

CBRE VALUATION & ADVISORY SERVICES

# APPRAISAL REPORT

CATALINA FOOTHILLS ADULT CARE  
4250 EAST HAVASU ROAD  
TUCSON, ARIZONA 85718  
CBRE GROUP, INC. FILE: CB22US099042-1

PIMA COUNTY REAL PROPERTY SERVICES

**CBRE**

Date of Report: September 23, 2022

Jeff Teplitsky

Director

**PIMA COUNTY REAL PROPERTY SERVICES**

201 North Stone Avenue, Sixth Floor

Tucson, Arizona 85701

RE: Appraisal of:  
Catalina Foothills Adult Care  
4250 East Havasu Road,  
Tucson, Arizona 85718  
CBRE File: CB22US099042-1

Dear Mr. Teplitsky:

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

The subject, identified as Catalina Foothills Adult Care, is an existing seniors housing community located at 4250 East Havasu Road, Tucson, Arizona, with a 0.97-acre site. The 4,834 square foot improvements were constructed in 1976. As a seniors housing community, the set-up of units, beds, and the most appropriate unit of measurement is shown within the following chart. Throughout this report, the term 'Unit' is intended to represent the 'Revenue Unit' unless otherwise noted.

SUBJECT UNIT MIX BY CARE LEVEL				
Care Level	Units	Beds	Unit of Measure	Revenue Units
Assisted Living	9	10	Beds	10
Compiled by CBRE				

The subject has an Assisted Living Facility (ALF) license for 10 beds. As shown above, the subject has a total operating capacity of 10 revenue units (beds). Revenue units are based on the operating capacity and are considered the more relevant unit of measure for valuation purposes.

Notably, in late July 2022, the subject property was damaged by severe flooding, forcing the residents and staff to evacuate. Currently, the property remains vacant and is in need of significant repair to be operational. As a part of this assignment, CBRE was instructed to value the subject property under the hypothetical condition that no flood damage had occurred. Under this hypothetical assumption, the subject property is assumed to be fully operational and of similar quality and condition similar to the description within this report. The use of this hypothetical assumption may have affected the assignment results.

The subject is managed by Catalina Foothills Adult Care, a local owner-operator of seniors housing communities in Tucson, AZ. Services offered include assisted living. Currently, the subject is the only facility under their management. Notably, market value is predicated on competent management.

## Subject Operation Trends Summary:

- Between 2020 and 2021, census levels increased by 2.2%, from an average occupancy of 97.7% to an average occupancy of 99.8%.
- Between January and July 2022, census levels increased by 4.7%, from an average occupancy of 95.5% to an average occupancy of 100%.
- Both changes in occupancy and expenses have been more fully discussed within the body of this report.

At the time of inspection, the subject's occupancy was 100.0%. CBRE has projected a stabilized occupancy of 98.0% comprised of a private pay census.

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

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Current Value Conclusion			
As Is - Going Concern	Fee Simple Estate	September 7, 2022	\$1,500,000
Compiled by CBRE			

## Allocation of the Going Concern

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

ALLOCATION OF THE GOING CONCERN					
	Date of Value	Going Concern Allocations:			Going Concern Market Value
		Real Estate	FF & E	Intangible	
Current Value Conclusion:					
As Is - Going Concern	September 7, 2022	\$1,249,000	\$30,000	\$221,000	\$1,500,000
Compiled by CBRE					

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

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

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

non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

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

Respectfully submitted,

**CBRE, Inc. - VALUATION & ADVISORY SERVICES**



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## Certification

We certify to the best of our knowledge and belief:

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



Andy Kepchar, MAI  
Cert. Gen. Appraiser Lic. #1004669



Byron Bridges, MAI, MRICS  
Cert. Gen. Appraiser Lic. #31173

## Subject Photographs



AERIAL VIEW

Source: BAM Maps



FRONT VIEW



Side View



Side View



Rear View



Patio/Porch



Pool



Dining Room/Media Room



Kitchen



Lounge Area



Typical Resident Room



Typical Resident Room



Resident Bathroom



Laundry Room



View From Havasu Road Facing Northwest



View From Havasu Road Facing Southeast

## Executive Summary

### ASSET SUMMARY

<b>Property Name</b>	<b>Catalina Foothills Adult Care</b>			
<b>Location</b>	4250 East Havasu Road, Tucson, Arizona 85718			
<b>Assessor's Parcel Number</b>	109-05-208A			
<b>Land Area</b>	0.970 Acres			
<b>Excess Land Area</b>	None			
<b>Improvements</b>				
Property Type	Assisted Living Residence (ALR)			
Number of Buildings	1			
Gross Building Area	4,834 SF			
Year Built	1976	Year Renovated 2009		
<b>Units of Measure</b>	<b>Units</b>	<b>Beds</b>	<b>Unit of Measure</b>	<b>Revenue Units</b>
Assisted Living	9	10	Beds	10
Total	9	10		10

### FINANCIAL SUMMARY

Current Occupancy	100.0%			
Stabilized Occupancy	98.0%			
Overall Capitalization Rate (Going-In Rate)	10.00%			
<b>Stabilized Pro Forma Operating Data</b>	<b>Total</b>	<b>Per Rev. Unit</b>	<b>Per RD</b>	
Effective Gross Income	\$563,304	\$56,330	\$157.38	
Operating Expenses	\$417,218	\$41,722	\$116.56	
Net Operating Income	\$146,086	\$14,609	\$40.81	
Expense Ratio	74.07%			

### VALUE SUMMARY

<b>Property Rights Appraised</b>	Fee Simple Estate		
<b>Highest and Best Use</b>			
As If Vacant	Single-Family Residence		
As Improved	Seniors Housing		
<b>Exposure/Marketing Time</b>	9 to 12 Months		
<b>Approaches To Value</b>	<b>Total</b>	<b>Per Rev. Unit</b>	
<b>Current Value As Is On: September 7, 2022</b>			
Sales Comparison Approach	\$1,500,000		\$150,000
Income Capitalization Approach	\$1,500,000		\$150,000
Insurable Value (Replacement Cost)	\$700,000		\$70,000
CBRE Executive Summary			

**MARKET VALUE CONCLUSION**

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
<b>Current Value Conclusion</b>			
As Is - Going Concern	Fee Simple Estate	September 7, 2022	\$1,500,000
Compiled by CBRE			

**Allocation of the Going Concern**

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

**ALLOCATION OF THE GOING CONCERN**

	Date of Value	Going Concern Allocations:			Going Concern Market Value
		Real Estate	FF & E	Intangible	
Current Value Conclusion:					
As Is - Going Concern	September 7, 2022	\$1,249,000	\$30,000	\$221,000	\$1,500,000
Compiled by CBRE					

**EXTRAORDINARY ASSUMPTIONS**

An extraordinary assumption is defined as “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.” The Appraisal Foundation, *USPAP, 2020-2021 (Effective January 1, 2020 through December 31, 2023)*

- None Noted

**HYPOTHETICAL CONDITIONS**

A hypothetical condition is defined as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purposes of analysis.” The Appraisal Foundation, *USPAP, 2020-2021 (Effective January 1, 2020 through December 31, 2023)*

- Under the As Is scenario, our analysis is based on the hypothetical condition that the improvements have not been damaged by flooding and are of similar quality and condition to the description within this report as of the As Is valuation date. The use of this hypothetical condition may have affected the assignment results.

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CBRE Executive Summary

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## Table of Contents

Certification .....	i
Subject Photographs .....	ii
Executive Summary .....	vi
Table of Contents .....	ix
Introduction.....	10
Seniors Housing Industry Overview .....	16
Area Analysis.....	19
Neighborhood Analysis .....	22
Market Analysis .....	25
Site Analysis .....	43
Zoning.....	45
Improvement Analysis.....	47
Tax and Assessment Data .....	51
Highest and Best Use .....	53
Appraisal Methodology .....	55
Insurable Value (Replacement Cost).....	57
Sales Comparison Approach.....	59
Income Capitalization Approach .....	64
Reconciliation of Value.....	90
Allocation of the Going Concern.....	92
Assumptions and Limiting Conditions .....	95

## Addenda

- A Comparable Data Sheets
- B Operating Data
- C Legal Description
- D Senior Life Report
- E Client Contract Information
- F Appraiser Qualifications
- G CBRE Seniors Housing & Healthcare Practice

## Introduction

### Property Identification

**Community Name:** Catalina Foothills Adult Care  
**Address:** 4250 East Havasu Road,  
 Tucson, Pima County,  
 Arizona 85718

### Ownership and Property History

The following table summarizes the subject's ownership history.

OWNERSHIP SUMMARY	
Current Owner:	CATALINA FOOTHILLS ADULT CARE INC
Date Purchased:	December 28, 2012
Purchase Price:	N/A
Legal Reference:	20123631133
Pending Sale, List or Offer:	No
Transfer of Ownership (3-Yr):	No
Compiled by CBRE	

We are not aware of any sales during the prior three years, current purchase contract, or listing for sales regarding the subject.

### Premise of the Appraisal

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

PREMISE OF THE APPRAISAL		
Item	Date	Interest Appraised
Date of Report:	September 23, 2022	
Date of Inspection:	September 7, 2022	
Date of Value:		
As Is - Going Concern	September 7, 2022	Fee Simple Estate
Compiled by CBRE		

### Purpose of the Appraisal

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

### Definition of Market Value

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

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and

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

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

### **Definition of Going Concern**

**Going Concern:** A going concern is one of the premises under which the total assets of a business can be valued; the assumption that a company is expected to continue operating well into the future (usually indefinitely). Note that an outdated label or the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern or market value of the total assets of the business.

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

### **Intended Use of Report**

This appraisal is to be used as basis for voluntary acquisition, and no other use is permitted.

### **Intended User of Report**

This appraisal is to be used by PIMA County Real Property Services, PIMA County RPS, and/or designated users, and no other user may rely on our report unless as specifically indicated in the report.

**Intended Users:** Intended users are those who an appraiser intends will use the appraisal or review report. In other words, appraisers acknowledge at the outset of the assignment that they are developing their expert opinions for the use of the intended users they identify. Although the client provides information about the parties who may be intended users, ultimately it is the appraiser who decides who they are. This is an important point to be clear about: The client does not tell the appraiser who

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

<sup>2</sup> The Dictionary of Real Estate Appraisal, 7<sup>th</sup> Edition (Chicago: Appraisal Institute, 2022), 83.

the intended users will be. Rather, the client tells the appraiser who the client needs the report to be speaking to, and given that information, the appraiser identifies the intended user or users.<sup>3</sup>

### **Scope of Work**

The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered and analysis is applied. CBRE, Inc. completed the following steps for this assignment:

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

### ***Extent to Which the Property was Inspected***

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

### ***Type and Extent of the Data Researched***

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

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

### ***Type and Extent of Analysis Applied***

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

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<sup>3</sup> Appraisal Institute, The Appraisal of Real Estate, 15th edition (Chicago: Appraisal Institute, 2020), 40.

## Data Resources Utilized in the Analysis

DATA SOURCES	
Item	Data Source
<b>Site Data</b>	
Size:	Public Record
Excess/Surplus:	None
<b>Improved Data</b>	
Building Size GBA/NRA:	Public Record
Total Rev. Units & Mix:	Reported by Management/ Rent Roll
Area Breakdown/Use:	Physical Inspection
No. Buildings:	Physical Inspection
Parking Spaces:	Physical Inspection
YOC:	Owner & Public Record
<b>Economic Data</b>	
Deferred Maintenance:	N/A
Building Costs:	MVS
Income Data:	Subject Financials and Market Extracted Data
Expense Data:	Subject Financials and Market Extracted Data
<b>Other</b>	
Licensure Requirements:	ASHA State Regulatory Handbook/ State Regulatory Agency
Compiled by CBRE	

## Exposure/Marketing Time

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

EXPOSURE/MARKETING TIME INFORMATION				
Investment Type	Exposure/Mktg. (Months)			
	Range			Average
Seniors Housing Transactions				
Core Assets	8	-	10	9
Non-Core Assets	10	-	15	12
CBRE Exposure Time Estimate			9 to 12 Months	
CBRE Marketing Time Estimate			9 to 12 Months	
Source: CBRE Investor Survey				

## Macroeconomic Trends

### Market Volatility

We draw your attention to the fact that a combination of global inflationary pressures (leading to higher interest rates) and the recent geopolitical events in Ukraine, in addition to the on-going effects of the global Covid-19 pandemic in some markets, has heightened the potential for greater volatility in property markets over the short-to-medium term. Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility and any lending or investment decisions should reflect this heightened level of volatility.

Please note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how market participants respond to current events.

### Economic Conditions

The following is provided by CBRE Research as of July 28, 2022.

- The Consumer Price Index (CPI) rose by 9.1% annually in June (a 40-year high). Core inflation, which excludes food and energy prices, increased 5.9%. Both exceeded economist expectations.
- In response to persistently high inflation, the Federal Reserve raised the federal funds rate another 75 basis points (bps) on July 27<sup>th</sup>, 2022 to a target range of 2.25% to 2.50%.
- U.S. GDP fell by 0.9% annualized in Q2 vs. consensus expectations of 0.3% growth. The drop was largely driven by decreases in consumer spending on goods and in business and residential investment.
- Slower economic growth likely will cause the Fed to limit any additional rate hikes this year to no more than 50 bps each. The central bank has three more meetings this year in September, November and December.

- Although a second consecutive quarter of negative growth following a 1.6% drop in Q1 GDP is an indicator of recession, CBRE does not believe the U.S. economy is currently in one. However, we expect that a recession will take hold late this year and early next.

The following table summarizes the CBRE Research House View as of mid-July 2022:

	2022	2023	2024 - 2027
<b>Fed Funds Rate</b>	3.25% to 3.5%	3.5% to 3.75%	1.75% to 2.0%
<b>10-Year Treasury</b>	3.3%	2.6%	3.0%
<b>GDP</b>	1.9%	0.1%	2.9%

Rapidly increasing interest rates and subdued economic growth will weigh on commercial real estate fundamentals and investment volumes this year and next. Tightening in credit markets will continue to drive adjustment in the commercial real estate investment markets in the near term. Amid this uncertain and dynamic environment, investment market performance will be uneven across property types as investors look to lower risk.

## Seniors Housing Industry Overview

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

### Seniors Housing Principle Types

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

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

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

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

**Memory Care (MC):** Typically considered a subset of assisted living, memory care residences offer ADL support similar to an assisted living residence. However, this care level is dedicated to residents with Alzheimer's or other forms of dementia. Memory Care residences have 24-hour support with more structured activities to ensure safety and quality of life by trained staff members. Most memory

care living environments are fully secured with locked areas and allow access to outdoor walking paths or gardens.

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

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

### Asset Components

Seniors housing and care properties are encumbered by businesses that require a specific mix of tangible and intangible assets to operate effectively. The tangible or real property assets, including the land, improvements, furniture, fixtures and equipment, are obvious components of a seniors housing and care property. Unlike other forms of income producing commercial real estate, a meaningful component of value relates to intangible assets. The intangible components are summarized below.

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

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

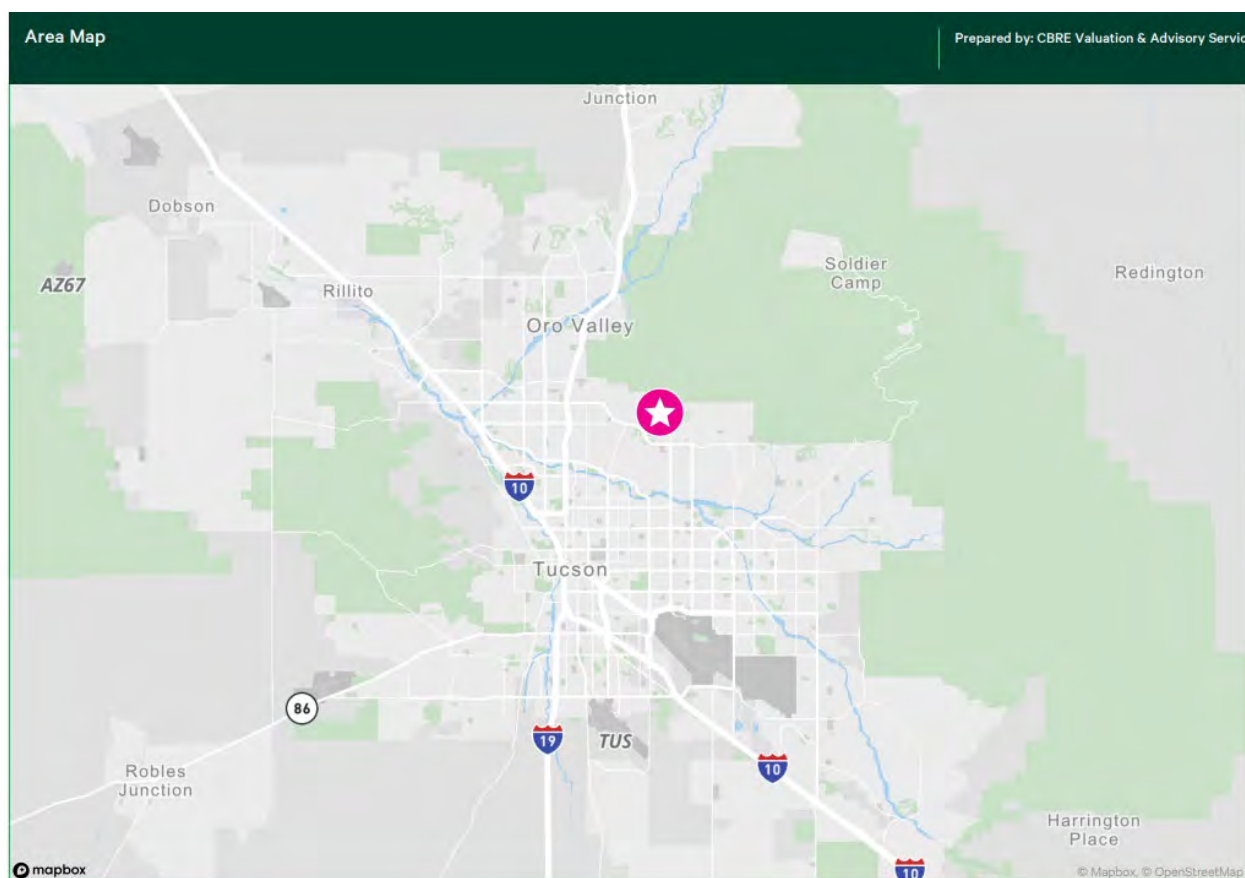
## Seniors Housing Principle Types & Asset Component Summary

In the following illustration, the differing principle care levels are summarized, along with the corresponding asset component and resident demand influencer.

PRINCIPLE SENIORS HOUSING CARE LEVELS								
	Shelter	Activities	Transport & Laundry	Meals Included	Basic Care Services	ADL Care Services*	Dementia Care	Long-Term Chronic Care
Age Restricted Multifamily	REAL ESTATE COMPONENT							
Active Adult	REAL ESTATE COMPONENT	ALA CARTE SERVICES						
CCRC/LCP	Independent Living	REAL ESTATE COMPONENT	SERVICE COMPONENT					
	Assisted Living	REAL ESTATE COMPONENT	SERVICE COMPONENT					
	Memory Care	REAL ESTATE COMPONENT	SERVICE COMPONENT					
	Skilled Nursing	REAL ESTATE COMPONENT	SERVICE COMPONENT					
Resident Decision Influences		RESIDENT LIFESTYLE CHOICE	RELATIVE CHOICE	DOCTOR CHOICE				

Source: CBRE and NIC Map

## Area Analysis



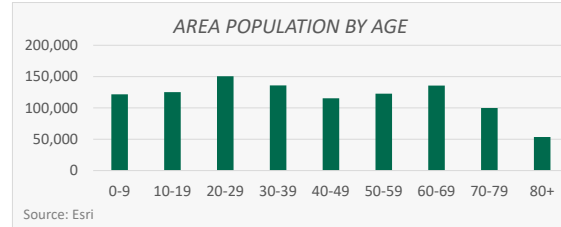
The dynamic nature of economic relationships within a market area has a direct bearing on real estate values and the long-term quality of a real estate investment. The value of a property is not based on the price paid for it in the past or the cost of its creation, but on what buyers and sellers perceive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

## Regional Overview

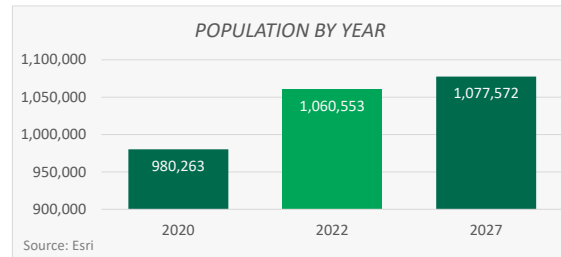
The subject is located in the Tucson, AZ Metropolitan Statistical Area. Key information about the area is provided in the following tables.

### POPULATION

The area has a population of 1,060,553 and a median age of 40, with the largest population group in the 20-29 age range and the smallest population in 80+ age range.

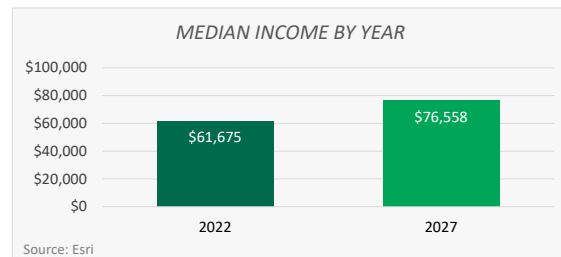


Population has increased by 80,290 since 2020, reflecting an annual increase of 4.0%. Population is projected to increase by 17,019 by 2027, reflecting 0.3% annual population growth.



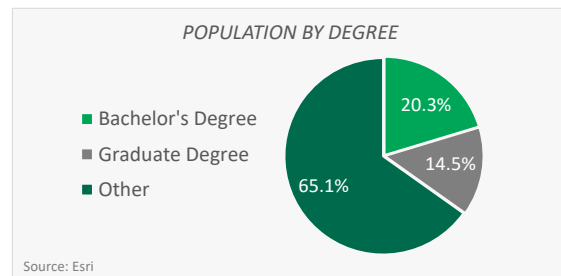
### INCOME

The area features an average household income of \$88,679 and a median household income of \$61,675. Over the next five years, median household income is expected to increase by 24.1%, or \$2,977 per annum.

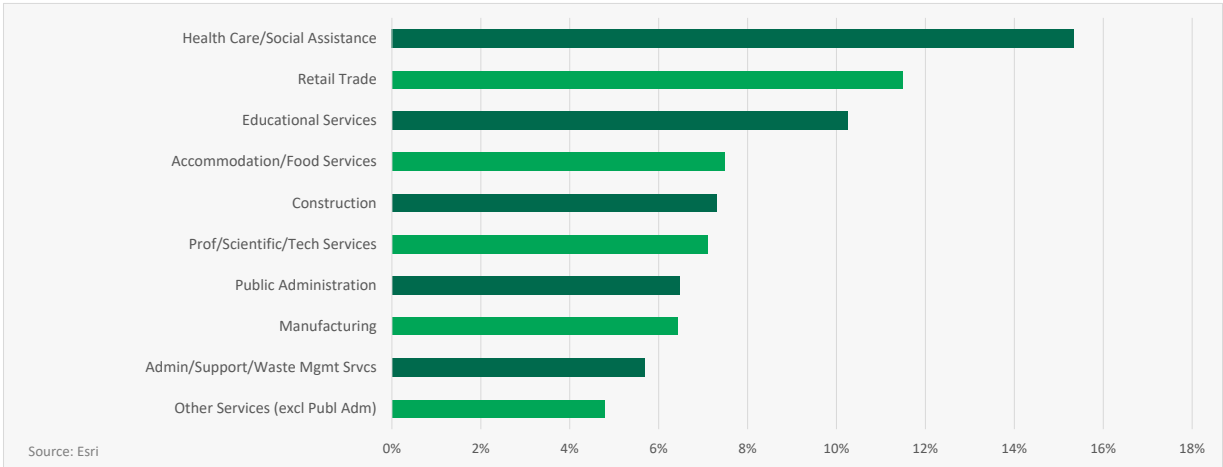


### EDUCATION

A total of 34.9% of individuals over the age of 24 have a college degree, with 20.3% holding a bachelor's degree and 14.5% holding a graduate degree.

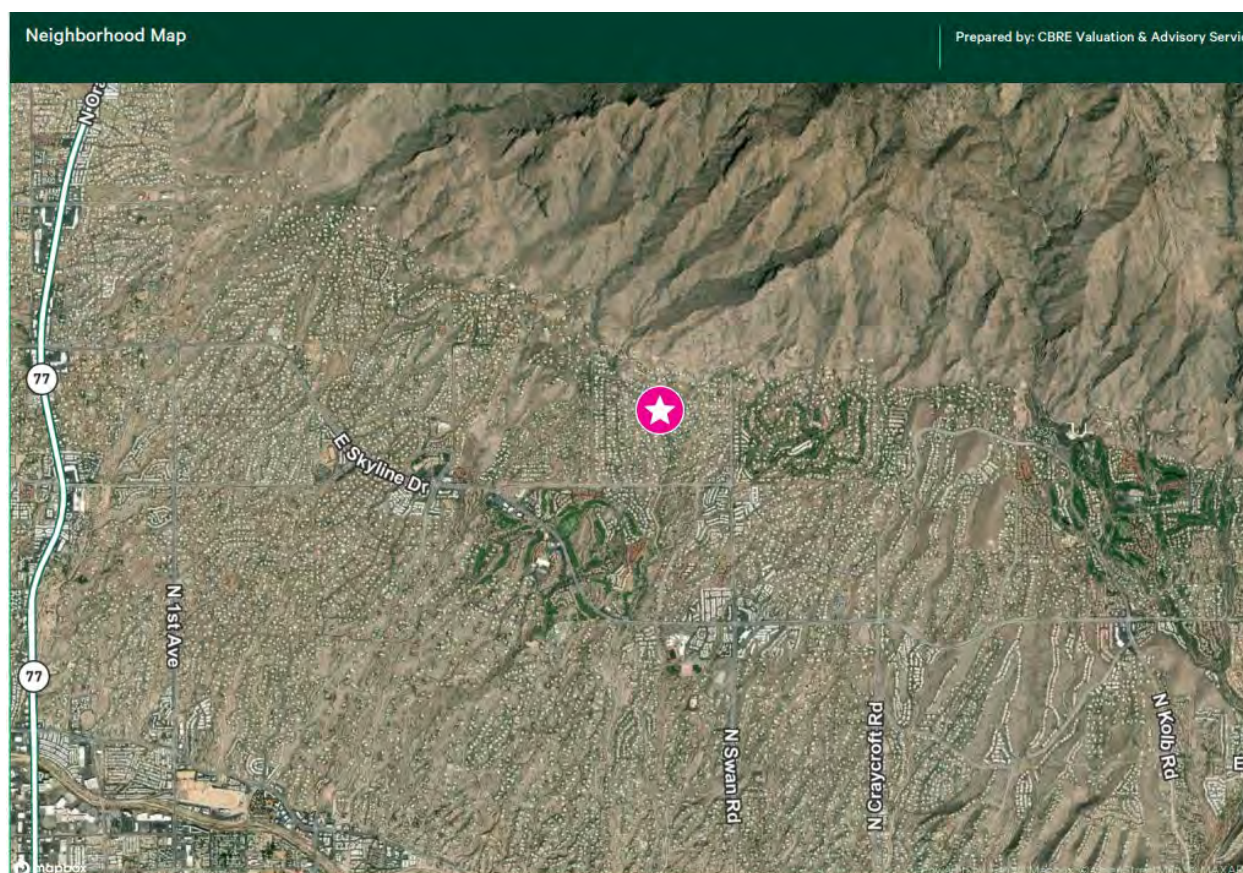


EMPLOYMENT



The area includes a total of 466,837 employees and has a 3.9% unemployment rate. The top three industries within the area are Health Care/Social Assistance, Retail Trade and Educational Services, which represent a combined total of 37% of the population.

## Neighborhood Analysis



### Neighborhood Description

The subject is located along the northern boundary of Tucson and is considered a suburban location. Immediate uses surrounding the subject are primarily residential in nature. The neighborhood contains several recreational uses including golf courses and various parks and conservation areas. Notable retailers include CVS pharmacy, Whole Foods, Trader Joe's, Target, and a vibrant retail area which includes many restaurants, coffee and pizza shops, barbers, banks, salons, and dentists. These services are all short distances from the subject property.

### Boundaries

The neighborhood boundaries are detailed as follows:

North:	Mount Kimball
South:	Rillito River
East:	Ventana Canyon Wash
West:	Oracle Road

### Proximity to Healthcare Providers

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

HOSPITAL SUMMARY		
Hospital	Miles From Subject	Beds
Tucson Heart Hospital	4.73	58
Tucson Medical Center	5.65	581
Northwest Medical Center	6.49	270
University Medical Center	6.68	347
Northwest Medical Center	7.25	75
Carondelet St Joseph's Hosp	7.65	277
Source: U.S. Hospital Finder		

### Access

Primary neighborhood access is provided as follows:

Collector Streets:	Havasu Road, Columbus Boulevard, Coronado Drive
Arterial Roadways:	Skyline Drive, Sunrise Drive, Swan Road
Interstates/Highways:	Highway 77, Interstate 10
Other:	Tucson International Airport

## Demographics

Selected neighborhood demographics are shown in the following table:

SELECTED NEIGHBORHOOD DEMOGRAPHICS			
Catalina Foothills Adult Care Tucson, Arizona	3 Miles	5 Miles	7 Miles
<b>Population</b>			
2027 Total Population	21,896	89,850	250,401
2022 Total Population	22,016	89,396	247,022
2010 Total Population	21,456	85,404	237,066
2000 Total Population	22,119	84,865	232,845
Annual Growth 2022 - 2027	-0.11%	0.10%	0.27%
Annual Growth 2010 - 2022	0.21%	0.38%	0.34%
Annual Growth 2000 - 2010	-0.30%	0.06%	0.18%
<b>Households</b>			
2027 Total Households	10,395	44,731	120,796
2022 Total Households	10,401	44,283	118,534
2010 Total Households	10,038	41,697	110,630
2000 Total Households	9,949	40,252	107,971
Annual Growth 2022 - 2027	-0.01%	0.20%	0.38%
Annual Growth 2010 - 2022	0.30%	0.50%	0.58%
Annual Growth 2000 - 2010	0.09%	0.35%	0.24%
<b>Income</b>			
2022 Median Household Income	\$114,685	\$73,098	\$57,101
2022 Average Household Income	\$172,898	\$121,680	\$93,981
2022 Per Capita Income	\$82,112	\$59,993	\$45,173
2022 Pop 25+ College Graduates	13,054	40,005	84,056
Age 25+ Percent College Graduates - 2022	72.8%	58.3%	46.0%
Source: CBRE Fast Reports & ESRI			

## Area & Neighborhood Conclusion

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

## Market Analysis

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

- Seniors Housing Market Overview
- Analyze Market and Submarket Trends
- Delineate and Analyse the Subject's Primary Market Area
- Conclusion

The subject is considered a Class C investment, Assisted Living Residence.

### National Seniors Housing Market Overview

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

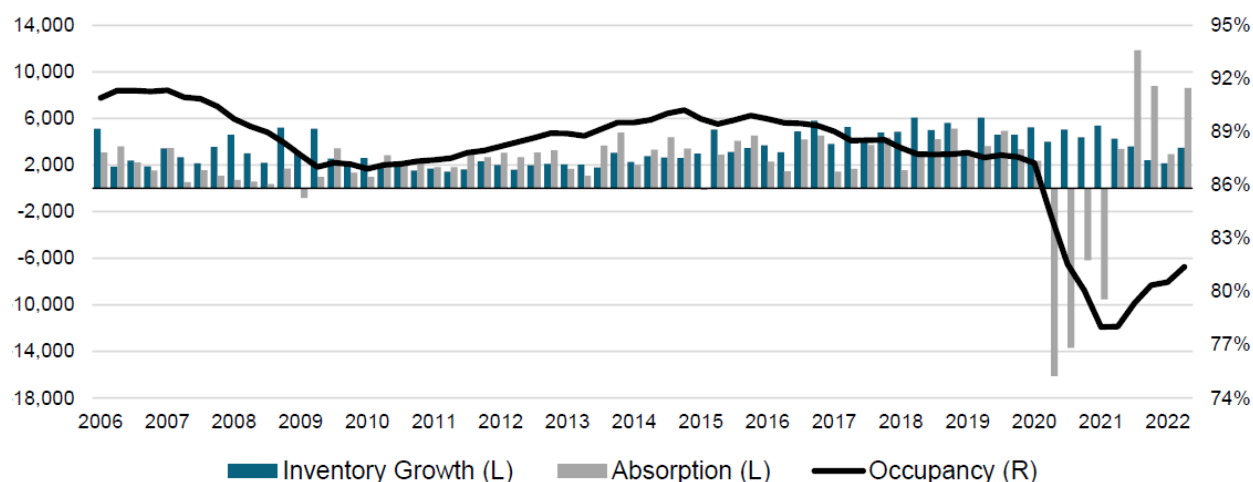
#### National Seniors Housing Overview

"The seniors housing sector's occupancy improved for the fourth consecutive quarter, from 80.5% in the first quarter of 2022 to 81.4% in the second quarter of 2022. Occupancy was up 340 basis points from a year ago, when occupancy hovered at its pandemic low of 78.0%, but is still 580 basis points (5.8 percentage points) below its pre-pandemic level.

The second quarter of 2022 saw positive net absorption on par with the fourth quarter of 2021, after a muted first quarter of 2022 in terms of absorption due to the Omicron variant. This marks the fifth consecutive quarter of positive net absorption. In the second quarter, the number of estimated occupied units increased by 8,609 units, which represented an absorption rate of 1.6% during the quarter. Annual absorption was at its highest level recorded since 2005, at 6.1%, an increase of 100 basis points over the first quarter of 2022, which was previously the highest annual absorption on record.

The pace of inventory growth increased in the second quarter as inventory increased by 3,489 units, but continues to be relatively weak. This represented a quarterly growth rate of 0.5%, up 20 basis points from the prior quarter and down 10 basis points from a year ago. Inventory increased by 1.7% in the past year, the lowest year-over-year increase since 2014, and 10 basis points below the prior quarter.

## SENIORS HOUSING SUPPLY-DEMAND TRENDS



Construction activity slowed in the second quarter of 2022 with 35,044 units under construction, down 5.8% from the first quarter of 2022. Construction represented 5.1% of existing inventory, down 30 basis points from the prior quarter.

The pace of annual rent growth increased again in the second quarter of 2022, registering at its highest level since the fourth quarter of 2016. Its 3.7% pace is 30 basis points higher than the prior quarter and 220 basis points higher than a year ago. The average asking rent for seniors housing was \$4,689 as of the second quarter. Construction represented 5.3% of existing inventory, down 20 basis points from the prior quarter.”<sup>4</sup>

<sup>4</sup> NIC MAP Monitor®, Quarterly Report Q2 2022

## National Assisted Living Overview

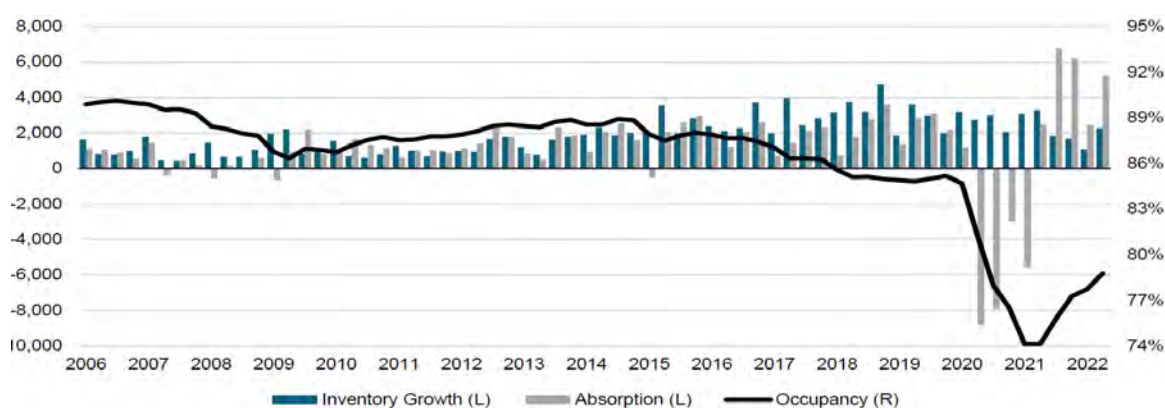
"Assisted living occupancy increased for the fourth consecutive quarter to 78.8% in the second quarter, up 110 basis points from the first quarter of 2022. That occupancy level is 470 basis points above its pandemic low of 74.1% in the first and second quarters of 2020, but still 590 basis points (5.9 percentage points) below its pre-pandemic occupancy of 84.7% in the first quarter of 2020.

Net absorption picked up in the second quarter of 2022 after a relatively muted first quarter of 2022. The number of estimated occupied units increased by 5,241, which represented an absorption rate of 2.0% during the quarter, an increase of 110 basis points from the prior quarter's pace and an increase of 100 basis points from a year ago. Annual absorption was 8.5%, the highest recorded rate since the time series began in 2006, and a significant increase over the prior quarter's pace of 7.4%, which was also the highest recorded rate at the time.

The pace of inventory growth increased during the second quarter of 2022. Inventory grew by 2,260 units, representing a quarterly growth rate of 0.7%, down 40 basis points from the prior quarter. Inventory increased by 2.1% in the past year, down 30 basis points from the prior quarter, and the slowest pace since 2012.

Construction activity was relatively stable in the second quarter, for the sixth consecutive quarter, with 19,162 units under construction which was a decrease of 1,045 units from the first quarter. This was down 5.2% from the prior quarter. Construction represented 5.7% of existing inventory, down 30 basis points from the prior quarter.

### MAJORITY ASSISTED LIVING SUPPLY-DEMAND TRENDS

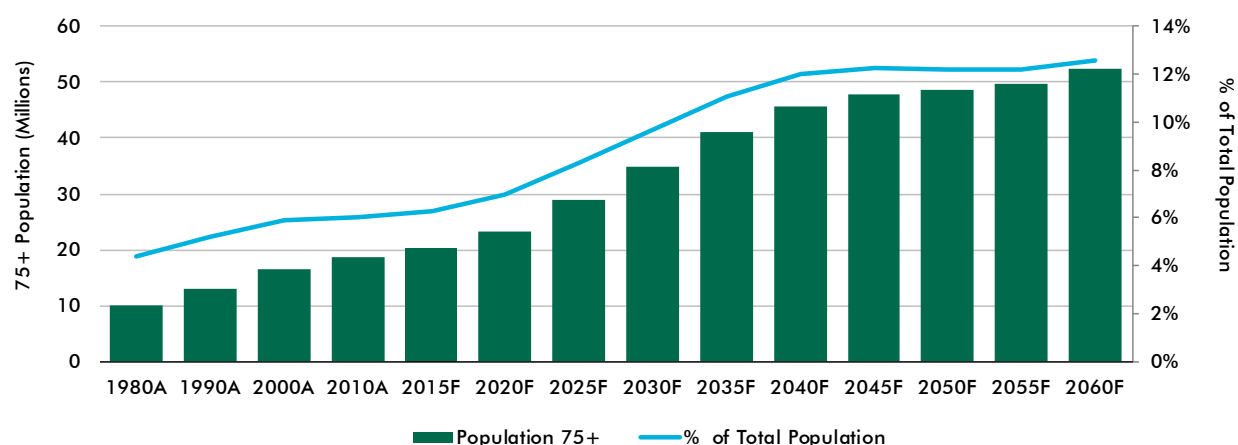


Rent growth was at its highest rate since the time series began in 2006. During the second quarter, annual rent growth was 4.6%, a 30-basis point increase from the previously highest recorded rate of 4.3% in the first quarter. The average asking rent for assisted living was \$5,809 as of the second quarter of 2022."<sup>5</sup>

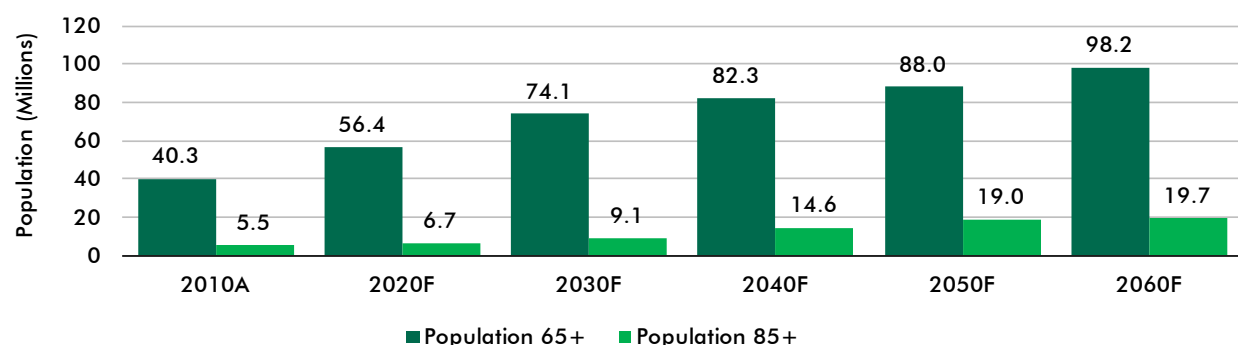
<sup>5</sup> NIC MAP Monitor®, Quarterly Report Q2 2022

## Demand Influences

Demand for seniors housing is primarily driven by people over the age 75. As of 2010, approximately 5% of the US population, or roughly 19.0 million individuals, were aged 75 years or older. The percentage of seniors in this age group is projected to grow at a much more significant rate due to the aging of the baby boomers. According to projections provided by the United States Census Bureau, the population age 65 and older is expected to more than double between 2012 and 2060.



Baby boomers are defined as persons born between 1946 and 1964. As of 2012, this generation accounted for approximate 76.4 million people, or about one-quarter of the U.S. population. The baby boomers began turning 65 in 2011.



By 2050, the 65-plus age group is estimated to equal 88.0 million, nearly double its current population (48.6 million). The projected growth in this age group will present many challenges to policy makers and programs by having a significant impact on families, businesses, healthcare providers and, most notably, the demand for senior housing.

## National Capitalization Rate Trends

The CBRE Valuation & Advisory Seniors Housing and Healthcare practice group recently published the U.S. Seniors Housing & Care Investor Survey. In this survey, capitalization rates for all segments of the seniors housing industry have compressed since H1 2014.



Note: Time periods represent when surveys were done.

CBRE Seniors Housing Investor Survey results, 2022.

## Submarket Performance Trends

The National Investment Center for the Seniors Housing and Care Industry (NIC) tracks and reports various operational and statistical data through their NIC MAP database. NIC MAP covers 140 U.S. Metropolitan Areas (Metro). The Tucson, AZ, Metro is the most applicable to the subject's market.

## Seniors Housing Performance Trends

Overall Metro performance trends and attributes for Seniors Housing communities are summarized as follows:

ASSISTED LIVING METRO TRENDS									
Period	Existing Inventory		Occupancy		Supply & Demand		Under Construction		YoY Rent Growth
	# Properties	# Rev. Units	All Properties	Stabilized	Absorption	Inventory Unit Change	# Properties	# Rev. Units	
4Q2019	35	3,332	86.10%	88.10%	9.30%	-24	1	22	3.70%
1Q2020	35	3,320	84.50%	86.10%	1.30%	-12	1	22	3.10%
2Q2020	35	3,320	83.10%	84.20%	0.80%	0	1	22	0.90%
3Q2020	35	3,344	78.90%	79.90%	-5.10%	24	0	0	0.60%
4Q2020	35	3,281	79.50%	79.50%	-9.10%	-63	0	0	1.60%
1Q2021	35	3,279	74.10%	74.10%	-13.40%	-2	0	0	1.00%
2Q2021	35	3,180	77.70%	77.70%	-10.40%	-99	1	20	1.50%
3Q2021	35	3,205	78.30%	78.30%	-4.90%	25	1	20	2.80%
4Q2021	35	3,233	78.60%	78.60%	-2.60%	28	1	10	3.10%
1Q2022	35	3,253	80.50%	80.50%	7.80%	20	1	10	1.90%
2Q2022	35	3,235	81.30%	81.30%	6.40%	-18	1	10	3.90%

Source: NIC MAP; Majority AL, for Tucson, AZ.

## **Residential Style Assisted Living Market Overview**

Regarding the market for residential style communities, valuation methodology differs significantly from that for regionally or nationally operated communities. The submarket for residential style seniors housing communities is generally comprised of properties with less than 50 beds and can be as few as four to six beds, as well as are owner-operated. Additionally, residential style community managers usually only operate one to two communities, and these properties are not professionally managed; in addition to the administrative obligations, these operators are often active in providing care to residents. Staffing at these communities include several individuals that help with a blend of daily maintenance, laundry and housekeeping, as well as culinary duties.

Two primary valuation methods are utilized when prospective buyers analyze these residential style communities, including price per unit (licensed beds) and the application of a gross revenue multiplier. For price per unit, market participants utilize the sales comparison method in analyzing the value of a property; notably, due to small size of these communities and the corresponding short absorption period, prospective buyers usually apply small adjustments for stabilized properties.

For valuation analysis via a gross revenue multiplier, prospective buyers of income-producing residential style communities apply a multiplier to the effective gross income (gross revenue) to derive value. This methodology is more reliable than the capitalization of the net operating income (NOI) as these owners typically operate these communities with a thin margin. Additionally, these communities are not professionally managed.

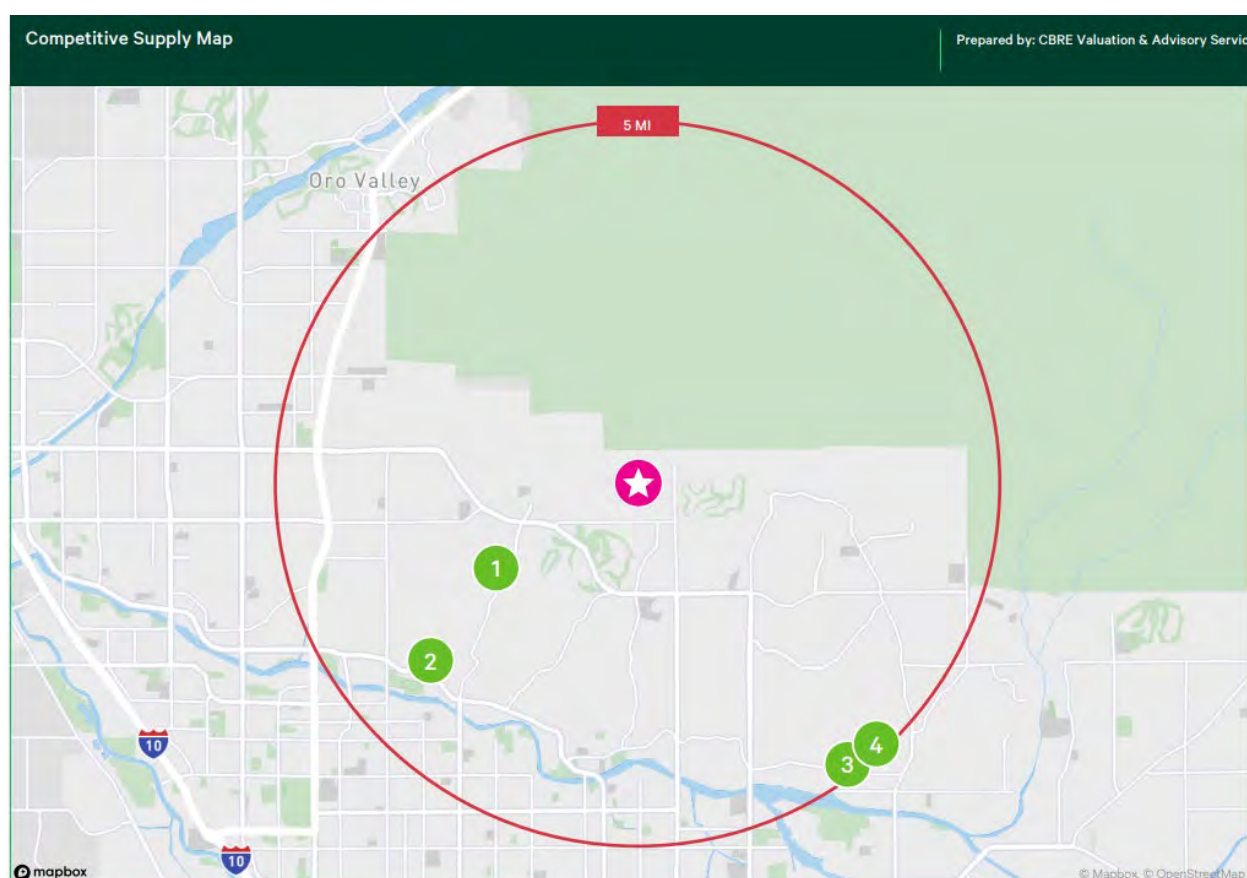
## Primary Market Area Performance Summary

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

## Competitive Supply

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

As shown in the map, the comparable rental properties are denoted by 'Green Indicators'.



COMPETITIVE SUPPLY SUMMARY		
Property	2022	2027
	AL	AL
<b>SUBJECT - Star Indicator in Map</b>	10	10
<b>RENT COMPARABLES - Green Indicators in Map</b>		
<b>1</b> Skyline at Mina Vista	9	9
<b>2</b> Canyon View by Platinum Care Homes	10	10
<b>3</b> Desert Gardens Assisted Living	10	10
<b>4</b> Starfish Care Homes River Hills	9	9
<b>Total Supply</b>	<b>48</b>	<b>48</b>
Source: CBRE VIEW Database		

### Future Supply

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

### Direct Competitors

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

SUMMARY OF COMPARABLE COMMUNITY RENTALS		
Name	Miles from Subject	Base Rate AL
Skyline at Mina Vista	2.3	\$6,500
Canyon View by Platinum Care Homes	3.8	\$4,800 - \$5,200
Desert Gardens Assisted Living	4.8	\$4,500 - \$6,000
Starfish Care Homes River Hills	4.8	\$4,800 - \$7,500
Subject		\$3,087 - \$5,495
Source: CBRE VIEW Database		

## Subject's Market Trends

### Submarket Summary

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

SENIORS HOUSING MARKET STATISTICS			
Category	Subject's PMA	Tucson, AZ	MAP Primary
<b>Assisted Living</b>			
Average Occupancy	97.4%	81.3%	80.9%
Average Monthly Rent	\$5,614	\$5,152	\$5,882
Property Count	5	35	4,609
Inventory (Rev. Units)	48	3,235	287,750
Construction (Rev. Units)	0	10	15,076
Construction vs. Inventory	0.00%	4.90%	8.60%
Penetration	0.69%	4.40%	4.50%
Source: NIC MAP			

### Barriers to Entry

Interest rates and other financing terms remain very attractive with construction levels at all-time highs. Increased construction costs and declining occupancy levels has caused developers to take pause. Nevertheless, all-in development costs remain well below acquisition costs of an existing property. Hence, new development remains an attractive and feasible option for investors.

Investors and underwriters are aware of the potential for overbuilding. Underwriting requirements and levels of due diligence are increasing. Most lenders and investors are requiring extensive market research and a successful track record of developing and-or operating seniors housing properties to move forward.

Licensure requirements relative to the subject's property type are present in Arizona. As further detailed later in this report, there is no moratorium on new licensure. Only the operational and staffing requirements must be met for a property to be granted a license to operate.

## Market Occupancy

Occupancy trends for the subject's MSA as well as the NIC MAP Primary and Secondary Metro Markets have been summarized. To best understand market performance within the subject's PMA, current occupancy for all competing properties have been gathered.

COMPETITIVE OCCUPANCY SUMMARY	
Property	AL
Subject	100%
Skyline at Mina Vista	89%
Canyon View by Platinum Care Homes	80%
Desert Gardens Assisted Living	100%
Starfish Care Homes River Hills	100%
Estimated Occupied Supply	45
<b>Average Occupancy</b>	<b>93.8%</b>
Source: CBRE VIEW Database	

## Demand Analysis

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

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

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

## Population by Age Cohorts

According to the National Study of Long Term Care Providers published by the Centers for Disease Control and Prevention (CDC) and National Center for Health Statistics (NCHS), conducted in 2016 and published February 2018, the average age of residents living in residential care communities (IL, AL, MC) is 86.9 years. The following table illustrates the population and projected household changes for the subject's primary market area.

SENIOR POPULATION BY AGE			
Catalina Foothills Adult Care Tucson, Arizona	3 Miles	5 Miles	7 Miles
<b>2022 Population</b>			
Total Population	22,016	89,396	247,022
Age 65 - 74	4,234	13,529	31,766
Age 75 - 84	2,372	7,501	18,150
Age 85+	852	2,998	8,627
<b>2027 Population</b>			
Total Population	21,896	89,850	250,401
Age 65 - 74	4,498	14,254	33,970
Age 75 - 84	2,912	9,343	22,461
Age 85+	925	3,258	9,350
<b>% Change</b>			
Total Population	-0.55%	0.51%	1.37%
Age 65 - 74	6.24%	5.36%	6.94%
Age 75 - 84	22.77%	24.56%	23.75%
Age 85+	8.57%	8.67%	8.38%
Source: CBRE Fast Reports & ESRI			

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

### Income Distributions

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

ESTIMATED HOUSEHOLD INCOME BY AGE			
2022 Households	65-74 Years	75 - 84 Years	85+ Years
- Income Less than \$15,000	548	369	148
- Income \$15,000 to \$24,999	598	558	223
- Income \$25,000 to \$34,999	542	502	201
- Income \$35,000 to \$49,999	783	771	308
- Income \$50,000 to \$74,999	1,388	817	326
- Income \$75,000 to \$99,999	1,085	548	219
- Income \$100,000 to \$149,999	1,379	621	248
- Income \$150,000 to \$199,999	756	260	104
- Income \$200,000 and Over	1,406	506	202
Total Households	8,484	4,953	1,979
Average Household Income	\$131,533	\$98,848	n/a
Median Household Income	\$82,322	\$56,457	n/a
Estimated Average Housing Value	\$467,251	\$467,251	\$467,251
2027 Households	65-74 Years	75 - 84 Years	85+ Years
- Income Less than \$15,000	354	299	104
- Income \$15,000 to \$24,999	406	435	152
- Income \$25,000 to \$34,999	360	369	129
- Income \$35,000 to \$49,999	646	797	278
- Income \$50,000 to \$74,999	1,422	1,134	396
- Income \$75,000 to \$99,999	1,211	832	290
- Income \$100,000 to \$149,999	1,658	976	340
- Income \$150,000 to \$199,999	1,054	493	172
- Income \$200,000 and Over	1,717	800	279
Total Households	8,827	6,136	2,140
Average Household Income	\$155,276	\$123,361	n/a
Median Household Income	\$100,294	\$75,743	n/a
Estimated Average Housing Value	\$496,114	\$496,114	\$496,114
Source: CBRE Fast Reports & ESRI			

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

## Subject Market Position

### Management Overview

The subject is managed by Catalina Foothills Adult Care, a local owner-operator of seniors housing communities in Tucson, AZ. Services offered include assisted living. Currently, the subject is the only facility under their management. The analysis and conclusions within this report assume competent management and market operations.

## Subject Licensure Requirements

Licensure requirements specific to the subject's use are summarized below. CBRE does not represent to be legal experts regarding the subject's adherence to the respective state guidelines. According to the state regulatory agency, the subject's license is current and in good standing.

ASSISTED LIVING STATE REGULATORY OVERVIEW	
CLASSIFICATION	Assisted Living Centers
REGULATORY REFERENCES	Arizona Compliance Administration AZ Administrative Code R9-10-801 - R9-10-820
MINIMUM SIZE (UNITS)	11 +*
MANDATORY SERVICES	
ADL Care:	
Laundry	Y (access to)
Activities /Recreation	Y
Arranging Health Related Services	Y
Housekeeping	Y
Medications Management	Y
Monitoring	Y
Other	3 meals/day + snacks
PERMITTED SERVICES:	
Assistance with Medications	Y
Administer Medications	Y with delegation
Intermittent Nursing	Y
Other	Home Health, Hospice
REGULATED SUBJECTS:	
Admission Agreements	Y
Resident Funds	Y
Care Plan	Y
Medication Storage	Y
Dietary Requirements	Y
ADMINISTRATOR:	
Education/ exam	Certified; training program
Continuing Education	None required by ADHS
STAFFING LEVELS:	
MANDATORY DISCHARGE:	
Ongoing Nursing Care	Y
Restraints	Y
Beyond Capabilities	Y
Other	Certain other conditions
PHYSICAL PLANT:	
Maximum Occupancy/Unit	2
Size of Unit (single occ.)	220 sq. ft. private
Size of Unit (multiple occ.)	320 sq. ft. semi-private
Toilet	1/unit
Bath or Shower	1/unit
Other	Bathroom; lockable doors; kitchen
CERTIFICATE OF NEED	N
LICENSING AGENCY	Dept. of Health & Human Services, Bureau of Residential Facilities Licensing
MEDICAID WAIVER/ STATE PLAN	Y
NOTES	If ≤10 residents classified as Assisted Living Home
Source: American Seniors Housing Assoc., State Regulatory Handbook	

### Stabilized Occupancy Estimate

The physical occupancy for the subject is detailed in the following chart:

PHYSICAL OCCUPANCY	
Reporting Period	%
2020 Actual	97.7%
2021 Actual	99.8%
<b>CBRE Stabilized Estimate</b>	<b>98.0%</b>
Compiled by CBRE	

The following bullets summarize the subject's recent trailing census levels:

- Between 2020 and 2021, census levels increased by 2.2%, from an average occupancy of 97.7% to an average occupancy of 99.8%.
- Between January and July 2022, census levels increased by 4.7%, from an average occupancy of 95.5% to an average occupancy of 100%.

CBRE's conclusion of stabilized occupancy for the subject is illustrated in the following table. This estimate considers physical and economic market factors.

OCCUPANCY CONCLUSIONS	
	AL
NIC MAP - Primary/ Secondary Markets	80.9%
NIC MAP - Subject MSA	81.3%
Primary Market Area (All Properties)	93.8%
Subject's Current Occupancy	100.0%
<b>CBRE Estimated Stabilized Occupancy</b>	<b>98.0%</b>
Compiled by CBRE	

The vacancy estimate above represents physical occupancy based on resident days while the weighted average vacancy represents economic vacancy based on potential gross income (PGI) attributable to each component. Any disparity between the two figures is due to the differing levels of rent for the subject's care levels.

The concluded occupancy was applied to the subject's unit mix to derive a weighted average economic vacancy, as detailed below:

WEIGHTED AVERAGE ECONOMIC VACANCY					
Care Level	% of Total PGI		Vacancy		
Assisted Living	100.0%	x	2.0%	=	2.0%
Indicated Weighted Average Vacancy (Rounded)					2.0%
Compiled by CBRE					

Based on the market analysis, the subject's PMA shows positive indicated demand. Additionally, in our discussions with representatives at nearby, direct competitors, occupancies are reported to be strong. The subject's onsite staff reported the current occupancy is generally consistent with the trailing periods, at the levels commensurate with the market comparables. The CBRE stabilized occupancy conclusion places primary weight on the subject's current and historical levels, as supported by the market data.

## TAX MAP





## Site Analysis

The following chart summarizes the subject site characteristics:

SITE SUMMARY			
<b>Physical Description</b>			
Site Area	0.970 Acres	42,253 Sq. Ft.	
Excess Land Area	None		
Surplus Land Area	None		
Shape	Irregular		
Topography	Hilly		
Flood Map Panel No. & Date	04019C1685L	6/16/2011	
<b>Comparative Analysis</b>			
Access	Good		
Visibility	Good		
Functional Utility	Good		
Adequacy of Utilities	Assumed adequate		
Landscaping	Commensurate with community quality		
Drainage	Assumed adequate		
<b>Utilities</b>			
	<b>Provider</b>	<b>Adequacy</b>	
Water	City of Tucson	Yes	
Sewer	City of Tucson	Yes	
Natural Gas	Provided	Yes	
Electricity	Provided	Yes	
Telephone	Various	Yes	
Mass Transit	Various	Yes	
<b>Other</b>			
	<b>Yes</b>	<b>No</b>	<b>Unknown</b>
Detrimental Easements			X
Encroachments			X
Deed Restrictions			X
Reciprocal Parking Rights		X	
Common Ingress/Egress		X	
Source: Various sources compiled by CBRE			

## Adjacent Properties

The adjacent land uses are summarized as follows:

North:	Single-Family Residential
South:	Single-Family Residential
East:	Vacant Land/ Single-Family Residential
West:	Single-Family Residential

The adjacent properties are conforming to the neighborhood and are complementary to the specific use of the subject.

## Flood Zone

According to flood hazard maps published by the Federal Emergency Management Agency (FEMA), the site is within Zone AE. FEMA defines the subject's respective zone flood zone as follows:

*Zones AE and A1-A30 are the flood insurance rate zones used for the 1-percent-annual-chance floodplains that are determined for the Flood Insurance Study (FIS) by detailed methods of analysis. In most instances, Base Flood Elevations (BFEs) derived from the detailed hydraulic analyses are shown at selected intervals in this zone. Mandatory flood insurance purchase requirements apply. AE zones are areas of inundation by the 1-percent-annual-chance flood, including areas with the 2-percent wave runup, elevation less than 3.0 feet above the ground, and areas with wave heights less than 3.0 feet. These areas are subdivided into elevation zones with Base Flood Elevations (BFEs) assigned. The AE zone will generally extend inland to the limit of the 1-percent-annual-chance Stillwater Flood Level (SWEL).*

## Conclusion

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

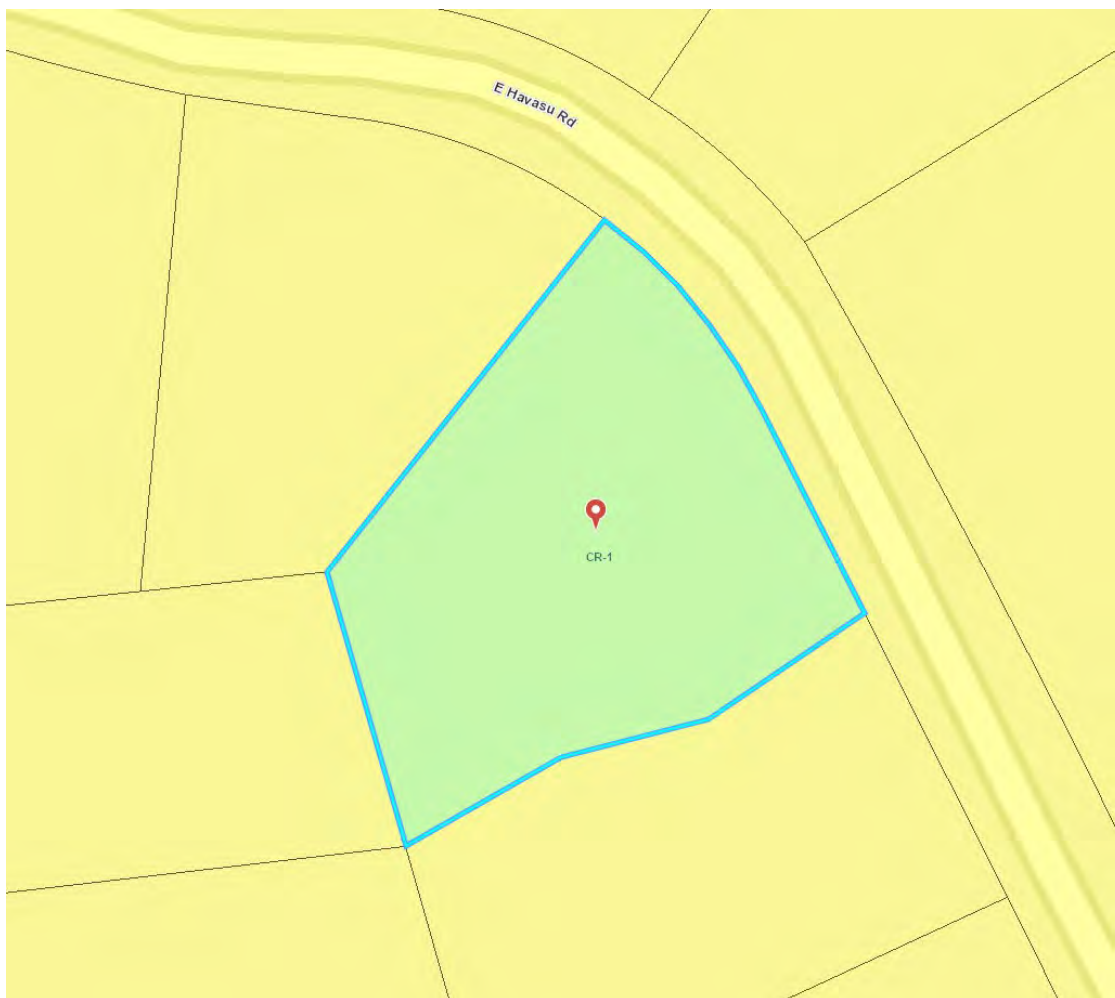
## Zoning

The following chart summarizes the subject's zoning requirements.

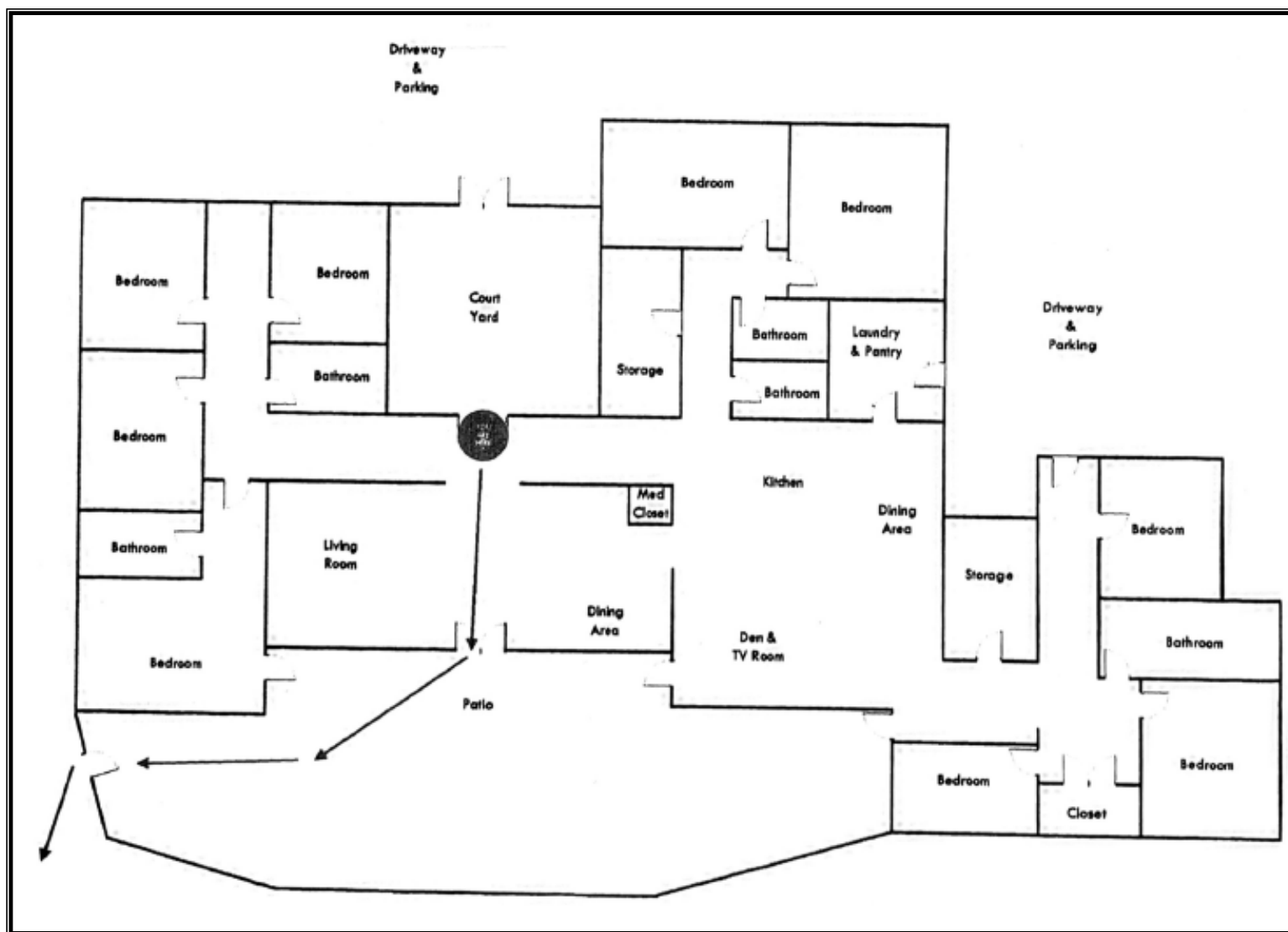
ZONING SUMMARY	
Current Zoning	CR-1
Legally Conforming	Yes
Uses Permitted	A variety of residential uses including seniors housing.
Ability to be Restored Without Permit	Yes
Zoning Change	Not likely
Source: Planning & Zoning Dept.	

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

### ZONING MAP



## FLOOR PLANS



## Improvement Analysis

The following chart shows a summary of the improvements.

SUMMARY OF IMPROVEMENTS					
Care Level	GBA	Units	Beds	Year Built	Condition
Assisted Living	-	9	10	1976	Average
<b>Total/ Average:</b>	<b>4,834 SF</b>	<b>9</b>	<b>10</b>	<b>1976</b>	<b>Average</b>
Building Size Source:	Public Record				
Fully Sprinklered	Yes				
Site Coverage	11.4%				
Land-to-Building Ratio	8.74 : 1				
Floor Area Ratio (FAR)	0.11				
Source: Compiled by CBRE					

### Layout of Improvements

The improvements are irregular in shape and one-level in height. The main entrance is located within a courtyard area and opens to a living room and dining area. Common areas include a lounge area, patio, pool, media room, and a dining room. All support areas, including a kitchen and laundry room, are located at the central portion of the property. A summary of the unit mix is included below:

ASSISTED LIVING UNIT MIX				
Unit Type	No. Beds	No. Units	Revenue Units	Percent of Total
Studio	8	8	8	80.0%
Companion	2	1	2	20.0%
<b>Total/Average:</b>	<b>10</b>	<b>9</b>	<b>10</b>	<b>100.0%</b>
Source: Compiled by CBRE				

### Description of Improvements

Construction Class: D - Wood frame, floor and structure; considered combustible.

The construction components are assumed to be in working condition and adequate for the building.

Foundation: The foundation is assumed to be of adequate load-bearing capacity to support the improvements.

Ground Floor: Concrete slab on compacted fill.

Roof Cover: Clay tile roof.

Flooring:	The common areas have commercial grade carpeting or ceramic tile flooring. The commercial kitchen has a quarry tile floor. The resident units have carpet in the bedroom areas with sheet vinyl tile in the bathrooms.
Exterior Walls:	The exterior walls consist of masonry siding with decorative trim. The building contains double-pane aluminum frame windows.
HVAC:	All common areas and resident rooms contain central cooling and heating.
Plumbing:	The plumbing system is assumed to be adequate for the existing use and in compliance with local law and building codes.
Electrical:	The electrical system is assumed to be in good working order and adequate for the building.
Security:	Resident call systems in all the resident living areas and bathrooms, as well as emergency back-up lighting system.

## Utilities

The subject operations indicate that management is responsible for all utilities including electricity, water and sewer costs.

## Fire Protection

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

## Project Amenities

Property and unit amenities for the subject property are summarized below:

- Dining Room
- Media Room
- Resident Lounge Areas
- Laundry Facilities
- Outside Patios/Walking Areas
- Pool

The following are the individual living unit amenities and features are being offered at the subject:

- 24-Hour Emergency Response System
- Fire/Smoke Detectors and Sprinkler System
- Showers with a Seat and Grab Bars and/or Tub/Shower Combination
- Ample Closet Space
- Basic Cable Television Access
- Shared Half-Bath

## Parking and Drives

The subject features surface parking situated throughout the site. Additionally, the parking is considered adequate, including accessible (FKA as handicapped or disabled) parking spaces. All parking spaces and vehicle drives are asphalt paved and considered to be in good condition.

## Landscaping

Landscaping is in good condition and well maintained.

## Functional Utility

The floor plans are considered to feature functional layouts and the layout of the overall project is considered functional in utility.

## ADA Compliance

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

## Furniture, Fixtures and Equipment

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

## Environmental Issues

CBRE, Inc. is not qualified to detect the existence of any potentially hazardous materials such as lead paint, asbestos, urea formaldehyde foam insulation, or other potentially hazardous construction materials on or in the improvements. The existence of such substances may affect the value of the property. This analysis assumes that any hazardous materials that may cause a loss in value do not affect the subject.

## Deferred Maintenance

Our inspection of the property indicated no items of significant deferred maintenance.

## Economic Age and Life

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

ECONOMIC AGE AND LIFE	
Actual Age	46 Years
Effective Age	25 Years
MVS Expected Life	55 Years
Remaining Economic Life	30 Years
Accrued Physical Incurable Depreciation	45.5%
Compiled by CBRE	

The overall life expectancy is based upon our on-site observations and a comparative analysis of typical life expectancies reported for buildings of similar construction as published by Marshall and Swift, LLC, in the *Marshall Valuation Service* cost guide. While CBRE, Inc. did not observe anything to suggest a different economic life, a capital improvement program could extend the life expectancy.

### **Conclusion**

The improvements are considered to be functional in design and consistent with current design trends for the subject's respective property type. These improvements are expected to maximize the highest and best use of the site.

## Tax and Assessment Data

Arizona Revised Statutes defines Full Cash Value (FCV) as being synonymous with market value. For assessment purposes, Full Cash Value approximates market value except for possible conditions unique to mass appraisal. The LPV (Limited Property Value) is a statutory calculated value based on the Arizona Constitution and Statutes. The LPV may continue to rise annually but can never exceed the FCV value. Beginning in tax year 2015, the tax rates are applied only to the LPV (primary value). The Legal Class is a statutory category that is used to classify property based on the use of the property. If an individual parcel has more than one use, it may be assigned multiple Legal Classes and a "mixed assessment ratio" will be applied to the value. The Assessed Value divided by 100, times the tax rate (set in August of each year) determines property taxes billed in September. The County Treasurer bills for, collects, and distributes the property taxes. Real Property is the rights, benefits and interests in the ownership of real estate, which includes land, buildings, and other improvements located on the land.

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

AD VALOREM TAX INFORMATION			
Assessor's Market Value	2021	2022	CBRE Year 1
109-05-208A	\$679,950	\$650,368	\$650,368
Assessed Value @	10%	10%	10%
Total Assessed Value	\$67,995	\$65,037	\$65,037
General Tax Rate (per \$100 A.V.)	12.322200	11.641300	11.641300
<b>Total Taxes</b>	<b>\$8,378</b>	<b>\$7,571</b>	<b>\$7,571</b>
Source: Assessor's Office			

### Property Tax Methodology

A sale or transfer of a property does not necessarily result in an automatic reassessment of the property in the following year. To establish market value, the Assessor's Office gathers information from a number of sources, including previous sales from the area, zoning, topography, view, livable square footage, lot size and other component information, just to name a few. The valuation is determined by a computer analysis of the information gathered.

### Delinquency

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

### Property Tax Comparables

CBRE, Inc. has reviewed the real estate tax information for comparable properties in the subject's respective taxing district. The following table summarizes the comparables employed for this analysis:

AD VALOREM TAX COMPARABLES				
Tax Comparable	Skyline at Mina Vista	Canyon View by Platinum Care Homes	Starfish Care Homes River Hills	CBRE Stabilized
Address	5910 N Mina Vista	1331 E Sobre Lomas	6611 E River Hills Place	Estimate
County	Pima	Pima	Pima	
City/ Town	Tucson	Tucson	Tucson	
Year Built	2007	1965	1991 (renovated in 2004)	1976
No. Rev. Units	9	10	9	10
Tax Year	2022	2022	2022	2022
<b>Total Assessed Value</b>	<b>\$48,985</b>	<b>\$83,661</b>	<b>\$59,655</b>	<b>\$65,037</b>
<b>AV Per Rev. Unit</b>	<b>\$5,443</b>	<b>\$8,366</b>	<b>\$6,628</b>	<b>\$6,504</b>
Source: Assessor				

## Conclusion

The total taxes for the subject have been estimated as \$7,571 for the base year of our analysis, based upon an assessed value of \$65,037 or \$6,504 per unit. This is consistent with the subject's current assessment and is supported by the tax comparable range.

## Highest and Best Use

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

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

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

### **As If Vacant**

#### ***Legally Permissible***

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

#### ***Physically Possible***

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

#### ***Financially Feasible***

Potential uses of the site include various residential and senior housing uses as previously detailed in the zoning analysis. The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally probable land uses versus the cost to create the uses. The subject is located in a fully developed, single-family residential neighborhood. Development of new single-family residences are occurring in the area as the area's population grows. These factors indicate that it would be financially feasible to complete a new single-family housing project if the site acquisition cost was low enough to provide an adequate developer's profit.

#### ***Maximally Productive***

The final test of highest and best use of the site as if vacant is that the use be maximally productive, yielding the highest return to the land. In relation to the various uses permitted, the subject's location is most viable for seniors housing. Surrounding uses are complementary in nature. Hence, in the case of the subject as if vacant, the analysis has indicated that a new single family residence would be most appropriate.

### **Conclusion: Highest and Best Use As If Vacant**

Based on the information presented above and contained in the market and neighborhood analysis, the highest and best use of the subject as if vacant would be the development of single-family housing in the near term. More specifically, the subject would be developed at a density and size

commensurate with local norms. Our analysis of the subject and its respective market characteristics indicate the most likely buyer, as if vacant, would be a developer.

### **As Improved**

#### ***Legally Permissible***

The site has been improved with a seniors' housing development that is a legal, conforming use.

#### ***Physically Possible***

The layout and positioning of the improvements are considered functional for seniors housing use. While it would be physically possible for a wide variety of uses, based on the legal restrictions and the design of the improvements, the continued use of the property for seniors housing users would be the most functional use.

#### ***Financially Feasible***

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

#### ***Maximally Productive***

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

### **Conclusion: Highest and Best Use As Improved**

The highest and best use of the property as improved, is consistent with the existing use as a seniors housing development. Additionally, the most probable purchaser as improved is an owner/operator familiar with residential assisted living operations.

## Appraisal Methodology

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

### Cost Approach

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

### Sales Comparison Approach

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

### Income Capitalization Approach

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

### Methodology Applicable to the Subject

In valuing the subject, the sales comparison and income capitalization approaches are applicable and have been utilized. The cost approach is not applicable in the estimation of market value due to the age of the improvements. It is further recognized that the cost approach is not utilized by market participants in estimating market value.

## Market Inflation Rate

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

SUMMARY OF GROWTH RATES			
Investment Type	Min	Max	Average
U.S. Bureau of Labor Statistics (CPI-U) - As of June 2022 10-Year Snapshot Average			2.59%
CBRE Seniors Housing & Care Investor Survey (2022) Seniors Housing & Care Rental Growth Rate*	0.00%	7.00%	-
IBISWorld: Retirement Communities in the US (December 2020) Annualized Revenue Five-Year Growth Outlook (2020-2026)	-	-	4.30%
Annual Industry Value Added (IVA) Five-Year Outlook (2020-2026)	-	-	4.06%
Senior Living Valuation Services Survey (2021) Seniors Housing Annual Growth Rate - Revenues	1.00%	8.00%	3.30%
Seniors Housing Annual Growth Rate - Expenses	2.50%	12.00%	4.10%
Seniors Housing Annual Growth Rate - General Inflation	2.00%	5.50%	3.80%
Market Participants: Current Seniors Housing Investor / Developer Proformas	2.00%	4.50%	3.00%
<b>CBRE Inflation Estimate</b>			<b>3.00%</b>
Source: Compiled by CBRE; *(Majority of Respondents: 80%+/-)			

## Insurable Value (Replacement Cost)

Insurable Replacement Cost is defined as follows:

*Replacement Cost for Insurance Purposes* - The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design, and layout for insurance coverage purposes guaranteeing that damaged property is replaced with new property (i.e., depreciation is not deducted).<sup>6</sup>

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

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

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

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<sup>6</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7<sup>th</sup> ed. (Chicago: Appraisal Institute, 2022), 163.

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**INSURABLE VALUE (REPLACEMENT COST) CONCLUSION**


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Primary Building Type:	AL	Height per Story:	9'
Effective Age:	25 YRS	Number of Buildings:	1
Condition:	Average	Gross Building Area:	4,834 SF
Number of Revenue Units	10	Average Unit Size:	-
Number of Stories:	1	Average Floor Area:	4,834 SF

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<b>MVS Sec/Page</b>	Sec 12 / Pg 20
<b>Quality/Bldg. Class</b>	Good / D
<b>Building Component</b>	AL
<b>Component Sq. Ft.</b>	4,834 SF
<b>Base Square Foot Cost</b>	\$167.00

**Square Foot Refinements**

Heating and Cooling	In Base
Sprinklers	\$4.90
Subtotal	<u>\$171.90</u>

**Height and Size Refinements**

Number of Stories Multiplier	1.00
Height per Story Multiplier	1.00
Floor Area Multiplier	1.00
Subtotal	<u>\$171.90</u>

**Cost Multipliers**

Current Cost Multiplier	1.02
Local Multiplier	0.93

<b>Final Square Foot Cost</b>	<b><u>\$163.06</u></b>
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<b>Base Component Cost</b>	<b>\$788,253</b>
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<b>Base Building Cost</b>	(via Marshall Valuation Service cost data)	\$788,253
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<b>Insurable Exclusions</b>	10.0% of Total Building Cost	<u>(\$78,825)</u>
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<b>Insurable Value (Replacement Cost) Indication</b>	\$709,428
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<b>Rounded</b>	\$700,000
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<b>Value Per Rev. Unit</b>	\$70,000
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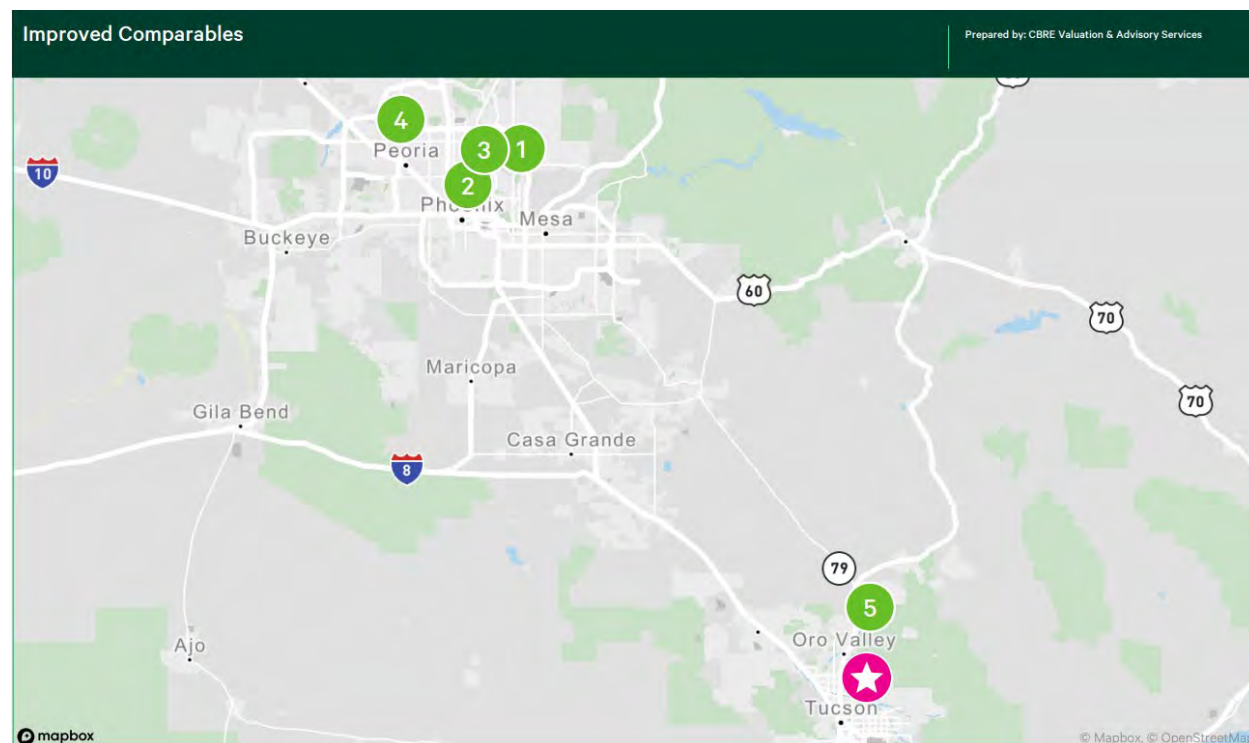
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Compiled by CBRE
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## Sales Comparison Approach

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



SUMMARY OF COMPARABLE SALES											
No.	Name	Transaction Type	Date	Year Built	Rev. Units	Actual Sale Price	Adjusted Sale Price <sup>1</sup>	Price Per Rev. Unit <sup>1</sup>	Occ.	NOI Per Rev. Unit	OAR
1	Comfort Givers II Assisted Living, Scottsdale, Arizona	Sale	Aug-20	1978	5	\$800,000	\$800,000	\$160,000	60%	\$14,050	8.78%
2	The Villa at Tuckey Lane, Phoenix, Arizona	Sale	Jan-21	1980	10	\$1,750,000	\$1,750,000	\$175,000	100%	\$16,500	9.43%
3	Acoma Assisted Living LLC, Phoenix, Arizona	Sale	Apr-21	2018	10	\$1,800,000	\$1,800,000	\$180,000	100%	\$17,710	9.84%
4	Hummingbird Grove Assisted Living, Peoria, Arizona	Sale	Dec-21	1987	10	\$1,400,000	\$1,400,000	\$140,000	80%	\$12,464	8.90%
5	Heritage Manor at Lago Del Oro, Catalina, Arizona	Available/Listing	Sep-22	2009	10	\$1,895,000	\$1,895,000	\$189,500	100%	\$15,728	8.30%
Subj. Pro Forma	Catalina Foothills Adult Care, Tucson, Arizona	---	---	1976	10	---	---	---	98%	\$14,609	(Est)

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

Given the finite amount of properties in this sector, single-asset arm's length transfers remain limited relative to other property types. Recognizing the impact of a property's operating attributes on pricing, it is appropriate to utilize comparable properties exemplifying similar operational margins to accurately interpret pricing metrics employed by market participants. To do so, a more regional search was performed with comparables chosen based on care level provided, operating metrics at time of sale, and condition of the property. The sales utilized represent the best data available for comparison with the subject.

## **Analysis of Improved Sales**

### ***Improved Sale One***

This transaction represents the sale of a licensed 5-bed assisted living home located in Scottsdale, Arizona. On August 10, 2020, the property sold for \$800,000, or \$160,000 per unit. The sale included \$600,000 of real estate and \$200,000 of business value. The single-story improvements were built in 1978 and are located on a 0.20-acre site. The property was 60% occupied at the time of the sale. According to the listing agent, the pro forma EGI and expenses were \$228,000 and \$157,746, respectively.

The upward market conditions (time) adjustment reflects the improved market conditions since the date of sale. The downward adjustment for location reflects this comparable's superior feature with respect to the location in a high barrier market with favorable income levels and demographic growth. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

### ***Improved Sale Two***

This transaction represents the sale of a licensed 10-bed assisted living home located in Phoenix, Arizona. On January 22, 2021, the property sold for \$1,750,000, or \$175,000 per unit. The single-story improvements were built in 1980, renovated in 2020, and are located on a 0.61-acre site.

The downward adjustment for location reflects this comparable's superior feature with respect to the location in a high barrier market with favorable income levels and demographic growth. In terms of age/condition, this comparable was judged superior due to its newer year of construction and superior condition of the improvements and received a downward adjustment for this characteristic. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

### ***Improved Sale Three***

This comparable represents the sale of Acoma Assisted Living, a 10-unit/10-bed assisted living home in northern Phoenix, Arizona. The property was listed on the market for roughly 5 months before transacting at \$1,800,000, or \$180,000 per bed. The assisted living home was custom built in 2018 and is of good quality construction and in good condition. The finishes are contemporary and the

layout functional. The property is operated by a local operator and was 100% occupied at the time of sale. The financials reported are 2020 Annualized actuals (January - August 2020, annualized). Historically, this property was improved with a smaller 6-unit/10-bed assisted living facility which was taken to the studs in 2018 before being rebuilt and expanded as is today.

The downward adjustment for location reflects this comparable's superior feature with respect to the location in a high barrier market with favorable income levels and demographic growth. In terms of age/condition, this comparable was judged superior due to its newer year of construction and superior condition of the improvements and received a downward adjustment for this characteristic. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

#### **Improved Sale Four**

Hummingbird Grove Assisted Living is a residential style assisted living community located in a suburban location. The real estate sold to Chaitanya Musham, for \$1,125,000. The subject was openly marketed for sale by Stacy Dragos. There is also a separate business purchase agreement between the seller and the buyer for the sale of the subject's business operations for a total of \$275,000. As such, the combined purchase price is \$1,400,000.

The upward adjustment for location reflects this comparable's inferior feature with respect to the location in a low barrier market with below average income levels and demographic growth. In terms of age/condition, this comparable was judged superior due to its newer year of construction and superior condition of the improvements and received a downward adjustment for this characteristic. Overall, the adjustments applied to this comparable resulted in a net adjustment of zero, whereby the property was deemed similar in comparison to the subject.

#### **Improved Sale Five**

Heritage Manor at Lago Del Oro is a residential-style assisted living community, situated in a suburban area. The improvements were built in 2009 and are in good condition. The property was listed for sale in September 2022 and was fully occupied at the time of listing. The listing price was \$1,895,000 or \$189,500 per unit representing an 8.30% cap rate.

In terms of age/condition, this comparable was judged superior due to its newer year of construction and superior condition of the improvements and received a downward adjustment for this characteristic. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

#### **Comparable Listings**

In addition to recent transactions, comparable listings were considered. Brokers active in the space were interviewed for any comparable properties that are being actively marketed. Data sources were also researched, and no comparable listings were discovered through this process. Seniors housing

properties are typically directly marketed to a smaller group of potential buyers without ever being exposed to the open market; furthermore, communities are not typically marketed with a listing price, but on a 'call for offers' basis.

### Summary of Adjustments

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

COMPARABLE SALES ADJUSTMENT GRID						
Comparable Number	1	2	3	4	5	Subject
Transaction Type	Sale	Sale	Sale	Sale	Available/Listing	---
Transaction Date	Aug-20	Jan-21	Apr-21	Dec-21	Sep-22	---
Year Built	1978	1980	2018	1987	2009	1976
Year Renovated		2020		2015		2009
No. Units	5	10	10	10	10	10
Adjusted Sale Price <sup>1</sup>	\$800,000	\$1,750,000	\$1,800,000	\$1,400,000	\$1,895,000	---
Occupancy	60%	100%	100%	80%	100%	98%
NOI Per Rev. Unit	\$14,050	\$16,500	\$17,710	\$12,464	\$15,728	\$14,609
OAR	8.78%	9.43%	9.84%	8.90%	8.30%	---
Adj. Price Per Rev. Unit	\$160,000	\$175,000	\$180,000	\$140,000	\$189,500	
Property Rights Conveyed	0%	0%	0%	0%	0%	
Financing Terms <sup>1</sup>	0%	0%	0%	0%	0%	
Conditions of Sale	0%	0%	0%	0%	0%	
Market Conditions (Time)	5%	0%	0%	0%	0%	
Subtotal - Price Per Rev. Unit	\$168,000	\$175,000	\$180,000	\$140,000	\$189,500	
Location	-5%	-5%	-5%	5%	0%	
Project Size	0%	0%	0%	0%	0%	
Age/Condition	0%	-5%	-15%	-5%	-10%	
Quality of Construction	0%	0%	0%	0%	0%	
Average Unit Size	0%	0%	0%	0%	0%	
Project Amenities	0%	0%	0%	0%	0%	
Parking	0%	0%	0%	0%	0%	
Other	0%	0%	0%	0%	0%	
Total Other Adjustments	-5%	-10%	-20%	0%	-10%	
<b>Indicated Value Per Rev. Unit</b>	<b>\$159,600</b>	<b>\$157,500</b>	<b>\$144,000</b>	<b>\$140,000</b>	<b>\$170,550</b>	

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

Compiled by CBRE

### Price Per Unit Comparison

After applied gross adjustments of 10.00% to 20.00%, the adjusted average of all comparables representing an approximate -9.44% difference over the unadjusted average. The adjusted indicated

value range for the sales is from \$140,000 to \$170,550 per unit, with an average of \$154,330 per unit.

Comparables 1 was the most representative of the subject in terms of net operating income, while Comparable 5 best represent the subject in terms of location.

### Sales Comparison Approach Conclusion

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

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

SALES COMPARISON APPROACH				
Total Rev. Units	X	Adjusted Indication Value Per Rev. Unit	=	Value
10	X	\$154,330	=	\$1,543,300
<b>VALUE CONCLUSION</b>				
<b>Indicated As Is Value</b>				\$1,543,300
<b>Rounded</b>				<b>\$1,500,000</b>
Value Per Rev. Unit				\$150,000
Compiled by CBRE				

## Income Capitalization Approach

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

SUBJECT UNIT MIX BY CARE LEVEL				
Care Level	Units	Beds	Unit of Measure	Revenue Units
Assisted Living	9	10	Beds	10
Compiled by CBRE				

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

### Operating Summary

As shown in the table on following page, we were provided the trailing three annual, calendar year reporting periods. However, the 2019 operating statement was not considered reliable and has been excluded from our analysis below.

## SUBJECT OPERATING SUMMARY

Reporting Period	2020 Actual			2021 Actual			CBRE Stabilized Estimate		
	Rev. Units	Occ.	R-Days	Rev. Units	Occ.	R-Days	Rev. Units	Occ.	R-Days
Assisted Living	10	97.7%	3,567	10	99.8%	3,644	10	98.0%	3,579
<b>Total</b>	<b>10</b>	<b>97.7%</b>	<b>3,567</b>	<b>10</b>	<b>99.8%</b>	<b>3,644</b>	<b>10</b>	<b>98.0%</b>	<b>3,579</b>
	Total	% EGI	\$/RD	Total	% EGI	\$/RD	Total	% EGI	\$/RD
<b>Income</b>									
Assisted Living Rent	512,297	100.0%	<b>143.62</b>	544,960	100.0%	<b>149.55</b>	563,304	100.0%	<b>157.38</b>
Effective Gross Income	\$512,297	100.0%	<b>\$143.62</b>	\$544,960	100.0%	<b>\$149.55</b>	<b>\$563,304</b>	100.0%	<b>\$157.38</b>
<b>Expenses</b>									
Real Estate Taxes	15,142	3.0%	<b>4.24</b>	15,062	2.8%	<b>4.13</b>	7,571	1.3%	<b>2.12</b>
Property Insurance	24,967	4.9%	<b>7.00</b>	36,989	6.8%	<b>10.15</b>	37,047	6.6%	<b>10.35</b>
Utilities	35,284	6.9%	<b>9.89</b>	31,438	5.8%	<b>8.63</b>	31,677	5.6%	<b>8.85</b>
Administrative & General	26,322	5.1%	<b>7.38</b>	33,139	6.1%	<b>9.09</b>	17,897	3.2%	<b>5.00</b>
Marketing	4,510	0.9%	<b>1.26</b>	25	0.0%	<b>0.01</b>	2,685	0.5%	<b>0.75</b>
Resident Care	855	0.2%	<b>0.24</b>	1,295	0.2%	<b>0.36</b>	1,432	0.3%	<b>0.40</b>
Culinary Services	36,406	7.1%	<b>10.21</b>	33,195	6.1%	<b>9.11</b>	25,056	4.4%	<b>7.00</b>
Laundry & Housekeeping	-	0.0%	<b>0.00</b>	-	0.0%	<b>0.00</b>	1,790	0.3%	<b>0.50</b>
Repairs & Maintenance	14,394	2.8%	<b>4.04</b>	13,822	2.5%	<b>3.79</b>	14,317	2.5%	<b>4.00</b>
Programming	97	0.0%	<b>0.03</b>	3,454	0.6%	<b>0.95</b>	1,790	0.3%	<b>0.50</b>
Employee Payroll	287,898	56.2%	<b>80.71</b>	255,367	46.9%	<b>70.08</b>	214,762	38.1%	<b>60.00</b>
Payroll Taxes & Benefits	-	0.0%	<b>0.00</b>	-	0.0%	<b>0.00</b>	29,530	5.2%	<b>8.25</b>
Management Fee	25,615	5.0%	<b>7.18</b>	27,248	5.0%	<b>7.48</b>	28,165	5.0%	<b>7.87</b>
Reserves for Replacement	3,500	0.7%	<b>0.98</b>	3,500	0.6%	<b>0.96</b>	3,500	0.6%	<b>0.98</b>
<b>Operating Expenses [1]</b>	<b>\$474,990</b>	<b>92.7%</b>	<b>\$133.16</b>	<b>\$454,534</b>	<b>83.4%</b>	<b>\$124.74</b>	<b>\$417,218</b>	<b>74.1%</b>	<b>\$116.56</b>
<b>Net Operating Income</b>	<b>\$37,307</b>	<b>7.3%</b>	<b>\$10.46</b>	<b>\$90,426</b>	<b>16.6%</b>	<b>\$24.82</b>	<b>\$146,086</b>	<b>25.9%</b>	<b>\$40.81</b>

[1] Operating statements have been adjusted to include the market-level management fees and replacement reserves.

Source: Operating statements

## Operating Revenue Analysis

### Subject Rental Information

All units within the subject property are private pay. The following table shows the subject's quoted rental rates based on unit type:

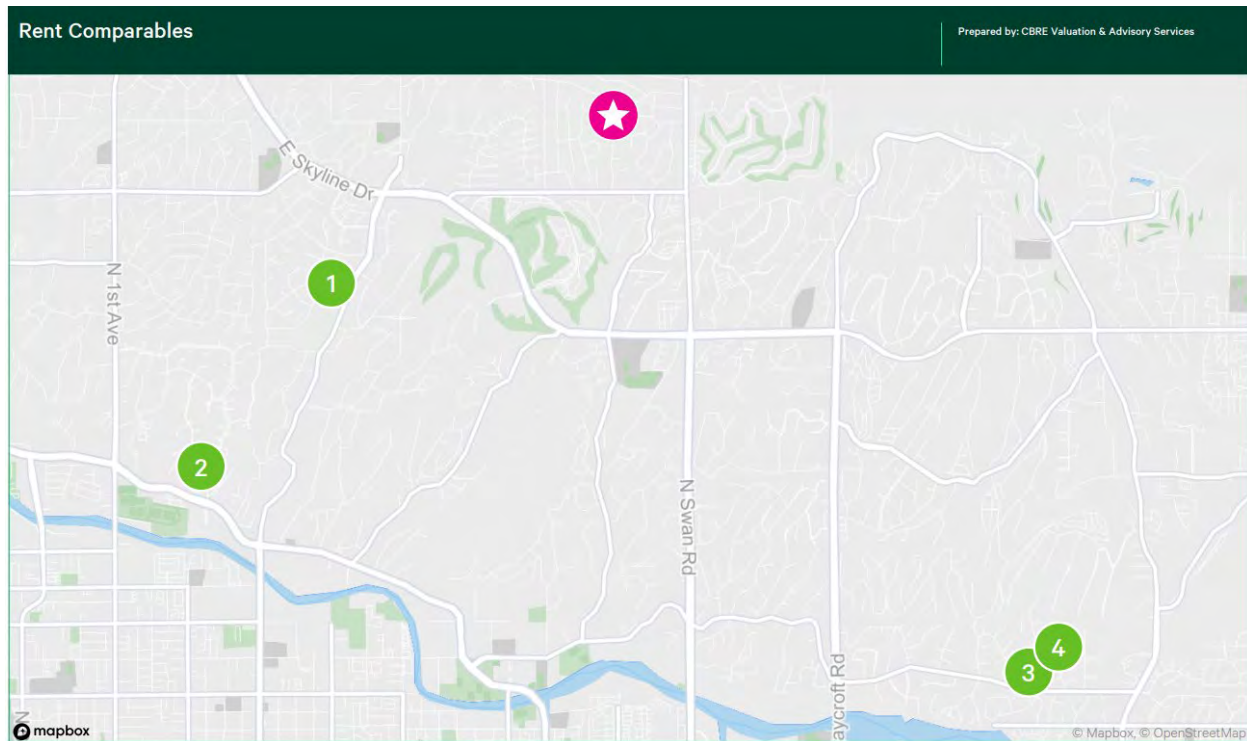
SUBJECT RENTAL INFORMATION					
Type	No. Units	No. Beds	Revenue Units	Rev. Unit Occ.	Quoted \$/Rev. Unit
<b>Assisted Living</b>					
Studio	8	8	8	100%	\$4,410 - \$5,495
Companion	1	2	2	100%	\$3,087 - \$3,150
Total/Average:	9	10	10	100%	
Compiled by CBRE					

The following chart summarizes the subject's rental rate structure, including care plan type, second resident (person) fee, and community fee:

SUBJECT RENTAL STRUCTURE			
Care Level	Care Plan Type	Second Resident Fee	Community Fee
Assisted Living	All-Inclusive	No	No
Source: Property Management			

## Rent Comparables

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



### SUMMARY OF COMPARABLE RENTALS

No.	Property Name and Location	Year Built	Rev.	Census	Base Rent
			Units AL	AL	(\$/Month) AL
1	Skyline at Mina Vista 5910 N Mina Vista, Tucson, Arizona	2007	9	89%	\$6,500
2	Canyon View by Platinum Care Homes 1331 E Sobre Lomas, Tucson, Arizona	1965	10	80%	\$4,800 \$5,200
3	Desert Gardens Assisted Living 3700 North River Hills Drive, Tucson, Arizona	1984	10	100%	\$4,500 \$6,000
4	Starfish Care Homes River Hills 6611 E River Hills Place, Tucson, Arizona	1991	9	100%	\$4,800 \$7,500
Subj.	Catalina Foothills Adult Care 4250 East Havasu Road, Tucson, Arizona	1976	10	100%	\$3,087 \$5,495

Source: CBRE VIEW Database

Comparable properties have been surveyed to identify the occupancy and rental trends within the subject's immediate market area. Competitive properties were identified within the subject's defined primary market area whereas comparable properties located outside the defined PMA were supplemented as needed.

## **Analysis of Rent Comparables**

### **Rent Comparable One**

Skyline at Mina Vista is a residential-style assisted living community, located in a suburban area. Amenities and services offered are superior to the local market. The property is managed by Skyline at Mina Vista, a local owner/operator. Management reported one room is available, however there is typically a wait list with strong demand. Assisted living rents are based on a base plus a-la-carte structure. This community was purpose built as a single-family residence and was converted to assisted living in 2019.

### **Rent Comparable Two**

Canyon View by Platinum Care Homes is a residential-style assisted living community, located in a suburban area. Amenities and services offered are consistent to the local market. The property is managed by Platinum Care Homes, a local owner-operator of seniors housing communities. Management reported an overall occupancy of 80%. Assisted living rents are based on an all-inclusive structure. This community was purpose built as a single-family residence and was converted to assisted living in 2001.

### **Rent Comparable Three**

Desert Gardens Assisted Living is a residential-style assisted living community, located in a suburban area. Amenities and services offered are consistent to the local market. The property is managed by Desert Gardens Assisted Living, a local owner/operator. Management reported a wait list with strong demand. Assisted living rents are based on an all-inclusive structure. This community was purpose built as a single-family residence and was converted to assisted living in March 2019. According to management, the community has remained at 100% occupancy since June 2019.

### **Rent Comparable Four**

Starfish Care Home at River Hills is a residential-style assisted living community, located in a suburban area. Amenities and services offered are consistent to the local market. The property is managed by Starfish Care Homes, a local owner/operator. Management reported strong demand at the time of survey. Assisted living rents are based on an all-inclusive structure. This community was purpose built as a single-family residence and was converted to assisted living in 2014.

## **Market Rent Estimate**

In order to estimate the market rates, the subject unit types have been compared with similar units and care levels. While independent living rents are typically all inclusive, assisted living and memory care

units are often rented under various rental structures. These structures range from all inclusive, base rent plus additional charges for activity of daily living (ADL) services charged by level, or base rent plus additional charges for ADL services charged a la carte. In order to get an accurate understanding of the subject market position, the comparable rents have been adjusted accordingly.

### Assisted Living

SUMMARY OF COMPARABLE RENTALS ASSISTED LIVING COMPANION UNITS				
Comparable	Base \$/Mo.	Plan Type	ADL \$/Mo.	Adj. \$/Mo.
Subject (Quoted Rent)	\$3,087 - \$3,150	All-Inclusive	-	\$3,087 - \$3,150
<b>Subject (Concluded Mkt.)</b>	<b>\$3,150</b>	<b>All-Inclusive</b>	-	<b>\$3,150</b>
Compiled by CBRE				

SUMMARY OF COMPARABLE RENTALS ASSISTED LIVING STUDIO UNITS				
Comparable	Base \$/Mo.	Plan Type	ADL \$/Mo.	Adj. \$/Mo.
Subject (Quoted Rent)	\$4,410 - \$5,495	All-Inclusive	-	\$4,410 - \$5,495
Desert Gardens Assisted Living	\$4,500 - \$6,000	All-Inclusive	-	\$4,500 - \$6,000
Canyon View by Platinum Care Homes	\$4,800 - \$5,200	All-Inclusive	-	\$4,800 - \$5,200
Starfish Care Homes River Hills	\$4,800 - \$5,500	All-Inclusive	-	\$4,800 - \$5,500
<b>Subject (Concluded Mkt.)</b>	<b>\$5,200</b>	<b>All-Inclusive</b>	-	<b>\$5,200</b>
Skyline at Mina Vista	\$6,500	A-la-carte	\$50 - \$2,000	\$6,550 - \$8,500
Compiled by CBRE				

The subject's quoted rental rates are within the adjusted range indicated by the rent comparables. Recognizing the subject's commensurate quality and location in relation to the comparables, it is appropriate that the subject's rent fall at the middle of the range. Notably, none of the comparable properties surveyed offered companion units, however the CBRE estimate is considered to be reasonable given historic rents.

### Rent Adjustments

Rent adjustments can be necessary to account for differences in rental rates applicable to different units within similar floor plans due to items such as location within the property and care provided. However, this analysis utilizes the weighted average rental rates, considering this variance. Thus, no rent adjustments are required.

### Subject Rent Roll Analysis

The subject's rent roll has been analyzed and is summarized below:

**RENT ROLL ANALYSIS**

	Subject Asking	Collected			Total Revenue Collected		
		Avg.	Min.	Max.	Avg.	Min.	Max.
Assisted Living							
Studio	\$4,410 - \$5,495	\$5,163	\$4,410	\$6,880	\$5,391	\$4,410	\$6,880
Companion	\$3,087 - \$3,150	\$3,119	\$3,087	\$3,150	\$3,119	\$3,087	\$3,150
Source: Property Rent Roll							

The rent roll analysis serves as a crosscheck to the estimate of market rent for the subject. The collections shown on the rent roll include rent premiums and/or discounts.

**Market Rent Conclusions**

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

<b>MARKET RENT CONCLUSIONS</b>					
Unit Type	Revenue	Monthly Rent		Annual Rent	Annual
	Units	\$/Rev. Unit	PRI	\$/Rev. Unit	Potential Total
<b>Assisted Living</b>					
Studio	8	\$5,200	\$41,600	\$62,400	\$499,200
Companion	2	\$3,150	\$6,300	\$37,800	\$75,600
Conclusions	10	\$4,790	\$47,900	\$57,480	\$574,800
Compiled by CBRE					

In concluding market rental rate levels, we have incorporated consideration for nearby communities, as previously detailed and discussed. Additionally, the subject's in-place rates have also been considered. Within this analysis, potential rental income is estimated based upon the forward-looking market rental rates over the next twelve months. This method of calculating rental income is most prevalent in the local market and is consistent with the method used to derive overall capitalization rates from the comparable sales data.

In the proceeding loss to lease analysis, the subject's in-place rates are juxtaposed to market rent conclusions:

LOSS TO LEASE ANALYSIS		
Revenue Component	Total Monthly Rent	Total Annual Rent
10 Occupied Rev. Units at Contract Rates	\$47,541	\$570,488
- Vacant Rev. Units at Market Rates	\$0	\$0
10 Total Rev. Units @ Contract Rent	\$47,541	\$570,488
10 Total Rev. Units @ Market Rent	\$47,900	\$574,800
Indicated Loss-to-Lease		0.8%
Compiled by CBRE		

The variation between the total annual rent reflected in the rent roll analysis and the market rent conclusion is due to older leases that do not reflect recent increases in rental rates. Property management reportedly increases base rents for existing tenants at a rate below market rent increases.

### Concessions

Rent concessions are currently not prevalent in the local market nor are they present at the subject.

### Vacancy

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

WEIGHTED AVERAGE ECONOMIC VACANCY				
Care Level	% of Total PGI		Vacancy	
Assisted Living	100.0%	x	2.0%	= 2.0%
Indicated Weighted Average Vacancy (Rounded)				2.0%
Compiled by CBRE				

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

VACANCY	
Reporting Period	%
2020 Actual	2.3%
2021 Actual	0.2%
<b>CBRE Stabilized Estimate</b>	<b>2.0%</b>
Compiled by CBRE	

## Effective Gross Income

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

CONCLUDED RENTAL REVENUE SUMMARY						
Care Level / Payor	Potential Gross Rent Income		Occupancy (Rounded)	Net (Effective) Rental Income		
	Annual	AMR		Annual	% of Total	PRD
Assisted Living	\$574,800	\$4,790	98.0%	\$563,304	100%	\$157.38
<b>Total / Average</b>	<b>\$574,800</b>	<b>\$4,790</b>	<b>98.0%</b>	<b>\$563,304</b>		<b>\$157.38</b>

Source: Compiled by CBRE

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

EFFECTIVE GROSS INCOME				
Reporting Period	\$/ RD	\$/Rev. Unit	% Change	Annual Total
2020 Actual	\$143.62	\$51,230	---	\$512,297
2021 Actual	\$149.55	\$54,496	6.4%	\$544,960
<b>CBRE Stabilized Estimate</b>	<b>\$157.38</b>	<b>\$56,330</b>	<b>---</b>	<b>\$563,304</b>

Compiled by CBRE

The CBRE Stabilized estimate is in line with the historical operating trend. As detailed throughout this report, market data was extracted and utilized in determining these estimates. Overall, the concluded effective gross income estimated by CBRE is well supported by market-extracted indications.

## Operating Expense Analysis

### Expense Comparables

The following chart summarizes expenses obtained from comparable properties:

EXPENSE COMPARABLES									
	Comparable 1			Comparable 2			Comparable 3		
Expense Year	2019 Actual			2020 Actual			2021 TTM		
GBA (SF)	13,610			38,672			16,212		
Year Built	1966			1926			2007		
Unit Type:	Rev. Units	Res. Days		Rev. Units	Res. Days		Rev. Units	Res. Days	
Assisted Living	35	7,826		41	12,720		32	9,715	
Total Resident Days	35	7,826		41	12,720		32	9,715	
	%/ EGI	\$/RUnit	\$/RD	%/ EGI	\$/RUnit	\$/RD	%/ EGI	\$/RUnit	\$/RD
<b>Effective Gross Income</b>	-	\$40,133	<b>\$179</b>	-	\$48,105	<b>\$155</b>	-	\$42,192	<b>\$139</b>
<b>Expenses</b>									
Real Estate Taxes	3.6%	\$1,435	<b>\$6.42</b>	2.2%	\$1,042	<b>\$3.36</b>	0.0%	\$0	<b>\$0.00</b>
Property Insurance	4.7%	1,895	<b>8.47</b>	1.3%	614	<b>1.98</b>	1.8%	774	<b>2.55</b>
Utilities	2.7%	1,080	<b>4.83</b>	3.1%	1,508	<b>4.86</b>	1.6%	691	<b>2.28</b>
Administrative & General	2.1%	832	<b>3.72</b>	6.8%	3,287	<b>10.59</b>	3.5%	1,464	<b>4.82</b>
Marketing	0.0%	0	<b>0.00</b>	0.3%	129	<b>0.41</b>	1.7%	717	<b>2.36</b>
Resident Care	0.0%	0	<b>0.00</b>	1.9%	928	<b>2.99</b>	0.0%	19	<b>0.06</b>
Culinary Services	3.5%	1,419	<b>6.35</b>	7.4%	3,543	<b>11.42</b>	4.2%	1,787	<b>5.89</b>
Laundry & Housekeeping	0.3%	104	<b>0.47</b>	1.3%	642	<b>2.07</b>	0.1%	49	<b>0.16</b>
Repairs & Maintenance	3.8%	1,521	<b>6.80</b>	1.0%	502	<b>1.62</b>	0.7%	316	<b>1.04</b>
Programming	0.0%	0	<b>0.00</b>	0.4%	170	<b>0.55</b>	0.1%	26	<b>0.08</b>
Employee Payroll	39.2%	15,726	<b>70.33</b>	38.5%	18,508	<b>59.66</b>	46.6%	19,642	<b>64.70</b>
Payroll Taxes & Benefits	3.8%	1,512	<b>6.76</b>	4.3%	2,063	<b>6.65</b>	8.0%	3,367	<b>11.09</b>
Management Fee [1]	5.0%	2,007	<b>8.97</b>	5.0%	2,405	<b>7.75</b>	5.0%	2,110	<b>6.95</b>
Reserves [1]	0.9%	350	<b>1.57</b>	0.7%	350	<b>1.13</b>	0.8%	350	<b>1.15</b>
<b>Total Operating Expense</b>	<b>69.5%</b>	<b>\$27,881</b>	<b>\$124.68</b>	<b>74.2%</b>	<b>\$35,693</b>	<b>\$115.05</b>	<b>74.2%</b>	<b>\$31,311</b>	<b>\$103.14</b>

Source: CBRE Database; [1] Operating statements have been adjusted to include the market-level management fees and replacement reserves.

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

### COVID-19 Operating Expense Considerations

Expense levels at seniors housing communities were impacted by the COVID-19 pandemic. Though the level of the impact varied by region and property type, expenses increased since early March 2020. Primary elevated expenses included staffing/payroll, PPE, testing kits, and sanitation. The impact of the elevated expenses on the overall operations have been offset by several factors. In our discussions with operators, there is generally a consensus that while certain expenses, particularly payroll expenses, have increased in recent months, the increase is not anticipated to be permanent. Some operators are reporting that the increase in payroll expenses have reverted back to pre-COVID levels, while other operators report that payroll expenses remain elevated. The consensus among

operators is that elevated payroll expenses levels are not expected to be permanent. Notably, several government programs, such as the Payroll Protection Program, helped to offset the increased expenses for qualified operators.

Long-term expectations for changes in operating expenses are not current quantifiable. Potentially, however, elevated PPE and sanitation costs in the longer term are not likely to have significant impacts on overall operations. Potential increased regulatory requirements on a State or Federal level as well as elevated liability insurance, for example, pose a potential risk for increased expenses into perpetuity. However, in our discussions with market participants, this potential threat is not quantifiable, and not currently included within investment underwriting.

### Real Estate Taxes

Real estate taxes for the subject are detailed as follows:

REAL ESTATE TAXES					
Reporting Period	Real Estate Tax Total:				
	\$/ RD	\$/ Sq.Ft.	\$/Rev. Unit	% EGI	Annual Total
2020 Actual	<b>\$4.24</b>	\$3.13	\$1,514	3.0%	\$15,142
2021 Actual	<b>\$4.13</b>	\$3.12	\$1,506	2.8%	\$15,062
Expense Comparable 1	<b>\$6.42</b>	\$3.69	\$1,435	3.6%	-
Expense Comparable 2	<b>\$3.36</b>	\$1.11	\$1,042	2.2%	-
Expense Comparable 3	<b>\$0.00</b>	\$0.00	\$0	0.0%	-
Comparable Mean [1]	<b>\$4.89</b>	\$2.40	\$1,239	-	-
<b>CBRE Stabilized Estimate</b>	<b>\$2.12</b>	\$1.57	\$757	1.3%	\$7,571

Compiled by CBRE; [1] Mean solely includes datapoints above \$0.00.

Our conclusion is based on the analysis and discussion as presented within the Taxes and Assessment Data section. Note that this line item includes real property tax only, with the subject's personal property tax included under the Administrative & General expense line item. Additionally, the historical operating periods indicate a higher real estate tax expense, as they likely include personal property taxes.

### Property Insurance

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

PROPERTY INSURANCE					
Property Insurance Total:					
Reporting Period	\$/ RD	\$/ Sq.Ft.	\$/Rev. Unit	% EGI	Annual Total
2020 Actual	<b>\$7.00</b>	\$5.16	\$2,497	4.9%	\$24,967
2021 Actual	<b>\$10.15</b>	\$7.65	\$3,699	6.8%	\$36,989
Expense Comparable 1	<b>\$8.47</b>	\$4.87	\$1,895	4.7%	-
Expense Comparable 2	<b>\$1.98</b>	\$0.65	\$614	1.3%	-
Expense Comparable 3	<b>\$2.55</b>	\$1.19	\$774	1.8%	-
Comparable Mean [1]	<b>\$4.33</b>	\$2.24	\$1,094	-	-
<b>CBRE Stabilized Estimate</b>	<b>\$10.35</b>	\$7.66	\$3,705	6.6%	\$37,047

Compiled by CBRE; [1] Mean solely includes datapoints above \$0.00.

Insurance is a property-specific expense; therefore, we have placed primary weight on the reported figures for our conclusion.

### Utilities

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

UTILITIES					
Utilities Total:					
Reporting Period	\$/ RD	\$/ Sq.Ft.	\$/Rev. Unit	% EGI	Annual Total
2020 Actual	<b>\$9.89</b>	\$7.30	\$3,528	6.9%	\$35,284
2021 Actual	<b>\$8.63</b>	\$6.50	\$3,144	5.8%	\$31,438
Expense Comparable 1	<b>\$4.83</b>	\$2.78	\$1,080	3.8%	-
Expense Comparable 2	<b>\$4.86</b>	\$1.60	\$1,508	3.3%	-
Expense Comparable 3	<b>\$2.28</b>	\$1.36	\$691	4.1%	-
Comparable Mean [1]	<b>\$3.99</b>	\$1.91	\$1,093	-	-
<b>CBRE Stabilized Estimate</b>	<b>\$8.85</b>	\$6.55	\$3,168	5.6%	\$31,677

Compiled by CBRE; [1] Mean solely includes datapoints above \$0.00.

Like insurance expenses, utilities are a highly, property-specific expense; therefore, we have placed primary weight on the reported figures for our conclusion.

## Administrative & General

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

ADMINISTRATIVE & GENERAL						
Reporting Period	Payroll \$/ RD	Expense \$/ RD	Total Administrative & General Expense:			
			\$/ RD	\$/Rev. Unit	% EGI	Annual Total
2020 Actual	\$0.00	\$7.38	<b>\$7.38</b>	\$2,632	5.1%	\$26,322
2021 Actual	\$0.00	\$9.09	<b>\$9.09</b>	\$3,314	6.1%	\$33,139
Expense Comparable 1	\$0.00	\$3.72	<b>\$3.72</b>	\$832	2.1%	-
Expense Comparable 2	\$0.00	\$10.59	<b>\$10.59</b>	\$3,287	6.8%	-
Expense Comparable 3	\$0.00	\$4.82	<b>\$4.82</b>	\$1,464	3.5%	-
Comparable Mean [1]	\$0.00	\$6.38	<b>\$6.38</b>	\$1,861	-	-
<b>CBRE Stabilized Estimate</b>	<b>\$0.00</b>	<b>\$5.00</b>	<b>\$5.00</b>	\$1,790	3.2%	\$17,897

Compiled by CBRE; [1] Mean solely includes datapoints above \$0.00.

The CBRE Estimate falls below the historical operating periods, as this line item likely includes ownership expenses unrelated to the subject operations. Additionally, the historic periods likely include housekeeping expenses which are addressed below. Therefore, the CBRE Estimate place primary weight on the expense comparables.

## Marketing

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

MARKETING						
Reporting Period	Payroll \$/ RD	Expense \$/ RD	Total Marketing Expense:			
			\$/ RD	\$/Rev. Unit	% EGI	Annual Total
2020 Actual	\$0.00	\$1.26	<b>\$1.26</b>	\$451	0.9%	\$4,510
2021 Actual	\$0.00	\$0.01	<b>\$0.01</b>	\$3	0.0%	\$25
Expense Comparable 1	\$0.00	\$0.00	<b>\$0.00</b>	\$0	0.0%	-
Expense Comparable 2	\$0.00	\$0.41	<b>\$0.41</b>	\$129	0.3%	-
Expense Comparable 3	\$0.00	\$2.36	<b>\$2.36</b>	\$717	1.7%	-
Comparable Mean [1]	\$0.00	\$1.39	<b>\$1.39</b>	\$423	-	-
<b>CBRE Stabilized Estimate</b>	<b>\$0.00</b>	<b>\$0.75</b>	<b>\$0.75</b>	\$268	0.5%	\$2,685

Compiled by CBRE; [1] Mean solely includes datapoints above \$0.00.

The CBRE Estimate is supported by the historical operating periods and falls within the expense comparable range.

### Resident Care

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

RESIDENT CARE						
Reporting Period	Payroll	Expense	Total Resident Care Expense:			
	\$/ RD	\$/ RD	\$/ RD	\$/Rev. Unit	% EGI	Annual Total
2020 Actual	\$0.00	\$0.24	<b>\$0.24</b>	\$86	0.2%	\$855
2021 Actual	\$0.00	\$0.36	<b>\$0.36</b>	\$129	0.2%	\$1,295
Expense Comparable 1	\$0.00	\$0.00	<b>\$0.00</b>	\$0	0.0%	-
Expense Comparable 2	\$0.00	\$2.99	<b>\$2.99</b>	\$928	1.9%	-
Expense Comparable 3	\$0.00	\$0.06	<b>\$0.06</b>	\$19	0.0%	-
Comparable Mean [1]	\$0.00	\$1.53	<b>\$1.53</b>	\$473	-	-
<b>CBRE Stabilized Estimate</b>	<b>\$0.00</b>	<b>\$0.40</b>	<b>\$0.40</b>	\$143	0.3%	\$1,432

Compiled by CBRE; [1] Mean solely includes datapoints above \$0.00.

The CBRE Estimate is in line with the historical operating trend and falls within the expense comparable range.

### Culinary Services

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

CULINARY SERVICES						
	Payroll	Expense	Total Culinary Services Expense:			
Reporting Period	\$/ RD	\$/ RD	\$/ RD	\$/Rev. Unit	% EGI	Annual Total
2020 Actual	\$0.00	\$10.21	<b>\$10.21</b>	\$3,641	7.1%	\$36,406
2021 Actual	\$0.00	\$9.11	<b>\$9.11</b>	\$3,319	6.1%	\$33,195
Expense Comparable 1	\$0.00	\$6.35	<b>\$6.35</b>	\$1,419	3.5%	-
Expense Comparable 2	\$0.00	\$11.42	<b>\$11.42</b>	\$3,543	7.4%	-
Expense Comparable 3	\$0.00	\$5.89	<b>\$5.89</b>	\$1,787	4.2%	-
Comparable Mean [1]	\$0.00	\$7.89	<b>\$7.89</b>	\$2,250	-	-
<b>CBRE Stabilized Estimate</b>	<b>\$0.00</b>	<b>\$7.00</b>	<b>\$7.00</b>	\$2,506	4.4%	\$25,056

Compiled by CBRE; [1] Mean solely includes datapoints above \$0.00.

As the subject's historical culinary expense appears to be high in relation to the comparables. The CBRE Estimate placed primary weight on the expense comparables.

### Repairs & Maintenance

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

REPAIRS & MAINTENANCE						
	Payroll	Expense	Total Repairs & Maintenance Expense:			
Reporting Period	\$/ RD	\$/ RD	\$/ RD	\$/Rev. Unit	% EGI	Annual Total
2020 Actual	\$0.00	\$4.04	<b>\$4.04</b>	\$1,439	2.8%	\$14,394
2021 Actual	\$0.00	\$3.79	<b>\$3.79</b>	\$1,382	2.5%	\$13,822
Expense Comparable 1	\$0.00	\$6.80	<b>\$6.80</b>	\$1,521	3.8%	-
Expense Comparable 2	\$0.00	\$1.62	<b>\$1.62</b>	\$502	1.0%	-
Expense Comparable 3	\$0.00	\$1.04	<b>\$1.04</b>	\$316	0.7%	-
Comparable Mean [1]	\$0.00	\$3.15	<b>\$3.15</b>	\$780	-	-
<b>CBRE Stabilized Estimate</b>	<b>\$0.00</b>	<b>\$4.00</b>	<b>\$4.00</b>	\$1,432	2.5%	\$14,317

Compiled by CBRE; [1] Mean solely includes datapoints above \$0.00.

The CBRE Estimate is supported by the historical operating periods and falls within the expense comparable range.

## Laundry & Housekeeping

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

LAUNDRY & HOUSEKEEPING						
Reporting Period	Payroll \$/ RD	Expense \$/ RD	Total Laundry & Housekeeping Expense:			
			\$/ RD	\$/Rev. Unit	% EGI	Annual Total
2020 Actual	\$0.00	\$0.00	<b>\$0.00</b>	\$0	0.0%	\$0
2021 Actual	\$0.00	\$0.00	<b>\$0.00</b>	\$0	0.0%	\$0
Expense Comparable 1	\$0.00	\$0.47	<b>\$0.47</b>	\$104	0.3%	-
Expense Comparable 2	\$0.00	\$2.07	<b>\$2.07</b>	\$642	1.3%	-
Expense Comparable 3	\$0.00	\$0.16	<b>\$0.16</b>	\$49	0.1%	-
Comparable Mean [1]	\$0.00	\$0.90	<b>\$0.90</b>	\$265	-	-
<b>CBRE Stabilized Estimate</b>	<b>\$0.00</b>	<b>\$0.50</b>	<b>\$0.50</b>	\$179	0.3%	\$1,790

Compiled by CBRE; [1] Mean solely includes datapoints above \$0.00.

As management did not break out a housekeeping expense in the historical reporting periods, CBRE has placed primary weight on the expense comparables for this line item.

## Programming

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

PROGRAMMING						
Reporting Period	Payroll \$/ RD	Expense \$/ RD	Total Programming Expense:			
			\$/ RD	\$/Rev. Unit	% EGI	Annual Total
2020 Actual	\$0.00	\$0.03	<b>\$0.03</b>	\$10	0.0%	\$97
2021 Actual	\$0.00	\$0.95	<b>\$0.95</b>	\$345	0.6%	\$3,454
Expense Comparable 1	\$0.00	\$0.00	<b>\$0.00</b>	\$0	0.0%	-
Expense Comparable 2	\$0.00	\$0.55	<b>\$0.55</b>	\$170	0.4%	-
Expense Comparable 3	\$0.00	\$0.08	<b>\$0.08</b>	\$26	0.1%	-
Comparable Mean [1]	\$0.00	\$0.32	<b>\$0.32</b>	\$98	-	-
<b>CBRE Stabilized Estimate</b>	<b>\$0.00</b>	<b>\$0.50</b>	<b>\$0.50</b>	\$179	0.3%	\$1,790

Compiled by CBRE; [1] Mean solely includes datapoints above \$0.00.

The CBRE Estimate is supported by the historical operating periods and falls within the expense comparable range.

## Employee Payroll

Employee Payroll includes all payroll for directly employed personnel.

EMPLOYEE PAYROLL				
Reporting Period	Total Employee Payroll Expense			
	\$/ RD	\$/Rev. Unit	% EGI	Annual Total
2020 Actual	<b>\$80.71</b>	\$28,790	56.2%	\$287,898
2021 Actual	<b>\$70.08</b>	\$25,537	46.9%	\$255,367
Expense Comparable 1	<b>\$70.33</b>	\$15,726	39.2%	-
Expense Comparable 2	<b>\$59.66</b>	\$18,508	38.5%	-
Expense Comparable 3	<b>\$64.70</b>	\$19,642	46.6%	-
Comparable Mean [1]	<b>\$64.89</b>	\$17,959	-	-
<b>CBRE Stabilized Estimate</b>	<b>\$60.00</b>	\$21,476	38.1%	\$214,762
Compiled by CBRE; [1] Mean solely includes datapoints above \$0.00.				

The CBRE Estimate falls below the historical operating periods, as they likely include payroll taxes and benefits. However, the CBRE Estimate is well supported by the expense comparable range.

## Payroll Taxes & Benefits

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

PAYROLL TAXES & BENEFITS							
Reporting Period	Payroll Taxes	Payroll Benefits	Payroll Taxes & Benefits Total:				
	\$/ RD	\$/ RD	\$/ RD	% of Payroll	\$/Rev. Unit	% EGI	Annual Total
2020 Actual	\$0.00	\$0.00	<b>\$0.00</b>	<b>0.0%</b>	\$0	0.0%	\$0
2021 Actual	\$0.00	\$0.00	<b>\$0.00</b>	<b>0.0%</b>	\$0	0.0%	\$0
Expense Comparable 1	\$6.76	\$0.00	<b>\$6.76</b>	<b>9.6%</b>	\$1,512	3.8%	-
Expense Comparable 2	\$5.07	\$1.58	<b>\$6.65</b>	<b>11.1%</b>	\$2,063	4.3%	-
Expense Comparable 3	\$5.63	\$5.46	<b>\$11.09</b>	<b>17.1%</b>	\$3,367	8.0%	-
Comparable Mean [1]	\$5.82	\$3.52	<b>\$8.17</b>	<b>12.6%</b>	\$2,314	-	-
<b>CBRE Stabilized Estimate</b>	<b>\$5.50</b>	<b>\$2.75</b>	<b>\$8.25</b>	<b>13.8%</b>	\$2,953	5.2%	\$29,530
Compiled by CBRE; [1] Mean solely includes datapoints above \$0.00.							

As a check of reasonableness, payroll taxes and benefits typically ranges between 15.0% and 25.0% of the Total Employee Payroll for similar facilities and our conclusion, which falls around 13.8% of the

total payroll expenses, is reasonable given the comparable range. Notably, the subject's historical payroll taxes and benefits expense was likely included in employee payroll.

### **Management Fee**

Management expenses are typically negotiated as a percentage of collected revenues (i.e., effective gross income). Notably, for valuation purposes the reported and comparable datasets have been adjusted have been adjusted to include the market-level management fees. As reported in the 2018 SOSH report, management fees currently charged in the market range from 3.5% to 6.5% depending upon a wide assortment of attributes ranging from size, location, etc. When considering the subject's operations and physical features, we conclude an appropriate management expense is 5.00%.

### **Reserves for Replacement**

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

### **Operating Expense Conclusions**

As detailed within the departmental operating expense discussions, each conclusion does not include payroll expenses. The table on the following page summarizes the breakdown between department payroll and department expenses.

The CBRE Stabilized operating expense is slightly below the total operating expenses indicated by the subject's historical operating periods due to non-operating expenses being included in the historical reporting periods. However, it is well supported by the market comparables as well as nationally published data-points.

As a check of reasonableness for the operating expense conclusions, we have considered the subject's indicated operating expense ratio. The implied expense ratios for the comparable properties range from 69.5% to 74.2%. Overall, the subject's indicated expense ratio, of 74.1%, falls within the comparable range, providing further support for the operating expenses conclusion.

## OPERATING EXPENSE SUMMARY

Department Payroll	Subject Reporting Periods				CBRE Stabilized		Comparable Dataset:		
	2020 Actual		2021 Actual		Estimate		Comp. 1	Comp. 2	Comp. 3
	Total	\$/RD	Total	\$/RD	Total	\$/RD	\$/RD	\$/RD	\$/RD
<b>Employee Payroll</b>	<b>\$287,898</b>	<b>\$80.71</b>	<b>\$255,367</b>	<b>\$70.08</b>	<b>\$214,762</b>	<b>\$60.00</b>	<b>\$70.33</b>	<b>\$59.66</b>	<b>\$64.70</b>
Payroll Taxes	\$0	\$0.00	\$0	\$0.00	\$19,687	\$5.50	\$6.76	\$5.07	\$5.63
Benefits	\$0	\$0.00	\$0	\$0.00	\$9,843	\$2.75	\$0.00	\$1.58	\$5.46
Payroll Taxes & Benefits	\$0	\$0.00	\$0	\$0.00	\$29,530	\$8.25	\$6.76	\$6.65	\$11.09
% of Employee Payroll		0.0%		0.0%		13.8%	9.6%	11.1%	17.1%
<b>Total Payroll Expenses</b>	<b>\$287,898</b>	<b>\$80.71</b>	<b>\$255,367</b>	<b>\$70.08</b>	<b>\$244,292</b>	<b>\$68.25</b>	<b>\$77.09</b>	<b>\$66.31</b>	<b>\$75.79</b>
% of Operating Expenses		60.6%		56.2%		58.6%	61.8%	57.6%	73.5%

Department Expenses	Subject Reporting Periods:				CBRE Stabilized		Comparable Dataset:		
	2020 Actual		2021 Actual		Estimate		Comp. 1	Comp. 2	Comp. 3
	Total	\$/RD	Total	\$/RD	Total	\$/RD	\$/RD	\$/RD	\$/RD
Real Estate Taxes	\$15,142	\$4.24	\$15,062	\$4.13	\$7,571	\$2.12	\$6.42	\$3.36	\$0.00
Property Insurance	\$24,967	\$7.00	\$36,989	\$10.15	\$37,047	\$10.35	\$8.47	\$1.98	\$2.55
Utilities	\$35,284	\$9.89	\$31,438	\$8.63	\$31,677	\$8.85	\$4.83	\$4.86	\$2.28
Administrative & General	\$26,322	\$7.38	\$33,139	\$9.09	\$17,897	\$5.00	\$3.72	\$10.59	\$4.82
Marketing	\$4,510	\$1.26	\$25	\$0.01	\$2,685	\$0.75	\$0.00	\$0.41	\$2.36
Resident Care	\$855	\$0.24	\$1,295	\$0.36	\$1,432	\$0.40	\$0.00	\$2.99	\$0.06
Culinary Services	\$36,406	\$10.21	\$33,195	\$9.11	\$25,056	\$7.00	\$6.35	\$11.42	\$5.89
Laundry & Housekeeping	\$0	\$0.00	\$0	\$0.00	\$1,790	\$0.50	\$0.47	\$2.07	\$0.16
Repairs & Maintenance	\$14,394	\$4.04	\$13,822	\$3.79	\$14,317	\$4.00	\$6.80	\$1.62	\$1.04
Programming	\$97	\$0.03	\$3,454	\$0.95	\$1,790	\$0.50	\$0.00	\$0.55	\$0.08
Management Fee*	\$25,615	\$7.18	\$27,248	\$7.48	\$28,165	\$7.87	\$8.97	\$7.75	\$6.95
Reserves*	\$3,500	\$0.98	\$3,500	\$0.96	\$3,500	\$0.98	\$1.57	\$1.13	\$1.15
<b>Total Expense Items</b>	<b>\$187,092</b>	<b>\$52.45</b>	<b>\$199,167</b>	<b>\$54.66</b>	<b>\$172,926</b>	<b>\$48.31</b>	<b>\$47.59</b>	<b>\$48.74</b>	<b>\$27.35</b>
<b>Operating Expenses</b>	<b>\$474,990</b>	<b>\$133.16</b>	<b>\$454,534</b>	<b>\$124.74</b>	<b>\$417,218</b>	<b>\$116.56</b>	<b>\$124.68</b>	<b>\$115.05</b>	<b>\$103.14</b>
Operating Expense Ratio		92.7%		83.4%		74.1%	69.5%	74.2%	74.2%

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

## Net Operating Income Conclusion

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

NET OPERATING INCOME				
Reporting Period	\$/ RD	\$/Rev. Unit	% EGI	Annual Total
2020 Actual	\$10.46	\$3,731	7.3%	<b>\$37,307</b>
2021 Actual	\$24.82	\$9,043	16.6%	<b>\$90,426</b>
<b>CBRE Stabilized Estimate</b>	<b>\$40.81</b>	<b>\$14,609</b>	<b>25.9%</b>	<b>\$146,086</b>
Compiled by CBRE				

As the revenue, occupancy, and individual operating expense line items are supported by the historical and market data, the corresponding net operating income is considered to be well supported. Notably, the CBRE Estimate falls above the historical operating periods due to non-operating expenses being included in the historical reporting periods.

In addition to the above analysis, we have incorporated consideration for the indicated operating margin, based on the net operating income (EBITDAR) as a test of reasonableness. The following table includes operating margins, on a national basis, for seniors housing communities by care level. Overall, the CBRE revenue and expense conclusion have a corresponding operating margin of 25.9%; this indication is well-within the range of the market data and, as such, this analysis is considered to provide additional support for the overall revenue and expenses conclusions.

OPERATING MARGINS BY COMMUNITY TYPE (EBITDAR/TOTAL REVENUES)						
For Profit Communities Only	IL	IL/AL	IL/AL/MC	AL (no MC)	AL/MC	CCRC
Lower Quartile	26.8%	16.7%	18.1%	13.8%	15.3%	7.6%
Median	39.1%	33.0%	33.2%	29.3%	28.7%	24.7%
Upper Quartile	48.8%	45.2%	43.0%	41.0%	39.9%	44.5%
<i>Note: Properties are ranked by operating margin. Each quartile represents the weighted average of all properties falling in that rank while the median reflects the average of the 5th and 6th deciles.</i>						
Source: ASHA, 2018 State of Seniors Housing Report						

## Direct Capitalization

Direct capitalization is a method used to convert a single year's estimated stabilized net operating income into a value indication. The following subsections represent different techniques for deriving an overall capitalization rate, or "going-in rate", for direct capitalization.

### Comparable Sales

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

COMPARABLE CAPITALIZATION RATES				
Sale	Sale Date	Sale Price \$/Rev. Unit	Occupancy	OAR
1	Aug-20	\$160,000	60%	8.78%
2	Jan-21	\$175,000	100%	9.43%
3	Apr-21	\$180,000	100%	9.84%
4	Dec-21	\$140,000	80%	8.90%
5	Sep-22	\$189,500	100%	8.30%
<b>Indicated OAR:</b>			<b>98%</b>	<b>8.30% - 9.84%</b>
Source: CBRE VIEW Database				

### Published Investor Surveys

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

OVERALL CAPITALIZATION RATES				
Investment Type	Average			
NIC-RCA Sales Transaction Report				
Seniors Housing				
T12 Months (Through 1Q 2022)	---	-	---	6.20%
1Q 2022	---	-	---	6.60%
Investment Type	OAR Range		Average	
Senior Living Valuation Services Survey (2021)				
Assisted Living	5.00%	- 11.00%	7.30%	
Investment Type	OAR Range		Average	
CBRE Seniors Housing Investor Survey (H1 2021)				
Assisted Living				
Class B: Core Locations	5.00%	- 10.00%	7.11%	
Class B: Non-Core Locations	5.00%	- 10.00%	7.41%	
Class C: Core Locations	6.00%	- 11.00%	8.28%	
Class C: Non-Core Locations	6.00%	- 11.00%	8.53%	
Indicated OAR:			9.50% - 10.50%	
Source: CBRE, RealtyRates.com, NIC				

## Band of Investment

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

BAND OF INVESTMENT			
Mortgage Interest Rate	5.25%		
Mortgage Term (Amortization Period)	30 Years		
Mortgage Ratio (Loan-to-Value)	65%		
Mortgage Constant (monthly payments)	0.06626		
Equity Dividend Rate (EDR)	16%		
Mortgage Requirement	65%	$\times 0.0663 =$	0.04307
Equity Requirement	35%	$\times 0.16000 =$	0.05600
	100%		0.09907
<b>Indicated OAR:</b>			<b>9.90%</b>
Compiled by: CBRE			

## Capitalization Rate Conclusion

The following chart summarizes the OAR conclusions.

OVERALL CAPITALIZATION RATE - CONCLUSION	
Source	Indicated OAR
Comparable Sales	8.30% - 9.84%
National Investor Surveys and Transaction Reports	9.50% - 10.50%
Band of Investment	9.90%
<b>CBRE Estimate</b>	<b>10.00%</b>
Compiled by: CBRE	

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

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

***Strengths/ Opportunities***

- Good location and design of improvements
- Positive growth in age 75+ population and households
- Census levels have had limited impact from COVID

***Weaknesses/ Threats***

- Older age of improvements
- Smaller buyer pool for residential-style assisted living
- Borrowing costs have increased (increased interest rates/spreads and a generally more conservative lending environment) and there is some uncertainty as to the timing and magnitude of additional future interest rate increases. CBRE expects the federal funds rate to increase through 2022 and peak in 2023 at 3.75%. Tightening credit markets will continue to drive adjustment in the commercial real estate investment markets in the near term with potential impacts on capitalization rates and investment demand.
- Inflation and related uncertainty can be a headwind for real estate, with impacts varying by property type. CBRE Research projects inflation to remain elevated in 2022 but slow thereafter.

### Effective Gross Income Multiplier Analysis

For residential style communities, the EGIM analysis is a primary method of value indication. The EGIM analysis compares the subject's income characteristics with those of the comparable properties and develops a multiplier that is appropriate for the subject. We have utilized the sales in the Sales Comparison Approach section to provide additional support for our EGIM analysis. Based on our analysis, we have concluded to an appropriate EGIM as follows:

EFFECTIVE GROSS INCOME MULTIPLIER ANALYSIS			
Sale No.	Occupancy	OER	EGIM
3	100%	58.04%	4.26
2	100%	63.33%	3.89
1	60%	69.19%	3.51
4	80%	69.25%	3.45
Subj.	98%	74.07%	2.70
Compiled by CBRE			

For seniors housing assets, there is typically an inverse relationship between the EGIM and OER, we considered the OERs at each comparable for our conclusion. As the subject's concluded OER falls above the range, we have placed weight below the comparable EGIM range.

EGIM ANALYSIS				
EGI	X	EGIM ANALYSIS	=	Value
\$563,304	X	2.70	=	\$1,520,921
Indicated As Is Value				\$1,520,921
Rounded				\$1,500,000
Compiled by CBRE				

## Direct Capitalization Summary

A summary of the direct capitalization at stabilized occupancy is illustrated in the following chart.

DIRECT CAPITALIZATION SUMMARY	
<b>Income</b>	
Assisted Living	\$563,304
<b>Net Rental Income</b>	<b>\$563,304</b>
<b>Effective Gross Income</b>	<b>\$563,304</b>
<b>Expenses</b>	
Real Estate Taxes	\$7,571
Property Insurance	\$37,047
Utilities	\$31,677
Administrative & General	\$17,897
Marketing	\$2,685
Resident Care	\$1,432
Culinary Services	\$25,056
Laundry & Housekeeping	\$1,790
Repairs & Maintenance	\$14,317
Programming	\$1,790
Employee Payroll	\$214,762
Payroll Taxes & Benefits	\$29,530
Management Fee	\$28,165
Reserves for Replacement	\$3,500
<b>Operating Expenses</b>	<b>\$417,218</b>
Operating Expense Ratio	74.07%
<b>Net Operating Income</b>	<b>\$146,086</b>
<b>OAR</b>	/ 10.00%
Indicated As Is Value	\$1,460,858
<b>Indicated Value (Rounded)</b>	<b>\$1,500,000</b>
Value Per Rev. Unit	\$150,000
Compiled by CBRE	

## Conclusion of Income Capitalization Approach

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

INCOME CAPITALIZATION APPROACH CONCLUSIONS				
Value Scenario	Date of Value	Direct Capitalization	EGIM Analysis Method	Reconciled Value
Current As Is	September 7, 2022	\$1,500,000	\$1,500,000	<b>\$1,500,000</b>
Compiled by CBRE				

Direct capitalization is typically utilized in estimating a market value for stabilized properties, while the EGIM analysis method is generally considered most appropriate for small residential care properties such as the subject. Primary weight has been placed on the EGIM analysis method with secondary weight on the direct capitalization method in the final reconciliation. Notably, both methods resulted in a similar value conclusion.

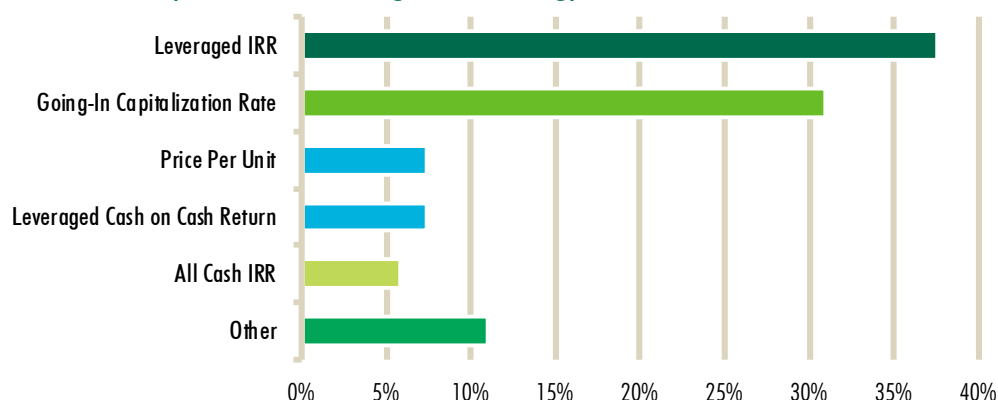
## Reconciliation of Value

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

<b>SUMMARY OF VALUE CONCLUSIONS</b>	
	As Is
Valuation Approach	September 7, 2022
Sales Comparison Approach	\$1,500,000
Income Capitalization Approach	\$1,500,000
Reconciled Value	\$1,500,000
Compiled by CBRE	

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

### Market Participant Underwriting Methodology



Source: CBRE Investor Survey, H1 2020.

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

The income capitalization approach is applicable to the subject since it is an income producing property leased in the open market. As shown above, over 80% of market participants primarily utilize analysis of income generating capability, via multiple methods. Therefore, the income capitalization approach has been given primary emphasis in the final value estimate.

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

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Current Value Conclusion			
As Is - Going Concern	Fee Simple Estate	September 7, 2022	\$1,500,000
Compiled by CBRE			

## Allocation of the Going Concern

This "going concern" value of the fee simple in the subject property includes value attributable to furniture, fixtures, and equipment (FF&E), business operation, and the real property. According to the Uniform Standards of Professional Appraisal Practice, Standards Rule 1-2(e), it is necessary to "identify and consider the effect on value of any personal property, trade fixtures or intangible items that are not real property but are included in the appraisal." The subject property contains elements of all three types of values: real property, intangible items (or business value), and personal property. Thus, we have allocated between each of these value components. In doing so, this analysis employs the residential home sales residual analysis method.

### Residential Home Sales Residual Analysis

While the subject is operated as an assisted living community, the improvements are most similar to a large single-family residence. Additionally, an alternative use, the cost and effort to convert it for residential use would be expected to be nominal. As such, we also researched the following residential home sales of similar size to the subject as a secondary dataset, to derive a residual business value:

RESIDENTIAL HOME SALES					
Address	Sale Date	SF	Bedrooms	Sale Price	Price/SF
5720 N Via Elena	Oct-21	6,242	6	\$1,690,000	\$271
5330 E Placita Casa Rio	Jul-22	6,048	5	\$1,675,000	\$277
6907 N Gleneagles Dr	Nov-21	5,840	5	\$1,550,000	\$265
3930 E Coronado Dr	May-22	5,873	5	\$1,250,000	\$213
5030 E Oakmont Dr	Jan-22	4,114	3	\$1,215,000	\$295
3001 E Camino De Bravo	Mar-22	4,557	5	\$1,130,000	\$248
4520 N Fletcha Dr	Aug-22	4,126	4	\$970,000	\$235
	Range High:	6,242	5	\$1,690,000	\$295
	Range Mean:	5,257	5	<b>\$1,354,286</b>	<b>\$258</b>
	Range Low:	4,114	3	\$970,000	\$213
<b>Subject RE Conclusion:</b>		<b>4,834</b>	<b>10</b>	<b>\$1,250,000</b>	<b>\$259</b>
Source: MLS					

A per square foot value near the average is concluded for the subject. This is applied against total square footage at the subject. The reconciled real estate value from this approach is \$1,250,000 based on the per SF indication. Based on the concluded going concern value of \$1,500,000 as well as the FF&E value of \$30,000, this approach results in an indicated business value residual of \$220,000 (\$1,500,000 - \$1,250,000 - \$30,000).

## Furniture, Fixtures and Equipment

Furniture, fixtures and equipment (FF&E) costs have been estimated in order to allocate the going concern. In estimating costs for FF&E, numerous developers have been consulted as well as property owners. The following table outlines budgeted FF&E in new construction.

FF&E COST SUMMARY		
Property Type	# of Units	\$/ Unit
AL	12	\$1,600
AL	36	\$5,000
AL	56	\$8,482
AL	24	\$4,403
AL	64	\$3,631
AL	83	\$5,693
AL	30	\$3,302
<b>Weighted Average:</b>	<b>---</b>	<b>\$5,193</b>
Source: Compiled by CBRE		

Given the degree of construction and quality associated with the subject property, combined with its size, an FF&E cost estimate of \$5,000 per unit, or \$50,000 (rounded) is considered reasonable for the subject.

Based on our physical inspection of the property, the following depreciation was applied to the FF&E, for the concluded contributory value detailed within the following chart.

FF&E VALUE ESTIMATE		
Cost New per Unit	\$5,000	\$50,000
Percentage of Units furnished with FF&E		100.0%
Cost New of FF&E		\$50,000
Effective Age	5 Years	
MVS Expected Life	10 Years	
Remaining Economic Life	5 Years	
Less: Incurable Physical Deterioration		50.0%
Rounded Contributory Value of FF&E	10 Units	\$30,000
Compiled by CBRE		

## Allocation of the Going Concern Conclusion

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

ALLOCATION OF THE GOING CONCERN					
	Date of Value	Going Concern Allocations:			Going Concern Market Value
		Real Estate	FF & E	Intangible	
Current Value Conclusion:					
As Is - Going Concern	September 7, 2022	\$1,249,000	\$30,000	\$221,000	\$1,500,000
Compiled by CBRE					

## Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, “CBRE”) has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the “Report”), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
  - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
  - (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
  - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
  - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
  - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
  - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
  - (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
  - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.
  - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
  - (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property’s compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.
  - (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.
13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.

15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.

**ADDENDA**

**ADDENDUM A**

**Comparable Data Sheets**

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

Property Name Comfort Givers II Assisted Living  
Address 13809 North 57th Street  
Scottsdale, AZ 85254  
United States

Government Tax Agency Maricopa  
Govt./Tax ID 215-88-021



## Care Levels: AL

Land Area	0.202 ac	Year Built	1978
Net Rentable Area (NRA)	2,754 sf	Year Renovated	N/A
Total Units	5	Buildings	N/A
Total Beds	5	Floor Count	1
Total Revenue Units	5	Condition	Average
Investment Class	C	Construction Class	D - Wood frame, floor and structure; considered combustible

## Care Level Summary

Level	Units	Beds	Measure	Revenue Units	Occupancy	Resident Ratio
AL	5	5	Beds	5	60%	N/A
<b>Totals</b>	<b>5</b>	<b>5</b>		<b>5</b>	<b>60%</b>	

## Amenities

General: N/A

Unit Specific: N/A

## Sale Summary

Recorded Buyer	Legacy Comfort Homes, LLC	Marketing Time	N/A
True Buyer	N/A	Buyer Type	Private Investor
Recorded Seller	Geneva Investments LLC	Seller Type	Private Investor
True Seller	Broker	Primary Verification	N/A
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Assisted Living	Date	8/10/2020
Proposed Use	Assisted Living	Sale Price	\$800,000
Listing Broker	Stacy Dragos, 602.954.2000	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	\$800,000
Doc #	20200726750	Capital Adjustment	\$0
		Adjusted Price	\$800,000

## Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
08/2020	Sale	Legacy Comfort Homes, LLC	Geneva Investments LLC	\$800,000	\$290.49

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

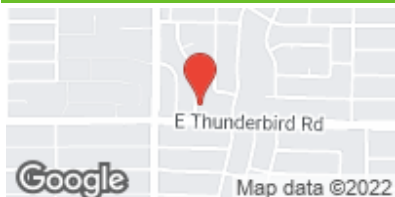
## Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Actual Occupancy at Sale	60%
Buyer's Primary Analysis	Static Capitalization Analysis	Eff Gross Inc Mult (EGIM)	3.51
Net Initial Yield/Cap. Rate	8.78%	Price / Revenue Unit	\$160,000
Projected IRR	N/A		

## Financial

Revenue Type	Pro Forma Stabilized
Period Ending	N/A
Source	Broker
Price	\$800,000
Occupancy	100%
Resident Days	1825
Effective Gross Income	\$228,000
Expenses	\$157,746
Net Operating Income	\$70,254
NOI/Revenue Unit	\$14,051
OER	69.19%
EGIM	3.51
Net Initial Yield/Cap. Rate	8.78%

## Map & Comments



This transaction represents the sale of a licensed 5-bed assisted living home located in Scottsdale, Arizona. On August 10, 2020, the property sold for \$800,000, or \$160,000 per unit. The sale included \$600,000 of real estate and \$200,000 of business value. The single-story improvements were built in 1978 and are located on a 0.20-acre site. The property was 60% occupied at the time of the sale. According to the listing agent, the pro forma EGI and expenses were \$228,000 and \$157,746, respectively.

# Sale Seniors Housing & Care - Single-Care No. 2

Property Name The Villa at Tuckey Lane  
Address 906 East Tuckey Lane  
Phoenix, AZ 85014  
United States

Government Tax Agency Maricopa  
Govt./Tax ID 161-05-021D



## Care Levels: AL

Land Area	0.607 ac	Year Built	1980
Net Rentable Area (NRA)	7,500 sf	Year Renovated	2020
Total Units	10	Buildings	1
Total Beds	10	Floor Count	1
Total Revenue Units	10	Condition	Good
Investment Class	D	Construction Class	D - Wood frame, floor and structure; considered combustible

## Care Level Summary

Level	Units	Beds	Measure	Revenue Units	Occupancy	Resident Ratio
AL	10	10	Beds	10	N/A	N/A
<b>Totals</b>	<b>10</b>	<b>10</b>		<b>10</b>	<b>N/A</b>	

## Amenities

General: N/A

Unit Specific: N/A

## Sale Summary

Recorded Buyer	JMD REI FOUR LLC	Marketing Time	N/A
True Buyer	N/A	Buyer Type	Private Investor
Recorded Seller	BEIS II LLC	Seller Type	Private Investor
True Seller	N/A	Primary Verification	Buyer, Appraisal
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	N/A	Date	1/22/2021
Proposed Use	N/A	Sale Price	\$1,750,000
Listing Broker	Stacy Dragos, 602.954.2000	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	\$1,750,000
Doc #	20210077579	Capital Adjustment	\$0
		Adjusted Price	\$1,750,000

## Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
01/2021	Sale	JMD REI FOUR LLC	BEIS II LLC	\$1,750,000	\$233.33

# Sale Seniors Housing & Care - Single-Care No. 2

## Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Actual Occupancy at Sale	100%
Buyer's Primary Analysis	Static Capitalization Analysis	Eff Gross Inc Mult (EGIM)	3.89
Net Initial Yield/Cap. Rate	9.43%	Price / Revenue Unit	\$175,000
Projected IRR	N/A		

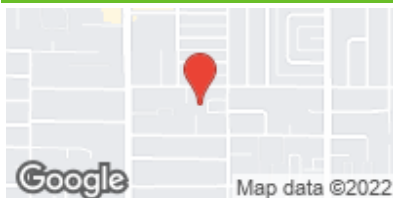
## Financial

Revenue Type	Pro Forma Stabilized
Period Ending	1/31/2022
Source	Buyer
Price	\$1,750,000
Occupancy	100%
Resident Days	3650
Effective Gross Income	\$450,000
Expenses	\$285,000
Net Operating Income	\$165,000
NOI/Revenue Unit	\$16,500
OER	63.33%
EGIM	3.89
Net Initial Yield/Cap. Rate	9.43%

## Leased Fee

Year 1 Period Ending	1/31/2022	Net Lease Amount	\$171,666
Source	Buyer	Net Lease Amnt/Rev.Unit	\$17,167
Adjusted Sale Price	\$1,750,000	Lease Fee Cap Rate	9.81
Annual Gross Lease Pymt	\$176,700	Net Lease Multiplier	3.89
Owner Expenses	\$5,034	Coverage Ratio	0.93

## Map & Comments



This transaction represents the sale of a licensed 10-bed assisted living home located in Phoenix, Arizona. On January 22, 2021, the property sold for \$1,750,000, or \$175,000 per unit. The single-story improvements were built in 1980, renovated in 2020, and are located on a 0.61-acre site.

# Sale Seniors Housing & Care - Single-Care No. 3

Property Name Acoma Assisted Living LLC  
Address 3142 East Acoma Drive  
Phoenix, AZ 85032  
United States

Government Tax Agency Maricopa  
Govt./Tax ID 214-59-124



## Care Levels: AL

Land Area	0.280 ac	Year Built	2018
Gross Building Area (GBA)	4,681 sf	Year Renovated	N/A
Total Units	10	Buildings	1
Total Beds	10	Floor Count	1
Total Revenue Units	10	Condition	Good
Investment Class	B	Construction Class	D - Wood frame, floor and structure; considered combustible

## Care Level Summary

Level	Units	Beds	Measure	Revenue Units	Occupancy	Resident Ratio
AL	10	10	Beds	10	100%	N/A
<b>Totals</b>	<b>10</b>	<b>10</b>		<b>10</b>	<b>100%</b>	

## Amenities

General: N/A

Unit Specific: N/A

## Sale Summary

Recorded Buyer	Desert Sierra Assisted Living LLC	Marketing Time	5 Month(s)
True Buyer	N/A	Buyer Type	End User
Recorded Seller	Cornel Lonca and Angela Lonca	Seller Type	End User
True Seller	N/A	Primary Verification	Broker
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	AL	Date	4/28/2021
Proposed Use	AL	Sale Price	\$1,800,000
Listing Broker	Diversified Partners: Michelle Cheverie - 602.391.9901	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	\$1,800,000
Doc #	2021-0475586	Capital Adjustment	\$0
		Adjusted Price	\$1,800,000

## Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
04/2021	Sale	Desert Sierra Assisted Living LLC	Cornel Lonca and Angela Lonca	\$1,800,000	\$384.53
12/2016	Sale	Sunbelt Home Care LLC	3142 E Acoma LLC; 4618 W Linda LLC	\$676,000	\$183.70

# Sale Seniors Housing & Care - Single-Care No. 3

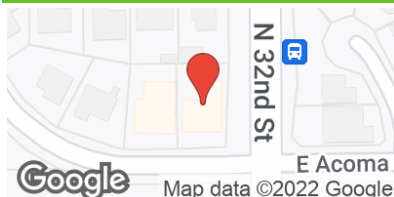
## Units of Comparison

Static Analysis Method	Trailing Actuals	Actual Occupancy at Sale	100%
Buyer's Primary Analysis	Price and Capitalization Analyses	Eff Gross Inc Mult (EGIM)	4.26
Net Initial Yield/Cap. Rate	9.84%	Price / Revenue Unit	\$180,000
Projected IRR	N/A		

## Financial

Revenue Type	Trailing Actuals
Period Ending	12/31/2020
Source	Broker
Price	\$1,800,000
Occupancy	100%
Resident Days	3650
Effective Gross Income	\$422,100
Expenses	\$245,000
Net Operating Income	\$177,100
NOI/Revenue Unit	\$17,710
OER	58.04%
EGIM	4.26
Net Initial Yield/Cap. Rate	9.84%

## Map & Comments



This comparable represents the sale of Acoma Assisted Living, a 10-unit/10-bed assisted living home in northern Phoenix, Arizona. The property was listed on the market for roughly 5 months before transacting at \$1,800,000, or \$180,000 per bed. The assisted living home was custom built in 2018 and is of good quality construction and in good condition. The finishes are contemporary and the layout functional. The property is operated by a local operator and was 100% occupied at the time of sale. The financials reported are 2020 Annualized actuals (January - August 2020, annualized). Historically, this property was improved with a smaller 6-unit/10-bed assisted living facility which was taken to the studs in 2018 before being rebuilt and expanded as is today.

# Sale Seniors Housing & Care - Single-Care No. 4

Property Name Hummingbird Grove Assisted Living  
 Address 22834 N 90th Dr  
 Peoria, AZ 85383  
 United States

Government Tax Agency Maricopa  
 Govt./Tax ID 200-08-301



## Care Levels: AL

Land Area	0.473 ac	Year Built	1987
Gross Building Area (GBA)	3,655 sf	Year Renovated	2015
Total Units	8	Buildings	1
Total Beds	10	Floor Count	1
Total Revenue Units	10	Condition	Good
Investment Class	C	Construction Class	D - Wood frame, floor and structure; considered combustible

Care Level Summary							Census Mix				
Level	Units	Beds	Measure	Revenue Units	Occupancy	Resident Ratio	Level	Private Pay	Medicaid	Medicare	Other
AL	8	10	Beds	10	80%	N/A	AL	100%	N/A	N/A	N/A
<b>Totals</b>	<b>8</b>	<b>10</b>		<b>10</b>	<b>80%</b>						

## Amenities

General: N/A

Unit Specific: N/A

## Sale Summary

Recorded Buyer	Chaitanya Musham	Marketing Time	N/A
True Buyer	Chaitanya Musham	Buyer Type	End User
Recorded Seller	Hummingbird 90th RE LLC	Seller Type	End User
True Seller	N/A	Primary Verification	Sales Contract, Broker - Stacy Dragos
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Residential Assisted Living	Date	12/1/2021
Proposed Use	N/A	Sale Price	\$1,400,000
Listing Broker	Stacy Dragos	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	\$1,400,000
Doc #	220064754	Capital Adjustment	\$0
		Adjusted Price	\$1,400,000

## Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
12/2021	Sale	Chaitanya Musham	Hummingbird 90th RE LLC	\$1,400,000	\$383.04

# Sale Seniors Housing & Care - Single-Care No. 4

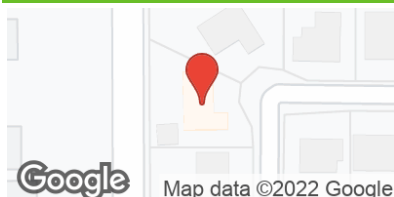
## Units of Comparison

Static Analysis Method	Trailing Actuals	Actual Occupancy at Sale	80%
Buyer's Primary Analysis	Static Capitalization Analysis	Eff Gross Inc Mult (EGIM)	3.45
Net Initial Yield/Cap. Rate	8.90%	Price / Revenue Unit	\$140,000
Projected IRR	N/A		

## Financial

Revenue Type	Trailing Actuals
Period Ending	8/31/2021
Source	Broker
Price	\$1,400,000
Occupancy	90%
Resident Days	3285
Effective Gross Income	\$405,311
Expenses	\$280,665
Net Operating Income	\$124,646
NOI/Revenue Unit	\$12,465
OER	69.25%
EGIM	3.45
Net Initial Yield/Cap. Rate	8.90%

## Map & Comments



Hummingbird Grove Assisted Living s is a residential style assisted living community located in a suburban location. The real estate sold to Chaitanya Musham, for \$1,125,000. The subject was openly marketed for sale by Stacy Dragos. There is also a separate business purchase agreement between the seller and the buyer for the sale of the subject's business operations for a total of \$275,000. As such, the combined purchase price is \$1,400,000.

Property Name Heritage Manor at Lago Del Oro  
 Address 16325 N Lago Del Oro Pkwy  
 Catalina, AZ 85739  
 United States

Government Tax Agency Pima  
 Govt./Tax ID 222-02-097B

**Care Levels: AL**

Land Area	1.480 ac	Year Built	2009
Gross Building Area (GBA)	4,656 sf	Year Renovated	N/A
Total Units	8	Buildings	1
Total Beds	10	Floor Count	1
Total Revenue Units	10	Condition	Good
Investment Class	B	Construction Class	D - Wood frame, floor and structure; considered combustible

**Care Level Summary**

Level	Units	Beds	Measure	Revenue Units	Occupancy	Resident Ratio
AL	8	10	Beds	10	1,000%	N/A
<b>Totals</b>	<b>8</b>	<b>10</b>		<b>10</b>	<b>1000%</b>	

**Amenities**

General: N/A

Unit Specific: N/A

**Sale Summary**

Recorded Buyer	N/A	Marketing Time	N/A
True Buyer	N/A	Buyer Type	N/A
Recorded Seller	Rally LLC	Seller Type	Private Investor
True Seller	N/A	Primary Verification	N/A

Interest Transferred	Fee Simple/Freehold	Type	Available/Listing
Current Use	Seniors Housing	Date	9/6/2022
Proposed Use	N/A	Sale Price	\$1,895,000
Listing Broker	Century 21	Financing	N/A
Selling Broker	N/A	Cash Equivalent	\$1,895,000
Doc #	N/A	Capital Adjustment	\$0
		Adjusted Price	\$1,895,000

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

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
09/2022	Available/Listing	N/A	Rally LLC	\$1,895,000	\$407.00

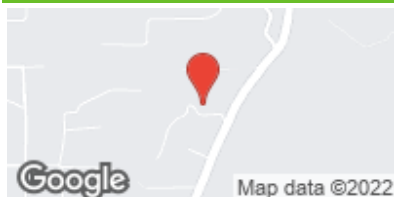
## Units of Comparison

Static Analysis Method	Trailing Actuals	Actual Occupancy at Sale	100%
Buyer's Primary Analysis	Static Capitalization Analysis	Eff Gross Inc Mult (EGIM)	N/A
Net Initial Yield/Cap. Rate	8.30%	Price / Revenue Unit	\$189,500
Projected IRR	N/A		

## Financial

Revenue Type	Trailing Actuals
Period Ending	N/A
Source	Broker
Price	\$1,895,000
Occupancy	100%
Resident Days	3650
Effective Gross Income	N/A
Expenses	N/A
Net Operating Income	\$157,285
NOI/Revenue Unit	\$15,729
OER	N/A
EGIM	N/A
Net Initial Yield/Cap. Rate	8.30%

## Map &amp; Comments



Heritage Manor at Lago Del Oro is a residential-style assisted living community, situated in a suburban area. The improvements were built in 2009 and are in good condition. The property was listed for sale in September 2022 and was fully occupied at the time of listing. The listing price was \$1,895,000 or \$189,500 per unit representing a 8.30% cap rate.

Comparable

Seniors Housing & Care - Single-Care

No. 1

Property Name

Skyline at Mina Vista

Address

5910 N Mina Vista  
Tucson, AZ 85718  
United States

Government Tax Agency

Pima

Govt./Tax ID

108-10-0640



Care Levels: AL

Land Area

1.270 ac

Year Built

2007

Gross Building Area (GBA)

3,419 sf

Year Renovated

N/A

Total Units

9

Buildings

1

Total Beds

9

Floor Count

1

Total Revenue Units

9

Condition

Good

Investment Class

B

Construction Class

D - Wood frame,  
floor and  
structure;  
considered  
combustible

Care Level Summary

Level	Units	Beds	Measure	Revenue Units	Occupancy	Resident Ratio
AL	9	9	Beds	9	89%	N/A
Totals	9	9		9	89%	

Amenities

General: N/A

Unit Specific: N/A

Rental Survey

Services Included	N/A	Verification	Admissions
Concessions	N/A	Contact	520-771-1480
Last Rent Increase	N/A	Survey Date	09/20/2022
Management	Skyline at Mina Vista		

Comparable	Seniors Housing & Care - Single-Care	No. 1
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Unit Mix & Asking Rates
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Care Level	Unit Type	Units	Beds	Size (sf)	Move-In Fee	Rental Fee	Fee Basis	Meals
AL	Studio	9	9	N/A	N/A	\$6,500	Monthly	3/Day

Entrance Fee Structure
------------------------

Plan Type	Refundable	Healthcare Benefits	Amortization Schedule	Residents
		No information recorded		

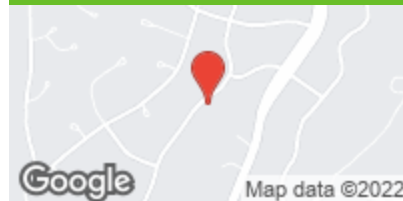
Second Resident Fees
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Care Level	Monthly Fee	Move-In Fee
	No information recorded	

Care Service Fees	Other Fees
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Care Level	Type	Monthly Fee	Care Level	Description	Fee
AL	A-la-carte	\$50 - 2,000		No information recorded	

Map & Comments
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Skyline at Mina Vista is a residential-style assisted living community, located in a suburban area. Amenities and services offered are superior to the local market. The property is managed by Skyline at Mina Vista, a local owner/operator. Management reported one room is available, however there is typically a wait list with strong demand. Assisted living rents are based on a base plus a-la-carte structure. This community was purpose built as a single-family residence and was converted to assisted living in 2019.

# Comparable Seniors Housing & Care - Single-Care No. 2

Property Name Canyon View by Platinum Care Homes  
 Address 1331 E Sobre Lomas  
 Tucson, AZ 85718  
 United States

Government Tax Agency Pima  
 Govt./Tax ID 108-18-0680



## Care Levels: AL

Land Area	1.090 ac	Year Built	1965
Gross Building Area (GBA)	3,879 sf	Year Renovated	N/A
Total Units	10	Buildings	1
Total Beds	10	Floor Count	1
Total Revenue Units	10	Condition	Average
Investment Class	C	Construction Class	D - Wood frame, floor and structure; considered combustible

## Care Level Summary

Level	Units	Beds	Measure	Revenue Units	Occupancy	Resident Ratio
AL	10	10	Beds	10	80%	N/A
<b>Totals</b>	<b>10</b>	<b>10</b>		<b>10</b>	<b>80%</b>	

## Amenities

General: N/A

Unit Specific: N/A

## Rental Survey

Services Included	N/A	Verification	Admissions
Concessions	N/A	Contact	520-393-9952
Last Rent Increase	N/A	Survey Date	09/20/2022
Management	Platinum Care Homes		

# Comparable Seniors Housing & Care - Single-Care No. 2

## Unit Mix & Asking Rates

Care Level	Unit Type	Units	Beds	Size (sf)	Move-In Fee	Rental Fee	Fee Basis	Meals
AL	Studio	10	10	N/A	N/A	\$4,800 - 5,200	Monthly	3/Day

## Entrance Fee Structure

Plan Type	Refundable	Healthcare Benefits	Amortization Schedule	Residents
		No information recorded		

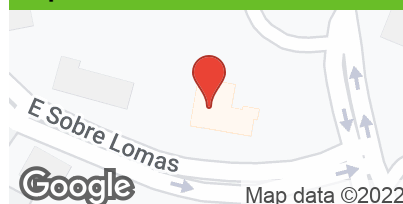
## Second Resident Fees

Care Level	Monthly Fee	Move-In Fee
	No information recorded	

## Care Service Fees

Care Level	Type	Monthly Fee	Other Fees
AL	All-Inclusive	N/A	No information recorded

## Map & Comments



Canyon View by Platinum Care Homes is a residential-style assisted living community, located in a suburban area. Amenities and services offered are consistent to the local market. The property is managed by Platinum Care Homes, a local owner-operator of seniors housing communities. Management reported an overall occupancy of 80%. Assisted living rents are based on an all-inclusive structure. This community was purpose built as a single-family residence and was converted to assisted living in 2001.

# Comparable Seniors Housing & Care - Single-Care No. 3

Property Name Desert Gardens Assisted Living  
Address 3700 North River Hills Drive  
Tucson, AZ 85750  
United States

Government Tax Agency N/A  
Govt./Tax ID 11435075A

## Care Levels: AL

Land Area	1.528 ac	Year Built	1984
Gross Building Area (GBA)	4,097 sf	Year Renovated	2019
Total Units	10	Buildings	2
Total Beds	10	Floor Count	1
Total Revenue Units	10	Condition	Good
Investment Class	C	Construction Class	D - Wood frame, floor and structure; considered combustible



Care Level Summary							Census Mix				
Level	Units	Beds	Measure	Revenue Units	Occupancy	Resident Ratio	Level	Private Pay	Medicaid	Medicare	Other
AL	10	10	Beds	10	100%	N/A	AL	100%	N/A	N/A	N/A
<b>Totals</b>	<b>10</b>	<b>10</b>		<b>10</b>	<b>100%</b>						

## Amenities

General: Formal Dining

Unit Specific: N/A

## Rental Survey

Services Included	N/A	Verification	N/A
Concessions	N/A	Contact	N/A
Last Rent Increase	N/A	Survey Date	09/20/2022
Management	Desert Gardens Assisted Living		

# Comparable Seniors Housing & Care - Single-Care No. 3

## Unit Mix & Asking Rates

Care Level	Unit Type	Units	Beds	Size (sf)	Move-In Fee	Rental Fee	Fee Basis	Meals
AL	Studio	10	10	N/A	N/A	\$4,500 - 6,000	Monthly	3/Day

## Entrance Fee Structure

Plan Type	Refundable	Healthcare Benefits	Amortization Schedule	Residents
		No information recorded		

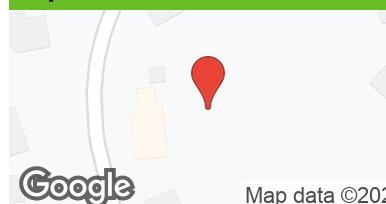
## Second Resident Fees

Care Level	Monthly Fee	Move-In Fee
	No information recorded	

## Care Service Fees

Care Level	Type	Monthly Fee	Other Fees
AL	All-Inclusive	N/A	No information recorded

## Map & Comments



Desert Gardens Assisted Living is a residential-style assisted living community, located in a suburban area. Amenities and services offered are consistent to the local market. The property is managed by Desert Gardens Assisted Living, a local owner/operator. Management reported a wait list with strong demand. Assisted living rents are based on an all-inclusive structure. This community was purpose built as a single-family residence and was converted to assisted living in March 2019. According to management, the community has remained at 100% occupancy since June 2019.

Property Name Starfish Care Homes River Hills  
 Address 6611 E River Hills Place  
 Tucson, AZ 85750  
 United States

Government Tax Agency Pima  
 Govt./Tax ID 114-35-0830

**Care Levels: AL**

Land Area	0.969 ac	Year Built	1991
Gross Building Area (GBA)	4,764 sf	Year Renovated	2004
Total Units	9	Buildings	1
Total Beds	9	Floor Count	1
Total Revenue Units	9	Condition	Average
Investment Class	C	Construction Class	D - Wood frame, floor and structure; considered combustible

**Care Level Summary****Census Mix**

Level	Units	Beds	Measure	Revenue Units	Occupancy	Resident Ratio	Level	Private Pay	Medicaid	Medicare	Other
AL	9	9	Beds	9	100%	N/A	AL	100%	N/A	N/A	N/A
<b>Totals</b>	<b>9</b>	<b>9</b>		<b>9</b>	<b>100%</b>						

**Amenities**

General: N/A

Unit Specific: N/A

**Rental Survey**

Services Included	N/A	Verification	N/A
Concessions	N/A	Contact	N/A
Last Rent Increase	N/A	Survey Date	09/20/2022
Management	Starfish Care Homes		

# Comparable Seniors Housing & Care - Single-Care No. 4

## Unit Mix & Asking Rates

Care Level	Unit Type	Units	Beds	Size (sf)	Move-In Fee	Rental Fee	Fee Basis	Meals
AL	Studio	8	8	N/A	N/A	\$4,800 - 5,500	Monthly	3/Day
AL	1 Bedroom	1	1	N/A	N/A	\$6,500 - 7,500	Monthly	3/Day

## Entrance Fee Structure

Plan Type	Refundable	Healthcare Benefits	Amortization Schedule	Residents
		No information recorded		

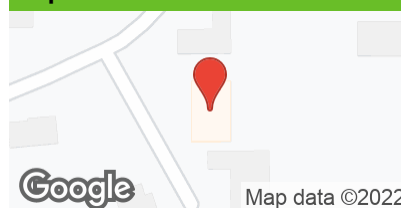
## Second Resident Fees

Care Level	Monthly Fee	Move-In Fee
	No information recorded	

## Care Service Fees

Care Level	Type	Monthly Fee	Other Fees
AL	All-Inclusive	N/A	No information recorded

## Map & Comments



Starfish Care Home at River Hills is a residential-style assisted living community, located in a suburban area. Amenities and services offered are consistent to the local market. The property is managed by Starfish Care Homes, a local owner/operator. Management reported strong demand at the time of survey. Assisted living rents are based on an all-inclusive structure. This community was purpose built as a single-family residence and was converted to assisted living in 2014.

Map data ©2022

**ADDENDUM B**

**Operating Data**

04/04/21  
Cash Basis

**Catalina Foothills Adult Care, Inc.**  
**Profit & Loss**  
**January through December 2020**

	<u>Jan - Dec 20</u>
Ordinary Income/Expense	
Income	
4010 · Services	512,296.60
Total Income	512,296.60
Expense	
6030 · Accounting	4,510.00
6040 · Activities	1,602.86
6050 · Amortization	225.00
6100 · Auto	10,522.06
6200 · Bank Charges	1,467.81
6210 · Books & Subscriptions	84.87
6350 · Depreciaton	15,623.49
6400 · Dues & Subscriptions	5,834.45
6420 · Education & Seminars	236.85
6440 · Employee Expenses	494.00
6450 · Entertainment & Meals	97.14
6490 · Equipment - Small	3,684.57
6500 · Fax Services	310.80
6540 · Food - Clients	36,406.09
6550 · Insurance	24,966.73
6580 · Housing	57,434.50
6600 · Interest	65,621.03
6610 · Internet	1,444.76
6620 · Legal	6,252.50
6640 · Licenses/Fees/Permits	1,354.50
6645 · Loan Fees	1,223.00
6690 · Nursing	855.00
6700 · Office	1,529.94
6800 · Repairs	187.73
6830 · Resident Expenses	3,879.59
6880 · Storage	1,783.03
6890 · Subcontract/Payroll Fees	287,898.19
6940 · Supplies	6,298.59
6975 · Taxes - Property	15,141.70
6990 · Utilities	35,283.88
Total Expense	592,254.66
Net Ordinary Income	-79,958.06
Other Income/Expense	
Other Income	
8100 · Discount on Pay Pal Loan	20,688.40
8110 · Discount on Quarterspot Loan	57,602.96
8120 · Discount On Deck Loan #1	7,711.40

04/04/21  
Cash Basis

**Catalina Foothills Adult Care, Inc.**  
**Profit & Loss**  
**January through December 2020**

---

	<u>Jan - Dec 20</u>
8130 · Discount On Deck Loan #2	65,633.52
8400 · PPP Loan non taxable	<u>82,385.00</u>
Total Other Income	<u>234,021.28</u>
Net Other Income	<u>234,021.28</u>
Net Income	<u><u>154,063.22</u></u>

**Catalina Foothills Adult Care, Inc.****01/31/22  
Cash Basis****Profit & Loss  
January through December 2021**

	<u>Jan - Dec 21</u>
<b>Ordinary Income/Expense</b>	
Income	
4010 · Services	544,960.49
<b>Total Income</b>	<b>544,960.49</b>
<b>Expense</b>	
6000 · Advertising & Promotion	25.00
6030 · Accounting	2,870.00
6040 · Activities	675.00
6050 · Amortization	217.00
6100 · Auto	9,348.72
6200 · Bank Charges	928.90
6350 · Depreciaton	9,806.00
6400 · Dues & Subscriptions	4,370.42
6420 · Education & Seminars	700.39
6450 · Entertainment & Meals	3,453.90
6490 · Equipment - Small	3,753.51
6500 · Fax Services	386.96
6540 · Food - Clients	33,194.82
6550 · Insurance	36,988.75
6580 · Housing	31,049.82
6600 · Interest	32,158.33
6610 · Internet	630.11
6620 · Legal	1,830.00
6640 · Licenses/Fees/Permits	2,556.50
6690 · Nursing	1,294.95
6700 · Office	3,577.27
6800 · Repairs	720.00
6830 · Resident Expenses	5,461.12
6880 · Storage	3,821.14
6890 · Subcontract/Payroll Fees	255,367.36
6910 · Travel	454.65
6940 · Supplies	6,706.83
6975 · Taxes - Property	15,061.77
6990 · Utilities	31,438.34
<b>Total Expense</b>	<b>498,847.56</b>
<b>Net Ordinary Income</b>	<b>46,112.93</b>
<b>Other Income/Expense</b>	
Other Income	
8140 · Discount on Knight Loan	17,398.98
<b>Total Other Income</b>	<b>17,398.98</b>
<b>Other Expense</b>	

01/31/22  
Cash Basis

**Catalina Foothills Adult Care, Inc.**  
**Profit & Loss**  
**January through December 2021**

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	Jan - Dec 21
8550 · Loss on Obsolete Assets	1.67
Total Other Expense	1.67
Net Other Income	17,397.31
Net Income	63,510.24

**ADDENDUM C**

**Legal Description**

**Parcel Number: 109-05-208A****Property Address**

Street Number	Street Direction	Street Name	Location
4250	E	HAVASU RD	Pima County

**Contact Information**

Property Owner Information:	Property Description:
CATALINA FOOTHILLS ADULT CARE INC 4250 E HAVASU RD TUCSON AZ  85718-2516	CORONADO FOOTHILLS ESTATES LOT 208 & PTN ADJ LOT 207

**Valuation Data****Property Appraiser: Sonya Tran Phone: (520) 724-4394**

Valuation Year	Property Class	Assessment Ratio	Land FCV	Imp FCV	Total FCV	Limited Value	Limited Assessed
2022	RES OTHER (4)	10.0	\$120,000	\$530,368	\$650,368	\$650,368	\$65,037
2023	RES OTHER (4)	10.0	\$120,000	\$610,498	\$730,498	\$682,886	\$68,289

**Property Information**

<b>Township:</b>	13.0	<b>Section:</b>	3	<b>Range:</b>	14.0E
<b>Map:</b>	16	<b>Plat:</b>	63	<b>Block:</b>	0
<b>Tract:</b>		<b>Land Measure:</b>	1.00S	<b>Lot:</b>	00208
<b>Census Tract:</b>	4708	<b>File Id:</b>	1	<b>Group Code:</b>	
<b>Use Code:</b>	1961 (ADULT HOME CARE IN SFR LICENSED )			<b>Date of Last Change:</b>	1/9/2013

**Sales Information (2)**

Affidavit of Fee No.	Parcel Count	Sale Date	Property Type	Sale	Time Adjusted Sale	Cash	Validation
20030101346	1	1/2003	Single Family	\$460,000	\$460,000	N	X KJ DEED: Joint Tenancy Deed
19980780844	1	5/1998	Single Family	\$332,000	\$332,000	N	X JAC DEED: Joint Tenancy Deed

**Valuation Area****District Supervisor: REX SCOTT District No: 1**

DOR Market	Land Subarea	Neighborhood	Sub ID	Economic District
12	2111045 DEL	10002016	16063 DEL	6

**Recording Information (3)**

Sequence No.	Docket	Page	Date Recorded	Type
20123631131	0	0	12/28/2012	WTDEED
20030101346	11967	6675	1/15/2003	JTDEED
19980780844	10801	2946	5/21/1998	

**Residential Characteristics****Main Structure:**

Appraisal Date:	11/20/2012	Property Type:	Single Family Residence	Area ID:	Ed 6-100020-16-4
Processed:	12/31/1969	Building Class:	4	Physical Condition:	Good
Total Living Area:	4,834	Garage Type:	None	Effective Construction Year:	1977
Garage Capacity:	0	Stories:	1	Patio Type:	Covered
Rooms:	11	Patio Number:	2	Quality:	Good
Pool Area:	450	Exterior Walls:	Adobe	Valuation Type:	00
Roof Type:	Prepared Roll	Total Main:	\$646,458	Heating:	Forced
Total Control:	\$646,458	Cooling:	Refrigeration	Total Actual:	\$730,498
Bath Fixtures:	14	FCV Adjustment Factor:	1.000	Enhancement:	\$0
Last Calc:	0128				

**Petition Information (2)**

Tax Year	Owner's Estimate	Petition	Work Up
2003	\$302,960		
2002	\$310,363		

**Permits (3)**

Permit	Status	Issued	Final	City	Value	SqFt	Sub	FirstInsp	LastInsp	Processed	% Complete
P09CP00028	COTH ~ C of O	01/05/2009	01/21/2009	ACC	\$0	0	*/*	03/30/2011	03/30/2011		0
	<b>Description:</b> C OF O: ASSISTED LIVING										
P04CP08491	SALT ~ FINAL	12/07/2004	03/18/2005	ACC	\$41,259	1,020	*/*			01/01/1900	0
	<b>Description:</b> ENCLOSURE: GARAGE TO 3 BEDROOMS AND A BATHROOM (ASSISTED LIVING WITH 8 RESIDENTS MAXIMUM).										
P03CP00660	COTH ~ FINAL	01/22/2003	02/21/2003	ACC	\$0	0	*/*	03/30/2011	03/30/2011		0
	<b>Description:</b> COMPLIANCE INSPECTION: FOR ADULT CARE HOME										

**Notes (6)**

<b>Created:</b> 7/17/2001 <b>Modified:</b> 7/17/2001	Petition check 7-13-01. House is comparable to others graded R4 in the area. Change to R4Good for equity in this area.
<b>Created:</b> 12/12/2012 <b>Modified:</b> 12/12/2012	Remove slab,terrace,deck from listing and update porch count for 2014.
<b>Created:</b> 3/30/2011 <b>Modified:</b> 3/30/2011	C Of O on this property for assisted living.
<b>Created:</b> 3/9/2005 <b>Modified:</b> 3/9/2005	PERMIT P04CP08491 DATED 12-07-2004. FC. BY #030 2-9-05. '98 GAR TO CF. SR NOW LIV. AREA. SF TO 4834. RMS TO 11 BATH FIXS. TO 14. 2AC & 2 HAF. EXTERIOR STAIRS FOR MEC. ACCESS. NO PERGOLA. ASSISTED LIV. FACILITY ALH-4166. UPDATE FOR SUPP 2006. SEE NEW APEX
<b>Created:</b> 3/9/2005 <b>Modified:</b> 3/9/2005	OWNER DOES NOT RESIDE HERE. OCC TO RENTAL. FOR IDENTIFICATION OF MAS VALUED PROPERTY 0141 TO 1961(LICENSED) UPDATE FOR SUPP. 2006.
<b>Created:</b> 7/1/2002 <b>Modified:</b> 7/1/2002	A-LEVEL OK

**ADDENDUM D**

**Senior Life Report**

### 4250 E HAVASU Rd

	3 Miles		5 Miles		7 Miles	
2000 Total Population	22,119		84,865		232,845	
2000 Total Households	9,949		40,252		107,971	
2000 Total Family Households	6,373	64.1%	22,145	55.0%	57,031	52.8%
2000 Total Housing Units	11,047		44,221		118,630	
2000 Owner Occupied Housing Units	6,789	68.2%	22,582	56.1%	55,455	51.4%
2000 Renter Occupied Housing Units	3,160	31.8%	17,670	43.9%	52,516	48.6%
2010 Total Population	21,456		85,404		237,066	
2010 Total Households	10,038		41,697		110,630	
2010 Total Family Households	6,357	63.3%	21,992	52.7%	56,198	50.8%
2010 Total Housing Units	11,857		47,625		125,752	
2010 Total Population: Age 0-4	637	3.0%	3,683	4.3%	12,473	5.3%
2010 Total Population: Age 5-9	937	4.4%	3,643	4.3%	11,386	4.8%
2010 Total Population: Age 10-14	1,156	5.4%	3,980	4.7%	11,528	4.9%
2010 Total Population: Age 15-19	1,229	5.7%	4,744	5.6%	13,919	5.9%
2010 Total Population: Age 20-24	839	3.9%	6,924	8.1%	22,749	9.6%
2010 Total Population: Age 25-29	813	3.8%	5,998	7.0%	18,234	7.7%
2010 Total Population: Age 30-34	674	3.1%	4,446	5.2%	13,863	5.9%
2010 Total Population: Age 35-39	823	3.8%	4,198	4.9%	12,691	5.4%
2010 Total Population: Age 40-44	1,103	5.1%	4,441	5.2%	13,079	5.5%
2010 Total Population: Age 45-49	1,478	6.9%	5,506	6.5%	15,430	6.5%
2010 Total Population: Age 50-54	1,933	9.0%	6,661	7.8%	17,268	7.3%
2010 Total Population: Age 55-59	2,149	10.0%	7,123	8.3%	17,474	7.4%
2010 Total Population: Age 60-64	2,176	10.1%	6,820	8.0%	15,670	6.6%
2010 Total Population: Age 65-69	1,727	8.1%	5,198	6.1%	11,687	4.9%
2010 Total Population: Age 70-74	1,249	5.8%	3,824	4.5%	8,785	3.7%
2010 Total Population: Age 75-79	996	4.6%	3,102	3.6%	7,357	3.1%
2010 Total Population: Age 80-84	783	3.7%	2,570	3.0%	6,319	2.7%
2010 Total Population: Age 85+	754	3.5%	2,542	3.0%	7,154	3.0%
2010 Total Population: Age 21+	17,341	80.8%	67,942	79.6%	183,082	77.2%
2010 Median Age	52.7		45.6		40.6	
2010 Owner-occupied Housing Units	7,502	74.7%	24,063	57.7%	55,552	50.2%
2010 Renter-occupied Housing Units	2,534	25.2%	17,633	42.3%	55,081	49.8%
2022 Total Population	22,016		89,396		247,022	
2022 Total Households	10,401		44,283		118,534	
2022 Average Household Size	2.11		1.98		2.03	
2022 Total Family Households	6,292	60.5%	22,111	49.9%	57,273	48.3%
2022 Total Housing Units	11,711		48,798		130,020	
2022 Total Population: Age 0-4	550	2.5%	3,275	3.7%	11,133	4.5%
2022 Total Population: Age 5-9	748	3.4%	3,492	3.9%	11,036	4.5%
2022 Total Population: Age 10-14	944	4.3%	3,790	4.2%	11,276	4.6%
2022 Total Population: Age 15-19	1,047	4.8%	4,561	5.1%	12,590	5.1%
2022 Total Population: Age 20-24	804	3.7%	5,646	6.3%	18,345	7.4%
2022 Total Population: Age 25-29	847	3.9%	5,460	6.1%	17,943	7.3%
2022 Total Population: Age 30-34	755	3.4%	5,756	6.4%	17,401	7.0%
2022 Total Population: Age 35-39	872	4.0%	5,050	5.7%	14,712	6.0%

### 4250 E HAVASU RD

	3 Miles		5 Miles		7 Miles	
2022 Total Population: Age 40-44	959	4.4%	4,419	4.9%	12,667	5.1%
2022 Total Population: Age 45-49	1,103	5.0%	4,461	5.0%	12,458	5.0%
2022 Total Population: Age 50-54	1,480	6.7%	5,239	5.9%	14,084	5.7%
2022 Total Population: Age 55-59	2,028	9.2%	6,579	7.4%	16,519	6.7%
2022 Total Population: Age 60-64	2,422	11.0%	7,640	8.6%	18,313	7.4%
2022 Total Population: Age 65-69	2,248	10.2%	7,231	8.1%	17,259	7.0%
2022 Total Population: Age 70-74	1,986	9.0%	6,298	7.1%	14,507	5.9%
2022 Total Population: Age 75-79	1,479	6.7%	4,592	5.1%	10,807	4.4%
2022 Total Population: Age 80-84	893	4.1%	2,909	3.3%	7,343	3.0%
2022 Total Population: Age 85+	852	3.9%	2,998	3.4%	8,627	3.5%
2022 Median Age	57.2		48.6		43.6	
2022 Owner Occupied Housing Units with Value <\$50000	4	0.1%	782	3.0%	3,848	6.5%
2022 Owner Occupied Housing Units with Value \$50000-\$99999	28	0.4%	468	1.8%	2,123	3.6%
2022 Owner Occupied Housing Units with Value \$100000-\$149999	88	1.2%	658	2.5%	2,569	4.3%
2022 Owner Occupied Housing Units with Value \$150000-\$199999	48	0.6%	762	2.9%	3,514	5.9%
2022 Owner Occupied Housing Units with Value \$200000-\$249999	218	2.8%	1,873	7.2%	6,903	11.6%
2022 Owner Occupied Housing Units with Value \$250000-\$299999	380	5.0%	3,205	12.3%	8,391	14.1%
2022 Owner Occupied Housing Units with Value \$300000-\$399999	1,349	17.6%	5,634	21.7%	12,822	21.6%
2022 Owner Occupied Housing Units with Value \$400000-\$499999	1,431	18.7%	4,351	16.7%	7,117	12.0%
2022 Owner Occupied Housing Units with Value \$500000-\$749999	2,473	32.3%	5,306	20.4%	7,744	13.0%
2022 Owner Occupied Housing Units with Value \$750000-\$999999	888	11.6%	1,578	6.1%	2,243	3.8%
2022 Owner Occupied Housing Units with Value \$1000000-\$1499999	583	7.6%	1,116	4.3%	1,605	2.7%
2022 Median Value of Owner Occupied Housing Units	\$529,013		\$393,388		\$318,421	
2010 Nonfamily Households: 1-Person	3,102	84.3%	15,806	80.2%	42,477	78.0%
2010 Nonfamily Households: 2-Person	534	14.5%	3,246	16.5%	9,504	17.5%
2010 Nonfamily Households: 3-Person	25	0.7%	427	2.2%	1,550	2.9%
2010 Nonfamily Households: 4-Person	8	0.2%	173	0.9%	617	1.1%
2010 Nonfamily Households: 5-Person	1	0.0%	23	0.1%	164	0.3%
2010 Nonfamily Households: 6-Person	2	0.1%	10	0.1%	51	0.1%
2010 Nonfamily Households: 7+ Person	0	0.0%	17	0.1%	62	0.1%
2010 Family Households: 2-Person	3,956	62.2%	12,730	57.9%	29,492	52.5%
2010 Family Households: 3-Person	1,109	17.5%	4,426	20.1%	12,368	22.0%
2010 Family Households: 4-Person	875	13.8%	3,122	14.2%	8,454	15.0%
2010 Family Households: 5-Person	307	4.8%	1,167	5.3%	3,734	6.6%
2010 Family Households: 6-Person	89	1.4%	384	1.8%	1,389	2.5%
2010 Family Households: 7+ Person	30	0.5%	167	0.8%	767	1.4%
2022 Average Household Size	2.11		1.98		2.03	
2022 Owner Occupied Housing Units	7,665	73.7%	26,019	58.8%	59,432	50.1%
2022 Renter Occupied Housing Units	2,736	26.3%	18,264	41.2%	59,102	49.9%
2016-2020 ACS Housing Units by Units in Structure: 1 - Detached	7,954	66.7%	24,827	50.6%	62,071	47.5%
2016-2020 ACS Housing Units by Units in Structure: 1 - Attached	1,232	10.3%	5,872	12.0%	12,436	9.5%
2016-2020 ACS Housing Units by Units in Structure: 2	41	0.3%	609	1.2%	4,723	3.6%

## 4250 E HAVASU Rd

	3 Miles		5 Miles		7 Miles	
2016-2020 ACS Housing Units by Units in Structure: 3 or 4	212	1.8%	2,543	5.2%	7,463	5.7%
2016-2020 ACS Housing Units by Units in Structure: 5 to 9	701	5.9%	3,268	6.7%	8,598	6.6%
2016-2020 ACS Housing Units by Units in Structure: 10 to 19	465	3.9%	3,870	7.9%	10,664	8.2%
2016-2020 ACS Housing Units by Units in Structure: 20 to 49	399	3.4%	2,909	5.9%	8,219	6.3%
2016-2020 ACS Housing Units by Units in Structure: 50 or greater	885	7.4%	3,724	7.6%	8,890	6.8%
2016-2020 ACS Housing Units by Units in Structure: Mobile Home	31	0.3%	1,442	2.9%	7,397	5.7%
2016-2020 ACS Housing Units by Units in Structure: Boat/RV/Van	0	0.0%	53	0.1%	182	0.1%
2016-2020 ACS Housing Units by Year Structure Built: 2010 or Later	109	0.9%	668	1.4%	2,457	1.9%
2016-2020 ACS Housing Units by Year Structure Built: 2000 to 2009	1,046	8.8%	5,013	10.2%	10,791	8.3%
2016-2020 ACS Housing Units by Year Structure Built: 1990-1999	2,386	20.0%	8,807	17.9%	19,808	15.2%
2016-2020 ACS Housing Units by Year Structure Built: 1980-1989	3,786	31.8%	14,188	28.9%	29,138	22.3%
2016-2020 ACS Housing Units by Year Structure Built: 1970-1979	3,136	26.3%	11,850	24.1%	29,318	22.4%
2016-2020 ACS Housing Units by Year Structure Built: 1960-1969	1,012	8.5%	4,242	8.6%	14,260	10.9%
2016-2020 ACS Housing Units by Year Structure Built: 1950-1959	191	1.6%	2,759	5.6%	14,687	11.2%
2016-2020 ACS Housing Units by Year Structure Built: 1940-1949	51	0.4%	679	1.4%	5,687	4.4%
2016-2020 ACS Housing Units by Year Structure Built: 1939 or Earlier	70	0.6%	425	0.9%	2,901	2.2%
2016-2020 ACS Median Year Structure Built (Total Housing Units)	1,984		1,983		1,979	
2022 Per Capita Income	\$82,112		\$59,993		\$45,173	
2022 Households with Income <\$15000	461	4.4%	3,926	8.9%	14,650	12.4%
2022 Households with Income \$15000-\$24999	468	4.5%	3,135	7.1%	10,483	8.8%
2022 Households with Income \$25000-\$34999	410	3.9%	3,570	8.1%	11,726	9.9%
2022 Households with Income \$35000-\$49999	901	8.7%	4,908	11.1%	15,404	13.0%
2022 Households with Income \$50000-\$74999	1,210	11.6%	6,990	15.8%	19,150	16.2%
2022 Households with Income \$75000-\$99999	1,067	10.3%	4,619	10.4%	13,281	11.2%
2022 Households with Income \$100000-\$149999	1,801	17.3%	6,809	15.4%	15,973	13.5%
2022 Households with Income \$150000-\$199999	1,337	12.9%	3,734	8.4%	7,457	6.3%
2022 Households with Income \$200000+	2,746	26.4%	6,592	14.9%	10,410	8.8%
2022 Median Household Income	\$114,685		\$73,098		\$57,101	
2022 Average Household Income	\$172,898		\$121,680		\$93,981	
2022 Pop 25+ by Educational Attainment: Less than 9th Grade	58	0.3%	727	1.1%	3,959	2.2%
2022 Pop 25+ by Educational Attainment: 9-12th Grade/No Diploma	210	1.2%	1,902	2.8%	8,840	4.8%
2022 Pop 25+ by Educational Attainment: High School Diploma	1,182	6.6%	7,781	11.3%	26,670	14.6%
2022 Pop 25+ by Educational Attainment: GED/Alternative Credential	181	1.0%	1,635	2.4%	6,145	3.4%
2022 Pop 25+ by Educational Attainment: Some College/No Degree	2,396	13.4%	12,156	17.7%	37,723	20.7%
2022 Pop 25+ by Educational Attainment: Associate's Degree	843	4.7%	4,428	6.5%	15,248	8.4%
2022 Pop 25+ by Educational Attainment: Bachelor's Degree	5,645	31.5%	19,717	28.7%	44,508	24.4%
2022 Pop 25+ by Educational Attainment: Grad/Professional Degree	7,409	41.3%	20,288	29.6%	39,548	21.7%
2022 Employed Civilian Population 16+	10,139	98.6%	43,034	97.2%	115,909	96.2%
2022 Unemployed Population 16+	143	1.4%	1,248	2.8%	4,570	3.8%
2022 Emp Civ Pop 16+ by Industry: Agric/Forestry/Fishing/Hunting	8	0.1%	95	0.2%	306	0.3%
2022 Emp Civ Pop 16+ by Industry: Mining/Quarrying/Oil & Gas Extr	8	0.1%	48	0.1%	169	0.2%
2022 Emp Civ Pop 16+ by Industry: Construction	238	2.4%	1,716	4.0%	6,227	5.4%
2022 Emp Civ Pop 16+ by Industry: Manufacturing	730	7.2%	2,568	6.0%	6,456	5.6%
2022 Emp Civ Pop 16+ by Industry: Wholesale Trade	198	2.0%	744	1.7%	1,801	1.6%

## 4250 E HAVASU RD

	3 Miles		5 Miles		7 Miles	
2022 Emp Civ Pop 16+ by Industry: Retail Trade	922	9.1%	4,719	11.0%	14,245	12.3%
2022 Emp Civ Pop 16+ by Industry: Transportation/Warehousing	299	3.0%	1,131	2.6%	3,968	3.4%
2022 Emp Civ Pop 16+ by Industry: Utilities	30	0.3%	217	0.5%	636	0.6%
2022 Emp Civ Pop 16+ by Industry: Information	97	1.0%	560	1.3%	1,777	1.5%
2022 Emp Civ Pop 16+ by Industry: Finance/Insurance	670	6.6%	1,995	4.6%	4,500	3.9%
2022 Emp Civ Pop 16+ by Industry: Real Estate/Rental/Leasing	513	5.1%	1,732	4.0%	3,453	3.0%
2022 Emp Civ Pop 16+ by Industry: Prof/Scientific/Tech Services	1,330	13.1%	4,721	11.0%	10,701	9.2%
2022 Emp Civ Pop 16+ by Industry: Mgmt of Companies/Enterprises	0	0.0%	19	0.0%	38	0.0%
2022 Emp Civ Pop 16+ by Industry: Admin/Support/Waste Mgmt Svcs	311	3.1%	1,826	4.2%	5,931	5.1%
2022 Emp Civ Pop 16+ by Industry: Educational Services	1,139	11.2%	5,733	13.3%	14,785	12.8%
2022 Emp Civ Pop 16+ by Industry: Health Care/Social Assistance	2,440	24.1%	8,271	19.2%	19,980	17.2%
2022 Emp Civ Pop 16+ by Industry: Arts/Entertainment/Recreation	130	1.3%	548	1.3%	1,944	1.7%
2022 Emp Civ Pop 16+ by Industry: Accommodation/Food Services	428	4.2%	2,736	6.4%	9,385	8.1%
2022 Emp Civ Pop 16+ by Industry: Other Services (excl Publ Adm)	316	3.1%	1,742	4.1%	4,958	4.3%
2022 Emp Civ Pop 16+ by Industry: Public Administration	333	3.3%	1,912	4.4%	4,650	4.0%
2022 Emp Civ Pop 16+ by Occ: Management	1,734	17.1%	5,891	13.7%	12,740	11.0%
2022 Emp Civ Pop 16+ by Occ: Business/Financial	723	7.1%	2,751	6.4%	6,296	5.4%
2022 Emp Civ Pop 16+ by Occ: Computer/Mathematical	381	3.8%	1,732	4.0%	4,136	3.6%
2022 Emp Civ Pop 16+ by Occ: Architecture/Engineering	374	3.7%	1,411	3.3%	2,947	2.5%
2022 Emp Civ Pop 16+ by Occ: Life/Physical/Social Science	233	2.3%	1,035	2.4%	3,046	2.6%
2022 Emp Civ Pop 16+ by Occ: Community/Social Service	123	1.2%	861	2.0%	2,212	1.9%
2022 Emp Civ Pop 16+ by Occ: Legal	269	2.7%	855	2.0%	1,826	1.6%
2022 Emp Civ Pop 16+ by Occ: Education/Training/Library	704	6.9%	3,322	7.7%	8,564	7.4%
2022 Emp Civ Pop 16+ by Occ: Arts/Design/Entert/Sports/Media	288	2.8%	1,098	2.6%	2,767	2.4%
2022 Emp Civ Pop 16+ by Occ: Healthcare Practitioner/Technician	1,869	18.4%	5,314	12.4%	10,907	9.4%
2022 Emp Civ Pop 16+ by Occ: Healthcare Support	233	2.3%	1,448	3.4%	3,865	3.3%
2022 Emp Civ Pop 16+ by Occ: Protective Service	122	1.2%	832	1.9%	2,144	1.9%
2022 Emp Civ Pop 16+ by Occ: Food Preparation/Serving Related	226	2.2%	1,968	4.6%	6,718	5.8%
2022 Emp Civ Pop 16+ by Occ: Building/Grounds Cleaning/Maint	58	0.6%	739	1.7%	4,194	3.6%
2022 Emp Civ Pop 16+ by Occ: Personal Care/Service	154	1.5%	731	1.7%	2,350	2.0%
2022 Emp Civ Pop 16+ by Occ: Sales and Sales Related	1,120	11.1%	4,370	10.2%	11,725	10.1%
2022 Emp Civ Pop 16+ by Occ: Office/Administrative Support	914	9.0%	4,209	9.8%	13,146	11.3%
2022 Emp Civ Pop 16+ by Occ: Farming/Fishing/Forestry	0	0.0%	42	0.1%	88	0.1%
2022 Emp Civ Pop 16+ by Occ: Construction/Extraction	182	1.8%	1,049	2.4%	4,648	4.0%
2022 Emp Civ Pop 16+ by Occ: Installation/Maintenance/Repair	44	0.4%	623	1.5%	2,386	2.1%
2022 Emp Civ Pop 16+ by Occ: Production	137	1.4%	810	1.9%	2,969	2.6%
2022 Emp Civ Pop 16+ by Occ: Transportation/Material Moving	252	2.5%	1,940	4.5%	6,233	5.4%
2027 Total Population	21,896		89,850		250,401	
2027 Total Households	10,395		44,731		120,796	
2027 Total Family Households	6,283	60.4%	22,283	49.8%	58,249	48.2%
2027 Total Housing Units	11,742		49,161		131,847	
2027 Total Population: Age 0-4	549	2.5%	3,325	3.7%	11,416	4.6%
2027 Total Population: Age 5-9	724	3.3%	3,394	3.8%	10,864	4.3%

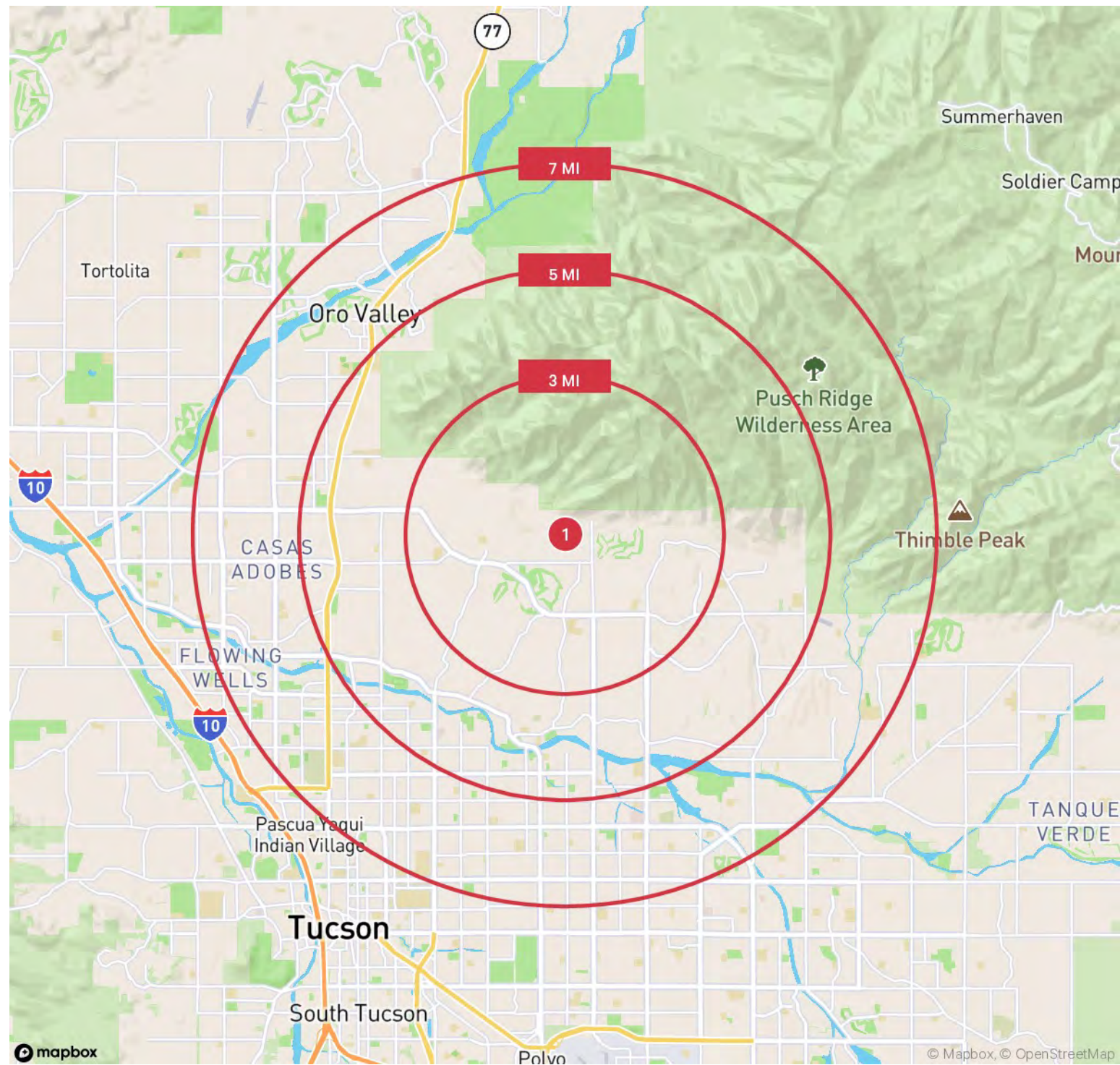
### 4250 E HAVASU RD

	3 Miles		5 Miles		7 Miles	
2027 Total Population: Age 10-14	896	4.1%	3,679	4.1%	10,995	4.4%
2027 Total Population: Age 15-19	932	4.3%	4,466	5.0%	12,429	5.0%
2027 Total Population: Age 20-24	755	3.5%	5,750	6.4%	18,881	7.5%
2027 Total Population: Age 25-29	762	3.5%	5,155	5.7%	17,124	6.8%
2027 Total Population: Age 30-34	736	3.4%	4,684	5.2%	15,015	6.0%
2027 Total Population: Age 35-39	854	3.9%	5,336	5.9%	15,828	6.3%
2027 Total Population: Age 40-44	1,059	4.8%	5,038	5.6%	14,285	5.7%
2027 Total Population: Age 45-49	1,102	5.0%	4,747	5.3%	13,284	5.3%
2027 Total Population: Age 50-54	1,338	6.1%	4,912	5.5%	13,149	5.3%
2027 Total Population: Age 55-59	1,758	8.0%	5,833	6.5%	14,846	5.9%
2027 Total Population: Age 60-64	2,095	9.6%	6,676	7.4%	16,503	6.6%
2027 Total Population: Age 65-69	2,408	11.0%	7,486	8.3%	17,841	7.1%
2027 Total Population: Age 70-74	2,090	9.6%	6,768	7.5%	16,129	6.4%
2027 Total Population: Age 75-79	1,742	8.0%	5,575	6.2%	13,154	5.3%
2027 Total Population: Age 80-84	1,170	5.3%	3,768	4.2%	9,307	3.7%
2027 Total Population: Age 85+	925	4.2%	3,258	3.6%	9,350	3.7%
2027 Median Age	58.5		49.3		44.4	
2027 Owner Occupied Housing Units by Value Base	7,803		26,870		61,898	
2027 Owner Occupied Housing Units with Value <\$50000	0	0.0%	322	1.2%	1,956	3.2%
2027 Owner Occupied Housing Units with Value \$50000-\$99999	0	0.0%	58	0.2%	754	1.2%
2027 Owner Occupied Housing Units with Value \$100000-\$149999	0	0.0%	217	0.8%	1,672	2.7%
2027 Owner Occupied Housing Units with Value \$150000-\$199999	5	0.1%	367	1.4%	1,909	3.1%
2027 Owner Occupied Housing Units with Value \$200000-\$249999	85	1.1%	1,206	4.5%	5,242	8.5%
2027 Owner Occupied Housing Units with Value \$250000-\$299999	260	3.3%	3,039	11.3%	9,142	14.8%
2027 Owner Occupied Housing Units with Value \$300000-\$399999	1,279	16.4%	6,513	24.2%	16,350	26.4%
2027 Owner Occupied Housing Units with Value \$400000-\$499999	1,584	20.3%	5,351	19.9%	9,428	15.2%
2027 Owner Occupied Housing Units with Value \$500000-\$749999	3,030	38.8%	6,903	25.7%	10,794	17.4%
2027 Owner Occupied Housing Units with Value \$750000-\$999999	860	11.0%	1,609	6.0%	2,501	4.0%
2027 Owner Occupied Housing Units with Value \$1000000-\$1499999	619	7.9%	1,142	4.3%	1,789	2.9%
2027 Median Value of Owner Occupied Housing Units	\$556,889		\$432,022		\$362,841	
2027 Per Capita Income	\$92,128		\$69,845		\$53,539	
2027 Households with Income <\$15000	252	2.4%	2,650	5.9%	10,748	8.9%
2027 Households with Income \$15000-\$24999	257	2.5%	2,184	4.9%	8,161	6.8%
2027 Households with Income \$25000-\$34999	225	2.2%	2,608	5.8%	9,184	7.6%
2027 Households with Income \$35000-\$49999	648	6.2%	4,318	9.7%	14,263	11.8%
2027 Households with Income \$50000-\$74999	1,198	11.5%	7,177	16.0%	20,339	16.8%
2027 Households with Income \$75000-\$99999	1,184	11.4%	5,251	11.7%	15,418	12.8%
2027 Households with Income \$100000-\$149999	2,053	19.8%	8,121	18.2%	19,990	16.6%
2027 Households with Income \$150000-\$199999	1,699	16.3%	4,952	11.1%	10,434	8.6%
2027 Households with Income \$200000+	2,878	27.7%	7,469	16.7%	12,259	10.2%
2027 Median Household Income	\$130,534		\$89,812		\$71,173	
2027 Average Household Income	\$193,074		\$140,972		\$110,846	
2022 Annual Budget Expenditures	\$1,510,194,674		\$4,605,623,950		\$9,605,226,981	

### 4250 E HAVASU RD

	3 Miles	5 Miles	7 Miles
2022 Food	\$171,979,491	\$538,209,148	\$1,136,584,962
2022 Food at Home	\$101,128,424	\$315,994,298	\$668,172,765
2022 Housekeeping Supplies	\$14,668,162	\$45,039,688	\$94,682,656
2022 Food Away from Home	\$70,851,067	\$222,214,850	\$468,412,196
Alcoholic Beverages: Total	\$12,560,527	\$37,294,384	\$76,614,740
2022 Smoking Products	\$5,967,190	\$22,010,988	\$49,244,684
2022 Personal Care Products & Services	\$17,495,505	\$53,430,322	\$111,545,866
2022 Household Operations	\$43,027,231	\$126,995,658	\$260,802,329
2022 Household Furnishings & Equipment	\$43,911,360	\$131,566,571	\$272,396,755
2022 Housekeeping Supplies	\$14,668,162	\$45,039,688	\$94,682,656
2022 Housing	\$482,365,816	\$1,480,082,194	\$3,097,517,104
2022 Apparel & Services	\$39,549,395	\$124,616,940	\$262,382,035
2022 Entertainment/Recreation	\$61,539,303	\$186,598,298	\$388,112,854
2022 Education	\$35,606,193	\$105,239,688	\$214,796,229
2022 Transportation	\$164,124,400	\$522,023,095	\$1,106,772,185
2022 Travel	\$52,279,698	\$149,090,744	\$301,808,441
2022 Health Care	\$120,450,451	\$361,428,687	\$752,549,728
2022 Support Payments/Cash Contributions/Gifts in Kind	\$50,014,988	\$143,447,844	\$293,107,347
2022 Life/Other Insurance	\$11,945,251	\$33,861,825	\$68,304,016
2022 Pensions & Social Security	\$160,202,906	\$476,358,746	\$975,081,531
2022 Shelter	\$391,241,114	\$1,194,079,446	\$2,491,902,340
2022 Utilities/Fuel/Public Services	\$91,124,702	\$286,002,747	\$605,614,765

4250 E HAVASU RD



Name	Latitude	Longitude
1 4250 E Havasu Rd	32.3303750121642	-110.901801032434

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# CBRE

## SENIOR HOUSING

4250 E HAVASU Rd

	3 MILES	5 MILES	7 MILES
<b>2022 Population</b>	<b>22,016</b>	<b>89,396</b>	<b>247,022</b>
Age 45-49	1,103 5.0%	4,461 5.0%	12,458 5.0%
Age 50-54	1,480 6.7%	5,239 5.9%	14,084 5.7%
Age 55-59	2,028 9.2%	6,579 7.4%	16,519 6.7%
Age 60-64	2,422 11.0%	7,640 8.6%	18,313 7.4%
Age 65-69	2,248 10.2%	7,231 8.1%	17,259 7.0%
Age 70-74	1,986 9.0%	6,298 7.1%	14,507 5.9%
Age 75-79	1,479 6.7%	4,592 5.1%	10,807 4.4%
Age 80-84	893 4.1%	2,909 3.3%	7,343 3.0%
Age 85 and Older	852 3.9%	2,998 3.4%	8,627 3.5%
2022 Median Age	57.2	48.6	43.6
<b>2022 Females</b>	<b>11,424</b>	<b>46,271</b>	<b>126,728</b>
Females Age 45-49	608 5.3%	2,335 5.1%	6,301 5.0%
Females Age 50-54	808 7.1%	2,724 5.9%	7,255 5.7%
Females Age 55-59	1,107 9.7%	3,506 7.6%	8,641 6.8%
Females Age 60-64	1,305 11.4%	4,107 8.9%	9,738 7.7%
Females Age 65-69	1,135 9.9%	3,841 8.3%	9,242 7.3%
Females Age 70-74	1,033 9.0%	3,336 7.2%	7,845 6.2%
Females Age 75-79	725 6.4%	2,446 5.3%	6,004 4.7%
Females Age 80-84	454 4.0%	1,571 3.4%	4,172 3.3%
Females Age 85+	469 4.1%	1,781 3.9%	5,476 4.3%
2022 Median Female Age	57.3	50.3	46.0
<b>2022 Males</b>	<b>10,592</b>	<b>43,124</b>	<b>120,294</b>
Males Age 45-49	495 4.7%	2,127 4.9%	6,158 5.1%
Males Age 50-54	672 6.3%	2,515 5.8%	6,829 5.7%
Males Age 55-59	921 8.7%	3,073 7.1%	7,878 6.6%
Males Age 60-64	1,116 10.5%	3,533 8.2%	8,574 7.1%
Males Age 65-69	1,112 10.5%	3,390 7.9%	8,017 6.7%
Males Age 70-74	954 9.0%	2,962 6.9%	6,663 5.5%
Males Age 75-79	754 7.1%	2,146 5.0%	4,803 4.0%
Males Age 80-84	439 4.1%	1,338 3.1%	3,171 2.6%
Males Age 85+	383 3.6%	1,217 2.8%	3,151 2.6%
2022 Median Male Age	57.1	46.7	41.2

	3 MILES		5 MILES		7 MILES	
<b>2027 Population</b>	<b>21,896</b>		<b>89,850</b>		<b>250,401</b>	
Age 45-49	1,102	5.0%	4,747	5.3%	13,284	5.3%
Age 50-54	1,338	6.1%	4,912	5.5%	13,149	5.3%
Age 55-59	1,758	8.0%	5,833	6.5%	14,846	5.9%
Age 60-64	2,095	9.6%	6,676	7.4%	16,503	6.6%
Age 65-69	2,408	11.0%	7,486	8.3%	17,841	7.1%
Age 70-74	2,090	9.6%	6,768	7.5%	16,129	6.4%
Age 75-79	1,742	8.0%	5,575	6.2%	13,154	5.3%
Age 80-84	1,170	5.3%	3,768	4.2%	9,307	3.7%
85 and Older	925	4.2%	3,258	3.6%	9,350	3.7%
2027 Median Age	58.5		49.3		44.4	
<b>2027 Females</b>	<b>11,345</b>		<b>46,492</b>		<b>128,540</b>	
Females Age 45-49	589	5.2%	2,414	5.2%	6,688	5.2%
Females Age 50-54	730	6.4%	2,593	5.6%	6,746	5.3%
Females Age 55-59	946	8.3%	3,036	6.5%	7,678	6.0%
Females Age 60-64	1,135	10.0%	3,531	7.6%	8,638	6.7%
Females Age 65-69	1,253	11.0%	3,995	8.6%	9,534	7.4%
Females Age 70-74	1,076	9.5%	3,631	7.8%	8,843	6.9%
Females Age 75-79	867	7.6%	2,964	6.4%	7,215	5.6%
Females Age 80-84	607	5.4%	2,074	4.5%	5,376	4.2%
Females Age 85+	493	4.4%	1,907	4.1%	5,849	4.6%
2027 Median Female Age	58.7		50.9		46.7	
<b>2027 Males</b>	<b>10,551</b>		<b>43,358</b>		<b>121,861</b>	
Males Age 45-49	513	4.9%	2,334	5.4%	6,596	5.4%
Males Age 50-54	607	5.8%	2,319	5.4%	6,404	5.3%
Males Age 55-59	812	7.7%	2,796	6.5%	7,169	5.9%
Males Age 60-64	960	9.1%	3,144	7.3%	7,865	6.5%
Males Age 65-69	1,155	11.0%	3,491	8.1%	8,307	6.8%
Males Age 70-74	1,014	9.6%	3,136	7.2%	7,286	6.0%
Males Age 75-79	875	8.3%	2,611	6.0%	5,939	4.9%
Males Age 80-84	564	5.4%	1,693	3.9%	3,930	3.2%
Males Age 85+	433	4.1%	1,352	3.1%	3,501	2.9%
2027 Median Male Age	58.3		47.6		42.3	

	3 MILES		5 MILES		7 MILES	
<b>2010 Population</b>	<b>21,456</b>		<b>85,404</b>		<b>237,066</b>	
Age 45-49	1,478	6.9%	5,506	6.5%	15,430	6.5%
Age 50-54	1,933	9.0%	6,661	7.8%	17,268	7.3%
Age 55-59	2,149	10.0%	7,123	8.3%	17,474	7.4%
Age 60-64	2,176	10.1%	6,820	8.0%	15,670	6.6%
Age 65-69	1,727	8.1%	5,198	6.1%	11,687	4.9%
Age 70-74	1,249	5.8%	3,824	4.5%	8,785	3.7%
Age 75-79	996	4.6%	3,102	3.6%	7,357	3.1%
Age 80-84	783	3.7%	2,570	3.0%	6,319	2.7%
85 and Older	754	3.5%	2,542	3.0%	7,154	3.0%
2010 Median Age	52.7		45.6		40.6	
<b>2010 Females</b>	<b>11,272</b>		<b>44,488</b>		<b>122,029</b>	
Females Age 45-49	830	7.4%	2,909	6.5%	7,951	6.5%
Females Age 50-54	1,066	9.5%	3,629	8.2%	9,101	7.5%
Females Age 55-59	1,147	10.2%	3,812	8.6%	9,232	7.6%
Females Age 60-64	1,157	10.3%	3,586	8.1%	8,209	6.7%
Females Age 65-69	872	7.7%	2,730	6.1%	6,259	5.1%
Females Age 70-74	632	5.6%	2,006	4.5%	4,810	3.9%
Females Age 75-79	498	4.4%	1,684	3.8%	4,120	3.4%
Females Age 80-84	440	3.9%	1,459	3.3%	3,731	3.1%
Females Age 85+	467	4.1%	1,614	3.6%	4,783	3.9%
2010 Median Female Age	53.0		47.0		42.8	
<b>2010 Males</b>	<b>10,184</b>		<b>40,916</b>		<b>115,037</b>	
Males Age 45-49	649	6.4%	2,596	6.3%	7,479	6.5%
Males Age 50-54	868	8.5%	3,032	7.4%	8,167	7.1%
Males Age 55-59	1,001	9.8%	3,311	8.1%	8,242	7.2%
Males Age 60-64	1,019	10.0%	3,235	7.9%	7,461	6.5%
Males Age 65-69	856	8.4%	2,468	6.0%	5,428	4.7%
Males Age 70-74	617	6.1%	1,819	4.5%	3,975	3.5%
Males Age 75-79	498	4.9%	1,418	3.5%	3,237	2.8%
Males Age 80-84	343	3.4%	1,110	2.7%	2,588	2.3%
Males Age 85+	286	2.8%	929	2.3%	2,371	2.1%
2010 Median Male Age	52.3		43.8		38.4	

### 4250 E HAVASU Rd

	3 Miles	5 Miles	7 Miles
2022 Average Household Income	\$172,898	\$121,680	\$93,981
2027 Average Household Income	\$193,074	\$140,972	\$110,846
2022 Median Household Income	\$114,685	\$73,098	\$57,101
2027 Median Household Income	\$130,534	\$89,812	\$71,173
2022 Per Capita Income	\$82,112	\$59,993	\$45,173
2027 Per Capita Income	\$92,128	\$69,845	\$53,539
2022-2027 Annual Median Household Income Growth Rate	2.62%	4.20%	4.50%
2022-2027 Annual Per Capita Income Growth Rate	2.33%	3.09%	3.46%
<b>2022 Households</b>	<b>10,401</b>	<b>44,283</b>	<b>118,534</b>
Under \$15,000	461 4.4%	3,926 8.9%	14,650 12.4%
\$15,000-\$24,999	468 4.5%	3,135 7.1%	10,483 8.8%
\$25,000-\$34,999	410 3.9%	3,570 8.1%	11,726 9.9%
\$35,000-\$49,999	901 8.7%	4,908 11.1%	15,404 13.0%
\$50,000-\$74,999	1,210 11.6%	6,990 15.8%	19,150 16.2%
\$75,000-\$99,999	1,067 10.3%	4,619 10.4%	13,281 11.2%
\$100,000-\$149,999	1,801 17.3%	6,809 15.4%	15,973 13.5%
\$150,000-\$199,999	1,337 12.9%	3,734 8.4%	7,457 6.3%
\$200,000 and Over	2,746 26.4%	6,592 14.9%	10,410 8.8%
<b>2027 Households</b>	<b>10,395</b>	<b>44,731</b>	<b>120,796</b>
Under \$15,000	252 2.4%	2,650 5.9%	10,748 8.9%
\$15,000-\$24,999	257 2.5%	2,184 4.9%	8,161 6.8%
\$25,000-\$34,999	225 2.2%	2,608 5.8%	9,184 7.6%
\$35,000-\$49,999	648 6.2%	4,318 9.7%	14,263 11.8%
\$50,000-\$74,999	1,198 11.5%	7,177 16.0%	20,339 16.8%
\$75,000-\$99,999	1,184 11.4%	5,251 11.7%	15,418 12.8%
\$100,000-\$149,999	2,053 19.8%	8,121 18.2%	19,990 16.6%
\$150,000-\$199,999	1,699 16.3%	4,952 11.1%	10,434 8.6%
\$200,000 and Over	2,878 27.7%	7,469 16.7%	12,259 10.2%

# CBRE

## SENIOR HOUSING

4250 E HAVASU RD

	3 MILES		5 MILES		7 MILES	
<b>2022 Householder Age 45-54</b>	<b>1,385</b>		<b>5,742</b>		<b>16,092</b>	
Age 45-54 Under \$15,000	39	2.8%	398	6.9%	1,771	11.0%
Age 45-54 \$15,000-\$24,999	38	2.7%	256	4.5%	987	6.1%
Age 45-54 \$25,000-\$34,999	23	1.7%	324	5.6%	1,216	7.6%
Age 45-54 \$35,000-\$49,999	69	5.0%	456	7.9%	1,726	10.7%
Age 45-54 \$50,000-\$74,999	111	8.0%	784	13.7%	2,559	15.9%
Age 45-54 \$75,000-\$99,999	73	5.3%	493	8.6%	1,759	10.9%
Age 45-54 \$100,000-\$149,999	239	17.3%	1,050	18.3%	2,573	16.0%
Age 45-54 \$150,000-\$199,999	234	16.9%	688	12.0%	1,427	8.9%
Age 45-54 \$200,000 and Over	558	40.3%	1,295	22.6%	2,074	12.9%
2022 Median Household Income: HHr 45-54	\$167,589		\$105,342		\$72,169	
2022 Average Household Income: HHr 45-54	\$226,327		\$156,354		\$114,759	
<b>2022 Householder Age 55-64</b>	<b>2,393</b>		<b>8,583</b>		<b>21,620</b>	
Age 55-64 Under \$15,000	84	3.5%	641	7.5%	2,429	11.2%
Age 55-64 \$15,000-\$24,999	77	3.2%	456	5.3%	1,473	6.8%
Age 55-64 \$25,000-\$34,999	49	2.1%	471	5.5%	1,675	7.8%
Age 55-64 \$35,000-\$49,999	132	5.5%	654	7.6%	2,258	10.4%
Age 55-64 \$50,000-\$74,999	183	7.7%	1,085	12.6%	3,131	14.5%
Age 55-64 \$75,000-\$99,999	185	7.7%	818	9.5%	2,487	11.5%
Age 55-64 \$100,000-\$149,999	449	18.8%	1,567	18.3%	3,525	16.3%
Age 55-64 \$150,000-\$199,999	411	17.2%	1,006	11.7%	1,888	8.7%
Age 55-64 \$200,000 and Over	824	34.4%	1,885	22.0%	2,755	12.7%
2022 Median Household Income: HHr 55-64	\$153,370		\$103,628		\$73,309	
2022 Average Household Income: HHr 55-64	\$207,920		\$154,199		\$114,495	
<b>2022 Householder Age 65-74</b>	<b>2,450</b>		<b>8,484</b>		<b>20,457</b>	
Age 65-74 Under \$15,000	82	3.4%	548	6.5%	2,045	10.0%
Age 65-74 \$15,000-\$24,999	101	4.1%	598	7.1%	1,885	9.2%
Age 65-74 \$25,000-\$34,999	91	3.7%	542	6.4%	1,726	8.4%
Age 65-74 \$35,000-\$49,999	159	6.5%	783	9.2%	2,578	12.6%
Age 65-74 \$50,000-\$74,999	333	13.6%	1,388	16.4%	3,292	16.1%
Age 65-74 \$75,000-\$99,999	331	13.5%	1,085	12.8%	2,573	12.6%
Age 65-74 \$100,000-\$149,999	462	18.9%	1,379	16.3%	2,929	14.3%
Age 65-74 \$150,000-\$199,999	293	12.0%	756	8.9%	1,301	6.4%
Age 65-74 \$200,000 and Over	601	24.5%	1,406	16.6%	2,128	10.4%
2022 Median Household Income: HHr 65-74	\$110,263		\$82,322		\$62,942	
2022 Average Household Income: HHr 65-74	\$168,718		\$131,533		\$102,159	

# CBRE

## SENIOR HOUSING

4250 E HAVASU RD

	3 MILES		5 MILES		7 MILES	
<b>2022 Householder Age 75+</b>	<b>2,091</b>		<b>6,932</b>		<b>16,927</b>	
Age 75+ Under \$15,000	104	5.0%	517	7.5%	1,919	11.3%
Age 75+ \$15,000-\$24,999	148	7.1%	781	11.3%	2,406	14.2%
Age 75+ \$25,000-\$34,999	139	6.7%	703	10.1%	2,175	12.9%
Age 75+ \$35,000-\$49,999	311	14.9%	1,079	15.6%	2,741	16.2%
Age 75+ \$50,000-\$74,999	315	15.1%	1,143	16.5%	2,508	14.8%
Age 75+ \$75,000-\$99,999	277	13.3%	767	11.1%	1,649	9.7%
Age 75+ \$100,000-\$149,999	338	16.2%	869	12.5%	1,738	10.3%
Age 75+ \$150,000-\$199,999	137	6.6%	364	5.3%	683	4.0%
Age 75+ \$200,000 and Over	322	15.4%	708	10.2%	1,110	6.6%
2022 Median Household Income: HHr 75+	\$76,971		\$56,457		\$44,678	
2022 Average Household Income: HHr 75+	\$125,363		\$98,848		\$78,917	
<b>2027 Householder Age 45-54</b>	<b>1,299</b>		<b>5,736</b>		<b>16,026</b>	
Age 45-54 Under \$15,000	19	1.5%	267	4.7%	1,268	7.9%
Age 45-54 \$15,000-\$24,999	18	1.4%	173	3.0%	750	4.7%
Age 45-54 \$25,000-\$34,999	12	0.9%	234	4.1%	923	5.8%
Age 45-54 \$35,000-\$49,999	46	3.5%	387	6.8%	1,443	9.0%
Age 45-54 \$50,000-\$74,999	88	6.8%	735	12.8%	2,496	15.6%
Age 45-54 \$75,000-\$99,999	72	5.5%	528	9.2%	1,928	12.0%
Age 45-54 \$100,000-\$149,999	235	18.1%	1,190	20.8%	3,089	19.3%
Age 45-54 \$150,000-\$199,999	263	20.3%	845	14.7%	1,829	11.4%
Age 45-54 \$200,000 and Over	546	42.0%	1,378	24.0%	2,301	14.4%
2027 Median Household Income: HHr 45-54	\$176,145		\$117,865		\$88,083	
2027 Average Household Income: HHr 45-54	\$247,760		\$174,255		\$132,210	
<b>2027 Householder Age 55-64</b>	<b>2,063</b>		<b>7,537</b>		<b>19,460</b>	
Age 55-64 Under \$15,000	35	1.7%	361	4.8%	1,555	8.0%
Age 55-64 \$15,000-\$24,999	33	1.6%	267	3.5%	985	5.1%
Age 55-64 \$25,000-\$34,999	16	0.8%	277	3.7%	1,139	5.9%
Age 55-64 \$35,000-\$49,999	71	3.4%	459	6.1%	1,729	8.9%
Age 55-64 \$50,000-\$74,999	159	7.7%	958	12.7%	2,859	14.7%
Age 55-64 \$75,000-\$99,999	167	8.1%	775	10.3%	2,488	12.8%
Age 55-64 \$100,000-\$149,999	408	19.8%	1,521	20.2%	3,701	19.0%
Age 55-64 \$150,000-\$199,999	452	21.9%	1,135	15.1%	2,301	11.8%
Age 55-64 \$200,000 and Over	721	35.0%	1,782	23.6%	2,703	13.9%
2027 Median Household Income: HHr 55-64	\$161,889		\$117,147		\$88,039	
2027 Average Household Income: HHr 55-64	\$226,678		\$173,965		\$131,587	

### 4250 E HAVASU Rd

	3 MILES	5 MILES	7 MILES
<b>2027 Householder Age 65-74</b>	<b>2,546</b>	<b>8,827</b>	<b>21,698</b>
Age 65-74 Under \$15,000	37 1.5%	354 4.0%	1,537 7.1%
Age 65-74 \$15,000-\$24,999	49 1.9%	406 4.6%	1,512 7.0%
Age 65-74 \$25,000-\$34,999	45 1.8%	360 4.1%	1,365 6.3%
Age 65-74 \$35,000-\$49,999	100 3.9%	646 7.3%	2,371 10.9%
Age 65-74 \$50,000-\$74,999	313 12.3%	1,422 16.1%	3,557 16.4%
Age 65-74 \$75,000-\$99,999	349 13.7%	1,211 13.7%	3,017 13.9%
Age 65-74 \$100,000-\$149,999	556 21.8%	1,658 18.8%	3,724 17.2%
Age 65-74 \$150,000-\$199,999	410 16.1%	1,054 11.9%	1,918 8.8%
Age 65-74 \$200,000 and Over	689 27.1%	1,717 19.5%	2,698 12.4%
2027 Median Household Income: HHr 65-74	\$129,580	\$100,294	\$78,263
2027 Average Household Income: HHr 65-74	\$194,228	\$155,276	\$121,447
<b>2027 Householder Age 75+</b>	<b>2,453</b>	<b>8,276</b>	<b>20,122</b>
Age 75+ Under \$15,000	72 2.9%	403 4.9%	1,618 8.0%
Age 75+ \$15,000-\$24,999	93 3.8%	587 7.1%	2,036 10.1%
Age 75+ \$25,000-\$34,999	78 3.2%	498 6.0%	1,799 8.9%
Age 75+ \$35,000-\$49,999	246 10.0%	1,075 13.0%	3,099 15.4%
Age 75+ \$50,000-\$74,999	386 15.7%	1,530 18.5%	3,451 17.2%
Age 75+ \$75,000-\$99,999	371 15.1%	1,122 13.6%	2,380 11.8%
Age 75+ \$100,000-\$149,999	505 20.6%	1,316 15.9%	2,697 13.4%
Age 75+ \$150,000-\$199,999	253 10.3%	665 8.0%	1,304 6.5%
Age 75+ \$200,000 and Over	449 18.3%	1,079 13.0%	1,738 8.6%
2027 Median Household Income: HHr 75+	\$98,294	\$75,743	\$58,674
2027 Average Household Income: HHr 75+	\$152,703	\$123,361	\$99,360

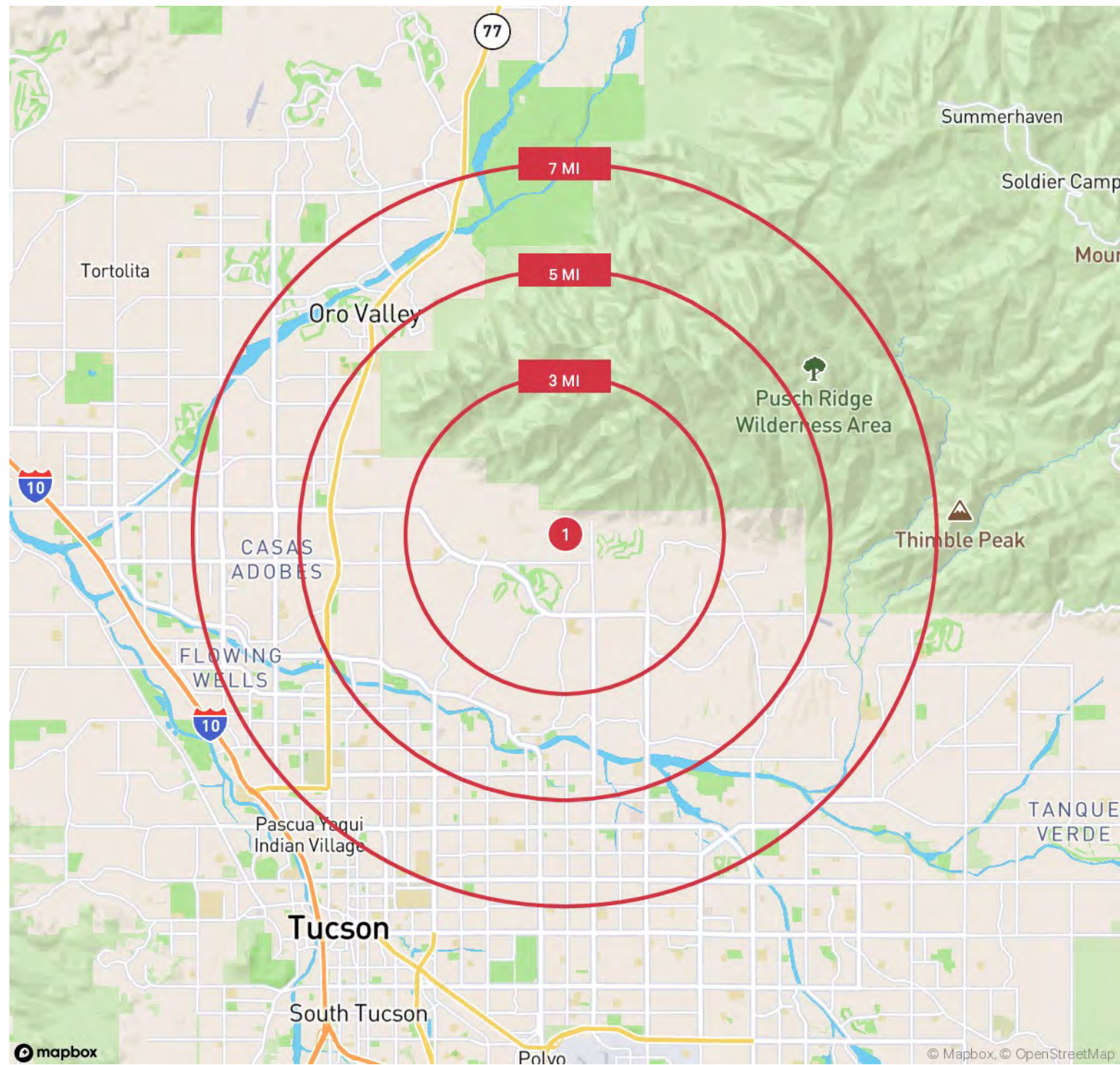
# CBRE

## SENIOR HOUSING

4250 E HAVASU RD

	3 MILES	5 MILES	7 MILES
<b>2022 Owner Occupied Housing Units</b>	<b>7,665</b>	<b>26,019</b>	<b>59,418</b>
Under \$50,000	4 0.1%	782 3.0%	3,848 6.5%
\$50,000-\$99,999	28 0.4%	468 1.8%	2,123 3.6%
\$100,000-\$149,999	88 1.1%	658 2.5%	2,569 4.3%
\$150,000-\$199,999	48 0.6%	762 2.9%	3,514 5.9%
\$200,000-\$249,999	218 2.8%	1,873 7.2%	6,903 11.6%
\$250,000-\$299,999	380 5.0%	3,205 12.3%	8,391 14.1%
\$300,000-\$399,999	1,349 17.6%	5,634 21.7%	12,822 21.6%
\$400,000-\$499,999	1,431 18.7%	4,351 16.7%	7,117 12.0%
\$500,000-\$749,999	2,473 32.3%	5,306 20.4%	7,744 13.0%
\$750,000-\$999,999	888 11.6%	1,578 6.1%	2,243 3.8%
\$1,000,000-\$1,499,999	583 7.6%	1,116 4.3%	1,605 2.7%
\$1,500,000-\$1,999,999	107 1.4%	162 0.6%	264 0.4%
\$2,000,000 and Over	69 0.9%	124 0.5%	277 0.5%
2022 Median Value of Owner Occ. Housing Units	\$529,013	\$393,388	\$318,421
2022 Average Value of Owner Occ. Housing Units	\$611,156	\$467,251	\$380,961
<b>2027 Owner Occupied Housing Units</b>	<b>7,803 75.1%</b>	<b>26,870 60.1%</b>	<b>61,913 51.3%</b>
Under \$50,000	0 0.0%	322 1.2%	1,956 3.2%
\$50,000-\$99,999	0 0.0%	58 0.2%	754 1.2%
\$100,000-\$149,999	0 0.0%	217 0.8%	1,672 2.7%
\$150,000-\$199,999	5 0.1%	367 1.4%	1,909 3.1%
\$200,000-\$249,999	85 1.1%	1,206 4.5%	5,242 8.5%
\$250,000-\$299,999	260 3.3%	3,039 11.3%	9,142 14.8%
\$300,000-\$399,999	1,279 16.4%	6,513 24.2%	16,350 26.4%
\$400,000-\$499,999	1,584 20.3%	5,351 19.9%	9,428 15.2%
\$500,000-\$749,999	3,030 38.8%	6,903 25.7%	10,794 17.4%
\$750,000-\$999,999	860 11.0%	1,609 6.0%	2,501 4.0%
\$1,000,000-\$1,499,999	619 7.9%	1,142 4.3%	1,789 2.9%
\$1,500,000-\$1,999,999	51 0.7%	82 0.3%	178 0.3%
\$2,000,000 and Over	32 0.4%	62 0.2%	184 0.3%
2027 Median Value of Owner Occ. Housing Units	\$556,889	\$432,022	\$362,841
2027 Average Value of Owner Occ. Housing Units	\$619,244	\$496,114	\$423,327
<b>2022 Group Quarters Population</b>	<b>95</b>	<b>1,542</b>	<b>5,807</b>
2027 Group Quarters Population	95	1,542	5,807
<b>2010 Group Quarters Population</b>	<b>88</b>	<b>537</b>	<b>4,127</b>
Institutional Group Quarters	77 87.5%	351 65.4%	2,643 64.0%
Adult Correctional	0 0.0%	2 0.4%	51 1.2%
Juvenile Facilities	11 12.5%	42 7.8%	221 5.4%
Nursing Facilities	66 75.0%	300 55.9%	2,274 55.1%
Other Institutional	0 0.0%	6 1.1%	96 2.3%
Non-Institutional Group Quarters	10 11.4%	186 34.6%	1,484 36.0%
College Student Housing	0 0.0%	0 0.0%	232 5.6%
Military Quarters	0 0.0%	0 0.0%	0 0.0%
Other Non-Institutional	10 11.4%	186 34.6%	1,253 30.4%

4250 E HAVASU Rd



Name	Latitude	Longitude
1 4250 E Havasu Rd	32.3303750121642	-110.901801032434

©2022 CBRE. This information has been obtained from sources believed reliable. We have not verified it and make no guarantee, warranty or representation about it. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. You and your advisors should conduct a careful, independent investigation of the property to determine to your satisfaction the suitability of the property for your needs. Source: Esri ProjectID:1053395

**ADDENDUM E**

**Client Contract Information**

# Proposal and Contract for Services

August 24, 2022

Jeff Teplitsky

Director

**Pima County Real Property Services**

201 North Stone Avenue, Sixth Floor

Tucson, AZ 85701

Phone: 520-724-6306

Email: jeffrey.teplitsky@pima.gov

RE: Assignment Agreement  
Seniors Housing & Care  
4250 E Havasu Road  
Tucson, AZ 85718

Dear Mr. Teplitsky:

We are pleased to submit this proposal and our Terms and Conditions for this assignment.

## PROPOSAL SPECIFICATIONS

<b>Purpose:</b>	To estimate the Market Value of the referenced real estate
<b>Premise:</b>	As Is
<b>Rights Appraised:</b>	Fee Simple
<b>Intended Use:</b>	Basis for voluntary acquisition
<b>Intended User:</b>	The intended user is <b>Pima County Real Property Services</b> ("Client"), <b>Pima County RPS, and/or designated users</b> , and such other parties and entities (if any) expressly recognized by CBRE as "Intended Users" (as further defined herein).
<b>Reliance:</b>	Reliance on any reports produced by CBRE under this Agreement is extended solely to parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the respective reports, provided that any conditions to such acknowledgement required by CBRE or hereunder have been satisfied. Parties or entities other than Intended Users who obtain a copy of the report or any portion thereof (including Client if it is not named as an Intended User), whether as a result of its direct dissemination or by any other means, may not rely upon any opinions or conclusions contained in the report or such portions thereof, and CBRE will not be responsible for any unpermitted use of the report, its conclusions or contents or have any liability in connection therewith.

CBRE, Inc.  
3719 N. Campbell Avenue, Ste  
500  
Tucson, AZ 85719  
[www.cbre.us/valuation](http://www.cbre.us/valuation)  
**Byron Bridges, MAI, MRICS**  
Director

<b>Scope of Inspection:</b>	<p>A full interior and exterior inspection of the property will be conducted and arranged with the property contact and performed by CBRE Valuations.</p> <p>If this expected property inspection is not possible due to unforeseen issues (such as lack of on-site personnel cooperation, physical obstructions, or appraiser/property contact health and safety concerns), the client will be promptly advised. The client may continue this assignment based on other inspection options agreed upon by CBRE and client or provide CBRE with a written notice to cancel. If CBRE determines that a credible appraisal result cannot be achieved due to inspection limitations, it will promptly provide the client with a written cancellation of this assignment.</p>
<b>Valuation Approaches:</b>	All applicable approaches to value will be considered.
<b>Report Type:</b>	Standard Appraisal Report
<b>Appraisal Standards:</b>	USPAP
<b>Appraisal Fee:</b>	\$5,500.00. If cancelled by either party before a completion, the fee will be based on CBRE's hourly rates for the time expended; plus actual expenses.
<b>Expenses:</b>	Fee includes all associated expenses
<b>Retainer:</b>	A retainer is not required for this assignment.
<b>Payment Terms:</b>	Final payment is due upon delivery of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. The full appraisal fee is considered earned upon delivery of the draft report. We will invoice you for the assignment in its entirety at the completion of the assignment.
<b>Delivery Instructions:</b>	<p>CBRE encourages our clients to join in our environmental sustainability efforts by accepting an electronic copy of the report.</p> <p>An Adobe PDF file via email will be delivered to jeffrey.teplitsky@pima.gov. The client has requested 0 bound final copy (ies).</p>
<b>Delivery Schedule:</b>	
<b>Preliminary Value:</b>	Not Required
<b>Draft Report:</b>	Not Required
<b>Final Report:</b>	20 business days after the Start Date
<b>Start Date:</b>	The appraisal process will start upon receipt of your signed agreement and the property specific data.
<b>Acceptance Date:</b>	These specifications are subject to modification if this proposal is not accepted within 5 business days from the date of this letter.

When executed and delivered by all parties, this letter, together with the Terms and Conditions and the Specific Property Data Request attached hereto and incorporated herein, will serve as the

Agreement for appraisal services by and between CBRE and Client. Each person signing below represents that it is authorized to enter into this Agreement and to bind the respective parties, including all intended users, hereto.

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

Sincerely,

**CBRE, Inc.**  
**Valuation & Advisory Services**



Byron Bridges, MAI, MRICS  
Director  
As Agent for CBRE, Inc.  
T +1 520 3235163  
Byron.Bridges@cbre.com

## AGREED AND ACCEPTED

### FOR PIMA COUNTY REAL PROPERTY SERVICES ("CLIENT"):



Signature

August 25, 2022

Date

Jeff Teplitsky

Name

Director

Title

520-724-6306

Phone Number

jeffrey.teplitsky@pima.gov

E-Mail Address

### ADDITIONAL OPTIONAL SERVICE

**Assessment & Consulting Services:** CBRE's Assessment & Consulting Services group has the capability of providing a wide array of solution-oriented due diligence services in the form of property condition and environmental site assessment reports and other necessary due diligence service (seismic risk analysis, zoning compliance service, construction risk management, annual inspections, etc.).

Initial below if you desire CBRE to contact you to discuss a proposal for any part or the full complement of consulting services, or you may reach out to us at [ACSProposals@cbre.com](mailto:ACSProposals@cbre.com). We will route your request to the appropriate manager. For more information, please visit [www.cbre.com/assessment](http://www.cbre.com/assessment).

# TERMS AND CONDITIONS

1. The Terms and Conditions herein are part of an agreement for appraisal services (the "Agreement") between CBRE, Inc. (the "Appraiser") and the client signing this Agreement, and for whom the appraisal services will be performed (the "Client"), and shall be deemed a part of such Agreement as though set forth in full therein. The Agreement shall be governed by the laws of the state where the appraisal office is located for the Appraiser executing this Agreement.
2. Client shall be responsible for the payment of all fees stipulated in the Agreement. Payment of the appraisal fee and preparation of an appraisal report (the "Appraisal Report, or the "report") are not contingent upon any predetermined value or on an action or event resulting from the analyses, opinions, conclusions, or use of the Appraisal Report. Final payment is due as provided in the Proposal Specifications Section of this Agreement. If a draft report is requested, the fee is considered earned upon delivery of the draft report. It is understood that the Client may cancel this assignment in writing at any time prior to delivery of the completed report. In such event, the Client is obligated only for the hourly rate of the time and expenses incurred (including travel expenses to and from the job site), with a minimum charge of \$500. Additional copies of the Appraisal Reports are available at a cost of \$250 per original color copy and \$100 per photocopy (black and white), plus shipping fees of \$30 per report.
3. If Appraiser is subpoenaed or ordered to give testimony, produce documents or information, or otherwise required or requested by Client or a third party to participate in meetings, phone calls, conferences, litigation or other legal proceedings (including preparation for such proceedings) because of, connected with or in any way pertaining to this engagement, the Appraisal Report, the Appraiser's expertise, or the Property, Client shall pay Appraiser's additional costs and expenses, including but not limited to Appraiser's attorneys' fees, and additional time incurred by Appraiser based on Appraiser's then-prevailing hourly rates and related fees. Such charges include and pertain to, but are not limited to, time spent in preparing for and providing court room testimony, depositions, travel time, mileage and related travel expenses, waiting time, document review and production, and preparation time (excluding preparation of the Appraisal Report), meeting participation, and Appraiser's other related commitment of time and expertise. Hourly charges and other fees for such participation will be provided upon request. In the event Client requests additional appraisal services beyond the scope and purpose stated in the Agreement, Client agrees to pay additional fees for such services and to reimburse related expenses, whether or not the completed report has been delivered to Client at the time of such request.
4. Appraiser shall have the right to terminate this Agreement at any time for cause effective immediately upon written notice to Client on the occurrence of fraud or the willful misconduct of Client, its employees or agents, or without cause upon 5 days written notice.
5. In the event Client fails to make payments when due then, from the date due until paid, the amount due and payable shall bear interest at the maximum rate permitted in the state where the office is located for the Appraiser executing the Agreement. In the event either party institutes legal action against the other to enforce its rights under this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and expenses. Each party waives the right to a trial by jury in any action arising under this Agreement.
6. Appraiser assumes there are no major or significant items or issues affecting the Property that would require the expertise of a professional building contractor, engineer, or environmental consultant for Appraiser to prepare a valid report. Client acknowledges that such additional expertise is not covered in the Appraisal fee and agrees that, if such additional expertise is required, it shall be provided by others at the discretion and direction of the Client, and solely at Client's additional cost and expense.
7. In the event of any dispute between Client and Appraiser relating to this Agreement, or Appraiser's or Client's performance hereunder, Appraiser and Client agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by an arbitrator may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the office of the Appraiser executing this Agreement is located. The arbitrator shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar damages. The prevailing party in the arbitration proceeding shall be entitled to recover its expenses from the losing party, including costs of the arbitration proceeding, and reasonable attorney's fees. Client acknowledges that Appraiser is being retained hereunder as an independent contractor to perform the services described herein and nothing in this Agreement shall be deemed to create any other relationship between

Client and Appraiser. This engagement shall be deemed concluded and the services hereunder completed upon delivery to Client of the Appraisal Report discussed herein.

8. All statements of fact in the report which are used as the basis of the Appraiser's analyses, opinions, and conclusions will be true and correct to Appraiser's actual knowledge and belief. Appraiser does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the condition of the Property furnished to Appraiser by Client or others. TO THE FULLEST EXTENT PERMITTED BY LAW, APPRAISER DISCLAIMS ANY GUARANTEE OR WARRANTY AS TO THE OPINIONS AND CONCLUSIONS PRESENTED ORALLY OR IN ANY APPRAISAL REPORT, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE EVEN IF KNOWN TO APPRAISER. Furthermore, the conclusions and any permitted reliance on and use of the Appraisal Report shall be subject to the assumptions, limitations, and qualifying statements contained in the report.
9. Appraiser shall have no responsibility for legal matters, including zoning, or questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The report will not constitute a survey of the Property analyzed.
10. Client shall provide Appraiser with such materials with respect to the assignment as are requested by Appraiser and in the possession or under the control of Client. Client shall provide Appraiser with sufficient access to the Property to be analyzed, and hereby grants permission for entry unless discussed in advance to the contrary.
11. The data gathered in the course of the assignment (except data furnished by Client) and the report prepared pursuant to the Agreement are, and will remain, the property of Appraiser. With respect to data provided by Client, Appraiser shall not violate the confidential nature of the Appraiser-Client relationship by improperly disclosing any proprietary information furnished to Appraiser. Notwithstanding the foregoing, Appraiser is authorized by Client to disclose all or any portion of the report and related data as may be required by statute, government regulation, legal process, or judicial decree, including to appropriate representatives of the Appraisal Institute if such disclosure is required to enable Appraiser to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
12. Unless specifically noted, in preparing the Appraisal Report the Appraiser will not be considering the possible existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (collectively, "Hazardous Material") on or affecting the Property, or the cost of encapsulation or removal thereof. Further, Client represents that there is no major or significant deferred maintenance of the Property that would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, at Client's discretion and direction, and are not covered as part of the Appraisal fee.
13. In the event Client intends to use the Appraisal Report in connection with a tax matter, Client acknowledges that Appraiser provides no warranty, representation or prediction as to the outcome of such tax matter. Client understands and acknowledges that any relevant taxing authority (whether the Internal Revenue Service or any other federal, state or local taxing authority) may disagree with or reject the Appraisal Report or otherwise disagree with Client's tax position, and further understands and acknowledges that the taxing authority may seek to collect additional taxes, interest, penalties or fees from Client beyond what may be suggested by the Appraisal Report. Client agrees that Appraiser shall have no responsibility or liability to Client or any other party for any such taxes, interest, penalties or fees and that Client will not seek damages or other compensation from Appraiser relating to any such taxes, interest, penalties or fees imposed on Client, or for any attorneys' fees, costs or other expenses relating to Client's tax matters.
14. Appraiser shall have no liability with respect to any loss, damage, claim or expense incurred by or asserted against Client arising out of, based upon or resulting from Client's failure to provide accurate or complete information or documentation pertaining to an assignment ordered under or in connection with this Agreement, including Client's failure, or the failure of any of Client's agents, to provide a complete copy of the Appraisal Report to any third party.
15. LIMITATION OF LIABILITY. EXCEPT TO THE EXTENT ARISING FROM SECTION 16 BELOW, OR SECTION 17 IF APPLICABLE, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATE, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR CONTRACTORS BE LIABLE TO THE OTHER, WHETHER BASED IN CONTRACT, WARRANTY, INDEMNITY, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT OR OTHERWISE, FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, INCIDENTAL OR INDIRECT DAMAGES, AND AGGREGATE DAMAGES IN CONNECTION WITH THIS AGREEMENT FOR EITHER PARTY (EXCLUDING THE OBLIGATION TO PAY THE FEES REQUIRED HEREUNDER) SHALL NOT EXCEED THE GREATER OF THE TOTAL FEES PAYABLE TO APPRAISER UNDER THIS AGREEMENT OR TEN THOUSAND DOLLARS (\$10,000). THIS LIABILITY LIMITATION SHALL NOT APPLY IN THE EVENT OF A FINAL FINDING BY AN ARBITRATOR OR A COURT OF COMPETENT JURISDICTION THAT SUCH LIABILITY IS THE RESULT OF A PARTY'S FRAUD OR WILLFUL MISCONDUCT.

16. Client shall not disseminate, distribute, make available or otherwise provide any Appraisal Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Appraisal Report, in whole or in part, in any offering or other material intended for review by other parties) except to (i) any third party expressly acknowledged in a signed writing by Appraiser as an "Intended User" of the Appraisal Report provided that either Appraiser has received an acceptable release from such third party with respect to such Appraisal Report or Client provides acceptable indemnity protections to Appraiser against any claims resulting from the distribution of the Appraisal Report to such third party, (ii) any third party service provider (including rating agencies and auditors) using the Appraisal Report in the course of providing services for the sole benefit of an Intended User, or (iii) as required by statute, government regulation, legal process, or judicial decree. In the event Appraiser consents, in writing, to Client incorporating or referencing the Appraisal Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Appraiser with complete copies of such materials and Appraiser has approved all such materials in writing. Client shall not modify any such materials once approved by Appraiser. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, in no event shall the receipt of an Appraisal Report by such party extend any right to the party to use and rely on such report, and Appraiser shall have no liability for such unauthorized use and reliance on any Appraisal Report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold Appraiser, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (Appraiser and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Appraisal Report.
17. Furthermore, Client shall indemnify, defend and hold each of the Indemnified Parties harmless from and against any Damages in connection with (i) any transaction contemplated by this Agreement or in connection with the appraisal or the engagement of or performance of services by any Indemnified Party hereunder, (ii) any Damages claimed by any user or recipient of the Appraisal Report, whether or not an Intended User, (iii) any actual or alleged untrue statement of a material fact, or the actual or alleged failure to state a material fact necessary to make a statement not misleading in light of the circumstances under which it was made with respect to all information furnished to any Indemnified Party or made available to a prospective party to a transaction, or (iv) an actual or alleged violation of applicable law by an Intended User (including, without limitation, securities laws) or the negligent or intentional acts or omissions of an Intended User (including the failure to perform any duty imposed by law); and will reimburse each Indemnified Party for all reasonable fees and expenses (including fees and expenses of counsel) (collectively, "Expenses") as incurred in connection with investigating, preparing, pursuing or defending any threatened or pending claim, action, proceeding or investigation (collectively, "Proceedings") arising therefrom, and regardless of whether such Indemnified Party is a formal party to such Proceeding. Client agrees not to enter into any waiver, release or settlement of any Proceeding (whether or not any Indemnified Party is a formal party to such Proceeding) without the prior written consent of Appraiser (which consent will not be unreasonably withheld or delayed) unless such waiver, release or settlement includes an unconditional release of each Indemnified Party from all liability arising out of such Proceeding.
18. Time Period for Legal Action. Unless the time period is shorter under applicable law, except in connection with paragraphs 16 and 17 above, Appraiser and Client agree that any legal action or lawsuit by one party against the other party or its affiliates, officers, directors, employees, contractors, agents, or other representatives, whether based in contract, warranty, indemnity, negligence, strict liability or other tort or otherwise, relating to (a) this Agreement or the Appraisal Report, (b) any services or appraisals under this Agreement or (c) any acts or conduct relating to such services or appraisals, shall be filed within two (2) years from the date of delivery to Client of the Appraisal Report to which the claims or causes of action in the legal action or lawsuit relate. The time period stated in this section shall not be extended by any incapacity of a party or any delay in the discovery or accrual of the underlying claims, causes of action or damages.

## SPECIFIC PROPERTY DATA REQUEST

In order to complete this assignment under the terms outlined, CBRE, Inc., Valuation & Advisory Services, will require the following specific information for the property:

1. PLEASE NOTIFY US IMMEDIATELY IF ANY OTHER CBRE SERVICE LINE (INCLUDING CAPSTONE) IS INVOLVED IN THE BROKERAGE, FINANCING, INVESTMENT OR MANAGEMENT OF THIS ASSET.
2. Current title report and title holder name
3. Legal description
4. Survey and/or plat map
5. Site plan for the existing development
6. Building plans and specifications, including square footage for all buildings and units
7. Current county property tax assessment or tax bill
8. Details on any sale, contract, or listing of the property within the past three years
9. Engineering studies, soil tests or environmental assessments
10. Ground lease, if applicable
11. Details regarding the development costs, including land cost, if developed within the past three years
12. Three-year and YTD property income and expenses
13. Current year property income and expense budget
14. Detailed occupancy report for the past three years and current YTD
15. Detailed current rent roll indicating any vacant units
16. Details regarding any pending changes to the rent roll, including deposits for future occupancies
17. Details regarding any concessions currently being offered or provided for all leases pending or signed over the prior 12 months
18. Details regarding all personal property, including furniture, fixtures, and equipment
19. Analysis of prospective payment system (Medicaid, Medicare, and private pay)
20. Details regarding the historical and future replacement schedule (i.e., carpets, appliances, cabinetry, laundry facilities, HVAC, etc.)
21. Details regarding capital expenditures made within the last 12 months, or scheduled for the next 12 months
22. Marketing plan and/or local competitive study, if available
23. Any previous market/demand studies or appraisals
24. Name and telephone number of property contact for physical inspection and additional information needed during the appraisal process
25. Any other information that might be helpful in valuing this property

If any of the requested data and information is not available, CBRE, Inc., reserves the right to extend the delivery date by the amount of time it takes to receive the requested information or make other arrangements. Please have the requested information delivered to the following:

Byron Bridges, MAI, MRICS  
Director  
CBRE, Inc.  
Valuation & Advisory Services

**ADDENDUM F**

**Appraiser Qualifications**

# Andy Kepchar, MAI

*Vice President*

*Valuation and Advisory Services, Seniors Housing & Healthcare*

**CBRE**



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M +1 717 575 3723  
andy.kepchar@cbre.com

200 Concord Plaza  
Suite 800  
San Antonio, TX 78216

## Experience

Andy Kepchar, MAI is a Vice President for CBRE Valuation & Advisory Services and is based in San Antonio, Texas. With over 15 years of experience in seniors housing appraising, Mr. Kepchar covers the South-Central Region for the Healthcare and Seniors Housing Group. Clients he has served include a broad base of regional and national commercial banks, REITs, property owners, and operating and development companies. Mr. Kepchar also specializes in providing appraisal services for HUD-insured financing under the LEAN Program. He is a national HUD Practice Leader for the CBRE Seniors Housing & Healthcare group.

Mr. Kepchar's experience includes the estimation of values for continuing care retirement communities (CCRCs), surgical centers, rehabilitation centers, long term acute care facilities (LTACs), independent and assisted living facilities, memory care facilities, and skilled nursing facilities. He has also worked with other asset classes including multifamily, office, and retail. Prior to joining CBRE, he worked as a senior consultant for a national seniors housing specialty firm.

## Professional Affiliations / Accreditations

- Appraisal Institute, Designated Member (MAI)
- Certified General Real Estate Appraiser in TX, OK, LA, AR, KS

## Education

- University of Delaware, B.S.
  - Majors – Finance and Marketing
  - Minor - Economics
- Appraisal Institute
  - All courses related to becoming Certified General Appraiser
  - Advanced Income Capitalization
  - Advanced Market Analysis and Highest and Best Use
  - General Appraiser Report Writing and Case Studies
  - Advanced Concepts and Case Studies
  - Quantitative Analysis
  - General Demonstration Report – Capstone Program

## Clients Represented

- M&T Bank
- Capital Funding Group
- M&T Realty Capital
- Welltower
- Dwight Capital
- CohnReznick
- PNC
- Cambridge Realty
- Capital Companies
- Cushman & Wakefield
- Cedarbrook Senior Living
- Sunrise Senior Living
- Silverado Senior Living
- BB&T
- Sims Mortgage Funding
- KeyBank
- Southwest Bank
- Independence Bank
- BBVA Compass
- Interbank
- Capital One Bank
- Southern Bank
- Popular Bank

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# Department of Insurance and Financial Institutions

## State of Arizona

**CGA - 1004669**

This document is evidence that: **Andrew Stephen Kepchar** has complied with the provisions of  
Arizona Revised Statutes, relating to the establishment and operation of a:

**Certified General Real Estate Appraiser**

and that the Superintendent of Financial Institutions of the State of Arizona has granted this license to transact the business of a:

**Certified General Real Estate Appraiser**

**Andrew Stephen Kepchar**

This license is subject to the laws of Arizona and will remain in full force and effect until surrendered, revoked or suspended as provided by law.

Expiration Date : **October 31, 2023**

# Byron Bridges, MAI, MRICS

Director, Tucson

CBRE



T + 520 323 5163  
M +520 903 8962  
Byron.bridges@cbre.com

3719 North Campbell Avenue  
Tucson, Arizona 85719

## Clients Represented

- Caliber Companies
- Capital Source Bank
- Cargill /CarVal Investors
- CEMEX
- Citibank
- Compass Bank
- Commerce Bank
- Exclusive Resorts
- Freddie Mac
- Fortress Investment Group
- Goldman Sachs
- Grupo Presidente
- ING
- Kerzner International
- Lewis & Roca
- Merrill Lynch
- MIRA Companies
- Morgan Stanley
- Ohana Real Estate
- PriceWaterhouseCoopers
- Promecap
- Snell & Wilmer
- State Farm Insurance
- U.S. Army Corps of Engineers
- Walton Street Capital
- Western Alliance Bank

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## Experience

Mr. Bridges is the director of the Valuation & Advisory Services Group's Tucson office in the Intermountain Region and has over 22 years of real estate appraisal and consulting experience. Mr. Bridges is a designated Member of the Appraisal Institute (MAI). Mr. Bridges primary geographical location is Southern Arizona. Mr. Bridges is also a member of CBRE's Latin America Valuation & Advisory Team and has performed numerous international valuation assignments.

His appraisal experience has been in the fee preparation of real estate appraisals, rent analyses, demand and absorption studies, and feasibility studies for a variety of clients, including numerous financial institutions, government agencies, Fortune 500 corporations, insurance companies, and private organizations. Experience involves a wide variety of property types as well as conservation easements, special purpose real estate holdings, agriculture properties, among others. Mr. Bridges has considerable experience with litigation cases.

Mr. Bridges has conducted many appraisals, market studies and feasibility analyses of master-planned communities, condominium projects, land, hospitality resort properties, residential properties, and commercial properties within and around the major beach front communities in Mexico, Costa Rica, and Belize. Mr. Bridges has extensive knowledge of the Mexico and Latin America real estate marketplace and since 2001 has performed valuation and consultation assignments in Latin America countries in excess of over 800 individual assignments.

Mr. Bridges areas of concentration include the oceanfront beach resorts of Mexico, Costa Rica, and Belize, and other Latin America countries. Within Baja California Sur resort areas, he has completed extensive valuation and consultation work in Los Cabos (Cabo San Lucas, San Jose del Cabo), East Cape, Todos Santos, the Pacific Ocean area, La Paz, and Loreto; in Quintana Roo, Riviera Maya, Playa del Carmen, Cancun, Tulum, Cozumel, Isla Mujeres, and Riviera Maya; in Jalisco and Nayarit, Puerto Vallarta, Punta Mita, Nuevo Vallarta, Sayulita, and the Riviera Vallarta; in Baja California, Rosarito, Ensenada, and San Felipe; in Sonora, Puerto Peñasco (Rocky Point) and San Carlos/Guaymas; in Costa Rica, Guanacaste, and Jaco.

The assignments prepared were done for various clients for many reasons such as financial transactions, business decisions, investment speculation, estates, litigation, partnership disputes, easements, and others.

## Professional Affiliations / Accreditations

- State Certified General Real Estate Appraiser-State of Arizona, No. 31173
- Appraisal Institute, Designated Member (MAI), No. 534642
- Member of the Royal Institution of Chartered Surveyors (MRICS)

## Education

- University of Arizona
- Bachelor of Science; Regional Development/Planning
- Bachelor of Science in Business Administration; Entrepreneurship
- Appraisal Institute and other appraisal-related coursework

# Department of Financial Institutions

State of Arizona

CGA - 31173

This document is evidence that: **BYRON LLOYD BRIDGES** has complied with the provisions of  
Arizona Revised Statutes, relating to the establishment and operation of a:

**Certified General Real Estate Appraiser**

and that the Superintendent of Financial Institutions of the State of Arizona has granted this license to transact the business of a:

**Certified General Real Estate Appraiser**

**BYRON LLOYD BRIDGES**

This license is subject to the laws of Arizona and will remain in full force and effect until surrendered, revoked or suspended as provided by law.

Signed in the Superintendent's office at 100 North 15th Avenue, Suite 261, in  
the City of Phoenix, State of Arizona, this 5th day of October, 2019.



Keith A. Schraad  
Interim Superintendent

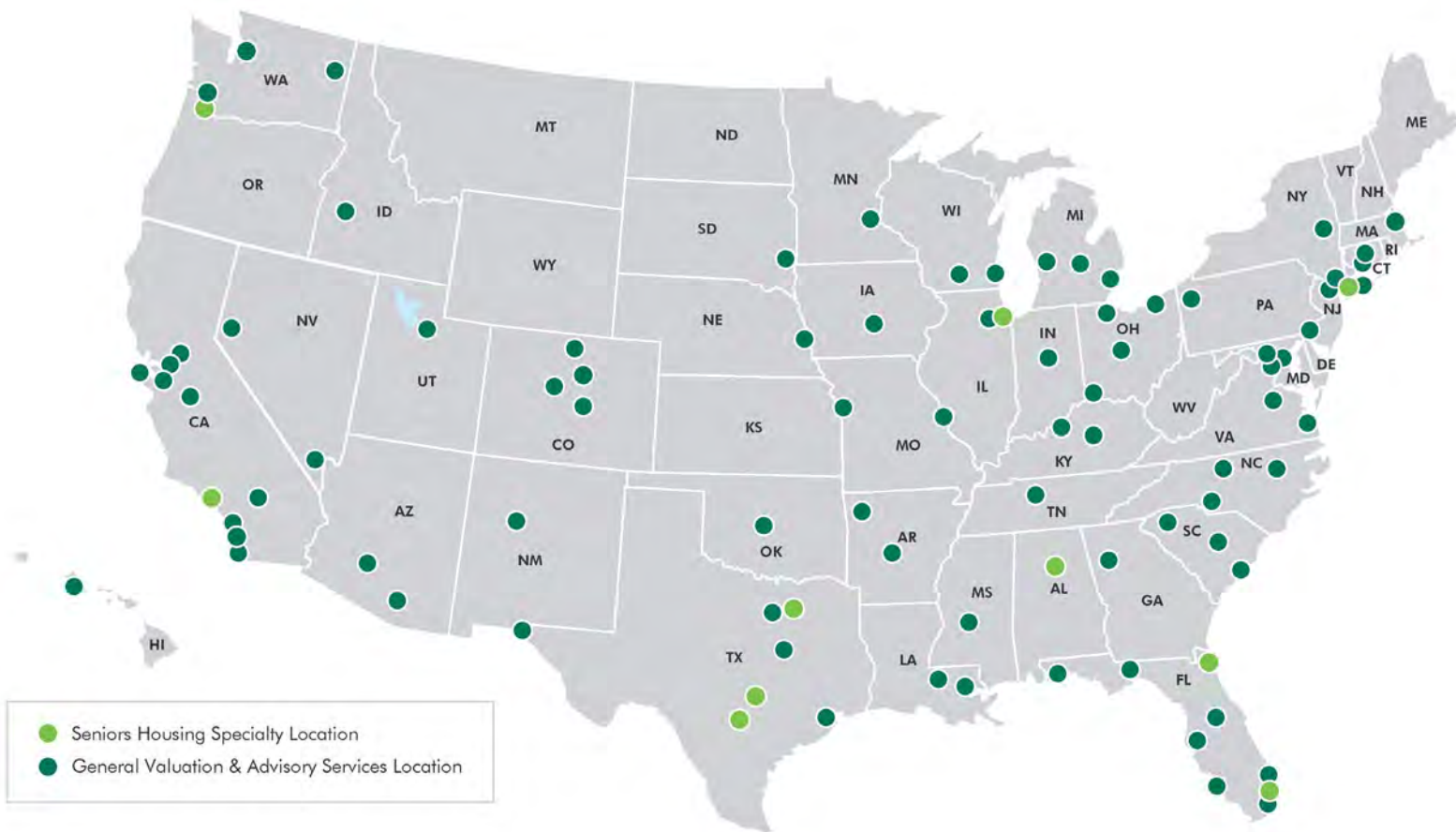
Expiration Date : **September 30, 2021**

**ADDENDUM G**

**CBRE Seniors Housing & Healthcare Practice**

## CBRE VALUATION & ADVISORY SERVICES

### U.S. SENIORS HOUSING & HEALTHCARE PRACTICE



### SENIORS HOUSING & HEALTHCARE ADVANTAGE

- 15+ Seniors Housing Specialists
- 3 MAI Appraisers
- 10-Year Average Valuation Tenure
- \$30BN+ Seniors Housing Annual Valuations
- 30+ Seniors Housing Annual Portfolio Valuations
- 2,100+ Seniors Housing Valuations Annually

**Daniel Lincoln, MAI**  
Director | Practice Leader  
Seniors Housing & Healthcare Practice  
+1 205 515 5985  
[daniel.lincoln@cbre.com](mailto:daniel.lincoln@cbre.com)

**Jordan Lee, MAI**  
Vice President  
Seniors Housing & Healthcare Practice  
+1 503 949 8805  
[jordan.lee@cbre.com](mailto:jordan.lee@cbre.com)