

MRV ENGENHARIA E PARTICIPAÇÕES S.A.

CNPJ/ME nº 08.343.492/0001-20

NIRE 31.300.023.907

Companhia Aberta

**PROPOSTA DA ADMINISTRAÇÃO
ASSEMBLEIA GERAL EXTRAORDINÁRIA**

a realizar-se no dia 04 de outubro de 2019

04 de setembro de 2019.

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PROPOSTA DA ADMINISTRAÇÃO PARA A ASSEMBLEIA GERAL EXTRAORDINÁRIA

CONVOCADA PARA 04 DE OUTUBRO DE 2019

Senhores Acionistas,

A administração da **MRV ENGENHARIA E PARTICIPAÇÕES S.A.** ("Companhia" ou "MRV"), apresenta aos Srs. Acionistas a presente proposta com as informações exigidas pela Lei nº 6.404, de 15 de dezembro de 1976, conforme alterada ("Lei das Sociedades por Ações"), e pela Instrução nº 481 da Comissão de Valores Mobiliários ("CVM"), de 17 de dezembro de 2009, conforme alterada ("Instrução CVM 481"), relacionadas à Assembleia Geral Extraordinária a se realizar no dia 04 de outubro de 2019, às 10:00 horas, na sede social da Companhia, localizada na cidade de Belo Horizonte, Estado de Minas Gerais, na Avenida Professor Mário Werneck, nº 621, Estoril, CEP 30455-610 ("AGE"), nos termos do Edital de Convocação a ser publicado no jornal Estado de Minas e no Diário Oficial do Estado de Minas Gerais em 06, 19 e 26 de setembro de 2019 ("Proposta da Administração").

A ordem do dia da AGE será a seguinte:

- (i) **Aprovar** o investimento, pela Companhia, por meio de sua subsidiária integral, MRV (US) Holdings Corporation, entidade *holding* domiciliada no exterior, constituída conforme as leis de Delaware, Estados Unidos da América ("MRV US"), de, inicialmente, 20% (vinte por cento) do capital social total, representativos de 50,01% (cinquenta inteiros e um centésimo por cento) do capital votante, da AHS Residential, LLC, sociedade de responsabilidade limitada domiciliada no exterior, constituída conforme as leis da Florida, Estados Unidos da América ("AHS Residential"), com o aumento de tal participação para até 51% (cinquenta e um por cento) do capital social total da AHS Residential, observado o valor mínimo de investimento de US\$ 220.000.000,00 (duzentos e vinte milhões de dólares) e máximo de US\$ 255.000.000,00 (duzentos e cinquenta e cinco milhões de dólares), a ser concluído até 2022 ("Transação");
- (ii) **Ratificar** a contratação da **Morrison, Brown, Argiz & Farra.**, sociedade de responsabilidade limitada domiciliada no exterior, constituída conforme as leis da Flórida, Estados Unidos da América, com sede na cidade de Miami, Estado da Flórida, na 1001 Brickell Bay Drive, 18º andar, CEP 33131 ("MBAF" ou "Avaliadora"), como empresa especializada responsável pela elaboração do laudo de avaliação da AHS Residential no contexto da Transação, nos termos do artigo 256, parágrafo 1º, da Lei das Sociedades por Ações ("Laudo de Avaliação");

- (iii) **Aprovar** o Laudo de Avaliação;
- (iv) Caso restem aprovadas as matérias anteriores, **autorizar** e **ratificar** todos os atos dos administradores da Companhia necessários à efetivação das deliberações propostas e aprovadas pelos acionistas da Companhia; e
- (v) **Aprovar** a publicação da ata da Assembleia Geral Extraordinária na forma do artigo 130, §2º, da Lei das Sociedades por Ações, omitindo-se os nomes dos acionistas.

TRANSAÇÃO

A administração, dentro de sua estratégia de plataforma habitacional com diversificação geográfica e de *funding*, enxergou uma excelente oportunidade na aquisição de uma empresa madura, com ótimo *track record* e alinhada à sua cultura. Nesta linha, vinha conduzindo estudos e avaliando a possibilidade de investimento na AHS Residential, cuja atuação já é consolidada no segmento de incorporação, locação e venda de empreendimentos a investidores e fundos imobiliários nos Estados Unidos, possibilitando uma potencial expansão de valor para os acionistas.

Neste sentido, a administração da Companhia propõe que seja aprovada a Transação, que consistirá no investimento, pela Companhia, na AHS Residential, por meio de sua subsidiária integral MRV US, observado o valor mínimo de US\$ 220.000.000,00 (duzentos e vinte milhões de dólares) e máximo de US\$ 255.000.000,00 (duzentos e cinquenta e cinco milhões de dólares), através da subscrição de 20% (vinte por cento) do capital social total da AHS Residential, representativo de 50,01% (cinquenta inteiros e um centésimo por cento) do seu capital votante, após a aprovação da Assembleia Geral Extraordinária da Companhia, convocada na presente data e a se realizar em 04 de outubro de 2019 (“Primeira Etapa”), podendo referida participação ser aumentada, futuramente, para até 51% (cinquenta e um por cento), do capital social total da AHS Residential.

A Transação está condicionada à aprovação da Assembleia Geral Extraordinária da Companhia, acima referida, sendo a Primeira Etapa realizada ao valor de US\$ 46.483.425,00 (quarenta e seis milhões, quatrocentos e oitenta e três mil, quatrocentos e vinte e cinco dólares).

A segunda etapa da Transação será concluída até abril de 2022, com a subscrição adicional de até 31% (trinta e um por cento) do capital social total da AHS Residential, por um preço por unit oportunamente apurado de acordo com metodologia de cálculo prevista no Acordo de Investimento (conforme definido abaixo) (preponderantemente baseada no *Net Asset Value – NAV* da AHS Residential), sendo que as respectivas integralizações deverão ocorrer até abril de 2021 e abril de 2022 (“Segunda Etapa”).

A Transação não compreenderá operação secundária e o investimento será direcionado integralmente a financiar o crescimento da AHS Residential, de modo que não haverá nenhum recebimento deste valor pelos atuais acionistas da AHS Residential que não venderão suas participações.

Adicionalmente, a Companhia, por meio de sua subsidiária integral MRV US, **(i)** celebrou com a AHS Residential e com a AHS Development, em 04 de setembro de 2019, o Contrato de Compra e Venda de Units (*AHS Residential LLC Unit Purchase Agreement*) ("Acordo de Investimento") que regula os termos e condições do investimento indireto pela Companhia na AHS Residential, bem como **(ii)** celebrará com a AHS Development e com a SP AHS Multi Family LLC ("Silverpeak"), quando da aprovação da Transação, Acordo de Acionistas da AHS Residential (*Amended and Restated Limited Liability Company Agreement*) ("Acordo de Acionistas"). Os efeitos dos referidos acordos, assim como toda a Transação, encontram-se sujeitos à aprovação da Assembleia Geral de Acionistas convocada nesta data para o dia 04 de outubro de 2019. Paralelamente à celebração do Acordo de Investimento e à conclusão de cada etapa, o contrato social da AHS Residential será aditado, de modo a evidenciar a quantidade de *units* de propriedade da MRV US.

O Acordo de Acionistas, celebrado para estabelecer o controle conjunto da AHS Residential entre a MRV US e a AHS Development, prevê que **(i)** a MRV US terá o direito de eleger 4 (quatro) membros do Conselho de Administração da AHS Residential; **(ii)** a AHS Development terá o direito de eleger 2 (dois) membros do Conselho de Administração; e **(iii)** a Silverpeak terá o direito de eleger 1 (um) membro do Conselho de Administração. Ainda, referido acordo estabelece direitos de veto à AHS Development com relação à algumas matérias especificadas no referido instrumento, dentre as quais: **(i)** plano de negócios; **(ii)** alteração do objeto social da AHS Residential; **(iii)** aprovação de remuneração dos seus administradores; e **(iv)** aprovação de seu orçamento. Ainda, o Acordo de Acionistas prevê certos direitos patrimoniais e de governança para a Silverpeak típicos de transações desta natureza, incluindo o direito de veto com relação à determinadas operações e direitos de *tag along*, direito de venda (*put*) e direito de primeira recusa (*right of first refusal*) em situações especificadas no referido acordo.

Os principais termos da Transação, conforme exigido pelo artigo 19 da Instrução CVM 481, encontram-se descritos no Anexo A à presente Proposta da Administração.

Ainda, as informações exigidas pelo artigo 8º da Instrução CVM 481, pelo fato de a Transação proposta envolver partes relacionadas, estão disponibilizadas no Anexo B à presente Proposta da Administração.

RATIFICAÇÃO DA CONTRATAÇÃO DAS EMPRESAS ESPECIALIZADAS PARA A ELABORAÇÃO DOS LAUDOS

A administração da Companhia propõe que seja ratificada a contratação da MBAF, como empresa especializada responsável pela elaboração do laudo de avaliação da AHS Residential no contexto da Transação, nos termos do artigo 256, parágrafo 1º, da Lei Sociedades por Ações.

As informações exigidas pelo artigo 21 da Instrução CVM 481 a respeito da Avaliadora constituem o Anexo C à presente Proposta da Administração.

LAUDO DE AVALIAÇÃO

A administração da Companhia propõe que seja aprovado o Laudo de Avaliação elaborado pela MBAF, cuja cópia integra a presente na forma do Anexo D.

O Laudo de Avaliação avaliou a AHS Residential em US\$ 180.640.000,00 (cento e oitenta milhões, seiscentos e quarenta mil dólares), com base na estimativa de valor justo de mercado dos ativos e passivos da mesma em 31 de julho de 2019.

As variações patrimoniais ocorridas entre a data do Laudo de Avaliação e a data em que se efetivar a Transação serão refletidas nas sociedades em que ocorreram.

ATOS PRATICADOS PELA ADMINISTRAÇÃO DA COMPANHIA

Uma vez que a Transação seja aprovada pelos acionistas da Companhia e da AHS Residential, cumprirá às administrações das sociedades envolvidas na Transação praticar todos os atos, registros e averbações necessários para a implementação da Transação.

PUBLICAÇÃO DA ATA DA ASSEMBLEIA GERAL EXTRAORDINÁRIA

A administração da Companhia propõe que seja aprovada a publicação da ata da Assembleia Geral Extraordinária na forma do artigo 130, §2º, da Lei das Sociedades por Ações, de modo a serem omitidos os nomes dos acionistas.

PARTICIPAÇÃO POR MECANISMO DE VOTO À DISTÂNCIA

O acionista que optar por exercer o seu direito de voto a distância, nos termos dos artigos 21-A e seguintes da Instrução CVM 481, deverá preencher o Boletim de Voto a Distância, que somente será considerado válido se todos os seus campos forem devidamente preenchidos, todas as páginas devidamente rubricadas e sua última página devidamente assinada pelo acionista ou seu(s) representante(s) legal(is), conforme o caso e nos termos da legislação vigente.

O Boletim deverá ser recebido em uma das modalidades de entrega abaixo descritas em até 7 (sete) dias antes da AGE, ou seja, até o dia 27 de setembro de 2019, nos termos do artigo 21-B da Instrução CVM 481. Ressaltamos que caso o Boletim seja recebido após esta data, os votos não serão computados.

Mediante instruções de voto transmitidas pelos acionistas ao escriturador das ações da Companhia



Essa opção destina-se, exclusivamente, aos acionistas detentores de ações que não estejam depositadas em depositário central, mas sim no Banco Bradesco S.A. ("Bradesco"), na qualidade de escriturador das ações da Companhia.

Para consulta dos procedimentos a serem adotados para utilização desta opção, o acionista deve entrar em contato com o Bradesco, através dos dados de contato abaixo:

Banco Bradesco S.A.

Endereço: Prédio Amarelo – Térreo – Vila Yara – Osasco – CEP. 06029-900

E-mail: dac.acecustodia@bradesco.com.br

Telefone: 0800. 701.1616

Pessoa para contato: Gerente da agência mais próxima do investidor

Para o exercício do voto à distância dos acionistas custodiados nos livros da Companhia, estes deverão comparecer em qualquer agência do Bradesco e apresentar documentos de representação. Também deverão ter em mãos o Boletim, que a Companhia divulgou na CVM e também no seu site de Relações com Investidores (<https://ri.mrv.com.br/>). O Bradesco não receberá votos via e-mail e nem por correspondência, bem como não possui expediente ao público em sua matriz.

Mediante instruções de voto transmitidos pelos acionistas aos seus respectivos agentes de custódia

Essa opção destina-se, exclusivamente, aos acionistas detentores de ações depositadas com instituições e/ou corretoras ("Agentes de Custódia") na B3. Nesse caso, o voto a distância será exercido pelos acionistas de acordo com os procedimentos adotados pelos Agentes de Custódia que mantém suas posições em custódia.

O acionista titular de ações depositadas na B3 que optar por exercer o seu direito de voto a distância deverá fazê-lo mediante a transmissão de sua instrução de voto ao Agente de Custódia com o qual mantém suas ações em custódia, observadas as regras determinadas por esse último, que, na sequência, encaminhará tais manifestações de voto à Central Depositária da B3, que por sua vez, gerará um mapa de votação a ser enviado ao escriturador das ações de emissão da Companhia.

Como a prestação do serviço de coleta e transmissão de instruções de preenchimento de boletim de voto à distância é facultativo para os Agentes de Custódia, recomendamos que o acionista verifique se o seu custodiante está habilitado a prestar tal serviço e quais os procedimentos por eles estabelecidos para emissão das instruções de voto, bem como os documentos e informações por eles exigidos.

A Companhia informa que caso o respectivo Agente de Custódia não preste o serviço de voto a distância, o acionista terá a opção de enviar seu Boletim e documentos aplicáveis diretamente ao escriturador das ações da Companhia ou à própria Companhia. A Companhia não é responsável pela comunicação entre os acionistas e seus respectivos Agentes de Custódia.

Mediante envio do Boletim preenchido e assinado diretamente à Companhia

Caso o acionista queira encaminhar sua orientação de voto diretamente à Companhia, deverá acessar o *website* de Relações com Investidores da Companhia (<https://ri.mrv.com.br/>) ou o *website* da CVM (<http://www.cvm.gov.br/>), imprimir o Boletim, preenchê-lo, rubricar todas as páginas e assiná-lo. Na sequência, deverá encaminhar o Boletim devidamente preenchido, rubricado e assinado, juntamente com cópia autenticada dos documentos indicados abaixo, todos os quais deverão ser recebidos pela Companhia até o dia 27 de setembro de 2019, inclusive, para o seguinte endereço postal: Avenida Professor Mário Werneck, nº 621, Bairro Estoril, Belo Horizonte/MG, CEP 30455-610.

O acionista que optar por enviar o Boletim diretamente à Companhia, deverá encaminhar também os seguintes documentos: via física original do Boletim devidamente preenchido, rubricado e assinado; comprovante da instituição financeira depositária das ações escriturais ou em custódia (artigo 41 da Lei das Sociedades por Ações) para comprovar sua qualidade de acionista; e cópia autenticada dos seguintes documentos de identificação:

- (a) **Pessoa Física**: documento de identidade com foto (RG, RNE, CNH, passaporte ou carteiras de classe profissional oficialmente reconhecidas – como, por exemplo, carteira da OAB) do acionista ou de seu representante legal, quando representado por procurador, cópia autenticada do documento que comprove os poderes do signatário;
- (b) **Pessoa Jurídica**: documento de identidade com foto (RG, RNE, CNH, passaporte ou carteiras de classe profissional oficialmente reconhecidas – como, por exemplo, carteira da OAB) do representante legal; contrato / estatuto social consolidado, atualizado e vigente; e documentos societários que comprovem os poderes de representação do acionista; e
- (c) **Fundo de Investimento**: documento de identidade com foto (RG, RNE, CNH, passaporte ou carteiras de classe profissional oficialmente reconhecidas – como, por exemplo, carteira da OAB) do representante legal; regulamento consolidado, atualizado e vigente; estatuto / contrato social vigente do administrador ou gestor do fundo, conforme o caso, observada a política de voto do fundo; e documentos societários que comprovem os poderes de representação.

Uma vez recebidos o Boletim e respectivas documentações exigidas, a Companhia avisará ao acionista acerca de seu recebimento e de sua aceitação ou não, nos termos da Instrução CVM 481.

Caso o Boletim seja eventualmente encaminhado diretamente à Companhia, e não esteja integralmente preenchido ou não venha acompanhado dos documentos comprobatórios descritos acima, este será desconsiderado e o acionista será informado de referida desconsideração por meio do endereço de e-mail indicado no Boletim.

INFORMAÇÕES ADICIONAIS

Em observância ao disposto na Instrução CVM 481, anexamos os seguintes documentos à presente Proposta da Administração:

- (i) **Anexo A** – Informações relativas à Transação, em atendimento ao artigo 19 da Instrução CVM 481;
- (ii) **Anexo B** – Informações relativas às partes relacionadas envolvidas na Transação, em atendimento ao artigo 8º da Instrução CVM 481;
- (iii) **Anexo C** – Informações relativas aos avaliadores recomendados pela administração da Companhia, em atendimento ao artigo 21 da Instrução CVM 481; e
- (iv) **Anexo D** - Cópia do Laudo de Avaliação.

Ainda, os documentos previstos na Instrução CVM 481, foram apresentados à CVM na presente data, por meio do Sistema Empresas.NET, nos termos do artigo 6º de referida instrução, e encontram-se à disposição dos senhores no site de Relações com Investidores da Companhia (<http://ri.mrv.com.br>), nos sites da B3 (http://www.b3.com.br/pt_br/) e da CVM (www.cvm.gov.br).

Nos termos do artigo 126 da Lei das Sociedades por Ações, os Acionistas deverão exibir documento de identidade e comprovante de depósito das ações da Companhia emitido pela instituição financeira depositária, podendo ser representados por mandatários, observadas as determinações e restrições legais. Pede-se que os documentos que comprovem a regularidade da representação sejam entregues, na sede da Companhia, até 48 horas antes da AGE.

Adicionalmente, os documentos podem ser consultados e examinados na sede social da MRV, devendo os Acionistas interessados agendar data e horário de visita com o departamento de Relações com Investidores.

Por fim, informações adicionais sobre a Transação estão disponíveis no site de relações com investidores da Companhia, no link a seguir: [clique aqui](#).

Belo Horizonte, 04 de setembro de 2019.

A Administração

MRV ENGENHARIA E PARTICIPAÇÕES S.A.

ANEXO A

INFORMAÇÕES RELATIVAS À TRANSAÇÃO

Em atendimento ao artigo 19 da Instrução CVM 481

1. Descrição do negócio.

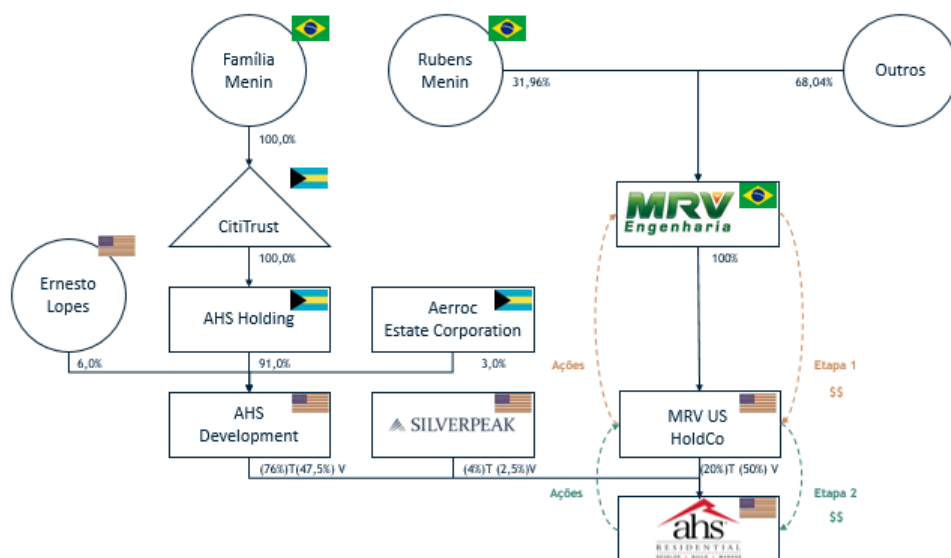
A Transação compreenderá o investimento, pela Companhia, por meio de sua subsidiária integral, a MRV US, de, inicialmente, 20% (vinte por cento) do capital social total da AHS Residential, com o aumento de tal participação para até 51% (cinquenta e um por cento), observado o valor mínimo de investimento de US\$ 220.000.000,00 (duzentos e vinte milhões de dólares) e máximo de US\$ 255.000.000,00 (duzentos e cinquenta e cinco milhões de dólares), a ser concluído até 2022.

A Transação está condicionada à aprovação em Assembleia Geral Extraordinária da Companhia, a ser realizada em 04 de outubro de 2019, e a sua primeira etapa deverá ocorrer por meio da subscrição de *units* representativas de 20% (vinte por cento) do capital social total da AHS Residential, representativas de 50,01% (cinquenta inteiros e um centésimo por cento) do seu capital votante, pelo valor de US\$ 46.483.425,00 (quarenta e seis milhões, quatrocentos e oitenta e três mil, quatrocentos e vinte e cinco dólares) ("Primeira Etapa").

A segunda etapa da Transação será concluída até abril de 2022, com a subscrição adicional de até 31% (trinta e um por cento) do capital social total da AHS Residential, por um preço por *unit* oportunamente apurado de acordo com metodologia de cálculo prevista no Acordo de Investimento (preponderantemente baseada no *Net Asset Value – NAV* da AHS Residential), sendo que as respectivas integralizações deverão ocorrer até abril de 2021 e abril de 2022 ("Segunda Etapa").

A Transação não compreenderá operação secundária e o investimento será direcionado integralmente a financiar o crescimento da AHS Residential, de modo que não haverá nenhum recebimento deste valor pelos atuais acionistas da AHS Residential que não venderão suas participações.

Em decorrência e no âmbito da Transação, os acionistas da Companhia passarão a ser acionistas indiretos da MRV US e, consequentemente, da AHS Residential, conforme estrutura societária abaixo:



Por fim, a Transação não dará ensejo ao direito de recesso, nos termos do artigo 256 da Lei das Sociedades por Ações, uma vez que o valor que está sendo pago não ultrapassa os valores indicados por tal dispositivo legal.

2. Razão, estatutária ou legal, pela qual o negócio foi submetido à aprovação da assembleia.

A Transação será submetida à aprovação de Assembleia Geral Extraordinária, uma vez que configura investimento relevante para a Companhia, nos termos do artigo 256, inciso I, da Lei das Sociedades por Ações.

3. Informações sobre a sociedade cujo controle foi ou será adquirido:

a. Nome e qualificação.

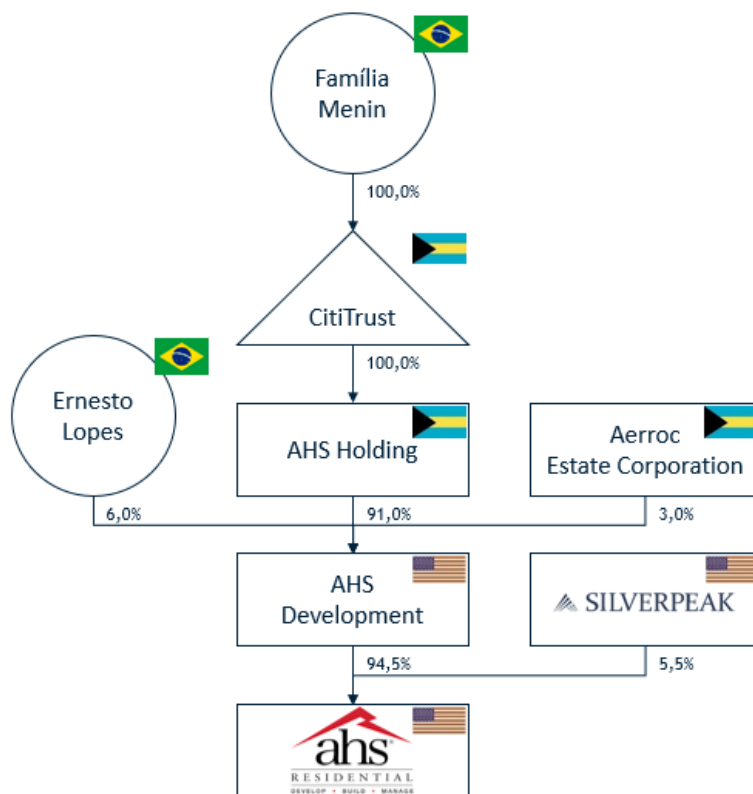
AHS Residential, LLC, sociedade de responsabilidade limitada domiciliada no exterior, constituída conforme as leis da Florida, Estados Unidos da América.

b. Número de ações ou quotas de cada classe ou espécie emitidas.

AHS Residential: 177.013,89 units Classe A e 44.253,47 units Classe B.

c. Lista de todos os controladores ou integrantes do bloco de controle, diretos ou indiretos, e sua participação no capital social, caso sejam partes relacionadas, tal como definidas pelas regras contábeis que tratam desse assunto.

AHS Residential:



d.i. Cotação mínima, média e máxima de cada ano, nos mercados em que são negociadas, nos últimos 3 (três) anos.

Não aplicável, uma vez que as ações de ambas sociedades (AHS Residential e MRV US) não são negociadas em mercado.

d.ii. Cotação mínima, média e máxima de cada trimestre, nos mercados em que são negociadas, nos últimos 2 (dois) anos.

Não aplicável, uma vez que as ações de ambas sociedades (AHS Residential e MRV US) não são negociadas em mercado.

d.iii. Cotação mínima, média e máxima de cada mês, nos mercados em que são negociadas, nos últimos 6 (seis) meses.

Não aplicável, uma vez que as ações de ambas sociedades (AHS Residential e MRV US) não são negociadas em mercado.

d.iv. Cotação média, nos mercados em que são negociadas, nos últimos 90 dias.

Não aplicável, uma vez que as ações de ambas sociedades (AHS Residential e MRV US) não são negociadas em mercado.

d.v. Valor de patrimônio líquido a preços de mercado, se a informação estiver disponível.

O valor de patrimônio líquido da AHS Residential a preço de mercado é de US\$ 180.640.000,00 (cento e oitenta milhões, seiscentos e quarenta mil dólares).

d.vi. Valor do lucro líquido anual nos 2 (dois) últimos exercícios sociais, atualizado monetariamente.

Lucro líquido para o exercício social encerrado em 31 de dezembro de 2018: US\$775.287,00.

Lucro líquido para o exercício social encerrado em 31 de dezembro de 2017: prejuízo no montante de US\$847.099,00.

4. Principais termos e condições do negócio, incluindo:

a. Identificação dos vendedores.

Não há vendedores. Serão subscritas *units* de emissão da AHS Residential, LLC, sociedade de responsabilidade limitada domiciliada no exterior, constituída conforme as leis da Florida, Estados Unidos da América.

b. Número total de ações ou quotas adquiridas ou a serem adquiridas.

Serão adquiridas em um primeiro momento 44.253,47 *units* Classe B, equivalentes a 20% (vinte por cento) do capital social total da AHS Residential, representativas de 50,01% (cinquenta inteiros e um centésimo por cento) do capital votante da AHS Residential. Tal participação será aumentada, futuramente, em até 31% (trinta e um por cento), totalizando uma participação de até 51% (cinquenta e um por cento) do capital social total da AHS Residential.

c. Preço total.

O preço total será definido oportunamente, apurado de acordo com metodologia de cálculo prevista no Acordo de Investimento (preponderantemente baseada no *Net Asset Value – NAV* da AHS Residential), observado o valor mínimo de investimento de US\$ 220.000.000,00 (duzentos e vinte milhões de dólares) e máximo de US\$ 255.000.000,00 (duzentos e cinquenta e cinco milhões de dólares).

d. Preço por ação ou quota de cada espécie ou classe.

O preço por *unit* a ser pago na Primeira Etapa será de US\$ 1.050,39 (um mil e cinquenta dólares e trinta e nove *cents*). O preço por *unit* a ser pago na Segunda Etapa será definido futuramente, conforme detalhado no item 4(c) acima.

e. Forma de pagamento.

O pagamento de cada Etapa será executado pela MRV US por meio de transferência eletrônica de fundos imediatamente disponíveis para uma conta bancária designada pela AHS Residential.

f. Condições suspensivas e resolutivas a que está sujeito o negócio.

A efetivação do negócio está sujeita à assertividade das representações e garantias prestadas pelas partes no Acordo de Investimento e à aprovação da transação em Assembleia Geral Extraordinária da Companhia a ser realizada em 04 de outubro de 2019.

g. Resumo das declarações e garantias dos vendedores.

Os vendedores prestaram declarações e garantias com relação às seguintes matérias: (i) organização, idoneidade e qualificação; (ii) capitalização e direitos de voto; (iii) subsidiárias; (iv) autorizações; (v) validade de emissão das *units* compradas; (vi) aprovações governamentais; (vii) oferta; (viii) litígios; (ix) conformidade com outros instrumentos; (x) transações com partes relacionadas; (xi) contratos; (xii) divulgação; (xiii) cumprimento de leis e licenças; (xiv) leis ambientais e de segurança; (xv) título da propriedade e ativos; (xvi) demonstrações financeiras; (xvii) alterações; (xviii) questões relativas a funcionários; (xix) pagamentos de impostos; (xx) seguros; (xxi) qualificação como empresa de investimentos; (xxii) qualificação como empresa holding americana de bens imobiliários; (xxiii) inexistência de desqualificação como “mau ator”; (xxiv) inexistência de pessoas restritas; e (xxv) projetos de desenvolvimento.

h. Regras sobre indenização dos compradores.

Quaisquer disputas e controvérsias decorrentes ou relacionadas ao Acordo de Investimento serão resolvidas exclusivamente pelos tribunais estaduais ou federais localizados no Condado de Miami-Dade, no Estado da Flórida, Estados Unidos da América.

i. Aprovações governamentais necessárias.

Não são necessárias quaisquer aprovações governamentais.

j. Garantias outorgadas.

Não houve outorga de nenhuma garantia.

5. Descrever o propósito do negócio.

O propósito da aquisição do controle da AHS Residencial está em linha com o plano de desenvolvimento estratégico da Companhia, a partir da ampliação de sua atividade no mercado de locação de imóveis multifamiliares.

6. Fornecer análise dos benefícios, custos e riscos do negócio.

Principais benefícios:

- a) **Expansão de valor para o acionista:** Através de um veículo conhecido e com histórico positivo de performance, será possível acessar o lucrativo mercado norte-americano que possui uma grande demanda por moradias focadas no *workforce*;
- b) **Diversificação de mercados:** A operação está inserida na estratégia de diversificação de produtos e mercados da Companhia, através da criação de uma plataforma habitacional. A oportunidade de expansão para o mercado norte americano, de maneira complementar à atuação da Companhia no Brasil, permitirá acessar novos clientes, fontes de *funding*, tecnologias, tendências e mercado de capitais; e
- c) **Exploração de sinergias:** A Companhia se beneficiará também da sinergia entre a operação norte-americana e brasileira na gestão de propriedades, incluindo o intercâmbio de tecnologias, pessoas, processos e métodos.

Custos. A administração estima que os custos de realização da Transação serão da ordem de, aproximadamente, R\$ 3.000.000,00 (três milhões de reais), incluídas as despesas com publicações, auditores, avaliadores, advogados e demais profissionais contratados para assessoria na Transação.

Riscos. Os principais riscos que foram mapeados quando da apreciação da Transação estão relacionados essencialmente a: **(i)** potencial dinâmica de mercado desfavorável nos EUA; **(ii)** disrupções do negócio não previstas, provocadas por mudanças regulatórias nos EUA; **(iii)** diferenças econômicas entre regiões dos EUA que podem ter impacto nas margens da Companhia; e **(iv)** desafios de consolidação.

7. Informar quais custos serão incorridos pela companhia caso o negócio não seja aprovado.

Os custos a serem incorridos pela Companhia caso o negócio não seja aprovado se resumem principalmente a despesas com assessores jurídicos e financeiros para a operação.

8. Descrever as fontes de recursos para o negócio.

Os recursos para condução do negócio proposto têm como origem o próprio caixa da Companhia.

9. Descrever os planos dos administradores para a companhia cujo controle foi ou será adquirido.

Os administradores da AHS Residential pretendem administrar a companhia de modo a potencializar os benefícios descritos no item 6 acima.

10. Fornecer declaração justificada dos administradores recomendando aprovação do negócio.

O propósito da aquisição do controle da AHS Residential está em linha com a estratégia da Companhia de plataforma habitacional com diversificação geográfica e de *funding*, caracterizando-se uma excelente oportunidade a aquisição de uma empresa madura, com ótimo *track record* e alinhada à sua cultura. Nesta linha, a Administração recomenda a aprovação do investimento nesta empresa cuja atuação já é consolidada no segmento de incorporação, locação e venda de empreendimentos a investidores e fundos imobiliários nos Estados Unidos, possibilitando uma potencial expansão de valor para os acionistas.

11. Descrição de qualquer relação societária existente, ainda que indireta, entre:

a. Qualquer dos vendedores ou a sociedade cujo controle foi ou será alienado.

A AHS Development é a atual controladora da AHS Residential, detentora de 94,5% (noventa e quatro inteiros e cinco décimos por cento) de seu capital social.

b. Partes relacionadas à companhia, tal como definidas pelas regras contábeis que tratam desse assunto.

Membros da família do Sr. Rubens Menin, acionista detentor de 31,96% (trinta e um inteiros e noventa e seis centésimos por cento) do capital social da Companhia, são controladores indiretos da AHS Residential, conforme organograma apresentado no item 3(c) deste Anexo A.

12. Detalhes de qualquer negócio realizado nos últimos 2 (dois) anos por partes relacionadas à companhia, tal como definidas pelas regras contábeis que tratam desse assunto, com participações societárias ou outros valores mobiliários ou títulos de dívida da sociedade cujo

controle foi ou será adquirido.

Dentro do período compreendido entre os dois últimos anos, foi realizada a aquisição de participação da AHS Residential pela AHS Development, a qual, por sua vez, é controlada pela AHS Development Holdings Limited ("AHS Holding"), detentora de 91% (noventa e um por cento) do seu capital social. A AHS Holding tem 100% (cem por cento) de seu capital social detido pela sociedade CitiTrust (Bahamas) Limited, que, por sua vez, tem 100% (cem por cento) de seu capital social detido pela Família Menin, da qual Rubens Menin, acionista detentor de 31,96% (trinta e um inteiros e noventa e seis centésimos por cento) do capital social da Companhia, é integrante.

13. Cópia de todos os estudos e laudos de avaliação, preparados pela companhia ou por terceiros, que subsidiaram a negociação do preço de aquisição.

Vide Laudo de Avaliação elaborado pela MBAF, constante do Anexo D à presente.

14. Em relação a terceiros que prepararam estudos ou laudos de avaliação:

a. Nome.

Morrison, Brown, Argiz & Farra, LLC., sociedade de responsabilidade limitada domiciliada no exterior, constituída conforme as leis da Flórida, Estados Unidos da América, com sede na cidade de Miami, Estado da Flórida, na 1001 Brickell Bay Drive, 18º andar, CEP 33131.

b. Descrição de sua capacitação.

Fundada em 1969, a Morrison, Brown, Argiz & Farra, LLC é classificada nos Estados Unidos como uma das 40 principais empresas de consultoria e contabilidade e foi nomeada uma das melhores empresas do país pela INSIDE Public Accounting por consecutivos anos devido à sua comprovada consistência a longo prazo e desempenho excepcional. Mais de 600 diretores e funcionários altamente qualificados atendem clientes nacionais e internacionais em uma ampla gama de indústrias e práticas de nossos escritórios em todo os Estados Unidos.

c. Descrição de como foram selecionados.

A MBAF foi selecionada em função de sua expertise no mercado imobiliário norte-americano.

d. São partes relacionadas à companhia, tal como definidas pelas regras contábeis que tratam desse assunto?

Não.

ANEXO B

INFORMAÇÕES RELATIVAS ÀS PARTES RELACIONADAS ENVOLVIDAS NA TRANSAÇÃO

Em atendimento ao artigo 8º da Instrução CVM 481

1. Nome e qualificação da parte relacionada interessada.

AHS RESIDENTIAL, LLC, sociedade de responsabilidade limitada domiciliada no exterior, constituída conforme as leis da Florida, Estados Unidos da América.

2. Natureza da relação da parte relacionada interessada com a Companhia.

Membros da família do Sr. Rubens Menin, acionista detentor de 31,96% (trinta e um inteiros e noventa e seis centésimos por cento) do capital social da Companhia, são controladores indiretos da AHS Residential.

3. Quantidade de ações e outros valores mobiliários emitidos pela Companhia que sejam de titularidade da parte relacionada interessada, direta ou indiretamente.

A AHS Residential não detém nenhuma ação ou valor mobiliário de emissão da Companhia.

4. Eventuais saldos existentes, a pagar e a receber, entre as partes envolvidas.

Não existem saldos existentes, a pagar ou a receber, entre as partes envolvidas.

5. Descrição detalhada da natureza e extensão do interesse em questão.

É de interesse da AHS Residential a efetivação da Transação, para fins de possibilitar o levantamento de recursos para a compra de terrenos a serem utilizados no desenvolvimento da atividade de construção de habitações multifamiliares, formação de capital de giro, manutenção de custos de construção e desenvolvimento e despesas de boa-fé relacionadas à AHS Residential, suas subsidiárias integrais e seus respectivos projetos de desenvolvimento, conforme o plano de desenvolvimento da sociedade.

6. Recomendação da administração acerca da proposta, destacando as vantagens e desvantagens da operação para a companhia.

A administração avaliou a Transação sob a perspectiva do interesse da Companhia e concluiu que ela atende ao melhor interesse da Companhia e de seus acionistas, uma vez que a efetivação da Transação ampliará sua atividade no mercado de locação de imóveis multifamiliares, possibilitando um potencial acréscimo nos proventos gerados para os acionistas.

A concretização da Transação propiciará à Companhia a oportunidade de melhorar seus negócios em diversos aspectos, dentre os quais:

- a) **Expansão de valor para o acionista:** Através de um veículo conhecido e com histórico positivo de performance, será possível acessar o lucrativo mercado norte-americano que possui uma grande demanda por moradias focadas no *workforce*;
- b) **Diversificação de mercados:** A operação está inserida na estratégia de diversificação de produtos e mercados da Companhia, através da criação de uma plataforma habitacional. A oportunidade de expansão para o mercado norte americano, de maneira complementar à atuação da Companhia no Brasil, permitirá acessar novos clientes, fontes de *funding*, tecnologias, tendências e mercado de capitais; e
- c) **Exploração de sinergias:** A Companhia se beneficiará também da sinergia entre a operação norte-americana e brasileira na gestão de propriedades, incluindo o intercâmbio de tecnologias, pessoas, processos e métodos.

A administração da Companhia entende que não resultarão desvantagens relevantes da Transação.

7. Caso a matéria submetida à aprovação da assembleia seja um contrato sujeito às regras do art. 245 da Lei nº 6.404, de 1976 (a) demonstração pormenorizada, elaborada pelos administradores, de que o contrato observa condições comutativas, ou prevê pagamento compensatório adequado; e (b) análise dos termos e condições do contrato à luz dos termos e condições que prevalecem no mercado.

(a) A transação regulada pelo Acordo de Investimento está sendo levada à aprovação da assembleia acompanhada da opinião favorável do Comitê Independente da Companhia, o qual, quando da apreciação da Transação, visando garantir a observância de condições comutativas do negócio, se pautou na análise de materiais produzidos pela administração da Companhia a partir de uma avaliação da AHS Residencial com base no valor líquido de seus ativos (*Net Asset Value – NAV*), a partir de informações e dados públicos da Coldwell Banker Richard Ellis – CBRE, entre outros. Adicionalmente, a Diretoria Executiva da Companhia se baseou (i) nas análises conduzidas pela Bain & Company – Bain do Brasil LTDA., no que diz respeito à análise de sinergias e outras questões relacionadas à integração das atividades da Companhia e da AHS Residencial; e (ii) concernente a questões legais, na assessoria prestada pelos escritórios Almeida, Rotenberg e Boscoli - Sociedade de Advogados e Holland & Knight (UK) LLP. Ainda, a Companhia informa que a MBAF, para a elaboração do Laudo de Avaliação da Transação, utilizou em sua metodologia de cálculo referências de avaliações imobiliárias da indústria norte-americana produzidas pelas seguintes empresas: Walter



Duke & Associates (www.walterdukeandpartners.com); Apraisal First (www.appraisalfirst.net); Blake & Associates (www.blakeandassoc.com) e Coldwell Banker Richard Ellis – CBRE (www.cbre.com).

(b) A Companhia entende que os termos e condições contratados na Transação estão em linha com os termos e condições que prevalecem no mercado, tendo por base para tal aferição o material elaborado pelos assessores financeiros e jurídicos da Companhia indicados no item 7(a) acima, os quais possuem ampla expertise no mercado imobiliário norte-americano.

ANEXO C

INFORMAÇÕES RELATIVAS AOS AVALIADORES

Em atendimento ao artigo 21 da Instrução CVM 481

1. Listar os avaliadores recomendados pela administração.

Morrison, Brown, Argiz & Farra, LLC., sociedade de responsabilidade limitada domiciliada no exterior, constituída conforme as leis da Flórida, Estados Unidos da América, com sede na cidade de Miami, Estado da Flórida, na 1001 Brickell Bay Drive, 18º andar, CEP 33131.

2. Descrever a capacitação dos avaliadores recomendados.

Fundada em 1969, a Morrison, Brown, Argiz & Farra, LLC é classificada nos Estados Unidos como uma das 40 principais empresas de consultoria e contabilidade e foi nomeada uma das melhores empresas do país pela INSIDE Public Accounting por consecutivos anos devido à sua comprovada consistência a longo prazo e desempenho excepcional. Mais de 600 diretores e funcionários altamente qualificados atendem clientes nacionais e internacionais em uma ampla gama de indústrias e práticas de nossos escritórios em todo os Estados Unidos.

3. Fornecer cópia das propostas de trabalho e remuneração dos avaliadores recomendados.

A proposta de trabalho apresentada pela Morrison, Brown, Argiz & Farra, LLC. à Companhia encontra-se disponível para consulta dos Srs. Acionistas na sede da Companhia.

4. Descrever qualquer relação relevante existente nos últimos 3 (três) anos entre os avaliadores recomendados e partes relacionadas à Companhia, tal como definidas pelas regras contábeis que tratam desse assunto.

Não aplicável.

ANEXO D

LAUDO DE AVALIAÇÃO

September 4, 2019

Mr. Carlos E. Gonzalez, Jr.
Chief Financial Officer
AHS Development Group
12895 SW 132nd Street, Suite 202
Miami, Florida 33186

Ricardo Paixão Pinto Rodrigues
MRV Engenharia e Participações S.A.
Avenida Professor Mario Werneck, No. 621
Estoril District
Belo Horizonte, Minas Gerais
Zip Code 30455-610
Brazil

Re: Fair Market Value of the 100% Member Interest in AHS Residential, LLC as of July 31, 2019

Dear Messrs.:

We have been engaged to perform a valuation engagement, as that term is defined in the Statement on Standards for Valuation Services (“SSVS”) of the American Institute of Certified Public Accountants, of the 100% member interest in AHS Residential, LLC (“AHS” or the “Company”) as of July 31, 2019 (the “Valuation Date”) for internal reporting purposes, and should not be used for any other purpose. This conclusion of value summary report (the “Report”), as defined under AICPA Statement on Standards for Valuation Services No. 1 (“SSVS 1”) and The Appraisal Foundation's Uniform Standards of Professional Appraisal Practice (“USPAP”), provides the result of our analysis.

The information and use of this Report is restricted to Mr. Carlos E. Gonzalez, Jr. of AHS Development Group and Mr. Ricardo Paixão Pinto Rodrigues of MRV Engenharia e Participações S.A. (the “Clients”) and the Clients’ authorized parties including shareholders of MRV Engenharia e Participações S.A. The Report is not intended to be and should not be used by anyone other than such parties.

This valuation was performed solely to assist you for internal reporting purposes; the resulting estimate of value should not be used for any other purpose. This valuation engagement was conducted in accordance with the Statement on Standards for Valuation Services of the American Institute of Certified Public Accountants, the business valuation standards of the National Association of Certified Valuation Analysts, and the American Society of Appraisers. The estimate of value that results from a valuation engagement is expressed as a conclusion of value. We have appraised the subject interest under the premise of value in continued use, as a going-concern business entity. The standard of value is fair market value.

An independent member of Baker Tilly International

Based on our analysis, as described in this valuation summary report, the fair market value ("FMV") of the 100% member interest in AHS Residential, LLC as of July 31, 2019 is:

One Hundred Eighty Million Six Hundred Forty Thousand Dollars

\$180,640,000

For our valuation analysis, we received third party real estate appraisals for certain subject properties as of the Valuation Date. Two properties are expected to start operations shortly. Based on discussions with Management, stabilization will be reached in the near future for those properties. Our analysis and concluded value reflect the As Is Market Value of the properties as of the Valuation Date, however, future market values at stabilization were provided by the third party real estate appraiser.

Village at Tuscany, LLC's (dba Deering Groves) grand opening took place on July 12, 2019. As of August 22, 2019, 81 leases were signed with 41 move-ins. The As Is Market Value as of August 22, 2019, per the Real Estate Appraisal Report dated August 26, 2019, prepared by Walter Duke & Partners is \$55.7 million. The Prospective Market Value "At Stabilization" as of May 1, 2020 is \$57.0 million.

Village at Mangonia Lake, LLC's construction is approximately 97% completed. Leasing has commenced with certificate of occupancy received in 4 of the 6 buildings. The first tenants started to move-in in August 2019. The As Is Market Value per the Appraisal Report dated August 28, 2019, prepared by CBRE is \$54.0 million. The As Stabilized Market Value as of October 28, 2020 is \$57.0 million.

Sources of Information

The sources of information utilized in this valuation include, but are not limited to, the following:

- Audited Financial Statements for the year ended December 31, 2018;
- Internal financial statements for the period ended July 31, 2019;
- Finance Presentation prepared by the Company, titled “June 2019 Financial Report”;
- National Economic Review 2nd Quarter 2019, published by Mercer Capital;
- Florida Economic Outlook: June 2019, dated June 4, 2019, published by Wells Fargo;
- First Research Industry Profile, Residential Construction Contractors, dated April 29, 2019;
- First Research Industry Profile, Residential Real Estate Brokerage & Management, dated April 8, 2019;
- Pratt, Shannon P., Business Valuation Discounts and Premiums, John Wiley & Sons, Inc., 2001;
- Hitchner, James R., Financial Valuation: Applications and Models, John Wiley & Sons, Inc.;
- “Valuing a Business” by Shannon P. Pratt, Robert F. Reilly and Robert P. Schweihs; and
- Other sources cited throughout the summary valuation report.

Financial and other pertinent information provided has been accepted without formal verification. This summary appraisal report is subject to the attached assumptions, conditions, exclusions and the contingent and limiting conditions found in the appendices. In addition to the sources cited above, interviews were conducted with Carlos E. Gonzalez, Jr., Chief Financial Officer of AHS Development Group.

Economic Overview

Generally, business performance varies in relation to the general economy. Just as a strong economy can improve overall business performance and value, a declining economy can have the opposite effect. Businesses can be affected by global, national and local events. Changes in regulatory environments, political climate, and market and competitive forces can also have a significant impact on business. Since the valuation process is a “prophecy of the future,” it is imperative that the economic outlook is analyzed for potential influences on the subject company.

U.S. Economy¹

According to advance estimates released by the Department of Commerce’s Bureau of Economic Analysis (the “BEA”), Real Gross Domestic Product (“GDP”), the output of goods and services produced by labor and property located in the United States, increased at an annualized rate of 2.1% during the second quarter of 2019. GDP growth in the second quarter of 2019 was down from growth of 3.1% in the first quarter of 2019 but represents the 20th straight quarter of growth. The 2.1% GDP growth is in line with levels seen during much of the expansion in the U.S. economy since 2009, which has historically been around 2.3%. Annualized GDP growth of 2.1% during the second quarter of 2019 compares favorably to economists’ projections of 1.8% and 1.9% (*Bloomberg Survey* and *Wall Street Journal Survey*, respectively). Annualized GDP growth in the fourth quarter of 2018 and first quarter of 2019 measured

¹ This section was adapted from the *National Economic Review Q2 2019*, published by Mercer Capital.

1.1% and 3.1%, respectively. GDP grew 2.9% during 2018, compared to growth of 1.6% in 2016 and 2.4% in 2017.

Economists expect GDP growth to continue in future quarters, albeit at decelerating rates. A survey of economists conducted by *The Wall Street Journal* reflects an average GDP forecast of 1.9% annualized growth in the third quarter of 2019, followed by 1.8% annualized growth in the fourth quarter of 2019.

Economic Indicators

The Conference Board (“TCB”) reported that the Leading Economic Index (“LEI”), the government’s primary forecasting gauge, decreased in June 2019, marking the first such decrease of the year. Over the six month period ended June 2019, the LEI increased 0.2%, which is slower than the 1.5% growth observed over six months ended December 2018.

Traditionally, the LEI is thought to gauge economic activity six to nine months in advance. Consecutive moves in the same direction are thought to be indicative of the general direction of the economy. Overall, TCB economists predict economic growth to continue to decelerate over the balance of 2019. According to Ataman Ozyildirim, who serves as the Senior Director of Economic Research at TCB, “The US LEI fell in June, the first decline since last December, primarily driven by weaknesses in new orders for manufacturing, housing permits, and unemployment insurance claims.” He added, “For the first time since late 2007, the yield spread made a small negative contribution. As the US economy enters its eleventh year of expansion, the longest in US history, the LEI suggests growth is likely to remain slow in the second half of the year.” Six of the LEI’s ten leading economic indicators increased during June 2019, four decreased, and none were unchanged.

Inflation

According to the Bureau of Labor Statistics (“BLS”), the Consumer Price Index (“CPI”) increased 0.1% in June 2019 (on a seasonally adjusted basis) after increasing 0.3% in April and increasing 0.1% in May. The unadjusted CPI stood at 256.1 (CPI-U all urban consumers, 1982-1984 = 100), an increase of 1.6% over the previous twelve months. The Core CPI, which excludes food and energy prices, increased 0.2% in June, and Core CPI increased 2.1% on an unadjusted basis over the previous twelve months.

The Producer Price Index (“PPI”) is generally recognized as predictive of near-term consumer inflation. The PPI for total final demand (seasonally adjusted) increased 0.1% in June 2019, following increases of 0.2% in April and 0.1% in May. The PPI for final demand excluding food, energy, and trade was unchanged in June following increases of 0.4% in both April and May. On an unadjusted basis, the twelve-month change in the total final demand PPI was an increase of 1.7% through June 2019. The increase in PPI was above projections made by economists surveyed by *Reuters*.

Housing Market

Home building activity has traditionally been a primary driver of overall economic activity because new home construction stimulates a broad range of industrial, commercial, and consumer spending and investment. According to the U.S. Census Bureau, new privately owned housing starts were at a seasonally adjusted annualized rate of 1,253,000 units in June 2019, 0.9% below the revised May rate of 1,265,000 units, but 6.2% above the June 2018 rate.² The seasonally adjusted annual rate of private housing units authorized by building permits (considered the best indicator of future housing starts) was 1,220,000 units in June 2019, 6.1% below the revised May rate of 1,299,000 units and 6.6% below the June 2018 rate.

According to the National Association of Realtors (“NAR”), existing-home sales (at a seasonally adjusted annual rate) totaled 5.27 million in June 2019, down 1.7% from May and 2.2% below the June 2018 level. First-time home buyers purchased 35% of existing homes. Housing inventory stood at 1.93 million existing homes, representing 4.4 months of supply at the current sales pace, up slightly from 4.3 months in June 2018. Properties stayed on the market an average of 27 days in June 2019, up from 26 days in May 2019 and June 2018. The national median existing single-family home price, \$285,700, increased 4.3% relative to June 2018. Distressed sales, which include foreclosures and short sales, accounted for approximately 2% of sales in June 2019, down from 3% in June 2018.

Monetary Policy and Interest Rates

During the first quarter of 2018, Jay Powell was named Chairman of the Federal Reserve, replacing Janet Yellen. After increasing the target rate twice during the first quarter of 2018, ultimately ending March 2018 at a range of 1.50% to 1.75%, Federal Reserve officials voted unanimously in June 2018 to raise the target rate again to a range of 1.75% to 2.00%. Fed officials voted unanimously again in September and December to raise rates, ending 2018 at a benchmark range of 2.25% to 2.50%, the eighth and ninth such rate increases since December 2015. Despite pressure and rhetoric from President Trump aimed at keeping the target rate stagnant, the December rate raise was the fourth rate increase of 2018. In the first quarter of 2019, the FOMC elected to leave the target range for the federal funds rate unchanged at 2.25% to 2.50% after meetings in both January and March. Fed officials did not change their stance as it pertained to any rate increases or decreases at the April 30th meeting of the FOMC, as all ten members of the committee voted to keep the benchmark federal funds rate in a range between 2.25% to 2.50%. Chairman Powell’s comments following the April meeting were informative of the FOMC’s reasoning for leaving the policy rate unchanged: “Overall the economy continues on a healthy path, and the committee believes that the current stance of policy is appropriate.” Fed officials again held the benchmark rate at 2.25% to 2.50% at the June meeting of the FOMC, but, in contrast to prior meetings, made very clear the possibility of a rate cut in coming months if economic conditions did not improve, citing inflationary pressures, the ongoing trade dispute between the U.S. and China, and weaker global growth. The FOMC dropped language from its policy statement describing its stance as “patient”, perhaps the clearest signal that a future rate cut was possible. Furthermore, projections released following the

² The Census Bureau revised both seasonally adjusted and unadjusted estimate of building permits and starts. The revised data covers January 2012 through the current release. The Census Bureau intends to revise data on an annual basis in future years.

June meeting revealed that eight of 17 Fed officials expect a cut in the benchmark rate by year-end 2019, which would be the first such rate cut since 2008.

Unemployment

According to the BLS, the unemployment rate (U-3) was 3.7% in June 2019, which is up slightly from 3.6% in both April and May 2019. The unemployment rate still remains very low by historical standards. Economists surveyed by *The Wall Street Journal* anticipate unemployment rates of 3.6% in December 2019, 3.8% in June 2020, and 3.9% in December 2020. The underemployment rate (U-6, seasonally adjusted), which includes workers who are involuntarily working part-time positions, was 7.2% in June 2019 after measurements of 7.3% and 7.1% in April and May, respectively.

In June 2019, the labor force participation rate stood at 62.9% (relative to mid- to high- 60s prior to the recession), consistent with levels seen throughout most of 2019. The number of nonfarm payroll jobs increased by 224,000 in June 2019 and averaged 172,000 jobs per month through the second quarter of 2019, compared to 223,000 per month in 2018. Population growth alone adds approximately 108,450 individuals to the workforce per month. Economists surveyed by *The Wall Street Journal* anticipate nonfarm payroll gains of approximately 140,000 jobs per month over the next year.

Summary

The Great Recession reached its official end in mid-2009. The subsequent period of expansion was initially characterized by slow gains. A period of stronger and more consistent growth followed, and various measures are beginning to indicate that the economy is entering the latter stages of the current expansion. After a period of relative dormancy, inflation accelerated in 2018, as the costs of goods increased amidst global trade concerns; the unadjusted CPI increased 1.9% in 2018 as evidence of the inflationary environment observed in 2018. Core CPI also increased 2.1% in the twelve months preceding June 30, 2019.

The unemployment rate has remained stable for several months in the range of 3.7%-4.0%, continually nearing all-time lows. Labor force participation remains low, but was observed at levels seen consistently throughout 2018 during the second quarter of 2019.

Economic growth is expected to remain positive, albeit at a decelerating rate from the level observed in the second quarter of 2019. GDP growth expectations from private economists surveyed by *The Wall Street Journal* are on the order of 1.9% and 1.8% for the third and fourth quarters of 2019, respectively, and 2.2% for all of 2019. This estimated growth of 2.2% for 2019 compares to actual annual GDP growth of 1.6%, 2.4%, and 2.9% in 2016, 2017, and 2018, respectively. The Federal Reserve does not plan to increase rates in 2019, and has even indicated the possibility of rate decreases, signaling potential economic headwinds in 2019 as compared to the favorable economic environment which produced four such rate increases in 2018.

Florida Economy ³

Real GDP grew 2.9% nationwide in 2018. While a similar 2.7% rise in 2019 is anticipated, the composition will be different. Trade bolstered growth late last year, as businesses strove to get ahead of tariffs and sped up production and shipments. Activity pulled back in the first half of 2019 as the rhetoric surrounding trade negotiations has amped up and the threat of a more substantive trade war has increased. The short-term stimulus from the tax cuts is also fading, which is weighing on consumer spending and tourism. Florida remains well poised to benefit from tax reform. Limits on the deductibility of state and local taxes and mortgage interest appear to have bolstered in-migration from high-tax states. The budget agreement has also unshackled federal spending, which has propelled spending at military installations around the state and other federal contractors, providing a boost to defense contractors, construction firms and research institutions.

Recently released data show state-level GDP grew 3.5% in 2018, making the fifth fastest increase of any state. Real GDP rose an even faster 3.7% year-over-year in the fourth quarter, which was well ahead of the comparable 3.0% gain nationwide. The data, however, were distorted by hurricanes both this year and last, which exaggerated year-over-year gains. Most major industries saw output rise solidly, particularly construction and manufacturing, which rose 6.3% and 5.0%, respectively. On a sequential basis, however, Florida's Q4 real GDP growth slowed to just a 2.0% pace following a whopping 7.2% annualized gain the prior quarter. Florida's economy is expected to continue to perform at a high level, even though some tailwinds will dissipate. After rising 3.5% throughout 2018, the forecast calls for real GDP to rise 3.8% this year.

Employment

Florida continues to add jobs at a solid pace but hiring has moderated in recent months. Job growth slowed to just 1.9% on a three-month annual rate basis through April, down from a 4% clip in 2016. While this may raise some eyebrows, a moderation was to be expected given the ever-tightening labor market. Sitting at just 3.4%, Florida's unemployment rate remains persistently low, which is likely making it more difficult for employers to find all the workers they need. The unemployment rate is even lower in major job hubs such as Tampa, Jacksonville and Orlando. The continued influx of job seekers from other states, however, is boosting labor force growth. Even at a more modest pace, hiring is expected to remain fairly robust. Job gains remain broad-based, with nearly every key industry adding jobs. Nonfarm employment should rise 2.5% and the unemployment rate will likely fall slightly further.

Tourism

Florida's tourism sector hardly missed a beat during the string of hurricanes the past two years. The number of tourists visiting Florida rose 6.1% in 2018 to 126.1 million, according to Visit Florida. Domestic travel grew 7.1%, while the number of overseas visitors fell 1.0%. This year is off to a strong start, with overall visitors rising 5.8% year-over-year in the first quarter. Easter came unusually late this year, which

³ This section was adapted from the 2019 Mid-Year Florida Economic Outlook, dated June 04, 2019, published by Wells Fargo.

extended spring break travel into the second quarter and will likely boost that quarter's numbers considerably versus the prior year. The continued growth in visitors has helped fuel strong growth in the leisure & hospitality sector, as well as new development of hotels and amusement attractions. The bulk of travelers are destined for the Orlando area, where expansions are continuously occurring at the region's amusement parks.

There is much more to Florida tourism than theme parks. The state's beaches and warmer weather continue to attract visitors near and far. Miami Beach and Southwest Florida remain extremely popular with international tourists. Conventions are another big draw, while the gaming industry continues to expand. The Hard Rock Hotel and Casino continues to expand its facilities in Hollywood and Tampa. The \$1.5 billion expansion of the Hollywood property includes a 450-foot guitar-shaped hotel, where the elevators ride along the guitar strings, that is certain to become a South Florida icon when it opens this fall. The expansion will also add 4,000 jobs. Statewide, employment in the leisure & hospitality industry has risen 2.7% over the past year, resulting in a net gain of 33,200 jobs. About two thirds of the gain was at restaurants & bars. The fastest growth, however, is in amusement, gambling & recreation businesses, which saw employment jump 3.9% over the past year.

Population

Consistently robust population growth has been the steady undercurrent behind the state's economic success. While the most recent Census data reveal a slight deceleration in population growth in 2018, Florida continues to rank as one of the nation's fastest growing states. The state's population grew 1.5% from July 2017 to July 2018, the fifth fastest of any state. Domestic migration accounted for 41% of the overall gain in population, reflecting in-migration of 132,602 residents from other states. Retirees likely account for a significant portion of that increase. Four of the five fastest growing metro areas in 2018 were retiree-driven markets, with Lakeland-Winter Haven, sandwiched between Orlando and Tampa, topping the list with a 3.2% population gain. The Villages was the state's second fastest growing metro area, with its population rising 3.1%. Florida is home to three of the 10 fastest growing counties in the United States. Walton County, home to Seaside in Northwest Florida, comes in at number five, while Osceola County, a rapidly growing part of the Orlando metro area, and St. Johns County, just below Jacksonville in Northeast Florida, came in at seven and eight. A large proportion of Florida's population growth has come from immigration. The state added 175,670 residents from other nations, the largest such increase since data recording began in 1991. Some of the increase can likely be attributed to arrivals from Puerto Rico in the wake of Hurricane Maria. The Census Bureau reports immigration from Puerto Rico as international immigration rather than state-to-state migration.

Construction

Construction has long been a major area of strength in Florida. Soaring population and employment growth have generated a seemingly endless line of tower cranes and lumbering bulldozers across Florida's landscape. Construction firms have added 19,700 jobs over the past year, marking a 3.7% increase. The greatest concentration of projects continues to be in South Florida, with a bevy of residential, office and retail projects coalescing near key employment and transit centers in Miami and Fort Lauderdale. While

many of these projects harken memories of real estate booms past, development has tended to be more cautious this cycle and is progressing much more in line with demand. There are also far more rental properties being built along with all the luxury condominiums springing up along the coast.

There is plenty of construction going on outside of South Florida. Major projects include the new 13-story USF Health Morsani College of Medicine and Heart Institute at the University of South Florida and the \$500 million Midtown Tampa mixed-use development going up between downtown Tampa and Westshore. In addition to all the theme park projects underway in Orlando's tourism corridor, Orlando is seeing a great deal of office, apartment, entertainment and medical center construction in and around downtown Orlando and in Lake Nona. Moreover, the \$2.3 billion makeover of I-4 through downtown Orlando, dubbed the I-4 Ultimate Project, is nearing completion. The project, which began in 2015, reconstructs a 21-mile stretch of I-4, reconfiguring interchanges, adding or replacing over 100 bridges and adding four variable toll lanes. The project is scheduled to be completed in March 2021. Another potential game-changing infrastructure project is the \$4 billion expansion of the Virgin Trains high-speed regional rail service connecting South Florida to Orlando. Other notable construction projects around the state include the \$1 billion Sunseeker Resort, being built along Charlotte Harbor in Port Charlotte.

Housing

Stronger job and income growth and increased inflows of job seekers and retirees have driven home sales higher, pushing prices up across most of the state. The Great Recession pushed roughly half of all mortgages underwater by 2011, although a large number of homes in Florida are owned outright and do not have a mortgage. As of March, the share of negative equity mortgages was 6.0%, higher than the national average but the lowest since CoreLogic began compiling data in 2009. While moving in the right direction, home sales weakened late last year when mortgage rates spiked. With sales moderating, homes are sitting on the market slightly longer, which is giving buyers a little more bargaining power. As a result, home prices have cooled, rising 4.6% year-over-year in March, which stands in contrast to the 6.2% rate hit this time last year. Price appreciation has moderated in both higher-priced markets, like Naples and Sarasota, and lower-priced areas, like The Villages, Ocala and Cape Coral. Mortgage rates have plummeted in recent weeks, as concerns about slower global economic growth and rising trade tensions have pulled down long-term interest rates. So far, buyers have been slow to respond to the drop in rates. If lower mortgage rates spur a rebound in home buying, Florida may see population growth ramp up. The Tax Cuts and Jobs Act capped deductions on state and local taxes and mortgage interest and essentially raised the cost of homeownership in high-tax areas such as California and the Northeast, states that generally send a lot of residents to Florida each year. With the first tax season since the act became law behind us, we expect the higher tax bills from these provisions will nudge folks that had been thinking of moving to Florida to finally do so. The impact would likely be greatest in retiree markets, many of which are already seeing the strongest population gains. Tampa, Orlando and Jacksonville, which all boast relatively modest housing prices, particularly relative to other rapidly growing parts of the country, are poised to pick up job seekers from high-cost states.

Despite waves of new construction, Florida's apartment market appears relatively in balance. Miami has seen more supply delivered in the last three years than in the prior 15 years combined. The prior 15 years,

however, were dominated by condominium construction. The recent wave of apartment building is being driven by the movement of young professionals back into the city. Orlando has also seen apartment construction pick up, and both of these metros currently have more apartment and condo buildings under construction than any other large metro area in the country. Miami's high-end condo market has been put to the test by slower sales over the past few years, due to waning international buying amid a stronger dollar and slower global growth. South Florida's strengthening economy and lower mortgage rates have firmed up sales and mitigated rapid price declines. Condo sales have long been an important economic barometer of South Florida's economy, tending to closely follow international tourism and investment.

While apartment development has ramped up in Florida, single-family homebuilding continues to lag behind historical norms. As in most other parts of the country, the costs and time needed to develop raw land have made homebuilding more difficult and expensive. The total number of single-family permits issued remains roughly 17% below its long-term norm. Demand has also been slow to resurface following the Great Recession, with household formations growing slowly and a larger proportion of residents preferring to live close to urban centers. Through the first four months of the year, single-family building permits nationwide are 5.9% below the same period last year. By that same measure, Florida single-family permits are up 11.5%. Florida's edge is due to stronger in-migration, particularly by retirees, which are less influenced by concerns about slower global economic growth, the stronger dollar and heightened trade tensions.

Summary

Florida's economy continues to outpace the nation and is evolving in ways that enhance the state's long-run competitiveness. Real GDP grew 3.5% in 2018, or about a half percentage point faster than the nation, and the state added 322,510 net new residents. Florida is home to three of the nation's 10 fastest growing metro areas since 2010—The Villages, Cape Coral-Fort Myers and Orlando. Its strong performance is particularly noteworthy given the severity of the Great Recession in Florida and the considerable adversity the state has faced from devastating hurricanes, citrus greening, constant trade uncertainty and slower global economic growth. Florida's unemployment rate has fallen from a post-Great Recession high of 11.3% to just 3.4%. Florida's economic growth is expected to moderate this year, as the national economy slows. Florida is poised to remain one of the nation's fastest growing states, however, and growth remains remarkably broad-based across industries and geographies.

Impact on Subject Company

Despite signals of potential economic headwinds in 2019, economic growth is expected to remain positive, which may have a positive impact on the Company. In addition, the Florida economy is expected to see economic gains and job growth which may have a positive impact of the Company.

Industry Analysis⁴

A company's performance also fluctuates with the state of the industry in which it operates. In order to understand the opportunities and threats facing AHS Residential, LLC, we examined the industry outlook for the Residential Construction Contractors industry as well as the Residential Real Estate Brokerage & Management industry.

Industry Overview

Companies in residential construction contractors industry construct and renovate residential buildings. Major companies include DR Horton, KB Home, Lennar, NVR, and PulteGroup. The US residential construction contracting industry includes about 170,000 establishments (single-location companies and units of multi-location companies) with annual revenue of about \$530 billion.

Companies in residential real estate brokerage & management industry act as agents or brokers in the buying and selling of residential real estate, in addition to leasing and managing residential properties. Major companies include Keller Williams, HomeServices of America, Realogy, and Re/Max. The US residential real estate brokerage and management industry includes about 230,000 establishments (single-location companies and units of multi-location companies) with combined annual revenue of about \$200 billion. The US industry is fragmented: the 50 largest companies account for about 25% of revenue.

Competitive Landscape

Demand is driven by population growth, economic growth and construction activity. The profitability of individual companies depends on efficient operations and securing favorable building locations. The profitability of residential real estate brokerage and management companies depends on demand for properties and the volume of transactions they handle. Demand and volume are usually higher during periods of strong economic growth and can be negatively impacted by a recession or too much new construction. Large builders enjoy economies of scale in purchasing. Small companies can compete effectively by specializing in a certain type of home or by focusing on a specific geographic area.

Products & Operations

Construction Contractors

Major products are single-family homes and multifamily buildings. Companies generally specialize in either single family or multifamily work. The building process consists of distinct steps: land acquisition; land development (roads, sewers, utilities); permit acquisition ("entitlement"); construction; and marketing and sales. The time from initial land acquisition to final sale of a home is usually 12 to 24 months, but can be longer for large projects or in congested areas with a lengthy entitlement process.

⁴ This section was adapted from First Research Industry Profile, Residential Real Estate Brokerage & Management Industry, dated April 8, 2019 and Residential Construction Contractors Industry, dated April 29, 2019.

Some companies work as general contractors for developers (as is typical in commercial construction), but most companies are "operative builders," who build and sell homes for their own account.

Actual construction consists of foundation work; framing (exterior walls and roof); and build-out (interior finishing, including electrical work, plumbing, floors, walls, ceilings, and carpentry). On average it takes seven months to build a single-family home (from permits to completion) and nine to 15 months for a high-rise. Construction costs (including the cost of the finished lot) for single-family homes typically account for about 60% of the eventual sales price, according to the National Association of Home Builders ("NAHB").

Larger homebuilders generally develop projects on raw tracts of land and enjoy economies of scale in construction that allow low pricing. Big builders may also engage in other types of construction to capitalize on project management expertise and counter residential real estate cycles. Some large companies also provide property management services, like security systems, pest control, and pool maintenance.

Real Estate Brokerage & Management

Major services of residential real estate brokerage & management industry include sales, leasing, and management of residential property. Many companies provide multiple services; for example, companies that lease residential units to tenants might also manage the properties. Some residential real estate leasing companies operate as real estate investment trusts ("REITs").

Residential real estate brokers bring together buyers and sellers of individual properties, assist them in setting a price, and arrange for appraisals, inspections, and other services. Most transactions include two brokers: one assisting the buyer and one the seller. The seller's broker charges the seller a brokerage fee. Brokerage fees are variable but are usually 6% of the sales price (for expensive properties, in especially weak markets, or if the parties involved have a long-term business relationship, the fee may be lower). The buyer's broker is paid by the seller, out of the money made from the sale. Because this can create a conflict of interest for the buyer's broker, some buyers prefer to hire a broker not paid on commission. In many cases, the seller will build the commission into the sale price, causing a buyer to pay the commission indirectly through the purchase amount.

Residential real estate leasing involves connecting property owners with tenants. Leasing companies might represent properties that they own themselves, properties that are owned by others, or properties that they lease themselves and then sublease to tenants. Companies also engage in related activities that grow out of their particular area of expertise. Apartment lessors may also buy, sell, develop, and renovate properties, build new ones, and manage property for others. Assisted-living community operators may also operate nursing homes and provide other health-related services. Many residential rental properties, especially duplexes and single-family homes, are managed by individual owners.

Property management companies are involved with marketing (ensuring that the property is as fully occupied as possible); financing (determining and negotiating lease length and amount); and building operations (hiring and supervising local staff, and providing or arranging for utilities, maintenance, and

other building services). Many owners of real estate actively manage their own properties, but a large number of passive owners hire a property manager to operate their buildings.

Industry Indicators

US personal income, which drives consumer spending on home construction, rose 4.9% in June 2019 compared to the same month in 2018. The value of US residential construction spending, an indicator of the health of the residential construction market and a driver for real estate brokerage and management activity, dropped 7.8% year-to-date in June 2019 compared to the same period in 2018. The bank prime loan rate, which indicates changes in the rates available for real estate financing, was 5.25% as of the week of August 13, 2019, up from a rate of 5% the same week in 2018.

The value of US new residential home construction and renovations is forecast to grow at an annual compounded rate of 5% between 2019 and 2023. US brokers' commissions on residential structures, which is an indicator for residential real estate management services, is forecast to grow at an annual compounded rate of 6% between 2019 and 2023.

Business Challenges

Highly Cyclical Demand - Demand for new residential buildings can change rapidly, depending on the economy and interest rates: from 1986 to 1991, annual US home construction dropped 40%; from 1995 to 2005, it increased 75%; and from 2006 to 2011, it fell 65%. As the economy has recovered in the US, demand for housing has strengthened and prices have increased. In local markets, changes in demand can be even more severe.

Risks of Speculative Projects - Because a large number of homes are built speculatively, builders bear the risk that changing market conditions will produce lower selling prices than they'd anticipated. In some markets, home prices can be highly cyclical. Even in markets where prices don't fall, builders may anticipate getting a higher price than they eventually receive.

Dependence on Local Economy - Despite national trends, demand for housing can be very volatile in local markets. Even in a large market, demand for new single-family homes can change by 60% in just two years; in smaller markets the change can be even greater. This demand volatility is due mainly to population shifts and factors in the economy such as unemployment.

Building Materials, Land Costs Vary - Builders often bear the risk of cost changes because of fixed-price contracts and speculative home construction. The price of lumber can change 30% within six months, and land availability and prices, the major cost of construction in some markets, can also change rapidly. Sometimes builders can pass higher labor and material prices to consumers; however, when prices rise quickly, some builders, especially smaller ones with less leverage, can get caught with the costs between the time they agree on a price for a project and the time they finish.

Dependence on Seasonal Labor - Because of the highly cyclical nature of demand in local markets, most homebuilders don't maintain a large permanent labor staff, and must hire new workers when demand

increases. Local labor shortages are frequent, especially in rapidly growing communities. Many builders hire immigrant workers to fill the labor shortage. Builders that rely on immigrant labor may be impacted by regulations regarding employment of non-citizens.

Environmental Regulations Inhibit Development - In dense urban and suburban areas, builders are increasingly being forced to construct new homes on "marginal" lots that may abut wetlands, waters, or wildlife areas, conflicting with wildlife preservation and increasing construction costs. Environmental Protection Agency (EPA) and Endangered Species Act (ESA) regulations commonly require costly storm water management systems and erosion control management.

Competition in Custom Building - Mass production-style builders are vying for the high-end business by advertising as custom builders. Traditional custom builders (mainly small companies that build fewer than 20 homes a year) have had to become more efficient with labor and materials, streamlining the design process to take the hassle out of building a custom home.

Excess Supply, Vacancy - Shifts in the supply of existing homes affect the quantity and types of homes builders construct. Slow housing markets, often the result of high interest rates, property price inflation, or tight credit, typically lead builders to cut construction to prevent holding unsold homes in inventory for extended periods. When a market is oversupplied with spec homes, builders may switch to custom or commercial construction until the market stabilizes. Builders that offer financing may be severely impacted by a mortgage collapse, suffering loss of revenue that can lead to bankruptcy.

Profitability Linked to Economic Cycles - Returns on real estate investment fluctuate with the health of the national economy. The housing market is linked to a variety of economic factors, including interest rates, inflation, fluctuations in debt and equity capital markets, employment levels, and consumer confidence. Lack of available credit or lack of confidence in the financial sector typically has a negative impact on the residential real estate market. When the economy is strong, many consumers leave the rental market to buy homes, increasing demand and home prices.

Access to Capital - Because investing in real estate is risky, capital to fund acquisitions or construction can be difficult to obtain. Real estate is often highly leveraged and illiquid. In down markets, equity in real estate projects can rapidly disappear, leaving lenders with sharply devalued properties. Banks hurt by real estate-related losses respond by tightening credit standards.

Homeownership Rates - The homeownership rate in the US as of late 2018 remained slightly below its long-term average of around 65%, with rising home prices, tight credit, limited home inventory, and rising interest rates continuing to make it challenging for many people to buy a home. The US homeownership rate peaked at about 69% in 2004.

Competition from Technological Tools - The MLS business model, in which buyers and sellers must transact with agents, is under pressure as more customers want to access listings themselves. Real estate brokers face greater competition from internet listing services such as Zillow, Trulia, and Redfin, and data-driven, flat-fee real estate platforms such as REX. Although MLS listings are vigorously protected by

Realtor associations and lobbies, internet-based services might eventually eliminate the need for traditional brokers.

Business Trends

Consolidation - National firms continue to grow through acquisitions, the easiest way to enter new markets and strengthen their positions in existing ones. Larger firms, which stockpiled cash and land during the downturn, are looking to expand especially as home values and buyer demand stabilizes. Large homebuilders enjoy economies of scale, with national purchasing power for materials and greater access to capital. Small homebuilders generally don't grow beyond the 30-home annual building level because of the intensely local nature of real estate.

Non-Homebuilding Services - Some large builders have branched into the related fields of modular and manufactured housing, construction materials, commercial construction, mortgages, and insurance. Some builders have established mortgage banking arms to provide financing for home buyers; typically, these operations originate mortgages, then sell them to other investors. During the recent market downturn, major construction companies pulled back from some of their non-core business segments, such as home services, commercial construction operations, and sub-prime lending services.

High-Tech Homes - Builders are responding to consumer demand by building more new houses with advanced data and other communication capabilities installed. Younger consumers, raised on electronics and computers, expect structured wiring that supports smart home technologies such as learning thermostats and internet-enabled security and monitoring features.

Competition from Commercial Builders - More commercial builders are considering residential construction an extension of their regular business, although homebuilding requires different contractor skills and activities and often has different demand cycles than commercial construction. Homebuilding offers increased risks, but also offers higher margins than commercial work.

Green Construction Growing - Although a green home can cost more than a conventional house, some lenders offer mortgage incentives for energy-efficient homes. Green building innovations include more porous materials in walkways and patios to prevent erosion from rain runoff, engineered recycled lumber in building, and the conversion of wood or drywall construction waste onsite into landscape mulch. The US Green Building Council offers LEED (Leadership in Energy and Environmental Design) for Homes, a green home rating system, which has continued to evolve with technological advancements. Some states such as California have required new residential construction to have zero-net energy status, meaning that the homes produce enough renewable energy to meet their own annual energy consumption requirements.

Millennials Becoming Homeowners - Millennial home buyers, particularly those who have started families, are navigating toward more affordable residential areas that promise high job growth. Many are turning to suburbs to plant their roots. Suburbs are successfully attracting younger and first-time home buyers because these areas are typically 20% less expensive than the nearest major metro areas.

International Buyers - The relatively stable government and relatively steady financial system make the US an attractive market for residential real estate investment from foreign buyers. In the 12 months that ended in March 2018, sales of residential property in the US to foreign buyers topped \$120 billion, according to the National Association of Realtors. Chinese buyers were the biggest foreign purchasers of US residential properties between 2013 and 2018, followed by Canadians. Chinese buyers tended to buy properties in California, while Canadians looked to Florida.

Multi-Family Housing - Housing units in buildings with five or more housing units is becoming increasingly popular, in part due to demographics. Young adults - a population with high growth rates - are much more likely to live in apartments than are older adults. Meanwhile, rising home prices correspond with a surging condominium market.

Banks Involved in Real Estate - Large national banks, the National Association of Realtors (NAR), and the federal government have been focused on the question of whether to allow banks to engage directly in real estate transactions. Since 2005, rule changes have allowed some national banks to participate in limited real estate transactions in the commercial sector. However, NAR and others fear that any expansion in banks' real estate activities could eventually spill over into brokerage and management in the residential sector as well.

Younger Americans Trading Up - According to the National Association of Realtors, 44% of US home buyers purchased larger homes in 2017. Home sellers aged 52 years and younger typically buy a larger and more expensive home when they buy a new place, compared to older sellers who are either buying similar sized and priced homes or downsizing.

Short-Term Rental Options - Property managers wanting to attract younger renters may want to offer tenants the option of leasing out apartments on a short-term basis. Nearly 50% of renters under 25 years old are interested in generating additional income by leasing out their apartments on a short-term basis, according to the 2017 NMHC/Kingsley Associates Renter Preferences Report. While many buildings ban renters from subletting apartments, Airbnb is taking steps to make the option available through new Airbnb-branded apartments. Airbnb also has a "Friendly Buildings Program" where it partners with developers and landlords to facilitate the short-term rental process.

Industry Opportunities

Internet Marketing - An active online presence can dramatically improve traffic to builder sales centers, increase conversion rates, and improve customer satisfaction by enabling builders to stay connected with customers through the entire home ownership cycle. With internet and mobile application technology, potential buyers can visit a number of different developments, view the types of models available, and take virtual tours through model homes. The sites also enable buyers to apply for mortgages and insurance.

Special-Purpose Housing Developments - The changing demographics of the US population suggest that demand for second homes and retirement communities will increase. The large baby boom generation is now in its peak years of earning power and asset accumulation. Affluent families have the means to buy

second homes for vacations, and these same families will be in the age range for retirement during the next decade.

Multifamily, For-Rent Apartments - High demand for apartments and condos has resulted in many traditionally single-family home builders also turning to multifamily construction. Many people are unable to afford to buy a home or cannot qualify for a mortgage, creating stronger demand for rental properties. Builders such as Lennar and Toll Brothers, for example, are following the trend by breaking ground on apartment and condo communities. New single-family rental home communities are also gaining in popularity for home builders.

Need for Repairs and Retrofits - The inventory of homes in the US is aging. As a result, there is higher demand for major repairs and maintenance. More than 65% of US owner-occupied homes were built before 1990, according to the National Association of Home Builders (NAHB). These homes may be sold at lower prices, but will require extensive investments to update and repair them. Homebuilding slowed during the recession, creating a lack of new inventory. This also has created pent-up demand for new homes. Baby boomers are especially in the market to buy newer, low-maintenance homes and trade up from their aging homes. Homebuilders that specialize in new construction will benefit long-term as more people look to buy new homes in a market filled with old houses. Residential construction contractors also may win more contracts to remodel and refurbish older homes.

Additional Revenue Sources - Property owners and managers can increase revenues by offering additional services, such as concierge service, laundry, and professional cleaning. Ancillary services can be labor intensive and costly, requiring property managers to invest a great deal of time in establishing and marketing the service. Such ancillary offerings become increasingly important when economic conditions push down rental rates.

Well-Timed Acquisitions - Companies operating as real estate investment trusts (REITs), or those looking to expand their businesses are able to do so by strategically building capital during periods of economic growth for use in acquisitions during economic downturns. Such acquisitions allow firms to enter new markets or buy properties below previous market values.

Technology Upgrades - Technological improvements in apartment and property management benefit companies by saving costs and improving service to customers. State of the art technology applications help property managers undertake appropriate leasing and maintenance decisions, thereby maximizing revenue. Additionally, new property management and maintenance technologies allow more efficient service call responses and more robust occupancy data for use by property managers.

Online Technology - Brokerages must invest in technology improvements in order to compete with online services and listings. While most companies have websites, they must work to make them more user friendly and attractive, according to a NAR study. More than 70% of buyers used a mobile device during their home search, and many real estate agents are using mobile devices as a primary communication tool with customers.

Impact on Subject Company

Given the forecasted growth in the value of US new residential home construction and renovations as well as residential real estate management services, over the next 5 years, the impact on the Company may be positive.

Company Background⁵

While the history of the business entity may have some relevance, the nature, the business purpose, and the underlying assets carry more weight in the valuation process for real estate holding companies. Generally, interests in asset-intensive businesses and real estate holding companies, such as AHS, are valued using an asset-based approach.

Therefore, the nature of the underlying assets and the basic characteristics of the membership interest (its rights, or lack thereof, and limitations placed upon it) enables an appraiser to determine which valuation approach or combination of approaches may be most applicable. Furthermore, identifying specific factors to the subject business influences adjustments to the gross value resulting in an estimation of fair market value.

Overview of the Company

AHS Residential, LLC was founded in 2012 by Rubens Menin Teixeira de Souza and a group of dynamic real estate development experts. The Company develops, builds, and manages high quality multi-family communities. AHS manages over 1,200 units and delivers 1,000 units yearly, with a focus on long-term scalable solutions.

The Company's ownership as of the Valuation Date was as follows:

Owner	% Ownership
AHS Development Group, LLC (C-Corp)	94.49%
SP AHS Multifamily, LLC (Partnership)	5.51%

The Company's wholly owned subsidiaries include:

Operating Entities

- AHS Construction, LLC – Manages production and coordinates all activities at job sites. In addition, this entity manages subcontractors and self-performing divisions. The entity has at cost contracts with the real estate holding entities.

⁵ This section is adapted from the Company website and information provided by Management.

- AHS Property Management, LLC - Manages property operations via Management Agreements with the Real Estate holding entities. The entity focuses on reducing property operating expenses and provides support to the development unit.

Inactive Entity

- AHS Logistics, LLC – Closed operations on December 31, 2018.

Real Estate Holding Entities

- Princeton Groves Village, LLC – Owns real estate under management consisting of a 7.92 acre, 216 unit apartment complex located at 25011 SW 130th Avenue, Princeton, Florida 33032. The property was built in 2016. As of the Valuation Date, the property had approximately 96% occupancy.
- Lake Worth Village, LLC – Owns real estate under management consisting of a 216 unit apartment complex located at 2220 Lake Worth Road, Lake Worth, Florida 33461. The property was built in 2015. As of the Valuation Date, the property had approximately 95% occupancy.
- Village at Lake Osborne, LLC – Owns real estate under management consisting of a 118 unit apartment complex located at 2430 Lake Worth Road, Lake Worth, Florida 33461. The property was built in 2017. As of the Valuation Date, the property had approximately 97% occupancy.
- Village at Crystal Lakes, LLC – Owns real estate under management consisting of a 125 unit apartment complex located at 3808 Crystal Lake Drive, Deerfield Beach, Florida 33064. The property started operations in December 2018. On June 18, 2019, the company entered into a Purchase and Sale Agreement to sell the property to Landmark Homes, LLC. The transaction is expected to close in October 2019.
- Village at Coral Reef, LLC – Owns real estate under construction located at 9761 SW 152nd Street, Miami, Florida 33157. The building is approximately 51% complete and is expected to be fully completed by Q1 2020. The building will consist of a 175 unit mid-rise apartment complex.
- Village at Tuscany, LLC (dba Deering Groves) – Owns real estate consisting of a 281 unit apartment complex located at 13710 SW 256th Street, Homestead, Florida 33032. The grand opening took place on July 12, 2019. As of August 22, 2019, 81 leases were signed with 41 move-ins.
- Village at Mangonia Lake, LLC – Owns real estate consisting of a 240 unit apartment complex located at 2201 N Australian Avenue, West Palm Beach, Florida 33407 and an adjacent 0.72-acre parcel of land located at 2405 N Australian Avenue, West Palm Beach, Florida 33407. The construction is approximately 97% completed. Leasing has commenced with certificate of occupancy received in 4 of the 6 buildings. The first tenants started to move-in in August 2019.
- Pine Groves Village, LLC – Owns 6.74 acres of land located at 24101 S Dixie Hwy, Miami, Florida 33032. The company plans on using this land to build a 204 unit mid-rise apartment complex. As of the

Valuation Date, the company has started clearing the site and pulling permits. The company has finance commitment from Regions Bank for \$18.2 million. The development budget is approximately \$29.4 million.

- AHS NW 3rd Street, LLC – Owns land located at 1268 NW 3rd Street, Miami, Florida 33125. The land was purchased in 2017. The company plans to build a 4-unit multi-family residential building. As of the Valuation Date, foundation work has been started and completion is expected December 2019. The budget for this project is approximately \$686,000. The company will use cash to finance the project.
- Village at Dania Beach, LLC – Owns vacant land located at 21 SE 1st Avenue, Dania Beach, Florida 33004. The land was purchased in 2016.
- Village at Banyan Ridge, LLC – Owns 10.41 acres of land located at 6800 Belvedere Road, Palm Beach, Florida 33413. The company plans to construct a 228 unit mid-rise apartment complex. The land was purchased in March 2019. As of the Valuation Date, the company is pulling permits to start construction by the end of 2019. The company was provided a term sheet from Citi Bank for \$27.5 million in financing.
- Village at Old Cutler, LLC – Owns 17 acres of land located at Old Cutler Road & SW 107th Avenue, Miami, Florida 33190. The company plans to construct a 390 unit mid-rise apartment complex. The land was purchased in May 2019. As of the Valuation Date, the land was approved to be re-zoned as Medium Density Residential. Construction is expected to start April 2020.
- Tamiami Business Park, LLC (dba The Landings at Tamiami) – Owns 8.74 acres of land located at SW 136th Street & SW 154th Avenue, Miami, Florida 33196. The land was purchased in 2012 by Rubens Menin and transferred to the company in June 2019. The company plans to construct a 264 unit mid-rise apartment complex. As of the Valuation Date, the land was approved to be re-zoned as residential. Construction is expected to start by the end of 2019. The company has received multiple term sheet from various lenders and expects to close financing prior to commencement of construction.
- Village at Blue Lagoon, LLC – Owns vacant land located at 6950 NW 7th Street, Miami, Florida 33172. The land was purchased in June 2019.
- AHS at Biscayne Village, LLC – Owns vacant land located at SW 288 Street & 147th Avenue, Miami, Florida. The land was purchased in June 2019.
- AHS at Oak Enclave, LLC – Owns vacant land located at NW 167th Street & 24th Avenue, Miami Gardens, Florida 33017. The land was purchased in July 2019.

Financial Statement Analysis

An analysis was conducted of AHS Residential, LLC's historical consolidated financial statements for the fiscal year ended December 31, 2018 and the year to date period ended July 31, 2019 as shown below and in **Exhibit 1 and Exhibit 2**. In addition, we analyzed the balance sheets and income statements by entity for the year to date period ended July 31, 2019 as shown in **Exhibit 3 and Exhibit 4**.

Balance Sheet

- The Company's Total Assets amounted to approximately \$237.2 million as of July 31, 2019 up from approximately \$180.6 million as of December 31, 2018.
 - The increase was primarily due to the increase in fixed assets, including land & land for development, construction in progress, and buildings. As of the Valuation Date, fixed assets accounted for over 95% of total assets. As previously mentioned, the Company's Real Estate Holding Entities own land and buildings for multi-family communities from Miami to West Palm Beach.
- The Company's Total Liabilities as of the Valuation Date amounted to approximately \$142.8 million up from approximately \$115.4 million as of December 31, 2018. The Company's largest liabilities are Construction Loans and Long-term Debt which represent 29.8% and 26.1% of total assets, respectively.
 - The Company's Construction Loans include a \$16.0 million secured loan with Regions Bank with an interest rate of LIBOR plus 2.5%, maturing 10/19/2019, a \$5.1 million secured loan with Regions Bank with an interest rate of LIBOR plus 2.0%, maturing 2/12/2022, a \$25.6 million secured loan with Citibank with an interest rate of LIBOR plus 2.25%, maturing 10/1/2020, and a \$23.9 million secured loan with Bank of America with an interest rate of LIBOR plus 2.6%, maturing 9/30/2020.
 - The Company's Long-term debt includes a \$24.7 million secured non-recourse loan with Citi/FNMA with a 10-year fixed interest rate of 4.38%, maturing 10/1/2027, a \$24.0 million secured non-recourse loan with Citi/FNMA with a 10-year fixed interest rate of 3.95%, maturing 5/4/2026, and a \$13.2 million secured non-recourse loan with HUNT/FNMA with a 10-year fixed interest rate of 4.63%, maturing 12/31/2027.
- As of the Valuation Date, the Company's Total Members' Capital amounted to approximately \$94.4 million and represented 39.8% of total assets.

Income Statement

- For the year to date period ended July 31, 2019, the Company's Total income amounted to approximately \$5.6 million and primarily consists of rent revenue from the properties under

management. For the year ended December 31, 2018, total income was approximately \$10.7 million.

- Gross profit for the year to date period ended July 31, 2019, amounted to approximately \$3.2 million and represented 56.9% of total income. For the year ended December 31, 2018, gross profit amounted to approximately \$6.8 million and represented 64.0% of total income. The Company's largest Cost of Operations include Salaries & Benefits and Real Estate Taxes.
- For the year to date period ended July 31, 2019, the Company's income from operations amounted to approximately \$1.1 million and represented 19.0% of total income. For the year ended December 31, 2018, income from operations amounted to approximately \$3.1 million and represented 28.6% of total income.
- Net income for the year to date period ended July 31, 2019, amounted to approximately \$(2.4) million. The Company's largest expenses include interest expense and depreciation expense. For the year ended December 31, 2018, net income was amounted to approximately \$775.3 thousand. In 2018, the Company recorded other income of approximately \$4.8 million related to a gain on sale.

Valuation Analysis

All three general valuation approaches were considered. The asset-based approach is appropriate when valuing interests in holding companies, especially those that own real estate property. In fact, as mentioned before, the Company's primary assets are the real estate assets they own. One common method used to value these type of entities, using the asset-based approach, is the Adjusted Book Value Method.

Adjusted Book Value Method

Financial statements are often prepared on a historical cost basis, and may need adjustments to reflect economic reality. Therefore, the adjusted book value method is deemed most appropriate. In the adjusted book value method, all of the assets and liabilities, including all intangible assets, are adjusted to reflect their fair market value. The fair market value of the subject company's equity will be the fair market value of all the assets less the fair market value of all the liabilities. The adjusted book value method is primarily used in the appraisal of an asset-intensive business. The mechanics of the adjusted book value method are to convert the book value of the assets and liabilities on the balance sheet to a fair market value. For the real estate assets, a third-party real estate appraiser provides the estimated value that is used to adjust the balance sheet.

The selected approach begins by stating the Company's assets and liabilities at their respective fair market values. Based on our analysis of the financial statements and discussions with Management, we made the adjustments to each entities' balance sheet as described below and shown in **Exhibits 7 - 26**.

AHS Residential, LLC

- ✓ Due to/from Intercompany / Investments in Subsidiaries: Adjusted to zero as all Intercompany amounts and investments in subsidiaries will be eliminated at the parent level.

AHS Construction, LLC

- ✓ Due to/from affiliate pay apps / Due to/from intercompany: Adjusted to zero as all Intercompany amounts and investments in subsidiaries will be eliminated at the parent level.

AHS Property Management, LLC

- ✓ Due to/from intercompany: Adjusted to zero as all Intercompany amounts and investments in subsidiaries will be eliminated at the parent level.

AHS Logistics, LLC

- ✓ Due to/from intercompany: Adjusted to zero as all Intercompany amounts and investments in subsidiaries will be eliminated at the parent level.

Princeton Groves Village, LLC

- ✓ Land & Land for Development / Construction in Progress / Buildings / Other Fixed Assets / Accumulated Depreciation: Adjusted to reflect the As Is Market Value, per the Appraisal Report dated August 28, 2019, prepared by CBRE.
- ✓ Debt Issue Costs: Capitalized debt issue costs were removed.

Lake Worth Village, LLC

- ✓ Land & Land for Development / Buildings / Other Fixed Assets / Accumulated Depreciation: Adjusted to reflect the As Is Market Value, per the Appraisal Report dated August 28, 2019, prepared by CBRE.
- ✓ Debt Issue Costs: Capitalized debt issue costs were removed.

Village at Lake Osborne, LLC

- ✓ Land & Land for Development / Buildings / Other Fixed Assets / Accumulated Depreciation: Adjusted to reflect the As Is Market Value, per the Appraisal Report dated August 28, 2019, prepared by CBRE.
- ✓ Debt Issue Costs: Capitalized debt issue costs were removed.

Village at Crystal Lake

- ✓ Land & Land for Development / Construction in progress / Buildings / Other Fixed Assets / Accumulated Depreciation: Adjusted to reflect the Purchase Price per the Purchase and Sale Agreement dated June 18, 2019 between the company and Landmark Homes, LLC. On June 18, 2019, the company entered into a Purchase and Sale Agreement to sell the property to Landmark Homes, LLC. The transaction is expected to close in October 2019.

Village at Coral Reef, LLC

- ✓ Land & land for development: Adjusted to reflect the As Is Market Value of the land as of October 19, 2018, per the Appraisal Report dated October 29, 2018, prepared by Joseph J. Blake and Associates, Inc. of \$3.9 million. In addition, the Appraisal Report provided a Prospective As Complete Market Value as of May 1, 2019 of \$36.2 million as well as a Prospective As Complete and As Stabilized Market Value as of May 1, 2020 of \$38.6 million.
- ✓ Due to/from intercompany: Adjusted to zero as all Intercompany amounts and investments in subsidiaries will be eliminated at the parent level.

Village at Tuscan, LLC (dba Deering Groves)

- ✓ Due to/from intercompany: Adjusted to zero as all Intercompany amounts and investments in subsidiaries will be eliminated at the parent level.
- ✓ Land & land for development / Construction in progress / Other Fixed Assets: Adjusted to reflect the As Is Market Value as of August 22, 2019, per the Real Estate Appraisal Report dated August 26, 2019, prepared by Walter Duke & Partners of \$55.7 million. Separate values for Land & Land for development and Construction in progress were not provided. As such, the As Is Market value was allocated to Land and Construction in progress based on the allocation of the project budget, provided by management. The Real Estate Appraisal Report also provided a Prospective Market Value "At Stabilization" as of May 1, 2020 of \$57.0 million.

Village at Mangonia Lake, LLC

- ✓ Due to/from intercompany: Adjusted to zero as all Intercompany amounts and investments in subsidiaries will be eliminated at the parent level.
- ✓ Land & land for development / Construction in progress: Adjusted to reflect the As Is Market Value per the Appraisal Report dated August 28, 2019, prepared by CBRE of \$54.0 million. In addition, the Appraisal Report provided an As Stabilized Market Value as of October 28, 2020 of \$57.0 million.

Pine Groves Village, LLC

- ✓ Due to/from intercompany: Adjusted to zero as all Intercompany amounts and investments in subsidiaries will be eliminated at the parent level.
- ✓ Land & land for development: Adjusted to reflect the As Is Market Value of the land as of May 28, 2019, per the Appraisal Report dated June 10, 2019, prepared by Joseph J. Blake and Associates, Inc. of \$3.6 million. The Appraisal Report also provided an As Complete market value as of August 1, 2020 for \$28.9 million and an As Complete & Stabilized market value as of August 1, 2021 for \$30.9 million.

AHS NW 3rd Street, LLC

- ✓ Land & land for development: Adjusted to reflect the contract sales price of \$260,000 per the closing statement. Transactions costs reflected in the book value were removed.

Village at Dania Beach, LLC

- ✓ Land & land for development: Adjusted to reflect the contract sales price of \$135,000 per the closing statement. Transactions costs reflected in the book value were removed.
- ✓ Due to/from intercompany: Adjusted to zero as all Intercompany amounts and investments in subsidiaries will be eliminated at the parent level.

Village at Banyan Ridge, LLC

- ✓ Land & land for development: Adjusted to reflect the As Is Market Value per the Appraisal Report dated August 28, 2019, prepared by CBRE.

Village at Old Cutler, LLC

- ✓ Land & land for development: Adjusted to reflect the Prospective Hypothetical Market Value as if the Comprehensive Land Use Master Plan has been amended to Medium Density Residential with a one density increase, as of June 17, 2019 per the Appraisal Report dated June 20, 2019 prepared by AppraisalFirst Real Estate Appraisers, LLC.
- ✓ Construction in progress: Soft costs, including zoning and attorney fees, were removed.

Tamiami Business Park, LLC

- ✓ Land & land for development: Adjusted to reflect the As Is Market Value as of December 31, 2018 per the Appraisal Report dated December 3, 2018 prepared by AppraisalFirst Real Estate Appraisers, LLC.

Village at Blue Lagoon, LLC

- ✓ Construction in progress: Soft costs were removed.

AHS at Biscayne Village, LLC

- ✓ Construction in progress: Soft costs were removed.

AHS at Oak Enclave, LLC

- ✓ Construction in progress: Soft costs were removed.

A summary of the real estate market values at various stages provided by the appraisal reports, as applicable, is presented below.

Entity	As Is	As Complete	As Complete & Stabilized
Village at Coral Reef, LLC	\$3,900,000	\$36,200,000	\$38,600,000
Village at Tuscany, LLC (dba Deering Groves)	\$55,700,000	n/a	\$57,000,000
Village at Mangonia Lake, LLC	\$54,000,000	n/a	\$57,000,000
Pine Groves Village, LLC	\$3,600,000	\$28,900,000	\$30,900,000

In addition, to the entity adjustments described above, the following adjustment was applied to the consolidated balance sheet (**Exhibit 5**).

- ✓ Accrued Expenses: Adjusted to reflect eliminations and adjustments at the parent level, as provided by management.

Based on the adjustments detailed above, the Company's net assets amounted to \$180,639,766 (**Exhibit 5**). This value represents a 100% member interest in the Company on a controlling, marketable basis.

Conclusion of Value

This valuation report discusses and exhibits the data and methodologies employed in developing our fair market value estimate. After consideration of all the relevant issues and the analysis as presented in this report, the fair market value of the 100% member interest in AHS Residential, LLC as of July 31, 2019 is **\$180,640,000**, as presented in **Exhibit 6**.

This conclusion of value is subject to the Statement of Assumptions and Limiting Conditions found in **Appendix 1** and to the Certification by Appraisers in **Appendix 2**. We have no obligation to update this summary valuation report or our conclusion of value for information that comes to our attention after the date of this Report.

If you have any questions concerning this analysis, please contact us at (305) 373-5500.

Very truly yours,

Morrison, Brown, Argiz & Farra, LLC

Hernando Gomez, ASA, MBA, MIB, ITF

Appendices:

Appendix 1 – Statement of Assumptions and Limiting Conditions

Appendix 2 – Certification by Appraisers

Appendix 3 – Qualifications of Appraisers

Appendix 4 – Exhibits

APPENDIX 1: STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This valuation is subject to the following assumptions and limiting conditions:

1. The conclusion of value arrived at herein is valid only for the stated purpose as of the date of the valuation.
2. Financial statements and other related information provided by the Subject Company or its representatives, in the course of this engagement, have been accepted without any verification as fully and correctly reflecting the enterprise's business conditions and operating results for the respective periods, except as specifically noted herein. We have not audited, reviewed or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.
3. Public information and industry and statistical information have been obtained from sources we believe to be reliable. However, we make no representation as to the accuracy or completeness of such information and have performed no procedures to corroborate the information.
4. We do not provide assurance on the achievability of the results, if any, forecasted by the Subject Company because events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans and assumptions of management.
5. The conclusion of value arrived at herein is based on the assumption that the current level of management expertise and effectiveness would continue to be maintained, and that the character and integrity of the enterprise through any sale, reorganization, exchange or diminution of the owners' participation would not be materially or significantly changed.
6. This report and the conclusion of value arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. They may not be used for any other purpose or by any other party for any purpose. Furthermore, the report and conclusion of value are not intended by the author, and should not be construed by the reader, to be investment advice in any manner whatsoever. The conclusion of value represents the considered opinion of the appraisers, based on information furnished to them by the Subject Company and other sources.
7. Neither all nor any part of the contents of this report should be disseminated to the public through advertising media, public relations, news media, sales media, mail, direct transmittal or any other means of communication without our prior written consent and approval.
8. Future services regarding the subject matter of this report, including, but not limited to testimony or attendance in court, shall not be required of the appraisers unless previous arrangements have been made in writing.
9. We are not an environmental consultant or auditor, and we take no responsibility for any actual or potential environmental liabilities. Any person entitled to rely on this report, wishing to know whether such liabilities exist, or the scope and their effect on the value of the property, is encouraged to obtain a professional environmental assessment. We do not conduct or provide environmental assessments.

10. We have not determined independently whether the Company is subject to any present or future liability relating to environmental matters, nor the scope of any such liabilities. Our valuation takes no such liabilities into account, except as they have been reported to us by the Subject Company or by an environmental consultant working for the Subject Company, and then only to the extent that the liability was reported to us in an actual or estimated dollar amount. Such matters, if any, are noted in the report. To the extent such information has been reported to us, we have relied on it without verification and offer no warranty or representation as to its accuracy or completeness.
11. We have not conducted a specific compliance survey or analysis of the subject property to determine whether it is subject to, or in compliance with, the American Disabilities Act of 1990, and this valuation does not consider the effect, if any, of noncompliance.
12. No change of any item in this summary valuation report shall be made by anyone other than the appraisers, and we shall have no responsibility for any such unauthorized change.
13. Unless otherwise stated, no effort has been made to determine the possible effect, if any, on the subject business due to future Federal, state, or local legislation, including any environmental or ecological matters or interpretations thereof.
14. If prospective financial information approved by management has been used in our work, we have not examined or compiled the prospective financial information and therefore, do not express an audit opinion or any other form of assurance on the prospective financial information or the related assumptions. Events and circumstances frequently do not occur as expected and there will usually be differences between prospective financial information and actual results and those differences may be material.
15. Except as noted, we have relied on the representations of the owners, management, and other third parties concerning the value and useful condition of all equipment, real estate, investments used in the business and any other assets or liabilities, except as specifically stated to the contrary in this report. We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances or that the entity has a good title to all assets.
16. This report was prepared under the direction of Hernando Gomez. Neither the professionals who worked on this engagement, nor the principals of Morrison, Brown, Argiz & Farra, LLC have any present or contemplated future interest in the subject company, any personal interest with respect to the parties involved, or any other interest that might prevent us from performing an unbiased valuation. Our compensation is not contingent on any action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.

APPENDIX 2: CERTIFICATION BY APPRAISERS

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

- The statements of fact contained in this summary report are true and correct.
- The analyses, opinions, and conclusion of value included in the summary valuation report are subject to the specified assumptions and limiting conditions, and they are our personal analyses, opinions, and conclusion of value.
- The economic and industry data included in the summary valuation report have been obtained from various printed or electronic reference sources that we believe to be reliable. We have not performed any corroborating procedures to substantiate that data.
- The valuation engagement was performed in accordance with the American Institute of Certified Public Accountants Statement on Standards for Valuation Services, the business valuation standards of the National Association of Certified Valuation Analysts, and the American Society of Appraisers.
- We have no present or prospective interest in the subject entity and have no personal interest or bias with respect to the Company or to the parties involved with this assignment.
- The parties for which the information and use of the summary valuation report is restricted are identified; the summary valuation report is not intended to be and should not be used by anyone other than such parties.
- Our compensation for completing this assignment is fee-based and is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this valuation.
- We have no obligation to update the summary report or the opinion of value for information that comes to our attention after the date of the summary report.
- The professional societies have mandatory recertification programs for all its accredited members. All accredited members of our firm are in compliance with those programs.
- Hernando Gomez was assisted by other professionals at Morrison, Brown, Argiz & Farra, LLC in the preparation of this report.

Morrison, Brown, Argiz & Farra, LLC

Hernando Gomez, ASA, MBA, MIB, ITF

APPENDIX 3: QUALIFICATIONS OF APPRAISERS**HERNANDO GOMEZ, ASA, MBA, MIB, ITF****Principal - Management Advisory Services Department****hgomez@mbafcpa.com****PROFESSIONAL EXPERIENCE:**

Hernando Gomez is a Principal in the Management Advisory Services Department at MBAF with 20+ years of experience advising local and international companies and entrepreneurs. He has focused his practice in business valuations, mergers & acquisitions, debt management, financial modeling and litigation support for various industries including automotive dealerships, banks & financial institutions, investment funds, manufacturing, logistics, professional services, real estate, construction, hospitality, sports & entertainment, technology, utilities, retail and wholesale/distribution.

Hernando manages national and international engagements to assist clients from SMEs to multi-billion dollar operations. He prepares valuation analysis and complex valuation models for the following purposes: business transactions (M&A), financial reporting including goodwill/intangible asset impairment analysis (ASC 350) and purchase price allocation analysis (ASC 805); stock option valuations and equity based compensation analysis (ASC 718), tax, arbitration & litigation matters. Hernando has designed and trained business valuation programs and has led the business valuation discussion group.

Hernando has travelled extensively delivering business valuation and other business/management-related seminars in 20+ countries worldwide. He has been invited as an international speaker to events in North America, Latin America and the Caribbean, Europe and Asia. He has also participated as a guest speaker at multiple universities in South Florida.

PROFESSIONAL AFFILIATIONS AND ACCREDITATIONS:

- American Society of Appraisers (ASA) - Miami Chapter BV program chair, 2018-2020; Miami Chapter IPP, 2017-2018; Miami Chapter President, 2015-2017; BV National Conference Planning Committee Member, 2016-2017
- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA) - Valuation, Forensic Accounting & Litigation committee member, 2017-2018
- CFA Institute
- Greater Miami Chamber of Commerce - Group Chair of International Business and Executive Board Member, 2016-2019; Americas Linkage Committee Chair, 2014-2016; Banking and Finance Committee member and Leadership Miami Graduate
- Florida International Bankers Association (FIBA) - Vice Chair, Asian Markets Committee
- Hong Kong Business Association of Florida – Co-Founding Member and Board Member
- BBVA Compass – South Florida Market Advisory Board Member
- Barry University – Business School’s Dean Advisory Circle Member
- BNI Platinum – Former Treasurer

CIVIC AFFILIATIONS:

- History Miami's Flagler Street Society - Member
- Junior Chamber International (JCI) - International Training Fellow (ITF) and JCI Senator
- United Way of Miami-Dade - Young Leader and Impact Counsel Committee Member
- Universidad del Norte - Alumni Miami Chapter Committee Chairman

EDUCATION:

- Florida International University - Master in International Business (MIB)
- Universidad del Norte - Master in Business Administration (MBA)
- Universidad del Norte - Bachelor of Science in Industrial Engineering, Specialization in Finance and in Project Management

APPENDIX 4: EXHIBITS

AHS Residential, LLC and Subsidiaries
Historical Balance Sheets & Common Size Analysis (Consolidated)
Valuation Date: July 31, 2019

Exhibit 1

As of	07/31/19	12/31/18	Common Size Analysis	
			07/31/19	12/31/18
ASSETS				
Cash	\$ 5,358,518	\$ 11,362,741	2.26%	6.29%
Cash - Restricted	576,328	6,303,412	0.24%	3.49%
Accounts receivable - Rent	134,432	100,870	0.06%	0.06%
Accounts receivable - related party	71,079	-	0.03%	0.00%
Other receivables	24,199	14,162	0.01%	0.01%
Inventory	88,748		0.04%	0.00%
Land & Land for development	46,075,945	16,825,945	19.42%	9.32%
Prepaid Expenses	2,260,605	729,649	0.95%	0.40%
Debt Issue Costs	538,741	-	0.23%	0.00%
Construction in progress	94,691,304	81,655,892	39.92%	45.22%
Buildings	88,185,198	64,266,503	37.17%	35.59%
Other Fixed Assets	5,538,215	2,971,285	2.33%	1.65%
Accumulated Depreciation	(6,468,729)	(5,086,686)	-2.73%	-2.82%
Accumulated Amortization (write-off year-end)	(1,152,867)	-	-0.49%	0.00%
Deposits	161,063	133,482	0.07%	0.07%
Land Pursuits (Deposits & Due Diligence Costs)	303,883	1,304,852	0.13%	0.72%
Land Deposit in Escrow	250,000	-	0.11%	0.00%
Costs and estimated earnings in excess of billings on uncompleted contracts	581,592	-	0.25%	0.00%
TOTAL ASSETS	<u>\$ 237,218,254</u>	<u>\$ 180,582,107</u>	<u>100.00%</u>	<u>100.00%</u>
LIABILITIES AND MEMBERS' CAPITAL				
LIABILITIES				
Accounts payable	\$ 7,349,988	\$ 7,952,595	3.10%	4.40%
Accrued Expenses	1,633,051	758,712	0.69%	0.42%
Security Deposits Returnable	576,993	533,908	0.24%	0.30%
Other Current Liabilities (overbillings)	(0)	-	0.00%	0.00%
Installment Loans	35,662	40,263	0.02%	0.02%
City National Credit Line	500,000	-	0.21%	0.00%
Construction Loan	70,709,546	43,312,580	29.81%	23.98%
Long Term Debt	61,971,409	62,842,164	26.12%	34.80%
Total Liabilities	<u>\$ 142,776,650</u>	<u>\$ 115,440,222</u>	<u>60.19%</u>	<u>63.93%</u>
Total Members' Capital	\$ 94,441,604	\$ 65,141,885	39.81%	36.07%
TOTAL LIABILITIES AND MEMBERS' CAPITAL	<u>\$ 237,218,254</u>	<u>\$ 180,582,107</u>	<u>100.00%</u>	<u>100.00%</u>
Members' Capital Reconciliation				
Beginning balance	\$ 65,141,885	\$ 59,366,598		
Capital Contribution	31,700,000	5,000,000		
Net profit (loss) during the year	(2,400,280)	775,287		
Ending Balance	<u>\$ 94,441,604</u>	<u>\$ 65,141,885</u>		

Source: Internal Financial Statements as of July 31, 2019. Audited Financial Statements as of December 31, 2018.

AHS Residential, LLC and Subsidiaries
Historical Income Statements & Common Size Analysis (Consolidated)
Valuation Date: July 31, 2019

Exhibit 2

For the year to date period ended,	YTD		Common Size Analysis	
	07/31/19	12/31/18	07/31/19	12/31/18
Rent Revenue Collected	\$ 5,423,267	\$ 10,688,586	96.4%	100.0%
Other Income / Fees	204,635	-	3.6%	0.0%
Total Income	\$ 5,627,903	\$ 10,688,586	100.0%	100.0%
Costs of Operations/Revenues Earned				
Salaries & Benefits	530,816		9.4%	
Repairs & Maintenance	290,819		5.2%	
Utilities	275,183		4.9%	
Taxes, Insurance & Licenses	170,817		3.0%	
Real Estate Taxes	930,466		16.5%	
Marketing & Training	86,522		1.5%	
Apartment Turnover	82,689		1.5%	
Other Operating Expenses	57,522		1.0%	
Cost of Revenues earned	2,424,834	3,842,580	43.1%	36.0%
Gross profit / (loss)	3,203,068	6,846,006	56.9%	64.0%
General and administrative expenses				
Advertising & Promotion	67,017		1.2%	
IT Supplies & Services	55,101		1.0%	
Office Supplies & Expenses	83,943		1.5%	
Professional Fees	345,372		6.1%	
Rent	106,965		1.9%	
Salaries - Office	2,066,526		36.7%	
Employee Benefits	190,442		3.4%	
Payroll Taxes	206,028		3.7%	
Corporate Allocated Expenses	(1,265,528)		-22.5%	
Other Admin Expense	273,075		4.9%	
Total General & Admin Expenses	2,128,940	3,786,815	37.8%	35.4%
Income / (Loss) from operations	1,074,128	3,059,191	19.1%	28.6%
Other Income / (Expenses), Net				
Write-off of costs incurred in anticipated projects	(57,274)	(35,276)	-1.0%	-0.3%
Write-off of start-up cost	-	(922,113)	0.0%	-8.6%
Interest Income	63,339	47,720	1.1%	0.4%
Gain/Loss on Sale	-	4,784,088	0.0%	44.8%
interest Expense	(2,063,325)	(3,543,521)	-36.7%	-33.2%
Other Misc Expense	1,000	-	0.0%	0.0%
Other Operating Expenses	(7,415)	334,831	-0.1%	3.1%
Total Other Income / (Expenses), Net	(2,063,674)	665,729	-36.7%	6.2%
Net Income / (Loss) from Operations	(989,546)	3,724,920	-17.6%	34.8%
Income Tax, Dep & Amrt Expense				
Income (Loss) from Subsidiaries	(84,157)	-	-1.5%	0.0%
Depreciation Expense	1,284,835	2,878,074	22.8%	26.9%
Loan Cost Amortization	41,743	71,559	0.7%	0.7%
Total Income Tax, Dep & Amrt (Exp)	(1,410,734)	(2,949,633)	-25.1%	-27.6%
Net Income / (Loss)	(2,400,280)	775,287	-42.6%	7.3%

Source: Internal Financial Statements for period ended July 31, 2019. Audited Financial Statements for period ended December 31, 2018.

AHS Residential, LLC and Subsidiaries
Historical Balance Sheets (by Entity)

Valuation Date: July 31, 2019

Exhibit 3

As of July 31, 2019	AHS RESIDENTIAL, LLC	AHS CONSTRUCTION	AHS PROPERTY MANAGEMENT, LLC	AHS Logistics, LLC	PRINCETON GROVES VILLAGE, LLC	LAKE WORTH VILLAGE, LLC	VILLAGE AT LAKE OSBORNE, LLC	VILLAGE AT CRYSTAL LAKES, LLC	VILLAGE AT CORAL REEF, LLC	VILLAGE AT TUSCANY, LLC	VILLAGE AT MANGONIA LAKE, LLC	PINE GROVES VILLAGE LLC	AHS NW 3RD ST LLC
ASSETS													
Cash	\$ 2,966,019	\$ 1,754,045	\$ 27,440	\$ 6,293	\$ 125,984	\$ 36,219	\$ 32,674	\$ 89,313	\$ 100,303	\$ 175,397	\$ 4,576	\$ 9,128	\$ 2,386
Cash - Restricted	-	-	-	-	176,365	133,178	101,725	141,399	-	4,929	-	-	-
Accounts receivable - Rent	-	-	-	-	63,963	51,462	11,545	5,713	-	1,594	-	156	-
Accounts receivable - related party	71,079	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	(512)	-	(13,335)	-	18,334	14,382	5,143	-	-	-	-	-	-
Due to/from intercompany	1,398,996	-	118,858	13,047	-	-	-	-	-	1,000	500	(1,500)	-
Due to/from affiliate pay apps	-	5,154,032	-	-	-	-	-	-	-	-	-	-	-
Inventory	88,748	-	-	-	-	-	-	-	-	-	-	-	-
Land & Land for development	-	-	-	-	929,727	2,261,728	1,257,245	1,410,053	1,596,735	2,010,575	4,716,637	2,437,637	265,078
Prepaid Expenses	354,202	152,845	120,936	-	574,661	654,978	344,013	25,193	-	3,981	3,400	-	-
Debt issue Costs	-	-	-	-	249,443	179,572	109,727	-	-	-	-	-	-
Construction in progress	-	-	-	-	3,141	-	-	3,452	14,858,959	37,251,581	37,386,511	2,753,394	132,762
Buildings	-	-	-	-	25,516,898	24,270,070	14,463,075	23,935,155	-	-	-	-	-
Other Fixed Assets	1,800,578	1,223,155	2,932	1,152,867	274,627	182,833	431,606	458,165	-	11,452	-	-	-
Accumulated Depreciation	(295,142)	(383,511)	(356)	-	(1,882,205)	(2,815,511)	(937,675)	(154,329)	-	-	-	-	-
Accumulated Amortization (write-off year-end)	-	-	-	(1,152,867)	-	-	-	-	-	-	-	-	-
Deposits	53,927	-	-	(84)	8,995	-	-	5,844	1,217	27,869	63,303	-	-
Investments in subsidiaries	87,899,729	-	-	-	-	-	-	-	-	-	-	-	-
Land Pursuits (Deposits & Due Diligence Costs)	303,883	-	-	-	-	-	-	-	-	-	-	-	-
Land Deposit in Escrow	250,000	-	-	-	-	-	-	-	-	-	-	-	-
Costs and estimated earnings in excess of billings on uncompleted contracts	-	581,592	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 94,891,507	\$ 8,482,158	\$ 256,474	\$ 19,256	\$ 26,059,934	\$ 24,968,910	\$ 15,819,078	\$ 25,919,958	\$ 16,557,214	\$ 39,488,378	\$ 42,174,927	\$ 5,198,814	\$ 400,226
LIABILITIES AND MEMBERS' CAPITAL													
LIABILITIES													
Accounts payable	\$ 410,874	\$ 6,384,317	\$ 14,995	\$ 2,108	\$ 22,616	\$ (3,960)	\$ 90,291	\$ 34,264	\$ 46,842	\$ 87,598	\$ 115,905	\$ 40,457	\$ 2,191
Accrued Expenses	(460,284)	487,166	130,363	14,577	294,617	513,061	249,783	305,780	-	39,227	-	14,050	1,346
Security Deposits Returnable	-	-	-	-	200,932	122,916	105,785	143,528	-	3,278	-	-	-
Other Current Liabilities (overbillings)	-	(0)	-	-	-	-	-	-	-	-	-	-	-
Due to/from intercompany	(687)	1,163,992	85,543	10,930	-	-	-	-	2,544,348	731,237	1,873,039	-	-
Installment Loans	-	35,662	-	-	-	-	-	-	-	-	-	-	-
City National Credit Line	500,000	-	-	-	-	-	-	-	-	-	-	-	-
Construction Loan	-	-	-	-	-	-	-	16,000,000	5,133,978	25,627,571	23,947,997	-	-
Long Term Debt	-	-	-	-	24,750,000	24,041,409	13,180,000	-	-	-	-	-	-
Total Liabilities	\$ 449,902	\$ 8,071,136	\$ 230,901	\$ 27,614	\$ 25,268,165	\$ 24,673,425	\$ 13,625,858	\$ 16,483,572	\$ 7,725,168	\$ 26,488,910	\$ 25,936,942	\$ 54,507	\$ 3,538
Total Members' Capital	\$ 94,441,604	\$ 411,022	\$ 25,573	\$ (8,358)	\$ 791,769	\$ 295,485	\$ 2,193,219	\$ 9,436,385	\$ 8,832,046	\$ 12,999,468	\$ 16,237,985	\$ 5,144,307	\$ 396,689
TOTAL LIABILITIES AND MEMBERS' CAPITAL	\$ 94,891,507	\$ 8,482,158	\$ 256,474	\$ 19,256	\$ 26,059,934	\$ 24,968,910	\$ 15,819,078	\$ 25,919,958	\$ 16,557,214	\$ 39,488,378	\$ 42,174,927	\$ 5,198,814	\$ 400,226
Members' Capital Reconciliation													
Beginning balance	\$ 65,141,885	\$ 877,521	\$ 159,962	\$ 1,507,395	\$ 1,036,128	\$ 430,638	\$ 2,464,384	\$ 8,902,507	\$ 3,503,013	\$ 12,718,405	\$ 14,312,225	\$ 1,556,266	\$ 346,632
Capital Contribution	31,700,000	(382,343)	(104,318)	(1,515,753)	(499,980)	(426,959)	(279,882)	1,300,067	5,329,263	396,592	1,940,843	3,580,198	50,056
Net profit (loss) during the year	(2,400,280)	(84,157)	(30,071)	-	255,621	291,805	8,718	(766,188)	(230)	(115,529)	(15,082)	7,843	-
Ending Balance	\$ 94,441,604	\$ 411,022	\$ 25,573	\$ (8,358)	\$ 791,769	\$ 295,485	\$ 2,193,219	\$ 9,436,385	\$ 8,832,046	\$ 12,999,468	\$ 16,237,985	\$ 5,144,307	\$ 396,689

AHS Residential, LLC and Subsidiaries
Historical Balance Sheets (by Entity)
Valuation Date: July 31, 2019

Exhibit 3

As of July 31, 2019	VILLAGE AT DANIA BEACH, LLC	VILLAGE AT BANYAN RIDGE, LLC	VILLAGE AT OLD CUTLER, LLC	THE LANDINGS AT TAMiami LLC	VILLAGE AT BLUE LAGOON, LLC	AHS AT BISCAYNE VILLAGE, LLC	AHS AT OAK ENCLAVE LLC	ELIMINATIONS & ADJUSTMENTS	CONSOLIDATED BALANCE
ASSETS									
Cash	\$ 10,123	\$ 18,617	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,358,518
Cash - Restricted	18,732	-	-	-	-	-	-	-	576,328
Accounts receivable - Rent	-	-	-	-	-	-	-	-	134,432
Accounts receivable - related party	-	-	-	-	-	-	-	-	71,079
Other receivables	186	-	-	-	-	-	-	-	24,199
Due to/from intercompany	-	-	-	-	-	-	-	(1,530,901)	-
Due to/from affiliate pay apps	-	-	-	-	-	-	-	(5,154,032)	-
Inventory	-	-	-	-	-	-	-	-	88,748
Land & Land for development	140,532	4,500,000	4,500,000	4,000,000	2,350,000	4,200,000	9,500,000	-	46,075,945
Prepaid Expenses	26,396	-	-	-	-	-	-	-	2,260,605
Debt Issue Costs	-	-	-	-	-	-	-	-	538,741
Construction in progress	432,982	1,168,610	148,315	367,644	6,590	151,985	25,377	-	94,691,304
Buildings	-	-	-	-	-	-	-	-	88,185,198
Other Fixed Assets	-	-	-	-	-	-	-	-	5,538,215
Accumulated Depreciation	-	-	-	-	-	-	-	-	(6,468,729)
Accumulated Amortization (write-off year-end)	-	-	-	-	-	-	-	-	(1,152,867)
Deposits	(8)	-	-	-	-	-	-	-	161,063
Investments in subsidiaries	-	-	-	-	-	-	-	(87,899,729)	-
Land Pursuits (Deposits & Due Diligence Costs)	-	-	-	-	-	-	-	-	303,883
Land Deposit in Escrow	-	-	-	-	-	-	-	-	250,000
Costs and estimated earnings in excess of billings on uncompleted contracts	-	-	-	-	-	-	-	-	581,592
TOTAL ASSETS	\$ 628,943	\$ 5,687,227	\$ 4,648,315	\$ 4,367,644	\$ 2,356,590	\$ 4,351,985	\$ 9,525,377	\$ (94,584,663)	\$ 237,218,254
LIABILITIES AND MEMBERS' CAPITAL									
LIABILITIES									
Accounts payable	\$ (24,580)	\$ 126,071	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,349,988
Accrued Expenses	524,404	-	-	-	-	-	-	(481,039)	1,633,051
Security Deposits Returnable	555	-	-	-	-	-	-	-	576,993
Other Current Liabilities (overbillings)	-	-	-	-	-	-	-	-	(0)
Due to/from intercompany	41,841	-	-	-	-	-	-	(6,450,241)	-
Installment Loans	-	-	-	-	-	-	-	-	35,662
City National Credit Line	-	-	-	-	-	-	-	-	500,000
Construction Loan	-	-	-	-	-	-	-	-	70,709,546
Long Term Debt	-	-	-	-	-	-	-	-	61,971,409
Total Liabilities	\$ 542,219	\$ 126,071	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,931,280)	\$ 142,776,650
Total Members' Capital	\$ 86,724	\$ 5,561,156	\$ 4,648,315	\$ 4,367,644	\$ 2,356,590	\$ 4,351,985	\$ 9,525,377	\$ (87,653,383)	\$ 94,441,604
TOTAL LIABILITIES AND MEMBERS' CAPITAL	\$ 628,943	\$ 5,687,227	\$ 4,648,315	\$ 4,367,644	\$ 2,356,590	\$ 4,351,985	\$ 9,525,377	\$ (94,584,663)	\$ 237,218,254
Members' Capital Reconciliation									
Beginning balance	\$ (113,548)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (47,701,527)	\$ 65,141,885
Capital Contribution	203,581	5,561,190	4,648,315	4,367,644	2,356,590	4,351,985	9,525,377	(40,402,468)	31,700,000
Net profit (loss) during the year	(3,309)	(34)	-	-	-	-	-	450,612	(2,400,280)
Ending Balance	\$ 86,724	\$ 5,561,156	\$ 4,648,315	\$ 4,367,644	\$ 2,356,590	\$ 4,351,985	\$ 9,525,377	\$ (87,653,383)	\$ 94,441,604

AHS Residential, LLC and Subsidiaries
Historical Income Statements (by Entity)
Valuation Date: July 31, 2019

Exhibit 4

For the year to date period ended July 31, 2019	AHS RESIDENTIAL, LLC	AHS CONSTRUCTION	AHS PROPERTY MANAGEMENT, LLC	AHS Logistics, LLC	PRINCETON GROVES VILLAGE, LLC	LAKE WORTH VILLAGE, LLC	VILLAGE AT LAKE OSBORNE, LLC	VILLAGE AT CRYSTAL LAKES, LLC	VILLAGE AT CORAL REEF, LLC	VILLAGE AT TUSCANY, LLC	VILLAGE AT MANGONIA LAKE, LLC	PINE GROVES VILLAGE LLC	AHS NW 3RD ST LLC	VILLAGE AT DANIA BEACH, LLC
Rent Revenue Collected	\$ -	\$ -	\$ -	\$ -	\$ 1,949,408	\$ 1,926,168	\$ 1,010,000	\$ 475,883	\$ -	\$ 37,661	\$ -	\$ 24,147	\$ -	\$ -
Construction Billing	-	28,150,996	-	-	-	-	-	-	-	-	-	-	-	-
Other Income / Fees	-	-	241,246	-	60,163	75,911	47,680	6,387	-	11,150	-	-	-	3,345
Total Income	-	28,150,996	241,246	-	2,009,571	2,002,079	1,057,680	482,269	-	48,811	-	24,147	-	3,345
Costs of Operations/Revenues Earned														
Salaries & Benefits	-	-	-	-	180,141	130,601	76,954	120,563	-	17,675	4,882	-	-	-
Management Fees	-	-	-	-	60,921	60,200	31,675	43,750	-	34,500	10,200	-	-	-
Repairs & Maintenance	-	-	-	-	93,898	82,470	35,135	69,583	-	4,997	-	-	-	4,735
Utilities	-	-	-	-	60,780	42,261	47,701	65,764	-	58,677	-	-	-	-
Taxes, Insurance & Licenses	-	-	-	-	64,714	58,688	31,153	16,509	-	(246)	-	-	-	-
Real Estate Taxes	-	-	-	-	196,231	316,539	167,638	235,270	-	14,788	-	-	-	-
Marketing & Training	-	-	-	-	11,823	12,442	11,659	45,535	-	5,063	-	-	-	-
Apartment Turnover	-	-	-	-	26,658	35,266	17,769	2,996	-	-	-	-	-	-
Other Operating Expenses	-	-	-	-	14,248	8,364	5,876	23,650	-	5,384	-	-	-	-
General Requirements	-	2,822,920	-	-	-	-	-	-	-	-	-	-	-	-
Construction G&A	-	1,280,951	-	-	-	-	-	-	-	-	-	-	-	-
Site Construction	-	2,982,082	-	-	-	-	-	-	-	-	-	-	-	-
Materials & Subcontractors	-	18,972,383	-	-	-	-	-	-	-	-	-	-	-	-
Other Job Costs	-	776,035	-	-	-	-	-	-	-	-	-	-	-	-
Cost of Revenues earned	-	26,834,371	-	-	709,414	746,830	425,560	623,620	-	140,838	15,082	-	-	4,735
Gross profit / (loss)	\$ -	\$ 1,316,626	\$ 241,246	\$ -	\$ 1,300,157	\$ 1,255,249	\$ 632,120	\$ (141,351)	\$ -	\$ (92,027)	\$ (15,082)	\$ 24,147	\$ -	\$ (1,390)
General and administrative expenses														
Advertising & Promotion	67,017	-	-	-	-	-	-	-	-	-	-	-	-	-
IT Supplies & Services	55,101	6,319	-	-	-	-	-	-	-	-	-	-	-	-
Office Supplies & Expenses	80,218	784	3,708	-	-	-	-	-	-	-	-	-	-	17
Professional Fees	340,372	5,619	5,000	-	-	-	-	-	-	-	-	-	-	-
Rent	106,965	-	-	-	-	-	-	-	-	-	-	-	-	-
Salaries - Office	1,894,237	106,300	172,288	-	-	-	-	-	-	-	-	-	-	-
Employee Benefits	159,848	-	30,594	-	-	-	-	-	-	-	-	-	-	-
Payroll Taxes	192,841	-	13,187	-	-	-	-	-	-	-	-	-	-	-
Corporate Allocated Expenses	(1,307,816)	1,265,528	42,288	-	-	-	-	-	-	-	-	-	-	-
Other Admin Expense	256,558	16,547	3,882	-	-	-	-	-	230	1,750	-	182	-	10,440
Total General & Admin Expenses	1,845,342	1,401,096	270,946	-	-	-	-	-	230	1,750	-	182	-	10,456
Income / (Loss) from operations	\$ (1,845,342)	\$ (84,470)	\$ (29,700)	\$ -	\$ 1,300,157	\$ 1,255,249	\$ 632,120	\$ (141,351)	\$ (230)	\$ (93,777)	\$ (15,082)	\$ 23,965	\$ -	\$ (11,846)
Other Income / (Expenses), Net														
Write-off of costs incurred in anticipated projects	(56,401)	-	-	-	-	(621)	(252)	-	-	-	-	-	-	-
Interest Income	54,667	-	-	-	-	-	-	134	-	0	-	-	-	8,538
Other Misc Income	-	20,160	-	-	-	-	-	-	-	-	-	-	-	-
Interest Expense	(16,267)	(1,083)	(371)	-	(638,385)	(562,592)	(359,360)	(470,228)	-	(0)	-	(16,122)	-	-
Other Misc Expense	1,000	-	-	-	-	-	-	-	-	0	-	-	-	-
Other Operating Expenses	-	-	-	-	-	(5,650)	(1,352)	(414)	-	-	-	-	-	-
Total Other Income / (Expenses), Net	(17,000)	19,077	(371)	-	(638,385)	(568,863)	(360,963)	(470,508)	-	0	-	(16,122)	-	8,538
Net Income / (Loss) from Operations	\$ (1,862,342)	\$ (65,393)	\$ (30,071)	\$ -	\$ 661,772	\$ 686,386	\$ 271,156	\$ (611,859)	\$ (230)	\$ (93,777)	\$ (15,082)	\$ 7,843	\$ -	\$ (3,309)
Income Tax, Dep & Amrt Expense														
Income (Loss) from Subsidiaries	(450,612)	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense	87,326	18,764	-	-	387,570	379,062	254,796	154,329	-	21,752	-	-	-	-
Loan Cost Amortization	-	-	-	-	18,581	15,519	7,643	-	-	-	-	-	-	-
Total Income Tax, Dep & Amrt (Exp)	(537,938)	(18,764)	-	-	(406,151)	(394,581)	(262,438)	(154,329)	-	(21,752)	-	-	-	-
Net Income / (Loss)	\$ (2,400,280)	\$ (84,157)	\$ (30,071)	\$ -	\$ 255,621	\$ 291,805	\$ 8,718	\$ (766,188)	\$ (230)	\$ (115,529)	\$ (15,082)	\$ 7,843	\$ -	\$ (3,309)

AHS Residential, LLC and Subsidiaries
Historical Income Statements (by Entity)
Valuation Date: July 31, 2019

Exhibit 4

For the year to date period ended July 31, 2019	VILLAGE AT BANYAN RIDGE, LLC	VILLAGE AT OLD CUTLER, LLC	THE LANDINGS AT TAMIAMI LLC	VILLAGE AT BLUE LAGOON, LLC	AHS AT BISCAYNE VILLAGE, LLC.	AHS AT OAK ENCLAVE LLC	ELIMINATIONS & ADJUSTMENTS	CONSOLIDATED BALANCE
Rent Revenue Collected	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,423,267
Construction Billing	-	-	-	-	-	-	(28,150,996)	-
Other Income / Fees	-	-	-	-	-	-	(241,246)	204,635
Total Income	-	-	-	-	-	-	(28,392,242)	5,627,903
Costs of Operations/Revenues Earned								
Salaries & Benefits	-	-	-	-	-	-	-	530,816
Management Fees	-	-	-	-	-	-	(241,246)	-
Repairs & Maintenance	-	-	-	-	-	-	-	290,819
Utilities	-	-	-	-	-	-	-	275,183
Taxes, Insurance & Licenses	-	-	-	-	-	-	-	170,817
Real Estate Taxes	-	-	-	-	-	-	-	930,466
Marketing & Training	-	-	-	-	-	-	-	86,522
Apartment Turnover	-	-	-	-	-	-	-	82,689
Other Operating Expenses	-	-	-	-	-	-	-	57,522
General Requirements	-	-	-	-	-	-	(2,822,920)	-
Construction G&A	-	-	-	-	-	-	(1,280,951)	-
Site Construction	-	-	-	-	-	-	(2,982,082)	-
Materials & Subcontractors	-	-	-	-	-	-	(18,972,383)	-
Other Job Costs	-	-	-	-	-	-	(776,035)	-
Cost of Revenues earned	-	-	-	-	-	-	(27,075,617)	2,424,834
Gross profit / (loss)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,316,626)	\$ 3,203,068
General and administrative expenses								
Advertising & Promotion	-	-	-	-	-	-	-	67,017
IT Supplies & Services	-	-	-	-	-	-	(6,319)	55,101
Office Supplies & Expenses	-	-	-	-	-	-	(784)	83,943
Professional Fees	-	-	-	-	-	-	(5,619)	345,372
Rent	-	-	-	-	-	-	-	106,965
Salaries - Office	-	-	-	-	-	-	(106,300)	2,066,526
Employee Benefits	-	-	-	-	-	-	-	190,442
Payroll Taxes	-	-	-	-	-	-	-	206,028
Corporate Allocated Expenses	-	-	-	-	-	-	(1,265,528)	(1,265,528)
Other Admin Expense	34	-	-	-	-	-	(16,547)	273,075
Total General & Admin Expenses	34	-	-	-	-	-	(1,401,096)	2,128,940
Income / (Loss) from operations	\$ (34)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,470	\$ 1,074,128
Other Income / (Expenses), Net								
Write-off of costs incurred in anticipated projects	-	-	-	-	-	-	-	(57,274)
Interest Income	-	-	-	-	-	-	-	63,339
Other Misc Income	-	-	-	-	-	-	(20,160)	-
Interest Expense	-	-	-	-	-	-	1,083	(2,063,325)
Other Misc Expense	-	-	-	-	-	-	-	1,000
Other Operating Expenses	-	-	-	-	-	-	-	(7,415)
Total Other Income / (Expenses), Net	-	-	-	-	-	-	(19,077)	(2,063,674)
Net Income / (Loss) from Operations	\$ (34)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,393	\$ (989,546)
Income Tax, Dep & Amrt Expense								
Income (Loss) from Subsidiaries	-	-	-	-	-	-	366,456	(84,157)
Depreciation Expense	-	-	-	-	-	-	(18,764)	1,284,835
Loan Cost Amortization	-	-	-	-	-	-	-	41,743
Total Income Tax, Dep & Amrt (Exp)	-	-	-	-	-	-	385,219	(1,410,734)
Net Income / (Loss)	\$ (34)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450,612	\$ (2,400,280)

AHS Residential, LLC and Subsidiaries
Adjusted Balance Sheet (Consolidated)
Valuation Date: July 31, 2019

Exhibit 5

As of,	07/31/19	Adjustment [1]	Adjusted 07/31/19
ASSETS			
Cash	\$ 5,358,518	\$ -	\$ 5,358,518
Cash - Restricted	576,328	-	576,328
Accounts receivable - Rent	134,432	-	134,432
Accounts receivable - related party	71,079	-	71,079
Other receivables	24,199	-	24,199
Inventory	88,748	-	88,748
Land & Land for development	46,075,945	31,947,455	78,023,400
Prepaid Expenses	2,260,605	-	2,260,605
Debt Issue Costs	538,741	(538,741)	-
Construction in progress	94,691,304	21,024,648	115,715,952
Buildings	88,185,198	29,814,802	118,000,000
Other Fixed Assets	5,538,215	(1,358,683)	4,179,532
Accumulated Depreciation	(6,468,729)	5,789,720	(679,009)
Accumulated Amortization (write-off year-end)	(1,152,867)	-	(1,152,867)
Deposits	161,063	-	161,063
Land Pursuits (Deposits & Due Diligence Costs)	303,883	-	303,883
Land Deposit in Escrow	250,000	-	250,000
Costs and estimated earnings in excess of billings on uncompleted contracts	581,592	-	581,592
TOTAL ASSETS	\$ 237,218,254	\$ 86,679,200	\$ 323,897,454
LIABILITIES AND MEMBERS' CAPITAL			
LIABILITIES			
Accounts payable	\$ 7,349,988	-	\$ 7,349,988
Accrued Expenses	1,633,051	481,039 [2]	2,114,090
Security Deposits Returnable	576,993	-	576,993
Other Current Liabilities (overbillings)	(0)	-	(0)
Installment Loans	35,662	-	35,662
City National Credit Line	500,000	-	500,000
Construction Loan	70,709,546	-	70,709,546
Long Term Debt	61,971,409	-	61,971,409
Total Liabilities	\$ 142,776,650	\$ 481,039	\$ 143,257,688
 Total Members' Capital	 \$ 94,441,604	 \$ 86,198,161	 \$ 180,639,766
TOTAL LIABILITIES AND MEMBERS' CAPITAL	\$ 237,218,254	\$ 86,679,200	\$ 323,897,454

Notes:

[1] See Exhibits 7 through 26 for adjustments per entity.

[2] Accrued Expenses adjusted to reflect eliminations and adjustments at the parent level as provided by management.

AHS Residential, LLC and Subsidiaries

Exhibit 6

Conclusion of Value

Valuation Date: July 31, 2019

Adjusted Book Value of a 100% interest on a controlling, marketable basis	\$ 180,639,766
Subject interest	<u>100.0%</u>
Indicated Controlling, Marketable Value of subject interest	180,639,766
Estimated Fair Market Value for subject interest (Rounded)	<u><u>\$ 180,640,000</u></u> [1]

Notes:

- [1] For our valuation analysis, we received third party real estate appraisals for certain subject properties as of the Valuation Date. Two properties are expected to start operations shortly. Based on discussions with Management, stabilization will be reached in the near future for those properties. Our analysis and concluded value reflect the As Is Market Value of the properties as of the Valuation Date, however, future market values at stabilization were provided by the third party real estate appraiser.

Village at Tuscany, LLC's (dba Deering Groves) grand opening took place on July 12, 2019. As of August 22, 2019, 81 leases were signed with 41 move-ins. The As Is Market Value as of August 22, 2019, per the Real Estate Appraisal Report dated August 26, 2019, prepared by Walter Duke & Partners is \$55.7 million. The Prospective Market Value "At Stabilization" as of May 1, 2020 is \$57.0 million.

Village at Mangonia Lake, LLC's construction is approximately 97% completed. Leasing has commenced with certificate of occupancy received in 4 of the 6 buildings. The first tenants started to move-in in August 2019. The As Is Market Value per the Appraisal Report dated August 28, 2019, prepared by CBRE is \$54.0 million. The As Stabilized Market Value as of October 28, 2020 is \$57.0 million.

AHS Residential, LLC and Subsidiaries
Adjusted Balance Sheet (AHS Residential, LLC)
Valuation Date: July 31, 2019

Exhibit 7

As of,	07/31/19	Adjustment	Adjusted 07/31/19
	[1]		
ASSETS			
Cash	\$ 2,966,019		\$ 2,966,019
Accounts receivable - related party	71,079		71,079
Other receivables	(512)		(512)
Due to/from intercompany	1,398,996	(1,398,996)	- [2]
Inventory	88,748		88,748
Prepaid Expenses	354,202		354,202
Other Fixed Assets	1,800,578		1,800,578 [3]
Accumulated Depreciation	(295,142)		(295,142)
Deposits	53,927		53,927
Investments in subsidiaries	87,899,729	(87,899,729)	- [2]
Land Pursuits (Deposits & Due Diligence Costs)	303,883		303,883
Land Deposit in Escrow	250,000		250,000
TOTAL ASSETS	<u>\$ 94,891,507</u>	<u>\$ (89,298,725)</u>	<u>\$ 5,592,782</u>
LIABILITIES AND MEMBERS' CAPITAL			
LIABILITIES			
Accounts payable	\$ 410,874		\$ 410,874
Accrued Expenses	(460,284)		(460,284)
Due to/from intercompany	(687)	687	- [2]
City National Credit Line	500,000		500,000 [4]
Total Liabilities	<u>\$ 449,902</u>	<u>\$ 687</u>	<u>\$ 450,590</u>
Total Members' Capital	\$ 94,441,604	\$ (89,299,412)	\$ 5,142,192
TOTAL LIABILITIES AND MEMBERS' CAPITAL	<u>\$ 94,891,507</u>	<u>\$ (89,298,725)</u>	<u>\$ 5,592,782</u>

Notes:

- [1] AHS Residential, LLC is the corporate holding entity for the 100% wholly-owned subsidiaries.
[2] All Intercompany amounts and investments in subsidiaries will be eliminated at the parent level.
[3] Other Fixed Assets is mainly comprised of the Business Intelligence project, including the implementation of SAP and other business intelligence software/platforms.
[4] A \$10.0 million unsecured line of credit with City National Bank with an interest rate of LIBOR plus 3.0% maturing on 9/7/2021.

AHS Residential, LLC and Subsidiaries
Adjusted Balance Sheet (AHS Construction, LLC)
Valuation Date: July 31, 2019

Exhibit 8

As of,	07/31/19	Adjustment	Adjusted 07/31/19
	[1]		
ASSETS			
Cash	\$ 1,754,045		\$ 1,754,045
Due to/from affiliate pay apps	5,154,032	(5,154,032)	- [2]
Prepaid Expenses	152,845		152,845
Other Fixed Assets	1,223,155		1,223,155 [3]
Accumulated Depreciation	(383,511)		(383,511)
Costs and estimated earnings in excess of billings on uncompleted contracts	581,592		581,592
TOTAL ASSETS	<u>\$ 8,482,158</u>	<u>\$ (5,154,032)</u>	<u>\$ 3,328,126</u>
LIABILITIES AND MEMBERS' CAPITAL			
LIABILITIES			
Accounts payable	\$ 6,384,317		\$ 6,384,317
Accrued Expenses	487,166		487,166
Other Current Liabilities (overbillings)	(0)		(0)
Due to/from intercompany	1,163,992	(1,163,992)	- [2]
Installment Loans	35,662		35,662
Total Liabilities	<u>\$ 8,071,136</u>	<u>\$ (1,163,992)</u>	<u>\$ 6,907,145</u>
Total Members' Capital	\$ 411,022	\$ (3,990,041)	\$ (3,579,019)
TOTAL LIABILITIES AND MEMBERS' CAPITAL	<u>\$ 8,482,158</u>	<u>\$ (5,154,032)</u>	<u>\$ 3,328,126</u>

Notes:

- [1] AHS Construction, LLC is an operating entity that manages production and coordinates all activities at job sites. In addition, this entity manages subcontractors and self-performing divisions. The company has at cost contracts with the real estate holding entities.
- [2] All Intercompany amounts will be eliminated at the parent level.
- [3] Other Fixed Assets include investment in Concrete Forming System and other construction related vehicles and equipment.

AHS Residential, LLC and Subsidiaries
Adjusted Balance Sheet (AHS Property Management, LLC)
Valuation Date: July 31, 2019

Exhibit 9

As of,	07/31/19	Adjustment	Adjusted 07/31/19
	[1]		
ASSETS			
Cash	\$ 27,440		\$ 27,440
Other receivables	(13,335)		(13,335)
Due to/from intercompany	118,858	(118,858)	- [2]
Prepaid Expenses	120,936		120,936
Other Fixed Assets	2,932		2,932
Accumulated Depreciation	(356)		(356)
TOTAL ASSETS	<u>\$ 256,474</u>	<u>\$ (118,858)</u>	<u>\$ 137,616</u>
LIABILITIES AND MEMBERS' CAPITAL			
LIABILITIES			
Accounts payable	\$ 14,995		\$ 14,995
Accrued Expenses	130,363		130,363
Due to/from intercompany	85,543	(85,543)	- [2]
Total Liabilities	<u>\$ 230,901</u>	<u>\$ (85,543)</u>	<u>\$ 145,358</u>
 Total Members' Capital	 \$ 25,573	 \$ (33,315)	 \$ (7,742)
TOTAL LIABILITIES AND MEMBERS' CAPITAL	<u>\$ 256,474</u>	<u>\$ (118,858)</u>	<u>\$ 137,616</u>

Notes:

- [1] AHS Property Management, LLC is an operating entity that manages property operations via Management Agreements with the Real Estate holding entities. The company focuses on reducing property operating expenses and provides support to the development unit.
- [2] All Intercompany amounts will be eliminated at the parent level.

AHS Residential, LLC and Subsidiaries
Adjusted Balance Sheet (AHS Logistics, LLC)
Valuation Date: July 31, 2019

Exhibit 10

As of,	07/31/19	Adjustment	Adjusted 07/31/19
	[1]		
ASSETS			
Cash	\$ 6,293		\$ 6,293
Due to/from intercompany	13,047	(13,047)	- [2]
Other Fixed Assets	1,152,867		1,152,867
Accumulated Amortization (write-off year-end)	(1,152,867)		(1,152,867)
Deposits	(84)		(84)
TOTAL ASSETS	<u>\$ 19,256</u>	<u>\$ (13,047)</u>	<u>\$ 6,209</u>
LIABILITIES AND MEMBERS' CAPITAL			
LIABILITIES			
Accounts payable	\$ 2,108		\$ 2,108
Accrued Expenses	14,577		14,577
Due to/from intercompany	10,930	(10,930)	- [2]
Total Liabilities	<u>\$ 27,614</u>	<u>\$ (10,930)</u>	<u>\$ 16,685</u>
Total Members' Capital	\$ (8,358)	\$ (2,118)	\$ (10,475)
TOTAL LIABILITIES AND MEMBERS' CAPITAL	<u>\$ 19,256</u>	<u>\$ (13,047)</u>	<u>\$ 6,209</u>

Notes:

- [1] AHS Logistics, LLC closed operations on December 31, 2018. All remaining assets/liabilities will be settled or transferred.
[2] All Intercompany amounts will be eliminated at the parent level.

AHS Residential, LLC and Subsidiaries
Exhibit 11
Adjusted Balance Sheet (Princeton Groves Village, LLC)
Valuation Date: July 31, 2019

As of,	07/31/19	Adjustment	Adjusted 07/31/19
	[1]		
ASSETS			
Cash	\$ 125,984		\$ 125,984
Cash - Restricted	176,365		176,365
Accounts receivable - Rent	63,963		63,963
Other receivables	18,334		18,334
Land & Land for development	929,727	4,470,273	5,400,000 [2]
Prepaid Expenses	574,661		574,661
Debt Issue Costs	249,443	(249,443)	- [3]
Construction in progress	3,141	(3,141)	- [2]
Buildings	25,516,898	11,183,102	36,700,000 [2]
Other Fixed Assets	274,627	(274,627)	- [2]
Accumulated Depreciation	(1,882,205)	1,882,205	- [2]
Deposits	8,995		8,995
TOTAL ASSETS	\$ 26,059,934	\$ 17,008,368	\$ 43,068,302
LIABILITIES AND MEMBERS' CAPITAL			
LIABILITIES			
Accounts payable	\$ 22,616		\$ 22,616
Accrued Expenses	294,617		294,617
Security Deposits Returnable	200,932		200,932
Long Term Debt	24,750,000		24,750,000 [4]
Total Liabilities	\$ 25,268,165	\$ -	\$ 25,268,165
Total Members' Capital	\$ 791,769	\$ 17,008,368	\$ 17,800,138
TOTAL LIABILITIES AND MEMBERS' CAPITAL	\$ 26,059,934	\$ 17,008,368	\$ 43,068,302

Notes:

- [1] Princeton Groves Village, LLC owns real estate consisting of a 216 unit apartment complex located at 25011 SW 130th Avenue, Princeton, Florida 33032. The property was built in 2016. As of the Valuation Date, the property had approximately 96% occupancy.
- [2] As Is Market Value per the Appraisal Report dated August 28, 2019, prepared by CBRE as shown below.

Land Value	\$ 5,400,000
Cost Approach	42,400,000
Sales Comparison Approach	42,100,000
Income Capitalization Approach	42,100,000
Reconciled Value	\$ 42,100,000

- [3] Capitalized debt issue costs were removed.
- [4] Secured non-recourse loan with Citi/FNMA with a 10-year fixed interest rate of 4.38%, maturing 10/1/2027.

AHS Residential, LLC and Subsidiaries
Adjusted Balance Sheet (Lake Worth Village, LLC)
Valuation Date: July 31, 2019

Exhibit 12

As of,	07/31/19	Adjustment	Adjusted 07/31/19
	[1]		
ASSETS			
Cash	\$ 36,219		\$ 36,219
Cash - Restricted	133,178		133,178
Accounts receivable - Rent	51,462		51,462
Other receivables	14,382		14,382
Land & Land for development	2,261,728	5,738,272	8,000,000 [2]
Prepaid Expenses	654,978		654,978
Debt Issue Costs	179,572	(179,572)	- [3]
Buildings	24,270,070	9,229,930	33,500,000 [2]
Other Fixed Assets	182,833	(182,833)	- [2]
Accumulated Depreciation	(2,815,511)	2,815,511	- [2]
TOTAL ASSETS	\$ 24,968,910	\$ 17,421,309	\$ 42,390,219
LIABILITIES AND MEMBERS' CAPITAL			
LIABILITIES			
Accounts payable	\$ (3,960)		\$ (3,960)
Accrued Expenses	513,061		513,061
Security Deposits Returnable	122,916		122,916
Long Term Debt	24,041,409		24,041,409 [4]
Total Liabilities	\$ 24,673,425	\$ -	\$ 24,673,425
 Total Members' Capital	 \$ 295,485	 \$ 17,421,309	 \$ 17,716,794
TOTAL LIABILITIES AND MEMBERS' CAPITAL	\$ 24,968,910	\$ 17,421,309	\$ 42,390,219

Notes:

- [1] Lake Worth Village, LLC owns real estate consisting of a 216 unit apartment complex located at 2220 Lake Worth Road, Lake Worth, Florida 33461. The property was built in 2015. As of the Valuation Date, the property had approximately 95% occupancy.
- [2] As Is Market Value per the Appraisal Report dated August 28, 2019, prepared by CBRE as shown below.

Land Value	\$ 8,000,000
Cost Approach	41,600,000
Sales Comparison Approach	41,500,000
Income Capitalization Approach	41,200,000
Reconciled Value	\$ 41,500,000

- [3] Capitalized debt issue costs were removed.
- [4] Secured non-recourse loan with Citi/FNMA with a 10-year fixed interest rate of 3.95%, maturing 5/4/2026.

AHS Residential, LLC and Subsidiaries
Adjusted Balance Sheet (Village at Lake Osborne, LLC)
Valuation Date: July 31, 2019

Exhibit 13

As of,	07/31/19	Adjustment	Adjusted 07/31/19
	[1]		
ASSETS			
Cash	\$ 32,674		\$ 32,674
Cash - Restricted	101,725		101,725
Accounts receivable - Rent	11,545		11,545
Other receivables	5,143		5,143
Land & Land for development	1,257,245	2,942,755	4,200,000 [2]
Prepaid Expenses	344,013		344,013
Debt Issue Costs	109,727	(109,727)	- [3]
Buildings	14,463,075	2,836,925	17,300,000 [2]
Other Fixed Assets	431,606	(431,606)	- [2]
Accumulated Depreciation	(937,675)	937,675	- [2]
TOTAL ASSETS	\$ 15,819,078	\$ 6,176,023	\$ 21,995,101
LIABILITIES AND MEMBERS' CAPITAL			
LIABILITIES			
Accounts payable	\$ 90,291		\$ 90,291
Accrued Expenses	249,783		249,783
Security Deposits Returnable	105,785		105,785
Long Term Debt	13,180,000		13,180,000 [4]
Total Liabilities	\$ 13,625,858	\$ -	\$ 13,625,858
Total Members' Capital	\$ 2,193,219	\$ 6,176,023	\$ 8,369,242
TOTAL LIABILITIES AND MEMBERS' CAPITAL	\$ 15,819,078	\$ 6,176,023	\$ 21,995,101

Notes:

- [1] Village at Lake Osborne, LLC owns real estate consisting of a 118 unit apartment complex located at 2430 Lake Worth Road, Lake Worth, Florida 33461. The property was built in 2017. As of the Valuation Date, the property had approximately 97% occupancy.
- [2] As Is Market Value per the Appraisal Report dated August 28, 2019, prepared by CBRE as shown below.

Land Value	\$ 4,200,000
Cost Approach	21,800,000
Sales Comparison Approach	21,600,000
Income Capitalization Approach	21,450,000
Reconciled Value	\$ 21,500,000

- [3] Capitalized debt issue costs were removed.
- [4] Secured non-recourse loan with HUNT/FNMA with a 10-year fixed interest rate of 4.63%, maturing 12/31/2027.

AHS Residential, LLC and Subsidiaries
Adjusted Balance Sheet (Village at Crystal Lakes, LLC)
Valuation Date: July 31, 2019

Exhibit 14

As of,	07/31/19	Adjustment	Adjusted 07/31/19
	[1]		
ASSETS			
Cash	\$ 89,313		\$ 89,313
Cash - Restricted	141,399		141,399
Accounts receivable - Rent	5,713		5,713
Land & Land for development	1,410,053	(1,410,053)	- [2]
Prepaid Expenses	25,193		25,193
Construction in progress	3,452	(3,452)	- [2]
Buildings	23,935,155	6,564,846	30,500,000 [2]
Other Fixed Assets	458,165	(458,165)	- [2]
Accumulated Depreciation	(154,329)	154,329	- [2]
Deposits	5,844		5,844
TOTAL ASSETS	\$ 25,919,958	\$ 4,847,505	\$ 30,767,463
LIABILITIES AND MEMBERS' CAPITAL			
LIABILITIES			
Accounts payable	\$ 34,264		\$ 34,264
Accrued Expenses	305,780		305,780
Security Deposits Returnable	143,528		143,528
Construction Loan	16,000,000		16,000,000 [3]
Total Liabilities	\$ 16,483,572	\$ -	\$ 16,483,572
 Total Members' Capital	 \$ 9,436,385	 \$ 4,847,505	 \$ 14,283,890
TOTAL LIABILITIES AND MEMBERS' CAPITAL	\$ 25,919,958	\$ 4,847,505	\$ 30,767,463

Notes:

- [1] Village at Crystal Lake, LLC owns real estate consisting of a 125 unit apartment complex located at 3808 Crystal Lake Drive, Deerfield Beach, Florida 33064. The property started operations in December 2018. On June 18, 2019, the company entered into a Purchase and Sale Agreement to sell the property to Landmark Homes, LLC. The transaction is expected to close in October 2019.
- [2] Purchase Price per the Purchase and Sale Agreement dated June 18, 2019 between the company and Landmark Homes, LLC.
- [3] Secured loan with Regions Bank with an interest rate of LIBOR plus 2.0%, maturing 10/19/2019.

AHS Residential, LLC and Subsidiaries
Adjusted Balance Sheet (Village at Coral Reef, LLC)
Valuation Date: July 31, 2019

Exhibit 15

As of,	07/31/19	Adjustment	Adjusted 07/31/19
	[1]		
ASSETS			
Cash	\$ 100,303		\$ 100,303
Land & Land for development	1,596,735	2,303,265	3,900,000 [2]
Construction in progress	14,858,959		14,858,959
Deposits	1,217		1,217
TOTAL ASSETS	\$ 16,557,214	\$ 2,303,265	\$ 18,860,479
LIABILITIES AND MEMBERS' CAPITAL			
LIABILITIES			
Accounts payable	\$ 46,842		\$ 46,842
Due to/from intercompany	2,544,348	(2,544,348)	- [3]
Construction Loan	5,133,978		5,133,978 [4]
Total Liabilities	\$ 7,725,168	\$ (2,544,348)	\$ 5,180,820
 Total Members' Capital	 \$ 8,832,046	 \$ 4,847,613	 \$ 13,679,659
TOTAL LIABILITIES AND MEMBERS' CAPITAL	\$ 16,557,214	\$ 2,303,265	\$ 18,860,479

Notes:

- [1] Village at Coral Reef, LLC owns real estate under construction located at 9761 SW 152nd Street, Miami, Florida 33157. The building is approximately 51% complete and is expected to be fully completed by Q1 2020. The building will consist of a 175 unit mid-rise apartment complex.
- [2] As Is Market Value of the land as of October 19, 2018, per the Appraisal Report dated October 29, 2018, prepared by Joseph J. Blake and Associates, Inc. In addition, the Appraisal Report provided a Prospective As Complete Market Value as of May 1, 2019 of \$36.2 million as well as a Prospective As Complete and As Stabilized Market Value as of May 1, 2020 of \$38.6 million.
- [3] All Intercompany amounts will be eliminated at the parent level.
- [4] Secured loan with Regions Bank with an interest rate of LIBOR plus 2.0%, maturing 2/12/2022.

AHS Residential, LLC and Subsidiaries
Adjusted Balance Sheet (Village at Tuscany, LLC)
Valuation Date: July 31, 2019

Exhibit 16

As of,	07/31/19	Adjustment	Adjusted 07/31/19
	[1]		
ASSETS			
Cash	\$ 175,397		\$ 175,397
Cash - Restricted	4,929		4,929
Accounts receivable - Rent	1,594		1,594
Due to/from intercompany	1,000	(1,000)	- [2]
Land & Land for development	2,010,575	887,825	2,898,400 [3]
Prepaid Expenses	3,981		3,981
Construction in progress	37,251,581	15,550,019	52,801,600 [3]
Other Fixed Assets	11,452	(11,452)	- [3]
Deposits	27,869		27,869
TOTAL ASSETS	\$ 39,488,378	\$ 16,425,392	\$ 55,913,770
LIABILITIES AND MEMBERS' CAPITAL			
LIABILITIES			
Accounts payable	\$ 87,598		\$ 87,598
Accrued Expenses	39,227		39,227
Security Deposits Returnable	3,278		3,278
Due to/from intercompany	731,237	(731,237)	- [2]
Construction Loan	25,627,571		25,627,571 [4]
Total Liabilities	\$ 26,488,910	\$ (731,237)	\$ 25,757,674
 Total Members' Capital	 \$ 12,999,468	 \$ 17,156,628	 \$ 30,156,096
TOTAL LIABILITIES AND MEMBERS' CAPITAL	\$ 39,488,378	\$ 16,425,392	\$ 55,913,770

Notes:

- [1] Village at Coral Reef, LLC, dba Deering Groves, owns real estate consisting of a 281 unit apartment complex located at 13710 SW 256th Street, Homestead, Florida 33032. The grand opening took place on July 12, 2019. As of August 22, 2019, 81 leases were signed with 41 move-ins.
- [2] All Intercompany amounts will be eliminated at the parent level.
- [3] As Is Market Value as of August 22, 2019, per the Real Estate Appraisal Report dated August 26, 2019, prepared by Walter Duke & Partners. Separate values for Land & Land for development and Construction in progress were not provided. As such, the As Is Market value was allocated to Land and Construction in progress based on the allocation of the project budget, provided by management, as shown below.

As Is Market Value	\$ 55,700,000	
Land Budget	\$ 2,010,575	5.2%
Construction Budget	36,627,649	94.8%
Total Budget	\$ 38,638,224	
Allocated As Is Market Value of Land	\$ 2,898,400	
Allocated As Is Market Value of Construction in Progress	52,801,600	
Total As Is Market Value	\$ 55,700,000	

The Real Estate Appraisal Report also provided a Prospective Market Value "At Stabilization" as of May 1, 2020 of \$57.0 million.

- [4] Secured loan with Citibank with an interest rate of LIBOR plus 2.25%, maturing 10/1/2020.

AHS Residential, LLC and Subsidiaries
Adjusted Balance Sheet (Village at Mangonia Lake, LLC)
Valuation Date: July 31, 2019

Exhibit 17

As of,	07/31/19	Adjustment	Adjusted 07/31/19
	[1]		
ASSETS			
Cash	\$ 4,576		\$ 4,576
Due to/from intercompany	500	(500)	- [2]
Land & Land for development	4,716,637	6,383,363	11,100,000 [3]
Prepaid Expenses	3,400		3,400
Construction in progress	37,386,511	5,813,489	43,200,000 [3]
Deposits	63,303		63,303
TOTAL ASSETS	\$ 42,174,927	\$ 12,196,352	\$ 54,371,279
LIABILITIES AND MEMBERS' CAPITAL			
LIABILITIES			
Accounts payable	\$ 115,905		\$ 115,905
Due to/from intercompany	1,873,039	(1,873,039)	- [2]
Construction Loan	23,947,997		23,947,997 [4]
Total Liabilities	\$ 25,936,942	\$ (1,873,039)	\$ 24,063,902
 Total Members' Capital	 \$ 16,237,985	 \$ 14,069,391	 \$ 30,307,377
TOTAL LIABILITIES AND MEMBERS' CAPITAL	\$ 42,174,927	\$ 12,196,352	\$ 54,371,279

Notes:

- [1] Village at Mangonia Lake, LLC owns real estate consisting of a 240 unit apartment complex located at 2201 N Australian Avenue, West Palm Beach, Florida 33407 and an adjacent 0.72-acre parcel of land located at 2405 N Australian Avenue, West Palm Beach, Florida 33407. The construction is approximately 97% completed. Leasing has commenced with certificate of occupancy received in 4 of the 6 buildings. The first tenants started to move-in in August 2019.
- [2] All Intercompany amounts will be eliminated at the parent level.
- [3] As Is Market Value per the Appraisal Report dated August 28, 2019, prepared by CBRE as shown below. In addition, the Appraisal Report provided an As Stabilized Market Value as of October 28, 2020 of \$57.0 million.

Land Value	\$ 10,800,000
Cost Approach	55,900,000
Sales Comparison Approach	54,300,000
Income Capitalization Approach	53,900,000
Reconciled Value	\$ 54,000,000
Adjacent Land Value	\$ 300,000

- [4] Secured loan with Bank of America with an interest rate of LIBOR plus 2.6%, maturing 9/30/2020.

AHS Residential, LLC and Subsidiaries
Adjusted Balance Sheet (Pine Groves Village, LLC)
Valuation Date: July 31, 2019

Exhibit 18

As of,	07/31/19	Adjustment	Adjusted 07/31/19
	[1]		
ASSETS			
Cash	\$ 9,128		\$ 9,128
Accounts receivable - Rent	156		156
Due to/from intercompany	(1,500)	1,500	- [2]
Land & Land for development	2,437,637	1,162,363	3,600,000 [3]
Construction in progress	2,753,394		2,753,394
TOTAL ASSETS	\$ 5,198,814	\$ 1,163,863	\$ 6,362,677
LIABILITIES AND MEMBERS' CAPITAL			
LIABILITIES			
Accounts payable	\$ 40,457		\$ 40,457
Accrued Expenses	14,050		14,050
Total Liabilities	\$ 54,507	\$ -	\$ 54,507
 Total Members' Capital	 \$ 5,144,307	 \$ 1,163,863	 \$ 6,308,170
TOTAL LIABILITIES AND MEMBERS' CAPITAL	\$ 5,198,814	\$ 1,163,863	\$ 6,362,677

Notes:

- [1] Pine Groves Village, LLC owns 6.74 acres of land located at 24101 S Dixie Hwy, Miami, Florida 33032. The company plans on using this land to build a 204 unit mid-rise apartment complex. As of the Valuation Date, the company has started clearing the site and pulling permits. The company has finance commitment from Regions Bank for \$18.2 million. The development budget is approximately \$29.4 million.
- [2] All Intercompany amounts will be eliminated at the parent level.
- [3] As Is Market Value of the land as of May 28, 2019, per the Appraisal Report dated June 10, 2019, prepared by Joseph J. Blake and Associates, Inc. The Appraisal Report also provided an As Complete market value as of August 1, 2020 for \$28.9 million and an As Complete & Stabilized market value as of August 1, 2021 for \$30.9 million.

AHS Residential, LLC and Subsidiaries
Adjusted Balance Sheet (AHS NW 3rd Street, LLC)
Valuation Date: July 31, 2019

Exhibit 19

As of,	07/31/19	Adjustment	Adjusted 07/31/19
	[1]		
ASSETS			
Cash	\$ 2,386		\$ 2,386
Land & Land for development	265,078	(5,078)	260,000 [2]
Construction in progress	132,762		132,762
TOTAL ASSETS	<u><u>\$ 400,226</u></u>	<u><u>\$ (5,078)</u></u>	<u><u>\$ 395,148</u></u>
LIABILITIES AND MEMBERS' CAPITAL			
LIABILITIES			
Accounts payable	\$ 2,191		\$ 2,191
Accrued Expenses	1,346		1,346
Total Liabilities	<u><u>\$ 3,538</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,538</u></u>
 Total Members' Capital	 \$ 396,689	 \$ (5,078)	 \$ 391,611
TOTAL LIABILITIES AND MEMBERS' CAPITAL	<u><u>\$ 400,226</u></u>	<u><u>\$ (5,078)</u></u>	<u><u>\$ 395,148</u></u>

Notes:

- [1] AHS NW 3rd St, LLC owns land located at 1268 NW 3rd Street, Miami, Florida 33125. The land was purchased in 2017. The company plans to build a 4-unit multi-family residential building. As of the Valuation Date, foundation work has been started and completion is expected December 2019. The budget for this project is approximately \$686,000. The company will use cash to finance the project.
- [2] Adjusted to reflect the contract sales price of \$260,000 per the closing statement. Transactions costs reflected in the book value were removed.

AHS Residential, LLC and Subsidiaries
Adjusted Balance Sheet (Village at Dania Beach, LLC)
Valuation Date: July 31, 2019

Exhibit 20

As of,	07/31/19	Adjustment	Adjusted 07/31/19
	[1]		
ASSETS			
Cash	\$ 10,123		\$ 10,123
Cash - Restricted	18,732		18,732
Other receivables	186		186
Land & Land for development	140,532	(5,532)	135,000 [2]
Prepaid Expenses	26,396		26,396
Construction in progress	432,982		432,982
Deposits	(8)		(8)
TOTAL ASSETS	<u>\$ 628,943</u>	<u>\$ (5,532)</u>	<u>\$ 623,412</u>
LIABILITIES AND MEMBERS' CAPITAL			
LIABILITIES			
Accounts payable	\$ (24,580)		\$ (24,580)
Accrued Expenses	524,404		524,404
Security Deposits Returnable	555		555
Due to/from intercompany	41,841	(41,841)	- [3]
Total Liabilities	<u>\$ 542,219</u>	<u>\$ (41,841)</u>	<u>\$ 500,379</u>
Total Members' Capital	<u>\$ 86,724</u>	<u>\$ 36,309</u>	<u>\$ 123,033</u>
TOTAL LIABILITIES AND MEMBERS' CAPITAL	<u>\$ 628,943</u>	<u>\$ (5,532)</u>	<u>\$ 623,412</u>

Notes:

- [1] Village at Dania Beach, LLC owns vacant land located at 21 SE 1st Avenue, Dania Beach, Florida 33004. The land was purchased in 2016.
- [2] Adjusted to reflect the contract sales price of \$135,000 per the closing statement. Transactions costs reflected in the book value were removed.
- [3] All Intercompany amounts will be eliminated at the parent level.

AHS Residential, LLC and Subsidiaries
Adjusted Balance Sheet (Village at Banyan Ridge, LLC)
Valuation Date: July 31, 2019

Exhibit 21

As of,	07/31/19	Adjustment	Adjusted 07/31/19
	[1]		
ASSETS			
Cash	\$ 18,617		\$ 18,617
Land & Land for development	4,500,000	3,480,000	7,980,000 [2]
Construction in progress	1,168,610		1,168,610
TOTAL ASSETS	\$ 5,687,227	\$ 3,480,000	\$ 9,167,227
LIABILITIES AND MEMBERS' CAPITAL			
LIABILITIES			
Accounts payable	\$ 126,071		\$ 126,071
Total Liabilities	\$ 126,071	\$ -	\$ 126,071
Total Members' Capital	\$ 5,561,156	\$ 3,480,000	\$ 9,041,156
TOTAL LIABILITIES AND MEMBERS' CAPITAL	\$ 5,687,227	\$ 3,480,000	\$ 9,167,227

Notes:

- [1] Village at Banyan Ridge, LLC owns 10.41 acres of land located at 6800 Belvedere Road, Palm Beach, Florida 33413. The company plans to construct a 228 unit mid-rise apartment complex. The land was purchased in March 2019. As of the Valuation Date, the company is pulling permits to start construction by the end of 2019. The company was provided a term sheet from Citi Bank for \$27.5 million in financing.
- [2] As Is Market Value per the Appraisal Report dated August 28, 2019, prepared by CBRE.

AHS Residential, LLC and Subsidiaries
Adjusted Balance Sheet (Village at Old Cutler, LLC)
Valuation Date: July 31, 2019

Exhibit 22

As of,	07/31/19 [1]	Adjustment	Adjusted 07/31/19
ASSETS			
Land & Land for development	4,500,000	3,500,000	8,000,000 [2]
Construction in progress	148,315	(148,315)	- [3]
TOTAL ASSETS	<u><u>\$ 4,648,315</u></u>	<u><u>\$ 3,351,685</u></u>	<u><u>\$ 8,000,000</u></u>
LIABILITIES AND MEMBERS' CAPITAL			
LIABILITIES			
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Members' Capital	<u>\$ 4,648,315</u>	<u>\$ 3,351,685</u>	<u>\$ 8,000,000</u>
TOTAL LIABILITIES AND MEMBERS' CAPITAL	<u><u>\$ 4,648,315</u></u>	<u><u>\$ 3,351,685</u></u>	<u><u>\$ 8,000,000</u></u>

Notes:

- [1] Village at Old Cutler, LLC owns 17 acres of land located at Old Cutler Road & SW 107th Avenue, Miami, Florida 33190. The company plans to construct a 390 unit mid-rise apartment complex. The land was purchased in May 2019. As of the Valuation Date, the land was approved to be re-zoned as Medium Density Residential. Construction is expected to start April 2020.
- [2] Prospective Hypothetical Market Value as if the Comprehensive Land Use Master Plan has been amended to Medium Density Residential with a one density increase, as of June 17, 2019 per the Appraisal Report dated June 20, 2019 prepared by AppraisalFirst Real Estate Appraisers, LLC.
- [3] Soft costs, including zoning and attorney fees, were removed.

AHS Residential, LLC and Subsidiaries
Adjusted Balance Sheet (Tamiami Business Park, LLC)
Valuation Date: July 31, 2019

Exhibit 23

As of,	07/31/19	Adjustment	Adjusted 07/31/19
	[1]		
ASSETS			
Land & Land for development	4,000,000	2,500,000	6,500,000 [2]
Construction in progress	367,644		367,644
TOTAL ASSETS	\$ 4,367,644	\$ 2,500,000	\$ 6,867,644
LIABILITIES AND MEMBERS' CAPITAL			
LIABILITIES			
Total Liabilities	\$ -	\$ -	\$ -
Total Members' Capital	\$ 4,367,644	\$ 2,500,000	\$ 6,867,644
TOTAL LIABILITIES AND MEMBERS' CAPITAL	\$ 4,367,644	\$ 2,500,000	\$ 6,867,644

Notes:

- [1] Tamiami Business Park, LLC, dba The Landings at Tamiami, owns 8.74 acres of land located at SW 136th Street & SW 154th Avenue, Miami, Florida 33196. The land was purchased in 2012 by Rubens Menin and transferred to the company in June 2019. The company plans to construct a 264 unit mid-rise apartment complex. As of the Valuation Date, the land was approved to be re-zoned as residential. Construction is expected to start by the end of 2019. The company has received multiple term sheet from various lenders and expects to close financing prior to commencement of construction.
- [2] As Is Market Value as of December 31, 2018 per the Appraisal Report dated December 3, 2018 prepared by AppraisalFirst Real Estate Appraisers, LLC.

AHS Residential, LLC and Subsidiaries
Adjusted Balance Sheet (Village at Blue Lagoon, LLC)
Valuation Date: July 31, 2019

Exhibit 24

As of,	07/31/19	Adjustment	Adjusted 07/31/19
	[1]		
ASSETS			
Land & Land for development	2,350,000		2,350,000
Construction in progress	6,590	(6,590)	-
TOTAL ASSETS	<u>\$ 2,356,590</u>	<u>\$ (6,590)</u>	<u>\$ 2,350,000</u> [2]
LIABILITIES AND MEMBERS' CAPITAL			
LIABILITIES			
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Members' Capital	<u>\$ 2,356,590</u>	<u>\$ (6,590)</u>	<u>\$ 2,350,000</u>
TOTAL LIABILITIES AND MEMBERS' CAPITAL	<u>\$ 2,356,590</u>	<u>\$ (6,590)</u>	<u>\$ 2,350,000</u>

Notes:

[1] Village at Blue Lagoon, LLC owns vacant land located at 6950 NW 7th Street, Miami, Florida 33172. The land was purchased in June 2019.

[2] Soft costs were removed.

AHS Residential, LLC and Subsidiaries
Adjusted Balance Sheet (AHS at Biscayne Village, LLC)
Valuation Date: July 31, 2019

Exhibit 25

As of,	07/31/19	Adjustment	Adjusted 07/31/19
	[1]		
ASSETS			
Land & Land for development	4,200,000		4,200,000 [2]
Construction in progress	151,985	(151,985)	- [3]
TOTAL ASSETS	<u>\$ 4,351,985</u>	<u>\$ (151,985)</u>	<u>\$ 4,200,000</u>
LIABILITIES AND MEMBERS' CAPITAL			
LIABILITIES			
Total Liabilities	\$ -	\$ -	\$ -
Total Members' Capital	\$ 4,351,985	\$ (151,985)	\$ 4,200,000
TOTAL LIABILITIES AND MEMBERS' CAPITAL	<u>\$ 4,351,985</u>	<u>\$ (151,985)</u>	<u>\$ 4,200,000</u>

Notes:

[1] AHS at Biscayne Village, LLC owns vacant land located at SW 288 Street & 147th Avenue, Miami, Florida.

[2] The land was acquired in June 2019 for \$4.2 million.

[3] Soft costs were removed.

AHS Residential, LLC and Subsidiaries
Adjusted Balance Sheet (AHS at Oak Enclave, LLC)
Valuation Date: July 31, 2019

Exhibit 26

As of,	07/31/19 [1]	Adjustment	Adjusted 07/31/19
ASSETS			
Land & Land for development	9,500,000		9,500,000 [2]
Construction in progress	25,377	(25,377)	- [3]
TOTAL ASSETS	<u><u>\$ 9,525,377</u></u>	<u><u>\$ (25,377)</u></u>	<u><u>\$ 9,500,000</u></u>
LIABILITIES AND MEMBERS' CAPITAL			
LIABILITIES			
Total Liabilities	\$ -	\$ -	\$ -
Total Members' Capital	\$ 9,525,377	\$ (25,377)	\$ 9,500,000
TOTAL LIABILITIES AND MEMBERS' CAPITAL	<u><u>\$ 9,525,377</u></u>	<u><u>\$ (25,377)</u></u>	<u><u>\$ 9,500,000</u></u>

Notes:

[1] AHS at Oak Enclave, LLC owns vacant land located at NW 167th Street & 24th Avenue, Miami Gardens, Florida 33017.

[2] The land was acquired in July 2019 for \$9.5 million.

[3] Soft costs were removed.