



Pines Place Residential Towers

614-unit apartment project
8103 and 8203 S. Palm Drive and 8210 Florida Drive
Pembroke Pines, Florida 33025

Appraiser File #26-0401

As of

April 15, 2026

Prepared for

Mr. Michael Stamm Jr., Director/Assistant City Manager
Planning and Economic Development Department
City of Pembroke Pines
601 City Center Way, 3rd Floor
Pembroke Pines, Florida 33025



May 18, 2026

Mr. Michael Stamm Jr., Director/Assistant City Manager
Planning and Economic Development Department
City of Pembroke Pines
601 City Center Way, 3rd Floor
Pembroke Pines, Florida 33025

RE: Pines Place Residential Towers
8103 and 8203 S. Palm Drive and 8210 Florida Drive
Pembroke Pines, Florida 33025
Appraiser File #26-0401

Dear Mr. Michael Stamm:

As requested, I made the necessary investigation and analysis to form an opinion of “as is” market value for the above referenced real property. The emphasis for this summarized appraisal format is on critical data, analysis, and conclusions.

Built in 2005 and 2008, this apartment project consists of three five-story towers with a total of 614 units. Unit sizes are 575 and 750 square feet. Each unit has a refrigerator, stove, disposal, dehumidifier, and stack washer/dryer. The 25.92-acre site has lakes and fencing along the perimeter, manned guardhouse entry, gazebo, walk paths, and ample on-site parking.

The “as is” market value of the sub-leasehold interest in the subject’s improvements as of April 15, 2026, is shown below. The valuation is based on a 63.7-year term ending December 31, 2089 for Reliant (January 3, 2090 for the City). The analysis accounts for \$8.0 million in deferred maintenance.

\$91,100,000 without real estate taxes

\$73,000,000 with real estate taxes

- Personal property at \$760,000, representing the appliances in each unit, is included in the values previously noted. Business value, or any other intangible value, is not included.

The value of the sub-subground payment is an additional \$550,000.

\$550,000 sub-subground payment

Mr. Michael Stamm
May 18, 2026

No extraordinary assumptions or hypothetical conditions are noted. No part of this report is valid or to be relied upon unless it is a part of and joined together with the balance of the report.

Thank you for this opportunity to assist with your appraisal needs.

Respectfully submitted,

AUTREY APPRAISALS, Inc.

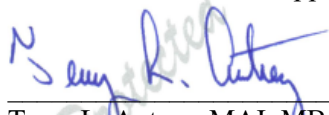


Terry L. Autrey, MAI, MBA
State-Certified General Real Estate Appraiser RZ823

Certification

I, Terry L. Autrey, MAI, MBA State-Certified General Real Estate Appraiser RZ823, certify that, to the best of my 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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the real estate that is the subject of this report and no personal interest with respect to the parties involved.
4. The last time I appraised the subject property was on March 21, 2023 (#23-0301-2). I have not performed any other services, as an appraiser or in any other capacity, regarding the property within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. 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.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
9. I have made a personal inspection (walk-through) of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the person signing this certification.
11. 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 Practice of the Appraisal Institute.
12. The use of this report is subject to requirements of the Appraisal Institute relating to review by its duly authorized representatives and to the State of Florida relating to review by the Florida Real Estate Appraisal Board.
13. As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.



as of May 18, 2026

Terry L. Autrey, MAI, MBA
State-Certified General Appraiser, RZ823

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ADDENDA

Subject Information
Assumptions and Limiting Conditions
Qualifications of Appraiser (including license)

EXECUTIVE SUMMARY

Property Information

Property type	Apartment project
Owner of record	THITF Health Services South Florida State Hospital
Address	8103 and 8203 S. Palm Drive and 8210 Florida Drive Pembroke Pines, Florida 33025
Parcel ID number	5141-21-25-0010 (portion)
Real estate taxes	Exempt
Census Tract	110341 (Suburban)

Improvement Data

Building size	614 units
Percent occupied	88%
Year built	2005 and 2008, average condition
Construction type	Concrete/metal (I and II) and concrete block (III)
Deferred maintenance	Yes, estimated at \$8.0 million

Site Data

Land size	25.92 acres
Excess / Surplus land	No
Zoning	Community Facility (CF)
Land use	Community Facility (Broward County)
Conforming	Yes, per the plat
Flood Zone	X and AE (elevation 6.7')

Valuation Information

Property interest	Sub-leasehold estate
Effective date	April 15, 2026 "As is" condition
Date of report	May 18, 2026
Exposure & Marketing time	Less than one year

Market Value Indications

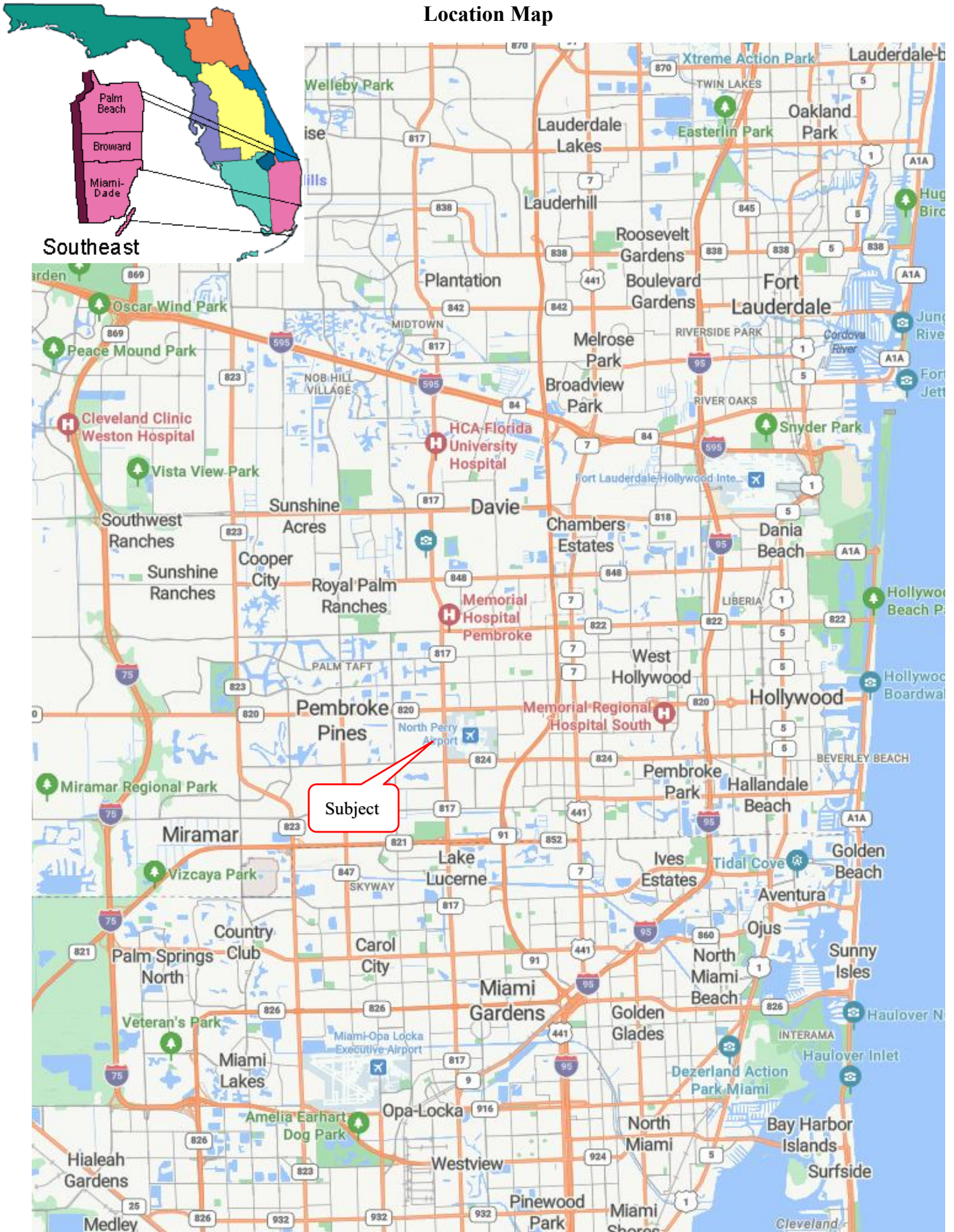
Cost approach	Not applicable
Sales comparison approach	Not applicable
Income approach	\$91,100,000 without real estate taxes \$73,000,000 with real estate taxes \$550,000 sub-subground payment

Final Conclusions

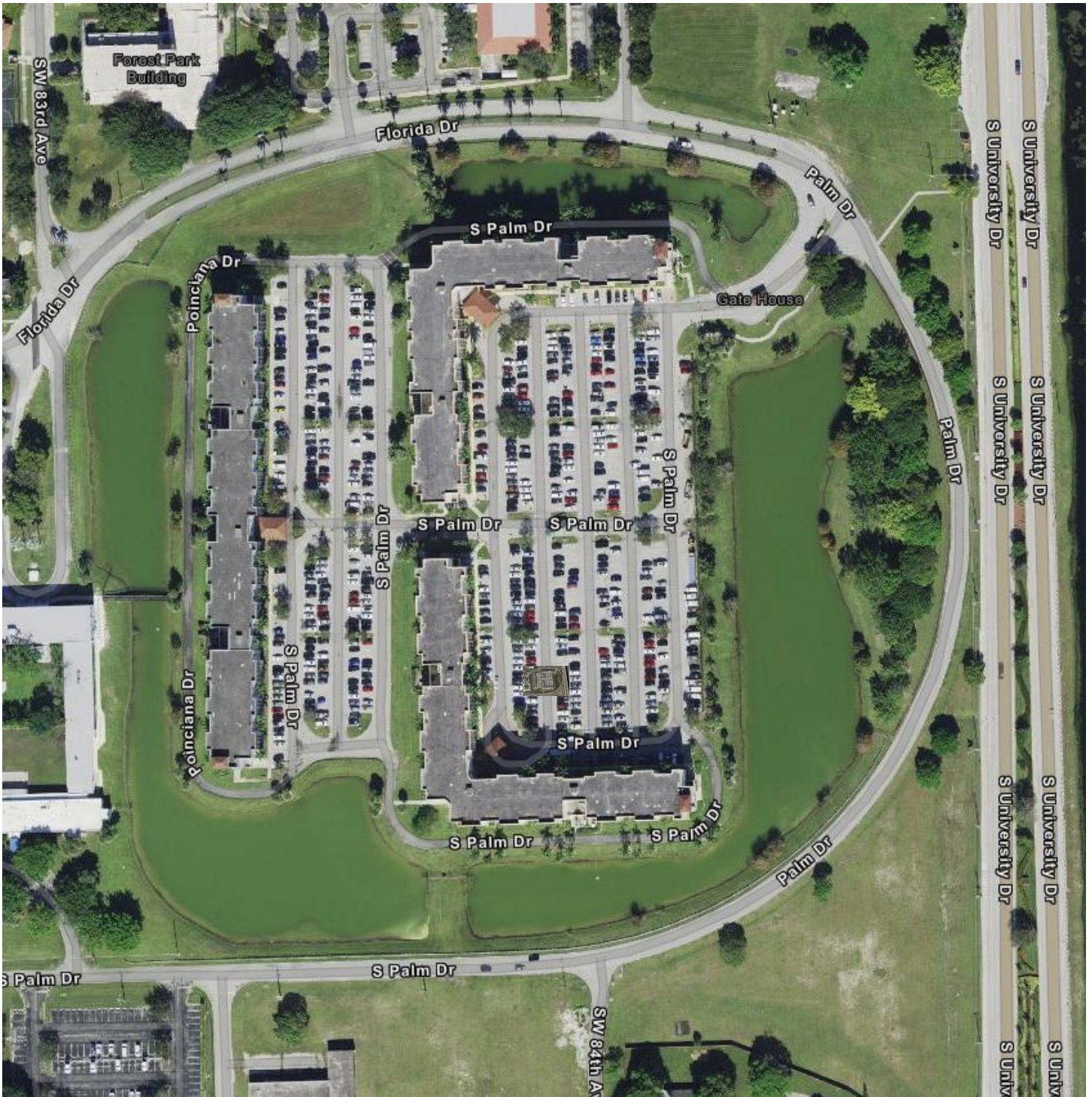
"As is" market value	\$91,100,000 without real estate taxes \$73,000,000 with real estate taxes \$550,000 sub-subground payment
Remaining economic life	About 40 years

Overview: The purpose of this appraisal is to value a sub-sublease position representing a 63.7-term ending December 31, 2089 for Reliant (January 3, 2090 for the City). Note that the value of the sub-subground payment is an additional \$550,000.

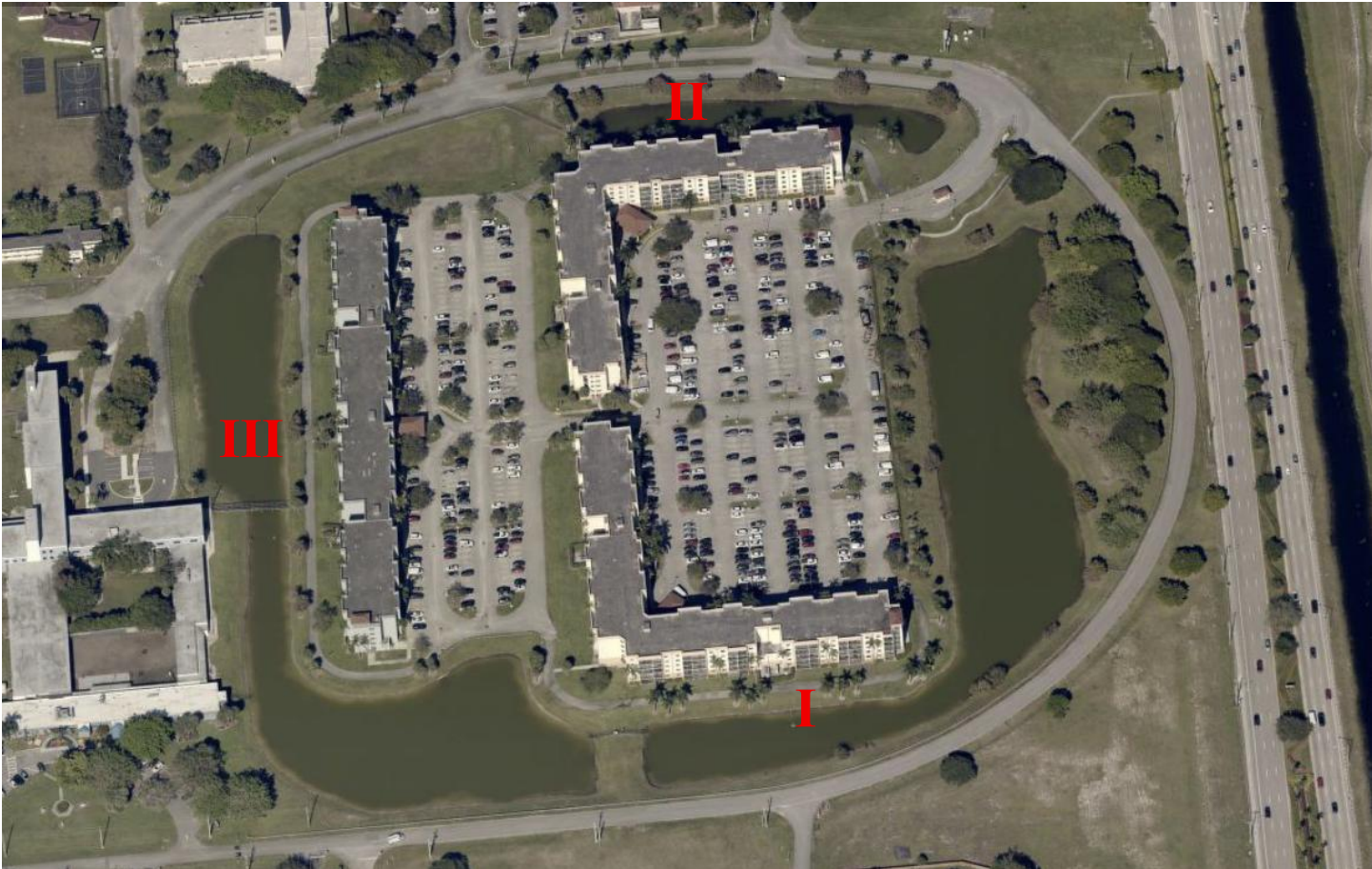
Location Map



Subject Aerial Photograph



Subject Pictometry



Subject Photographs



Entrance to subject property



Front of Building 8103 (I)

Subject Photographs (Continued)



Side and front of Building 8103 (I)



Front of Building 8203 (III)

Subject Photographs (Continued)



Rear of Building 8210 (II)



Rear of Building 8210 (II)

Subject Photographs (Continued)



Interior lobby of Building 8210 (II)



Interior common area of Building 8210 (II)

Subject Photographs (Continued)



Unit #112 – II (8210 Building)



Unit #112 (2/1 renovated)

Subject Photographs (Continued)



Unit #112 (8210 Building)



Unit #112 (2/1 renovated)

Subject Photographs (Continued)



Unit #236 - I (8103 Building)



Unit #236 (1/1 large)

Subject Photographs (Continued)



Unit #236 (1/1 large)

Subject Photographs (Continued)



Unit #518 - III (8203 Building)



Unit #518 (2/1 large)

Subject Photographs (Continued)



Subject Photographs (Continued)



Lobby of Building 8203 (III)



View from Building 8203 - 5th floor landing

Subject Photographs (Continued)



Subject Photographs (Continued)



Street scene – Looking northwest along S. Palm Drive/Florida Drive



Street scene – Looking southeast along S. Palm Drive/Florida Drive

Purpose and Use of the Appraisal

The purpose of this appraisal is to determine “as is” market value of the property's sub-leasehold estate. This report is for exclusive use by the City of Pembroke Pines, c/o Mr. Michael Stamm, to assist with the internal decision process pertaining to selling their position in a 63.7-year term ending December 31, 2089 to Reliant (January 3, 2090 for the City). This report is not to be used for any other purpose or by any other user.

Definition of Market Value

Market value has the following definition.

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: Department of the Treasury, Office of Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation (FDIC 12 DFR Part 323), Office of Thrift Supervision and National Credit Union Administration under 12 CFR Part 34, Real Estate Appraisals and Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (“FIRREA”); and the Interagency Appraisal and Evaluation Guidelines, Federal Register, Volume 75, No. 237, December 10, 2010.

“As is” market value is defined as “the estimate of market value of real property in its current physical condition, use, and zoning as of the appraisal’s effective date.”

Date of Value Estimation

The following chart notes the dates associated with the subject and the property rights:

	Date	Interest appraised
Date of report	May 18, 2026	---
Date of viewing	April 15, 2026	---
Date of “as is” value	April 15, 2026	Sub-leasehold

The date of viewing is also the date of value in “as is” condition. The report date reflects the day the assignment was delivered to the client.

Property Rights Appraised

The most complete form of ownership is title in fee; a.k.a., fee simple interest. The most common type of economic interest is created through leases; with leased fee representing the lessor’s or landlord’s interest. The leasehold interest is less common. These interests are defined as follows.

Fee simple: 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.

Leased fee: A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).

Leasehold: The interest held by the lessee through a lease conveying the rights of use and occupancy for a stated term under certain conditions.

The interest appraised within this report is the sub-leasehold position, which is a rare transfer in sale transactions. The sub-leasehold is defined as the legal term for a sublease - when a tenant (the original lessee) lets go of part or all of their leased space to another (the subtenant) for a set period.

The State of Florida is the owner of the land and the City of Pembroke Pines owns the buildings with land rights up until January 3, 2090. The city would be selling the right to use the three residential towers and the underlying land to Reliant for a 63.7-year term ending December 31, 2089.

Most Probable Buyer

The concept of market value relates to the price a typical motivated buyer would pay. Currently 88% occupied, this multifamily property has 614 units with 575 and 750 square feet. Interest is expected from investors looking for income generating possibilities. The most probable buyer is an investor. This report reflects two values; with real estate taxes and without real estate taxes.

Scope of Work for the Appraisal Report

The scope of work section refers to the amount and type of information researched and the analysis applied in this appraisal assignment. Primary duties are to collect, confirm, and report data. Consideration has been given to general market data and conditions as well as to the property’s zoning, surrounding improvements, and locale.

This assignment includes identifying the appraisal problem to be solved; an exterior and

interior viewing of the property being appraised; consideration of the highest and best use of the land and property as improved; collection, verification, and analysis of comparables; estimating a value indication for the subject as of the effective date of this appraisal; and preparing a written report.

With authorization given on April 6, 2026, I immediately proceeded to gather information. I toured the subject on April 15, 2026 and met with a city representative. As a sampling of the units in the building, the appraiser viewed the interior of three vacant units, one of each model type.

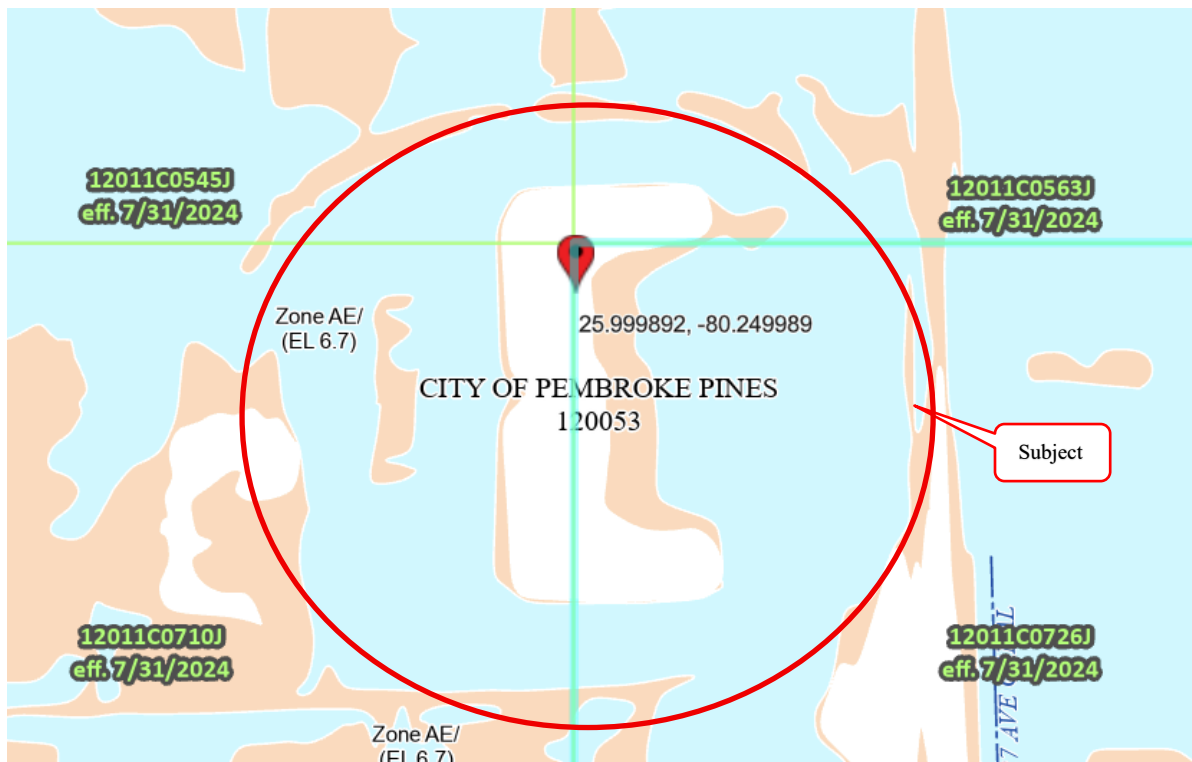
The following information was obtained for the appraisal.

- Sketch and legal description prepared by Calvin, Giordano and Associates, Inc. dated May 31, 2018 and noted as Project #91-0134.6
- Floor plans of individual units (preparer unknown)
- Current rent roll and vacancy reports
- Income/expense statements for several years
- Building plans prepared by The Haskell Company and noted as Job #41186201 (2003-2004) and #44031201 (2006)
- Current letter of Interest (LOI) from Reliant
- Information recorded under Proposed Ordinance 2024-02
 - Proposed sale to HG Pines, LLC (Hayden Glen)
 - Agreement to enter into sub-sublease (not signed)
 - Declaration of Restrictive Covenants – Affordable Housing (draft)

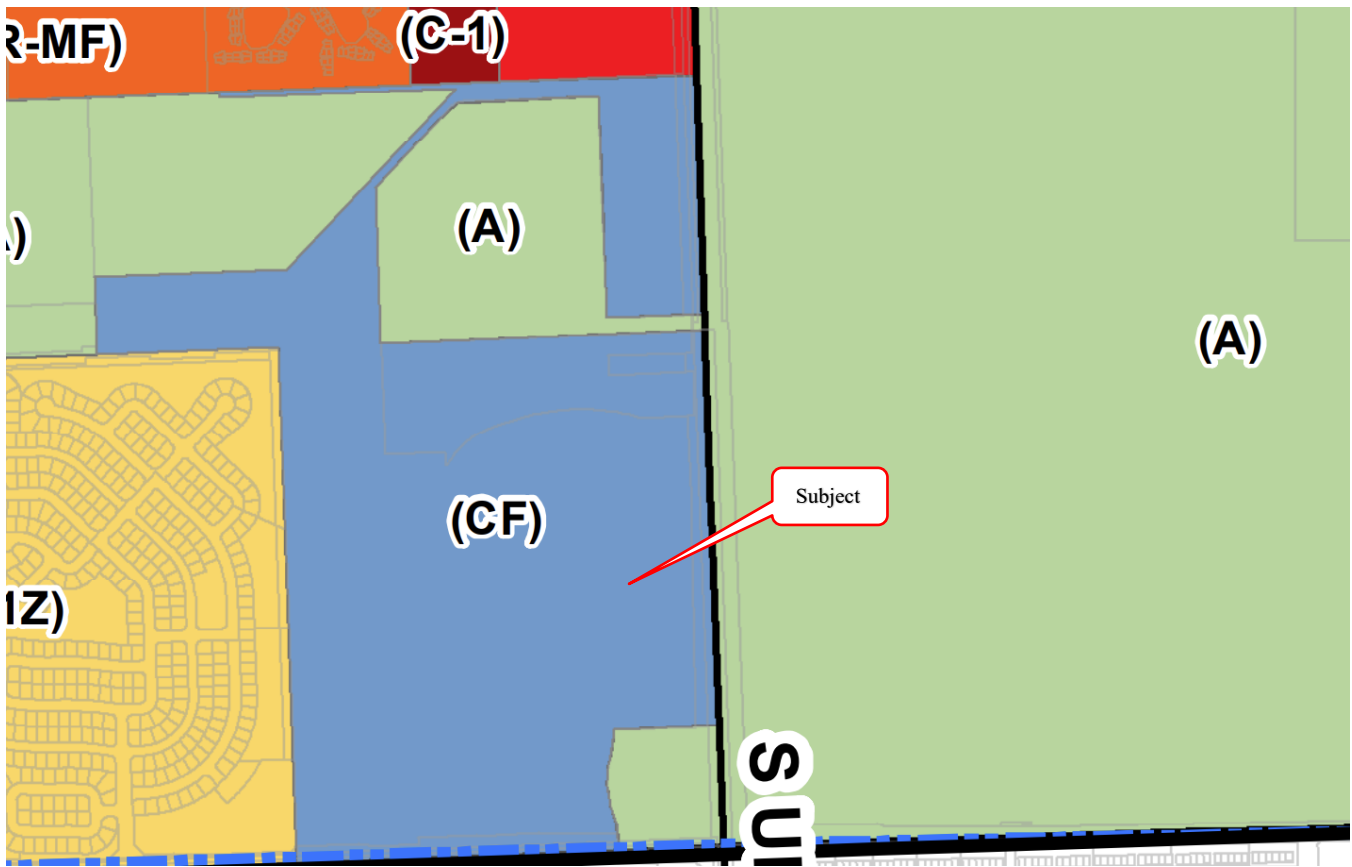
Rent rolls and expense details have been retained in the appraisal file due to length. An environmental report was not provided.

Since the sale is for a specific time (63.7 years), the discounted cash flow in the income approach is applicable for determining market value of the sub-leasehold estate. The cost and sales comparison approaches do not apply to the sub-leasehold value, as explained in the "Valuation Process" section of this report.

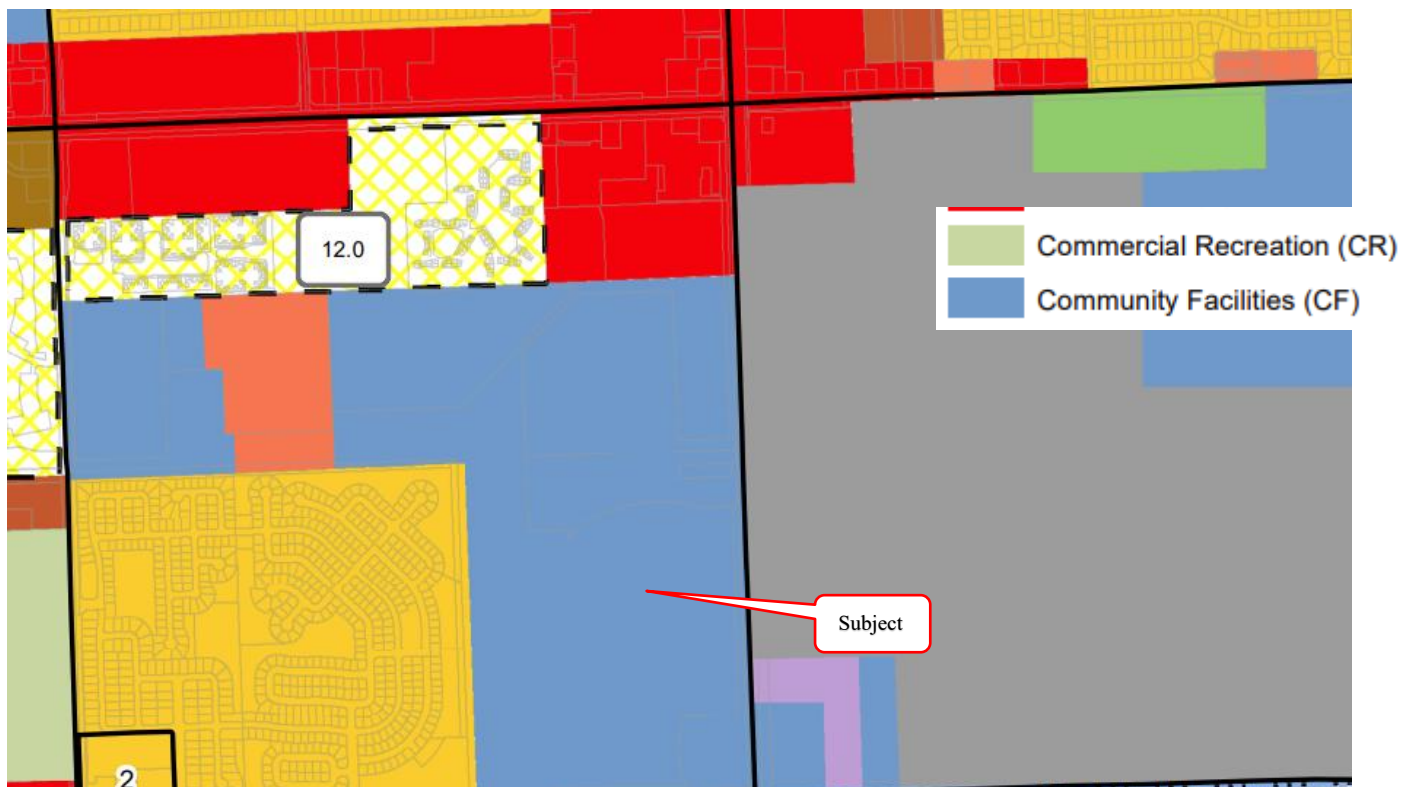
Flood map



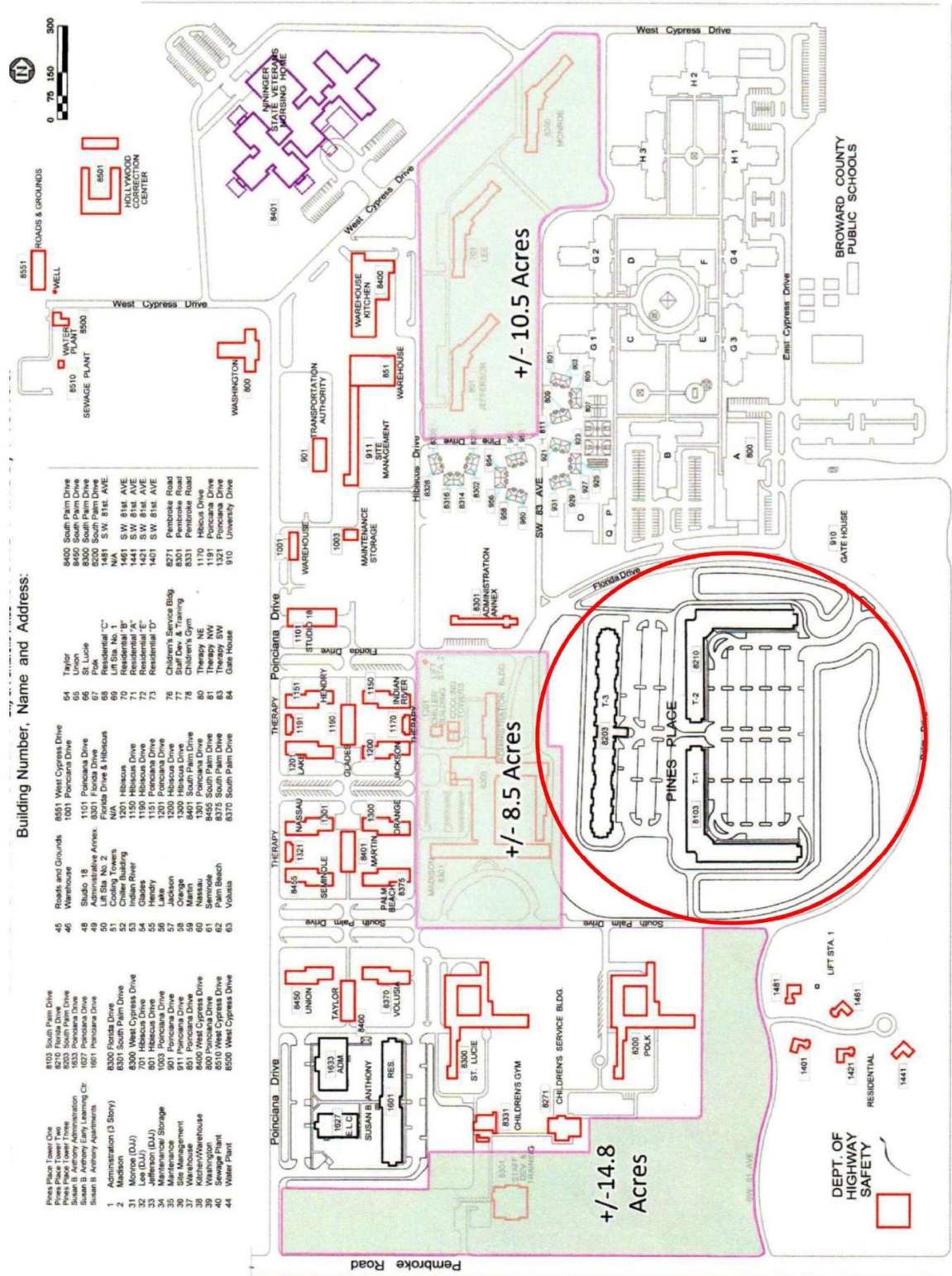
Zoning map (dated August 2025)



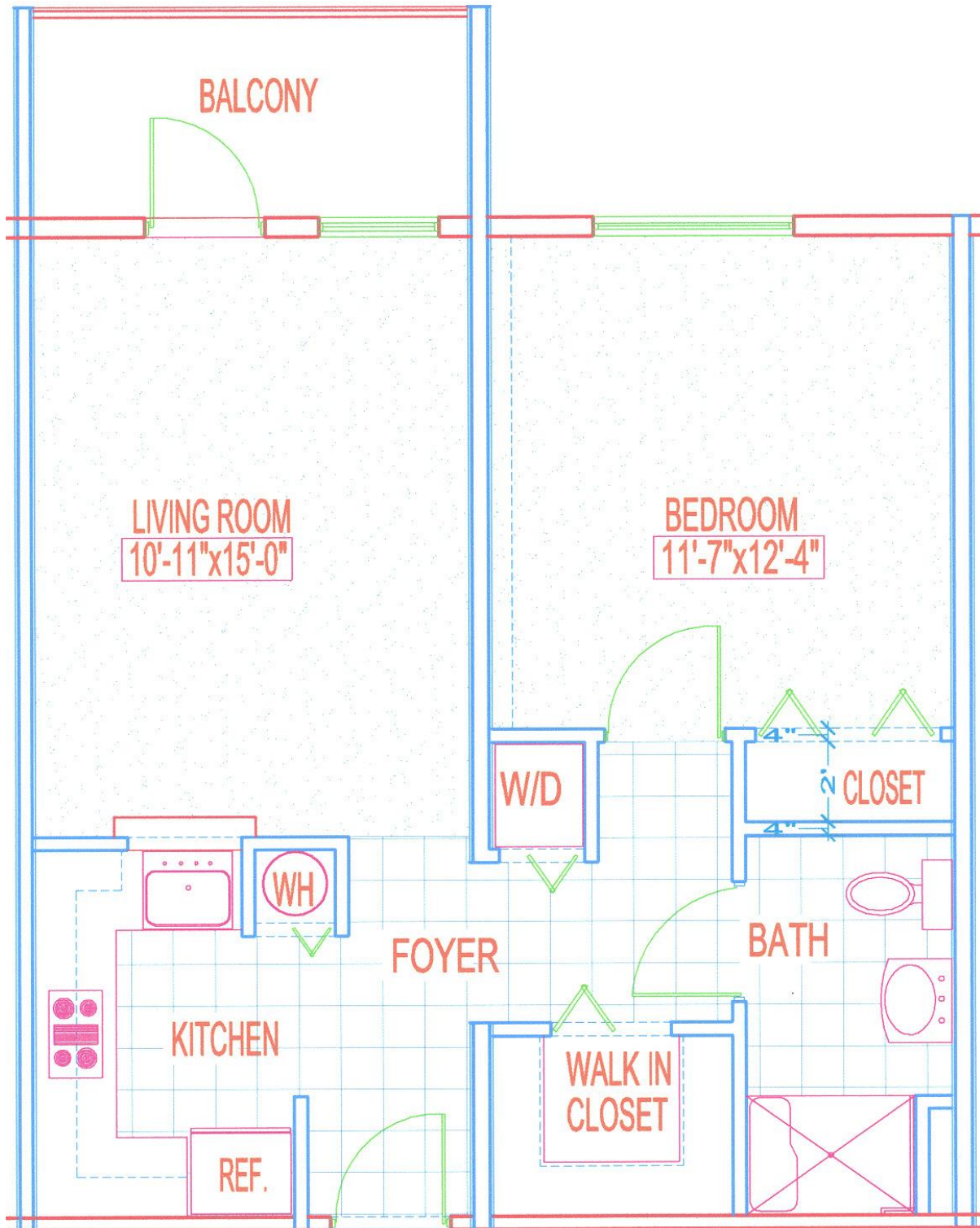
Future Land Use map (dated August 2025)



Site plan



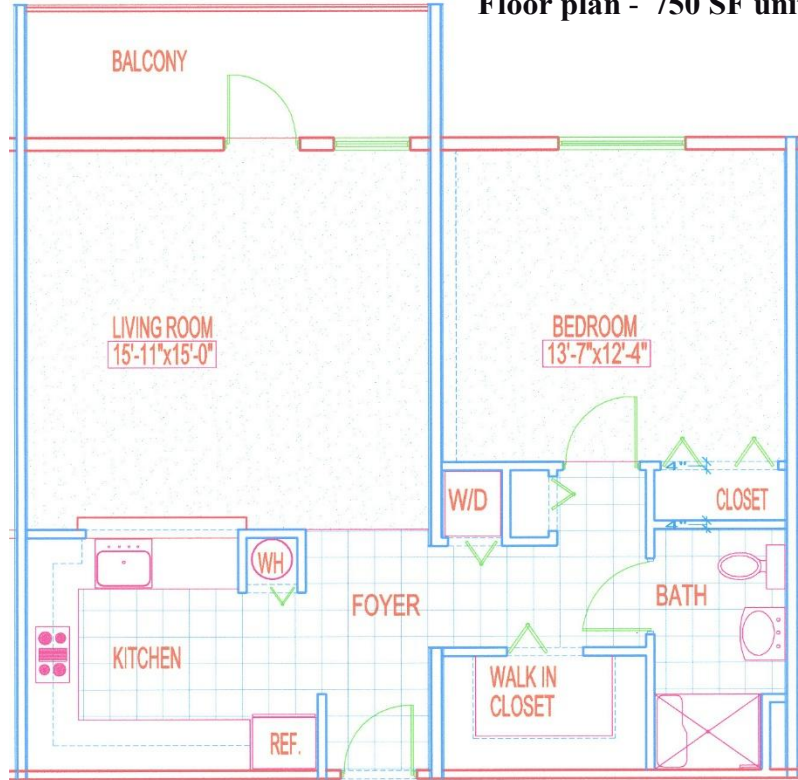
Floor plan - Small one-bedroom (575 SF)



TYPE "B" - 1BR UNIT FLOOR PLAN (575 SF.)

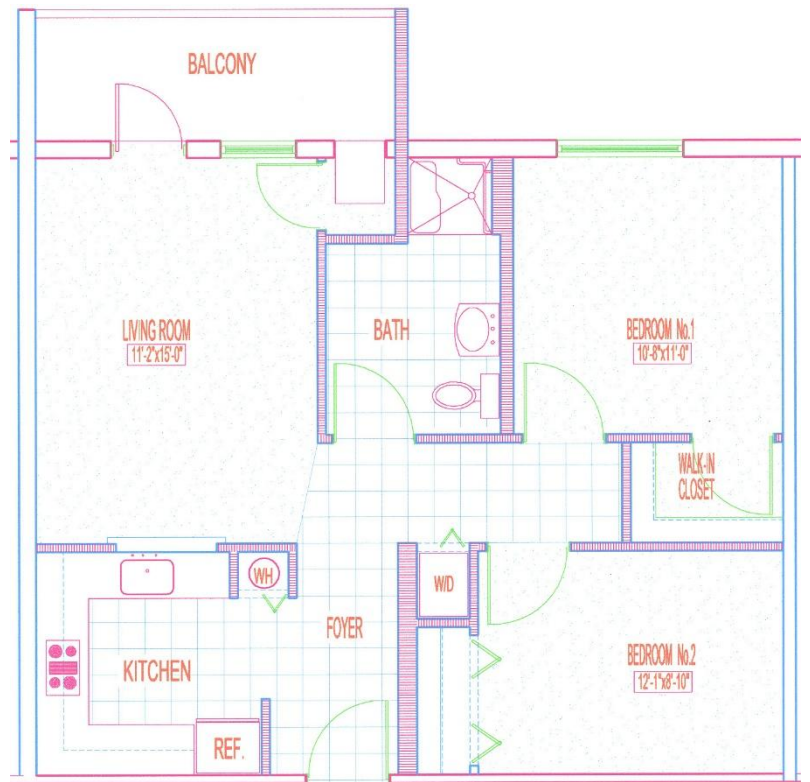
NOTE: This floor plan represents 69% of the units.

Floor plan - 750 SF units



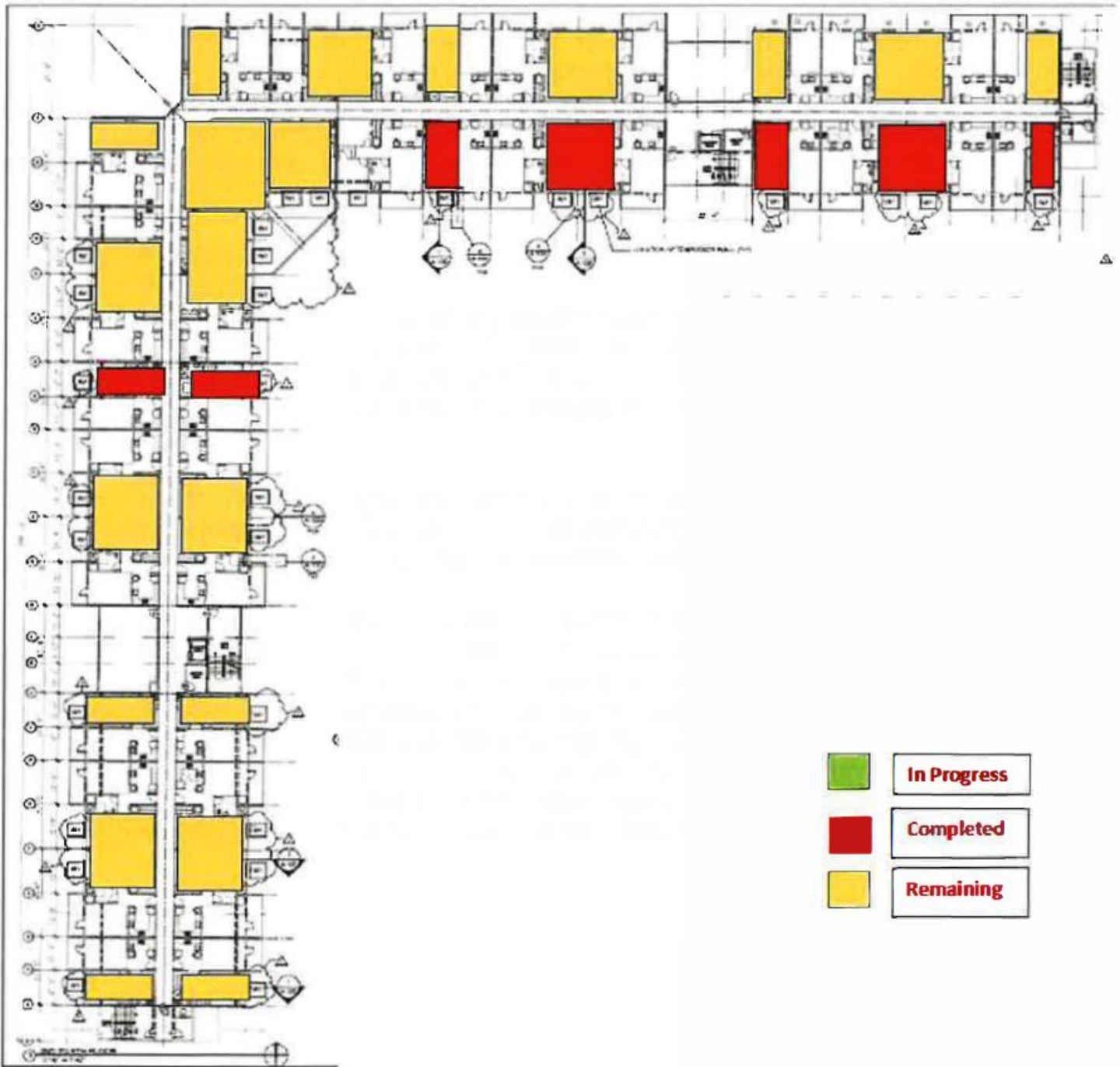
TYPE "A" - 1BR UNIT FLOOR PLAN (750 SF.)

NOTE: The one- and two-bedroom units represent 13% and 18%, respectively.



TYPE 'E' - 2BR UNIT FLOOR PLAN (750 SF)

Stucco Repair Progress – Building #2



Buildings I and II each have 38 stacks. Jay Shechter notes 24 stacks are left to repair in Building 2. This exhibit shows some squares being larger than others.

DESCRIPTIONS, ANALYSES, AND VALUE CONCLUSIONS

Property Description and Analysis

The subject’s address is 8103 and 8203 S. Palm Drive and 8210 Florida Drive in the Health Park, which is within the northwest quadrant of Pembroke Road and S. University Drive in Pembroke Pines. The subject’s legal description is located within the addenda.

History:

The current owner is TIITF Health Services South Florida State Hospital, who has the following mailing address.

TIITF Health Services
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-6575

Ownership levels are shown below.

Owner	TIITF (land)
Lease	Department of Children and Families
Sublease	City of Pembroke Pines (built improvements)
Sub-sublease	Interest to be sold to a new entity

The city built the improvements representing 614-units known as Pines Place. The city extended their sublease to January 3, 2090.

Interested parties and negotiations are summarized below. In order to comply with all the regulatory requirements concerning the use of bond proceeds, the lump-sum payment for this sub-sublease is intended to defease (pay-off) the outstanding bonds related to the towers.

April 2026

Reliant Group Management, c/o Craig Rebovich, has a Letter of Interest (LOI) at \$90.25 million. The transaction is for the sub-leasehold interest in the improvements (driven by tax exemption) and the use of the land up until December 31, 2089 or 63.7 years from the inspection date. All units will be rent restricted at 80% of AMI (average median income) with the chart in the addenda. After 10 years, 50% of the rents can increase to 100% of AMI. See Exhibit B.

Area Median Income (AMI) is the median income level for a specific geographic area - meaning half of the households in that area earn more, and half earn less. It’s a key metric used by HUD, housing programs, and lenders to determine affordability and eligibility.

The LOI also states the property shall not lease below the following rents.

Name	Apartment Size	Price	Size
Small one bedroom	& Efficiency	\$1,345.00	580 SQ FT
Large	One Bedroom	\$1,440.00	750 SQ FT
	Two Bedroom	\$1,728.00	750 SQ FT

The Property is only rent (set by the property) restricted. We will continue to manage the property in the same manner and only **rent restrict the Property** to the current Broward County AMI levels below. The rents shall increase annually based on the AMI growth for Broward County.

All units that are below the March 2026 asking rent, upon lease expiration, will be taken to the March 2026 asking rent year 1 and then the following rent restrictions will be implemented. Units that are at March 2026 asking rent will be taken to the 80% AMI rent level upon lease expiration. There will be an annual rent adjustment based on the AMI rents published by HUD for Broward County. The affordable rents will run concurrent with the term of the Ground Lease and Leasehold Interest of the Improvements. The rents may not decline over this period, LIHTC Affordable Held Harmless Provision.

The City will continue to repair the current section of Building II (Exhibit C). Samuel S. Goren, Attorney for Pembroke Pines, stated that the stucco work is still on-going and is the subject of discussion between the City Manager and the Reliant representatives as to how much work is left to do and what potential ‘hold back’ amount might be allocated at closing. This is yet to be quantified. The LOI states Reliant has a \$15 million renovation budget.

In addition to the sale price, the City will receive a \$24,000 per year (\$2,000/month) sub-subground payment with 2% annual increases over the entire term. The current payment is fixed at \$300 annually.

April 2024

Proposed sale to HG Pines, LLC (Hayden Glen) was interested in purchasing the sublease under ordinance 2024-02. The purchase price was \$90.0 million. Declaration of Restrictive Covenants (Affordable Housing) under 2024-2 states the following.

OWNER will limit rent to 80% of area median income (AMI) as determined by the Florida Housing Finance Corporation for a period of ten (10) years. For tenants as of the date of this Declaration whose rent is lower than 80% of AMI, rents will be raised gradually over a five-year period. After year ten (10), OWNER will maintain rents for households eligible for workforce and affordable housing consistent with the Housing Element of the City’s Comprehensive Plan, City of Pembroke Pines Resolution 3189, City of Pembroke Pines Ordinance 1575, and applicable state statutes and rules.

March 2023

My prior appraisal was prepared for a potential purchase by Reliant Group Management, c/o Craig Rebovich.

Date of events are shown below.

- On March 15, 2001, the City entered into an Inter-local Agreement with the Florida Department of Children & Families (DCF), to develop, operate and maintain the 157-acre site. The agreement specifies that the City will sublease the site from DCF for a 50-year period from July 1, 2001 to June 30, 2051 for a \$300 annual administration fee.

- Two rental towers were constructed in 2005 with the third tower constructed in 2008 for a total of 614-units (subject property). The City has financed the construction of these towers with various bonds.
- In 2017, Hoyer Investment Company) offered to take over the operation and maintenance of the towers, but this was subject to the approval of a 50-year sub-sublease by DCF, which did not happen.
- In June 2021, the sublease term was extended to January 3, 2090.

A public record search and conversations with owner representatives did not uncover any current listings or marketing efforts. I am unaware of any other offers, contracts or additional conveyances of the subject in the past five years.

NOTE: Restrictions are a legal matter fully uncovered through a title examination by an attorney or Title Company. A title policy was not provided to the appraiser.

Site Data:

The following summarizes the physical characteristics of the subject’s site.

Site summary									
Site size per sketch	25.92 acres								
Shape	Circular								
Topography	Generally level and at or near street grade								
Drainage	Appears adequate with catch basins, onsite water retention, and storm drains along the street								
Primary frontage	On two-lane (no median) S. Palm Drive/Florida Drive with some guardrails, but no curbs or sidewalks. Powerlines are overhead.								
Traffic count	Below threshold for traffic count reporting								
Ingress/egress	At northeast portion of site off S. Palm Drive/Florida Drive. A signalized intersection is at University Drive.								
Easements	Typical								
Utilities	<table border="0"> <tr> <td>Water/sewer</td> <td>City of Pembroke Pines</td> </tr> <tr> <td>Trash removal</td> <td>Public service</td> </tr> <tr> <td>Electricity</td> <td>Florida Power & Light</td> </tr> <tr> <td>Telephone</td> <td>AT&T</td> </tr> </table>	Water/sewer	City of Pembroke Pines	Trash removal	Public service	Electricity	Florida Power & Light	Telephone	AT&T
Water/sewer	City of Pembroke Pines								
Trash removal	Public service								
Electricity	Florida Power & Light								
Telephone	AT&T								
Encroachments	None noted per sketch								
Environmental	No report provided								

Soil conditions No report provided

Seismic (earthquake) zone Classification is "0"

W. Airport Road to E. Cypress Drive is the closest access point off six-lane S. University Drive. The subject site is circled by two-lane S. Palm Drive with the project's ingress/egress at the northeast corner. On-site lakes border the center upland area. The site has good vehicular exposure/visibility from S. Palm Drive. Please refer to the site plan and aerial for the layout.

NOTES: My viewing did not see any potential environmental hazards that would suggest a cause for concern. This appraisal assumes the soil's load-bearing capacity is sufficient to support the existing structures.

Flood zone:

The parcel is within Flood Zones X and AE (elevation 6.7') dated July 31, 2024, with most of the project in FEMA panel #12011C-0710J. The two east buildings and part of the west building are elevated so that they fall within Zone X. The rest of the west building and most of the parking lots fall within Zone AE.

Zone X Area that is determined to be outside the 1% and 0.2% chance floodplains.

Zone AE 6.7' Areas of 100-year flood; base flood elevations and flood hazard factors determined.

Flood insurance is required for properties outside of the "X" zone. Southeast Florida is relatively flat with a well-designed canal system to control water.

Zoning:

The site is zoned Community Facility (CF) by the City of Pembroke Pines with an underlying Community Facility land use. The zoning code states the following.

"The Community Facility (CF) District is intended primarily to provide for educational institutions, government facilities, civic facilities and other related uses."

The underlying land is owned by the State of Florida (TUFT) with the subject's 614 residential units built by the City of Pembroke Pines in 2005 and 2008. While the zoning and land use show community facility, the plat allows a residential facility. OR Book 83, Page 1984 has the following amendment to notation on plat.

The notation shown on the face of the PLAT clarifying and limiting the use of the platted property is amended to:

This plat is restricted to 12,000 square feet of Art Studios, 276,500 square feet of Community Facility Use and a Special Residential Facility Category 3, consisting of 728 high rise sleeping rooms (364 dwelling unit equivalents) and 72 garden apartment sleeping rooms consisting of 32 two bedroom units and 8 one bedroom units (36 dwelling unit equivalents).

The requirements are summarized below.

Category	CF requirements
Minimum lot size	N/A
Maximum height	100'
Setbacks	
Front	25'
Side	20'
Rear	20'

Source: Pembroke Pines Land Development Code's last update as of February 11, 2026

The subject's 614 units (with 722 sleeping rooms) appear to comply with the plat modification. Concurrency is not a matter of concern for this improved property.

Property Taxes:

The subject is part of the following Parcel ID number and assessment, per the Broward County Property Appraiser's office (BCPA).

2026 Tax information			
Parcel ID number	BCPA market value	Total assessment	2026 taxes
5141-21-25-0010 (portion)	\$100,822,250	Same	Exempt

The market value has been the same for many years. The subject sits on 25.92 acres out of the total 129.74 acres, representing 20% of this folio number. The most important factors are noted below...

- No property taxes are collected since the ownership is government (TIITF Health Services for the land and the City of Pembroke Pines for the building).
- The City of Pembroke Pines has had no reason to request a separate folio number.

The current Reliant LOI states that the transaction is driven by tax exemption, which refers to real estate taxes. Samuel S. Goren, Attorney for Pembroke Pines, stated that "The subject property would be eligible for an ad valorem tax exemption if applied for and granted by the BCPA under legislation passed and adopted in the 2025 Legislative Session under Section 196.19781, FS (2025) which the City promoted, requested and obtained in the final days of the Session."

Improvements Data:

Built in 2005 and 2008, this apartment project consists of three five-story towers with a total of 614 units. The overall design for each building includes a portico at the main entrance,

three elevators, stairwells, and common area hallways through the center. Each unit has a refrigerator, stove, disposal, dehumidifier, and stack washer/dryer

	<u>Address</u>	<u>Built</u>	<u>1/1-No balc.</u>	<u>Small 1/1</u>	<u>Large 1/1</u>	<u>2/1</u>	<u>Total</u>
I	8103 S. Palm Drive	2005	8	130	70		208
II	8210 Florida Drive	2005	8	70		108	186
III	8203 S. Palm Drive	2008		<u>210</u>	<u>10</u>		<u>220</u>
	Total		16	410	80	108	614
%			2.6%	66.8%	13.0%	17.6%	

The rentable area equates to 385,950 square feet with an average unit size of 629 square feet, which does not include balcony/porch sizes of 43 to 75 square feet. Unit sizes are 575 square feet for a one-bedroom and 750 square feet for the large one-bedroom and the two-bedroom units. The 25.92-acre site has lakes and fencing along the perimeter, manned guardhouse entry, gazebo and walk paths, and ample on-site parking

The following describes the apartment project.

Year constructed: 2005 (I and II) and 2008 (III)

Notes: The Broward County Property Appraiser’s actual year built is used throughout the report.

Building size: 614 units with sizes of 575 and 750 square feet

Height: Five-story structures with interior measurements of 8' 6" in the lobby and in the living room of most apartments, 7' 5" in the common area hallway and 6' 11" in some parts of the apartments

Foundation: Reinforced concrete slab

Exterior walls: Tower III is concrete block and stucco, which is the most common type of construction in Southeast Florida.

Towers I and II were constructed at the same time with the same materials. The inspection report notes concrete walls on the sides and corrugated metal, gypsum wallboard, and asphalt impregnated moisture resistant barrier (underlayment), metal lathe plaster, and a two coat stucco finish. Exterior repairs include Hardie Plank siding.

Roof: Flat built-up roof with parapet and roof drains

Flooring: Vinyl tile is at the main entry points with commercial grade carpeting in some common area hallways (Building III). Mostly vinyl tiles are in units that have turned over. Some units still have commercial grade carpeting. Vinyl baseboards are throughout the project.

Interior walls:	Painted drywall throughout
Ceilings:	Suspended acoustical tile with recessed fluorescent lighting in common area hallways. Drywall with popcorn finish in apartment units with attached fluorescent lighting in the kitchen and incandescent lighting in the hall and bathrooms.
Doors/windows:	Storefront entry doors and metal rear doors to the buildings. Apartment units have a solid entry door, and a metal door with window insert to access the balcony/patio. Interior doors are hollow core wood. Impact, side sliding windows are in the living room and bedroom. The exterior repair work is installing up and down sliding windows.
HVAC:	Central air-conditioning is in the common areas and two-bedroom units. The one-bedroom units have through-wall PTAC (packaged terminal air-conditioning) units.
Plumbing:	Each apartment has a kitchen sink and one restroom with three fixtures comprising toilet, sink, and walk-in shower. Thirty (30) units are ADA compliant. The common areas also have restrooms.
Electric:	Standard for multifamily use
Other:	Fire sprinklers are throughout the project and each building has three elevators. Trash chutes to access the ground dumpster are at the end of the buildings.
Site Improvements:	Asphalt paving with concrete curbs and bumpers, concrete sidewalks, pole mounted lights, fire hydrants, manned gatehouse and monument sign at entry, and low maintenance landscaping with irrigation system. The site has asphalt walking paths and gazebo.

The subject has a city bus that takes residents to the community center. This represents a direct trip that operates two times a day.

The value reported represents the sub-leasehold interest, which is the tenant's possessory interest created by the lease. This means the value of the building and attached fixtures for a remaining 63.7-year term ending December 31, 2089.

Deferred maintenance

The subject is being sold in its “as is” condition. Deferred maintenance is a justifiable deduction in the discounted cash flow. Note that this does not reflect any upgrades, renovations, or additions to the project. Deferred maintenance refers to the material defects causing a water penetration issue in Buildings I and II.

Prior reports mentioned the Structural Evaluation (File #41420642) prepared by Rimkus Consulting Group and dated October 26, 2016. Reviewing permits on the property notes BUL-141106 under the address of 8210 Florida Drive. The issue date is June 2020 with an expiration date of August 2026 for repairing exterior walls.

The city started exterior work on Tower 2 in June 2021. The construction process has been slow since a small in-house crew is assigned to the project. Some sections have 5 apartments, others have 10. Management vacates the section to be worked on. After a section is completed and tenants are moved in, they start on the next stack. Reliant, the potential buyer, is expected to have a faster completion time.

Building II has been undergoing stucco repair. Exhibit C in the LOI shows color coded stacks of those completed and those not yet started. Building I will need to go through the same process. Nothing is needed for Building III.

Jay Shechter, Pembroke Pines Director stated that the City is in the process of completing a stack and will stop working once done. Reliant will need to complete Building II, which has 24 stacks left. The pricing provided at approximately \$21,000 per stack reflects material costs only and does not include labor, installation, demolition, restoration, permits, project management, or associated construction-related expenses.

Building II material cost	
24 stacks @ \$21,000 each =	\$ 504,000
Building I material cost	
38 stacks @ \$21,000 each =	<u>\$ 798,000</u>
Total	\$1,338,000

The \$1.34 million noted above is for materials only. The city's 2023 estimate was \$1.4 million per building.

Reliant had an estimated cost of almost \$10 million as of February 2023. Direct costs included staffing based on 18 to 24 months (\$1.19 million), removal of exterior walls (\$1.36 million), and new 18 gauge framing and Hardie Plank siding (\$2.49 million). The costs included windows, flooring, and exterior and interior paint for the affected areas. Other costs were 5% contingency, general liability insurance, performance bonds, and fees.

Most of the front of Building II is completed. It was noted that the rear exteriors of Buildings I and II are not as bad as the fronts. Allowing a longer time to complete means less vacancy issues; i.e., disruption to tenants. Considering the amount of work done offset by cost increases, this report allows for \$8.0 million to complete Towers I and II. Any consideration toward the roofs is accounted for under reserves for replacement.

I have estimated completion by year-end 2028. The cost of \$8.0 million for Towers I and II is spread over the early years in the discounted cash flow (DCF).

Remaining Economic Life

The actual age is 18 and 21 years old with condition considered to be average. After the deferred maintenance is treated, the effective age will be less than actual age. This type of property tends to last longer than that shown by Marshall & Swift. With an expected life of 55 to 60 years for similar properties, the remaining economic life is about 40 years.

Economic life		55 to 60 years
Effective age	-	<u>15 to 18 years</u>
Remaining economic life	=	About 40 years

Non-realty Components

The appraisal report focuses on the sub-leasehold interest, with this section intended to discuss any non-real property relating to the subject. Non-realty components can be segregated into two categories:

- Personal Property (FF&E, M&E, etc.), and
- Intangible Property (business enterprise components)

Per my tour of the property, non-realty components include lobby chairs and tables, stack washers/dryers, Comfort-Aire dehumidifiers, and kitchen appliances; i.e., refrigerators and freestanding electric ranges. The age varies with renovated units having newer appliances. Considering a typical life of 10 years, a 40% depreciation rate is applied.

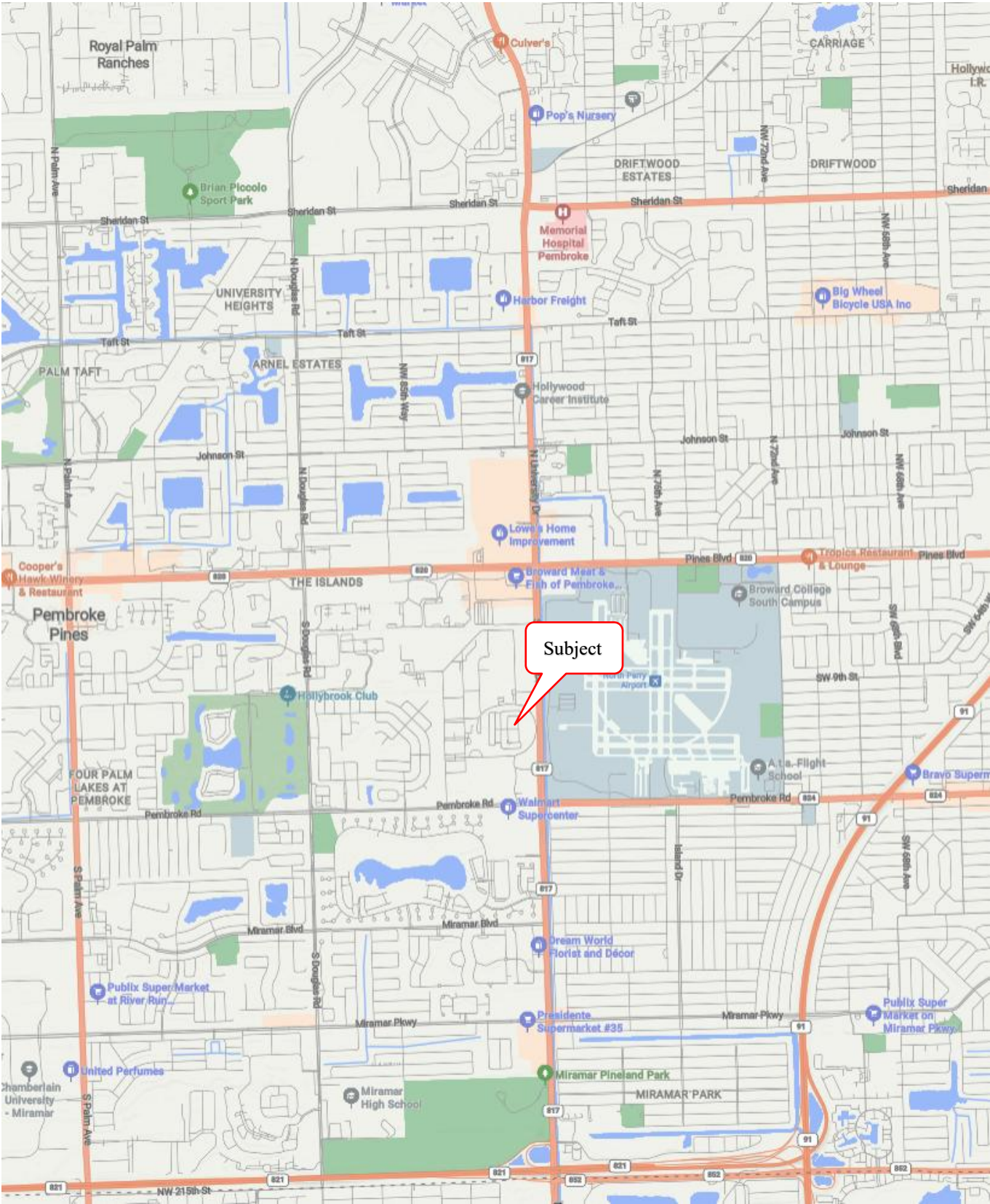
<u>Package</u>	<u>Cost new</u>	<u>Depreciated</u>
Per unit moveable property	\$2,000	\$ 1,200
		<u>x 614 units</u>
Total		\$736,800
Plus miscellaneous		<u>\$ 23,000</u>
		\$759,800 or \$760,000 rounded

The final values include \$760,000 applicable to movable personal property; a.k.a. FF&E. Intangible and business components are not typical for multifamily properties.

Summary of Improvements

Overall, this apartment property is solidly constructed and functional in its current use. The main benefit is its ample land area with lake views and easy access to University Drive. Individual units are either refreshed or updated when tenants move. The overall condition is considered to be average. The property should be competitive with other apartment projects in the market.

Neighborhood Map



NOTE: The neighborhood boundaries are Stirling Road to the north, State Road 7 to the east, the Florida Turnpike/Miami-Dade County line to the south, and Hiatus Road to the west.

Location Description and Analysis

The subject is in the Health Park, which is within the northwest quadrant of Pembroke Road and S. University Drive in Pembroke Pines. Most of the buildings shown on the Health Park site plan are one to three stories in height with Administration Annex located near the subject. The closest highway interchange is the Florida Turnpike at University Drive (817) less than two miles to the south.

North Perry Airport (HWO) is across University Drive, directly east of the subject. The airport has private and charter aircraft operators offering services such as aircraft refueling, repairs, catering, and flight planning facilities. North Perry is known for the following.

- An airfield system with four runways (two sets), the longest at 3,462 feet.
- Over 154 T-Hangars and more than 200 tie-downs for aircraft storage.
- North Perry Airport reported over 317,000 aircraft operations in 2024.

Non-aviation related facilities include Broward Community College, Broward County mosquito control, and a Pembroke Pines fire station. Notable projects include the following.

Pines City Center is an 80-acre master planned mixed-use village located west of Palm Avenue on Pines Boulevard. Development includes the 2017 Civic Center, a lifestyle center (340,000 SF), up to 350 hotel rooms, and three apartment projects.

Pembroke Lakes Mall in the northeast quadrant of Flamingo Road and Pines Boulevard, is a regional mall with numerous outparcels. CB Smith Park is nearby.

Demographics within Pembroke Pines show 2026 population of over 173,000. This is the second most populous city in Broward County. Median age is around 43 years with median income exceeding \$85,000.

The general surroundings are summarized below.

Area Characteristics	Rating
Access	Average to above average
Maintenance/Condition	Average
Property Compatibility	Average
Appeal/Appearance	Average
Protection from Adverse Influences	Adequate
Development Potential	Above average
Retail Demand	Average
Industrial Demand	Above average
Residential/Multifamily Demand	Above average
Police/Fire Protection	Adequate

The subject’s area is established and exhibits the stability stage of the economic life cycle. Sufficient demand exists to support continued use of the subject. Over 95% of the land is

developed with few vacant lots remaining. No significant adverse influences were noted.

Unemployment rates and housing prices provide economic indicators. Additional county-wide data can be found in the addenda.

- As of April 2026, the national unemployment rate was 4.3%, according to the U.S. Bureau of Labor Statistics. The Fort Lauderdale metropolitan area shows 4.6% (preliminary).
- As of April 2026, Broward County's median price for existing single-family homes was \$618,000, representing a 1.9% decrease from one year ago, according to Beaches MLS. The 12-month (year-over-year) average change was down 0.2%.

Southeast Florida's warm weather motivates people relocating to the area. In general, the subject's area is influenced by proximity to North Perry Airport and major transportation arteries.

Market Analysis

This section of the report provides a general view of the multifamily market. The subject can be classified as a mid-tiered property type with specific rent information discussed in the income approach.

The 2026 Marcus & Millichap report for the Fort Lauderdale metropolitan area is shown in the addenda. Specifics are highlighted below.

- Vacancy in Broward County is expected to be 4.9% by year-end.
- Annual rent growth has leveled off, with the average effective rent at \$2,530 per month.
- Apartment deliveries in 2026 have been at the lowest level since 2022. Most completions are in central Fort Lauderdale and Hollywood.

As an additional source, the most recent CoStar report for the subject's submarket (Pembroke Pines/West Miramar) indicates 6.3% vacancy. Effective rents average \$2,553 per month. Out of 36 multifamily projects listed, 3 properties fall in the 12-month delivery category. Nothing is reported as being under construction.

Single-digit vacancy rates are signs of a balanced multifamily market. With no reported "under construction" activity in the subject's submarket suggests the existing supply is constant; i.e., no immediate increase in competition.

The subject's submarket has normal occupancy levels and surrounding properties are considered to be in average condition. The subject is a 614 unit project with exterior work currently in process. No other physical, functional or locational factors could be considered a problem.

Highest and Best Use

The definition of highest and best use is:

“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.”

Market forces create market value, so the interaction between market forces and highest and best use is important. When the purpose of an appraisal is to determine market value, the highest and best use analyzes the most profitable, competitive use to which a property can be put. Thus, the highest and best use concept is market-driven.

The highest and best use must meet four tests or criteria.

Legally Permissible: What uses are permitted or have reasonable probability of being permitted by zoning and deed restrictions on the site in question?

Physically Possible: What uses are possible based upon the site's physical constraints such as size, shape, area, terrain, soil conditions, topography, and access to utilities?

Financially Feasible: Which possible and permissible uses will produce a net return to the owner of the site?

Maximally Productive: Among the feasible uses, which one is most probable and will produce the highest net return and highest present worth?

Analysis falls into two categories; highest and best use of land or a site as though vacant and highest and best use of a property as improved or as it exists. Note that the previously discussed Market Analysis should be considered in conjunction with Highest and Best Use.

As vacant: The subject site is zoned Community Facility (CF), which covers public related uses, the existing plat allows multifamily. Adjacent properties and the surrounding area reflect compatible uses and zoning. With frontage on two-lane S. Palm Drive and Florida Drive, this 25.92-acre site is appropriately supported by public services.

As summarized here and described throughout this report, the subject’s legally permissible and physically possible site characteristics reflect a size, shape and location best suited for community facility or multifamily development. Integra notes that multifamily in the Broward/Palm Beach area falls just below the “expansion” classification. No projects are under construction in Pembroke Pines/Miramar per CoStar, but new projects are underway in other parts of the county.

Broward County vacancy rates are still low at 4.9% (Marcus & Millichap) and 6.3% (CoStar). Although interest rates are relatively high, financing is available for qualified applicants. The stabilized levels between supply and demand shows development is economically and financially feasible.

I conclude that the highest and best use of the subject site, as if unimproved, is development for a multifamily project.

As improved: Once a parcel of land is improved with a building, the two parts form one property with an “existing” use. An existing improvement should be renovated or retained as is, so long as the structure continues to contribute to the total market value or until the return from a new improvement would more than offset the costs.

The existing structures are in conformity with current land use patterns and adjoining improvements. This 614-unit multifamily project is in average condition and adds value to the site. Once the exterior work on Towers I and II is completed, the remaining economic life for all three structures is about 40 years. The amount of underlying land is reasonable for this property type and area, implying that the building structures are at or near maximum use compared to the amount of underlying land.

The most probable buyer is an investor with demand evidenced by occupancy and rent levels of similar income-generating properties. To maximize value, a purchaser would increase below market rents at time of lease renewal. The positive return shown by the valuation section supports continuing the use of the property as it exists. As improved, the highest and best use of the subject is its existing multifamily use.

Valuation Process

Estimating value for property under its highest and best use typically involves analysis of three separate approaches: cost approach, sales comparison approach, and income approach.

The *cost approach* is based on the principle of substitution, which states that an informed purchaser will not pay more for a property than the cost of reproducing a property with identical improvements having the same utility. This approach consists of estimating value for the subject site as if vacant, then adding site improvements, costs of construction, and entrepreneurial profit, and deducting accrued depreciation.

The *sales comparison approach* is also based upon the principle of substitution whereby similar properties within competitive markets will realize similar prices. An informed purchaser would not pay more for the subject property than the cost to acquire another property with the same amenities and utility.

The *income approach* is based on the principle of anticipation whereby an investor expects benefits to be derived in the future. In evaluating future benefits, an informed purchaser will analyze income as well as how change affects the income-producing characteristics of the property. This approach consists of analyzing the subject's income and deducting appropriate expenses as well as utilizing an appropriate capitalization method or discounted cash flow.

Methodologies Applicable to the Subject

The income approach is the only applicable method for determining market value of the sub-leasehold estate. Adequate data was found pertaining to market rents and discount rates. The cost and sales comparison approaches do not apply to the sub-leasehold value, especially

considering that the term analyzed is 63.7 years. Exclusion of these approaches produces a creditable report.

Income Approach

Estimating value for the sub-leasehold in this approach, starts with an analysis of typical market income and expenses. The 10-year discounted cash flow allows for actual income in the first year or two. The reversion in the 11th year reflects the remaining time up until the lease expires (December 31, 2089).

Parties have shown interest in purchasing the three residential towers on 25.92 acres. The City of Pembroke Pines currently has ownership of the buildings and use of the underlying land. Pembroke Pines intends to sell their position in the improvements to another party. Details are in the addenda.

The selection process for rent comparables focuses on certain criteria.

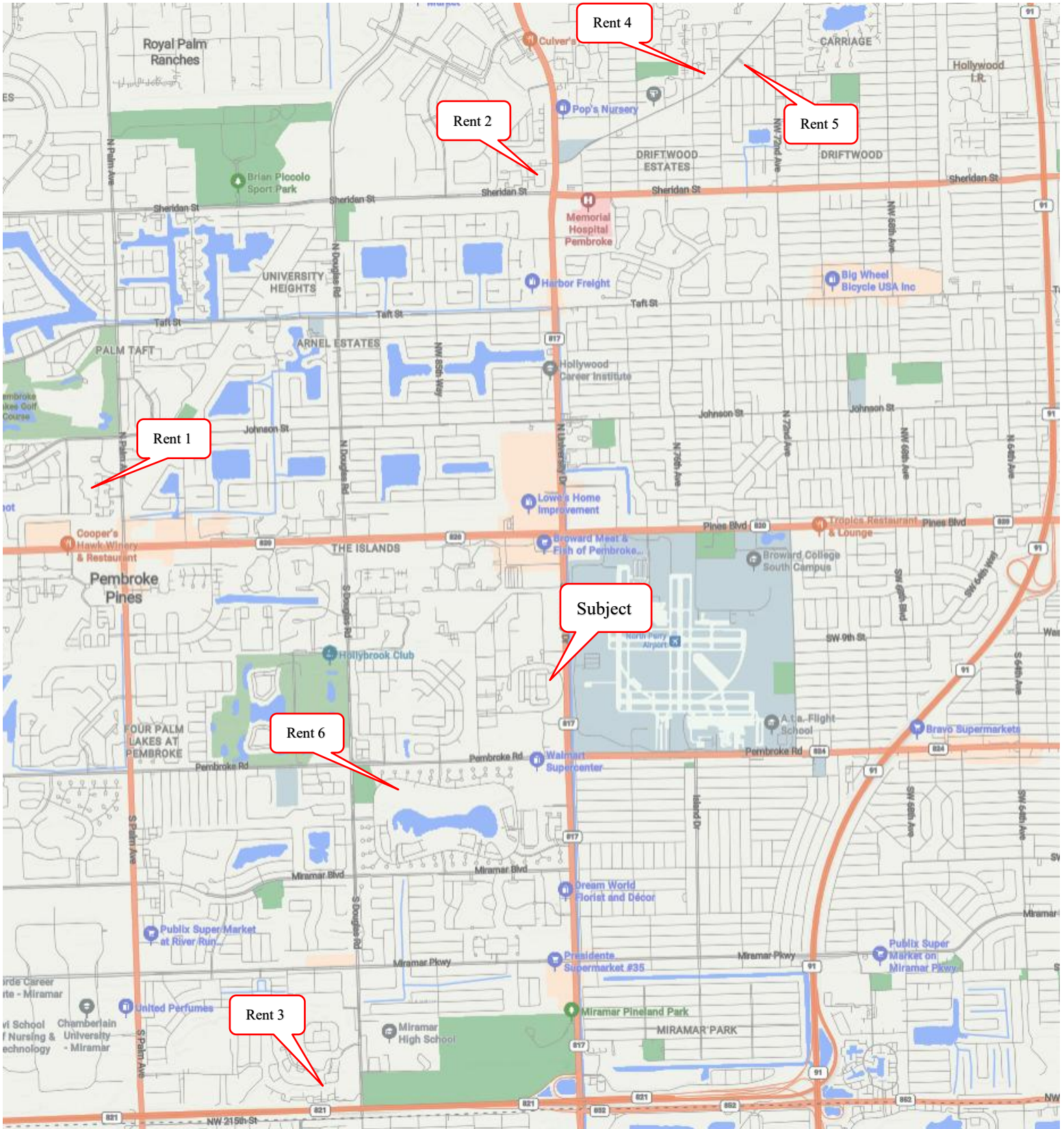
- Market Research: Primary sources consist of project websites and verification with property managers.
- Conditions of Rent: Recent lease information is the preferred data. Leasing agents are questioned regarding demand and whether concessions are a factor.
- Size: The subject represents a multifamily project with unit sizes of 575 and 750 square feet. The search focused on market rent comparables with similar sizes.

The subject and Rental 1 are owned by the City of Pembroke Pines and considered affordable housing primarily due to the unit sizes and low rents. The four LIHTC properties have restrictions due to income. The maximum income level is set by the number of people in the unit. In return, the owner can claim tax credits over a 10-year period. Rental 5 is a HUD (Housing and Urban Development) project where the government subsidizes the rent a tenant pays to bring the income level close to but below the market amount.

This analysis provides inferior and superior adjustment indicators based on the differences in the properties. Many times the overall comparability line shows that the adjustments cancel each other out. From this information, the range narrows so that a reasonable market rent is derived for the subject.

This section contains a chart, photographs, and analysis of space in competitive multifamily buildings. The six rent comparables are within close proximity to the subject.

Location Map - Rent Comparables



RENTAL 1 (File #26-0401.RI)

Pines Point, 401 & 601 NW 103rd Avenue, Pembroke Pines 33026



Improvements: Built 1996 (not 1969 per BCPA), this five-story apartment project with elevators has 190 units. Unit sizes represent living area, with the screened balcony/patio being an additional 55 square feet for the small one-bedroom and 40 square feet for the other units. Features include central air-conditioning, tub/showers, walk-in closets for the one-bedroom units, and full-size washers/dryers. Occupancy is 100% with a wait list.

Site amenities: Being adjacent to the Senior Center, the project benefits from access to the swimming pool and fitness center.

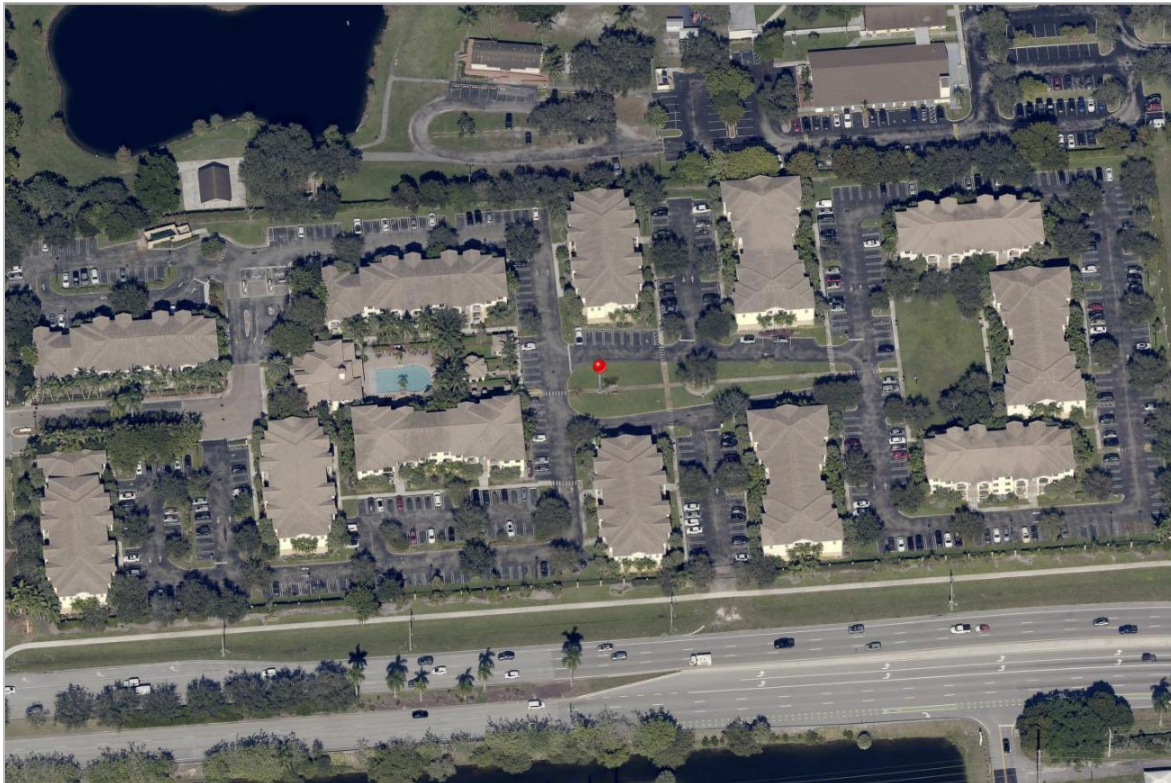
Rental Rate:	10	Studio	554 SF	\$1,345/mo.	\$2.43/SF
	60	1 bed/1 bath	580 SF	\$1,345/mo.	\$2.32/SF
	<u>120</u>	1 bed/1 bath	750 SF	\$1,440/mo.	\$1.92/SF
	190				

Expenses: Water/sewer, trash removal, and basic cable (Comcast) are included in the rent. Tenants pay their own electric.

Verification: Website, brochure, and Dayana Montes, representative; 4/26 TLA

Comments: Owned by Pembroke Pines, this community is age restricted at 50 years with minimum income levels. This project has some Section 8.

RENTAL 2 (File #26-0401.R2)
 Monterra Place, 2601 Solano Avenue, Cooper City 33024



Improvements: Built in 2012, this two- and three-story apartment project has 300 units. Unit sizes shown below *include* balcony/patio. Features include central air-conditioning, granite countertops, tub/showers, walk-in closets, alarms, and stack washers/dryers. Occupancy is 100% with a waiting list.

Site amenities: Clubhouse with business center and fitness room, gated community with some brick pavers, swimming pool, and pet area.

Rental Rate:	96	1 bed/1 bath	651 SF	\$1,291/mo.	\$1.98/SF
	156	2 bed/2 bath	898 SF	\$1,529/mo.	\$1.70/SF
	<u>48</u>	3 bed/2 bath	1,187 SF	\$1,747/mo.	\$1.47/SF
	300				

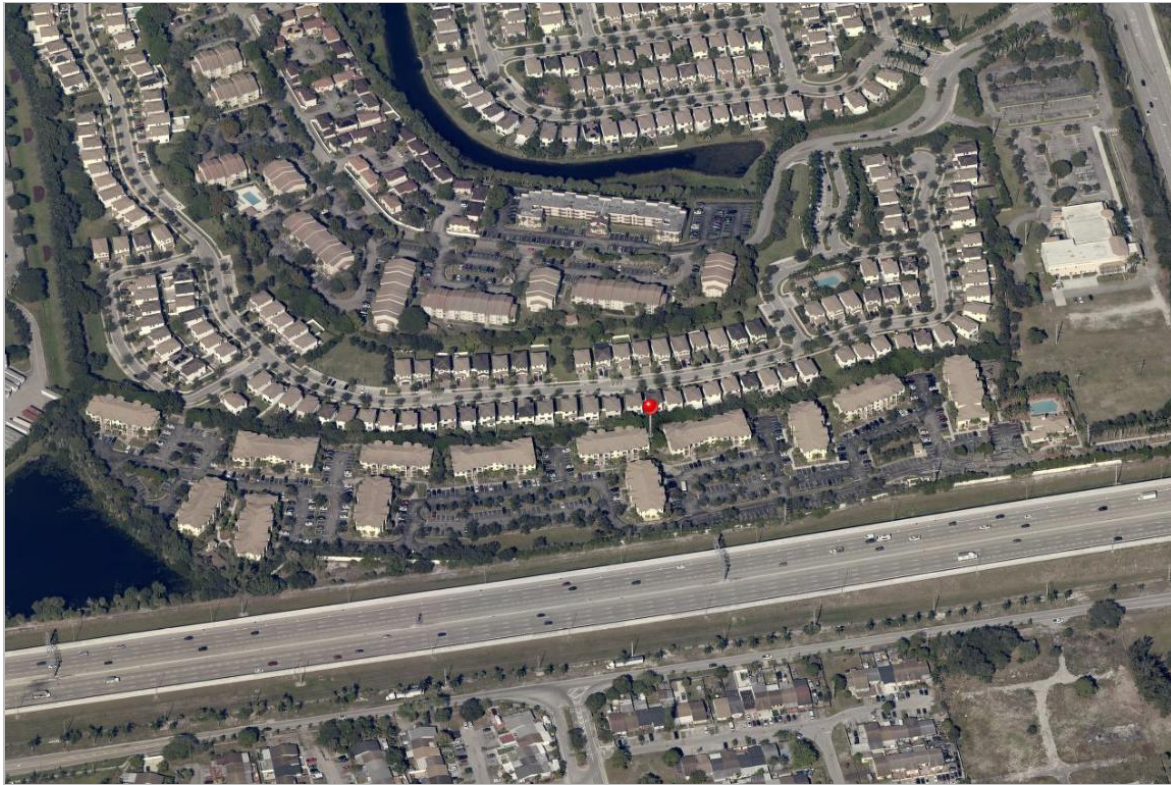
Expenses: Water/sewer and trash removal is included in the rent. Tenants pay their own electric and cable/internet expenses.

Verification: Online sources and Erica, leasing agent; 4/26 TLA

Comments: This LIHTC project (60% AMI) has a small percentage of Section 8.

RENTAL 3 (File #26-0401.R3)

Sorrento at Miramar, 8991 SW 41st Street, Miramar 33025



Improvements: Built in 2012, this apartment project has 320 units. One-bedroom units represent 38% overall with remaining units being two-bedroom and three-bedroom units. Unit sizes shown below *include* balcony/patio. Features include central air-conditioning, granite countertops, ceiling fans, tub/showers, walk-in closets, alarms, and stack washers/dryers. Occupancy is 98%.

Site amenities: Clubhouse with business center and fitness room, gated community with swimming pool, pet area, and grill.

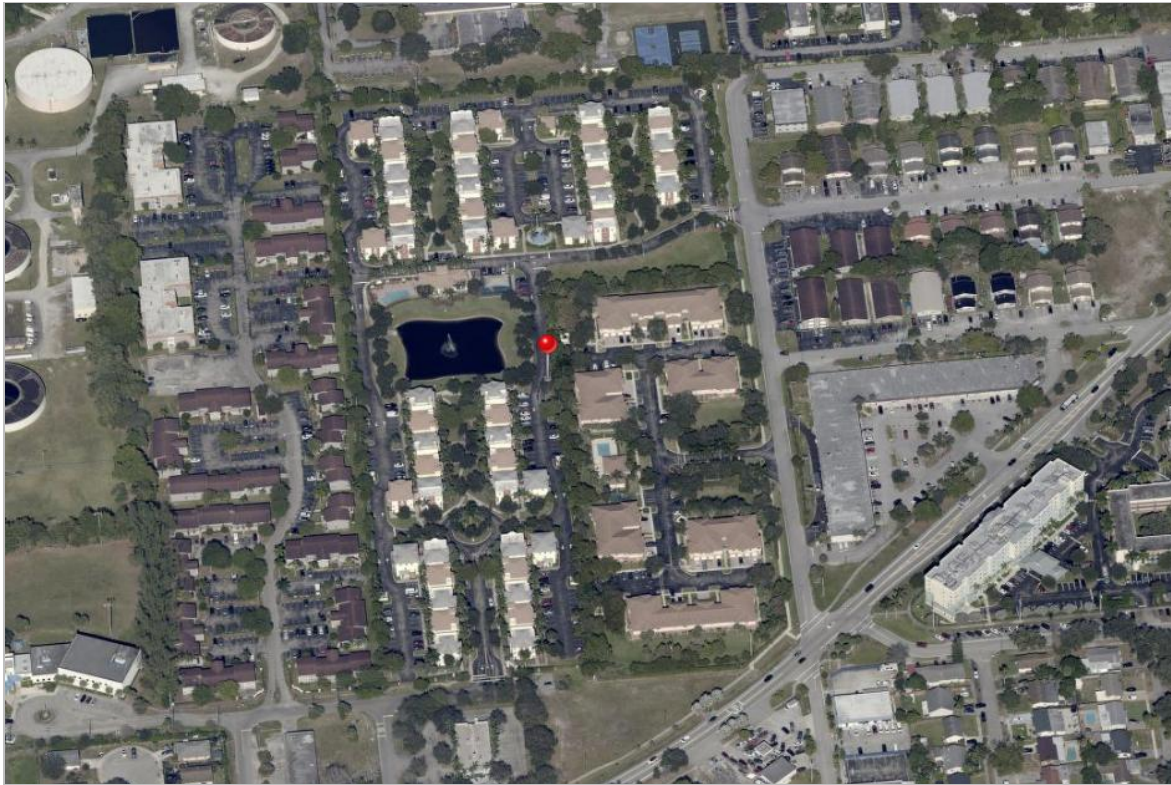
Rental Rate:	120	1 bed/1 bath	651 SF	\$1,282/mo.	\$1.97/SF
	164	2 bed/2 bath	898 SF	\$1,526/mo.	\$1.70/SF
	<u>36</u>	3 bed/2 bath	1,187 SF	\$1,743/mo.	\$1.47/SF
	320				

Expenses: Water/sewer and trash removal is included in the rent. Tenants pay their own electric and cable/internet expenses.

Verification: Online sources and Kay Dean, leasing agent; 4/26 TLA

Comments: This LIHTC project (60% AMI) is owned by Related Companies.

RENTAL 4 (File #26-0401.R4)
 East Village, 7481 NW 33rd Street, Davie 33024



Improvements: Built in 2011, this apartment project has 155 units. Out of eight floor plans, only 4% are one-bedroom units. The project has hurricane impact windows with marble sills and security entry doors. Features include central air-conditioning, dishwasher, microwave, ceiling fans, ceramic tile floors, tub/showers, balcony/patios in larger units, and stack washers/dryers (optional). Occupancy is 100% with a wait list.

Site amenities: Clubhouse with business center and fitness room, laundry facilities, swimming pool, playground, and walking/bike trails.

Rental Rate:	6	1 bed/1 bath	553 SF	\$1,250/mo.*	\$2.26/SF
	95	2 bed/2 bath	960 SF+	\$1,495/mo.*	\$1.56/SF
	<u>54</u>	3 bed/2 bath	1,250 SF+	\$1,713/mo.*	\$1.37/SF
	155			* Includes \$50/mo. for washer/dryer	

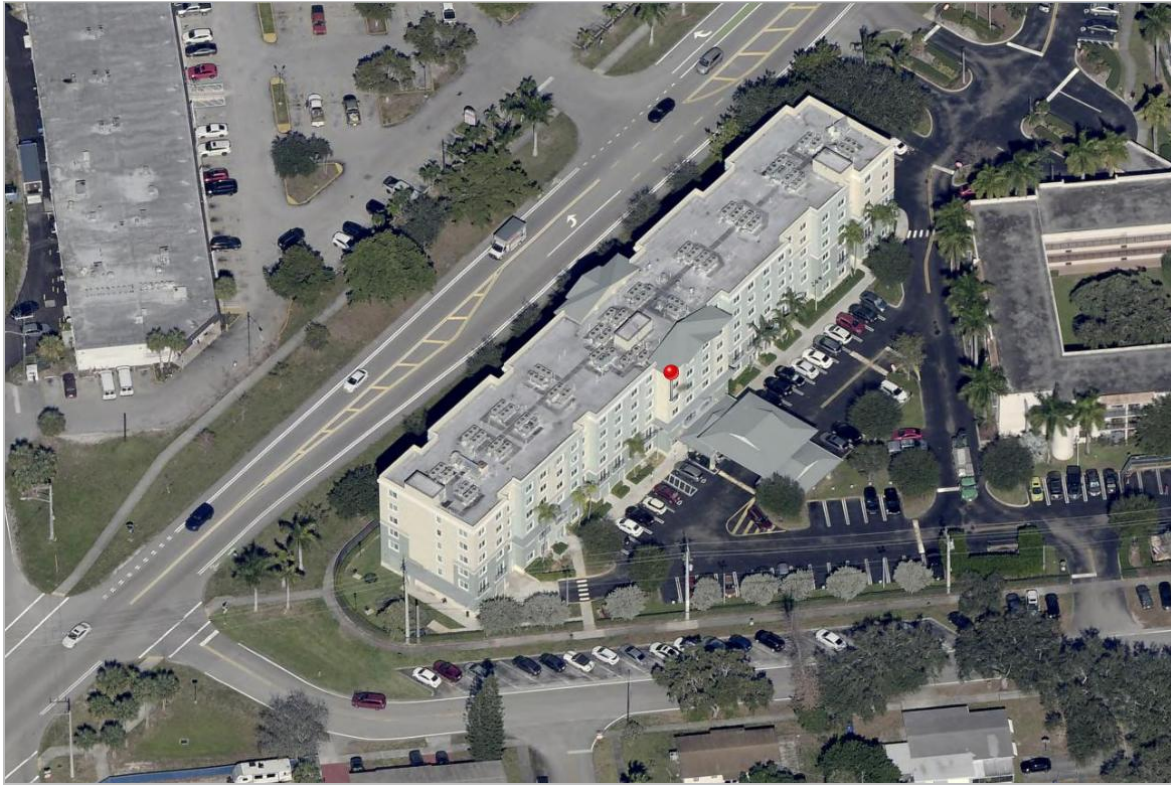
Expenses: Water/sewer and trash removal is included in the rent. Tenants pay their own electric and cable/internet expenses.

Verification: Website and Ana Ehrmann, assistant manager; 4/26 TLA

Comments: The project is owned by the Broward County Housing Authority. Income restrictions (60% AMI) and student status restrictions apply.

RENTAL 5 (File #26-0401.R5)

Gardens at Driftwood, 7350 Davie Road Ext., Hollywood 33024



Improvements: Built in 2010, this apartment project has 120 units. This LEED certified, six-story tower has elevators and no balconies/patios. Features include central air-conditioning, dishwasher, ceiling fans, access/satellite TV, ceramic tile floors, walk-in closets in two-bedroom units, tub/showers, and stack washers/dryers. Occupancy is 100% with a wait list.

Site amenities: Clubhouse with business center and fitness room, laundry facilities, swimming pool, playground, and car wash area.

Rental Rate:	60	1 bed/1 bath	501-528 SF	\$1,285/mo.*	\$2.43-\$2.56/SF
	<u>60</u>	2 bed/1 bath	757 SF	\$1,536/mo.*	\$2.03/SF
	120			* Includes \$60/mo. for washer/dryer	

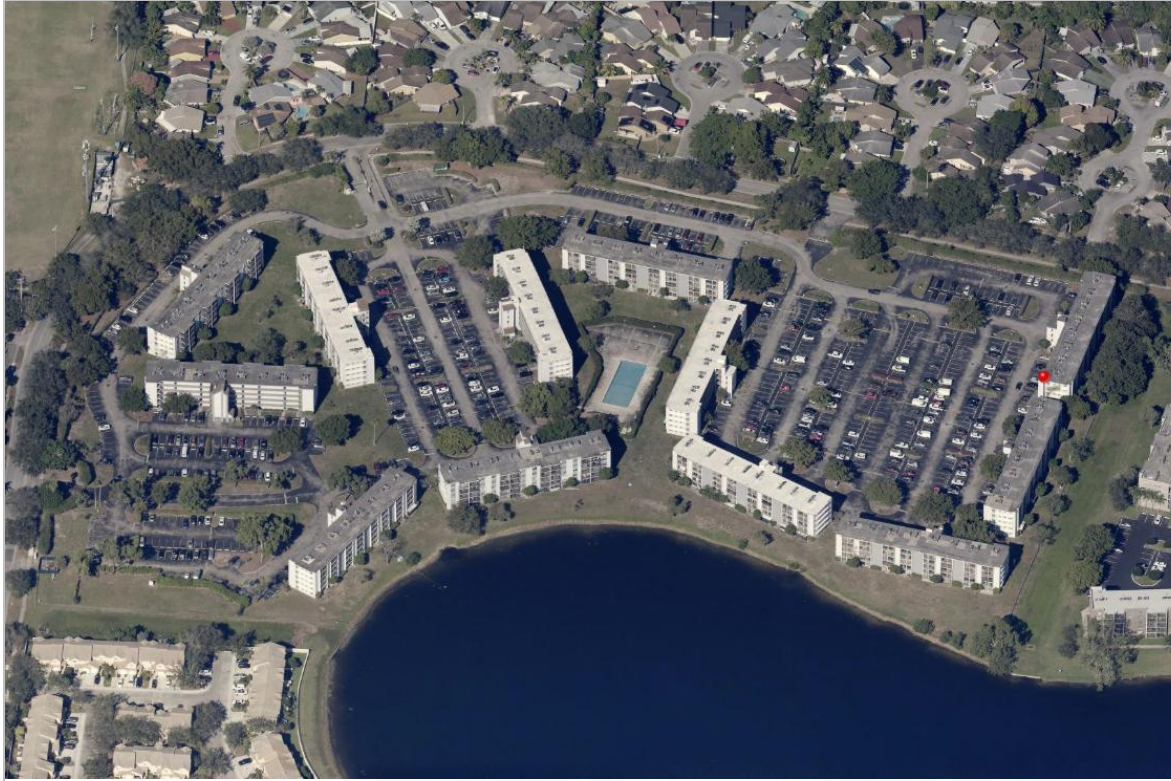
Expenses: Water/sewer and trash removal is included in the rent. Tenants pay their own electric and cable/internet expenses.

Verification: Website, marketing brochure, and Edwidge Alexandre, leasing agent; 4/26 TLA

Comments: Owned by Hollywood Housing Authority, this is an age restricted (55+) affordable community with maximum income restrictions.

RENTAL 6 (File #26-0401.R6)

Pembroke Towers, 2201 N. University Drive, Pembroke Pines 33024



Improvements: Built in 1981 to 1984 and updated through the years, this condominium project has 12 five-story towers with catwalks and elevators. Features include central air-conditioning, washer and dryer, and balconies. This gated community has 4 buildings with lake views. A few units are available.

Site amenities: Clubhouse, pool, laundry facilities, and on-site management

Rental Rate:	1 bed/1 bath	700 SF	\$1,700/mo.	\$2.43/SF
	2 bed/1 bath	832 SF	\$1,800/mo.+	\$2.16/SF

Expenses: Water/sewer and trash removal is included in the rent. Tenants pay their own electric and cable/internet expenses.

Verification: Online sources and various brokers advertising in Multiple Listing Service; 5/26 TLA

Comments: This project also has 2 bedroom, 2 bath units between \$1,900 and \$2,100 per month. Prices vary based on the degree of interior renovations.

Rent Adjustment Chart #26-0401

	Built	One bedroom/one bath			Two bedroom/one bath			Two bedroom/two bath			Comments
		Rent	SF	\$/SF	Rent	SF	\$/SF	Rent	SF	\$/SF	
1 Pines Point	1996	\$1,345	554	\$2.43							City-owned Age restricted
		\$1,345	580	\$2.32							
		\$1,440	750	\$1.92							
2 Monterra Place	2012	\$1,291	581	\$2.22	*			\$1,529	828	\$1.85	* LIHTC, 60% AMI
3 Sorrento at Miramar	2012	\$1,282	581	\$2.21	*			\$1,526	828	\$1.84	* LIHTC, 60% AMI
4 East Village	2011	\$1,250	553	\$2.26							LIHTC, 60% AMI
5 Gardens at Driftwood	2010	\$1,285	501	\$2.56			\$1,536	757	\$2.03		HUD project Age restricted
			528	\$2.43							
6 Lake Shore @ Univ. Park	1981-84	\$1,700	700	\$2.43			\$1,800	832	\$2.16		Condo project
Subject-Pines Place	2005/08	\$1,300	575	\$2.26	NB		\$1,728	750	\$2.30		City-owned
		\$1,345	575	\$2.34							
		\$1,590	750	\$2.12							

* Less balcony size of 70 SF (est.), equals 581 SF for one-bedroom and 828 SF for two-bedroom.

NB - The subject has 16 units with no balconies/patios.

The subject does not have maximum income restrictions or age restrictions. The minimum income level to qualify is \$37,000 per year for individuals with a 680 credit score. Current weighted average rents are \$1,332 per month (\$719,455 divided by 540 units) with many tenants below market.

The rent survey reflects market rents for this area along with the most recent leases in the subject building. The market rent reported for the subject is higher than the newest leases on the April 14, 2026 rent roll (RR).

Small one-bedroom with no balcony at \$1,300
Small one-bedroom with patio/balcony at \$1,500 vs. \$1,345 (RR)
Large one-bedroom at \$1,700 vs. \$1,440 (RR)
Two-bedroom at \$1,900 vs. \$1,728 (RR)

The previous charts shows estimated living area sizes for Comps 2 and 3 to compare on an equal basis with the subject. All rents shown include washers and dryers. The following discusses the various rent adjustments.

Market adjustments

The LIHTC projects have restrictions greater than what is expected for the subject. Comp 6 represents a condo project with no income restrictions. Comps 2 and 3 had low rents, especially for their two-bedroom units, so a considerable upward adjustment is applied. Pines Point has a below market rent for their largest one-bedroom unit. A downward adjustment is applied to the Rental 6 one-bedroom because an inflated size is reported in the ad.

Other adjustments

Five comparables, as well as the subject, benefit from having patios/balconies. Gardens at Driftwood (Rent 5) does not have patios/balconies so an upward adjustment of \$70 per month is applied.

The subject's rents and Pines Point (Rental 1) include basic cable, while Projects 2 through 6 do not. Upward adjustments for cable are \$35 per month.

One-bedroom units: Most of the subject's project is small one-bedroom units with 575 square feet, which is a typical size within the marketplace. Out of 426 units, 16 do not have balconies or patios. The subject also has 80 large one-bedrooms with 750 square feet plus balcony. The larger size is relatively rare in the marketplace, with Pines Point (Rent 1) and Lake Shore at University Park (Rent 6) being the only projects with similar sizes.

Unit size has a relationship compared to achievable rent. When sorting by size, one can see how smaller units rent for more on a per square foot basis than larger units.

One-bedrooms

<u>Size</u>	<u>Comp</u>	<u>Market adj.</u>	<u>Adj./mo.</u>	<u>Adj. rent</u>	<u>Adj. \$/SF</u>	<u>Comments</u>
528	5		\$105	\$1,390	\$2.63	No balcony
553	4	5%	\$35	\$1,348	\$2.44	
554	1			\$1,345	\$2.43	Pines Point
575	Subject	---	---	---	---	
581	2	3%	\$35	\$1,365	\$2.35	
581	3	3%	\$35	\$1,355	\$2.33	
700	6	-10%	\$35	\$1,565	\$2.24	No balcony
750	1	10%		\$1,584	\$2.11	Pines Point
750	Subject	---	---	---	---	

The subject's small one-bedroom size falls between Rentals 1 and 4 and Rentals 2 and 3. A rent of \$1,360 per month (\$2.37/SF) is realistic for the subject's smallest unit. Those without balconies are input at \$1,300 per month.

The subject's largest one-bedroom is a desirable floor plan. After adjustments, Pines Point (Rent 1) indicates \$1,584. I have concluded at \$1,590 per month (\$2.12/SF) for the subject.

Two-bedroom/one-bath units: The subject has 108 two-bedroom, one-bath units with 750 square feet plus balcony. This is a tight fit for two bedrooms. The Gardens at Driftwood (Rent 5) is the only project with a similar unit size, yet no balcony. After adjustments, the indicator is \$1,718 per month.

The two-bedroom units are sorted below.

Two-bedrooms

<u>Size</u>	<u>Comp</u>	<u>Market adj.</u>	<u>Adj./mo.</u>	<u>Adj. rent</u>	<u>Adj. \$/SF</u>	<u>Comments</u>
750	Subject	---	---	---	---	2/1
757	5	5%	\$105	\$1,718	\$2.27	2/1, no balcony
828	2	20%	\$35	\$1,870	\$2.26	2/2
828	3	20%	\$35	\$1,866	\$2.25	2/2
832	6		\$35	\$1,835	\$2.21	2/1, no balcony

The subject has successfully achieved \$1,728 per month (\$2.30/SF) on many of their units, which is considered reasonable.

Conclusion

After analyzing the competition in the marketplace, I have concluded at the following market rents for the subject property.

	<u>1/1-No balc.</u>	<u>Small 1/1</u>	<u>Large 1/1</u>	<u>2/1</u>	<u>Total</u>
No. units	16	410	80	108	614
Market	\$1,300	\$1,360	\$1,590	\$1,728	
	<u>\$2.26</u>	<u>\$2.37</u>	<u>\$2.12</u>	<u>\$2.30</u>	

Total	\$20,800	\$557,600	\$127,200	\$186,624	\$892,224
				Average	\$1,453.13 /mo.

The rental income equates to a weighted average of \$1,453 per unit per month. The project should fall within the 80% AMI requirements without having any significant discount off the rents. Current weighted average rents are \$1,332 per month, which can be increase \$100 per month/annually. The rollover to market process is expected to take two years.

Marcus & Millichap projects 3.3% increase in rents for Broward County. PwC shows expenses growing slightly faster than rents on a regional and national level. For the 10-year DCF, I've estimated rent and expense growth at 3.0% annually. Current below market rents can be increased \$100 per month at lease turnover. The following summarizes the inputs.

- 2026 Market rent - \$1,453 weighted average
- Time to roll over to market - 2 years
- Current tenant increases - \$100 per month/annually
- Annual increases (market rent & expenses) - 3%

Analysis of Vacancy and Collection Loss

The next step is estimating an appropriate vacancy and collection loss allowance. The Broward County market for multifamily space is strong as evidenced by the following vacancy rates.

- 4.9% Fort Lauderdale metro per Marcus & Millichap
- 6.2% Pembroke Pines area per CB Richard Ellis
- 7.9% Fort Lauderdale metro per CoStar

The subject currently has 74 units vacant, which equates to 12% vacancy. Most rent comparables were fully occupied with a waitlist. Collection loss, an allowance for nonpayment of rent, is considered to be nominal.

The exterior is expected to take three years with the work progressing by sections. Some sections have 5 apartments while others have 10 apartments. Therefore, vacancy and collection loss is higher during the first three years while exterior walls are being repaired. By Year 4, vacancy and collection loss is expected to average 5% over the remaining term.

Miscellaneous and other income

The subject's additional revenue comes from application fees, late fees, and other miscellaneous sources. In 2025, the subject collected \$179 per unit. The budget for 2026 is lower. I have input \$175 per unit annually or 1.1% of rents collected.

Pines Place Residential Towers

<u>Object Description</u>	<u>Budget 2026</u>	<u>%</u>	<u>YTD 9/2025 *</u>	<u>%</u>	<u>YTD 9/2024</u>	<u>%</u>	<u>YTD 9/2023</u>	<u>%</u>
Housing Application Fee	\$ 16,000.00		\$ 25,135.00		\$ 29,809.20		\$ 16,069.00	
Rental - Housing	9,332,720.00		8,642,012.00		8,282,428.89		7,488,640.70	
Rental Misc Fees	50,000.00		84,876.29		53,510.26		37,521.01	
Total Revenues	9398720.00	100.0%	8,752,023.29	100.0%	8,365,748.35	100.0%	7,542,230.71	100.0%
Community Service Director	47679.00		\$50,238.41		\$43,992.50		\$42,169.92	
Accrued Payroll	-		-		-		-	
Vacation leave - retire/term	47,613.00		-		-		-	
Sick leave - retire/term	4,912.00		-		-		-	
Overtime	-		-		-		-	
Topped Out Incentive	225.00		-		-		-	
Automobile Allowance	1,800.00		631.72		-		-	
Longevity Pay	2,384.00		837.25		-		-	
Social Security - Matching	7,779.00		3,729.03		3,213.19		2,940.38	
Retirement Contributions	3,452.00		27,189.00		14,222.00		16,040.00	
Health Insurance	5,609.00		5,556.00		3,680.00		3,572.00	
Life Insurance	230.00		209		121		111	
Workers Compensation	113.00		107		217		155	
General Retiree Health Contrib	2,623.00		4,138.62		6,679.00		6,295.00	
Personnel	124,419.00	1.3%	92,636.03	1.1%	72,124.67	0.9%	71,283.30	0.9%
Prof Svc - Outside Legal	26,600.00		10,379.92		37,209.93	0.4%	4,800.21	
Professional Svc - Other	5,800.00		2600		83.3		2,755.07	
Other Svc - Laundry & Cleaning	2,100.00		1,055.54		1,074.79		852.53	
Other Svc - Maintenance	160,000.00	1.7%	93,879.16	1.1%	114,478.47	1.4%	102,908.40	1.4%
Function Sourcing - Grounds	2,500.00		2,248.17		1,987.68		1,325.04	
Other Svc - FCS	750,494.00	8.0%	646,823.87	7.4%	625,232.50	7.5%	587,836.90	7.8%
Other Svc	219,700.00	2.3%	205,758.05	2.4%	201,171.05	2.4%	175,658.39	2.3%
Other Svc - IT	2,000.00		-		-		-	
Telephone	27,000.00	0.3%	34,463.99	0.4%	35,190.07	0.4%	24,798.73	0.3%
Cable fees	171,000.00	1.8%	158,434.01	1.8%	150,897.57	1.8%	143,583.96	1.9%
Water & Sewer	551,500.00	5.9%	409,334.66	4.7%	423,809.24	5.1%	424,740.18	5.6%
Electricity	251,500.00	2.7%	127,280.72	1.5%	112,835.08	1.3%	133,365.64	1.8%
Rental - Machinery & Equipment	26,300.00		3,433.68		6,678.04		4,751.32	
Credit Application	-		283.3		236.2		-	
Debt Service (REMOVED)								
Insurance	131,665.00	1.4%	131,665.00	1.5%	93,036.00	1.1%	99,340.00	1.3%
R&M Land Bldg & Improvement	1,100,000.00	11.7%	368,054.54	4.2%	424,163.43	5.1%	568,041.19	7.5%
R&M - Land Bldg - Major Projec	100,000.00	1.1%	38,710.43	0.4%	13,453.13	0.2%	40,704.84	0.5%
Energy Savings Project	-		508.16		9,304.25		44,488.88	0.6%
R&M Equipment	52,000.00	0.6%	28,443.36	0.3%	36,505.71	0.4%	25,272.78	0.3%
R&M Vehicles	3,000.00		229.95		-		-	
Maintenance Contract	31,000.00	0.3%	7,251.31		7,370.95		17,948.76	0.2%
Advertising	5,000.00		-		-		-	
License Fees	3,500.00		2175		990		1,950.00	
Administrative Fees	598,238.00	6.4%	699,201.00	8.0%	615,575.00	7.4%	455,532.00	6.0%
Bank Svc Charge	7,500.00		-		-		-	
Office Supplies	6,500.00		1,541.65		1,399.92		4,120.45	
Operating Supplies	6,500.00		3,274.96		4,392.37		5,101.86	
Janitorial Supplies	21,800.00	0.2%	1,540.72		1,530.82		4,277.52	
Expendable Tools	1,300.00		129		-		323.67	
Fuel	1,760.00		609.02		233.83		163.66	
Non-capital Equipment	71,600.00	0.8%	7,978.58		19,646.68	0.2%	32,610.96	0.4%
Memberships Dues Subscription	-		-		-		-	
Operating	4,337,857.00	46.2%	2,987,287.75	34.1%	2,938,486.01	35.1%	2,907,252.94	38.5%
Machinery & Equipment	-		-		-		-	
Vehicle	-		-		-		-	
Total Expenditures	\$4,462,276.00	47.5%	\$3,079,923.78	35.2%	\$3,010,610.68	36.0%	\$2,978,536.24	39.5%
Net operating income	\$4,936,444.00	52.5%	\$5,672,099.51	64.8%	\$5,355,137.67	64.0%	\$4,563,694.47	60.5%

Analysis of Expenses

The subject's historical income and expenses are shown in the previous chart. The following discusses the individual line items.

Real estate taxes: The subject is currently exempt from real estate taxes due to its government ownership. And the buyer intends to pursue tax exemption.

Two DCFs are provided in this report; with and without real estate taxes. Real estate taxes represent the largest component of all expenses. Broward County Property Appraiser's office would most likely be conservative in their initial valuation. I have calculated taxes at a 90% ratio (based on the 8th criteria per the Department of Regulation) with a typical tax rate, typical non-ad valorem, and early payment.

$$\begin{aligned} & \$62.0 \text{ million divided by } 1,000 @ 90\% \text{ ratio} \times \$18.9 \text{ millage rate} \\ & + \$200,000 \text{ non-ad valorem} = \$1,254,620 \text{ less } 4\% \text{ discount for November payment} = \\ & \qquad \qquad \qquad \$1,204,435 (\$1.2 \text{ million rounded}) \end{aligned}$$

Operating expenses are expected to change with a new buyer. The categories are discussed as follows.

Insurance: This expense typically includes fire and extended coverage as well as owner's liability. The budgeted amount for 2026 is \$131,665 or \$214 per unit. Pembroke Pines allocates the cost amongst the different departments. Most multifamily properties fall between \$500 to \$1,000 per unit. A realistic allowance for the subject's insurance is \$750 per unit.

Management fees: This expense is typically negotiated as a percentage of collected revenues. While nothing is shown for the subject, some of this cost would fall under other line-items, such as personnel cost, administrative fees, etc. Most projects range from 3% to 5% for management fees. The midpoint at 4.0% is reasonable for the subject.

Administrative fees: This category covers administrative expenses such as office supplies, phone, and internet. The subject shows 8% in 2025 with a 2026 budget at 6.4% (\$974 per unit). Most comparables fall between 2.5% to 4.0%. A 3% allowance is reasonable for the subject.

Contract Services: The subject's Facility Contract Services (FCS) line item was 7.4% of effective gross income in 2025 with a projected 8% in 2026. This covers on-site payroll, associated taxes, and employee benefits. This category has been input at 7.5% for the subject.

Professional fees: This category covers legal and other professional services. The expense was \$21 per unit in 2025 and \$53 per unit budgeted for 2026. The following allows for \$50 per unit.

Other services: This line item includes some maintenance as well as other items. The subject shows \$493 per unit in 2025 and a budgeted \$629 for 2026. I have input \$500 per unit.

Repairs and maintenance: This category covers the routine repairs and maintenance as well as labor costs, electrical, plumbing, painting, exterminator, fire and smoke alarm expense and

grounds maintenance. Some of the specific categories including rentals (machinery and equipment), maintenance contract, and major project expenses. The line items “R&M land building and improvements” increased to \$1.1 million (\$1,792/unit) in the budget, when the prior three years ranged from \$599 to \$925 per unit.

The list of items for the proposed \$1.1 million is shown below:

Amount	Description
\$100,000.00	Surveillance cameras project for Pines Place apartments - Hallways/Entry ways/Parking lot
\$390,000.00	Per Antonio Hernandez City of Pembroke Pines, A/C Supervisor. The common areas 6 a/c units small 1 bedroom around 60 units and 2 bedrooms around 10 units.
\$150,000.00	Continuing to renovate/replace common area flooring in Towers II and III. Changing all carpet from the hallways to vinyl including vacant apartments, room carpet and VCT to vinyl flooring.
\$100,000.00	billable charges for all 9 elevators for Pines Place provided by Maverick Elevators.
\$360,000.00	Repair and purchase of items that are part of the buildings for Pines Place rental apartments. Repairs and purchases for garbage disposals sinks toilets carpet tile locks generator doorknobs plumbing carpentry electrical and painting. Also Fire Alarm Annual Testing & Inspection (Electraserve Inc.) and Annual Central Station Signal Receiving Service (Crime Control). The annual inflation rate for this budget is 7.5% due to supply chain shortages.
\$1,100,000.00	

Some of this could be categorized as capital improvements, which would fall under reserves or below the net operating income line. I estimate repairs and maintenance at \$800 per unit.

Water/sewer expense: In 2025, water/sewer was \$56 per month (\$667 per unit) with a projected increase in 2026 to \$75 per month (\$974 per unit). The following input is \$65 per month or \$780 per unit.

Trash removal is not shown in the income/expense statement since the city does not pay for trash removal at any of its facilities, including Pines Place. The city calculates the cost based on the number of 4-yard containers at \$211,171 per year (\$344 per unit or \$28.66 per month). Trimming this slightly to \$25 per month is \$300 per unit.

Electric (common area): This covers the common areas as well as vacant units. The per unit amount was \$207 in 2025 with a projected increase to \$410 in 2026. I have input \$325 per unit within the DCF.

Cable fees: This category was \$259 in 2025 and is budgeted for \$279 (\$23.25 per month) in 2026, which is reasonable.

Miscellaneous: This category includes items not accounted for elsewhere, such as license fees, bank charges, and advertising. This was \$72 in 2025 and is budgeted for \$132 in 2026. Miscellaneous expenses are estimated at \$90 per unit.

Reserves for replacement: Price Waterhouse Cooper notes that most investors of apartments (80% on a national level) currently deduct reserves for FF&E (furniture, fixtures and equipment). The Southeast Region shows survey respondents indicating \$200 to \$400 per unit with an average of \$275 per unit.

Some investors use an additional reserve for structural repairs. For example, allowing \$1.5 million for roof/structural issues over a 25 year life, equates to \$98 per unit annually. Considering both items, I've input \$375 per unit for reserves for replacement.

The ratio before real estate taxes is 39.9% of effective gross income. This is higher than actual operations during the years 2023 to 2025, which ranged from 35.2% to 38.5%. Including real estate taxes the subject's projected 2026 operating expenses equates to a ratio of 51.6%.

The ratios are based on a stabilized level with market rents and expenses, as shown below.

	No. units	614		
			<u>Annual</u>	<u>\$/unit</u>
				<u>% total</u>
Potential gross rents			\$10,705,704	\$17,436
Vacancy & collection loss			<u>\$535,285</u>	5.0%
Rents collected			\$10,170,419	\$16,564
Other income			<u>\$107,450</u>	<u>\$175</u>
Effective gross income			\$10,277,869	\$16,739
Expenses				
Real estate taxes			\$1,200,000	\$1,954
Operating expenses				
Insurance			\$460,500	\$750
Management fees			\$411,115	\$670
Administrative fees			\$308,336	\$502
Contract services			\$770,840	\$1,255
Professional fees			\$30,700	\$50
Other services			\$307,000	\$500
Repairs/maintenance			\$491,200	\$800
Water/sewer expense			\$478,920	\$780
Trash removal			\$184,200	\$300
Electric (common area)			\$199,550	\$325
Cable fees			\$171,306	\$279
Miscellaneous			\$55,260	\$90
Reserves			\$230,250	\$375
Total operating expenses			\$4,099,177	\$6,676
Total expenses w/taxes			\$5,299,177	\$8,631

Ground Lease (Health Park)

The subject's underlying ground lease is only \$300 per year for the entire Health Park with no rent increases specified (Section #39 of 2628-14).

In addition to the sale price, the LOI notes that the buyer will pay the city \$2,000 per month (\$24,000 per year) with 2% annual increases over 63.7 years. This is a sub-subground payment that is reported as a separate value within this report. It does not make sense to incorporate this into the DCF.

Deferred maintenance

The deferred maintenance totaling \$8.0 is input in the DCF over the next three years. Please see the improvements section of the report for more information.

Discount Rate

The discount rate converts the annual income to a present value. This rate reflects the average anticipated cost of debt and equity over the holding period. Two sources are shown below.

Investor survey	Period	Multifamily market	Range	Average
PwC Real Estate	1Q 2026	National	6.0% - 9.5%	7.48%
		Southeast Region	6.0% - 10.0%	7.88%
Integra Realty	2026	South Region	---	7.89%
		Broward/Palm Beach	---	8.0%

Determining a discount rate that is above or below the average indications depends on perceived risk stemming from factors such as location, age/condition, and construction quality/features. The subject buildings are a depreciating asset, with the underlying ground on a long-term lease. The discount rate should be higher than the averages in the market, between 8.0% and 8.5%. I have concluded at a rate of 8.25%.

Reversion

In general, more risk is associated with a sub-leasehold position for improvements. At the end of the 10-year cash flow, the property will have reversionary benefits consisting of 53.7 years (63.7 years less 10-year cash flow).

A few sources report residual cap rates, as shown below.

Investor survey	Period	Multifamily market	Going-in		
			Range	Average	Residual
PwC Real Estate	1Q 2026	National	4.25% - 6.5%	5.25%	5.65%
		Southeast Region	4.3% - 7.0%	5.42%	5.63%
Marcus & Millichap	2026	Fort Lauderdale metro	---	7.8%	---
Integra Realty	2026	South Region	---	6.75%	6.5%
		Broward/Palm Beach	---	6.36%	---

Two sources have higher going-in (overall) cap rate indicators than PwC. And PwC shows the reversion (residual) rate is close to the going-in rate.

Based on this data, I have concluded at a residual cap rate of 6.5%. The income stream in the 11th year is divided by the residual cap rate to determine the value for the remaining holding period. An allowance for selling costs is deducted at 4%.

The residual rate, as well as the discount rate, are higher than the market, to account for the sub-sublease rights with the term ending December 31, 2089.

DCF Summary

The inputs for the 10-year DCF are shown below.

	<u>Current</u>	<u>Market</u>
Avg. unit rent/month	\$1,332	\$1,453
Rent growth	\$100	3.0%
No. of units	614	
Vacancy	See below	5.0%
Other income	1.1%	
Real estate taxes	\$1,200,000	Year 2
Operating expenses *	39.9%	+ 3% growth
Capital improvements	See below	
Discount rate	8.25%	

The following pages show the discounted cash flow calculations for the subject's market values via the income approach as of April 15, 2026. Two scenarios are provided; with real estate taxes and without real estate taxes.

Value of sub-subground payment

In addition to the sale price, the buyer will pay the city \$2,000 per month (\$24,000 per year) with 2% annual increases. The term is rounded down to 63 years. Because of less risk, the discount rate is lower at 6.0%. The value of the sub-subground payment is an additional \$550,000.

Payment:	\$24,000 per year
Increases:	2% annually
Term:	63 years
Discount Rate:	6.0%
Present Value:	\$550,000 rounded

Note that the current fixed \$300 annual administrative fee is insignificant as it covers the entire Health Park.

Discounted Cash Flow

Without real estate taxes

	1 2026	2 2027	3 2028	4 2029	5 2030	6 2031	7 2032	8 2033	9 2034	10 2035	11 2036
Current leases	\$9,814,176	\$5,275,488	\$2,257,555	\$0							
Rollover to market		50%	30%	20%							
Market rents		<u>\$5,513,438</u>	<u>\$9,086,145</u>	<u>\$11,698,412</u>							
Total rents	\$9,814,176	\$10,788,926	\$11,343,700	\$11,698,412	\$12,049,364	\$12,410,845	\$12,783,170	\$13,166,666	\$13,561,666	\$13,968,515	\$14,387,571
Less vacancy/collection	12%	10%	8%	5%	5%	5%	5%	5%	5%	5%	5%
Rents collected	\$8,636,475	\$9,710,033	\$10,436,204	\$11,113,491	\$11,446,896	\$11,790,303	\$12,144,012	\$12,508,332	\$12,883,582	\$13,270,090	\$13,668,192
Other income	<u>\$95,001</u>	<u>\$106,810</u>	<u>\$114,798</u>	<u>\$122,248</u>	<u>\$125,916</u>	<u>\$129,693</u>	<u>\$133,584</u>	<u>\$137,592</u>	<u>\$141,719</u>	<u>\$145,971</u>	<u>\$150,350</u>
Total revenue	\$8,541,474	\$9,603,223	\$10,321,406	\$10,991,243	\$11,320,980	\$11,660,610	\$12,010,428	\$12,370,741	\$12,741,863	\$13,124,119	\$13,517,842
Real estate taxes		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating expenses	<u>\$3,408,048</u>	<u>\$3,831,686</u>	<u>\$4,118,241</u>	<u>\$4,385,506</u>	<u>\$4,517,071</u>	<u>\$4,652,583</u>	<u>\$4,792,161</u>	<u>\$4,935,926</u>	<u>\$5,084,003</u>	<u>\$5,236,523</u>	<u>\$5,393,619</u>
Total expenses	\$3,408,048	\$3,831,686	\$4,118,241	\$4,385,506	\$4,517,071	\$4,652,583	\$4,792,161	\$4,935,926	\$5,084,003	\$5,236,523	\$5,393,619
Net operating income	\$5,133,426	\$5,771,537	\$6,203,165	\$6,605,737	\$6,803,909	\$7,008,026	\$7,218,267	\$7,434,815	\$7,657,860	\$7,887,595	\$8,124,223
Capital improvements	<u>\$3,000,000</u>	<u>\$3,000,000</u>	<u>\$2,000,000</u>								
Cash flows	\$2,133,426	\$2,771,537	\$4,203,165	\$6,605,737	\$6,803,909	\$7,008,026	\$7,218,267	\$7,434,815	\$7,657,860	\$7,887,595	\$8,124,223
NPV income stream	\$36,802,353								Reversion cap		
Present value reversion	<u>\$54,307,608</u>								6.50%	\$124,988,050	
Total sub-leasehold	\$91,109,961								Less costs	4%	
									Residual value	\$119,988,528	
	\$91,100,000										
	\$148,371										
		Rounded									
		/unit									

Discounted Cash Flow

With real estate taxes

	1 2026	2 2027	3 2028	4 2029	5 2030	6 2031	7 2032	8 2033	9 2034	10 2035	11 2036
Current leases	\$9,814,176	\$5,275,488	\$2,257,555	\$0							
Rollover to market		50%	30%	20%							
Market rents		<u>\$5,513,438</u>	<u>\$9,086,145</u>	<u>\$11,698,412</u>							
Total rents	\$9,814,176	\$10,788,926	\$11,343,700	\$11,698,412	\$12,049,364	\$12,410,845	\$12,783,170	\$13,166,666	\$13,561,666	\$13,968,515	\$14,387,571
Less vacancy/collection	12%	10%	8%	5%	5%	5%	5%	5%	5%	5%	5%
Rents collected	\$8,636,475	\$9,710,033	\$10,436,204	\$11,113,491	\$11,446,896	\$11,790,303	\$12,144,012	\$12,508,332	\$12,883,582	\$13,270,090	\$13,668,192
Other income	<u>\$95,001</u>	<u>\$106,810</u>	<u>\$114,798</u>	<u>\$122,248</u>	<u>\$125,916</u>	<u>\$129,693</u>	<u>\$133,584</u>	<u>\$137,592</u>	<u>\$141,719</u>	<u>\$145,971</u>	<u>\$150,350</u>
Total revenue	\$8,541,474	\$9,603,223	\$10,321,406	\$10,991,243	\$11,320,980	\$11,660,610	\$12,010,428	\$12,370,741	\$12,741,863	\$13,124,119	\$13,517,842
Real estate taxes		\$1,200,000	\$1,236,000	\$1,273,080	\$1,311,272	\$1,350,611	\$1,391,129	\$1,432,863	\$1,475,849	\$1,520,124	\$1,565,728
Operating expenses	<u>\$3,408,048</u>	<u>\$3,831,686</u>	<u>\$4,118,241</u>	<u>\$4,385,506</u>	<u>\$4,517,071</u>	<u>\$4,652,583</u>	<u>\$4,792,161</u>	<u>\$4,935,926</u>	<u>\$5,084,003</u>	<u>\$5,236,523</u>	<u>\$5,393,619</u>
Total expenses	\$3,408,048	\$5,031,686	\$5,354,241	\$5,658,586	\$5,828,343	\$6,003,194	\$6,183,290	\$6,368,788	\$6,559,852	\$6,756,647	\$6,959,347
Net operating income	\$5,133,426	\$4,571,537	\$4,967,165	\$5,332,657	\$5,492,637	\$5,657,416	\$5,827,138	\$6,001,952	\$6,182,011	\$6,367,471	\$6,558,495
Capital improvements	<u>\$3,000,000</u>	<u>\$3,000,000</u>	<u>\$2,000,000</u>								
Cash flows	\$2,133,426	\$1,571,537	\$2,967,165	\$5,332,657	\$5,492,637	\$5,657,416	\$5,827,138	\$6,001,952	\$6,182,011	\$6,367,471	\$6,558,495
NPV income stream	\$29,185,474										
Present value reversion	<u>\$43,841,262</u>										
Total sub-leasehold	\$73,026,735										
	\$73,000,000	Rounded									
	\$118,893	/unit									
									Reversion cap	<u>Year 11</u> 6.50%	\$100,899,929
									Less costs	4%	
									Residual value		\$96,863,932

Value of Sub-subground payment		1	\$24,000	54	\$68,552
		2	\$24,480	55	\$69,923
Payment:	\$24,000	3	\$24,970	56	\$71,322
Increases:	2%	4	\$25,469	57	\$72,748
Term (years):	63	5	\$25,978	58	\$74,203
Discount Rate:	6.00%	6	\$26,498	59	\$75,687
Present Value:	\$546,827	7	\$27,028	60	\$77,201
		8	\$27,568	61	\$78,745
		9	\$28,120	62	\$80,320
Rounded to	\$550,000	10	\$28,682	63	\$81,926
		11	\$29,256		
		12	\$29,841		
		13	\$30,438		
		14	\$31,047		
		15	\$31,667		
		16	\$32,301		
		17	\$32,947		
		18	\$33,606		
		19	\$34,278		
		20	\$34,963		
		21	\$35,663		
		22	\$36,376		
		23	\$37,104		
		24	\$37,846		
		25	\$38,602		
		26	\$39,375		
		27	\$40,162		
		28	\$40,965		
		29	\$41,785		
		30	\$42,620		
		31	\$43,473		
		32	\$44,342		
		33	\$45,229		
		34	\$46,134		
		35	\$47,056		
		36	\$47,997		
		37	\$48,957		
		38	\$49,936		
		39	\$50,935		
		40	\$51,954		
		41	\$52,993		
		42	\$54,053		
		43	\$55,134		
		44	\$56,237		
		45	\$57,361		
		46	\$58,509		
		47	\$59,679		
		48	\$60,872		
		49	\$62,090		
		50	\$63,331		
		51	\$64,598		
		52	\$65,890		
		53	\$67,208		

Reconciliation and Final Value

The following summarizes the value for the subject's sub-leasehold estate; i.e., the city's ownership interest. A potential buyer would consider the subject's income producing capabilities, so the income approach is the sole method for valuation.

Cost Approach:	Not applicable
Sales Comparison Approach:	Not applicable
Income Approach:	\$91,100,000 without real estate taxes \$73,000,000 with real estate taxes \$550,000 sub-subground payment

The income approach is based upon market data about rental rates, expenses, and discount rates. Six rent comparables are provided. The income stream is analyzed to determine the value of the property interest if a sub-sublease position is sold based on a 63.7-year term.

The “as is” market value of the sub-leasehold interest in the subject’s improvements as of April 15, 2026, is shown below. The valuation is based on a 63.7-year term ending December 31, 2089 for Reliant (January 3, 2090 for the City). The analysis accounts for \$8.0 million in deferred maintenance.

\$91,100,000 without real estate taxes

\$73,000,000 with real estate taxes

- Personal property at \$760,000, representing the appliances in each unit, is included in the values previously noted. Business value, or any other intangible value, is not included.

The value of the \$24,000 payment ending December 31, 2089 is an additional \$550,000.

\$550,000 sub-subground payment

Prior Valuation Analysis

In my prior appraisal (#23-0301-2), the value of the sub-leasehold interest as of March 21, 2023 was \$85.1 million without real estate taxes. The prior report had a longer term but lower rents.

Exposure Time and Marketing Time

Appraisal guidelines require an estimate of a reasonable time period in which the subject could be brought to market and sold. This time frame can either be examined historically or prospectively.

Exposure time – A reasonable length of time that the property would have been offered on the market prior to the appraisal’s effective date. Exposure time always precedes the date of value,

with the underlying premise being the time a property would have been on the market prior to the date of value.

Marketing time – The time it might take to sell the property interest at the appraised market value during the period immediately after the effective date of the appraisal. Consideration was given to the opinions of local market participants.

Marketing time is an estimate of how long it should take for the subject to be listed and actively marketed to achieve a reasonable (market) price. Real estate agents state that marketing time is a function of price and exposure. For example, if a listing price is too high, then inquiries will be few, and prospective buyers will move on to other properties, which results in a longer than necessary marketing period.

Exposure time: Less than one year
Marketing time: Less than one year *

* Assuming active marketing and realistic asking prices

ADDENDA

Sublease Summary (#2628-14)

Lease date: March 15, 2001 (plus a lease extension in June 2021)

Sublessor: Department of Children and Family Services of the State of Florida

Sublessee: City of Pembroke Pines

Size: 161± acre tract known as the Health Park, located at the northwest corner of Pembroke Road and University Drive.

Term: July 1, 2001 to January 3, 2090 (term was extended from original date of June 30, 2051)

Rent: \$300 annual administrative fee

Comments: This is a management plan for the operation of a Healthcare Park. No options were noted. The First Amendment was in March 2002 with the Second and Third Amendments in March and June 2004. The amendment in September 2008 pertains to the three residential towers.

**SKETCH AND LEGAL DESCRIPTION
PINES PLACE APARTMENTS
PEMBROKE PINES HEATH PARK
CITY OF PEMBROKE PINES, FLORIDA**

A parcel of land being a portion of Parcel A, PEMBROKE PINES HEALTH PARK, according to the plat thereof as recorded in Plat Book 174, Pages 179-184, of the Public Records of Broward County, Florida, said parcel being more particularly described as follows:

COMMENCE at the Northeast corner of the Northeast One-Quarter (NE 1/4) of Section 21, Township 51 South, Range 41 East;

THENCE on an assumed bearing of S 02°06'16" E along the East line of the said Northeast One-Quarter (NE 1/4) of Section 21, a distance of 433.27 feet to the Easterly extension of the North line of said Parcel A;

THENCE S 87°46'55" W along the said Easterly extension and the North line of Parcel A, a distance of 223.72 feet;

THENCE S 27°50'24" W a distance of 212.35 feet to a point on the arc of a non-tangent curve concave to the Southwest, a radial line of said curve through said point having a bearing of N 51°35'07" E, said point being the POINT OF BEGINNING;

THENCE Northwesterly along the arc of said curve to the left, having a central angle of 17°33'58" and a radius of 505.00 feet for an arc distance of 154.83 feet to a point of compound curvature of a tangent curve concave to the Southwest;

THENCE Northwesterly and Westerly along the arc of said curve to the left, having a central angle of 17°24'15" and a radius of 100.00 feet for an arc distance of 30.38 feet to a point of compound curvature of a tangent curve concave to the South;

THENCE Westerly along the arc of said curve to the left, having a central angle of 19°46'05" and a radius of 1050.50 feet for an arc distance of 362.44 feet to a point of tangency;

THENCE S 86°50'49" W a distance of 45.33 feet to a point of curvature of a tangent curve concave to the South;

Prepared By:
CALVIN, GIORDANO AND ASSOCIATES, INC.
1800 Eller Drive, Suite 600
Fort Lauderdale, Florida 33316
MaY 31, 2018
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Sheet 1 of 4

THENCE Westerly and Southwesterly along the arc of said curve to the left, having a central angle of 23°24'08" and a radius of 976.50 feet for an arc distance of 398.85 feet to a point of compound curvature of a tangent curve concave to the Southeast;

THENCE Southwesterly along the arc of said curve to the left, having a central angle of 22°51'26" and a radius of 400.00 feet for an arc distance of 159.57 feet to a point of compound curvature of a tangent curve concave to the Southeast;

THENCE Southwesterly and Southerly along the arc of said curve to the left, having a central angle of 19°30'26" and a radius of 50.00 feet for an arc distance of 17.02 feet to a point of tangency;

THENCE S 21°04'50" W a distance of 71.02 feet to a point of curvature of a tangent curve concave to the East;

THENCE Southerly along the arc of said curve to the left, having a central angle of 23°13'41" and a radius of 50.00 feet for an arc distance of 20.27 feet to a point of tangency;

THENCE S 02°08'51" E a distance of 273.95 feet;

THENCE S 56°41'10" E a distance of 69.75 feet;

THENCE S 02°16'24" E a distance of 506.02 feet;

THENCE N 87°58'18" E a distance of 561.06 feet to a point of curvature of a tangent curve concave to the Northwest;

THENCE Easterly, Northeasterly and Northerly along the arc of said curve to the left, having a central angle of 71°37'54" and a radius of 582.00 feet for an arc distance of 727.62 feet to a point on the arc of a non-tangent curve concave to the West, a radial line of said curve through said point having a bearing of S 76°36'14" E;

THENCE Northerly and Northwesterly along the arc of said curve to the left, having a central angle of 48°02'44" and a radius of 652.54 feet for an arc distance of 547.19 feet to the POINT OF BEGINNING.

Said lands situate within the City of Pembroke Pines, Broward County, Florida, containing 25.92 Acres, more or less.

Prepared By:
CALVIN, GIORDANO AND ASSOCIATES, INC.
1800 Eller Drive, Suite 600
Fort Lauderdale, Florida 33316
MaY 31, 2018
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NOTES:

1. Lands described hereon were not abstracted, by the surveyor, for ownership, easements, rights-of-way or other instruments that may appear in the Public Records of Broward County, Florida.
2. The legal description shown hereon was prepared by Calvin, Giordano & Associates, Inc.
3. Bearings shown hereon are assumed and based on the East line of the Northeast One-Quarter (NE 1/4), Section 21, Township 51 South, Range 41 East as shown on the plat of PEMBROKE PINES HEALTH PARK, according to the plat thereof as recorded in Plat Book 174, Pages 179-184, of the Public Records of Broward County, Florida, having a bearing of S 02°06'16" E
4. The description contained herein does not represent a field boundary survey.
5. This document is intended to provide for a legal description of the environs of the Pines Place Apartment complex located at the Pembroke Pines Health Park.

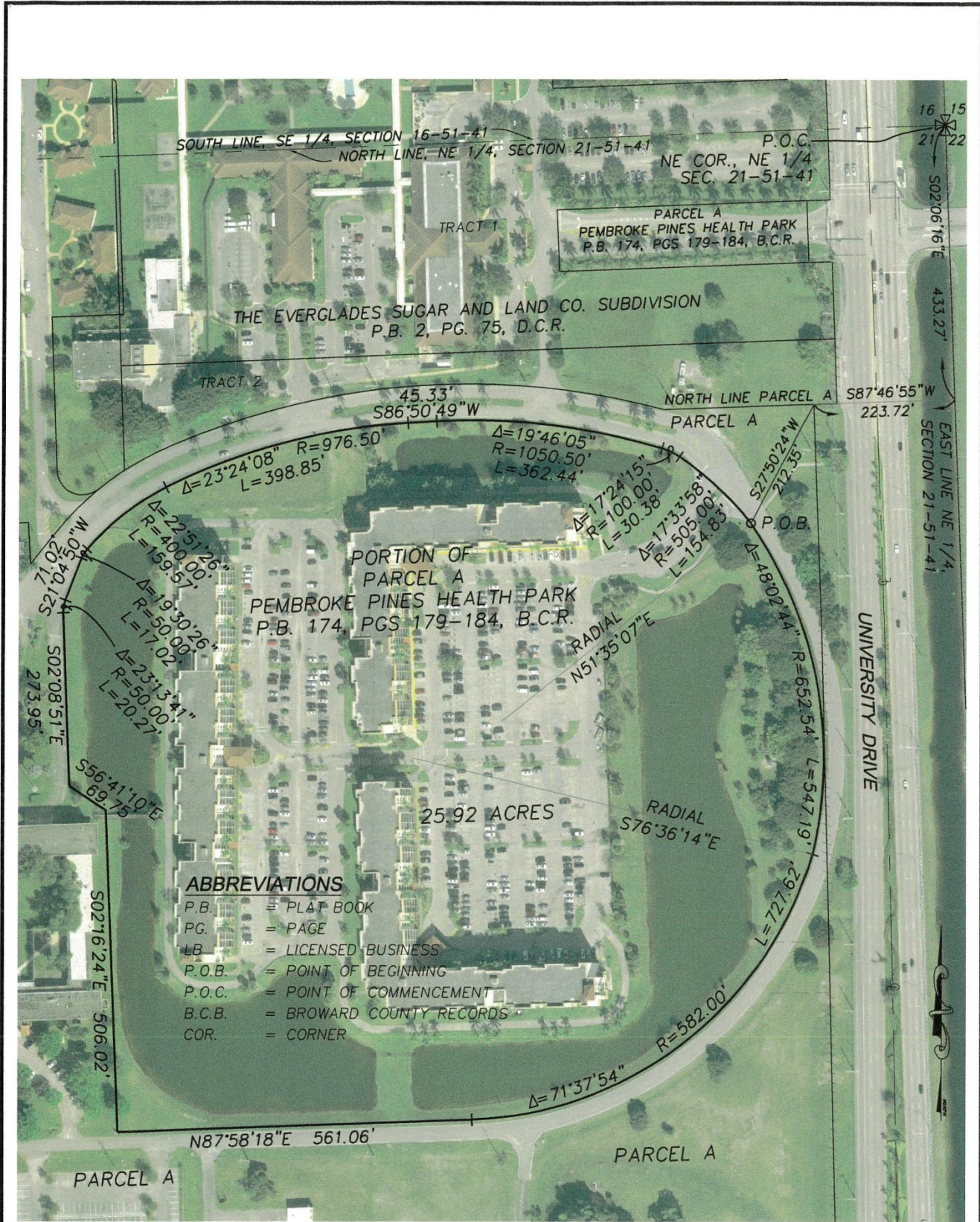
CALVIN, GIORDANO AND ASSOCIATES, INC.

 Date: 6/4/2018

Steven M. Watts
Professional Surveyor and Mapper
Florida Registration Number PSM 4588

Prepared By:
CALVIN, GIORDANO AND ASSOCIATES, INC.
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MaY 31, 2018
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Sheet 3 of 4



ABBREVIATIONS

- P.B. = PLAT BOOK
- PG. = PAGE
- LB. = LICENSED BUSINESS
- P.O.B. = POINT OF BEGINNING
- P.O.C. = POINT OF COMMENCEMENT
- B.C.B. = BROWARD COUNTY RECORDS
- COR. = CORNER



Calvin, Giordano & Associates, Inc.
 EXCEPTIONAL SOLUTIONS™
 1800 Eller Drive, Suite 600, Fort Lauderdale, Florida 33316
 Phone: 954.921.7781 • Fax: 954.921.8807

Certificate of Authorization 6791

**PINES PLACE APARTMENTS
 PEMBROKE PINES
 HEALTH PARK**

SCALE	PROJECT No.	SHEET
1"=200'	91-0134.6	4
DATE	CAD FILE	
05/31/2018		4

Pembroke Pines

The following excerpt is taken from the GFLA Economic Sourcebook 2026.

The City of Pembroke Pines is home to over 170,000 residents and is strategically located in southwestern Broward County with direct access to I-75, U.S. 27 and Florida's Turnpike, over five million people are within a one-hour drive. The city has nearly 66,000 residential units and over 14 million square feet of retail, office, industrial and institutional development.

Two new affordable senior housing projects will be open by the end of 2025, another 800 rental apartments will be delivered by spring 2027 and Lennar and DR Horton recently completed new infill townhome communities. The city has seen continued growth in the healthcare sector with Baptist Health, HCA Healthcare and Memorial Healthcare Systems developing new free standing emergency rooms and medical office space. The expansion in the healthcare sector follows the development of the 120,000 square foot Memorial Cancer Institute, one of the largest cancer centers in Florida which opened in 2024. The city is also anticipating delivery of nearly 400,000 square feet of industrial space including distribution warehouse that is being developed by Summit Realty and a new recycling facility being developed by Waste Management; both projects should be completed by the end of 2025.

Broward County is known for the following.

Fort Lauderdale-Hollywood International Airport (FLL) is a centrally located and convenient passenger and cargo hub offering a low-cost structure to airlines, tenants and passengers. In recent years, its passenger count totaled 35.2 million. The airport ranks 19th for total passengers in the U.S., 20th for domestic passengers and 13th for international passenger travel. Its \$37.5 billion economic impact includes air cargo providers that transport more than 105,000 tons through the airport. An ongoing \$4 billion improvement program includes terminal expansions and more than 30 new gates, an elevated people-mover, a widened terminal roadway and a new parking garage and hotel with conference space and courtyard.

Port Everglades puts Greater Fort Lauderdale on critical global trade routes. One of the world's busiest cruise ports, it enjoys the distinction of having the most homeported cruise ships. It is a homeport for Disney Cruise Line, and Celebrity Cruises' new Celebrity Ascent arrived at the port in 2023. Cruise traffic is estimated at more than 4.4 million guests for FY2025.

In 2024, Port Everglades reported \$28 billion in economic activity, generating \$1.11 billion in state and local taxes and supporting 204,000 jobs statewide. The port is Florida's top container port and the region's primary seaport for handling energy products, such as gasoline, jet fuel and other petroleum products. The port also has Florida's first and largest Foreign Trade Zone.

Brightline express train service has surpassed all revenue and passenger forecasts. The train currently connects Greater Fort Lauderdale with Orlando, Miami, West Palm Beach, Aventura and Boca Raton, providing additional options for commuters, business and leisure travelers.

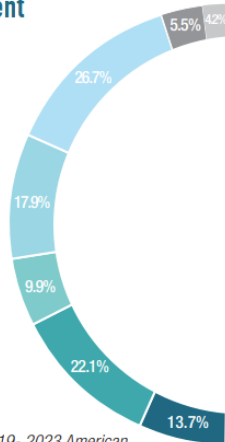
Tri-Rail, operated by the South Florida Regional Transportation Authority, is an 80-mile commuter rail system serving 18 stations between West Palm Beach and Miami International Airport. In operation since 1989, Tri-Rail operates seven days a week, it is a critical part of a growing commuting solution for the region's residents.

BROWARD COUNTY FAST FACTS

Educational Attainment

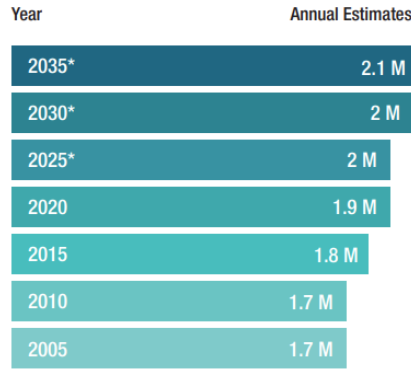
Population 25 years and over

- Less than 9th grade:
59,198 | 4.2%
- 9th - 12th grade:
76,227 | 5.5%
- High School Graduate:
372,019 | 26.7%
- Some College, no degree:
249,168 | 17.9%
- Associate Degree:
137,738 | 9.9%
- Bachelor's Degree:
307,201 | 22.1%
- Graduate or Professional Degree:
191,494 | 13.7%



Source: U.S. Census Bureau, 2019- 2023 American Community Survey 5-year estimates. DP02

Historical & Projected County Population



* Estimates, Source: Office of Economic & Demographic Research - EDR 06-2025

Broward Labor Force

- Labor Force 1,094,935
- Employment 1,053,285
- Unemployment 41,650
- Percentage Rate 3.8%

Source: Florida Department of Economic Opportunity, July 2025 - 8.15.25 Release

\$30.29

FLORIDA AVERAGE HOURLY EARNINGS
(All Occupations)

Source: Bureau of Labor Statistics OESW, May 2024 data - April 2025 release

863,128

HOUSING UNITS

(5-yr)

Source: U.S. Census Bureau, 2019- 2023 American Community Survey 5-year estimates. DP04

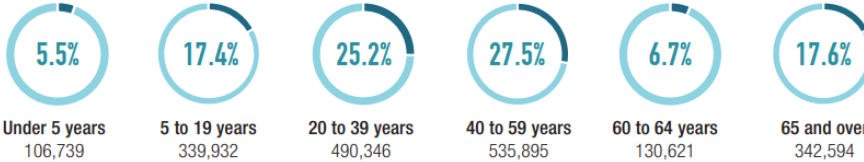
\$74,534K

MEDIAN HOUSEHOLD INCOME

(5-yr)

Source: U.S. Census Bureau, 2019- 2023 American Community Survey 5-year estimates. DP03

Age Distribution



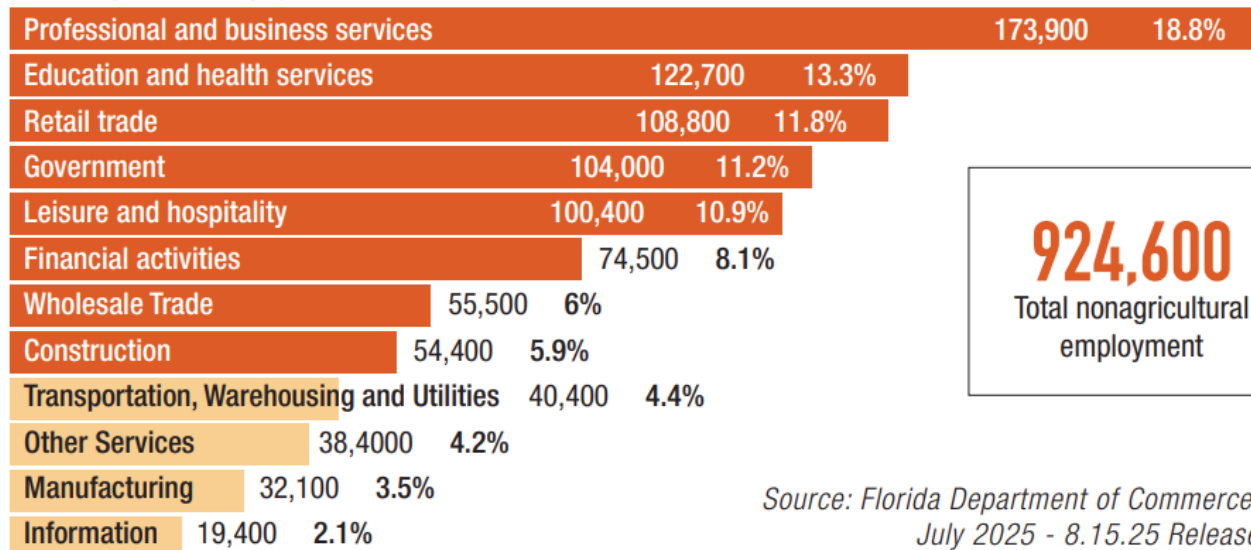
Source: U.S. Census Bureau, 2019- 2023 American Community Survey 5-year estimates. S0101

Rich in Diversity

Broward County is a diverse, multi-ethnic urban county, the second largest in the state, and home to 2 million people seeking economic opportunity, freedom of expression and a superior quality of life. It is one of the most racially diverse counties in Florida.

OCCUPATION BY INDUSTRY

Total nonagricultural employment: 924,600



924,600

Total nonagricultural
employment

Source: Florida Department of Commerce,
July 2025 - 8.15.25 Release

Source: Greater Fort Lauderdale Economic Sourcebook 2026

Largest Private Employers - Ranked by Employees

Company	Municipality	Phone	Website	Greater Fort Lauderdale/ Broward County Employees	Type of business
1 Nova Southeastern University	Davie	800-541-6682	nova.edu	5,313	University
2 First Service Residential	Dania Beach	954-925-8200	fsresidential.com	4,869	Residential property management firm
3 Spirit Airlines	Dania Beach	954-628-4827	spirit.com	2,700	Airline
4 American Express	Sunrise	954-503-3000	americanexpress.com	2,600	Commercial and consumer financial services; travel consulting
5 AutoNation	Fort Lauderdale	954-769-6000	autonation.com	2,469	Automotive retailer- corporate headquarters
6 JetBlue/Paisly (JetBlue Travel)	Dania Beach	844-528-2229	jetblue.com / JetBluevacations.com	2,363	Airline/Travel
7 JM Family Enterprises, Inc.	Deerfield Beach	954-429-2000	jmfamily.com	2,278	Diversified automotive provider
8 UKG	Weston	800-432-1729	ukg.com	1,902	Tech company specializing in HR software solutions
9 National Beverage Corp.	Plantation	954-581-0922	nbcfiz.com	1,559	Non-alcoholic beverages
10 Fiserv	Coral Springs	888-263-1938	fiserv.com	1,500	Global leader in financial services technology
11 HEICO	Hollywood	954-987-4000	heico.com	1,500	Jet engines and parts
12 Chewy	Plantation	954-356-4000	Chewy.com	1,467	Online tech retailer for Pet Products
13 Rick Case Automotive Group	Fort Lauderdale	954-377-7400	rickcase.com	1,165	Automotive sales and services
14 Amazon	Several Locations	877-346-6244	amazon.com	1,000	Logistics/Supply chain tech
15 City Furniture	Tamarac	954-597-2200	cityfurniture.com	950	Home furniture retailer
16 Point Blank Enterprises Inc.	Pompano Beach	954-630-0900	pointblankenterprises.com	854	Manufacturer of body armor equipment
17 SDI International	Fort Lauderdale	954-938-5400	sdintl.com	800	Management service company
18 Zimmerman	Fort Lauderdale	954-644-4000	zadv.com	795	Advertising agency
19 DHL Express	Plantation	954-888-7000	dhl.com	630	Air courier services

Largest Public Companies in Broward County - Ranked by Revenue

Company	Municipality	Phone	Website	2024 Revenue	Type of business
1 AutoNation	Fort Lauderdale	954-769-6000	autonation.com	26.77 Billion	Automotive retailer
2 Chewy	Plantation	800-672-4399	chewy.com	11.86 Billion	Pet Supplies retailer
3 Heico Corp.	Hollywood	954-987-4000	heico.com	3.86 Billion	Aerospace and electronics
4 Element Solutions	Fort Lauderdale	561-207-9600	elementsolutionsinc.com	2.46 Billion	Specialty chemical production company
5 Pediatrix Medical Group	Sunrise	954-384-0175	pediatrix.com	2.01 Billion	Provider of neonatal, maternal-fetal, pediatric subspecialty and anesthesia physician services
6 Universal Insurance Holdings	Fort Lauderdale	954-958-1200	universalproperty.com	1.52 Billion	Underwrites, distributes and administers insurance through its subsidiaries
7 National Beverage Corp.	Fort Lauderdale	954-581-0922	nbcfiz.com	1.19 Billion	Beverage developer, manufacturer and distributor
8 VSE Corp	Miramar	954-430-6600	vseaviation.com	1.08 Billion	Aerospace maintenance, repair, support, and overhaul (MRO) services
9 NV5 Global	Hollywood	954-495-2112	nv5.com	941.27 Million	Engineering Consultant
10 MARA Holdings	Fort Lauderdale	800-804-1690	mara.com	656.38 Million	Bitcoin mining and technology innovation
11 Flanigan's Enterprises	Fort Lauderdale	954-377-1961	flanigans.net	188.32 Million	Chain of full-service restaurants and package liquor stores
12 Performant Healthcare	Plantation	925-960-4800	performanthealthcare.com	122.98 Million	Technology-enabled audit, eligibility, recovery and data analytics solutions organization

Source: South Florida Business Journal

Source: Greater Fort Lauderdale Economic Sourcebook 2026

The following chart is referenced in Exhibit B of the current LOI.

Income Chart

The Broward County Income Category Chart is based on the U.S. Department of Housing and Urban Development (HUD) Income Limits Documentation System.

Household Size	Extremely Low Income 30% AMI and Lower	Very Low Income 31% to 50% AMI	Low Income 51% to 80% AMI	Moderate Income 81% to 120% AMI	Moderate Income 121% to 140% AMI
1	\$24,250	\$40,350	\$64,550	\$96,840	\$112,980
2	\$27,700	\$46,100	\$73,800	\$110,640	\$129,080
3	\$31,150	\$51,850	\$83,000	\$124,440	\$145,180
4	\$34,600	\$57,650	\$92,200	\$138,360	\$161,420
5	\$37,650	\$62,250	\$99,600	\$149,400	\$174,300
6	\$43,150	\$66,900	\$107,000	\$160,560	\$187,320
7	\$48,650	\$71,500	\$114,350	\$171,600	\$200,200
8	\$54,150	\$76,100	\$121,750	\$182,640	\$213,080

Effective April 1, 2025, the Median Family Income for Ft. Lauderdale HMFA (Broward) is **\$96,200**.

NATIONAL APARTMENT MARKET

First Quarter 2026

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.00% – 9.50%	6.00% – 9.00%	6.00% – 9.00%	5.50% – 9.00%	5.00% – 10.00%
Average	7.48%	7.44%	7.35%	6.71%	6.73%
Change (Basis Points)		+ 4	+ 13	+ 77	+ 75
OVERALL CAP RATE (OAR)^a					
Range	4.25% – 6.50%	4.00% – 6.50%	4.00% – 6.25%	3.50% – 8.00%	3.50% – 7.00%
Average	5.25%	5.23%	5.25%	5.01%	5.04%
Change (Basis Points)		+ 2	0	+ 24	+ 21
RESIDUAL CAP RATE					
Range	4.75% – 7.00%	4.50% – 7.00%	4.50% – 6.75%	4.00% – 8.00%	4.00% – 7.00%
Average	5.65%	5.63%	5.55%	5.38%	5.42%
Change (Basis Points)		+ 2	+ 10	+ 27	+ 23
MARKET RENT CHANGE^b					
Range	0.00% – 4.00%	0.00% – 4.00%	0.00% – 4.00%	0.00% – 10.00%	(5.00%) – 3.50%
Average	2.83%	2.50%	2.40%	3.72%	0.75%
Change (Basis Points)		+ 33	+ 43	- 89	+ 208
EXPENSE CHANGE^b					
Range	3.00% – 5.00%	3.00% – 5.00%	3.00% – 5.00%	0.00% – 8.00%	0.00% – 8.00%
Average	3.46%	3.46%	3.55%	3.42%	2.98%
Change (Basis Points)		0	- 9	+ 4	+ 48
MARKETING TIME^c					
Range	3 – 12	3 – 15	3 – 15	1 – 12	1 – 12
Average	6.3	6.8	6.9	4.8	5.3
Change (▼, ▲, =)		▼	▼	▲	▲
FORECAST VALUE CHANGE^d					
Range	(2.0%) – 10.0%	(2.0%) – 15.0%	(3.0%) – 5.0%	(10.0%) – 5.0%	(10.0%) – 10.0%
Average	2.8%	4.0%	0.5%	(0.9%)	1.0%
Change (▼, ▲, =)		▼	▲	▲	▲

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during January 2026

SOUTHEAST REGION APARTMENT MARKET

First Quarter 2026

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.00% – 10.00%	6.00% – 10.00%	5.00% – 10.00%	6.00% – 8.00%	6.00% – 8.00%
Average	7.88%	8.13%	7.39%	6.58%	6.53%
Change (Basis Points)		- 25	+ 49	+ 130	+ 135
OVERALL CAP RATE (OAR)^a					
Range	4.30% – 7.00%	4.50% – 7.00%	4.50% – 6.50%	4.25% – 6.00%	4.00% – 6.00%
Average	5.42%	5.48%	5.63%	5.03%	4.78%
Change (Basis Points)		- 6	- 21	+ 39	+ 64
RESIDUAL CAP RATE					
Range	5.00% – 6.50%	5.00% – 6.50%	5.00% – 6.50%	4.75% – 6.50%	4.50% – 6.50%
Average	5.63%	5.68%	5.80%	5.48%	5.23%
Change (Basis Points)		- 5	- 17	+ 15	+ 40
MARKET RENT CHANGE^b					
Range	0.00% – 4.00%	0.00% – 4.00%	0.00% – 5.00%	0.00% – 5.00%	0.00% – 1.50%
Average	2.30%	2.30%	2.60%	3.20%	1.05%
Change (Basis Points)		0	- 30	- 90	+ 125
EXPENSE CHANGE^b					
Range	2.00% – 5.00%	2.00% – 5.00%	2.00% – 5.00%	2.00% – 5.00%	2.00% – 4.00%
Average	2.85%	2.95%	2.85%	3.40%	3.00%
Change (Basis Points)		- 10	0	- 55	- 15
MARKETING TIME^c					
Range	1 – 6	2 – 6	2 – 6	3 – 6	3 – 6
Average	3.6	3.9	4.2	4.0	4.8
Change (▼, ▲, =)		▼	▼	▼	▼
FORECAST VALUE CHANGE^d					
Range	(5.0%) – 10.0%	(5.0%) – 15.0%	(5.0%) – 10.0%	(10.0%) – 0.0%	(2.0%) – 2.0%
Average	1.0%	3.7%	1.1%	(2.5%)	0.1%
Change (▼, ▲, =)		▼	▼	▲	▲

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during January 2026

REPLACEMENT RESERVES

First Quarter 2026

	CURRENT QUARTER (a)			YEAR AGO (a)		
	Low	High	Average	Low	High	Average
National Markets						
Regional Mall	insufficient data			\$1.25	\$4.00	\$2.38
Power Center	\$0.05	\$0.50	\$0.22	\$0.20	\$0.50	\$0.28
Grocery-Anchored Centers	\$0.10	\$1.00	\$0.37	\$0.10	\$0.50	\$0.28
CBD Office	\$0.15	\$1.00	\$0.40	\$0.15	\$0.75	\$0.39
Suburban Office	\$0.15	\$1.50	\$0.42	\$0.10	\$1.50	\$0.38
Medical Office Buildings	\$0.07	\$1.00	\$0.38	\$0.10	\$1.00	\$0.39
Secondary Office	\$0.15	\$1.25	\$0.51	\$0.15	\$1.00	\$0.37
Self Storage	\$0.00	\$0.75	\$0.27	\$0.00	\$0.50	\$0.23
Student Housing (b)	\$150	\$200	\$175	\$150	\$300	\$200
Warehouse Markets						
National	\$0.00	\$0.25	\$0.13	\$0.00	\$0.30	\$0.13
East Coast Region	\$0.00	\$0.25	\$0.13	\$0.00	\$0.25	\$0.12
East North Central Region	\$0.05	\$0.20	\$0.11	\$0.05	\$0.20	\$0.13
Pacific Region	\$0.05	\$0.20	\$0.13	\$0.10	\$0.20	\$0.15
Apartment (FF&E per unit) (c)						
National	\$200	\$400	\$295	\$200	\$550	\$319
Mid-Atlantic Region	\$100	\$450	\$260	\$100	\$350	\$231
Pacific Region	\$200	\$300	\$250	\$200	\$300	\$250
Southeast Region	\$200	\$400	\$275	\$200	\$400	\$300
Individual Office Markets						
Atlanta	\$0.15	\$1.00	\$0.50	\$0.10	\$1.00	\$0.43
Austin	insufficient data			\$0.15	\$0.50	\$0.30
Boston	\$0.15	\$0.75	\$0.43	\$0.15	\$0.75	\$0.39
Charlotte	insufficient data			\$0.25	\$1.00	\$0.59
Chicago	\$0.25	\$1.00	\$0.48	\$0.25	\$0.75	\$0.47
Dallas	\$0.10	\$0.50	\$0.25	\$0.10	\$0.50	\$0.23
Denver	\$0.20	\$1.50	\$0.70	\$0.10	\$1.00	\$0.43
Houston	\$0.15	\$1.00	\$0.53	\$0.15	\$1.00	\$0.38
Los Angeles	\$0.10	\$0.50	\$0.28	\$0.10	\$0.80	\$0.40
Manhattan	\$0.15	\$0.75	\$0.43	\$0.15	\$0.75	\$0.38
Northern Virginia	insufficient data			\$0.15	\$0.35	\$0.23
Pacific Northwest	\$0.15	\$2.00	\$0.61	\$0.20	\$2.00	\$0.66
Philadelphia	\$0.20	\$0.65	\$0.35	\$0.20	\$0.65	\$0.34
Phoenix	\$0.20	\$0.40	\$0.29	\$0.20	\$0.50	\$0.30
San Diego	insufficient data			\$0.15	\$6.00	\$2.00
San Francisco	\$0.20	\$2.00	\$0.81	\$0.20	\$2.00	\$0.71
Seattle	\$0.15	\$2.00	\$0.57	\$0.15	\$2.00	\$0.54
Southeast Florida	\$0.20	\$1.00	\$0.58	\$0.20	\$1.00	\$0.58
Washington, DC	\$0.15	\$0.35	\$0.24	\$0.15	\$0.50	\$0.27
National Lodging Markets (d)						
Full Service	2.00%	5.00%	3.83%	3.00%	6.00%	4.20%
Limited-Service Midscale & Economy	3.00%	5.00%	4.17%	3.00%	5.00%	4.13%
Luxury/Upper Upscale	3.00%	6.50%	4.44%	4.00%	6.50%	4.69%
Select Service	3.00%	6.00%	4.40%	4.00%	6.00%	4.63%

(a) reserve per square foot unless noted otherwise; unless noted, these reserves do not include estimated costs for larger items and structural repairs that only occur a few times during the life of the property and are usually accounted for separately as capital improvements.

(b) reserve for FF&E and structural repairs.

(c) reserve for FF&E only; some investors use an additional reserve for structural repairs.

(d) as a % of total revenue; for both FF&E and structural repairs.

Source: PwC Investor Survey; survey conducted by PwC during January 2026

CoStar multifamily market report April 2026

Overview

Fort Lauderdale Multi-Family

12 Mo Delivered Units	12 Mo Absorption Units	Vacancy Rate	12 Mo Asking Rent Growth
-	-	7.9%	-

Fort Lauderdale's multifamily market is adjusting after a period of elevated growth, as supply pressures and moderating demand weigh on fundamentals. Annual absorption totaled 3,400 units in 2025, down from 4,450 units in 2024 but still above the pre-pandemic average of 2,700 units.

Vacancy rates have been flat over the past year been holding at 7.9% as of 2026Q2, compared to a five-year low of 3.6%, although still below the U.S. average of 8.5%. Most vacancy pressure stems from the luxury segment, which captured a majority of positive demand over the past year and saw vacancy rates improve from a 2024 peak of 11.6% to 9.9% today. Elevated competition from 4 & 5 star supply and a slowdown in household growth have pressured the mid-tier segment, where vacancy rose to 7.3%.

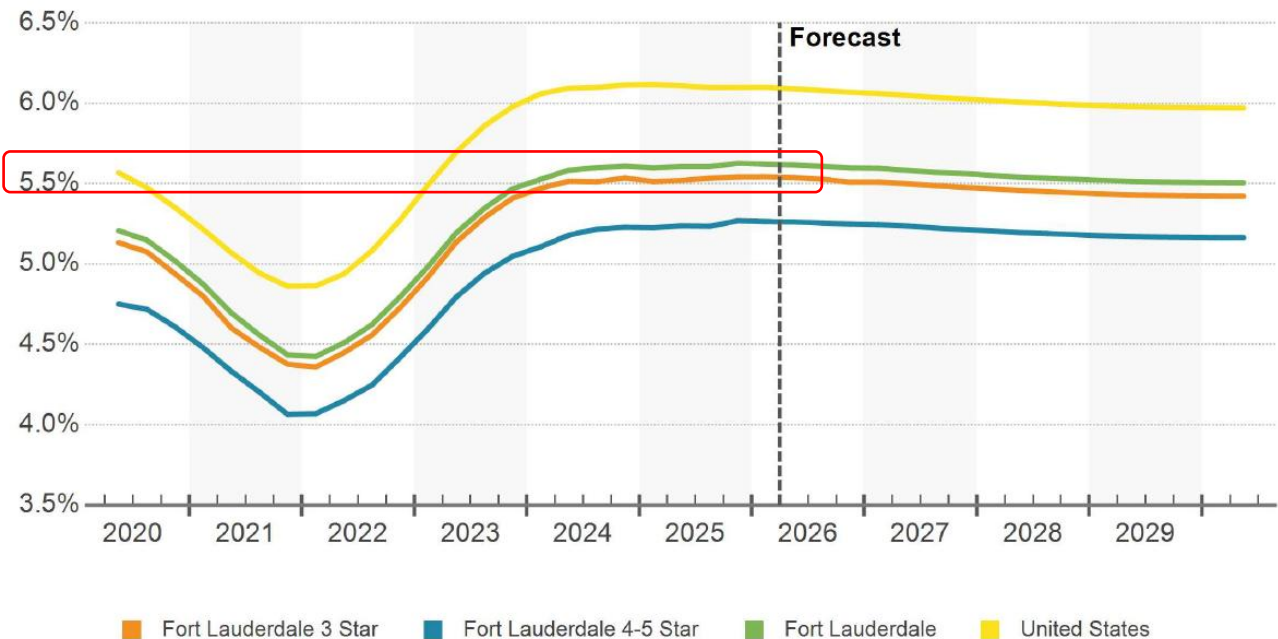
Development activity remains elevated despite a slowdown in deliveries. After a near-record 5,500 units in 2024, deliveries moderated to 3,700 units in 2025, yet the pipeline remains significant at 6,700 units under construction, representing a 4.5% inventory increase. Central Fort Lauderdale and Hollywood/Dania Beach have captured the largest share of recent deliveries, though construction starts have been highest in Weston and Davie over the past year.

Rent trends reflect mounting supply-side challenges. Asking rents average \$2,360 per unit, maintaining a 30% premium over the U.S. average; however, annual rent growth slipped to -0.5% over the last 12 months, one of the weakest readings in a decade across all quality segments. Concessions remain widespread, with offers of up to two months free rent in supply-heavy submarkets. Affordability pressures persist, as inflation in South Florida has outpaced the national average by more than six percentage points since 2020, further straining renters.

Investment activity has moderated from peak levels but remains near historical norms. Sales over the past 12 months total \$1.6 billion, up from \$1.1 billion in 2023, but below the five-year historical average of \$2.6 billion. Despite elevated investor interest, an interest-driven rise in cap rates and softening fundamentals have impacted pricing. Average annual transaction cap rates for multifamily properties have risen from a 5-year low of 4.4% to 5.6% as of the second quarter of 2026.

Looking ahead, vacancy is expected to hover near 8% through 2026 as deliveries outpace absorption, while rent growth remains flat to slightly negative before recovering in 2027. Investment activity is likely to remain selective, with buyers prioritizing stabilized assets and assumable debt opportunities amid elevated financing costs.

MARKET CAP RATE



INVESTMENT FORECAST

Marcus & Millichap

MULTIFAMILY

Fort Lauderdale Metro Area

2026

Steady Job Gains and Upscale Leasing Demand Anchor Local Apartment Outlook

Central Fort Lauderdale outperforms amid white-collar hiring. Expanding employment in financial and professional services is expected to bolster apartment demand in the metro despite broader economic headwinds. Office-using hiring helped downtown vacancy decline throughout 2025, and a sharp drop in 2026 deliveries here should support further tightening. Metrowide, Class A operators began achieving rent increases on new leases again in late 2025 — the first time since 2022 — indicating a more balanced supply-and-demand backdrop. Nevertheless, softer job creation in other industries and stricter immigration policies may temper leasing, particularly outside the core, where vacancy trended higher late last year. Hollywood’s elevated construction pipeline could place some pressure on vacancy, though its relatively affluent renter base should help to absorb luxury units. Meanwhile, minimal construction in Pembroke Pines, Plantation, and Coral Springs will contain vacancy risk even if household formation slows.

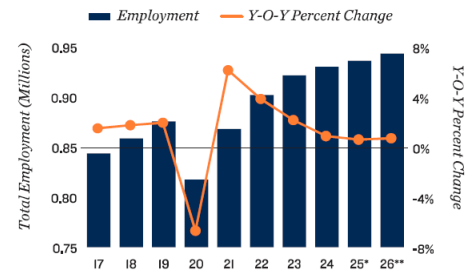
Buyers target higher yields in established submarkets. A sharp decline in vacancy last year fueled stronger investment, and with the 2026 measure projected to stay about 100 basis points below its 2024 peak, trading momentum may continue to build. Hollywood is expected to remain a key focus for investors, as vacancy declined by more than 100 basis points in 2025 to its lowest level since 2022, settling below 6 percent. Buyers may continue to expand west along the Florida Turnpike into nearby Pembroke Pines, where higher household incomes and limited construction activity should support stable fundamentals. In Central Fort Lauderdale, uniformly tight vacancy across all asset classes could broaden the range of viable investment strategies. Investors are likely to favor stabilized assets to minimize downside risk amid lingering uncertainties, while properties priced below \$200,000 per unit should continue to offer attractive entry costs.

2026 MARKET FORECAST

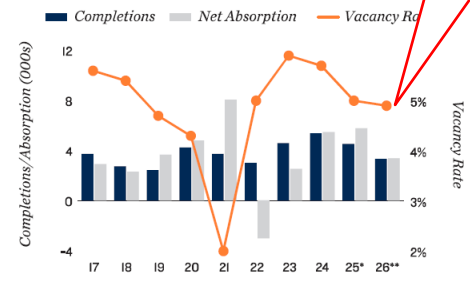
- +0.7%** **Employment:** Job growth in 2026 is expected to mirror last year’s pace of hiring. The traditionally office-using sector will likely account for about half of all new positions for a second year in a row.
- 3,300 units** **Construction:** Deliveries in 2026 will mark the smallest total since 2022, roughly aligning with the past decade’s average. Completions will concentrate in Central Fort Lauderdale and Hollywood.
- 10 bps** **Vacancy:** A decline in openings and steady demand from higher-income households will help vacancy edge down slightly in 2026. At 4.9 percent, the rate will match the trailing 10-year average.
- +3.3%** **Rent:** Fort Lauderdale is expected to record the fifth-fastest pace of rent growth among major metros in 2026, amid stabilizing fundamentals. The average effective rent will reach \$2,530 per month.

INVESTMENT: A planned 60-acre tech-entertainment campus near Central Fort Lauderdale is expected to create more than 1,000 high-paying jobs, likely strengthening local rental demand and reinforcing investment.

Employment Trends

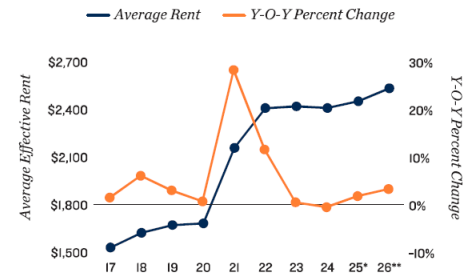


Supply and Demand



4.9% vacancy

Rent Trends



* Estimate; ** Forecast
Sources: CoStar Group, Inc.; Real Capital Analytics; RealPage, Inc.

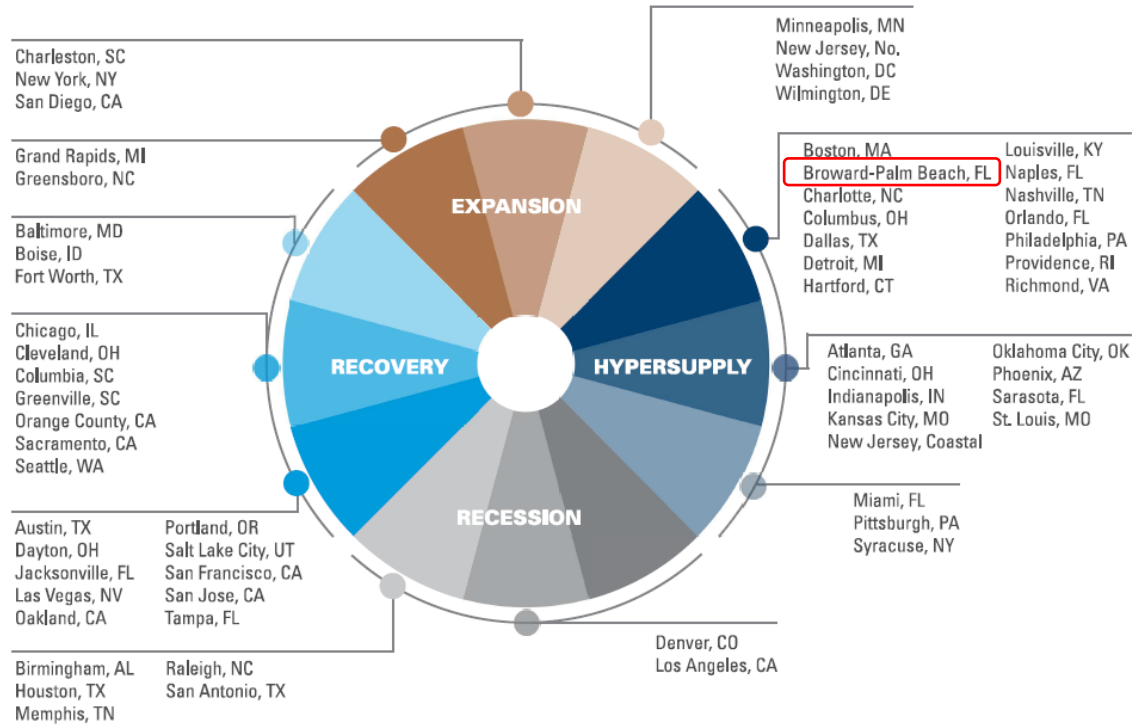
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Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of December 2024. Effective rent is equal to asking rent less concessions. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Sales data includes transactions valued at \$1,000,000 and greater unless otherwise noted. Forecasts for employment and apartment data are made during the fourth quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.

Integra Realty Viewpoint 2026

REGIONAL RATES COMPARISON - MULTIFAMILY

	CAP RATE	DISCOUNT RATE	MARKET RENT (\$/UNIT)	VACANCY RATE	Q3'24 - Q3'25 CAP RATE Δ
SOUTH REGION					
CBD Class A	5.55%	7.12%			▲ 6 bps
Suburban Class A	5.68%	7.21%	\$1,732.88	8.49%	▲ 2 bps
CBD Class B	6.21%	7.80%			▲ 1 bps
Suburban Class B	6.36%	7.89%	\$1,139.54	6.61%	▲ 4 bps
EAST REGION					
CBD Class A	6.01%	7.24%			▲ 2 bps
Suburban Class A	6.13%	7.33%	\$2,600.90	6.83%	▲ 49 bps
CBD Class B	6.60%	7.80%			▲ 7 bps
Suburban Class B	6.83%	7.90%	\$1,644.90	3.95%	▲ 56 bps
CENTRAL REGION					
CBD Class A	6.00%	7.63%			▲ 3 bps
Suburban Class A	5.92%	7.68%	\$1,665.36	7.04%	▲ 4 bps
CBD Class B	6.84%	8.36%			▲ 10 bps
Suburban Class B	6.85%	8.36%	\$1,016.55	3.98%	▲ 23 bps
WEST REGION					
CBD Class A	5.06%	6.87%			▼ 6 bps
Suburban Class A	5.16%	6.95%	\$2,628.23	6.78%	▼ 9 bps
CBD Class B	5.48%	7.25%			▼ 2 bps
Suburban Class B	5.57%	7.36%	\$1,807.92	4.53%	▼ 11 bps
NATIONAL AVERAGES/SPREADS					
CBD Class A	5.63%	7.19%			▲ 2 bps
Suburban Class A	5.69%	7.27%	\$2,070.41	7.54%	▲ 8 bps
CBD Class B	6.26%	7.79%			▲ 3 bps
Suburban Class B	6.36%	7.86%	\$1,353.16	5.19%	▲ 14 bps



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

		CLASS B				CLASS B				CLASS B				
		GOING IN CAPITALIZATION RATES (%)				DISCOUNT RATES (%)				REVERSION RATES (%)				
		CBD OFFICE	SUBURBAN OFFICE	URBAN MULTIFAMILY	SUBURBAN MULTIFAMILY	CBD OFFICE	SUBURBAN OFFICE	URBAN MULTIFAMILY	SUBURBAN MULTIFAMILY	CBD OFFICE	SUBURBAN OFFICE	URBAN MULTIFAMILY	SUBURBAN MULTIFAMILY	
EAST REGION	BALTIMORE, MD	9.50	10.00	6.75	8.25	11.00	11.50	8.25	8.75	8.75	9.25	6.75	7.25	
	BOSTON, MA	8.00	8.50	7.00	8.00	9.50	10.00	8.25	9.25	7.50	8.00	7.00	8.00	
	HARTFORD, CT	9.00	9.25	6.75	6.50	9.75	10.00	7.75	7.50	9.50	9.75	7.00	6.75	
	NEW JERSEY, COASTAL		8.50	5.90	5.90		9.75	7.35	7.35		9.00	6.75	6.75	
	NEW JERSEY, NO.	8.50	9.00	5.75	6.25	9.00	9.50	6.75	7.25	8.50	9.00	7.00	7.50	
	NEW YORK, NY	7.25		6.75		8.75		8.00		7.25		6.75		
	PHILADELPHIA, PA	8.50	9.00	6.25	6.00	9.50	10.50	7.75	7.50	9.50	10.00	7.00	6.75	
	PITTSBURGH, PA	10.50	9.00	7.00	7.00	11.50	10.00	8.00	8.00	11.00	9.50	7.50	7.50	
	PROVIDENCE, RI	9.00	9.25	7.00	6.75	9.75	10.00	8.00	7.75	9.50	9.75	7.25	7.00	
	SYRACUSE, NY	9.50	9.50	6.50	6.25	11.00	11.00	7.50	7.25	11.50	11.50	7.00	6.75	
	WASHINGTON, DC	8.50	8.75	6.25	6.75	9.75	10.50	7.50	7.50	8.50	9.00	6.75	7.25	
	WILMINGTON, DE	10.50	11.50	7.25	7.50	12.00	13.00	8.50	8.75	9.50	10.00	7.00	7.50	
	SOUTH REGION	ATLANTA, GA	8.25	9.00	6.00	6.50	10.50	11.50	8.50	9.00	9.25	10.00	7.00	7.50
		AUSTIN, TX	8.25	8.25	6.00	6.50	9.75	9.75	7.50	7.50	8.75	8.75	6.50	7.00
BIRMINGHAM, AL		8.25	8.25	6.75	6.75	9.25	9.25	8.25	8.25	8.75	8.75	7.00	7.00	
BROWARD-PALM BEACH, FL		7.75	8.25	6.50	6.75	9.00	9.50	7.75	8.00	7.75	8.25	6.25	6.50	
CHARLESTON, SC		7.75	8.75	5.25	5.25	8.75	9.75	7.00	7.00	8.25	9.25	5.75	5.75	
CHARLOTTE, NC		9.50	10.50	6.50	6.50	11.25	11.75	8.00	8.00	10.25	11.25	7.25	7.25	
COLUMBIA, SC		8.50	8.75	6.25	6.75	10.00	10.50	8.25	8.75	9.50	9.75	7.25	7.75	
DALLAS, TX		8.25	9.50	5.50	6.00	9.25	10.50	6.50	7.00	8.75	10.00	7.00	7.50	
FORT WORTH, TX		8.00	8.00	5.50	6.00	9.00	9.00	6.75	7.25	8.50	8.50	6.75	7.25	
GREENSBORO, NC		11.00	11.00	7.50	7.50	11.75	11.75	9.50	9.50	11.75	11.75	9.50	9.50	
GREENVILLE, SC		8.00	8.50	6.25	6.75	10.00	10.25	8.25	8.75	9.25	9.75	7.25	7.75	
HOUSTON, TX		8.40	8.60	6.70	6.70	10.10	10.10	8.20	8.20	9.00	9.10	7.30	7.30	
JACKSONVILLE, FL		9.75	9.50	6.00	6.00	11.25	11.00	8.00	8.00	10.25	10.00	6.50	6.50	
MEMPHIS, TN		11.00	9.75	7.00	7.00	11.50	11.25	7.50	7.50	12.00	11.75	7.50	7.50	
MIAMI, FL		6.75	7.50	5.75	6.25	8.25	8.75	7.25	7.75	7.25	7.75	5.75	6.50	
NAPLES, FL			6.75	6.00			7.75	7.00			7.25		7.50	
NASHVILLE, TN		7.00	9.00	6.50	6.25	7.25	9.25	6.75	6.50	7.50	9.50	7.00	6.75	
OKLAHOMA CITY, OK		8.50	9.00	7.00	7.50	10.00	10.50	8.50	9.00	8.50	9.00	7.00	7.50	
ORLANDO, FL		9.25	9.25	6.00	6.00	10.25	10.25	7.75	7.75	9.75	9.75	6.50	6.50	
RALEIGH, NC		9.00	10.00	6.00	6.25	11.00	12.00	8.25	8.75	9.50	10.50	6.25	6.50	
RICHMOND, VA		8.25	8.25	6.25	6.25	9.25	9.25	7.75	7.75	8.75	8.75	6.75	6.75	
SAN ANTONIO, TX		10.00	10.00	6.00	6.00	11.00	11.00	7.00	7.00	10.50	10.50	6.00	6.00	
SARASOTA, FL		7.00	5.50			8.00	6.50			7.50		6.00		
TAMPA, FL	7.50	7.50	5.50	5.75	8.50	8.50	8.50	8.75	8.00	8.00	6.00	6.25		

General Assumptions and Limiting Conditions

Legal Responsibility: 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 the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.

Exhibits in Report: Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The appraiser has made no survey of the property and is not qualified to provide such professional services; therefore, it is assumed that all improvements and uses of the property are within its legal boundaries and that there are neither encroachments nor trespasses unless otherwise noted within this report.

Expert Witness Testimony: The appraiser is not required to give testimony or appear in court or provide any post-appraisal consultation because of having made the appraisal with reference to the property in question, unless arrangements have been previously made therefore and additional professional fees have been agreed to.

Land and Improvement Value Distribution: If there are improvements on the property, any distribution of the valuation in the report between land and improvements applies only under the existing program of utilization. The separate valuation for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

Soil and Subsoil Condition: The appraiser assumes that there are no hidden or inapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering, which might be required to discover such factors.

Structural, Mechanical, or Operational Conditions: If there are improvements on the property, the physical condition of the improvements described herein was based on visual inspection. A brief walk-through inspection of this property was completed by the appraiser(s) who is not a qualified inspector for component operation, structural integrity, or potential environmental hazards. No liability is assumed for the soundness of structural members, since no engineering tests were made of same. No liability is assumed for the condition of mechanical equipment, plumbing, electrical components, or structural members, as complete tests were not made of same. The appraiser(s) assumes that there are no hidden or inapparent conditions of the equipment, buildings, or structures, which would render it either more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them. A qualified licensed inspector should make any determination as to building component operation, structural integrity, or potential environmental hazards.

All mechanical components were assumed to be in an operable condition and their status was assumed to be standard for properties of the subject's type. Conditions of heating, cooling, ventilating, electrical, and plumbing equipment were assumed to be similar to the apparent condition of the balance of the improvements, unless otherwise stated. No judgment was made as to the appropriateness of type, the accuracy of installation, or the relative energy efficiency of any insulation in place.

Information Relied Upon: Information, estimates and opinions furnished to the appraiser contained in the report were obtained from sources considered reliable and believed to be true and correct. However, the appraiser cannot assume responsibility for accuracy of such items.

Confidentiality of Work Product: Disclosure of the contents of the appraisal report is governed by the By-Laws and Regulations of the Professional Appraisal Organizations with which the appraiser is affiliated. The appraiser(s) may not divulge the material (evaluation) contents of this report, any analytical findings or conclusions, nor may he give a copy of the report to anyone other than the client

or his designee as specified in writing, except that which might be required in confidence by the Appraisal Institute for ethics enforcement, or by a court of law or body by the power of subpoena.

Use of Report: Neither all, nor any part of the content of the report or copy thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, reference to any professional organizations, or the firm with which the appraiser is connected), shall be used for any purposes by anyone but the client specified in the report, the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, any state or federally approved financial institution, any department, agency or instrumentality of the United States or any state or the District of Columbia, without the previous written consent of the appraiser; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without written consent and approval of the appraiser.

Ad valorem Taxes, Liens, Encumbrances: Any liens of ad valorem taxes which may exist or other liens or encumbrances have been disregarded and the property has been appraised as though no delinquency in the payment of ad valorem taxes or special assessments exist and as though free and clear of indebtedness, except where specified.

Hazardous Wastes: Unless otherwise stated in this report, the appraiser did not observe the existence of hazardous material, which may or may not be present on the property. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, ureaformaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value opinion is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

Hazardous waste materials and structural soundness problems may or may not exist on the property. Any problems disclosed concerning hazardous waste or structural soundness could have a negative impact on value. Therefore, we recommend appropriate professionals be hired both to ascertain whether such problems exist, and to estimate the cost to remedy same. Such studies should be certified to Autrey Appraisals, Inc., so the results can be incorporated in our appraisal analysis.

Radon: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. The appraiser(s) is not an expert in testing to determine whether there is a health risk at the subject location. Unless otherwise specifically stated in this report, no testing has been done. Additional information regarding radon and radon testing may be obtained from our county public health unit.

Growth Management - Concurrency - Platting: We acknowledge that the state mandated Growth Management Act ("Act"), as implemented by local government, may have an effect upon the development of this property. This Act applies primarily to vacant property, which must be platted or replatted prior to development. According to the criteria of the Act, support services required by the proposed development must be available at or above the minimum Level of Services (LOS) as of the date of the need. The extent and cost of these services may have an adverse effect on the development and/or value of the property.

Endangered Species: The appraiser has not been provided a Habitat Survey, Endangered Species Survey, or analysis by a qualified environmental specialist indicating the presence of or proximity to environmentally sensitive and/or protected land or species which could affect the use and, possibly, value of the appraised property. The appraiser is not qualified to identify these factors. We recommend that an expert be hired where there may be reasonable cause to expect the presence of any of the cited items.

Flood Zone Information: We are not experts at ascertaining Flood Zone information. We rely primarily upon information taken off of flood zone maps. We cannot therefore certify as to the accuracy of this information. If absolute accuracy must be certified we recommend that you check with companies who normally issue such certifications.

Personal Property and Business Inclusion: This real estate appraisal does not include any existing movable personal property, specialized trade fixtures, equipment, or business going concern value, unless those items are specifically stated to be included and are described in the Property Description section of this appraisal report.

The Americans with Disabilities Act (ADA): This act became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property unless specifically mentioned in this report.

Report Acceptance: Acceptance and/or use of this appraisal report constitutes acceptance of the previous assumptions and limiting conditions.

Unity of Title: If this appraisal involves the valuation of part of a whole property, the appraiser did not locate any indication of a Unity of Title, which would preclude the sale of part of the property separate from the whole. It is strongly recommended that the client verify whether this assumption is correct since the appraiser is not qualified to state this with absolute certainty.

Crime Audit: This appraisal does not consider the potential effect of crime, if any, on the valuation of the property. We were not provided with, nor did we search for, a crime audit of the neighborhood. Such a report may or may not reveal information about crime in the area, which could have an impact on value. We are not qualified to comment in the absence of such a report.

Qualifications of Terry L. Autrey, MAI, MBA

AUTREY APPRAISALS, Inc.
7315 Greenport Cove
Boynton Beach, Florida 33437
AutreyAppraisals@gmail.com
(954) 270-3527

Background Summary:

Extensive real estate appraisal and review of all land, office, commercial, and industrial property types. MAI designation, MBA Finance degree, State-certified General Appraiser, and President/Owner of Autrey Appraisals.

Employment History:

Autrey Appraisals, Inc., Coral Springs/Boynton Beach, Florida 1994-Present
President/Owner

Appraised a variety of property types as the owner of firm with up to three employees. Reviewed external appraisals for various entities to check for quality, reasonableness, and compliance. Additional work includes litigation assignments and Special Magistrate positions.

Chase Manhattan Bank, Boca Raton, Florida 1990-1994
Senior Appraiser

Appraised property throughout the Southeast United States. Significant assignments included large residential subdivisions, office/industrial parks, and use of Argus for power centers, malls, and downtown office buildings in major metropolitan areas.

W.H. Reeve & Associates, Fort Lauderdale, Florida 1988-1990
Associate Appraiser

Assisted lead appraiser on Department of Transportation assignments in Florida and Arizona.

Tarrant Appraisal District, Fort Worth, Texas 1987-1988
County Property Appraiser

Entry-level appraisal position that included training for county-wide reassessment program.

Professional Associations:

MAI (Member Appraisal Institute) designation #9387
State-certified General Real Estate Appraiser #RZ823
Women Business Certification

Courtroom Experience:

Expert Witness in Broward County - 17th Circuit Court Civil Division
Appraiser Special Magistrate

Palm Beach County	1994-2003, 2009-current
Broward County	1998-2008, 2011-current
Martin County	2020-2021

Education:

Master of Business Administration, Finance, Florida Atlantic University	1996
Master of Music, University of North Texas	1986
Bachelor of Music, University of North Texas	1983

Appraisal courses:

- Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book)
- Evaluating Commercial Construction
- Case Studies in Real Estate Valuation
- Capitalization Theory & Technique - Part B
- Capitalization Theory & Technique - Part A
- Applied Residential Property Valuation
- Basic Valuation Procedures
- Real Estate Appraisal Principles
- Standards of Professional Practice (SPP) and Parts A, B, and C

Professional Development Programs completed:

Litigation

- The Appraiser as an Expert Witness: Preparation & Testimony
- Litigation Appraising: Specialized Topics and Applications
- Condemnation Appraising: Principals & Applications

Personal property / Business Enterprise

- Fundamentals: Separating Real Property, Personal, & Intangible Business Assets

Appraisal seminars:

Analyzing Distressed Real Estate	Lease Abstracting and Analysis
Analyzing Operating Expenses	Litigation Assignments: Atypical Cases
Appraisal of Nursing Facilities	Litigation Skills for the Appraiser
Appraising from Blueprints/specifications	Market Analysis: Site to Do Business
Appraising Affordable Housing	National USPAP updates (ongoing)
Business Practices and Ethics (ongoing)	Public Sector Appraising: Overview
Commercial Appraisal Productivity	Real Estate Forecast
Critical Thinking in Appraisals	Reviewing Residential Appraisals
Diversify Practice with Estate Appraisals	Scope of Work and new requirements
Dynamics of Office Building Valuation	Subdivision Valuation
Effective Appraisal Writing	Supervisor Trainee Roles and Rules
Eminent Domain/Condemnation Appraising	Supporting Adjustments for Residential

Expand your Practice: Arbitration	Tightening the Appraisal
Feasibility, Market value, Investment timing	The Valuation of Wetlands
Florida Appraisal Law updates (ongoing)	Trial Components: Recipe for Success
Green Buildings: Principles and Concepts	Understanding Limited Appraisals
Internet Search Strategies for Appraisers	

2017 International Valuation Conference in Ottawa, Canada
 2021 Valuation Conference in Orlando, Florida

Types of Appraisal Assignments:

- Land:* Small to large parcels with various zonings; agricultural, community facility, multifamily, commercial, and industrial. Sell-off cash flows for proposed residential subdivisions or mixed planned-use developments. Assignments include nurseries, conservation easements, wetlands, and right-of-way acquisitions.
- Office:* Single-story suburban to high-rise downtown office buildings, medical buildings, and surgical care centers.
- Retail:* All types of shopping centers and restaurants. Other commercial properties include car dealerships, automotive buildings, self-storage facilities, gas stations, convenience stores, and daycare centers.
- Industrial:* All types of industrial buildings including warehouse, distribution, flex space, and cold storage facilities.
- Multifamily:* Apartment buildings, condominium projects, assisted living facilities, and mobile home parks.
- Special:* Hotels/motels, golf courses/country clubs, marinas including water rights, schools (public and private), churches/religious facilities, and bowling alley.

Application of Appraisals:

Mortgage loan underwriting	Acquisition or sale
Litigation and bankruptcy	Arbitration
Short sale and foreclosures	Gift and estate tax matters
Feasibility analysis	Condemnation, partial and whole takes

Client List: Provided upon request



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



AUTREY, TERRY LEE

7315 GREENPORT COVE
BOYNTON BEACH FL 33437

LICENSE NUMBER: RZ823

EXPIRATION DATE: NOVEMBER 30, 2026

Always verify licenses online at MyFloridaLicense.com

ISSUED: 10/15/2024

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MEMBERSHIP CERTIFICATE

This Certifies That

Terry Lee Autrey

has been admitted to membership as an

MAI Member 9387

in the Appraisal Institute and is

*entitled to all the rights and privileges of membership
subject only to the limiting conditions set forth from time to time
in the Bylaws and Regulations of the Appraisal Institute.*



*In Witness Whereof, the Board of Directors of the Appraisal Institute has
authorized this certificate to be signed in its behalf by the President, and the
Corporate Seal to be hereunto affixed on this 6th day of May, 1992.*

Patricia J Marshall

PRESIDENT

THIS CERTIFICATE IS THE PROPERTY OF THE APPRAISAL INSTITUTE AND MUST BE RETURNED TO THE SECRETARY UPON TERMINATION OF MEMBERSHIP.
THE MAI DESIGNATION WAS CONFERRED BY THE AMERICAN INSTITUTE OF REAL ESTATE APPRAISERS AND IS SUBJECT TO ITS LIMITING CONDITIONS.