



Certificate of Need Program



LETTER OF INTENT

1. Project Information (Attach additional pages as necessary to identify multiple project sites.)

Title of Proposed Project (Name of existing or proposed facility) County
Project Address (Street/City/State/Zip Code or Latitude and Longitude with City/State/Zip Code if no assigned address)

2. Applicant Identification (Attach additional pages as necessary to list all owners and operators.)

List All Owner(s): (List corporate entity.) Address (Street/City/State/Zip Code) Telephone Number

Table with 3 columns: Owner Name, Address, Telephone Number

List All Operator(s): (List entity to be licensed or certified.) Address (Street/City/State/Zip Code) Telephone Number

Table with 3 columns: Operator Name, Address, Telephone Number

3. Type of Review 4. Project Description (Information should be brief but sufficient to understand scope of project.)

Full Review: New Hospital, New/Add LTC Beds*, New/Add LTCH Beds/Eqpt., New/ Additional Equipment
Expedited Review: 6-mile RCF/ALF Replacement, 15-mile LTC Replacement, 30-mile LTC Replacement, LTC Bed Expansion, LTC Renov./Modernization, Equipment Replacement previously approved, Equipment Replacement not previously approved
Non-Applicability Review: (See 7. Applicability next page)
Key: LTC = Long-Term Care; LTCH = Long-Term Care Hospital; RCF/ALF = Residential Care Facility/Assisted Living Facility

5. Estimated Project Cost: \$

6. Authorized Contact Person Identification (List only one person who would be the main contact person for the project)

Name of Contact Person Title
Contact Person Address (Company/Street/City/State/Zip Code)
Telephone Number Fax Number E-mail Address
Signature of Contact Person Date of Signature



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7. Applicability (Check the box below to indicate the rationale for the exemption or waiver being sought.)

A Proposed Expenditure form (MO 580-2375) is required even if the project cost is "\$0".

- If proposed expenditures are **less than the minimums** in §197.305(6), attach supporting documentation to illustrate how each of those amounts were determined, such as schematic drawings, equipment quotes, and contractor estimates.
- §197.305(9)(e) for additional long term care beds in the same category (certified as RCF/ALF, ICF or SNF) in a RCF/ALF, nursing home, or acute care hospital costing less than \$600,000, and are 10 beds or 10% of that facility's existing capacity, whichever is less. The facility must have had no patient care class I deficiencies within the last 18 months and has maintained at least an 85% average occupancy rate for the previous 6 quarters.

If the proposal meets one of the **exemptions** or **exceptions** below, then check the appropriate box, and attach detailed documentation substantiating compliance with the statutory provisions as set out in Rule 19 CSR 60-50.410:

- §197.312 for an RCF/ALF previously owned and operated by the city of St. Louis; or
- If the proposal meets the definition of **"nonsubstantive projects"** in §197.305(10) and 19 CSR 60-50.300(13) for a **waiver** from review, complete both pages of this form as the first step in the process, and provide the rationale as to why the proposal should be deemed to be "nonsubstantive" in the space below.
- If the proposal meets the definition of **"purchase"** or **"replacement"** in §197.318(4) and 19 CSR 60-50.450(4) for an **exception** from review, complete both pages of this form, and provide the rationale in the space below, including attached schematics and other documentation as to why the proposal should be deemed to be "nonapplicable".

Explain the rationale for the non-applicability letter request.



Certificate of Need Program

PROPOSED EXPENDITURES

(Completed for non-applicability letter requests.)

CAPITAL COSTS:

Dollars

(Round cost up to the nearest dollar and fill every line even if the amount is "\$0".)

Description

- 1. New Construction Costs _____
- 2. Renovation Costs _____
- 3. Architectural/Engineering Fees _____
- 4. Equipment (not in construction contract) _____
- 5. Land Acquisition Costs _____
- 6. Consultants' Fees/Legal Fees _____
- 7. Interest During Construction (net of interest earned) _____
- 8. Other Costs (describe what this includes) _____
- 9. **Total Capital Costs** (sum of #1 thru #8) _____

MEDICAL EQUIPMENT COSTS:

Dollars

(Fill in every line even if the amount is "\$0".)

Description

- 10. Equipment (fixed and movable) _____
- 11. Shielding (if not included in equipment bid quote) _____
- 12. Installation (if not included in equipment bid quote) _____
- 13. Software (if not included in equipment bid quote) _____
- 14. Other (describe what this includes) _____
- 15. **Total Medical Equipment Costs** (sum of #10 thru #14) _____

MO 580-2375 (09/12)

Attach additional page(s) detailing how each line item was determined, including all methods and assumptions used. Provide documentation of all major costs.

Provide documentation in the form of construction bids, quotes, price list, appraisal, option to purchase, etc.

STATE OF MISSOURI



John R. Ashcroft
Secretary of State

CERTIFICATE OF ORGANIZATION

WHEREAS,

ST LOUIS RECOVERY HOSPITAL LLC
LC014533888

filed its Articles of Organization with this office on the 13th day of March, 2024, and that filing was found to conform to the Missouri Limited Liability Company Act.

NOW, THEREFORE, I, John R. Ashcroft, Secretary of State of the State of Missouri, do by virtue of the authority vested in me by law, do certify and declare that on the 13th day of March, 2024, the above entity is a Limited Liability Company, organized in this state and entitled to any rights granted to Limited Liability Companies.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri.
Done at the City of Jefferson, this 13th day of March, 2024.


Secretary of State





State of Missouri
John R. Ashcroft, Secretary of State
 Corporations Division
 PO Box 778 / 600 W. Main St., Rm. 322
 Jefferson City, MO 65102

LC014533888
Date Filed: 3/13/2024
John R. Ashcroft
Missouri Secretary of State

Articles of Organization

(Submit with filing fee of \$105.00)

1. The name of the limited liability company is
ST LOUIS RECOVERY HOSPITAL LLC

(Must include "Limited Liability Company," "Limited Company," "LC," "L.C.," "LLC.," or "LLC")

2. The purpose(s) for which the limited liability company is organized:

Healthcare

3. The name and address of the limited liability company's registered agent in Missouri is:

VCORP AGENT
 SERVICES, INC.

120 S Central Ave Ste 400

Clayton, MO 63105

Name

Street Address: May not use PO Box unless street address also provided

City/State/Zip

4. The management of the limited liability company is vested in: managers members *(check one)*

5. The events, if any, on which the limited liability company is to dissolve or the number of years the limited liability company is to continue, which may be any number or perpetual: Perpetual

(The answer to this question could cause possible tax consequences, you may wish to consult with your attorney or accountant)

6. The name(s) and street address(es) of each organizer *(PO box may only be used in addition to a physical street address):*

(Organizer(s) are not required to be member(s), manager(s) or owner(s))

Name

Address

City/State/Zip

Friedman, Eliezer

850 Towbin Ave

Lakewood NJ 08701-5928

7. Series LLC (OPTIONAL) Pursuant to Section 347.186, the limited liability company may establish a designated series in its operating agreement. The names of the series must include the full name of the limited liability company and are the following:

New Series:

The limited liability company gives notice that the series has limited liability.

New Series:

The limited liability company gives notice that the series has limited liability.

New Series:

The limited liability company gives notice that the series has limited liability.

(Each separate series must also file an Attachment Form LLC 1A.)

Name and address to return filed document:	
Name:	<u>Vcorp Services</u>
Address:	<u>Email: filings@vcorpserices.com</u>
City, State, and Zip Code:	_____

8. Principal Office Address (OPTIONAL) of the limited liability company (PO Box may only be used in addition to a physical street address):

Address (PO Box may only be used in conjunction with a physical street address)

City/State/Zip

9. The effective date of this document is the date it is filed by the Secretary of State of Missouri unless a future date is otherwise indicated: _____

(Date may not be more than 90 days after the filing date in this office)

In Affirmation thereof, the facts stated above are true and correct:

(The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040, RSMo)

All organizers must sign:

Eliezer Friedman
Organizer Signature

ELIEZER FRIEDMAN
Printed Name

03/13/2024
Date of Signature

<u>Category</u>	<u>Item</u>	<u>Count</u>	<u>Source</u>	<u>Amount</u>	<u>Category Subtotal</u>	<u>Total</u>
Architecture/Engineering Fees						
	Appraisal		JLL	\$3,500.00		
	Building Floor Plan		Gutt Van	\$5,261.00		
					\$8,761.00	
Furniture						
	Beds	41	Medline	\$19,900.00		
	Room Chairs	41	Medline	\$3,570.00		
	Staff Chairs	41	Medline	\$15,366.00		
	Patient Tables	41	Medline	\$1,777.00		
					\$40,613.00	
Computer Hardware/Software						
	Computers and Printers		SA Hospital Acquisition Group, LLC	\$10,000.00		
	HR Software		Bamboo HR	\$8,000.00		
	EHR System		Oracle	\$270,418.00		
					\$288,418.00	
Land Acquisition						
	Lease		JLL	\$230,000.00		
					\$230,000.00	
Consultant's Fees/Legal Fees						
	Legal Fees		Spencer Fane LP	\$100,000.00		
	Lobbyist Fees		Gamble & Schlemeier	\$60,000.00		
					\$160,000.00	
Miscellaneous						
	IT Implementation			\$20,000.00		
	Signage			\$10,000.00		
					\$30,000.00	
Medical Equipment						
	Automated BP Cuffs	4	Medline	\$120.00		
	Thermometers	4	Medline	\$230.00		
	Pulse Oximeter	5	Medline	\$94.00		
	Stethoscope	10	Medline	\$355.00		
	EKG	1	Medline	\$4,794.00		
	Wheelchairs	10	Medline	\$1,552.00		
	Stretchers	3	Medline	\$13,111.00		
	IV Poles and Infusion Pumps	5	Medline	\$253.00		
	Lockable Medication Cabinets	1	Medline	\$943.00		
	Glucometers	2	Medline	\$26.00		
					\$21,478.00	
Total Cost						\$779,270.00

JLL VALUE AND RISK ADVISORY

Engagement Agreement

July 25, 2024

Mark Bursztyn

Director of Operations

Lion Health System

85 Towbin Ave, Lakewood, NJ 08701

mark@lhsus.com

Dear Mr. Bursztyn,

We are pleased to provide this contract for services:

Property identification	South City Hospital
Property address	3933 S Broadway, St. Louis, MO 63118 (1 st and 5 th Floors)
Property interest	Fee Simple
Interest appraised	Fee Simple
Purpose	Fair Market Value
Intended user(s)	Lion Health System; Missouri Department of Health and Senior Service
Intended use	Establish fair market value for purpose of certificate of need application
Value provided	As Is
Appraisal standards	USPAP
Property inspection	Full Inspection
Valuation approaches	All applicable approaches to value
Report option	Appraisal Report
Fee	\$3,500
Expenses	All inclusive
Retainer	Full 100% retainer required
Delivery date	2-3 weeks from receipt of executed engagement letter

A PDF of the report(s) will be delivered to the client contact identified in this engagement agreement.

Hard copies available upon request.

JLL's Value and Risk Advisory platform leverages the firm's global experience and deep knowledge of local real estate markets to provide industry-leading valuation, market analytics and advisory services to a wide range of clients. We offer the highest quality market insights and property valuations to help our clients make optimal business decisions and manage risk. JLL Value and Risk Advisory is comprised of over 2,000 valuation experts and 146 offices globally.

This engagement letter is subject to the General Terms and Conditions attached to this letter as Exhibit A, the Statement of Assumptions and Limiting Conditions attached to this letter as Exhibit B.

Upon your acceptance of this Agreement, we will introduce the team completing the assignment, provide our information request and coordinate a property tour, if applicable. Per USPAP, we are required to analyze any current purchase for the subject property and request that copies of these, or a term sheet be provided with other applicable information.

06/23/24



We appreciate the opportunity to be of service.

Sincerely,

JLL VALUATION & ADVISORY SERVICES, LLC

Bryan Lockard, MRICS
Executive Managing Director
Head of Healthcare & Alternative Real Estate

AGREED AND ACCEPTED BY

Client company:

_____ Signature	_____ Date
_____ Printed Name	_____ Email Address
_____ Title	_____ Phone Number

Contact for data and site visit:

_____ Printed Name	_____ Email Address
_____ Company	_____ Phone Number

Deliver to (if different than client):

_____ Printed Name	_____ Email Address
_____ Company	_____ Phone Number

Invoice to (if different than client):

_____ Name	_____ Company
_____ Street Address	_____ City, ST, Zip
_____ Email Address	_____ Phone Number

RETAINER INSTRUCTIONS

We appreciate your business!

Tax ID: 81-3802842

To expedite service, we prefer retainers are sent via wire:

- 1. Wire instructions:**
Account name: JLL Valuation & Advisory Services
BMO Harris Bank N.A. IL United States
Account number: 304-440-1
ABA#: 071000288
Bank address:
BMO Harris Bank N.A.
PO Box 71893
Chicago, IL 60694-1893

If necessary, you can mail checks to:

- 2. Mail check to:**
BMO Harris Bank N.A.
PO Box 71893
Chicago, IL 60694-1893
United States

If you plan to mail the retainer check, please make sure it is sent ONLY to the lockbox instructions above and not to any JLL office.

Important! Please include "RETAINER CHECK" and the property/portfolio name, and/or property address so we can easily identify and match to your assignment. This will help us expedite processing. Thank you.

Exhibit A**Terms and Conditions****1. INTRODUCTION**

- 1.1 These Terms and Conditions supplement the proposal, agreement, letter of engagement or email (the "engagement") between JLL Valuation and Advisory Services, LLC and the Client indicated in the engagement that sets out details of the Services to be provided to the Client. All capitalized terms in this exhibit have the meanings given to them in the engagement unless given a different meaning in this exhibit. These Terms and Conditions, together with the engagement and all other exhibits, schedules and riders to the engagement, are collectively called the "agreement".

2. SERVICES

- 2.1 We will provide the Services using reasonable care and skill.
- 2.2 We may make changes to the Services if necessary to comply with any law or safety requirement. We will notify you if that happens. Otherwise, each of us must agree in writing to any changes to the Services, the Fees, or any other provision of the agreement.
- 2.3 We may use electronic communication and systems, including a digital dashboard, to provide the Services. Any necessary software not generally available will be made accessible to you while you are a client of ours under this Agreement. It is hereby agreed between us that the final signed report delivered pursuant to this Agreement shall serve as the sole, authoritative source of information, on which all reliance should be based. Any additional sharing of values or content from the report through any technology platform, including any digital platform, is intended for the sole purpose of improving our service delivery and convenience. We may implement future updates to our technology platforms and digital dashboards in order to enhance our service delivery.
- 2.4 We may use artificial intelligence, including generative artificial intelligence, when providing the Services.

3. CLIENT OBLIGATIONS

- 3.1 You agree to give us all documents and other information that we advise you are reasonably necessary for us to provide the Services.
- 3.2 You will maintain adequate property and public liability insurance to reasonably insure property that you own or occupy and any activities on that property. You will obtain all necessary licenses, permissions and consents which may be required to enable us to perform the Services (other than professional licenses that we are required to maintain to perform the Services). You are responsible to keep your property in a safe condition so that we may perform the Services in reasonable safety.
- 3.3 You will notify us promptly if you believe any information you have provided is incomplete or inaccurate.

4. DELAY

We are not responsible for any delay in our performance of the Services if caused by any event beyond our reasonable control, or for any delay caused by your failure to comply with the agreement.

5. FEES, EXPENSES AND PAYMENT

- 5.1 Our fee in its entirety is earned upon delivery of the first report. We will invoice you at time of delivery for any outstanding balance.
- 5.2 You agree that your obligation to pay the Fee is not contingent upon the results, conclusions or recommendations we provide.
- 5.3 If we are asked to invoice any other party, you agree to settle our invoice immediately if the other party does not do so within 30 days of the date of the invoice.
- 5.4 Delinquent payments under the agreement will earn interest at the rate of one and one-half percent (1-1/2%) per month from the date due until paid, or if lower, the maximum rate permitted by law. If the Fee or any part of it remains unpaid 30 days after it was due, you may not use any report or work product we have delivered to you for any reason.
- 5.5 If you terminate this agreement before the Services are completed, you will pay us, no later than the termination date, a reasonable fee proportionate to the part of the Services performed to the date of termination.

- 5.6 Our rights under Section 5.3 and 5.4 are in addition to, and will not limit, our right to pursue any other rights and remedies under the agreement or at law or in equity.

6. INDEMNITY

You agree to indemnify and defend us and hold us harmless from any loss, liability or expense (including attorneys' fees) arising from a third-party action, claim or proceeding ("Loss") that we suffer arising out of the agreement or the Services, other than Loss that a court of competent jurisdiction has determined was the result of our negligence or willful misconduct. We agree to indemnify and defend you and hold you harmless from any Loss that you suffer arising out of our negligent performance of Services under the agreement, other than Loss that is found by a court of competent jurisdiction to result from your negligence or willful misconduct.

7. EXCLUSIONS OF, AND LIMITATIONS ON, LIABILITY

- 7.1 **EACH OF US WAIVES ANY CLAIMS AGAINST THE OTHER FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THE AGREEMENT. IN NO EVENT SHALL OUR LIABILITY IN CONNECTION WITH THE AGREEMENT EXCEED THE FEE PAID TO US HEREUNDER.**

8. TERMINATION

- 8.1 Either of us may terminate the agreement without reason by giving 30 days' advance written notice to the other.
- 8.2 Either of us may terminate the agreement immediately if the other breaches the agreement and fails to remedy the breach within 10 days of notice by the non-breaching party.
- 8.3 We may terminate the agreement immediately for any of the following reasons:
- (a) We cannot provide any of the Services due to conditions beyond our reasonable control.
 - (b) In our reasonable opinion, there is insufficient information available to provide a report or other work product that meets our standards.
 - (c) A conflict of interest arises which prevents us from acting for you.
 - (d) You have asked us to provide reports or work product that we do not consider to be accurate.

9. ASSUMPTIONS AND LIMITATIONS

- 9.1 Any report or other work product we deliver as part of the Services will be subject to our standard Statement of Assumptions and Limiting Conditions, provided as an exhibit and as part of the agreement, which will be incorporated into the report or work product.
- 9.2 We understand that you may wish to use the report or other work product we deliver as part of the Services to support your Stark law and Anti-Kickback compliance process. Our reports and work product are appraisals prepared pursuant to Uniform Standards of Professional Appraisal Practice, and do not undertake to evaluate any such compliance. You acknowledge that many factors in addition to property value must be considered to determine Stark or anti-kickback law compliance and agree that any reports and work product we deliver make no opinion or representation that any transaction involving property we appraise is compliant with Stark law or any anti-kickback law.

10. CONFIDENTIALITY

- 10.1 We each agree to maintain the confidentiality of each other's confidential information and will not disclose any information received in confidence from each other, until two years after termination or expiration of the agreement, except where required to do so by law.
- 10.2 Any report or other work product that we deliver to you in connection with the Services is confidential and may be used by only you, unless we agree otherwise in writing.

11. INTELLECTUAL PROPERTY RIGHTS

- 11.1 We retain all copyright (and other intellectual property rights) in all materials, reports, systems and other deliverables which we produce or develop for the purposes of the agreement, or which we use to provide the Services.
- 11.2 You will not reproduce or copy any part of any report or other work product we produce as part of the Services without our prior written consent.
- 11.3 You will grant us a non-exclusive, non-transferable license to use the data you provide to us, and any intellectual property contained therein, for the purpose of anonymizing and aggregating such

data (such that it may be reverse engineered) and using such information for our legitimate business purposes.

12. GENERAL

- 12.1 The agreement may be modified only by a written agreement signed by both of us. Liability accruing before the agreement terminates or expires will survive termination or expiration.
- 12.2 The agreement states the entire agreement, and supersedes all prior agreements, between the parties with respect to the matters described in the agreement.
- 12.3 If a court determines that any part of the agreement is unenforceable, the remainder of the agreement will remain in effect.
- 12.4 The agreement is governed by the laws of the State of Illinois. Each of us irrevocably submits to the exclusive jurisdiction of the courts of that State.
- 12.5 The agreement may be executed in multiple counterparts.
- 12.6 No director, officer, agent, employee, or representative of either of us has any personal liability in connection with the agreement.
- 12.7 Neither of us may assign or transfer any rights or obligations under the agreement without the prior written approval of the other. We each agree to be reasonable in evaluating such a request for approval.
- 12.8 If there is any conflict between the terms of the letter and this exhibit, the terms of the letter will prevail.
- 12.9 If either of us fails to enforce any provision or exercise any right under the Agreement at any time, that failure will not operate as a waiver to enforce that provision or to exercise that right at any other time.
- 12.10 The agreement does not establish any partnership or joint venture between us or make either of us the agent of the other.
- 12.11 A person who is not a party to the agreement does not have any rights to enforce its terms unless specifically agreed in writing.
- 12.12 Neither of us may publicize or issue any specific information to the media about the Services or the agreement without the written consent of the other.
- 12.13 Each of us represents to the other that it is not a person or entity with whom U.S. entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order or other governmental action. Each of us agrees to comply with all applicable laws, statutes, and regulations relating to anti-bribery and anti-corruption.
- 12.14 If either party does not comply with the obligations under the agreement and legal action is commenced to enforce the rights under the agreement, the losing party will reimburse the prevailing party reasonable costs (including attorneys' fees), associated with such action. **THE PARTIES HEREBY WAIVE TRIAL BY JURY.**
- 12.15 Upon request by you, we will provide commercial general liability additional insured coverage to the property owner or its affiliates to the extent a loss is attributable to our negligence.
- 12.16 Sections 5, 6, 7, 10, 11, 12.1, 13, 17 and 18 will survive termination of the agreement.

13. USE OF DATA AND DATA PROTECTION

- 13.1 You agree as follows: (i) The data we collect in connection with the agreement will remain our property. (ii) We and our affiliates may utilize, sell and include data you have provided (either in the aggregate or individually) in our databases and our affiliates and for use in derivative products. (iii) We may utilize all data already in the public domain on an unrestricted basis.
- 13.2 In order for us to provide the Services, we may need to record and maintain in hard copy and/or in electronic form, information regarding the Client, its officers and any other individuals connected with the Client (collectively "Data Subjects"). We may also verify the identity of Data Subjects, which could include carrying out checks with third parties such as credit reference, anti-money laundering or sanctions checking agencies.
- 13.3 We may use all information that we hold regarding Data Subjects to provide the Services. We may also use and share it with third parties for other purposes as described in our Privacy Statement available at www.jll.com. We may use both commercially available and proprietary software programs to perform the Services (web based and others).

14. SPECIAL EXPERTS

- 14.1 If you request our assistance in hiring a special expert to contribute to any assignment (such as a surveyor, environmental consultant, land planner, architect, engineer, business, personal property, machinery and equipment appraiser, among others), you will perform your own due diligence to qualify the special expert. You will be responsible to pay for the services of the special expert.
- 14.2 We are not responsible for the actions and findings of any special expert. You agree to indemnify and defend us and hold us harmless from all damages that may arise out of your reliance on any special expert.

15. CONFLICTS POLICY

We adhere to a strict conflict of interest policy. If we learn of a conflict of interest, we will notify you and recommend a course of action to resolve the conflict. If we learn of a conflict that we do not believe can be resolved, we may terminate the agreement without penalty.

16. FIRREA REQUIREMENTS

Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. Given that requirement, any report produced by us under the agreement, if ordered independent of a financial institution or agent, might not be FIRREA compliant or acceptable to a federally regulated financial institution.

17. USPAP REQUIREMENTS

The Ethics Rule of the Uniform Standards of Professional Appraisal Practice ("USPAP") requires us to disclose to you any prior services (appraisal or otherwise) performed within three years prior to the date of this letter by our individual appraiser who will be performing Services for the Property. We represent that to our knowledge, that we have not provided prior services within the designated disclosure period, outside of what we have identified.

18. USE OF WORK PRODUCT AND RELIANCE

- 18.1 You agree that any report or other work product we produce in connection with the Services are for your use only, and only for the purpose indicated in the agreement. No person or entity other than the Client may use or rely on any such report or work product unless we consent otherwise in writing, even if such reliance is foreseeable. Any person who receives a copy of any report or other work product we produce as a consequence of disclosure requirements that apply to the Client, does not become an intended user of this report unless the Client specifically identified them at the time of the engagement.
- 18.2 You will not use any such report or work product in connection with any public documents. You will not refer to us in any public documents without our prior written consent. We may give or withhold our consent in our sole discretion for any purpose under this Section 18.
- 18.3 Notwithstanding the foregoing, we understand that applicable law in eminent domain proceedings may require you to disclose our reports and work product to landowners and to otherwise make our reports and work product available to the public. To the extent required by applicable law, we consent to such disclosure. However, you and only you, and no such landowner or other person or entity, may rely on our reports or our work product.

19. LITIGATION MATTERS

- 19.1 We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in the agreement or otherwise in writing, or if required by law.
- 19.2 If we receive a subpoena or other judicial command to produce documents or to provide testimony in a lawsuit or proceeding regarding the agreement, we will notify you if allowed by law to do so. However, if we are not a party to these proceedings, you agree to compensate us for our professional time at the then prevailing hourly rates of the personnel responding to the subpoena or providing testimony, and to reimburse us for our actual expenses incurred in responding to any such subpoena or judicial command, including attorneys' fees, if any, as they are incurred.

Exhibit B**Statement of Assumptions and Limiting Conditions**

1. All reports and work product we deliver to you (collectively called "report") represents an opinion of value, based on historical information and forecasts of market conditions. Actual results may vary from those forecasts in the report. There is no guaranty or warranty that the opinion of value reflects the actual value of the property.
2. The conclusions stated in our report apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events. Assessed values may change significantly and unexpectedly over short periods. We are not liable for any conclusions in the report that may be different if there are subsequent changes in value. We are not liable for loss relating to reliance upon our report more than three months after its date.
3. There may be differences between projected and actual results because events and circumstances frequently do not occur as predicted, and those differences may be material. We are not liable for any loss arising from these differences.
4. We are not obligated to predict future political, economic or social trends. We assume no responsibility for economic factors that may affect or alter the opinions in the report if the economic factors were not present as of the date of the letter of transmittal accompanying the report.
5. The report reflects an appraisal of the property free of any liens or encumbrances unless otherwise stated.
6. We assume responsible ownership and competent property management.
7. The appraisal process requires information from a wide variety of sources. We have assumed that all information furnished by others is correct and complete, up to date and can be relied upon, but no warranty is given for its accuracy. We do not accept responsibility for erroneous information provided by others. We assume that no information that has a material effect on our appraisal has been withheld.
8. We assume the following, unless informed to the contrary in writing: Each property has a good and marketable title. All documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other adverse title conditions, which would have a material effect on the value of the interest under consideration. There is no material litigation pending involving the property. All information provided by the Client, or its agents, is correct, up to date and can be relied upon. We are not responsible for considerations requiring expertise in other fields, including but not limited to: legal descriptions, interpretation of legal documents and other legal matters, geologic considerations such as soils and seismic stability, engineering, or environmental and toxic contaminants. We recommend that you engage suitable consultants to advise you on these matters.
9. We assume that all engineering studies correct. The plot plans and illustrative material in the report are included only to help the reader visualize the property.
10. We assume that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. We are not responsible for such conditions or for obtaining the engineering studies that may be required to discover them.
11. We assume that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the report. We have not made or requested any environmental impact studies in conjunction with the report. We reserve the right to revise or rescind any opinion of value that is based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the report assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.

12. Unless otherwise stated in the report, you should assume that we did not observe any hazardous materials on the property. We have no knowledge of the existence of such materials on or in the property; however, we are not qualified to detect such substances, and we are not providing environmental services. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. Our report assumes that there is no such material on or in the property that would cause a loss in value. We do not assume responsibility for such conditions or for any expertise or engineering knowledge required to discover them. We encourage you to retain an expert in this field, if desired. We are not responsible for any such environmental conditions that exist or for any engineering or testing that might be required to discover whether such conditions exist. We are not experts in the field of environmental conditions, and the report is not an environmental assessment of the property.
13. We may have reviewed available flood maps and may have noted in the report whether the property is generally located within or out of an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property. Any opinion of value we include in our report assumes that floodplain and/or wetlands interpretations are accurate.
14. We have not made a specific survey or analysis of the property to determine whether it is in compliance with the Americans with Disabilities Act ("ADA"), Stark law or any anti-kickback laws. We claim no expertise in such issues and render no opinion regarding compliance of you or the property with ADA, Stark law or anti-kickback law or regulations.
15. We assume that the property conforms to all applicable zoning and use regulations and restrictions unless we have identified, described and considered a non-conformity in the report.
16. We assume that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in the report is based.
17. We assume that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
18. We have not made any investigation of the financial standing of actual or prospective tenants unless specifically noted in the report. Where properties are valued with the benefit of leasing, we assume, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the leases, all rent and other amounts payable under the leases have been paid when due, and that there are no undisclosed breaches of the leases.
19. We did not conduct a formal survey of the property and assume no responsibility for any survey matters. The Client has supplied the spatial data, including sketches and/or surveys included in the report, and we assume that data is correct, up to date and can be relied upon.
20. Unless otherwise stated, the opinion of value included in our report excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier. We have made no allowance for any plant, machinery or equipment unless they form an integral part of the building and would normally be included in a sale of the building. We do not normally carry out or commission investigations into the capacity or condition of services being provided to the property. We assume that the services, and any associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.
21. In the case of property where construction work is in progress, such as refurbishment or repairs, or where developments are in progress, we have relied upon cost information supplied to us by the Client or its appointed experts or upon industry accepted cost guides. In the case of property where construction work is in progress, or has recently been completed, we do not make allowance for any

liability already incurred, but not yet discharged, in respect of completed work, or obligations in favor of contractors, subcontractors or any members of the professional or design team. We assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.

22. Any allocation in the report of value between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
23. The report is confidential to the party to whom it is addressed, and those other intended users specified in the report for the specific purpose to which it refers. Use of the report for any other purpose or use by any party not identified as an intended user of the report without our prior written consent is prohibited, and we accept no responsibility for any use of the report in violation of the terms of this Agreement.
24. We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in writing.
25. Neither the whole report, nor any part, nor reference thereto, may be published in any manner without our prior written approval.
26. We may rely on, and will not verify, the accuracy and sufficiency of documents, information and assumptions provided to it by the Client or others. We will not verify documents, information and assumptions derived from industry sources or that we or our affiliates have prepared in the regular course of business. We are not liable for any deficiency in the report arising from the inaccuracy or insufficiency of such information, documents and assumptions. However, our report will be based on our professional evaluation of all such available sources of information.
27. WE ARE NOT LIABLE TO ANY PERSON OR ENTITY FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THIS AGREEMENT. IN NO EVENT SHALL OUR LIABILITY NOR THAT OF OUR AFFILIATES IN CONNECTION WITH THIS AGREEMENT EXCEED THE FEE PAID TO US HEREUNDER.
28. Unless expressly advised to the contrary, we assume that appropriate insurance coverage is and will continue to be available on commercially acceptable terms.
29. We assume that no material changes in any applicable federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
30. We may determine during the course of the assignment that additional Hypothetical Conditions and Extraordinary Assumptions may be required in order to complete the assignment. The Report will be subject to those Hypothetical conditions and Extraordinary Assumptions. Each Person that is permitted to use the report agrees to bound by all the Assumptions and Limiting Conditions and any Hypothetical Conditions and Extraordinary Assumptions stated in the report.

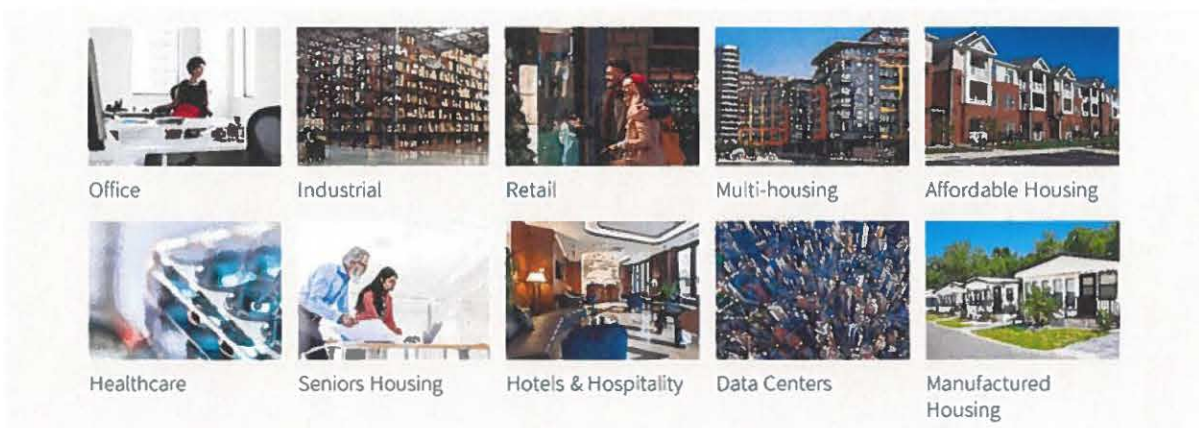
What we do and how we do it

Combining unrivaled experience with unmatched intelligence, we deliver a panoramic view of real estate value and risk for confident, fast investment and lending decisions.

As your trusted advisor of choice, we take a sector-led approach that allows for unrivaled expertise and continuity in every real estate asset class.

Our appraisal services include 3rd-party MAI market valuations, fee simple, leased fee and going concern valuations, quarterly & annual portfolio valuations and Net Asset Valuations (NAV).

Sectors



Services



Appraisals



Market Studies



Property Tax



Complex Analysis & Litigation Support



Environmental & Property Condition



Strategic Advisory



Infrastructure



Compliance



ESG

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New Order

 There are 1 errors in the order, please correct the errors before submit.

Created By: FIRSTNAME LASTNAME

Date: 09/12/2024 11:15:28 AM CDT

Sold To Account: 1303201-VALLEY FORGE MED CTR AND
HOSP

Ship Schedule: Your scheduled shipping day for items from your
primary branch is Wednesday.

Item Subtotal

\$61,107.65

#	SKU	QTY	Unit	Description	F...	C...	Unit Price	Net Value
10	MDS9410	4	1 EA	Sphygmomanometers: Premier Handheld Aneroid Sphygmomanometer, Adult ■ In Stock.		✓	\$30.11	\$120.44
20	MDS9700	4	1 EA	Thermometers: Tympanic Ear Thermometer with Easy Probe Release ■ In Stock.			\$57.56	\$230.24
30	HCSM70J	5	1 EA	Pulse Oximeters: OTC Fingertip Pulse Oximeter ■ In Stock.			\$18.92	\$94.60
40	MDS92250	10	1 EA	Stethoscopes: Elite Adult Stainless Steel Stethoscope, Gray ■ In Stock.			\$35.57	\$355.70
50	MDSECGSE12EXP	1	1 EA	Monitors: SE-12 Express 12-Lead ECG Monitor ■ Limited Availability. Vendor direct.			\$4,794.10	\$4,794.10
60	K1166N22E	10	1 EA	Wheelchairs: 16" Wide K1 Basic Nylon Wheelchair with Swing-Back Desk-Length Arms and Elevating Leg Rests ■ In Stock.		✓	\$155.29	\$1,552.90
70	MPHPT1001	3	1 EA	Stretchers: General Transport Stretcher with 29" Bed Width, Overall Dimensions 83-5/16" Long x 33-9/16", Patient Surface Dimensions 75-7/16" Long x 29-1/8" Wide ■ In Stock. Vendor direct.			\$4,370.42	\$13,111.26
80	MDS80441	5	1 EA	IV Pole: Chrome IV Pole with 2 Hooks and 4 Casters ■ In Stock.			\$50.79	\$253.95
90	HLFWW2761CM	1	1 EA	OR Equipment: Wood Vinyl Coated Aluminum In-Room Medication Storage Cabinet with 40 Punch Card Capacity, Drop Down Shelf, Key Lock and Cherry Mahogany Finish ■ Limited Availability. Vendor direct.			\$943.50	\$943.50
100	MPH4540	2	1 EA	Glucose Meters: EvenCare ProView Blood Glucose Meter ■ In Stock.			\$13.48	\$26.96
110	MDR107002L	40	1 EA	Beds: MedLite Homecare Semi-Electric Bed with 14.5"-22.5" Height Range ■ 34 available now. 6 estimated available in future.		✓	\$485.37	\$19,414.80
120	BOSB9501CS	40	1 EA	Chairs: Boss Guest / Reception / Dining Chair with Rounded Back and Armrests, Black Caressoft Upholstery ■ Limited Availability. Vendor direct. Item BOSB9501CS requires color specs. and must be placed at 1-800-MEDLINE.			\$87.08	\$3,483.20
130	ALEET42ME10B	40	1 EA	Chairs: Alera Etros Series Mesh Mid-Back Swivel / Tilt Chair, Black ■ Limited Availability. Vendor direct.			\$374.80	\$14,992.00
140	MDS104015	40	1 EA	Tables: Economy Overbed Table, Walnut Top, Silver Hammertone Base ■ In Stock.			\$43.35	\$1,734.00
Item Subtotal:							\$61,107.65	

DISCLAIMER: Prices and availability dates are subject to review. Estimated Freight, Estimated Tax and any additional surcharges or handling fees may be applied or revised at invoicing.

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BILL OF SALE & GENERAL ASSIGNMENT

THIS BILL OF SALE & GENERAL ASSIGNMENT (the “**General Assignment**”) is made effective as of the 1st day of May, 2024 by SA Hospital Acquisition Group, LLC, a Delaware limited liability company (“**Assignor**”), and St Louis Recovery Hospital LLC, a Missouri limited liability company (“**Assignee**”).

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, simultaneously with execution of this General Assignment, Assignee is entering into a new sublease of the real property in the City of St. Louis described on Exhibit A attached hereto and made a part hereof (the “**Hospital**”).

WHEREAS, Assignor previously subleased and operated its business in the Hospital, and, as a condition to Assignee entering into such sublease, Assignor is conveying to Assignee all of Assignor’s right, title, and interest in and to certain personal property and rights relating to the Hospital as herein set forth.

NOW THEREFORE, it is the desire of Assignor to hereby assign, transfer, convey, set-over and deliver to Assignee all of Assignor’s right, title, and interest in and to the Assigned Property (as hereinafter defined).

1. Bill of Sale and Assignment

In consideration for the payment of Ten Thousand and 00/100 Dollars (\$10,000.00) paid by Assignee to Assignor on the date hereof, Assignor does hereby assign, transfer, set-over and deliver unto Assignee, its successors and assigns, all right, title, and interest of Assignor in and to the following, but specifically excluding the Excluded Assets identified on Exhibit B attached hereto:

a. All personal property (including equipment and excluding cash), if any, and all fixtures (if any), including without limitation all mechanical systems, leasehold improvements, appliances, tools, machinery, supplies, building materials, office equipment and personal property and fixtures of every kind and character owned by Assignor (and not by any tenant) and attached to, appurtenant to, located in, or used exclusively in connection with the operation of the Hospital, and all personal property owned by Assignor and located on the Hospital, including but not limited to those items of tangible personal property listed on Exhibit C attached hereto (collectively, the “**Personal Property**”).

b. Assignor’s interests in all warranties and guaranties given to, assigned to or benefitting Assignor with respect to the personal property listed on Exhibit C (collectively, the “**Warranties**”).

c. All trade names, guaranties and warranties in Assignor's favor and related to the personal property listed on Exhibit C (collectively, the "**Intangible Property**")

TO HAVE AND TO HOLD the Personal Property, Warranties, and Intangible Property (collectively, the "**Assigned Property**") unto Assignee, its successors and assigns, forever, free and clear of all liens, encumbrances, security interests, adverse claims, mortgages, liabilities, pledges, conditional sale agreements, restrictions and charges of any kind and description (collectively, "**Liens**").

2. Warranty

Assignor represents and warrants to Assignee that it has hereby assigned, transferred, set over and delivered to Assignor, title to the Personal Property, free and clear of all Liens, and Assignor covenants and agrees to defend such title against every person and all persons whomsoever claiming or to claim by, through or under Assignor the whole or any part of the Personal Property.

3. Miscellaneous


This General Assignment shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto. This General Assignment shall be construed under and enforced in accordance with the laws of the state of Missouri. This General Assignment may be executed in counterparts, which when taken together will constitute one General Assignment.

(Signatures on following page)

IN WITNESS WHEREOF, each party has caused this General Assignment to be executed as of the date first written above.

ASSIGNOR:
SA Hospital Acquisition Group, LLC,
a Delaware limited liability company

ASSIGNEE:
St Louis Recovery Hospital LLC,
a Missouri limited liability company

By: 
Name: Jeffrey Wilhelm
Title: Co-Managing Member

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, each party has caused this General Assignment to be executed as of the date first written above.

ASSIGNOR:
SA Hospital Acquisition Group, LLC,
a Delaware limited liability company

ASSIGNEE:
St Louis Recovery Hospital LLC,
a Missouri limited liability company

By: _____
Name: _____
Title: _____

DocuSigned by:
By: Ben Levin
Name: Ben Levin
Title: President

Exhibit A

The Hospital

Approximately 7.148 acres of real property in the City of St. Louis, Missouri with a municipal address of 3933 South Broadway, together with all buildings and other improvements, including a hospital facility, located thereon, legally described as:

A TRACT OF LAND BEING ALL OF BLOCK 2564, PART OF BLOCK 2565, ALL THAT PART OF VACATED BAY STREET AS PER ORDINANCES 58150, 57069 AND 22523, ALL OF A VACATED ALLEY AS PER ORDINANCE 56841 AND THAT PART OF A VACATED ALLEY AS PER ORDINANCE 56841, ALL IN THE CITY OF ST. LOUIS, MISSOURI AND BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF OSAGE STREET, 60.00 FEET WIDE, WITH THE EAST LINE OF OHIO STREET, 60.00 FEET WIDE; THENCE ALONG SAID EAST LINE IN A NORTHWARDLY DIRECTION 394.43 FEET; THENCE EASTWARDLY ALONG A LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM SAID POINT OF INTERSECTION OF 90 DEGREES 07 MINUTES 41 SECONDS A DISTANCE OF 116.00 FEET; THENCE NORTHWARDLY ALONG A LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM THE LAST SAID POINT OF 269 DEGREES 52 MINUTES 19 SECONDS A DISTANCE OF 208.00 FEET TO A POINT ON THE SOUTH LINE OF KEOKUK STREET, 60.00 FEET WIDE; THENCE EASTWARDLY ALONG SAID SOUTH LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM THE LAST SAID POINT OF 90 DEGREES 07 MINUTES 41 SECONDS A DISTANCE OF 258.95 FEET TO THE INTERSECTION OF SAID SOUTH LINE OF KEOKUK STREET WITH THE WEST LINE OF BAY STREET, 50.00 FEET WIDE; THENCE SOUTHWARDLY ALONG SAID WEST LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM THE LAST SAID POINT OF 89 DEGREES 27 MINUTES 38 SECONDS A DISTANCE OF 121.25 FEET; THENCE EASTWARDLY ALONG A LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM THE LAST SAID POINT OF 270 DEGREES 32 MINUTES 22 SECONDS A DISTANCE OF 50.00 FEET TO A POINT IN THE EAST LINE OF SAID BAY STREET; THENCE NORTHWARDLY ALONG SAID EAST LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM THE LAST SAID POINT OF 269 DEGREES 27 MINUTES 38 SECONDS A DISTANCE OF 121.25 FEET SAID SOUTH LINE OF KEOKUK STREET; THENCE EASTWARDLY ALONG SAID SOUTH LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM THE LAST SAID POINT OF 90 DEGREES 32 MINUTES 22 SECONDS A DISTANCE OF 144.98 FEET TO THE INTERSECTION OF SAID SOUTH LINE OF KEOKUK STREET WITH THE WEST LINE OF BROADWAY STREET, 120.00 FEET WIDE; THENCE SOUTHWARDLY ALONG SAID WEST LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM THE LAST SAID POINT OF 89 DEGREES 27 MINUTES 38 SECONDS A DISTANCE OF 600.69 FEET TO THE INTERSECTION OF SAID WEST LINE WITH SAID NORTH LINE OF OSAGE STREET; THENCE WESTWARDLY ALONG SAID NORTH LINE WHICH FORMS AN INTERIOR ANGLE TO THE LEFT FROM THE LAST SAID POINT OF 90 DEGREES 43 MINUTES 08 SECONDS A DISTANCE OF 565.63 FEET TO A POINT ON SAID EAST LINE OF OHIO STREET, SAID POINT BEING THE POINT OF BEGINNING AND FORMING A CLOSING ANGLE THE LEFT 89 DEGREES 41 MINUTES 33 SECONDS.

Exhibit B

Excluded Assets

The following Assets are "Excluded Assets": (a) the entity seals, organizational documents, minute books, stock books, tax returns, books of account or other records having to do with the organization of Assignor; (b) cash and cash equivalents; (c) accounts receivables; (d) tax assets (including prepayments, tax refunds, claims for refunds and/or credits, and prepayments); (e) intellectual property (other than the intellectual property related to the Personal Property listed in Exhibit C hereof); (f) permits which may not be transferred without the consent, novation, waiver or approval of a third person or entity and for which such consent, novation, waiver or approval has not been obtained or is not obtainable; (g) rights and remedies of the Assignor arising pursuant to this Agreement and the Sublease; (h) medical records of patients of the Hospital, including the computer server containing such medical records; (i) personal property held offsite and at other campuses, and assets, properties and rights used by Assignor in its businesses other than the Hospital; (j) emails and email mailboxes of the officers and owners of the Assignor; and (k) documents and records between or among officers and owners of Assignor and their respective agents, accountants and attorneys related to the Sublease transaction and this Agreement.

Exhibit C

Specific Personal Property

Description	Located on Floor(s)	In Room No(s).	Qty
MEDRAD Stellant Flex, CT Injector Head & Handswitch	2	CT	1
INNER SPACE- 2 compartment supply cabinet , S/N 043482, PO #27670	2	Cath Lab	1
BIOMERIEUX Model: Bact/Alert 3D Microbial Detection System/Control Module S/N: 604CM8760	2	279	1
BIOMERIEUX Model: Vite 2 Copact Microbiology Analyzer System	2	261	1
ARJO Model: Maxi Sky 700-19470 ceiling lift systems, PO #27482	2 & 6	ICU 5 & CT	2
Lot of Miscellaneous Lab Furniture and Equipment, Including But Not Limited To: (2) Portable AC Units, File Cabinets, 3-Door Wood Panel Refrigerator, Wire Racks, Lab Stools, (2) Single Door Freezers, Mini-Fridge, Etc.	2	279	3
CARTER-HOFFMAN- Mobile heated cabinet	1	Store-Rm	1
FORMA-SCIENTIFIC Model 3956 reach-in incubator, S/N 30070-494 Single glass door	1	261	1
GE washer, Model GTW335ASNOWW, S/N MM148727G & GE dryer Model GTD33EASK0WW, S/N MM755914C	3	laundry	1
HELMER Labs Model: DHS Plasma Thawer, S/N 147789J	2	280	1
TRUE Refrigerator 3-door, stainless steel	2	280	1
THRMO-SCIENTIFIC Model: TSG Series Laboratory Refrigerator Double Glass door. S/N 30043881	1	261	1
THE BAKER CO Inc, Model: VBM-400 Biological Safety Cabinet, S/N SG-14194V	1	279	1
HEMASTAINER Geometric data model-1300 slide stainer, S/N 3907530	1	279	1
SIEMENS - Model Diacam single head SPCT Gamma cameras, S/N 01143, 01144 with high resolution, rectangular detector, ring gantry with auto balance, rectangular 533 x 387 mm FOV, and 1 siemens Model B cart coll, 42 dicam collimator cart	2	N. Med	2
ERGATRON Model : Mobile workstation (WOW Cart)	4	423 - SDS	1
RUBBERMAID Mobile workstations (WOW Cart)	4	423 - SDS	27
CAPSA Workstations on wheels (WOW Cart)	4	423 - SDS	10
SIEMENS - AXIOM ARISTOS FX, X-Ray Machine. S/N 1131 & 02105, 02105, table model 0500, S/N 1147. PO# 14010395, Tenet SAH	2	X-ray Rm 3	1
HERCULES - Shield - Ray	2	268	1
Behavioral Health furniture:			
Beds	3		74
Mattresses	3		69
Chairs	3		63
Tables	3		8

Computer monitors and keyboards, including but not limited to (100) 24" Dell 7480 A10 Optiplex and (100) Logitech MK540 wireless keyboard/mouse			
CDW 4171567 452 SOFTWARE LICENSES FOR MS EXCHANGE ETC.			
Capsa workstations on wheels, each with lithium battery, Planar PXN2480MW-WH monitor, Dell OptiPlex 5070 computer, Honeywell 1950 handheld scanner, and wireless keyboard/mouse			
Aruba model AP-515 wireless access point routers			24
Aruba model 7030 AP branch controllers			64
SERVICE EXPRESS 987076 EMC DELL INTEL VMWARE			
Avaya IP office telephone system with approximately 220 Avaya IP telephones			
Miscellaneous Computer Servers and IT Equipment:			
APC Model: Smart-UPS 2200 UPS System			1
APC Model: Smart-UPS 3000VA UPS Systems			2
Cisco Model: Catalyst 3560G Series PoE-24 24-Port Switches			3
Minuteman Model: PRO750RT2U UPS Systems			2
Dell Model: Poweredge R740 Servers (2021) With Intel Xeon Gold 6242 CPU @ 2.80GHz Processor			5
EMC Model: VNX 5500 Data Storage System, S/N: APM00113200258 With 163TB of Storage Space Included			
DELL EMC Model: Unity 380F All-Flash Storage Cabinet, S/N: APM01210627494 With 76.8TB of All-Flash Storage			
APC Model: Symmetra PX 40-kW UPS System, S/N: ED0521001022			
APC Model: InfraStruXure PDU 40-kW Power Distribution Cabinet, S/N: XF0525000198			
Miscellaneous Shipping/Receiving Equipment, Including But Not Limited To: Approximately (18) 2-Tier Pallet racks, Metal Shelving, (2) Pallet Jacks, Strapper, Ladder, Storage Cabinets, Mobile Carts, Etc.			
GE Washer and Dryer	3	367	
Various kitchen equipment			
Miscellaneous Furniture and Equipment, Including But Not Limited To: Desks, Chairs, Desktop Monitors, Metal Shelving, File Cabinets, Mobile Wire Shelves, Waiting Area Chairs, Coffee Tables, Ice/Water Machines, Side Tables, Fax Machines, Desktop Printers, Mini Refrigerators, Microwaves, Lounge Sofa, Cubicles, Etc			



Price Quote

FROM
 Kevin Kitani
 kkitani@bamboohr.com
 BambooHR www.bamboohr.com

PREPARED FOR
 Alexie DeJesus
 Valley Forge Medical

DATE September 5, 2024
 EXPIRES September 19, 2024

Monthly

Product	PEPM List Price	Effective PEPM	Quantity	Months	Volume Discount	Total (USD)
HR						
Pro	\$17.00	\$10.94	400	1	35.67%	\$4,374.35*
Estimated Total Monthly Cost						\$4,374.35

One-Time Services

Service	List Price	Quantity	Total (USD)
HR Implementation	\$8,000.00	1	\$8,000.00
Estimated One-Time Cost			\$8,000.00

* This is your monthly price based on the quoted headcount and products. You will be billed for the employee headcount quoted above until that number is exceeded. If your total employee count changes, so will your total monthly cost.

** Applicable sales tax may be added.

Month-to-Month | No Long-Term Commitment

Monthly Costs

Pro	\$6,800.00
Monthly List Price	\$6,800.00
<i>Total Effective Discount</i>	<i>(35.67%) (\$2,425.65)</i>
Total Cost Per Month	\$4,374.35

Due at Activation

First Month of Pro	\$4,374.35
HR Implementation	\$8,000.00
Total Due at Activation**	\$12,374.35

Pro Includes:

- Employee Records
- Company Directory & Org Chart
- Document Storage - 20 GB + 500 MB per active employee
- Applicant Tracking System - 25 Job Openings
- Standard & Custom Reporting & Analytics
- Custom Access Levels
- Custom Email Alerts
- Custom Tabs & Fields
- Time-Off Management
- Training Tracking
- Benefits Tracking
- Company Calendar
- Mobile App
- Onboarding/Offboarding
- eSignatures
- Company Branding
- Audit Trail
- Access to the Partner Marketplace
- Open API
- Performance Management
- Total Rewards
- Employee Community
- Advanced Reporting
- Employee Wellbeing
- Employee Satisfaction with eNPS

Add-ons: BambooHR Time Tracking, Payroll, and Benefits Administration may be purchased as add-on products.

Implementation:

During implementation you will be assigned a single, dedicated Implementation Specialist to aid in the setting up and training of your BambooHR account. The BambooHR users completing implementation will be expected to participate in training calls, data gathering, and other setup tasks. Your Implementation Specialist will work with one main point of contact. If this point of contact is not the Account Owner in the system, authorization from the Account Owner must be given in writing to the Implementation Specialist naming the point of contact. This point of contact will need to be given Full Admin access to the system by the Account Owner prior to the first implementation training call.

HRIS Implementation Includes:

- A dedicated Implementation Specialist for 4-6 weeks (Timeframe starts on the date of sale)
- Direct email support with your dedicated Implementation Specialist
- Five (5) training phone calls covering & aiding with setup of main overarching features and sub-features
- Importing employee data using BambooHR provided templates (All data must be collected and imported within the dedicated implementation timeframe)

Implementation does not include the following services: Adjustment of employee self-service and access release/modification; Uploading of files, photos, and documents; Manual data entry (hand entering) from paper files or PDF documents; Setting up of onboarding/offboarding checklists; Posting jobs or importing resumes; Importing any Time Off data prior to the current calendar year; Importing Benefit data in excess of 1 calendar year and for any inactive employees; Importing of any terminated employee data prior to the current calendar year; Extended time longer than the dedicated 4-6 week timeframe - Extra time, if needed, is billed by the hour at the conclusion of the implementation timeframe

BambooHR will not do custom programming efforts or any development work with the BambooHR API in integrating with external systems. Utilization of the BambooHR API is completed by the customer with technical support available via email. Maintenance of integrated external systems is the sole responsibility of the client. The enablement of BambooHR Marketplace partners is also the responsibility of the client.

Things you need to know in connection with this price quote:

1. Prices quoted above are based on your agreement to subscribe to the above noted services, and represents the number of active employees that you have indicated will be added to BambooHR when fully implemented. You will be billed for the employee headcount quoted above until that number is exceeded. Should your number of employees change after your quoted headcount is exceeded, or subscribe to additional services, your prices may increase or decrease.
2. Payment for services, including implementation, are due immediately upon acceptance of this price quote. Core/Pro and add-ons monthly per employee rates or monthly flat rate subscriptions will renew on a month-to-month basis until terminated.
3. Pricing is dependent on the number of employees using each product. In months where 25 or fewer employees you will be charged a flat monthly rate of \$425.00.
4. BambooHR's services are governed by our Terms of Service found at <https://www.bamboohr.com/legal/terms-of-service>; payroll services are governed by our Payroll Services Agreement found at <https://www.bamboohr.com/legal/payroll-services-agreement>. Both agreements are formally accepted in the product.
5. Please contact your BambooHR sales representative with any questions or changes, or you may contact customer support at 801-724-6600.

BambooHR | 42 Future Way | Draper | Utah | 84020

Oracle Health proposal for Lion Health System

Pricing

Setup Fees	\$270,418
Monthly Recurring Fees	\$16,144

Assumptions

- 40 Total Beds
- 1 Additional RLN Connection
- 15 Providers for PDMP, EPCS and CPT
- Includes an additional HIE Connection
- Includes Immunization Query
- Train the Trainer implementation with a big bang implementation approach
- Does not include travel
- Does not include CPI increases

Included in Package

- 1 Custom Lab Interface (Quest or LabCorp)
- PDMP Connection for PA
- EPCS and ePrescribe
- Ignite APIs
- HIE Connection-Commonwell
- IP Behavioral Health Analytics
- Lights On Network
- Operational Analytics
- Mobile/Patient eSignature
- Multi Person Charting (Group Documentation)
- Patient Portal
- Medication Administration
- Eligibility, Claims, Remittances

Included in Data Migration

- Patient Demographics
- Encounters
- Continuity of Care Document (CCD)
 - Problems

ORACLE

- Allergies
- Medications
- Immunizations
- Procedure History
- Vital Sign and Measurements
- Discrete Gen Labs

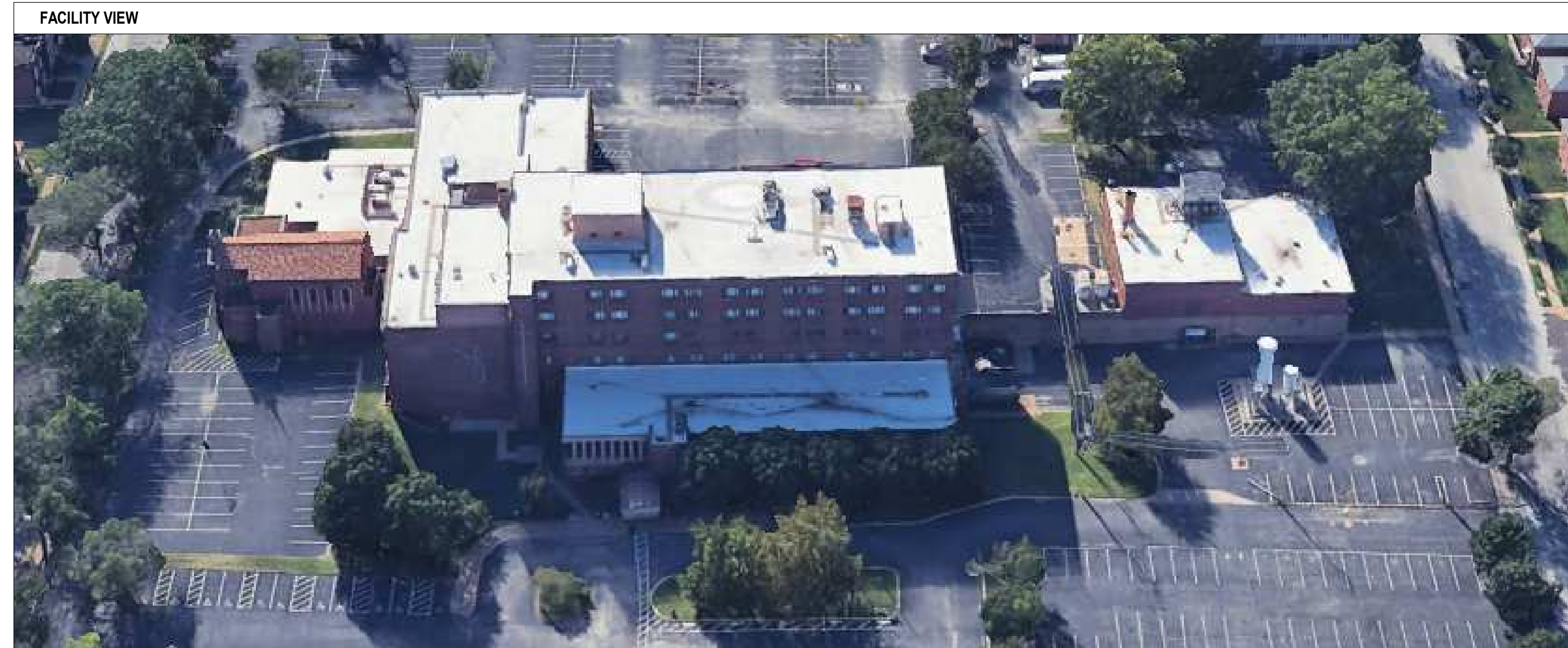
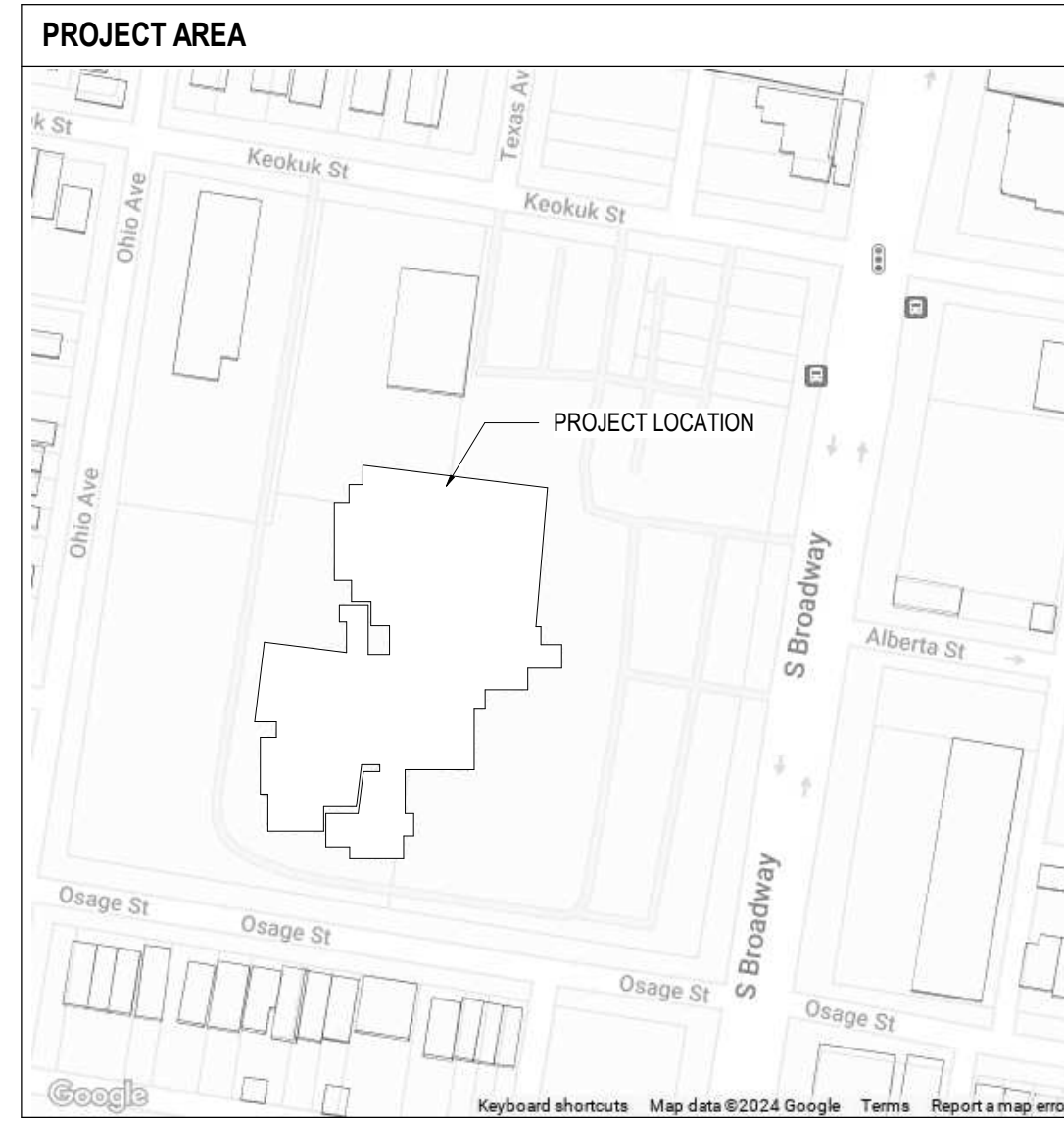
It is important to note that the standard scripts **do not** include scanned document images, which are an important piece of the legal medical record (LMR). We can include scanned images for an additional cost (starts around ~\$25k, however dependent on volume).

Typical migrations will pull forward 2 years of data. If additional years are needed, this can be discussed.

FEASIBILITY SET

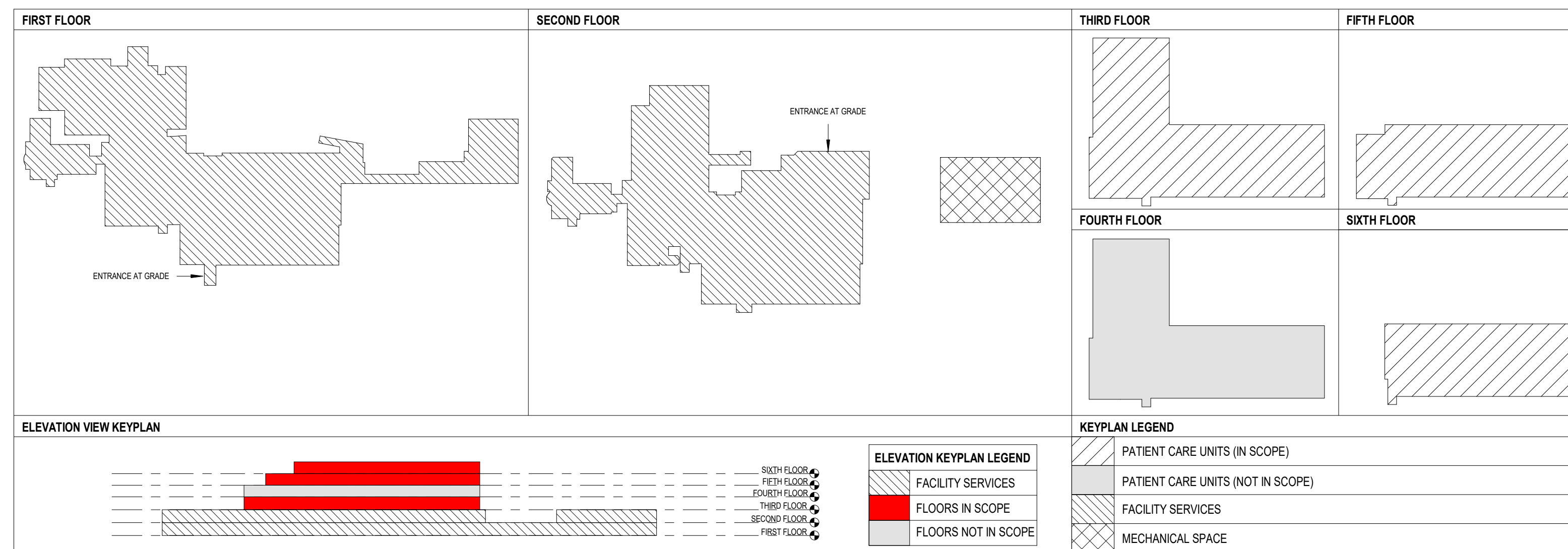
SOUTH CITY HOSPITAL

3933 S BROADWAY, ST. LOUIS, MISSOURI 63118



BUILDING DATA	
USE GROUP	
INSTITUTIONAL (GROUP I-2)	
NO PROPOSED USE CHANGE	
CONSTRUCTION TYPE	
PER IBC:	IA
PER NFPA:	--
AUTOMATIC SPRINKLER SYSTEM	
EXISTING	
FIRE ALARM	
EXISTING	
BUILDING SIZE	
HEIGHT ABOVE GRADE	66 FT
STORIES ABOVE GRADE	6
BUILDING SF	168,000 SF
AREA OF WORK:	
THIRD FLOOR	24,130 SF
FIFTH FLOOR	15,250 SF
SIXTH FLOOR	13,450 SF

CODES	
ALL WORK SHALL BE PERFORMED IN ACCORDANCE WITH:	
<ul style="list-style-type: none"> MISSOURI BUILDING CODE 2018 INTERNATIONAL EXISTING BUILDING CODE 2015 INTERNATIONAL PLUMBING CODE 2015 NATIONAL ELECTRIC CODE 2020 ASHRAE 90.1-2016 INTERNATIONAL MECHANICAL CODE 2015 INTERNATIONAL FUEL GAS CODE 2015 MISSOURI STRUCTURAL CODE ACI 318-14 ICC/ANSI A117.1-2009 NFPA 101 2012 EDITION NFPA 99 2012 EDITION FACILITY GUIDELINES INSTITUTE GUIDELINES FOR DESIGN AND CONSTRUCTION OF HOSPITAL FACILITIES 2018 EDITION OSHA AND ADA REQUIREMENTS & ANY OTHER APPLICABLE STATE, FEDERAL & LOCAL CODES, LAWS, REGULATIONS & REQUIREMENTS, WHICH SHALL TAKE PRECEDENCE OVER ANYTHING NOTED ON THESE DRAWINGS. 	



SHEET SCHEDULE	
SHEET	DESCRIPTION
CS1	COVER SHEET
CS2	COMPLIANCE TABLES
A1	FIRST FLOOR
A2	SECOND FLOOR
A3	THIRD FLOOR
A4	FOURTH FLOOR
A5	FIFTH FLOOR
A6	SIXTH FLOOR

NO.	DATE	DESCRIPTION

GUT&VANN
ARCHITECTURE + CONSULTING

NJ C.O.A. #: 21AC00125800
1777 AVENUE OF THE STATES
SUITE 106
LAKEWOOD, NJ 08701
732-806-0073 | office@gutvann.com

SIGNATURE & SEAL

PROGRESS
PRINT NOT FOR
CONSTRUCTION

ARCHITECT

NAFTOLI GUT, R.A.
MO LICENSE #: A-2024024773

CONSULTANTS:	

PROJECT

FEASIBILITY SET

SOUTH CITY HOSPITAL

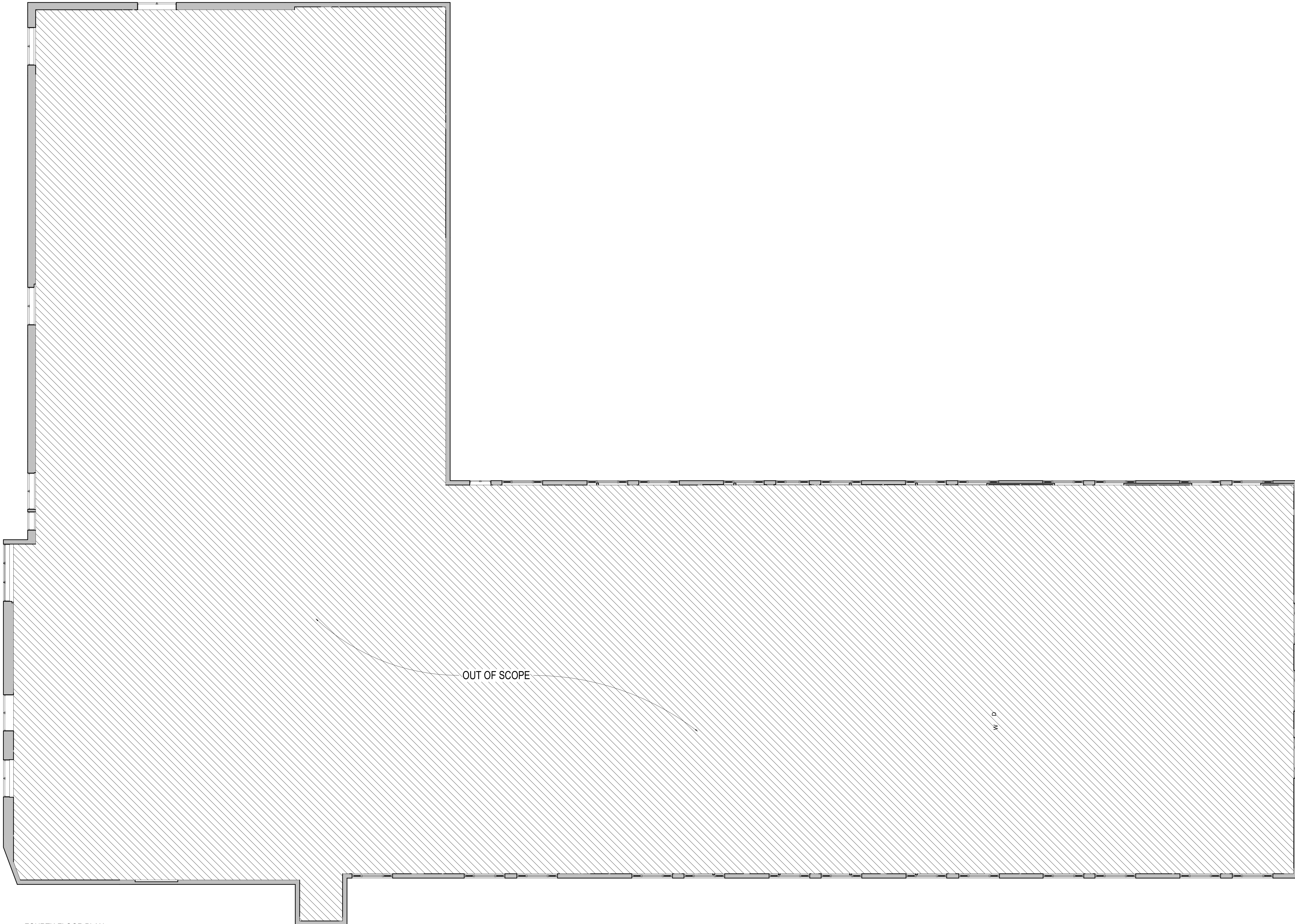
3933 S BROADWAY
ST. LOUIS, MO 63118

DRAWING

COVER SHEET

DATE:	06/13/2024
SCALE:	As indicated
JOB NUMBER:	24-288
DRAWN:	SL
CHECKED:	NG

CS1



7/3/2024 2:44:37 PM

1 FOURTH FLOOR PLAN
1/8" = 1'-0"

REVISIONS

GUT&VANN
ARCHITECTURE + CONSULTING
NJ C.O.A. #: 21AC00125800
1777 AVENUE OF THE STATES
SUITE 106
LAKEWOOD, NJ 08701
732-806-0073 | office@gutvann.com

SIGNATURE & SEAL
PROGRESS
PRINT NOT FOR CONSTRUCTION
ARCHITECT
NAFTOLI GUT, R.A.
MO LICENSE #: A-2024024773

CONSULTANTS:

PROJECT
FEASIBILITY SET
SOUTH CITY HOSPITAL
3933 S BROADWAY
ST. LOUIS, MO 63118

DRAWING
FOURTH FLOOR

DATE: 06/13/2024
SCALE: 1/8" = 1'-0"
JOB NUMBER: 24-288
DRAWN: SL CHECKED: NG

A4

Value and Risk Advisory

Client: Lion Health System
Property Name: South City Hospital (5th Floor)
Property Address: 3927 South Broadway, St. Louis, MO 63118
Report Date: August 22, 2024
JLL File #: VRA-24-5834200



South City Hospital (5th Floor)
3927 South Broadway
St. Louis, MO 63118

August 22, 2024

Mr. Ben Levin
President
Lion Health System
85 Towbin Ave
Lakewood, NJ 08701

Re: Appraisal

South City Hospital (5th Floor)
3927 South Broadway
St. Louis, Saint Louis City County, MO 63118

File Number: VRA-24-5834200

Dear Mr. Levin:

At your request, we have prepared an appraisal for the above referenced property, which may be briefly described as follows:

The subject is an existing, vacant, 6-story former hospital that contains 168,000 SF of rentable area. Only floor 5 is under appraisal which contains 15,150 SF of rentable area. The improvements were constructed in 1927 and are 0.0% leased as of the effective appraisal date. The site area is 4.260 acres or 185,566 square feet. The fee simple bundle of rights is under appraisal.

The subject consists of one floor (5th) totaling 15,150 SF. The floor has not been condominiumized and cannot be sold separate from the building as a whole, as of the effective appraisal date. For this reason, our market value conclusion is considered hypothetical, as if the floor is a condominium unit that has a proportionate interest in the common areas.

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

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), we have made the following value conclusion(s):

Value Conclusions			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Hypothetical Market Value As Is	Fee Simple	August 2, 2024	\$230,000

Your attention is directed to the Limiting Conditions and Assumptions section of this report. Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, we note the following:

Extraordinary Assumptions & Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in the analysis which, if found to be false, could alter the appraiser's opinions of conclusions.

1. A property condition assessment was requested but not provided. This report assumes the mechanical systems are in working order.

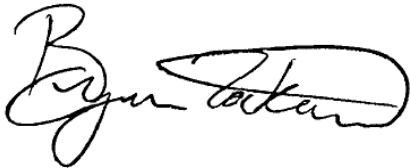
The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. The subject consists of one floor (5th) totaling 15,150 SF. The floor have not been condominiumized and cannot be sold separate from the building as a whole, as of the effective appraisal date. For this reason, our market value conclusion is considered hypothetical, as if the floor is a condominium unit that has a proportionate interest in the common areas.

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

Respectfully submitted,

JLL Valuation & Advisory Services, LLC



Bryan J. Lockard, MRICS
Executive Managing Director
Certified General Appraiser
Missouri Certificate #: 2017030299
Telephone: (813) 387-1301
Email: bryan.lockard@jll.com



Whitney Panneton
Senior Director
Certified General Appraiser
MO Certificate #: 2019047215
Telephone: (314) 678-7808
Email: whitney.panneton@jll.com

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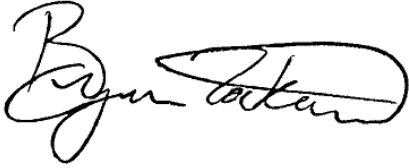
- A. Appraiser Qualifications
- B. Definitions
- C. Financials and Property Information
- D. Comparable Data
- E. Engagement Letter

Certification Statement

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. We have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. 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 estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
11. We have not performed 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 acceptance of this assignment.
12. Bryan J. Lockard, MRICS, has not made an inspection of the subject property. Whitney Panneton has made a personal inspection of the property on August 2, 2024.
13. Significant real property appraisal assistance was provided by David Cuomo who has not signed this certification.

14. As of the date of this report, Bryan J. Lockard, MRICS, and Whitney Panneton have completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.



Bryan J. Lockard, MRICS
Executive Managing Director
Certified General Appraiser
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Whitney Panneton
Senior Director
Certified General Appraiser
MO Certificate #: 2019047215
Telephone: (314) 678-7808
Email: whitney.panneton@jll.com

Summary of Salient Facts and Conclusions

Property Name	South City Hospital (5th Floor)
Address	3927 South Broadway St. Louis, Saint Louis City County, Missouri 63118
Property Type	Vacant Hospital
Owner of Record	SA Hospital Real Estate Holding LLC
Tax ID	2564-9-141.002
Land Area	4.26 acres; 185,566 SF
Gross Building Area (SF)	168,000 SF
Floors 1 & 5 Rentable Area (SF)	15,150 SF
Percent Occupied	100% (Owner Occupied)
Year Built	1927
Year Renovated	Various
Zoning Designation	B, Two-Family Dwelling District; F, Neighborhood Commercial District
Highest & Best Use - As If Vacant	Healthcare Use
Highest & Best Use - As Improved	Continued Healthcare Use
Exposure Time; Marketing Period	6-9 months; 6-9 months
Date of Report	August 21, 2024

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Hypothetical Market Value As Is	Fee Simple	August 2, 2024	\$230,000

The values reported above are subject to definitions, assumptions and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than the client and intended users may use or rely on the information, opinions and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions and limiting conditions contained therein.

Extraordinary Assumptions & Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in the analysis which, if found to be false, could alter the appraiser's opinions of conclusions.

1. A property condition assessment was requested but not provided. This report assumes the mechanical systems are in working order.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. The subject consists of one floor (5th) totaling 15,150 SF. The floor have not been condominiumized and cannot be sold separate from the building as a whole, as of the effective appraisal date. For this reason, our market value conclusion is considered hypothetical, as if the floor is a condominium unit that has a proportionate interest in the common areas.

Introduction

The subject is an existing, vacant, 6-story former hospital that contains 168,000 SF of rentable area. Only floor 5 is under appraisal which contains 15,150 SF of rentable area. The improvements were constructed in 1927 and are 0.0% leased as of the effective appraisal date. The site area is 4.260 acres or 185,566 square feet. The fee simple bundle of rights is under appraisal.

Subject Identification

Name	South City Hospital (5th Floor)
Address	3927 South Broadway, St. Louis, Saint Louis City County, MO 63118
Tax ID	2564-9-141.002
Owner of Record	SA Hospital Real Estate Holding LLC
Legal Description	CB 2564 BROADWAY, 4.260 ACS, BAYS ADDN, BD S-OSAGE ST, IMPROVEMENTS ONLY

Ownership and Transaction History

The most recent closed sale of the subject is summarized as follows:

Most Recent Sale (Closed)

Grantor:	N/A
Grantee:	SA Hospital Real Estate Holding LLC
Sale Date:	December 1, 2021
Sale Price:	N/A
Document Number:	N/A

It should be noted that information regarding the most recent sale was not provided and could not be found via public records.

To the best of our knowledge, no other sale or transfer of ownership has taken place within a three-year period prior to the effective appraisal date. Additionally, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date.

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s).

Scope of work is the type and extent of research and analyses involved in an assignment. To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the relevant characteristics of the subject property, and other pertinent factors. Our concluded scope of work is summarized below, and in some instances, additional scope details are included in the appropriate sections of the report.

Summary

Research

- We have inspected the property and its environs. Physical information on the subject was obtained from the property owner's representative, public records, and/or third-party sources.
- Regional economic and demographic trends, as well as the specifics of the subject's local area were investigated. Data on the local and regional property market (supply and demand trends, rent levels, etc.) was also obtained. This process was based on interviews with regional and/or local market participants, primary research, available published data, and other various resources.
- Other relevant data was collected, verified, and analyzed. Comparable property data was obtained from various sources (public records, third-party data-reporting services, etc.) and confirmed with a party to the transaction (buyer, seller, broker, owner, tenant, etc.) wherever possible. It is, however, sometimes necessary to rely on other sources deemed reliable, such as data reporting services.

Analysis

- Based upon the subject property characteristics, prevailing market dynamics, and other information, we developed an opinion of the property's Highest and Best Use.
- We analyzed the data gathered using generally accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value.
- The results of each valuation approach are considered and reconciled into a reasonable value estimate.

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

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

Client, Intended Use, and User(s)

Client: Lion Health System

Intended Use: The intended use of the appraisal is to establish a hypothetical market value as is for purpose of certificate of need application.

Intended User(s): The intended user(s) of the appraisal are Lion Health System; Missouri Department of Health and Senior Service. The appraisal is not intended for any other use or user. No party or parties other than Lion Health System; Missouri Department of Health and Senior Service may use or rely on the information, opinions, and conclusions contained in this report.

Purpose of the Appraisal

The purpose of the appraisal is to estimate the Subject's:

Appraisal Premise	Interest Appraised	Date of Value
Hypothetical Market Value As Is	Fee Simple	August 2, 2024

The date of the report is August 22, 2024. The appraisal is valid only as of the stated effective date or dates.

Approaches to Value

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Applicability and utilization of the approaches in this assignment is described as follows.

Approach	Description	Applicability	Utilization
Cost	A cost approach is most applicable in valuing new or proposed construction when the improvements represent the highest and best use of the land and the land value, cost new and depreciation are well supported.	Applicable	Utilized
Sales Comparison	A sales approach is most applicable when sufficient data on recent market transactions is available and there is an active market for the property type.	Applicable	Utilized
Income	An income approach is most applicable when the subject is an income producing property or has the ability to generate income in the future as an investment.	Not Applicable	Not Utilized

The Cost Approach is not considered applicable based on the age of the subject property. For properties older than 2-3 years of age, the estimates of depreciation are highly subjective and reduce the credibility of this approach. Additionally, market participants do not rely on this approach for making decisions for properties like the subject. As a result, this approach is not developed.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services.

- We have not performed 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 acceptance of this assignment.

Report Option

Based on the intended users understanding of the subject's physical, economic and legal characteristics, and the intended use of this appraisal, an appraisal report format was used, as defined below.

Appraisal Report	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.
------------------	---

Definition of Values

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

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

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

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022); also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77471

Definition of Property Rights Appraised

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.

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

Inspection

Bryan J. Lockard, MRICS, has not performed an inspection. Whitney Panneton performed an inspection on August 2, 2024.

Significant Appraisal Assistance

It is acknowledged that David Cuomo made a significant professional contribution to this appraisal, consisting of conducting research on the subject and transactions involving comparable properties, performing appraisal analyses, and assisting in report writing, under the supervision of the persons signing the report.

Area Demographics and Market Analysis

St. Louis MSA Area Demographics

The subject is located in the St. Louis, MO-IL Metropolitan Statistical Area, hereinafter called the St. Louis MSA, as defined by the U.S. Office of Management and Budget. The St. Louis MSA ranks #22 in population out of the nation's 382 metropolitan areas.

Population

The St. Louis MSA has an estimated 2024 population of 2,824,501, which represents about the same population compared to the 2010 census amount of 2,820,253 over the 2020 - 2024 period, and its annual growth rate is less than that of the State of Missouri.

Area	Population				Compound Ann. % Chng	
	2010 Census	2020 Census	2024 Est.	2029 Est.	2020 - 2024	2024 - 2029
1 mi. radius	22,208	20,722	19,840	19,034	-1.1%	-0.8%
3 mi. radius	130,139	125,566	122,123	118,042	-0.7%	-0.7%
5 mi. radius	271,354	267,825	263,723	257,913	-0.4%	-0.4%
St. Louis City	319,293	301,578	296,881	289,598	-0.4%	-0.5%
St. Louis MSA	2,787,699	2,820,253	2,824,501	2,820,111	0.0%	0.0%
Missouri	5,988,890	6,154,913	6,232,540	6,285,716	0.3%	0.2%
United States	308,745,538	331,449,281	338,440,954	344,873,411	0.5%	0.4%

Source: Esri 2024. Compiled by JLL Valuation & Advisory Services, LLC.

Looking forward, the St. Louis MSA's population will remain essentially the same from 2024 - 2029 without any appreciable growth or decline. The St. Louis MSA growth rate is expected to lag that of Missouri, which is projected to be 0.2%.

Employment

The current estimate of total employment in the St. Louis MSA is 1,428,992 jobs. Since 2014, employment grew by 98,967 jobs, equivalent to a 7.4% gain over the entire period. There were gains in employment in eight of the past ten years despite the national economic downturn and slow recovery.

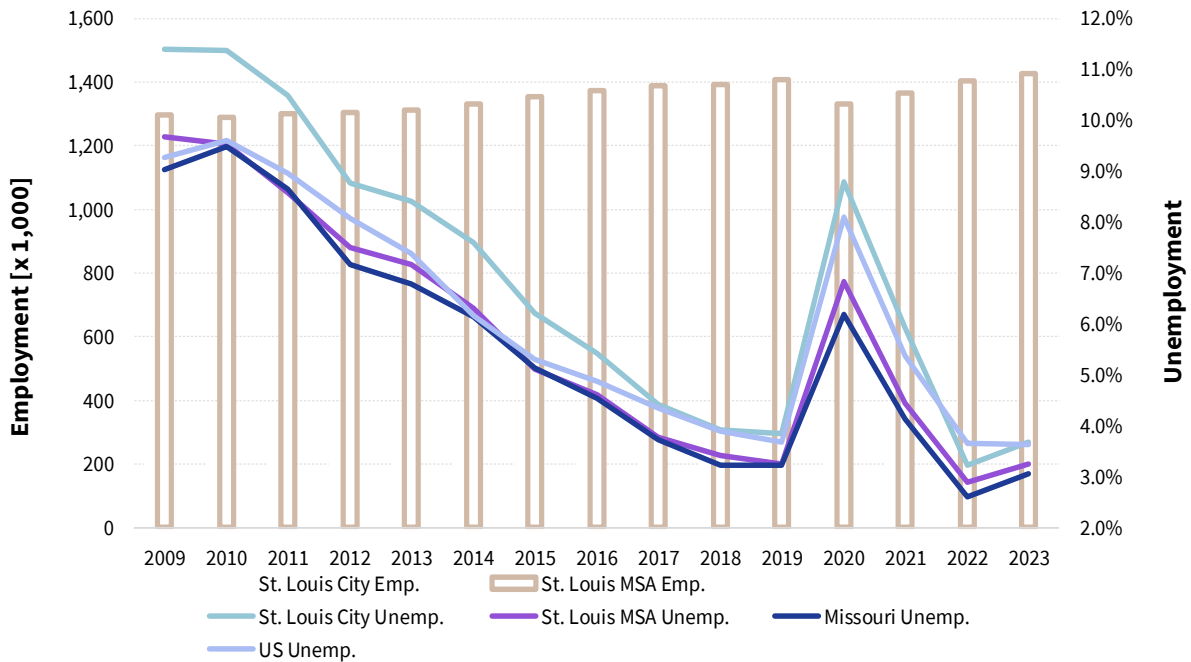
The St. Louis MSA's rate of change in employment underperformed the State of Missouri, which experienced an increase in employment of 8.1% or 223,558 over this period.

Employment Trends

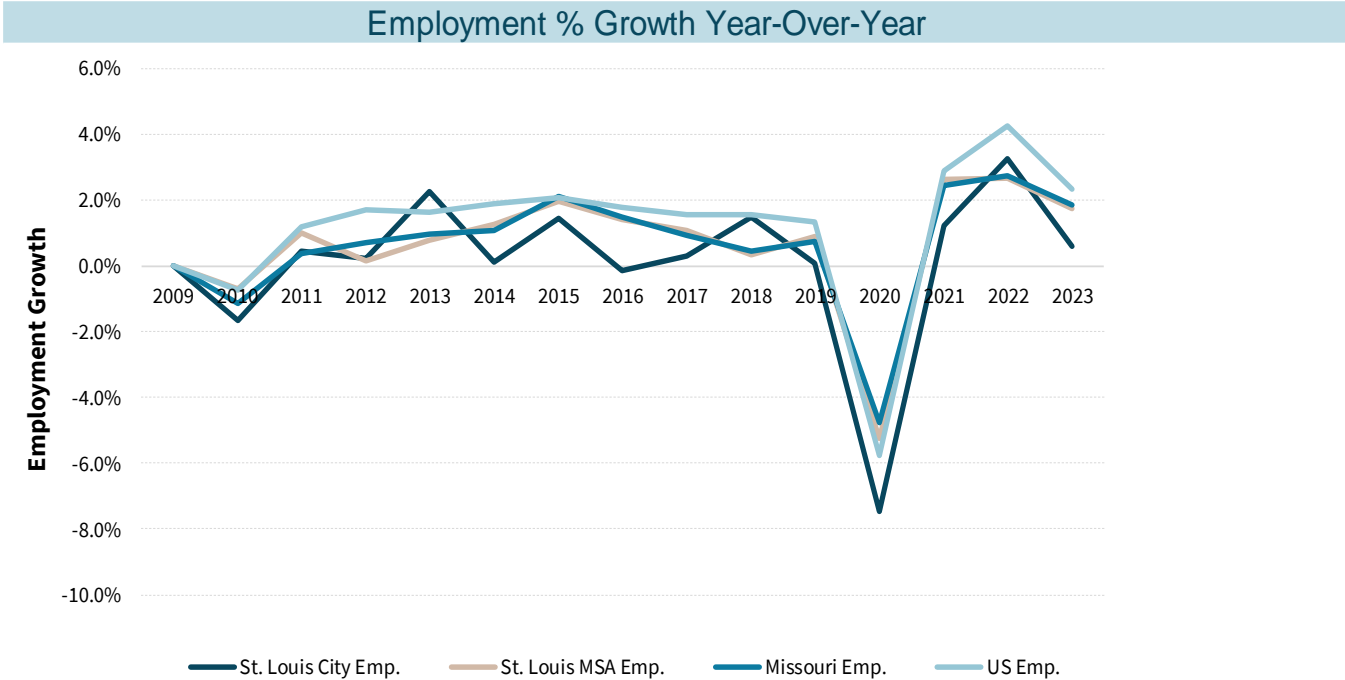
Year	Total Employment (Annual Average)								Unemployment Rate (Ann. Avg.)			
	St. Louis City	Change	St. Louis MSA	Change	Missouri	Change	United States	Change	St. Louis City	St. Louis MSA	Missouri	United States
2009	219,748	-	1,297,383	-	2,700,175	-	131,295,833	-	11.4%	9.7%	9.0%	9.3%
2010	216,137	-1.6%	1,288,125	-0.7%	2,668,900	-1.2%	130,344,500	-0.7%	11.4%	9.5%	9.5%	9.6%
2011	217,074	0.4%	1,301,008	1.0%	2,678,683	0.4%	131,914,333	1.2%	10.5%	8.6%	8.6%	9.0%
2012	217,561	0.2%	1,302,958	0.1%	2,697,783	0.7%	134,157,333	1.7%	8.8%	7.5%	7.2%	8.1%
2013	222,481	2.3%	1,313,342	0.8%	2,724,000	1.0%	136,363,250	1.6%	8.4%	7.2%	6.8%	7.4%
2014	222,716	0.1%	1,330,025	1.3%	2,753,125	1.1%	138,939,250	1.9%	7.6%	6.3%	6.2%	6.2%
2015	225,947	1.5%	1,355,967	2.0%	2,811,325	2.1%	141,824,250	2.1%	6.2%	5.1%	5.1%	5.3%
2016	225,643	-0.1%	1,374,817	1.4%	2,853,508	1.5%	144,335,333	1.8%	5.4%	4.6%	4.5%	4.9%
2017	226,325	0.3%	1,389,442	1.1%	2,879,525	0.9%	146,606,917	1.6%	4.4%	3.8%	3.7%	4.4%
2018	229,646	1.5%	1,394,342	0.4%	2,892,650	0.5%	148,908,333	1.6%	3.9%	3.4%	3.2%	3.9%
2019	229,800	0.1%	1,406,683	0.9%	2,914,558	0.8%	150,904,333	1.3%	3.8%	3.3%	3.2%	3.7%
2020	212,636	-7.5%	1,332,625	-5.3%	2,776,125	-4.7%	142,185,833	-5.8%	8.8%	6.8%	6.2%	8.1%
2021	215,222	1.2%	1,367,708	2.6%	2,844,300	2.5%	146,284,500	2.9%	5.9%	4.5%	4.1%	5.4%
2022	222,214	3.2%	1,404,325	2.7%	2,922,658	2.8%	152,519,917	4.3%	3.2%	2.9%	2.6%	3.7%
2023	223,538	0.6%	1,428,992	1.8%	2,976,683	1.8%	156,050,667	2.3%	3.7%	3.2%	3.1%	3.6%
10 Yr Change	822	0.4%	98,967	7.4%	223,558	8.1%	17,111,417	12.3%				
Avg Unemp. Rate 2014-2023									5.3%	4.4%	4.2%	4.9%
Unemployment Rate - Jun 2024									4.9%	4.3%	4.2%	4.3%

Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

Employment / Unemployment Historical Trends



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.



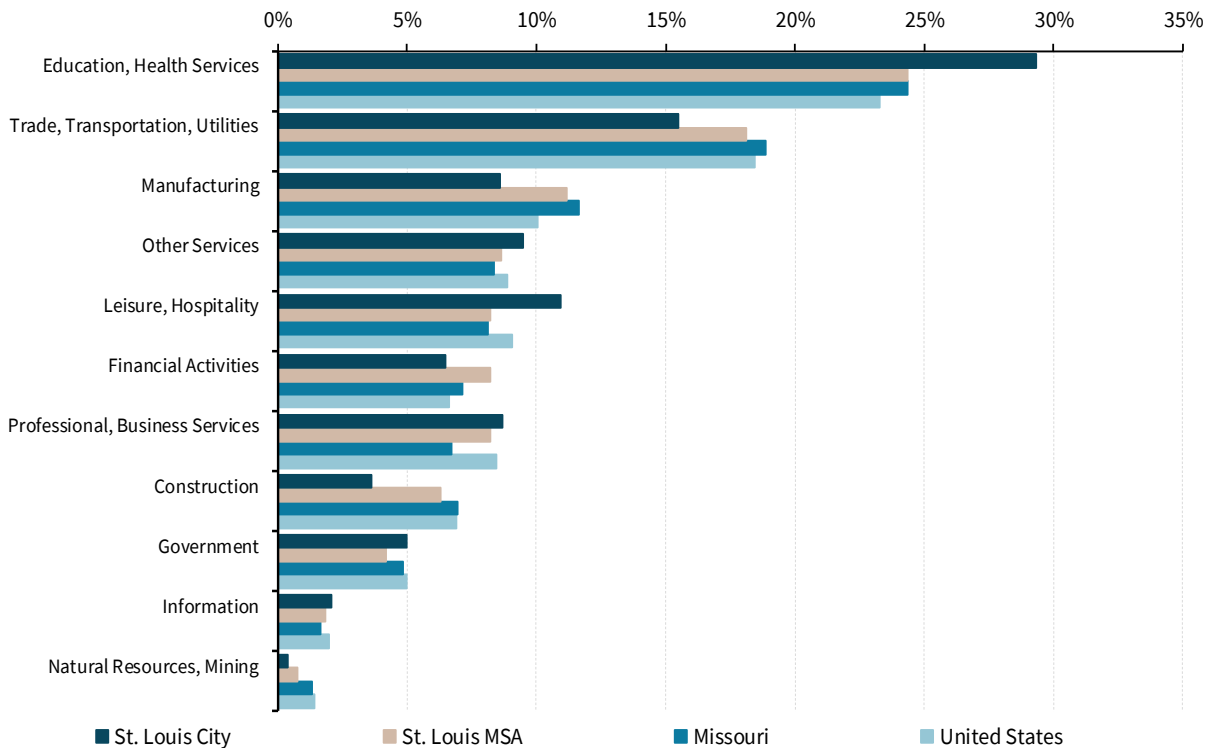
Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

A comparison of unemployment rates is another way of gauging an area’s economic health, where a higher unemployment rate is a negative indicator. Over the past decade, the St. Louis MSA unemployment rate of 4.4% has been higher than the Missouri rate of 4.2%. In the latter half of the decade that trend has continued, as the St. Louis MSA has consistently underperformed Missouri. Recent data shows that the St. Louis MSA unemployment rate is 4.3%, which was a comparable rate to Missouri. This similarity is further supported by the fact that the St. Louis MSA and Missouri sustained a similar pace of job growth over the past two years.

Employment Sectors

The composition of the St. Louis MSA job market is illustrated in the chart below, paired with that of Missouri. Total employment for the areas is stratified by eleven major employment sectors, ranked from largest to smallest based on the percentage of St. Louis MSA jobs in each sector.

Employment Sectors - 2024



Source: Esri 2024. Compiled by JLL Valuation & Advisory Services, LLC.

The St. Louis MSA has a greater percentage of employment than Missouri in the following categories:

1. Other Services - which accounts for 8.6% of St. Louis MSA payroll employment compared to 8.4% for Missouri as a whole. This sector includes establishments that do not fall within other defined categories, such as private households, churches, and laundry and dry cleaning establishments.
2. Financial Activities - which accounts for 8.2% of St. Louis MSA payroll employment compared to 7.1% for Missouri as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.
3. Financial Activities - which accounts for 8.2% of St. Louis MSA payroll employment compared to 7.1% for Missouri as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.
4. Professional, Business Services - which accounts for 8.2% of St. Louis MSA payroll employment compared to 6.7% for Missouri as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.

The St. Louis MSA is underrepresented in the following categories:

Trade, Transportation, Utilities - which accounts for 18.1% of St. Louis MSA payroll employment compared to 18.9% for Missouri as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.

5. Construction - which accounts for 6.3% of St. Louis MSA payroll employment compared to 6.9% for Missouri as a whole. This sector includes construction of buildings, roads, and utility systems.
6. Government - which accounts for 4.2% of St. Louis MSA payroll employment compared to 4.8% for Missouri as a whole. This sector includes public administration at the federal, state, and county level, as well as other government positions.
7. Natural Resources, Mining - which accounts for 0.8% of St. Louis MSA payroll employment compared to 1.3% for Missouri as a whole. Agriculture, mining, quarrying, and oil and gas extraction are included in this sector.

Major Employers

The table below contains major employers in the St. Louis MSA.

Major Employers - St. Louis MSA

Name	Employees
1 Mhm Support Services	44,000
2 Bjc Health System	22,816
3 Walmart Inc.	20,617
4 Government of The United States	19,056
5 Ascension Health Alliance	15,997
6 Schnuck Markets, Inc.	11,647
7 Essence Group Holdings Corporation	10,873
8 Ssm Health Care Corporation	10,063
9 The Boeing Company	9,352
10 The Washington University	8,115
11 Centene Corporation	8,105
12 Charter Communications, Inc.	7,669
13 Hilton Worldwide Holdings Inc.	7,236
14 Mercy Hospitals East Communities	6,948
15 Penn Entertainment, Inc.	6,416
16 State of Missouri	6,399
17 Saint Louis University	6,323
18 Firestone Holdings LLC	6,022
19 United States Postal Service	5,815
20 Bayer AG	5,751

Sources(s): Dun & Bradstreet "Top Employer MSA" 2024

*Note: Some employers may have employees working in other market areas

Gross Domestic Product

Based on Gross Domestic Product (GDP), the St. Louis MSA ranks 24 out of all metropolitan area economies in the nation.

Economic growth, as measured by annual changes in GDP, has been somewhat higher in the St. Louis MSA than Missouri overall during the past five years. The St. Louis MSA has expanded at a 1.7% average annual rate while the State of Missouri has grown at a 1.6% rate. As the national economy improves, the St. Louis MSA continues to outperform Missouri. GDP for the St. Louis MSA rose by 2.1% in 2022 while Missouri's grew by 2.0%.

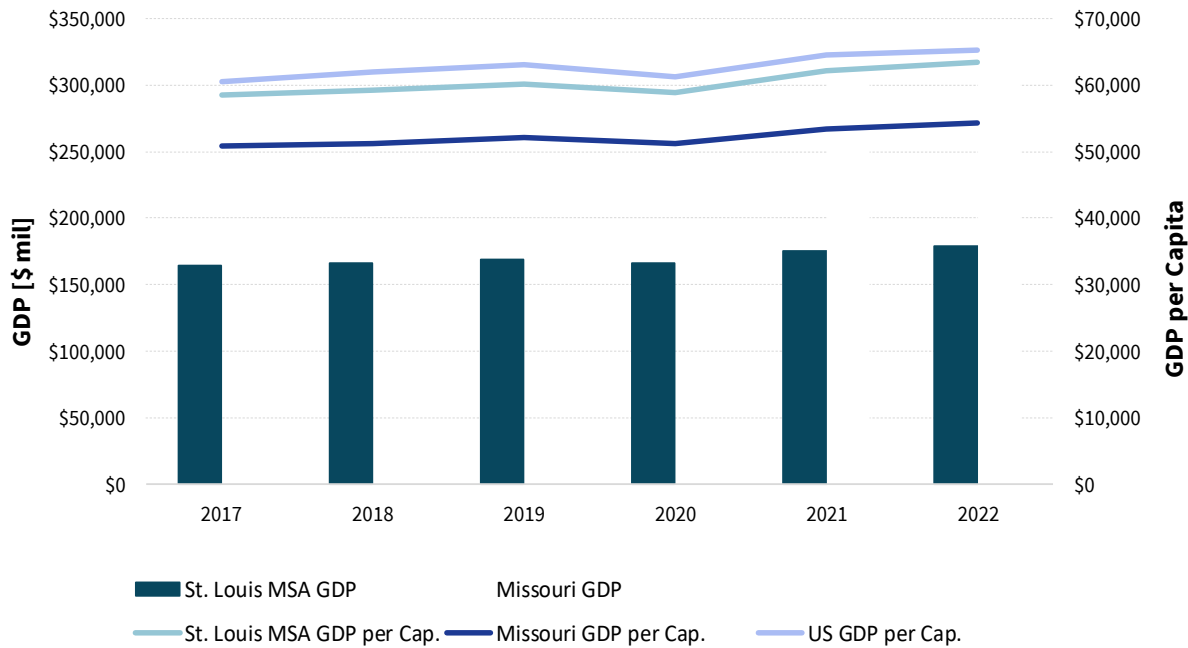
The St. Louis MSA has a per capita GDP of \$63,370, which is 17.0% greater than Missouri's GDP of \$54,314. This means that the St. Louis MSA industries and employers are adding relatively much more value to the economy than their peers in Missouri.

Gross Domestic Product

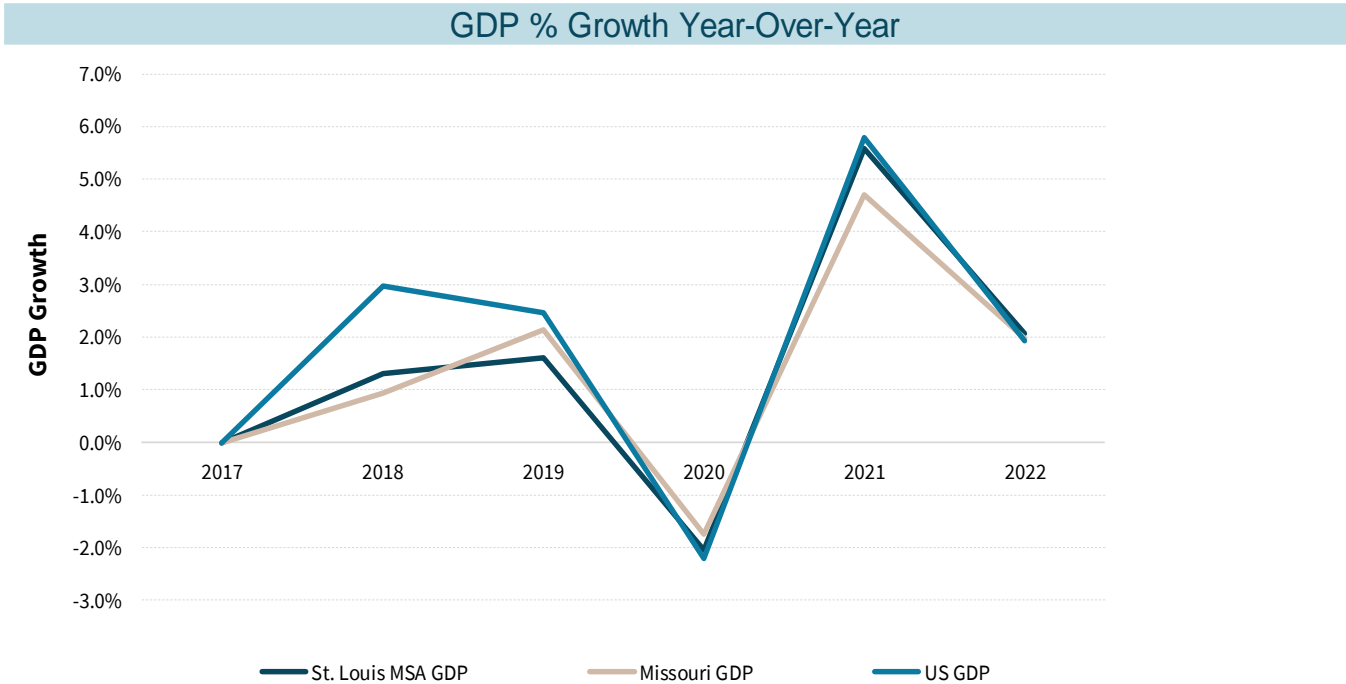
Year	St. Louis MSA	Change	Missouri	Change	United States	Change	St. Louis MSA	Missouri	United States
2017	\$164,415	-	\$311,274	-	\$19,612,102	-	\$58,592	\$50,939	\$60,607
2018	\$166,574	1.3%	\$314,182	0.9%	\$20,193,896	3.0%	\$59,306	\$51,269	\$61,999
2019	\$169,262	1.6%	\$320,881	2.1%	\$20,692,087	2.5%	\$60,207	\$52,214	\$63,117
2020	\$165,804	-2.0%	\$315,276	-1.7%	\$20,234,074	-2.2%	\$58,922	\$51,157	\$61,323
2021	\$175,042	5.6%	\$330,117	4.7%	\$21,407,692	5.8%	\$62,146	\$53,414	\$64,466
2022	\$178,657	2.1%	\$336,626	2.0%	\$21,822,037	1.9%	\$63,370	\$54,314	\$65,297
6 Yr Change	\$14,241	1.7%	\$25,352	1.6%	\$2,209,935	2.2%	\$4,778	\$3,375	\$4,689

Source: Bureau of Economic Analysis. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted 'real' GDP stated in 2017 dollars. Per Capita GDP data are calculated by dividing the area GDP by its estimated population for the year shown.

Gross Domestic Product Historical Trends



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

Gross Domestic Product is a measure of economic activity based on the total value of goods and services produced in a specific geographic area. The figures in the table above represent inflation adjusted “real” GDP stated in 2017 dollars.

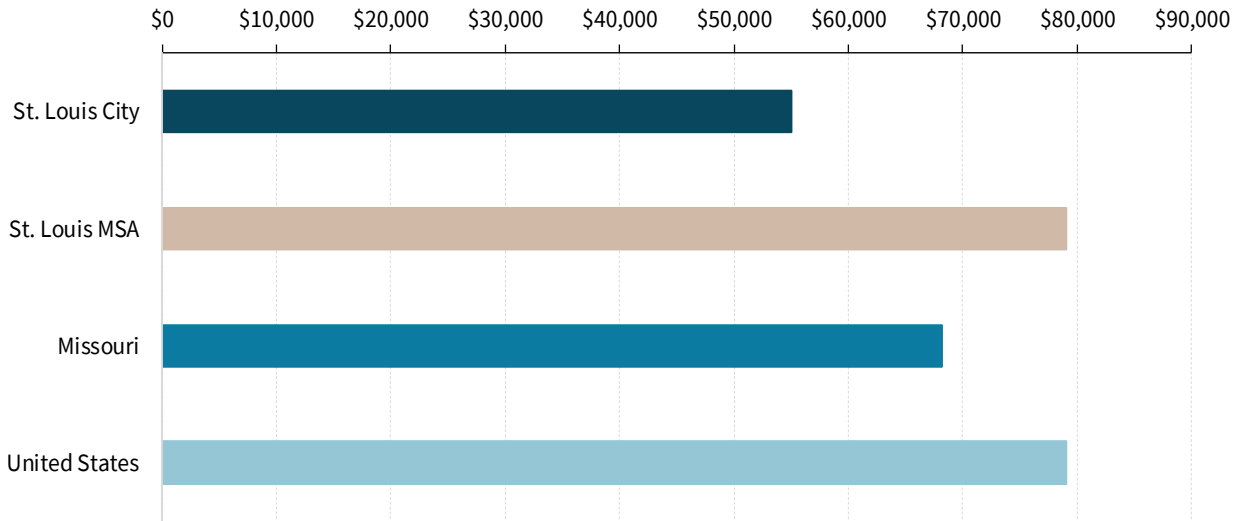
Household Income

The St. Louis MSA has a much higher level of household income than Missouri. Median household income for the St. Louis MSA is \$79,002, which is 15.9% higher than Missouri.

Area	Med. Household Income		Compound Ann. % Chng
	2024 Est.	2029 Est.	2024 - 2029
St. Louis City	\$55,037	\$64,263	3.1%
St. Louis MSA	\$79,002	\$92,073	3.1%
Missouri	\$68,138	\$78,919	3.0%
United States	\$79,068	\$91,442	3.0%

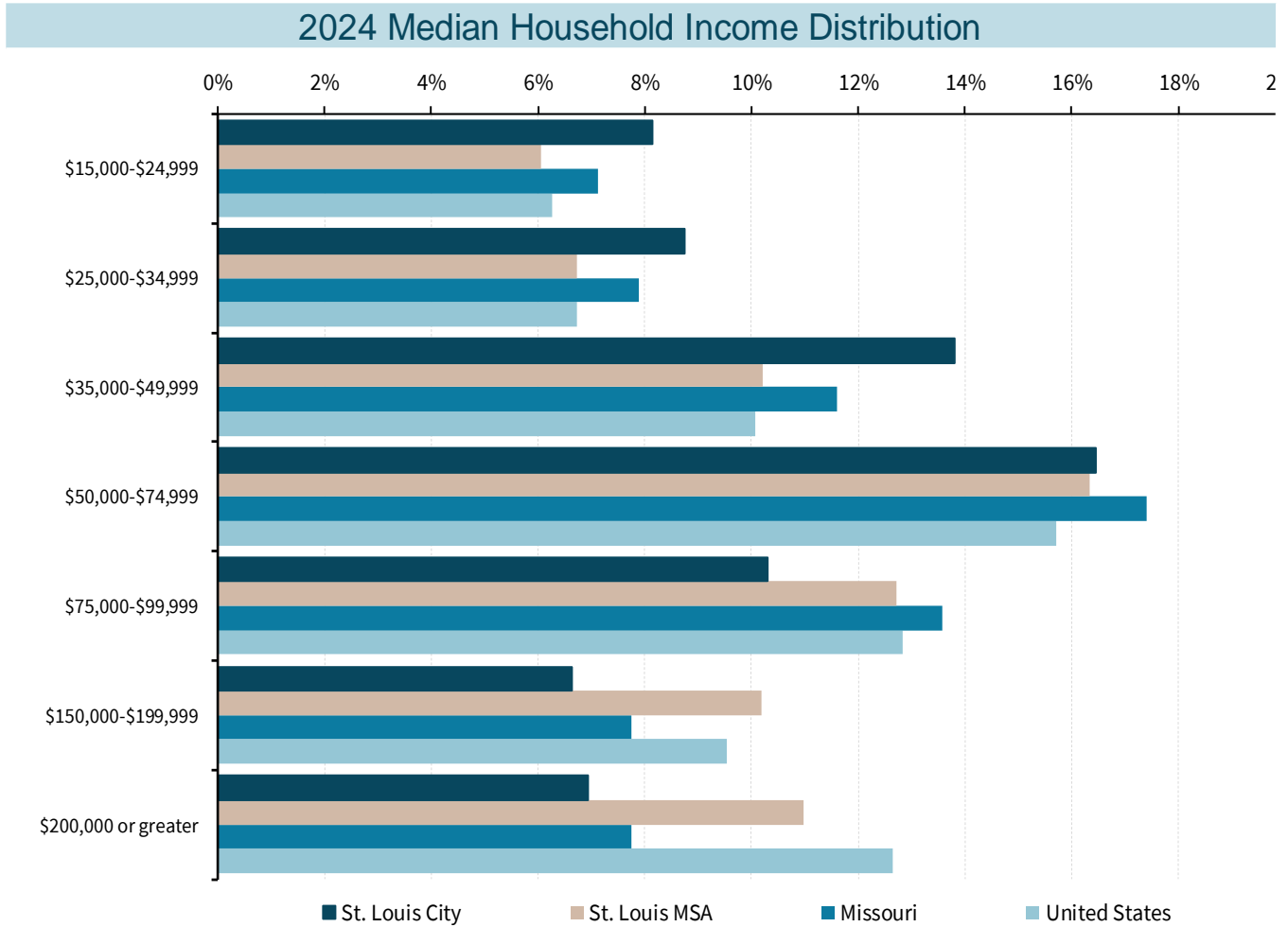
Source: Esri 2024. Compiled by JLL Valuation & Advisory Services, LLC.

2024 Median Household Income Area Comparison



Source: Esri 2024. Compiled by JLL Valuation & Advisory Services, LLC.

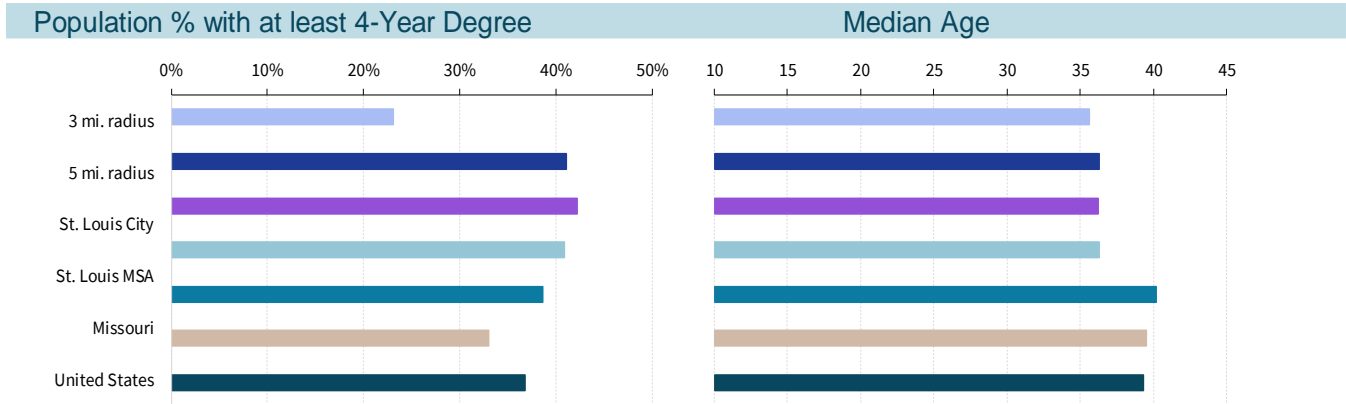
The St. Louis MSA has a smaller concentration of households in the lower income levels than Missouri. Specifically, 21% of the St. Louis MSA households are below the \$35,000 level in household income as compared to 25% of Missouri households. A greater concentration of households exists in the higher income levels, as 53% of the St. Louis MSA households are at the \$75,000 or greater levels in household income versus 46% of Missouri households.



Source: Esri 2024. Compiled by JLL Valuation & Advisory Services, LLC.

Education and Age

Residents of the St. Louis MSA have a higher level of educational attainment than those in Missouri. An estimated 38.7% of the St. Louis MSA residents are college graduates with four-year degrees or higher, while Missouri residents have an estimated 33.0% with at least a four-year degree. People in the St. Louis MSA are similar in age to their peers in Missouri. The median age of both the St. Louis MSA and Missouri is 40 years.

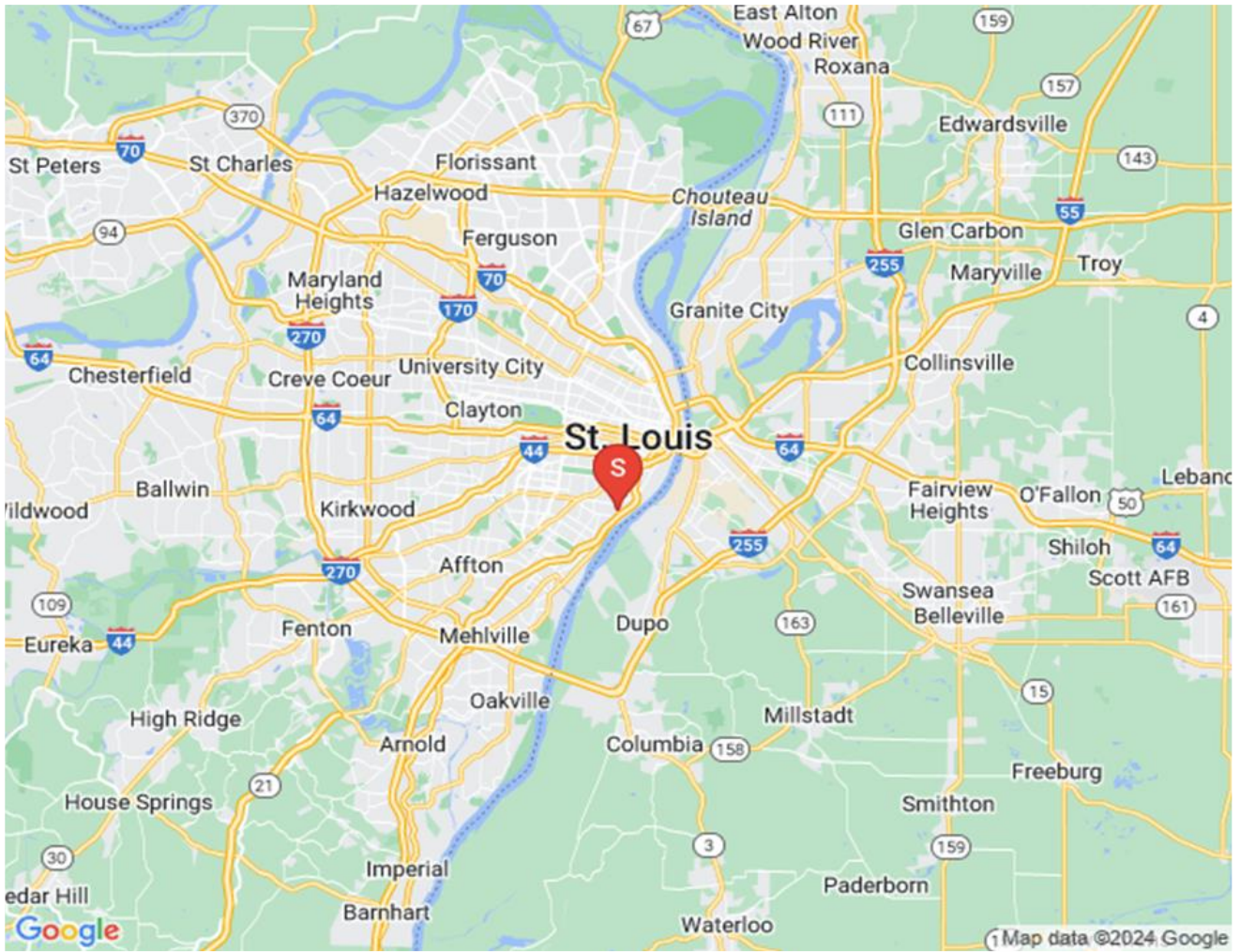


Source: Esri 2024. Compiled by JLL Valuation & Advisory Services, LLC.

Conclusion

The St. Louis MSA's economy will benefit from a stable to slightly growing population base, and higher income and education levels. The St. Louis MSA saw an increase in the number of jobs in the past 10 years, and it can be anticipated that employment growth will continue in the future. Furthermore, the St. Louis MSA is influenced positively from having both a higher rate of GDP growth in the past five years and a higher level of GDP per capita than Missouri overall. We project that the St. Louis MSA's economy will improve and employment will grow, strengthening the demand for real estate overall.

Area Map



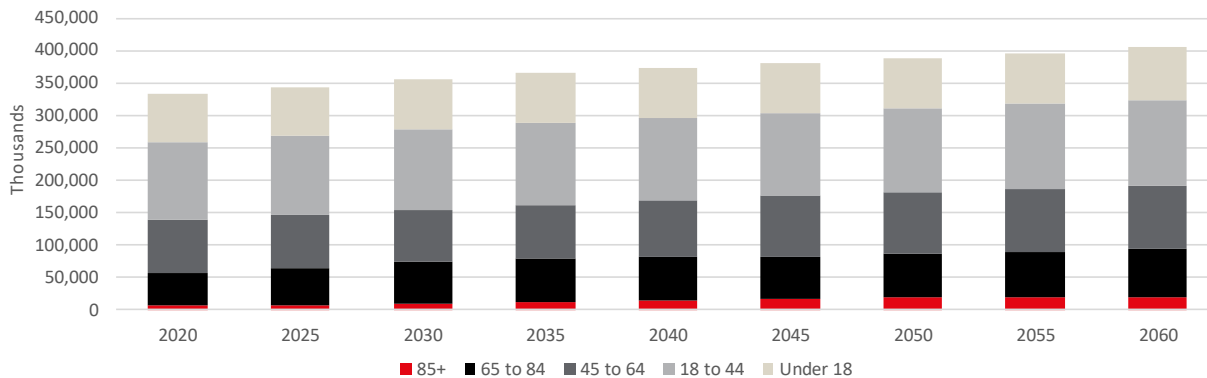
Healthcare Real Estate Market Overview

Market Fundamentals

Demographics

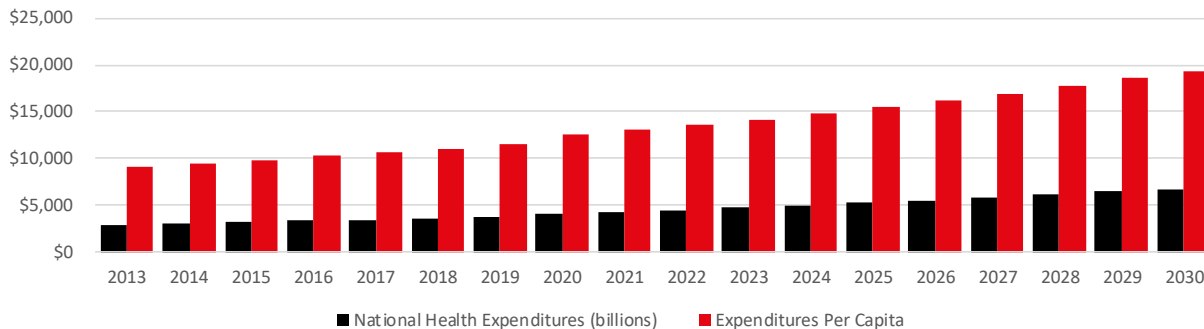
Demand for healthcare real estate is driven by population growth and the respective population healthcare needs. With the aging U.S. population, largely driven by the baby boomer generation, demand for healthcare real estate continues to increase. Much of the forecast growth will occur through 2030, when the "Baby Boom" generation enter their elderly years. From 2010 to 2030, the overall US population is forecast to grow at an annual pace of 0.7%. Growth in the 65+ population is much stronger at 3.0% per year for the 65+ population and 2.5% per year for the 85+ population. These growth rates will lead to increased demand for healthcare services and medical related real estate.

U.S. Population Growth Forecast



Source: U.S. Census Bureau

The most current CMS report was published in April 2022, with data from 2020. Annual healthcare services expenditures totalled over \$4.1 trillion in 2020. According to the Centers for Medicare & Medicaid Services, healthcare spending is estimated to grow at an average rate of 5.5% per year from 2020 through 2030, an estimated 1.0% faster growth than GDP. Furthermore, per capita healthcare spending is expected to increase from \$12,530 in 2020 to \$19,294 in 2030, a nearly 54% increase, again pointing to the increasing healthcare needs of the aging U.S. population.



Source: Centers for Medicare & Medicaid Services, actuals published as of April 2022

U.S.

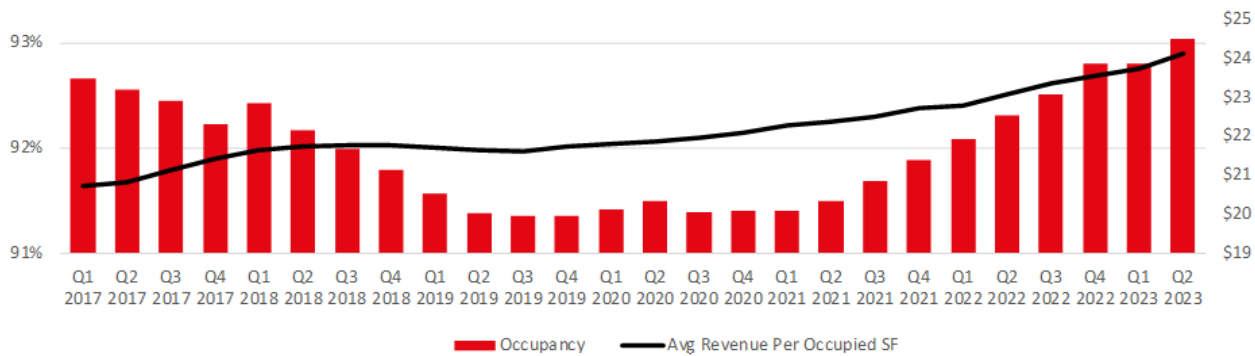
Healthcare Spending

Occupancy and Rental Rates

Medical office occupancy has increased each quarter since a low in 4Q2020. Occupancy rates have held above 90% for the past ten years, ranging from 90.4% to 92.8% over this period, with the decline coming after a period of increased construction trends. Occupancy rates are expected to remain strong through the remainder of the year and into next year. Despite the COVID-19 pandemic and the current state of the U.S. economy, the medical office sector continues to see increased demand.

The average revenue per occupied square-foot has trended upward over the past 10 years. The average U.S. medical office rent increased slightly from \$22.24 per square foot in the first quarter of 2021 to \$24.11 per square foot in the 2nd quarter of 2023. Since 1Q2022, rental rates have increased 5.79% and an average of nearly 1% per quarter. This growth is expected to continue as inflation persists and healthcare services continue to see increased demand.

Occupancy vs. Average Rent



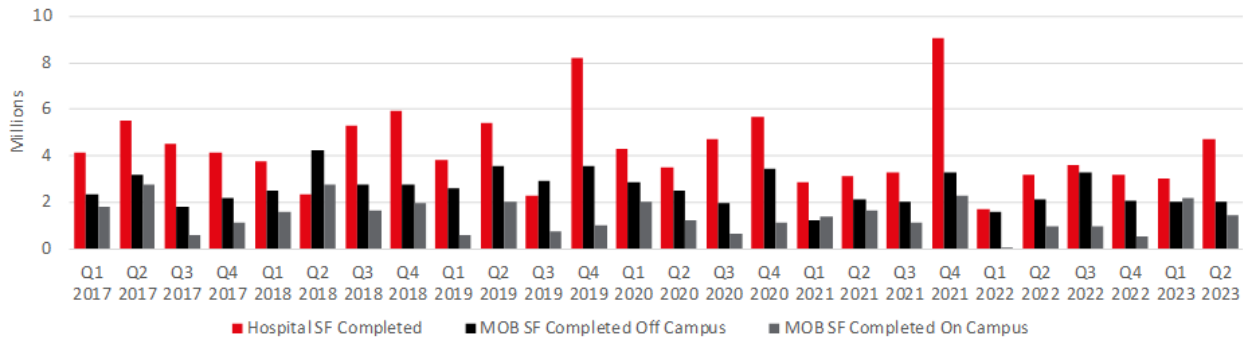
Source: Revista Medical Real Estate

Construction Trends

Construction trends for healthcare real estate remain strong. In 2021, nearly 18.4 million square feet of hospital space and 15 million square feet of medical office space was added. Construction remained strong through 2022 with hospital construction of approximately 14.5 million square feet completed and a similar 14.5 million square feet of medical office.

Medical office construction has been stable over the past decade. Further, considering some of the supply becomes functionally obsolete every year, and demand for new supply is increasing with the growing and aging population, the percentage of completed square feet vs. the current supply remains relatively low.

Healthcare Real Estate Construction Trends



Source: Revista Medical Real Estate

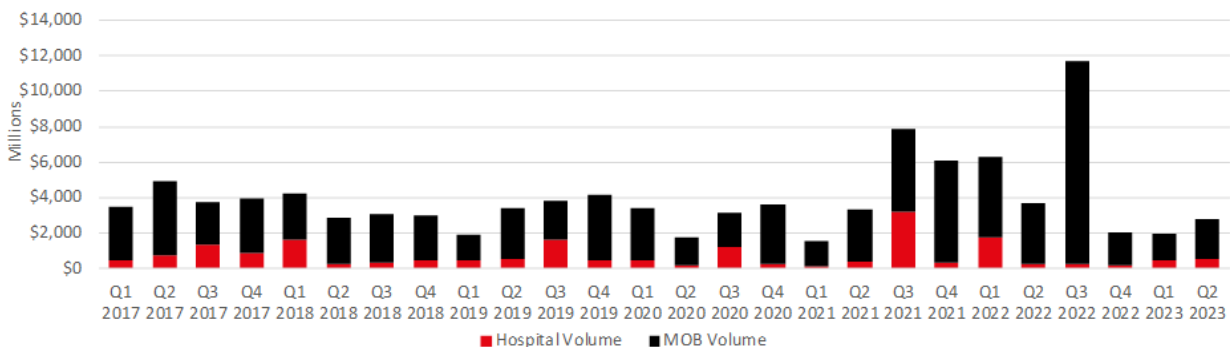
As the healthcare industry moves toward a convenience-oriented and patient-centered model, the layout of doctors’ offices is changing. Modern amenities and spaces promoting data sharing and a team-based approach to care are replacing older facilities. Buildings that promote these objectives will remain in high demand. The evolution of the healthcare sector is encouraging off-campus development, which comprises a large share of projects underway.

Capital Markets

Total Transaction Volume

The recent increases in the Fed Funds Rate has had a significant impact on the capital market. In anticipation of the increase in interest rates, many investors elected to put property under contract in 2Q22 with closings happening in 3Q22, resulting in a historic volume of transaction in 3Q22. As expected, transaction volumes since 3Q22 have been significantly lower. We anticipate transactions to start increasing through the end of 2023 and into 2024 as investors believe the Fed will stop interest rate hikes.

Rolling Four-quarter Transaction Volume



Source: Revista Medical Real Estate

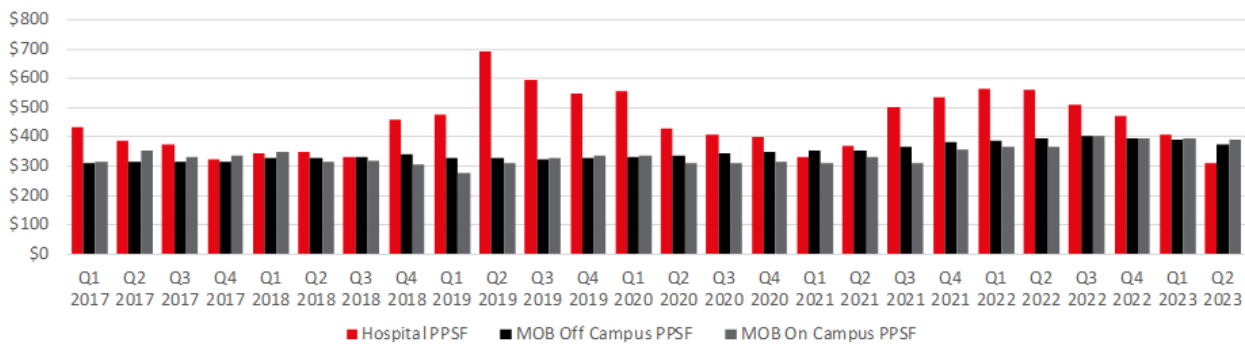
Transaction Price

Over the last year, pricing for healthcare real estate can vary depending on asset quality, location and tenant credit. The average price per square foot was reported at \$310 for hospitals, \$374 for off-campus medical office, and \$390 for on-campus medical office. The average year-over-year price per

square foot showed a 80.64% decrease for hospitals, a 5.67% decrease for off-campus medical office and a 5.93% increase for on-campus medical office.

The table below shows the average price per square foot for medical office properties both off-campus and on-campus, depicting a slight shift in investor demand away from hospital properties to medical office buildings. These trends summarize a shift towards a more patient-centric delivery model as major medical providers are expanding their services into communities, placing ambulatory surgery centers, stand-alone emergency departments and large multitenant medical office buildings closer to residential and retail developments.

Rolling Four-quarter Price per Square-foot



Source: Revista Medical Real Estate

Capitalization Rates

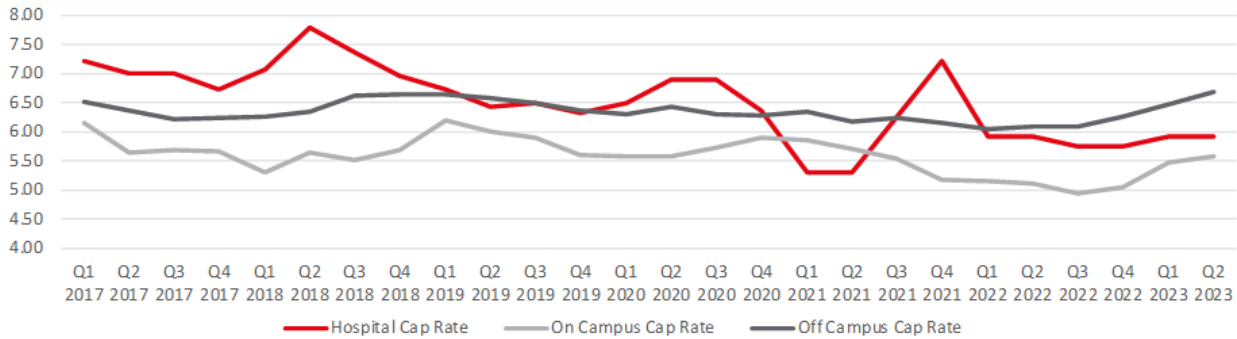
Capitalization rates appeared to have bottomed in Q3 2022 and have increased through Q2 2023. As of Q2 2023, the average capitalization rates were reported at 5.92% for hospitals, 5.58% for on-campus medical office, and 6.69% for off-campus medical office.

Capitalization rates for on-campus medical office buildings have increased by 47 basis points year-over-year, while off-campus buildings have increased by 59 basis points year-over-year. The increase in rates is widely attributable to the recent increases in the Fed Funds Rate and the associated increase in cost of capital for investors.

Capitalization rates for medical office in the 25th percentile (typically Class B & C properties) have also increased 56 basis points year-over-year, whereas cap rates in the 75th percentile (typically Class A properties) have increased a lesser 47 basis points over the same period. Currently the cap rate spread between the 25th percentile and the 75th percentile is approximately 129 basis points. For all medical office sold since 2020, Revista notes a low cap rate of 3.36% with a median of 4.00%.

The current spread between on and off-campus medical office is 111 basis points in favor of on-campus properties which tend to have a higher percentage of hospital tenancy and “sticky” uses such as surgery centers, imaging, and other specialized services. The average spread between on & off-campus MOB’s has decreased 12 basis points over the past twelve months, further indicating investor interest in both on-campus and off-campus properties.

Rolling Four-quarter Capitalization Rates



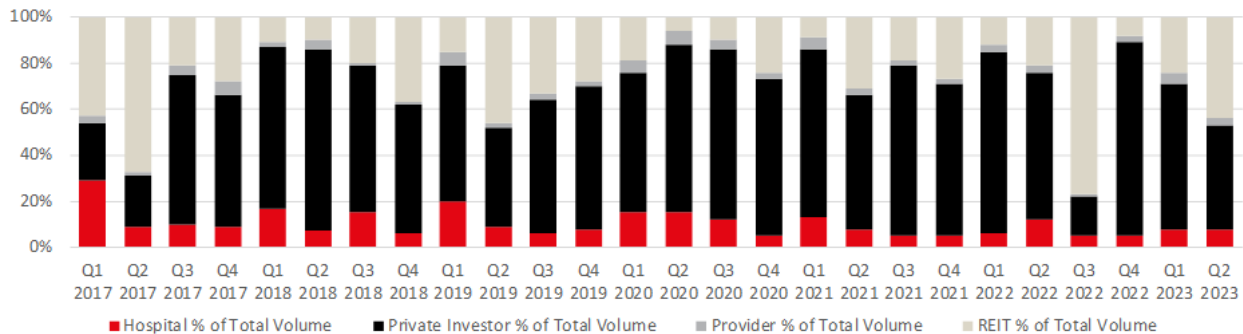
Source: Revista Medical Real Estate

Buyer Composition

The buyer composition for healthcare real estate has fluctuated over time with private investors and REITs continuing to play a large role in the greater investment landscape, representing nearly 89% of total investment volume combined in the 2nd Quarter of 2023. It’s noted REITs had a record low transaction volume of 8% in 4th Quarter 2022, and have steadily increased in each subsequent quarter. Hospital systems and healthcare providers have remained fairly stable over the past year and have a Q2 2023 activity of 8% and 3%, respectively.

The stability and resilience of the medical office sector during this downturn should keep buyer-seller expectations better aligned than for more impacted asset classes. Assumptions surrounding operating expenses, rental rate increases, and tenant turnover are proving more durable due to strong demand for medical services, bolstering net operating income.

Buyer Composition



Source: Revista Medical Real Estate

Impact of COVID-19

The medical office sector is being tested as operators navigate new challenges created by COVID-19. Medical office was once perceived to be a more resilient asset class during a downturn, but the unique uphill battle faced by healthcare providers due to the pandemic has choked revenue streams and considerably shrunk margins.

Despite the short-term costs, the healthcare industry has been one of the quickest to bounce back from the pandemic since the care needs of a growing and aging population continue to increase. As of 2Q23, medical services around the country have return to pre-pandemic levels, indicating a positive outlook for the healthcare industry.

Impact of the Federal Reserve

The Federal Reserve (Fed) actions to curb inflation have had an impact on the cost of capital, greatly impacting lending rates. Healthcare capitalization rates continued to increase through the 2nd quarter of 2023, according to Revista, and most healthcare market participants believe the inflationary fighting actions taken by the Fed have impacted market pricing and expected investor returns. According to market participants, capitalization rates have increased 25 to 125 basis points on market rate deals. The impact of these increases is somewhat offset by significant rent growth and increased demand for healthcare assets.

Green Street CPPI

On a national basis, across all asset classes, real property markets are in flux given that the Federal Reserve actions to reduce inflation have made borrowing costs more expensive and lenders are now taking a much closer look at underwriting. This has had a direct impact on capitalization rates for real property markets. Deal flow has slowed from the peak and valuing real estate is now difficult at best.

Green Street's Commercial Property Price Index® is a time series of unleveraged U.S. commercial property values that captures the prices at which commercial real estate transactions are currently being negotiated and contracted. Features that differentiate this index are its timeliness, its emphasis on high-quality properties, and its ability to capture changes in the aggregate value of the commercial property sector. Based on the recent publication as of May 4, 2023, all property sectors including industrial have seen valuation declines from peak pricing which we believe was mid-2022 for healthcare.

As it relates to healthcare; Green Street data suggests values are down 12% from peak. Only industrial, lodging, and self-storage have performed better, a good indicator of the resiliency in the healthcare real estate market.

Green Street CPPI®: Sector-Level Indexes

	Index Value	Change in Commercial Property Values		
		Past Month	Past 12 Mos	Recent Peak
All Property	130.4	-0.8%	-12%	-16%
Core Sector	129.7	-1.0%	-13%	-19%
Apartment	150.7	0.0%	-16%	-21%
Industrial	232.4	2.0%	-2%	-8%
Mall	80.5	0.0%	-9%	-18%
Office	78.0	-6.0%	-27%	-31%
Strip Retail	113.8	0.0%	-6%	-14%
Health Care	132.7	0.0%	-10%	-12%
Lodging	109.8	0.0%	0%	-3%
Manufactured Home Park	283.8	0.0%	-11%	-12%
Net Lease	97.6	0.0%	-7%	-16%
Self-Storage	278.8	0.0%	-5%	-11%

Medical Office Market Conclusion

The impact of COVID-19 was felt the greatest in the fourth quarter of 2020 and first quarter of 2021 as sales activity was cut nearly in half as it was harder to obtain financing and bring deals to the finish line and new deal sourcing was curbed alongside other asset classes. Strong transaction velocity in the quarters leading up to the health crisis held the yearlong total nearly in line with the prior four-quarter stretch, with fourth-quarter transaction volume and pricing indicating that the healthcare and medical office market are already showing signs of recovery.

Strong demand drivers provide a bright outlook for the sector as the effects of an aging population is already impacting demand for medical office property. New construction continues to add inventory to the market; however, the current pipeline represents only a small percentage of the overall inventory. Market rents and occupancy nationally continue to show an overall steady trend.

Cap rates in both the on-campus and off-campus property types nationally reached historic lows in mid-2022; however, have seen expansion in the subsequent quarters. Recent and anticipated regulatory changes will continue to push providers to seek the best and least expensive care for their patients, continuing the trend of moving more services to outpatient locations.

Despite the pandemic and the recent volatility in the capital markets, investor demand for healthcare properties continues to be strong. Both nationally and locally, there is adequate demand for medical services over the foreseeable future.

Surrounding Area Analysis

Boundaries

The subject is located in the St Louis City submarket, which is generally bound as follows:



Surrounding Demographics

A snapshot of the surrounding area demographics, including population, households, and income data, is displayed in the following table.

Surrounding Area Demographics							
	1 mi. radius	3 mi. radius	5 mi. radius	St. Louis City	St. Louis MSA	Missouri	United States
Population							
2010	22,208	130,139	271,354	319,293	2,787,699	5,988,890	308,745,538
2020	20,722	125,566	267,825	301,578	2,820,253	6,154,913	331,449,281
2024	19,840	122,123	263,723	296,881	2,824,501	6,232,540	338,440,954
2029	19,034	118,042	257,913	289,598	2,820,111	6,285,716	344,873,411
Compound Chg 2020 - 2024	-1.08%	-0.69%	-0.39%	-0.39%	0.04%	0.31%	0.52%
Compound Chg 2024 - 2029	-0.83%	-0.68%	-0.44%	-0.50%	-0.03%	0.17%	0.38%
Density	6,320	4,320	3,358	4,810	359	91	96
Households							
2010	8,765	56,985	122,129	142,081	1,109,663	2,375,595	116,716,292
2020	8,861	58,490	127,949	144,870	1,149,824	2,479,146	126,817,580
2024	8,732	58,159	128,439	145,601	1,163,231	2,530,072	130,716,571
2029	8,629	57,927	129,437	146,639	1,180,018	2,579,681	134,930,577
Compound Chg 2020 - 2024	-0.37%	-0.14%	0.10%	0.13%	0.29%	0.51%	0.76%
Compound Chg 2024 - 2029	-0.24%	-0.08%	0.15%	0.14%	0.29%	0.39%	0.64%
Other Demographics							
Med. Household Income	\$42,712	\$57,066	\$58,478	\$55,037	\$79,002	\$68,138	\$79,068
Avg. Household Size	2.2	2.1	2.0	2.0	2.4	2.4	2.5
College Graduate %	23.1%	41.0%	42.2%	40.9%	38.7%	33.0%	36.8%
Median Age	36	36	36	36	40	40	39
Owner Occupied %	31%	43%	44%	41%	69%	66%	64%
Renter Occupied %	69%	57%	56%	59%	31%	34%	36%
Med. Home Value	\$153,867	\$218,720	\$218,136	\$217,118	\$264,189	\$246,312	\$355,577

Source: Esri 2024. Compiled by JLL Valuation & Advisory Services, LLC.

As illustrated above, the current population within a three-mile radius of the subject is 122,123, and the average household size is 2.1. Population in the area has declined since the 2020 census, and this trend is expected to continue in the ensuing five years. Despite the contracting population within a three-mile radius, it is estimated that the St. Louis MSA overall will remain steady.

Median household income is \$57,066, which is considerably lower than the household income for the St. Louis MSA as a whole. The populace within a three-mile radius has more formal college education than residents in the St. Louis MSA, while median home values in the area are substantially lower.

The following table presents a summary of the convenience of walking and biking to amenities in the neighborhood around the subject property, as well as its accessibility to public transportation.

Walk, Bike, and Transit Information

Metric	Rating (0-100)	Description
Walk Score	78	Very Walkable
Bike Score	59	Bikeable
Transit Score	39	Some Transit
Mass Transit	Mi. from Subj.	Location
Nearest Bus Stop	0.1	Broadway @ Keokuk Sb
Summary: 3 nearby routes: 3 bus, no rail/other		

Source: Walkscore.com, updated 02/17/2024. Compiled by JLL Valuation & Advisory Services, LLC.

Demand Generators

Major employers in the area include BJC Health System, East Region (BJC HealthCare), Washington University in St. Louis, Prairie Farms Dairy Inc., Bunge, and CEdge Inc. The closest major commercial corridors to the subject are Interstate 55 and S Broadway; providing average supporting retail and entertainment services. Development activity in the immediate area has been predominantly of retail, office and residential uses. In addition, development has been decreasing in the last three years. Finally, the subject has above average area linkages providing access to local job centers and surrounding commercial districts.

Access and Linkages

S Tucker Blvd and I-55 S provide access to the subject from the greater St. Louis MSA metro area. Additionally, the subject has a walk score of 70 indicating an above average walkability factor. The subject is most commonly accessed via car, bus and on foot.

The nearest commercial airport is St. Louis Lambert International Airport and is located within 18.9 miles of the subject property.

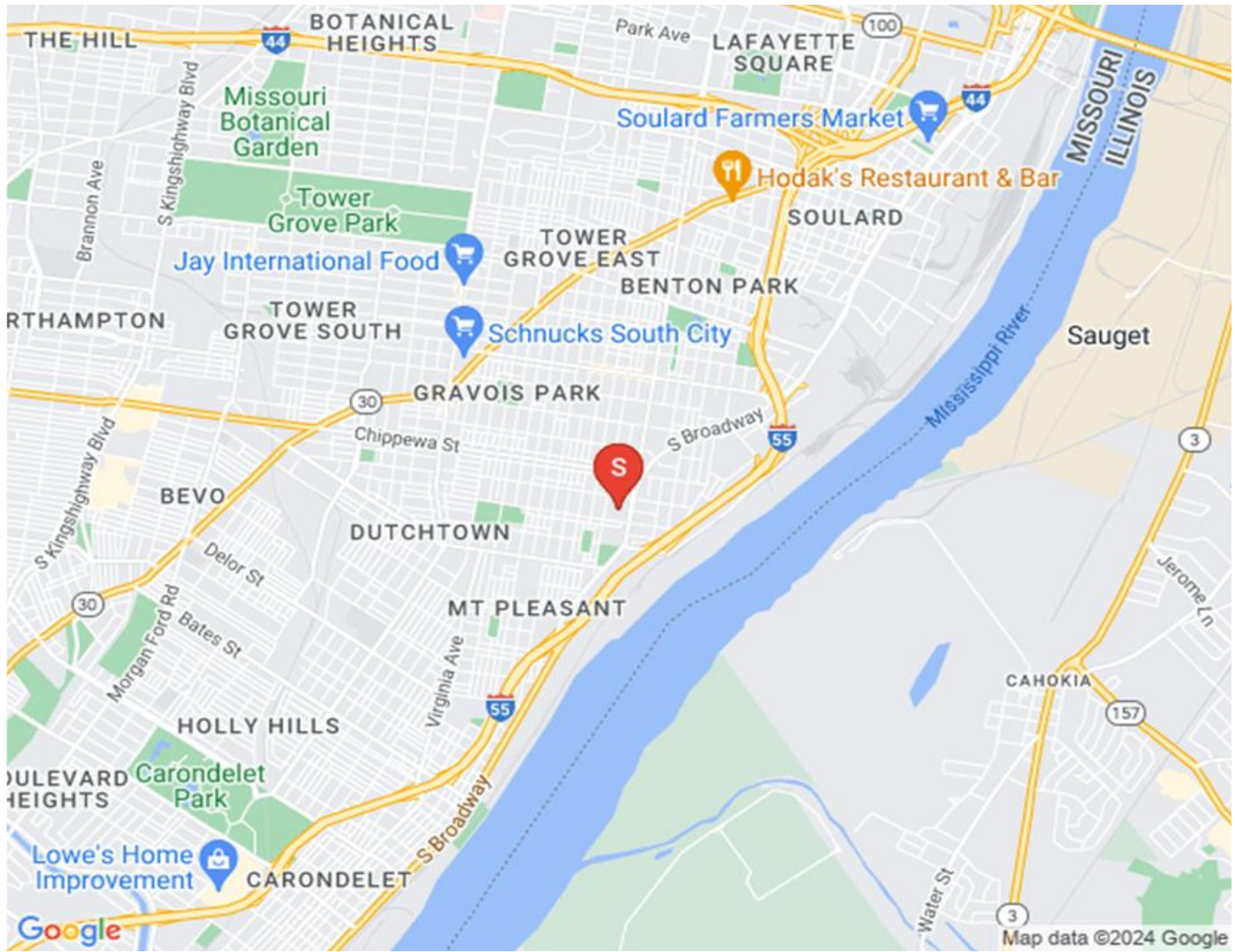
Safety and Support Services

Safety and support services are provided by the City of St. Louis.

Outlook and Conclusion

The subject's area has experienced recent employment growth and construction activity has been moderate contributing to our conclusion that the subject's area is in the stable stage of its life cycle.

Surrounding Area Map



Property Description

Site Description

Aerial Map



The subject property is outlined in red in the aerial above.

Land Summary

Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Topography	Shape
2564-9-141.002	4.26	185,566	Level	Irregular
Totals	4.26	185,566		

Source: Public Records

Land Description

Shape	Irregular
Average Depth (Feet)	341
Average Width (Feet)	420
Corner Location	Yes
Primary Street Frontage	S Broadway
Traffic Volume	10,267
Access Rating	Good
Visibility Rating	Good
Functional Utility	Average
Topography	Level
Landscaping	Typical landscaping
Drainage	No drainage problems were observed or disclosed to us during our inspection. This appraisal assumes that surface water collection is adequate.
Soil Conditions	Adequate for development
Wetlands/Watershed	No wetlands were observed during our site inspection.
Flood Zone Designation	X
Flood Zone	The subject is outside the 500-year flood plain. The appraiser is not an expert in this matter and is reporting data from FEMA maps.
FEMA Map Number	2903850103C
FEMA Map Date	5/24/2011
Utilities	All public utilities are available to the site including public water and sewer, gas, electric, and telephone
Utilities Adequacy	The subject's utilities are typical and adequate for the market area.

Environmental Hazards

An environmental assessment was not provided for review. No environmental hazards were apparent from inspection and it is assumed the Subject is free and clear of any environmental hazards including, without limitation, hazardous waste, toxic substances and mold.

Zoning Summary

Zoning Jurisdiction	City of St. Louis
Zoning Code	B
Zoning Description	Two-Family Dwelling District
Permitted Uses	Two-family dwellings; conversion town houses; temporary buildings for use incident to construction work, which buildings shall be removed upon the completion or abandonment of the construction; and small wireless facility unless prohibited by federal law, federal regulation or a federal agency
Zoning Density/FAR	None stated
Actual Density of Use	0.91
Current Use Legally Conforming	The subject is legal and conforming use.
Zoning Change Likely	A zoning change is unlikely.
Zoning Change Description	N/A
Maximum Building Height	No building hereafter erected shall exceed 2½ stories or 35 feet in height unless two side yards of not less than 10 feet in width are provided, in which case a building may not exceed 3 stories or 45 feet in height
Maximum Site Coverage	None stated
Set Back Distance (Feet)	Not less than 25 feet
Side Yard Distance (Feet)	There shall be provided a side yard of not less than four (4) feet in width on each side of a building, and the total width of both side yards shall be not less than ten (10) feet; provided, however, that lots of record prior to the effective date of this Zoning Code having a width of less than (40) feet, may reduce the total side yard width by an amount equal to one-half (½) the difference between the width of such lot and forty (40) feet, but in no case shall either side yard be less than three (3) feet in width
Rear Yard Distance (Feet)	Not less than 25 feet in depth
Parking Requirement	Parking space within 500 feet of the main building sufficient to accommodate 1 parking space for every 2 beds, plus 1 space for every doctor on the maximum shift
Other Land Use Regulations	We are not aware of any other land use regulations that would affect the property.
Source	City of St. Louis, MO - Code of Ordinances

Zoning Summary

Zoning Jurisdiction	City of St. Louis
Zoning Code	F
Zoning Description	Neighborhood Commercial District
Permitted Uses	General offices; professional offices; art galleries and studios; drug stores; and mixed uses which include any of the permitted residential and commercial uses
Zoning Density/FAR	None stated
Actual Density of Use	0.91
Current Use Legally Conforming	The subject is legal and conforming use.
Zoning Change Likely	A zoning change is unlikely.
Zoning Change Description	N/A
Maximum Building Height	No building shall exceed 3 stories or 50 feet in height. Churches, schools, public buildings, hospitals and institutions may be erected to a height exceeding 85 feet
Maximum Site Coverage	None stated
Set Back Distance (Feet)	None stated
Side Yard Distance (Feet)	None stated
Rear Yard Distance (Feet)	None stated
Parking Requirement	Parking space within 500 feet of the main building sufficient to accommodate 1 parking space for every 2 beds, plus 1 space for every doctor on the maximum shift
Other Land Use Regulations	We are not aware of any other land use regulations that would affect the property.
Source	City of St. Louis, MO - Code of Ordinances

According to the local planning department, there are no pending or prospective zoning changes. It appears that the current use of the site is a legally conforming use.

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

Encumbrance/Easements/Restrictions

We were not provided a current title report to review. We are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Overall Site Utility

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning.

Improvements Description

The subject is an existing, vacant, 6-story former hospital that contains 168,000 SF of rentable area. Only floor 5 is under appraisalment which contains 15,150 SF of rentable area. The improvements were constructed in 1927 and are 0.0% leased as of the effective appraisal date. The site area is 4.260 acres or 185,566 square feet. The fee simple bundle of rights is under appraisalment.

Improvements Description

South City Hospital (5th Floor)

General Description	
Building Name / Type	South City Hospital (5th Floor)
General Property Type	Health Care
Property Type	Medical Office
Competitive Property Class	C
Occupancy Type	Owner-Occupied
Occupancy	100%
Number of Buildings	1
Stories	6
Year Built	1927
Year Renovated	Various
Construction Class	Class C
Construction Type	Masonry
Construction Quality	Average
Condition	Below Average
Building Areas and Ratios	
Gross Building Area (SF)	168,000
Floors 1 & 5 Rentable Area (SF)	15,150
Land Area (SF)	185,566
Floor Area Ratio (RA/Land SF)	0.08
Building Area Source	Public Records

Building Features

- The subject is a 6-story, 168,000 SF former hospital that is un-licensed as of the effective appraisal date. Only floor 5 are under appraisalment, which contains 15,150 SF of rentable area.

Construction Description

Building Name / Type	South City Hospital (5th Floor)
Foundation, Frame, and Exterior	
Foundation	Poured concrete slab
Structural Frame	Masonry Frame
Exterior	Brick curtain wall
Windows	Fixed Casement
Roof/Cover	Flat/Membrane
Interior Features	
Interior Layout	Average
Lobby/Common Area	Average
Floor Cover	Carpet, Linoleum, Tile
Walls	Painted drywall
Ceilings	Acoustic ceiling panels
Lighting	A mix of fluorescent and incandescent lighting
Restrooms	Men's and women's on each floor
Finish Out Condition	Average
Mechanical Systems	
Heating	Central
Cooling	Central
Electrical	Assumed adequate and up to code
Plumbing	Assumed adequate and up to code
Sprinklers	Wet Water

Parking

Building Name / Type	South City Hospital (5th Floor)
Total Parking Spaces	190
Surface Spaces	190
Parking Type	Surface
Source of Parking Count	Aerial
Parking Spaces/1,000 SF RA	12.5
Parking Condition	Below Average
Parking Adequacy	Average

Effective Age and Economic Life

Building Name / Type	South City Hospital (5th Floor)
Year Built	1927
Actual Age (Yrs.)	97
Estimated Effective Age (Yrs.)	53
Estimated Economic Life (Yrs.)	55
Remaining Economic Life (Yrs.)	2

As noted above, the subject has been vacant for an extended period and the improvements are judged to be nearly fully depreciated.

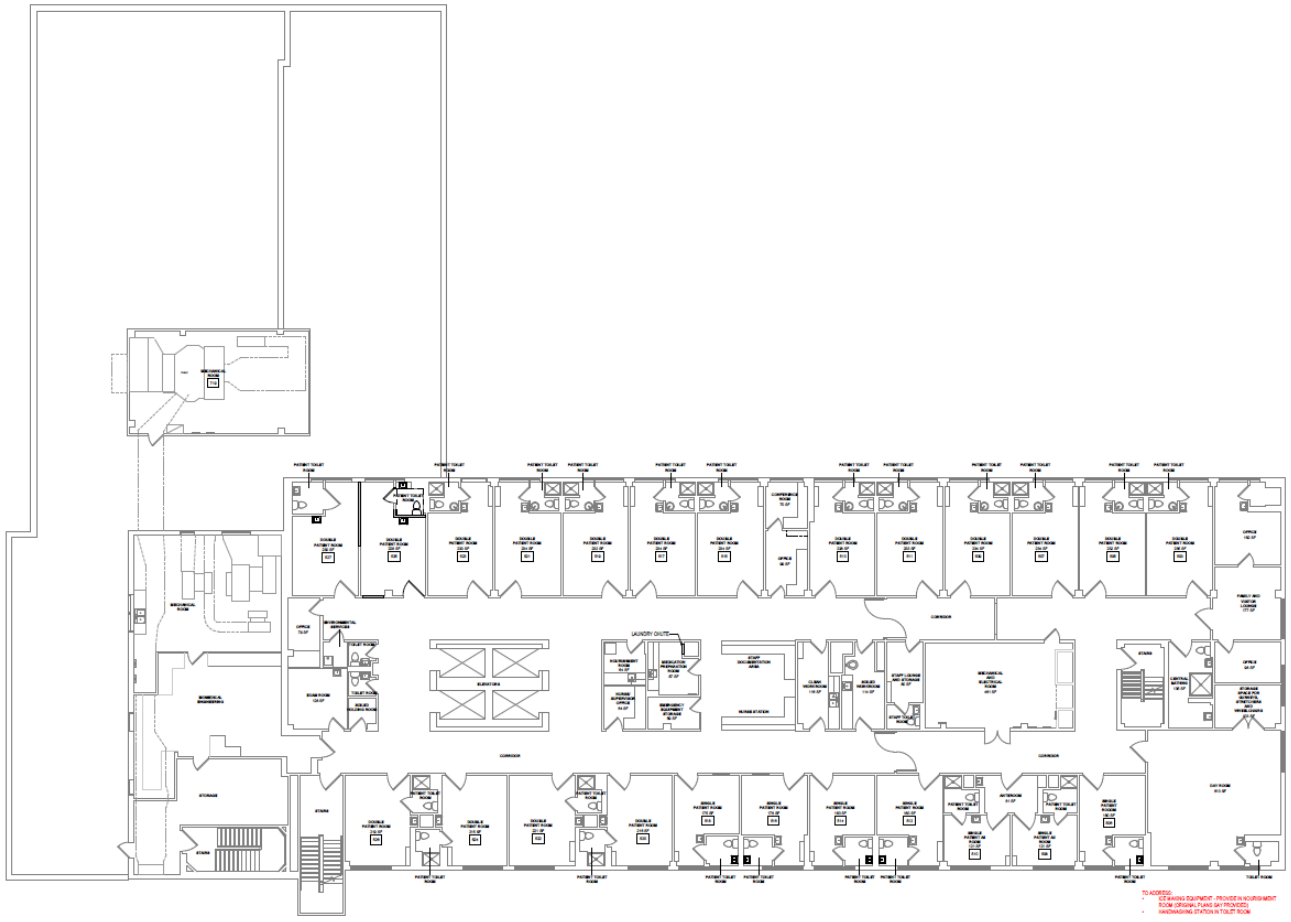
Improvements Analysis

Design & Functional Utility	Below Average
Appeal & Appearance	Consistent with competitive properties
Deferred Maintenance	We did not identify any major items of deferred maintenance during our inspection and ownership indicated there were none.
Capital Improvements	Based on discussions with management, there are no planned capital expenditures.
Personal Property	Our appraisal considers only the real property, personal property is not included.
Furniture, Fixtures & Equipment (FF&E)	None
Americans With Disabilities Act	Based on our inspection and information provided, we are not aware of any ADA issues. However, we are not experts in ADA matters, and further study by an appropriately qualified professional would be recommended to assess ADA compliance.

Improvements Conclusion

On balance, the condition, quality, and functional utility of the improvements are typical for their age and location.

Floor Plan



FIFTH FLOOR PLAN

Subject Photographs



Keokuk Looking West
(Photo Taken on August 2, 2024)



Looking Southeast at Main Building
(Photo Taken on August 2, 2024)



Looking West Along Broadway
(Photo Taken on August 2, 2024)



Keokuk Looking East
(Photo Taken on August 2, 2024)



Looking Southeast at Subject
(Photo Taken on August 2, 2024)



Broadway Looking South
(Photo Taken on August 2, 2024)



Interior View
(Photo Taken on August 2, 2024)



Interior View
(Photo Taken on August 2, 2024)



Interior View
(Photo Taken on August 2, 2024)



Interior View
(Photo Taken on August 2, 2024)



Interior View
(Photo Taken on August 2, 2024)



Interior View
(Photo Taken on August 2, 2024)

Assessment and Taxes

Real estate tax assessments are administered by St. Louis City and are estimated by jurisdiction on a county basis in Missouri. Real estate taxes in this state and jurisdiction represent ad valorem taxes, meaning a tax is applied in proportion to value and potential a direct assessment. The real estate taxes for an individual property may be determined by multiplying the assessed value estimate by the composite tax rate. The composite rate is based on a consistent tax rate throughout the county, in addition to one or more local taxing district rates. Real estate tax rates change every year while reassessment occurs every odd year (ex. 2023, 2025, etc.), and purchase prices must be disclosed if a property is transferred in St. Louis City, however, disclosure requirements are not mandated state-wide.

Market values are estimated by mass appraisal utilizing the Cost and Income Approaches. Verified sales are utilized to improve model assumptions but are not directly considered in the appraised value of any particular property. If the assessment is appealed, the actual sale price would be given more consideration and all three approaches to value would be utilized. An assessment ratio is then applied to the concluded market value based on the property's use. The commercial assessment ratio to market value is 32% and the residential assessment ratio to market value is 19%. The following is a summary of the real estate deadlines and dates for each tax year:

- January 1 – Tax cycle begins with assessed values based as of January 1 of the tax year.
- May 1- 15 – Preliminary assessment determined and notices mailed. Informal appeal may commence.
- June 23 – Informal appeals end
- First Monday of July – Board of Equalization convenes to hear appeals
- Fourth Saturday in August – Board of Equalization adjourns and assessed values finalized
- Month of September – Tax districts set tax rates
- October – Tax bills are generated
- December 31 – Deadline to pay all taxes

Real estate taxes are paid in one installment by December 31 of the respective tax year.

Real Estate Taxes

Taxing Authority Saint Louis City
 Assessment Year 2023

Real estate taxes and assessments for the current tax year are shown in the following table.

Real Estate Assessment and Taxes - 2023				
Tax ID	Assessed Value		Taxes and Assessments	
	Total Assessment	Tax Rate	Ad Valorem Taxes	Total Taxes
2564-9-141.002	\$230,600	11.33%	\$26,120.71	\$26,120.71
Totals	\$230,600	11.33%	\$26,120.71	\$26,120.71

Depicted in the ensuing table is the subject property's tax history. It should be noted that prior year tax rates were not provided to us and could not be located via public records.

Tax History

Assessment Year	Total Assessment	Tax Rate	Ad Valorem Taxes	Total Taxes
2023	\$230,600	\$0.11	\$26,121	\$26,121

Assessment Analysis

We have analyzed the assessment and corresponding taxation of competitive properties in the marketplace as a test of reasonableness compared to the subject's current assessment and taxation.

Tax Comparables

No.	Name	Property Type	City	Rentable Area	Year Built	Total Assessment	Assessment per SF	Taxes	Taxes/Rentable Area
Subject	South City Hospital (5th Floor)	Medical Office	St. Louis	15,150	1927	\$230,600	\$15.22	\$26,121	1.72
1	909 N 14th St	Medical Office	St. Louis	6,500	2001	\$166,600	\$25.63	\$15,922	2.45
2	2315 Pine St	Medical Office	St. Louis	8,653	1964	\$179,400	\$20.73	\$17,221	1.99
3	5201-5205 Chippewa St	Medical Office	St. Louis	18,000	1933	\$244,800	\$13.60	\$23,499	1.31
JLL Tax Projection:								\$26,121	\$1.72

Taxes for comparable properties range from \$1.31 to \$2.45 per square foot, as compared with the subject at 1.72 per square foot . On balance, the subject's taxes appear reasonable.

Highest and Best Use

Highest and best use may be defined as the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

- **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?
- **Physically Possible:** To what use is the site physically adaptable?
- **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?
- **Maximally Productive:** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Highest and Best Use of the Site

Legally Permissible

The site is zoned B, Two-Family Dwelling District. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Given prevailing land use patterns in the area, only healthcare use is given further consideration in determining highest and best use of the site, as though vacant.

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Financially Feasible

Based on our analysis of the market, there is currently adequate demand for healthcare use in the subject's area. It appears that a newly developed healthcare use on the site would have a value commensurate with its cost. Therefore, healthcare use is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than healthcare use. Accordingly, it is our opinion that healthcare use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Development of the site for healthcare use is the only use that meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as if vacant.

Highest and Best Use as Improved

The subject site is developed with a vacant building, which is consistent with the highest and best use of the site as if it were vacant.

The existing improvements are currently leased and produce a significant positive cash flow that we expect will continue. Therefore, a continuation of this use is concluded to be financially feasible.

Based on our analysis, there does not appear to be any alternative use that could reasonably be expected to provide a higher present value than the current use, and the value of the existing improved

property exceeds the value of the site, as if vacant. For these reasons, continued healthcare use is concluded to be maximally productive and the highest and best use of the property as improved.

Accordingly, the highest and best use is to redevelop the site for healthcare use.

Most Probable Buyer

Taking into account the size and characteristics of the property and its owner occupancy, the likely buyer is an investor or an owner-user.

Valuation Methodology

Three basic approaches may be applicable and utilized, then reconciled to arrive at an estimate of market value. An approach to value is included or eliminated based on its applicability to the property type being valued and the information available. The reliability of each approach depends on the availability and comparability of market data as well as the motivation and thinking of purchasers. Applicable approaches and whether or not they were utilized are summarized below:

Cost Approach

The Cost Approach is based on the proposition that an informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. In the Cost Approach, the appraiser forms an opinion of the cost of all improvements, depreciation from physical, functional and external causes. The land value, entrepreneurial profit and depreciated improvement costs are then added, resulting in indication of value.

Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. A gross income multiplier and / or effective gross income multiplier may also be analyzed. By process of correlation and analysis, a final indicated value is derived.

Income Approach

In the Income Capitalization Approach the income-producing capacity of a property is estimated by using contract rents on existing leases and by estimating market rent from rental activity at competing properties for the vacant space. Deductions are then made for vacancy and collection loss and operating expenses. The resulting net operating income is divided by an overall capitalization rate to derive an opinion of value for the subject property. The capitalization rate represents the relationship between net operating income and value. This method is referred to as Direct Capitalization.

Related to the Direct Capitalization Method is the Yield Capitalization Method. In this method periodic cash flows (which consist of net operating income less capital costs) and a reversionary value are developed and discounted to a present value using a discount rate or an internal rate of return.

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

Analyses Applied

Applicability and utilization of the approaches in this assignment is described as follows.

Approach	Description	Applicability	Utilization
Cost	A cost approach is most applicable in valuing new or proposed construction when the improvements represent the highest and best use of the land and the land value, cost new and depreciation are well supported.	Applicable	Utilized
Sales Comparison	A sales approach is most applicable when sufficient data on recent market transactions is available and there is an active market for the property type.	Applicable	Utilized
Income	An income approach is most applicable when the subject is an income producing property or has the ability to generate income in the future as an investment.	Not Applicable	Not Utilized

Land Valuation

The subject's land value has been developed via the sales comparison approach.

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. This approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

We have researched comparables for this analysis, which are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources and, when possible, verified by a party to the transaction.

Land Sales Summary					
No.	Name; Address	Sale Date; Status; Prop. Rights	Square Feet; Acres	Sale Price;	\$/SF; \$/Acre
1	7870 Veterans Memorial Pky 7870 Veterans Memorial Pky O'Fallon, MO 63376	12/18/2023 Closed Sale Fee Simple	263,974 6.06	\$2,000,000	\$7.58 \$330,033
Sale Comments: Sale of a 6.06 acre parcel of commercial land for \$2,000,000 or \$7.58/sf.					
2	670-690 S Highway Drive 670-690 S Highway Drive Fenton, MO 63026	11/9/2023 Closed Sale Fee Simple	54,450 1.25	\$710,000	\$13.04 \$568,000
Sale Comments: Sale of a 1.25 acre parcel of commercial land for \$710,000 or \$13.04/sf.					
3	345-349 Marshall Ave 345-349 Marshall Ave Webster Groves, MO 63119	9/1/2022 Closed Sale Fee Simple	207,781 4.77	\$1,430,000	\$6.88 \$299,790
Sale Comments: Sale of a 4.77 acre lot for \$1,430,000 or \$6.87/sf.					
4	2002 3rd Street 2002 3rd Street Saint Louis, MO 63104	8/13/2024 Listing Fee Simple	114,998 2.64	\$825,000	\$7.17 \$312,500
Sale Comments: Listing for a 2.64 acre parcel of commercial land for \$825,000 or \$7.17/sf.					
S	South City Hospital (5th Floor) 3927 S Broadway St. Louis, MO 63118 Saint Louis City		185,566 4.26		

*If applicable, prices per SF/unit and capitalization rates and/or income multipliers based on effective sale price.

Land Sale Comparable Photographs



Land Sale #1
7870 Veterans Memorial Pky



Land Sale #2
670-690 S Highway Drive

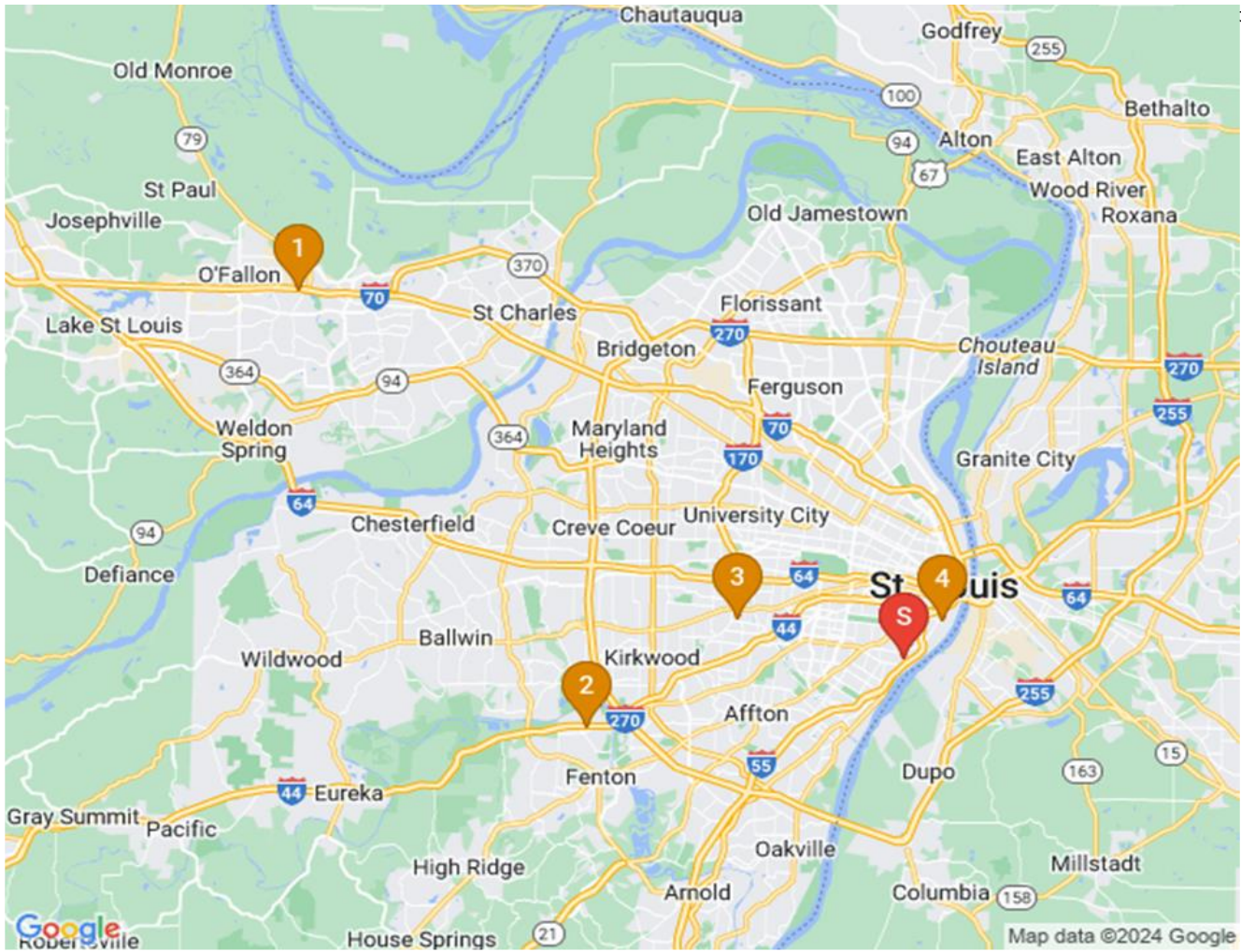


Land Sale #3
345-349 Marshall Ave



Land Sale #4
2002 3rd Street

Land Sales Map



No.	Name	Location	SF	Price/SF
1	7870 Veterans Memorial Pky	O'Fallon, MO	263,974	\$7.58
2	670-690 S Highway Drive	Fenton, MO	54,450	\$13.04
3	345-349 Marshall Ave	Webster Groves, MO	207,781	\$6.88
4	2002 3rd Street	Saint Louis, MO	114,998	\$7.17
S	South City Hospital (5th Floor)	St. Louis, MO	185,566	

Analysis and Adjustment of Sales

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Land Grid					
	Subject	Comp 1	Comp 2	Comp 3	Comp 4
Name	South City Hospital (5th Floor)	7870 Veterans Memorial Pky	670-690 S Highway Drive	345-349 Marshall Ave	2002 3rd Street
Address	3927 S Broadway	7870 Veterans Memorial Pky	670-690 S Highway Drive	345-349 Marshall Ave	2002 3rd Street
City	St. Louis	O'Fallon	Fenton	Webster Groves	Saint Louis
County	Saint Louis City	St. Charles	St. Louis	St. Louis	Saint Louis
State	MO	MO	MO	MO	MO
Date	Aug-2024	Dec-2023	Nov-2023	Sep-2022	Aug-2024
Price		\$2,000,000	\$710,000	\$1,430,000	\$825,000
Acres	4.26	6.06	1.25	4.77	2.64
Land SF	185,566	263,974	54,450	207,781	114,998
Land SF Unit Price		\$7.58	\$13.04	\$6.88	\$7.17
Median Home Value	\$150,674	\$194,864	\$339,834	\$275,363	\$234,981
Median Household Income	\$37,753	\$75,051	\$99,323	\$80,303	\$67,893
Traffic Count	10,267	5,369	47,705	6,393	10,297
Zoning	B	C-3	C-1	E	K
Shape	Irregular	Rectangular	Square	Irregular	Irregular
Topography	Level	Level	Level	Level	Level
Utilities	The Site is Served	All Utilities Available	All Utilities	All Utilities	All Utilities
Transaction Adjustments					
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing		All Cash	All Cash	Conventional	All Cash
Conditions of Sale		Normal	Normal	Normal	Listing
% Adjustment		-	-	-	-10%
Market Trends Through	Aug-24	-3.0%	-2%	-2%	-6%
Adjusted Land SF Unit Price		\$7.43	\$12.75	\$6.49	\$6.46
Location		-10%	-10%	-10%	-10%
Access/Exposure		-	-20%	-	-
Size		-	-10%	-	-5%
Shape/Topography		-	-	-	-
Zoning		-	-	-	-
Entitlements		-	-	-	-
Adjusted Land SF Unit Price		\$6.69	\$7.65	\$5.84	\$5.49
Net Adjustments		-12%	-41%	-15%	-24%
Gross Adjustments		12%	42%	16%	25%
Summary Indicators					
		Range	Average	Median	
Comparables - Unadjusted		\$6.88 - \$13.04	\$8.67	\$7.38	
Comparables - Adjusted		\$5.49 - \$7.65	\$6.42	\$6.27	
Reconciled Unit Value:			\$6.50		

Comparable Land Sale Adjustments

Property Rights

No adjustments for real property rights were required.

Financing

No adjustments for financing terms were required.

Conditions of Sale

Comparable 3 has been adjusted downward to account for buyer/seller negotiations. Comparables 1 and 2 have not been adjusted.

Expenditures After Sale

No adjustments for expenditures after sale were required.

Economic Trends

The land sales took place from September 2022 to August 2024. Market conditions generally have been weakening over this period through the effective date of value. As a result, we apply downward adjustments of 3.0% per year to account for this trend.

Location

All four comparables have been adjusted downward due to their superior location when compared to the subject property.

Access/Exposure

Comparable 2 has been adjusted downward due to its superior access/exposure when compared to the subject property. The remaining three comparables have not been adjusted.

Size

Comparables 2 and 4 have been adjusted downward due to their smaller size when compared to the subject property. Comparables 1 and 3 have not been adjusted.

Shape/Topography

No adjustments for shape/topography were required.

Zoning

No adjustments for zoning were required.

Entitlements

No adjustments for entitlements were required.

Land Valuation Conclusion

All of the value indications have been considered, and in the final analysis, all comparables have been given consideration in arriving at our final reconciled value.

Land Value Reconciliation	
Premise	Value
As Is	August 2, 2024
Indicated Value per Land SF	\$6.50
Subject Land SF	185,566
Indicated As Is Value	\$1,206,176
Rounded As Is Value	\$1,210,000

It should be noted that we allocated approximately 9% of the total land value to the cost approach conclusion above, since only 9% of the subject's total building area is under appraisal (floor 5). This is based on the proportionate share of the subject's rentable area to the gross building area, applied to the hypothetical common areas as if the subject were condominiumized. We multiply 9% * \$1,210,000 = \$108,900.

Cost Approach

The Cost Approach is based on the principle of substitution - that a prudent and rational person would pay no more for a property than the cost to construct a similar and competitive property, assuming no undue delay in the process. The Cost Approach tends to set the upper limit of value before depreciation is considered. The applied process is as follows:

1. Estimate the land value according to its Highest and Best Use.
2. Estimate the replacement cost of the building and site improvements.
3. Estimate the physical, functional and/or external depreciation accrued to the improvements.
4. Sum the depreciated value of the improvements with the value of the land for an indication of value.

Replacement Cost

Replacement cost is the current cost to construct improvements with equivalent utility to the subject, using modern materials and current standards, design, and layout. Estimates of replacement cost for the purpose of developing a market value opinion include three components: direct costs, indirect costs (also known as soft costs) and entrepreneurial profit.

Direct Costs

In order to estimate the direct replacement cost, we will utilize the Marshall & Swift.

1. Marshall & Swift

Marshall Valuation Service (MVS), a nationally recognized source for cost data, is utilized to estimate direct costs for the subject, which includes expenditures for labor, materials, supervision, contractors' profit and overhead, architects' plans and specifications, sales taxes and insurance. MVS' *Square Foot Commercial Methodology* determines the property's base costs, which are then adjusted, if applicable, for differences in heating/cooling costs, and the presence of sprinklers and elevators. The adjusted base costs are then further adjusted, if applicable, to account for building height, interior wall height, building perimeter, current costs, location variations, and prospective value multipliers. Beyond the base building costs, specialty components or site improvements are provided by the segregated cost sections of the MVS *Commercial Cost Explorer*. In addition to direct costs, MVS includes certain indirect costs such as architectural and engineering fees, and interest on building loan funds during construction. Our direct cost estimate using MVS is shown below.

Unit Costs							
Name	MVS Sec./Page or Source	MVS Building Type	Construction Class	MVS Quality	Base Cost	Sprinkler	Adjusted Base Cost
Building Improvements							
South City Hospital (5th Floor)	15/22	Medical Office Building	Class C	Average	\$198.00	\$3.50	\$201.50
Site Improvements							
Parking	66/3	Parking	N/A	Below Average	\$2,000.00	N/A	\$2,000.00

Source: MVS

Direct Cost Estimate

Name	Adjusted Base Cost	Current Multiplier	Local Multiplier	Story Ht. Multiplier	Perimeter Multiplier	Quantity	Units	Direct Cost Estimate
Building Improvements								
South City Hospital (5th Floor)	\$201.50	0.990	1.070	0.880	1.000	15,150	SF	\$2,845,701
Site Improvements								
Parking	\$2,000.00	0.990	1.070	1.000	1.000	190	Space	\$402,534
Subtotal- Site Improvements								\$402,534
Total								\$3,248,235

MVS Direct Cost Summary

Type	Cost Estimate
Building Improvements	\$2,845,701
Site Improvements	\$402,534
Total MVS Direct Costs	\$3,248,235
Total MVS Direct Costs per SF	\$19.33

Indirect Costs

MVS does not include all of the indirect costs (soft costs) that are appropriate in a replacement cost estimate. Therefore, we add an allowance for the following indirect costs that are not contained within our direct cost estimate: taxes and carrying costs on land during construction; legal and accounting fees; and marketing and finance costs prior to stabilization.

Entrepreneurial Profit

The final component of the replacement cost estimate is entrepreneurial profit, the financial reward that a developer would expect to receive in addition to recovering all direct and indirect costs. This is the expected compensation that would be necessary to motivate a developer to undertake the project.

Replacement Cost New

The following tables show our replacement cost estimates for the subject building improvements and site improvements.

Replacement Cost New Estimate

Name	Direct Cost Estimate	Indirect Costs (%)	Indirect Costs (\$)	Replacement Cost + Indirect Cost	Replacement Cost Estimate
Building Improvements					
South City Hospital (5th Floor)	\$2,845,701	10.00%	\$284,570	\$3,130,272	\$3,130,272
Site Improvements					
Parking	\$402,534	10.00%	\$40,253	\$442,787	\$442,787
Subtotal- Site Improvements				\$442,787	\$442,787
Total				\$3,573,059	\$3,573,059

Depreciation Analysis

Depreciation may be defined as any loss of value from any cause. It is the difference between the market value of a structural improvement or piece of equipment and its reproduction or replacement cost as of the date of valuation. There are three general areas of depreciation: physical deterioration, functional obsolescence and external obsolescence. Depreciation may be curable or incurable, the test

being that money spent to cure the depreciation be gained in value. If the depreciation costs more to fix than will be gained in value, then the depreciation is considered incurable.

Physical Deterioration

This results from deterioration from aging and use. This type of depreciation may be curable or incurable.

The cost to cure the subject’s deferred maintenance, as discussed in the improvement analysis, is deducted from the replacement cost new of the subject.

After deducting deferred maintenance, if any, we use the age-life method to estimate depreciation applicable to the remaining replacement costs. This method indicates the loss in value due to physical deterioration and some functional obsolescence based on the age and condition of the improvements. The age-life method is applied on a straight-line basis, by dividing the subject’s effective age by its economic life. Age-life depreciation for the site improvements is estimated separately from the building improvements, based on their shorter economic lives.

Functional Obsolescence

This results from a lack of utility or desirability due to design or market perception of the improvements. This type of depreciation may be curable or incurable. Functional obsolescence is a loss in value due to changes in market tastes and standards. In the case of the subject, it is not necessary to make a deduction for additional functional obsolescence over and above that accounted for in the age-life method.

External Obsolescence

This is due to circumstances outside the property itself, such as industry, demographic and economic conditions or an undesirable proximate use. This type of depreciation is rarely curable. A deduction for external obsolescence is not considered necessary for the subject.

Final Estimate of Depreciation

Our estimate of depreciation and calculation of depreciated replacement cost is shown in the following table.

Depreciation Estimate								
Name	Replacement Cost Estimate	Effective Age	Economic Life	Age-Life Depreciation (%)	Total Depreciation (%)	Depreciated Replacement Cost	Depreciated Unit Cost	
Building Improvements								
South City Hospital (5th Floor)	\$3,130,272	53	55	96.4%	96.4%	\$113,828	\$7.51	
Site Improvements								
Parking	\$442,787	20	20	100.0%	100.0%	–	\$0.00	
Subtotal- Site Improvements	\$442,787			100.0%	100.0%	–		
Total	\$3,573,059			96.8%	96.8%	\$113,828		

Cost Approach Conclusion

By combining our land value conclusion with the depreciated replacement cost of the subject, we arrive at a value indication by the cost approach as shown in the following table.

Cost Approach Valuation	
As Is	Projection
Concluded Land Value	\$108,900
Depreciated Cost of Improvements	<u>\$113,828</u>
Indicated As Is Value	\$222,728
Rounded As Is Value	\$220,000

It should be noted that we allocated approximately 9% of the total land value to the cost approach conclusion above, since only 9% of the subject's total building area is under appraisal (floor 5). This is based on the proportionate share of the subject's rentable area to the gross building area, applied to the hypothetical common areas as if the subject were condominiumized. We multiply 9% * \$1,210,000 = \$108,900.

Sales Comparison Approach

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

1. The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
2. The most pertinent data is further analyzed and the quality of the transaction is determined.
3. The most meaningful unit of value for the subject property is determined.
4. Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
5. The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

We have researched comparables for this analysis, which are documented on the following pages, followed by a location map and analysis grid. All sales have been researched through numerous sources and, when possible, verified by a party to the transaction.

The subject has been vacant for an extended period of time and would need extensive renovations to achieve a condition/quality that is typical for this type of property. We selected comparables that were purchased as vacant buildings.

Improved Sales Summary - Office

No.	Name; Address	Sale Date; Status; Prop. Rights	Year Blt.; Yr. Renov.	Rentable GBA	Sale Price	\$/RA; \$/GBA
1	5100 Ararat Drive 5100 Ararat Drive Kansas City, MO 64129	5/15/2024 Closed Sale Fee Simple	1974 Various	57,583	\$2,050,000	\$35.60
Sale Comments: Sale of a vacant 57,583 sf building for \$2,005,000 million or \$35.6/sf.						
2	2801 Gravois Ave 2801 Gravois Ave Saint Louis, MO 63118	9/27/2023 Closed Sale Fee Simple	1950 Various	31,712	\$700,000	\$22.07
Sale Comments: Sale of a vacant, 2-story 31,712 sf building for \$700,000 or \$22.07/sf.						
3	1005-1029 Convention Plz 1005-1029 Convention Plz Saint Louis, MO 63101	7/9/2023 Closed Sale Fee Simple	1988 Various	250,000	\$2,000,000	\$8.00
Sale Comments: Sale of a 250,000 sf building for \$2,000,000 or \$8/sf. The building was vacant at the time of purchase.						
4	Stray Rescue Of St Louis 4084 Bingham Ave Saint Louis, MO 63116	3/14/2022 Closed Sale Fee Simple	1919 Various	64,846	\$1,400,000	\$21.59
Sale Comments: Sale of a vacant 64,846 sf building for \$1,400,000 or \$21.51/sf.						
S	South City Hospital (5th Floor) 3927 S Broadway St. Louis, MO 63118 Saint Louis City		1927 Various	15,150 168,000 St. Louis		

*If applicable, prices per SF/unit and capitalization rates and/or income multipliers based on effective sale price.

Improved Sale Comparable Photographs



Improved Sale #1
5100 Ararat Drive



Improved Sale #2
2801 Gravois Ave

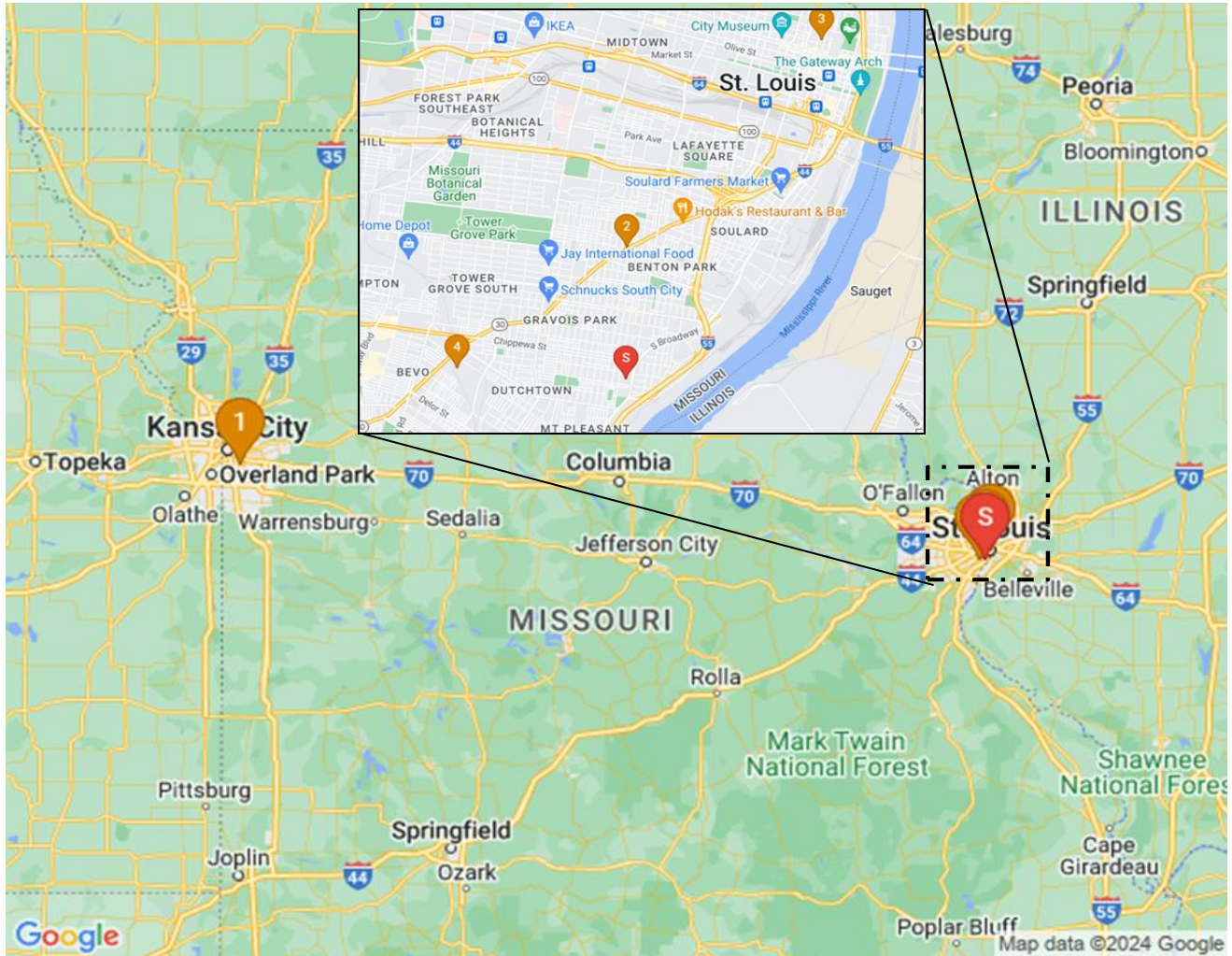


Improved Sale #3
1005-1029 Convention Plz



Improved Sale #4
Stray Rescue Of St Louis

Improved Sales Map



No.	Name	Location	Rentable Area	Price/Rentable Area
1	5100 Ararat Drive	Kansas City, MO	57,583	\$35.60
2	2801 Gravois Ave	Saint Louis, MO	31,712	\$22.07
3	1005-1029 Convention Plz	Saint Louis, MO	250,000	\$8.00
4	Stray Rescue Of St Louis	Saint Louis, MO	64,846	\$21.59
S	South City Hospital (5th Floor)	St. Louis, MO	15,150	

Analysis and Adjustment of Sales

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Sales Grid						
	Subject	Comp 1	Comp 2	Comp 3	Comp 4	
Name	South City Hospital (5th Floor)	5100 Ararat Drive	2801 Gravois Ave	1005-1029 Convention Plz	Stray Rescue Of St Louis	
Address	3927 S Broadway	5100 Ararat Drive	2801 Gravois Ave	1005-1029 Convention Plz	4084 Bingham Ave	
City	St. Louis	Kansas City	Saint Louis	Saint Louis	Saint Louis	
County	Saint Louis City	Jackson	Saint Louis	St. Louis	St. Louis	
State	MO	MO	MO	MO	MO	
Date	Aug-2024	May-2024	Sep-2023	Jul-2023	Mar-2022	
Price		\$2,050,000	\$700,000	\$2,000,000	\$1,400,000	
Rentable Area	15,150	57,583	31,712	250,000	64,846	
Rentable Area Unit Price		\$35.60	\$22.07	\$8.00	\$21.59	
Year Built	1927	1974	1950	1988	1919	
Renovations	Various	Various	Various	Various	Various	
TOS Occupancy Rate		0.00%	0.00%	0.00%	0.00%	
TOS Cap Rate		N/A	N/A	N/A	N/A	
Transaction Adjustments						
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	
Financing		Conventional	Conventional	Conventional	Conventional	
Conditions of Sale		Normal	Normal	Normal	Normal	
Market Trends Through	Aug-24	-3.0%	-1%	-3%	-3%	
Adjusted Rentable Area Unit Price		\$35.37	\$21.51	\$7.74	\$20.07	
Location		-10%	-20%	-	-	
Access/Exposure		-	-	-	-	
Size		-10%	-10%	20%	-5%	
Building Quality		-	-	-10%	-5%	
Age/Condition		-15%	-15%	-15%	-	
Economic Characteristics		-	-	-	-	
Adjusted Rentable Area Unit Price		\$22.99	\$11.83	\$7.36	\$18.07	
Net Adjustments		-35%	-46%	-8%	-16%	
Gross Adjustments		36%	48%	48%	17%	
Summary Indicators						
		Range	Average	Median		
Comparables - Unadjusted		\$8.00 - \$35.60	\$21.82	\$21.83		
Comparables - Adjusted		\$7.36 - \$22.99	\$15.06	\$14.95		
Reconciled Unit Value			\$15.00	66 area		

Comparable Sale Adjustments

Property Rights

No adjustments for real property rights were required.

Financing

No adjustments for financing terms were required.

Conditions of Sale

No adjustments for conditions of sale were required.

Expenditures After Sale

No adjustments for expenditures after sale were required.

Economic Trends

Market trends for healthcare properties have shown modest depreciation – a trend that has been noted over the past several years. Despite the uncertainty of the COVID-19 impact, the healthcare sector has not been widely affected; therefore, a market condition adjustment of -1% is warranted.

Location

Location adjustments are made using appraiser's judgement based on the comparables' proximity to area with a higher density. Areas of higher density typically have a higher healthcare spending potential index and thus are considered locationally superior when compared to less dense areas with a lower healthcare spending potential index.

Comparables 1 and 2 have been adjusted downward due to their superior location when compared to the subject property. Comparables 3 and 4 have not been adjusted.

Access/Exposure

No adjustments for access/exposure were required.

Size

Comparables 1, 2 and 4 have been adjusted downward due to their smaller size when compared to the subject property. Comparable 3 has been adjusted upward due to its larger size when compared to the subject property.

Building Quality

Comparables 3 and 4 have been adjusted downward due to their superior building quality when compared to the subject property. Comparables 1 and 2 have not been adjusted.

Age/Condition

Comparables 1, 2 and 3 have been adjusted downward due to their superior age/condition when compared to the subject property. Comparable 4 has not been adjusted.

Economic Characteristics

The Federal Reserve (Fed) actions to curb inflation have had an impact on the cost of capital, greatly impacting lending rates. Most healthcare market participants believe the inflationary fighting actions taken by the Fed have impacted market pricing and expected investor returns. The table below actions from each meeting, rate changes, target rates and the corresponding SOFR rates.

Federal Reserve Meetings - 2022, 2023, & 2024			
Date	Rate Change (bps)	Fed Funds Rate	SOFR (30-day)
Mar-22	+25 bps	0.25% - 0.50%	0.05%
May-22	+50 bps	0.75% - 1.00%	0.29%
Jun-22	+75 bps	1.50% - 1.75%	0.78%
Jul-22	+75 bps	2.25% - 2.50%	1.53%
Sep-22	+75 bps	3.00% - 3.25%	2.28%
Nov-22	+75 bps	3.75% - 4.00%	3.04%
Dec-23	+50 bps	4.25% - 4.50%	3.83%
Jan/Feb-23	+25 bps	4.50% - 5.00%	4.31%
Mar-23	+25 bps	4.75% - 5.25%	4.87%
May-23	+25 bps	5.00% - 5.25%	4.81%
Jun-23	+0 bps	5.00% - 5.25%	5.07%
Jul-23	+25 bps	5.25% - 5.50%	5.30%
Sep-23	+0 bps	5.25% - 5.50%	5.30%
Oct/Nov-23	+0 bps	5.25% - 5.50%	5.33%
Dec-23	+0 bps	5.25% - 5.50%	5.34%
Jan-24	+0 bps	5.25% - 5.50%	5.34%
Mar-24	+0 bps	5.25% - 5.50%	5.32%
Apr/May-24	+0 bps	5.25% - 5.50%	5.32%

Based on the preceding, in our view higher interest rates put upward pressure on capitalization rates, which directly impacts values. According to market participants, capitalization rates have increased 25 to 125 basis points on market rate deals. The impact of these increases is somewhat offset by significant rent growth and increased demand for healthcare assets. The following table illustrates the impact of market rent increases and increased capitalization rates.

Cap Rate Impact on Value

3% Rent Growth							
Cap Rate Scenario	Market Rent	V&C	NOI	Cap Rate Expansion	Cap Rate	Implied Value/SF	Change in Value
Peak Pricing	\$23.00	5%	\$21.85	-	4.50%	\$485.56	-
+25 bps	\$23.69	5%	\$22.51	25	4.75%	\$473.80	-2.42%
+50 bps	\$23.69	5%	\$22.51	50	5.00%	\$450.11	-7.30%
+75 bps	\$23.69	5%	\$22.51	75	5.25%	\$428.68	-11.71%
+100 bps	\$23.69	5%	\$22.51	100	5.50%	\$409.19	-15.73%
+125 bps	\$23.69	5%	\$22.51	125	5.75%	\$391.40	-19.39%
+150 bps	\$23.69	5%	\$22.51	150	6.00%	\$375.09	-22.75%

The previous table suggests a decrease in value ranging from 2.42% (25 bps with 3% market rent increase) to 22.75 percent (150 bps with 3% market rent increase). Most brokers believe that pricing is now 10 to 25 percent lower, based on the asset class and economic characteristics. With a lack of closed sales in the market since August 2022, participants are still waiting for market transactions to pinpoint the actual decline in values. However, this exercise is the typical methodology for assessing adjustments for economic conditions in the absence of plentiful sales.

Sales Comparison Approach Conclusion

In the state of Missouri, there is a listing for a vacant 25,000 sf office building for \$375,000 or \$14.96/sf & a 76,500 sf building for \$1,600,000 or \$20.92/sf. All of the value indications have been considered, and in the final analysis, all have been given consideration in arriving at our final reconciled value, as depicted below.

Sales Approach Valuation	
Premise	Value
As Is	August 2, 2024
Indicated Value per Rentable Area	\$15.00
Subject Rentable Area	15,150
Indicated As Is Value	\$227,250
Rounded As Is Value	\$230,000

Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied and the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

As discussed previously, we use only the sales comparison approach in developing an opinion of value for the subject. The cost and income approaches are not applicable, and are not used.

Based on the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, our value opinion follows:

Value Indications

Summary of Value Indications	
	Hypothetical Market Value As Is
Cost Approach	\$220,000
Sales Comparison Approach	\$230,000
Income Capitalization Approach	Not Utilized
Reconciled	\$230,000

Cost Approach

The cost approach is most reliable for newer properties that have no significant amount of accrued depreciation.

Due to the age of the subject improvements, estimates of depreciation are subjective, limiting the reliability of this approach. Additionally, the cost approach is not typically used by market participants, except for new properties. Further, there is a limited market for sites similar to the subject, which would limit the reliability of a land value estimate. Accordingly, the cost approach is not relied upon in this analysis. It does, however, provide general support for the indications developed in the other approaches.

Sales Comparison Approach

The sales comparison approach is most reliable in an active market when an adequate quantity and quality of comparable sales data are available. In addition, it is typically the most relevant method for owner-user properties, because it directly considers the prices of alternative properties with similar utility for which potential buyers would be competing.

There is a reasonably active market for comparable properties, and this approach most closely reflects buyer behavior. Accordingly, the sales comparison approach is given greatest weight in the value conclusion.

Income Approach

The income capitalization is not utilized in this analysis.

Value Conclusion

Based on the data and analyses developed in this appraisal, we have reconciled to the following value conclusion(s), subject to the Limiting Conditions and Assumptions of this appraisal.

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Hypothetical Market Value As Is	Fee Simple	August 2, 2024	\$230,000

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Based on our review of recent sales transactions for similar properties and our analysis of supply and demand in the local medical office market, it is our opinion that the probable exposure time for the subject at the concluded market values stated previously is 6-9 months.

Marketing Time

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. *Given the market uncertainty and volatility, marketing times are currently difficult to predict.* It is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject’s marketing period at 6-9 months.

Our estimate is supported by the following national investor survey data.

PwC Investor Survey

Investor Survey 2024 Q1 Medical Office Bldg. Marketing Time		
Property Type	Marketing Time	
US		
	Range	1.0 – 12.0
MOB Overall	Average	6.0

Source: PwC Real Estate Investor Survey.

Limiting Conditions and Assumptions

1. All reports and work product we deliver to you (collectively called “report”) represent an opinion of value, based on historical information and forecasts of market conditions. Actual results may vary from those forecast in the report. There is no guaranty or warranty that the opinion of value reflects the actual value of the property.
2. The conclusions stated in our report apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events. Assessed values may change significantly and unexpectedly over short periods. We are not liable for any conclusions in the report that may be different if there are subsequent changes in value. We are not liable for loss relating to reliance upon our report more than three months after its date.
3. There may be differences between projected and actual results because events and circumstances frequently do not occur as predicted, and those differences may be material. We are not liable for any loss arising from these differences.
4. We are not obligated to predict future political, economic or social trends. We assume no responsibility for economic factors that may affect or alter the opinions in the report if the economic factors were not present as of the date of the letter of transmittal accompanying the report.
5. The report reflects an appraisal of the property free of any liens or encumbrances unless otherwise stated.
6. We assume responsible ownership and competent property management.
7. The appraisal process requires information from a wide variety of sources. We have assumed that all information furnished by others is correct and complete, up to date and can be relied upon, but no warranty is given for its accuracy. We do not accept responsibility for erroneous information provided by others. We assume that no information that has a material effect on our appraisal has been withheld.
8. We assume the following, unless informed to the contrary in writing: Each property has a good and marketable title. All documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other adverse title conditions, which would have a material effect on the value of the interest under consideration. There is no material litigation pending involving the property. All information provided by the Client, or its agents, is correct, up to date and can be relied upon. We are not responsible for considerations requiring expertise in other fields, including but not limited to: legal descriptions, interpretation of legal documents and other legal matters, geologic considerations such as soils and seismic stability, engineering, or environmental and toxic contaminants. We recommend that you engage suitable consultants to advise you on these matters.
9. We assume that all engineering studies are correct. The plot plans and illustrative material in the report are included only to help the reader visualize the property.
10. We assume that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. We are not responsible for such conditions or for obtaining the engineering studies that may be required to discover them.

11. We assume that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the report. We have not made or requested any environmental impact studies in conjunction with the report. We reserve the right to revise or rescind any opinion of value that is based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the report assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
12. Unless otherwise stated in the report, you should assume that we did not observe any hazardous materials on the property. We have no knowledge of the existence of such materials on or in the property; however, we are not qualified to detect such substances, and we are not providing environmental services. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. Our report assumes that there is no such material on or in the property that would cause a loss in value. We do not assume responsibility for such conditions or for any expertise or engineering knowledge required to discover them. We encourage you to retain an expert in this field, if desired. We are not responsible for any such environmental conditions that exist or for any engineering or testing that might be required to discover whether such conditions exist. We are not experts in the field of environmental conditions, and the report is not an environmental assessment of the property.
13. We may have reviewed available flood maps and may have noted in the report whether the property is generally located within or out of an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property. Any opinion of value we include in our report assumes that floodplain and/or wetlands interpretations are accurate.
14. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether it is in compliance with the ADA. We claim no expertise in ADA issues, and render no opinion regarding compliance of the property with ADA regulations.
15. We assume that the property conforms to all applicable zoning and use regulations and restrictions unless we have identified, described and considered a non-conformity in the report.
16. We assume that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in the report is based.
17. We assume that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
18. We have not made any investigation of the financial standing of actual or prospective tenants unless specifically noted in the report. Where properties are valued with the benefit of leasing, we assume, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the leases, all rent and other amounts payable under the leases have been paid when due, and that there are no undisclosed breaches of the leases.

19. We did not conduct a formal survey of the property and assume no responsibility for any survey matters. The Client has supplied the spatial data, including sketches and/or surveys included in the report, and we assume that data is correct, up to date and can be relied upon.
20. Unless otherwise stated, the opinion of value included in our report excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier. We have made no allowance for any plant, machinery or equipment unless they form an integral part of the building and would normally be included in a sale of the building. We do not normally carry out or commission investigations into the capacity or condition of services being provided to the property. We assume that the services, and any associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.
21. In the case of property where construction work is in progress, such as refurbishment or repairs, or where developments are in progress, we have relied upon cost information supplied to us by the Client or its appointed experts or upon industry accepted cost guides. In the case of property where construction work is in progress, or has recently been completed, we do not make allowance for any liability already incurred, but not yet discharged, in respect of completed work, or obligations in favor of contractors, subcontractors or any members of the professional or design team. We assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
22. Any allocation in the report of value between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
23. The report is confidential to the party to whom it is addressed and those other intended users specified in the report for the specific purpose to which it refers. Use of the report for any other purpose or use by any party not identified as an intended user of the report without our prior written consent is prohibited, and we accept no responsibility for any use of the report in violation of the terms of this Agreement.
24. We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in writing.
25. Neither the whole report, nor any part, nor reference thereto, may be published in any manner without our prior written approval.
26. We may rely on, and will not verify, the accuracy and sufficiency of documents, information and assumptions provided to it by the Client or others. We will not verify documents, information and assumptions derived from industry sources or that JLL or its affiliates have prepared in the regular course of business. We are not liable for any deficiency in the report arising from the inaccuracy or insufficiency of such information, documents and assumptions. However, our report will be based on our professional evaluation of all such available sources of information.
27. JLL IS NOT LIABLE TO ANY PERSON OR ENTITY FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THIS AGREEMENT. IN NO EVENT SHALL THE LIABILITY OF JLL AND ITS AFFILIATES IN CONNECTION WITH THIS AGREEMENT EXCEED THE FEE PAID TO JLL HEREUNDER.

28. Unless expressly advised to the contrary, we assume that appropriate insurance coverage is and will continue to be available on commercially acceptable terms.
29. We assume that no material changes in any applicable federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.

Appendix A

Appraiser Qualifications



Bryan J. Lockard, MRICS

Executive Managing Director
Head of Healthcare & Alternative Real Estate
Value and Risk Advisory – Americas
+1 813 387 1301
bryan.lockard@jll.com

Current responsibilities

Bryan J. Lockard serves as Executive Managing Director in JLL's Valuation and Risk Services, specializing in the national seniors housing and healthcare sectors. As Head of Healthcare & Alternative Real Estate, Bryan also helps support multiple sectors with over 40 professionals with offices in 10 U.S. metro markets. Mr. Lockard also serves on the Executive Committee overseeing all commercial property sectors.

Mr. Lockard has experience in valuation, market studies, and feasibility analyses of single-asset to large portfolio transactions throughout the United States. Clients served include a broad base of local and national investment firms, property owners, development and operating companies, commercial and investment banks, insurance companies and REITs.

Experience

Prior to joining JLL, Mr. Lockard was with CBRE in the Seniors Housing and Healthcare Group where he was practice leader for the central US and focused on continuing care retirement communities nationally. Bryan began his career in commercial real estate as an Associate at HealthTrust in the Sarasota, Florida and Boston, Massachusetts offices. Bryan graduated from the University of Florida with a major in Finance and a minor in Leadership.

Education

- University of Florida, B.S.
 - Major: Business Administration - Finance
 - Minor: Leadership

Affiliations

- Member of American Seniors Housing Association (ASHA) Young Leaders
- Appraisal Institute
- Multiple Advanced Level Courses

Clients Represented

- AIG
- Altitude Healthcare
- Bank Leumi
- BBVA Compass
- BOK Financial
- Bremer Bank
- Brookdale
- Capital One
- CBRE Capital Markets
- CNL Healthcare REIT
- Fannie Mae
- Freddie Mac
- Harrison Street
- Kayne Anderson
- KeyBank
- Lument
- M&T Bank
- Newmark Knight Frank
- Omega Healthcare Investors
- PGIM Investors
- PNC Bank
- ReNew REIT
- Strawberry Fields REIT
- SunTrust
- Wells Fargo

Certified General Real Estate Appraiser:

- Alabama
- Arizona
- Arkansas
- California
- Colorado
- Connecticut
- District of Columbia
- Florida
- Georgia
- Illinois
- Indiana
- Iowa
- Kansas
- Kentucky
- Louisiana
- Maine
- Maryland
- Massachusetts
- Michigan
- Minnesota
- Missouri
- Nebraska
- New Hampshire
- New Jersey
- New York
- North Carolina
- Ohio
- Oregon
- Pennsylvania
- Rhode Island
- South Carolina
- Tennessee
- Texas
- Virginia
- Washington
- Wisconsin

State of Missouri

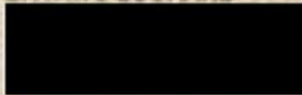
Missouri Department of Commerce and Insurance
Division of Professional Registration
Real Estate Appraisers Commission

State Certified General Real Estate Appraiser



VALID THROUGH JUNE 30, 2026
ORIGINAL CERTIFICATE/LICENSE NO. 2017030299

BRYAN J LOCKARD



Vivian Boudreau
EXECUTIVE DIRECTOR

Sheila Salen
DIVISION DIRECTOR



Whitney Panneton

Senior Director, Value and Risk Advisory – Americas
National Leader of Multi-Housing – HUD MAP Subsector
+1 314 678 7808
whitney.panneton@jll.com

Current responsibilities

Whitney Panneton serves as the national leader for JLL's multi-housing HUD MAP specialty practice. He specializes in the valuation of multi-housing assets, including conventional, affordable, mixed-use, and student housing for commercial lending, financial reporting, and other consultative services. As the national leader of the multi-housing HUD MAP specialty practice, Mr. Panneton is responsible for implementation of best practices and quality assurance for all HUD MAP valuations while providing excellent client management from pre-application through firm commitment.

Experience

He joined JLL through the acquisition of Integra Realty Resources Chicago (IRR) in December 2016. He was previously with IRR since 2013. He has experience in valuing existing and proposed multi-housing, mixed-use, office, retail, industrial, self-storage, business parks, specialty assets, and condominium properties throughout St. Louis metropolitan area and U.S. Midwest region. He has also valued public development incentives including tax increment financing (TIF), Community Improvement District (CID), and real estate tax abatement. These assignments have been completed for refinance and acquisitions purposes on behalf of institutional investors and lenders, commercial banks, REIT's, governmental entities, individual investors and other clients.

Education

- University of Illinois at Chicago (UIC), Masters of Urban Planning and Policy
- University of Chicago, Biology, Bachelor of Arts

Affiliations

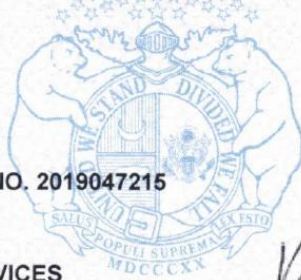
- Candidate of the Appraisal Institute

Certified General Real Estate Appraiser in the following States:

- Illinois
- Maryland
- Missouri
- New York
- Oklahoma
- Texas

State of Missouri

**Missouri Department of Commerce and Insurance
Division of Professional Registration
Real Estate Appraisers Commission
State Certified General Real Estate Appraiser**



VALID THROUGH JUNE 30, 2026
ORIGINAL CERTIFICATE/LICENSE NO. 2019047215

WHITNEY M PANNETON
JLL VALUATION & ADVISORY SERVICES
211 NORTH BROADWAY, SUITE 2900
SAINT LOUIS MO 63102
USA

Vivian Beauchamp
EXECUTIVE DIRECTOR

Sheila Solon
DIVISION DIRECTOR

Appendix B

Definitions

Definitions

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

Amenity

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

As Is Market Value

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

Class of Apartment Property

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

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

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

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

(Adapted from “Class of Office Building” in *The Dictionary of Real Estate Appraisal*.)

Deferred Maintenance

Needed repairs or replacement of items that should have taken place during the course of normal maintenance.

Depreciation

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

Discounted Cash Flow (DCF) Analysis

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

Disposition Value

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

1. Consummation of a sale within a future exposure time specified by the client.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time specified by the client.
8. Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
10. This definition can also be modified to provide for valuation with specified financing terms.

Effective Date of Appraisal

The date to which the appraiser's analyses, opinions, and conclusions apply; also referred to as date of value.

Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.

In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.

Excess Land; Surplus Land

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

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

Exposure Time

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

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in the analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

Fee Simple Estate

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

Floor Area Ratio (FAR)

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

Gross Building Area (GBA)

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

Highest and Best Use

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.

Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Lease

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

Leased Fee Interest

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

Leasehold Interest

The tenant's possessory interest created by a lease.

Liquidation Value

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

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars, or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
10. This definition can also be modified to provide for valuation with specified financing terms.

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements.

Market Value

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

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

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

Multifamily Property Type

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

Multifamily Classifications

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

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

Prospective Opinion of Value

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

Rentable Area

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

Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design and layout.

Reproduction Cost

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

Stabilized Income

Income at that point in time when abnormalities in supply and demand or any additional transitory conditions cease to exist and the existing conditions are those expected to continue over the economic life of the property; projected income that is subject to change, but has been adjusted to reflect an equivalent, stable annual income.

Appendix C

Financials and Property Information

Address & Property Search

Your search for **3927 S BROADWAY ST LOUIS MO 63118** | [New Search](#)

Basic Info

Primary address	3927 S BROADWAY ST LOUIS MO 63118
Owner name	SA HOSPITAL REAL ESTATE HOLDING LLC
Parcel ID	2564-9-141.002
Collector of Revenue account	2564-91-41002
Neighborhood	16 - Dutchtown
Ward/Precinct	Ward 03 , Precinct 13
Property Class	
Tax Abatement	This property is not abated
Property description	CB 2564 BROADWAY, 4.260 ACS, BAYS ADDN, BD S-OSAGE ST, IMPROVEMENTS ONLY
Not meant for use in recorded legal documents	

Real Estate and Property Information

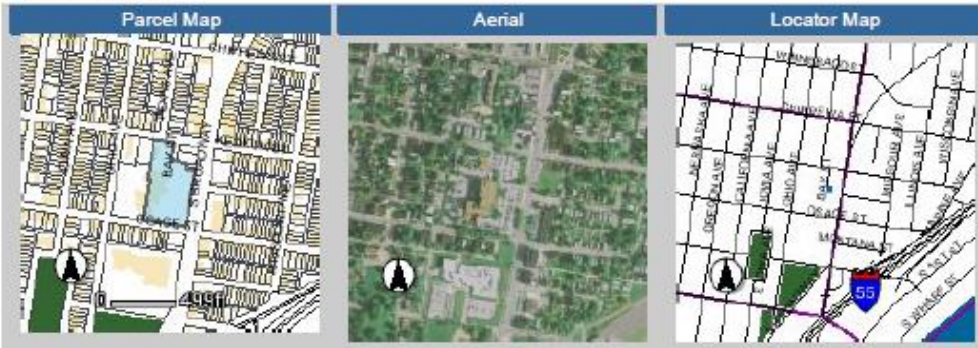
Data provided by [Assessor's Office](#)

Property Information

Owner name:	SA HOSPITAL REAL ESTATE HOLDING LLC
Owner mailing address:	137 N LARCHMONT BLVD STE 141 LOS ANGELES, CA 90004
Property address	3927 S BROADWAY ST LOUIS MO 63118
Zip code	63118
Parcel ID	2564-9-141.002
Collector of Revenue account	2564-91-41002
Year built	N/A

Images

CITY OF ST. LOUIS
**PLANNING & URBAN
 DESIGN AGENCY**
 MAYOR TISHAURA D. JONES



Page 12

Displaying 2-2 of 2 records.

General Parcel Information			
Assessor Parcel Information		Parcel Geometry	
Address:	3927 S BROADWAY	Area:	170440 square feet
Zip Code:	63118	Perimeter:	1881 feet
City Block:	2564.00	Geographical Information	
Number of Units:	0	2000 Ward/Precinct:	9 / 8
Owner Information		2010 Ward:	20
Owner Name:	TWAIN GL XXV LLC	2000 Census Block:	1241.1016
Owner Address:	2200 WASHINGTON AVE ST LOUIS, MO 63004	3 / 343	
Parcel ID Information		Neighborhood:	Dutchtown (16)
9 Digit Parcel ID:	256400143	Assessor Neighborhood:	144
Tax Record No:	2564-00-0142-0	CDA District/Subdistrict:	7 / 45
Tax Record No:	2564-00-0143-0	Historic District:	None
Handle:	12564000142	Preservation Review Area:	Ord 66609
National Grid Information ?		CORTEX:	No
USNG(1 Meter):		Flood Plain:	None
Use Information		Enterprise Zone:	Yes
Assessor Use:	6513 (HOSPITAL)	Empowerment Zone:	None
Strategic Land Use Designation:	None	Housing Conservation Program:	
Zoning:	F (Neighborhood Commercial)	Assessor/Tax Information	
Zoning:	B (Two Family Residential)	Assessed Land:	\$0.00
Alternate Addresses		Assessed Improvements:	\$230,600.00
Alternate Address:	3927 S BROADWAY	Assessed Total:	\$230,600.00
Alternate Address:	3929 S BROADWAY	Legal Description	
Alternate Address:	3931 S BROADWAY	CB 2564 BROADWAY	
Alternate Address:	3933 S BROADWAY	4.260 ACS	
		BAYS ADDN	
		BD S-OSAGE ST	
		IMPROVEMENTS ONLY	

Building Information	
Building Record 1	
Building Type:	Hospital
Building Stories:	Hospital
Building Wall:	Hospital
Building Construction:	Hospital
Building Category:	Hospital
Year Built:	1927
Ground Floor Area:	78004

Permits		
Permit Record 1	Permit Record 2	Permit Record 3

8/7/24, 1:03 AM

InterFlood - List Flood Maps

InterFlood

Instant flood maps and data

Buy

[Get Maps](#)

My Account

Questions

a la mode

[Logout](#)

Flood Data

USPS Address:

Community Name: ST. LOUIS, CITY OF

Community #: 290385

County:

Census Tract: 1241.00

Flood Zone: X

Map Date: 2011-05-24

Flood Map Type and Color Options

Type: Aerial

Zone Color: Blue



APPLY MAP OPTIONS

Flood Map

To Save your flood map, use your **right** mouse button and **click** directly on it. Then, depending on what you want to do, select:

- **Save Picture As...** to copy the flood map to your hard drive
- **Copy** to place the flood map in Windows memory so you can paste into another program
- **Print Picture ...** to print the flood map immediately

Appendix D

Comparable Data

Land Sale Comparables

Land Comparable 1

Property Information

Property Name 7870 Veterans Memorial Pky
Address 7870 Veterans Memorial Pky
City O'Fallon
State MO
Zip 63376
ID 479367



Transaction Details

Price \$2,000,000
Date 12/18/2023
Price Per Acre \$330,033
Price Per Land SF \$7.58
Price Per Usable Acre N/A
Price Per Usable Land SF N/A
Grantor Kuhlmann Partnership LP
Grantee WSS St Peter's LLC
Property Rights Fee Simple
Financing All Cash
Conditions of Sale Normal
Transaction Type Closed Sale

Acres 6.06
Land SF 263,974
Zoning C-3
Topography Level
Shape Rectangular

Improvement Data

GBA 0

Operating Data / Key Indicators

Utilities All Utilities Available

Site Data

Comments

Sale of a 6.06 acre parcel of commercial land for \$2,000,000 or \$7.58/sf.

Land Comparable 2

Property Information

Property Name 670-690 S Highway Drive
Address 670-690 S Highway Drive
City Fenton
State MO
Zip 63026
ID 479369



Transaction Details

Price \$710,000
Date 11/9/2023
Price Per Acre \$568,000
Price Per Land SF \$13.04
Price Per Usable Acre N/A
Price Per Usable Land SF N/A
Grantor South Fenton Realty LLC
Grantee Watson Home Properties Llc
Property Rights Fee Simple
Financing All Cash
Conditions of Sale Normal
Transaction Type Closed Sale

Acres 1.25
Land SF 54,450
Zoning C-1
Topography Level
Shape Square

Improvement Data

GBA 0

Operating Data / Key Indicators

Utilities All Utilities Available

Site Data

Comments

Sale of a 1.25 acre parcel of commercial land for \$710,000 or \$13.04/sf.

Land Comparable 3

Property Information

Property Name	345-349 Marshall Ave
Address	345-349 Marshall Ave
City	Webster Groves
State	MO
Zip	63119
ID	479356



Transaction Details

Price	\$1,430,000
Date	9/1/2022
Price Per Acre	\$299,790
Price Per Land SF	\$6.88
Price Per Usable Acre	N/A
Price Per Usable Land SF	N/A
Grantor	Owen Development, Inc.
Grantee	Bamboo Equity Partners
Property Rights	Fee Simple
Financing	Conventional
Conditions of Sale	Normal
Transaction Type	Closed Sale

Site Data

Acres	4.77
Land SF	207,781
Zoning	E
Topography	Level
Shape	Irregular

Improvement Data

GBA	0
-----	---

Operating Data / Key Indicators

Utilities	All Utilities Available
-----------	-------------------------

Comments

Sale of a 4.77 acre lot for \$1,430,000 or \$6.87/sf.

Land Comparable 4

Property Information

Property Name 2002 3rd Street
Property Type Medical Office
Address 2002 3rd Street
City Saint Louis
State MO
Zip 63104
ID 479363

Transaction Details

Price \$825,000
Date 8/13/2024
Price Per Acre \$312,500
Price Per Land SF \$7.17
Price Per Usable Acre N/A
Price Per Usable Land SF N/A
Property Rights Fee Simple
Financing All Cash
Conditions of Sale Listing
Transaction Type Listing

Site Data

Acres 2.64
Land SF 114,998

Comments

Listing for a 2.64 acre parcel of commercial land for \$825,000 or \$7.17/sf.



Zoning K
Topography Level
Shape Irregular

Improvement Data

GBA 0

Operating Data / Key Indicators

Utilities All Utilities Available

Improved Sale Comparables

Sales Comparable 1

Property Information

Property Name	5100 Ararat Drive
Property Type	Medical Office
Address	5100 Ararat Drive
City	Kansas City
State	MO
Zip	64129
ID	479370



Transaction Details

Price	\$2,050,000
Date	5/15/2024
Grantor	Ararat Event Center/Kansas City Shrine Hdqtrs
Grantee	Bellicose Church
Property Rights	Fee Simple
Financing	Conventional
Conditions of Sale	Normal
Transaction Type	Closed Sale

Improvement Data

GBA	0
Rentable Area	57,583
Year Built	1974
Renovations	Various
Parking Ratio	0.00/1,000 SF
FAR	0.00

Site Data

Comments

Sale of a vacant 57,583 sf building for \$2,005,000 million or \$35.6/sf.

Sales Comparable 2

Property Information

Property Name 2801 Gravois Ave
Address 2801 Gravois Ave
City Saint Louis
State MO
Zip 63118
ID 479351



Transaction Details

Price \$700,000
Date 9/27/2023
Grantor Spire Missouri Inc
Grantee Hni Investments Llc
Property Rights Fee Simple
Financing Conventional
Conditions of Sale Normal
Transaction Type Closed Sale
Occupancy Rate 0%

Improvement Data

GBA 0
Rentable Area 31,712
Year Built 1950
Renovations Various
Parking Ratio 0.00/1,000 SF
FAR 0.00

Site Data

Comments

Sale of a vacant, 2-story 31,712 sf building for \$700,000 or \$22.07/sf.

Sales Comparable 3

Property Information

Property Name	1005-1029 Convention Plz
Property Type	Medical Office
Address	1005-1029 Convention Plz
City	Saint Louis
State	MO
Zip	63101
ID	479348



Transaction Details

Price	\$2,000,000
Date	7/9/2023
Grantor	Us Bank National Assoc
Grantee	900 N Tucker Building, LLC
Property Rights	Fee Simple
Financing	Conventional
Conditions of Sale	Normal
Transaction Type	Closed Sale

Site Data

Improvement Data

GBA	0
Rentable Area	250,000
Year Built	1988
Renovations	Various
Parking Ratio	0.00/1,000 SF
FAR	0.00

Comments

Sale of a 250,000 sf building for \$2,000,000 or \$8/sf. The building was vacant at the time of purchase.

Sales Comparable 4

Property Information

Property Name Stray Rescue Of St Louis

Address 4084 Bingham Ave
City Saint Louis
State MO
Zip 63116
ID 479350



Transaction Details

Price \$1,400,000
Date 3/14/2022
Grantor Rf Arch Llc
Grantee Stray Rescue Of St Louis

Property Rights Fee Simple
Financing Conventional
Conditions of Sale Normal
Transaction Type Closed Sale
Occupancy Rate 0%

Improvement Data

GBA 0
Rentable Area 64,846
Year Built 1919
Renovations Various
Parking Ratio 0.00/1,000 SF
FAR 0.00

Site Data

Comments

Sale of a vacant 64,846 sf building for \$1,400,000 or \$21.51/sf.

Appendix E

Engagement Letter

JLL VALUE AND RISK ADVISORY

Engagement Agreement

July 25, 2024

Mark Bursztyn

Director of Operations

Lion Health System

85 Towbin Ave, Lakewood, NJ 08701

mark@lhsus.com

Dear Mr. Bursztyn,

We are pleased to provide this contract for services:

Property identification	South City Hospital
Property address	3933 S Broadway, St. Louis, MO 63118 (1 st and 5 th Floors)
Property interest	Fee Simple
Interest appraised	Fee Simple
Purpose	Fair Market Value
Intended user(s)	Lion Health System; Missouri Department of Health and Senior Service
Intended use	Establish fair market value for purpose of certificate of need application
Value provided	As Is
Appraisal standards	USPAP
Property inspection	Full Inspection
Valuation approaches	All applicable approaches to value
Report option	Appraisal Report
Fee	\$3,500
Expenses	All inclusive
Retainer	Full 100% retainer required
Delivery date	2-3 weeks from receipt of executed engagement letter

A PDF of the report(s) will be delivered to the client contact identified in this engagement agreement.

Hard copies available upon request.

JLL's Value and Risk Advisory platform leverages the firm's global experience and deep knowledge of local real estate markets to provide industry-leading valuation, market analytics and advisory services to a wide range of clients. We offer the highest quality market insights and property valuations to help our clients make optimal business decisions and manage risk. JLL Value and Risk Advisory is comprised of over 2,000 valuation experts and 146 offices globally.

This engagement letter is subject to the General Terms and Conditions attached to this letter as Exhibit A, the Statement of Assumptions and Limiting Conditions attached to this letter as Exhibit B.

Upon your acceptance of this Agreement, we will introduce the team completing the assignment, provide our information request and coordinate a property tour, if applicable. Per USPAP, we are required to analyze any current purchase for the subject property and request that copies of these, or a term sheet be provided with other applicable information.

06.03.24



Invoice to (if different than client):

_____ Name	_____ Company
_____ Street Address	_____ City, ST, Zip
_____ Email Address	_____ Phone Number

RETAINER INSTRUCTIONS

We appreciate your business!

Tax ID: 81-3802842

To expedite service, we prefer retainers are sent via wire:

- 1. Wire instructions:**
Account name: JLL Valuation & Advisory Services
BMO Harris Bank N.A. IL United States
Account number: 304-440-1
ABA#: 071000288
Bank address:
BMO Harris Bank N.A.
PO Box 71893
Chicago, IL 60694-1893

If necessary, you can mail checks to:

- 2. Mail check to:**
BMO Harris Bank N.A.
PO Box 71893
Chicago, IL 60694-1893
United States

If you plan to mail the retainer check, please make sure it is sent ONLY to the lockbox instructions above and not to any JLL office.

Important! Please include "RETAINER CHECK" and the property/portfolio name, and/or property address so we can easily identify and match to your assignment. This will help us expedite processing. Thank you.



Exhibit A

Terms and Conditions

1. INTRODUCTION

- 1.1 These Terms and Conditions supplement the proposal, agreement, letter of engagement or email (the "engagement") between JLL Valuation and Advisory Services, LLC and the Client indicated in the engagement that sets out details of the Services to be provided to the Client. All capitalized terms in this exhibit have the meanings given to them in the engagement unless given a different meaning in this exhibit. These Terms and Conditions, together with the engagement and all other exhibits, schedules and riders to the engagement, are collectively called the "agreement".

2. SERVICES

- 2.1 We will provide the Services using reasonable care and skill.
- 2.2 We may make changes to the Services if necessary to comply with any law or safety requirement. We will notify you if that happens. Otherwise, each of us must agree in writing to any changes to the Services, the Fees, or any other provision of the agreement.
- 2.3 We may use electronic communication and systems, including a digital dashboard, to provide the Services. Any necessary software not generally available will be made accessible to you while you are a client of ours under this Agreement. It is hereby agreed between us that the final signed report delivered pursuant to this Agreement shall serve as the sole, authoritative source of information, on which all reliance should be based. Any additional sharing of values or content from the report through any technology platform, including any digital platform, is intended for the sole purpose of improving our service delivery and convenience. We may implement future updates to our technology platforms and digital dashboards in order to enhance our service delivery.
- 2.4 We may use artificial intelligence, including generative artificial intelligence, when providing the Services.

3. CLIENT OBLIGATIONS

- 3.1 You agree to give us all documents and other information that we advise you are reasonably necessary for us to provide the Services.
- 3.2 You will maintain adequate property and public liability insurance to reasonably insure property that you own or occupy and any activities on that property. You will obtain all necessary licenses, permissions and consents which may be required to enable us to perform the Services (other than professional licenses that we are required to maintain to perform the Services). You are responsible to keep your property in a safe condition so that we may perform the Services in reasonable safety.
- 3.3 You will notify us promptly if you believe any information you have provided is incomplete or inaccurate.

4. DELAY

We are not responsible for any delay in our performance of the Services if caused by any event beyond our reasonable control, or for any delay caused by your failure to comply with the agreement.

5. FEES, EXPENSES AND PAYMENT

- 5.1 Our fee in its entirety is earned upon delivery of the first report. We will invoice you at time of delivery for any outstanding balance.
- 5.2 You agree that your obligation to pay the Fee is not contingent upon the results, conclusions or recommendations we provide.
- 5.3 If we are asked to invoice any other party, you agree to settle our invoice immediately if the other party does not do so within 30 days of the date of the invoice.
- 5.4 Delinquent payments under the agreement will earn interest at the rate of one and one-half percent (1-1/2%) per month from the date due until paid, or if lower, the maximum rate permitted by law. If the Fee or any part of it remains unpaid 30 days after it was due, you may not use any report or work product we have delivered to you for any reason.
- 5.5 If you terminate this agreement before the Services are completed, you will pay us, no later than the termination date, a reasonable fee proportionate to the part of the Services performed to the date of termination.



5.6 Our rights under Section 5.3 and 5.4 are in addition to, and will not limit, our right to pursue any other rights and remedies under the agreement or at law or in equity.

6. INDEMNITY

You agree to indemnify and defend us and hold us harmless from any loss, liability or expense (including attorneys' fees) arising from a third-party action, claim or proceeding ("Loss") that we suffer arising out of the agreement or the Services, other than Loss that a court of competent jurisdiction has determined was the result of our negligence or willful misconduct. We agree to indemnify and defend you and hold you harmless from any Loss that you suffer arising out of our negligent performance of Services under the agreement, other than Loss that is found by a court of competent jurisdiction to result from your negligence or willful misconduct.

7. EXCLUSIONS OF, AND LIMITATIONS ON, LIABILITY

7.1 **EACH OF US WAIVES ANY CLAIMS AGAINST THE OTHER FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THE AGREEMENT. IN NO EVENT SHALL OUR LIABILITY IN CONNECTION WITH THE AGREEMENT EXCEED THE FEE PAID TO US HEREUNDER.**

8. TERMINATION

8.1 Either of us may terminate the agreement without reason by giving 30 days' advance written notice to the other.

8.2 Either of us may terminate the agreement immediately if the other breaches the agreement and fails to remedy the breach within 10 days of notice by the non-breaching party.

8.3 We may terminate the agreement immediately for any of the following reasons:

- (a) We cannot provide any of the Services due to conditions beyond our reasonable control.
- (b) In our reasonable opinion, there is insufficient information available to provide a report or other work product that meets our standards.
- (c) A conflict of interest arises which prevents us from acting for you.
- (d) You have asked us to provide reports or work product that we do not consider to be accurate.

9. ASSUMPTIONS AND LIMITATIONS

9.1 Any report or other work product we deliver as part of the Services will be subject to our standard Statement of Assumptions and Limiting Conditions, provided as an exhibit and as part of the agreement, which will be incorporated into the report or work product.

9.2 We understand that you may wish to use the report or other work product we deliver as part of the Services to support your Stark law and Anti-Kickback compliance process. Our reports and work product are appraisals prepared pursuant to Uniform Standards of Professional Appraisal Practice, and do not undertake to evaluate any such compliance. You acknowledge that many factors in addition to property value must be considered to determine Stark or anti-kickback law compliance and agree that any reports and work product we deliver make no opinion or representation that any transaction involving property we appraise is compliant with Stark law or any anti-kickback law.

10. CONFIDENTIALITY

10.1 We each agree to maintain the confidentiality of each other's confidential information and will not disclose any information received in confidence from each other, until two years after termination or expiration of the agreement, except where required to do so by law.

10.2 Any report or other work product that we deliver to you in connection with the Services is confidential and may be used by only you, unless we agree otherwise in writing.

11. INTELLECTUAL PROPERTY RIGHTS

11.1 We retain all copyright (and other intellectual property rights) in all materials, reports, systems and other deliverables which we produce or develop for the purposes of the agreement, or which we use to provide the Services.

11.2 You will not reproduce or copy any part of any report or other work product we produce as part of the Services without our prior written consent.

11.3 You will grant us a non-exclusive, non-transferable license to use the data you provide to us, and any intellectual property contained therein, for the purpose of anonymizing and aggregating such



data (such that it may be reverse engineered) and using such information for our legitimate business purposes.

12. GENERAL

- 12.1 The agreement may be modified only by a written agreement signed by both of us. Liability accruing before the agreement terminates or expires will survive termination or expiration.
- 12.2 The agreement states the entire agreement, and supersedes all prior agreements, between the parties with respect to the matters described in the agreement.
- 12.3 If a court determines that any part of the agreement is unenforceable, the remainder of the agreement will remain in effect.
- 12.4 The agreement is governed by the laws of the State of Illinois. Each of us irrevocably submits to the exclusive jurisdiction of the courts of that State.
- 12.5 The agreement may be executed in multiple counterparts.
- 12.6 No director, officer, agent, employee, or representative of either of us has any personal liability in connection with the agreement.
- 12.7 Neither of us may assign or transfer any rights or obligations under the agreement without the prior written approval of the other. We each agree to be reasonable in evaluating such a request for approval.
- 12.8 If there is any conflict between the terms of the letter and this exhibit, the terms of the letter will prevail.
- 12.9 If either of us fails to enforce any provision or exercise any right under the Agreement at any time, that failure will not operate as a waiver to enforce that provision or to exercise that right at any other time.
- 12.10 The agreement does not establish any partnership or joint venture between us or make either of us the agent of the other.
- 12.11 A person who is not a party to the agreement does not have any rights to enforce its terms unless specifically agreed in writing.
- 12.12 Neither of us may publicize or issue any specific information to the media about the Services or the agreement without the written consent of the other.
- 12.13 Each of us represents to the other that it is not a person or entity with whom U.S. entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order or other governmental action. Each of us agrees to comply with all applicable laws, statutes, and regulations relating to anti-bribery and anti-corruption.
- 12.14 If either party does not comply with the obligations under the agreement and legal action is commenced to enforce the rights under the agreement, the losing party will reimburse the prevailing party reasonable costs (including attorneys' fees), associated with such action. **THE PARTIES HEREBY WAIVE TRIAL BY JURY.**
- 12.15 Upon request by you, we will provide commercial general liability additional insured coverage to the property owner or its affiliates to the extent a loss is attributable to our negligence.
- 12.16 Sections 5, 6, 7, 10, 11, 12.1, 13, 17 and 18 will survive termination of the agreement.

13. USE OF DATA AND DATA PROTECTION

- 13.1 You agree as follows: (i) The data we collect in connection with the agreement will remain our property. (ii) We and our affiliates may utilize, sell and include data you have provided (either in the aggregate or individually) in our databases and our affiliates and for use in derivative products. (iii) We may utilize all data already in the public domain on an unrestricted basis.
- 13.2 In order for us to provide the Services, we may need to record and maintain in hard copy and/or in electronic form, information regarding the Client, its officers and any other individuals connected with the Client (collectively "Data Subjects"). We may also verify the identity of Data Subjects, which could include carrying out checks with third parties such as credit reference, anti-money laundering or sanctions checking agencies.
- 13.3 We may use all information that we hold regarding Data Subjects to provide the Services. We may also use and share it with third parties for other purposes as described in our Privacy Statement available at www.jll.com. We may use both commercially available and proprietary software programs to perform the Services (web based and others).



14. SPECIAL EXPERTS

- 14.1 If you request our assistance in hiring a special expert to contribute to any assignment (such as a surveyor, environmental consultant, land planner, architect, engineer, business, personal property, machinery and equipment appraiser, among others), you will perform your own due diligence to qualify the special expert. You will be responsible to pay for the services of the special expert.
- 14.2 We are not responsible for the actions and findings of any special expert. You agree to indemnify and defend us and hold us harmless from all damages that may arise out of your reliance on any special expert.

15. CONFLICTS POLICY

We adhere to a strict conflict of interest policy. If we learn of a conflict of interest, we will notify you and recommend a course of action to resolve the conflict. If we learn of a conflict that we do not believe can be resolved, we may terminate the agreement without penalty.

16. FIRREA REQUIREMENTS

Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. Given that requirement, any report produced by us under the agreement, if ordered independent of a financial institution or agent, might not be FIRREA compliant or acceptable to a federally regulated financial institution.

17. USPAP REQUIREMENTS

The Ethics Rule of the Uniform Standards of Professional Appraisal Practice ("USPAP") requires us to disclose to you any prior services (appraisal or otherwise) performed within three years prior to the date of this letter by our individual appraiser who will be performing Services for the Property. We represent that to our knowledge, that we have not provided prior services within the designated disclosure period, outside of what we have identified.

18. USE OF WORK PRODUCT AND RELIANCE

- 18.1 You agree that any report or other work product we produce in connection with the Services are for your use only, and only for the purpose indicated in the agreement. No person or entity other than the Client may use or rely on any such report or work product unless we consent otherwise in writing, even if such reliance is foreseeable. Any person who receives a copy of any report or other work product we produce as a consequence of disclosure requirements that apply to the Client, does not become an intended user of this report unless the Client specifically identified them at the time of the engagement.
- 18.2 You will not use any such report or work product in connection with any public documents. You will not refer to us in any public documents without our prior written consent. We may give or withhold our consent in our sole discretion for any purpose under this Section 18.
- 18.3 Notwithstanding the foregoing, we understand that applicable law in eminent domain proceedings may require you to disclose our reports and work product to landowners and to otherwise make our reports and work product available to the public. To the extent required by applicable law, we consent to such disclosure. However, you and only you, and no such landowner or other person or entity, may rely on our reports or our work product.

19. LITIGATION MATTERS

- 19.1 We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in the agreement or otherwise in writing, or if required by law.
- 19.2 If we receive a subpoena or other judicial command to produce documents or to provide testimony in a lawsuit or proceeding regarding the agreement, we will notify you if allowed by law to do so. However, if we are not a party to these proceedings, you agree to compensate us for our professional time at the then prevailing hourly rates of the personnel responding to the subpoena or providing testimony, and to reimburse us for our actual expenses incurred in responding to any such subpoena or judicial command, including attorneys' fees, if any, as they are incurred.



Exhibit B

Statement of Assumptions and Limiting Conditions

1. All reports and work product we deliver to you (collectively called "report") represents an opinion of value, based on historical information and forecasts of market conditions. Actual results may vary from those forecasts in the report. There is no guaranty or warranty that the opinion of value reflects the actual value of the property.
2. The conclusions stated in our report apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events. Assessed values may change significantly and unexpectedly over short periods. We are not liable for any conclusions in the report that may be different if there are subsequent changes in value. We are not liable for loss relating to reliance upon our report more than three months after its date.
3. There may be differences between projected and actual results because events and circumstances frequently do not occur as predicted, and those differences may be material. We are not liable for any loss arising from these differences.
4. We are not obligated to predict future political, economic or social trends. We assume no responsibility for economic factors that may affect or alter the opinions in the report if the economic factors were not present as of the date of the letter of transmittal accompanying the report.
5. The report reflects an appraisal of the property free of any liens or encumbrances unless otherwise stated.
6. We assume responsible ownership and competent property management.
7. The appraisal process requires information from a wide variety of sources. We have assumed that all information furnished by others is correct and complete, up to date and can be relied upon, but no warranty is given for its accuracy. We do not accept responsibility for erroneous information provided by others. We assume that no information that has a material effect on our appraisal has been withheld.
8. We assume the following, unless informed to the contrary in writing: Each property has a good and marketable title. All documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other adverse title conditions, which would have a material effect on the value of the interest under consideration. There is no material litigation pending involving the property. All information provided by the Client, or its agents, is correct, up to date and can be relied upon. We are not responsible for considerations requiring expertise in other fields, including but not limited to: legal descriptions, interpretation of legal documents and other legal matters, geologic considerations such as soils and seismic stability, engineering, or environmental and toxic contaminants. We recommend that you engage suitable consultants to advise you on these matters.
9. We assume that all engineering studies correct. The plot plans and illustrative material in the report are included only to help the reader visualize the property.
10. We assume that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. We are not responsible for such conditions or for obtaining the engineering studies that may be required to discover them.
11. We assume that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the report. We have not made or requested any environmental impact studies in conjunction with the report. We reserve the right to revise or rescind any opinion of value that is based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the report assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.



12. Unless otherwise stated in the report, you should assume that we did not observe any hazardous materials on the property. We have no knowledge of the existence of such materials on or in the property; however, we are not qualified to detect such substances, and we are not providing environmental services. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. Our report assumes that there is no such material on or in the property that would cause a loss in value. We do not assume responsibility for such conditions or for any expertise or engineering knowledge required to discover them. We encourage you to retain an expert in this field, if desired. We are not responsible for any such environmental conditions that exist or for any engineering or testing that might be required to discover whether such conditions exist. We are not experts in the field of environmental conditions, and the report is not an environmental assessment of the property.
13. We may have reviewed available flood maps and may have noted in the report whether the property is generally located within or out of an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property. Any opinion of value we include in our report assumes that floodplain and/or wetlands interpretations are accurate.
14. We have not made a specific survey or analysis of the property to determine whether it is in compliance with the Americans with Disabilities Act ("ADA"), Stark law or any anti-kickback laws. We claim no expertise in such issues and render no opinion regarding compliance of you or the property with ADA, Stark law or anti-kickback law or regulations.
15. We assume that the property conforms to all applicable zoning and use regulations and restrictions unless we have identified, described and considered a non-conformity in the report.
16. We assume that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in the report is based.
17. We assume that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
18. We have not made any investigation of the financial standing of actual or prospective tenants unless specifically noted in the report. Where properties are valued with the benefit of leasing, we assume, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the leases, all rent and other amounts payable under the leases have been paid when due, and that there are no undisclosed breaches of the leases.
19. We did not conduct a formal survey of the property and assume no responsibility for any survey matters. The Client has supplied the spatial data, including sketches and/or surveys included in the report, and we assume that data is correct, up to date and can be relied upon.
20. Unless otherwise stated, the opinion of value included in our report excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier. We have made no allowance for any plant, machinery or equipment unless they form an integral part of the building and would normally be included in a sale of the building. We do not normally carry out or commission investigations into the capacity or condition of services being provided to the property. We assume that the services, and any associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.
21. In the case of property where construction work is in progress, such as refurbishment or repairs, or where developments are in progress, we have relied upon cost information supplied to us by the Client or its appointed experts or upon industry accepted cost guides. In the case of property where construction work is in progress, or has recently been completed, we do not make allowance for any



liability already incurred, but not yet discharged, in respect of completed work, or obligations in favor of contractors, subcontractors or any members of the professional or design team. We assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.

22. Any allocation in the report of value between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
23. The report is confidential to the party to whom it is addressed, and those other intended users specified in the report for the specific purpose to which it refers. Use of the report for any other purpose or use by any party not identified as an intended user of the report without our prior written consent is prohibited, and we accept no responsibility for any use of the report in violation of the terms of this Agreement.
24. We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in writing.
25. Neither the whole report, nor any part, nor reference thereto, may be published in any manner without our prior written approval.
26. We may rely on, and will not verify, the accuracy and sufficiency of documents, information and assumptions provided to it by the Client or others. We will not verify documents, information and assumptions derived from industry sources or that we or our affiliates have prepared in the regular course of business. We are not liable for any deficiency in the report arising from the inaccuracy or insufficiency of such information, documents and assumptions. However, our report will be based on our professional evaluation of all such available sources of information.
27. WE ARE NOT LIABLE TO ANY PERSON OR ENTITY FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THIS AGREEMENT. IN NO EVENT SHALL OUR LIABILITY NOR THAT OF OUR AFFILIATES IN CONNECTION WITH THIS AGREEMENT EXCEED THE FEE PAID TO US HEREUNDER.
28. Unless expressly advised to the contrary, we assume that appropriate insurance coverage is and will continue to be available on commercially acceptable terms.
29. We assume that no material changes in any applicable federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
30. We may determine during the course of the assignment that additional Hypothetical Conditions and Extraordinary Assumptions may be required in order to complete the assignment. The Report will be subject to those Hypothetical conditions and Extraordinary Assumptions. Each Person that is permitted to use the report agrees to bound by all the Assumptions and Limiting Conditions and any Hypothetical Conditions and Extraordinary Assumptions stated in the report.



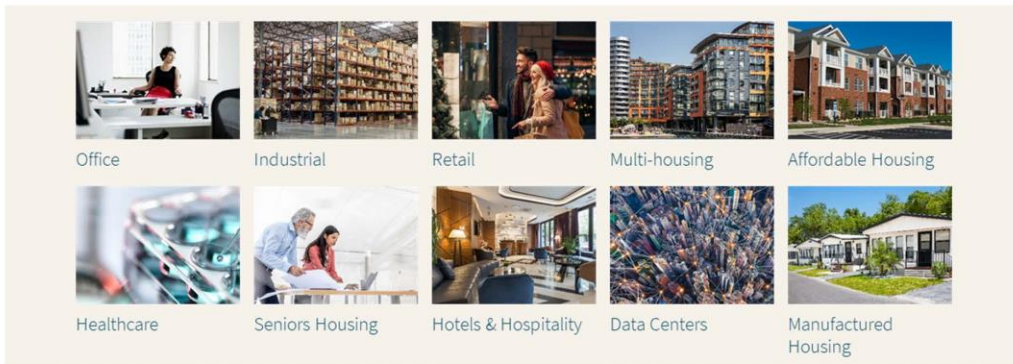
What we do and how we do it

Combining unrivaled experience with unmatched intelligence, we deliver a panoramic view of real estate value and risk for confident, fast investment and lending decisions.

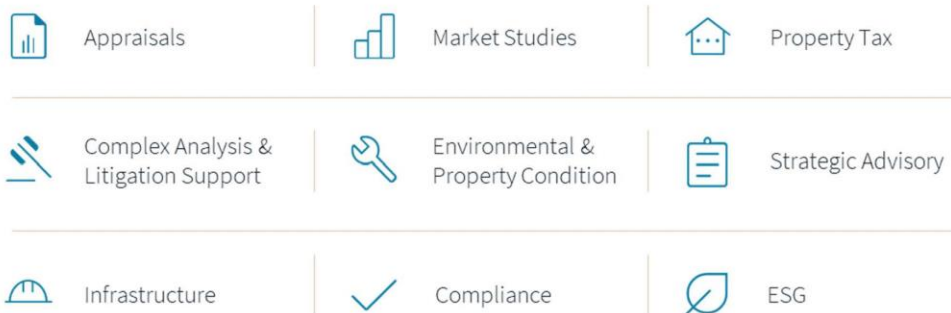
As your trusted advisor of choice, we take a sector-led approach that allows for unrivaled expertise and continuity in every real estate asset class.

Our appraisal services include 3rd-party MAI market valuations, fee simple, leased fee and going concern valuations, quarterly & annual portfolio valuations and Net Asset Valuations (NAV).

Sectors



Services





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About JLL

For over 200 years, JLL (NYSE: JLL), a leading global commercial real estate and investment management company, has helped clients buy, build, occupy, manage and invest in a variety of commercial, industrial, hotel, residential and retail properties. A Fortune 500 company with annual revenue of \$20.9 billion and operations in over 80 countries around the world, our more than 103,000 employees bring the power of a global platform combined with local expertise. Driven by our purpose to shape the future of real estate for a better world, we help our clients, people and communities SEE A BRIGHTER WAY. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated. For further information, visit jll.com.

Value and Risk Advisory

We are value and risk advisory experts supporting you through the changing world of real estate.

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