Broker's Opinion of Value

Serenity Assisted Living

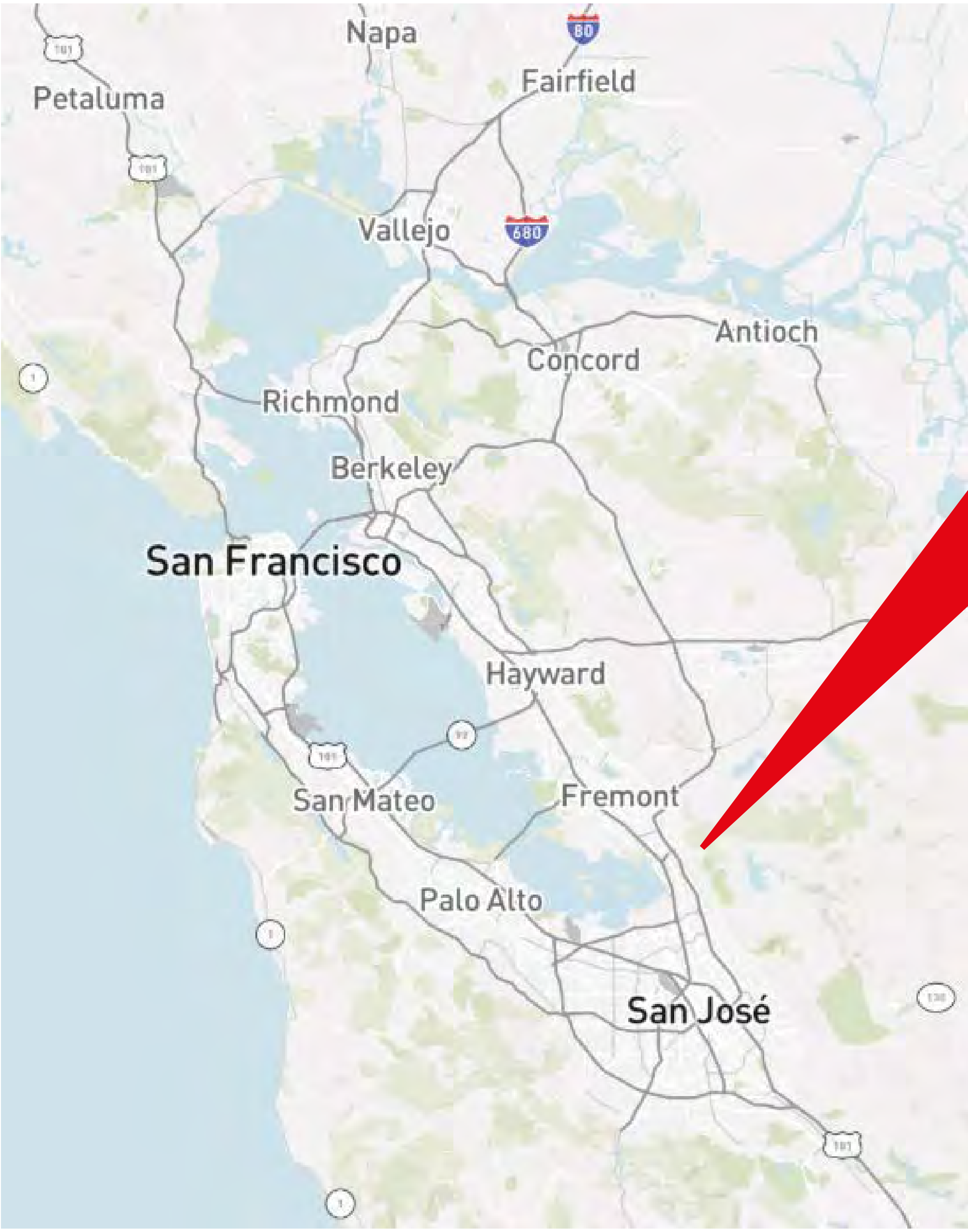
Presented to: First City Holdings

November 2019

Contents

Executive Summary

The asset



Serenity Assisted Living
150 Main Street
Anycity, California 99999

Care Type AL	Current Occupancy 97.5%
Year Built 2012	Avg. Mkt. Rent per Unit $4,323
# of Units 120	Year 1 Stabilized NOI $2,227,759

Valuation overview and trade range

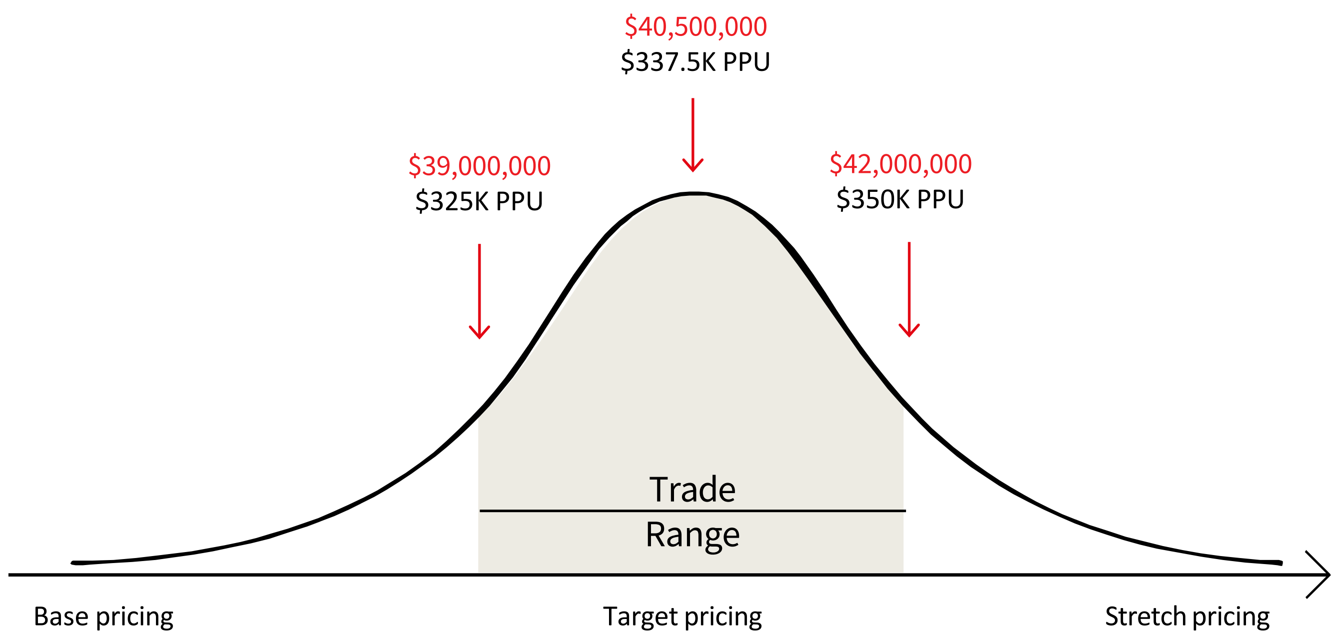
JLL has provided a range of values below which is based on our knowledge of required returns by investors actively pursuing seniors housing investment opportunities nationwide. The indicative value range is $39,000,000 to $42,000,000 million.

Intimate market expertise to drive maximum proceeds

Exceptional understanding of seniors housing underwriting

Full commitment of transaction leads supported by deep experience of dedicated team members

Exceptional current market intelligence through active listings



	Value	Per Unit	Cap Rate T-6	Cap Rate Year 1*	LIRR	Cash Yield 7 Yr. Avg.	UIRR
Stretch	$42,000,000	$350,000	5.20%	5.27%	14.38%	9.12%	8.24%
Target	$40,500,000	$337,500	5.39%	5.48%	16.07%	9.89%	9.00%
Base	$39,000,000	$325,000	5.60%	5.72%	17.78%	10.71%	9.79%

*Our proforma cap rate is inclusive of reassessed taxes.

Key investment drivers

Strong Stabilized Cash Flow

Serenity Assisted Living offers potential investors the opportunity to acquire a stabilized asset at a price below current replacement cost with new opportunities to enhance in-place high yields due to high demand and minimal new supply in the sub-market.

Highly Desirable Location

Serenity Assisted Living is located in the affluent Anycity sub-market with median household income out-pacing the San Francisco MSA. The population of 65 and over residents is projected to grow by 21% through 2024 within a five mile radius of the property.

Proximity to Retail and Lifestyle Drivers

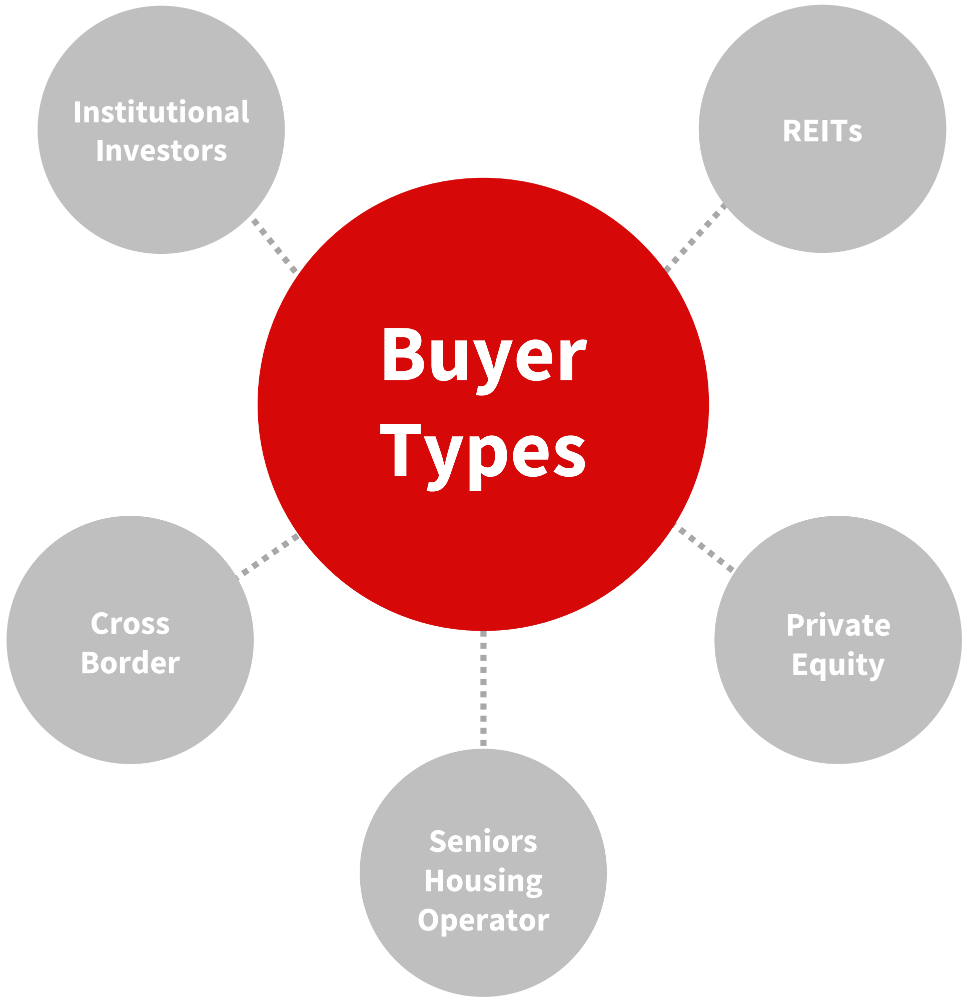
There is over 1.3M SF of retail within a two mile radius of Serenity Assisted Living including the popular outdoor mall, The Streets of Anycity.

Unique Amenity Offering

Serenity Assisted Living stands out from the competition with features including well appointed common areas, large apartment floor plans with granite counters, in-unit washers and dryers, private balconies or patios, and an outdoor swimming pool.

Buyer pool

Our real-time experience with directly comparable assets in the national market provides us with exceptional insight into the most viable and aggressive foreign and domestic buyers for Serenity Assisted Living.



VIRTUS REAL ESTATE CAPITAL
MERIDIAN SENIOR LIVING
welltower
BRIDGE INVESTMENT GROUP
SENTIO
Healthpeak PROPERTIES
CAPITOL SENIORS HOUSING
LaSalle INVESTMENT MANAGEMENT
ACCESS INDUSTRIES
Aegis Living
PGIM
ARTEMIS REAL ESTATE PARTNERS
CHICAGO PACIFIC FOUNDERS
HMC
mbk SENIOR LIVING
PACIFICA SENIOR LIVING
AEW
CA VENTURES
RENEW
HARRISON STREET
Kayne Anderson Capital Advisors, L.P.
LCS
VENTAS
Berkshire

Our competitive advantages

Seniors housing track record

The JLL team has extensive experience with this product type including sales, finance, valuation, and property tax consulting. In 2018, JLL was ranked first in seniors housing loan originations, seniors housing investment sales, and seniors housing equity placements.* We know how to explain and sell the favorable investment drivers for these assets.

In-depth local market knowledge

JLL has extensive knowledge of the San Francisco market, with active brokerage and leasing assignments underway in other product sectors. Our local market knowledge allows us to sell potential buyers on the future growth and desirability of this prime location.

Financing capability

JLL has licenses for Fannie Mae, Freddie Mac, and HUD lending for seniors housing assets, and also places financing with debt funds, banks and insurance companies. Our investment sales teams work closely with debt teams to ensure that buyers have access to widest array of potential financing options.

Access to cross-border capital

We are the only firm with a dedicated cross-border transaction team reporting from and traveling to multiple locations every week. Our global boots-on-the-ground approach allows us to track real-time investor preferences and quickly identify emerging buyer groups. JLL has 3,700+ capital markets employees in 224 offices across 47 countries.

$3.5 billion of seniors housing transactions by team in 2018

Active San Francisco market presence and knowledge of market dynamics

$11.2 billion of multifamily & seniors housing finance in the U.S. in 2018

JLL completes $1.2 billion in capital markets transactions every working day**

Source: Mortgage Bankers Association, The SeniorCare Investor ; *Rankings for Holliday Fenoglio Fowler LP and its affiliates prior to being acquired by JLL on July 1, 2019.; **Based on combined 2018 year-end production volumes of Jones Lang LaSalle Americas, Inc. and its affiliates ("JLL"), Holliday Fenoglio Fowler LP and its affiliates prior to being acquired by JLL on July 1, 2019.; (1) Agency/GSE lending and loan servicing are performed by Jones Lang LaSalle Multifamily, LLC, a wholly owned indirect subsidiary of Jones Lang LaSalle Incorporated. Loans made or arranged in California are pursuant to a California Financing Law license.

The Market

Demographics

Metric	Five-Mile Radius	San Francisco MSA	USA
Total Population			
2019 Population	146,690	4,679,805	332,417,793
Forecasted 2024 Population	156,880	4,868,302	345,487,602
Forecasted Annual Growth, 2019-2024	1.35%	0.79%	0.77%
Adult Child (45-64) Population			
2019 Population 45-64	37,220	1,239,940	84,978,783
Forecasted 2024 Population 45-64	35,481	1,226,635	83,059,723
Forecasted Annual Growth, 2019-2024	-0.95%	-0.22%	-0.46%
2019 Age 45-64 Pop. as % of Total Pop.	25.37%	26.50%	25.56%
65 Plus Population			
2019 Population 65+	17,037	757,295	54,574,009
Forecasted 2024 Population 65+	20,641	879,771	63,655,136
Forecasted Annual Growth, 2019-2024	3.91%	3.04%	3.13%
2019 Age 65+ Pop. as % of Total Pop.	11.61%	16.18%	16.42%
75 Plus Population			
2019 Population 75+	6,525	314,034	22,413,547
Forecasted 2024 Population 75+	8,100	382,249	27,167,030
Forecasted Annual Growth, 2019-2024	4.42%	4.01%	3.92%
2019 Age 75+ Pop. as % of Total Pop.	4.45%	6.71%	6.74%
85 Plus Population			
2019 Population 85+	1,679	98,906	6,716,109
Forecasted 20294 Population 85+	1,895	106,490	7,162,851
Forecasted Annual Growth, 2019-2024	2.45%	1.49%	1.30%
2019 Age 85+ Pop. as % of Total Pop.	1.14%	2.11%	2.02%
Income Levels			
Median Household Income, All Ages	$106,105	$105,595	$60,548
Median Income Level Age 45 to 54	$130,892	$142,170	$80,226
Median Income Level Age 55 to 64	$107,125	$118,042	$68,756
Median Income Level Age 65 to 74	$84,289	$84,647	$54,015
Median Income Level Age 75+	$45,433	$48,391	$33,128
Housing Values			
Median Housing Value	$548,979	$864,218	$234,154

Source: ESRI 2019

65+ population within a five-mile radius is forecast to increase 3.91% per year through 2024, outpacing the national 65+ growth rate

The median housing value within a five-mile radius of the property is more than twice the national median housing value

Median household incomes within a five-mile radius are significantly greater than national levels for every cohort

San Francisco MSA market rankings

Seniors housing stabilized occupancy

Rank	Market	Occup.
1	San Jose, CA	95.5%
2	Minneapolis, MN	93.4%
3	New York, NY	93.1%
4	Portland, OR	92.8%
5	Boston, MA	92.7%
6	Sacramento, CA	92.2%
7	Baltimore, MD	91.8%
8	Philadelphia, PA	91.7%
9	Pittsburgh, PA	91.7%
10	San Francisco, CA	91.5%
11	Los Angeles, CA	90.7%
12	Seattle, WA	90.7%
13	Cincinnati, OH	90.6%
14	Washington, DC	90.6%
15	San Diego, CA	90.4%
16	St. Louis, MO	90.2%
17	Denver, CO	89.8%
18	Chicago, IL	89.5%
19	Tampa, FL	89.5%
20	Miami, FL	88.7%

Average monthly rent

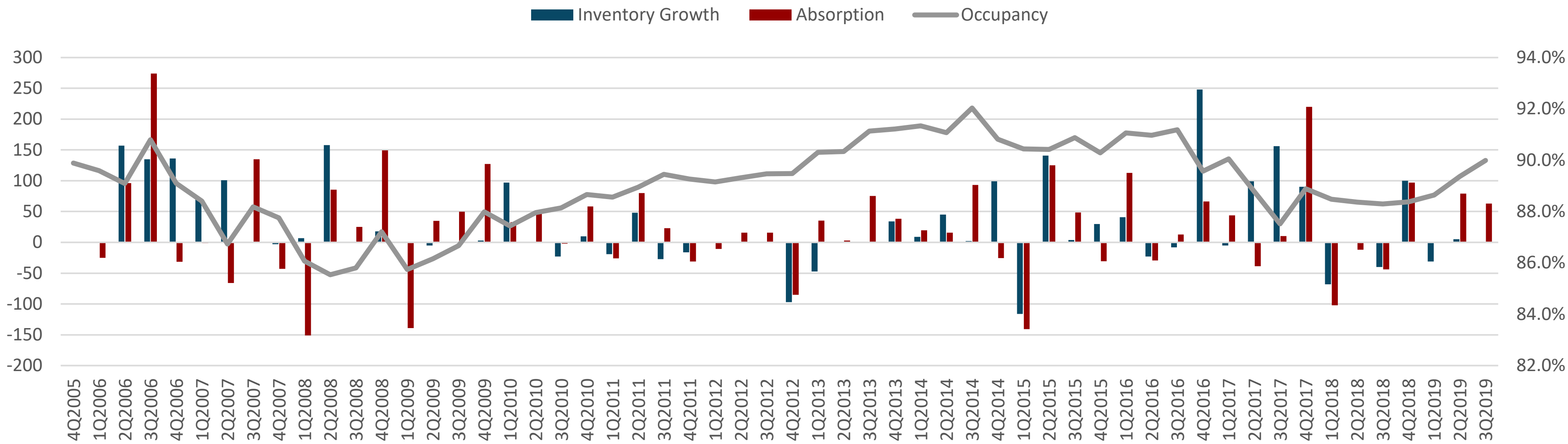
Rank	Market	AMR
1	San Francisco, CA	$5,818
2	San Jose, CA	$5,508
3	New York, NY	$5,491
4	Boston, MA	$5,078
5	Los Angeles, CA	$4,847
6	Washington, DC	$4,650
7	San Diego, CA	$4,604
8	Sacramento, CA	$4,514
9	Seattle, WA	$4,481
10	Atlanta, GA	$4,194
11	Philadelphia, PA	$4,157
12	Baltimore, MD	$4,109
13	Cleveland, OH	$4,026
14	Denver, CO	$4,016
15	Chicago, IL	$3,960
16	Pittsburgh, PA	$3,951
17	Portland, OR	$3,927
18	Cincinnati, OH	$3,904
19	Miami, FL	$3,899
20	Riverside, CA	$3,895

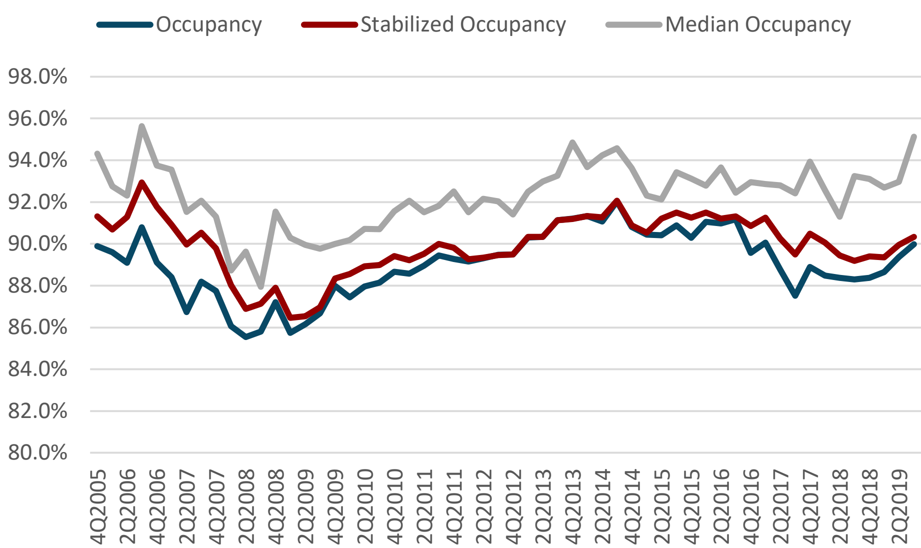
Seniors housing penetration rate

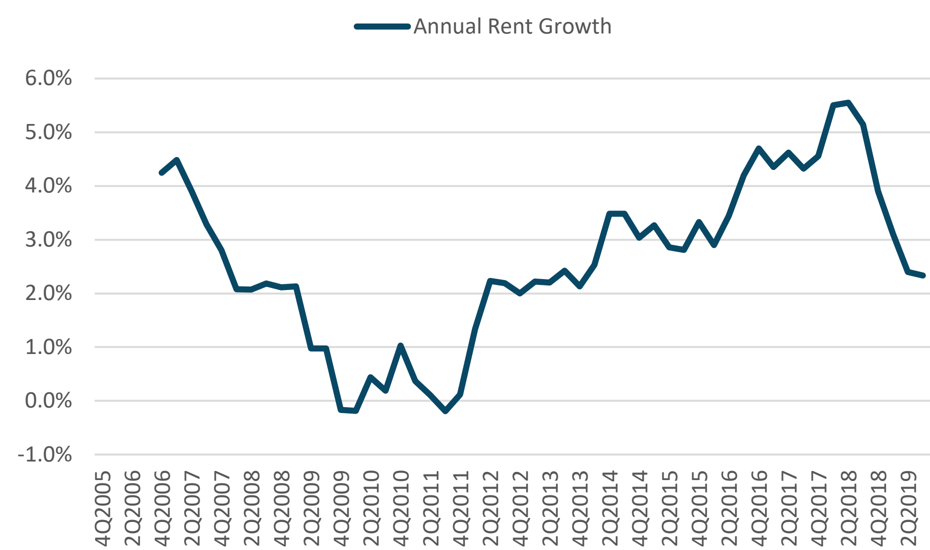
Rank	Market	Penetration %
1	New York, NY	4.7%
2	Las Vegas, NV	6.0%
3	Miami, FL	7.4%
4	Riverside, CA	7.6%
5	Los Angeles, CA	7.9%
6	San Francisco, CA	8.7%
7	Pittsburgh, PA	9.1%
8	San Jose, CA	9.2%
9	Cleveland, OH	9.6%
10	Boston, MA	10.0%
11	Detroit, MI	11.0%
12	Sacramento, CA	11.4%
13	Houston, TX	11.5%
14	Tampa, FL	11.5%
15	San Antonio, TX	11.5%
16	Baltimore, MD	11.8%
17	Chicago, IL	11.9%
18	San Diego, CA	12.1%
19	Cincinnati, OH	12.1%
20	St. Louis, MO	12.1%

Source: NICMAP 3Q2019

San Francisco MSA seniors housing market – Majority AL





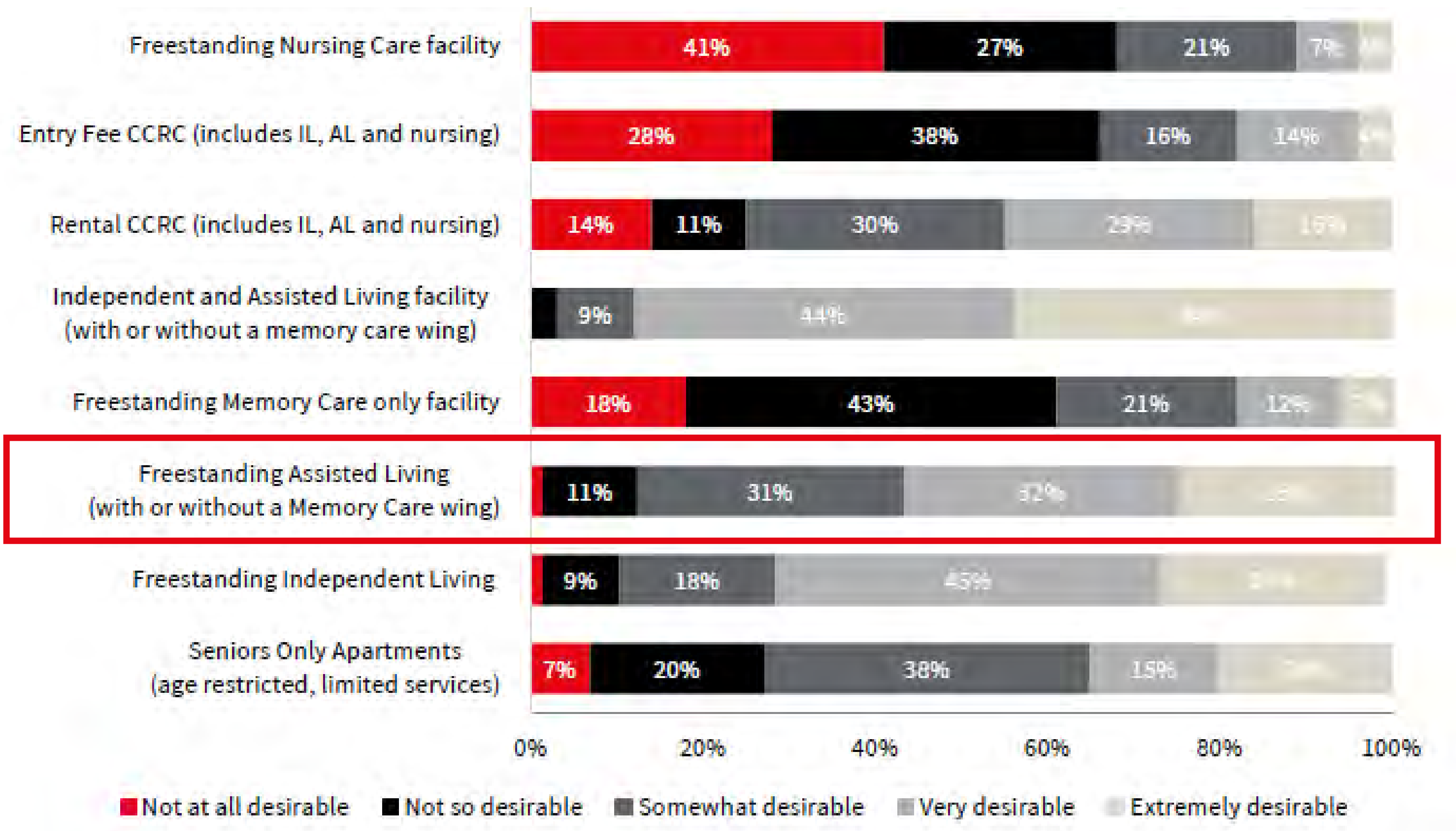


Source: NICMAP 3Q2019

Comparable sales

Property	Location	Type	# Units	Year Built	Buyer	Sale Price	PPU	Sale Date	Comments
The Meridian at Anaheim Hills	Anaheim, CA	IL/AL/MC	227	1989	Harrison Street Real Estate Capital	$95,500,000	$420,704	Oct-19	Sold by Pacifica, Pacifica to stay on board as operator
Peninsula Del Ray	Daly City, CA	IL/AL	207	2011	Senior Resource Group	$74,250,000	$358,695	Aug-19	Sold by Walton Street Capital
Cypress Place	Ventura, CA	IL/AL/MC	76	2003	Meridian Senior Living	$17,750,000	$206,395	Jun-19	Sold by the Manhattan Group, whose motivation was to redeploy capital
Bayside Park	Emeryville, CA	AL/MC	126	2010	Kayne Anderson / Watermark Communities	$54,300,000	$307,143	Apr-19	100% occupied, sold by Welltower, Inc.
Meridian at Whittier Place	Whittier, CA	AL/MC	91	2001	Kayne Anderson	$28,000,000	$307,692	Feb-19	Sold by Bridge Investment Group as part of a portfolio
Meridian at Crown Cove	Corona del Mar, CA	AL/MC	80	1999	Kayne Anderson	$56,000,000	$700,000	Feb-19	Sold by Bridge Investment Group as part of a portfolio
Raincross at Riverside	Riverside, CA	AL/MC	92	2006	Kayne Anderson	$40,000,000	$434,782	Feb-19	Sold by Bridge Investment Group as part of a portfolio
Almond Heights Senior Living	Orangevale, CA	AL/MC	117	2015	MBK Senior Living	$31,000,000	$264,957	Feb-19	Sold by developer and operated by Milestone
Aegis of Aptos	Aptos, CA	AL/MC	89	1999	Blue Moon Capital Partners	$80,000,000	$898,876	Dec-18	Sold by Aegis Senior Communities as part of a portfolio with a 5.25% cap rate

JLL investor survey – product type desirability



Source: Spring 2019 JLL Seniors Housing Investor Survey

JLL investor survey – cap rates

	Seniors-Only Apartments				Freestanding Independent Living			
	A+	A	B	C	A+	A	B	C
Min	4.00%	4.50%	5.30%	6.00%	5.00%	5.00%	5.50%	5.80%
Max	7.00%	7.50%	9.00%	10.00%	7.00%	8.00%	9.00%	10.00%
Avg	5.40%	5.80%	6.60%	7.50%	5.70%	6.20%	6.90%	7.60%

	Independent and Assisted Living				Freestanding Assisted Living			
	A+	A	B	C	A+	A	B	C
Min	5.00%	5.30%	5.80%	6.30%	5.30%	5.30%	6.00%	6.50%
Max	7.50%	8.00%	9.00%	10.00%	10.00%	11.00%	12.00%	13.00%
Avg	6.00%	6.40%	7.10%	7.80%	6.40%	6.80%	7.40%	8.20%

	Memory Care				Nursing			
	A+	A	B	C	A+	A	B	C
Min	5.80%	6.00%	6.30%	7.00%	8.00%	[illegible]	9.50%	10.00%
Max	11.00%	12.00%	13.00%	15.00%	12.00%	[illegible]	13.00%	14.00%
Avg	7.20%	7.70%	8.30%	9.00%	10.50%	[illegible]	12.10%	13.10%

	Rental CCRC				Entry-Fee CCRC			
	A+	A	B	C	A+	A	B	C
Min	5.00%	5.50%	6.50%	7.50%	6.30%	[illegible]	7.00%	7.80%
Max	9.00%	9.50%	10.50%	11.50%	[illegible]	[illegible]	11.00%	12.00%
Avg	6.90%	7.30%	8.00%	8.90%	[illegible]	[illegible]	8.60%	9.30%

	Net Leased Seniors Housing				et Leased Nursing			
	A+	A	B	C	[illegible]	A	B	C
Min	5.00%	6.00%	7.00%	7.50%	[illegible]	[illegible]	9.00%	9.50%
Max	10.00%	11.00%	12.00%	13.00%	[illegible]	[illegible]	12.00%	13.00%
Avg	6.80%	7.20%	8.00%	8.80%	[illegible]	[illegible]	10.00%	11.10%

Likely stabilized cap rate range for the property

Source: Spring 2019 JLL Seniors Housing Investor Survey

Valuation

Rent roll summary

Bed Mix

Units	% of Total	Beds	Unit Type	SF	Total SF	Unit Status Occ	Unit Status Vac	Unit Status % Occ	Market Rent	Market PSF	Lease Rent	Lease LTL	Effective Rent	Effective PSF	Care Fees	Other Charges	Market Monthly	Market Annual
26	22%	26	AL - STU	569	14,798	25	1	96%	$3,795	$6.67	$3,701	-2.5%	$3,701	$6.50	$594	$35	$98,670	$1,184,040
66	55%	66	AL - 1BR	656	43,325	64	2	97%	$4,087	$6.23	$3,909	-4.4%	$3,909	$5.96	$495	$28	$269,770	$3,237,240
28	23%	28	AL - 2BR	1,121	31,400	28	0	100%	$5,370	$4.79	$5,281	-1.7%	$5,281	$4.71	$597	$26	$150,360	$1,804,320
120	**100%**	**120**		**746**	**89,523**	**117**	**3**	**98%**	**$4,323**	**$5.80**	**$4,193**		**$4,193**	**$5.62**	**$541**	**$29**	**$518,800**	**$6,225,600**
120	**100%**	**120**	**Assisted Living**	**746**	**89,523**	**117**	**3**	**98%**	**$4,323**	**$5.80**	**$4,193**	**-3.0%**	**$4,193**	**$5.62**	**$562**	**$29**	**$518,800**	**$6,225,600**

Unit Status

Units	Unit Status	% of Total	Market Rent	Lease Rent	LTL
117	Occupied	97.5%	$507,015	$490,587	-3.2%
3	Vacant	2.5%	$11,785	$0	-100.0%
120		**100%**	**$518,800**	**$490,587**	**-5.4%**