STP Appraisal Services

30725 State Route 31
Richwood, OH 43344

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740-223-5611

Appraisal Report Of

Sunset Blvd Apartments

Mansfield, OH 44907

As of

9/25/2023

Prepared By:

Steve Allen, Ohio Certified General Appraiser 2006001656

STP Appraisal Services
30725 State Route 31
Richwood, OH 43344
&
Trent Endsley, Certified Residential Real Estate Appraiser 2019000914
STP Appraisal Services
30725 State Route 31
Richwood, Ohio 43344

Assignment Information

This Appraisal is
Prepared For:

First Federal Community Bank
119 S Sandusky Ave
Bucyrus, OH 44820

Borrower:

Dream Huge Blvd

Client File Number:

N/A

Loan Number:

N/A

Internal Order Number:

2309221954

Intended User(s)

First Federal Community Bank

Intended Use

Determine an Opinion of Market Value

First Federal Community Bank

At your request, I have prepared the attached appraisal of the property located 769 Sunset Blvd Mansfield, OH more specifically described in the accompanying report. The purpose of the appraisal is to estimate the market value of the property in Fee Simple.

I certify that I have no present or contemplated future interest in the property beyond providing this opinion of market value which I was engaged by the client to perform. The USPAP Ethics Rule, Conduct Section, requires disclosure of any services regarding the subject property within a 3 year period as an appraiser or in any other capacity. The appraiser has not performed any prior services regarding the subject property within the previous 3 years of the effective date.

I have personally inspected the property and have gathered all the data I considered necessary to arrive at the value conclusion. As a result of my investigation and analysis of the information gathered, as of the effective date of 9/25/2023, I estimate the market value of the subject property to be:

Seven Million Two Hundred Thousand Dollars

$7,200,000

Respectfully submitted,

Steve D. Allen 10/3/2023

Steve Allen, Ohio Certified General Appraiser 2006001656

Trent Endsley 10/3/2023

Trent Endsley, Certified Residential Real Estate Appraiser 2019000914

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I. INTRODUCTION

<u>Certification:</u>

1. The statements of fact contained in the report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest or bias with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results;
6. My 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.
7. my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice;
8. I have made a personal inspection of the property that is the subject of this report;
9. No one has provided any significant assistance on this property other than the signing appraisers.
10. The appraiser has not performed any services on the subject property within the prior 3 years of the effective date.

Steve D. Allen

__________________________________ 10/3/2023

Steve Allen, 2006001656

Trent Endsley 10/3/2023

Trent Endsley, 2019000914

ASSUMPTIONS AND LIMITING CONDITIONS

Special Assumptions or Conditions: The appraiser has assumed that the property is environmentally clean and marketable as of the date of the report. This is an extraordinary assumption, which per The Dictionary of Real Estate is defined as follows: An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. (Comment): Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP 2022-23)

Hypothetical Condition: Hypothetical Condition is defined by The Dictionary of Real Estate, fifth edition, as follows: That which is contrary to what exists but is supposed for the purpose of the analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal or economic characteristics of the subject property or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

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 the analysis. (USPAP 2022-23).

General Assumptions and Limiting Conditions: The certification of the Appraiser appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth in the report.

1. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Sketches in the report may show approximate dimensions and are included only to assist the reader in visualizing the property. The Appraiser has made no survey of the property. Drawings and or plats are not represented as an engineer's work product, nor are they for legal reference.
3. The Appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made.
4. Any distribution of the valuation in the report applies only under the existing program of utilization. The separate valuations of components must not be used outside of this appraisal and are invalid if so used.
5. The Appraiser has, in the process of exercising due diligence, requested, reviewed, and considered information provided by the ownership of the property and client, and the Appraiser has relied on such information and assumes there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The Appraiser assumes no responsibility for such

conditions, for engineering which might be required to discover such factors, or the cost of discovery or correction.

6. While the Appraiser has inspected the subject property and has considered the information developed in the course of such inspection, together with the information provided by the ownership and client, the Appraiser is not qualified to verify or detect the presence of hazardous substances by visual inspection, or otherwise, nor qualified to determine the effect, if any, of known or unknown substances present. Unless otherwise stated, the final value conclusion is based on the subject property being free of hazardous waste contaminations, and it is specifically assumed that present and subsequent ownerships will exercise due diligence to ensure that the property does not become otherwise contaminated.
7. Information, estimates, and opinions furnished to the Appraiser and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the Appraiser can be assumed by the Appraiser.
8. Unless specifically cited, no value has been allocated to mineral rights or deposits.
9. Disclosure of the contents of this report is governed by applicable law and/or the Bylaws and Regulations of the professional organization(s) with which the Appraiser is affiliated.
10. Neither all nor any part of the report, or copy thereof, shall be used for any purpose by anyone but the client specified in the report without the written consent of the Appraiser. This report was prepared for the client's use at the client's sole discretion within the framework of the function stated in the report and its use for any other purpose is beyond the scope contemplated in the appraisal.
11. Acreage of land types and measurements of improvements are based on physical inspection of the subject property unless otherwise noted in this appraisal report.
12. EXCLUSIONS: The Appraiser considered the three independent approaches to value (cost, income and sales comparison) where applicable in valuing the resources of the subject property for determining a final value conclusion. Explanation for the exclusion of any of the three independent approaches to value in determining a final value conclusion has been disclosed in this report.
13. The Appraisers liability is limited to the fee charged for the report and professional services.
14. Acceptance of the report by the client constitutes acceptance of all assumptions and limiting conditions contained in the report.

ENVIRONMENTAL DISCLAIMER

The value estimated is based on the assumption that the property is not negatively affected by the existence of hazardous substances of detrimental environmental conditions unless otherwise stated in this report. The appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The appraiser's routine inspection of and inquiries about the subject property did not develop any information the indicated any apparent significant hazardous substance or environmental conditions which would affect the property negatively unless otherwise stated in this report. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous substances or detrimental environmental conditions on or around the property that would negatively affect its value.

SCOPE OF WORK

The Scope of Work
The appraiser completed physical inspection of the subject property and completed market research in the market area for comparable sales, and market participant reactions to various physical characteristics of real estate. The appraiser also reviewed the Auditor's parcel cards for the subjects and comparable sales. No title report for the subject was available. The appraiser reviewed zoning. The appraiser has considered the cost, sales, and income approaches to value. The data obtained is verified through public records, published demographic data, and sources involved in the sale transactions, when possible. The analysis and opinion of the appraiser are based on his sole education, experience, and knowledge concerning the type of property being appraised. The appraiser is not responsible for any items of fact contained in the public records, or data from buyers, sellers, or real estate agents involved in any sale transfer, that are not correct.

The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.

In accordance with the competency provision in the Uniform Standards of Professional Appraisal Practice, the appraiser certifies that his education, experience, and knowledge are sufficient to appraise the type of property being appraised, and that no appraiser has provided significant professional assistance to the person inspecting the subject property and in the completion of the analysis except as herein noted. This appraisal is considered to be an appraisal report, with full presentation of the appraiser's data, analyses, and conclusions, upon agreement with the client.

DEFINITIONS

Market Value: The most probable price that 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, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated.

2. both parties are well informed or well advised, and each acting in what he or she considers his/her own best interest;

3. a reasonable time is allowed for exposure in the open market;

4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

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

A **Fee Simple** estate is defined as: 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.

A **Leased Fee** interest is defined as: A freehold (ownership interest) where the possessory interest has been granted to another party by the creation of a contractual landlord-tenant relationship (i.e., a lease). Marketing Time is defined as: An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal.

Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal. Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.

Exposure Time is defined as: The time a property remains on the market. 1. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.

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 region.

Rentable Area (RA): For office buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring the inside finished surface of the dominant portion of the permanent building walls, excluding any major permanent penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.

Gross Leasable Area (GLA): Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. This does not indicate Gross Living Area as it does in a residential report.

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

Stabilized Value Stabilized value is the prospective value of a property after construction has been completed and market occupancy and cash flow have been achieved and stable.

As Complete Value The prospective value of a property after all construction has been completed. This value reflects all expenditures for lease-up and occupancy that may be expected to have occurred at that point in time, which may or may not put the property at stabilized value.

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Effective Date:	9/25/2023
Property Location:	Sunset Blvd. Apartments Mansfield, OH 44907
Property Rights Appraised:	Fee Simple
Legal Description:	Various
Parcel Number:	Various
Purpose of Appraisal:	Estimate market value
Flood Hazard Zone:	Map #39139C0210E
Zoning:	MF-Multi Family
Site Area (acreage):	6.94 ac~
Site Area (square footage):	302,302 sf~
Building Design and Area:	83,952 sf apartment complex containing 96 units
Highest and Best Use:	
As Vacant:	Multi-Family
As Improved:	Multi-Family
Approaches to Value:	
Cost Approach:	N/A
Sales Comparison Approach:	$7,304,000
Income Approach:	$6,890,000
Final Opinion of Market Value:	$7,200,000

II. BASIS OF APPRAISAL

PURPOSE AND FUNCTION OF APPRAISAL

This is an appraisal report that will summarize the appraiser's analysis and the rationale for the conclusions. Additional supporting information is retained in Appraiser's files. The appraiser is not responsible for non-authorized use of this report. The purpose of the appraisal is to provide an opinion of value for the client and the intended use is used to determine market value for lending decisions.

The property being appraised is:

Sunset Blvd Apartments
Mansfield, OH 44907

The intended user for this report is:

First Federal Community Bank
119 S Sandusky Ave
Bucyrus, OH 44820

DEFINITION OF MARKET VALUE

Market Value Definition: from Regulations published by federal regulatory agencies pursuant to title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA)

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, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as a specified date and the passing of title from seller to buyer under conditions whereby: 1: buyer and seller are typically motivated; 2: both parties are well informed or well advised, and each acting in what he considers his own best interest. 3: a reasonable time is allowed for exposure in the open market; 4: payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 5: the price represents the normal consideration for the property sold unaffected by special or creative financial or sales concessions granted by anyone associated with the sale.

From Regulations published by federal regulatory agencies pursuant to title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA)

PROPERTY RIGHTS APPRAISED

Fee Simple

An appraisal is an estimate of value of the rights of property ownership. If these rights are restricted, preventing the owner from the full range of uses to which the property could be put, the property value could be affected.

The subject property is appraised in "fee simple" ownership, free of encumbrances. Fee Simple is the greatest possible estate or right of ownership of real property, continuing without time limitation.

OWNERSHIP

The current owner of the property is Peter B Peterson & Deborah L Peterson Surv per the auditor's records.

THREE YEAR HISTORY

The subject has not sold or transferred in the last 3 years.

MARKETING PERIOD

The estimated marketing period for this type of property in this market is 3 months to 12 months.

EXPOSURE PERIOD

The appraisal assumes an exposure period of 30 days to 365 days.

LEASE SUMMARY

See Rent Roll Below

Rent Roll

Property Groups: SUNSET BLVD APARTMENTS
Units: Active
As of: 10/02/2023 (Today)
Include Non-Revenue Units: Yes

Unit	Tags	BD/ BA	Tenant	Status	Sqft	Market Rent	Rent	Deposit	Lease From	Lease To	Move-in	Move-out	Past Due	NSF Count	Late Count
1885 Autumn Dr Building 7 - 1885 Autumn Dr Mansfield, OH 44907															
1		2/1.00	LUKE DILLEY	Current	750	800.00	800.00	800.00	08/01/ 2022	07/06/ 2023	07/08/ 2022		0.00	0	0
2		2/1.00	TYLER BUCKNER	Current	850	750.00	800.00	750.00	05/01/ 2021	04/30/ 2022	04/30/ 2021		900.00	0	0
3		3/--	Ron Packer	Current			850.00	510.00			11/01/ 2007		0.00	0	0
4		3/1.00	SARAH WERTZ	Current	1,100	850.00	900.00	850.00	05/01/ 2021	04/10/ 2022	04/10/ 2021		0.00	0	0
5		1/1.00		Vacant-Unrented	650	750.00		0.00							
6		1/1.00	Kaley Cardwell	Current	600	650.00	750.00	750.00	07/01/ 2023	06/30/ 2024	07/01/ 2023		-750.00	0	0
7		2/--	Linda Lair	Current			792.75	545.00			06/01/ 2017		794.00	0	0
8		2/--	JAMES WHITE	Current		700.00	766.50	700.00	08/27/ 2020	06/12/ 2021	08/27/ 2020		766.50	0	0
8 Units				**87.5% Occupied**	**3,950**	**4,500.00**	**5,659.25**	**4,905.00**					**1,710.50**	**0**	**0**
1885 Chapelwood Dr Building 11 - 1885 Chapelwood Dr Mansfield, OH 44907															
1		2/1.00	AUSTIN WHISLER	Current	850	800.00	800.00	800.00	12/01/ 2022	11/18/ 2023	11/18/ 2022		800.00	0	0
2		2/1.00	DAN LEW	Current	750	750.00	700.00	650.00	03/01/ 2022	02/01/ 2023	02/21/ 2022		0.00	0	0
3		3/1.00	JEROME HOUSTON	Current	1,100	900.00	850.00	850.00	01/01/ 2023	12/09/ 2023	12/09/ 2022		850.00	1	0
4		3/1.00	Jazmen Collins	Current	1,100	950.00	950.00	950.00	10/01/ 2023	09/30/ 2024	10/01/ 2023		950.00	0	0
5		1/--	Gloria Davis	Current			661.50	510.00			04/01/ 2017		789.00	0	0
6		1/--	Angelica Miller	Current			661.50	225.00			05/01/ 2014		661.50	0	0
7		2/--	Amanda Campbell	Current			792.75	550.00			01/10/ 2015		0.00	0	0
8		2/1.00	Zach Miller	Current	850	850.00	750.00	750.00	07/01/ 2023	06/30/ 2024	07/01/ 2023		750.00	0	0
8 Units				**100.0% Occupied**	**4,650**	**4,250.00**	**6,165.75**	**5,285.00**					**4,800.50**	**1**	**0**

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Rent Roll

Unit	Tags	BD/ BA	Tenant	Status	Sqft	Market Rent	Rent	Deposit	Lease From	Lease To	Move-in	Move-out	Past Due	NSF Count	Late Count
1885 Cunning Dr Building 9 - 1885 Cunning Dr Mansfield, OH 44907															
1		2/--	Shirley Albers	Current			792.75	515.00			02/01/ 2012		792.75	0	0
2		2/--	Glenn Brown	Current			766.50	700.00	09/01/ 2020	07/17/ 2021	07/17/ 2020		1,780.00	0	0
3		3/--	CASSANDRA DAILEY	Current		800.00	871.50	800.00	07/01/ 2020	06/01/ 2021	06/01/ 2020		0.00	0	0
4		3/1.00	LEIGHA MAAG	Current	1,100	900.00	850.00	750.00	07/01/ 2022	03/22/ 2023	07/01/ 2022		840.00	0	0
5		1/--	Frances Huston	Current			661.50	455.00			12/01/ 2016		661.50	0	0
6		1/1.00		Vacant-Unrented	650	650.00		0.00							
7		2/--	DILLON BRADLEY	Current		700.00	766.50	700.00	06/01/ 2020	05/31/ 2021	06/01/ 2020		1,022.00	0	0
8		2/1.00	Emily Haralson-Jurcisek	Current	850	800.00	850.00	850.00	10/01/ 2023	08/31/ 2024	09/01/ 2023		215.00	0	0
8 Units				**87.5% Occupied**	**2,600**	**3,850.00**	**5,558.75**	**4,770.00**					**5,311.25**	**0**	**0**
1886 Autumn Dr Building 8 - 1886 Autumn Dr Mansfield, OH 44907															
1		2/1.00	Michael Hammond	Current	850	850.00	700.00	600.00	05/01/ 2023	05/01/ 2025	05/01/ 2023		0.00	0	0
2		2/1.00	Kahleel Butler	Current	850	800.00	800.00	800.00	04/03/ 2023	04/03/ 2024	04/03/ 2023		800.00	0	0
3		3/--	Angie Stevens	Current			882.00	595.00	03/01/ 2020	05/01/ 2020	10/01/ 2015		1,803.00	0	0
4		3/1.00	Breana Davis	Current		900.00	900.00	900.00	08/01/ 2023	07/01/ 2024	07/01/ 2023		0.00	0	0
5		1/--	David Meese	Current			661.50	440.00	03/01/ 2020	03/01/ 2021	04/01/ 2010		661.50	0	0
6		1/--	William Suarez	Current			661.50	99.00			06/01/ 2013		661.50	0	0
7		2/1.00	JESUS DAVALOS	Current	850	800.00	650.00	650.00	10/01/ 2022	09/09/ 2023	09/09/ 2022		649.50	0	0
8		2/1.00	Kuidip Kler	Current	850	750.00	700.00	700.00	10/01/ 2023	09/30/ 2024	10/01/ 2023		700.00	0	0
8 Units				**100.0% Occupied**	**3,400**	**4,100.00**	**5,955.00**	**4,784.00**					**5,275.50**	**0**	**0**
1886 Chapelwood Dr Building 12 - 1886 Chapelwood Dr Mansfield, OH 44907															
1		2/--	Sharon Slone	Current			766.50	700.00	04/01/ 2020	02/28/ 2021	03/01/ 2020		1,908.00	0	0
2		2/1.00	JAMIE PRUNTY	Current	850	800.00	800.00	800.00	11/01/	10/01/	10/01/		450.00	0	0

Created on 10/02/2023

Rent Roll

Unit	Tags	BD/ BA	Tenant	Status	Sqft	Market Rent	Rent	Deposit	Lease From	Lease To	Move-in	Move-out	Past Due	NSF Count	Late Count
									2022	2023	2022				
3		3/1.00	SIERRA HOFFEE	Current	1,100	850.00	840.00	800.00	12/01/2021	11/09/2022	11/10/2021		840.00	2	0
4		3/--	Joseph Shaffer	Current			845.25	750.00			12/01/2019		0.00	0	0
5		1/1.00	RONALD QUICKSALL	Current	600	700.00	700.00	700.00	03/01/2023	02/07/2024	02/07/2023		700.00	0	0
6		1/1.00	Jerry Hess	Current	600	600.00	609.00	550.00	10/09/2020	10/09/2021	10/09/2020		609.00	0	0
7		2/1.00	Selma Furby	Current	850	800.00	800.00	750.00	03/01/2023	02/06/2024	02/06/2023		800.00	0	0
8		2/1.00	JESUS DAVALOS	Current	850	800.00	650.00	650.00	10/01/2021	10/01/2022	10/01/2021		650.00	0	0
8 Units				**100.0% Occupied**	**4,850**	**4,550.00**	**6,010.75**	**5,700.00**					**5,957.00**	**2**	**0**
1886 Cunning Dr Building 10 - 1886 Cunning Dr Mansfield, OH 44907															
1		2/1.00	MICHAEL REDMAN	Current	850	750.00	787.50	750.00	07/01/2021	06/11/2022	06/11/2021		1,085.00	0	0
2		2/1.00	OHIO COLUMBUS MISSION	Current		700.00	766.50	700.00	09/01/2020	09/01/2021	09/01/2020		766.50	0	0
3		3/--	Linda Davis	Current			882.00	560.00	03/01/2020	03/01/2021	09/01/2008		882.00	0	0
4		3/--		Vacant-Unrented				0.00							
5		1/--	TAYLOR FINFGELD	Current	650	700.00	700.00	700.00	03/02/2023	03/01/2024	03/02/2023		700.00	0	0
6		1/1.00	JESUS DAVALOS	Current	650	700.00	600.00	600.00	05/01/2022	04/18/2023	04/19/2022		600.00	0	0
7		2/--	Cathleen Ross	Current			730.00	650.00			08/01/2019		730.00	0	0
8		2/--	DAN LEW	Current			700.00	650.00	10/01/2021	10/01/2022	10/01/2021		0.00	0	0
8 Units				**87.5% Occupied**	**2,150**	**2,850.00**	**5,166.00**	**4,610.00**					**4,763.50**	**0**	**0**
733 Sunset Blvd Building 1 - 733 Sunset Blvd Mansfield, OH 44907															
1		2/1.00	ROGER ROBINSON	Current	850	700.00	766.50	700.00	10/01/2020	10/01/2021	10/01/2020		1,412.50	0	0
2		2/1.00	ALLISON WEISMAN	Current		700.00	766.50	700.00	10/01/2020	09/01/2021	09/01/2020		766.50	0	0
3		3/1.00	Montana Shepherd	Current	1,100	950.00	900.00	200.00	10/01/2023	09/30/2024	10/01/2023		1,600.00	0	0
4		3/--	TAYLOR FIELDS	Current			871.50	800.00	10/01/	10/01/	10/01/		2,492.00	0	0

Created on 10/02/2023

Rent Roll

Unit	Tags	BD/ BA	Tenant	Status	Sqft	Market Rent	Rent	Deposit	Lease From	Lease To	Move-in	Move-out	Past Due	NSF Count	Late Count
									2020	2021	2020				
5		1/--	Pamela Shepherd	Current			661.50	450.00			11/01/ 2016		1,313.00	0	0
6		1/1.00	Lucas Conn	Current	650	700.00	700.00	700.00	03/01/ 2023	02/07/ 2024	02/07/ 2023		1,400.00	0	0
7		2/--	Zachary Tolar	Current			0.00	0.00			12/01/ 2019		0.00	0	0
8		2/1.00	MELANIE THOMAS	Current	850	800.00	800.00	800.00	08/01/ 2022	07/07/ 2023	07/07/ 2022		800.00	0	0
8 Units				**100.0% Occupied**	**3,450**	**3,850.00**	**5,466.00**	**4,350.00**					**9,784.00**	**0**	**0**
745 Sunset Blvd Building 2 - 745 Sunset Blvd Mansfield, OH 44907															
1		2/1.00	MELISSA HOOD	Current	850	750.00	766.50	700.00	02/04/ 2021	02/04/ 2022	02/04/ 2021		730.00	0	0
2		2/--	Altankhuyag Yungeren	Current			792.75	440.00			07/01/ 2015		1,822.00	0	0
3		3/1.00	MARVIN MARSHAL	Current	1,100	850.00	840.00	480.00	07/01/ 2021		07/01/ 2021		-1,680.00	3	0
4		3/1.00	Brian Lookabaugh	Current	1,100	850.00	800.00	100.00	04/01/ 2023	04/05/ 2024	04/01/ 2023		2,155.00	0	0
5		1/1.00	Teresa Castle	Current	650	750.00	700.00	0.00	09/01/ 2023	08/31/ 2024	09/01/ 2023		-1,200.00	0	0
6		1/--	Rodney Peterson	Current			661.50	550.00	02/17/ 2020	02/17/ 2021	02/17/ 2020		661.50	0	0
7		2/1.00	Gloria Taylor	Current	850	750.00	800.00	800.00	04/01/ 2023	03/01/ 2024	03/01/ 2023		520.00	0	0
8		2/--	Zachary Shuler	Current			792.75	470.00	03/01/ 2020	03/01/ 2021	10/01/ 2004		0.00	0	0
8 Units				**100.0% Occupied**	**4,550**	**3,950.00**	**6,153.50**	**3,540.00**					**3,008.50**	**3**	**0**
757 Sunset Blvd Building 3 - 757 Sunset Blvd Mansfield, OH 44907															
1		2/--	Damell Owens	Current			950.00	0.00	10/01/ 2023	09/30/ 2024	10/01/ 2023		1,900.00	0	0
2		2/--	Robert Atton	Current			792.75	510.00			10/01/ 2011		2,877.00	1	0
3		3/1.00	DAMELL OWENS	Current	1,100	950.00	950.00	950.00	10/01/ 2023	08/31/ 2024	09/01/ 2023		950.00	0	0
4		3/--	Michael Westwood	Current			882.00	590.00	03/01/ 2020	03/01/ 2021	08/01/ 2016		0.00	0	0
5		1/--	Kenneth Oyster	Current			661.50	480.00			10/01/ 2018		661.50	0	0

Created on 10/02/2023

Rent Roll

Unit	Tags	BD/ BA	Tenant	Status	Sqft	Market Rent	Rent	Deposit	Lease From	Lease To	Move-in	Move-out	Past Due	NSF Count	Late Count
6		1/--	Kathy Triplett	Current			661.50	480.00			04/21/ 2019		661.50	3	0
7		2/1.00	STEPHEN MCKINNEY	Current	850	750.00	735.00	700.00	03/01/ 2022	02/18/ 2023	02/18/ 2022		0.00	0	0
8		2/--	Dhersmesh Patel	Current			766.50	675.00			07/01/ 2019		763.00	0	0
8 Units				**100.0% Occupied**	**1,950**	**1,700.00**	**6,399.25**	**4,385.00**					**7,813.00**	**4**	**0**
769 Sunset Blvd Building 4 - 769 Sunset Blvd Mansfield, OH 44907															
1		2/1.00	NAOMI SHIFFERLY	Current	850	800.00	750.00	750.00	06/15/ 2022	06/14/ 2023	06/15/ 2022		1,125.00	0	0
2		2/--	MEGHAN RANSLER	Current			750.00	750.00	07/06/ 2022	07/06/ 2023	07/06/ 2022		750.00	0	0
3		3/1.00	Rena Pitts	Current	1,100	950.00	900.00	700.00	06/01/ 2023	05/31/ 2024	06/01/ 2023		2,700.00	0	0
4		3/1.00	KASEY KEENAN	Current	1,100	850.00	775.00	775.00	04/01/ 2022	03/10/ 2023	03/10/ 2022		775.00	0	0
5		1/--	Lori Day	Current			661.50	500.00			05/01/ 2019		0.00	0	0
6		1/--	ASHLEE SHUTT	Current			609.00	550.00	03/27/ 2020	03/27/ 2021	04/01/ 2020		1,218.00	0	0
7		2/1.00		Vacant-Unrented	850	750.00		0.00							
8		2/1.00	JESUS DAVALOS	Current	850	850.00	650.00	0.00	07/01/ 2023	06/30/ 2024	07/01/ 2023		650.00	0	0
8 Units				**87.5% Occupied**	**4,750**	**4,200.00**	**5,095.50**	**4,025.00**					**7,218.00**	**0**	**0**
781 Sunset Blvd Building 5 - 781 Sunset Blvd Mansfield, OH 44907															
1		2/1.00	JESUS DAVALOS	Current	850	800.00	650.00	650.00	09/01/ 2022	08/15/ 2023	08/15/ 2022		650.00	0	0
2		2/--	CHRISTOPHER BRADFORD	Current		700.00	766.50	700.00	06/01/ 2020	05/08/ 2021	05/08/ 2020		0.00	0	0
3		3/--	RD DeLoach	Current			714.00	555.00	02/01/ 2020	01/01/ 2021	02/01/ 2020		1,587.00	0	0
4		3/1.00		Vacant-Unrented	1,100	950.00		0.00							
5		1/1.00	RAVON REAVES	Current	600	650.00	650.00	650.00	02/01/ 2023	01/13/ 2024	01/13/ 2023		1,410.00	0	0
6		1/1.00	MARK TRUEX	Current	600	650.00	630.00	600.00	01/01/ 2022	12/15/ 2022	12/15/ 2021		1,110.00	0	0
7		2/1.00	Stone Devore	Current	850	850.00	775.00	775.00	09/01/ 2023	08/31/ 2024	09/01/ 2023		775.00	0	0
8		2/--	Dakota Reeb	Current			792.75	545.00	03/01/	09/01/	07/01/		792.75	0	0

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Rent Roll

Unit	Tags	BD/ BA	Tenant	Status	Sqft	Market Rent	Rent	Deposit	Lease From	Lease To	Move-in	Move-out	Past Due	NSF Count	Late Count
									2020	2020	2017				
8 Units				**87.5% Occupied**	**4,000**	**4,600.00**	**4,978.25**	**4,475.00**					**6,324.75**	**0**	**0**
793 Sunset Blvd Building 6 - 793 Sunset Blvd Mansfield, OH 44907															
1		2/--	Michelle Ayala	Current			766.50	540.00	05/01/ 2020	05/01/ 2021	04/15/ 2017		1,533.00	0	0
2		2/--	ROSARY MORGAN	Current		700.00	750.00	750.00	11/01/ 2022	10/14/ 2023	10/14/ 2022		852.00	0	0
3		3/1.00	RON BACKENSTO	Current	1,100	900.00	840.00	800.00	05/03/ 2022		05/03/ 2022		2,440.00	0	0
4		3/1.00	CARA MORASCO	Current	1,100	850.00	800.00	800.00	05/01/ 2022	04/11/ 2023	04/14/ 2022		1,600.00	0	0
5		1/1.00	Sydney Moritz	Current		750.00	700.00	700.00	05/08/ 2023	05/08/ 2024	05/08/ 2023		700.00	0	0
6		1/1.00	MICHAEL SCHUE	Current	600	700.00	650.00	650.00	05/01/ 2022	04/08/ 2023	04/08/ 2022		0.00	0	0
7		2/1.00		Vacant-Unrented	850	850.00		0.00							
8		2/--	Michelle Barlow	Current			766.50	540.00	03/01/ 2020	03/01/ 2021	04/15/ 2017		766.50	0	0
8 Units				**87.5% Occupied**	**3,650**	**4,750.00**	**5,273.00**	**4,780.00**					**7,891.50**	**0**	**0**
Total 96 Units				**93.8% Occupied**	**43,950**	**47,150.00**	**67,881.00**	**55,609.00**					**69,858.00**	**10**	**0**

III. AREA DATA

CITY/REGIONAL DATA

Richland County is a large county that covers 495.27 square miles of fertile farm ground and a multitude of wooded areas. Richland County contains the city of Mansfield, OH which is the major city in Richland County. The counties that border Richland County are Huron County to the north, Ashland County to the east, Knox County to the south, Morrow County to the southwest, and Crawford County to the west.

Transportation

Richland County is located in north central Ohio. Richland County has 3 major roadways that run through the county, US 30, US 42, and I-71. US 30 runs from Astoria, OR to Atlantic City, NJ. US 42 passes through Mansfield and is a highway that runs from Cleveland, Ohio to Louisville, Kentucky. I-71 is a 345-mile highway that spans from Cleveland, Ohio to Louisville, Kentucky.

The Richland County Ohio area is serviced by Port Columbus International Airport in Franklin County as its major international airport. This airport flies international and services millions of customers per year. The airline options that are provided by Port Columbus are Southwest, Delta, United, American Airlines, U.S. Airways, and AirTran. It is also in the Foreign Trade Zone #138. Richland County is approximately 50 miles from Port Columbus. Richland County has a few other small airstrips that can be used by private planes.

Education and Training

Quality education is another important factor in the viability of an area. In Crawford County there are no campuses for higher education. The closest major Universities in the central Ohio area is The Ohio State University located in Columbus, OH, Ashland University located in Ashland, OH, and North Central State College in Mansfield, OH

Regional Economic Factors

Information provided per United States Census Bureau Website. The population for Richland County as of 2019 was 121,154 people. There are a total of 8,585 firms as of the 2012 survey that is provided by the United States Census Bureau Website. There are a total of 54,113 housing units in Richland County with approximately 47,998 of these housing units being single family homes. There are approximately 2.38 people per household according to the most recent census information. The average income is $47,346 with 14.40% of the Richland County population living below the poverty line.

NEIGHBORHOOD DATA

The subject property is located in the city of Mansfield, Ohio located in Richland County.

The city of Mansfield is 30.87 square miles according to the United States Census Bureau Website. The population as of 2019 is 46,599 people who make up approximately 38% of Richland County's population. Mansfield has 3 major roadways that run through the city which are noted above. The subject is surrounded by residential and commercial properties.

MARKET DATA

AVAILABILITY	SUBMARKET	MARKET
Vacancy Rate	4.8%	4.5%
Vacant Units	134	161
Market Asking Rent/Unit	$660	$698
Market Effective Rent/Unit	$658	$695
Concession Rate	0.4%	0.4%
Studio Asking Rent	$524	$512
1 Bedroom Asking Rent	$525	$533
2 Bedroom Asking Rent	$707	$775
3 Bedroom Asking Rent	$808	$811

INVENTORY	SUBMARKET	MARKET
Inventory Units	2,785	3,611
Existing Buildings	103	133
Avg Units Per Bldg	27	27
12 Mo Demolished Units	0	0
12 Mo Occupancy % At Delivery	-	-
Under Construction Units	0	0
12 Mo Construction Starts Units	0	0
12 Mo Delivered Units	0	0
12 Mo Avg Delivered Units	-	-

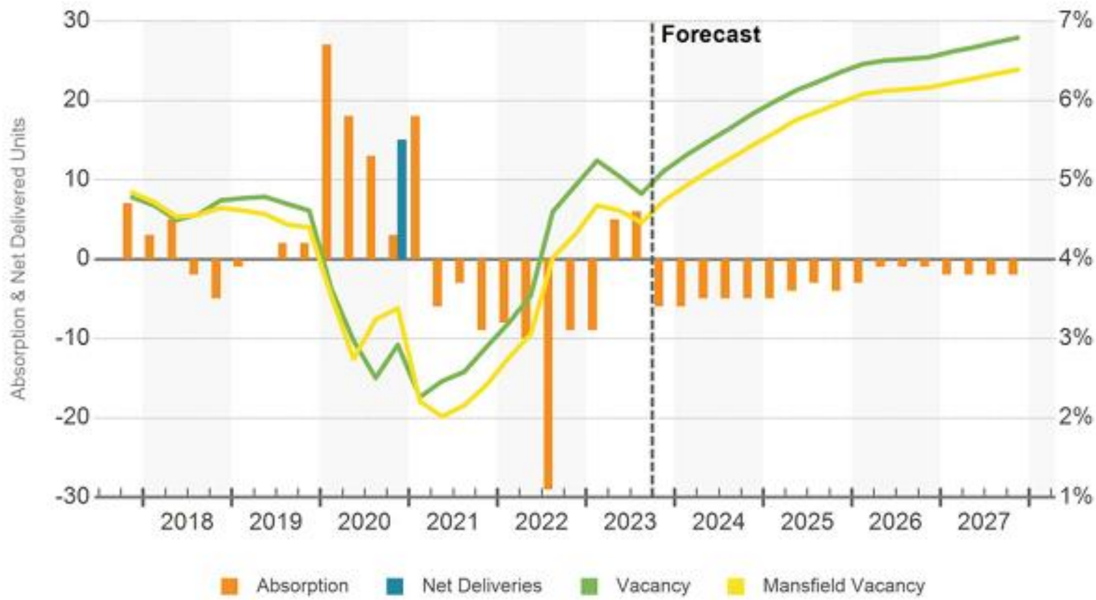
SALES	SUBMARKET	MARKET
Market Sale Price/Unit	$48.8K	$51.2K
12 Mo Asking Sale Price/Unit	$114K	$114K
12 Mo Sale to Asking Price Diff	0.1%	0.1%
Market Cap Rate	8.0%	8.0%
12 Mo Sales Volume	$14.2M	$14.2M
12 Mo Transactions	6	6
Months To Sale Past Year	2.2	2.2
For Sale Listings	0	0
For Sale Units	0	0

DEMAND	SUBMARKET	MARKET
12 Mo Absorption Units	(5)	(16)
12 Mo Absorption % of Inv	-0.2%	-0.4%
Population Growth 5 Yrs	3.5%	3.3%
Pop Growth 5 Yrs 20-29	2.1%	2.4%
Pop Growth 5 Yrs 30-39	0.7%	3.9%
Pop Growth 5 Yrs 40-54	5.4%	4.0%
Pop Growth 5 Yrs 55+	6.6%	5.9%

Vacancy

Mansfield Multi-Family

ABSORPTION, NET DELIVERIES & VACANCY

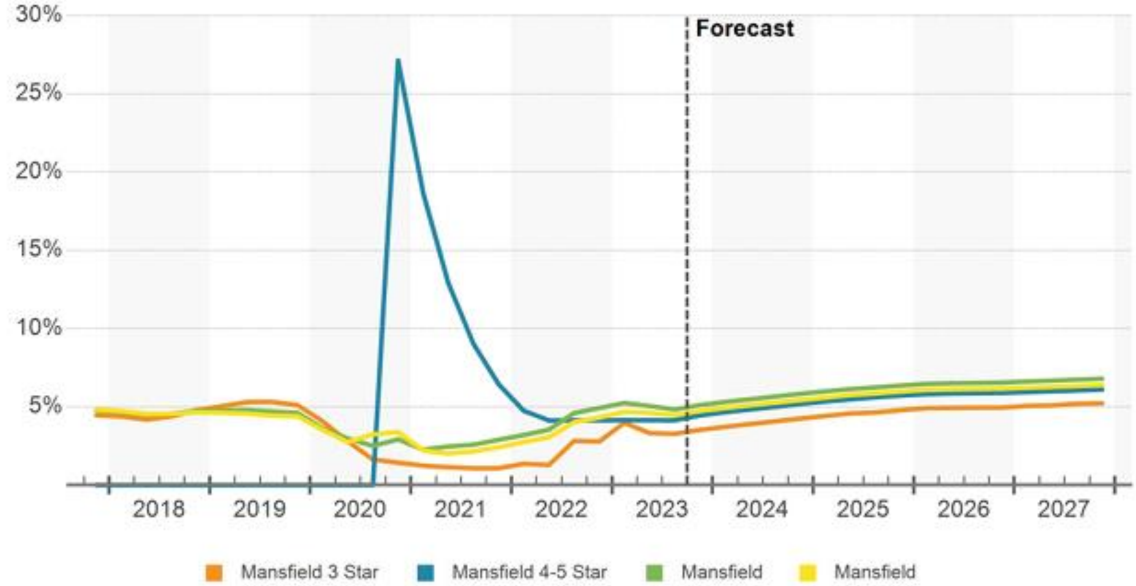


OVERALL & STABILIZED VACANCY

Vacancy

Mansfield Multi-Family

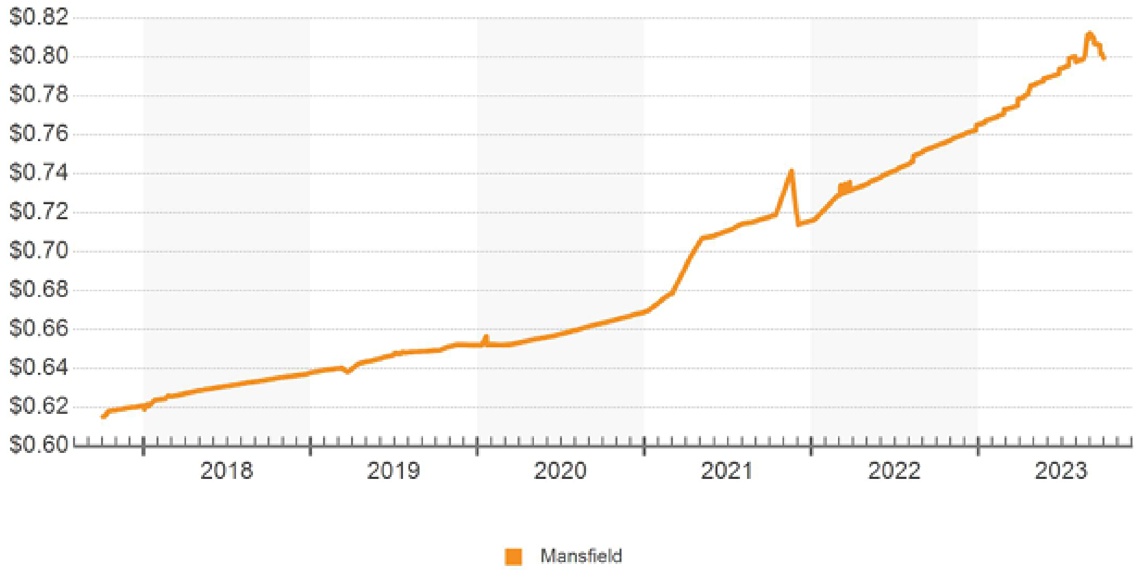
VACANCY RATE



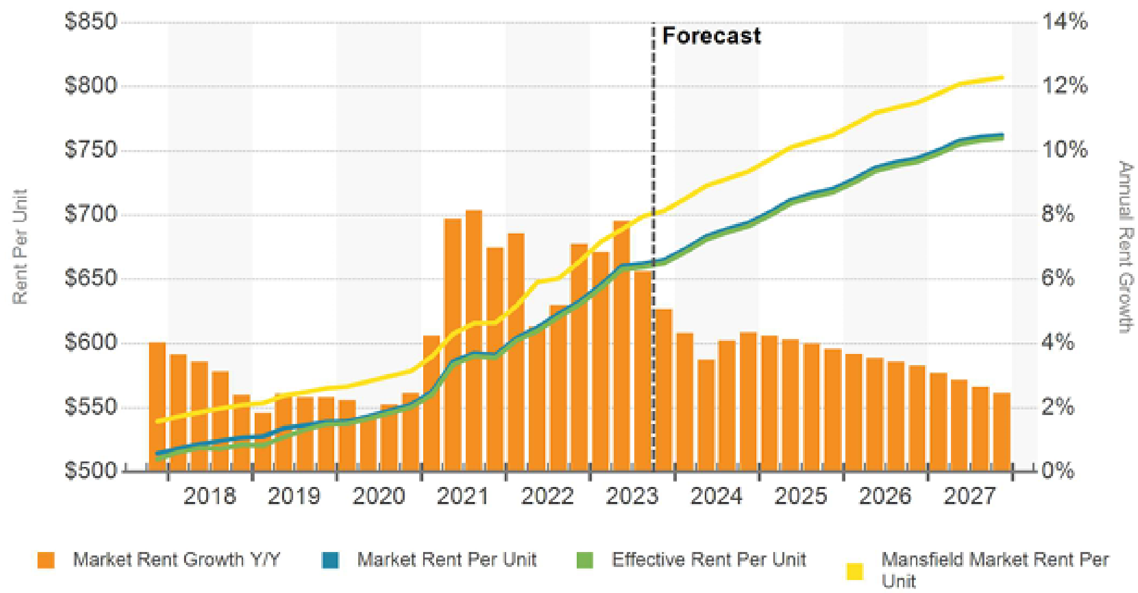
VACANCY BY BEDROOM

Rent

DAILY ASKING RENT PER SF



MARKET RENT PER UNIT & RENT GROWTH

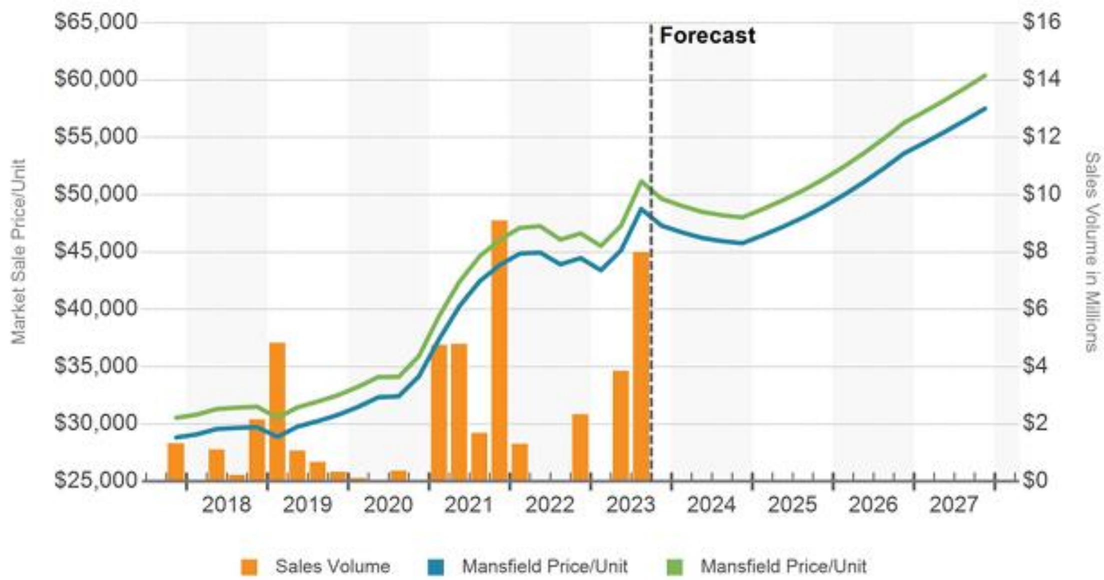


Sales

Buyers have shown interest in Mansfield multifamily properties and have scooped up assets over the years. That trend has continued through the past 12 months, as 6 communities were acquired. Annual sales volume has averaged $7.9 million over the past five years, and the 12-month high in investment volume hit $20.3 million over that stretch. In the past 12 months specifically, $14.1 million worth of assets sold.

The market price, which is derived from the price movement of all communities in the submarket, now sits at $48,795/unit. That price has surged since last year, growing by more than 9%, and that brought pricing roughly in line with the overall average for the wider Mansfield area. At 8.0%, the market cap rate is only a few basis points lower than last year's number, and it's close to the metro's average. The current rate is under the submarket's five-year average.

SALES VOLUME & MARKET SALE PRICE PER UNIT



STREET ANALYSIS

Surface:	Asphalt
Lanes:	2 Lane
Maintenance:	Public
Storm Sewer:	Yes
Curbs & Gutter:	Yes
Sidewalk:	No
Lighting:	Yes
Access:	Public

IV. PROPERTY DATA

IDENTIFICATION OF PROPERTY

The subject property is currently in use as a 96-unit apartment complex. The subject is described as Sunset Blvd Apartments Mansfield, OH 44907

TAXES

The permanent parcel numbers, assessment values, and taxes are as follows:

Auditor Parcel Number(s): 0270717909000, 0270717910000, 0270717911000, 0270717912000, 0270717913000, 0270717914000, 0270717915000, 0270717916000, 0270717917000, 0270717918000, 0270718001000, 0270718002000, 0270718003000, 0270718004000, 0270718005000,

Taxable Value per Auditor

Land Value	$115,770
Improvements Value	$887,070
Total	$1,002,840

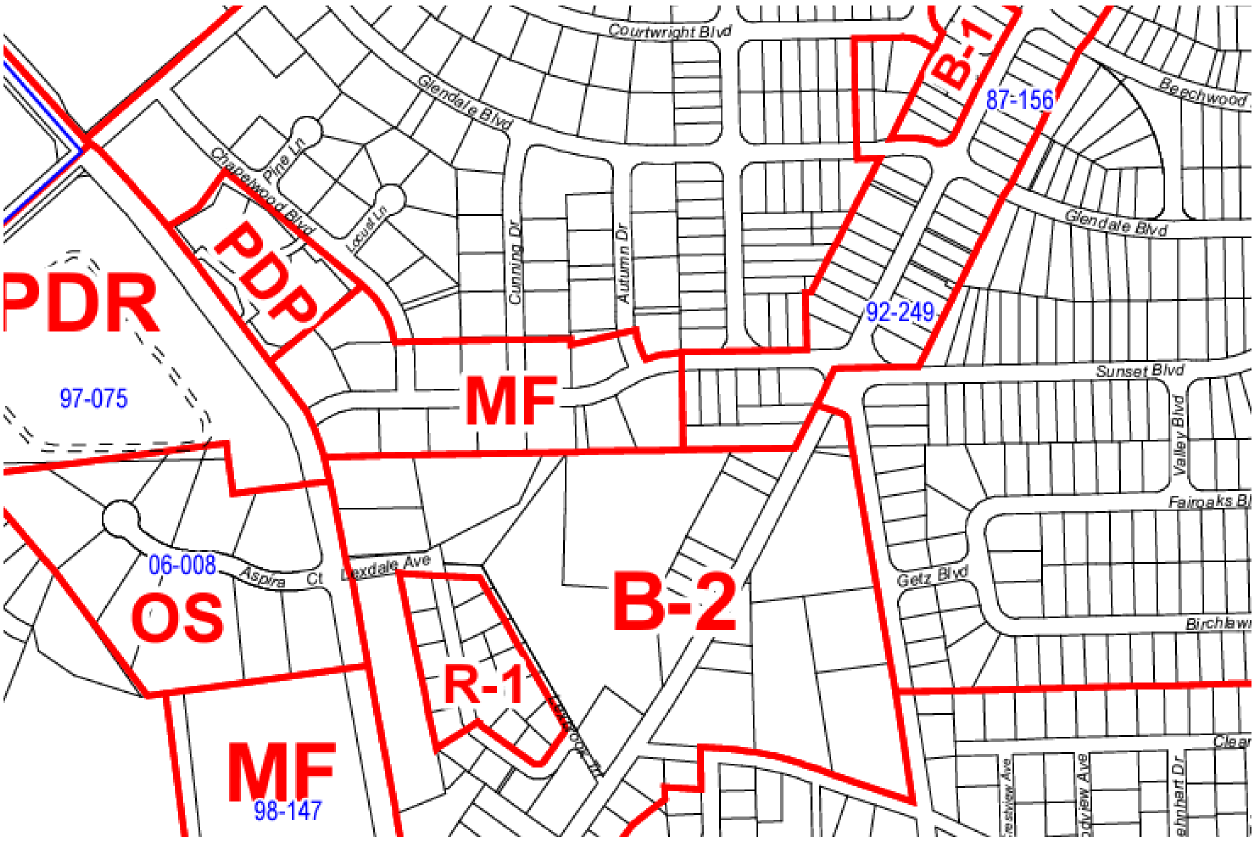
Appraised Value per Auditor

Land Value	$330,870
Improvements Value	$2,534,480
Total	$2,865,350

Real Estate Taxes: $69,758.96
Special Assessments: None Noted

ZONING

The subject is zoned in the MF-Multi Family of Mansfield, OH in Richland County, Ohio. The purpose of the MF-Multi Family District includes various types of multifamily residential uses as permitted by the board of appeals. The subject's current uses are permitted uses under current zoning laws.



FLOOD ZONE DATA

According to the FEMA map #39139C0210E, dated 04/04/2011, the subject's improvements are not located in a flood prone area.

SITE DESCRIPTION

The subject is located on Sunset Blvd. in Mansfield, Ohio. The subject contains a total of 302,302 square feet of land according to the tax card. The site is irregular shaped site that contains 15 parcels of land. The subject has adequate frontage on Sunset Blvd as well as frontage on S Trimble Rd. Acreage and site square footage are approximate based on measurements taken from the auditor site since the auditor page does not provide an exact square footage or acreage.

Adverse Site Conditions- The appraiser confirms that there are no adverse site conditions present at the subject property that are apparent to the appraiser.

Easements/Encroachments- There are no easements or encroachments noted for the subject property.

DESCRIPTION OF IMPROVEMENTS

GENERAL INFORMATION

Number of Buildings:	12
Use:	Apartments
Year Built:	1969
Overall Quality:	Average
Overall Condition:	Good
Design and Appeal:	Average
Effective Age:	15
Remaining Economic Life:	45
Areas:	Number of Stories: 2
	Gross Building Area: 83,952 sf
	Rentable Area: 83,952 sf
	Land/Building Ratio: 3.60

FOUNDATION, FRAME, EXTERIOR

Foundation:	Basement/Average
Basement Use:	Storage/Unfinished Space
Building Frame:	Wood
Exterior Walls:	Masonry/Cedar/Average
Roofing:	Shingle/Average
Windows:	Vinyl/Average

INTERIOR

Flooring: Carpet/LVP/Average

Walls: Drywall/Average

Ceilings: Drywall/Average

Lighting: Adequate

Heating: Forced Air

Cooling: Central Air

Interior Layout: There are (24) 1-bedroom units, (24) 3 bedroom units, and (48) 2 bedroom units for a total of 96 apartments units. All units also have a full bathroom, a living room, a small dining area, and a full kitchen. All buildings are identical is size and layout.

Updates: All units have either been updated or are in the process of being updated. There are 4 in the process of being updated. Half of the buildings have new roods, and most buildings have new windows.

Restrooms: 1 per apartment/good condition

PARKING

Parking Type: On Site

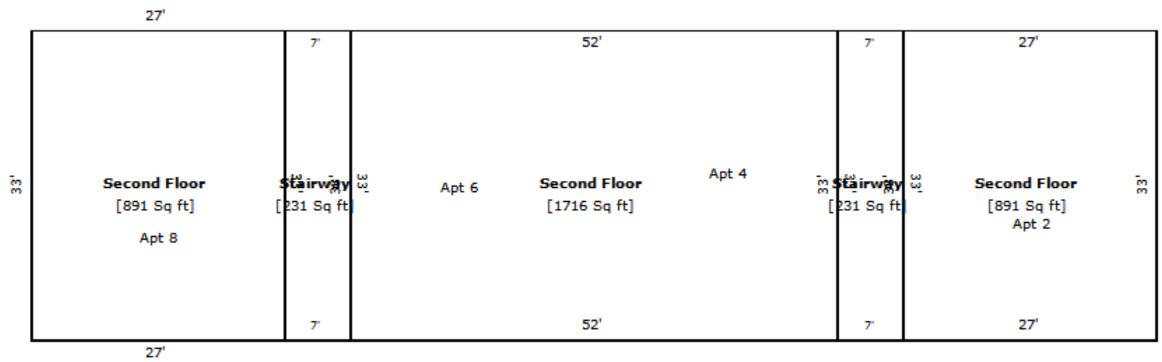
Material: Asphalt

Number of Spaces: 1-2 per apartment. There is 1 carport space per apartment and adequate uncovered parking throughout the complex.

Condition: Good

***Please Note: This is an appraisal of the real estate only and does not include any furniture, fixtures, equipment, inventory, or business assets that may be included with the subject property.

Building Sketch



S Trimble Rd
Street View

S Trimble Rd
Street View

793

781

769

757

745

733

Sunset Blvd
Street View

Sunset Blvd
Street View

Overview

Overview

1885 Autumn

1886 Autumn

1885 Cunning

1886 Cunning

1885 Chapelwood

1886 Chapelwood

Typical 2 bedroom | **Typical 2 bedroom**

Typical 2 bedroom | **Typical 2 bedroom**

Typical 2 bedroom | **Typical 2 bedroom**

Typical 2 bedroom

Typical 3 bedroom

Typical 3 bedroom

Typical 3 bedroom

Typical 3 bedroom

Typical 3 bedroom

Typical 3 bedroom

Typical 3 bedroom

Typical 1 bedroom

Typical 1 bedroom

Typical 1 bedroom

Typical 1 bedroom

Typical 1 bedroom

2 bedroom flip

2 bedroom flip

2 bedroom flip

2 bedroom flip

2 bedroom flip

2 bedroom flip

2 bedroom flip

2 bedroom flip 2

2 bedroom flip 2

2 bedroom flip 2

2 bedroom flip 2

2 bedroom flip 2

Typical 3 bedroom

Typical 3 bedroom

Typical 3 bedroom

Typical 3 bedroom

Typical 3 bedroom

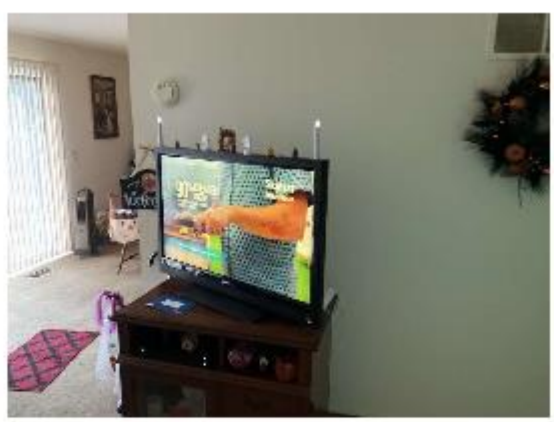
Typical 3 bedroom

1 bedroom flip

1 bedroom flip

1 bedroom flip

1 bedroom flip



Typical 2 bedroom

Typical 2 bedroom

Typical 2 bedroom

Typical 2 bedroom

Typical 2 bedroom

Typical 2 bedroom

Typical Car Port

HIGHEST AND BEST USE

According to The Appraisal of Real Estate, 12^{th} Edition, Highest and Best Use is defined as: "the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported and financially feasible and that results in the highest value."

The two types of Highest and Best Use to be analyzed are "as vacant" and "as improved". The purpose of this analysis is to determine whether the value without the improvements is less than or greater than the value with improvements. If the value of the property with the improvements is greater than the vacant land value, then the highest and best use would be "as improved".

Four criteria must be met for Highest and Best Use. The Highest and Best Use must be:

1. legally permissible
2. physically possible
3. financially feasible
4. maximally productive

Highest and Best Use "As Vacant"

First, the highest and best use "as vacant" was determined. Evaluating the highest and best use of a site "as vacant" makes the assumption that the land is vacant, or could be made vacant. This analysis looks to potential uses which create value; either current use, or any possible uses. Comparable properties which have sold are analyzed to indicate an opinion of land value.

Land value, as a separate component of land analysis, is utilized in the Cost Approach, and whenever a separate valuation of land to building improvements is required.

When the land being considered is vacant, the land value is therefore developed as it exists. When the land is improved, the land value which is developed must consider how the land can be potentially utilized. The highest and best use analysis of land "as vacant' considers both present use and potential uses.

The highest and best use of the land "as vacant" must be:

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

HIGHEST AND BEST USE “AS VACANT”

Legally Permissible

The site must be evaluated for allowable uses. Private and public restrictions, building codes, and environmental regulations are considered. The subject parcel is located in Mansfield, Ohio and is zoned MF-Multi Family. Other uses would require a change in the zoning, which requires application for such a change and approval by local officials. Therefore, residential space would be permitted.

Physically Possible

Second, the site must be evaluated to determine the improvements that would be physically possible. The subject site is irregular in shape and is located on Sunset Blvd. There is adequate ingress and egress to the site. The site presently has access to typical required utilities, including electricity, water, and sewer. The site is large enough for a variety of possible uses. The site’s shape, size, topography, and other features do not appear to limit its use. Therefore, the test of physical possibility is felt to be met by residential uses.

Financially Feasible

The third test of highest and best use involves financial feasibility. Uses that met the tests of being legally permissible or physically possible were already considered. Such uses were analyzed for their ability to produce income with the highest possible rate of return. The subject property’s market area consists of commercial uses, special uses, residential uses, and vacant land. Therefore, of the legally permitted uses, residential use is felt to produce a positive rate of return. Therefore, the test of financial feasibility is felt to be met with regards to the subject property.

Maximally Productive

The fourth test of highest and best use involves maximally productive uses; that is, the use(s) that could provide the highest benefit and return to the land. Demand for other uses is not felt to be present in this area at this time. Residential use is felt to be considered maximally productive for the life of any existing or proposed improvements. Therefore, the test of maximally productive uses is felt to be met by residential uses.

HIGHEST AND BEST USE “AS IMPROVED”

Opinion of Highest and Best Use “As Improved”

The subject site has a total site size of approximately 302,302 square feet. The site is improved with 83,952 square feet of usable space. The highest and best use as improved would be multi-family residential.

Legally Permissible

As noted, the subject is presently zoned for multi-family residential uses; therefore, the existing improvements are permitted. Therefore, as improved, the subject property’s existing use is a legally permitted use.

Physically Possible

As noted, subject site has a total site size of approximately 302,302 square feet. The site is improved with 83,952 square feet of usable space. Physically, the site is large enough to support the improvements. Therefore, as improved, multi-family residential would be the highest and best use.

Financially Feasible and Maximally Productive

Considering the uses in the area, the building improvements could be leased or owner-occupied. Therefore, current improvements or some type of residential is felt to be both financially feasible and maximally productive with regards to the subject site.

V. VALUATION

INTRODUCTION

There are three approaches to value. These are:

Cost Approach

Direct Sales Comparison Approach

Income Approach

The three approaches are interrelated; each requires the gathering and analysis of data that pertains to the property being appraised. From the approaches applied, the appraiser derives separate indications of value for the property being appraised. One or more of the approaches may not be applicable to a specific assignment or may be less reliable due to the nature of the property, the needs of the client, or data available. To complete the valuation process, the appraiser integrates the information drawn from market research and data analysis and from the application of approaches to form a value conclusion.

COST APPROACH

The Cost approach in appraisal analysis, which is based on the proposition that the informed purchaser would pay no more than the cost of producing a substitute property, is the principle of substitution. It is particularly applicable when the property being appraised involves relatively new improvements, which represent highest and best use of the land, or when relatively unique or specialized improvements are located on the site and for which there exist no comparable properties on the market. The cost approach is also known as the summation approach.

The steps in the cost approach are listed below:

- estimate site value as vacant

- estimate replacement or reproduction cost of the improvements

- estimate the amount of accrued depreciation from the estimated cost new

- add the estimated site value to the estimated reproduction or replacement cost new.

Estimate of Building Cost New:

The estimated cost new of the subject structure can be based on either of the two following premises:

a. Replacement Cost - The estimated cost to construct, at current prices, a building with utility equivalent to the building being appraised, using modern materials and current standards, design, and layout.

b. Reproduction Cost - The estimated cost to construct, at current prices, an exact duplicate, or replica, of the building being appraised, using the same materials construction standards, design, layout, and quality of workmanship, and embodying all of the subject's deficiencies, super adequacies, and obsolescence.

Accrued depreciation may be defined as:

The difference between an improvement's reproduction or replacement costs and its market value as of the date of appraisal. To measure accrued depreciation, an appraiser identifies and measures the loss in value experienced by the subject structure in its present condition and compares this with the value it would have if it were new. Accrued depreciation is sometimes referred to as diminished utility.

The process of estimating accrued depreciation includes an analysis of physical deterioration, functional obsolescence and external obsolescence. The two general categories of physical deterioration and functional obsolescence can both be divided into the sub-categories of curable and incurable. Since external obsolescence is caused by factors outside the subject property, it is generally considered to be beyond the control of the subject owner and therefore incurable.

Due to the age of the subject property the cost approach is not performed in this appraisal.

DIRECT SALES COMPARISON APPROACH

This is an appraisal procedure in which the market value estimate is predicated upon prices paid in actual market transactions. It is a process of analyzing sales of similar recently sold properties in order to derive an indication of the most probable sales price of the property being appraised. The reliability of this technique is dependent on the following:

- The availability of comparable sales data

- The verification of the sales data

- The degree of comparability or extent of adjustment necessary for the differences

- The absence of non-typical conditions affecting the sales price

The principle of substitution also serves as a basis in the direct sales comparison approach.

The basic steps in the comparative sales approach are:

- collecting and analyzing the data

- selecting appropriate units of comparison

- determining reasonable adjustments based on the market

- applying the data to the property under appraisement.

VALUATION BY SALES COMPARISON APPROACH

COMPARABLE SALE 1

Transaction Data	
Address: 99 Glenview Dr	Sale Date: 08/18/2023
City: Ontario	Sale Price: $8,000,000
State: OH	Price/sf: $102.12
Grantor: Glenview Estates LTD	Transaction Type: Arm's Length
Grantee: Apple Lake LLC	Financing: Conventional
County: Richland	Property Rights: Fee Simple
Data Source: CoStar	Days on Market: 68

Site Details	
Acres: 6.27 ac	Zoning: R-2 Residential
Land SF: 273,121	Flood Zone: No
Shape: Irregular	Topography: Level
Utilities: Public	Distance: 3.41 miles NW

Improvements & Income Data	
Source for GBA: Auditor	PGI: N/A
GBA: 78,336 sf	EGI: N/A
Year Built: 2000	Expense Ratio: N/A
Quality: Average	NOI: N/A
Condition: Good	CAP Rate: N/A
Number of Units: 70	Rent: N/A

Sale Comments: None

COMPARABLE SALE 2

Transaction Data	
Address: 374 Jennings Dr	Sale Date: 11/22/2021
City: Mansfield	Sale Price: $2,040,000
State: OH	Price/sf: $59.90/sf
Grantor: Stimens Kurt Truste Etc	Transaction Type: Arm’s Length
Grantee: Jennings Ave Apartments LLC	Financing: Conv
County: Richland	Property Rights: Fee Simple
Data Source: CoStar	Days on Market: UNK

Site Details	
Acres: 3.40 ac	Zoning: MF-Multi-Family
Land SF: 148,104	Flood Zone: No
Shape: Irregular	Topography: Level
Utilities: Public	Distance: 2.76 miles NE

Improvements & Income Data	
Source for GBA: Auditor	PGI: N/A
GBA: 34,056 sf	EGI: N/A
Year Built: 1982	Expense Ratio: N/A
Quality: Average	NOI: N/A
Condition: Average	CAP Rate: N/A
Number of Units: 48	Rent: N/A

Sale Comments: None

COMPARABLE SALE 3

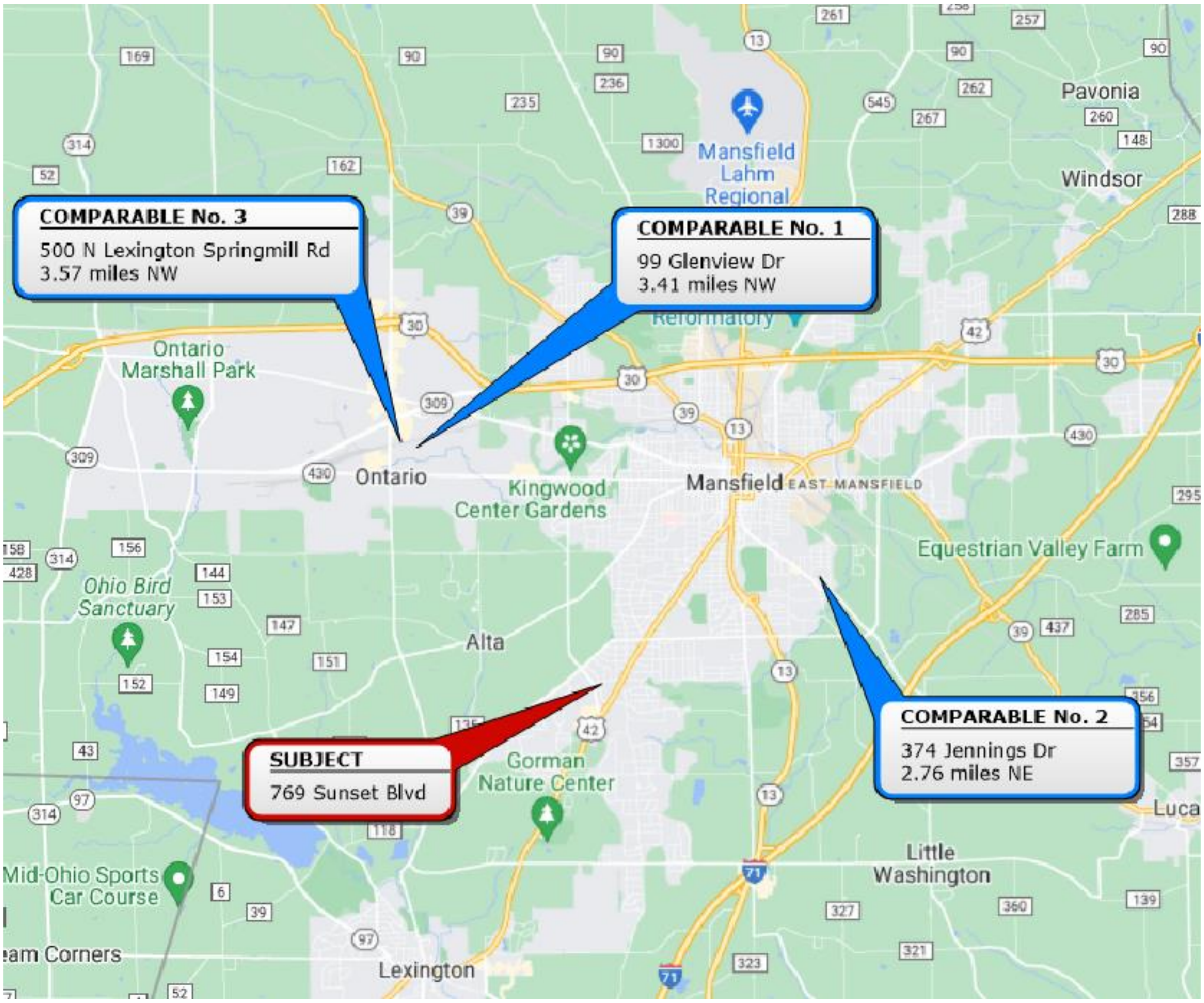
Transaction Data	
Address: 500 N Lexington-Springmill Rd	Sale Date: 06/27/2023
City: Mansfield	Sale Price: $3,850,000
State: OH	Price/sf: $88.72
Grantor: Concord Square Gardens LP	Transaction Type: Arm's Length
Grantee: SM Buckeye LLC	Financing: Conventional
County: Richland	Property Rights: Fee Simple
Data Source: CoStar	Days on Market: N/A

Site Details	
Acres: 5.00 ac	Zoning: MF-Multi Family
Land SF: 217,800	Flood Zone: No
Shape: irregular	Topography: Level
Utilities: Public	Distance: 3.57 miles NW

Improvements & Income Data	
Source for GBA: Auditor	PGI: N/A
GBA: 43,394	EGI: N/A
Year Built: 1984	Expense Ratio: N/A
Quality: Average	NOI: N/A
Condition: Good	CAP Rate: N/A
Number of Units: 72	Rent: N/A

Sale Comments: None

Location Map



Item	Subject	Sale 1	Sale 2	Sale 3
Address	Sunset Blvd Apartments	99 Glenview Dr	374 Jennings Dr	500 N Lex-SM Rd
	Mansfield, OH	Ontario, OH	Mansfield, OH	Mansfield. OH
Data Source	Public record/	Public record/	Public record	Public record
Data Source	walk-thru	CoStar	CoStar	CoStar
Bldg Area (sf)	83,952	78,336	34,056	43,394
Lot size (sf)	302,302	273,121	148,104	217,800
Land/building ratio	3.60	3.49	4.35	5.02
Year Built	1969	2000	1982	1984
Construction Type	masonry	wood	masonry	wood
Quality	average	average	average	average
Condition	good	good	average	good
Parking	on site/car port	on site/garages	on site	on site
Sales Price		$8,000,000	$2,040,000	$3,850,000
Price/sf		$102.12	$59.90	$88.72
Date of sale		8/18/2023	11/22/2021	6/27/2023
Exposure Time	Typical	Typical	Typical	Typical
Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Conditions of Sale	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Excess Land	none	none	none	lot size
Adjustment				-2
Marking Condition	Stable	Stable	Stable	Stable
Location	Suburban	Suburban/Superior	Suburban	Suburban/Superior
Adjustment		-5		-5
Quality	Average	Average	Average	Average
Adjustment				
Condition	Good	Good	Average	Good
Adjustment		-5	15	
Parking	on site/car port	on site/garages	on site	on site
Adjustment		-3	5	5
Net Adj		($13.00)	$20.00	($2.00)
Adj Price		$89.12	$79.90	$86.72

CORRELATION OF MARKET DATA

Sales data was searched for throughout west central Ohio. Data was searched back to 2021 in order to locate the best comparable sales in the market area.

Sale 1 made adjustments for superior location due to being located in a superior location of Ontario with superior commercial influence, superior condition due to age, and superior parking due to having enclosed garages rather than open car ports.

Sale 2 made adjustments for inferior condition due to not being as updated as the subject and not having car ports.

Sale 3 made adjustments for lot size based on the land to building ratio, superior location due to being located in the superior market of Ontario with superior commercial influence, and not having any covered parking.

The adjusted value range for the value of the subject property is $79.90-$89.12 based on the price/sfof the comparable sales. All comps are similar type properties that have sold in the subject's geographic market making all comps used good indicators of value for the subject property. The value of the subject property is estimated at $87.00/sf.

The estimated value (rounded) based on the sales comparison approach to value is the following:

Seven Million Three Hundred Four Thousand Dollars

$7,304,000

INCOME APPROACH

The procedure in appraisal analysis, which converts, anticipated benefits (dollar income or amenities) to be derived from the ownership of the property into a value estimate. Anticipated future income and/or reversions are discounted to a present worth figure through the capitalization process.

The income approach is frequently referred to as capitalization of net income. It is a valid check to value estimated through the cost and direct sales comparison approach.

The basic steps in the income approach are:

- estimate potential gross income (from market rentals, not necessarily the contract rents)
- deduct for vacancy and collection losses
- add miscellaneous income
- determine operating expenses
- deduct operating expenses to determine net income before discount, recapture and taxes
- select the property capitalization procedures to be used
- capitalize the net income into an estimated property value.

The income approach is based upon the principles of substitution and anticipation.

Direct Capitalization

Direct capitalization is a method used to convert a single year's income expectancy into an indication of value in one direct step. The subject's income is divided by an appropriate factor. The chosen rate or factor represents the relationship between income and value as observed in the market. The rate or factor is revealed in comparable sales analysis by dividing income, usually annual net operating income, by sale price.

Direct capitalization does not provide for allocation between return on and return of capital because investors' assumptions are not specified. However, it is implicit that the selected multiplier or rate will satisfy a typical investor and that the prospects for future monetary benefits, over and above the amount originally invested, are sufficient.

Direct capitalization may be based on gross potential income, effective gross income, net operating income, or equity dividend; hence the terminology; gross income multiplier, overall rate (net income multiplier) and equity dividend rate. The selection of the income to be capitalized is determined by the purpose of the analysis and data availability.

YIELD CAPITALIZATION

Yield capitalization uses the discounting procedure to convert future benefits to present value on the premise of a required level of profit or yield; it simulates the typical investor's investment assumptions by formulas that calculate the present value of expected benefits according to a presumed requirement for profit or yield.

The conversion of future benefits at specified is called discounting, and the required rate of return is called the discount rate when used in this analytical procedure. The discounting procedure presumes that the investor will receive a satisfactory rate of return on the investment plus a complete recovery of the capital investment.

For market value appraisals, the appropriate yield rate is selected by analyzing the market evidence pertaining to the yield anticipated by typical investors. In yield capitalization the appraiser (1) selects a holding, (2) identifies all future cash flows, (3) selects the appropriate yield (discount) rate, and (4) converts the future benefits to value by discounting each annual future benefit or by developing an overall rate that reflects income patterns, value change and the yield rate.

APPLICABILITY

Direct capitalization is simple and thus easily understood, and the capitalization rate or factor can be derived directly from market facts. Yield capitalization tends to be complex and usually required the use of special table, financial calculators, or computer programs. Selecting a market-oriented discount rate requires interpreting market attitudes and expectations, and typically cannot be directly correlated with current sales activity.

Since yield capitalization must be based upon foundations of accurately being able to estimate the value of a reversion several years into the future and also estimate the appropriate capitalization rate at that time, direct capitalization is usually a far more effective means of evaluating an income stream. There are specific instances where yield capitalization is a more appropriate technique, however within this assignment only direct capitalization procedures will be used to derive an estimate of market value for the subject property.

DERIVATION OF OVERALL CAPITALIZATION RATES

Although any interest in real estate with an income stream can be valued by direct capitalization, the interest which is considered within this assignment is that of the fee simple estate, or all the property rights in the real estate. The direct capitalization formula applicable for this type of valuation is:

Value= (NOI)/Overall Cap Rate

An appraiser can estimate the overall capitalization rate by various techniques. The techniques the appraiser uses depend on the quality of data available. The accepted techniques include:

a. Derivation from comparable sales
b. Derivation from EGIM
c. Band or investment analysis-using land and building components.
d. Band of investment analysis- using mortgage and equity components
e. Using the debt coverage formula

DERIVATION FROM COMPARABLE SALES

In order to utilize this procedure, similar sales must be found and their net operating income must be known or determined by market rent. The capitalization rate is derived from data gathered from investments in the local market area with the risk associated with such a venture.

BAND OF INVESTMENT- MORTGAGE AND EQUITY COMPONENTS

Because most properties are purchased with debt and equity capital, the return-on-investment component of the overall cap rate must satisfy the market return requirements of each investment position. Lenders must anticipate receiving a competitive interest rate commensurate with the perceived risk or they will not make funds available. Similarly, equity investors must anticipate receiving a competitive equity yield commensurate with the perceived risk or they will divert their investment funds elsewhere.

The band of investments or weighted average formula for deriving an overall rate when the mortgage constant and equity dividend rates are known is:

Cap Rate= (M x RM) + (1-M) x RE

M	=	Debt Portion of Investment
RM	=	Mortgage Constant
1-M	=	Equity Portion of Investment
RE	=	Equity Dividend Rate

DEBT COVERAGE FORMULA

The debt coverage ratio is the annual net income divided by the annual debt service. The formula for estimating a capitalization rate with the debt coverage ratio is as follows:

Cap Rate=M x RM x DCR (debt coverage ratio)

MORTGAGE CONSTANT

The mortgage constant is a rate that reflects the relationship between debt service and the principal amount of the mortgage loan. It is a function of the interest rate, the frequency of amortization, and the term of the loan.

EQUITY DIVIDEND RATE

The equity dividend rate is the ratio of the annual equity dividend to the original equity investment. The equity dividend is simply the portion of the net operating income remaining after debt service and operating expenses.

OVERALL RATE CONCLUSION

The capitalization rate was derived from data gathered from investments in the local market area with the risk associated with such a venture.

Derivation from Comparable Sales

Item	Comparable 1	Comparable 2	Comparable 3
Fee Simple or Leased Fee	Fee Simple	Fee Simple	Fee Simple
Sale Price	$8,000,000	$2,040,000	$3,850,000
Gross Potential Income	$924,000	$288,000	$475,200
Vacancy %	7.00%	7.00%	7.00%
Effective Gross Income	$859,320	$267,840	$441,936
Operating Expenses	$274,982	$85,709	$141,420
Expense Ratio	0.320000	0.320000	0.320000
NOI	$584,338	$182,131	$300,516
EGIM	9.31	7.62	8.71
Overall Rate	7.30%	8.93%	7.81%

The appraiser used rates of $500/month -$$1,100/month based on data from the market area. The 7% vacancy rate was used since the typical vacancy for this market area is around 5-10% for similar type properties. Rent rates were determined by the comparable rentals in the market area based on the comparable sales location, quality and condition. Cap rates range from 7.30-8.93 making the 7.50% cap rate appropriate.

Band of Investments Method

To support the capitalization rate used the Band of Investment method has been utilized. A 4.95% to 6.0% interest rate, a 20-25-year amortization, 60-70% loan to value, and a 5%-8% return equity based on the current market results in an overall capitalization rate range from 6.19 to 8.42%. It is noted that the higher return to equity is a result of the type of property, the nature of the business, and the risk involved. Interest rates were based on information from RealtyRates.com for Apartment mortgage rates for the first quarter of 2023. Rates appear to be between 4.32% on the low end and 8.37% on the high end. The appraiser used 4.95% and 6.00% since interest rates can vary between borrowers.

4.95% Interest Rate

25 Year Amortization

5% Return to Equity

60% Loan to Value

0.06976 X 0.60 = .0418

0.05 X 0.40 = .020

Total= .06186

Cap Rate = 6.19%

6.0% Interest Rate

20 Year Amortization

8% Return to Equity

70% Loan to Value

0.08597 X 0.70 = .06018

0.08 X 0.30 = .024

Total= .08418

Cap Rate = 8.42

PROJECTION OF NET OPERATING INCOME

Potential Gross Income (per current rent roll)		$814,572
Less Vacancy & Collection Loss (included in PGI)		$0
Effective Gross Income		$814,572
Less Operating Expenses	Expense Ratio	
Taxes (per auditor)		$69,759
Utilities (10% for water/sewer/trash)	10%	$81,457
Maintenance (10%)	10%	$81,457
Insurance (3%)	3%	$24,437
Management (5%)	5%	$40,729
Total Operating Expenses		$297,839
Net Operating Income		$516,733

DERIVATION OF VALUE USING DIRECT CAPITALIZATION

Using the basic value formula and the previously derived overall capitalization rate, the market value of the subject property by the income approach can be calculated as follows:

Value= Net Operating Income
Overall Capitalization Rate

Value= $516,733
7.5%

Value= $6,889,773

INCOME DATA

COMPARABLE RENTAL 1

Lease Information	
Address: Heatherwood Terrace Apts.	Lease Type: Gross
City: Mansfield	Term: Annual
State: OH	Lease Start Date: unk
Use: Apartments	Lease Expiration Date: unk
Tenant: 1br-3br	Rent- $659-$1,039/month

COMPARABLE RENTAL 2

Lease Information	
Address: 1145-1250 Hardwood Dr	Lease Type: Gross
City: Mansfield	Term: Annual
State: OH	Lease Start Date: unk
Use: Apartments	Lease Expiration Date: unk
Tenant: 2-3 br	Rent:$750-850/month

COMPARABLE RENTAL 3

Lease Information	
Address: 1482 N Lexington Springmill Rd	Lease Type: Gross
City: Mansfield	Term: annual
State: OH	Lease Start Date: unk
Use: Apartments	Lease Expiration Date: unk
Tenant: 1-3 br units	Rent- $1,275-$1,650

SUMMARY OF VALUATION BY CAPITALIZATION OF NET INCOME

The potential gross income for the subject is based on the actual rent for the subject property. The vacancy is included in the PGI and is around 7% which is in line with vacancy rates in the market area. Expenses were determined based on the appraiser's experience with this type of property. Since expense data is not typically available through available resources the best way to determine expense ratios, when actual expenses are not provided, is based off of expense ratios from similar type properties. Due to this being confidential information from previous appraisals the appraiser is unable to provide the addresses of these properties but all expense ratios used in this appraisal are reasonable and appropriate.

The estimated value (rounded) of the subject property by the income capitalization approach is the following:

Six Million Eight Hundred Ninety Thousand Dollars

$6,890,000

VI. RECONCILIATION AND FINAL ESTIMATE OF VALUE

The final analytical step in the valuation process is reconciling the indications of value into a singular dollar amount, or into a range in which the value will likely fall.
The following is a summary of the value indications provided by each of the three approaches:

Cost Approach	N/A
Sales Comparison Approach	$7,304,000
Income Capitalization Approach	$6,890,000

The cost approach is often used to test the feasibility of new construction and as a benchmark for comparison with the other approaches. This approach is dependent upon accuracy in estimating accrued depreciation from all sources which can be subjective. Therefore, the indication of the cost approach is normally given primary consideration only in the absence of conclusive market sales and income data.

The sales comparison approach is frequently considered the most reliable indicator of value, as it directly reflects prices currently being paid for comparable properties within the local market. This approach typically provides a highly supportable estimate of value for relatively homogeneous properties where adjustments are few and relatively simple to compute. This approach is a good indicator of value for properties that are typically occupied and operated by the owners.

The income approach is generally the preferred technique for appraising income producing properties, as it commonly closely reflects the investment rationale and strategies of typical buyers. Most of the data used in the income approach have been adjusted by market factors, which reduce the unsupportable, subjective content which frequently minimizes the effectiveness of the other approaches.

The final estimated value of the subject property as of September 25, 2023 for the “as is” value is the following:

Seven Million Two Hundred Thousand Dollars

$7,200,000

VII. Addenda

Legal Descriptions- 16426 110 X 156.16 X, 16427 154.06 X 122.27 X, 16429 110 X 153.78 X, 17734 W PT 160 X 150, 17734 W PT 221.58 X 150 X, 17734 E PT 30 X 151.4 X, 17734 E PT 153.87 X 150 X, 17734 E CT PT 160 X 150, 17734 W CT PT 160 X 150, 19426 S PT 19.59 X 156.16, 19427 S PT 20.35 X 150 X, 19428 EX N 11 FT 159.38 X 150, 19429 EX N 11 FT 159 X 150.01, 20982 159.01 X 160.16 X, 20983 159 X 150.01 X

AN APPRAISER LICENSE/CERTIFICATE
has been issued under ORC Chapter 4763 to:

NAME:
Steve Duane Allen

LIC/CERT NUMBER:
2006001656

LIC LEVEL:
Certified General Real Estate Appraiser

CURRENT ISSUE DATE:
11/02/2021

EXPIRATION DATE:
12/04/2022

USPAP DUE DATE:
12/04/2022

Ohio | Department of Commerce

Division of Real Estate & Professional Licensing

AN APPRAISER LICENSE/CERTIFICATE
has been issued under ORC Chapter 4763 to:

NAME:
Trent Thomas Endsley

LIC/CERT NUMBER:
2019000914

LIC LEVEL:
Certified Residential Real Estate Appraiser

Ohio | Department of Commerce
Division of Real Estate & Professional Licensing

CURRENT ISSUE DATE:
02/25/2022

EXPIRATION DATE:
03/13/2023

USPAP DUE DATE:
03/13/2023