

## Staff Report for 2024 State Board of Equalization

**File No.:** 2024-CASS-FARGO-STERLING PROPERTIES, LLLP-BROWNSTONE

**Prepared By:** PROPERTY TAX DIVISION

**County or City:** CITY OF FARGO

**Appellant:** STERLING PROPERTIES, LLLP

**Type of Appeal:** COMMERCIAL VALUE

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**Appeal Issue:** Sterling Properties, LLLP, represented by Sam Jelleberg, is appealing the property value of \$4,844,600 on parcel number 01-2830-00075-000, located at 2201 33<sup>rd</sup> Ave S, Fargo, ND.

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**Analysis:**

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**Summary:**

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**Proposal for Review:**

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600 E. BOULEVARD AVE., DEPT 127  
BISMARCK, ND 58505-0599

WWW.ND.GOV/TAX | TAXINFO@ND.GOV NORTH DAKOTA





### Appellant Information – State Board of Equalization

County or City: Fargo, ND  
 Appellant: Sterling Properties, LLLP  
 Type of Appeal: Residential

Please complete this form in its entirety. The information provided will be taken into consideration when investigating and reaching a conclusion regarding the appeal presented. To provide ample time for investigation, all information to support the appeal (property information, pictures, income information, etc.) must be received by August 1, 2024, and is subject to open records. Please provide one questionnaire per property.

Please email or mail any supporting documentation to:  
[propertytax@nd.gov](mailto:propertytax@nd.gov)  
 or  
 The Office of State Tax Commissioner, Attn: Property Tax,  
 600 E Boulevard Ave., Bismarck, ND 58505-0599

#### *Information for Property Referenced in Appeal:*

Property name	Brownstone
City	Fargo
Address	2201 33rd Ave S
Township Name	Barnes
County	Cass
Parcel ID	01-2830-00075-000
Legal Description	SOUTH POINTE 1ST LT 1 BLK 1 S 200 FT OF LOT 1 LESS THE W 260 FT BLK 1 SOUTH POINTE 1ST *05/30/91 SPL/FR 283.0-0070.0

***Appellant Contact Information:***

Appellant Name: Sam Jelleberg  
Address: 4340 18<sup>th</sup> Ave S, Fargo, ND 58103  
Phone Number: 701-201-0645  
Email Address: SJelleberg@SRETrust.com

***Answer the questions below that apply to the appeal:***

Are you the owner of the property of this appeal?       Yes     No  
(If No, please see the Consent to Release Financial Info)

Did you receive a notice of increase letter from the city/township? (choose all that apply)

- Prior to     After                  Township/City Equalization Meeting  
 Prior to     After                  County Equalization Meeting  
 No Notification Received

At which meeting(s) did you appeal your assessment? (choose all that apply)

- Township/City     County     N/A

***\*Please note NDCC § 57-13-04.3(a)(1)(2) requires appellants to appeal to the State Board of Equalization must have applied to both local and county boards.***

Has a recent appraisal been completed on the property?

- Yes (if yes, please attach)     No

What grounds is your appeal based upon? Please check all that apply and provide supporting documentation for each selection.

- Factual error, that is, a data collection or clerical error.  
 Equity and uniformity claim of discriminatory level of assessment.  
 Belief that the valuation is inaccurate.  
 Exemption, classification, or assessment limitation.

Please attach or email (propertytax@nd.gov) the following:

1. A detailed explanation of your appeal
2. Evidence to validate the assessment appealed

**Appeal Process:**

- 1.) Appellant notifies the Property Tax Division of intent to appeal.
- 2.) Submit this form and all applicable documentation to propertytax@nd.gov by the date specified above.
- 3.) The State Board of Equalization meets on the second Tuesday in August to examine and compare the returns of the assessment of taxable property as submitted by North Dakota counties. This is locally assessed property. The board equalizes the property so that all assessments of similar

taxable property are uniform and equal throughout the state. During this meeting, tax directors or other representatives from a county will speak, along with city representatives, and individual taxpayers.

- 4.) After the State Board meeting, your case will be assigned, and staff will reach out to schedule an onsite review of the property (when deemed applicable). While an interior inspection of the property is not required, interior reviews may affect the consideration of value. If denied an interior review, we will assess from the exterior only. Staff will not be allowed to enter the property without the owner or a representative present.
- 5.) Generally, by the first Thursday of October, the property tax division staff will present their findings to the State Board of Equalization with a recommendation. The board deliberates and votes. You can attend this meeting; however, public comments are not accepted.

CBRE VALUATION & ADVISORY SERVICES

# APPRAISAL REPORT

BROWNSTONE APARTMENTS  
2201 33RD AVENUE S  
FARGO, NORTH DAKOTA 58104  
CBRE FILE NO. 21-164MW-3613-2

CLIENT: BREMER BANK N.A.  
CLIENT REFERENCE NO.: FILE ID: 210415029

**CBRE**



1900 LaSalle Plaza, 800 LaSalle Avenue  
Minneapolis, MN 55402

T (612) 336-4315  
F (952) 831-8023

www.cbre.com

Date of Report: May 13, 2021

Mr. Mike Streiff, III  
Collateral Department Manager VP  
BREMER BANK  
8555 Eagle Point Boulevard  
Lake Elmo, Minnesota 55042

RE: Appraisal of: Brownstone Apartments  
2201 33rd Avenue S  
Fargo, Cass County, North Dakota 58104  
CBRE, Inc. File No. 21-164MW-3613-2  
Client Reference No.: File ID: 210415029

Dear Mr. Streiff:

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

The subject is a 72-unit multi-family garden property located at 2201 33rd Avenue S in Fargo, North Dakota. The property consists of three, three-story apartment buildings and six detached garage buildings. The improvements were constructed in 1990 and are situated on a 3.53-acre site. The improvements were 91.7% leased as of the date of the rent roll (as of March 2021) and are considered to be stabilized.

Given the current climate with regards to the recent COVID-19 outbreak, the appraisers have not inspected the interior of the subject property and have relied on owner provided photos. The lack of an interior inspection is not considered to impact the credibility of the assignment results. Harry Johnson completed an exterior inspection of the subject property on the date of value.

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

<b>MARKET VALUE CONCLUSION</b>			
<b>Appraisal Premise</b>	<b>Interest Appraised</b>	<b>Date of Value</b>	<b>Value Conclusion</b>
As Is	Fee Simple Estate	May 7, 2021	\$4,350,000
Compiled by CBRE			

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

*As of the date of value and the date of this report, the nation, region, and market area are impacted by the COVID-19 pandemic. This could have a prolonged effect on macroeconomic conditions, though at this time the length of duration is unknown. The perceived impact on real estate varies on several factors including asset class, use, tenancy, and location. Our analysis considers available information as of the effective date.*

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 can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES



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Harry Johnson  
Senior Appraiser  
Certified General Real Property Appraiser  
State of North Dakota License # CG-21874

Phone: 612.336.4202  
Email: harry.johnson@cbre.com



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Justin Reed, MAI  
Director  
Certified General Real Property Appraiser  
State of North Dakota License #CG-2705

Phone: 612.336.4315  
Email: justin.reed@cbre.com

## 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 North Dakota.
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, Justin Reed, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
10. As of the date of this report, Harry Johnson has completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.
11. Harry Johnson has and Justin Reed, MAI has not made a personal inspection of the property that is the subject of this report. The inspection was exterior-only.
12. No one provided significant real property appraisal assistance to the persons signing this report.
13. 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.
14. Harry Johnson has not and Justin Reed, MAI has 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.



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Harry Johnson  
Senior Appraiser



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Justin Reed, MAI  
Director



# Subject Photographs



Aerial View



Exterior



Exterior



Owner Provided Interior Photo



Owner Provided Interior Photo



Owner Provided Interior Photo



Owner Provided Interior Photo



Owner Provided Interior Photo



Owner Provided Interior Photo

## Executive Summary

<b>Property Name</b>	Brownstone Apartments	
<b>Location</b>	2201 33rd Avenue S Fargo, Cass County, ND 58104	
<b>Parcel Number(s)</b>	01-2830-00075-000	
<b>Client</b>	Bremer Bank	
<b>Client Reference Number</b>	File ID: 210415029	
<b>Highest and Best Use</b>		
As If Vacant	Multifamily	
As Improved	Multifamily	
<b>Property Rights Appraised</b>	Fee Simple Estate	
<b>Date of Inspection</b>	May 7, 2021	
<b>Estimated Exposure Time</b>	3 - 6 Months	
<b>Estimated Marketing Time</b>	3 - 6 Months	
<b>Primary Land Area</b>	3.53 AC	153,867 SF
<b>Zoning</b>	MR-3 - MULTI-DWELLING DISTRICT	
<b>Improvements</b>		<b>Comments</b>
Property Type	Multifamily	(Multi-Family Garden)
Number of Buildings	9	3 Apartment, 6 Garage
Number of Stories	3	
Net Rentable Area	62,822 SF	
Number of Units	72	
Average Unit Size	873 SF	
Year Built	1990	
Effective Age	30 Years	
Remaining Economic Life	25 Years	
Condition	Average	
<b>Buyer Profile</b>	Investor-Local	
<b>Financial Indicators</b>		
Current Occupancy	91.7%	
Stabilized Occupancy	95.0%	
Stabilized Credit Loss	0.0%	
Overall Capitalization Rate	6.25%	

<b>Pro Forma</b>	<b>Total</b>	<b>Per Unit</b>
Effective Gross Income	\$591,766	\$8,219
Operating Expenses	\$327,442	\$4,548
Expense Ratio	55.33%	
Net Operating Income	\$264,323	\$3,671
<b>VALUATION</b>	<b>Total</b>	<b>Per Unit</b>
Land Value	\$770,000	\$10,694
Sales Comparison Approach	\$4,460,000	\$61,944
Income Capitalization Approach	\$4,230,000	\$58,750

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**CONCLUDED MARKET VALUE**

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<b>Appraisal Premise</b>	<b>Interest Appraised</b>	<b>Date of Value</b>	<b>Value</b>
As Is	Fee Simple Estate	May 7, 2021	\$4,350,000

Compiled by CBRE

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### **IMPORTANT WARNING - MARKET UNCERTAINTY FROM NOVEL CORONAVIRUS**

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a Global Pandemic on the 11th March 2020, is causing heightened uncertainty in both local and global market conditions. Global financial markets have seen steep declines since late February largely on the back of the pandemic over concerns of trade disruptions and falling demand.

The effect COVID-19 will have on the real estate market in the region is currently unknown and will largely depend on both the scale and longevity of the pandemic. A prolonged pandemic could have a significant (and yet unknown or quantifiable) impact on other sectors of the property market.

Comparable transactions and market evidence since the pandemic are limited. Our valuation is based on the information available to us at the date of valuation. Whilst we have taken all reasonable steps to estimate the effect on the property, due to the significant uncertainty in property and capital markets and the rapid unfolding of these events it is difficult to quantify and assess the impact that the pandemic has had on capital values, if any.

### **STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)**

#### **Strengths/ Opportunities**

- The subject has been adequately maintained.
- The subject is built with conventional finishes.
- All units have a patio/balcony and the property features detached garage parking
- The subject is currently 91.7% occupied with strong historical operating levels.

#### **Weaknesses/ Threats**

- The subject is an older, Class C garden apartment.
- The local market has minimal barriers to entry for new product.

- The subject lacks any significant community amenities outside of its detached parking.
- Increased uncertainty and risk associated with COVID-19. Most participants anticipate with the greatest impact felt in the next 3-9 months.

### **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.” <sup>1</sup>

- CBRE did not conduct an interior inspection for this assignment. Therefore, we have relied upon owner provided interior photos of the subject. It is assumed that the improvements are in similar condition as illustrated in the photos.
- CBRE requested a physical condition report and environmental study. Our appraisal assumes that the subject does not suffer from any deferred maintenance or site contamination. The presence of deferred maintenance or site contamination would alter the results reported herein.
- The use of these extraordinary assumptions may have affected the assignment results.

### **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.” <sup>2</sup>

- None noted

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The Appraisal Foundation, *USPAP, 2020-2021*

The Appraisal Foundation, *USPAP, 2020-2021*

## OWNERSHIP AND PROPERTY HISTORY

OWNERSHIP SUMMARY	
Item	Current
<b>Current Ownership</b>	
Owner:	Matrix Properties Corp
Seller:	N/A
Purchase Price:	N/A
Transaction Date:	N/A
Sale in Last 3 Years?:	No
County/Locality Name:	Cass
Comments:	No recent sales of the subject have occurred in the past 10 years.
<b>Pending Sale</b>	
Under Contract:	Yes
Buyer:	Sterling Properties, LLLP
Contract Price:	\$4,284,000
Contract Date:	Feb 24, 2021
Arm's Length:	Yes
At / Above / Below Market:	At Market
Comments:	Arm's length transaction of 5 apartment communities in Fargo.
Compiled by CBRE	

CBRE is unaware of any arm's length ownership transfers of the property within three years of the date of appraisal. Details on the current owner's acquisition of the subject were requested but were unavailable.

According to a Purchase and Sale Agreement provided to CBRE, the subject property is currently under contract to be purchased by Sterling Properties, LLLP for \$4,284,000, or \$59,500 per unit. We are unaware of any additional ownership transfers of the property in the last three years. The subject is part of a 5 property, 576-unit portfolio which is transferring between the buyer and seller. Discussions with the buyer indicate that no discount was received given the multiple property acquisition.

At this point it is necessary to reconcile between the contracted purchase price of \$4,284,000 and our "as is" market value conclusion of \$4,350,000. The variance is relatively minimal and considered reasonable.

## EXPOSURE/MARKETING TIME

Current appraisal guidelines require an estimate of a reasonable time period in which the subject could be brought to market and sold. This reasonable time frame 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 date of value. On a prospective basis, the term marketing time is most often used. The exposure/marketing time is a function of price, time, and use. It is not an isolated estimate of time alone. In consideration of these factors, we have analyzed the following:

- exposure periods for comparable sales used in this appraisal;
- exposure/marketing time information from the CBRE, Inc. National Investor Survey and the PwC Real Estate Investor Survey; and
- the opinions of market participants.

Our valuation is predicated on a buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. The COVID-19 pandemic has resulted in logistical constraints on property transactions such as inability to travel for due diligence/tours and closing of municipal agencies for closing/recording sale transactions. In addition, some buyers and sellers have paused or postponed transacting amid the pandemic. As of the effective date of this appraisal, this has extended the reasonable time period in which the subject could be brought to market and sold. In light of the COVID-19 pandemic and prevailing market conditions, we would anticipate a longer marketing period relative to the exposure period. The following table presents information derived from various sources and our conclusion.

The following table presents the information derived from these sources.

<b>EXPOSURE/MARKETING TIME DATA</b>			
Investment Type	Exposure/Mktg. (Months)		
	Range	Average	
Comparable Sales Data	0.0 - 6.0	6.0	
<i>PwC Apartment</i>			
National Data	1.0 - 12.0	5.3	
Local Market Professionals	3.0 - 6.0	6.0	
<b>CBRE Exposure Time Estimate</b>	<b>3 - 6 Months</b>		
<b>CBRE Marketing Period Estimate</b>	<b>3 - 6 Months</b>		
Various Sources Compiled by CBRE			



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## Scope of Work

This Appraisal Report is intended to comply with the reporting requirements set forth under Standards Rule 2 of USPAP. The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered, and analysis is applied.

### INTENDED USE OF REPORT

This appraisal is to be used for financing and no other use is permitted.

### CLIENT

The client is Bremer Bank N.A.

### INTENDED USER OF REPORT

This appraisal is to be used by Bremer Bank. No other user(s) may rely on our report unless as specifically indicated in this report.

Intended Users - the intended user is the person (or entity) who the appraiser intends will use the results of the appraisal. The client may provide the appraiser with information about other potential users of the appraisal, but the appraiser ultimately determines who the appropriate users are given the appraisal problem to be solved. Identifying the intended users is necessary so that the appraiser can report the opinions and conclusions developed in the appraisal in a manner that is clear and understandable to the intended users. Parties who receive or might receive a copy of the appraisal are not necessarily intended users. The appraiser's responsibility is to the intended users identified in the report, not to all readers of the appraisal report.<sup>3</sup>

### PURPOSE OF THE APPRAISAL

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

### DEFINITION OF 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;

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Appraisal Institute, The Appraisal of Real Estate, 14th ed. (Chicago: Appraisal Institute, 2013), 50.

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>4</sup>

## INTEREST APPRAISED

The value estimated represents the Fee Simple Estate as defined below:

*Fee Simple Estate* - Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat. <sup>5</sup>

## Extent to Which the Property is Identified

The property is identified through the following sources:

- postal address
- assessor's records
- legal description

## Extent to Which the Property is Inspected

Given the current climate with regards to the recent COVID-19 outbreak, the appraisers have not inspected the interior of the subject property and have relied on owner provided photos. The lack of an interior inspection is not considered to impact the credibility of the assignment results. Harry Johnson completed an exterior inspection of the subject property on the date of value.

## Type and Extent of the Data Researched

CBRE reviewed 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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Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472.

Appraisal Institute, The Dictionary of Real Estate Appraisal, 6<sup>th</sup> ed. (Chicago: Appraisal Institute, 2015), 90.

## Data Resources Utilized in the Analysis

<b>DATA SOURCES</b>	
<i>Item:</i>	<i>Source(s):</i>
<b>Site Data</b>	
Size	City of Fargo
<b>Improved Data</b>	
Building Area	City of Fargo
No. Bldgs.	Physical Inspection
Parking Spaces	Physical Inspection
Year Built/Developed	City of Fargo
<b>Economic Data</b>	
Deferred Maintenance:	Physical Inspection
Building Costs:	N/A
Income Data:	Market Derived, Owner P&Ls
Expense Data:	Market Derived, Owner P&Ls
Compiled by CBRE	

## 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. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons.

### Income Capitalization Approach

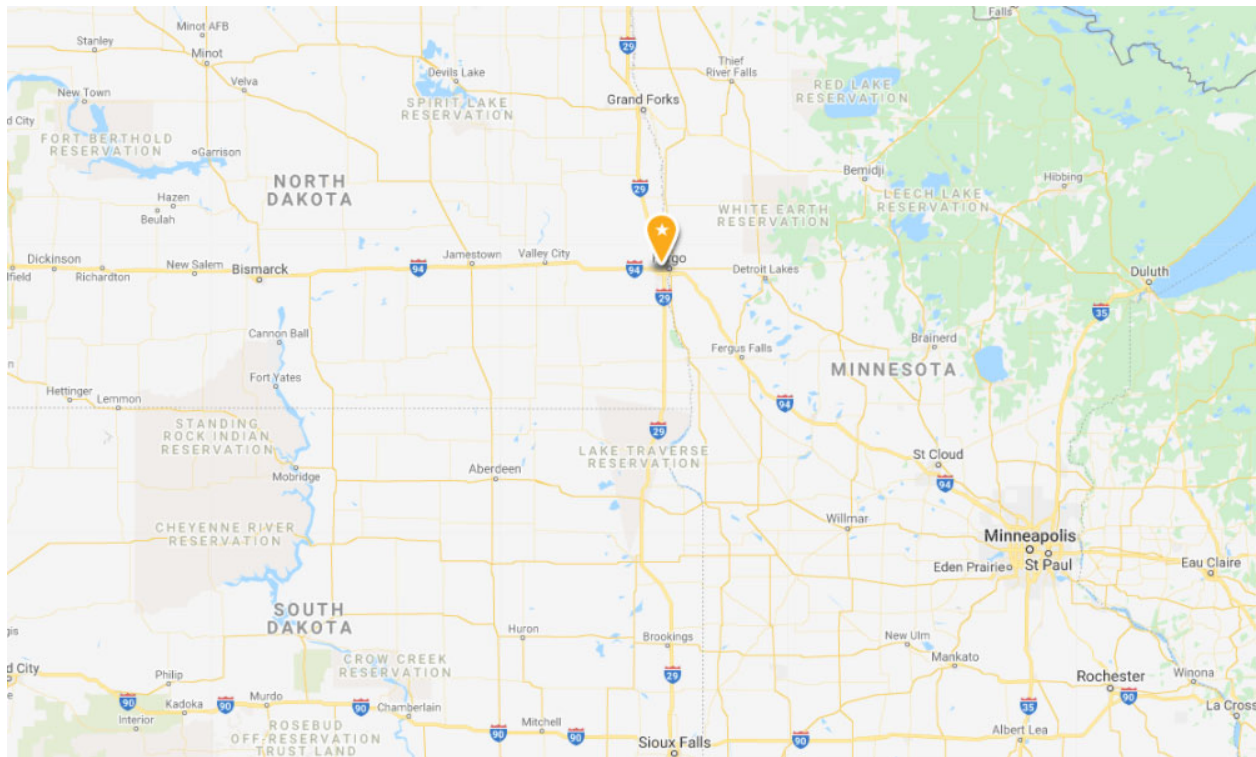
The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income 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, only the sales comparison and income capitalization approaches are applicable and have been used. The cost approach is not applicable in the estimation of market value due to the age of the improvements and depreciation present. The exclusion of said approach(s) is not considered to compromise the credibility of the results rendered herein.

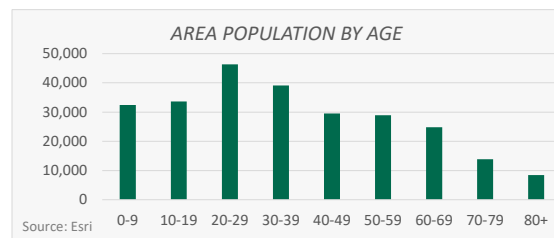
## Area Analysis



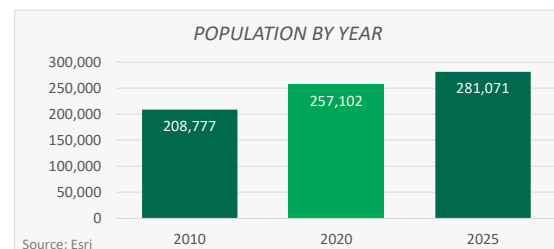
The subject is located in the Fargo, ND-MN Metropolitan Statistical Area. Key information about the area is provided in the following tables.

### POPULATION

The area has a population of 257,102 and a median age of 34, with the largest population group in the 20-29 age range and the smallest population in 80+ age range.



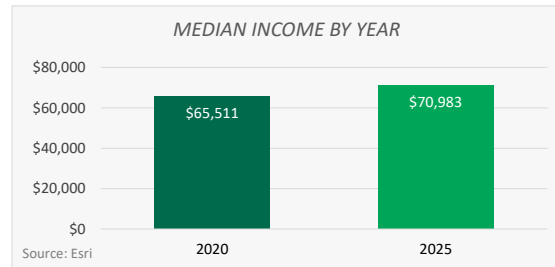
Population has increased by 48,325 since 2010, reflecting an annual increase of 2.1%. Population is projected to increase by an additional 23,969 by 2025, reflecting 1.8% annual population growth.



Source: ESRI, downloaded on May, 13 2021

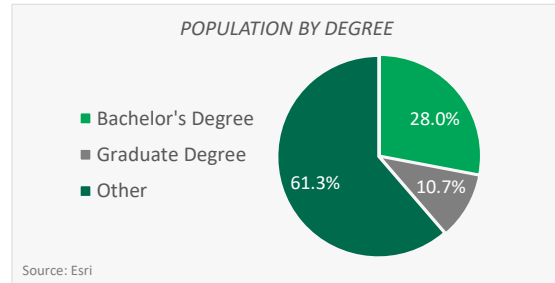
## INCOME

The area features an average household income of \$87,771 and a median household income of \$65,511. Over the next five years, median household income is expected to increase by 8.4%, or \$1,094 per annum.

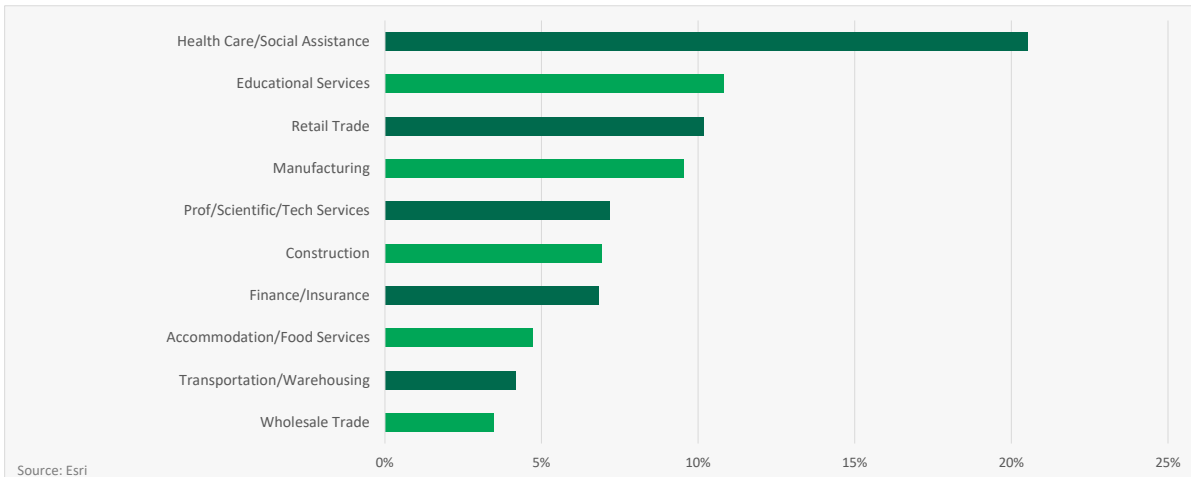


## EDUCATION

A total of 38.7% of individuals over the age of 24 have a college degree, with 28.0% holding a bachelor's degree and 10.7% holding a graduate degree.



## EMPLOYMENT

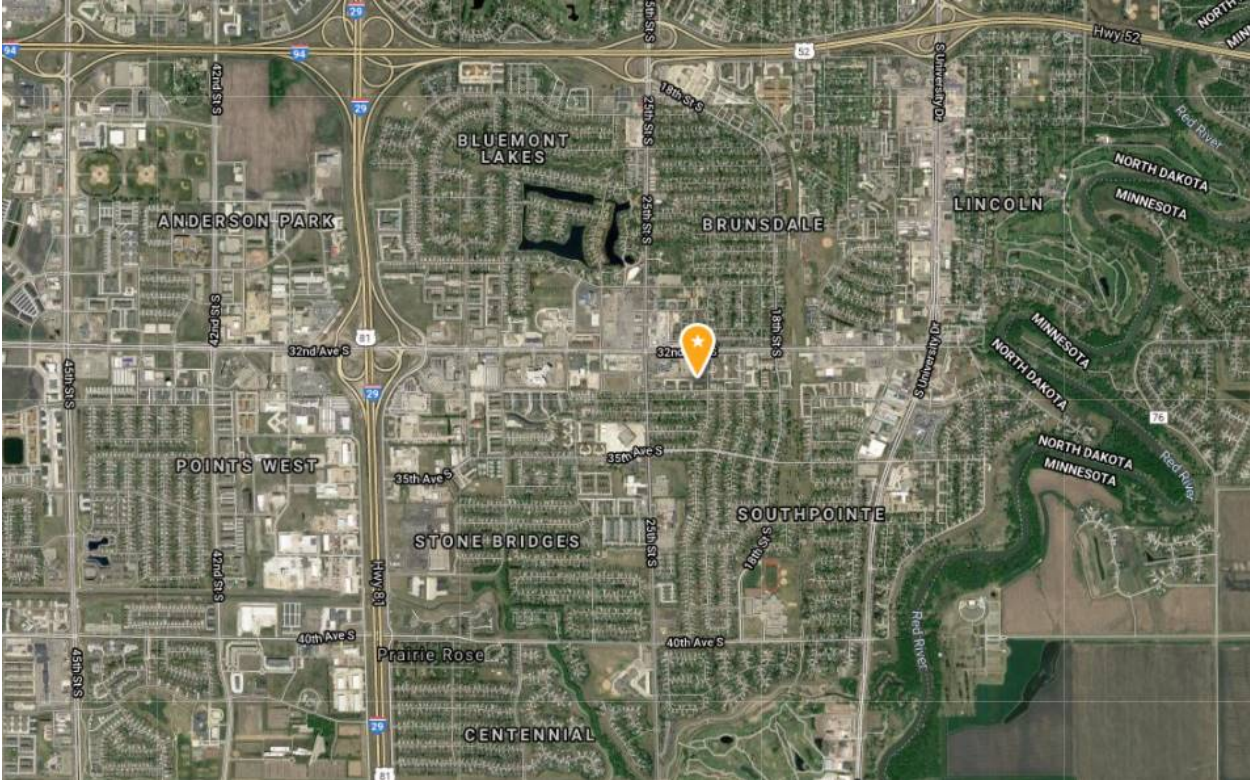


The area includes a total of 130,616 employees and has a 11.1% unemployment rate. The top three industries within the area are Health Care/Social Assistance, Educational Services and Retail Trade, which represent a combined total of 41% of the population.

Source: ESRI, downloaded on May, 13 2021

In summary, the area is forecasted to experience an increase in population and an increase in household income.

# Neighborhood Analysis



## LOCATION

The subject is located within the city of Fargo, in the Southpointe neighborhood as defined by city government. The city is situated in Cass County, along the west side of the Red River (Minnesota-North Dakota border). Along with the city of Moorhead, MN to the east, this area comprises the Fargo-Moorhead MSA.

## BOUNDARIES

The neighborhood boundaries are detailed as follows:

- North: 32<sup>nd</sup> Avenue S
- South: 40<sup>th</sup> Avenue S
- East: University Drive S
- West: 25<sup>th</sup> Street S

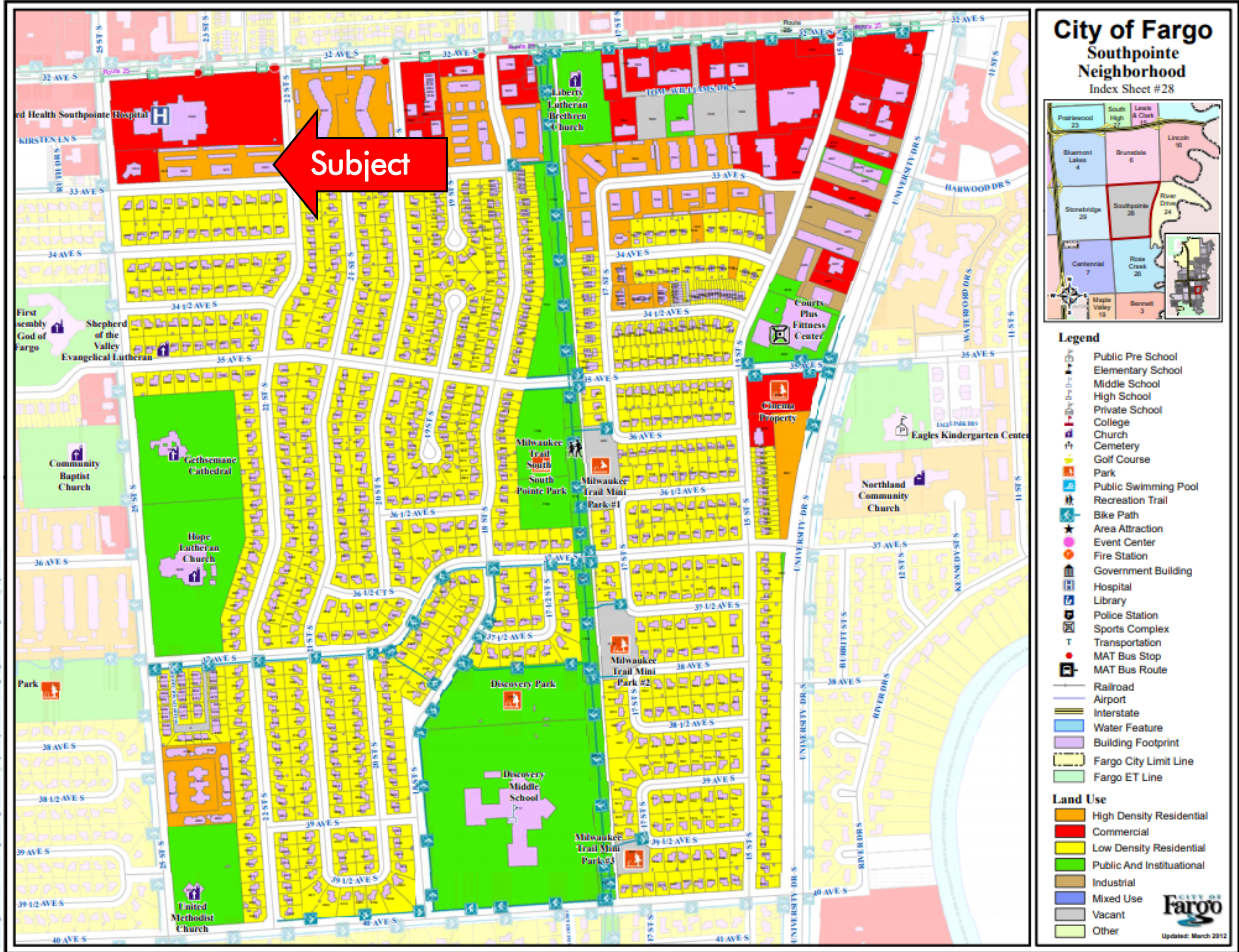
## LAND USE

Land uses within the subject neighborhood consist of a mixture of commercial and residential development. The immediate area surrounding the subject is an area of late-90s and early-2000s development, consisting almost exclusively of retail-commercial uses. In general, 45<sup>th</sup> Street South is a major commercial corridor in the area.











The vast majority of the single-family residential development within a one-mile radius of the subject may be described as tract homes in the \$150,000-\$399,999 price range. According to information obtained from ESRI, over 92% of the homes built within a one-mile radius of the subject were constructed between 1970 and the present. The median home value within a one-mile radius is \$248,967.

Below is a land use map for the Southpointe neighborhood:



**Land Use**

-  High Density Residential
-  Commercial
-  Low Density Residential
-  Public And Institutional
-  Industrial
-  Mixed Use
-  Vacant
-  Other



Updated: March 2012

**GROWTH PATTERNS**

As previously indicated, south and southwest Fargo currently is where most of the commercial and residential growth is occurring in the F/M area. Both of the downtowns of Fargo and Moorhead are also experiencing developer interest, with condominium conversion and office/retail rehabilitation projects currently underway.

**ACCESS**

Primary access to the subject neighborhood is provided by 32<sup>nd</sup> Avenue South and Interstate 29. Interstate Highway 29, at the subject neighborhood, is a north-south freeway, composed of eight lanes of traffic. It connects the Fargo-Moorhead MSA with Grand Forks, ND and Canada to the north, and Sioux Falls, SD, Omaha, NE, and Kansas, MO, where it terminates in the south. Interstate Highway 94, at the subject neighborhood, is an east-west freeway, composed of six lanes of traffic. It connects the Fargo-Moorhead MSA with the Minneapolis-St. Paul, MN, Milwaukee, WI, and Chicago, IL to the southeast, and Bismarck, ND and Billings, MT to the west.

**DEMOGRAPHICS**

Selected neighborhood demographics in 1-, 3- and 5-mile radius from the subject are shown in the following table:

<b>SELECTED NEIGHBORHOOD DEMOGRAPHICS</b>				
2201 33rd Avenue S Fargo, ND 58104	1 Mile Radius	3 Mile Radius	5 Mile Radius	Fargo, ND-MN Metropolitan Statistical Area
<b>Population</b>				
2025 Total Population	20,670	105,471	206,489	281,071
2020 Total Population	18,688	96,366	189,267	257,102
2010 Total Population	17,225	76,293	149,889	208,777
2000 Total Population	16,805	61,470	122,425	174,367
Annual Growth 2020 - 2025	2.04%	1.82%	1.76%	1.80%
Annual Growth 2010 - 2020	0.82%	2.36%	2.36%	2.10%
Annual Growth 2000 - 2010	0.25%	2.18%	2.04%	1.82%
<b>Households</b>				
2025 Total Households	9,202	46,230	87,591	116,845
2020 Total Households	8,310	42,209	80,067	106,677
2010 Total Households	7,582	33,638	63,137	86,178
2000 Total Households	6,801	26,112	50,158	69,985
Annual Growth 2020 - 2025	2.06%	1.84%	1.81%	1.84%
Annual Growth 2010 - 2020	0.92%	2.30%	2.40%	2.16%
Annual Growth 2000 - 2010	1.09%	2.56%	2.33%	2.10%
<b>Income</b>				
2020 Median Household Income	\$59,504	\$63,285	\$61,038	\$65,511
2020 Average Household Income	\$85,676	\$87,870	\$83,939	\$87,771
2020 Per Capita Income	\$38,630	\$38,387	\$35,669	\$36,569
2020 Pop 25+ College Graduates	5,412	26,568	47,963	64,309
Age 25+ Percent College Graduates - 2020	41.9%	41.3%	39.8%	38.7%

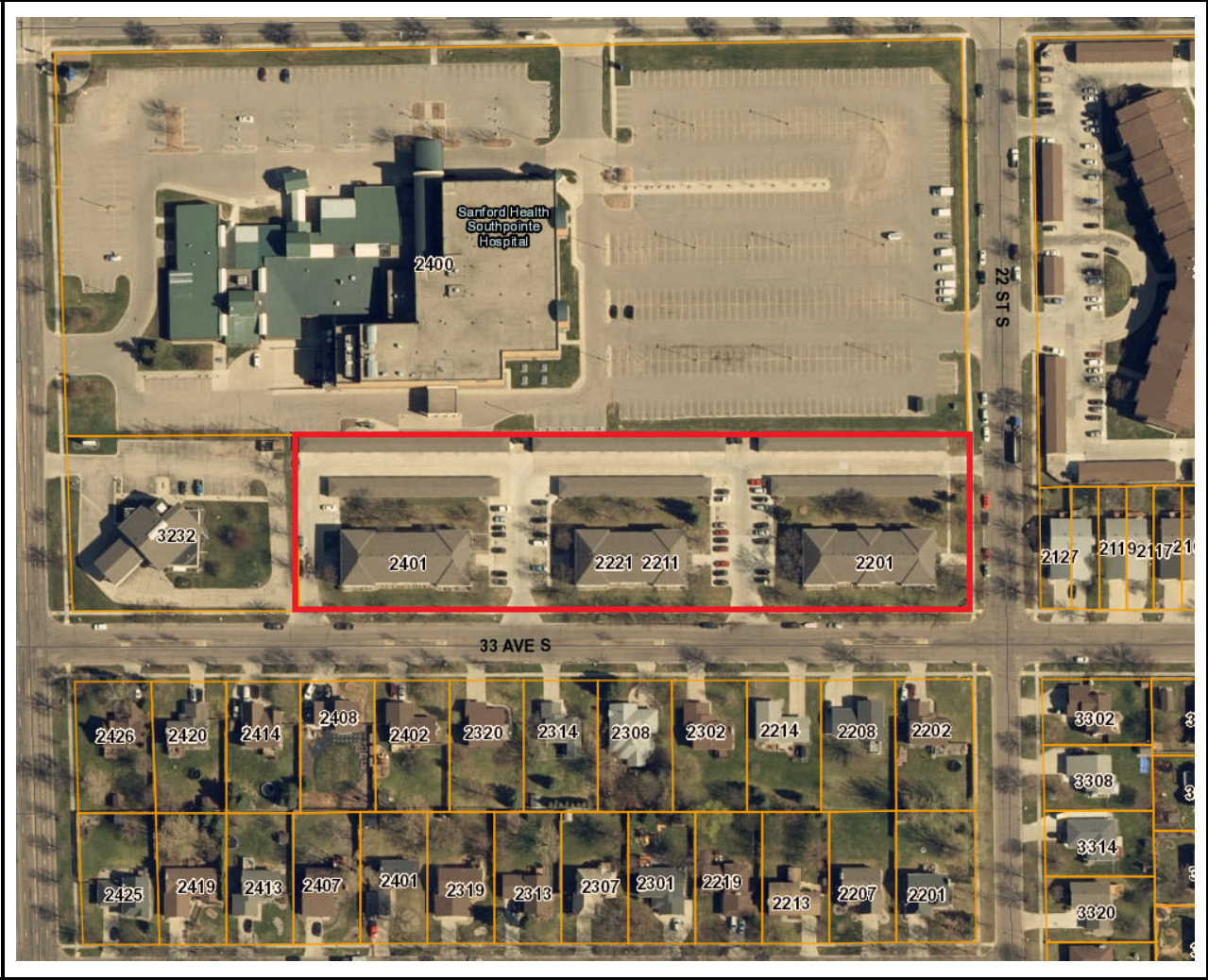
Source: ESRI

**CONCLUSION**

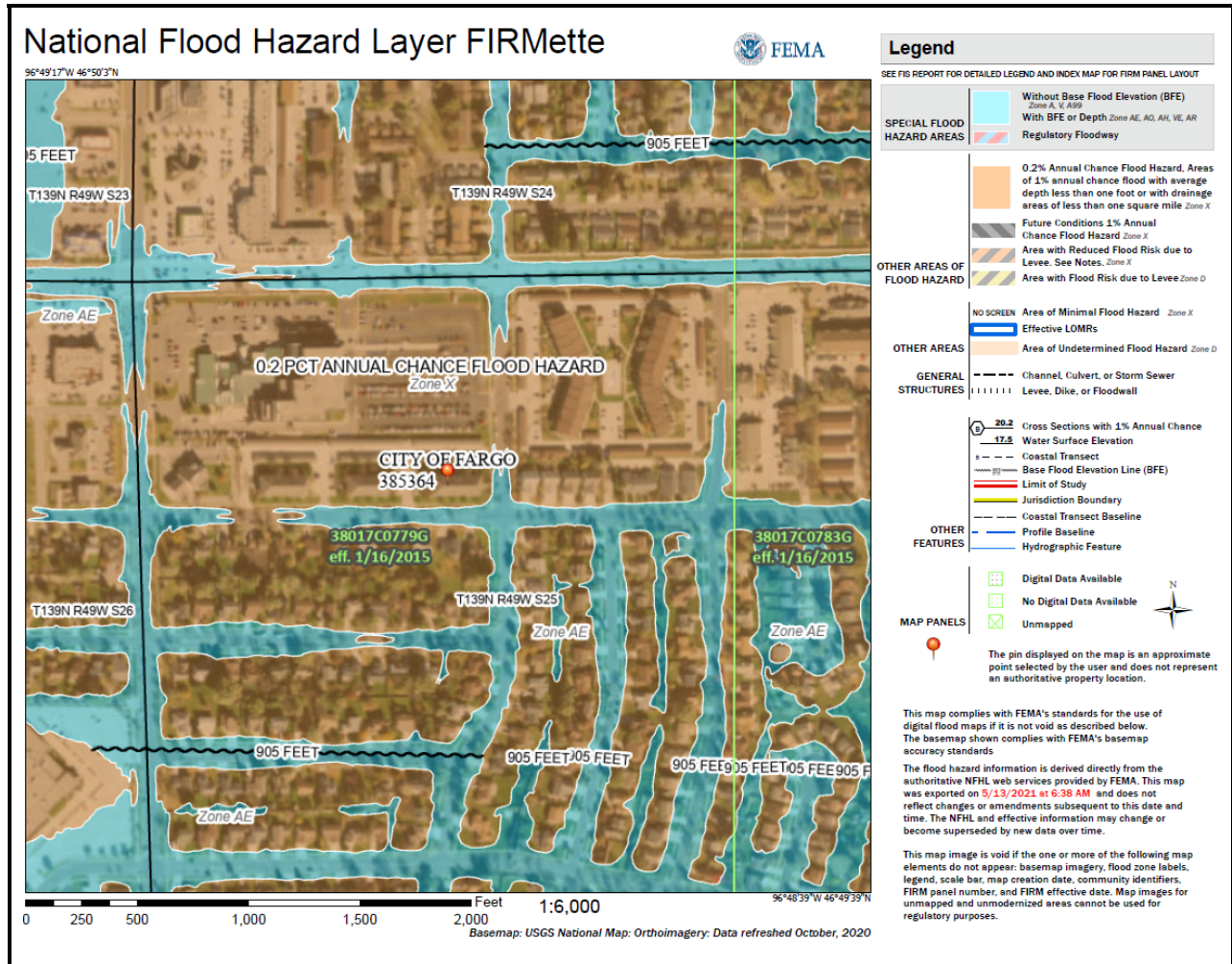
The neighborhood appears to be in a stage of stability, with few vacant land parcels available for development. Within the 3-mile radius, which is considered to be the trade area for the subject, the demographics exhibit steady, upward population growth, and a middle-income economic cohort. Access to the neighborhood is considered good, with nearby interchanges to Interstate Highway 29 and 94.

The subject is a multi-family development, garden style apartment complex in an area of substantiated demand within Fargo. It is provided good access to Interstate 29/94 and conforms well to the surrounding neighborhood.

PLAT MAP



FLOOD PLAIN MAP



## Site Analysis

The following chart summarizes the salient characteristics of the subject site.

<b>SITE SUMMARY AND ANALYSIS</b>			
<b>Physical Description</b>			
Gross Site Area	3.53 Acres	153,867 Sq. Ft.	
Primary Road Frontage	33rd Avenue S	770 Feet	
Secondary Road Frontage	22nd Street S	200 Feet	
Excess Land Area	None	n/a	
Surplus Land Area	None	n/a	
Parcel Number(s)	01-2830-00075-000		
Zoning District	MR-3 - MULTI-DWELLING DISTRICT		
Flood Map Panel No. & Date	38017C0779G	16-Jan-15	
Flood Zone	Zone X (Shaded)		
Adjacent Land Uses	Residential		
Earthquake Zone	n/a		
<b>Comparative Analysis</b>		<b><u>Rating</u></b>	
Visibility	Average		
Functional Utility	Average		
Traffic Volume	Average		
Adequacy of Utilities	Assumed Adequate		
Landscaping	Average		
Drainage	Assumed Adequate		
<b>Other</b>	<b><u>Yes</u></b>	<b><u>No</u></b>	<b><u>Unknown</u></b>
Detrimental Easements		X	
Encroachments		X	
Deed Restrictions			X
Reciprocal Parking Rights		X	
Various sources compiled by CBRE			

### INGRESS/EGRESS

Ingress and egress is available to the site via three curb cuts along the northern side of 33<sup>rd</sup> Avenue South and one curb cut from the west side of 22<sup>nd</sup> Street South.

### EASEMENTS AND ENCROACHMENTS

There are no known easements or encroachments impacting the site that are considered to affect the marketability or highest and best use. It is recommended that the client/reader obtain a current title policy outlining all easements and encroachments on the property, if any, prior to making a business decision.

## **COVENANTS, CONDITIONS AND RESTRICTIONS**

There are no known covenants, conditions or restrictions impacting the site that are considered to affect the marketability or highest and best use. It is recommended that the client/reader obtain a copy of the current covenants, conditions and restrictions, if any, prior to making a business decision.

## **ENVIRONMENTAL ISSUES**

Although CBRE was not provided an Environmental Site Assessment (ESA), a tour of the site did not reveal any obvious issues regarding environmental contamination or adverse conditions.

The appraiser is not qualified to detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may affect the value of the property. For this appraisal, CBRE, Inc. has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

## **ADJACENT PROPERTIES**

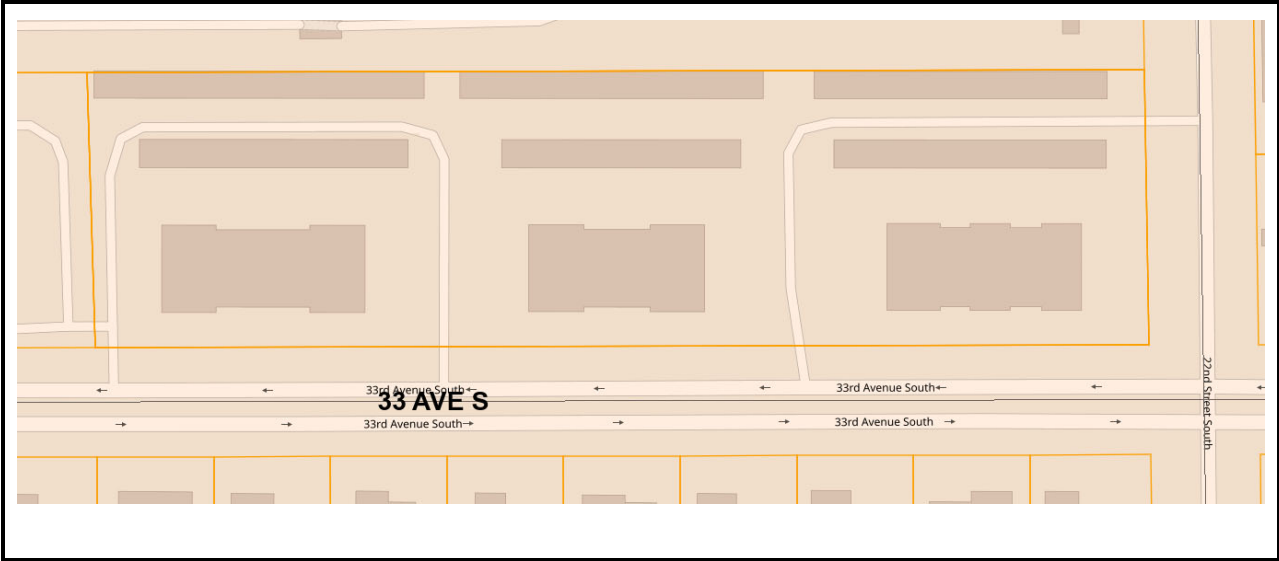
The adjacent land uses are summarized as follows:

North: Hospital  
South: SFR  
East: Multifamily  
West: Branch Bank

## **CONCLUSION**

The site offers a suitable location for the existing multifamily use. No issues were observed that would impact the site's highest and best use potential.

IMPROVEMENTS LAYOUT





## Improvements Analysis

The following chart shows a summary of the improvements.

<b>IMPROVEMENTS SUMMARY AND ANALYSIS</b>		
Property Type	Multifamily	(Multi-Family Garden)
Number of Buildings	9	3 Apartment, 6 Garage
Number of Stories	3	
Gross Building Area	0 SF	
Net Rentable Area	62,822 SF	
Number of Units	72	
Average Unit Size	873 SF	
Development Density	20.4 Units/Acre	
Parking Improvements	Open and Covered	
Parking Spaces:	174	52 Surface, 122 Garage
Parking Ratio (spaces/unit)		
Year Built	1990	
Actual Age	31 Years	
Effective Age	30 Years	
Total Economic Life	55 Years	
Remaining Economic Life	25 Years	
Age/Life Depreciation	54.5%	
Functional Utility	Typical	

Source: Various sources compiled by CBRE

<b>UNIT MIX</b>					
<b>Unit Mix/Type</b>	<b>Comments</b>	<b>No. Units</b>	<b>Percent of Total</b>	<b>Unit Size (SF)</b>	<b>NRA (SF)</b>
1BR/1BA	Standard, No W/D In-Unit	13	18.1%	660	8,580
2BR/1BA	Standard, No W/D In-Unit	47	65.3%	920	43,240
2BR/2.5BA	Standard, No W/D In-Unit	11	15.3%	970	10,670
Studio	Standard, No W/D In-Unit	1	1.4%	392	392
<b>Total/Average:</b>		<b>72</b>	<b>100.0%</b>	<b>873</b>	<b>62,822</b>

Source: Various sources compiled by CBRE

### YEAR BUILT

The subject was built in 1990.

### CONSTRUCTION CLASS

Building construction class is as follows:

D - Wood frame, floor and structure; considered combustible

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

The overall quality of the facility is considered to be average for the neighborhood and age. However, CBRE, Inc. is not qualified to determine structural integrity and it is recommended that

the client/reader retain the services of a qualified, independent engineer or contractor to determine the structural integrity of the improvements prior to making a business decision.

### **FOUNDATION/FLOOR STRUCTURE**

The foundation is assumed to be of adequate load-bearing capacity to support the improvements. The floor structure is summarized as follows:

Ground Floor:	Concrete slab on compacted fill
Other Floors:	Plywood deck with light-weight concrete cover

### **EXTERIOR WALLS**

The exterior walls are wood frame with brick and metal siding. The buildings have double pane aluminum frame windows.

### **ROOF COVER**

All buildings have pitched roofs with a built-up composition shingle covering.

### **ELEVATOR/STAIR SYSTEM**

Interior stairwells are located at each end of the apartment buildings.

### **HVAC**

The HVAC system is assumed to be in good working order and adequate for the building.

### **UTILITIES**

Each unit is individually metered for electrical usage. Current operations indicate the landlord is responsible for water and sewer costs to the individual units with the tenants paying all other utility costs.

### **LIFE SAFETY AND FIRE PROTECTION**

It is assumed the improvements have adequate fire alarm systems, fire exits, fire extinguishers, fire escapes and/or 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**

The subject features detached garages and a common laundry room.

## **UNIT AMENITIES**

### **Kitchens**

Each unit features a full appliance package including an electric range/oven, vent-hood, refrigerator, and dishwasher. Additionally, each unit features wood cabinets with Formica countertops and vinyl tile flooring in the kitchen area. According to management, the project has experienced an adequate on-going replacement program for all kitchen appliances and no appliances are known to be inoperable.

### **Bathrooms**

The bathrooms within each unit feature combination tub/showers with ceramic tile wainscot. Additionally, each bathroom features a commode, wood cabinet with Formica counter and built-in porcelain sink, wall-mounted medicine cabinet with vanity mirror and vinyl tile flooring.

### **Interior Lighting**

Each unit features incandescent lighting in appropriate interior and exterior locations with fluorescent lighting in bathrooms and kitchen areas.

### **Patios, Balconies and Storage**

All units include a private patio or balcony area.

## **SITE AMENITIES**

### **Parking and Drives**

The project features adequate surface parking, including reserved handicap spaces. The subject features 52 surface stalls and 122 total garage stalls (single & double stall garages present)

### **Landscaping**

Landscaping is considered to be in average condition and well maintained.

## **FUNCTIONAL UTILITY**

All of the floor plans are considered to feature functional layouts and the layout of the overall project is considered functional in utility. Therefore, the unit mix is also functional, and no conversion is warranted to the existing improvements.

## **ADA COMPLIANCE**

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

## **FURNITURE, FIXTURES AND EQUIPMENT**

FF&E items included at the subject are similar to those contained in the comparable sales and do not have any significant or measurable impact on the overall value conclusion. The unit appliances are considered to be fully depreciated.

## ENVIRONMENTAL ISSUES

Although CBRE was not provided an Environmental Site Assessment (ESA), a tour of the site did not reveal any obvious issues regarding environmental contamination or adverse conditions.

The appraiser is not qualified to detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may affect the value of the property. For this appraisal, CBRE, Inc. has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

## DEFERRED MAINTENANCE

None noted. The reader is advised to review the extraordinary assumptions.

## ECONOMIC AGE AND LIFE

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

<b>ECONOMIC AGE AND LIFE</b>	
Actual Age	31 Years
Effective Age	30 Years
MVS Expected Life	55 Years
Remaining Economic Life	25 Years
Accrued Physical Incurable Depreciation	54.5%
Compiled by CBRE	

The remaining economic life is based upon our on-site observations and a comparative analysis of typical life expectancies 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 in average overall condition. Overall, there are no known factors that adversely impact the marketability of the improvements.

## Zoning

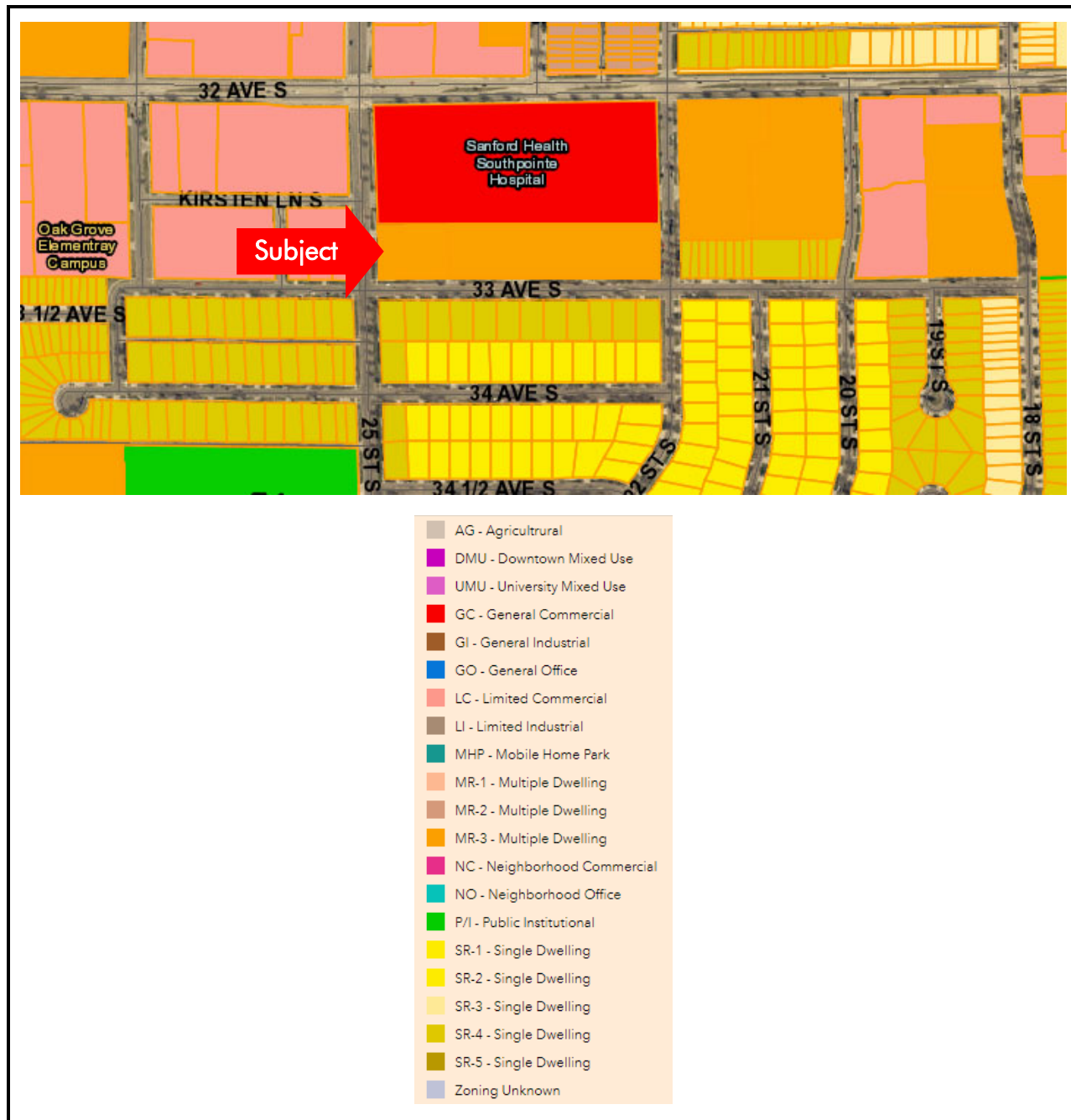
The following chart summarizes the subject's zoning requirements.

<b>ZONING SUMMARY</b>	
Current Zoning	MR-3 - MULTI-DWELLING DISTRICT
Legally Conforming	Yes
Uses Permitted	The MR-3, Multi-Dwelling district is primarily intended to accommodate household living in detached houses, attached houses, duplexes and multi-dwelling structures. The district allows up to 24 dwelling units per acre of land. Development within the district will be characterized by one- to five-story buildings with higher building coverage than in the MR-2 district. The district is generally appropriate for sites with access to collector and higher classification streets, particularly when located near arterial streets.
Zoning Change	Not likely
Category	Zoning Requirement
Minimum Lot Size	5,000 Sq. Ft.
Minimum Lot Width	50 Feet
Maximum Height	60 Feet
Minimum Setbacks	
Front Yard	25 Feet
Street Side Yard	10 Feet
Interior Side Yard	13 Feet
Rear Yard	20 Feet
Maximum Bldg. Coverage	35%
Parking Requirements	2 Per unit or 144 total
Subject's Actual Parking	174
Source: Planning & Zoning Dept.	

### ANALYSIS AND CONCLUSION

The improvements represent a legally conforming use and, if damaged, may be restored without special permit application. Additional information may be obtained from the appropriate governmental authority. For purposes of this appraisal, CBRE has assumed the information obtained is correct.

ZONING MAP



## Tax and Assessment Data

The following summarizes the local assessor's estimate of the subject's market value, assessed value, and taxes, and does not include any furniture, fixtures or equipment. The CBRE estimated tax obligation is also shown.

AD VALOREM TAX INFORMATION						
Parcel	Assessor's Parcel No.	Parcel Description	2019	2020	2021 Proposed	Pro Forma
1	01-2830-00075-000		4,287,300	4,287,300	4,287,300	
	Subtotal		\$4,287,300	\$4,287,300	\$4,287,300	\$4,287,300
	% of Assessed Value		5%	5%	5%	5%
	Final Assessed Value		214,365	214,365	214,365	\$214,365
	General Tax Rate (per \$1,000 A.V.)		292.440000	292.120000		292.120000
	General Tax:		\$62,689	\$62,620		\$62,620
	Special Assessments		1,708	1,708		1,708
	Special Assessments:		1,708	1,708		1,708
	Effective Tax Rate (per \$1,000 A.V.)		277.818000	277.514000		285.482978
	Less: 5% Early Payment Discount		(\$3,134)	(\$3,131)		(\$3,131)
	<b>Total Taxes</b>		<b>\$59,554</b>	<b>\$59,489</b>		<b>\$59,489</b>
	Taxes per Unit		\$827	\$826		\$826

Source: Assessor's Office

The local Assessor's methodology for valuation is based upon an assigned mill rate that is established on a yearly basis. The following equations illustrate how the county determines the yearly taxes:

$$\text{Market Value} \times \text{Taxable Ratio} = \text{Taxable Value}$$

$$\text{Taxable Value} \times \text{Total Mill Rate}^* = \text{Property Tax Bill}$$

The commercial taxable value is equivalent to 5.0% of appraised value. A 5% discount is applied to all early payments. CBRE, Inc. assumes that taxes are paid early in order to take advantage of this discount.

### DELINQUENCY

None noted

### TAX COMPARABLES

As a crosscheck to the subject's applicable real estate taxes, CBRE, Inc. has reviewed the real estate tax information according to Cass County for comparable properties in the market area. The following table summarizes the comparables employed for this analysis:

<b>AD VALOREM TAX COMPARABLES</b>					
Comparable Rental	Hawn Apartments	Wolf Creek Apartments	Oxford Apartments	Dakota East & West Apartments	Subject
Year Built	1968	2011	1994	1998	1990
No. Units	48	54	144	63	72
Tax Year	2021	2021	2021	2021	2021
<b>Assessor's Market Value</b>	\$2,519,900	\$2,408,900	\$9,889,400	\$4,590,800	\$4,287,300
<b>AV Per Unit</b>	\$52,498	\$44,609	\$68,676	\$72,870	\$59,546

Source: Assessor's Office

## CONCLUSION

Based on the foregoing information, the subject's current assessment is well supported by both its historical trend and by the comparable properties shown.

For purposes of this analysis, CBRE, Inc. assumes that all taxes are current.



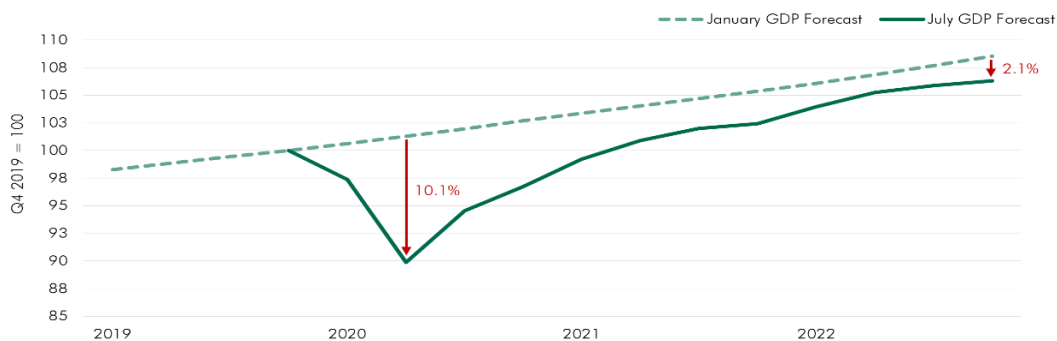
## Market Analysis – Macroeconomic

### ECONOMIC IMPACT OF COVID-19

As of the current date of value and the date of this report, the nation, region, and market area continue to be impacted by the COVID-19 pandemic. In this section we provide a brief overview of the observed and anticipated impacts of COVID-19 from a macroeconomic perspective based on various CBRE sources. For further and updated information, please visit CBRE’s resource center at <https://www.cbre.com/covid-19>.

In this section, we present the “House View” developed by CBRE Econometric Advisors (CBRE-EA). CBRE-EA has revised its global GDP estimates to project significant negative growth in the short term, followed by a relatively rapid recovery in late 2020/early 2021, but with a slightly negative longer-term impact as illustrated below:

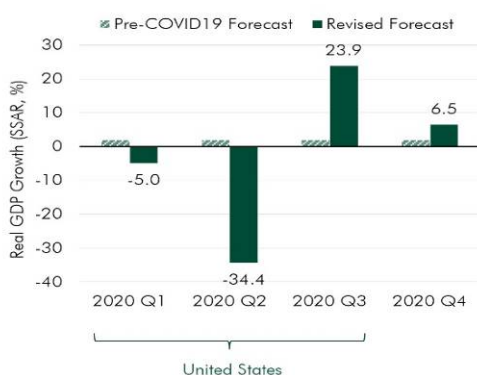
Global real GDP index (Q4 2019 = 100)



Source: CBRE House-View, Oxford Economics, July 2020.

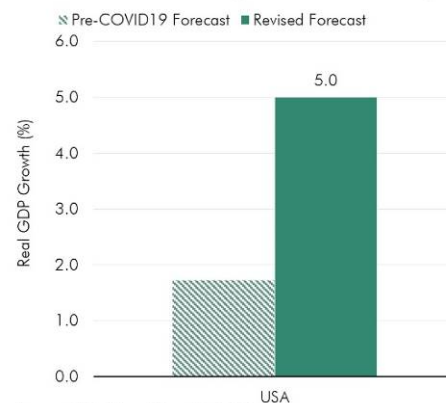
As shown in the following graphs, CBRE-EA projects negative growth for 2020 but an increased rate of growth for 2021.

2020 annualized q-o-q GDP growth



Source: CBRE House-View, July 2020.

2021 annual GDP growth forecast (July)

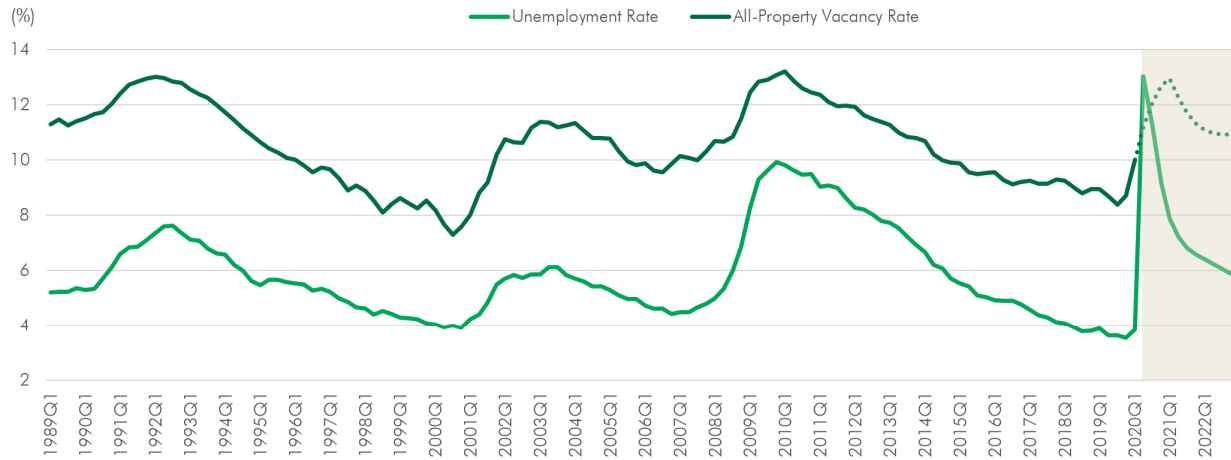


Source: CBRE House-View, July 2020.

CBRE-EA is projecting a return to economic growth in Q4 2020 that should lead to a reasonably quick fall in unemployment in the U.S., though not to the level seen just prior to the crisis.

Unemployment has historically been highly correlated with vacancy; the following chart illustrates historical trends for unemployment and all-property vacancy rates in the U.S.

### U.S. unemployment rate and all-property vacancy rate

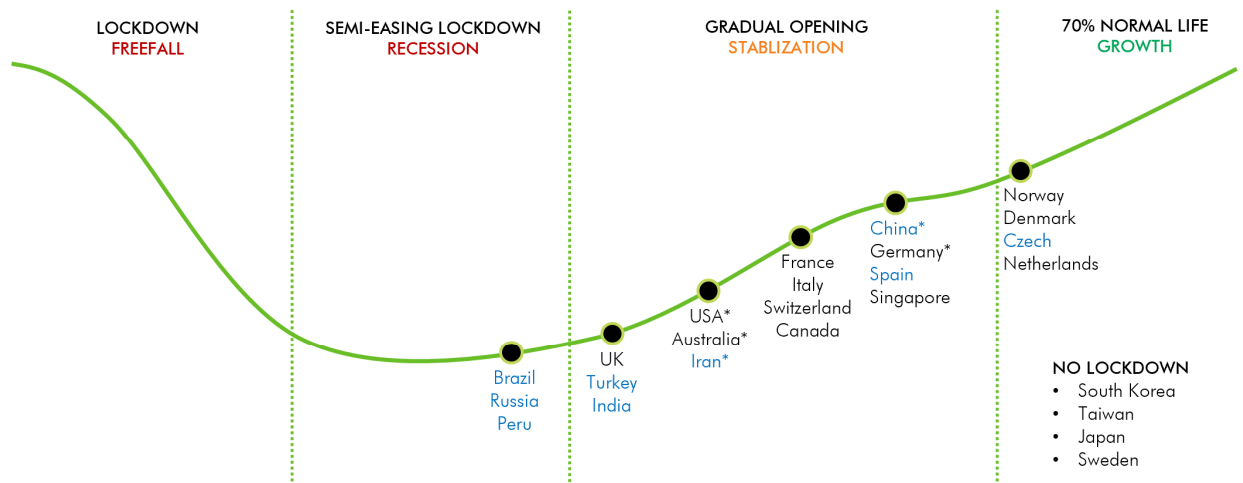


Source: CBRE Econometric Advisors, CBRE House-View, July 2020.

### ECONOMIES MOVING OUT OF “LOCKDOWN”

Several countries in Asia and Europe, where the COVID-19 outbreak appears to have peaked, are gradually reopening their economies. While a vaccine has not yet been made available, there are signs of recovery. Since the virus originated in China, they were the first to enter recovery. Recent Q2 figures from China indicate that GDP grew 3.2% in the second quarter compared to the same time one year ago. This is a clear indicator of how things could evolve in the US, and a rebound in China is likely to impact a number of trade-related channels globally.

### GDP-lead indicator and lockdown stage comparison



Source: CBRE Research, Google Mobility Index, July 2020.

\* Partial re-lockdown re-imposed due to a second-wave increase of cases. Developing economies are marked in blue.

## STALLED RECOVERY

Towards the end of Q2 2020, a concentration of COVID-19 cases emerged, particularly across the Sunbelt states. This led to a loss of momentum for the nation's economic recovery. Some of these new disruptions are heavily aggregated in some of the more populous states of California, Texas, Florida, and Arizona. The surge in cases has forced businesses within each afflicted state to retract its reopening progress. As such, a prolonged recovery is to be expected; with it, there is potential for delayed economic recovery relative to more optimistic forecasts in recent months.

## KEY TAKEAWAYS & OBSERVATIONS

The following points summarize key points from CBRE-EA and CBRE's Americas Research:

- The brunt of the impact from COVID-19 has continued to persist. Initial macroeconomic projections for stabilization in Q3 2020 and recovery in Q4 has likely been prolonged due to the rise in cases following initial reopening efforts in Q2 2020.
- Though the labor market remains under significant strain, unemployment across the nation has continued to improve from its April highs. Unemployment is expected to progress its downward trend but may take 24-36 months to fall back to pre-crisis levels.
- The early signs of recovery are noted; as of early July 2020, a reported 4.8 million jobs were added to the US economy in June 2020. This was the second month of strong gains behind May. Further improvement is anticipated with nearly three-quarters of unemployed workers indicating their job loss is classified as "temporary."
- The Fed's role in stabilizing the U.S. economy has been immense, including purchases of corporate debt at levels not seen in the Great Financial Crisis. The Fed's balance sheet has jumped to \$6 trillion from \$4 trillion in three months.
- Real estate typically lags macroeconomic indicators and could see a "swoosh-shape" recovery. COVID-19 will impact various industries differently. CBRE-EA is currently anticipating a phased recovery with impacts varying by property type with industrial projected to have the quickest recovery followed by office and then retail.
- Capital values are viewed to be broadly resilient over a 24-36 month horizon, with significant variation based on sector, location and profile.
- Pent-up demand and stimulation policy are expected to aid a rapid recovery.
- Commercial real estate debt markets have been evolving rapidly and dramatically since the COVID crisis. Initially, 10-year Treasury and LIBOR indexes fell to sub-1% levels, followed by massive spikes in loan spreads that largely followed the broader credit markets. Following recent policy interventions, loan spreads narrowed by about 50 to 100 basis points. Commercial mortgage rates range from 3.5% to more than 4% for most conservatively underwritten deals; value-add and riskier deals are seeing widened

spreads and higher overall rates. Adequate capital still exists from banks, life companies and the GSEs, while the CMBS market remains in recovery mode and debt funds vary depending on their capital sources.

- In addition to market uncertainty, government, company and individual social distancing mandates may impact property inspections resulting in extended due diligence periods.
- A bounce back is already being seen in Asia Pacific. In China, consumption continued to rebound in Q2, supported by a spike in “revenge spending” by shoppers emerging from lockdown.
- A post-pandemic reality will emphasize public safety, technology, and optimizing human capital.

## MACROECONOMIC CONCLUSIONS

Initially, market participants were expecting a rebound between the second half of 2020 and first half of 2021. However, due to increased cases following initial reopening efforts in Q2 2020, recovery for the US economy has lost momentum; resulting in a potentially prolonged recovery timeline. The pace of the recovery will depend in large part on containment of the pandemic, timing of vaccine or other medical solutions, mandated restrictions and policy responses. Unemployment has continued to improve from its April highs, however, the gap between current and pre-pandemic levels is still immense. Fiscal and monetary supply for the economy have been unprecedented and, together with pent-up demand, are expected to enable a relatively sustained return to normalcy once health-oriented concerns are alleviated. If a second wave of the virus can be managed effectively, high rates of growth can be expected in 2021. A “V” shaped recovery is broadly anticipated for the broad economy, whereas real estate is likely to lag somewhat with a “swoosh” shaped recovery expected. There will be short term disruptions that will impact rent collections, near-term vacancies, rent growth, and lease-up across most property types. The impact and recovery will vary by city and by property type. Overall, market participants are indicating a pause across most sale and lease transactions as buyers and tenants continue to navigate this period of uncertainty.

## MULTI-FAMILY MARKET ANALYSIS – COVID-19 IMPACT

The National Multifamily Housing Council (NMHC)’s Rent Payment Tracker found 80.4% of apartment households made a full or partial rent payment by March 6 in its survey of 11.6 million units of professionally managed apartment units across the country. This is a 4.1% decrease (474,942 households) from the share who paid rent through March 6, 2020 and compares to 79.6% that had paid by February 6, 2021. This data encompasses a wide variety of market-rate rental properties across the United States, which can vary by size, type and average rental price.

## NMHC Rent Payment Tracker Finds 80.4 Percent of Apartment Households Paid Rent as of March 6

**MARCH 1-6, 2021**

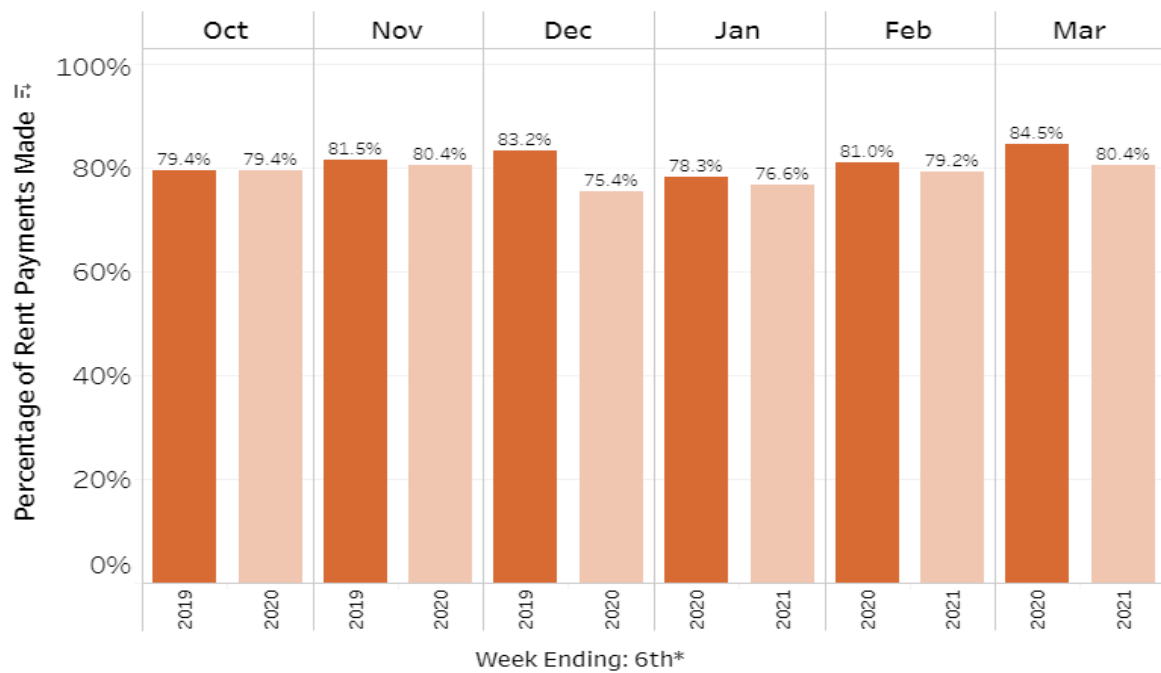
**80.4%**   
of rent payments made

**FEBRUARY 2021**

**93.5%**   
of rent payments made

### Rent Payment Tracker: Weekly Results

\*\*Data collected from between 11.1 - 11.6 million apartment units each month



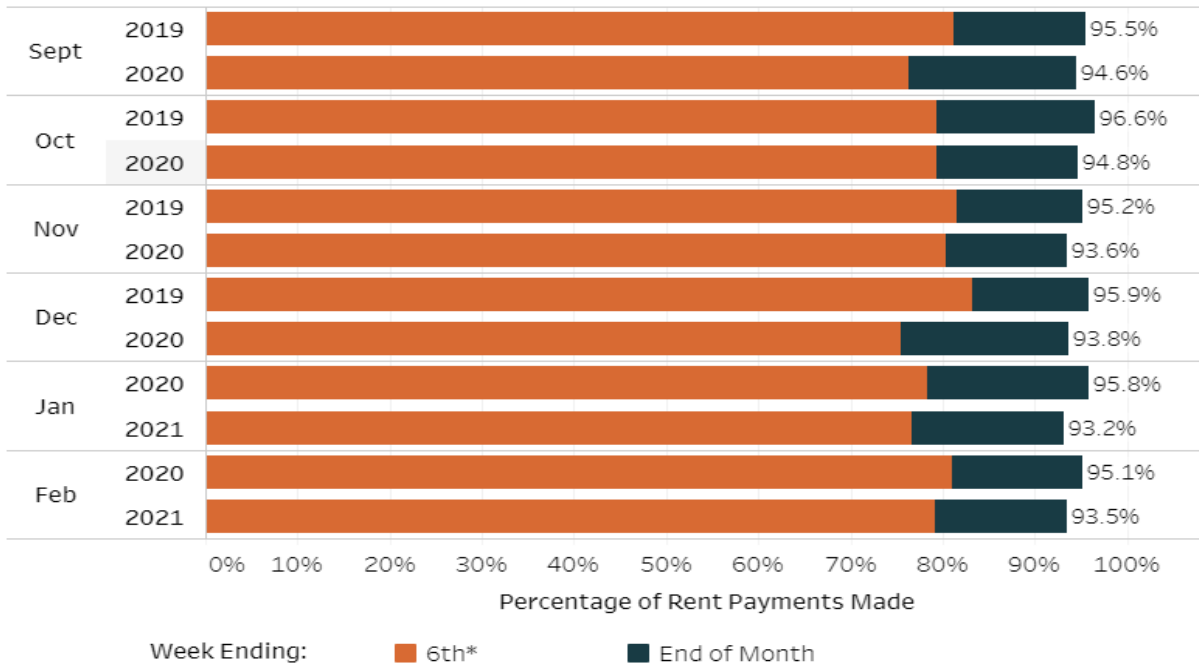
Week Ending: 6th\*

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## Rent Payment Tracker: Full Month Results

\*\*Data collected from between 11.1 - 11.6 million apartment units each month



"On behalf of the multifamily industry, we are deeply appreciative of how leaders in Congress and the Biden administration worked with us to develop legislation that will deliver direct financial support to those facing distress due to the pandemic," said Doug Bibby, NMHC President.

"The American Rescue plan includes \$40 billion in essential housing and homelessness assistance, including \$26 billion for rental assistance and \$5 billion to assist people who are homeless. We are especially pleased that the bill includes NMHC-supported provisions that will assist the nation's apartment residents and housing providers—including rental assistance, direct stimulus checks and expanded unemployment benefits. Taken together, along with the funds included in the stimulus package passed in late 2020, this represents a truly significant investment in the 40 million Americans who call an apartment home and the nation's rental housing industry. "As we move forward and continue to face economic challenges due to the pandemic, it will be vital that these new funds are distributed as quickly and efficiently as possible."

## Market Analysis – Standard Research

The subject is in the Fargo market and is considered a Class C garden-style apartment community. According to the Institute of Real Estate Management (in Income/Expense Analysis: Conventional Apartments), the following multifamily property definitions may be applicable towards the subject:

Low-Rise Projects (25 units or more): Includes walk-up buildings and elevator buildings 3 stories or less.

Garden Type Projects: We consider this to be a group of low-rise apartment buildings situated on a sizable landscaped plot, under one management.

### DEMOGRAPHIC ANALYSIS

Demand for residential properties is a direct function of demographic characteristics analyzed on the following pages.

#### Housing, Population and Household Formation

The following table illustrates the population and household changes for the subject neighborhood:

<b>POPULATION AND HOUSEHOLD PROJECTIONS</b>				
	1 Mile Radius	3 Mile Radius	5 Mile Radius	Fargo, ND-MN Metropolitan Statistical Area
<b>Population</b>				
2025 Total Population	20,670	105,471	206,489	281,071
2020 Total Population	18,688	96,366	189,267	257,102
2010 Total Population	17,225	76,293	149,889	208,777
2000 Total Population	16,805	61,470	122,425	174,367
<i>Annual Growth 2020 - 2025</i>	2.04%	1.82%	1.76%	1.80%
<i>Annual Growth 2010 - 2020</i>	0.82%	2.36%	2.36%	2.10%
<i>Annual Growth 2000 - 2010</i>	0.25%	2.18%	2.04%	1.82%
<b>Households</b>				
2025 Total Households	9,202	46,230	87,591	116,845
2020 Total Households	8,310	42,209	80,067	106,677
2010 Total Households	7,582	33,638	63,137	86,178
2000 Total Households	6,801	26,112	50,158	69,985
<i>Annual Growth 2020 - 2025</i>	2.06%	1.84%	1.81%	1.84%
<i>Annual Growth 2010 - 2020</i>	0.92%	2.30%	2.40%	2.16%
<i>Annual Growth 2000 - 2010</i>	1.09%	2.56%	2.33%	2.10%

Source: ESRI

#### Income Distributions

Household income available for expenditure on housing and other consumer items is a primary factor in determining the price/rent level of housing demand in a market area. In the case of this study, projections of household income, particularly for renters, identifies in gross terms the

market from which the subject submarket draws. The following table illustrates estimated household income distribution for the subject neighborhood.

<b>HOUSEHOLD INCOME DISTRIBUTION</b>				
	1 Mile Radius	3 Mile Radius	5 Mile Radius	Fargo, ND-MN Metropolitan Statistical Area
Households by Income Distribution (2020)				
<\$15,000	5.72%	7.20%	9.48%	8.63%
\$15,000 - \$24,999	9.31%	9.11%	9.37%	8.59%
\$25,000 - \$34,999	9.11%	8.68%	8.32%	7.73%
\$35,000 - \$49,999	18.97%	15.03%	13.74%	13.13%
\$50,000 - \$74,999	14.80%	16.13%	17.01%	16.99%
\$75,000 - \$99,999	13.24%	14.51%	14.64%	15.01%
\$100,000 - \$149,999	15.56%	15.61%	14.80%	16.31%
\$150,000 - \$199,999	6.87%	6.41%	6.16%	6.72%
\$200,000+	6.44%	7.32%	6.48%	6.89%

Source: ESRI

The following table illustrates the median and average household income levels for the subject neighborhood.

<b>HOUSEHOLD INCOME LEVELS</b>				
	1 Mile Radius	3 Mile Radius	5 Mile Radius	Fargo, ND-MN Metropolitan Statistical Area
Income				
2020 Median Household Income	\$59,504	\$63,285	\$61,038	\$65,511
2020 Average Household Income	\$85,676	\$87,870	\$83,939	\$87,771
2020 Per Capita Income	\$38,630	\$38,387	\$35,669	\$36,569

Source: ESRI

## Employment

An employment breakdown typically indicates the working-class characteristics for a given market area. The specific employment population within the indicated radii of the subject is as follows:



**EMPLOYMENT BY INDUSTRY**

Occupation (2020)	1 Mile Radius	3 Mile Radius	5 Mile Radius	Fargo, ND-MN
				Metropolitan Statistical Area
Agric/Forestry/Fishing/Hunting	1.56%	1.25%	1.19%	2.02%
Construction	5.81%	6.36%	6.36%	7.08%
Manufacturing	11.38%	9.74%	9.95%	9.76%
Wholesale Trade	3.23%	3.12%	3.23%	3.55%
Retail Trade	9.71%	10.90%	10.77%	10.40%
Transportation/Warehousing	3.15%	3.69%	4.08%	4.27%
Information	1.53%	1.17%	1.08%	1.06%
Finance/Insurance	5.79%	7.37%	7.00%	6.98%
Prof/Scientific/Tech Services	8.07%	8.25%	7.77%	7.34%
Mgmt of Companies/Enterprises	0.00%	0.15%	0.15%	0.12%
Admin/Support/Waste Mgmt Svcs	3.55%	2.39%	2.55%	2.48%
Educational Services	10.79%	9.60%	11.01%	11.07%
Health Care/Social Assistance	23.74%	22.85%	21.71%	21.02%
Arts/Entertainment/Recreation	0.79%	1.32%	1.24%	1.13%
Accommodation/Food Services	4.94%	5.32%	5.24%	4.84%
Other Services (excl Publ Adm)	4.35%	3.86%	3.50%	3.54%
Public Administration	1.60%	2.66%	3.17%	3.32%

Source: ESRI

**Outlook**

Based on this analysis, the immediate area surrounding the subject is projected to experience moderate, positive growth relative to households and population into the near future. Given the area demographics, it appears that demand for both comparable surrounding area apartment units and the subject will continue to be favorable.

**SUBMARKET SNAPSHOT**

The following table summarizes the supply of apartment units for each submarket within the Fargo, ND Metro market as of 4th Quarter 2020.

<b>FARGO, ND METRO SUBMARKET SNAPSHOT</b>				
Submarket	Inventory (Units)	Completions* (Units)	Effective Rent (\$/Unit / Mo.)	Occupancy
Fargo	25,344	151	\$816	96.2%
Moorhead	10,368	0	\$641	93.9%

\*Completions include trailing 4 quarters

Source: Axiometrics, 4th Quarter 2020

**Fargo Submarket**

Important characteristics of the Fargo apartment market are summarized below:

<b>FARGO APARTMENT SUBMARKET</b>							
<b>Year Ending</b>	<b>Inventory (Units)</b>	<b>Completions (Units)</b>	<b>Occupied Stock (Units)</b>	<b>Occupancy</b>	<b>Effective Rent (\$/Unit / Mo.)</b>	<b>Effective Rent Change</b>	<b>Net Absorption (Units)</b>
2013	24,711	0	24,644	99.7%	\$710	0.00%	46
2014	24,711	0	24,452	99.0%	\$705	3.47%	-191
2015	24,711	0	24,167	97.8%	\$745	1.35%	-286
2016	24,711	0	23,629	95.6%	\$741	2.07%	-538
2017	24,992	281	23,800	95.2%	\$781	4.04%	172
2018	25,037	132	23,467	93.7%	\$803	-1.33%	-334
2019	25,193	156	23,926	95.0%	\$798	-0.59%	460
2020 Q1	25,225	32	23,795	94.3%	\$796	-0.20%	-132
2020 Q2	25,266	41	24,058	95.2%	\$797	0.16%	263
2020 Q3	25,301	35	24,388	96.4%	\$813	1.29%	327
2020 Q4	25,344	43	24,376	96.2%	\$816	0.33%	-11
2021*	25,709	365	24,321	94.6%	\$817	1.13%	-109
2022*	25,958	249	24,582	94.7%	\$834	1.33%	262
2023*	26,089	131	24,706	94.7%	\$847	2.23%	102
2024*	26,250	161	24,885	94.8%	\$851	0.88%	179
2025*	26,507	257	25,129	94.8%	\$853	0.18%	244

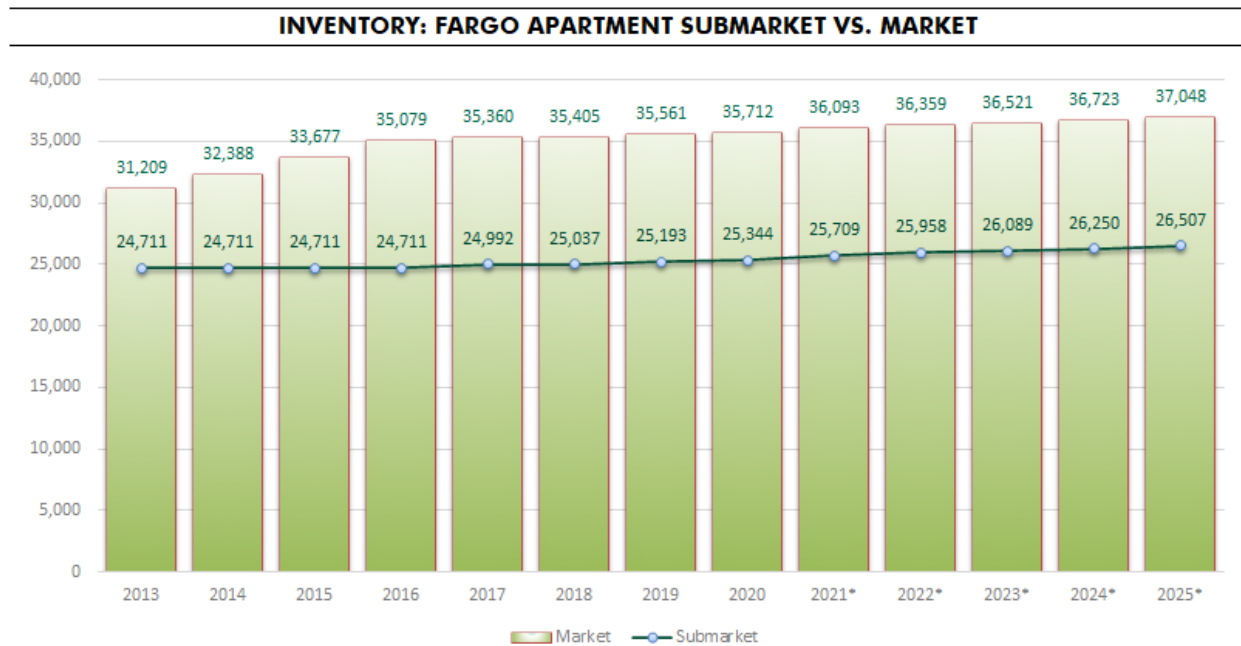
\*Future Projected Data according to Axiometrics

Source: Axiometrics, 4th Quarter 2020

The Fargo apartment submarket consists of approximately 25,344 units of apartment space. The current submarket inventory represents approximately 71.0% of the overall market inventory. The following observations were noted from the table above:

- As of 4th Quarter 2020, there were approximately 24,376 units of occupied apartment space, resulting in an occupancy rate of 96.2% for the submarket. This reflects a small decrease from the previous quarter's occupancy of 96.4%, and an increase from an occupancy rate of 95.0% from last year. The submarket occupancy is above the 96.1% market occupancy.
- The submarket experienced negative 11 units of net absorption for the current quarter. This indicates a decline from the previous quarter's positive 327 units of net absorption, and a decline from the positive 460 units of net absorption from a year ago. Overall, the submarket has experienced positive 447 units of net absorption for the current year-to-date period. The submarket's current net absorption of negative 11 units compares favorably with the overall market net absorption of negative 42 units.
- The submarket had completions of positive 43 units for the current quarter, which indicates an increase from the previous quarter's completions of positive 35 units, and a decrease from the completions of positive 81 units from last year.
- The submarket achieved average effective rent of \$816 per unit, which indicates an increase from the previous quarter's effective rent of \$813 per unit, and an increase from the effective rent of \$798 per unit from last year. The submarket's current effective rent of \$816 per unit compares favorably with the overall market asking rent of \$807 per unit.

Historical Inventory - Submarket

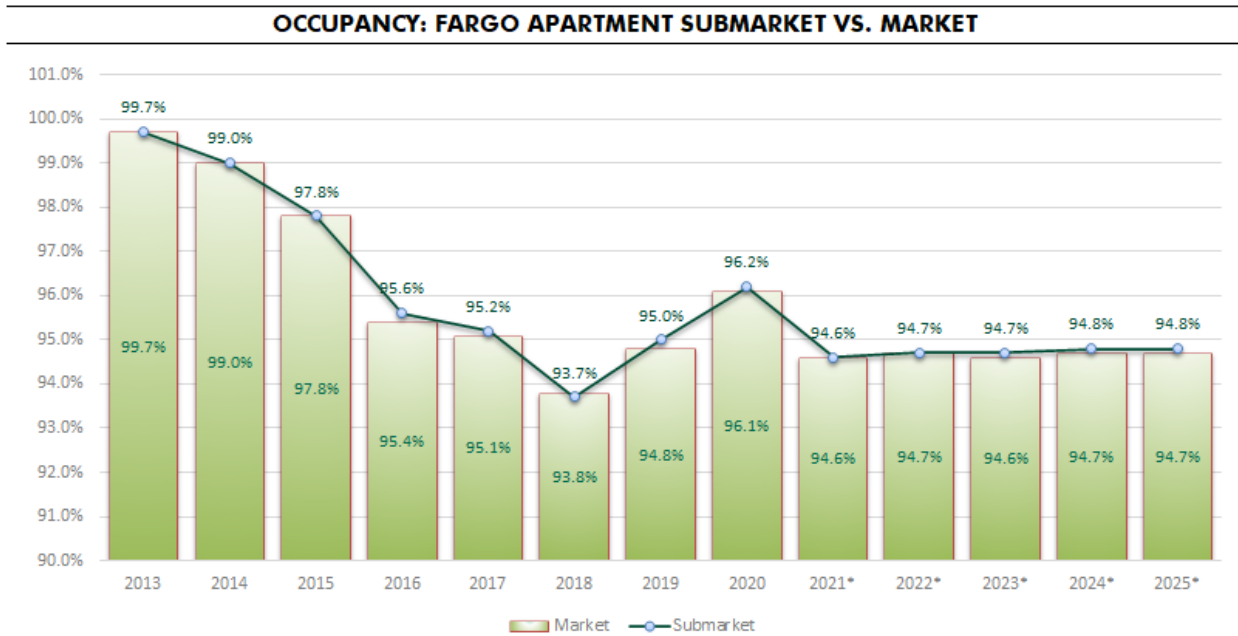


\* Future Projected Data according to Axiometrics

Source: Axiometrics, 4th Quarter 2020

Submarket Inventory is projected to be 25,344 units at the end of the current year, which represents an increase from the previous year’s submarket inventory of 25,193 units. Inventory for next year is projected to be 25,709 units, reflecting an increase from the current year.

Historical Occupancy - Submarket

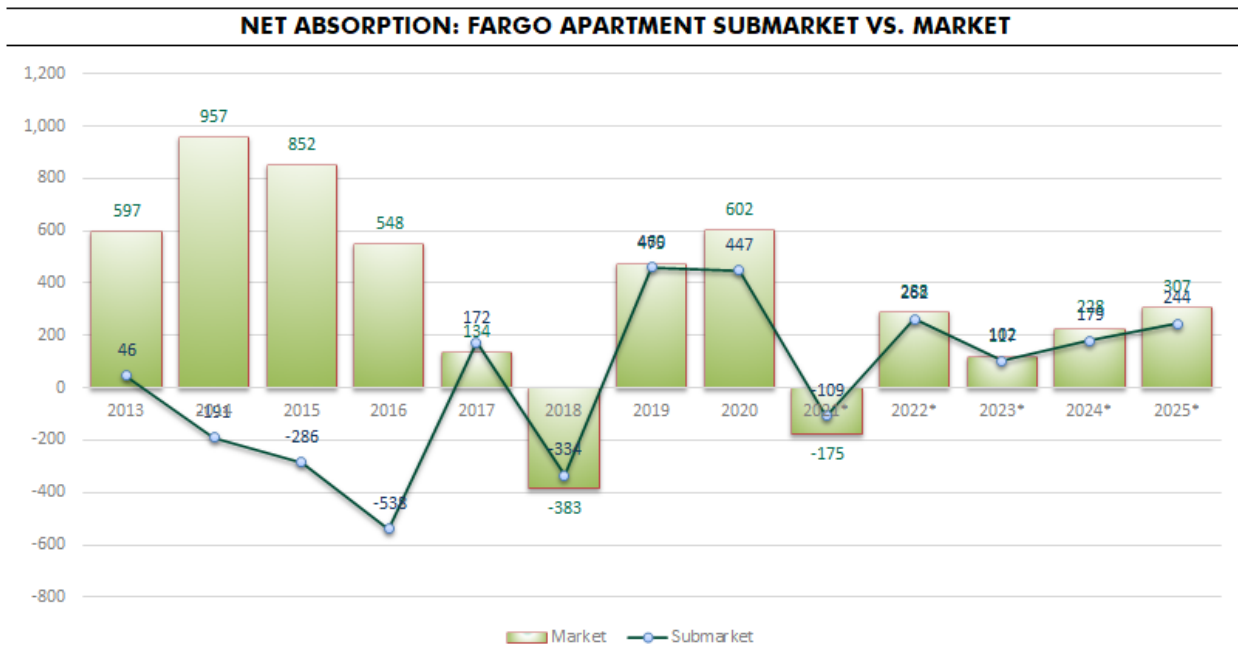


\* Future Projected Data according to Axiometrics

Source: Axiometrics, 4th Quarter 2020

Submarket occupancy is projected to be 96.2% at the end of the current year, which represents an increase from the previous year’s submarket occupancy of 95.0%. Submarket occupancy for next year is projected to be 94.6%, reflecting a decrease from the current year.

Historical Net Absorption - Submarket

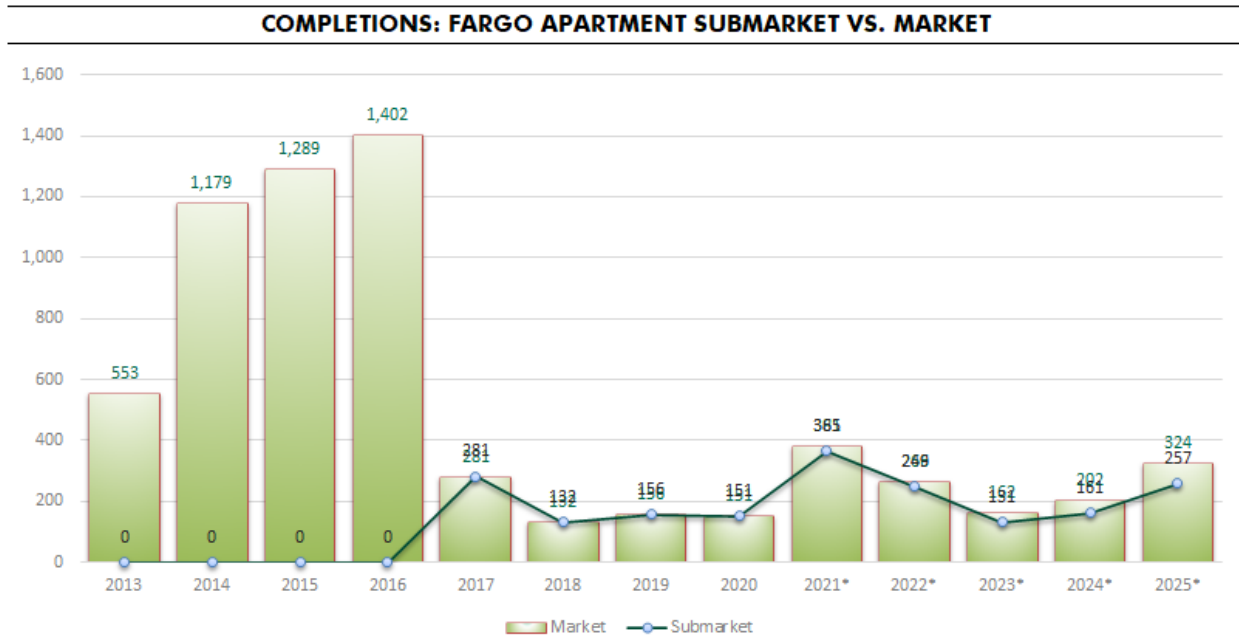


\* Future Projected Data according to Axiometrics

Source: Axiometrics, 4th Quarter 2020

Net absorption in the submarket is projected to be positive 447 units at the end of the current year, reflecting an improvement from the previous year’s net absorption of positive 460 units. Net absorption for next year is projected to be negative 109 units, indicating a decline from the current year.

Historical Completions - Submarket

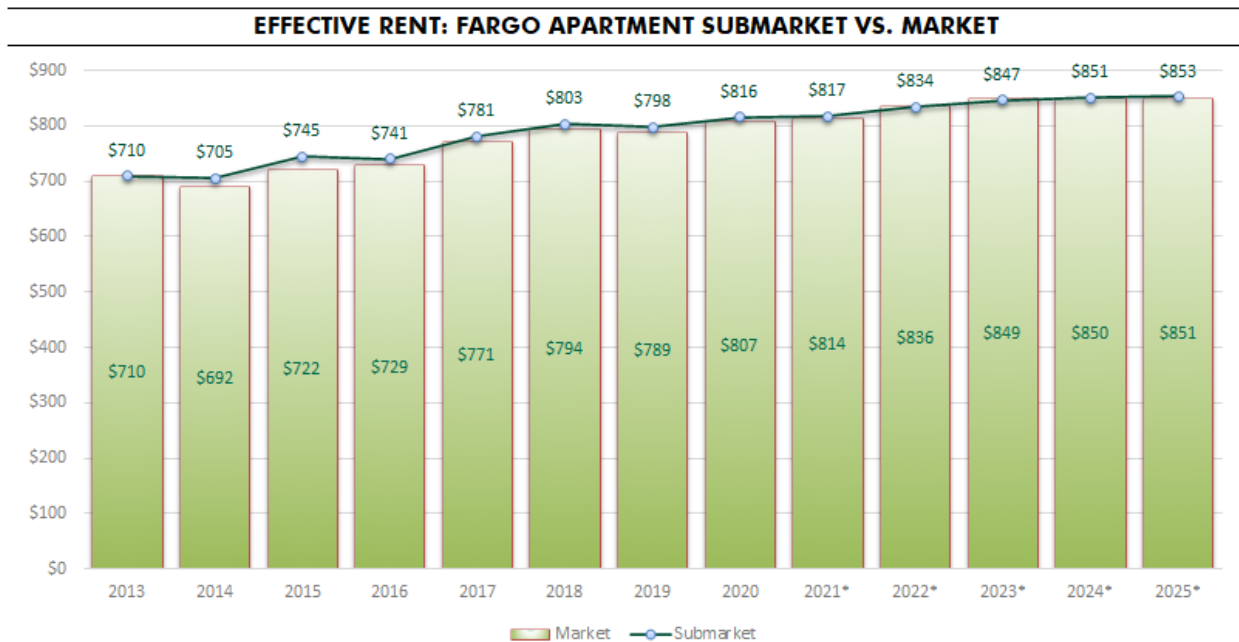


\* Future Projected Data according to Axiometrics

Source: Axiometrics, 4th Quarter 2020

The submarket is projected to achieve completions of positive 151 units at the end of the current year, which indicates a decline from the previous year’s completions of positive 156 units. The submarket is projecting completions of positive 365 units for next year, which indicates an improvement from the current year.

Historical Effective Rent - Submarket



\* Future Projected Data according to Axiometrics

Source: Axiometrics, 4th Quarter 2020

The submarket is projected to achieve average effective of \$816 per unit at the end of the current year, which represents an increase from the previous year’s effective rent of \$798 per unit. The submarket is projected to achieve average effective rent of \$817 per unit, reflecting an increase from the current year.

**COMPETITIVE PROPERTIES**

Comparable properties were surveyed in order to identify the current occupancy within the competitive market. The comparable data is summarized in the following table:

<b>SUMMARY OF COMPARABLE MULTIFAMILY RENTALS</b>			
Comp. No.	Name	Location	Occupancy
1	Bluemont Village Apartments	2801 23rd Ave South, Fargo, ND	100%
2	Pacific South	2585 Pacific Drive, Fargo, ND	100%
3	Sandstone Apartments	3060 33rd Street South, Fargo, ND	100%
4	The Oaks	2301 17th Street South, Fargo, ND	100%
5	Summit Point Apartment Community	1724 Gold Drive South, Fargo, ND	100%
Subject	Brownstone Apartments	2201 33rd Avenue S, Fargo, North Dakota	92%

Compiled by CBRE

The majority of comparable properties surveyed reported occupancy rates of 100% or better, and all are currently in average to good condition.

## SUBJECT ANALYSIS

### Occupancy

Based on the foregoing analysis, CBRE, Inc.'s conclusion of stabilized occupancy for the subject is illustrated in the following table. This estimate considers both the physical and economic factors of the market.

<b>OCCUPANCY CONCLUSIONS</b>	
Fargo Area Q4 2020	96.2%
Fargo Area Q3 2020	96.4%
Rent Comparables	100.0%
Subject Historical Range	89.3%-96.7%
Subject's Current Occupancy	91.7%
Subject's Stabilized Occupancy	95.0%
Compiled by CBRE	

As indicated, our concluded stabilized occupancy is consistent with local market data and the rent comparables. The concluded amount factors in the long-term stability of the market as well as the subject's recent historical performance. As previously noted, the subject is considered stabilized.

## CONCLUSION

The last three years within Fargo/Moorhead have been softer relative to historic standards as the market experienced a surge in multi-family construction. As construction has diminished the market has regained its footing. Considering the recent trends in absorption and the prospects for new construction, the local market area should maintain a stabilized occupancy position in the long term. The addition of new product has recently created downward pressure on occupancy and on owners' ability to obtain effective rental increases, though this is considered short-term. The long-term projection for the subject submarket is for gradual rebuilding of stability coupled with continued growth among newer, competitive projects.



## 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; and
- maximally productive.

The highest and best use analysis of the subject is discussed below.

### AS VACANT

#### Legal Permissibility

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

#### Physical Possibility

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 provides additional evidence for the physical possibility of development.

#### Financial Feasibility

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. As discussed in the market analysis, the subject multifamily market is generally stabilized. Development of new multifamily properties has occurred in the past few years and there are proposed or under construction multifamily projects in the competitive market.

#### Maximum Productivity - Conclusion

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.

Based on the information presented above and upon information contained in the market and neighborhood analysis, we conclude that the highest and best use of the subject as if vacant would be the development of a multifamily property. Our analysis of the subject and its respective market characteristics indicate the most likely buyer, as if vacant, would be an investor (land speculation) or a developer.

### AS IMPROVED

#### Legal Permissibility

The site has been improved with a multifamily development that is a legal, conforming use.

### Physical Possibility

The layout and positioning of the improvements are considered functional for multifamily 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 multifamily users would be the most functional use.

### Financial Feasibility

The financial feasibility of a multifamily property 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 multifamily purposes is considered financially feasible. Further, the value of the improvements detailed clearly exceeds the underlying land value.

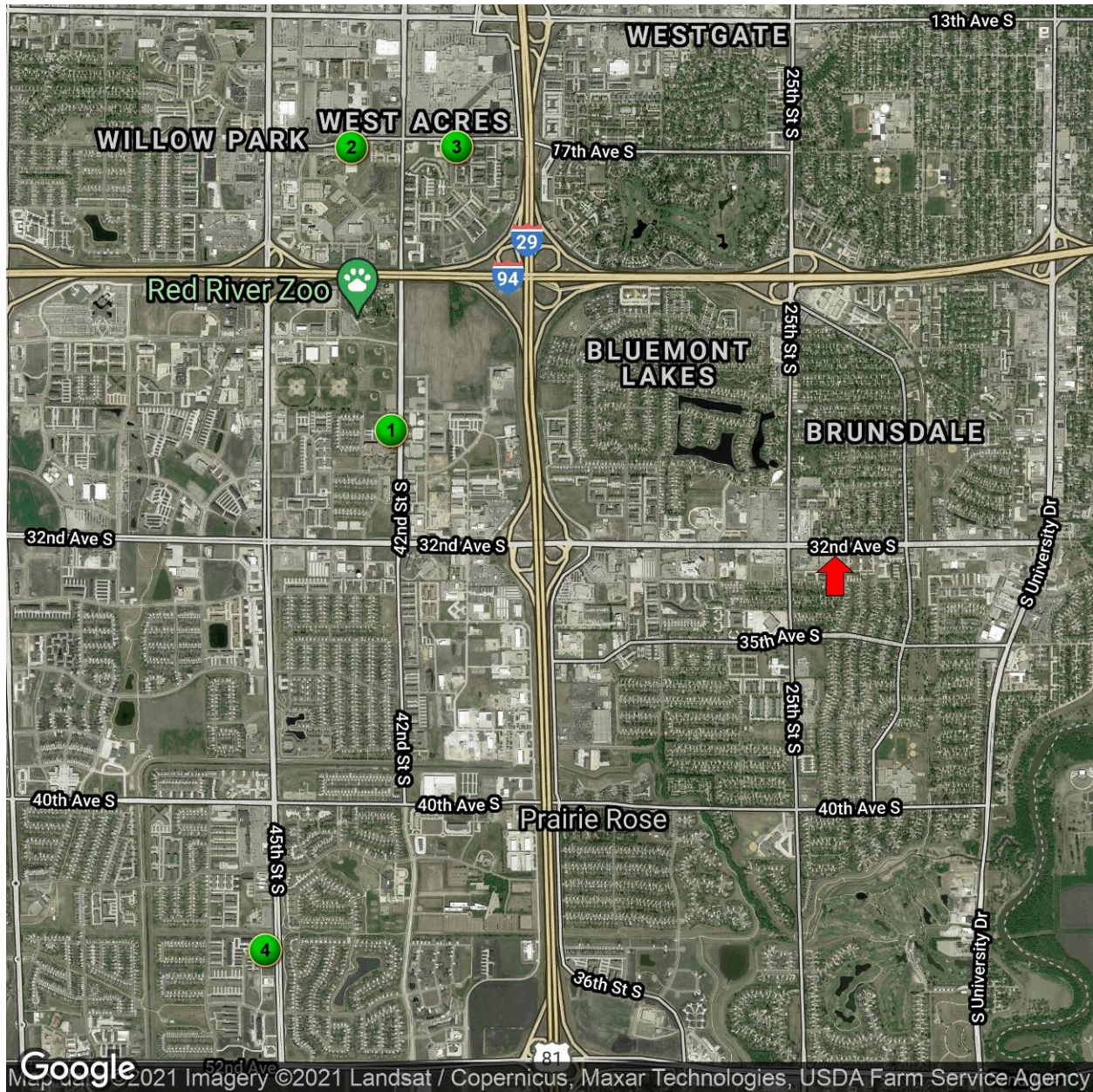
### Maximum Productivity - Conclusion

As shown in the applicable valuation sections, buildings that are similar to the subject have been acquired or continue to be used by multifamily owners/tenants. None of the comparable buildings have been acquired for conversion to an alternative use. The most likely buyer for the subject property is considered to be Investor-Local.

Based on the foregoing, the highest and best use of the property, as improved, is consistent with the existing use as a multifamily development.

## Land Value

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



SUMMARY OF COMPARABLE LAND SALES								
No.	Property Location	Transaction		Proposed Use	Actual Sale Price	Adjusted Sale Price <sup>1</sup>	Size (SF)	Price Per SF
		Type	Date					
1	4207 28th Avenue South Fargo, ND 58104	Sale	Feb-21	Office	\$430,987	\$485,936	44,153	\$11.01
2	4302 17th Avenue South Fargo, ND 58103	Sale	Mar-20	Supportive Housing	\$1,550,000	\$1,614,779	147,226	\$10.97
3	1702 40th Street South Fargo, ND 58103	Sale	Dec-18	Express Carwash	\$950,000	\$981,000	90,675	\$10.82
4	4711-4781 45th Street South Fargo, ND 58104	Sale	Nov-17	Multifamily	\$1,385,077	\$1,385,077	146,362	\$9.46
Subject	2201 33rd Avenue S, Fargo, North Dakota	---	---	Multifamily	---	---	153,867	---

<sup>1</sup> Adjusted sale price for cash equivalency and/or development costs (where applicable)  
Compiled by CBRE

The sales utilized were selected from Fargo area within a 3-mile radius of the subject. These sales were chosen based upon location, size and date of sale. Land sales with proposed multifamily uses were sought out but limited multifamily development in recent years has caused for a dearth in recent sales. In place of multifamily land sales, the appraisers have included office and retail land sales and have applied large downward adjustments for the superior H&BU.

### SUMMARY OF ADJUSTMENTS

All comparables represented the transfer of fee simple ownership with no atypical sale conditions noted. In terms of market condition adjustments, no adjustments were applied given general market volatility and limited evidence to substantiate an observable trend. Comparables One, Two Three were adjusted downward to account for their superior H&BU with proposed uses as retail/office properties. Comparable Four was adjusted downward given the proposed townhome units which are superior in average unit size and unit mix. Comparables Two and Three were adjusted downward to account for their superior locations closer to retail and employment centers within Fargo. Lastly, Comparable Four was adjusted upward to account for its inferior location further from retail and employment centers within Fargo.

Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

LAND SALES ADJUSTMENT GRID					
Comparable Number	1	2	3	4	Subject
Transaction Type	Sale	Sale	Sale	Sale	---
Transaction Date	Feb-21	Mar-20	Dec-18	Nov-17	---
Interest Transferred	Fee	Fee	Fee	Fee	
	Simple/Freehold	Simple/Freehold	Simple/Freehold	Simple/Freehold	
Proposed Use	Office	Supportive Housing	Express Carwash	Multifamily	Multifamily
Actual Sale Price	\$430,987	\$1,550,000	\$950,000	\$1,385,077	---
Adjusted Sale Price <sup>1</sup>	\$485,936	\$1,614,779	\$981,000	\$1,385,077	---
Size (Acres)	1.01	3.38	2.08	3.36	3.53
Size (SF)	44,153	147,226	90,675	146,362	153,867
Price Per SF	\$11.01	\$10.97	\$10.82	\$9.46	---
Price (\$ PSF)	\$11.01	\$10.97	\$10.82	\$9.46	
Property Rights Conveyed	0%	0%	0%	0%	
Financing Terms <sup>1</sup>	0%	0%	0%	0%	
Conditions of Sale	0%	0%	0%	0%	
Market Conditions (Time)	0%	0%	0%	0%	
Subtotal	\$11.01	\$10.97	\$10.82	\$9.46	
Size	0%	0%	0%	0%	
Shape	0%	0%	0%	0%	
Corner	0%	0%	0%	0%	
Frontage	0%	0%	0%	0%	
Topography	0%	0%	0%	0%	
Zoning/Density/H&BU	-40%	-40%	-40%	-25%	
Utilities	0%	0%	0%	0%	
Location	0%	-25%	-25%	5%	
Total Other Adjustments	-40%	-65%	-65%	-20%	
<b>Value Indication for Subject</b>	<b>\$6.61</b>	<b>\$3.84</b>	<b>\$3.79</b>	<b>\$7.57</b>	
<i>Absolute Adjustment</i>	40%	65%	65%	30%	

<sup>1</sup> Adjusted sale price for cash equivalency and/or development costs (where applicable)  
Compiled by CBRE

Prior to adjustments, the sales ranged from \$9.46 PSF to \$11.01 PSF with an average of \$10.57 PSF. After adjustments, the range decreased to \$3.79 PSF to \$7.57 PSF with an average of \$5.45 PSF.

## CONCLUSION

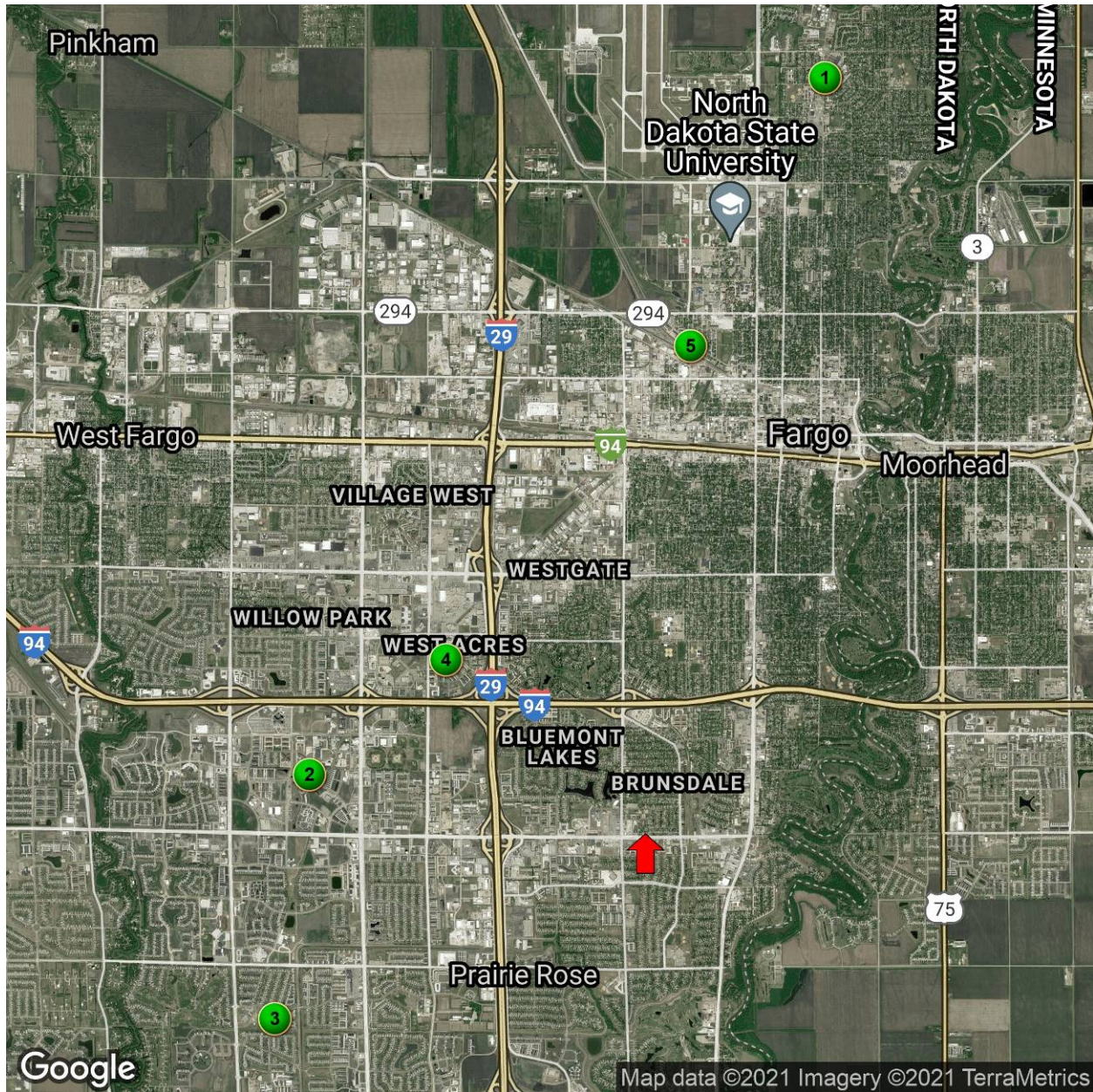
Based on the preceding analysis, Comparables One and Two were the most representative of the subject site and warranted greatest consideration because they represent the most recent sales. In conclusion, a price per SF indication towards the lower end of the range was most appropriate for the subject. The conclusion is notably lower than the unadjusted range but is supported when considering the overall development costs and feasibility of developing a multifamily project in the local market. A review of multiple multifamily developments constructed in the previous five years in the Fargo/Moorhead MSA indicate that no multifamily land has been acquired above \$20,000 per proposed unit with the majority falling below \$15,000 per proposed unit. The concluded land value equates to \$10,694 per unit and appears reasonable for the local market. The following table presents the valuation conclusion:

<b>CONCLUDED LAND VALUE</b>				
<b>\$ PSF</b>		<b>Subject SF</b>	<b>=</b>	<b>Total</b>
\$3.79	x	153,867	=	\$582,694
<b>\$5.00</b>	<b>x</b>	<b>153,867</b>	<b>=</b>	<b>\$769,335</b>
\$7.57	x	153,867	=	\$1,164,465
<b>Indicated Value:</b>				<b>\$770,000</b>
		(Rounded \$ PSF)		\$5.00

Compiled by CBRE

## 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 MULTIFAMILY SALES												
No.	Property Name	Transaction Type	Date	YOC / Reno'd	No. Units	Avg. Unit Size	Actual Sale Price	Adjusted Sale Price <sup>1</sup>	Price Per Unit <sup>1</sup>	Occ.	NOI Per Unit	OAR
1	Hawn Apartments, 504 and 520 31st Avenue North Fargo, ND 58102	Sale	Mar-20	1968	48	1,046	\$2,400,000	\$2,400,000	\$50,000	83%	\$3,112	6.22%
2	Urban View Apartments, 4877-5035 28th Avenue South Fargo, ND 58104	Sale	Jan-20	2013	198	1,282	\$19,250,000	\$19,250,000	\$97,222	80%	\$6,033	6.21%
3	Wolf Creek Apartments, 5200 44th Avenue South Fargo, ND 58104	Sale	Jan-20	2011	54	1,340	\$4,968,000	\$4,968,000	\$92,000	94%	\$5,803	6.31%
4	West Willow Wood Apartments & Townhomes, 4161, 4001, 4011, 4021, 4033, 4041 18th Avenue South Fargo, ND 58103	Sale	May-19	2000 / 2003	86	1,103	\$6,225,000	\$6,225,000	\$72,384	80%	\$4,198	5.80%
5	Dakota East & West Apartments, 1704 & 1736 Dakota Drive N. Fargo, ND 58102	Sale	Jan-19	1998	63	991	\$4,893,077	\$4,893,077	\$77,668	100%	\$5,331	6.86%
Subj. Pro Forma	Brownstone Apartments, 2201 33rd Avenue S Fargo, ND 58104	---	---	1990	72	873	---	---	---	95.00%	\$3,671	---

<sup>1</sup> Adjusted sale price for cash equivalency, lease-up and/or deferred maintenance (where applicable)  
Compiled by CBRE

The sales utilized were selected from our research of comparable improved sales within the greater Fargo/Moorhead area. These sales were chosen based upon size, age, quality of construction and location.

## ADJUSTMENT RATIONALE

The comparable sales must be adjusted for differences with the subject property. The adjustments are based upon percentages and are applied to the price per unit, which is the primary unit of comparison for multi-family properties, such as the subject.

## Property Rights Conveyed

All sales represent the transfer of Fee Simple Estate and no adjustments are required.

## Financing Terms

Financing affects real estate values as the availability of financing helps determine the demand for real estate. In most cases, the cost and availability of financing have an inverse relationship; high interest rates or limited availability of financing are usually accompanied by a decrease in the demand for credit and/or real estate. This element is particularly significant in sales involving non-market and/or seller financing.

All of the sales were assumed cash transactions or are considered to reflect cash equivalent transactions. No adjustments are required for financing terms.

## Conditions of Sale

Adjustment for conditions of sale is justified when the circumstances of a specific sale result in a price that is higher or lower than that of a normal market transaction. This adjustment reflects the motivations of a buyer and seller in the transfer of real property. Circumstances requiring adjustments for conditions of sale includes sales made under duress, auctions, eminent domain



transactions, and sales that were not arm's-length. This adjustment is also utilized for listings, negotiations, offers, and/or non-closed escrows (as appropriate).

All of the comparable sales were considered to represent arm's length transactions. Comparables that sold with occupancy below stabilized levels were adjusted upwards by factors of 5%.

### Market Conditions

The market condition adjustment is for any projected value change between the sale dates of the comparables and the effective appraisal date.

No market conditions adjustment was applied given general market volatility and limited evidence to substantiate an observable trend.

### Project Size

Project size adjustments are based on a number of pairings of multi-family apartment sales in the subject submarket sector. The larger the number of units the lower the price per unit due to the economies of scale achieved and decreasing number of potential buyers. The comparables generally represent smaller to mid-sized projects with similar investor profiles. Comparable Two is a slightly larger project and has been adjusted upward 5%.

### Age

Adjustments here are based on the property's age and observed condition. Unless we have observed significant capital improvements that would extend a property's useful life, we have exclusively adjusted based on each project's age rather than its condition relative to the subject.

The subject was built in 1990. The comparables selected range from 1968 to 2013 and have undergone periodic renovations or additions. For purposes of this analysis, an adjustment factor of approximately 0.50% per year of difference between the year built of the subject and the actual age of the comparables has been applied. The basis of this adjustment was considered to be further supported by the actual physical depreciation of the sale comparables.

### Quality of Construction

The subject represents average quality construction with average in-unit features. Comparables with in-unit laundry have been adjusted downward 5%.

### Average Unit Size

The subject exhibits an average unit size of 873 SF. Comparables with an average unit size over 1,200 SF were adjusted downward 10%.

### Project Amenities

The typical amenity package for a garden style apartment of the subject's size consists of a common laundry. No adjustments were required.

## Parking

The subject offers detached garage parking. No adjustments were required.

## Location/Economic

Investors in real estate are primarily concerned with the economic income generating potential and the lease terms/potential of a property. The income generating capability of a property is due to the physical features of the property, as well as its location. As a result, we have adjusted the comparables for economic/location differences by analyzing the difference in net income between the sales and the subject property income projection. Within this category, the appraiser evaluated the difference in NOI/unit (divided by one third to minimize any double counting of physical adjustments previously made) and the rounded result was applied to each transaction.

## SUMMARY OF ADJUSTMENTS

Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

MULTIFAMILY SALES ADJUSTMENT GRID						Subj. Pro Forma
Comparable Number	1	2	3	4	5	
Transaction Type	Sale	Sale	Sale	Sale	Sale	---
Transaction Date	Mar-20	Jan-20	Jan-20	May-19	Jan-19	---
Year Built/Renovated	1968	2013	2011	2000	1998	1990
Property Subtype	Multi-unit Garden	Multi-unit Garden	Multi-unit Garden	Multi-unit Garden	Multi-unit Garden	Multi-family Garden
No. Units	48	198	54	86	63	72
Avg. Unit Size	1,046	1,282	1,340	1,103	991	873
Actual Sale Price	\$2,400,000	\$19,250,000	\$4,968,000	\$6,225,000	\$4,893,077	---
Adjusted Sale Price <sup>1</sup>	\$2,400,000	\$19,250,000	\$4,968,000	\$6,225,000	\$4,893,077	---
Price Per Unit <sup>1</sup>	\$50,000	\$97,222	\$92,000	\$72,384	\$77,668	---
Occupancy	83%	80%	94%	80%	100%	95%
NOI Per Unit	\$3,112	\$6,033	\$5,803	\$4,198	\$5,331	\$3,671
OAR	6.22%	6.21%	6.31%	5.80%	6.86%	---
Adj. Price Per Unit	\$50,000	\$97,222	\$92,000	\$72,384	\$77,668	
Property Rights Conveyed	0%	0%	0%	0%	0%	
Financing Terms <sup>1</sup>	0%	0%	0%	0%	0%	
Conditions of Sale	5%	5%	0%	5%	0%	
Market Conditions (Time)	0%	0%	0%	0%	0%	
Subtotal - Price Per Unit	\$52,500	\$102,083	\$92,000	\$76,003	\$77,668	
Project Size	0%	5%	0%	0%	0%	
Age/Condition	11%	-12%	-11%	-5%	-4%	
Quality of Construction	0%	-5%	-5%	-5%	0%	
Avg. Unit Size	0%	-10%	-10%	0%	0%	
Project Amenities	0%	0%	0%	0%	0%	
Parking	0%	0%	0%	0%	-5%	
Location/Economic	6%	-13%	-12%	-4%	-10%	
Other	0%	0%	0%	0%	0%	
Total Other Adjustments	17%	-35%	-38%	-14%	-19%	
<b>Indicated Value Per Unit</b>	<b>\$61,420</b>	<b>\$66,814</b>	<b>\$57,275</b>	<b>\$65,222</b>	<b>\$62,617</b>	
Absolute Adjustment	22%	50%	38%	19%	19%	

<sup>1</sup> Adjusted for cash equivalency, lease-up and/or deferred maintenance (where applicable)  
Compiled by CBRE

Prior to adjustments, the comparable sales ranged in price from \$50,000 to \$97,222 per unit with an average price of \$77,855 per unit. After adjustments, the range decreased, with an adjusted range of \$57,275 to \$66,814 per unit and an adjusted average of \$62,670 per unit.

**SALES COMPARISON APPROACH CONCLUSION**

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

<b>SALES COMPARISON APPROACH</b>				
<b>Total Units</b>	<b>X</b>	<b>Value Per Unit</b>	<b>=</b>	<b>Value</b>
72	X	\$57,275	=	\$4,123,770
<b>72</b>	<b>X</b>	<b>\$62,000</b>	<b>=</b>	<b>\$4,464,000</b>
72	X	\$66,814	=	\$4,810,581

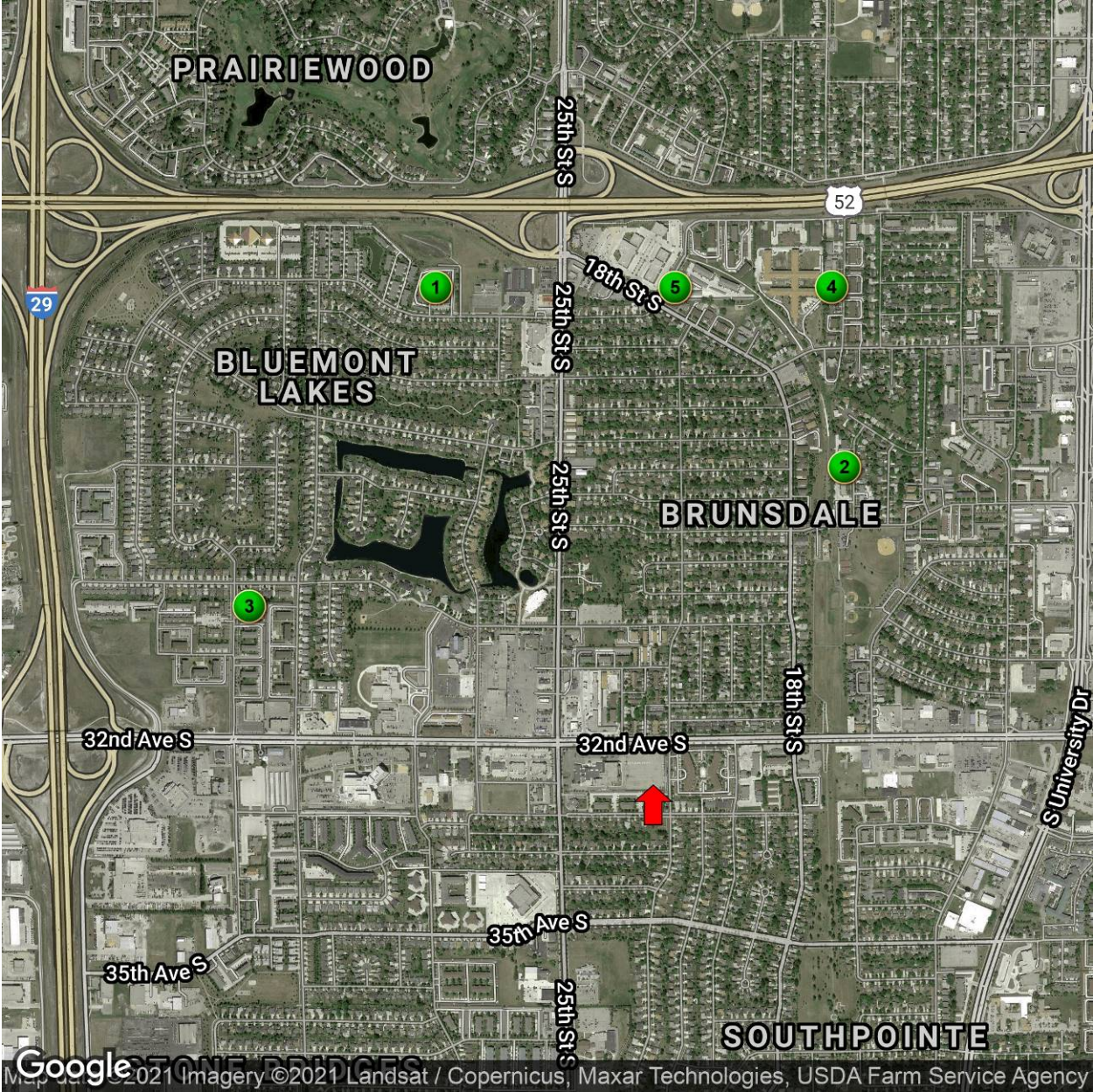
**VALUE CONCLUSION**

<b>Indicated Value As Is</b>	<b>\$4,464,000</b>
<b>Rounded</b>	<b>\$4,460,000</b>
<b>Value Per Unit</b>	<b>\$61,944</b>

Compiled by CBRE

# Income Capitalization Approach

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



<b>SUMMARY OF COMPARABLE MULTIFAMILY RENTALS</b>						
<b>No.</b>	<b>Property Name</b>	<b>Location</b>	<b>YOC / Reno'd</b>	<b>Occ.</b>	<b>No. Units</b>	<b>Distance from Subj</b>
1	Bluemont Village Apartments	2801 23rd Ave South Fargo, ND 58103	1989	100%	78	1.1 Miles
2	Pacific South	2585 Pacific Drive Fargo, ND 58103	1983	100%	15	0.7 Miles
3	Sandstone Apartments	3060 33rd Street South Fargo, ND 58103	1993	100%	24	0.9 Miles
4	The Oaks	2301 17th Street South Fargo, ND 55103	1969	100%	24	1.0 Miles
5	Summit Point Apartment Community	1724 Gold Drive South Fargo, ND 58103	1999	100%	87	1.0 Miles
Subj.	Brownstone Apartments	2201 33rd Avenue S, Fargo, North Dakota	1990	92%	72	---

Compiled by CBRE

The rentals utilized were selected from our research within similar areas in southwest Fargo. These comparables were chosen based upon size, age, quality of construction and amenities.

## SUBJECT RENTAL INFORMATION

The following table shows the subject's unit mix and quoted rental rates.

<b>SUBJECT RENTAL INFORMATION</b>					
<b>Type</b>	<b>No. of Units</b>	<b>Unit Size (SF)</b>	<b>Unit Occ.</b>	<b>Avg. Quoted \$/Unit</b>	<b>Rent Per SF</b>
1BR/1BA	13	660	100%	\$635	\$0.96
2BR/1BA	47	920	94%	\$725	\$0.79
2BR/2.5BA	11	970	73%	\$755	\$0.78
Studio	1	392	100%	\$500	\$1.28
<b>Total/Average:</b>	<b>72</b>	<b>873</b>	<b>92%</b>	<b>\$710</b>	<b>\$0.81</b>

Compiled by CBRE

According to on-site management, the following represents the most recent rental trends at the subject property:

- Concessions have been offered historically and are included within the buyer's budget.
- Parking is included in rent.
- There is no RUBS program at the subject.

## MARKET RENT ESTIMATE

In order to estimate the market rates for the various floor plans, the subject unit types have been compared with similar units in the comparable projects. The following is a discussion of each unit type.

## Studio Units

<b>SUMMARY OF COMPARABLE RENTALS EFFICIENCY/STUDIO UNITS</b>				
<b>Comparable</b>	<b>Plan Type</b>	<b>Size (SF)</b>	<b>Rental Rates</b>	
			<b>\$/Mo.</b>	<b>\$/SF</b>
<b>Subject (Avg. Quoted)</b>	<b>Studio</b>	<b>392 SF</b>	<b>\$500</b>	<b>\$1.28</b>
<b>Subject (Concluded)</b>	<b>Studio</b>	<b>392 SF</b>	<b>\$500</b>	<b>\$1.28</b>
Bluemont Village Apartments	Efficiency	460 SF	\$505	\$1.10
Summit Point Apartment Community	Studio	474 SF	\$570	\$1.20
Compiled by CBRE				

The subject's quoted rental rates are within the range indicated by the rent comparables. The current contract rents appear well positioned within the local market.

## One-Bedroom Units

<b>SUMMARY OF COMPARABLE RENTALS ONE BEDROOM UNITS</b>				
<b>Comparable</b>	<b>Plan Type</b>	<b>Size (SF)</b>	<b>Rental Rates</b>	
			<b>\$/Mo.</b>	<b>\$/SF</b>
The Oaks	1BR/1BA	687 SF	\$550	\$0.80
Pacific South	1BR/1BA	624 SF	\$555	\$0.89
Bluemont Village Apartments	1BR/1BA	650-675	\$585	\$0.88
Sandstone Apartments	1BR/1BA	735 SF	\$620	\$0.84
<b>Subject (Avg. Quoted)</b>	<b>1BR/1BA</b>	<b>660 SF</b>	<b>\$635</b>	<b>\$0.96</b>
<b>Subject (Concluded)</b>	<b>1BR/1BA</b>	<b>660 SF</b>	<b>\$635</b>	<b>\$0.96</b>
Summit Point Apartment Community	1-BD/1-BA	720 SF	\$650 - \$700	\$0.94
Compiled by CBRE				

The subject's quoted rental rates are within the range indicated by the rent comparables. The current contract rents appear well positioned within the local market.

## Two-Bedroom Units

<b>SUMMARY OF COMPARABLE RENTALS TWO BEDROOM UNITS</b>				
<b>Comparable</b>	<b>Plan Type</b>	<b>Size (SF)</b>	<b>Rental Rates</b>	
			<b>\$/Mo.</b>	<b>\$/SF</b>
Pacific South	2BR/1BA	781-864	\$605 - \$625	\$0.75
Bluemont Village Apartments	2BR/1BA	990 SF	\$695	\$0.70
The Oaks	2BR/1BA	781 SF	\$705	\$0.90
Bluemont Village Apartments	2BR/2BA	1,075 SF	\$710	\$0.66
Bluemont Village Apartments	2BR/2BA	990 SF	\$720	\$0.73
Sandstone Apartments	2BR/2BA	950 SF	\$725	\$0.76
<b>Subject (Avg. Quoted)</b>	<b>2BR/1BA</b>	<b>920 SF</b>	<b>\$725</b>	<b>\$0.79</b>
<b>Subject (Concluded)</b>	<b>2BR/1BA</b>	<b>920 SF</b>	<b>\$725</b>	<b>\$0.79</b>
<b>Subject (Avg. Quoted)</b>	<b>2BR/2.5BA</b>	<b>970 SF</b>	<b>\$755</b>	<b>\$0.78</b>
<b>Subject (Concluded)</b>	<b>2BR/2.5BA</b>	<b>970 SF</b>	<b>\$755</b>	<b>\$0.78</b>
Summit Point Apartment Community	2-BD/1-BA	774-934	\$800 - \$825	\$0.95
Summit Point Apartment Community	2-BD2-BA	782-1,012	\$840	\$0.94

Compiled by CBRE

The subject's quoted rental rates are within the range indicated by the rent comparables. The current contract rents appear well positioned within the local market.

## MARKET RENT CONCLUSIONS

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

<b>RENT CONCLUSIONS</b>										
No. Units	Unit Type	Unit Size (SF)	Total SF	Monthly Rent			Annual Rent		Annual Total	
				\$/Unit	\$/SF	PRI	\$/Unit	\$/SF		
13	1BR/1BA	660	8,580	\$635	\$0.96	\$8,255	\$7,620	\$11.55	\$99,060	
47	2BR/1BA	920	43,240	\$725	\$0.79	\$34,075	\$8,700	\$9.46	\$408,900	
11	2BR/2.5BA	970	10,670	\$755	\$0.78	\$8,305	\$9,060	\$9.34	\$99,660	
1	Studio	392	392	\$500	\$1.28	\$500	\$6,000	\$15.31	\$6,000	
72		873	62,822	\$710	\$0.81	\$51,135	\$8,523	\$9.77	\$613,620	

Compiled by CBRE

## RENT ADJUSTMENTS

Rent adjustments are sometimes 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, view, and level of amenities. These rental adjustments may be in the form of rent premiums or rent discounts.

As noted, the rental rates for some of the subject's units vary depending upon whether or not they have been upgraded and modernized. However, we have utilized the weighted average rental rates, taking into account this variance. Thus, no rent adjustments are required.

## RENT ROLL ANALYSIS

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.

<b>RENT ROLL ANALYSIS</b>		
Revenue Component	Total Monthly Rent	Total Annual Rent
66 Occupied Units at Contract Rates	\$45,607	\$547,284
6 Vacant Units at Market Rates	\$4,440	\$53,280
72 Total Units @ Contract Rent	\$50,047	\$600,564
72 Total Units @ Market Rent	\$51,135	\$613,620
<i>Indicated Variance</i>		2.1%
Compiled by CBRE		

## POTENTIAL RENTAL INCOME CONCLUSION

Within this analysis, potential rental income is estimated based upon:

<b>POTENTIAL RENTAL INCOME</b>		
Year	Total	\$/Unit/Yr
2018	\$598,225	\$8,309
2019	\$593,948	\$8,249
2020	\$593,888	\$8,248
Buyer Budget	\$596,518	\$8,285
<b>CBRE Estimate</b>	<b>\$613,620</b>	<b>\$8,523</b>
Compiled by CBRE		

Our estimate is in-line with the historical and budgeted data and appears reasonable.

## OPERATING HISTORY

The following table presents available operating data for the subject.



OPERATING HISTORY										
Year-Occupancy	2018 89.3%		2019 93.2%		2020 96.7%		Buyer Budget 94.0%		Pro Forma 95.0%	
	Total	\$/Unit	Total	\$/Unit	Total	\$/Unit	Total	\$/Unit	Total	\$/Unit
<b>INCOME</b>										
Potential Rental Income	\$598,225	\$8,309	\$593,948	\$8,249	\$593,888	\$8,248	\$596,518	\$8,285	\$613,620	\$8,523
Concessions	(20,013)	(278)	(15,475)	(215)	(10,176)	(141)	(8,943)	(124)	(9,204)	(128)
<b>Adjusted Rental Income</b>	<b>\$578,212</b>	<b>\$8,031</b>	<b>\$578,473</b>	<b>\$8,034</b>	<b>\$583,712</b>	<b>\$8,107</b>	<b>\$587,575</b>	<b>\$8,161</b>	<b>\$598,280</b>	<b>\$8,309</b>
Vacancy	(64,107)	(890)	(40,586)	(564)	(19,627)	(273)	(35,773)	(497)	(29,914)	(415)
<b>Net Rental Income</b>	<b>\$514,105</b>	<b>\$7,140</b>	<b>\$537,887</b>	<b>\$7,471</b>	<b>\$564,085</b>	<b>\$7,835</b>	<b>\$551,802</b>	<b>\$7,664</b>	<b>\$568,366</b>	<b>\$7,894</b>
Other Income	26,984	375	22,770	316	20,272	282	22,245	309	23,400	325
<b>Subtotal Other Income (Net)</b>	<b>26,984</b>	<b>\$375</b>	<b>22,770</b>	<b>\$316</b>	<b>\$20,272</b>	<b>\$282</b>	<b>22,245</b>	<b>\$309</b>	<b>23,400</b>	<b>\$325</b>
<b>Effective Gross Income</b>	<b>\$541,089</b>	<b>\$7,515</b>	<b>\$560,657</b>	<b>\$7,787</b>	<b>\$584,357</b>	<b>\$8,116</b>	<b>\$574,047</b>	<b>\$7,973</b>	<b>\$591,766</b>	<b>\$8,219</b>
<b>EXPENSE</b>										
Real Estate Taxes	\$58,122	\$807	\$60,964	\$847	\$61,263	\$851	\$60,254	\$837	\$59,489	\$826
Property Insurance	14,472	201	16,848	234	9,600	133	10,000	139	14,400	200
Utilities	61,962	861	67,526	938	66,635	925	68,165	947	64,800	900
Administrative & General	8,129	113	6,911	96	4,803	67	-	-	5,400	75
Repairs & Maintenance	82,929	1,152	114,267	1,587	108,417	1,506	114,902	1,596	108,000	1,500
Management Fee	62,155	863	64,251	892	64,177	891	43,293	601	17,753	247
Payroll	-	-	-	-	-	-	36,288	504	36,000	500
Advertising & Promotion	4,655	65	4,683	65	3,617	50	-	-	3,600	50
Replacement Reserves	52,500	729	52,500	729	18,000	250	18,000	250	18,000	250
<b>Total Operating Expenses</b>	<b>\$344,924</b>	<b>\$4,791</b>	<b>\$387,950</b>	<b>\$5,388</b>	<b>\$318,512</b>	<b>\$4,424</b>	<b>\$350,902</b>	<b>\$4,874</b>	<b>\$327,442</b>	<b>\$4,548</b>
<b>Net Operating Income</b>	<b>\$196,165</b>	<b>\$2,725</b>	<b>\$172,707</b>	<b>\$2,399</b>	<b>\$265,845</b>	<b>\$3,692</b>	<b>\$223,145</b>	<b>\$3,099</b>	<b>\$264,323</b>	<b>\$3,671</b>
Management Fee % of EGI		11.5%		11.5%		11.0%		7.5%		3.0%

Source: Operating statements

## CONCESSIONS

Rent concessions are currently prevalent in the local market and are present at the subject. The following chart illustrates the historical concessions at the subject, they buyer’s budget, as well as the appraiser’s proforma:

CONCESSIONS		
Year	Total	\$/Unit/Yr
2018	(\$20,013)	3.3%
2019	(\$15,475)	2.6%
2020	(\$10,176)	1.7%
Buyer Budget	(\$8,943)	1.5%
<b>CBRE Estimate</b>	<b>(\$9,204)</b>	<b>1.5%</b>
Compiled by CBRE		

## VACANCY

The subject’s estimated stabilized occupancy rate was previously discussed in the market analysis. The subject’s vacancy is detailed as follows:

VACANCY		
Year	Total	% of AGI
2018	(\$64,107)	11.1%
2019	(\$40,586)	7.0%
2020	(\$19,627)	3.4%
Buyer Budget	(\$35,773)	6.1%
<b>CBRE Estimate</b>	<b>(\$29,914)</b>	<b>5.0%</b>
Compiled by CBRE		

## OTHER INCOME

Other income is supplemental to that derived from leasing of the improvements. This includes categories such as forfeited deposits, vending machines, late charges, etc. The subject's income is detailed as follows:

<b>OTHER INCOME</b>		
Year	Total	\$/Unit/Yr
2018	\$26,984	\$375
2019	\$22,770	\$316
2020	\$20,272	\$282
Buyer Budget	\$22,245	\$309
<b>CBRE Estimate</b>	<b>\$23,400</b>	<b>\$325</b>
Compiled by CBRE		

## EFFECTIVE GROSS INCOME

The subject's effective gross income is detailed as follows:

<b>EFFECTIVE GROSS INCOME</b>		
Year	Total	\$/Unit/Yr
2018	\$541,089	\$7,515
2019	\$560,657	\$7,787
2020	\$584,357	\$8,116
Buyer Budget	\$574,047	\$7,973
<b>CBRE Estimate</b>	<b>\$591,766</b>	<b>\$8,219</b>
Compiled by CBRE		

Our estimate is generally in-line with the historical and budgeted data and appears reasonable.

## OPERATING EXPENSE ANALYSIS

### Expense Comparables

The following chart summarizes expenses obtained from recognized industry publications and/or comparable properties.

<b>EXPENSE COMPARABLES</b>				
Comparable Number	1	2	3	Subject
Location	Fargo/Moorhead MSA	Fargo/Moorhead MSA	Fargo/Moorhead MSA	Fargo, ND
Units	30	120	144	72
Year Built	1991	1992	1994	1990
Type	Garden	Garden	Garden	Garden
Period	2020	2020	2020	Pro Forma
<b>Revenues</b>	<b>\$/Unit</b>	<b>\$/Unit</b>	<b>\$/Unit</b>	<b>\$/Unit</b>
<b>Effective Gross Income</b>	<b>\$8,975</b>	<b>\$8,319</b>	<b>\$9,156</b>	<b>\$8,219</b>
<b>Expenses</b>				
Real Estate Taxes	\$900	\$926	\$1,022	\$826
Property Insurance	200	281	233	200
Utilities	1,007	1,041	882	900
Administrative & General	75	84	90	75
Repairs & Maintenance	1,036	1,147	1,045	1,500
Management Fee	987	959	1,008	247
Payroll	-	-	-	500
Advertising & Promotion	57	56	59	50
Replacement Reserves	250	250	250	250
<b>Total Operating Expenses</b>	<b>\$4,511</b>	<b>\$4,743</b>	<b>\$4,589</b>	<b>\$4,548</b>
Operating Expenses Excluding Taxes	3,611	3,817	3,567	3,722
Operating Expense Ratio	50.3%	57.0%	50.1%	55.3%
Management Fee % of EGI)	11.0%	11.5%	11.0%	3.0%
<small><sup>2</sup> The median total differs from the sum of the individual amounts.</small>				
Compiled by CBRE				

A discussion of each expense category is presented on the following pages.

### Real Estate Taxes

The comparable data and projections for the subject are summarized as follows:

<b>REAL ESTATE TAXES</b>		
Year	Total	\$/Unit/Yr
2018	\$58,122	\$807
2019	\$60,964	\$847
2020	\$61,263	\$851
Buyer Budget	\$60,254	\$837
Expense Comparable 1	---	\$900
Expense Comparable 2	---	\$926
Expense Comparable 3	---	\$1,022
<b>CBRE Estimate</b>	<b>\$59,489</b>	<b>\$826</b>
Compiled by CBRE		

### Property Insurance

Property insurance expenses typically include fire and extended coverage and owner's liability coverage. The comparable data and projections for the subject are summarized as follows:

<b>PROPERTY INSURANCE</b>		
Year	Total	\$/Unit/Yr
2018	\$14,472	\$201
2019	\$16,848	\$234
2020	\$9,600	\$133
Buyer Budget	\$10,000	\$139
Expense Comparable 1	---	\$200
Expense Comparable 2	---	\$281
Expense Comparable 3	---	\$233
<b>CBRE Estimate</b>	<b>\$14,400</b>	<b>\$200</b>
Compiled by CBRE		

Our estimate is generally in-line with the historical and budgeted data and appears reasonable. It is also supported by the comparable data.

### Utilities

Utility expenses include electricity, natural gas, water, trash and sewer. The comparable data and projections for the subject are summarized as follows:

<b>UTILITIES</b>		
Year	Total	\$/Unit/Yr
2018	\$61,962	\$861
2019	\$67,526	\$938
2020	\$66,635	\$925
Buyer Budget	\$68,165	\$947
Expense Comparable 1	---	\$1,007
Expense Comparable 2	---	\$1,041
Expense Comparable 3	---	\$882
<b>CBRE Estimate</b>	<b>\$64,800</b>	<b>\$900</b>
Compiled by CBRE		

Our estimate is generally in-line with the historical and budgeted data and appears reasonable. It is also supported by the comparable data.

### 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 comparable data and projections for the subject are summarized as follows:

<b>ADMINISTRATIVE &amp; GENERAL</b>		
Year	Total	\$/Unit/Yr
2018	\$8,129	\$113
2019	\$6,911	\$96
2020	\$4,803	\$67
Buyer Budget	\$0	\$0
Expense Comparable 1	---	\$75
Expense Comparable 2	---	\$84
Expense Comparable 3	---	\$90
<b>CBRE Estimate</b>	<b>\$5,400</b>	<b>\$75</b>
Compiled by CBRE		

Our estimate is generally in-line with the historical and budgeted data and appears reasonable. It is higher than the comparable data, but is supported within the local market.

### Repairs and Maintenance

Repairs and maintenance expenses typically include all outside maintenance service contracts and the cost of maintenance and repairs supplies. The comparable data and projections for the subject are summarized as follows:

<b>REPAIRS &amp; MAINTENANCE</b>		
Year	Total	\$/Unit/Yr
2018	\$82,929	\$1,152
2019	\$114,267	\$1,587
2020	\$108,417	\$1,506
Buyer Budget	\$114,902	\$1,596
Expense Comparable 1	---	\$1,036
Expense Comparable 2	---	\$1,147
Expense Comparable 3	---	\$1,045
<b>CBRE Estimate</b>	<b>\$108,000</b>	<b>\$1,500</b>
Compiled by CBRE		

Our estimate is generally in-line with the historical and budgeted data and appears reasonable. It is higher than the comparable data, but is supported within the local market.

### Management Fee

Management expenses are typically negotiated as a percentage of collected revenues (i.e., effective gross income). The comparable data and projections for the subject are summarized as follows:

<b>MANAGEMENT FEE</b>		
Year	Total	% of EGI
2018	\$62,155	11.5%
2019	\$64,251	11.5%
2020	\$64,177	11.0%
Buyer Budget	\$43,293	7.5%
Expense Comparable 1	---	11.0%
Expense Comparable 2	---	11.5%
Expense Comparable 3	---	11.0%
<b>CBRE Estimate</b>	<b>\$17,753</b>	<b>3.0%</b>
Compiled by CBRE		

The subject's operating history and buyer's budget include administrative & general and payroll costs embedded within the management fees. This is also the case with the comparable data. As such, we have estimate in-line with average amounts for the local market which range from 3-5%.

### Payroll

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 comparable data and projections for the subject are summarized as follows:

<b>PAYROLL</b>		
Year	Total	\$/Unit/Yr
2018	\$0	\$0
2019	\$0	\$0
2020	\$0	\$0
Buyer Budget	\$36,288	\$504
Expense Comparable 1	---	\$0
Expense Comparable 2	---	\$0
Expense Comparable 3	---	\$0
<b>CBRE Estimate</b>	<b>\$36,000</b>	<b>\$500</b>
Compiled by CBRE		

The subject's operating history includes payroll costs within the management fees. This is also the case with the comparable data. As such, we have estimate in-line with the buyer's budget which appears reasonable for the local market.

### Advertising and Promotion

Advertising and promotion expenses typically include all costs associated with the promotion of the subject including advertisements in local publications, trade publications, yellow pages, et cetera. The comparable data and projections for the subject are summarized as follows:

<b>ADVERTISING &amp; PROMOTION</b>		
Year	Total	\$/Unit/Yr
2018	\$4,655	\$65
2019	\$4,683	\$65
2020	\$3,617	\$50
Buyer Budget	\$0	\$0
Expense Comparable 1	---	\$57
Expense Comparable 2	---	\$56
Expense Comparable 3	---	\$59
<b>CBRE Estimate</b>	<b>\$3,600</b>	<b>\$50</b>
Compiled by CBRE		

Our estimate is generally in-line with the historical and budgeted data and appears reasonable. It is also supported by the comparable data.

### Reserves for Replacement

Reserves for replacement have been estimated based on market parameters. The comparable data and projections for the subject are summarized as follows:

<b>REPLACEMENT RESERVES</b>		
Year	Total	\$/Unit/Yr
2018	\$52,500	\$729
2019	\$52,500	\$729
2020	\$18,000	\$250
Buyer Budget	\$18,000	\$250
Expense Comparable 1	---	\$250
Expense Comparable 2	---	\$250
Expense Comparable 3	---	\$250
<b>CBRE Estimate</b>	<b>\$18,000</b>	<b>\$250</b>
Compiled by CBRE		

### OPERATING EXPENSE CONCLUSION

The comparable data and projections for the subject are summarized as follows:

<b>TOTAL OPERATING EXPENSES</b>		
Year	Total	\$/Unit/Yr
2018	\$340,269	\$4,726
2019	\$383,267	\$5,323
2020	\$332,895	\$4,624
Buyer Budget	\$350,902	\$4,874
Expense Comparable 1	---	\$4,468
Expense Comparable 2	---	\$4,687
Expense Comparable 3	---	\$4,530
<b>CBRE Estimate</b>	<b>\$327,442</b>	<b>\$4,548</b>
Compiled by CBRE		

Our estimate is generally in-line with the historical and budgeted data and appears reasonable. It is also supported by the comparable data.

### NET OPERATING INCOME CONCLUSION

The comparable data and projections for the subject are summarized as follows:

<b>NET OPERATING INCOME</b>		
Year	Total	\$/Unit/Yr
2018	\$200,820	\$2,789
2019	\$177,390	\$2,464
2020	\$251,462	\$3,493
Buyer Budget	\$223,145	\$3,099
<b>CBRE Estimate</b>	<b>\$264,323</b>	<b>\$3,671</b>
Compiled by CBRE		

Our estimate is generally in-line with the historical data and appears reasonable. It is below the buyer's budget given the buyer's notably above market management fee projection.

### 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.

#### Comparable Sales

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



<b>COMPARABLE CAPITALIZATION RATES</b>					
Sale	Sale Date	Sale Price \$/Unit	Occupancy	Buyer's Primary Analysis	OAR
1	Mar-20	\$50,000	83%	Pro Forma (Stabilized)	6.22%
2	Jan-20	\$97,222	80%	Pro Forma (Stabilized)	6.21%
3	Jan-20	\$92,000	94%	Pro Forma (Stabilized)	6.31%
4	May-19	\$72,384	80%	Trailing Actuals	5.80%
5	Jan-19	\$77,668	100%	Trailing Actuals	6.86%
<b>Indicated OAR:</b>			95%		<b>5.80%-6.86%</b>
Compiled by CBRE					

The overall capitalization rates for these sales were derived based upon the actual or pro-forma income characteristics of the property. Sale Nos. One, Two and Three transpired within the past 24 months, while the remaining sales represent slightly older transaction dates. Therefore, primary emphasis has been placed upon the more recent data, which is generally reflective of current market trends, interest rates, and buyer's expectations and motivation in the market.

### Published Investor Surveys

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

<b>OVERALL CAPITALIZATION RATES</b>		
Investment Type	OAR Range	Average
<i>CBRE Apartments</i>		
Class A	4.52% - 5.34%	4.77%
Class B	4.81% - 5.85%	5.14%
Class C	5.36% - 7.10%	5.82%
<i>RealtyRates.com</i>		
Apartments	3.73% - 12.02%	7.85%
Garden/Suburban TH	3.73% - 10.75%	7.06%
Hi-Rise/Urban TH	4.74% - 12.02%	8.10%
<i>PwC Apartment</i>		
National Data	3.50% - 8.00%	5.22%
<b>Indicated OAR:</b>		<b>5.82%-7.00%</b>
Compiled by CBRE		

The subject is considered to be a Class C property. Because of the subject's quality, age and location an OAR near the middle to lower end of the range indicated in the preceding table is considered appropriate.

### Band of Investment

The band of the 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 analysis is shown in the following table.

<b>BAND OF INVESTMENT</b>			
Mortgage Interest Rate	3.25%		
Mortgage Term (Amortization Period)	25 Years		
Mortgage Ratio (Loan-to-Value)	70%		
Mortgage Constant (monthly payments)	0.05848		
Equity Dividend Rate (EDR)	7.50%		
Mortgage Requirement	70%	x	0.05848 = 0.04094
Equity Requirement	30%	x	0.07500 = 0.02250
	100%		0.06344
<b>Indicated OAR:</b>			<b>6.30%</b>
Compiled by CBRE			

### Capitalization Rate Conclusion

The following chart summarizes the OAR conclusions.

<b>OVERALL CAPITALIZATION RATE - CONCLUSION</b>	
Source	Indicated OAR
Comparable Sales	5.80%-6.86%
Published Surveys	5.82%-7.00%
Band of Investment	6.30%
<b>CBRE Estimate</b>	<b>6.25%</b>
Compiled by CBRE	

In concluding an overall capitalization rate for the subject, primary reliance has been placed upon the data obtained from the comparable sales. This data tends to provide the most accurate depiction of both buyer's and seller's expectations within the market. Secondary consideration has been afforded to the published surveys and band of investment technique.

## Direct Capitalization Summary

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

<b>DIRECT CAPITALIZATION SUMMARY</b>			
		<b>\$/Unit/Yr</b>	<b>Total</b>
<b>Income</b>			
Potential Rental Income		\$8,523	\$613,620
Concessions	1.50%	(128)	(9,204)
<b>Adjusted Rental Income</b>		<b>\$8,309</b>	<b>\$598,280</b>
Vacancy	5.00%	(415)	(29,914)
<b>Net Rental Income</b>		<b>\$7,894</b>	<b>\$568,366</b>
Other Income		325	23,400
<b>Subtotal Other Income (Net)</b>		<b>\$325</b>	<b>\$23,400</b>
<b>Effective Gross Income</b>		<b>\$8,219</b>	<b>\$591,766</b>
<b>Expenses</b>			
Real Estate Taxes		\$826	\$59,489
Property Insurance		200	14,400
Utilities		900	64,800
Administrative & General		75	5,400
Repairs & Maintenance		1,500	108,000
Management Fee	3.00%	247	17,753
Payroll		500	36,000
Advertising & Promotion		50	3,600
Replacement Reserves		250	18,000
<b>Total Operating Expenses</b>		<b>\$4,548</b>	<b>\$327,442</b>
Operating Expenses Excluding Taxes		\$3,722	\$267,953
<b>Operating Expense Ratio</b>			55.33%
<b>Net Operating Income</b>		<b>\$3,671</b>	<b>\$264,323</b>
<b>OAR</b>		÷	<b>6.25%</b>
<b>Indicated Value As Is</b>	<b>May 7, 2021</b>		<b>\$4,229,172</b>
<b>Rounded</b>			<b>\$4,230,000</b>
<b>Value Per Unit</b>			<b>\$58,750</b>
<b>Matrix Analysis</b>		<b>Cap Rate</b>	<b>Value</b>
		6.00%	\$4,410,000
		6.25%	\$4,230,000
		6.50%	\$4,070,000
Compiled by CBRE			

## CONCLUSION OF INCOME CAPITALIZATION APPROACH

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

<b>INCOME CAPITALIZATION APPROACH VALUES</b>			
		Direct Capitalization	
Appraisal Premise	As of Date	Method	Reconciled Value
As Is	May 7, 2021	\$4,230,000	\$4,230,000
Compiled by CBRE			

## Reconciliation of Value

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

<b>SUMMARY OF VALUE CONCLUSIONS</b>				
Appraisal Premise	As of Date	Sales Comparison Approach	Income Approach	Reconciled Value
As Is	May 7, 2021	\$4,460,000	\$4,230,000	\$4,350,000
Compiled by CBRE				

In the sales comparison approach, the subject is compared to similar properties that have been sold recently or for which listing prices or offers are known. The sales used in this analysis are considered highly comparable to the subject, and the required adjustments were based on reasonable and well-supported rationale. In addition, market participants are currently analyzing purchase prices on investment properties as they relate to available substitutes in the market. Therefore, the sales comparison approach is considered to provide a reliable value indication and has been given equal 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. Market participants are primarily analyzing properties based on their income generating capability. Therefore, the income capitalization approach is considered a reasonable and substantiated value indicator and has been given equal emphasis in the final value estimate.

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

<b>MARKET VALUE CONCLUSION</b>			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is	Fee Simple Estate	May 7, 2021	\$4,350,000
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

**LAND SALE DATA SHEETS**

Property Name Future Office Land  
 Address 4207 28th Avenue South  
 Fargo, ND 58104  
 United States

Government Tax Agency Cass  
 Govt./Tax ID 01-8595-00200-000

**Site/Government Regulations**

	Acres	Square feet
Land Area Net	1.014	44,153
Land Area Gross	N/A	N/A

Site Development Status	Raw
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	All Available

Maximum FAR	N/A
Min Land to Bldg Ratio	N/A
Maximum Density	N/A

Frontage Distance/Street	270 ft	42nd Street South
Frontage Distance/Street	160 ft	28th Avenue South

General Plan	N/A
Specific Plan	N/A
Zoning	GO - General Office
Entitlement Status	N/A



**Sale Summary**

Recorded Buyer	EPIC Holdings II, LLC	Marketing Time	N/A
True Buyer	N/A	Buyer Type	Private Investor
Recorded Seller	Preference Employment Solutions	Seller Type	Private Investor
True Seller	N/A	Primary Verification	Seller, Purchase Agreement
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Vacant Land	Date	2/5/2021
Proposed Use	Office	Sale Price	\$430,987
Listing Broker	N/A	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	\$430,987
Doc #	WD # 1622057	Capital Adjustment	\$54,949
		Adjusted Price	\$485,936

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

<u>Transaction Date</u>	<u>Transaction Type</u>	<u>Buyer</u>	<u>Seller</u>	<u>Price</u>	<u>Price/ac and /sf</u>
02/2021	Sale	EPIC Holdings II, LLC	Preference Employment Solutions	\$430,987	\$479,416 / \$11.01

**Units of Comparison**

\$11.01 / sf  
\$479,416.04 / ac

N/A / Unit  
N/A / Allowable Bldg. Units  
N/A / Building Area

**Financial**

**No information recorded**

**Map & Comments**



This comparable represents a 44,153 SF or 1.014 acre parcel of land located at 4207 28th Avenue South in Fargo. The site is currently vacant and zoned GO - General Office. The land sold February 5, 2021 for \$430,987 or \$9.76 PSF. The site features a rectangular shape with good access and visibility from roadway frontage. Based upon discussions with seller representative David Dietz, the buyer will assume approximately, \$54,949 in special assessments which when added to the overall sale price equates to an adjusted sale price of \$479,416 or \$11.01 PSF. The buyer plans for the site are unknown at this time.

# Sale

# Land - Multi Unit Residential

# No. 2

Property Name Red River Human Services Foundation Site  
 Address 4302 17th Avenue South  
 Fargo, ND 58103  
 United States

Government Tax Agency N/A  
 Govt./Tax ID 01-3823-00015-030

### Site/Government Regulations

	Acres	Square feet
Land Area Net	3.380	147,226
Land Area Gross	N/A	N/A

Site Development Status	Raw
Shape	Rectangular
Topography	Generally Level
Utilities	All Available

Maximum FAR N/A  
 Min Land to Bldg Ratio N/A  
 Maximum Density N/A

Frontage Distance/Street 510 ft 17th Avenue South

General Plan N/A  
 Specific Plan N/A  
 Zoning GC, General Commercial  
 Entitlement Status N/A



### Sale Summary

Recorded Buyer	Red River Human Services Foundation	Marketing Time	10 Month(s)
True Buyer	N/A	Buyer Type	Developer
Recorded Seller	Integrity 4 Group, LLC	Seller Type	Private Investor
True Seller	James Alsop	Primary Verification	Broker, Public Record
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Vacant Land	Date	3/6/2020
Proposed Use	Supportive Housing	Sale Price	\$1,550,000
Listing Broker	Andy Westby, Goldmark	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	\$1,550,000
Doc #	WD 1584766	Capital Adjustment	\$64,779
		Adjusted Price	\$1,614,779

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

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
03/2020	Sale	Red River Human Services Foundation	Integrity 4 Group, LLC	\$1,550,000	\$477,774 / \$10.97

## Units of Comparison

\$10.97 / sf  
\$477,773.67 / ac

N/A / Unit  
N/A / Allowable Bldg. Units  
N/A / Building Area

## Financial

No information recorded

## Map &amp; Comments



This comparable represents the sale of a 3.38-acre parcel of vacant land located at 4302 17th Avenue South in Fargo. The site was zoned GC and had access to all utilities at the time of sale. The site is generally rectangular with level topography and was shovel-ready at the time of sale. The property is located between two arterial roadways in South Fargo, and is surrounded by retail, restaurants, hotels, parks and is located near West Acres Mall. The site can be developed into retail, medical, office, and residential. The site was purchased March 6, 2020 by Red River Human Services Foundation, a local non-profit, for development of a new supportive housing building. Details on the number of units or bed count were unavailable at the time of research. The sale price was \$1,550,000 or \$10.53 PSF. The buyer assumed \$64,779.44 in special assessments for an adjusted sale price of \$1,614,779.44 or \$10.97 PSF. The site was listed by Andy Westby of Goldmark for approximately 10 months with a listing price of \$1,612,125 or \$10.95 PSF.

Property Name Proposed Car Wash Land  
 Address 1702 40th Street South  
 Fargo, ND 58103  
 United States

Government Tax Agency Cass  
 Govt./Tax ID Multiple

**Site/Government Regulations**

	Acres	Square feet
Land Area Net	2.082	90,675
Land Area Gross	N/A	N/A

Site Development Status	Raw
Shape	Rectangular
Topography	Generally Level
Utilities	All Available

Maximum FAR N/A  
 Min Land to Bldg Ratio N/A  
 Maximum Density N/A

Frontage Distance/Street	300 ft	17th Avenue S.
Frontage Distance/Street	175 ft	40th Street S.

General Plan N/A  
 Specific Plan N/A  
 Zoning GC, General Commercial  
 Entitlement Status N/A



**Sale Summary**

Recorded Buyer	Jason & Leah Gehrig	Marketing Time	N/A
True Buyer	N/A	Buyer Type	Developer
Recorded Seller	T Sloan Properties	Seller Type	Private Investor
True Seller	N/A	Primary Verification	Purchase Agreement, Buyer
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Vacant Land	Date	12/20/2018
Proposed Use	Express Carwash	Sale Price	\$950,000
Listing Broker	N/A	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	\$950,000
Doc #	WD#1554260	Capital Adjustment	\$31,000
		Adjusted Price	\$981,000

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

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
12/2018	Sale	Jason & Leah Gehrig	T Sloan Properties	\$950,000	\$471,272 / \$10.82

**Units of Comparison**

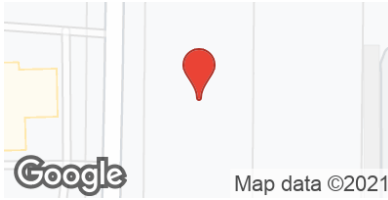
\$10.82 / sf  
\$471,272.10 / ac

\$981,000 / Unit  
N/A / Allowable Bldg. Units  
N/A / Building Area

**Financial**

**No information recorded**

**Map & Comments**



This comparable represents a 2.08 acre vacant land site located at 1702 40th Street South in Fargo. Title to the property is currently vested in the name Jason & Leah Gehrig who acquired the vacant land site on December 20, 2018 as recorded by warranty deed #1554260. The purchase included two parcels totaling 90,675 SF or 2.082 acres and was acquired for \$950,000 or \$10.48 PSF. The buyer assumed approximately \$31,000 in special assessments for an adjusted purchase price of \$981,000 or \$10.81 PSF. The buyer plans to develop an express tunnel car wash on the northern portion of the site. The site was zoned GC at the time of sale, had access to all utilities and was rectangular. Traffic counts along 17th Ave total 12,510 VPD at 40th Street S.

Property Name Vacant Land  
 Address 4711-4781 45th Street South  
 Fargo, ND 58104  
 United States

Government Tax Agency Cass  
 Govt./Tax ID 01-8501-00010-000

**Site/Government Regulations**

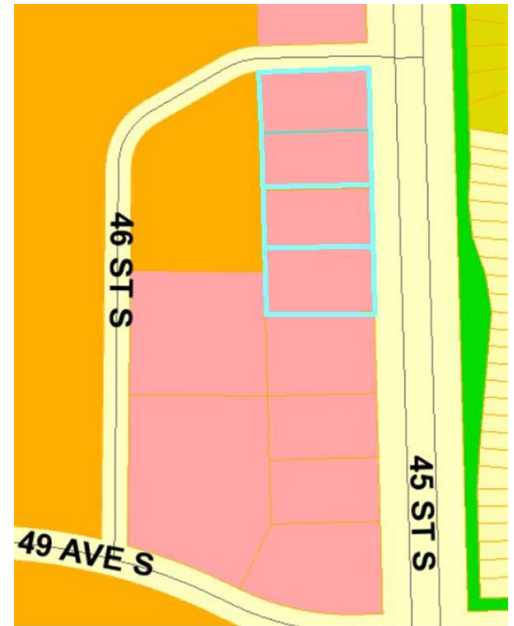
	Acres	Square feet
Land Area Net	3.360	146,362
Land Area Gross	3.360	146,362

Site Development Status	Semi-Finished
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	Municipal

Maximum FAR N/A  
 Min Land to Bldg Ratio N/A  
 Maximum Density 23.81 per ac

Frontage Distance/Street	560 ft	45th Street South
Frontage Distance/Street	270 ft	46th Street South

General Plan N/A  
 Specific Plan N/A  
 Zoning LC-Limited Commercial  
 Entitlement Status N/A



**Sale Summary**

Recorded Buyer	Eighth Skaff Apts Of Nd Llc	Marketing Time	N/A
True Buyer	Skaff Apartments Inc	Buyer Type	Developer
Recorded Seller	Dabbert Custom Homes LLC	Seller Type	Private Investor
True Seller	Dabbert Custom Homes LLC	Primary Verification	Deed,CoStar
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Vacant	Date	11/14/2017
Proposed Use	Multifamily	Sale Price	\$1,385,077
Listing Broker	N/A	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	\$1,385,077
Doc #	1525458	Capital Adjustment	\$0
		Adjusted Price	\$1,385,077

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

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
11/2017	Sale	Eighth Skaff Apts Of Nd Llc	Dabbert Custom Homes LLC	\$1,385,077	\$412,225 / \$9.46



**Units of Comparison**

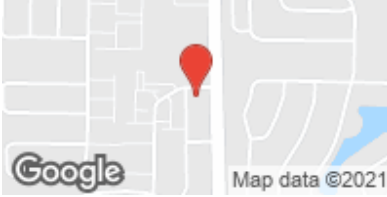
\$9.46 / sf  
\$412,225.30 / ac

N/A / Unit  
\$17,313 / Allowable Bldg. Units  
N/A / Building Area

**Financial**

**No information recorded**

**Map & Comments**



This is the sale of four rectangular parcels zoned LC-Limited Commercial: APN # 01-8501-00010-000, 01-8501-00020-000, 01-8501-00030-000, 01-8501-00040-000. The buyer is a local investor/developer out of Moorhead, Minnesota. The sale equates to a price of \$9.46/SF and \$412,225/acre. The intended use is likely multifamily. The site was recently rezoned to GC with a PUD overlay allowing for residential at a maximum density of 24 units/acre as long as it includes ground level retail. The developer could not be reached for comments on their proposed use of the site.

Addendum B

**IMPROVED SALE DATA SHEETS**

**Sale****Residential - Multi-unit Garden****No. 1**

Property Name      Hawn Apartments  
 Address             504 and 520 31st Avenue North  
                            Fargo, ND 58102  
                            United States

Government Tax Agency   Cass  
 Govt./Tax ID             01-0730-00260-000, 01-0730-00260-000

**Unit Mix Detail**

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
	48	100%	790-912	\$560-\$695	\$0.74
Totals/Avg	48			\$628	\$0.74

**Improvements**

Land Area	1.675 ac	Status	Existing
Gross Building Area (GBA)	50,220 sf	Year Built	1968
Total # of Units	48 Unit	Year Renovated	N/A
Average Unit Size	1,046 sf	Condition	Average
Floor Count	3	Exterior Finish	Brick
Property Features	N/A		
Project Amenities	N/A		
Unit Amenities	N/A		

**Sale Summary**

Recorded Buyer	Sterling Properties LLLP	Marketing Time	N/A
True Buyer	N/A	Buyer Type	Private Investor
Recorded Seller	Hawn Apartments LLP	Seller Type	Private Investor
True Seller	N/A	Primary Verification	NDRIN, Property Executive Summary
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	48-Unit Apartment Property	Date	3/1/2020
Proposed Use	48-Unit Apartment Property	Sale Price	\$2,400,000
Listing Broker	N/A	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	\$2,400,000
Doc #	1584351	Capital Adjustment	\$0
		Adjusted Price	\$2,400,000

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

<u>Transaction Date</u>	<u>Transaction Type</u>	<u>Buyer</u>	<u>Seller</u>	<u>Price</u>	<u>Cash Equivalent Price/unit and /sf</u>
03/2020	Sale	Sterling Properties LLLP	Hawn Apartments LLP	\$2,400,000	\$50,000 / \$47.79

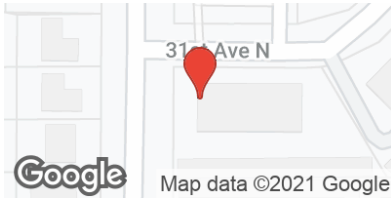
## Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Eff Gross Inc Mult (EGIM)	6.49
Buyer's Primary Analysis	Static Capitalization Analysis	Op Exp Ratio (OER)	59.62%
Net Initial Yield/Cap. Rate	6.22%	Adjusted Price / sf	\$47.79
Projected IRR	N/A	Adjusted Price / Unit	\$50,000
Actual Occupancy at Sale	83%		

## Financial

Revenue Type	Pro Forma Stabilized
Period Ending	11/1/2019
Source	Seller
Price	\$2,400,000
Potential Gross Income	\$383,000
Economic Occupancy	N/A
Economic Loss	N/A
Effective Gross Income	\$369,946
Expenses	\$220,575
Net Operating Income	\$149,371
NOI / sf	\$2.97
NOI / Unit	\$3,112
EGIM	6.49
OER	59.62%
Net Initial Yield/Cap. Rate	6.22%

## Map &amp; Comments



This 48-unit apartment property sold on 3/1/2020 for \$2,400,000, which equates to a sales price of \$50,000/unit and \$83,33/SF. According to the forecasted NOI in pro forma provided in the executive summary acquisition recommendation from November 2019, the capitalization rate is 6.22%. The property has experienced irregular financial performance over the past five years. The property was 83.33% occupied at the time of sale according to the property rent roll.

The property consists of two 24-unit brick buildings that were constructed in 1968. The buildings are located in the Northport shopping area in north Fargo, approximately 10 blocks northeast of North Dakota State University and the Fargodome and 3 miles north of downtown Fargo. The property offers many features found in more modern apartments including updated appliances, large closets, and modernized lighting. All apartments have air conditioning and a dishwasher, and the second and third floor units have balconies. There is also on-site laundry facilities and controlled access. Each building has 24 single garages with electric door openers and 24 surface parking spaces. There is also surface parking available. There have been numerous capital improvements during the last five years, consisting of the following: new windows and patio doors in 2014, new LED lighting in the common areas, roof shingles, flashing, and eave troughs were all replaced in 2016, and Hawn 1 (520 31st Avenue North) had its entire parking lot and driveways replaced with concrete in 2017. Heat, water, sewer, and trash are all included in rent, with residents responsible for electric.

# Sale

# Residential - Multi-unit Garden

# No. 2

Property Name Urban View Apartments  
 Address 4877-5035 28th Avenue South  
 Fargo, ND 58104  
 United States

Government Tax Agency Cass  
 Govt./Tax ID 01-8010-00109-000

### Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BD/1BA	35	18%	810	\$755	\$0.93
2BD/2BA	103	52%	1,105	\$900	\$0.81
3BD/2BA	60	30%	1,300	\$1,075	\$0.83
Totals/Avg	198			\$927	\$0.83



### Improvements

Land Area	11.494 ac	Status	N/A
Gross Building Area (GBA)	253,882 sf	Year Built	2013
Total # of Units	198 Units	Year Renovated	N/A
Average Unit Size	1,282 sf	Condition	Average
Floor Count	3	Exterior Finish	Vinyl Siding
Property Features	Detached Garages, Elevators, Pitched Roofs, Surface Parking		
Project Amenities	Courtyard		
Unit Amenities	Black Appliances, Dishwasher, Garbage Disposal, Laminate Countertops, Microwave Oven, Range / Oven, Refrigerator, Washer / Dryer		

### Sale Summary

Recorded Buyer	Urban View Apartments LLC	Marketing Time	N/A
True Buyer	Campbell Properties	Buyer Type	Private Investor
Recorded Seller	Urban Heights LLP	Seller Type	Developer
True Seller	Dietrich Construction LLC	Primary Verification	Buyer, NDRIN, CoStar
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Apartments	Date	1/23/2020
Proposed Use	Apartments	Sale Price	\$19,250,000
Listing Broker	None	Financing	Market Rate Financing
Selling Broker	None	Cash Equivalent	\$19,250,000
Doc #	1582243	Capital Adjustment	\$0
		Adjusted Price	\$19,250,000

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

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/unit and /sf
01/2020	Sale	Urban View Apartments LLC	Urban Heights LLP	\$19,250,000	\$97,222 / \$75.82

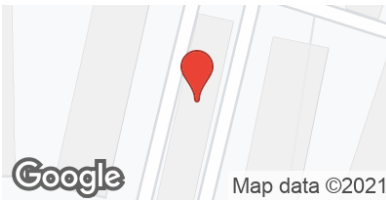
## Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Eff Gross Inc Mult (EGIM)	9.70
Buyer's Primary Analysis	Static Capitalization Analysis	Op Exp Ratio (OER)	39.84%
Net Initial Yield/Cap. Rate	6.21%	Adjusted Price / sf	\$75.82
Projected IRR	N/A	Adjusted Price / Unit	\$97,222
Actual Occupancy at Sale	80%		

## Financial

Revenue Type	Pro Forma Stabilized
Period Ending	N/A
Source	Buyer
Price	\$19,250,000
Potential Gross Income	\$2,206,080
Economic Occupancy	N/A
Economic Loss	N/A
Effective Gross Income	\$1,985,472
Expenses	\$790,919
Net Operating Income	\$1,194,553
NOI / sf	\$4.71
NOI / Unit	\$6,033
EGIM	9.70
OER	39.84%
Net Initial Yield/Cap. Rate	6.21%

## Map &amp; Comments



The property is a 198-unit development in the Urban Plains subdivision of Fargo that sold on 1/23/2020 for \$19,250,000, which equates to a sales price of \$97,222/unit, \$87.42/SF of NRA, and \$75.82/SF of GBA. The property was built in 2013. There are a total of 5 apartment buildings and 18 detached garage structures. The property was being managed by the original builder/developer, Dietrich Construction. The property was 20% vacant when the property was sold. The buyer budgeted a 10% vacancy allowance for the first year, but believes the property will operate at a 95% occupancy level. The buyer's proforma equates to a 6.21% capitalization rate.

# Sale

# Residential - Multi-unit Garden

# No. 3

Property Name Wolf Creek Apartments  
 Address 5200 44th Avenue South  
 Fargo, ND 58104  
 United States

Government Tax Agency Cass  
 Govt./Tax ID 01-8460-00200-000

### Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	12	22%	782	\$759	\$0.97
2BR/2BA	20	37%	1,000-1,072	\$860-\$980	\$0.89
3BR/2BA	22	41%	1,281-1,472	\$1,050	\$0.76
Totals/Avg	54			\$937	\$0.84



### Improvements

Land Area	3.839 ac	Status	Existing
Gross Building Area (GBA)	72,335 sf	Year Built	2011
Total # of Units	54 Unit	Year Renovated	N/A
Average Unit Size	1,340 sf	Condition	Good
Floor Count	3	Exterior Finish	Fiber Cement Board
Property Features	Electric Wall Heaters, Surface Parking, Thru-The-Wall Systems		
Project Amenities	N/A		
Unit Amenities	Carpeted Flooring, Dishwasher, Garbage Disposal, Laminate Countertops, Microwave Oven, Plank Flooring, Private Patios / Balconies, Range / Oven, Refrigerator, Stainless Steel Appliances, Tub / Shower Combo, Washer / Dryer		

### Sale Summary

Recorded Buyer	Sterling Properties LLLP	Marketing Time	N/A
True Buyer	Sterling Management	Buyer Type	REIT
Recorded Seller	Wolf Creek Apartments LLP	Seller Type	Private Investor
True Seller	N/A	Primary Verification	NDRIN
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Apartment Property	Date	1/10/2020
Proposed Use	Apartment Property	Sale Price	\$4,968,000
Listing Broker	N/A	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	\$4,968,000
Doc #	1581349	Capital Adjustment	\$0
		Adjusted Price	\$4,968,000

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

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/unit and /sf
01/2020	Sale	Sterling Properties LLLP	Wolf Creek Apartments LLP	\$4,968,000	\$92,000 / \$68.68

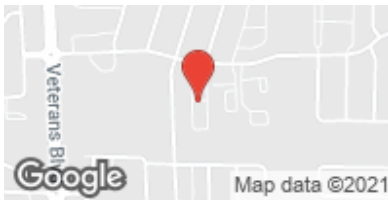
## Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Eff Gross Inc Mult (EGIM)	8.75
Buyer's Primary Analysis	Static Capitalization Analysis	Op Exp Ratio (OER)	44.82%
Net Initial Yield/Cap. Rate	6.31%	Adjusted Price / sf	\$68.68
Projected IRR	N/A	Adjusted Price / Unit	\$92,000
Actual Occupancy at Sale	94%		

## Financial

Revenue Type	Pro Forma Stabilized
Period Ending	12/31/2020
Source	Appraiser
Price	\$4,968,000
Potential Gross Income	\$604,110
Economic Occupancy	94%
Economic Loss	\$36,247
Effective Gross Income	\$567,863
Expenses	\$254,511
Net Operating Income	\$313,353
NOI / sf	\$4.33
NOI / Unit	\$5,803
EGIM	8.75
OER	44.82%
Net Initial Yield/Cap. Rate	6.31%

## Map &amp; Comments



This 54-unit apartment property consisting of two 27-unit buildings located in southwest Fargo is sold on 1/10/2020 for \$4,968,000, which equates to a sales price of \$68.68/SF and \$92,000/unit. The property unit mix consists of 12 one-bedroom units, 20 two-bedroom units, and 22 three bedroom-units. The property was 94.44% occupied as of 12/19/2019. The buildings have a combined GBA of 72,335 SF and were constructed in 2011/2012. The property contains attached garages and surface parking. Units include a kitchen featuring an island, a stainless steel dishwasher and microwave, a balcony or patio, air conditioning, large walk-in closets, washer and dryer hook ups, and laminate flooring. There is an on-site property manager but no fitness center. The implied capitalization rate of 6.26% is based upon market income using a 94% occupancy and 45% expense ratio.



# Sale

# Residential - Multi-unit Garden

# No. 4

Property Name West Willow Wood Apartments & Townhomes  
 Address 4161, 4001, 4011, 4021, 4033, 4041 18th Avenue South  
 Fargo, ND 58103  
 United States

Government Tax Agency Cass  
 Govt./Tax ID 01-0520-00363-000

### Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Efficiency (Apt)	1	1%	550	N/A	N/A
1BR/1BA (Apt)	6	7%	765	\$685	\$0.90
2BR/1.75BA (Apt)	54	63%	1,060	\$845-\$875	\$0.81
2BR/1BA (Twnhm)	25	29%	1,300	\$925-\$1,005	\$0.74
Totals/Avg	86			\$868	\$0.79



### Improvements

Land Area	5.680 ac	Status	Existing
Net Rentable Area (NRA)	94,880 sf	Year Built	2000
Total # of Units	86 Unit	Year Renovated	2003
Average Unit Size	1,103 sf	Condition	Good
Floor Count	3	Exterior Finish	Vinyl Siding
Property Features	Detached Garages, Electric Baseboard Units, Thru-The-Wall Systems		
Project Amenities	N/A		
Unit Amenities	Carpeted Flooring, Dishwasher, Garbage Disposal, Laminate Countertops, Microwave Oven, Private Patios / Balconies, Range / Oven, Refrigerator, Tub / Shower Combo, Vinyl Flooring, Washer / Dryer, White / Beige Appliances		

### Sale Summary

Recorded Buyer	Dale Buchholz Construction	Marketing Time	N/A
True Buyer	Dale Buchholz Construction	Buyer Type	Private Investor
Recorded Seller	West Willowwood LLP /Willow Wood Greens LLP	Seller Type	Private Investor
True Seller	West Willowwood LLP /Willow Wood Greens LLP	Primary Verification	PA, Buyer, Seller
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Multi-Family	Date	5/29/2019
Proposed Use	N/A	Sale Price	\$6,225,000
Listing Broker	N/A	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	\$6,225,000
Doc #	1562977	Capital Adjustment	\$0
		Adjusted Price	\$6,225,000

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

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/unit and /sf
05/2019	Sale	Dale Buchholz Construction	West Willowwood LLP /Willow Wood Greens LLP	\$6,225,000	\$72,384 / \$65.61

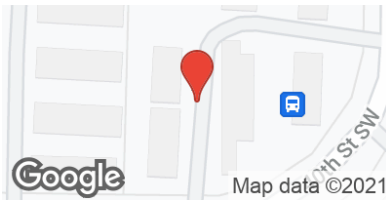
## Units of Comparison

Static Analysis Method	Trailing Actuals	Eff Gross Inc Mult (EGIM)	8.63
Buyer's Primary Analysis	N/A	Op Exp Ratio (OER)	49.94%
Net Initial Yield/Cap. Rate	5.80%	Adjusted Price / sf	\$65.61
Projected IRR	N/A	Adjusted Price / Unit	\$72,384
Actual Occupancy at Sale	80%		

## Financial

Revenue Type	Pro Forma Stabilized	Trailing Actuals
Period Ending	12/31/2019	12/31/2017
Source	Buyer	Appraiser
Price	\$6,225,000	\$6,225,000
Potential Gross Income	N/A	N/A
Economic Occupancy	90%	N/A
Economic Loss	N/A	N/A
Effective Gross Income	\$768,020	\$721,189
Expenses	\$311,184	\$360,148
Net Operating Income	\$456,836	\$361,041
NOI / sf	\$4.81	\$3.81
NOI / Unit	\$5,312	\$4,198
EGIM	8.11	8.63
OER	40.52%	49.94%
Net Initial Yield/Cap. Rate	7.34%	5.80%

## Map &amp; Comments



Title to the property was vested in the name of West Willowood LLP (multi-family property) and Willow Wood Greens LLP (townhome property) according to Cass County Deed Records. The existing ownership group is the developer of both properties. The property was sold to a local real estate investor entity Dale Buchholz Construction for a combined price of \$6,175,000 with an allocation of \$4,162,725 for the apartment and \$2,062,275 for the townhome. The purchase agreement was signed April 4, 2019 and a closing of May 29, 2019 is planned. Mr. Mark Buchholz, buyer representative, indicated the sale was not solicited to the general public and the sellers are looking to divest both properties given recent market softness combined with health reasons and retirement. The selling entity has both owned and directly managed the property historically.

# Sale

# Residential - Multi-unit Garden

# No. 5

Property Name      Dakota East & West Apartments  
 Address              1704 & 1736 Dakota Drive N.  
                             Fargo, ND 58102  
                             United States

Government Tax Agency      Cass  
 Govt./Tax ID                  01-1042-00853-000, 01-1042-00915-000



### Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Studio	2	3%	550	\$300-\$495	\$0.72
1BR/1BA	8	13%	725	\$485-\$650	\$0.78
2BR/2BA	40	63%	999	\$795-\$825	\$0.81
3BR/2BA	13	21%	1,196	\$808-\$1,175	\$0.83
Totals/Avg	63			\$804	\$0.81

### Improvements

Land Area	2.525 ac	Status	Existing
Net Rentable Area (NRA)	62,408 sf	Year Built	1998
Total # of Units	63 Unit	Year Renovated	N/A
Average Unit Size	991 sf	Condition	Average
Floor Count	3	Exterior Finish	Vinyl Siding
Property Features	Detached Garages, Pitched Roofs, Surface Parking		
Project Amenities	Laundry Facility		
Unit Amenities	Carpeted Flooring, Dishwasher, Laminate Countertops, Microwave Oven, Range / Oven, Refrigerator, Vinyl Flooring, White / Beige Appliances		

### Sale Summary

Recorded Buyer	Dakota E&W Apartments, LLC	Marketing Time	N/A
True Buyer	Jon Casper	Buyer Type	Private Investor
Recorded Seller	Dakota East & West, LLC	Seller Type	Private Investor
True Seller	BMI	Primary Verification	Buyer, CoStar, PR
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Apartments	Date	1/15/2019
Proposed Use	N/A	Sale Price	\$4,893,077
Listing Broker	N/A	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	\$4,893,077
Doc #	WD# 1555516	Capital Adjustment	\$0
		Adjusted Price	\$4,893,077

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

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/unit and /sf
01/2019	Sale	Dakota E&W Apartments, LLC	Dakota East & West, LLC	\$4,893,077	\$77,668 / \$78.40

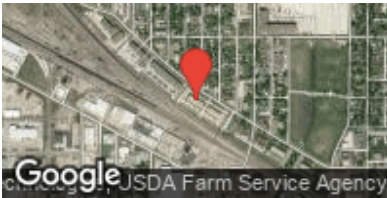
## Units of Comparison

Static Analysis Method	Trailing Actuals	Eff Gross Inc Mult (EGIM)	8.41
Buyer's Primary Analysis	Static Capitalization Analysis	Op Exp Ratio (OER)	42.25%
Net Initial Yield/Cap. Rate	6.86%	Adjusted Price / sf	\$78.40
Projected IRR	N/A	Adjusted Price / Unit	\$77,668
Actual Occupancy at Sale	100%		

## Financial

Revenue Type	Trailing Actuals
Period Ending	N/A
Source	Buyer
Price	\$4,893,077
Potential Gross Income	N/A
Economic Occupancy	95%
Economic Loss	N/A
Effective Gross Income	\$581,548
Expenses	\$245,700
Net Operating Income	\$335,848
NOI / sf	\$5.38
NOI / Unit	\$5,331
EGIM	8.41
OER	42.25%
Net Initial Yield/Cap. Rate	6.86%

## Map &amp; Comments



This comparable is a 63-unit multi-family garden property located at 1704 & 1736 Dakota Drive N. in Fargo, North Dakota. The property consists of 2, three-story apartment buildings and four detached garages. The improvements were constructed in 1998 and are situated on a 2.52-acre site. The improvements feature community laundry facilities and each unit has a balcony. The subject was 100% occupied at the time of survey. The property sold on January 15, 2019. The sale price was \$4,893,077 or \$77,668 per unit. The property was purchased as part of a portfolio which included a total of 500 units of varying quality located in the Fargo/Moorhead area. The buyer indicated that based upon trailing income with 5% vacancy and no replacement reserves, the capitalization rate was approximately 7.25%. After adjusting trailing NOI to include a \$300/unit reserve allocation, the capitalization rate equates to 6.86%.

Addendum C

**RENT COMPARABLE DATA SHEETS**

Property Name Bluemont Village Apartments  
 Address 2801 23rd Ave South  
 Fargo, ND 58103  
 United States

Government Tax Agency Cass  
 Govt./Tax ID 01-0172-01780-000

**Unit Mix Detail**

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Efficiency	3	4%	460	\$505	\$1.10
1BR/1BA	21	27%	650-675	\$585	\$0.88
2BR/1BA	18	23%	990	\$695	\$0.70
2BR/2BA	24	31%	990	\$720	\$0.73
2BR/2BA	6	8%	1,075	\$710	\$0.66
3BR/2BA	6	8%	1,240	\$845	\$0.68
Totals/Avg	78			\$678	\$0.75



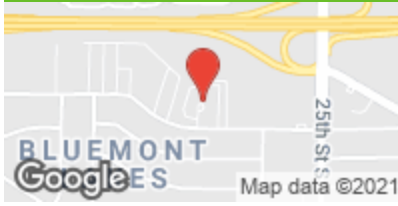
**Improvements**

Land Area	4.480 ac	Status	Existing
Net Rentable Area (NRA)	70,762 sf	Year Built	1989
Total # of Units	78 Unit	Year Renovated	N/A
Average Unit Size	916 sf	Condition	Average
Floor Count	3	Exterior Finish	Other (See Comments)
Property Features	Detached Garages, Pitched Roofs, Window A/C Units		
Project Amenities	Courtyard, Fitness Center, Game Room, Laundry Facility		
Unit Amenities	Black Appliances, Carpeted Flooring, Dishwasher, Garbage Disposal, Laminate Countertops, Microwave Oven, Range / Oven, Refrigerator, Stainless Steel Appliances		

**Rental Survey**

Occupancy	100%	Utilities Included in Rent	H/W/S/T
Lease Term	12 - 13 Mo(s).	Rent Premiums	Layout
Tenant Profile	Market	Concessions	N/A
Survey Date	05/2021	Owner	N/A
Survey Notes	833-757-5584	Management	Campbell Property Mgmt.

## Map &amp; Comments



This is a 78 -unit (plus guest unit without kitchen) multi-family property. The improvements consist of a three level multi-family structure plus detached parking garages. The property was developed in 1989 and is situated on a 4.49 -acre site. The property includes washer/dryer hook-ups within 95% of its units, a fitness/community room, elevator and community laundry facilities (2 per floor, 6 total). Each unit is individually metered for electrical usage. Operations indicate the landlord is responsible for heat, water, sewer and trash costs to the individual units with the tenants paying all other utility costs (electricity). The property is 100% occupied as of the survey date. It is unknown if there are any current concessions offered but concessions previously consisted of 1 month free with a 13 month lease.

**Comparable****Residential - Multi-unit Garden****No. 2**

Property Name Pacific South  
 Address 2585 Pacific Drive  
 Fargo, ND 58103  
 United States

Government Tax Agency Cass  
 Govt./Tax ID 01-0065-00850-000

**Unit Mix Detail**

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	3	20%	624	\$555	\$0.89
2BR/1BA	12	80%	781-864	\$605-\$625	\$0.75
Totals/Avg	15			\$603	\$0.77

**Improvements**

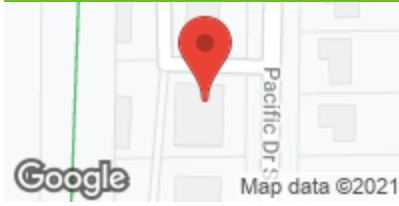
Land Area	N/A	Status	Existing
Net Rentable Area (NRA)	11,742 sf	Year Built	1983
Total # of Units	15 Unit	Year Renovated	N/A
Average Unit Size	783 sf	Condition	Average
Floor Count	3	Exterior Finish	Brick
Property Features	Gated / Controlled Access, Pitched Roofs		
Project Amenities	N/A		
Unit Amenities	N/A		

**Rental Survey**

Occupancy	100%	Utilities Included in Rent	Heat, Water, Sewer, Trash
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Market	Concessions	None
Survey Date	05/2021	Owner	N/A
Survey Notes	N/A	Management	N/A



**Map & Comments**



This comparable property represents the Pacific South apartments located at 2585 Pacific Drive in Fargo, ND. At the time of survey, this property was reportedly 100% occupied with no concessions offered. Unit rents include heat, water, sewer and trash, while tenants are responsible for electricity and other utilities. Detached garages are available at this property, but are not included in base rent. Surface parking is included in rents. This property includes balconies in some units, with no laundry facilities on site. Access to the apartment building is controlled.

**Comparable****Residential - Multi-unit Garden****No. 3**

Property Name Sandstone Apartments  
 Address 3060 33rd Street South  
 Fargo, ND 58103  
 United States



Government Tax Agency Cass  
 Govt./Tax ID 01-2345-00010-000

**Unit Mix Detail**

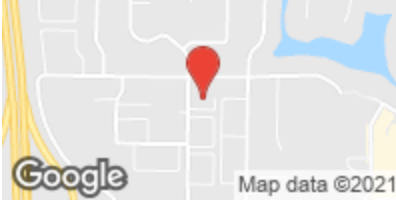
Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	7	29%	735	\$620	\$0.84
2BR/2BA	11	46%	950	\$725	\$0.76
3BR/2BA	6	25%	1,200	\$875	\$0.73
Totals/Avg	24			\$732	\$0.77

**Improvements**

Land Area	1.274 ac	Status	Existing
Gross Building Area (GBA)	26,544 sf	Year Built	1993
Total # of Units	24 Unit	Year Renovated	N/A
Average Unit Size	1,106 sf	Condition	Average
Floor Count	3	Exterior Finish	Vinyl Siding
Property Features	N/A		
Project Amenities	N/A		
Unit Amenities	N/A		

**Rental Survey**

Occupancy	100%	Utilities Included in Rent	Water ,Sewer, Trash, Heat
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Market	Concessions	None
Survey Date	05/2021	Owner	N/A
Survey Notes	833-224-7623	Management	N/A

**Map & Comments**

This is an apartment property located at 3060 33rd Street S. The property consists of one building containing 24 units. It is situated on an approximate 1.27-acre site. Amenities include a built-in microwave, dishwasher, and refrigerator, as well as a patio/balcony. The base rental rate includes water, sewer, heat, and trash. There is a surface parking lot and detached parking garages; The property is 100% occupied as of the survey date. The rental rates and unit mix square footage is taken from the property website. The property is managed by Campbell Properties.

**Comparable****Residential - Multi-unit Garden****No. 4**

Property Name The Oaks  
 Address 2301 17th Street South  
 Fargo, ND 58103  
 United States

Government Tax Agency Cass  
 Govt./Tax ID 01-2211-01070-000

**Unit Mix Detail**

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	12	50%	687	\$550	\$0.80
2BR/1BA	12	50%	781	\$705	\$0.90
Totals/Avg	24			\$628	\$0.85

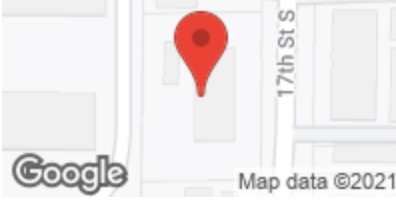
**Improvements**

Land Area	0.826 ac	Status	Existing
Net Rentable Area (NRA)	17,613 sf	Year Built	1969
Total # of Units	24 Units	Year Renovated	N/A
Average Unit Size	734 sf	Condition	Average
Floor Count	3	Exterior Finish	N/A
Property Features	N/A		
Project Amenities	N/A		
Unit Amenities	N/A		

**Rental Survey**

Occupancy	100%	Utilities Included in Rent	Heat, water & sewer, trash
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Market	Concessions	None
Survey Date	05/2021	Owner	N/A
Survey Notes	N/A	Management	N/A

Map & Comments



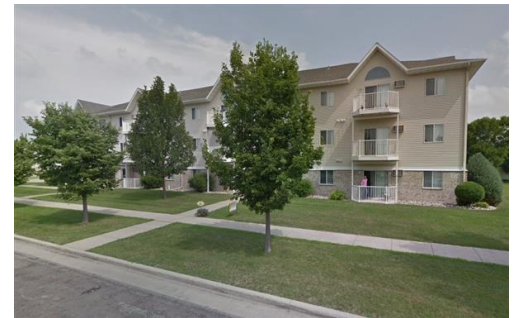
This comparable is a 24-unit multi-family garden property located at 2301 17th Street South in Fargo, North Dakota. The property consists of a single, three-story apartment building. The improvements were constructed in 1969 and are situated on a .83-acre site. Unique property characteristics are the property's amenities that include garages and on-site laundry. Garages rent for an additional \$45 per stall per month. As of the date of the survey the property was at stabilized occupancy and considered in average condition.

Property Name Summit Point Apartment Community  
 Address 1724 Gold Drive South  
 Fargo, ND 58103  
 United States

Government Tax Agency Cass  
 Govt./Tax ID 01-5680-00012-000

**Unit Mix Detail**

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Studio	15	17%	474	\$570	\$1.20
1-BD/1-BA	12	14%	720	\$650-\$700	\$0.94
2-BD/1-BA	12	14%	774-934	\$800-\$825	\$0.95
2-BD2-BA	36	41%	782-1,012	\$840	\$0.94
3-BD/2-BA	12	14%	944-1,349	\$990	\$0.86
Totals/Avg	87			\$788	\$0.95



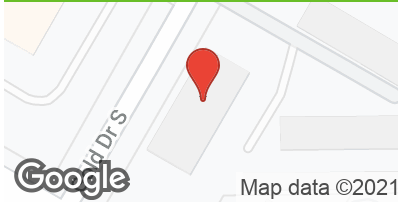
**Improvements**

Land Area	1.755 ac	Status	Existing
Net Rentable Area (NRA)	71,658 sf	Year Built	1999
Total # of Units	87 Unit	Year Renovated	N/A
Average Unit Size	824 sf	Condition	Average
Floor Count	3	Exterior Finish	Vinyl Siding
Property Features	Detached Garages, Electric Baseboard Units, Pitched Roofs, Street Parking, Surface Parking, Thru-The-Wall Systems		
Project Amenities	N/A		
Unit Amenities	Carpeted Flooring, Dishwasher, Fireplace, Laminate Countertops, Microwave Oven, Private Patios / Balconies, Range / Oven, Refrigerator, Vinyl Flooring, Washer / Dryer Connections , White / Beige Appliances		

**Rental Survey**

Occupancy	100%	Utilities Included in Rent	Water, Sewer, Trash, Heat
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Market	Concessions	N/A
Survey Date	05/2021	Owner	Sterling Properties, LLLP
Survey Notes	N/A	Management	N/A

Map & Comments



This rental comparable represents an 87-unit multifamily complex, located within Fargo, North Dakota. The property is situated approximately one block east of 25th Street South, a secondary north-south thoroughfare. Other nearby land uses include single-family residential, office, multifamily, age-restricted multifamily, gas station/c-store, and retail. Access to a full interchange with Interstate Highway 94 is located approximately 0.3 miles to the north. One garage stall is included with rent. The property is 100% occupied as of the survey date according to the property website. It is unknown whether there are currently any concessions offered.

Addendum D

**OPERATING DATA**



# Brownstone Apartments

2201 33rd Ave S  
 Fargo, ND 58104

Property Stats	Capital Structure	Return Stats	2021	2022	2023	2024	2025				
Proposed Acquisition Price Year Built	4,284,000 1990	Loan-to-Value Debt Interest	65% 3.000%	DSCR Y1 Req Ret	90.70% 6.00%	Cap Rate NOI Growth	5.63% -12.01%	5.62% -0.12%	5.61% -0.13%	5.62% 0.15%	5.62% -0.05%
Number of Buildings Number of Apartment Units	3 72	Term (months) Unit Mix	300	MCC Y0	4.05%	Cash on Cash Project ROI	4.22% -1.16%	4.20% 5.42%	4.18% 5.70%	4.20% 5.50%	4.19% 5.33%
Price per Unit	59,500	Studio	1	392	500	Equity ROI	-8.68%	10.45%	10.86%	9.85%	9.04%
Number of Garages (Single)	38	1br/1ba	12	660	635	Prop Value	4,014,254	4,009,095	4,015,306	4,013,372	4,004,471
Number of Garages (Double)	42	2br/1ba	47	920	750	Equity Value	1,306,030	1,379,538	1,466,775	1,548,299	1,625,360
Number of Parking Spaces Parking/Unit	52 1.83	2br/2.5ba 3br/3ba	11 0	970 0	755 0						

	Actual				Actual	*Pro Forma	*Pro Forma	*Pro Forma	*Pro Forma	*Pro Forma	
	2016	2017	2018	2019		Year 1	Year 2	Year 3	Year 4	Year 5	
<b>GROSS POTENTIAL RENT</b>	592,720	597,660	596,455	593,975	596,760	596,220	602,182	608,204	614,286	620,429	
Month to Month Fee	4,450	3,075	2,300	2,370	2,477	2,385	2,409	2,433	2,457	2,482	
Vacancy	(21,333)	(30,147)	(64,107)	(40,586)	(19,627)	(35,773)	(36,131)	(36,492)	(36,857)	(37,226)	
Delinquent Rent	(1,795)	(1,112)	(530)	(2,397)	(5,564)	(2,087)	(2,108)	(2,129)	(2,150)	(2,172)	
Incentives	(5,500)	(8,916)	(20,013)	(15,475)	(10,176)	(8,943)	(9,033)	(9,123)	(9,214)	(9,306)	
<b>NET RENTAL INCOME</b>	568,542	560,560	514,105	537,887	563,870	551,802	557,320	562,893	568,522	574,207	
Rentable Items Income	3,420	3,495	3,267	3,240	3,180	3,300	3,333	3,366	3,400	3,434	
Pet Rent Income	2,635	2,301	2,030	2,929	3,421	2,800	2,828	2,856	2,885	2,914	
Application Fees	1,412	820	975	995	840	750	758	765	773	780	
Early Termination Fees	0	0	4,957	600	60	150	152	153	155	156	
Interest Income	484	423	867	643	372	0	0	0	0	0	
Late Fees	3,640	3,715	3,660	4,406	3,600	3,600	3,636	3,672	3,709	3,746	
Laundry Income	12,657	10,013	10,759	9,197	8,659	9,000	9,090	9,181	9,273	9,365	
Other Income	1,047	1,579	469	760	140	2,646	2,398	2,181	2,697	2,775	
RUBS Income	0	0	0	0	0	0	0	0	0	0	
<b>TOTAL INCOME</b>	593,837	582,905	541,089	560,656	584,142	574,047	579,514	585,068	591,412	597,378	
<b>EXPENSES</b>											
Maintenance Staff Costs	25,484	27,657	27,194	29,091	31,798	34,560	35,251	35,956	36,675	37,409	
Total Repairs and Maintenance Other	42,765	49,590	55,735	85,176	76,619	80,342	81,949	83,588	85,260	86,965	
On-Site Staff Costs	-	-	-	-	-	36,288	37,014	37,754	38,509	39,279	
Total Property Mgmt Expenses	61,671	62,269	62,155	64,251	64,177	43,293	43,860	44,436	45,021	45,614	
Utilities	55,408	58,066	61,962	67,526	66,635	68,165	69,528	70,919	72,337	73,784	
RE Taxes	54,347	53,512	58,122	60,964	61,263	60,254	60,857	61,465	62,080	62,701	
Property Insurance	6,264	9,936	14,472	16,848	9,600	10,000	10,200	10,404	10,612	10,824	
Other Maintenance (Apartment Rehabs)											
<b>TOTAL EXPENSES</b>	245,939	261,028	279,640	323,856	310,092	332,901	338,659	344,522	350,494	356,576	
<b>NET OPERATING INCOME (NOI)</b>	347,899	321,877	261,450	236,801	274,050	241,146	240,855	240,546	240,918	240,802	
NOI Growth		-7.48%	-18.77%	-9.43%	15.73%	-12.01%	-0.12%	-0.13%	0.15%	-0.05%	
Economic Occupancy	95.92%	93.79%	86.19%	90.56%	94.49%	92.55%	92.55%	92.55%	92.55%	92.55%	
Expense Ratio	41.42%	44.78%	51.68%	57.76%	53.08%	57.99%	58.44%	58.89%	59.26%	59.69%	
Values at the following Capitalization Rate	6.000%	5,798,310	5,364,610	4,357,492	3,946,680	4,567,505	4,019,099	4,014,254	4,009,095	4,015,306	4,013,372
Capital Project Replacement Reserve (/Unit/Year)	250					18,000	18,000	18,000	18,000	18,000	
Cash Flow after Reserve						223,146	222,855	222,546	222,918	222,802	
Debt Service						159,914	159,914	159,914	159,914	159,914	
Cash Flow after Debt Service						63,232	62,942	62,632	63,005	62,889	

	NOI	Cap Rate	Per Unit	Valuation
2017, 2018 and 2019 Average NOI	273,376	calculated at 6.000%	cap rate equals	63,281 4,556,261
2018 and 2019 Average NOI	249,125	calculated at 6.000%	cap rate equals	57,668 4,152,086
2019 Actual NOI	236,801	calculated at 6.000%	cap rate equals	54,815 3,946,680
2020 Annualized NOI	274,050	calculated at 6.000%	cap rate equals	63,438 4,567,505
Pro Forma NOI Year 1	241,146	calculated at 6.000%	cap rate equals	55,821 4,019,099
5-Year Pro Forma NOI	240,854	calculated at 6.000%	cap rate equals	55,753 4,014,225

<b>Valuation</b>	<u>4,284,000</u>	59,500 per unit
Year 1 Cap Rate		5.629%
Weighted Avg Year 1 thru Year 5 Cap Rate		5.622%

# Rent Roll with Lease Charges

Brownstone (fbrow01)

As of: 03/17/2021

Unit	Unit type	Unit Sq Ft	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Expiration	Move-Out	Balance
<b>Current/Notice Residents</b>													
01-101	CAY2CXXC	965	VACANT	VACANT	720.00		0.00	0.00	0.00				0.00
						<b>Total</b>	0.00						
01-102	CAY2CXXC	965	t0373763	Zachary Strom	710.00	rent	710.00	350.00	0.00	2/5/2021	8/31/2021		0.00
						<b>Total</b>	710.00						
01-103	CAY2FXXA	970	t0339419	John Ho Choe	740.00	rent	720.00	350.00	0.00	9/15/2017	9/30/2021		0.00
						<b>Total</b>	720.00						
01-104	CAY2FXXA	970	t0371205	Suppakit Phonorthong	720.00	rent	720.00	350.00	0.00	10/1/2020	10/31/2021		-180.00
						<b>Total</b>	720.00						
01-105	CAY2FXXA	970	t0302137	David Engelhorn	750.00	petrent rent	20.00 755.00	350.00	0.00	10/3/2014	10/31/2021		815.00
						<b>Total</b>	775.00						
01-106	CAY1CXXA	660	ho7mp010	Jeffrey Fischer	610.00	rent	615.00	0.00	0.00	5/1/1997	4/30/2021		0.00
						<b>Total</b>	615.00						
01-107	CAY2CXXC	935	t0351601	Sonja Tomaszewski	730.00	rent	750.00	350.00	0.00	9/20/2018	3/31/2021		0.00
						<b>Total</b>	750.00						
01-108	CAY2CXXC	965	t0361780	Jim Khou	695.00	rent	695.00	350.00	0.00	9/28/2019	6/30/2021		0.00
						<b>Total</b>	695.00						
01-201	CAY2CXXC	965	t0046650	Barb Horne	715.00	rent	680.00	300.00	0.00	9/1/2006	8/31/2021		40.00
						<b>Total</b>	680.00						
01-202	CAY2CXXC	935	VACANT	VACANT	750.00		0.00	0.00	0.00				0.00
						<b>Total</b>	0.00						
01-203	CAY2FXXA	970	t0371619	Brianna Jensen	715.00	rent	715.00	350.00	0.00	10/20/2020	5/31/2021		0.00
						<b>Total</b>	715.00						
01-204	CAY2FXXA	970	t0360110	Amie Loual	755.00	rent	755.00	350.00	0.00	8/1/2019	7/31/2021		-5.00
						<b>Total</b>	755.00						
01-205	CAY2FXXA	970	t0326750	Alain Foryim	750.00	rent	770.00	350.00	0.00	9/24/2016	3/31/2021		0.00
						<b>Total</b>	770.00						
01-206	CAY2FXXA	970	VACANT	VACANT	750.00		0.00	0.00	0.00				0.00
						<b>Total</b>	0.00						

Unit	Unit type	Unit Sq Ft	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Expiration	Move-Out	Balance
<b>Current/Notice Residents</b>													
01-207	CAY2CXXC	965	t0371453	Katelyn Romaninsky	695.00	rent	695.00	550.00	0.00	11/2/2020	12/31/2021		0.00
						<b>Total</b>	695.00						
01-208	CAY2CXXC	965	t0374077	Deko Abdi	675.00	rent	675.00	350.00	0.00	2/16/2021	3/31/2022		-225.00
						<b>Total</b>	675.00						
01-301	CAY2CXXC	965	t0328423	Bonnie Wilson	695.00	rent	695.00	350.00	0.00	10/5/2016	10/31/2021		0.00
						<b>Total</b>	695.00						
01-302	CAY2CXXC	935	t0374247	ELKE DALTON	695.00	rent	695.00	350.00	0.00	3/3/2021	4/30/2022		-790.00
						<b>Total</b>	695.00						
01-303	CAY2FXXA	970	t0358464	Rachel Telkie	740.00	rent	740.00	350.00	0.00	6/24/2019	1/31/2022		0.00
						<b>Total</b>	740.00						
01-304	CAY2FXXA	970	t0363419	Tina Topp	730.00	rent	730.00	550.00	0.00	1/2/2020	2/28/2022		-9.00
						<b>Total</b>	730.00						
01-305	CAY2FXXA	970	t0363161	Mamie Stephen	725.00	rent	725.00	550.00	0.00	11/30/2019	12/31/2021		0.00
						<b>Total</b>	725.00						
01-306	CAY2FXXA	970	t0368177	Peter Nyong	740.00	rent	740.00	350.00	0.00	7/1/2020	7/31/2021		0.00
						<b>Total</b>	740.00						
01-307	CAY2CXXC	965	t0364811	Jessica Wood	695.00	rent	695.00	350.00	0.00	3/24/2020	5/31/2021		0.00
						<b>Total</b>	695.00						
01-308	CAY2CXXC	965	VACANT	VACANT	675.00		0.00	0.00	0.00				0.00
						<b>Total</b>	0.00						
02-101	CAY2CXXC	935	t0350786	Victorine Etchu	695.00	rent	695.00	350.00	0.00	10/26/2018	10/31/2021		0.00
						<b>Total</b>	695.00						
02-102	CAY2CXXC	935	t0350968	Martin Budutira	710.00	rent	710.00	350.00	0.00	9/1/2018	8/31/2020		80.00
						rentmtm	75.00						
						<b>Total</b>	785.00						
02-103	CAY1CXXA	660	t0316041	Marcia Lindsay	625.00	rent	625.00	300.00	0.00	10/1/2015	9/30/2021		-40.00
						<b>Total</b>	625.00						
02-104	CAY0CXXA	392	t0002275	Linda Fischer	500.00	rent	505.00	250.00	0.00	7/9/2000	6/30/2021		0.00
						<b>Total</b>	505.00						
02-105	CAY1CXXB	660	t0361253	Cynthia Stark	655.00	petrent	20.00	350.00	0.00	9/20/2019	9/30/2021		0.00
						rent	655.00						
						<b>Total</b>	675.00						

Unit	Unit type	Unit Sq Ft	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Expiration	Move-Out	Balance
<b>Current/Notice Residents</b>													
02-106	CAY1CXXA	660	t0370081	Chase Lester	645.00	rent	665.00	300.00	0.00	8/31/2020	8/31/2021		0.00
						<b>Total</b>	665.00						
02-107	CAY2CXXC	935	t0306615	Joshua Kugler	770.00	rent	710.00	350.00	0.00	2/1/2015	7/31/2021		0.00
						<b>Total</b>	710.00						
02-108	CAY2CXXC	935	t0340870	Julius Idukunda	730.00	rent	735.00	350.00	0.00	10/25/2017	10/31/2021		-20.00
						<b>Total</b>	735.00						
02-201	CAY2CXXC	935	t0352559	Thomas Pingel	705.00	rent	700.00	350.00	0.00	10/19/2018	4/30/2022		-0.04
						<b>Total</b>	700.00						
02-202	CAY2CXXC	935	t0019441	John Radniecki	705.00	rent	705.00	300.00	0.00	4/1/2003	7/31/2021		0.00
						<b>Total</b>	705.00						
02-203	CAY1CXXA	660	t0373054	Spencer Sundbom	655.00	rent	635.00	350.00	0.00	12/28/2020	6/30/2021		0.00
						<b>Total</b>	635.00						
02-204	CAY1CXXA	660	t0247993	Peggy Gilbertson	620.00	rent	620.00	300.00	0.00	10/1/2009	9/30/2021		0.00
						<b>Total</b>	620.00						
02-205	CAY1CXXA	660	ho9ss612	Darlene Erovick	630.00	rent	605.00	250.00	250.00	8/1/1999	7/31/2021		0.00
						<b>Total</b>	605.00						
02-206	CAY1CXXA	660	t0353011	Lee Mahn	620.00	rent	620.00	300.00	0.00	1/3/2019	2/28/2021		0.00
						rentmtm	75.00						
						<b>Total</b>	695.00						
02-207	CAY2CXXC	935	t0362025	Sharlene Thurn	695.00	petrent	20.00	350.00	0.00	10/11/2019	11/30/2021		0.00
						rent	695.00						
						<b>Total</b>	715.00						
02-208	CAY2CXXC	935	t0366279	Alexandra Stefferud	705.00	rent	705.00	350.00	0.00	5/30/2020	6/30/2021		0.00
						<b>Total</b>	705.00						
02-301	CAY2CXXC	935	t0361934	Natalie Devick	710.00	petrent	20.00	350.00	0.00	10/21/2019	11/30/2021		0.00
						rent	710.00						
						<b>Total</b>	730.00						
02-302	CAY2CXXC	935	t0356062	Michael Kasper	720.00	rent	700.00	350.00	0.00	5/1/2019	5/31/2021		0.00
						<b>Total</b>	700.00						
02-303	CAY1CXXA	660	t0348304	Lauren Guck	645.00	rent	645.00	300.00	0.00	7/2/2018	8/31/2021		0.00
						<b>Total</b>	645.00						
02-304	CAY1CXXA	660	t0255464	Mitchell Tommerdahl	625.00	rent	610.00	300.00	0.00	9/1/2010	8/31/2021		0.00
						<b>Total</b>	610.00						

Unit	Unit type	Unit Sq Ft	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Expiration	Move-Out	Balance
<b>Current/Notice Residents</b>													
02-305	CAY1CXXA	660	t0369167	Regan Johnson	620.00	rent	620.00	300.00	0.00	8/29/2020	8/31/2021		-140.00
						<b>Total</b>	620.00						
02-306	CAY1CXXA	660	t0369106	Brandon Cox	675.00	rent	675.00	300.00	0.00	8/1/2020	7/31/2021		-10.00
						<b>Total</b>	675.00						
02-307	CAY2CXXC	935	t0297674	Kerim Nuhbegovic	715.00	rent	715.00	350.00	0.00	6/9/2014	1/31/2021		0.00
						rentmtm	75.00						
						<b>Total</b>	790.00						
02-308	CAY2CXXC	935	t0369220	Abigail Seitz	720.00	rent	720.00	350.00	0.00	7/31/2020	7/31/2021		0.00
						<b>Total</b>	720.00						
03-101	CAY2CXXA	935	t0369639	Mitchell Coulter	650.00	rent	650.00	500.00	0.00	8/26/2020	8/31/2021		0.00
						<b>Total</b>	650.00						
03-102	CAY2CXXC	935	t0341081	Mostafa Abdelhares	740.00	rent	740.00	350.00	0.00	10/31/2017	12/31/2021		-863.28
						<b>Total</b>	740.00						
03-103	CAY2CXXD	860	t0371047	Shirley Hanson	750.00	rent	750.00	350.00	0.00	10/1/2020	9/30/2021		0.00
						<b>Total</b>	750.00						
03-104	CAY2CXXB	860	t0351091	Petra Plaku	650.00	rent	650.00	300.00	0.00	9/28/2018	10/31/2020		0.00
						rentmtm	75.00						
						<b>Total</b>	725.00						
03-105	CAY2CXXD	860	t0372784	Abby Charwood	715.00	rent	715.00	350.00	0.00	12/21/2020	12/31/2021		0.00
						<b>Total</b>	715.00						
03-106	CAY1CXXA	660	t0268069	Jennifer Kouba	620.00	rent	625.00	300.00	0.00	10/18/2011	10/31/2021		0.00
						<b>Total</b>	625.00						
03-107	CAY2CXXC	935	VACANT	VACANT	715.00		0.00	0.00	0.00				0.00
						<b>Total</b>	0.00						
03-108	CAY2CXXC	935	t0023540	Ron Fossen	705.00	rent	710.00	300.00	150.00	10/1/2003	5/31/2021		0.00
						<b>Total</b>	710.00						
03-201	CAY2CXXC	935	t0359670	Anna Schillinger	690.00	rent	690.00	350.00	0.00	8/5/2019	2/28/2022		0.00
						<b>Total</b>	690.00						
03-202	CAY2CXXC	935	t0366939	Estella Sayon	695.00	rent	695.00	550.00	0.00	7/1/2020	8/31/2021		-355.00
						<b>Total</b>	695.00						
03-203	CAY2CXXD	906	t0352378	Surabir Khadka	715.00	rent	715.00	350.00	0.00	12/1/2018	11/30/2020		500.00
						rentmtm	75.00						
						<b>Total</b>	790.00						

Unit	Unit type	Unit Sq Ft	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Expiration	Move-Out	Balance
<b>Current/Notice Residents</b>													
03-204	CAY2CXXD	906	t0370904	Victoria Edie	705.00	rent	705.00	0.00	0.00	9/18/2020	3/31/2021	3/31/2021	0.00
						<b>Total</b>	705.00						
03-205	CAY2CXXD	906	t0264713	Dave Kozlowski	705.00	petrent	20.00	300.00	0.00	5/24/2011	12/31/2021		2,826.00
						petrent	20.00						
						rent	705.00						
						covid19	157.00						
						<b>Total</b>	902.00						
03-206	CAY2CXXD	906	t0371285	Ntumba Lusamba	680.00	rent	680.00	350.00	0.00	9/25/2020	9/30/2021		-680.00
						<b>Total</b>	680.00						
03-207	CAY2CXXC	935	t0335213	Mayfair Augustino	700.00	rent	705.00	350.00	0.00	6/1/2017	6/30/2021		-62.00
						<b>Total</b>	705.00						
03-208	CAY2CXXC	935	t0363753	Brianna Maddock	710.00	rent	710.00	350.00	0.00	1/3/2020	1/31/2021		0.00
						rentmtm	75.00						
						<b>Total</b>	785.00						
03-301	CAY2CXXC	935	t0362069	Nicholas Kalivas	695.00	rent	715.00	550.00	0.00	11/15/2019	6/30/2021		-25.00
						<b>Total</b>	715.00						
03-302	CAY2CXXC	935	t0348966	Edwina Cisco	730.00	rent	650.00	350.00	0.00	7/31/2018	7/31/2021		-47.00
						<b>Total</b>	650.00						
03-303	CAY2CXXD	860	t0370909	Brea Mccants	705.00	rent	705.00	550.00	0.00	9/14/2020	10/31/2021		0.00
						<b>Total</b>	705.00						
03-304	CAY2CXXD	860	VACANT	VACANT	695.00		0.00	0.00	0.00				0.00
						<b>Total</b>	0.00						
03-305	CAY2CXXD	860	VACANT	VACANT	710.00		0.00	0.00	0.00				0.00
						<b>Total</b>	0.00						
03-306	CAY2CXXD	860	t0350431	Patty Covert	730.00	rent	660.00	350.00	0.00	8/7/2018	8/31/2021		0.00
						<b>Total</b>	660.00						
03-307	CAY2CXXC	935	t0352220	Ayanfe Afelumo	675.00	rent	675.00	350.00	0.00	10/8/2018	11/30/2021		0.00
						<b>Total</b>	675.00						
03-308	CAY2CXXC	935	t0279739	Travis Fritz	700.00	rent	700.00	300.00	0.00	11/13/2012	11/30/2018		0.00
						rentmtm	75.00						
						<b>Total</b>	775.00						
<b>Future Residents/Applicants</b>													
03-304	CAY2CXXD	860	t0374613	Augustine Kamei	695.00		0.00	0.00	0.00	4/1/2021	3/31/2022		0.00
						<b>Total</b>	0.00						

Unit	Unit type	Unit Sq Ft	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Expiration	Move-Out	Balance
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	Square Footage	Market Rent	Lease Charges	Security Deposit	Other Deposit	# of Units	Unit Occupancy	SqFt Occupancy	Balance
Current/Notice Res.			45,607.00	22,450.00	400.00				809.68
Future Residents/Applicants			0.00	0.00	0.00				0.00
Occupied Units	56,726.00	45,040.00				65	90.28	89.73	
Vacant Units	6,490.00	5,015.00				7	9.72	10.27	
<b>Totals:</b>	<b>63,216.00</b>	<b>50,055.00</b>	<b>45,607.00</b>	<b>22,450.00</b>	<b>400.00</b>	<b>72</b>	<b>100.00</b>	<b>100.00</b>	<b>809.68</b>

**Summary of Charges by Charge Code (Current/Notice residents only)**

covid19	157.00
petrent	120.00
rent	44,805.00
rentmtm	525.00
<b>Total</b>	<b>45,607.00</b>

Addendum E

**LEGAL DESCRIPTION**



## Legal Description

Lot: 1 Block: 1 SOUTH POINTE IST LT 1 BLK 1 S 200 FT OF LOT 1 LESS THE W 260 FT BLK 1  
SOUTH POINTE 1 ST \*05/30/91 SPL/FR 283.0-0070.0

Addendum F

**CLIENT CONTRACT INFORMATION**



#### APPRAISER CERTIFICATION OF TERMS AND STANDARDS OF ENGAGEMENT

The **undersigned**, an authorized representative of the below named appraiser, appraisal company, or appraisal management company (the "Appraiser") hereby acknowledges and certifies that the Appraiser has knowledge and experience in appraising this type of property in this market area and accepts this engagement to conduct an appraisal of the Subject Property in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and in full compliance with the Dodd – Frank Act and all applicable state and federal laws and regulations. The Appraiser understands that the Client, a mortgage lender, has adopted a written Plan for Compliance with the Dodd – Frank Act, and that Client solely is authorized to engage and compensate the Appraiser for its appraisal services with respect to the Subject Property.

Upon completion of its services and rendering of its appraisal report on the Subject Property to Client, the Appraiser agrees to make a written certification in form acceptable to Client that the appraisal of the Subject Property was conducted in full compliance the Uniform Standards of Professional Appraisal Practice (USPAP), the Dodd – Frank Act, and all applicable state and federal laws and regulations, including the licensing or registration regulations of the state in which the Subject Property is located, and that no attempt was made by the Client or any third party to influence the valuation of the Subject Property through coercion, extortion, collusion, compensation, inducement, intimidation, bribery or in any other manner.

Upon completion of your report, please load as a separate PDF document to the order form a copy of your invoice. The invoice should be addressed to the bank, and include the property address, and payment information.

#### APPRAISER CERTIFICATION OF COMPLIANCE AND NON-COERCION

Regarding Appraisal of Subject Property located at:  
Various – see attachments , Fargo, ND 58103

The undersigned, and authorized representative of the below named appraiser, appraisal company, or appraisal management company (the "Appraiser") conducting the appraisal of the Subject Property and preparing the Appraisal Report, hereby certifies that:

1. The Appraiser conducted the appraisal and prepared the Appraisal Report in full compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), the Dodd – Frank Act and all applicable state and federal laws and regulations.
2. The appraisal of the Subject Property was conducted, and the Appraisal Report was prepared, by one, or more, qualified and duly licensed or certified real estate appraisers in compliance with applicable state and federal law.
3. The Appraiser conducting the appraisal of the Subject Property has knowledge and experience in appraising this type of property in the market area within which the Subject Property is located.
4. The Appraiser was not provided any predetermined or desired valuation of the Subject Property by the Client or any third party, except, if applicable, the Appraiser was provided a photocopy of any pending sales contract and addenda thereto, as permitted by the Dodd – Frank Act and required by USPAP standards rule 1–5 (a).
5. The Appraiser was not influenced by the Client or any third party in determining the valuation of the Subject Property and no attempt was made by the Client or any third party to influence the valuation of the Subject Property through coercion, extortion, collusion, compensation, inducement, intimidation, bribery or in any other manner.
6. The Appraiser has adopted and enforces written policies and procedures implementing the Dodd – Frank Act with respect to all its business activities. The Appraiser provides its officers, employees, and agents' adequate training on appraiser independence, including the principles set forth in the Dodd – Frank Act, and has mechanisms in place to report and discipline any of its officers, employees, or agents who violate its policies and procedures.

This Certification of Compliance and Non-Coercion is cumulative of any other or additional certifications that may be set forth in the Appraisal Report and does not revoke, amend or modify the terms or standards of engagement with respect to the Appraisal Report.

BY CHECKING THE BOX, APPRAISER ACKNOWLEDGES THAT THEY HAVE READ AND UNDERSTAND THE FOREGOING PROVISIONS AND THOSE SUCH PROVISIONS ARE REASONABLE AND ENFORCEABLE. VENDOR ACCEPTS THE APPRAISER AGREEMENT & TERMS.

**Date:** 4/21/2021

**Time:** 9:35 PM

**Name:** Justin Reed  
justin.reed@cbre.com



Bremer Bank  
 8555 Eagle Point Blvd, PO Box 1000  
 Lake Elmo, Minnesota 55042  
**651-734-4939**

**COMMERCIAL ORDER FORM**  
**BRANCH: Minneapolis 6th Street**

**File Information**

**File ID:** 210415029 **Due Date:** 5/14/2021  
**Loan Number:** NEW  
**FSA:** No **SBA:** No

**Appraiser Information**

**Loan Type:** New Property to Bremer/New Money – Primary **Appraiser:** Reed, Justin  
**Form:** Narrative Appraisal Report (Commercial / Ag)  
**Appraisal Fee:** \$23500.00 **Interest Valued:**  
**Real Estate Valued:** **Effective Date of Valuation:**

**Branch Information**

**Branch:** Twin Cities **Borrower:** Sterling Properties  
Brandon Nelson  
**Address:** **Co-Borrower:**  
 Minneapolis 6th Street,

**Subject Property**

**Address:** Various – see attachments **Intended Use:** New Loan  
 Fargo, ND 58103  
**County:** Cass **Map:** [Map Link](#)  
**Property Type:** Multi-Family  
**Description:** Properties to be appraised consist of 5 individual properties and 576 units;  
 –Briar Pointe Apartments (one building – 30 units)  
 –Brownstone Apartments (three buildings – 72 units)  
 –Flagstone Apartments (five buildings – 120 units)  
 –Oxford Apartments (six buildings –144 units)  
 –Pinehurst Apartments (seven buildings – 210 units)  
**Legal:**

**Property Contact Information**

**Contact Person:** Brandon Nelson **Work Phone:** (701) 353-2730  
**Cell Phone:** (701) 205-8864 **Home Phone:**  
**Contact Email:** bnelson@sretrust.com  
**Contact Notes:**

**Effective Date of Valuation**

	As Is				
Effective Date(s) of Appraisal:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Interest Leased Fee (all or part):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Interest Fee Simple (not leased):	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Interest Leasehold (borrower is tenant):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Condition (vacant land/improved):	Improved				
FF &E:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business Valuation:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Going Concern / Value In Use:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sales and Income Approaches:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cost, Sales, and Income Approaches:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Additional Information:**

This request consists of 5 total apartment communities all located in Fargo, ND. Please see the attached "Sterling Properties – Property Info" spreadsheet for further information about each property. Our borrower is looking to acquire all 5 properties. We are seeking to have one appraiser completed an appraisal for each property. We are seeking an "as is" value, FFEvalue, fee simple interest, utilizing the sales and income approaches to value (for each property). Due to the circumstances surrounding COVID-19, we are seeking a drive by inspection with the interior inspection completed via a virtual inspection and/or time stamped pictures from the borrower. \*\*Please note we are requesting a bid for both a standard turn time and expedited turn time.

**Note:** This appraisal order is not transferrable to another appraiser. If the appraiser named on this appraisal request is unable to complete this assignment please contact Bremer Bank at 651-734-4939. All appraisers are approved on an individual basis, if this assignment is completed by another appraiser Bremer Bank will not be liable for any appraisal related appraisal fee.



### **INTENDED USE**

The purpose of the appraisal assignment includes one or more of the following: (a) as a basis for evaluation of a loan request or making an investment decision, (b) risk management, and/or (c) for establishing or adjusting book value. Bank may disclose or distribute the appraisal report to third parties including the owner of the Subject Property.

### **PRIMARY CLIENT**

The primary Client is \_\_\_\_\_ and its officers, directors and employees. Additional clients include banks participating in loans on the subject property and other parties identified in the RFP. The appraisal must be requested and engaged by an officer from Banks Appraisal Department. Payment shall be made directly from Bank to the Appraiser.

### **APPRAISAL REPORT CONTENTS**

The appraisal reports prepared for \_\_\_\_\_ shall be prepared with the following minimum guidelines:

1. **Conformity with Regulatory and Other Standards:** Appraisal shall include a statement from the appraiser that it is compliant with the most recent edition and revisions of the Uniform Standards of Professional Appraisal Practices (USPAP) and the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) under the general auspices of the Federal Deposit Insurance Corporation Improvement Act (FDICIA).
2. **Disclosure of Competency:** Appraisal shall include an affirmative statement that the Appraiser is competent to complete this report in accordance with the competency provision in the USPAP. In the absence of an affirmative statement, the Appraiser must disclose any lack of knowledge and/or experience for this assignment and any necessary steps taken to comply with the competency provision in the USPAP.
3. **Other Consultants:** If Appraiser requires the use of third party consultants, those individuals shall be satisfactory to the Bank.
4. **Prior Services:** Appraiser shall certify performance or lack thereof of any valuation services for the subject with in the past three (3) years. The nature of such services and client shall be disclosed.
5. **Defined Value:** The value to be estimated is **Market Value**. Thus, Appraisal should use the definition of market value as it appears in CFR 232.2. Definitions of other types of values must be approved by an officer of this institution prior to acceptance of such within the body of the appraisal report. No alternative definitions are acceptable to this institution.
6. **Exposure/Marketing Time and Most Likely Buyer:** Appraisal shall include an estimate of the exposure and marketing time and identify the most likely buyer.
7. **Ownership History:** Appraisal shall describe (parties and amount) any ownership transfers within the past three years and/or the most recent transfer if more than three years ago.
8. **Appraisal Independence:** The certification required by USPAP shall include additional statements that the Appraiser has acted in an independent capacity and the appraisal engagement or compensation is not based on a requested minimum valuation, a specific valuation, or loan approval.
9. **Appraiser Interest:** The certification shall state that Appraiser has no direct or indirect interest in the property or transaction and/or bias with respect to the parties involved.
10. **Inspection Certification:** The certification shall state that Appraiser has personally inspected the Subject as well as the land, improved sale and rental comparable properties.
11. **Signature Requirements:** All contributing appraisers shall sign the transmittal letter and certification. In addition to license information, signature blocks shall include phone numbers and e-mail addresses.
12. **Approaches to Value:** Unless specifically excluded in the RFP scope, Appraiser shall consider the Cost, Sales Comparison, and Income Approaches to value. An approach may be omitted if in Appraisers judgment, it is not relevant and the reasons for such omission are clearly and reasonably set forth.
13. **Comparable Data Information:** Detailed data sheets, summary tables, and adjustment tables are to be included for land and improved sales comparable properties as well as for rental properties. All comparable properties, and shall be shown on a map that shows their location relative to the Subject. **REQUIRED ON ALL REPORTS**
14. **Adjustment Support:** Appraiser shall provide narrative and/or calculations to support (**as to applicability and magnitude**) for all adjustments made to comparable land sales, improved sales and properties used for market rent determination. **REQUIRED ON ALL REPORTS**
15. **Personal Property / Going Concern Value / Non-Realty Items:** If applicable, the value attributable to any personal property, trade fixtures, or non-realty items shall be separately estimated and segregated from the market value of the real property interest.
16. **Insufficiency of Market Data:** Appraiser may incorporate additional data and analyses within the report to the extent there are limited recent, comparable transactions available to Appraiser to establish a current value for the subject property or support necessary adjustments between the subject and comparable property. Such additional analyses or data shall be adequately described as to method, purpose, and conclusions.
17. **Remaining Economic Life / Insurable Value:** Appraiser shall render an opinion of the remaining economic life and insurable value for all improvements.
18. **Historical Economic Performance:** If applicable and to the extent available, the Appraisal shall include current rent rolls and a minimum of two years of actual income and expense history for the subject property. The appraisal shall also include comparable expense data from reliable industry sources as well as specific expense data from a minimum of three comparable properties.
19. **Engagement Letter:** Appraisal Report must include a copy of the engagement letter. The appraisal report shall be signed by the individual appraiser to whom this engagement letter is addressed as well as other contributing appraisers.
20. **Communication:** All communication between Appraiser and Bank shall be conducted through the Appraisal Department and those specifically designated in the engagement letter.
21. **License Information:** Appraisal shall include a copy of the current license for all appraisers that have contributed to the report. Appraisal shall include a certification made by all contributing Appraisers that their licenses are in good standing and they have not been reprimanded or sanctioned by the licensing or regulatory authorities and are not currently involved in any process that may result in sanctions or reprimands.

### **SERVICE LEVEL REQUIREMENTS**

**Appraiser Service Requirements / Appraisal Delivery Dates**

**Appraiser service requirements include:**

1. Appraiser shall accept the engagement within 1 business day of receiving the ValuTrac assignment notice. Such acceptance is to be made by choosing the Accept option in ValuTrac. The Appraiser and Bank acknowledge the electronic engagement has the same force and effect as a signature document.
2. Appraiser shall schedule the property inspection within 5 business days from the date the engagement letter is issued.
3. Appraiser shall notify \_\_\_\_\_ within five (5) business days from the Acceptance Date if any applicable or pertinent information required for the assignment is not available.
4. Appraiser shall complete the first section of the "Summary" and indicate "YES/NO/NA" and "Page #" on Bank's **Appraisal Review Checklist** (enclosed) and return an electronic (Excel) copy to Bank with the pdf copy of the draft appraisal report. Appraiser agrees the review checklist was part of the request for proposal for this assignment and affirms that, as applicable for this appraisal, the review checklist refers to information and support the Bank desires to see in the appraisal.
5. Bank may have the Appraisal reviewed by its staff or may send a copy of the Appraisal to a third party for review. Appraiser agrees to respond timely to any review questions or comments to Banks designated reviewers.

**Delivery / Performance Dates:**

Appraiser acknowledges the assignment was awarded on the basis of fee and due dates and performance standards listed below:

**Draft / Checklist Delivery Date:** On or before the **Appraisal Due Date** specified in the Order face page, Appraiser shall deliver an electronic first draft of the Appraisal Report (**PDF format**) and the completed **Appraisal Review Checklist** (Microsoft Excel version) to Bank (**The draft file name shall contain street address and Draft #**).

**Review Conditions Response Dates:** Appraiser shall respond to Banks review questions and conditions within two (2) business days of receiving them. Any subsequent drafts of the appraisal issued prior to the final edition shall have the Draft # updated in the file name.

**Final Appraisal Delivery Date:** The final version of the Appraisal in PDF format (**file name should contain Final**) is due within one (1) business day after Appraiser receives Banks final issuance request. The due date for hard copy reports, if required, is five (5) business days after final issuance request.

**Appraiser is obligated to advise Bank immediately if they anticipate not meeting the delivery / performance times set forth above. Appraisers notice shall be made by adding a Note to the ValuTrac file and shall specifically indicate the reason for and length of the delay.**

**Late Fee Penalties**

\_\_\_\_\_ reserves the right to assess late fees at the rate of \$50 per day in the event appraiser fails to meet the Delivery / Performance Dates listed above.

**Appraisal Payment Policy**

\_\_\_\_\_ will only be financially responsible for appraisal assignments engaged directly by it. Payment will be made in accordance with the policies posted on their appraisal website.

**Privacy Compliance**

Appraiser is required to comply with the privacy regulations and information guidelines issued pursuant to Title V of the Gramm, Leach, Bliley Act. By accepting this appraisal order you agree that the confidential information contained in this order is for the expressed purpose of completing the requested appraisal assignment and subsequent disclosure or distribution of the confidential information in this order and in the appraisal is strictly prohibited.

The completed appraisal is property of the client and in no way are you authorized to complete a new assignment or update this assignment for another client without written authorization from the above mentioned client.

If you need assistance please contact the Appraisal Department by posting a note to the ValuTrac file or calling \_\_\_\_\_.

Addendum G

**QUALIFICATIONS**



# North Dakota Real Estate Appraiser Qualifications and Ethics Board



**Harry R. Johnson**

Is fully qualified  
in the State of North Dakota as a

**CERTIFIED GENERAL APPRAISER**  
**ND Permit Number: CG-21874**

**Date of Issuance:** 01/01/2021  
**Expiration Date:** 12/31/2021

*Unless sooner suspended or revoked, as provided by law.*

A handwritten signature in cursive script that reads "Harry R. Johnson".

Appraiser Signature

# Harry Johnson

Senior Appraiser, Minneapolis, MN



T 612-336-4202  
Harry.Johnson@cbre.com

800 LaSalle Ave.  
Suite 1900  
Minneapolis, MN 55402

## Clients Served

- Bell State Bank & Trust
- Bellwether Enterprise
- Bremer Bank
- Bridgewater Bank
- Central MN Credit Union
- Cornerstone Bank
- Dacotah Bank
- First Bank & Trust
- First Community Credit Union
- Klein Bank
- US Bank

## Experience

Harry Johnson is a Senior Appraiser in the Valuation & Advisory Services group's Minneapolis office. Harry transitioned from residential property management and joined the CBRE team in 2014. Mr. Johnson has provided significant real property appraisal assistance for a variety of commercial property types including retail, office, industrial, multi-family, and development land.

Prior to joining the Valuation & Advisory Services group, Mr. Johnson gained valuable experience in the multi-family sector as a property manager for Waterton Residential. He received a Bachelor of Science degree in Real Estate Studies from the University of St. Thomas in 2010 and has over ten years of experience in residential property management.

## Assignments Completed

Type	Subtype
Commercial	Automotive dealerships, implement dealerships, convenience stores, car washes, restaurants, general retail stores, shopping centers, truck stop/travel centers, day care centers, general office buildings, medical office buildings, dental clinics, charter schools, funeral homes, financial institutions, light and heavy industrial facilities, truck terminals, mini-warehouse facilities, warehouses, service garages, manufacturing facilities, food processing facilities, etc.
Residential	Market rate and subsidized apartments, senior apartments, manufactured parks, townhome developments, etc.
Land	Residential and mixed-use subdivisions, development land, build-ready lots for commercial use; etc.

## Professional Affiliations / Accreditations

- Practicing Affiliate of the Appraisal Institute
- Certified General Appraiser
  - MN License No. 40421056
  - ND License No. CG-21874
  - MT License No. REA-RAG-LIC-12824

## Education

- University of St. Thomas, St. Paul, MN
  - Bachelor of Science Degree, Real Estate Studies 2010

# North Dakota Real Estate Appraiser Qualifications and Ethics Board



**Justin Reed**

Is fully qualified  
in the State of North Dakota as a

**CERTIFIED GENERAL APPRAISER**  
**ND Permit Number: CG-2705**

**Date of Issuance:** 01/01/2021  
**Expiration Date:** 12/31/2021

A handwritten signature in black ink, appearing to read "Justin Reed", written over a horizontal line.

**Appraiser Signature**

*Unless sooner suspended or revoked, as provided by law.*

# Justin Reed, MAI

Director, Minneapolis, Minnesota

CBRE



M +1 612 336 4315  
Justin.reed@cbre.com

800 LaSalle Ave., Suite 1900  
Minneapolis, MN 55402

## Clients Served

- Commercial Banks
- Credit Unions
- Developers
- Government Authorities
- Investment Funds
- Institutional Investors
- Law firms
- Private Property Owners
- REITs
- Special Servicers
- Freddie Mac Servicers
- Fannie Mae Servicers

## Experience

Justin Reed, MAI is a Director within CBRE's Upper Midwest Region which includes Minnesota, North Dakota, South Dakota, Iowa and Nebraska. His tenure with CBRE is over 15 years, helping to launch the Valuation and Advisory Services Business within Downtown Minneapolis in 2002.

As a result of a "client first" team-based approach, Justin's team was recognized as being in the top 5% of CBRE North America Valuation for the last seven consecutive years. Justin was also included in "CBRE's Management Team of the Year" for 2017 and has placed in the "Top 10" of US Valuation Professionals multiple years. He actively mentors, volunteers in the local community and is the current President of the Appraisal Institute North Star Chapter.

Clients of all sizes benefit from his long-term relationships within the commercial real estate industry. Best in class technology, unmatched resources for market analysis and a strong team are the cornerstones for providing timely and accurate valuations.

Valuation among all asset types is available. Specialty experience includes hotels, malls, golf courses, country clubs, self-storage, subdivisions, mixed-use properties and new construction.

Prior to joining CBRE, Mr. Reed earned an MBA from the University of St. Thomas and a bachelor's degree from the University of Minnesota's College of Architecture and Landscape Architecture. Previous work experience includes four years in architecture, where he worked for a nationally-recognized developer as well as smaller boutique design firms.

## Assignments Completed

- Recent assignment list by either property type or geography available by request.

## Professional Affiliations / Accreditations

- MAI Designated Member of the Appraisal Institute (2008-present)
- Appraisal Institute North Star Chapter-President (2018)
- Appraisal Institute North Star Chapter-Executive Board (2015-2017)
- Appraisal Institute North Star Chapter-Board of Directors (2009-2012)
- NAIOP Member
- State Certified General Appraiser
  - Certified General License:
    - Minnesota # 20376754
    - North Dakota # CG-2075
    - South Dakota # 1282CG
    - Iowa # 03557
    - Nebraska # CG2017037R

## Education

- University of St. Thomas, Minneapolis, MN
  - Master of Business Administration with a Concentration in Management & Real Estate
- University of Minnesota-Twin Cities, MN
  - Bachelor in Environmental Design

## Brownstone Apartments

Income Approach Tax Analysis

April 5, 2024

Parcel ID Number	2020 (payable 2021)		2021 (payable 2022)		2022 (payable 2023)		2023 (payable 2024)		2024 (payable 2025)	
	Assessed	Taxes	Assessed	Taxes	Assessed	Taxes	Assessed	Taxes	Assessed	Taxes
<a href="#">01-2830-00075-000</a>	1,512,800	0	1,512,800	0	1,512,800	61,400	1,709,500	68,253	1,709,500	
<a href="#">01-2830-00075-000</a>	1,314,200		1,314,200		1,314,200		1,485,000		1,485,000	
<a href="#">01-2830-00075-000</a>	1,460,300		1,460,300		1,460,300		1,650,100		1,650,100	
<b>Value</b>	4,287,300	0	4,287,300	0	4,287,300	61,400	4,844,600	68,253	4,844,600	0
<b>Increase &gt;</b>			0.0%	#DIV/0!	0.0%	#DIV/0!	13.0%	11.2%	0.0%	-100.0%
<b>No. Units &gt;</b>	72									
<b>Value Per Unit &gt;</b>	59,546		59,546		59,546		67,286		67,286	

<b><u>Determination:</u></b>	
------------------------------	--

**Jacob Lane**

April 5, 2024

**Annual Statement**

Period = Jan 2019-Jan 2023

Book = Accrual ; Tree = ysi\_is

		EOY	EOY
		Dec 2019	Dec 2020
40002	INCOME		
40100	Gross Potential Rent	0.00	0.00
40200	Month to Month Fee	0.00	0.00
40205	Short Term Lease Fee	0.00	0.00
40400	Vacancy	0.00	0.00
40600	Rent Incentives	0.00	0.00
40995	Covid 19	0.00	0.00
40999	NET COLLECTED RENT	0.00	0.00
41000	OTHER RENTAL INCOME AND FEES		
41200	Rentable Items Gross Potential Rent	0.00	0.00
41210	Rentable Items Vacancy	0.00	0.00
41300	Pet Rent Income	0.00	0.00
41310	Pet Fees-Nonrefundable Income	0.00	0.00
41999	TOTAL OTHER RENTAL INCOME AND FEES	0.00	0.00
42001	MISC INCOME		
42150	Application Fees	0.00	0.00
42350	Early Termination Fees	0.00	0.00
42400	Interest Income	0.00	0.00
42450	Late Fees	0.00	0.00
42500	Laundry Income	0.00	0.00
42550	NSF Fees	0.00	0.00
42600	Prelease Incentive Forfeited	0.00	0.00
42650	Revenue Sharing Income	0.00	0.00
42700	RUBS Income	0.00	0.00
42850	Other Income	0.00	0.00
42852	Other Income-Renters Insurance	0.00	0.00
42855	Other Income-Collections	0.00	0.00
42856	Bad Debt Expense ASC 842	0.00	0.00
42998	TOTAL MISC INCOME	0.00	0.00
49999	TOTAL INCOME	0.00	0.00
50000	EXPENSES FROM RENTAL OPERATIONS		
50005	OWNER EXPENSES		
50010	REPAIRS AND MAINTENANCE EXPENSES		
50095	MAINTENANCE STAFF COSTS		
50100	Maintenance Staff	0.00	0.00
50145	TOTAL MAINTENANCE STAFF COSTS	0.00	0.00

50150	REPAIRS AND MAINTENANCE OTHER		
50155	Temp Agency and Non-employee	0.00	0.00
50170	Caretaker-Internal Labor	0.00	0.00
50180	Turn Cleaning-Internal Labor	0.00	0.00
50200	Appliances and Laundry	0.00	0.00
50210	Window Treatments	0.00	0.00
50220	Cooling Systems	0.00	0.00
50230	Custodial	0.00	0.00
50231	Custodial-Projects	0.00	0.00
50232	Custodial-Contract and Caretaker	0.00	0.00
50234	Custodial-Turn Cleaning	0.00	0.00
50250	Doors	0.00	0.00
50255	Doors-Garage	0.00	0.00
50260	Electrical and Lighting	0.00	0.00
50280	Exterior Finishes and Foundation	0.00	0.00
50290	Extermination	0.00	0.00
50300	Fire Safety	0.00	0.00
50310	Flooring	0.00	0.00
50320	Generator	0.00	0.00
50330	Grounds Maintenance	0.00	0.00
50332	Grounds-Internal Labor	0.00	0.00
50350	Heating Systems	0.00	0.00
50370	Landscaping	0.00	0.00
50380	Locks and Keys	0.00	0.00
50390	Millwork and Cabinets and Countertop	0.00	0.00
50420	Painting-Interior	0.00	0.00
50421	Painting-Interior-Projects	0.00	0.00
50440	Parking Lot-Sweeping and Striping	0.00	0.00
50450	Plumbing	0.00	0.00
50470	Repairs and Maintenance	0.00	0.00
50473	Repairs and Maintenance – Insurance Claims	0.00	0.00
50500	Signage	0.00	0.00
50510	Snow Removal	0.00	0.00
50515	Snow Removal-Internal Labor	0.00	0.00
50520	Tubs and Surrounds	0.00	0.00
50540	Windows	0.00	0.00
50900	Resident Chargebacks	0.00	0.00
50998	TOTAL REPAIRS AND MAINTENANCE OTHER	0.00	0.00
50999	TOTAL REPAIRS AND MAINTENANCE EXPENSES	0.00	0.00
51000	PROPERTY MANAGEMENT AND OPERATING EXPENSES		
51009	OFFICE AND ADMIN		
51095	ON-SITE STAFF COSTS		
51100	On-Site Staff Costs	0.00	0.00
51145	TOTAL ON-SITE STAFF COSTS	0.00	0.00
51146	PROPERTY MANAGEMENT EXPENSES OTHER		

51200	Advertising and Marketing	0.00	0.00
51210	Applicant Screening	0.00	0.00
51240	Bank Charges	0.00	0.00
51250	Collection Costs	0.00	0.00
51270	Customer Service Accommodation	0.00	0.00
51300	Legal Fees	0.00	0.00
51340	Move-In Gifts	0.00	0.00
51360	Office Equipment and Furnishings	0.00	0.00
51370	Office Rent	0.00	0.00
51390	Office Telephone and Internet	0.00	0.00
51400	Office Supplies	0.00	0.00
51430	Professional Fees	0.00	0.00
51440	Property Management Fees	0.00	0.00
51460	Resident Retention	0.00	0.00
51470	Site Equipment	0.00	0.00
51996	TOTAL PROPERTY MANAGEMENT EXPENSES OTHER	0.00	0.00
51999	TOTAL PROPERTY MANAGEMENT EXPENSES	0.00	0.00
52000	UTILITIES		
52200	Electricity-Unit	0.00	0.00
52210	Electricity-House	0.00	0.00
52400	Garbage Removal	0.00	0.00
52900	Water and Sewer	0.00	0.00
52999	TOTAL UTILITIES	0.00	0.00
53000	OTHER OPERATING EXPENSES		
53100	Real Estate Taxes	0.00	0.00
53200	Property Insurance	0.00	0.00
53989	TOTAL OTHER OPERATING EXPENSES	0.00	0.00
53990	TOTAL PROPERTY MANAGEMENT AND OPERATING EXPENSES	0.00	0.00
53999	TOTAL OWNER EXPENSES	0.00	0.00
69990	TOTAL EXPENSES	0.00	0.00
69999	NET OPERATING INCOME	0.00	0.00
70000	FIXED EXPENSES		
<b>70010</b>	<b>INTEREST EXPENSE</b>		
70100	Interest Expense-Debt Issuance Costs	0.00	0.00
70300	Interest Expense-Mortgage	0.00	0.00
70600	Interest Expense-Security Deposits	0.00	0.00
70700	Interest Expense-Special Assessments	0.00	0.00
70999	TOTAL INTEREST	0.00	0.00
71000	OTHER FIXED EXPENSES		
71300	Depreciation	0.00	0.00
71998	TOTAL OTHER FIXED EXPENSES	0.00	0.00
71999	TOTAL FIXED EXPENSES	0.00	0.00



80000	ADMINISTRATION OF REIT		
80600	OTHER ADMINISTRATION OF REIT EXPENSES		
80650	Bank Charges	0.00	0.00
80999	TOTAL OTHER ADMINISTRATION OF REIT EXPENSES	<u>0.00</u>	<u>0.00</u>
81999	TOTAL ADMINISTRATION OF REIT	0.00	0.00
99900	NET INCOME	<u>0.00</u>	<u>0.00</u>

<b>EOY</b>	<b>EOY</b>	<b>EOY</b>
<b>Dec 2021</b>	<b>Dec 2022</b>	<b>Dec 2023</b>
350,030.00	610,800.00	650,652.00
2,400.00	5,025.00	5,950.00
0.00	0.00	1,104.00
-14,883.00	-18,877.00	-35,074.00
-740.00	-3,080.00	-380.00
379.00	0.00	0.00
<b>337,186.00</b>	<b>593,868.00</b>	<b>622,252.00</b>
4,370.00	3,600.00	3,600.00
-2,305.00	-1,575.00	-1,950.00
740.00	1,045.00	815.00
150.00	0.00	0.00
<b>2,955.00</b>	<b>3,070.00</b>	<b>2,465.00</b>
640.00	1,040.00	1,400.00
300.00	600.00	1,200.00
32.44	75.93	88.76
4,240.00	7,680.00	5,880.00
3,107.96	8,021.18	10,764.67
140.00	315.00	140.00
0.00	550.00	200.00
529.69	495.43	3,881.79
0.00	0.00	627.07
464.49	1,897.31	2,714.87
0.00	197.88	931.37
1,125.11	0.00	200.00
-4,194.23	-2,932.22	-5,276.85
<b>6,385.46</b>	<b>17,940.51</b>	<b>22,751.68</b>
<b>346,526.46</b>	<b>614,878.51</b>	<b>647,468.68</b>
18,222.28	32,469.15	36,767.14
<b>18,222.28</b>	<b>32,469.15</b>	<b>36,767.14</b>

332.66	140.00	726.83
0.00	22.45	99.25
530.27	-9.76	0.00
792.90	6,109.95	7,153.43
705.16	326.72	1,192.58
3,533.36	0.00	2,084.90
5,476.00	4,822.27	5,288.02
0.00	3,300.00	0.00
2,220.00	5,544.00	6,528.00
2,767.50	2,592.50	3,677.47
770.76	1,065.40	4,639.46
1,362.36	2,846.06	4,129.55
357.17	1,709.47	1,147.72
0.00	300.00	0.00
500.00	3,470.00	4,650.00
1,280.40	491.28	1,911.85
5,919.05	6,678.28	17,446.15
0.00	-29.13	0.00
2,695.00	3,160.32	6,985.40
1,306.60	1,874.46	0.00
0.00	41.10	410.16
555.00	1,863.96	1,280.00
313.72	1,127.96	2,008.35
106.00	168.36	315.49
2,006.47	3,463.59	6,414.10
1,600.00	80.00	0.00
700.00	420.00	495.00
2,088.05	3,625.41	7,870.04
923.19	1,505.64	1,619.52
0.00	0.00	2,770.00
0.00	0.00	230.00
2,747.29	17,615.00	16,114.55
0.00	-30.96	0.22
275.00	0.00	0.00
535.00	212.36	333.76
-5,368.44	-4,354.03	-3,738.95
<hr/>	<hr/>	<hr/>
37,030.47	70,152.66	103,782.85
<hr/>	<hr/>	<hr/>
55,252.75	102,621.81	140,549.99
<hr/>	<hr/>	<hr/>
20,318.04	34,929.07	42,444.36
<hr/>	<hr/>	<hr/>
20,318.04	34,929.07	42,444.36

1,658.50	3,007.84	3,691.87
453.25	912.00	1,022.27
11.63	26.35	22.10
337.53	0.00	882.00
0.00	199.06	285.06
82.50	65.82	172.00
0.00	243.60	517.47
909.75	1,561.56	2,145.47
1,224.18	1,770.48	1,770.48
409.83	703.33	739.70
393.87	505.00	519.90
0.64	0.00	214.31
17,597.23	30,889.85	32,344.79
0.00	655.52	235.57
0.00	0.00	12.48
<hr/>	<hr/>	<hr/>
23,078.91	40,540.41	44,575.47
<hr/>	<hr/>	<hr/>
43,396.95	75,469.48	87,019.83
820.11	1,488.89	726.57
12,178.37	39,120.11	38,463.28
2,704.81	5,594.65	5,922.36
11,592.05	21,538.86	27,752.34
<hr/>	<hr/>	<hr/>
27,295.34	67,742.51	72,864.55
35,670.85	61,399.51	68,253.16
18,490.71	35,115.15	36,919.01
<hr/>	<hr/>	<hr/>
54,161.56	96,514.66	105,172.17
<hr/>	<hr/>	<hr/>
124,853.85	239,726.65	265,056.55
<hr/>	<hr/>	<hr/>
180,106.60	342,348.46	405,606.54
<hr/>	<hr/>	<hr/>
180,106.60	342,348.46	405,606.54
<hr/>	<hr/>	<hr/>
166,419.86	272,530.05	241,862.14
2,539.40	4,824.86	4,316.98
45,323.08	88,751.97	86,490.08
672.58	140.06	159.50
547.29	0.00	0.00
<hr/>	<hr/>	<hr/>
49,082.35	93,716.89	90,966.56
52,649.48	90,256.26	90,256.26
<hr/>	<hr/>	<hr/>
52,649.48	90,256.26	90,256.26
<hr/>	<hr/>	<hr/>
101,731.83	183,973.15	181,222.82

10.13	0.00	0.00
10.13	0.00	0.00
10.13	0.00	0.00
64,677.90	88,556.90	60,639.32

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
NOI	0.00	0.00	166,419.86	272,530.05	241,862.14
Real Estate Taxes	0.00	0.00	35,670.85	61,399.51	68,253.16
Projects Expense	0.00	0.00	1,600.00	3,380.00	0.00
Upgrade Expenses					
NOI adding back RE taxes & Projects/upgrades	0.00	0.00	203,690.71	337,309.56	310,115.30

### Rent Roll with Lease Charges

Brownstone (flbrow01)

As Of = 12/31/2023

Month Year = 12/2023

Unit	Unit Type	Unit Resident	Market Charge	Amount	Resident	Other Move In	Lease	Move Out	Balance
		Sq Ft	Rent Code		Deposit	Deposit	Expiration		
<b>Current/Notice/Vacant Residents</b>									
01-101	CHP2CXXC	965.00 t0386275	787.00 rent	775.00	720.00	0.00 6/1/2022	5/31/2024		0.00
			<b>Total</b>	<b>775.00</b>					
01-102	CHP2CXXC	965.00 t0386036	787.00 rent	775.00	720.00	0.00 5/25/2022	5/31/2024	5/31/2024	0.00
			<b>Total</b>	<b>775.00</b>					
01-103	CHP2FXXA	970.00 t0388850	846.00 rent	855.00	810.00	0.00 8/15/2022	8/31/2024		0.00
			<b>Total</b>	<b>855.00</b>					
01-104	CHP2FXXA	970.00 t0381118	846.00 rentins	11.00	350.00	0.00 11/9/2021	11/30/2024		34.47
			rent	855.00					
			<b>Total</b>	<b>866.00</b>					
01-105	CHP2FXXA	970.00 t0401119	846.00 rent	875.00	875.00	0.00 12/8/2023	9/30/2024		-193.00
			rentins	11.00					
			<b>Total</b>	<b>886.00</b>					
01-106	CHP1CXXA	660.00 hi7mp010	719.00 rent	725.00	250.00	0.00 5/1/1997	10/31/2024		0.00
			<b>Total</b>	<b>725.00</b>					
01-107	CHP2CXXC	935.00 t0392416	787.00 rent	222.00	760.00	0.00 2/15/2023	3/31/2025		-874.76
			rentsub	538.00					
			<b>Total</b>	<b>760.00</b>					
01-108	CHP2CXXC	965.00 t0401563	812.00 rentins	11.00	840.00	0.00 12/28/2023	10/31/2024		-10.00
			rent	840.00					
			<b>Total</b>	<b>851.00</b>					
01-201	CHP2CXXC	965.00 ti046650	782.00 rent	770.00	300.00	0.00 9/1/2006	8/31/2024		120.00
			<b>Total</b>	<b>770.00</b>					
01-202	CHP2CXXC	935.00 t0397118	782.00 rent	830.00	830.00	0.00 7/1/2023	6/30/2024		-862.88
			<b>Total</b>	<b>830.00</b>					

### Rent Roll with Lease Charges

Brownstone (flbrow01)

As Of = 12/31/2023

Month Year = 12/2023

Unit	Unit Type	Unit Resident	Market Charge	Amount	Resident	Other Move In	Lease	Move Out	Balance
		Sq Ft	Rent Code		Deposit	Deposit	Expiration		
01-203	CHP2FXXA	970.00 VACANT	841.00	0.00	0.00	0.00			0.00
			<b>Total</b>	<b>0.00</b>					
01-204	CHP2FXXA	970.00 ti360110	841.00 rentins	11.00	350.00	0.00 8/1/2019	8/31/2024		-21.00
			rent	840.00					
			<b>Total</b>	<b>851.00</b>					
01-205	CHP2FXXA	970.00 t0378006	841.00 rent	830.00	350.00	0.00 6/29/2021	7/31/2024	4/30/2024	0.00
			<b>Total</b>	<b>830.00</b>					
01-206	CHP2FXXA	970.00 t0397962	841.00 rent	850.00	850.00	0.00 8/4/2023	8/31/2024		0.00
			rentins	11.00					
			<b>Total</b>	<b>861.00</b>					
01-207	CHP2CXXC	965.00 ti371453	807.00 rent	700.00	550.00	0.00 11/2/2020	6/30/2022		0.00
			rentins	11.00					
			<b>Total</b>	<b>711.00</b>					
01-208	CHP2CXXC	965.00 t0394984	782.00 rent	830.00	830.00	0.00 5/12/2023	5/31/2024	5/31/2024	0.00
			<b>Total</b>	<b>830.00</b>					
01-301	CHP2CXXC	965.00 t0382077	787.00 rent	755.00	695.00	0.00 12/16/2021	12/31/2024		0.00
			<b>Total</b>	<b>755.00</b>					
01-302	CHP2CXXC	935.00 t0398015	787.00 rent	835.00	835.00	0.00 9/2/2023	9/30/2024		124.06
			rentins	11.00					
			<b>Total</b>	<b>846.00</b>					
01-303	CHP2FXXA	970.00 t0393917	846.00 rent	855.00	855.00	0.00 5/1/2023	4/30/2024	4/30/2024	-427.50
			rentins	11.00					
			<b>Total</b>	<b>866.00</b>					
01-304	CHP2FXXA	970.00 ti363419	846.00 rents	314.00	550.00	0.00 1/2/2020	5/31/2024		80.00
			sub	491.00					
			rent						
			<b>Total</b>	<b>805.00</b>					



## Rent Roll with Lease Charges

Brownstone (flbrow01)

As Of = 12/31/2023

Month Year = 12/2023

Unit	Unit Type	Unit Resident	Market Charge	Amount	Resident	Other Move In	Lease	Move Out	Balance
		Sq Ft	Rent Code		Deposit	Deposit	Expiration		
01-305	CHP2FXXA	970.00 ti363161	846.00 rent	790.00	550.00	0.00 11/30/2019	12/31/2023		0.00
			rentins	11.00					
			<b>Total</b>	<b>801.00</b>					
01-306	CHP2FXXA	970.00 ti368177	846.00 rent	820.00	350.00	0.00 7/1/2020	7/31/2024		1.42
			<b>Total</b>	<b>820.00</b>					
01-307	CHP2CXXC	965.00 ti375334	787.00 rent	775.00	350.00	0.00 6/3/2021	6/30/2024		-775.00
			<b>Total</b>	<b>775.00</b>					
01-308	CHP2CXXC	965.00 ti375538	787.00 rent	750.00	350.00	0.00 5/1/2021	4/30/2024	3/31/2024	0.00
			<b>Total</b>	<b>750.00</b>					
02-101	CHP2CXXC	935.00 VACANT	812.00	0.00	0.00	0.00			0.00
			<b>Total</b>	<b>0.00</b>					
02-102	CHP2CXXC	935.00 t0394419	812.00 rent	860.00	860.00	0.00 5/30/2023	5/31/2024	6/30/2024	0.00
			<b>Total</b>	<b>860.00</b>					
02-103	CHP1CXXA	660.00 t0390394	719.00 rent	745.00	0.00	0.00 10/10/2022	10/31/2023	2/29/2024	-747.72
			rentmtm	125.00					
			<b>Total</b>	<b>870.00</b>					
02-104	CHP0CXXA	392.00 t0386557	584.00 rent	625.00	1,160.00	0.00 7/1/2022	6/30/2024	6/30/2024	0.00
			<b>Total</b>	<b>625.00</b>					
02-105	CHP1CXXB	660.00 t0392156	719.00 rentins	11.00	655.00	0.00 1/20/2023	1/31/2024	1/31/2024	160.00
			rent	195.00					
			rentsub	460.00					
			<b>Total</b>	<b>666.00</b>					
02-106	CHP1CXXA	660.00 t0386332	719.00 rent	700.00	645.00	0.00 6/3/2022	6/30/2024	5/31/2024	-700.00
			<b>Total</b>	<b>700.00</b>					

### Rent Roll with Lease Charges

Brownstone (flbrow01)

As Of = 12/31/2023

Month Year = 12/2023

Unit	Unit Type	Unit Resident	Market Charge	Amount	Resident	Other Move In	Lease	Move Out	Balance
		Sq Ft	Rent Code		Deposit	Deposit	Expiration		
02-107	CHP2CXXC	935.00 VACANT	812.00	0.00	0.00	0.00			0.00
			<b>Total</b>	<b>0.00</b>					
02-108	CHP2CXXC	935.00 t0398771	812.00 rent	805.00	350.00	0.00 10/25/2017	8/31/2024		73.00
			rentins	11.00					
			<b>Total</b>	<b>816.00</b>					
02-201	CHP2CXXC	935.00 t0399143	807.00 rent	845.00	845.00	0.00 9/8/2023	8/31/2024		0.00
			rentins	11.00					
			<b>Total</b>	<b>856.00</b>					
02-202	CHP2CXXC	935.00 ti019441	807.00 rentins	11.00	300.00	0.00 4/1/2003	7/31/2024		-796.00
			rent	785.00					
			<b>Total</b>	<b>796.00</b>					
02-203	CHP1CXXA	660.00 t0399490	714.00 rent	715.00	715.00	0.00 10/1/2023	8/31/2024		0.00
			rentins	11.00					
			<b>Total</b>	<b>726.00</b>					
02-204	CHP1CXXA	660.00 ti247993	714.00 rent	720.00	300.00	0.00 10/1/2009	11/30/2024		0.00
			<b>Total</b>	<b>720.00</b>					
02-205	CHP1CXXA	660.00 hi9ss612	714.00 rent	680.00	250.00	250.00 8/1/1999	7/31/2024		49.87
			rentins	11.00					
			<b>Total</b>	<b>691.00</b>					
02-206	CHP1CXXA	660.00 t0378907	714.00 rentins	11.00	350.00	0.00 8/6/2021	6/30/2024		0.00
			rent	54.00					
			rentsub	636.00					
			<b>Total</b>	<b>701.00</b>					
02-207	CHP2CXXC	935.00 ti362025	807.00 petrent	25.00	350.00	0.00 10/11/2019	11/30/2024		25.00
			rent	820.00					
			<b>Total</b>	<b>845.00</b>					

## Rent Roll with Lease Charges

Brownstone (flbrow01)

As Of = 12/31/2023

Month Year = 12/2023

Unit	Unit Type	Unit Resident	Market Charge	Amount	Resident	Other Move In	Lease	Move Out	Balance
		Sq Ft	Rent Code		Deposit	Deposit	Expiration		
02-208	CHP2CXXC	935.00 t0387871	807.00 rentins rent	11.00 800.00	740.00	0.00 7/8/2022	7/31/2024		0.00
			<b>Total</b>	<b>811.00</b>					
02-301	CHP2CXXC	935.00 ti361934	812.00 petrent rent	25.00 830.00	350.00	0.00 10/21/2019	5/31/2024	5/31/2024	-855.00
			<b>Total</b>	<b>855.00</b>					
02-302	CHP2CXXC	935.00 t0385084	812.00 rent	775.00	720.00	0.00 5/27/2022	5/31/2024		-50.00
			<b>Total</b>	<b>775.00</b>					
02-303	CHP1CXXA	660.00 t0397449	719.00 rentsu rent	550.00 175.00	725.00	0.00 9/30/2023	9/30/2024		-64.08
			<b>Total</b>	<b>725.00</b>					
02-304	CHP1CXXA	660.00 ti255464	719.00 rent	690.00	300.00	0.00 9/1/2010	8/31/2024		0.00
			<b>Total</b>	<b>690.00</b>					
02-305	CHP1CXXA	660.00 t0379902	719.00 rentins rent	11.00 780.00	300.00	0.00 9/3/2021	3/31/2024		-888.47
			<b>Total</b>	<b>791.00</b>					
02-306	CHP1CXXA	660.00 t0395430	719.00 rent	725.00	725.00	0.00 5/30/2023	5/31/2024		0.00
			<b>Total</b>	<b>725.00</b>					
02-307	CHP2CXXC	935.00 t0378541	812.00 rent	795.00	350.00	0.00 7/29/2021	8/31/2024		-105.00
			<b>Total</b>	<b>795.00</b>					
02-308	CHP2CXXC	935.00 ti369220	812.00 rent	800.00	350.00	0.00 7/31/2020	7/31/2024		0.00
			<b>Total</b>	<b>800.00</b>					
03-101	CHP2CXXA	935.00 ti369639	852.00 rentins rent	11.00 735.00	500.00	0.00 8/26/2020	8/31/2024		-132.00
			<b>Total</b>	<b>746.00</b>					

### Rent Roll with Lease Charges

Brownstone (flbrow01)

As Of = 12/31/2023

Month Year = 12/2023

Unit	Unit Type	Unit Resident	Market Charge	Amount	Resident	Other Move In	Lease	Move Out	Balance	
		Sq Ft	Rent Code		Deposit	Deposit	Expiration			
03-102	CHP2CXXC	935.00 ti341081	812.00 rent	805.00	350.00	0.00	10/31/2017	12/31/2024	-93.78	
			<b>Total</b>	<b>805.00</b>						
03-103	CHP2CXXD	860.00 t0387810	827.00 rent	810.00	750.00	0.00	7/14/2022	7/31/2024	0.00	
			<b>Total</b>	<b>810.00</b>						
03-104	CHP2CXXB	860.00 t0393235	827.00 rent	650.00	835.00	0.00	3/20/2023	3/31/2024	1/31/2024	-128.00
			stlease	75.00						
			rentins	11.00						
			<b>Total</b>	<b>736.00</b>						
03-105	CHP2CXXD	860.00 t0394556	852.00 rent	860.00	860.00	0.00	4/22/2023	5/31/2025	-860.00	
			<b>Total</b>	<b>860.00</b>						
03-106	CHP1CXXA	660.00 t0395688	719.00 rent	725.00	725.00	0.00	6/2/2023	6/30/2024	0.00	
			<b>Total</b>	<b>725.00</b>						
03-107	CHP2CXXC	935.00 t0392789	812.00 rent	760.00	760.00	0.00	3/1/2023	3/31/2025	0.00	
			<b>Total</b>	<b>760.00</b>						
03-108	CHP2CXXC	935.00 ti023540	812.00 rent	785.00	300.00	0.00	10/1/2003	5/31/2024	-785.00	
			<b>Total</b>	<b>785.00</b>						
03-201	CHP2CXXC	935.00 t0400852	807.00 rent	830.00	830.00	0.00	12/8/2023	1/31/2025	-387.00	
			rentins	11.00						
			<b>Total</b>	<b>841.00</b>						
03-202	CHP2CXXC	935.00 ti366939	807.00 rentins	11.00	550.00	0.00	7/1/2020	12/31/2024	-15.00	
			rent	715.00						
			<b>Total</b>	<b>726.00</b>						
03-203	CHP2CXXD	906.00 t0378809	847.00 rent	795.00	350.00	0.00	7/26/2021	7/31/2024	-795.00	
			<b>Total</b>	<b>795.00</b>						
03-204	CHP2CXXD	906.00 ti376813	847.00 rent	785.00	350.00	0.00	6/15/2021	6/30/2024	0.00	

### Rent Roll with Lease Charges

Brownstone (flbrow01)

As Of = 12/31/2023

Month Year = 12/2023

Unit	Unit Type	Unit Resident	Market Charge	Amount	Resident	Other Move In	Lease	Move Out	Balance
		Sq Ft	Rent Code		Deposit	Deposit	Expiration		
				<b>Total</b>	<b>785.00</b>				
03-205	CHP2CXXD	906.00 ti264713	822.00 rentins	11.00	300.00	0.00 5/24/2011	5/31/2024		218.00
			petrent	20.00					
			rent	785.00					
				<b>Total</b>	<b>816.00</b>				
03-206	CHP2CXXD	906.00 t0382256	822.00 rentins	11.00	700.00	0.00 12/8/2021	8/31/2024		0.00
			rent	830.00					
				<b>Total</b>	<b>841.00</b>				
03-207	CHP2CXXC	935.00 ti335213	807.00 rentins	11.00	350.00	0.00 6/1/2017	7/31/2024		-26.00
			rent	780.00					
				<b>Total</b>	<b>791.00</b>				
03-208	CHP2CXXC	935.00 t0388160	807.00 rent	800.00	740.00	0.00 7/20/2022	10/31/2024		0.00
			stlease	50.00					
				<b>Total</b>	<b>850.00</b>				
03-301	CHP2CXXC	935.00 t0390749	812.00 rentins	11.00	740.00	0.00 10/22/2022	10/31/2023	3/31/2024	215.00
			rent	860.00					
			rentmtm	125.00					
				<b>Total</b>	<b>996.00</b>				
03-302	CHP2CXXC	935.00 t0398770	812.00 rentins	11.00	710.00	0.00 2/10/2022	4/30/2025		0.00
			rent	760.00					
			rentins	11.00					
				<b>Total</b>	<b>782.00</b>				
03-303	CHP2CXXD	860.00 t0388914	827.00 rent	785.00	740.00	0.00 8/11/2022	8/31/2024		0.00
				<b>Total</b>	<b>785.00</b>				
03-304	CHP2CXXD	860.00 ti374613	852.00 rent	715.00	350.00	0.00 3/27/2021	1/31/2023	1/31/2024	629.00
			rentins	11.00					
				<b>Total</b>	<b>726.00</b>				

### Rent Roll with Lease Charges

Brownstone (flbrow01)

As Of = 12/31/2023

Month Year = 12/2023

Unit	Unit Type	Unit Resident	Market Charge	Amount	Resident	Other Move In	Lease	Move Out	Balance
		Sq Ft	Rent Code		Deposit	Deposit	Expiration		
03-305	CHP2CXXD	860.00 t0384766	852.00 rentins	11.00	700.00	0.00	4/6/2022	7/31/2024	0.00
			rent	750.00					
			<b>Total</b>	<b>761.00</b>					
03-306	CHP2CXXD	860.00 ti350431	852.00 rentins	11.00	350.00	0.00	8/7/2018	8/31/2024	0.00
			rent	765.00					
			<b>Total</b>	<b>776.00</b>					
03-307	CHP2CXXC	935.00 t0396717	812.00 rent	483.00	860.00	0.00	6/28/2023	6/30/2024	0.00
			rentsub	377.00					
			<b>Total</b>	<b>860.00</b>					
03-308	CHP2CXXC	935.00 ti279739	812.00 rent	780.00	300.00	0.00	11/13/2012	11/30/2018	-50.00
			rentmtm	125.00					
			<b>Total</b>	<b>905.00</b>					
		<b>Total</b>	<b>57,386.00</b>	<b>54,696.00</b>	<b>39,260.00</b>	<b>250.00</b>			<b>-8,912.37</b>

Summary Groups	Square Footage	Market Rent	Lease Charges	Security Deposit	Other Deposits	# Of Units	% Unit Occupancy	% Sqft Occupied	Balance
Current/Notice/Vacant Resident/Future	63,216.00	57,386.00	54,696.00	39,260.00	250.00	72	95.83	95.50	-8,912.37
Resident/Annulr	0.00	0.00	0.00	0.00	0.00	0			0.00
Occupied Units	60,376.00	54,921.00				69	95.83	95.50	
Total Non Rev	0.00	0.00				0	0.00	0.00	
Total Vacant Units	2,840.00	2,465.00				3	4.16	4.49	
<b>Totals:</b>	<b>63,216.00</b>	<b>57,386.00</b>	<b>54,696.00</b>	<b>39,260.00</b>	<b>250.00</b>	<b>72</b>	<b>100.00</b>	<b>100.00</b>	<b>-8,912.37</b>

Summary of Charges by Charge Code	Amount
rent	50910
rentins	341

### Rent Roll with Lease Charges

Brownstone (fbrow01)

As Of = 12/31/2023

Month Year = 12/2023

Unit	Unit Type	Unit Resident	Market Charge	Amount	Resident	Other Move In	Lease	Move Out	Balance
		Sq Ft	Rent Code		Deposit	Deposit	Expiration		
rentsub		2875							
rentmtm		375							
petrent		70							
stlease		125							
<b>Total</b>		<b>54,696.00</b>							

**Brownstone**

Property was originally purchased for 4,284,000 in 2021 and appraised at 4,350,000 (attached). Southgate Apartments, located nearby is currently assessed at 61k per door.

As secondary support, income from the property does not support valuation of property based on current market values in 2023 (attached).

Requesting 59,500 per door assessment reflecting current market values in 2023 and based on acquisition and appraisal support.