

INDEPENDENT DUE DILIGENCE REPORT

Maple Ridge Multifamily Portfolio | Bergen County, NJ

ENGAGEMENT DETAILS

Client: Elmwood Family Office, LLC
Report Date: March 28, 2026
Advisor: Gregory Elmiger, GERE Advisors
Engagement Type: Independent Investor DD
Report Version: Final

ADVISOR VERDICT

CONDITIONAL PROCEED

Subject to resolution of 4 pre-closing conditions. Two conditions are material and require written confirmation before the client commits capital.

Full conditions listed in Section 7.

Deal Size \$22.4M	Equity Ask \$6.8M	Asset Type Multifamily (84 units)	Market Bergen County, NJ
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Prepared for discussion purposes only.

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Executive Summary

GERE Advisors was engaged by Elmwood Family Office, LLC to conduct an independent evaluation of a proposed equity investment in the Maple Ridge Multifamily Portfolio, an 84-unit garden-style apartment community located in Ridgefield Park, Bergen County, New Jersey. The sponsor, Cornerstone Residential Partners, is seeking \$6.8M in LP equity as part of a \$22.4M acquisition at a reported going-in cap rate of 5.2%.

The investment thesis rests on three assumptions: that the submarket continues to exhibit rental demand above the national average driven by proximity to Manhattan employment; that the sponsor can execute a value add renovation program to justify projected rent increases of 18 to 22% on turned units; and that the exit cap rate of 5.0% assumed in Year 5 is achievable in that interest rate environment.

Our analysis identifies the investment as viable but not without material risk. The sponsor has a credible track record in the Bergen County submarket and the asset fundamentals are sound. However, two issues require resolution before the client commits capital: the sponsor's projected renovation cost per unit is materially below current contractor pricing in the NJ market, and the LP operating agreement contains a capital call provision with no hard cap that creates open-ended exposure for the investor. Both are addressable. Neither should be accepted as currently drafted.

<p>STRENGTHS</p> <ul style="list-style-type: none">• Sponsor track record: 4 completed NJ multifamily projects, all within budget• Submarket fundamentals: Bergen County vacancy at 3.1%, well below metro average• Asset quality: 1987 construction, no deferred maintenance flagged in Phase I• Debt terms: Fixed-rate financing at 5.75% locked for 7 years, no floating rate risk• Tenancy: 94% occupied at closing with average tenure of 3.4 years	<p>CONDITIONS / CONCERNS</p> <ul style="list-style-type: none">• Reno budget: Sponsor projects \$18,500/unit; market comps indicate \$24,000 to \$27,000• Capital call: LP agreement has no hard cap on additional capital obligations• Exit cap assumption: 5.0% exit cap in Year 5 is optimistic given current rate environment• Sponsor key person: Lead PM has no contractual lock-in; departure clause absent
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Section 1: Sponsor Assessment

1.1 Organizational Overview

Cornerstone Residential Partners (CRP) is a privately held real estate investment and management firm headquartered in Hackensack, New Jersey, founded in 2011. The firm focuses exclusively on value add multifamily acquisitions in the New York metropolitan area, with a stated emphasis on Bergen, Essex, and Hudson counties in New Jersey.

The firm is structured with a 4-person investment team and a separate 6-person property management division that handles asset management in-house. This vertical integration is a positive indicator: sponsors who manage their own assets have a stronger alignment of interest with investors than those who outsource property management to a third party.

1.2 Track Record Verification

Property	County	Acquired	Exited / Status	Result vs. Projected
Kearny Gardens (72 units)	Hudson	2013	Sold 2017	IRR 14.2% vs. 13.0% proj.
Bergen View Apts (48 units)	Bergen	2015	Sold 2019	IRR 17.8% vs. 15.5% proj.
Essex Commons (96 units)	Essex	2017	Sold 2021	IRR 12.1% vs. 13.0% proj.
Passaic Ridge (60 units)	Passaic	2020	Active	On track per Q4 2025 report
Maple Ridge (84 units - THIS)	Bergen	2026	Proposed	Under evaluation

Verification methodology: Track record was cross-referenced against NJ public property transfer records, NJDOC filings, and a direct reference call with an LP from the Bergen View transaction. No material discrepancies were identified between the sponsor's stated track record and public records.

Track Record Note

The Essex Commons project delivered a return 0.9% below projection, which the sponsor attributed to a COVID-related lease-up delay in 2020. The shortfall was modest and the explanation is credible given market conditions. This is not a red flag, but it is a data point: this sponsor has experienced one miss in four projects.

1.3 Key Person Risk

The investment is operationally dependent on Marcus Chen, CRP's Director of Asset Management, who has led property management for all four completed projects. Mr. Chen is not named in the LP operating agreement, and there is no key person provision requiring investor consent or triggering a put right if he departs. This is a condition of closing and is addressed in Section 7.

1.4 Background and Litigation Review

GERE conducted a standard background review of CRP's principal, David Nguyen, and Director of Asset Management, Marcus Chen, through public records including NJ court filings, federal court PACER search, and UCC lien database.

No criminal history, bankruptcy filings, civil judgments, or pending litigation was identified for either principal. One UCC lien filed in 2019 against CRP by a commercial lender was confirmed satisfied in 2021 and is not a concern.

1.5 Sponsor Scorecard

Category	Assessment
Track record depth and verification	Acceptable
Organizational strength	Acceptable
Market knowledge (Bergen County)	Acceptable
Key person risk management	Monitor
Transparency of disclosures	Acceptable
Reference quality	Acceptable
OVERALL SPONSOR SCORE	Credible sponsor with a documented NJ track record. Key person risk is the primary gap.

Section 2: Market and Asset Thesis

2.1 Submarket Fundamentals

Ridgefield Park, Bergen County, NJ is a well-established residential submarket located 8 miles from Midtown Manhattan. The submarket benefits from NJ Transit direct rail access (Pascack Valley Line) and has consistently exhibited rental demand above the metropolitan median, driven by commuters priced out of Hudson County and Brooklyn.

Metric	Bergen County	NJ Metro Average
Multifamily vacancy rate	3.1%	4.6%
YoY effective rent growth	+4.8%	+3.2%
Avg asking rent (2BR)	\$2,440/mo	\$2,190/mo
Net absorption (trailing 12mo)	214 units	N/A
New supply (units, 2026)	180 units	N/A
Demand/supply ratio	1.19x	N/A

The 3.1% vacancy rate is among the tightest in the New Jersey market and provides meaningful downside protection for the rent growth assumption. New supply of 180 units entering the submarket in 2026 is noted but is not material given the demand/supply ratio and the absorption pace.

2.2 Asset Overview

The Maple Ridge Portfolio consists of three adjacent buildings totaling 84 units: 28 one-bedroom units, 42 two-bedroom units, and 14 three-bedroom units. The buildings were constructed in 1987, are wood-frame construction over slab, and have been maintained in Class B condition. The Phase I Environmental Site Assessment conducted by EnviroCheck LLC in February 2026 identified no recognized environmental conditions.

Unit Mix	In-Place Rent	Sponsor Projected (Post-Reno)
1BR (28 units)	\$1,680/ month avg	\$2,050/ month avg
2BR (42 units)	\$2,150/ month avg	\$2,600/ month avg
3BR (14 units)	\$2,520/ month avg	\$2,980/ month avg
Blended avg	\$2,047/ month avg	\$2,462/ month avg
Rent delta		+\$415 /month (+20.3%)

GERE independently benchmarked the post-renovation rent projections against comparable renovated units in the Ridgefield Park, Lodi, and Garfield submarkets. The projected post-renovation rents are achievable based on current comparable transactions. The 20.3% projected rent increase is at the high end of the range observed in recent renovations but is not unreasonable for a full-gut interior renovation with in-unit washer/dryer installation.

Thesis Validation

The market and asset thesis is credible. The submarket is undersupplied, the rents are benchmarked, and the physical condition of the asset supports the renovation narrative. The thesis does not depend on heroic assumptions about demand growth.

Section 3: Financial Underwriting Review

3.1 Sources and Uses

Sources	Amount	% of Total
Senior debt (fixed, 5.75%, 7-yr)	\$14,040,000	62.7%
LP equity (investor commitment)	\$6,800,000	30.4%
GP equity / promote waiver	\$560,000	2.5%
Acquisition costs / reserves	\$1,000,000	4.4%
TOTAL	\$22,400,000	100%

3.2 Key Assumption Stress Test

Assumption	Sponsor	GERE Base	GERE Stress	Assessment
Stabilized occupancy	95.0%	93.0%	88.0%	Amber
Post-reno rent (2BR)	\$2,600	\$2,530	\$2,350	Green
Renovation cost / unit	\$18,500	\$25,000	\$28,000	Red
Exit cap rate (Yr 5)	5.00%	5.40%	5.85%	Amber
Annual rent growth (Yr 2+)	3.5%	3.0%	1.5%	Green
CapEx reserve / unit / yr	\$350	\$450	\$600	Amber

Critical Finding: Renovation Budget Understatement

The sponsor's projected renovation cost of \$18,500 per unit is materially below current market pricing. GERE obtained three independent contractor bids for comparable interior renovation scopes (kitchen, bath, flooring, fixtures, in-unit W/D) in Bergen County in Q1 2026. The range was \$23,800 to \$27,400 per unit, with an average of \$25,200. At \$18,500, the sponsor's budget is 26% below the low-end bid. A \$25,000 per unit cost assumption on 84 units adds \$546,000 to the projected renovation spend, requiring either additional equity or a reduction in the renovation scope. This must be resolved before closing.

3.3 Return Metrics and Scenario Analysis

Return Metric	Sponsor Projected	GERE Base Case	GERE Stress Case
LP IRR (5-year hold)	16.8%	13.1%	8.4%

Return Metric	Sponsor Projected	GERE Base Case	GERE Stress Case
Equity multiple (5-yr)	2.21x	1.87x	1.47x
Cash-on-cash (Yr 3)	7.2%	5.8%	3.4%
Cash-on-cash (Yr 5)	8.9%	7.1%	4.2%
Breakeven occupancy	81%	84%	84%

GERE’s base case IRR of 13.1% is a meaningful reduction from the sponsor's 16.8% projection, driven primarily by the renovation cost adjustment, a more conservative stabilized occupancy assumption (93% vs. 95%), and a 40 basis point higher exit cap rate. The base case remains an acceptable risk-adjusted return for a Class B Bergen County multifamily investment. The stress case IRR of 8.4% remains above the cost of equity capital, suggesting downside protection is adequate, though not comfortable.

Section 4: Deal Structure and Terms

4.1 Equity Structure and Waterfall

Structure Element	As Proposed	Market Benchmark
LP / GP split	90% / 10%	85-90% / 10-15%
Preferred return	7% cumulative	6-8% cumulative
Catch-up provision	None	Uncommon at this size
Promote (above pref)	20% to GP	20-25%
Management fee	2.5% of EGI	2.0-3.0%
Acquisition fee	1.0% of purchase	0.75-1.5%
Disposition fee	1.0% of sale	0.5-1.0%

The waterfall structure is within market range. The preferred return of 7% cumulative is investor-friendly. The absence of a catch-up provision means the GP does not accelerate returns to the GP before the LP achieves the preferred return, which is favorable to the investor. Fees are at the higher end of market but not outliers.

4.2 Investor Protections Review

Protection	Present?	Notes
LP removal rights (for cause)	Yes	Standard trigger provisions present.
Major decision approval rights	Yes	Sale, refi, and major CapEx >\$500K require LP consent.
Hard capital call cap	No	MATERIAL ISSUE. Capital calls have no hard cap. LP exposure is theoretically unlimited. See Section 7.
Clawback on GP promote	Yes	Standard clawback language present and enforceable.
Right of first refusal on sale	No	Absence is common in this structure. Not a deal breaker.
Audit rights	Yes	Annual audited financials and quarterly reporting required.
Key person provision	No	No key person clause for Marcus Chen. See Section 7.

Section 5: Legal and Document Review

5.1 Document Receipt Log

Document	Received	Status
Private Placement Memorandum (PPM)	Yes	Reviewed in full. No material inconsistencies.
LP Operating Agreement (final draft)	Yes	Reviewed. Capital call issue flagged.
Pro Forma (5-year)	Yes	Reviewed. Stress-tested in Section 3.
Trailing 12-Month (T-12) Financials	Yes	Provided but unaudited. Advisor verified against rent roll.
Current Rent Roll	Yes	Reviewed. Consistent with T-12.
Phase I Environmental Site Assessment	Yes	No RECs identified. EnviroCheck LLC, Feb 2026.
Property Condition Assessment (PCA)	Yes	No material deferred maintenance. RS Means-validated.
Appraisal	Yes	Desktop appraisal only. Full appraisal recommended.
Loan commitment letter	Yes	Fixed rate confirmed. Terms as represented.
Title report (preliminary)	Yes	No encumbrances. Clean chain of title.
Sponsor track record schedule	Yes	Verified against public records. No discrepancies.

5.2 Marketing vs. Document Discrepancies

GERE reviewed the pitch deck against the operative documents for consistency. Two discrepancies were identified:

1. The pitch deck states an 8% preferred return. The LP operating agreement reflects a 7% preferred return. The operative document controls. The client should confirm which figure the sponsor intends and ensure the agreement is updated to match.
2. The pitch deck references a property management fee of 2.0% of EGI. The operating agreement provides for 2.5% of EGI. This is a \$29,000 annual discrepancy at projected Year 3 EGI. Again, the operative document controls and the client should seek clarification.

For Legal Counsel

Both discrepancies identified above should be resolved by the sponsor prior to signing. GERE recommends that the client's legal counsel review the final executed LP agreement before capital is wired to confirm all terms reflect the negotiated position.

Section 6: Risk Register

Eight risk categories were evaluated. Each is rated by likelihood (probability of occurrence) and severity (impact if it occurs). The composite rating reflects the overall risk level for the investment.

Risk Category	Likelihood	Severity	Rating	GERE Notes
Renovation cost overrun	High	High	High	Budget is 26% below market bids. Cost overrun is likely, not just possible.
Capital call exposure	Moderate	High	High	No hard cap on capital calls creates open-ended LP obligation.
Exit cap rate expansion	Moderate	Moderate	Moderate	5-year rate forecast uncertain. Exit cap at 5.4% is our base; 5.85% stress tested.
Key person departure	Low	High	Moderate	Marcus Chen is critical. No contractual retention mechanism.
Lease-up velocity	Low	Moderate	Low	Submarket vacancy at 3.1% provides strong absorption cushion.
Interest rate / refi risk	Low	Moderate	Low	Debt is fixed for 7 years. No floating rate risk during hold period.
Environmental / title	Low	High	Low	Phase I clean. Title search clear. Residual risk is low.
Regulatory / zoning	Low	Low	Low	Existing use is conforming. No entitlement risk.

HIGH RISK 2 categories	MODERATE RISK 2 categories	LOW RISK 4 categories
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Section 7: Conditions and Recommendation

7.1 Pre-Closing Conditions

The following conditions must be satisfied, in writing, before the client commits capital. Conditions 1 and 2 are material and non-negotiable. Conditions 3 and 4 are important but can be accepted with appropriate documentation if the sponsor cannot fully satisfy them.

#	Condition	Responsible Party	Required By
1	MATERIAL: Sponsor must provide three independent contractor bids for the renovation scope and confirm a revised per-unit budget at or above \$23,000. If sponsor cannot reconcile the budget gap, the LP equity commitment must be adjusted to fund the shortfall, or the renovation scope must be formally reduced in writing.	Cornerstone / Sponsor	Prior to signing
2	MATERIAL: LP operating agreement must be amended to include a hard cap on aggregate capital calls at no more than 15% of the investor's original equity commitment (\$1,020,000 on a \$6.8M investment). The current unlimited capital call provision is not acceptable.	Sponsor's counsel	Prior to signing
3	LP operating agreement must be amended to include a key person provision covering Marcus Chen as Director of Asset Management, providing LP consent rights or a put right if Mr. Chen departs during the investment period.	Sponsor's counsel	Prior to signing
4	PPM and operating agreement must be conformed to reflect a consistent preferred return (7%, as per the operative document) and management fee (2.5%, as per the operative document). Pitch deck representations should be corrected.	Sponsor	Prior to signing

7.2 Final Advisor Verdict

CONDITIONAL PROCEED

GERE Advisors recommends that Elmwood Family Office proceed with this investment subject to full satisfaction of Conditions 1 and 2 prior to signing. The asset is fundamentally sound, the sponsor is credible, and the submarket supports the thesis. The identified issues are addressable and are not indicative of bad faith by the sponsor. They are the kind of gaps that independent due diligence exists to find.

If the sponsor cannot satisfy Condition 1 (renovation budget) or Condition 2 (capital call cap) within 10 business days, GERE recommends the client withdraw from the transaction. These are not negotiating positions. They are investor protections that no sophisticated LP should waive.

The GERE base-case projected LP IRR of 13.1% is an acceptable risk-adjusted return for this asset class, market, and sponsor quality, assuming the pre-closing conditions are resolved. The stress-case IRR of 8.4% confirms adequate downside protection.

7.3 Final Note

If the sponsor addresses the required conditions, the transaction remains investable in our view. The real estate appears sound, the sponsor is credible, and the market thesis is supportable. The goal of this report is to provide the client with a clear decision framework before funds are wired and before the transaction shifts from analysis to execution.

GERE's work in this engagement identified two material items that directly affect downside protection: the renovation budget appears understated relative to current market pricing, and the operating agreement leaves the investor exposed to uncapped capital calls. Those findings do not mean the transaction should be rejected. They do mean the investment should proceed only with those items resolved in writing.

This report establishes an independent analytical baseline before capital is committed. It is designed to help the client evaluate the transaction on its own merits, identify the assumptions carrying the underwriting, and distinguish between issues that are acceptable and issues that require correction before closing.

7.4 Optional Ongoing Advisory Support

If the client elects to proceed, GERE can remain engaged as an independent real estate advisor after closing. That role would not replace legal counsel, the sponsor, or property management. It would give the client a disciplined third party review function focused on execution, variance detection, capital discipline, and decision support during the hold period.

Service	Purpose	Typical deliverable	Cadence
Monthly operating review	Compare actual performance to underwriting and sponsor budget	Monthly variance memo with watchlist of revenue, expense, occupancy, and reserve items	Monthly
Renovation and CapEx oversight	Track renovation scope, cost per unit, draw requests, and schedule	Budget to actual tracker, contractor bid review, and change order commentary	Monthly or as needed
Capital call and amendment review	Evaluate sponsor requests for additional capital or document changes	Decision memo summarizing economics, risks, and recommendation	As needed
Quarterly investor review	Provide independent read on execution, leasing progress, and emerging risks	Quarterly advisory report and call with client and advisors	Quarterly

Major decision support	Review sale, refinance, large capital items, and other consent matters	Short form recommendation memo before vote or approval	As needed
Exit readiness and disposition support	Pressure test sale timing, pricing expectations, and buyer process	Exit strategy memo, broker oversight support, and buyer side diligence coordination	Pre sale period

<p>Gregory Elmiger GERE Advisors Red Bank, NJ 2026 <i>This report was prepared exclusively for Elmwood Family Office, LLC. It may not be shared, reproduced, or relied upon by any other party without the written consent of GERE Advisors.</i></p>	<p style="text-align: right;">ENGAGEMENT SUMMARY Engagement date: March 14, 2026 Report date: March 28, 2026 Documents reviewed: 11 of 11 Reference calls: 2 completed Contractor bids obtained: 3 independent</p>
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