifamily market section.

Vacancy & Collection Loss Allowance

The current market vacancy rate is 11.4%. Additionally, the rent comparables have occupancy rates ranging from 5.0% to 31%, with a weighted average of 23.0%. Vacancy for the rent comparables is higher than the market because one of the properties are in their initial lease up.

Vacant Rates - Rent Comparables		
	Units	Vacancy
Authentix Suncoast	264	31.0%
Ariel Springs	470	6.0%
Villas at Spring Hill	156	15.0%
Julep Apartments	152	7.0%
Gables at Gulfview	312	5.0%
The Columns at Bear Creek	186	7.0%
Weighted Avg./Total	1,540	23.0%

Based on this information and considering likely credit risk, we conclude a stabilized vacancy and collection loss allowance for the subject of 7.0% of potential gross income. This includes 1% for collections loss allowance.

Concessions

Minimal concessions are projected after stabilization but concessions in its initial lease-up are likely.

Supply and Demand Analysis

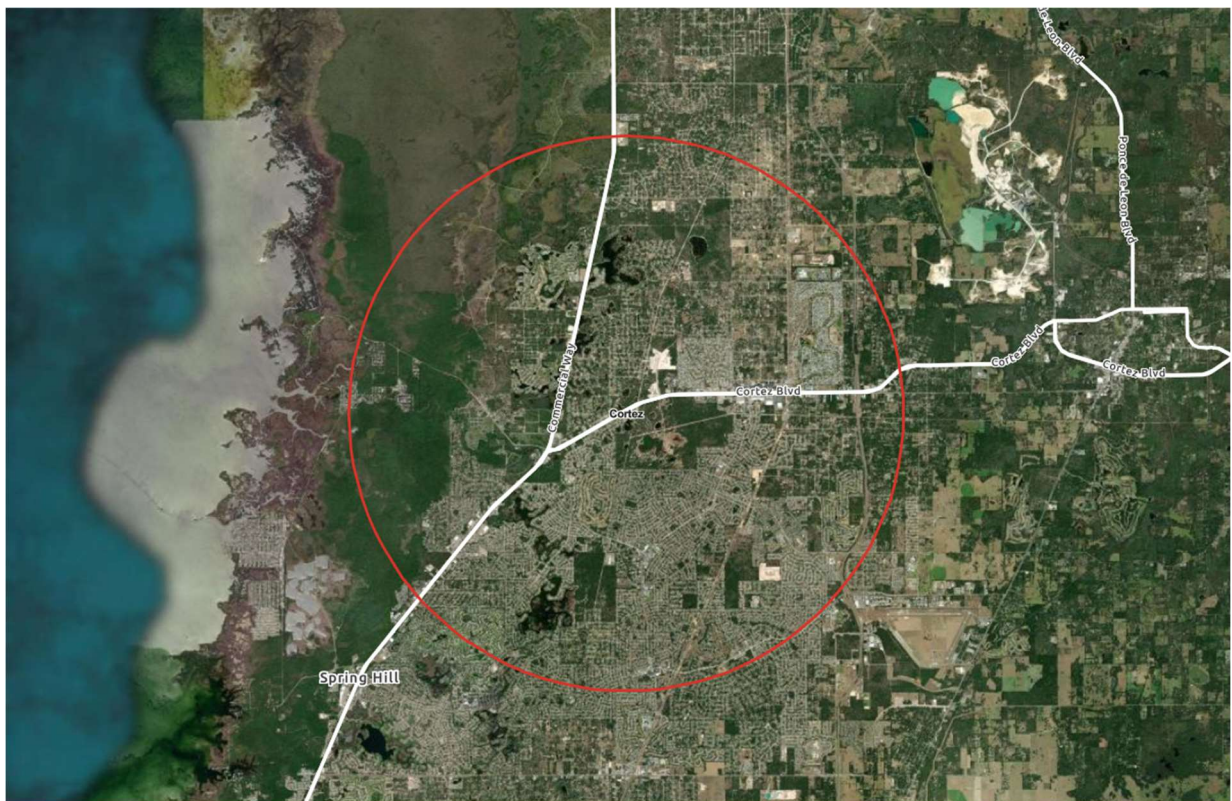
The Supply and Demand Analysis Process

Supply and Demand analysis refers to the process of determining whether marginal or residual demand exists for a given property. The relationship of supply and demand affects the apartment market through changes in occupancy and rental rates. To estimate the market demand for the subject units, we applied the following steps.

- Delineate the Primary Market Area (PMA)
- Measure competitive supply
- Forecast demand
- Analyze market equilibrium / disequilibrium
- Forecast subject capture

Primary Market Area (PMA)

The purpose of defining the PMA is to focus the demand forecast on the competitive market area and the specific users, or submarket, of the subject property. The PMA is the foundation of the market study because it is the area for which the population forecast will be made. The PMA was considered to be the area within a five mile radius from the subject as illustrated in the following map. The area includes Spring Hill and portions of Brooksville.



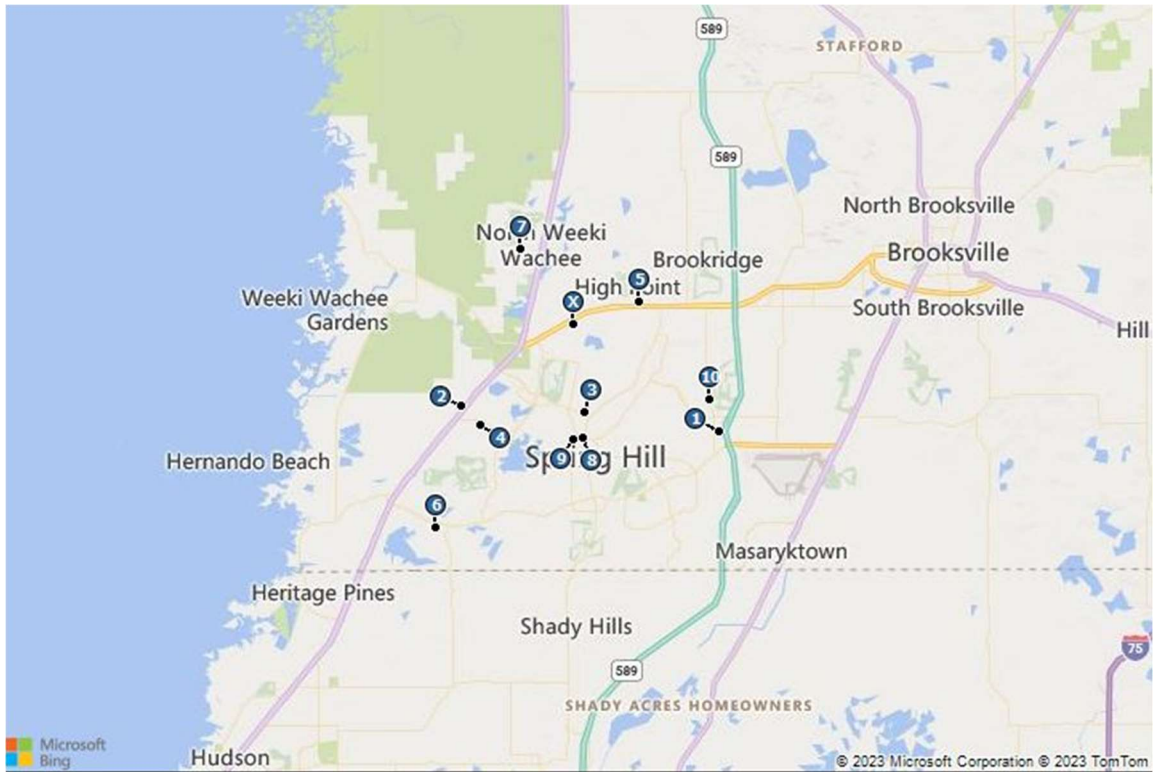
Supply in PMA

The purpose of defining the PMA is to focus the demand forecast on the competitive market area and the specific users, or submarket, of the subject property. The PMA is the foundation of the market study because it is the area for which the population forecast will be made.

Supply in PMA											
Existing Supply	Address	City	Year Built	Year		Units	Vacancy	Occ. Units	Type	Included in	
				Renovated						Supply	Map #
Ariel Springs	3454 Suncoast Villa Way	Spring Hill	2001	2016	470	6.6%	439	Market	Yes	470	1
Bridgewater Club	4300 Bridgewater Club Loo	Spring Hill	2003	N/A	192	2.5%	187	Affordable	No		2
Mariner's Cay	4253 Central Park Dr	Spring Hill	2009	N/A	160	2.5%	156	Affordable	No		3
Forest Oaks Villas	8125 Forest Villas Cir	Spring Hill	1986	2017	154	0.9%	153	Market	Yes	154	4
Vista Park	7400 Highline Dr	Brooksville	2015	N/A	103	0.9%	102	Affordable	No		5
Promenade at Grande Park	6646 Westbrook Cir	Weeki Wachee	2021	N/A	80	0.4%	80	Affordable	No		6
Glen Lakes	9104 Wade St	Weeki Wachee	2023	N/A	60	68.3%	19	Market	Yes	60	7
Mariner Apartments of Spring Hill	3535 Portillo Rd	Spring Hill	2002	N/A	56	0.3%	56	Market	Yes	56	8
Total Existing					1275	6.6%	1191			740	
Under Construction											
Livano Nature Coast	2950 Landover Blvd	Spring Hill	2024	N/A	348			Market	Yes	348	9
Total					348					348	
Proposed											
Pointe Grand Spring Hill	191 Astaire Ln	Spring Hill	2024	N/A	348			Affordable	No		10
Total Proposed					348					0	
Source: CoStar and IRR											

The map on the following page illustrates the location of the PMA supply.

Primary Market Area Map



Demand Forecast

Current and future demand for the proposed property was determined by a demographic analysis. Demand was forecast based on household growth segmented by tenure and the ability to afford the subject units. With this information, we estimate the size of the demographic group that corresponds to the most probable tenants in terms of unit type and the ability to pay.

We analyzed demographic information only for the subject's PMA using data in a demographic report obtained from Spotlight, an Environics Analytics company. The following tables examine the various demographic factors that affect apartment demand such as population and household growth, household size, household income and tenure.

Population Change – The population within the PMA has contracted by 3.9% since 2020, which is slightly above the growth rate of Hernando County at 3.8%. Over the next five years, the overall population is expected to increase by 6.4%, which is also slightly higher than the County's projected growth rate of 6.3%.

Population Growth					
	2020	2023	Change	2028	Change
Area	Census	Estimate	2020-2023	Projection	2023-2028
PMA	83,924	87,156	3.9%	92,709	6.4%
Hernando County, FL	194,515	201,873	3.8%	214,496	6.3%

Household Population Change – The number of households within the PMA has grown by 3.6% since 2020, which is slightly higher than the growth rate for Hernando County at 3.5%. Over the next five years, the number of households is expected to increase by 6.1%, which is higher than the County's projected growth rate of 6.0%.

Household Growth		
	PMA	Hernando County, FL
Households 2020 Census	33,724	79,773
Households 2023 (est.)	34,928	82,601
% Change 2020 - 2023	3.6%	3.5%
Households 2028 (proj.)	37,052	87,560
% Change -2023 - 2028	6.1%	6.0%
Absolute Change 2023 - 2028	2,124	4,959
Average Change/Year	425	992

Household Size – The average household size in the PMA is 2.50 persons, which is higher than average household size in Hernando County. The five-year projection shows a trend toward a slightly larger average household size for the County. The five-year projection for the PMA is trending toward a similar household size.

Average Household Size		
Area	2023	2028
PMA	2.50	2.50
Hernando County, FL	2.40	2.45

Household Income – The household income levels for the PMA are higher than the income levels for the County. In the PMA, 57.1% of the total household have income over \$50,000, which is slightly lower than the County at 54.6%.

Household Income		
	PMA	Hernando County, FL
2023 Average Household Income	\$73,434	\$71,888
2023 Median Household Income	\$57,818	\$55,255

The following table illustrates the income distribution in the PMA and the county.

Household Income Distribution - 2023						
	PMA			Hernando County, FL		
	HH	Pct	Cumm. HH	HH	Pct	Cumm. HH
Total Households	34,928			82,601		
Household Income						
Income < \$15,000	3,156	9.0%	3,156	8,207	9.9%	8,207
Income \$15,000 - \$24,999	3,089	8.8%	6,245	8,250	10.0%	16,457
Income \$25,000 - \$34,999	3,479	10.0%	9,724	8,636	10.5%	25,093
Income \$35,000 - \$49,999	5,272	15.1%	14,996	12,386	15.0%	37,479
Income \$50,000 - \$74,999	7,113	20.4%	22,109	15,916	19.3%	53,395
Income \$75,000 - \$99,999	4,587	13.1%	26,696	10,496	12.7%	63,891
Income \$100,000 - \$124,999	3,341	9.6%	30,037	7,387	8.9%	71,278
Income \$125,000 - \$149,999	2,204	6.3%	32,241	4,844	5.9%	76,122
Income \$150,000 - \$199,999	1,519	4.3%	33,760	3,486	4.2%	79,608
Income \$200,000 - \$249,999	620	1.8%	34,380	1,646	2.0%	81,254
Income \$250,000 - \$499,999	409	1.2%	34,789	1,032	1.2%	82,286
Income \$500,000+	139	0.4%	34,928	315	0.4%	82,601



The demographic profile indicates a trend of a similar rate of owner-occupied housing within the PMA compared to the County. Median owner-occupied housing values are slightly lower in the PMA compared to the County and the median age for the housing stock is older.

PMA Household Profile		
2023 Estimates	PMA	Hernando County, FL
4-Year College Graduate %	11.8%	19.3%
Median Age	50	49
Owner Occupied %	78.7%	79.2%
Renter Occupied %	21.3%	20.8%
Median Owner Occupied Housing Value	\$229,575	\$233,542
Median Year Structure Built	1994	1990

Income Band Analysis

Income Qualified Rental Households

The income band for the subject is established based on the subject's unit mix and projected rental rates. We have estimated the number of households within the market area that will earn enough income to afford the subject units, but not so much that the potential tenant would likely seek alternative housing.

To determine the minimum household income that would qualify for the subject's units, we interviewed leasing personnel at several Class A apartment communities in the Hernando County market. Generally, potential tenants are approved for new leases based on a household income level of at least three times the unit rent. A lower ratio may be approved in certain circumstances. Utilities are not included in the calculation.

To determine the minimum household income that would qualify for the subject's units, we applied a 33% housing expense ratio, which is estimated to be the maximum household cost burden for housing (minimum income of 3.03 x rent). Applying the 33% housing expense ratio to the annual rent for the most affordable unit at the property establishes the lower limit of the income band.

In this market, studio units generally start at \$1,475 per month, or \$17,700 annually. Dividing the annual housing expense of \$17,700 by the cost burden of 33% results in a minimum income of \$53,636. This represents the lower limit of the income band.

The upper limit of income band is based on the estimated maximum income for a household that would occupy the largest unit offered. In order to determine the higher band of income per household that would qualify to live in the subject complex, we utilized a 8% housing expense ratio (maximum income of 13.33 x rent).

This ratio is assumed to be the lowest a household would typically spend for rent before seeking alternative, more expensive, housing. For the 3BR/2BA units the high rent generally is \$2,350 per month, or \$28,200 annually. Therefore, the upper limit is \$376,000 (\$28,200/8%). The total number of income qualified household in the income band was calculated by prorating the number of households in the income brackets provided by Spotlight. About 0.0% of the households in the

\$35,000 to \$49,999 income category fall between \$53,636 and \$49,999. About 63.0% of households in the \$250,000 to \$449,999 category earn \$376,000 or less.

The number of income-qualified households within the estimated income band is then multiplied by a propensity of renter-occupied housing in the defined income band. This figure for households in Hernando County is 20.84% according to the American Community Survey, produced by the U.S. Census Bureau. This results in the number of income qualified rental households in the PMA.

Frictional vacancy is added to the number of income qualified rental households. Frictional vacancy is the amount of vacant space needed in a market for its orderly operation. In a stabilized market, where supply and demand are in balance, frictional vacancy is the additional supply that allows for move-ins and move-outs. The continuous turnover in apartment units requires a minimum number of vacant units which may be described as frictionally vacant units.

The following table summarizes the income band analysis for the subject and the PMA.

Income Band Analysis - 2023**Lower Limits of Income Band**

Estimated Lower Rent for Studio Unit	\$1,475
Annual Rent	\$17,700
Cost Burden	33%
Lower Limit of Income Band	\$53,636

Upper Limit of Income Band

Estimated Upper Rent for 3BR/2BA Unit	\$2,350
Annual Rent	\$28,200
Cost Burden	8%
Upper Limit of Income Band	\$376,000

Market Area		Primary Market Area (PMA)		
Total Households In Market Area		34,928		
Household Income	% in Income Band	Pct of HHH	Inc. Qual.	Cumm.
Income < \$15,000	0.0%	9.0%	0.0%	0.0%
Income \$15,000 - \$24,999	0.0%	8.8%	0.0%	0.0%
Income \$25,000 - \$34,999	0.0%	10.0%	0.0%	0.0%
Income \$35,000 - \$49,999	0.0%	15.1%	0.0%	0.0%
Income \$50,000 - \$74,999	85.5%	20.4%	17.4%	17.4%
Income \$75,000 - \$99,999	100.0%	13.1%	13.1%	30.5%
Income \$100,000 - \$124,999	100.0%	9.6%	9.6%	40.1%
Income \$125,000 - \$149,999	100.0%	6.3%	6.3%	46.4%
Income \$150,000 - \$199,999	100.0%	4.3%	4.3%	50.8%
Income \$200,000 - \$249,999	100.0%	1.8%	1.8%	52.5%
Income \$250,000 - \$499,999	63.0%	1.2%	0.7%	53.3%
Income \$500,000+	0.0%	0.4%	0.0%	53.3%
		100.0%		
1 Pct of Households in Income Band		53.3%		
2 Total Households		34,928		
3 Income Qualified Households In Income Band		18,607		
4 Propensity of Renter-Occupied Housing in Market Area Within Income Band		20.84% (Source: American Community Survey)		
5 Income Qualified Rental Households (Potential Demand)		3,878 (Line 3 x Line 4)		
6 Plus Frictional Vacancy		6.0% 233 (Line 5 x Fric. Vac.)		
7 Total Potential Demand in Defined Income Band		4,110 (Line 5 + Line 6)		
8 Existing Competitive Supply (Market Rate Greater than 50 Units)		740 Source: CoStar		
9 Under Construction Units		348 Source: CoStar		
10 Proposed Units		348 Source: CoStar		
11 Add: Subject's Units		350		
12 Total Projected Supply		1,786 (Sum, Lines 8, 9, 10, 11)		
13 Residual Demand		2,324 (Line 7- Line 12)		
14 Indicated Penetration Rate (Supply/Demand)		43.5% (Line 12/Line 7)		
15 Indicated Subject Capture Rate		8.5% (Line 11/Line 7)		

The penetration rate for the subject is 43.5% and the capture rate is 8.5%.

Future Demand from Changes in Household Formation and Income Levels

To account for projected changes in the number of households and household income, a second income band analysis was prepared. Spotlight projects that the median household income in the PMA will change by 1.0% per year between 2022 and 2027. Based on this data, the subject's future income band is estimated to range from about \$56,372 to \$435,887 by 2027 (current income band increased by 1.0% annually).

From the number of income-qualified renter households projected for 2028, we subtracted the income-qualified renter households in 2020 to indicate the number of potential tenants for the subject based on household growth.

This analysis indicates an annual growth of 112 income-qualified rental households in the PMA for the subject's income band. In five years, the projected capture rate is 7.5%, which is less than the current year's capture rate.

The following analysis summarizes our calculations of potential demand from household growth within the income band.

Income Band Analysis - 2028**Lower Limits of Income Band**

2022 Lower Limits of Income Band	\$53,636
HH Income Annual Growth Rate	1.0%
2027 Lower Limits of Income Band	\$56,372

Upper Limit of Income Band

2022 Upper Limits of Income Band	\$376,000
HH Income Annual Growth Rate	3.0%
2027 Upper Limits of Income Band	\$435,887

Market Area		Primary Market Area (PMA)		
Total Households In Market Area		37,052		
Household Income	% in Income Band	Pct of HH	Inc. Qual.	Cumm.
Income Less than \$15,000	0.0%	7.8%	0.0%	0.0%
Income \$15,000 - \$24,999	0.0%	7.4%	0.0%	0.0%
Income \$25,000 - \$34,999	0.0%	8.8%	0.0%	0.0%
Income \$35,000 - \$49,999	0.0%	12.7%	0.0%	0.0%
Income \$50,000 - \$74,999	74.5%	20.0%	14.9%	14.9%
Income \$75,000 - \$99,999	100.0%	13.9%	13.9%	28.7%
Income \$100,000 - \$124,999	100.0%	10.1%	10.1%	38.9%
Income \$125,000 - \$149,999	100.0%	7.4%	7.4%	46.3%
Income \$150,000 - \$199,999	100.0%	6.6%	6.6%	52.9%
Income \$200,000 - \$249,999	100.0%	2.8%	2.8%	55.6%
Income \$250,000 - \$499,999	74.4%	1.9%	1.4%	57.1%
Income \$500,000 or more	0.0%	0.7%	0.0%	57.1%
		100.0%		
1 Pct of Households in Income Band		57.1%		
2 Total Households		37,052		
4 Income Qualified Households In Income Band		21,144 (Line 1 x Line 2)		
5 Propensity of Renter-Occupied Housing in Market Area Within Income Band		20.84%		
6 Income Qualified Households in 2028 (Potential Demand)		4,406 (Line 4 x Line 5)		
7 Plus Frictional Vacancy		6.0%	264 (Line 6 x 5% Vac)	
8 Total Potential Demand in Defined Income Band		4,671 (Line 6 + Line 7)		
9 Less: Income Qualified Households in 2023		4,110		
10 Increase in Demand From HH Growth over 5 Years		560 (Line 8-Line 9)		
11 Annual Increase in Potential Demand		112 (Line 10/5)		
12 Indicated Subject Capture Rate		7.5% (Line 12/Line 8)		

Conclusion

The current year’s capture rate of 8.5% for the subject is relatively low. A high Capture Rate suggests that a property will offer too many units for the depth of the market area. When the capture rate is 5% or lower, the project has a good chance to succeed based on achieving stabilized occupancy and rental rates. Between 5% and 10% percent, there is still a reasonably good chance for success. When the capture rate exceeds 10%, the chances for failure increase.

The Penetration Rate of 43.5% indicates a moderate risk for saturation for additional Class A rental housing in the PMA. A penetration rate below 35% indicates a low risk for saturation and that the lease-up will be at normal levels. The potential risks include a slower absorption rate and concessions during lease-up. The annual growth of income qualified renter households is 112, which will lower the projected capture rate to 7.5%. There is sufficient unmet demand to support the projected subject property.

Absorption Rate

The absorption rates for several properties recently built in Hernando County are summarized in the following table.

Average Monthly Absorption									
Complex Name	Complex Type	Year Built	City	County	Units	Current Occupancy	Initial Lease up	Average Monthly Absorption	Lease-Up Time Period
Silversaw	Market Rent	Aug-23	Lutz	Pasco	300	20%	Yes	12	5
Story Wesley Chapel	Market Rent	Aug-23	Wesley Chapel	Pasco	320	13%	Yes	8	5
Altis Grand at Suncoast	Market Rent	Jul-23	Land O Lakes	Pasco	449	16%	Yes	12	6
Authentix Suncoast	Market Rent	Jun-23	Brooksville	Hernando	264	68%	Yes	26	7
Sentosa Lexington Oaks	Market Rent	Jun-23	Wesley Chapel	Pasco	248	35%	Yes	13	7
Maeva Modern Apartments	Market Rent	Apr-23	Wesley Chapel	Pasco	260	59%	Yes	17	9
Avg								15	

Source: Survey by Integra Tampa Bay/CoStar

The absorption rates are calculated from the date of the first C.O. The absorption comparables range from 8 to 26 units per month, with an average of 15 units per month. All of the properties are market rate (no affordable or student housing) and located in Hernando and Pasco Counties. Because of the lack of newly delivered apartment properties in Hernando County, it was necessary to include properties from Pasco County.

Based on the comparable data, we believe an average absorption rate of 15 to 20 units per month for the subject is reasonable. Most weight is assigned to Authentix Suncoast, followed by the other comparables. Authentix is the most comparable property to the subject since it was recently built and is closest to the subject. At this absorption rate, the project should reach a stabilized occupancy of 95% within 20 months of obtaining the first certificate of occupancy.



Certification

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. John F. Thigpen, MAI has not made a personal inspection of the property that is the subject of this report.
12. No one provided significant real property appraisal assistance to the person signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.

14. As of the date of this report, John F. Thigpen, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.



John F. Thigpen, MAI
Florida State-Certified General Real Estate
Appraiser #RZ2287

Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal

- covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
 8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
 9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
 10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
 11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
 12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
 13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
 14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
 15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
 16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
 17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic

- conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
 19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
 20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. IRR - Tampa Bay, Integra Realty Resources, Inc., and their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
 21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
 22. We are not a building or environmental inspector. The Integra Parties do not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
 23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
 24. **IRR - Tampa Bay is an independently owned and operated company. The parties hereto agree that Integra shall not be liable for any claim arising out of or relating to any appraisal report or any information or opinions contained therein as such appraisal report is the sole and exclusive responsibility of IRR - Tampa Bay. In addition, it is expressly agreed that in any**

- action which may be brought against the Integra Parties arising out of, relating to, or in any way pertaining to the engagement letter, the appraisal reports or any related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further expressly agreed that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the assignment (unless the appraisal was fraudulent or prepared with intentional misconduct). It is expressly agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.**
25. IRR - Tampa Bay is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is 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.

1. None

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Addendum A
Appraiser Qualifications



John F. Thigpen, MAI

Experience

John Thigpen is a Managing Director for Integra Realty Resources Tampa Bay and is a practice leader of Integra's National Healthcare & Seniors Housing Specialty Practice. John has been actively engaged in real estate valuation and counseling for more than 30 years. He was hired by Pardue, Heid, Church, Smith and Waller of Tampa in 1996 and has been associated with Integra Realty Resources since the Tampa office joined in 2000.

He has particular expertise related to a wide variety of seniors housing and health care properties, including nursing homes, assisted living facilities, independent living facilities, CCRC's, hospitals, ambulatory surgery center, residential treatment facilities and medical office buildings. He is also actively involved in the valuation of multi family assets for HUD financing programs.

John performs valuations on a variety of other property types, including professional office properties, apartment complexes, single and industrial buildings and vacant land for different uses.

He provides market study and appraisal reports for public agencies such as Fannie Mae, Freddie Mac, HUD Multifamily Accelerated Processing Program (MAP) and HUD Lean relative to multifamily and healthcare projects, as well as various other HUD reports and state and county agency reports for senior housing, healthcare and multifamily programs.

John's clients include commercial lenders, government agencies, law firms, and developers of multi family, seniors housing and health care properties.

Professional Activities & Affiliations

Appraisal Institute, Member (MAI)

Licenses

Florida, Certified General Appraiser, RZ2287, Expires November 2024

Alabama, Certified General Real Property Appraiser, G01316, Expires September 2025

South Carolina, Certified General Appraiser, 7064, Expires June 2024

Washington, Certified General Real Estate, 1102413, Expires May 2024

Minnesota, Certified General, 40503313, Expires August 2024

Education

B.S., Finance, Florida State University

B.S., Marketing, Florida State University

APPRAISAL INSTITUTE COURSES:

Course 120 – Appraisal Procedures

Course 310 – Basic Income Capitalization

Course I410 – Standards of Professional Practice Part A

Course I420 – Standards of Professional Practice Part B

Course I430 – Standards of Professional Practice Part C

Course 509 – General Demonstration Appraisal Report Writing

Course 510 – Advanced Income Capitalization



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John F. Thigpen, MAI

Education (Cont'd)

Course 520 – Highest and Best Use and Market Analysis
Course 530 – Advanced Sales Comparison & Costs Approaches
Course II540 – Report Writing & Valuation Analysis
Course 550 – Advanced Applications

COURSES APPROVED BY THE FLORIDA REAL ESTATE APPRAISAL BOARD:

Principles of Real Estate
Real Estate Law

CONTINUING EDUCATION SEMINARS AND OTHER COURSES:

45-Hour Salesperson Post-License Course
Florida State Law and USPAP Review
14-Hour Continuing Education Course for Real Estate Salespersons
The Comprehensive Appraisal Workshop
MAP Third Party Technical Training, U.S. Department of Housing and Urban Development

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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



THIGPEN, JOHN F

550 NORTH REO STREET #220
TAMPA FL 33609

LICENSE NUMBER: RZ2287

EXPIRATION DATE: NOVEMBER 30, 2024

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About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

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Addendum B

Definitions



Definitions

The source of the following definitions is the Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022), unless otherwise noted.

Amenity

A tangible or intangible benefit of real estate that enhances its attractiveness or increases the satisfaction of the user. Natural amenities may include a pleasant location near water or a scenic view of the surrounding area; man-made amenities include swimming pools, tennis courts, community buildings, and other recreational facilities.

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

Class of Apartment Property

For the purposes of comparison, apartment properties are grouped into three classes: Class A, B and C. These classes represent a subjective quality rating of buildings, which indicates the competitive ability of each building to attract similar types of tenants. Combinations of factors such as rent, building finishes, system standards and efficiency, building amenities, location/accessibility, and market perception are used as relative measures.

Class A apartment properties are the most prestigious properties competing for the premier apartment tenants, with rents above average for the area. Buildings have high-quality standard finishes, architectural appeal, state-of-the-art systems, exceptional accessibility, and a definite market presence.

Class B apartment properties compete for a wide range of users, with rents in the average range for the area. Class B buildings do not compete with Class A buildings at the same price. Building finishes are fair to good for the area, and systems are adequate.

Class C apartment properties compete for tenants requiring functional space at rents below the average for the area. Class C buildings are generally older, and are lower in quality and condition.

(Source: Integra Realty Resources)

Deferred Maintenance

Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of the property, such as a broken window, a dead tree, a leak in the roof, or a faulty roof that must be completely replaced. These items are almost always curable.

Depreciation

A loss in the value of improvements from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the value of the improvement on the same date.

Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in 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.

Effective Date

1. The date on which the appraisal opinion applies. (SVP)
2. The date to which an appraiser's analysis, opinions, and conclusions apply; also referred to as *date of value*. (USPAP, 2020-2021 ed.)
3. The date that a lease goes into effect.

Entrepreneurial Incentive

The amount an entrepreneur expects or wants to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. Entrepreneurial incentive is the expectation of future reward as opposed to the profit actually earned on the project.

Entrepreneurial Profit

1. A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a past project to compensate for his or her time, effort, knowledge, and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovation change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.
2. In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.

Excess Land; Surplus Land

Excess Land: Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately.

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

Exposure Time

1. The time a property remains on the market.
2. An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.

Highest and Best Use

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (ISV)
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)

Investment Value

1. The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.
2. The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth). (IVS)

Lease

A contract in which rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

Leased Fee Interest

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

Leasehold Estate

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

Liquidation Value

The most probable 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 the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.

8. Payment will be made in cash in 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.

Marketing Time

An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal.

Market Rent

The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby:

- Lessee and lessor are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
- The rent reflects specified terms and conditions typically found in that market, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, frequency of payments (annual, monthly, etc.), and tenant improvements (TIs).

Market Value

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

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their own best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

- the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

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

Multifamily Property Type

Residential structure containing five or more dwelling units with common areas and facilities. *(Source: Appraisal Institute Commercial Data Standards and Glossary of Terms, Chicago, Illinois, 2004 [Appraisal Institute])*

Multifamily Classifications

Garden/Low Rise Apartments: A multifamily development of two- or three-story, walk-up structures built in a garden-like setting; customarily a suburban or rural-urban fringe development. *(Source: Appraisal Institute)*

Mid/High-Rise Apartment Building: A multifamily building with four or more stories, typically elevator-served. *(Source: Appraisal Institute)*

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Rentable Floor Area (RFA)

Rentable area shall be computed by measuring inside finish of permanent outer building walls or from the glass line where at least 50% of the outer building wall is glass. Rentable area shall also include all area within outside walls less stairs, elevator shafts, flues, pipe shafts, vertical ducts, air conditioning rooms, fan rooms, janitor closets, electrical closets, balconies and such other rooms not actually available to the tenant for his furnishings and personnel and their enclosing walls. No deductions shall be made for columns and projections unnecessary to the building. *(Source: Income/Expense Analysis, 2016 Edition – Conventional Apartments, Institute of Real Estate Management, Chicago, Illinois)*

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design and layout.

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, a duplicate or replica of the building being appraised, using the same or similar materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building.

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., “retrospective market value opinion.”

Room Count

A unit of comparison used primarily in residential appraisal. No national standard exists on what constitutes a room. The generally accepted method is to consider as separate rooms only those rooms that are effectively divided and to exclude bathrooms.

Stabilized Income


1. An estimate of income, either current or forecasted, that presumes the property is at stabilized occupancy.
2. The forecast of the subject property’s yearly average income (or average-equivalent income) expected for the economic life of the subject property.
3. Projected income that is subject to change but has been adjusted to reflect an equivalent, stable annual income.

Stabilized Occupancy

1. The occupancy of a property that would be expected at a particular point in time, considering its relative competitive strength and supply and demand conditions at the time, and presuming it is priced at market rent and has had reasonable market exposure. A property is at stabilized occupancy when it is capturing its appropriate share of market demand.
2. An expression of the average or typical occupancy that would be expected for a property over a specified projection period or over its economic life.

Addendum C
Property Information



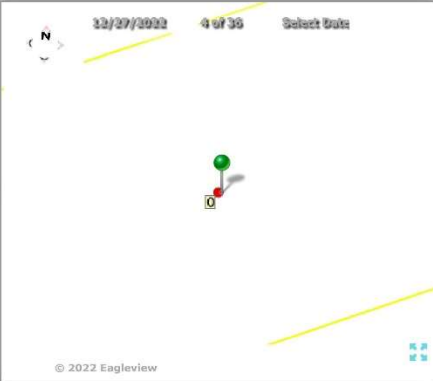


John C. Emerson, CFA
HERNANDO COUNTY
PROPERTY APPRAISER
"To Serve and Assess With Fairness"

2023 Final Tax Roll

****Street Level photos may not be available if structure is not visible from road.**

Parcel Key: 01170618 Parcel #: R31 422 18 0000 0020 0011

Owner Information Owner: CLEVER COW LLC Name: Mailing 9414 LORENDALE CIR Address: SPRING HILL FL 34608-4762	Property & Assessment Values Building: \$0 Assessed: \$8,330 Features: \$7,254 Exempt: \$0 Land: \$1,346,433 Capped: \$7,254 AG Land: \$1,076 Excl Cap: \$1,076 Market: \$1,353,687 Taxable: \$8,330	 <p style="text-align: center;">12/27/2022 4 of 36 Select Date</p> <p style="text-align: center;">© 2022 Eagleview</p>
Property Information Site Address: CORTEZ BLVD Description: A TR 457X651X280X423X1005 FT MOL IN W1/2 LYING S OF SR 50 DOR Code: (60) IMPROVED PASTURE LAND Levy Code: CWES Sec/Tnshp/Rng: 31-22-18 Subdivision: Neighborhood: CORTEZ BLVD,US 19-HIGHPOINT(C50W)	Tax Information AdValorem: \$125.13 NONAdValorem: \$103.29 Total For 2022: \$228.42 Total For 2021: \$220.18 Total For 2020: \$214.83 Total For 2019: \$218.48 Real Time Tax Info Pay Taxes On-line CF Assmts/Liens Current Filings Assmts	

Land Breakdown	Units	Value
Land Use		
MULTI FAM SQFT	117,612.00 SQUARE FEET	323,433
COMMERCIAL AC	6.20 ACRES	1,023,000
IMP PASTURE	8.90 ACRES	1,076

Sales Breakdown						
Sale Date	Book/Page	Deed Type	Vacant/Improved	Qualification	Sale Price	Grantee
04/19/2010	2740/228	WD	V	X	\$100	CLEVER COW LLC
12/05/2002	1610/1454	CW	V	D	\$100	MOONEY TODD A
05/15/2002	1533/303	WD	V	M	\$475,000	MOONEY TODD A
09/16/1992	890/433	QC	V	D	\$300,000	SIMMONS H E and DELPHINE M
04/01/1989	732/1907	WD	V	Q	\$432,000	DARNELL CARL and JANICE
01/01/1989	418/1077	WD	I	Q	\$75,000	SIMMONS H E and DELPHINE M

Building Characteristics					
Bldg #	Description	Year Built	Area (Base/Aux)	Bed/Bath	Value
No Matching Records Found or the Information is Exempt per Florida Statute(s).					

Extra Features				
Bldg#	Description	Actual Year	Dimensions	Current Value
	C/L FENCE 6FT+ W/ BARBED WIRE(CF3)	2009	930	\$7,254
	FIELD FENCE(FFN)	2009	900	\$0
	NO CLIMB FENCE(NCF)	2015	2,640	\$0

Addresses
CORTEZ BLVD



John C. Emerson, CFA
HERNANDO COUNTY
PROPERTY APPRAISER
"To Serve and Assess With Fairness"

Name	PIN	Key	Date Filed	Date Audit	Levy Code	NAICS	Ent Zone	Current Value	Last Year Value	2 Years Ago
No Matching Records Found or the Information is Exempt per Florida Statute(s).										

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Addendum D
Comparable Data



Rent Surveys



Location & Property Identification

Property Name: Authentix Suncoast
 Sub-Property Type: Conventional, Garden/Low Rise
 Address: 277 Coast Dr.
 City/State/Zip: Brooksville, FL 34604
 County: Hernando
 Market Orientation: Suburban



IRR Event ID: 3186268

Property Data

Survey Date: 12/15/2023
 No. of Units/Unit Type: 264/Apt. Units
 Multi-Tenant/Condo.: Yes/No
 Property Class: A
 Vacancy @ Survey: 31.00%
 Yr. Built/Yr. Renov.: 2023/
 Land Size (Ac.): 18.03

Project & Unit Amenities

Project Amenities: BBQ Grill/Picnic Area, Clubhouse Building, Dog Run/Spa, Fitness Center, Garage/Detached, Playground, Swimming Pool

Unit Amenities: Central AC, Dishwasher, Disposal, Granite/Quartz Counters, Microwave, Patio/Balcony/Deck, Range, Refrigerator, Vinyl Plank Floors (LVT/LVP), Washer/Dryer Hookup, Washer/Dryer In Unit, Window Blinds/Shades

Landlord Pays: Common Area Electric
 Tenant Pays: Trash, Cable, Broadband, In-Unit Electric, Sewer, Water

Survey Comp./Contact: Jean 813-946-6174/

Unit Mix

Unit Information	Rms/BR/Bth	No. of Units	Vacant Units	SF Per Unit	Base Rent	\$/SF Effective	Unit Comments
Studio		6	INA	544	\$1274	\$2.34	
Studio		6	INA	560	\$1495	\$2.67	
Studio		6	INA	596	\$1339	\$2.25	
Studio		6	INA	622	\$1544	\$2.48	
1BR/1BA	/1/1.0	27	INA	650	\$1364	\$2.10	
1BR/1BA	/1/1.0	27	INA	667	\$1339	\$2.01	

Unit Mix (Cont'd)

Unit Information	Rms/BR/Bth	No. of Units	Vacant Units	SF Per Unit	Base Rent	\$/SF Effective	Unit Comments
1BR/1BA	/1/1.0	27	INA	701	\$1419	\$2.02	
1BR/1BA	/1/1.0	27	INA	712	\$1459	\$2.05	
2BR/1BA	/2/1.0	3	INA	923	\$1879	\$2.04	
2BR/1BA	/2/1.0	3	INA	940	\$1939	\$2.06	
2BR/1BA	/2/1.0	3	INA	974	\$1934	\$1.99	
2BR/2BA	/2/2.0	24	INA	978	\$1715	\$1.75	
2BR/2BA	/2/2.0	24	INA	992	\$1609	\$1.62	
2BR/2BA	/2/2.0	24	INA	1,029	\$1815	\$1.76	
2BR/2BA	/2/2.0	24	INA	1,040	\$1868	\$1.80	
3BR/2BA	/3/2.0	6	INA	1,277	\$1790	\$1.40	
3BR/2BA	/3/2.0	6	INA	1,293	\$2330	\$1.80	
3BR/2BA	/3/2.0	6	INA	1,336	\$1795	\$1.34	
3BR/2BA	/3/2.0	6	INA	1,348	\$2306	\$1.71	

Comments

Authentix Suncoast is located at the northeast corner of County Line Road and Suncoast Parkway, in Brooksville, Hernando County, Florida. The 264-unit apartment community was constructed in 2023 and consists of 11 buildings situated on 18.03 acres. Unit features include premium finishes and lighting, energy efficient appliances, in home washer and dryer, and hardwood style flooring. Project amenities include a pet playground and spa, resort-style swimming pool, BBQ and sundeck, clubhouse, fitness center, and coffee bar.

The property offers studio, one-, two- and three-bedroom units ranging in size from 544 to 1,348 square feet. The asking rates range from \$1,274 to \$2,306 per month, per unit. Pets require a non-refundable deposit of \$375 and a monthly rent of \$25 per pet. Detached parking garages are available for \$125 per month, per garage. Administration fee is \$75 and application fee is \$200. The community began move-ins June 2023 and is currently leased at 64%, indicating an absorption rate of approximately 42.24 units per month.

Location & Property Identification

Property Name: Ariel Springs
 Sub-Property Type: Conventional, Garden/Low Rise
 Address: 3454 Suncoast Villa Way
 City/State/Zip: Spring Hill, FL 34609
 County: Hernando
 Market Orientation: Rural
 IRR Event ID: 3186266



Property Data

Survey Date: 12/15/2023
 No. of Buildings/Stories: 49/1
 No. of Units/Unit Type: 470/Apt. Units
 Multi-Tenant/Condo.: Yes/No
 Property Class: B
 Vacancy @ Survey: 6.00%
 Yr. Built/Yr. Renov.: 2001/
 Land Size (Ac.): 30.00

Project & Unit Amenities

Project Amenities: Swimming Pool, Clubhouse Building, Common Laundry, Garage/In Building, Wi Fi, Car Care Center, Outdoor Kitchen, Business Center, Basketball
 Unit Amenities: Patio/Balcony/Deck, Dishwasher, Disposal, Washer/Dryer Hookup, Microwave
 Landlord Pays: Trash
 Tenant Pays: Cable, Broadband, In-Unit Electric, Sewer, Water
 Survey Comp./Contact: 352-268-9314/

Unit Mix

Unit Information	Rms/BR/Bth	No. of Units	Vacant Units	SF Per Unit	Base Rent	\$/SF Effective	Unit Comments
1BD/ 1BA	/1/1.0		INA	1,100	\$1483	\$1.35	
2BD/ 2BA	/2/2.0		INA	1,450	\$1450	\$1.00	
3BD/ 2BA	/3/2.0		INA	1,650	\$1371	\$0.83	

Comments

Comments (Cont'd)

Ariel Springs, formerly Hibiscus Springs, is located at the southeast corner of Powell Road and Barclay Avenue in Spring Hill, Hernando County, Florida. The 470-unit apartment community was constructed in 2001, renovated in 2016 and consists of 58 buildings situated on 30.00± acres. Unit features include washer/dryer in unit, ceiling fans, window coverings and high-speed internet access. Project amenities include a business center, clubhouse, fitness center, and sundeck. The property offers one, two- and three-bedroom units ranging in size from 1,100 to 1,650 square feet.

Ariel Springs charges a \$60 application fee and a \$225 admin fee. Pet requires a deposit of \$500 and a monthly rent of \$25. The community offers one-, two-, and three-bedroom units ranging in size from 1,100 to 1,650 SF. . The community is currently occupancy was at 94% and no concessions are offered at this time.

Ariel Springs, formerly Hibiscus Springs, is located at the southeast corner of Powell Road and Barclay Avenue in Spring Hill, Hernando County, Florida. The 470-unit apartment community was constructed in 2001, renovated in 2016 and consists of 58 buildings situated on 40.00± acres. Unit features include washer/dryer in unit, ceiling fans, window coverings and high-speed internet access. Project amenities include a business center, clubhouse, fitness center, and sundeck. The property offers one, two- and three-bedroom units ranging in size from 905 to 1,365 square feet.

Location & Property Identification

Property Name: Villas at Spring Hill
 Sub-Property Type: Conventional
 Address: 14352 Pablo Blvd.
 City/State/Zip: Spring Hill, FL 34609
 County: Hernando
 Market Orientation: Suburban
 Property Location: Located on the west side of Anderson Snow Road, north of Amero Lane, in Spring Hill, Hernando County, Florida.



IRR Event ID: 3068181

Property Data

Survey Date: 11/08/2023
 No. of Buildings/Stories: 17/2
 No. of Units/Unit Type: 140/Apt. Units
 Multi-Tenant/Condo.: Yes/No
 Property Class: C
 Vacancy @ Survey: 15.00%
 Yr. Built/Yr. Renov.: 2008/
 Land Size (Ac.): 11.20

Project & Unit Amenities

Project Amenities: Swimming Pool, Clubhouse Building, Spa/Hot Tub, Fitness Center, Picnic Area, Dog Park, Business Center, Game Room, Theatre Room
 Unit Amenities: Washer/Dryer In Unit, Patio/Balcony/Deck, Carpeting, Walk-in Closets, Central AC, Ceiling Fans, Microwave, Dishwasher, Window Blinds/Shades
 Landlord Pays: Trash
 Tenant Pays: Cable, Broadband, In-Unit Electric, Sewer, Water
 Survey Comp./Contact: Brina 352-397-4890/

Unit Mix

Unit Information	Rms/BR/Bth	No. of Units	Vacant Units	SF Per Unit	Base Rent	\$/SF Effective	Unit Comments
1BR/ 1BA	/1/1.0	8	INA	932	\$1575	\$1.69	
2BR/ 2BA	/2/2.0	24	INA	1,091	\$1600	\$1.47	
2BR/ 2.5BA	/2/2.5	52	INA	1,281	\$1700	\$1.33	
3BR/ 2BA	/3/2.0	56	INA	1,257	\$1900	\$1.51	

Comments

Villas at Spring Hill apartments are located along the east side of Anderson Snow Road, South of Spring Hill Drive in Spring Hill, Hernando County, Florida. The 140-unit apartment community was constructed in 2008 and consists of 19 buildings. Unit features include walk in closets, ceiling fans, and patios/balconies. Project amenities include a swimming pool, clubhouse, fitness room, hot tub, and gated entry.

The property offers one, two- and three-bedroom units ranging in size from 932 to 1,257 square feet. Asking rates range from \$1,575 to \$1,900 per unit, per month. Washer and dryer rentals are available for \$50 per month. Pets require a non-refundable deposit of \$400 for one pet and \$500 for two. Application fee is \$95 and administration fee is \$245. The community is currently occupied at 85%. Concessions offered at the time of survey include the month of December free if a lease is signed by November 20th.

Villas at Spring Hill apartments are located along the east side of Anderson Snow Road, South of Spring Hill Drive in Spring Hill, Hernando County, Florida. The 140-unit apartment community was constructed in 2008 and consists of 19 buildings. Unit features include washer/dryers in-unit, walk in closets, ceiling fans, and patios/balconies. Project amenities include a swimming pool, clubhouse, fitness room, hot tub, and gated entry. The property offers one, two- and three-bedroom units ranging in size from 932 to 1,257 square feet.

Location & Property Identification

Property Name: Julep Apartments
 Sub-Property Type: Conventional, Garden/Low Rise
 Address: 1071 Candlelight Blvd.
 City/State/Zip: Brooksville, FL 34601
 County: Hernando
 Market Orientation: Rural
 IRR Event ID: 3186273



Property Data

Survey Date: 12/15/2023
 No. of Buildings/Stories: 11/1
 No. of Units/Unit Type: 152/Apt. Units
 Property Class: B
 Vacancy @ Survey: 7.00%
 Yr. Built/Yr. Renov.: 1986/2005
 Land Size (Ac.): 10.18

Project & Unit Amenities

Project Amenities: Swimming Pool, Recreational Amenities, Common Laundry
 Unit Amenities: Ceiling Fans, Patio/Balcony/Deck, Vaulted Ceilings, Washer/Dryer Hookup, Central AC, Carpeting, Window Blinds/Shades
 Tenant Pays: Trash, Cable, Broadband, In-Unit Electric, Sewer, Water
 Survey Comp./Contact: 352-646-2609 Amanda/

Unit Mix

Unit Information	Rms/BR/Bth	No. of Units	Vacant Units	SF Per Unit	Base Rent	\$/SF Effective	Unit Comments
1BR/ 1BA	/1/1.0	42	INA	552	\$1068	\$1.93	
1BR/ 1BA		1	INA	613	\$1119	\$1.83	
1BR/ 1BA	/1/1.0	44	INA	680	\$1167	\$1.72	
2BR/ 1BA		1	INA	853	\$1399	\$1.64	
2BR/ 2BA	/2/2.0	61	INA	860	\$1551	\$1.80	
2BR2BA	4/2/2.0	1	INA	959	\$1746	\$1.82	
3BR/1BA	5/3/1.0	1	INA	1,014	\$1374	\$1.36	
4BR/1.5BA	6/4/1.5	1	INA	1,306	\$1777	\$1.36	

Comments

Comments (Cont'd)

The Julep Apartments are located on the south side of Candlelight Boulevard, north of Cortez Boulevard, in Brooksville, Hernando County, Florida. The 152-unit apartments community was constructed in 1986, renovated in 2005 and 2010, and consist of 11 buildings situated on 10.18 acres. Unit features updated cabinets, countertops and flooring, balcony/ patios, ceiling fans, dishwasher, walk-in closets and washer/ dryer connections. Project amenities include a pool, clubhouse, business center, laundry facility, racquetball court, tennis court and pet park.

Pets require a non-refundable deposit of \$350 and a monthly rent of \$35 per pet. Application fee is \$65 and administration fee is \$150. The property is 82.9% leased. There were no concessions being offered at the time of the survey.

Julep Apartments, formerly known as Candleglow, is a 152-unit, cardnial styled, apartment community located in Brooksville. The community offers one- and two-bedroom units in three different floor plans.

Location & Property Identification

Property Name:	Gables at Gulfview
Sub-Property Type:	Conventional
Address:	9702 Gableview Dr.
City/State/Zip:	Port Richey, FL 34668
County:	Pasco
Submarket:	West Pasco
Market Orientation:	Urban
Property Location:	S/S of Gableview Dr
IRR Event ID:	3068185



Property Data

Survey Date:	11/08/2023
No. of Buildings/Stories:	1/3
Property Class:	A
Vacancy @ Survey:	5.00%
Yr. Built/Yr. Renov.:	2020/
Construction Type:	Masonry
Land Size (Ac.):	2.95

Project & Unit Amenities

Project Amenities:	Fitness Center, Swimming Pool, Dog Park
Unit Amenities:	Stainless Steel Appliances, Washer/Dryer, Walk-in Closets
Tenant Pays:	Trash, Broadband, In-Unit Electric, Sewer
Survey Comp./Contact:	Nicole (727) 264-7939/

Unit Mix

Unit Information	Rms/BR/Bth	No. of Units	Vacant Units	SF Per Unit	Base Rent	\$/SF Effective	Unit Comments
1 BR/ 1 BA	/1/1.0		INA	790	\$1295	\$1.64	
1 BR/ 1 BA	/1/1.0		INA	934	\$1495	\$1.60	
2 BR/ 2 BA	/2/2.0		INA	1,282	\$1745	\$1.36	
3 BR/ 2 BA	/3/3.0		INA	1,440	\$1995	\$1.39	

Comments

Gables at Gulfview is a 312-unit multi-family community located on the southside of Gableview Drive, just east of US 19 in Port Richey, Pasco County, Florida. Project amenities include a pool, fitness studio, and a dog park. Unit amenities include include stainless steel appliances, walk-in closet, and in-unit washer/dryers. The community offers one, two, and three-bedroom units ranging in size from 790 to 1,440 SF. Asking rents range from \$1295 to \$1,995 per month. Detached garages are available for \$120 per month. The community is occupied at 95%, and they are currently offering free internet and cable to new residents.

Location & Property Identification

Property Name: The Columns At Bear Creek
 Sub-Property Type: Conventional, Garden/Low Rise
 Address: 11931 Cassandra St.
 City/State/Zip: New Port Richey, FL 34654
 County: Pasco
 Submarket: West Pasco
 Market Orientation: Suburban
 Property Location: S/S State Road 52; E/O Pine Forest Dr.
 IRR Event ID: 3068117



Property Data

Survey Date: 11/08/2023
 No. of Units/Unit Type: 222/Apt. Units
 Property Class: A-
 Vacancy @ Survey: 7.00%
 Yr. Built/Yr. Renov.: 2008/
 Land Size (Ac.): 58.33

Project & Unit Amenities

Project Amenities: Swimming Pool, Clubhouse Building, Fitness Center, Gated Entrance, Common Laundry, Playground, Extra Storage Area, Business Center, Business Center, Grills, Picnic Area

Unit Amenities: Central AC, Patio/Balcony/Deck, Dishwasher, Walk-in Closets, Washer/Dryer Hookup, Ceiling Fans, Vaulted Ceilings, Microwave

Tenant Pays: Cable, Broadband, In-Unit Electric, Sewer, Water

Survey Comp./Contact: Victoria 727-233-7802/

Unit Mix

Unit Information	Rms/BR/Bth	No. of Units	Vacant Units	SF Per Unit	Base Rent	\$/SF Effective	Unit Comments
1 Bedroom/ 1 Bath	/1/1.0	24	INA	803			
1 Bedroom/ 1 Bath	/1/1.0	54	INA	892	\$1760	\$1.97	

Unit Mix (Cont'd)

Unit Information	Rms/BR/Bth	No. of Units	Vacant Units	SF Per Unit	Base Rent	\$/SF Effective	Unit Comments
2 Bedroom/ 1 Bath	/2/1.0	24	INA	1,134	\$1755	\$1.55	
2 Bedroom/ 2 Bath	/2/2.0	36	INA	1,180	\$1925	\$1.63	
3 Bedroom/2 Bath	/3/2.0	48	INA	1,409	\$1880	\$1.33	

Comments

The Columns at Bear Creek Apartments are located at the southwest corner of Athena Boulevard and Cassandra Street in New Port Richey, Pasco County, Florida. The 222-unit apartment community was constructed in 2008 and consists of 10 buildings situated on 58.33 acres. Unit features include crown molding, balconies, in-unit washer and dryer, stainless steel appliances, 9 foot ceilings, and kitchen pantries. Project amenities include fitness center, clubhouse, resort style pool, business center, laundry facility, playground, and outdoor entertainment area.

The property offers one-, two- and three-bedroom units ranging in size from 803 to 1,409 square feet. The asking rates range from \$1,755 to \$1,880 per month, per unit. Pets require a non-refundable deposit of \$400 and a monthly rent of \$20 per pet. Concessions offered at the time of survey include \$500 off the first full month for all two bedroom units.

The Columns at Bear Creek apartments are located along FL-52 at the intersection of Cassandra Street in New Port Richey, Pasco County, Florida. The 222-unit apartment community was constructed in 2008 and consists of 11 buildings situated on 32.11± acres. Unit features include washer/dryer in unit, walk-in closets, vaulted ceilings, and balconies/patios. Project amenities include a business center, clubhouse, fitness center, gated access and a swimming pool.

The property offers one, two- and three-bedroom units ranging in size from 865 to 1,409 square feet.

Addenda

Addendum E
Engagement Letter



Integra Realty Resources
Tampa Bay

550 N. Reo Street
Suite 220
Tampa, FL 33609

T 813-287-1000
F 813-281-0681
Tampabay@irr.com
www.irr.com/tampa



November 20, 2023

Todd Mooney
Clever Cow, LLC
13210 Spring Hill Dr.
Spring Hill, FL 34609
Phone: 352-683-4207
Email: mooney1325@yahoo.com

SUBJECT: Proposal/Authorization for Valuation and Consulting Services
Market Study for a proposed 350-unit, Class A market rent apartment property that is located on the south side of Cortez Blvd, Spring Hill, FL 34608
Parcels 01170618 and 00346717

Dear Mr. Mooney,

Integra Realty Resources – Tampa Bay appreciates the opportunity to provide this proposal for this assignment to the undersigned client for the subject property.

The assignment consists of preparing a market study of the subject property. It is our mutual understanding that the purpose of the assignment is to determine if there is a sufficient market demand to support the planned subject property. The intended use is to assist the client with their due diligence for a planned market rent apartment property.

Here is the scope of work for the market study. It is similar to the prior assignment.

- Description of the Country
- Market area description
 - Demographics of market area; population
 - Population
 - Households
 - Income
 - Demand generators
- Multifamily Market and Submarket analysis
- Site and improvement analysis
 - Analysis unit mix and unit sizes
 - Discuss typical amenities of competing properties
- Supply and demand analysis
 - Occupancy survey of supply



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- Pipeline survey
- Supply and demand conclusion
- Rental rate analysis and projection
 - Survey of primary competitors
 - Discuss ancillary charges such as parking and storage.
- Projection of absorption for apartment units
- Discuss the local retail market
- Conclude a potential market rent for retail space

The market study will be prepared in conformance with and subject to, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice (USPAP) developed by the Appraisal Standards Board of the Appraisal Foundation. A market study in a comprehensive report format will be provided. The Ethics Rule of USPAP requires us to disclose to you any prior services we have performed regarding the Subject Property within a three-year period immediately preceding the acceptance of this assignment, either as an appraiser or in any other capacity. We represent that we have not prepared a prior consulting assignment for this Subject Property and Client (or its affiliate) within the past three years.

*11-17-23 email
John Affler 5/8
@ signing it because
Before report delivered*

Our fee for this assignment will be \$5,400, which includes out-of-pocket expenses. We will require full payment up front. We will provide a pdf copy. However, hard copies of the report are available at an additional cost. The current minimum cost for each additional copy is \$100 per copy. The report will be completed and delivered within 3-4 weeks of the engagement, assuming we receive the signed engagement letter and payment.

Additional fees will be charged on an hourly basis for any work which exceeds the scope of this proposal, including performing additional research and conference calls or meetings with any party which exceed the time allotted for an assignment of this nature.

The market study reports will be limited by our Standard Assumptions and Limiting Conditions which is set forth in Attachment I.

In addition, this engagement letter is subject to the following terms:

1. Duration of Quote. This proposal and fees quoted are valid for a period of three calendar days from the date hereof. If we do not receive a signed copy of this engagement letter from you within such 3 days, the fact that we made the foregoing proposal of professional services will not preclude us from performing professional services for another client on the Subject Property.
2. Completion Date. The delivery date of the report is 30 days after receiving the signed engagement letter and payment. The foregoing delivery date is contingent upon the absence of events outside our control such as illness, lack of specific necessary data and/or Acts of God, timely access for inspection of the Subject Property, as well as our receipt of all requested information necessary to complete the assignment.



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- 3. Information. Both parties acknowledge that real estate market study requires current and historical market data to competently analyze the Subject Property. Accordingly, the Client agrees that: (i) the data collected by us in this assignment will remain our property; and (ii) with respect to any data provided by the Client, IRR-Tampa Bay and its partner companies may utilize, sell and include such data (either in the aggregate or individually), in the Integra database and for use in derivative products. The Client agrees that all data already in the public domain may be utilized on an unrestricted basis. Finally, the Client agrees that we may use commercially available as well as proprietary software programs to perform its assignment (web based and others).
- 4. Litigation. In the event one or more Integra Parties (defined below), is called upon to provide testimony or receives a subpoena concerning any suit or proceeding or otherwise becomes involved in any litigation relating to, in which the Integra Party is not a party, the Integra Parties will make every reasonable effort to assist Client and provide such testimony. Client agrees to compensate the Integra Parties at their then current rates, on an hourly basis, plus reimbursement for all expenses incurred as a result of said litigation. In addition to the foregoing, the following terms are applicable:

- Review and trial preparation (if applicable) in-office will be billed at standard hourly rates; outside office rates may apply to conferences, depositions, and testimony.

Senior Managing Director, Kendra S. Barry	\$400.00/hour
Executive Director, Bradford L. Johnson, MAI	
Managing Director, John F. Thigpen, MAI	\$350.00/hour
Managing Director, Kara K. Phillips, MAI	
Managing Director, Bruce D. Throdahl	
Senior Analyst	\$250.00/hour
Analyst/Researcher	\$100.00 to 150.00/hour

- All reports for which testimony is required must be disclosed prior to report authorization.
- All fees for reports, conferences and depositions must be paid prior to hearings and trial.
- Scheduling of casework and appearances will be made with due consideration for the time of all persons involved. Every effort to comply with reasonable requests for appearances will be made. Once an appointment, deposition or appearance is scheduled, that time is set aside. Therefore, if the appearance is canceled, or the reserved time is abandoned for whatever reason, the following cancellation charges will apply:

1. More than one week	No Charge
2. 48 hours prior	[\$200.00]
3. Less than 48 hours prior	[\$250.00]
4. Stand-by Charge	[\$500.00 per day]

- Due to the difficulty associated with accurately forecasting the number of hours which may be required for the research, hearing and/or trial preparation, deposition time, client/expert



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conferences, etc., the Integra Parties will maintain contemporaneous time and expense records and will provide Client with invoices on a 30-day billing cycle. Client agrees to pay the Integra Parties at the time the invoice is submitted and further agrees that such payment is not contingent upon any set outcome or result of such litigation.

5. Limitations of Liability. IRR – Tampa Bay is an independently owned and operated company. The parties hereto agree that Integra Realty Resources, Inc. (“Integra”) shall not be liable for any claim arising out of or relating to any market study report or any information or opinions contained therein as such market study report is the sole and exclusive responsibility of IRR – Tampa Bay. In addition, it is expressly agreed that in any action which may be brought against IRR – Tampa Bay and/or any of its officers, owners, managers, directors, agents, subcontractors or employees (the “Integra Parties”), arising out of, relating to, or in any way pertaining to this engagement letter, the market study reports or any related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the market study was fraudulent or prepared with intentional misconduct. It is further expressly agreed that the collective liability of the Integra Parties in any such action shall not exceed the greater of (i) the fees paid for the preparation of the market study report (unless the market study was fraudulent or prepared with intentional misconduct), or (ii) \$250,000.00. If the market study was fraudulent or prepared with intentional misconduct, there shall be no cap on liability. It is expressly agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.
6. Proprietary Software. Client acknowledges that Integra’s Marketpoint, Appraisal Template and DataPoint software is proprietary and confidential. Accordingly, Client agrees not to use such software other than in furtherance of the purposes of this engagement letter. Client further agrees not to make such software available for the use of any third party other than one of its affiliates.
7. Fees. Unless arrangements are made otherwise, a late charge of 15% per annum, commencing thirty (30) days after the receipt of invoice will be charged on any balance not paid; however, in no event shall this delinquency rate of interest exceed the maximum rate permitted by law. The Integra Parties shall also be entitled to recover their costs (including attorneys’ fees), associated with collecting any amounts owed or otherwise relating to this engagement. Upon default by you, we shall be permitted to file a lien against the Subject Property for any amounts owed pursuant to this engagement letter.
8. Cancellation. In the event the assignment is canceled prior to completion, an invoice will be prepared reflecting the percentage of work completed as of that date. Any credits to Client will be promptly refunded or any remaining balances will be indicated on the invoice.
9. Purpose; Reliance. The purpose of the market study is to determine if there is sufficient unmet demand to develop the Subject Property on behalf of the Client. The intended use of the market study is to assist the Client and any of its affiliates, as the intended users of the market study, in evaluating the Subject Property for valuation purposes. The use of the market study by anyone other than the Client or its affiliates is prohibited. Accordingly, the market study report will be addressed to and shall be solely for the Client’s (and affiliates) use and benefit unless IRR -



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Tampa Bay provides its prior written consent. IRR - Tampa Bay expressly reserves the unrestricted right to withhold its consent to Client's disclosure of the market study report (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties not otherwise allowed herein. **Stated again for clarification, unless the prior written consent of IRR - Tampa Bay is obtained, no third party may rely on the market study report (even if their reliance was foreseeable) other than what is granted herein. In the event the Client provides a copy of this market study to, or permits reliance thereon by, any person or entity not authorized by IRR - Tampa Bay, the Client agrees to indemnify and hold harmless the Integra Parties from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the review market study by any such unauthorized person or entity.** If the market study is referred to or included in any offering material or prospectus, the market study shall be deemed referred to or included for informational purposes only and the Integra Parties shall have no liability to such recipients. IRR - Tampa Bay disclaims any and all liability to any party other than the Client (or its affiliates) which retained IRR - Tampa Bay to prepare the market study Any and all reports or written memoranda produced by IRR - Tampa Bay for the Client, pursuant to this engagement letter, shall be Client's property and shall remain confidential. No such material shall be published or shared with any third party without Client's written consent.

10. Special Experts. Any out-of-pocket expenses incurred during this assignment will be billed at cost and included on the invoice. Should the Client request the assistance of any of the Integra Parties in hiring a special expert to contribute to any assignment (including but not limited to, a surveyor, environmental consultant, land planner, architect, engineer, business, personal property, machinery and equipment appraiser, among others), the Client agrees to perform its own due diligence to qualify said special expert. The Client agrees and acknowledges it is solely responsible in paying for the services of said special expert. Furthermore, the Client acknowledges that the Integra Parties are not responsible for the actions and findings of the special expert and agrees to hold the Integra Parties harmless from any and all damages that may arise out of the Client's reliance on the special expert.
11. Responding to Review. We agree to respond to your review of our report within five (5) business days of your communication to us. Correspondingly, you will have twenty-one (21) days from receipt of our report to communicate your review. We reserve the right to bill you for responding to your review beyond this time period.
12. Choice of Law/Submission to Jurisdiction/Separate Legal Representation. The law of the State of Florida shall govern, construe, and enforce all of the rights and duties of the parties arising from or relating in any way to the subject matter of this engagement letter. Any action commenced for the purpose of enforcing the terms and provisions of this engagement letter or any accepted assignment and in any way related to the subject matter of this engagement letter shall be brought in the state in which IRR - Tampa Bay is located. In executing this engagement letter, **each party agrees to submit to the personal jurisdiction of the courts of the state in which such IRR - Tampa Bay is located.** In case any one or more of the provisions or parts of a provision contained in this engagement letter shall, for any reason, be held to be invalid, illegal or unenforceable in any respect in any jurisdiction, such invalidity, illegality or unenforceability

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shall not affect any other provision or part of a provision of this engagement letter or any other jurisdiction, but this engagement letter shall be reformed and construed in any such jurisdiction as if such invalid or illegal or unenforceable provision or part of a provision had never been contained herein and such provision or part shall be reformed so that it would be valid, legal and enforceable to the maximum extent permitted in such jurisdiction. Each party acknowledges and agrees that they have been advised and encouraged to consult an attorney in connection with this engagement letter, that they fully understand their right to discuss all aspects of this engagement letter with a private attorney, that they have carefully read and fully understand all of the provisions of this engagement letter, and that they are voluntarily and knowingly entering into this engagement letter.

13. Third Party Beneficiaries. Integra and each other local office of Integra is an intended third-party beneficiary of this engagement letter.



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If this proposal is acceptable, please authorize us to proceed by executing this engagement letter where noted below and returning one copy to the undersigned. Thank you for considering us for this assignment and we look forward to working with you. Please call if you wish to discuss this proposal or the assignment any further.

Sincerely,

INTEGRA REALTY RESOURCES – TAMPA BAY



John F. Thigpen, MAI
Managing Director

Attachments

AGREED & ACCEPTED THIS _____ DAY OF ^{November} ~~AUGUST~~ 2023.

Todd Mooney
Clever Cow, LLC



AUTHORIZED SIGNATURE

Todd Mooney
PRINT

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ATTACHMENT I
STANDARD ASSUMPTIONS & LIMITING CONDITIONS

The market study report and any work product related to the engagement will be limited by the following standard assumptions:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements, and restrictions. The Subject Property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the Subject Property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the Subject Property more or less valuable. Furthermore, there is no asbestos in the Subject Property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The Subject Property is in compliance with all applicable building, environmental, zoning, and other federal, state, and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

The market study report and any work product related to the engagement will be subject to the following limiting conditions, except as otherwise noted in the report:

1. A market study is inherently subjective and represents our opinion as to the value of the Subject Property appraised.
2. The conclusions stated in our market study apply only as of the effective date of the market study, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state, or local laws, regulations, or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this market study, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the market study assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena, or attend any court, governmental or other hearing with reference to the Subject Property without compensation relative to such additional employment.
6. We have made no survey of the Subject Property and assume no responsibility in connection with such matters. Any sketch or survey of the Subject Property included in the market study report is for illustrative purposes only and should not be considered to be scaled accurately for size. The market



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study covers the Subject Property as described in the market study report, and the areas and dimensions set forth are assumed to be correct.

7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the Subject Property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our market study.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural, and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations, and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the Subject Property. The allocations of value for land and improvements must not be used in conjunction with any other market study and are invalid if so used. The market study report shall be considered only in its entirety. No part of the market study report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of the market study report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates, and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the market study report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. If the Subject Property is subject to one or more leases, any estimate of residual value contained in the market study may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the Subject Property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the Subject Property or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the value stated in the market study; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of the market study report, but which may have been omitted from this list of Standard Assumptions and Limiting Conditions.
17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence



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- of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The *Americans with Disabilities Act (ADA)* became effective January 26, 1992. We have not made a specific survey or analysis of the Subject Property to determine whether the physical aspects of the improvements meet the *ADA* accessibility guidelines. We claim no expertise in *ADA* issues and render no opinion regarding compliance of the Subject Property with *ADA* regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
 19. The market study report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
 20. No studies have been provided to us indicating the presence or absence of hazardous materials on the Subject Property or in the improvements, and our valuation is predicated upon the assumption that the Subject Property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the Subject Property. IRR – Tampa Bay and/or any of its officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties") shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the market study report cannot be considered as an environmental assessment of the Subject Property.
 21. The persons signing the report may have reviewed available flood maps and may have noted in the market study report whether the Subject Property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the Subject Property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
 22. We are not a building or environmental inspector. The Integra Parties do not guarantee that the Subject Property is free of defects or environmental problems. Mold may be present in the Subject Property and a professional inspection is recommended.
 23. The market study report and value conclusions for a market study assumes the satisfactory completion of construction, repairs, or alterations in a workmanlike manner.
 24. IRR – Tampa Bay is an independently owned and operated company. The parties hereto agree that Integra Realty Resources, Inc. ("Integra") shall not be liable for any claim arising out of or relating to any market study report or any information or opinions contained therein as such market study report is the sole and exclusive responsibility of IRR – Tampa Bay. In addition, it is expressly agreed that in any action which may be brought against the Integra Parties arising out of, relating to, or in any way pertaining to the engagement letter, the market study reports or any



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related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the market study was fraudulent or prepared with intentional misconduct. It is further expressly agreed that the collective liability of the Integra Parties in any such action shall not exceed the greater of (i) the fees paid for the preparation of the market study report (unless the market study was fraudulent or prepared with intentional misconduct), or (ii) \$250,000.00. If the market study was fraudulent or prepared with intentional misconduct, there shall be no cap on liability. It is expressly agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.

25. IRR – Tampa Bay is an independently owned and operated company, which has prepared the market study for the specific intended use stated elsewhere in the report. The use of the market study report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the market study report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the market study report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the market study report (even if their reliance was foreseeable).
26. The conclusions of the market study report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of the Subject Property.
27. All prospective value opinions presented in the market study report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

As will be determined during the course of the assignment, additional extraordinary or hypothetical conditions may be required in order to complete the assignment. The market study shall also be subject to those assumptions.

