

EXHIBIT 5

APPRAISAL REPORT

MIAMI BEACH MARINA
300-400 ALTON ROAD
MIAMI BEACH, FLORIDA 33139
CBRE FILE NO. 20-341SE-2869-1

CITY OF MIAMI BEACH, FLORIDA

May 20, 2020

Mr. Mark M. Millisits, RPA
Division Director
CITY OF MIAMI BEACH, FLORIDA
1833 Bay Road, 2nd Floor
Miami Beach, Florida 33139

RE: Appraisal of: Miami Beach Marina
300-400 Alton Road
Miami Beach, Miami-Dade County, Florida 33139
CBRE, Inc. File No. 20-341SE-2869-1

Dear Mr. Millisits:

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

The subject property is a 41.42-acre, government use zoned site with deep water ocean access and located along the west side of Alton Road in the South of 5th neighborhood on Miami Beach and fronting Biscayne Bay. Of the 41.42-acres, approximately 3.56-acres is improved uplands, while the remaining 37.85-acres is submerged land improved with a 354-wet slip marina with 20,509-linear feet of fixed pier & floating docks.

The subject property was originally developed in 1985 as a public marina with an existing 3-story, mixed-use retail/restaurant & office building totaling 68,009-SF of rentable area, a 4,769-Sf office at the base of the Icon condominium and a surface parking lot on the 3.56-acres of uplands. The uplands area is being considered for redevelopment of a new 44,880-SF retail/restaurant & office building with new green space as part of a new marina lease agreement being negotiated with the existing tenant operator identified as Miami Beach Marina Associates, Ltd. As part of the new marina lease negotiations Terra Group is negotiating to purchase 275,000-SF of residential development air rights over & above the proposed retail/restaurant & office building that is subject to a citywide voter referendum, a comprehensive land use modification and rezoning from GU, Government Use to C-PS-4, Intensive Mixed-Use Phased Bayside Commercial district.

Therefore, at the specific request of the client, we have estimated the fair market value of the residential development air rights, excluding the proposed 44,880-SF retail/restaurant & office building and new green space. We have also been requested to estimate the fair market value of

the marina lease including total submerged land and uplands; and, the allocated fair market rent for the uplands.

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

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Market Rent/ Value Conclusion
Fair Market Rent of Marina - Area 2	Leasehold Interest	May 7, 2020	10.00%
Fair Market Rent of Uplands - Areas 1 & 4	Fee Simple Estate	May 7, 2020	10.00%
Fair Market Rent of Parking Garages - Areas 3 & 4	Fee Simple Estate	May 7, 2020	35.00%
Fair Market Rent - Fuel Sales	Fee Simple Estate	May 7, 2020	\$0.04
Fair Market Rent of Marina	Leasehold & Fee Simple	May 7, 2020	\$1,999,000
Fair Market Rent - Allocated to Uplands Area 1 & 4	Fee Simple Estate	May 7, 2020	\$338,200
Net Present Value of Marina Fair Market Rent for 32-Years	Leasehold & Fee Simple	May 7, 2020	\$35,200,000
Net Present Value of Marina Fair Market Rent for 99-Years	Leasehold & Fee Simple	May 7, 2020	\$48,800,000
Fair Market Value of Residential Development Rights	Fee Simple Estate	May 7, 2020	\$80,000,000
Compiled by CBRE			

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

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

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. As a condition to being granted the status of an intended user, any intended user who has not entered into a written agreement with CBRE in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between CBRE and the client who ordered the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

Mr. Mark M. Millisits, RPA
May 20, 2020
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It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

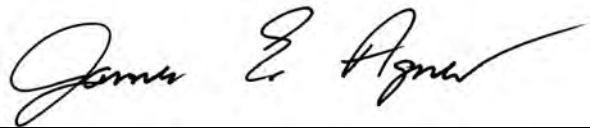
Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES



Stuart J. Lieberman, MAI
Vice President
Cert Gen RZ1074

www.cbre.com/stuart.lieberman
Phone: (305) 381-6472
Email: stuart.lieberman@cbre.com



James E. Agner, MAI, AI-GRS, SGA, MRICS
Senior Managing Director –
Florida/Caribbean
Cert Gen RZ382

www.cbre.com/james.agner
Phone: (305) 381-6480
Email: james.agner@cbre.com

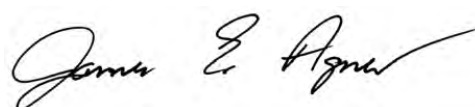
Certification

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Florida.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of this report, Stuart J. Lieberman, MAI and James E. Agner, MAI have completed the continuing education program for Designated Members of the Appraisal Institute.
11. Stuart J. Lieberman, MAI has and James E. Agner, MAI has not made a personal inspection of the property that is the subject of this report.
12. No one provided significant real property appraisal assistance to the persons signing this report.
13. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
14. Stuart J. Lieberman, MAI and James E. Agner, MAI have not provided any services regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.



Stuart J. Lieberman, MAI
Cert Gen RZ1074



James E. Agner, MAI, AI-GRS, SGA, MRICS
Cert Gen RZ382

Subject Photographs



Aerial View



Aerial View – Zoom Out to Government Cut



Marketing Aerial – As Is



Concept Residential Tower



Photo 1 – View from Alton Road



Photo 2 – View along Baywalk



Photo 3 – NW View from Alton Road



Photo 4 – SW View from Alton Road



Photo 5 – SE View of from Biscayne Bay



Photo 6 – NE View from Biscayne Bay



Photo 7 – Baywalk Looking North



Photo 8 – Baywalk Looking South



Photo 9 – Monty's Restaurant Tenant



Photo 10 – Monty's Patio Seating Area



Photo 11 – Ships Store



Photo 12 – Salon Tenant



Photo 13 – Allied Marine Office - Exterior



Photo 14 – Allied Marine Office - Interior

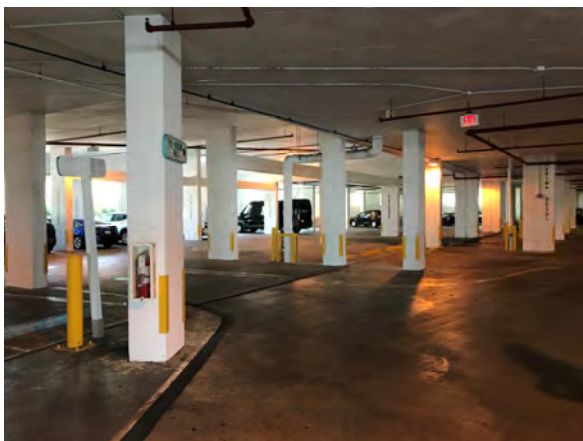


Photo 15 – Murano Grande/ICON Garage

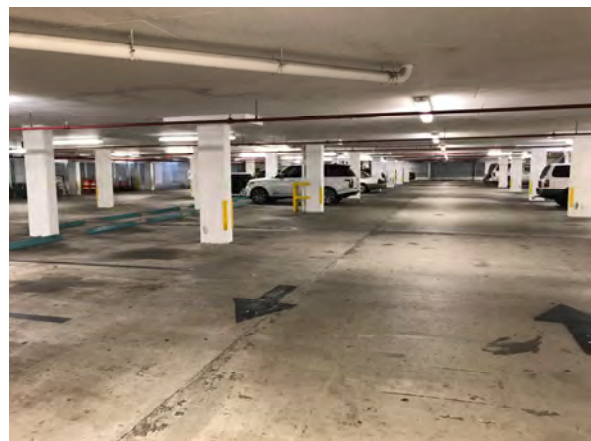


Photo 16 – Murano at Portofino Garage



Photo 17 – Fuel Tank Farm (USTs)



Photo 18 – Existing Surface Parking Lot

Executive Summary

Property Name	Miami Beach Marina		
Location	300-400 Alton Road Miami Beach, Miami-Dade County, FL 33139		
Client	City of Miami Beach, Florida		
Highest and Best Use	Mixed-use residential, retail/office & deepwater marina		
As If Vacant	Existing deepwater marina, retail/office & proposed multi-family residential uses		
As Improved	Leasehold Interest & Fee Simple Estate		
Property Rights Appraised	May 20, 2020		
Date of Report	May 7, 2020		
Date of Inspection	3 - 9 Months		
Estimated Exposure Time	3 - 9 Months		
Estimated Marketing Time	37.85 AC 1,648,937 SF		
Submerged Land Area - Leasehold Interest	3.56 AC 155,200 SF		
Uplands Land Area - Fee Simple Interest	41.42 AC 1,804,137 SF		
Submerged & Uplands - Leasehold Interest & Fee Simple Estate	GU, Government Use District		
Zoning - Existing	C-PS-4, Intensive Mixed-Use Phased Bayside Commercial		
Rezoning - Proposed	Retail/Office		
Improvements - Existing	1		
Property Type	3		
Number of Buildings	81,002 SF		
Number of Stories	68,009 SF		
Gross Building Area - Area 1	49,625 SF		
Net Rentable Building Area - Area 1	4,769 SF		
Usable Building Area - Area 1	1985 Renovated: 1994		
Net Rentable Building Area - Area 4 - Icon Condominium Office	Average		
Year Built	354 Slips		
Condition	1985 Renovated: 1994		
Wet Slip Marina - Existing	Good		
Wet Slips	Retail/Office		
Year Built/Renovated	1		
Condition	3		
Improvements - Proposed Retail/Office	49,310 SF		
Property Type	44,880 SF		
Number of Buildings	Multifamily Residential Condominium Tower		
Number of Stories	1 Tower		
Gross Building Area	15 Stories		
Net Rentable Building Area	275,000 SF		
Improvements - Proposed Residential Condominium Tower	60 Units		
Property Type	215,000 SF		
Number of Buildings	3,583 SF		
Number of Stories			
Gross Building Area			
Total Units			
Total Sellable Area			
Average Unit Size			

VALUATION

Fair Market Rent of Marina On	May 7, 2020	Total	PSF of Site	Per Slip
Income Approach - Market Rent		\$1,999,000	\$1.11	\$5,646.89
Fair Market Rent Allocation On	May 7, 2020	Total	PSF of Site	PSF of FAR
Income Approach - Allocated Market Rent to Uplands Areas 1 & 4		\$338,200	\$2.18	\$7.54
Fair Market Value of Residential Development Rights On	May 7, 2020	Total		PSF of FAR
Sales Comparison Approach		\$78,500,000		\$365.12
Income Approach - Residual Land Analysis		\$81,700,000		\$380.00

CONCLUDED MARKET VALUE

Appraisal Premise	Interest Appraised	Date of Value	Market Rent/ Value Conclusion
Fair Market Rent of Marina - Area 2	Leasehold Interest	May 7, 2020	10.00%
Fair Market Rent of Uplands - Areas 1 & 4	Fee Simple Estate	May 7, 2020	10.00%
Fair Market Rent of Parking Garages - Areas 3 & 4	Fee Simple Estate	May 7, 2020	35.00%
Fair Market Rent - Fuel Sales	Fee Simple Estate	May 7, 2020	4.00%
Fair Market Rent of Marina	Leasehold & Fee Simple	May 7, 2020	\$1,999,000
Fair Market Rent - Allocated to Uplands Area 1 & 4	Fee Simple Estate	May 7, 2020	\$338,200
Net Present Value of Marina Fair Market Rent for 32-Years	Leasehold & Fee Simple	May 7, 2020	\$35,200,000
Net Present Value of Marina Fair Market Rent for 99-Years	Leasehold & Fee Simple	May 7, 2020	\$48,800,000
Fair Market Value of Residential Development Rights	Fee Simple Estate	May 7, 2020	\$80,000,000

Compiled by CBRE

STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)**Strengths/ Opportunities**

- The subject property is part of a high density, barrier island & resort community.
- The subject property is deep water, ocean access location fronting Biscayne Bay with strategic proximity to Government Cut and the Atlantic Ocean.
- The wet slip marina has upside potential from increased services and fuel sales.
- The upland retail/office improvements are being considered for residential condominium tower, subject to voter referendum, and new mixed-use retail/office redevelopment.
- The re-opening of businesses in the wake of Covid-19 is underway.

Weaknesses/ Threats

- Management and maintenance intensive investment property.
- Lingering uncertainty and risk associated with COVID-19.

COVID-19 WARNING STATEMENT- MARKET UNCERTAINTY CLAUSE

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of

[this property] under frequent review. For the avoidance of doubt, the inclusion of the ‘material valuation uncertainty’ declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation.

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.” ¹

- Our value estimates and conclusions assume mechanical & structural integrity sufficient for continued operation and income production as a wet slip marina and there are no environmental concerns or hazards.
- The use of these extraordinary assumptions may have affected the assignment results.

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purposes of analysis.” ²

- None noted

OWNERSHIP AND PROPERTY HISTORY

Title to the subject property uplands is currently vested in the names of the City of Miami Beach and the Miami Beach Redevelopment Agency. The City of Miami Beach has been the owner since at least 1972. The submerged land owned in fee simple estate by the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida and is leased to the City of Miami Beach and the Miami Beach Redevelopment Agency via a submerged land lease, as summarized on the following page.

¹ The Appraisal Foundation, *USPAP*, 2020-2021

² The Appraisal Foundation, *USPAP*, 2020-2021

SUBMERGED LAND LEASE SUMMARY

Lessor	Board of Trustees of the Internal Improvement Trust Fund of the State of Florida		
Lessee	City of Miami Beach & Miami Beach Redevelopment Agency		
Size (SF)			1,648,937
Commence Date			4/28/2010
Expiration Date (Base Lease)			1/21/2036
Remaining Lease Term (Base Lease)			188 Months
No. & Term of Options			2 options @ 5 years
Expiration Date (Base + All Options)			12/31/2018
Remaining Lease Term (Base + All Options)			16 Months
Contract Rental Rate	<u>Total \$/Yr.</u>		<u>\$/SF/Yr.</u>
Base Rent - 2020	\$207,731		\$0.13
Escalations			Annual CPI
Use of Property	Operate existing 368-slip & 48 transient slip docking facility with boat lifts and a 3-story non-water dependent building, exclusively for mooring of commercial & recreational vessels, upland commercial marina with fueling facilities, a sewage pumpout facility, subject to Florida DEP or Dept. of Health requirements, and liveaboards.		
Change of Use	Obtain a regulatory permit/modified permit.		
Percentage Rent	Waived.		
Assignment of Lease	Requires written consent of the lessor.		
Renewal Provisions	At the sole option of the lessor.		
Source: Lease & Lease Modification			

Miami Beach Marina including the submerged land and uplands is leased to Miami Beach Marina Associates, Ltd. and is operated pursuant to a Lease Agreement dated June 24, 1983 and its subsequent First through Fourth amendments dated between October 23, 1991 and April 15, 1998. It should also be noted, the initial base term of the marina lease expires on January 1, 2022 and there is one, 30-year renewal option with an outside expiration date of December 31st, 2052. Miami Beach Marina Associates, Ltd., d/b/a Suntex Marinas acquired the leasehold interest of the property from RCI Group for an undisclosed price in the 1st quarter 2018.

As of the effective date of this appraisal and in conjunction with the scope of work, Miami Beach Marina Associates, Ltd. has requested an extension of the current marina lease term to extend from date of the prospective closing of the purchase and sale of the residential development air rights for a period of 60 years thereafter.

The residential development air rights are being negotiated with Terra Group who intends to develop 60 residential condominium units within a 275,000 gross square foot residential tower. The development concept includes the proposed 45,000-SF +/- of new retail/restaurant & office space plus two (2) acres +/- of publicly accessible open green space, including a one (1) acre at grade park, subject to the amendment & restatement of the marina lease; the agreement for purchase & sale of the residential development air rights, the voter referendum approval, comprehensive plan amendment and rezoning process. The proposed purchase price of the

residential development air rights is reported to be not less than \$50,000,000 and is subject to the public voter referendum.

In addition, the submerged lands lease with TIIF is expected to be extended to coincide with the extended term of the marina lease. However, this a separate negotiation between the City of Miami Beach and TIIF with no guarantees.

EXPOSURE/MARKETING TIME

Current appraisal guidelines require an estimate of a reasonable time period in which the subject could be brought to market and sold. This reasonable time frame can either be examined historically or prospectively. In a historical analysis, this is referred to as exposure time. Exposure time always precedes the date of value, with the underlying premise being the time a property would have been on the market prior to the date of value, such that it would sell at its appraised value as of the date of value. On a prospective basis, the term marketing time is most often used. The exposure/marketing time is a function of price, time, and use. It is not an isolated estimate of time alone. In consideration of these factors, we have analyzed the following:

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

In light of the COVID-19 pandemic, we would anticipate a slightly longer marketing period relative to the exposure period. The following table presents information derived from various sources and our conclusion. The following table presents the information derived from these sources.

EXPOSURE/MARKETING TIME DATA				
Investment Type	Exposure/Mktg. (Months)			
	Range		Average	
Comparable Sales Data - Land Sales	Off-Market	-	9.0	12.0
PwC National Land Development				
National Data	1.0	-	36.0	12.0
Local Market Professionals	3.0	-	9.0	6.0
CBRE Exposure Time Estimate	3 - 9 Months			
CBRE Marketing Period Estimate	3 - 12 Months			
Source: , CBRE National Investor Survey & RealtyRates.com Survey				

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Scope of Work

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

INTENDED USE OF REPORT

This appraisal is to be used by the client for internal decision making and negotiations for potential sell-off of the residential development rights to an interested developer and a marina lease extension with the existing lessee/operator, and no other use is permitted.

CLIENT

The client is City of Miami Beach, Florida.

INTENDED USER OF REPORT

This appraisal is to be used by City of Miami Beach, Florida, and no other user may rely on our report unless as specifically indicated in the report.

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

PURPOSE OF THE APPRAISAL

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

DEFINITION OF VALUE

The current economic definition of market value agreed upon by agencies that regulate federal financial institutions in the U.S. (and used herein) is as follows:

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

³ Appraisal Institute, The Appraisal of Real Estate, 14th ed. (Chicago: Appraisal Institute, 2013), 50.

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

INTEREST APPRAISED

The value estimated represents the Fee Simple Estate of the uplands and the Leasehold Interest in the submerged land as defined below:

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

Leased Fee Interest - The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires⁶

Leasehold Interest - The tenant's possessory interest created by a lease.⁷

Extent to Which the Property is Identified

The property is identified through the following sources:

- postal address
- assessor's records
- legal description

Extent to Which the Property is Inspected

The extent of the inspection included the following: interior and exterior areas and the surrounding environ.

Type and Extent of the Data Researched

CBRE reviewed the following:

- applicable tax data
- zoning requirements
- flood zone status
- demographics
- income and expense data

⁴ Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472.

⁵ Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015), 90.

⁶ Dictionary of Real Estate Appraisal, 128.

⁷ Dictionary of Real Estate Appraisal, 128.

- comparable sale, listing & rental data

Type and Extent of Analysis Applied

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. The steps required to complete each approach are discussed in the methodology section.

Data Resources Utilized in the Analysis

DATA SOURCES	
Item:	Source(s):
Site Data	
Size	Legal description, survey, submerged land lease, marina operator lease and declaration of condominium (for parking)
Improved Data	
Building Area	Floor plan measurements by Florida Measures
No. Bldgs.	Property inspection, survey and declaration of condominium (for parking)
Parking Spaces	Survey, field count and declaration of condominium
Year Built/Developed	Public records
Economic Data	
Deferred Maintenance:	Property inspection
Building Costs:	Marshall Valuation Service (MVS)
Income Data:	Revenue audit, marina rent roll & rate sheet, retail/office rent roll and market data
Expense Data:	Market data
Compiled by CBRE	

APPRAISAL METHODOLOGY

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

Cost Approach

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

Sales Comparison Approach

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons.

Income Capitalization Approach

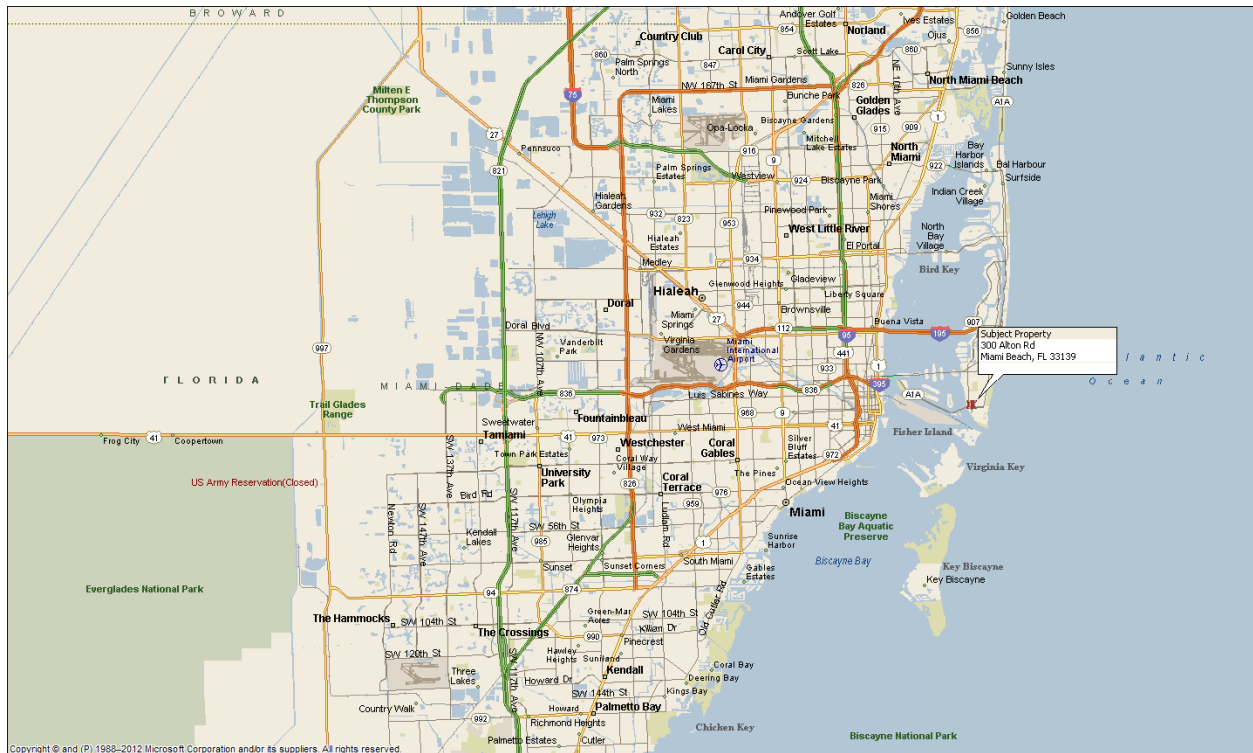
The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

Methodology Applicable to the Subject

At the specific request of the client, we have estimated the fair market value of the residential development air rights via the sales comparison approach and residual land analysis via the income approach. We have also employed the income approach for valuing the fair market rent of the marina lease.

The cost approach is not applicable in valuing the leasehold interest of the marina lease because the leasehold improvements belong to the tenant, not the fee simple or leased fee property owner. The exclusion of said approach(s) is not considered to compromise the credibility of the results rendered herein.

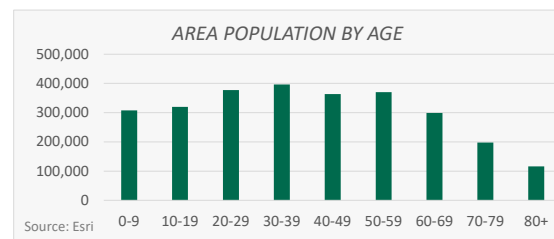
Area Analysis



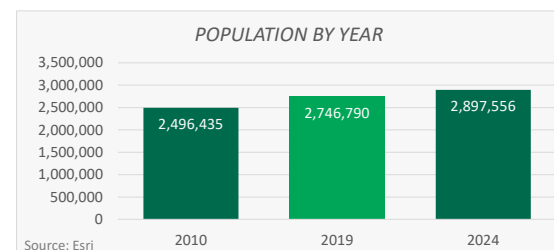
The subject is located in Miami-Dade County. Key information about the area is provided in the following tables.

POPULATION

The area has a population of 2,746,790 and a median age of 39, with the largest population group in the 30-39 age range and the smallest population in 80+ age range.

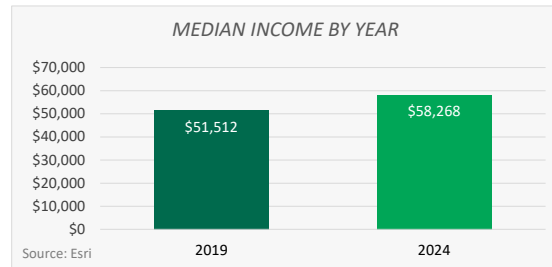


Population has increased by 250,355 since 2010, reflecting an annual increase of 1.1%. Population is projected to increase by an additional 150,766 by 2024, reflecting 1.1% annual population growth.



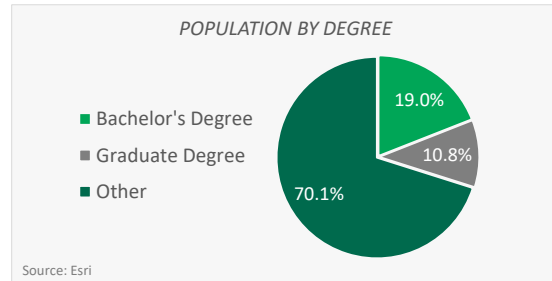
INCOME

The area features an average household income of \$77,008 and a median household income of \$51,512. Over the next five years, median household income is expected to increase by 13.1%, or \$1,351 per annum.

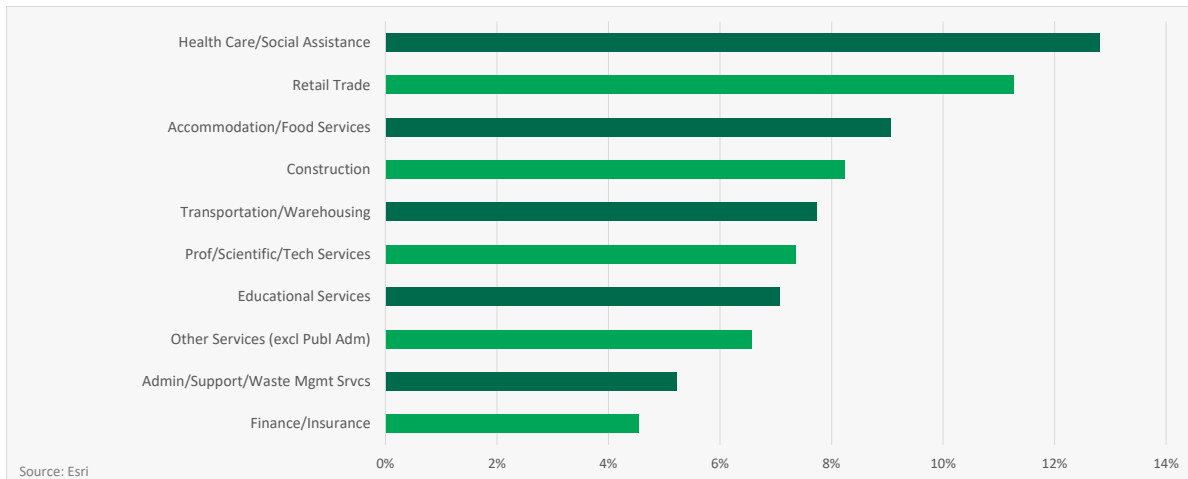


EDUCATION

A total of 29.9% of individuals over the age of 24 have a college degree, with 19.0% holding a bachelor's degree and 10.8% holding a graduate degree.



EMPLOYMENT



The area includes a total of 1,389,050 employees and has a 4.4% unemployment rate. The top three industries within the area are Health Care/Social Assistance, Retail Trade and Accommodation/Food Services, which represent a combined total of 33% of the population.

MIAMI-DADE COUNTY LABOR MARKET

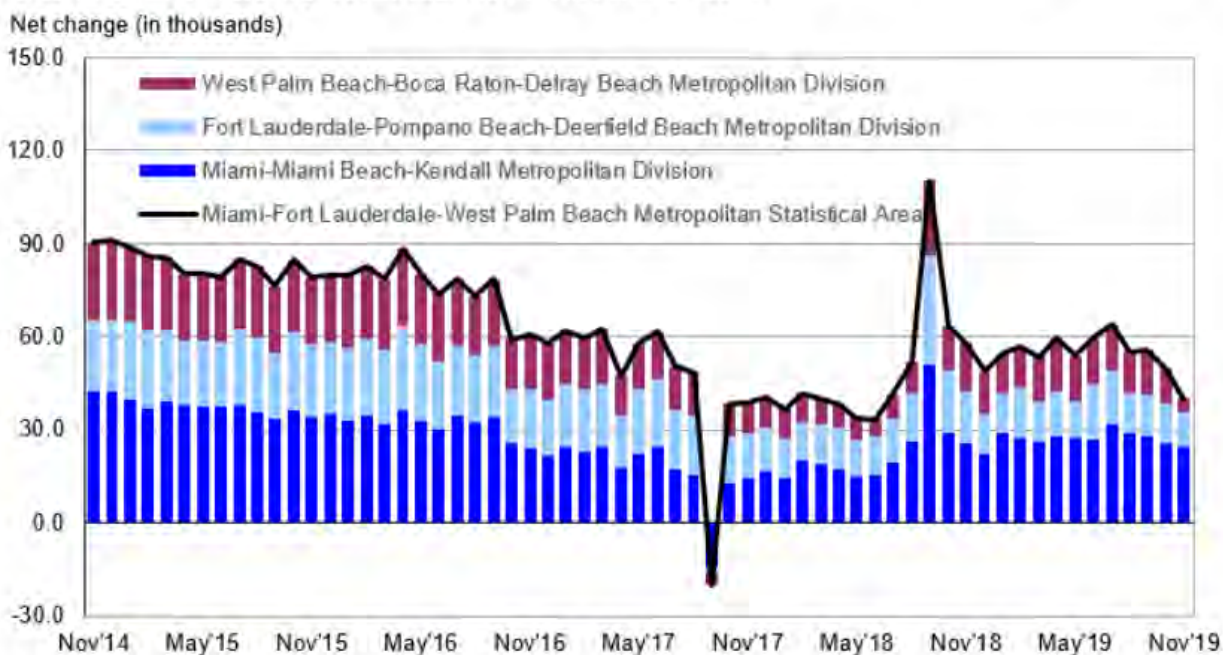


MIAMI-FORT LAUDERDALE-WEST PALM BEACH MSA EMPLOYMENT

Miami Area Employment – November 2019 Local Rate of Employment Growth Similar to the National Average

Total nonfarm employment for the Miami-Fort Lauderdale-West Palm Beach, FL Metropolitan Statistical Area stood at 2,775,100 in November 2019, up 40,100, or 1.5 percent, over the year, the U.S. Bureau of Labor Statistics reported today. During the same period, the national rate of job growth was 1.5 percent. Regional Commissioner Janet S. Rankin noted that the Miami area has had over-the-year employment gains exceeding 40,000 each month since July 2018. (See [chart 1](#) and [table 1](#); the [Technical Note](#) at the end of this release contains metropolitan area definitions. All data in this release are not seasonally adjusted; accordingly, over-the-year analysis is used throughout.)

Chart 1. Total nonfarm employment, over-the-year net change in the Miami metropolitan area and its divisions, November 2014–November 2019



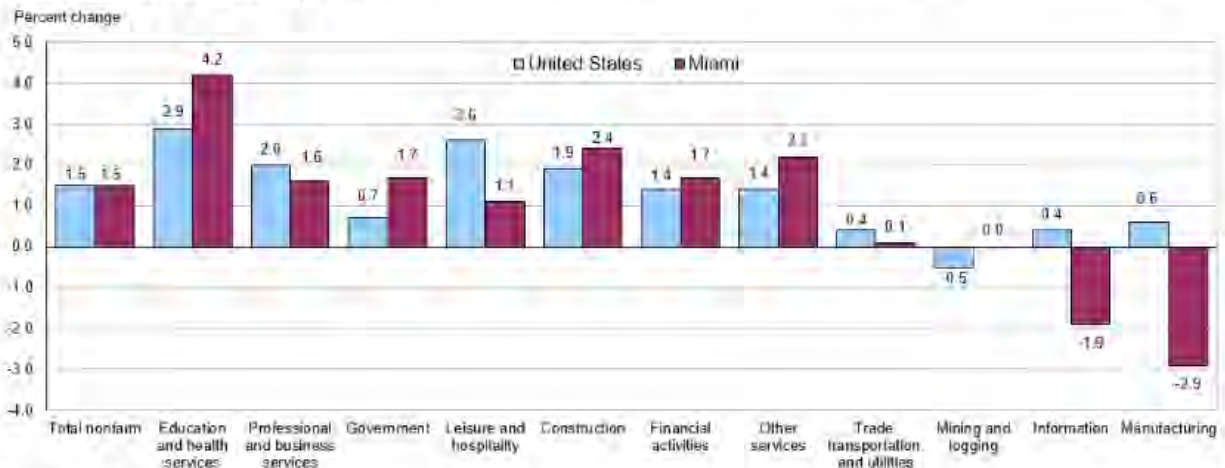
Source: U.S. Bureau of Labor Statistics.

The Miami area is made up of three metropolitan divisions—separately identifiable employment centers within the larger metropolitan area. All three divisions gained jobs over the year. Miami-Miami Beach-Kendall, the largest of the three divisions with 45 percent of the area's employment, added 24,700 jobs from November a year ago. The Fort Lauderdale-Pompano Beach-Deerfield Beach Division, which accounted for 32 percent of Miami area's workforce, gained 11,200 jobs, while the West Palm Beach-Boca Raton-DeLray Beach Division added 4,200 jobs over the 12-month period.

Industry employment

Three industry supersectors accounted for almost three-quarters of the jobs gained in the Miami area from November 2018 to November 2019: education and health services, professional and business services, and government. Miami's education and health services industry had the largest over-the-year increase in the local area in November 2019, adding 17,200 jobs, a 4.2-percent rate of job growth. All three metropolitan divisions gained jobs in this industry since November 2018, with the largest increase in the Miami metropolitan division (+13,000). Nationally, employment in education and health services was up 2.9 percent over the year. (See [chart 2](#).)

Chart 2. Total nonfarm and selected industry supersector employment, over-the-year percent change, United States and the Miami metropolitan area, November 2019



Source: U.S. Bureau of Labor Statistics.

The professional and business services sector in the Miami area added 7,300 jobs, a 1.6-percent gain over the 12-month period. All three metropolitan divisions gained jobs in this sector from November 2018 to November 2019. Nationally, the rate of job growth in professional and business services was 2.0 percent.

Miami's government sector added 5,300 jobs in November 2019, up 1.7 percent. Over the year, two of the three metropolitan divisions gained jobs in this sector. Nationally, employment in government was up 0.7 percent.

Since November 2018, two industry supersectors in the Miami area each lost 1,000 or more jobs: manufacturing (-2,700; -2.9 percent) and information (-1,000; -1.9 percent). Nationally, employment rose in manufacturing and information, up 0.6 percent and 0.4 percent, respectively.

Employment in the 12 largest metropolitan areas

Miami-Fort Lauderdale-West Palm Beach was 1 of the nation's 12 largest metropolitan statistical areas in November 2019. All 12 areas had over-the-year job growth during the period, with the rates of job growth in 8 areas at or above the national average of 1.5 percent. Dallas-Fort Worth-Arlington had the fastest rate of

job growth, up 3.2 percent, followed by Houston-The Woodlands-Sugar Land (+2.7 percent), and Phoenix-Mesa-Scottsdale (+2.6 percent). Chicago-Naperville-Elgin (+0.6 percent) had the slowest rate of job growth. (See chart 3 and table 2.)

Chart 3. Total nonfarm employment, over-the-year percent change, United States and 12 largest metropolitan areas, November 2019



Source: U.S. Bureau of Labor Statistics

Dallas added the largest number of jobs over the year, 120,700, followed by New York-Newark-Jersey City with 99,400 jobs. Chicago had the smallest employment gain over the year, adding 28,600 jobs, followed by Philadelphia-Camden-Wilmington with 29,000 jobs. Annual job gains in the remaining eight metropolitan areas ranged from 96,000 in Los Angeles-Long Beach-Anaheim to 39,000 in Boston-Cambridge-Nashua.

Over the year, education and health services added the most jobs in seven areas: Atlanta-Sandy Springs-Roswell, Boston, Chicago, Los Angeles, Miami, New York, and Phoenix. Professional and business services added the most jobs in the five remaining areas: Dallas, Houston, Philadelphia, San Francisco-Oakland-Hayward, and Washington-Arlington-Alexandria.

The information sector lost the most jobs in three areas: Houston, Phoenix, and Washington. Atlanta and Dallas were the only areas to have no job losses in any supersector from November 2018 to November 2019.

Table 1. Employees on nonfarm payrolls by industry supersector, United States and the Miami metropolitan area and its components, not seasonally adjusted (numbers in thousands)

Area and Industry	Nov 2018	Sept 2019	Oct 2019	Nov 2019(p)	Nov 2018 to Nov 2019(p)	
					Net change	Percent change
United States						
Total nonfarm.....	151,375	152,016	153,002	153,624	2,249	1.5
Mining and logging	751	754	760	747	-4	-0.5
Construction	7,457	7,697	7,715	7,602	145	1.9
Manufacturing.....	12,783	12,884	12,819	12,862	79	0.6
Trade, transportation, and utilities	28,387	27,703	27,914	28,500	113	0.4
Information	2,854	2,822	2,828	2,865	11	0.4
Financial activities	8,609	8,705	8,732	8,728	119	1.4
Professional and business services	21,444	21,625	21,825	21,869	425	2.0
Education and health services	24,089	24,349	24,652	24,784	695	2.9
Leisure and hospitality.....	16,182	16,922	16,806	16,601	419	2.6
Other services	5,859	5,933	5,945	5,942	83	1.4
Government.....	22,960	22,622	23,006	23,124	164	0.7
Miami-Fort Lauderdale-West Palm Beach, FL Metropolitan Statistical Area						
Total nonfarm.....	2,735.0	2,730.9	2,755.3	2,775.1	40.1	1.5
Mining and logging	0.7	0.7	0.7	0.7	0.0	0.0
Construction	141.6	144.8	144.9	145.0	3.4	2.4
Manufacturing.....	92.0	90.0	89.7	89.3	-2.7	-2.9
Trade, transportation, and utilities	625.4	606.3	614.4	626.2	0.8	0.1
Information	51.7	49.9	50.3	50.7	-1.0	-1.9
Financial activities	186.1	187.4	188.5	189.3	3.2	1.7
Professional and business services	454.6	463.0	463.4	461.9	7.3	1.6
Education and health services	407.7	419.1	424.5	424.9	17.2	4.2
Leisure and hospitality.....	332.6	326.6	330.5	336.4	3.8	1.1
Other services	124.5	125.5	126.1	127.3	2.8	2.2
Government.....	318.1	317.6	322.3	323.4	5.3	1.7
Miami-Miami Beach-Kendall, FL Metropolitan Division						
Total nonfarm.....	1,220.9	1,225.1	1,235.5	1,245.6	24.7	2.0
Mining and logging	0.5	0.5	0.5	0.5	0.0	0.0
Construction	54.0	56.2	55.4	55.7	1.7	3.1
Manufacturing.....	42.4	40.9	40.1	39.9	-2.5	-5.9
Trade, transportation, and utilities	306.8	301.4	305.1	310.8	4.0	1.3
Information	20.3	19.8	19.9	20.1	-0.2	-1.0
Financial activities	81.2	79.5	79.9	80.8	-0.4	-0.5
Professional and business services	182.4	185.9	186.3	185.0	2.6	1.4
Education and health services	190.5	198.7	201.9	203.5	13.0	6.8
Leisure and hospitality.....	145.2	145.1	146.5	148.6	3.4	2.3
Other services	52.3	53.4	53.0	53.1	0.8	1.5
Government.....	145.3	143.7	146.9	147.6	2.3	1.6
Fort Lauderdale-Pompano Beach-Deerfield Beach, FL Metropolitan Division						
Total nonfarm.....	868.3	866.5	874.4	879.5	11.2	1.3
Construction	48.8	49.0	49.0	48.9	0.1	0.2
Manufacturing.....	28.6	28.3	28.5	28.1	-0.5	-1.7
Trade, transportation, and utilities	197.7	188.8	191.9	196.3	-1.4	-0.7
Information	20.5	20.0	20.2	20.3	-0.2	-1.0
Financial activities	61.7	64.0	64.1	64.0	2.3	3.7
Professional and business services	156.5	157.3	158.8	159.3	2.8	1.8
Education and health services	113.6	116.6	117.8	116.9	3.3	2.9
Leisure and hospitality.....	95.1	95.5	95.9	96.7	1.6	1.7
Other services	39.2	41.3	41.8	42.6	3.4	8.7
Government.....	106.5	105.6	106.3	106.3	-0.2	-0.2

Note: See footnotes at end of table.

Table 1. Employees on nonfarm payrolls by industry supersector, United States and the Miami metropolitan area and its components, not seasonally adjusted (numbers in thousands) - Continued

Area and Industry	Nov 2018	Sept 2019	Oct 2019	Nov 2019(p)	Nov 2018 to Nov 2019(p)	
					Net change	Percent change
West Palm Beach-Boca Raton-Delray Beach, FL Metropolitan Division						
Total nonfarm.....	645.8	639.3	645.4	650.0	4.2	0.7
Construction	38.8	39.6	40.5	40.4	1.6	4.1
Manufacturing.....	21.0	20.8	21.1	21.3	0.3	1.4
Trade, transportation, and utilities	120.9	116.1	117.4	119.1	-1.8	-1.5
Information	10.9	10.1	10.2	10.3	-0.6	-5.5
Financial activities	43.2	43.9	44.5	44.5	1.3	3.0
Professional and business services	115.7	119.8	118.3	117.6	1.9	1.6
Education and health services	103.6	103.8	104.8	104.5	0.9	0.9
Leisure and hospitality.....	92.3	86.0	88.1	91.1	-1.2	-1.3
Other services	33.0	30.8	31.3	31.6	-1.4	-4.2
Government.....	66.3	68.3	69.1	69.5	3.2	4.8

Footnotes

(p) Preliminary

MIAMI-DADE COUNTY TOP PRIVATE EMPLOYERS

COMPANY	NO. OF EMPLOYEES	INDUSTRY
Baptist Health South Florida	11,353	Health Care
University of Miami	12,818	Education
American Airlines	11,031	Aviation
Florida Power & Light Company	3,011	Utility
Carnival Cruise Lines	3,500	Hospitality and Tourism
Mount Sinai Medical Center	3,321	Health Care
Miami Childrens Hospital	3,500	Health Care
Royal Caribbean International/Celebrity Cruises	2,989	Hospitality and Tourism
Bank of America Merrill Lynch	2,000	Banking and Finance
Wells Fargo	2,050	Banking and Finance
LATAM Airlines/Lan Cargo	900	Aviation
AAR Corp.- Aircraft Services	1,160	Aviation
N.C.L. Corporation	1,049	Hospitality and Tourism
Federal Express	1,161	Trade and Logistics
Eulen America	1,205	Professional Services
Ryder Integrated Logistics	1,106	Trade and Logistics
Miami Herald Publishing Co.	635	Publishing
CitiBank	1,000	Banking and Finance
Fountainbleau Miami Beach	1,987	Hospitality & Tourism

Source: The Beacon Council

MIAMI-DADE COUNTY TOP PUBLIC EMPLOYERS

COMPANY	NO. OF EMPLOYEES	INDUSTRY
Miami-Dade County Public Schools	33,477	Education
Miami-Dade County	25,502	Local Government
Federal Government	19,200	National Government
Florida State Government	17,100	State Government
Jackson Health System	9,797	Health Care
Florida International University	3,534	Education
Miami Dade College	2,390	Education
City of Miami	3,997	Local Government
Homestead AFB	3,250	Military
Miami VA Healthcare System	2,500	Health Care
City of Miami Beach	1,971	Local Government
U.S. Southern Command	1,600	Military
City of Hialeah	1,578	Local Government
City of North Miami Beach	420	Local Government
City of Coral Gables	730	Local Government

OPENING DAY

Growth in nonresidential construction jobs will also be robust because groundbreakings on major projects have become routine in MIA. Phase one of the MiamiCentral train station, which will eventually connect a new intercity train line with local transit options, debuted in May. Adjacent to the station, the \$2 billion Miami Worldcenter is transforming 27 acres of parking lots into a vast collection of residential, retail, office and hotel buildings. Over the next few years, the "tallest building in Florida" distinction will pass among multiple skyscrapers in downtown Miami. And county commissioners recently gave final approval to a \$4 billion mega-mall that will be America's largest shopping complex if it is completed as planned.

CONCLUSION

The economy in Miami-Dade County will continue to experience an increase in population, an increase in household income, and an increase in household values. In addition, MIA's international character and its high-skilled, bilingual workforce will help it exceed the U.S. in income growth over the long term.

Neighborhood Analysis



LOCATION

The subject property is located along the west side of Alton Road and fronting Biscayne Bay in the South of 5th neighborhood of South Beach in the City of Miami Beach, Miami-Dade County, Florida 33139. The City of Miami Beach is a barrier island approximately one mile wide, ten miles long and extends in a north-south direction along the eastern seaboard parallel to mainland Miami-Dade County between Biscayne Bay and the Atlantic Ocean. The subject is located approximately 5 miles northeast of the Miami Central Business District (CBD).

BOUNDARIES

The subject property is located in the "South Beach" area of Miami Beach, which is bounded by Arthur Godfrey Road to the north, Biscayne Bay to the west, the Atlantic Ocean to the east and Government Cut to the south. The neighborhood boundaries may be generally described as follows:

North:	Arthur Godfrey Road
South:	Atlantic Ocean/Government Cut
East:	Atlantic Ocean/beach
West:	Biscayne Bay

LAND USE

Land uses within the subject neighborhood consist of a wide variety of commercial and residential developments. Residential uses are largely concentrated west of Washington Avenue, with retail and office uses clustered along the Alton Road, 5th Street and Dade Boulevard/Venetian Causeway corridors, as well as the pedestrian-only areas of Lincoln Road Mall. Hotels, condominiums, restaurants and retail are primarily concentrated along Collins Avenue and Ocean Drive with additional retail uses, nightclubs and restaurants on Washington Avenue. Residential uses in the neighborhood are primarily multifamily in design, with smaller buildings housing from eight to 80 units in one- to eight-story buildings. The exception to this situation is found along the Atlantic Ocean/beach and Biscayne Bay shorelines, where several large-scale multifamily residential projects are located, including rental apartments and condominiums.

Land uses in the immediate vicinity of the subject include high density, residential condominium towers including the Murano Grande at Portofino (2003), Icon South Beach (2005), The Yacht Club (1999) and Murano Portofino (2002), which line the west side of Alton Road and front Biscayne Bay. Across the street from the subject property on the east side of Alton Road is the South Pointe Elementary School, several blocks of low-to-mid-rise residential apartment, condominium and hotel properties than Ocean Drive and the Atlantic Ocean front with beach front resort hotels.

The subject location is also identified as the South of Fifth submarket (a.k.a. SoFi) and is an affluent neighborhood in South Beach that spans from South Pointe Park north to fifth street and east-west from Biscayne Bay to the Atlantic Ocean.

Several notable features of the neighborhood include the South Pointe Park, a 17-acre park and bay front promenade that features a play area, open green space and walkways for outdoor exercising and direct access to the beach. There are also several well-known restaurants including the historic Smith & Wollensky, Joe's Stone Crab, Prime 112, Prime Italian and Milos.

The South of Fifth residential condominium tower is well known for luxury with Glass, Portofino Tower, Apogee South Beach, Icon, Murano Grande, Murano at Portofino, Continuum Towers, Ocean House, South Pointe Tower and the Yacht Club at Portofino.

The Miami Beach market north of 5th Street is anchored by the Lincoln Road Mall. The Lincoln Road pedestrian mall runs east-west from Collins Avenue to Alton Road between 16th and 17th Streets with storefronts on Lincoln Road and to a lesser extent along the side streets.



Since the capital improvement project in 1996, Lincoln Road has experienced substantial changes in tenant mix, including more restaurants and sidewalk cafes, and a shift to traditional retail shopping. At the west end of the mall, Regal Cinema opened an 18-screen stadium style movie theater in 1999. This development was strongly supported by the local municipality and has proved vital in attracting national retailers, such as Banana Republic, Pottery Barn, Williams-Sonoma, Bebe, Swatch, Victoria's Secret's, Ann Taylor Loft, Sunglass Hut, Anthropologie, Books & Books, Chicos, Foot Locker, I. Strada, Morgan Miller, Payless ShoeSource, Quicksilver, White House/Black Market and Express to the pedestrian promenade. The addition of the Regal Cinemas solidified the Lincoln Road redevelopment and began to make it very attractive to the national retailers and high-end restaurateurs. While Lincoln Road is in and of itself a destination location, the cinemas also serve to attract year-round Miami-Dade residents to Lincoln Road. The Regal Cinemas is one of the most heavily patronized cinemas in South Florida.

Anchoring the east end of Lincoln Road Mall was the former New World Symphony which was housed within the subject property, also known as the Lincoln Theatre building. Established in 1987 under the artistic direction of Michael Tilson Thomas, the New World Symphony provides an instructional program to prepare graduates of distinguished music programs for leadership positions in orchestras and ensembles around the world. The New World Symphony recently relocated to 500 17th Street, just north of the subject's Lincoln Theatre location into a Frank Gehry designed concert hall and a 7,000 square foot projection wall on which concerts, video art

and films are shown free-of-charge to audiences in Soundscape, a 2.5-acre public park, designed by Dutch architectural firm West 8.

Other primary influences in close proximity to the subject also include the Miami Beach Convention Center which provides about one million square feet of exhibition space and meeting hall facilities and is rated as one of the top convention centers in the United States; the Jackie Gleason Theater of the Performing Arts at the intersection of Washington Avenue and 17th Street; Alton Road, a commercially oriented, north-south primary arterial street; and the aforementioned Lincoln Road Pedestrian Mall which provides retail shops, restaurants, cafés and a movie theater complex located at Lincoln Road and Alton Road, just southwest of the subject property.

To the east is Ocean Drive, which runs parallel to the Atlantic Ocean and South Beach and is one of the area's premier attractions. The pristine beaches and warm waters of the Atlantic Ocean are to the east side of Ocean Drive, while a host of al fresco dining establishments and some of Florida's most luxurious, high-end hotels such as the Ritz-Carlton, The Delano, The Setai, The Shore Club and The Tides.

ACCESS

Overall, access to and throughout the subject neighborhood is considered good. The major east-west thoroughfares providing direct access to the subject area from the Miami mainland include the Venetian Causeway that becomes 17th Street, located immediately north of the subject; 5th Street/MacArthur Causeway (US Highway No. 41/State Road A1A), located roughly two miles south of the subject property; and Arthur Godfrey/Julia Tuttle Causeway (I-195 located approximately two miles north of the subject property). The Miami Tunnel opened in 2014 to alleviate congestion from PortMiami along the MacArthur Causeway. These arteries connect South Beach to mainland Miami to the west, as well as intersect with the primary north-south arteries of Alton Road, Collins Avenue, Washington Avenue and Ocean Drive.

Interstate 95 is the major north-south expressway providing direct access to Miami-Dade County, as well as points north along the eastern seaboard. Biscayne Boulevard (U.S. Highway No. 1) is a well-traveled artery providing north-south access from S.E. 3rd street in downtown Miami to the Broward County line to the north. Direct access to the subject property is provided via Lenox Avenue which acts as the subject's western boundary line and is a two-way, two-lane, north-south city street. The immediate subject area has average access via the local artery/highway network, and good access to the area business and commercial community.

In addition to the existing access points, there is a proposal to connect Miami Beach with downtown Miami via a monorail line. The elevated monorail would include three (3) stations and run along the south side of the MacArthur Causeway. One station would be built on the Miami side of the line and close to where the causeway begins, while the other two stations would be on Miami Beach near the end of the causeway, and the other at the intersection of Washington Avenue and 5th Street.

DEMOGRAPHICS

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

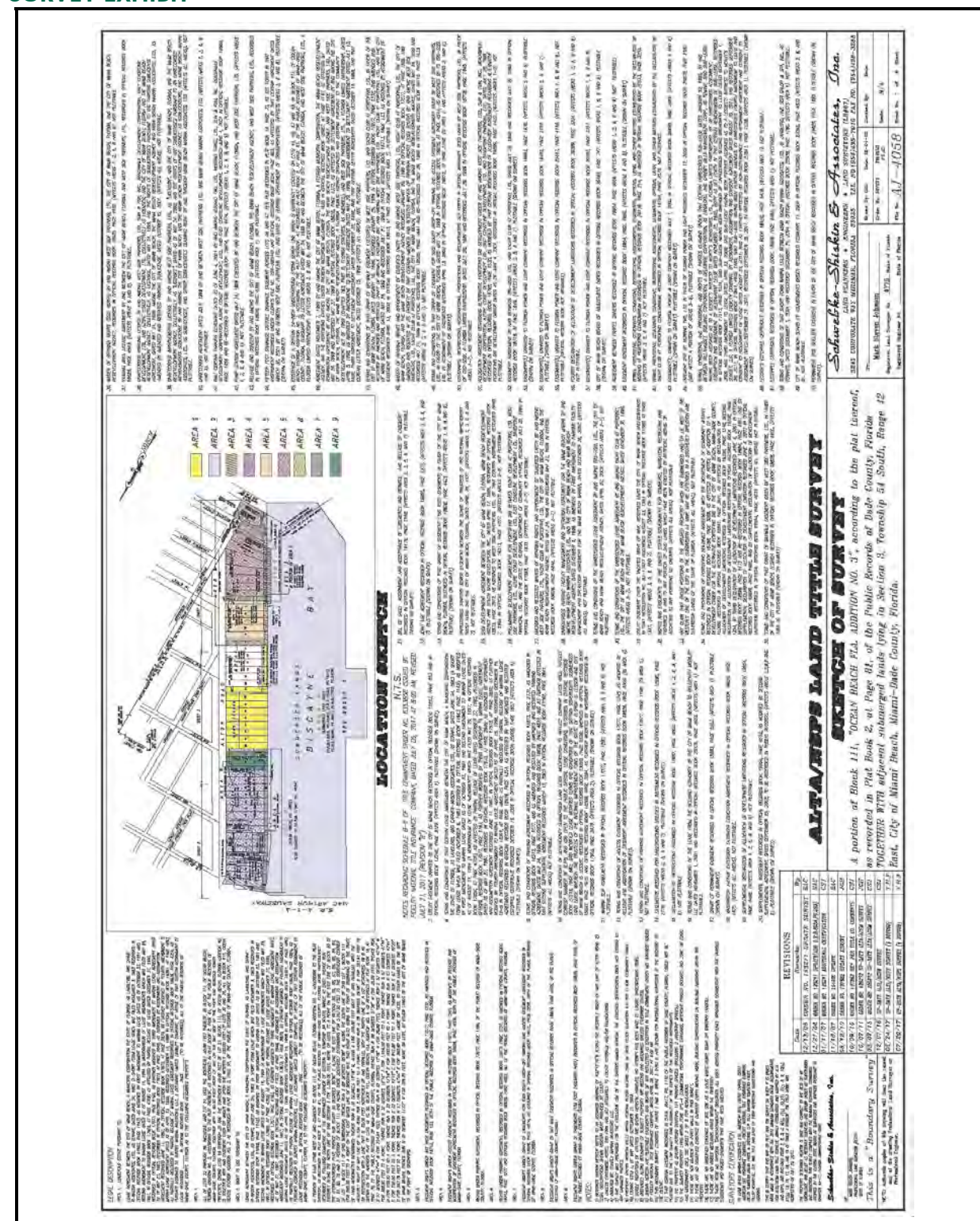
SELECTED NEIGHBORHOOD DEMOGRAPHICS						
300-400 Alton Road Miami Beach, FL 33139	1 Mile Radius	3 Mile Radius	5 Mile Radius	33139 - Miami Beach	Florida	Miami-Dade County
Population						
2024 Total Population	22,558	57,478	256,547	41,746	22,730,808	2,897,556
2019 Total Population	21,809	55,483	231,768	40,375	21,239,528	2,746,790
2010 Total Population	20,851	52,803	190,676	38,623	18,801,310	2,496,435
2000 Total Population	20,808	49,114	159,277	38,343	15,982,378	30,982
Annual Growth 2019 - 2024	0.68%	0.71%	2.05%	0.67%	1.37%	1.07%
Annual Growth 2010 - 2019	0.50%	0.55%	2.19%	0.49%	1.36%	1.07%
Annual Growth 2000 - 2010	0.02%	0.73%	1.82%	0.07%	1.64%	N/A
Households						
2024 Total Households	13,593	32,828	126,075	24,910	8,856,707	997,645
2019 Total Households	13,216	31,880	113,893	24,224	8,299,404	947,594
2010 Total Households	12,851	30,848	92,596	23,514	7,420,802	867,352
2000 Total Households	12,841	28,872	73,467	23,415	6,337,929	776,774
Annual Growth 2019 - 2024	0.56%	0.59%	2.05%	0.56%	1.31%	1.03%
Annual Growth 2010 - 2019	0.31%	0.37%	2.33%	0.33%	1.25%	0.99%
Annual Growth 2000 - 2010	0.01%	0.66%	2.34%	0.04%	1.59%	1.11%
Income						
2019 Median Household Income	\$48,063	\$59,343	\$52,799	\$54,892	\$54,238	\$51,512
2019 Average Household Income	\$80,120	\$98,342	\$86,444	\$90,459	\$78,335	\$77,008
2019 Per Capita Income	\$48,625	\$56,542	\$42,684	\$54,363	\$30,703	\$26,621
2019 Pop 25+ College Graduates	9,337	25,311	82,685	17,883	4,644,912	581,909
Age 25+ Percent College Graduates - 2019	50.0%	55.0%	46.3%	52.1%	30.3%	29.9%

Source: ESRI

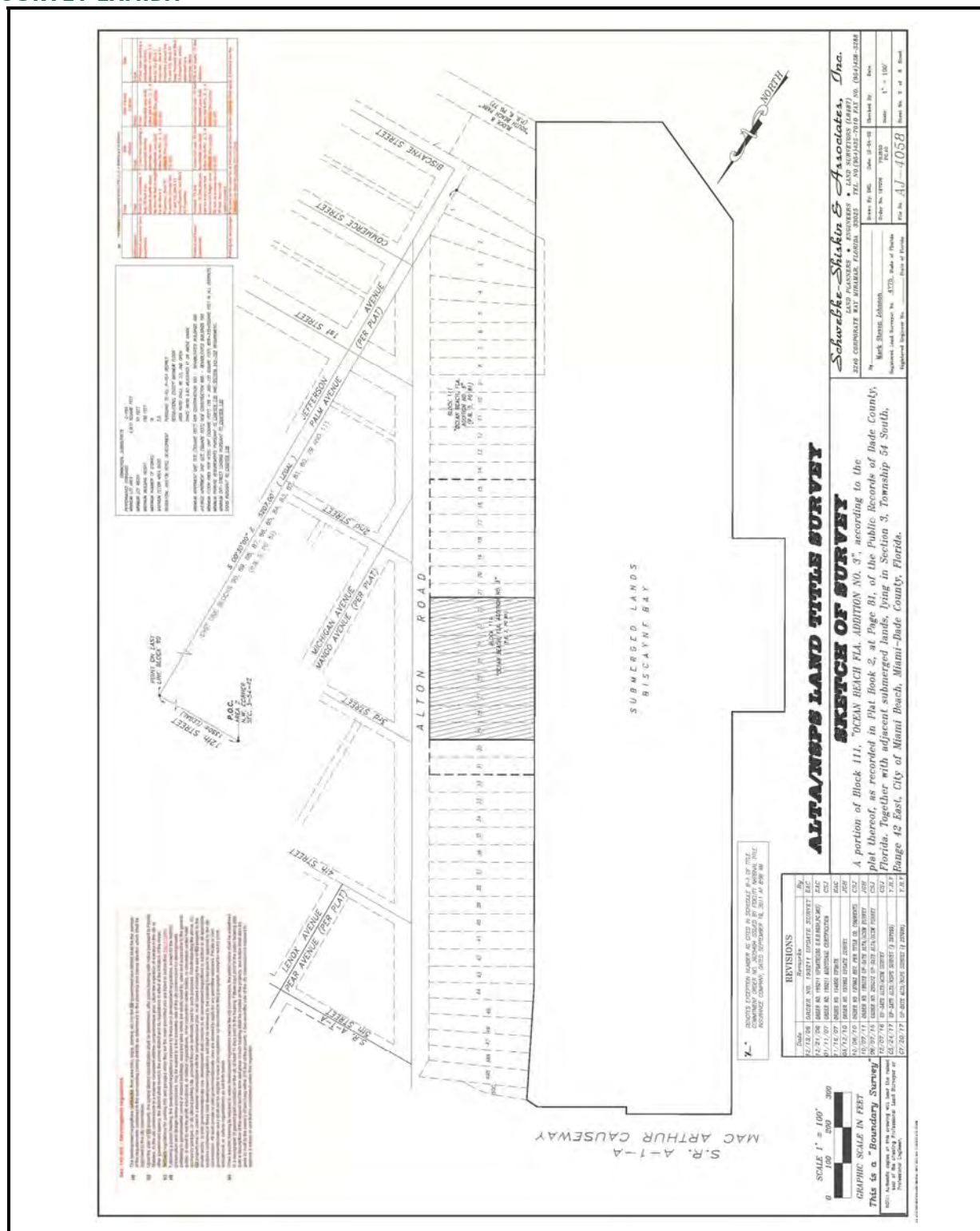
CONCLUSION

The neighborhood is expected to have growth in population and households through high density, in-fill redevelopment opportunities and reflects a middle-to-upper-middle-income demographic profile. The outlook for the neighborhood is for favorable performance over the foreseeable future. Many neighborhood improvements are new and in good-to-excellent condition. Access to the neighborhood is good and utility services are adequate. Supporting commercial uses are good and surrounding land uses are compatible. Overall, it is our opinion that the subject neighborhood will continue to remain a very desirable area, with continued potential for appreciation. In addition, the Miami Beach submarket is a destination resort community and international "hot spot" that continues to flourish over the long term despite adverse macro-economic cycles.

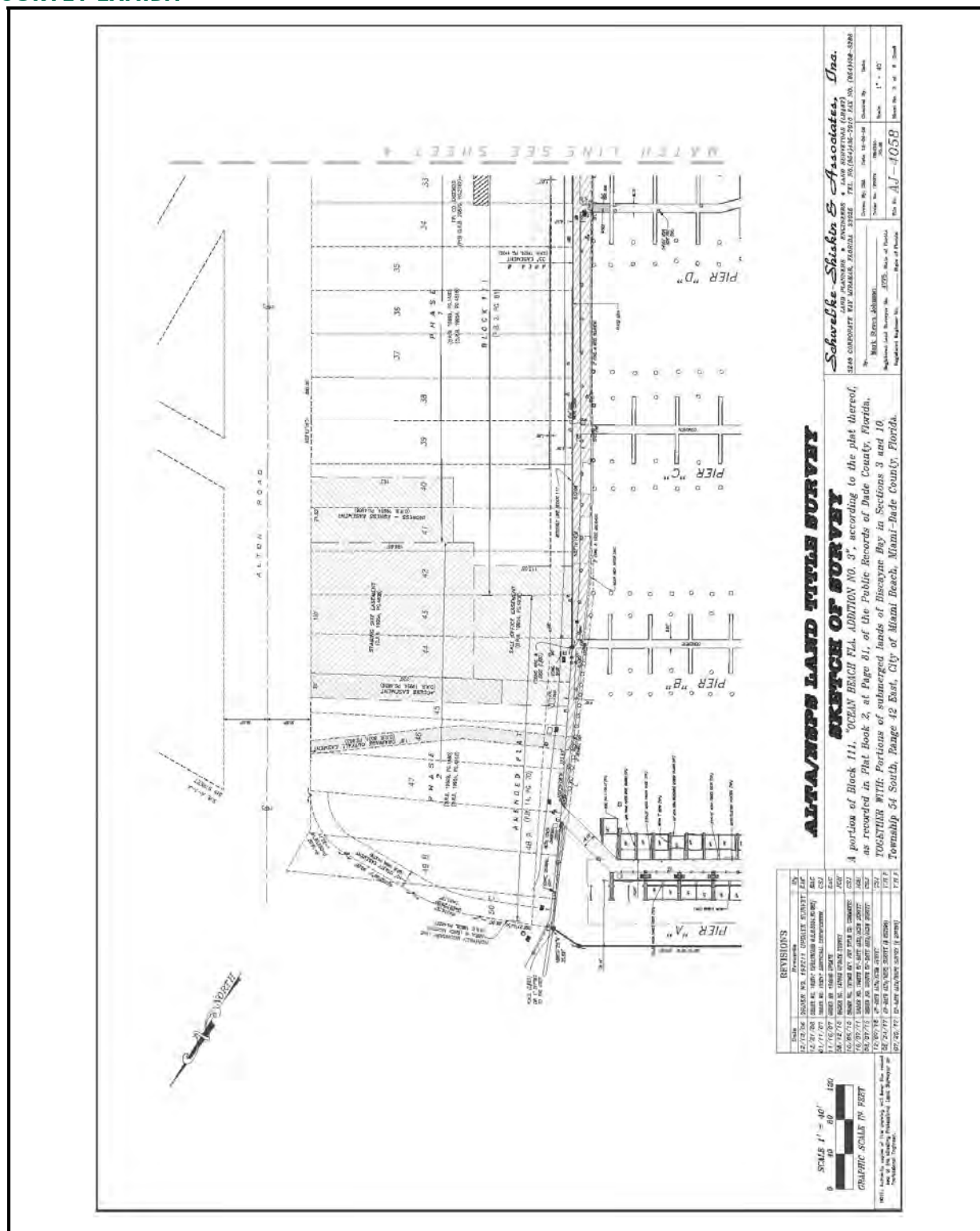
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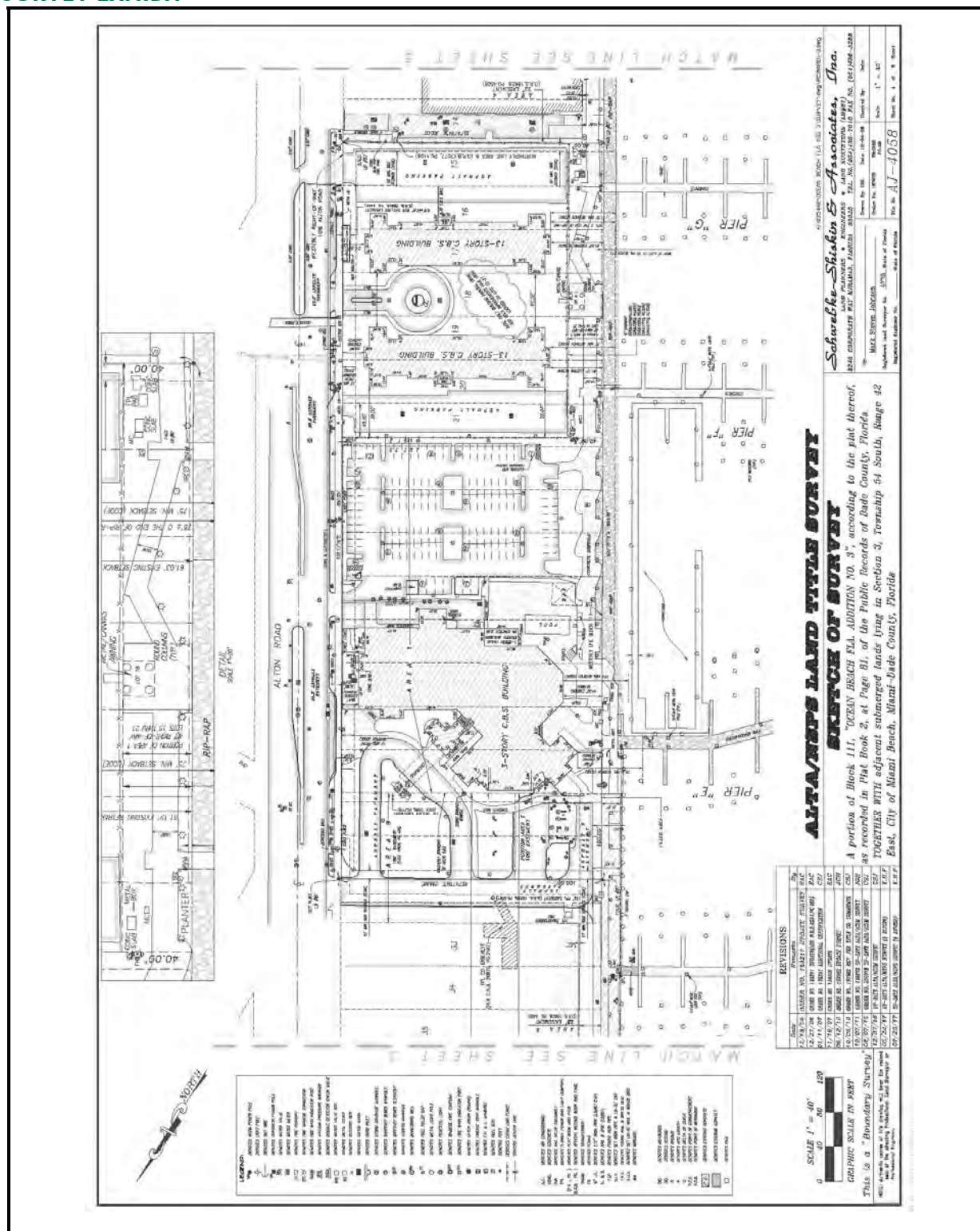
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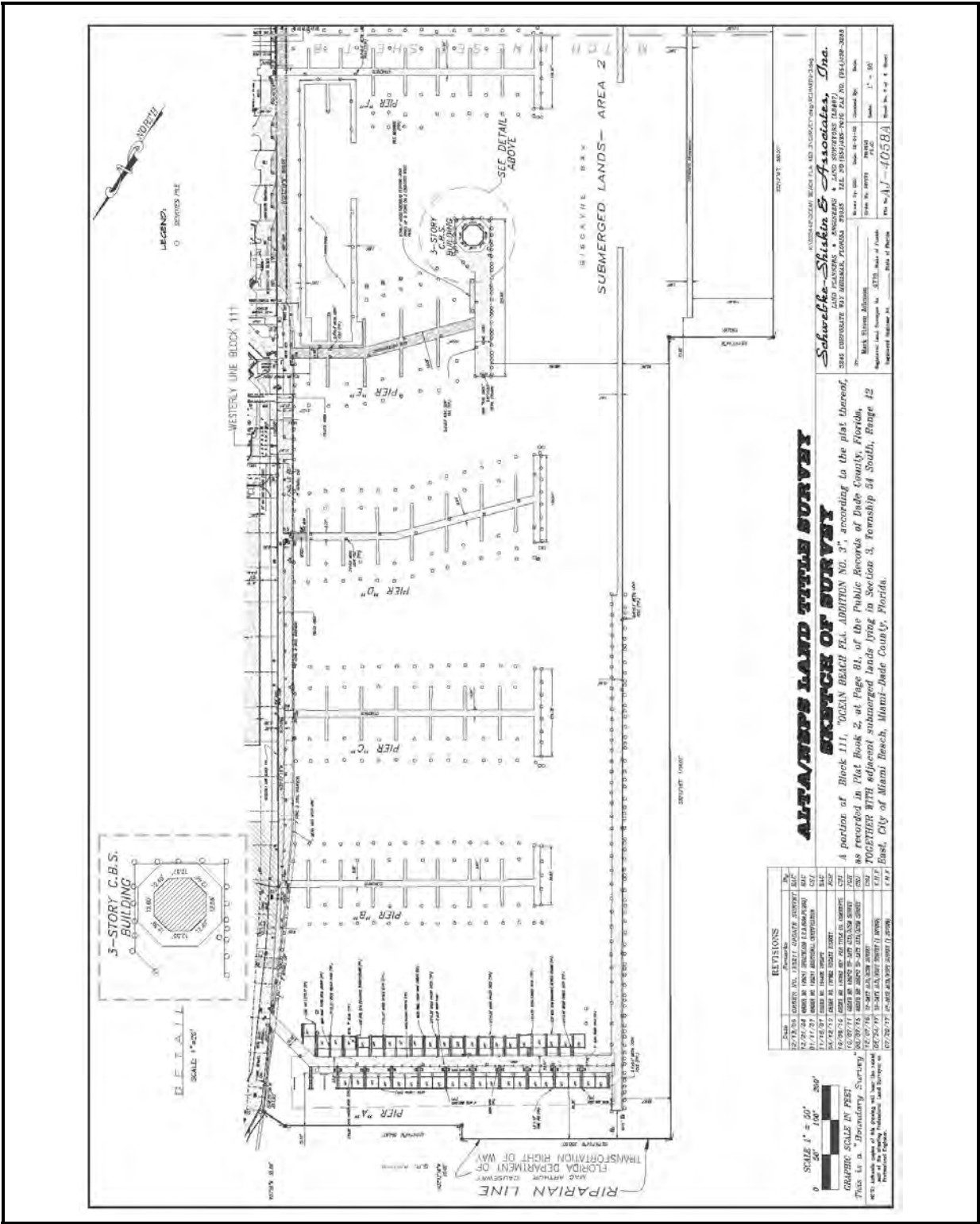
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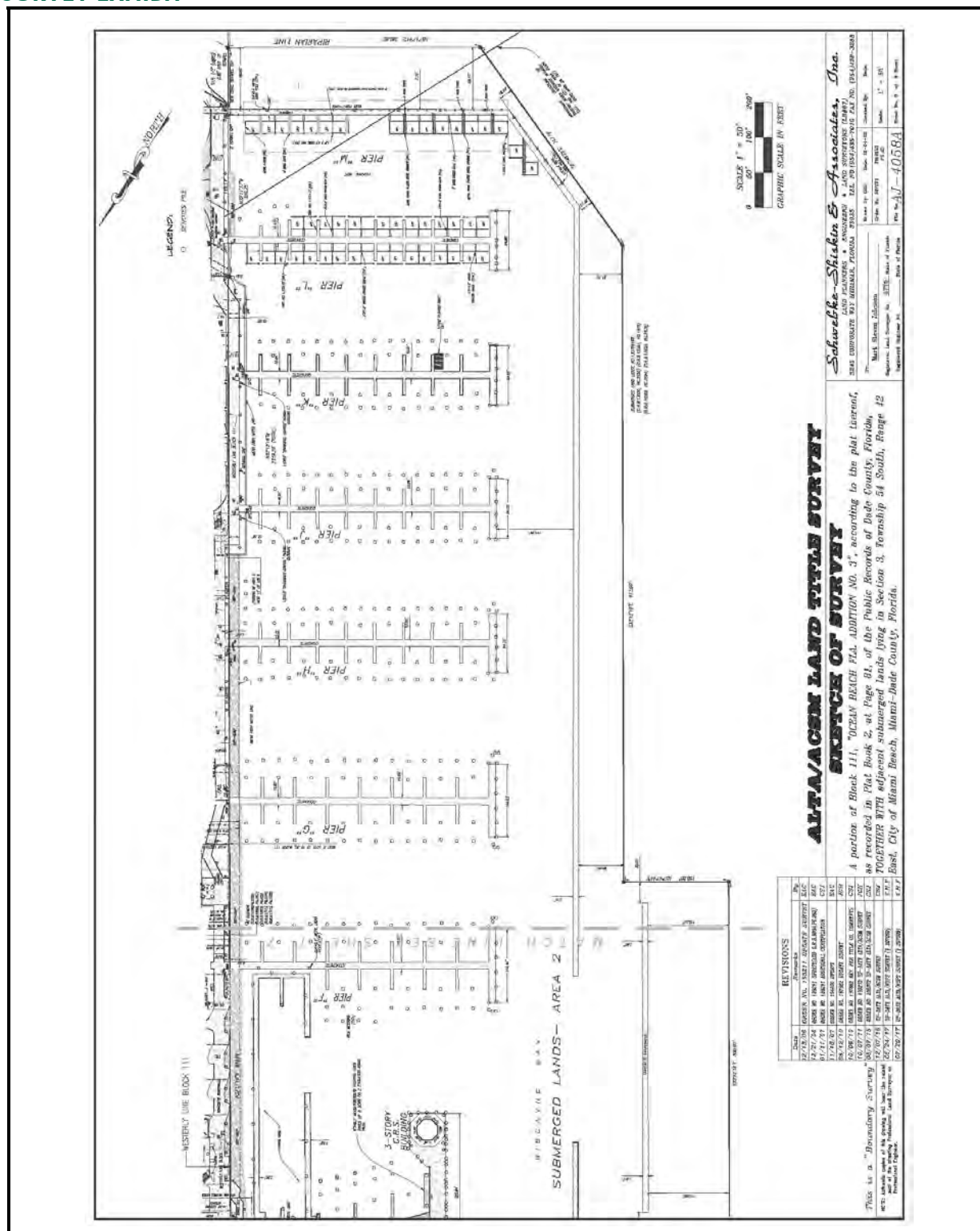
SURVEY EXHIBIT



SURVEY EXHIBIT



SURVEY EXHIBIT



Site Analysis

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

SITE SUMMARY AND ANALYSIS			
Physical Description			
Submerged Land Area - Leasehold Interest	37.85 Acres	1,648,937 Sq. Ft.	
Uplands Area - Fee Simple Estate	3.56 Acres	155,200 Sq. Ft.	
Total Land Area - Submerged & Uplands	41.42 Acres	1,804,137 Sq. Ft.	
Primary Road Frontage	Alton Road	550 Feet	
Deep Water Frontage	Marina Basin	2,914 Linear Feet	
Shape	Rectangular		
Topography	6' to 13' below grade and improved to road grade		
Zoning District - Existing	GU, Government Use District		
Zoning District - Proposed	C-PS-4, Intensive Mixed-Use Phased Bayside Commercial		
Flood Map Panel No. & Date	12086C0319L	11-Sep-09	
Flood Zone	Zone AE		
Comparative Analysis		Rating	
Visibility	Good from MacArthur Causeway, Alton Road & Biscayne Bay		
Functional Utility	Good		
Traffic Volume	Neighborhood, commuter & heavy seasonal traffic		
Adequacy of Utilities	Assumed adequate		
Water Quality	Saltwater		
Water Depth	6 foot to 13 foot draft		
Landscaping	Good		
Drainage	Assumed adequate		
Utilities	Provider	Availability	
Water	City of Miami Beach	Yes	
Sewer	City of Miami Beach	Yes	
Natural Gas	Contract service	Yes	
Electricity	FPL	Yes	
Telephone	ATT land lines	Yes	
Mass Transit	Miami-Dade Transit (MDT) Metrobus service & Miami Beach Trolley	Yes	
Other	Yes	No	Unknown
Detrimental Easements			X
Encroachments	See Comments		
Deed Restrictions	See Comments		
Reciprocal Parking Rights	See Comments		
Source: Various sources compiled by CBRE			

INGRESS/EGRESS

Ingress and egress is available to the site via shared driveway with Murano Grande at Portofino fronting Alton Road and an improved driveway to the owned surface parking lot. Marine vessel access via deep water frontage along Biscayne Bay and within 0.25 miles from Government Cut.

Street improvements include four (4) lanes of north-south bound traffic lanes on Alton Road median divider with deceleration turn lanes, concrete curbs, gutters and sidewalks, and street lighting.

Bay front improvements include concrete seawall and bulkhead, large stone bank, floating docks, fixed wharf and a public bay walk/linear park.

AIR RIGHTS

As per the draft term sheet, dated May 6, 2020, the proposed residential development air rights will not be located at ground level and will be located above a portion of the proposed retail/restaurant & office components of the proposed project. According to the developer's concept design, the surface & sub-surface uplands site area would include 3-levels of retail/office area at a height of 47'4" and subterranean parking area, while the proposed residential development air rights would commence an elevation of 78'4". As such, a vertical subdivision will be created with the City of Miami Beach, the marina lessee and the residential developer & purchaser of the air rights will enter into a reciprocal easement and operating agreement ("REA") granting reciprocal easements and imposing covenants, including the following:

1. Access, ingress and egress easements, including, without limitation, pedestrian, vehicular and service;
2. Parking easements;
3. Easements of structural support and foundation easements;
4. Utility easements;
5. Easements for all required back of house support facilities for each party; and
6. Covenants for the long-term operation, maintenance and cost sharing of all applicable areas, and creation of association(s) or other entity through which such operation, maintenance and cost sharing shall occur.

EASEMENTS AND ENCROACHMENTS

In addition to the proposed residential air rights development, the subject property shares ground level parking garages and the bay walk/linear park areas with four (4) residential condominium towers including the Yacht Club at Portofino, Murano at Portofino, Murano Grande at Portofino and Icon.

The Baywalk is a system of public pedestrian pathways along the Biscayne Bay shoreline that spans from 5th Street to Lincoln Road, linking residential and commercial areas, public street-end parks and other existing pedestrian and bicycle facilities including beach walk. The Baywalk system is part of the larger Atlantic Greenway Network as well as a component of the Blueways Master Plan and the Bicycle Pedestrian Master Plan.

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

COVENANTS, CONDITIONS AND RESTRICTIONS

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

ENVIRONMENTAL ISSUES

According to the Environmental Assessment prepared by EMG, dated May 17, 2017, there was no evidence of recognized environmental conditions (RECs), historical recognized environmental conditions (HRECs), controlled recognized environmental conditions (CRECs), significant data gaps or significant business environmental risks in connection with the property. However, the assessment did reveal evidence of a Historical Recognized Environmental Condition and a potential Business Environmental Risk in connection with the subject property and the entire report should be referenced and considered in its entirety.

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

ADJACENT PROPERTIES

The adjacent land uses are summarized as follows:

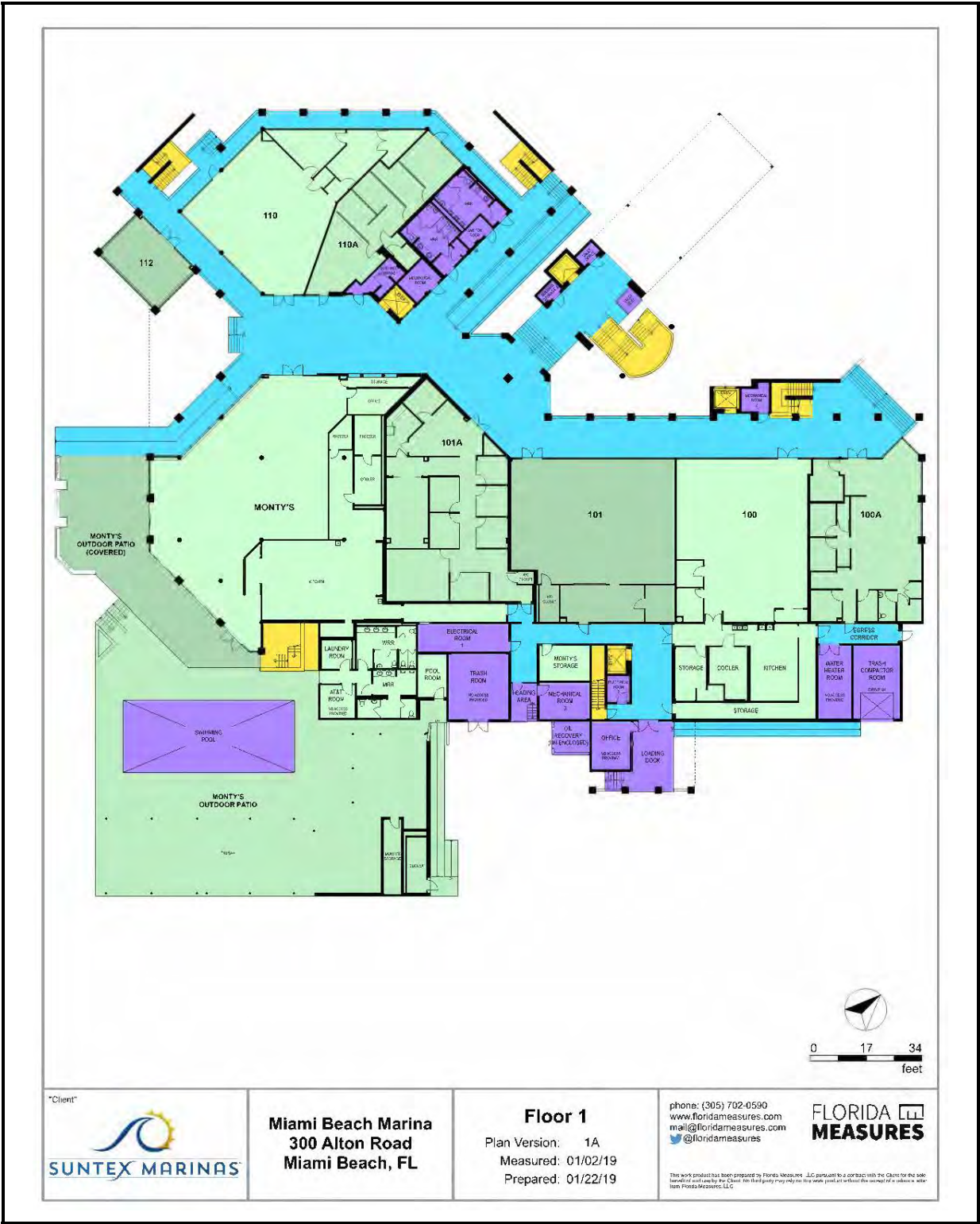
North:	Murano Grande at Portofino, Icon and the MacArthur Causeway
South:	Rebecca Towers, Yacht Club at Portofino, Murano at Portofino, Government Cut and Fisher Island
East:	Alton Road and South Pointe Elementary School
West:	Biscayne Bay and the US Coast Guard station on Causeway Island

The adjacent properties are reflective of a high quality residential and recreational lifestyle.

CONCLUSION

The site is strategically located along Biscayne Bay with deep water, ocean access, as well as, being located within the affluent, high density residential community South of 5th in South Beach.

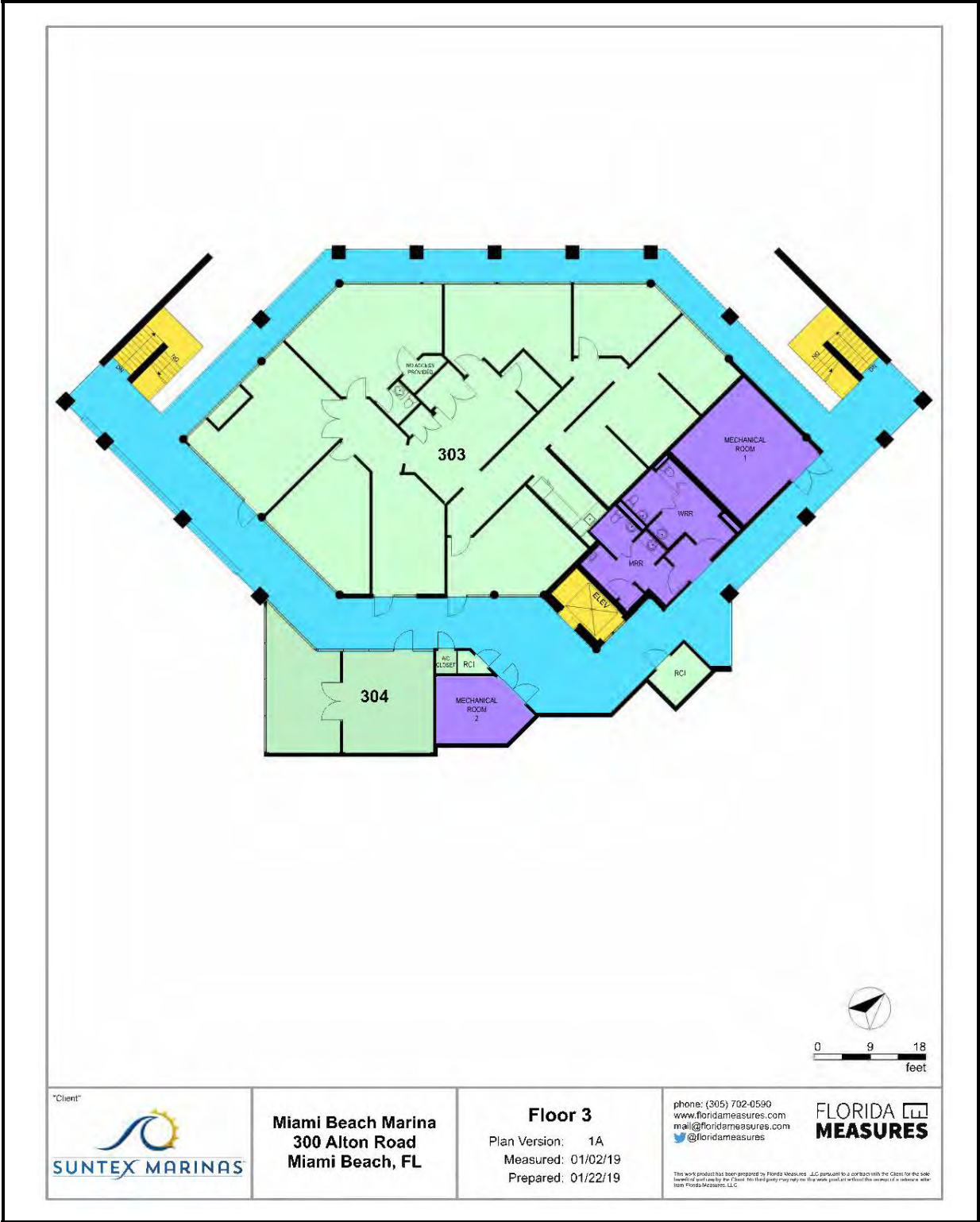
EXISTING RETAIL/OFFICE IMPROVEMENTS



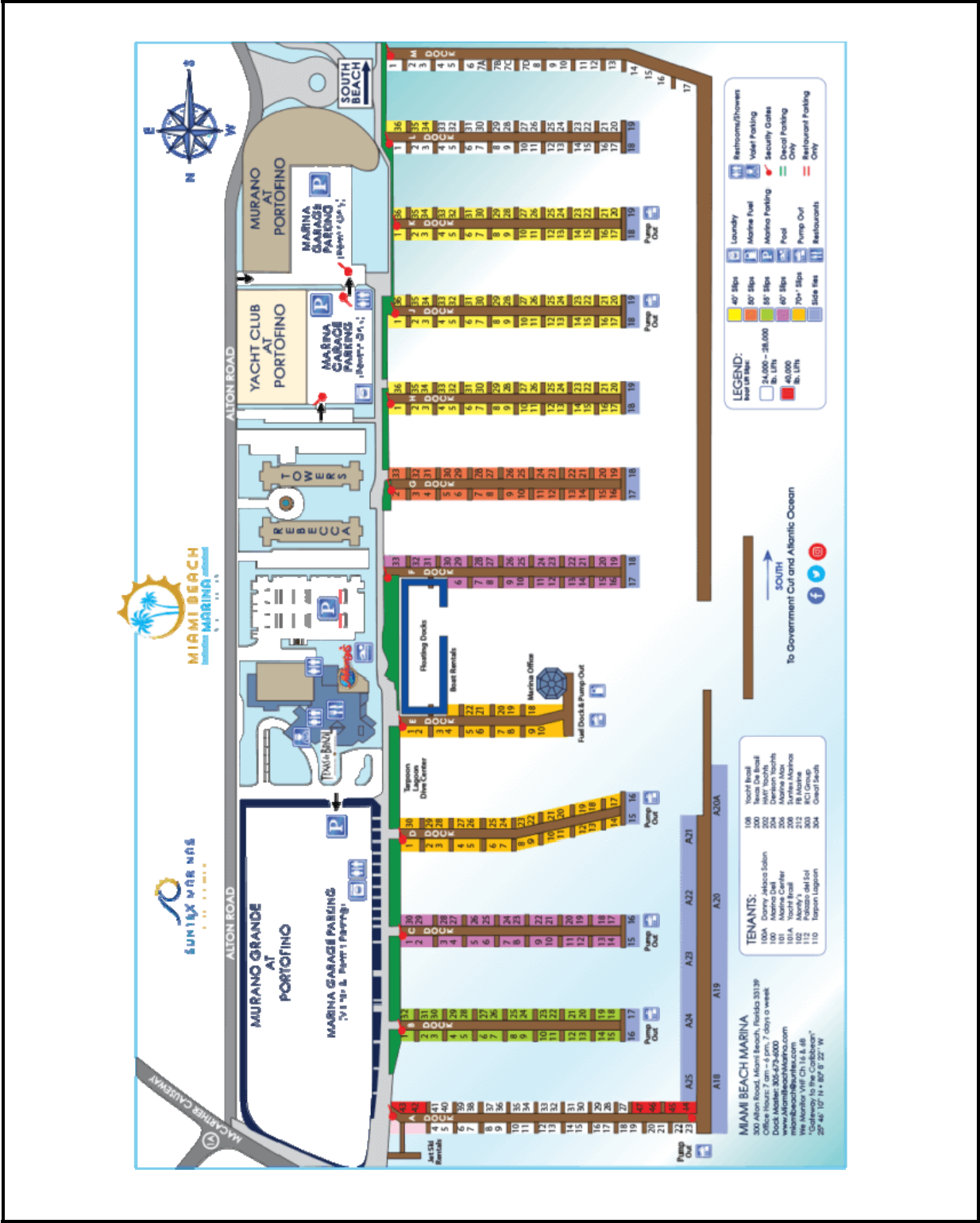
EXISTING RETAIL/OFFICE IMPROVEMENTS



EXISTING RETAIL/OFFICE IMPROVEMENTS



EXISTING MARINA LAYOUT



IMPROVEMENTS ANALYSIS - EXISTING

The following chart shows a summary of the existing improvements.

IMPROVEMENTS SUMMARY - EXISTING			
Property Type	Retail/Office		
Number of Buildings	1		
Number of Stories	3		
Year Built	1985	Renovated:	1994
Gross Building Area - Area 1	81,002 SF		
Net Rentable Area - Area 21	68,009 SF		
Usable Building Area - Area 1	49,625 SF		
Net Rentable Building Area - Area 4	4,769 SF		
Area Breakdown - Existing Retail/Office			
Retail Area	13,344 SF		
Restaurant Area	24,429 SF		
Office Area	11,852 SF		
Icon Condominium Office	4,769 SF		
Major Tenants			
Monty's	5,988 SF	(+7,728-SF of outdoor patio area)	
Texas De Brazil	18,442 SF	(+800-SF of outdoor patio area)	
Site Coverage	4.9%		
Land-to-Building Ratio	2.28 : 1	(based on existing NRA & Uplands)	
Floor Area Ratio (FAR)	0.44	(based on existing NRA & Uplands)	
Parking Improvements	Surface parking & condominium garage parking		
Surface Parking Lot	115 Spaces		
Condominium Garage Parking	<u>571 Spaces</u>		
Parking Spaces - Total:	686 Spaces		
Parking Ratio (per 1,000 SF GBA)	10.09		
Source: Various sources compiled by CBRE			

MARINA IMPROVEMENTS - EXISTING

The Miami Beach Marina is entitled for 368-slips and 48-transient slips for a total of 416-wet slips, of which the marina operator has consolidated to 354-wet slips based on current market demand and boat size.

The marina is currently improved with fixed concrete pier and floating docks that can accommodate vessels up to 250 feet with a minimum 6-foot draft. The improvements & services feature a dockmaster office building (2-story/1,250-SF), fuel tank farm with four (4) underground fuel tanks for diesel (9,450 gallons x 2) and Rec-90 (5,745 gallons x 2) non-ethanol gasoline, pump-out services, dock attendants, security patrol, & surveillance camera, indoor/outdoor restaurant & tiki bar with pool & sundeck, marine store, cable TV, Onspot WiFi service, air-conditioned restrooms and laundry facilities, 1000+/- feet of floating pier, 30 amp, 50 amp, 100 amp single phase service and 100 amp, 3-phase, 480 volt electric service, 40,000 lbs. boat lifts and secure storage.

PARKING GARAGE IMPROVEMENTS - EXISTING

The Miami Beach Marina is supported through long term parking agreements with the following condominium properties:

- 1) Yacht Club at Portofino Condominium, 90 Alton Road, consisting of approximately 115 parking spaces on the ground floor, as well as permanent laundry, lavatory and shower facilities.
- 2) Murano at Portofino Condominium, 1000 South Pointe Drive, consisting of approximately 108 parking spaces, as well as permanent laundry, lavatory and shower facilities.
- 3) Murano Grande at Portofino Condominium, 400 Alton Road, consisting of approximately 142 parking spaces, as well as permanent laundry, lavatory and shower facilities, a trash room and a maintenance room.
- 4) Icon Condominium, 450 Alton Road, consisting of approximately 206 parking spaces, as well as permanent office space (approximately 4,769 square feet) on corner with visibility from the MacArthur Causeway & 5th Street, and an electric room.

IMPROVEMENTS ANALYSIS - PROPOSED

The following chart shows a summary of the proposed new improvements.

IMPROVEMENTS SUMMARY - PROPOSED		
Property Type	Retail/Office	
Number of Buildings	1	
Number of Stories	3	
Year Built	Proposed	
Gross Building Area	49,310 SF	
Net Rentable Area	44,880 SF	
Area Breakdown - Existing Retail/Office		
Retail Area	26,600 SF	
Restaurant Area	10,000 SF	
Office Area	8,280 SF	
Land-to-Building Ratio	3.46 : 1	(based on proposed NRA & Uplands)
Floor Area Ratio (FAR)	0.29	(based on proposed NRA & Uplands)
Parking Improvements	Surface parking & condominium garage parking	
Surface Parking Lot	Demolished	
Condominium Garage Parking	<u>571 Spaces</u>	
Parking Spaces - Total:	571 Spaces	
Parking Ratio (per 1,000 SF GBA)	12.72	
Source: Various sources compiled by CBRE		

The residential development air rights are being negotiated with Terra Group who intends to develop 60 residential condominium units within a 275,000 gross square foot residential tower with 270-space parking garage at grade & below grade. The development concept includes the proposed 45,000-SF +/- of new retail/restaurant & office space plus two (2) acres +/- of publicly accessible open green space, including a one (1) acre at grade park, subject to the amendment & restatement of the marina lease; the agreement for purchase & sale of the residential development air rights, the voter referendum approval, comprehensive plan amendment and rezoning process.

FURNITURE, FIXTURES & EQUIPMENT (FF&E)

There is limited F,F&E on the premises which contributes nominal value.

DEFERRED MAINTENANCE

The subject was developed in 1985, renovated in 1994 and well maintained. Therefore, no items of deferred maintenance were observed. Furthermore, the site and building improvements are classified as leasehold improvements that are the responsibility of the marina tenant.

ECONOMIC AGE AND LIFE

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

ECONOMIC AGE AND LIFE	
Actual Age	35 Years
Effective Age	35 Years
MVS Expected Life	45 Years
Remaining Economic Life	10 Years
Accrued Physical Incurable Depreciation	77.8%
Compiled by CBRE	

The remaining economic life is based upon our on-site observations and a comparative analysis of typical life expectancies as published by Marshall and Swift, LLC, in the Marshall Valuation Service cost guide. While CBRE, Inc. did not observe anything to suggest a different economic life, a capital improvement program could extend the life expectancy.

CONCLUSION

The improvements are in average-to-good overall condition. Overall, there are no known factors that adversely impact the marketability of the improvements.

MARINA PARK CONCEPT SITE PLAN



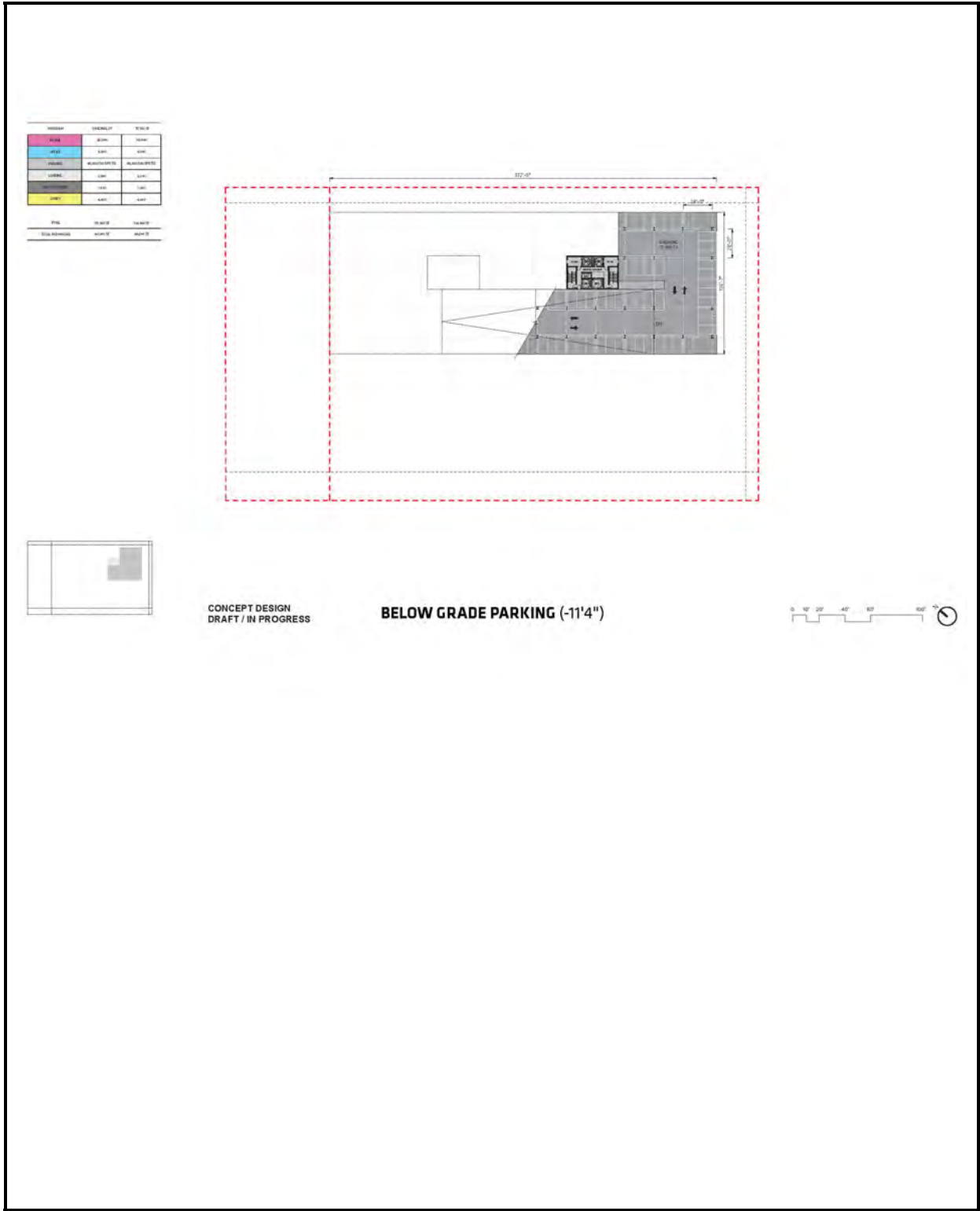
PROPOSED RESIDENTIAL TOWER



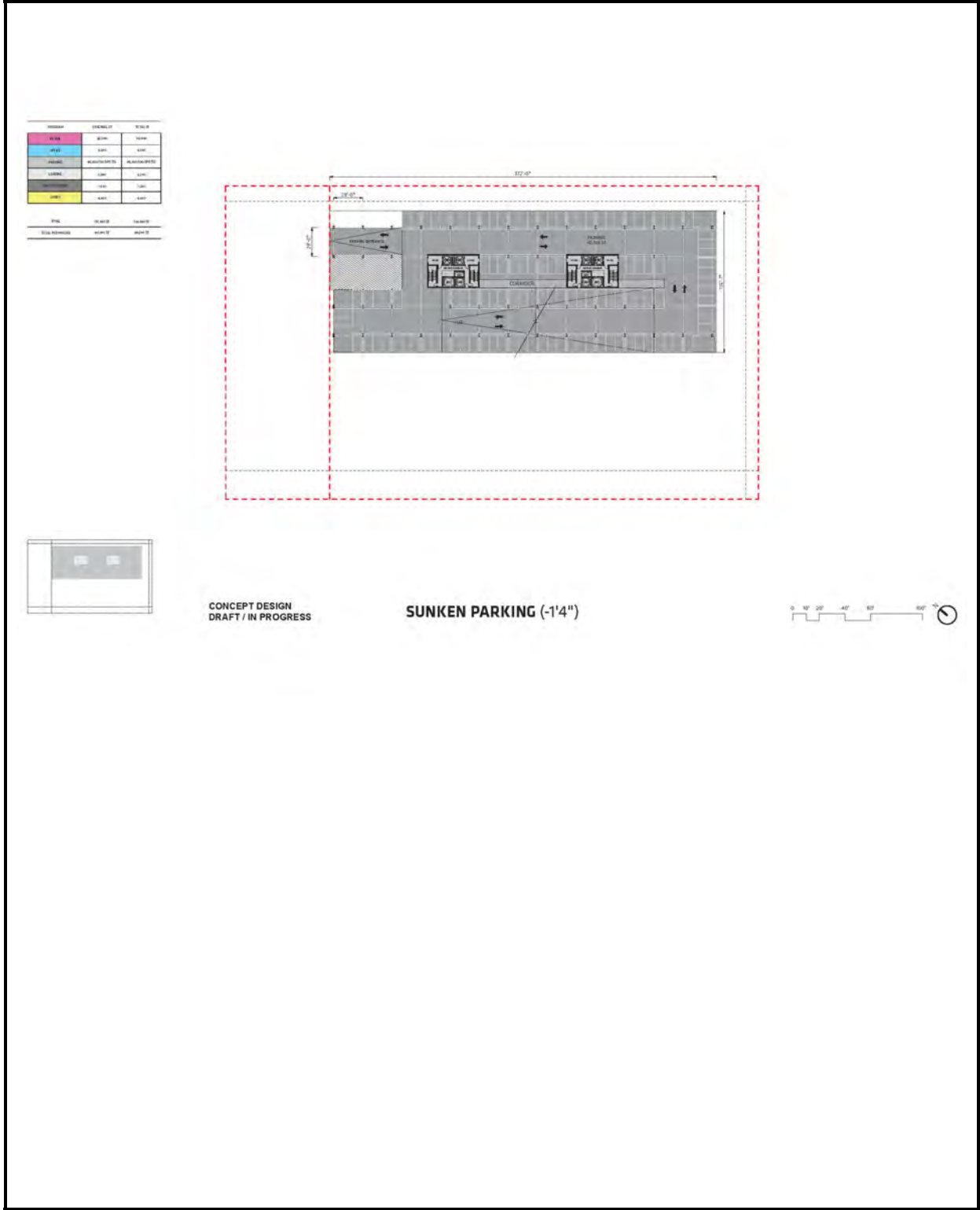
PROPOSED RESIDENTIAL TOWER



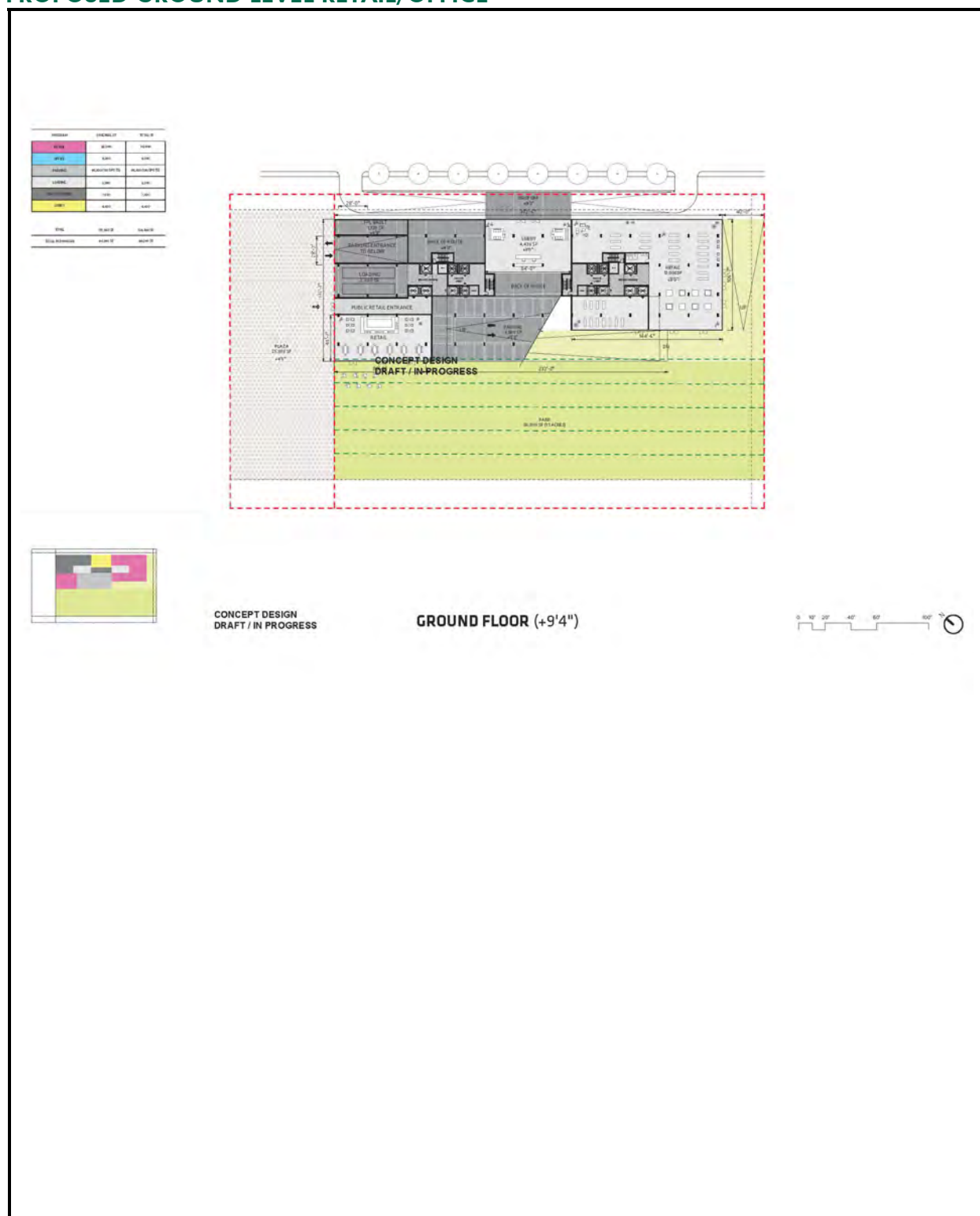
PROPOSED RESIDENTIAL TOWER



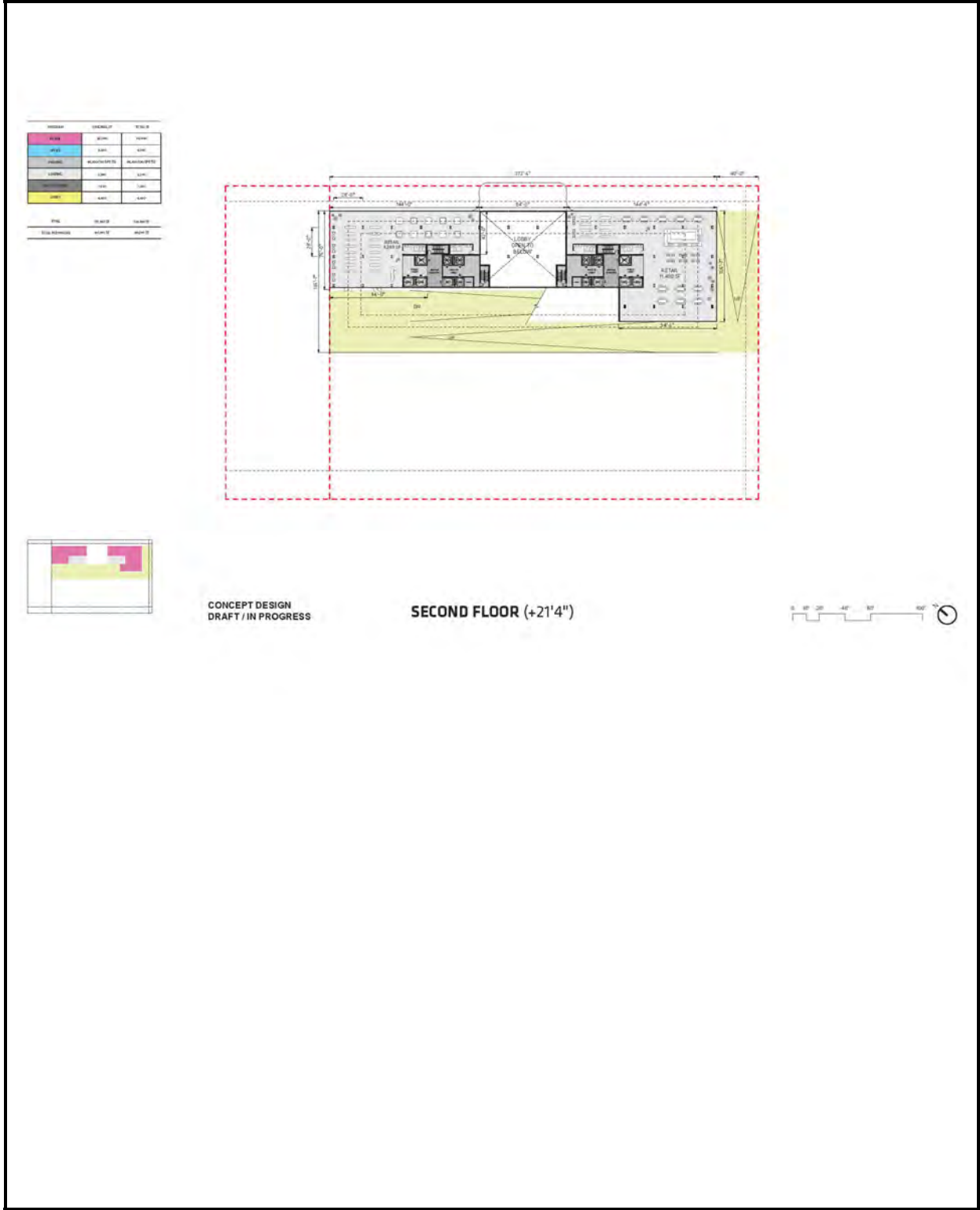
PROPOSED RESIDENTIAL TOWER



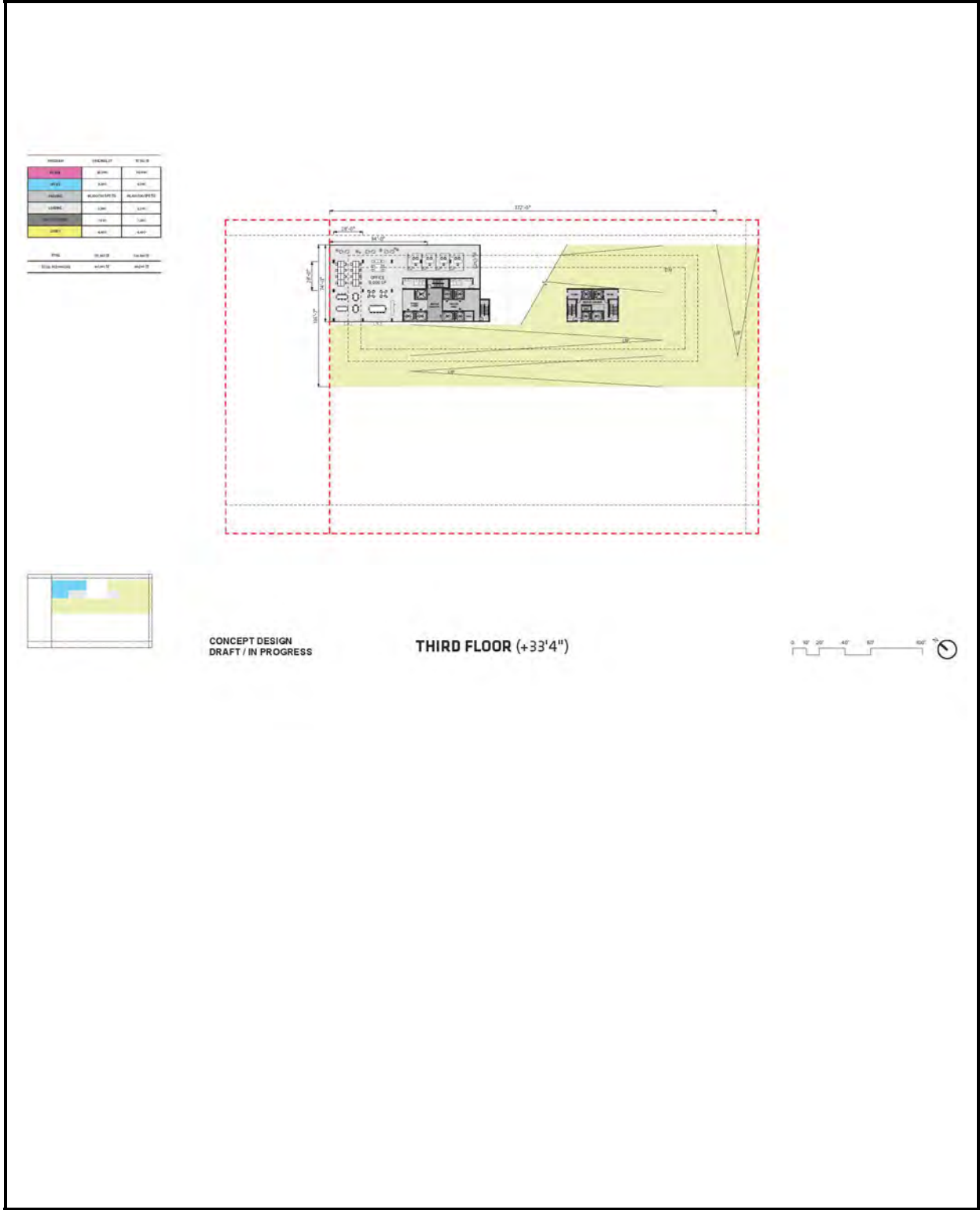
PROPOSED GROUND LEVEL RETAIL/OFFICE



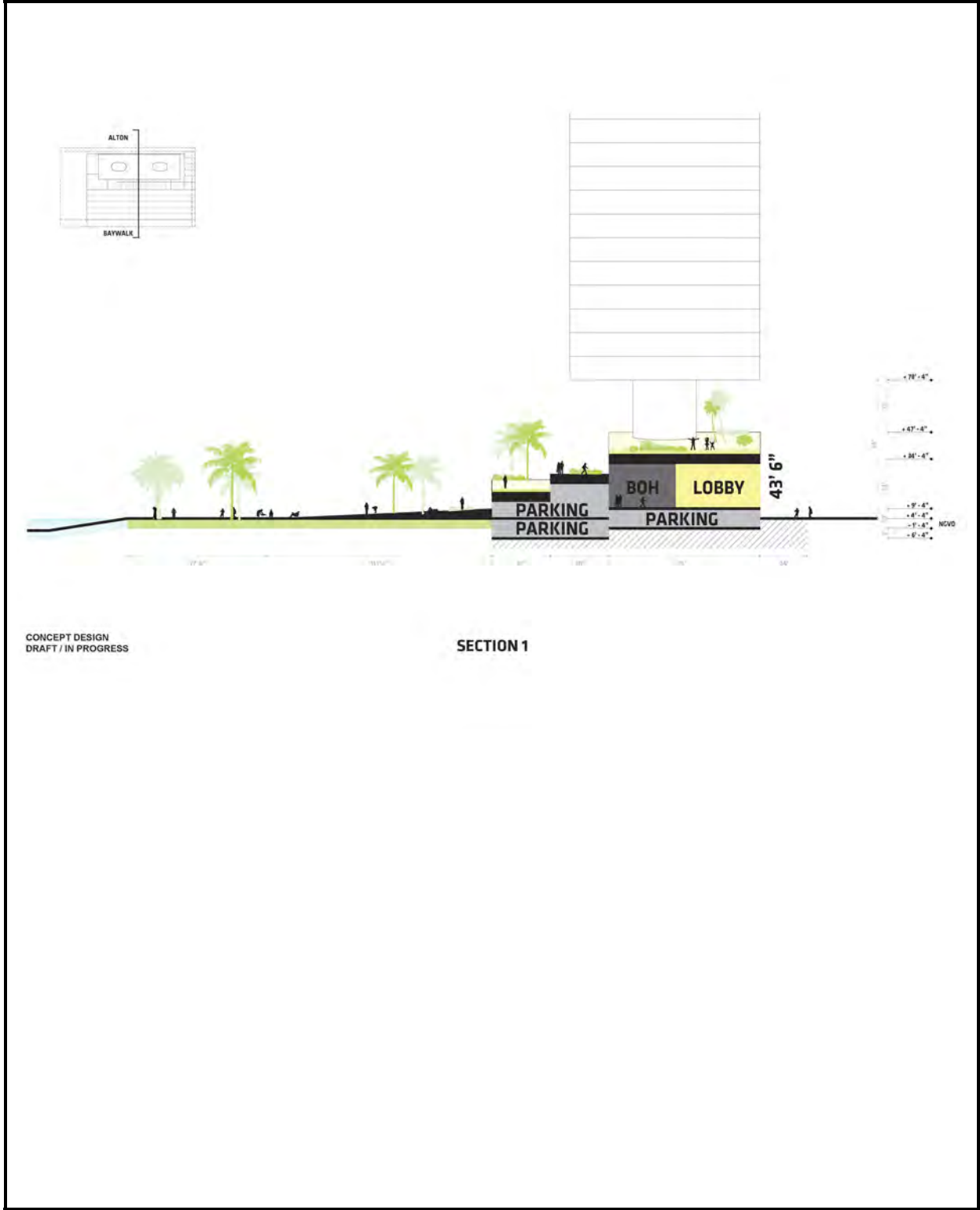
PROPOSED SECOND FLOOR RETAIL/OFFICE



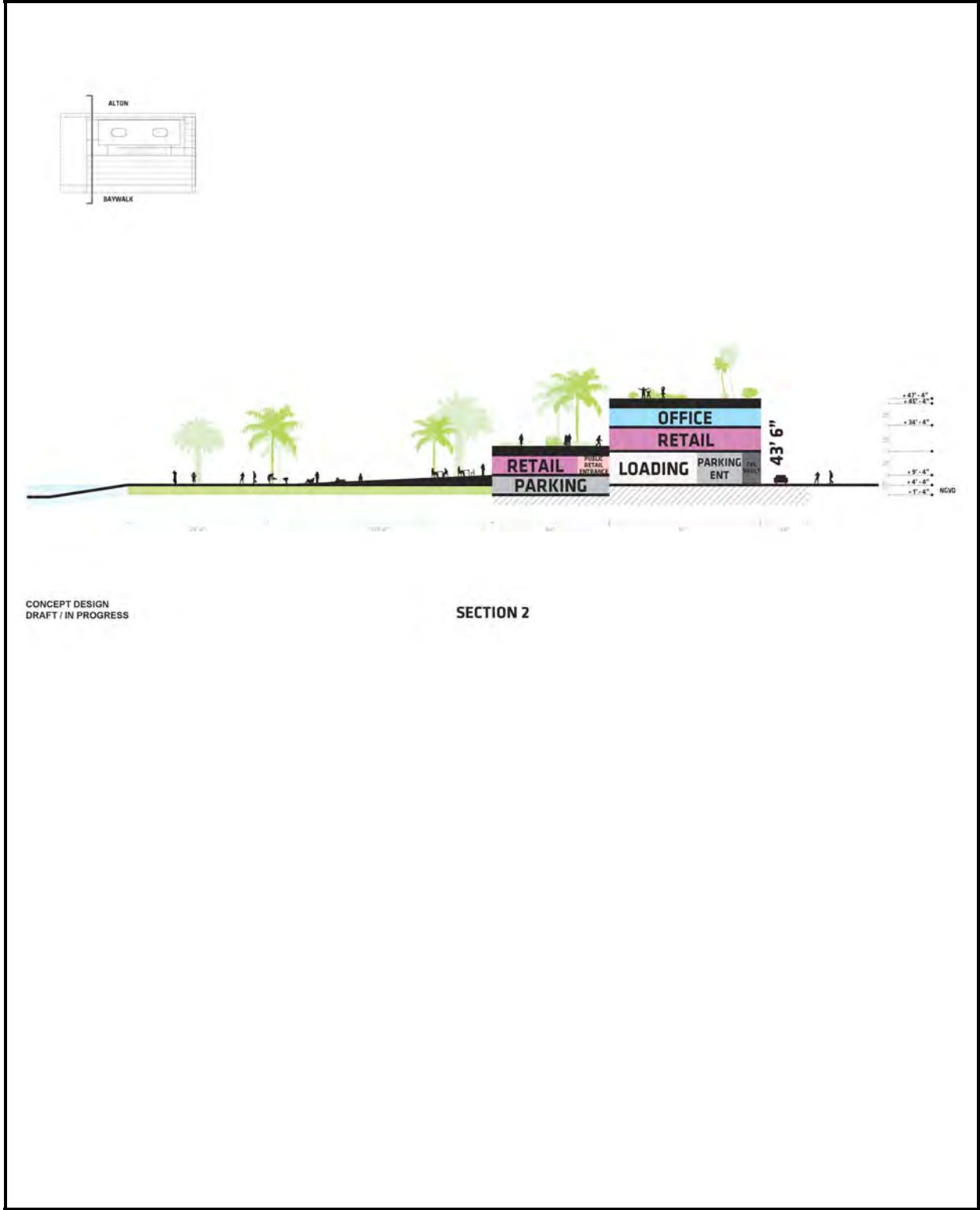
PROPOSED THIRD FLOOR RETAIL/OFFICE



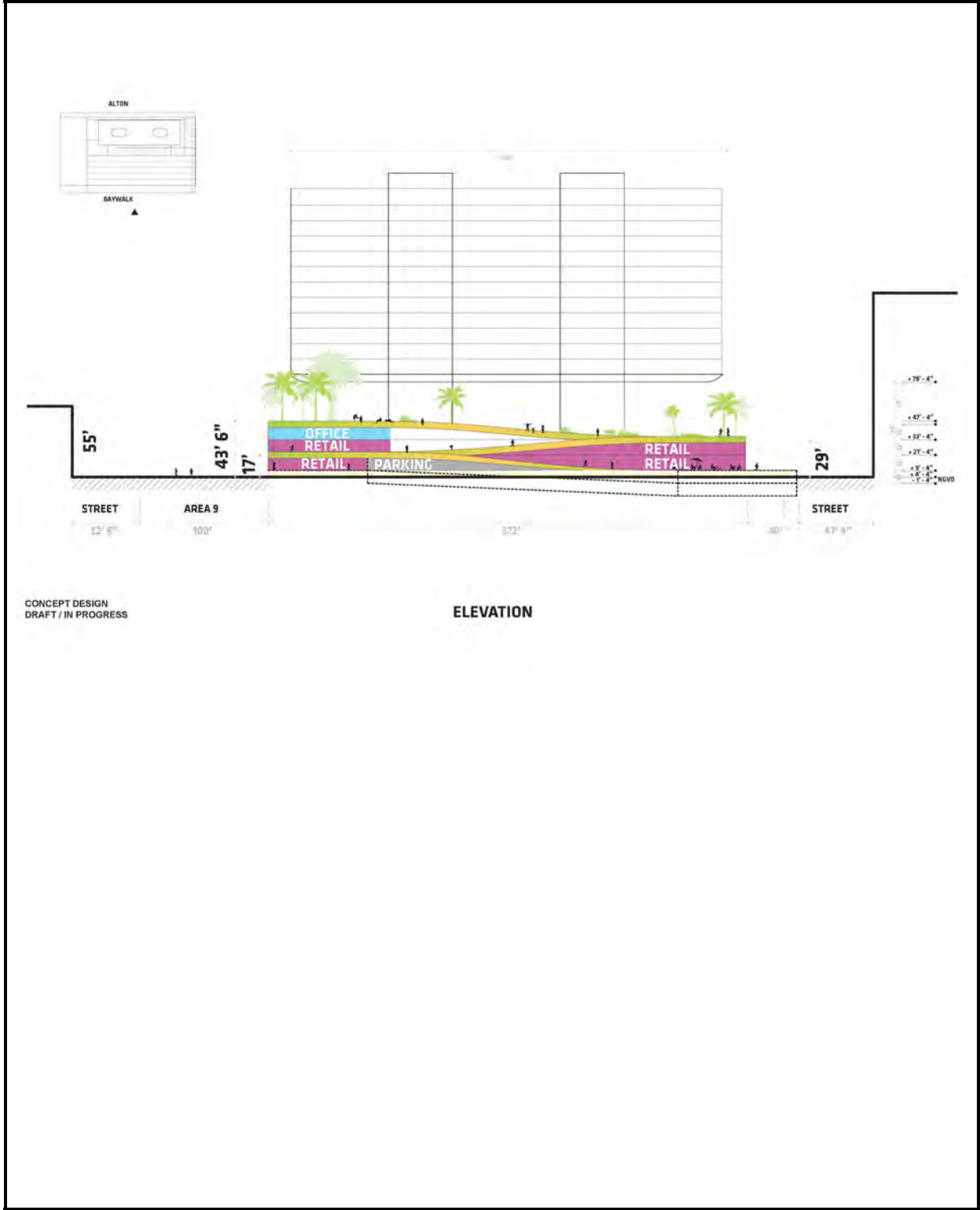
PROPOSED RETAIL/OFFICE BUILDING SECTION



PROPOSED RETAIL/OFFICE BUILDING SECTION



PROPOSED RETAIL/OFFICE BUILDING SECTION



Zoning

The following chart summarizes the subject's existing zoning regulation.

ZONING SUMMARY	
Current Zoning	GU, Government Use District
Intent & Purpose	Any land or air rights owned by or leased to the city or other governmental agency for no less than an initial term of 20 years shall automatically convert to a GU government use district.
Uses Permitted	The main permitted uses in the GU government use district are government buildings and uses, including but not limited to parking lots and garages; parks and associated parking; schools; performing arts and cultural facilities; monuments and memorials. Any use not listed above shall only be approved after the city commission holds a public hearing. See subsection 142-425(e) for public notice requirements.
Private Uses	Private or joint government/private uses in the GU government use district, including air rights, shall be reviewed by the planning board prior to approval by the city commission. See subsection 142-425(e) for public notice requirements.
Accessory Uses	Accessory uses in the GU government use district are as required in section 142-903.
Development Regulations	<p>(a) The development regulations (setbacks, floor area ratio, signs, parking, etc.) in the GU government use district shall be the average of the requirements contained in the surrounding zoning districts as determined by the planning and zoning director, which shall be approved by the city commission.</p> <p>Upon the sale of GU property, the zoning district classification shall be determined, after public hearing with notice pursuant to Florida Statutes, by the city commission in a manner consistent with the comprehensive plan. Upon the (b) expiration of a lease to the city or other government agency, the district shall revert to the zoning district and its regulations in effect at the initiation of the lease.</p> <p>(c') Setback regulations for parking lots and garages when they are the main permitted use are listed in subsection 142-1132(n).</p> <p>(d) Following a public hearing, the development regulations required by these land development regulations, except for the historic preservation and design review processes, may be waived by a five-sevenths vote of the city commission for developments pertaining to governmental owned or leased buildings, uses and sites which are wholly used by, open and accessible to the general public, or used by not-for-profit, educational, or cultural organizations, or for convention center hotels, or convention center hotel accessory garages, or city utilized parking lots, provided they are continually used for such purposes. Notwithstanding the above, no GU property may be used in a manner inconsistent with the comprehensive plan. In all cases involving the use of GU property by the private sector, or joint government/private use, development shall conform to all development regulations in addition to all applicable sections contained in these land development regulations and shall be reviewed by the planning board prior to approval by the city commission. All such private or joint government/private uses are allowed to apply for any permittee variances and shall not be eligible to waive any regulations as described in this paragraph. However, not-for-profit, educational, or cultural organizations as forth herein, shall be eligible for a city commission waiver of development regulations as described in this paragraph, except for the historic preservation and design review processes. Additionally, private uses on the GU lots fronting Collins Avenue between 79th and 87th Streets approved by the city commission for a period of less than ten years shall be eligible for a city commission waiver of the development regulations as described in this paragraph, for temporary structures only. Such waivers applicable to GU lots fronting Collins Avenue between 79th and 87th Streets may include, but not be limited to, the design review process, provided the city commission, as part of the waiver process, evaluates and considers all applicable design review requirements and criteria in chapter 118 of the land development regulations.</p> <p>(e) When a public hearing is required to waive development regulations before the city commission, the public notice shall be advertised in a newspaper of general paid circulation in the city at least 15 days prior to the hearing. Fifteen days prior to the public hearing date, both a description of the request and the time and place of such hearing shall be posted on the property, and notice shall also be given by mail to the owners of land lying within 375 feet of the property. A five-sevenths vote of the city commission is required to approve a waiver or use that is considered under this regulation.</p>
Source: City of Miami Beach Planning & Zoning Dept.	

The following chart summarizes the subject's proposed rezoning regulation.

ZONING SUMMARY	
Current Zoning	PS, Performance Standard District
District	C-PS-4, Intensive Mixed-Use Phased Bayside Commercial
Performance Standards	The commercial performance standards districts are designed to accommodate a range of business, commercial, office and hotel uses, as well as medium to high density residential development pursuant to performance standards which control the permissible type, density or intensity, and mix of development. Performance standards development will allow for modification of requirements affecting certain individual lots; greater flexibility, particularly for large-scale development; large commercial, medium to high density residential and mixed use developments in phases over time where the overall development at a single point in time or in a single instance by private owners would not be practical; providing incentives for provision of certain amenities and for conformance with specified objectives, thereby encouraging more flexible and innovative design and development in accordance with the goals and objectives of the comprehensive plan and the redevelopment plan.
Uses Permitted	Single family, townhome, apartment, apartment hotel, hotel & suite hotels, hostel, commercial *Religious institutions in R-PS1-4 and C-PS1-4 districts shall be permitted as a matter of right up to 199 occupancy, and over that occupancy shall be a conditional use.
Conditional Uses	Institutional, neighborhood impact establishments, and video game arcades. New construction of structures 50,000 square feet and over in the C-PS1, 2 3, and 4 districts (even when divided by a district boundary line) shall be considered as a conditional use, which review shall be the first step in the process before the review by any of the other land development boards.
Accessory Uses	Accessory outdoor bar counters, provided that the accessory outdoor bar counter is not operated or utilized between midnight and 8:00 a.m.; however, for an accessory outdoor bar counter which is adjacent to a property with an apartment unit, the accessory outdoor bar counter may not be operated or utilized between 8:00 p.m. and 8:00 a.m.
Alcoholic Beverage Establishments South of 5th Street	The following additional regulations shall apply to alcoholic beverage establishments, whether as a main use, conditional use, or accessory use, that are located south of 5th Street: <ul style="list-style-type: none"> (i) Operations shall cease no later than 2:00 a.m., except as otherwise provided herein. (ii) Operations in outdoor or open air areas of an alcoholic beverage establishment shall cease no later than 12:00 a.m., except as otherwise provided herein. (iii) Alcoholic beverage establishments with sidewalk cafe permits shall only serve alcoholic beverages at sidewalk cafes during hours when food is served, shall cease sidewalk cafe operations no later than 12:00 a.m. (except as otherwise provided herein), and shall not be permitted to have outdoor speakers. (iv) Outdoor bar counters shall be prohibited. (v) No special events permits shall be issued. (vi) The provisions of this subsection (i)(1) shall not apply, to the extent the requirements of this subsection are more restrictive, to an alcoholic beverage establishment with a valid business tax receipt that is in application status or issued prior to June 28, 2016; or an establishment that has obtained approval for an alcoholic beverage establishment from a land use board, and which land use board order is active and has not expired prior to June 28, 2016. <p>a. Existing sidewalk cafes issued a sidewalk cafe permit as of June 28, 2016, for alcoholic beverage sales after 12:00 a.m., with food service, may continue to be renewed, but shall not serve alcoholic beverages later than 1:30 a.m., and alcoholic beverages may not be consumed at sidewalk cafes after 2:00 a.m.</p> <p>b. Should an alcoholic beverage establishment with a sidewalk cafe permit under (A), above, be delinquent in a payment obligation to the city, and/or receive two final adjudications of violations of section 12-5 (special event permit), section 46-152 (noise ordinance), or chapter 82, article IV, division 5 (sidewalk cafe ordinance), that alcoholic beverage establishment shall only be allowed to serve alcoholic beverages at its sidewalk cafe until 12:00 a.m. for a 12-month period.</p> <p>In the C-PS districts, all floors of a building containing parking spaces shall incorporate the following:</p> <ol style="list-style-type: none"> 1) Residential or commercial uses, as applicable, at the first level along every facade facing a street, sidewalk or waterway. For properties not having access to an alley, the required residential space shall accommodate entrance and exit drives. 2) Residential or commercial uses above the first level along every facade facing a waterway. 3) For properties less than 60 feet in width, the total amount of commercial space at the first level along a street side shall be determined by the design review or historic preservation board, as applicable. All facades above the first level, facing a street or sidewalk, shall include a substantial portion of residential or commercial uses; the total amount of residential or commercial space shall be determined by the design review or historic preservation board, as applicable, based upon their respective criteria.

Source: City of Miami Beach Planning & Zoning Dept.

ZONING SUMMARY - Continued

Minimum Lot Size	6,000 square feet
Minimum Lot Width	50 feet
Maximum Height	150 Feet
	Notwithstanding the above, the design review board or historic preservation board, in accordance with the applicable review criteria, may allow up to an additional five feet of height, as measured from the base flood elevation plus maximum freeboard, to the top of the second floor slab. This provision shall not apply to existing historic districts or existing overlay districts (existing as of 7/26/2017), or commercial buildings immediately adjacent to residential district not separated by a street. However, an applicant may seek approval from the historic preservation board or design review board, as may be applicable, to increase height in accordance with the foregoing within any historic district or overlay district created after 7/26/2017.
Maximum Floor Area Ratio	2.5
Residential and/or Hotel Development	Pursuant to all R-PS4 district regulations, except maximum floor area ratio shall be 2.5, and open space ratio 0.60 measured at or above grade
Minimum Apartment Unit Size (SF)	New construction—550 Rehabilitated buildings—400 Non-elderly and elderly low and moderate income housing—400 Workforce housing—400
Average Apartment Unit Size (SF)	New construction—800 Rehabilitated buildings—550 Non-elderly and elderly low and moderate housing—400 Workforce housing—400
Minimum Floor Area Per Hotel Unit (SF)	15% = 300—335 square feet; 85% = 335 + square feet in all districts.
Minimum Setbacks; Subterranean	0 feet
Pedestal & Tower (Non-Oceanfront)	10 feet when abutting a residential district, otherwise—5 feet; 3.5 feet for the Block 1 Properties, Block 51 Properties (except lots 11 and 12), Block 51 Swap Property and Block 52 Properties; unless separated by a waterway—None
Pedestal and tower (oceanfront)	25% of lot depth, 75 feet minimum
Parking Lots & Garages	If located on the same lot as the main structure the above setbacks shall apply, if primary use the setbacks are listed in section 142-1132(n).
	a) All required setbacks shall be considered as minimum requirements except for the pedestal front yard setback and the pedestal side yard facing a street setback, which shall be considered as both a minimum and maximum requirements, except for the Goodman Terrace and Hinson Parcels.
	b) For lots greater than 100 feet in width the front setback shall be extended to include at least one open court with a minimum area of three square feet for every linear foot of lot frontage, except for those properties located in the C-PS1 district described in section 142-698(a).
Mixed-Use Buildings	The calculation of setbacks and floor area ratio for mixed use buildings shall be as follows: 1) Setbacks: When more than 25 percent of the total area of a building in a C-PS district is used for residential or hotel units, any floor containing such units shall follow the R-PS1, 2, 3, 4 setback regulations. 2) Floor area ratio: When at least 75 percent of the linear frontage of the building at the ground floor level is used for commercial uses, the floor area ratio shall follow the range of the commercial district in which the building is located. In all other instances the floor area ratio range shall follow the floor area ratios as follows: In the C-PS1 district, the floor area ratio as set forth in the R-PS1 district; in the C-PS2 district, the floor area ratio as set forth in the R-PS2 district; in the C-PS3 district, the floor area ratio as set forth in the R-PS3 district; in the C-PS4 district, the floor area ratio as set forth in the R-PS4 district. 3) Notwithstanding the above, the properties defined in section 142-698(a), except the retail parcel, shall be governed by the development regulations in sections 142-698 and 142-699.

Source: City of Miami Beach Planning & Zoning Dept.

ZONING SUMMARY - Continued

Open Space	<p>Minimum required yards in relation to minimum open space ratio:</p> <ol style="list-style-type: none"> 1) Open space ratio in the PS performance standard district refers to a percentage calculated as the area of open space, including required yards, at grade to the gross lot area of a parcel. 2) Open space is that part of a lot in the performance standard district, including courts and yards which: <ol style="list-style-type: none"> a. Is open and unobstructed from its lowest level upward; b. Is generally accessible to all residents of the building on the lot without access restrictions, except as may be required for public safety. However, for lots in the RPS districts that are 60 feet in width or less, private spaces accessible only by residents of individual units, excluding balconies, may be considered open space despite not being generally accessible to all residents; and c. Is not occupied by off-street parking, streets, drives, or other surfaces for vehicles. Open space is, in general, that part of a lot available for entry and use by the occupants of the building or buildings on the premises, but may include space located and treated to enhance the amenity of the development by providing landscaping, screening for the benefit of the occupants or neighboring areas, or a general appearance of openness. Open space may include water surfaces that comprise not more than ten percent of total open space, and may include landscaped roofs and decks pursuant to conditions contained in the district regulations.
Open Space Calculation	<p>In all cases, except as otherwise provided herein, an applicant shall comply with both minimum required yard and minimum open space requirements.</p> <ol style="list-style-type: none"> 1) The open space ratio may include open space on roof top decks which are 50 feet or less above grade. At least 25 percent of the roof top deck shall constitute living landscape material. 2) Required yards and open space, whether at or above grade in the C-PS4 and RM-PS1 districts may also be utilized for drives and off-street parking spaces, except that if drives are ramped, they shall be at least seven and one-half feet from the front property line and not more than ten feet or one level above grade at their highest point; the total length of an elevated drive shall not exceed 40 percent of that portion of the lot facing the adjacent street. 3) Required yards adjacent to Biscayne Bay in the C-PS4 district may be utilized for open and unenclosed decks, platforms, planters, canopies, canvas type awnings, bay walks or removable furniture such as tables and chairs. Required side yards in the C-PS4 district may have public walkways that are partially covered. 4) Up to 50 percent of the open space required by these land development regulations may be fulfilled by payment of an in-lieu-of fee into the South Pointe Streetscape Fund. Notwithstanding the above, in no case shall the open space provided at grade be less than the total area resulting from the required setbacks. The in-lieu-of payment as described above shall be made at the rate as provided in appendix A per square foot of open space not provided. Such fee shall be paid in full at the time of application for the building permit. The fee shall be refunded if construction does not commence prior to the expiration of the building permit. 5) No variances shall be granted from the requirements of this section, except that variances may be sought as to subsection (b)(4) above, only for major cultural institutions within local historic districts, which only achieve no more than 80 percent of the total allowable FAR and can demonstrate that the open space cannot be provided on the roof top.
Supplemental Parking Regulations	<p>In C-PS3 and C-PS4 districts:</p> <ol style="list-style-type: none"> 1) One (1) and one-quarter (1/4) spaces per apartment unit, one (1) space per hotel unit, and two (2) and one-half (1/2) spaces per 1,000-SF of commercial space except as otherwise specifically provided in subsection 142-706(b)(2) Required parking for hotel, hotel accessory uses and club uses may be satisfied through the provision of valet parking spaces. 20% of required apartment unit parking spaces may be satisfied through the provision of valet parking spaces. 2) Four (4) spaces per 1,000-SF of commercial space for all of the C-PS3 or C-PS4 properties of which any portion is located south of 2nd Street and west of Washington Avenue or west of the southern theoretical extension of Washington Avenue

Source: City of Miami Beach Planning & Zoning Dept.

ZONING SUMMARY - Continued

Parking Requirements;	
Alcoholic Beverage Establishment and-or Bar	1 space per 4 seats + 1 space per 60-SF of area not utilized for seating.
Apartment Units	1.5 spaces per unit for units between 550 and 999 square feet; 1.75 spaces per unit for units between 1,000 and 1,200 square feet; 2 spaces per unit for units above 1,200 square feet. Developments of 20 units or less shall have no designated guest parking requirements. Multi-family buildings and suites-hotels with more than 20 units shall be required to provide supplemental designated guest parking equal to 10% of the required residential parking spaces.
Outdoor Café	1 space per 4 seats
Sidewalk Café	No parking requirement
Entertainment Establishment	1 space per 4 seats + 1 space per 60-SF of area not utilized for seating.
Grocery Store	1 space per every 250-SF of floor area
Hotels - South of 5th Street	1 space per unit
Marina	1 space per every 2 wet slips; 1 space per every 10 slips in dry dock storage facility
Office	1 space per 400-SF of floor area; however, offices located on the ground floor shall provide 1 per 300-SF
Restaurants	1 space per every 4 seats; take out restaurant with no seats: 1 space per every 300-SF of floor area; take out restaurant and home delivery with no seats: 1 space per every 200-SF of floor area. Parking requirements for restaurants offering a combination of services shall be cumulative. Restaurants that have an occupational license for an alcoholic beverage establishment, dance hall or entertainment establishment shall meet the parking requirement indicated for those uses.
Retail	One space per every 300 square feet of floor area.

Source: City of Miami Beach Planning & Zoning Dept.

ANALYSIS AND CONCLUSION

The existing improvements represent a legally-conforming use and the third party developer is proposing a redevelopment program of the air rights over & above the uplands area with a preliminary concept plan comprising 60-units in a fifteen (15) story tower with 215,000-square feet of sellable area or FAR.

The proposed redevelopment plan for the uplands appears to be a legally-conforming use, subject to a citywide voter referendum, a comprehensive land use modification and rezoning from GU, Government Use to C-PS-4, Intensive Mixed-Use Phased Bayside Commercial district necessary for the proposed multi-family residential tower height and dwelling unit density as intended.

Additional information may be obtained from the City of Miami Beach Planning & Zoning Department. For purposes of this appraisal, CBRE has assumed the information obtained is correct.

Tax and Assessment Data

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

AD VALOREM TAX INFORMATION					
Parcel	Assessor's Parcel No.	Parcel Description	2018	2019	Multi-Family Residential Development Rights
1	02-4203-000-0010	Surface Parking Lot	4,468,085	6,000,000	\$80,000,000
2	02-4203-009-9210	Existing Retail/Office & Surface Parking Lot	19,803,000	17,850,000	
3	02-4203-009-9250	Shared Main Entrance & Fuel Farm (USTs)	2,038,200	2,029,920	
Subtotal			\$26,309,285	\$25,879,920	\$80,000,000
Less: Municipal Exemption (Parcel #3)			(2,038,200)	(2,029,920)	---
Non-Exempt Assessment			24,271,085	23,850,000	\$80,000,000
Assessed Value @			100%	100%	85%
			24,271,085	23,850,000	80,000,000
General Tax Rate (per \$100 A.V.)			1.880420	1.937850	1.937850
Total Taxes			\$456,398	\$462,177	\$1,550,280
Less: 4% Early Pay Discount			\$438,142	\$443,690	\$1,488,269
Source: Assessor's Office					

The local Assessor's methodology for valuation is sales comparison and income approaches to value. The next re-assessment of the subject was scheduled for January 1, 2021 but has not yet been posted or certified on the tax roll. If the subject sold for the value estimate in this report, a reassessment at that value could occur based on the "just value" statute, less cost of sale.

According to the "just value" statute for all Counties within the State of Florida, the assessment for taxation purposes, is supposed to reflect 100% of market value, less cost of sale, i.e. marketing & real estate commissions, transaction & mortgage recording fees, etc., which typically equates to 65% to 85% of a recorded sale price and/or a market value estimate.

According to a representative of Miami-Dade County Revenue Collector, there are no delinquent property taxes encumbering the subject.

Market Analysis

The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. Primary data sources utilized for this analysis include ESRI, Inc., Reinhold P. Wolff Economic Research, Inc., CBRE Econometrics and MLS (Multiple Listing Services).

DEMOGRAPHIC ANALYSIS

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

Housing, Population and Household Formation

The following table illustrates the population and household changes for the subject neighborhood with primary focus on the 1-, 3- and 5-mile radius in comparison to the State & County demographic profile.

POPULATION AND HOUSEHOLD PROJECTIONS						
	1 Mile Radius	3 Mile Radius	5 Mile Radius	33139 - Miami Beach	Florida	Miami-Dade County
Population						
2024 Total Population	22,558	57,478	256,547	41,746	22,730,808	2,897,556
2019 Total Population	21,809	55,483	231,768	40,375	21,239,528	2,746,790
2010 Total Population	20,851	52,803	190,676	38,623	18,801,310	2,496,435
2000 Total Population	20,808	49,114	159,277	38,343	15,982,378	2,253,362
Annual Growth 2019 - 2024	0.68%	0.71%	2.05%	0.67%	1.37%	1.07%
Annual Growth 2010 - 2019	0.50%	0.55%	2.19%	0.49%	1.36%	1.07%
Annual Growth 2000 - 2010	0.02%	0.73%	1.82%	0.07%	1.64%	1.03%
Households						
2024 Total Households	13,593	32,828	126,075	24,910	8,856,707	997,645
2019 Total Households	13,216	31,880	113,893	24,224	8,299,404	947,594
2010 Total Households	12,851	30,848	92,596	23,514	7,420,802	867,352
2000 Total Households	12,841	28,872	73,467	23,415	6,337,929	776,774
Annual Growth 2019 - 2024	0.56%	0.59%	2.05%	0.56%	1.31%	1.03%
Annual Growth 2010 - 2019	0.31%	0.37%	2.33%	0.33%	1.25%	0.99%
Annual Growth 2000 - 2010	0.01%	0.66%	2.34%	0.04%	1.59%	1.11%

Source: ESRI

As shown, the subject's neighborhood is experiencing positive increases in both population and households based on high density, in-fill redevelopment projects.

Income Distributions

Household income available for expenditure on housing and other consumer items is a primary factor in determining the price/rent level of housing demand in a market area. In the case of this study, projections of household income, particularly for renters, identifies in gross terms the market from which the subject submarket draws. The following table illustrates estimated household income distribution for the subject neighborhood.

HOUSEHOLD INCOME DISTRIBUTION						
Households by Income Distribution (2019)	1 Mile Radius	3 Mile Radius	5 Mile Radius	33139 - Miami Beach	Florida	Miami-Dade County
<\$15,000	19.70%	14.66%	18.07%	15.82%	11.12%	14.38%
\$15,000 - \$24,999	10.34%	8.83%	9.59%	9.18%	10.09%	10.71%
\$25,000 - \$34,999	9.79%	8.94%	8.69%	9.73%	10.08%	9.87%
\$35,000 - \$49,999	11.30%	11.31%	11.38%	11.40%	14.36%	13.50%
\$50,000 - \$74,999	14.24%	13.71%	14.73%	14.88%	18.48%	17.41%
\$75,000 - \$99,999	10.36%	10.39%	10.17%	10.48%	12.33%	10.90%
\$100,000 - \$149,999	11.25%	13.54%	12.59%	12.64%	12.80%	12.36%
\$150,000 - \$199,999	5.61%	7.57%	5.86%	6.25%	5.01%	4.82%
\$200,000+	7.40%	11.06%	8.92%	9.60%	5.72%	6.05%

Source: ESRI

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

HOUSEHOLD INCOME LEVELS						
Income	1 Mile Radius	3 Mile Radius	5 Mile Radius	33139 - Miami Beach	Florida	Miami-Dade County
2019 Median Household Income	\$48,063	\$59,343	\$52,799	\$54,892	\$54,238	\$51,512
2019 Average Household Income	\$80,120	\$98,342	\$86,444	\$90,459	\$78,335	\$77,008
2019 Per Capita Income	\$48,625	\$56,542	\$42,684	\$54,363	\$30,703	\$26,621

Source: ESRI

An analysis of the income data indicates that the submarket is generally comprised of middle and upper-middle income economic cohort groups, which include the target groups to which the subject is oriented.

Employment

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

EMPLOYMENT BY INDUSTRY						
Occupation (2019)	1 Mile Radius	3 Mile Radius	5 Mile Radius	33139 - Miami Beach	Florida	Miami-Dade County
Agric/Forestry/Fishing/Hunting	0.25%	0.21%	0.21%	0.28%	0.96%	0.63%
Construction	4.16%	4.10%	7.54%	3.92%	8.32%	8.58%
Manufacturing	3.19%	3.41%	3.66%	3.00%	5.21%	4.66%
Wholesale Trade	2.73%	3.48%	3.92%	3.69%	2.81%	3.92%
Retail Trade	8.59%	7.98%	9.26%	8.32%	12.61%	11.73%
Transportation/Warehousing	6.82%	5.29%	5.33%	5.73%	5.27%	8.06%
Information	2.72%	2.99%	2.54%	3.03%	1.77%	1.88%
Finance/Insurance	5.12%	6.30%	6.38%	4.85%	5.02%	4.73%
Prof/Scientific/Tech Services	12.72%	13.86%	12.04%	12.77%	7.67%	7.67%
Mgmt of Companies/Enterprises	0.10%	0.16%	0.11%	0.12%	0.10%	0.09%
Admin/Support/Waste Mgmt Svcs	3.50%	3.37%	4.31%	3.57%	5.49%	5.45%
Educational Services	7.47%	6.30%	5.43%	6.66%	7.79%	7.37%
Health Care/Social Assistance	7.53%	9.91%	11.17%	9.28%	14.18%	13.34%
Arts/Entertainment/Recreation	4.57%	4.07%	3.29%	4.07%	3.11%	2.14%
Accommodation/Food Services	23.06%	21.76%	15.28%	23.95%	9.40%	9.44%
Other Services (excl Publ Adm)	5.39%	4.75%	7.06%	4.81%	5.88%	6.84%
Public Administration	2.10%	2.08%	2.48%	1.97%	4.39%	3.47%

Source: ESRI

The previous table illustrates the employment character of the submarket, indicating a predominantly middle and upper-middle income employment profile, with the majority of the population holding retail trade, financial/insurance, professional, health care and hospitality related jobs.

Outlook

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

RESIDENTIAL HOUSING MARKET IN BRIEF

The housing market of Miami-Dade County increased considerably from the third quarter of 2019 to the fourth quarter of 2019 as measured by new housing absorption.

During the fourth quarter of 2019 a total of 2,402 new multi-family housing units were absorbed in Miami-Dade County, 39.7% higher than the 1,719 absorbed in the third quarter of 2019 and 88.8% greater than the 1,272 absorbed in the fourth quarter of 2018. Used housing sales declined with the 8,646 units resold in the fourth quarter of 2019 representing a 10.1% decline over the 9,620 of the third quarter of 2019 and a 11.8% increase over the 7,736 of the fourth quarter of 2018.

The 143 new condominium units sold (deeded) during the fourth quarter of 2019 was 13.5% higher than sales of the third quarter of 2019 and 11.7% higher than in the fourth quarter of 2018. During the fourth quarter of 2019 condominium developments experienced an average of 4.3 sales per month and the median price of new units sold, \$703,570 was 8.5% less than the median of the third quarter of 2019.

A total of 3,743 condominium units were resold during the fourth quarter of 2019, down 8.8% over sales in the third quarter of 2019 but 5.1% higher than in the fourth quarter of 2018. The median price of units resold during the fourth quarter of 2019 was \$239,638, up 3.3% from the median of the third quarter of 2019 and 6.7% greater than the median of the fourth quarter of 2018.

During the fourth quarter of 2019 the 4,903 single family homes resold represented a 11.1% decline over the third quarter of 2019 and was 17.4% greater than in the fourth quarter of 2018. The median price of homes resold in the fourth quarter of 2019, \$334,948, was 3.2% lower than the median of the third quarter of 2019 and 3.7% more than the median one year earlier.

During the fourth quarter of 2019 a total of 2,259 new rental apartments were absorbed in Miami-Dade County while 2,382 were completed and 2,549 units were started under construction.

The vacancy rate in apartment developments declined from 3.4% to 3.2% from November 2019 to February 2020. The February 2020 vacancy rate was considerably lower than the 3.7% rate in, February 2019. The overall average rent for apartments declined by \$29 from November 2019 to February 2020 and the \$2,069 average is 9.0% greater than the average of one year ago.

A total of 1,997 new housing units were authorized by building permits in Miami- Dade County during the fourth quarter 2019, 49.0% less than the level of the third quarter of 2019 and 1.2% less than in the fourth quarter of 2018. Multi-family housing permitted during the fourth quarter of 2019 was 55.2% less than in the third quarter of 2019 and single family units permitted was 14.9% less.

Housing starts in 2019 totaled 10,724 units, 4.5% greater than the total for 2018. In 2020 starts are forecast to total about 14,680 units representing a 36.9% increase over the level of 2019. Multi-family housing starts in 2020 are forecast to increase by 27.6%.

In 2019 the 2,435 single family housing starts represented a 0.5% increase over the level of 2018. In 2020 single family starts are forecast to total 2,390, 1.8% less than in 2019.

NEW CONSTRUCTION ACTIVITY

Total New Housing Authorized

During the fourth quarter of 2019 a total of 1,997 new housing units were authorized by building permits in Miami-Dade County, 49.0% less than the 3,914 units permitted in the third quarter of 2019 and 1.2% less than the 2,022 of the fourth quarter of 2018. The total housing permitted during 2019, 12,068 units, was 17.6% greater than the 10,268 permitted during 2018.

Multi-Family Authorizations

A total of 1,482 multi-family housing units were permitted during the fourth quarter of 2019, 55.2% less than in the third quarter of 2019 and 1.5% less the 1,504 permitted in the fourth quarter of 2018. The 9,633 multi-family units permitted during 2019 was 22.8% greater than the 7,843 permitted during the same period of 2018.

Single Family Authorizations

New single family homes authorized during the fourth quarter of 2019 totaled 515 units, 14.9% less than the 605 permitted during the third quarter of 2019 and 0.6% less than the 518 permitted in the fourth quarter of 2018. The 2,435 single family homes permitted during 2019 was 0.5% greater than the 2,422 permitted during 2018.

Forecast of Building Activity

A total of 10,724 housing units were started in Miami-Dade County during 2019 representing an increase of 4.5% over the 10,260 started during 2018. In 2020 it is forecast that starts will total 14,680 units, up 36.9% over the total for 2019.

Multi-family housing starts totaled 9,633 units during 2019 representing an increase of 22.9% over the 7,838 of 2018. It is forecast that a total of 12,290 multi-family housing units will be started in 2020, 27.6% greater than the level of 2019.

A total of 2,435 single family homes were started in Miami-Dade County during 2019 representing a 0.5% increase over the 2,422 of 2018. It is forecast that about 2,390 single family homes will be started in 2020, 1.8% less than in 2019.

The following table illustrates the new single family and multiple family housing starts (including condominium & town homes):

TOTAL HOUSING & MULTIPLE FAMILY HOUSING STARTS			
Year	Total Housing Starts	New Multiple Family Housing Starts	Single-Family Housing Starts
2000	12,256	6,485	5,771
2001	13,445	7,138	6,307
2002	13,150	6,500	6,600
2003	13,520	6,297	7,223
2004	20,983	11,940	9,043
2005	27,212	15,684	11,528
2006	16,536	10,180	6,356
2007	7,931	4,240	3,691
2008	4,026	2,865	1,161
2009	1,150	585	565
2010	2,297	1,367	930
2011	2,657	1,684	973
2012	5,064	3,160	1,904
2013	10,179	8,087	2,092
2014	13,843	11,361	2,482
2015	16,421	13,649	2,772
2016	13,732	10,777	2,955
2017	9,731	7,460	2,271
2018	10,265	7,843	2,422
2019	12,068	9,633	2,435
Percentage Change:			
2017 vs. 2016	-23.1%	-30.8%	-29.1%
2018 vs. 2017	+6.6%	+5.1%	+5.5%
2019 vs. 2018	+0.5%	+22.8%	+17.6%
Reinhold P. Wolff Economic Research, Inc.			

As shown above, the Miami-Dade County Single Family and Multiple Family Housing Market peaked in 2004 to 2005 and declined for several years in the wake of the subprime meltdown, credit freeze and economic recession, which ended in June 2009. However, positive gains have been made in the past 5 to 7 years, while an impending cooling off appears to be occurring in the last 1-to-2 years with a pullback in single family housing and multi-family housing starts.

New Condominium Sales Activity

A total of 143 new condominium units were sold (deeded) in Miami-Dade

County during the fourth quarter of 2019. The fourth quarter sales were 13.5% greater than the 126 sold in the third quarter of 2019 and 11.7% greater than the 128 sold in the fourth quarter

of 2018. New condominium sales during 2019 totaled 539 units, 22.0% less than the 691 sold during 2018.

It should be noted that condominium sales based on deed recordings often lag notably behind contract sales. This results from the fact that deeds are often not recorded until all units in a building are sold and this can amount to a considerable period of time for mid-and high-rise developments.

During the fourth quarter of 2019 sales increased in five of the eleven areas by which the data is examined, declined in three areas and was unchanged in three areas. The highest level of sales, 66 units, was recorded in the Miami Shores/Northwest Miami areas followed by the North Beach areas at 46 units.

New condominium unit sales are examined by price groups in Table 19. During the fourth quarter of 2019 the \$900,000 plus price group had the greatest number of units sold with 43 sales. The second highest level of sales, 20 units, was in the \$250,000-\$349,999 plus price group.

New condominium developments in Miami-Dade County experienced an average monthly sales rate of 4.3 units per project during the fourth quarter of 2019, higher than the 3.8 rate of sales of the preceding quarter. The strongest rate of sales, 7.3 units per month, was found in the Miami Shores/Northwest Miami areas.

The strongest rate of monthly sales per project among the various price classes was 14.3 found in the over \$900,000 price range. An average of 6.7 sales per month was found in the \$250,000-\$349,000 plus price group.

The following table reflects corresponding sales of new condominium units, including town homes & villas that sold as condominiums, relative to median sale prices:

NEW CONDOMINIUM SALES VOLUME				
Year	New Condo Sales	Increase	Median Sale Price	Increase
2003	5,881	---	\$177,455	---
2004	7,789	+32.4%	\$173,968	-1.9%
2005	24,501	+214.5%	\$216,244	+24.3%
2006	19,654	-19.8%	\$233,484	+8.0%
2007	13,516	-31.2%	\$273,900	+17.3%
2008	9,602	-28.9%	\$365,927	+33.6%
2009	4,556	-52.5%	\$336,608	-8.0%
2010	3,701	-18.8%	\$328,798	-2.3%
2011	2,246	-39.3%	\$347,380	+5.6%
2012	1,332	-40.7%	\$327,557	-5.7%
2013	577	-56.7%	\$390,448	+19.2%
2014	827	+43.3%	\$402,196	+3.0%
2015	1,786	+116.3%	\$435,748	+8.3%
2016	1,027	-42.5%	\$424,447	-2.6%
2017	784	-23.7%	\$559,488	+31.8%
2018	691	-11.9%	\$609,676	+8.9%
2019	539	-22.0%	\$675,901	+10.9%

Reinhold P. Wolff Economic Research, Inc.

As shown above, the Miami-Dade County New Condominium Market also peaked in 2005 to 2006, followed by substantial, double digit declines in new sales volumes, while median sale pricing peaked in 2008. In 2009 through 2014, few new projects were delivered, and recent sales declined substantially compared to peak years. More recently, in 2013, 2014, 2015, 2016 & 2017, positive price gains appeared as new projects achieve delivery to market. However, 2016 is showing signs of a slow down with a decline in new condo sales volume, while median sale price continues to increase.

Used Condominium Sales Activity

A total of 3,743 condominium units were resold in the fourth quarter of 2019, down 8.8% from the 4,103 resold in the third quarter of 2019 but 5.1% higher than the 3,561 resold in the fourth quarter of 2018. The 15,614 units resold during 2019 was 1.0% less than the 15,776 resold during 2018.

The overall average price of units resold in the fourth quarter of 2019 was \$239,638, up 3.3% from the \$231,949 median of the preceding quarter and 6.7% higher than the \$224,584 median of the fourth quarter of 2018.

The highest median resale price, over \$700,000, was found in the South Miami Beach area and Key Biscayne area. The lowest median resale price was \$99,999 found in the North Dade/Carol City area.

Historic used condominium sales volume and median sale price trends through the fourth quarter 2019 are presented in the following table:

USED CONDOMINIUM SALES VOLUME				
Year	Used Condo Sales	Increase	Median Sale Price	Increase
2002	21,384	---	\$102,732	---
2003	25,192	+17.8%	\$123,074	+19.8%
2004	28,489	+13.1%	\$154,572	+25.6%
2005	25,603	-10.1%	\$204,301	+32.2%
2006	20,441	-20.2%	\$234,959	+15.0%
2007	15,609	-23.6%	\$255,934	+8.9%
2008	9,293	-40.5%	\$244,332	-4.5%
2009	15,562	+67.5%	\$144,358	-40.9%
2010	23,723	+52.4%	\$104,506	-27.6%
2011	15,276	-35.6%	\$152,895	+46.3%
2012	16,289	+6.6%	\$183,700	+20.2%
2013	18,710	+14.9%	\$186,351	+1.4%
2014	22,115	+18.2%	\$189,978	+1.9%
2015	22,307	+0.9%	\$209,085	+10.1%
2016	21,951	-0.2%	\$227,681	+8.9%
2017	15,703	-28.5%	\$239,481	+5.2%
2018	15,776	+0.5%	\$240,822	+0.6%
2018 (thru Sept.)	12,215	-22.6%	\$214,524	-10.9%
2019 (thru Sept.)	11,871	-2.8%	\$231,949	-8.1%

Reinhold P. Wolff Economic Research, Inc.

As shown above, the Miami-Dade County Used Condominium Market experienced declines in sales volume from 2005 up through 2008, while price declines commenced in 2008 through 2010 when the national economic recession ended, and government stimulus plans were implemented. However, a very noticeable turn around has occurred in median sale prices as demand for used product increased and the market re-pricing had spiked and increased steadily since 2011 to present.

The following table reflects average monthly sales/absorption rates of used condominium unit's submarket, as of the third quarter 2018:

Used Condominium Unit Sales By Submarket								
Area	1st Qtr. 2018	2nd Qtr. 2018	3rd Qtr. 2018	1st Qtr. 2018	1st Qtr. 2019	2nd Qtr. 2019	3rd Qtr. 2019	4th Qtr. 2019
North Miami Beach	467	453	543	505	527	528	413	425
North Miami	112	98	128	112	96	96	122	103
North Dade/Carol City	96	92	65	52	56	79	80	68
Miami Lakes	223	117	177	124	156	155	232	143
Miami Shores/ N.E. Miami	138	72	189	193	191	256	226	235
Northwest Miami	373	820	422	419	340	514	42	454
Hialeah	155	112	145	138	164	169	103	156
Miami Springs/ West Airport	376	283	338	339	360	358	460	386
Central Miami	48	54	65	81	86	76	47	94
North Gables	48	50	66	54	52	60	66	46
Bayshore/Brickell	81	111	116	102	101	135	139	102
South Gables	53	44	47	49	49	63	46	46
South Miami	5	11	17	11	9	9	7	12
West Miami	82	48	59	64	40	46	80	59
Sunset	65	55	66	52	56	73	98	47
Northwest Kendall Lakes	84	31	50	37	35	32	101	44
East Kendall	150	108	152	101	126	130	127	126
Central Kendall	42	28	32	27	25	39	25	28
West Kendall	142	94	90	118	98	95	129	102
Howard	44	36	42	43	26	39	59	68
Tamiami Airport Area	55	7	4	7	10	6	65	6
West Dade	39	24	36	12	23	36	55	25
Perrine/Goulds	309	134	175	160	155	179	384	167
Homestead	49	28	27	40	21	37	51	35
Key Biscayne	34	65	53	47	34	59	53	55
South Miami Beach	269	345	312	297	326	394	285	278
North Miami Beach	40	63	55	56	51	53	48	67
N. Miami Beach/N. Bay Village	142	176	202	159	202	192	365	178
Surfside/Indian Creek	39	18	17	13	25	26	0	14
Bal Harbour/ Golden Beach	190	189	161	149	170	224	195	174
Total Miami-Dade County	3,950	4,414	3,851	3,561	3,610	4,158	4,103	3,743
Reinhold P. Wolff Economic Research, Inc.								

As shown, the overall Miami-Dade County market and the subject submarket reflect an stable velocity of used condo unit sales as the low interest rate environment continues to produce brisk absorption.

CONCLUSION

The subject neighborhood & submarket reflects a very desirable beach & ocean front resort location with good-to-excellent quality and high-density residential condominium tower developments.

Overall, it is our opinion that the high-rise condominium apartment unit ownership will continue to remain very desirable within the submarket despite currency exchange fluctuations, political uncertainty, concerns of overbuilding and-or market slowdowns.

COMPARABLE CONDOMINIUM APARTMENT PROJECTS

Because the survey data reported from Reinhold P. Wolff is trailing and somewhat dated, we have also provided an analysis of real time comparable condominium apartment unit resale's and active listing data from the local Realtors MLS. We have selected condominium apartment unit sales within the Miami Beach market area and the South of 5th submarket based on unit sizes, floor plans, project amenities, view amenity and year built in the following section.

Condominium Apartment Listings, Pending Sales & Closed Sales

In the following table, we have summarized the comparable units, i.e. 2,000-SF & up that are actively listed and pending sales based on size, floor plan, view amenity and year built:

MIAMI BEACH - SOUTH OF 5TH CONDOMINIUM UNITS - ACTIVE LISTINGS

Status	Address	Condominium	Year Built	# Beds	# FB	# HB	Living Area	List Price	List Price PSF
A	321 Ocean Drive Unit#PH	321 Ocean	2015	5	5	2	6,807	\$29,500,000	\$4,333.77
A	800 S Pointe Dr Unit#1904	Apogee Condo	2008	4	4		4,154	\$16,950,000	\$4,080.40
A	800 S Pointe Dr Unit#2004	Apogee Condo	2008	4	3	1	4,154	\$16,950,000	\$4,080.40
A	800 S Pointe Dr Unit#804	Apogee Condo	2008	4	3	2	3,731	\$13,900,000	\$3,725.54
A	800 S Pointe Dr Unit#801	Apogee Condo	2008	3	3	1	3,731	\$10,400,000	\$2,787.46
A	800 S Pointe Dr Unit#1602	Apogee Condo	2008	3	3	1	3,102	\$8,950,000	\$2,885.24
A	300 Collins Ave Unit#PH3	Three Hundred Collins	2018	4	4	1	3,705	\$8,500,000	\$2,294.20
A	800 S Pointe Dr Unit#2003	Apogee Condo	2008	3	3	1	3,102	\$8,500,000	\$2,740.17
A	800 S Pointe Dr Unit#702	Apogee	2008	3	3	1	2,756	\$7,400,000	\$2,685.05
A	1 Collins Avenue Unit#707	One Ocean	2015	4	4	1	3,110	\$6,990,000	\$2,247.59
A	801 S Pointe Dr Unit#PH4	MAREA	2015	4	4	1	3,022	\$6,950,000	\$2,299.80
A	400 Alton Rd Unit#3601	Murano Grande	2003	4	5	1	3,979	\$6,900,000	\$1,734.10
A	1000 S Pointe Dr Unit#3201	Murano Portofino	2002	3	3	1	3,365	\$6,825,000	\$2,028.23
A	400 Alton Rd Unit#606 & 607	Murano Grande	2003	5	4	1	2,024	\$6,500,000	\$3,211.46
A	1300 Monad Terrace Unit#3A	Monad Terrace	2019	4	4	1	3,302	\$6,100,000	\$1,847.37
A	226 Ocean Dr Unit#7F/7G	Ocean Place	2003	4	3		2,786	\$5,995,000	\$2,151.83
A	1000 S Pointe Dr Unit#P2803	Murano at Portofino	2002	3	2	1	2,008	\$5,900,000	\$2,938.25
A	1000 S Pointe Dr Unit#2602	Murano at Portofino	2002	3	3	1	2,618	\$5,600,000	\$2,139.04
A	1300 Monad Terrace Unit#3F	Monad Terrace	2019	3	3	1	2,658	\$5,550,000	\$2,088.04
A	801 S Pointe Dr Unit#PH3	Marea Condominium	2015	3	3	1	2,898	\$5,495,000	\$1,896.14
A	1 COLLINS AV. Unit#307	One Ocean	2016	4	5	1	3,041	\$5,450,000	\$1,792.17
A	1000 S Pointe Dr Unit#1802	Murano at Portofino	2002	3	3	1	2,618	\$4,296,750	\$1,641.23
A	400 Alton Rd Unit#3103	Murano Grande	2003	3	3	1	3,058	\$4,240,000	\$1,386.53
A	1 Collins Ave Unit#308	ONE OCEAN	2016	5	5	1	3,041	\$4,000,000	\$1,315.36
A	400 Alton Rd Unit#2604	Murano Grande	2003	4	4	1	2,974	\$3,995,000	\$1,343.31
A	400 Alton Rd Unit#LPH3	Murano Grande	2003	3	3	1	3,284	\$3,990,000	\$1,214.98
A	400 Alton Rd Unit#2003	Murano Grande	2003	3	3	1	3,058	\$3,950,000	\$1,291.69
A	400 Alton Rd Unit#2403	Murano Grande	2003	3	3	1	3,058	\$3,950,000	\$1,291.69
A	450 Alton Rd Unit#3404	Icon South Beach	2005	5	5	0	3,694	\$3,900,900	\$1,056.01
A	1 Collins Avenue Unit#604	One Ocean	2016	3	3	1	2,860	\$3,900,000	\$1,363.64
A	400 Alton Rd Unit#2104	Murano Grande	2003	3	3	1	2,974	\$3,895,000	\$1,309.68
A	801 S Pointe Dr Unit#306	Marea Condominium	2015	3	3	1	2,533	\$3,895,000	\$1,537.70
A	400 Alton Rd Unit#3503	Murano Grande	2003	3	3	1	3,284	\$3,890,000	\$1,184.53
A	450 Alton Rd Unit#2003	Icon South Beach	2005	3	3	0	2,158	\$3,490,000	\$1,617.24
A	1 Collins Ave Unit#603	ONE OCEAN	2016	3	3	1	2,860	\$3,395,000	\$1,187.06
A	1300 Monad Terrace Unit#9D	Monad Terrace	2020	3	3	1	2,496	\$3,360,000	\$1,346.15
A	450 Alton Rd Unit#3401	Icon South Beach	2004	3	3	1	2,145	\$3,295,000	\$1,536.13
A	300 Collins Ave Unit#2F	Three Hundred Collins	2018	3	3	1	2,397	\$3,250,000	\$1,355.86
A	300 Collins Ave Unit#4A	Three Hundred Collins	2018	4	4	1	2,216	\$3,240,000	\$1,462.09
A	450 Alton Rd Unit#3001	Icon South Beach	2005	3	3	1	2,145	\$3,200,000	\$1,491.84
A	801 S Pointe Dr Unit#401	Marea Condominium	2015	3	3	1	2,140	\$3,150,000	\$1,471.96
A	801 S Pointe Dr Unit#501	Marea Condominium	2015	3	3	1	2,332	\$3,125,000	\$1,340.05
A	450 Alton Rd Unit#2301	Icon South Beach	2005	3	3	1	2,145	\$3,095,000	\$1,442.89
A	1000 S Pointe Dr Unit#1104	Murano at Portofino	2002	3	3	0	2,190	\$2,820,000	\$1,287.67
A	1000 S Pointe Dr Unit#504	Murano at Portofino	2002	3	3	0	2,190	\$2,799,000	\$1,278.08
A	801 S Pointe Dr Unit#506	Marea Condominium	2015	3	3	1	2,154	\$2,700,000	\$1,253.48
A	450 Alton Rd Unit#2203	Icon South Beach	2005	3	3	0	2,158	\$2,695,000	\$1,248.84
Averages							2,941	\$6,102,588	\$2,075.18

Source: MLS

As presented above, the list prices for studio units are reported to be in the range of \$2,695,000 to \$29,500,000, or \$1,056.01 to \$4,333.77 per square foot of living area or an overall average of \$2,075.18-PSF of living area.

We also have summarized the comparable apartment unit closed sales over 2,000-SF, as follows:

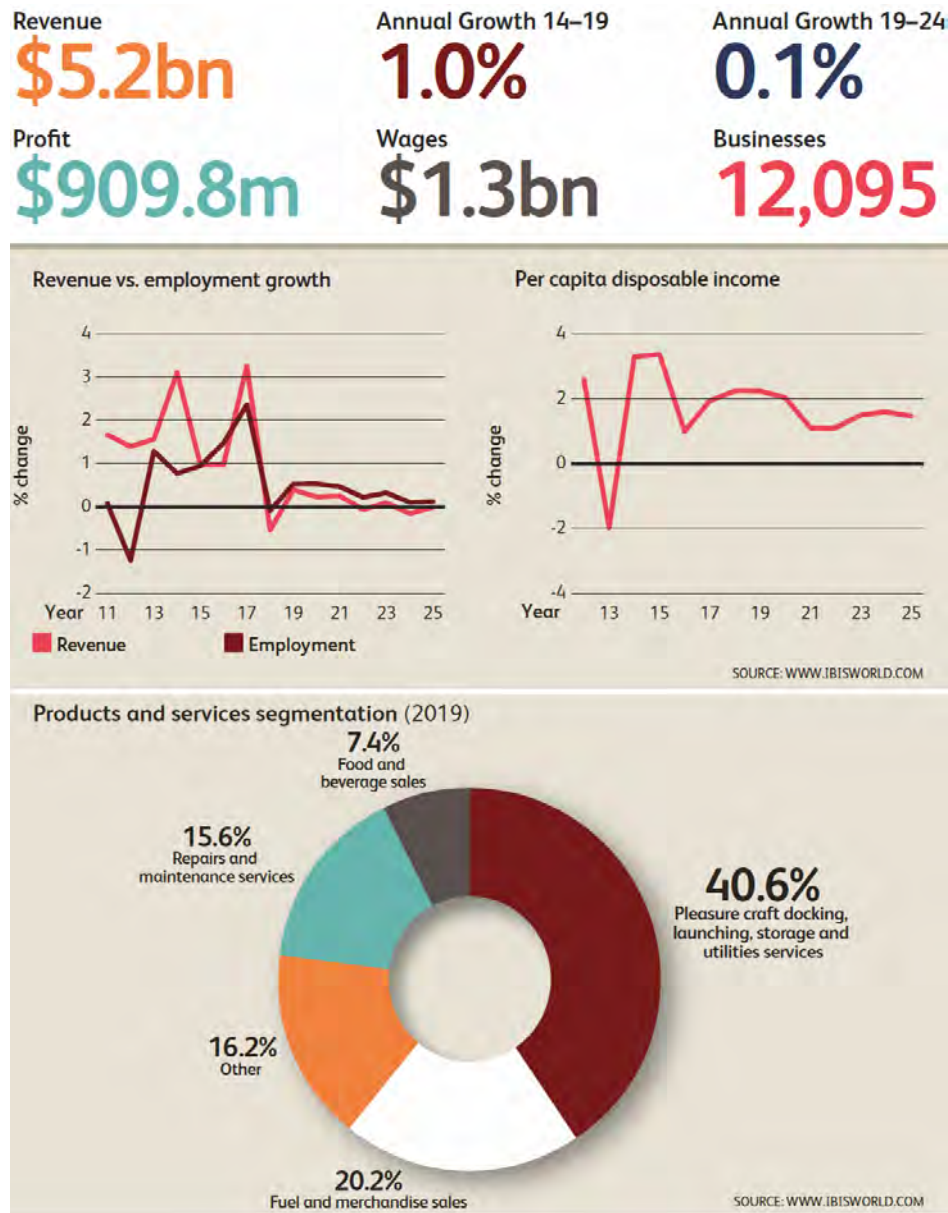
MIAMI BEACH - SOUTH OF 5TH CONDOMINIUM UNITS - CLOSED SALES										
Status	Address	Condominium	Year Built	# Beds	# FB	# HB	Living Area	Closed Date	Sale Price	Sale Price PSF
CS	100 S Pointe Drive Unit#1106/7	Continuum South Tower	2002	5	5	1	4,378	5/29/2019	\$13,000,000	\$2,969.39
CS	1000 S Pointe Unit#3501	Murano at Portofino	2002	3	3	1	3,365	5/31/2019	\$9,300,000	\$2,763.74
CS	100 S Pointe Dr Unit#3303	Continuum South Tower	2003	3	3	1	3,335	8/13/2019	\$8,450,000	\$2,533.73
CS	100 S Pointe Dr Unit#3707	Continuum South Tower	2003	3	3	1	2,954	5/22/2019	\$6,800,000	\$2,301.96
CS	800 S Pointe Dr Unit#1702	Apogee Condo	2008	3	4		3,103	5/17/2019	\$7,250,000	\$2,336.45
CS	50 S Pointe Dr Unit#2802	Continuum North Tower	2008	3	3	1	2,503	5/24/2019	\$5,630,000	\$2,249.30
CS	100 S Pointe Dr Unit#606	Continuum South Tower	2002	3	4	1	2,508	12/30/2019	\$5,550,000	\$2,212.92
CS	321 Ocean Dr Unit#300	321 Ocean	2015	4	4	1	2,926	3/2/2020	\$5,750,000	\$1,965.14
CS	1000 S Pointe Dr Unit#2801	Murano at Portofino	2002	3	4	1	3,365	8/20/2019	\$5,000,000	\$1,485.88
CS	400 Alton Rd Unit#2501	Murano Grande	2003	4	4	1	3,979	4/2/2020	\$4,710,500	\$1,183.84
CS	321 Ocean Dr Unit#401	321 OCEAN	2015	3	3	1	2,775	8/20/2019	\$4,290,000	\$1,545.95
CS	1000 S Pointe Dr Unit#501	Murano at Portofino	2002	3	3	1	3,365	2/28/2020	\$4,800,000	\$1,426.45
CS	100 S Pointe Dr Unit#1604	Continuum South Tower	2002	2	2	1	2,292	12/17/2019	\$4,850,000	\$2,116.06
CS	50 S Pointe Dr Unit#3003	Continuum North Tower	2008	3	3	1	2,173	3/26/2020	\$4,200,000	\$1,932.81
CS	400 Alton Rd Unit#3403	Murano Grande	2003	3	3	1	3,284	11/15/2019	\$3,850,000	\$1,172.35
CS	1000 S Pointe Dr Unit#801	Murano at Portofino	2002	3	4	1	3,365	5/6/2020	\$3,500,000	\$1,040.12
CS	400 Alton Rd Unit#2904	Murano Grande	2003	3	3	1	2,974	12/30/2019	\$3,400,000	\$1,143.24
CS	50 S Pointe Dr Unit#802	Continuum North Tower	2008	2	3	1	2,190	4/3/2020	\$3,100,000	\$1,415.53
CS	100 S Pointe Dr Unit#2409	Continuum South Tower	2003	3	3	0	2,122	11/18/2019	\$2,950,000	\$1,390.20
CS	450 Alton Road Unit#2803	Icon South Beach	2005	3	3	0	2,158	9/13/2019	\$2,375,000	\$1,100.56
CS	400 Alton Rd Unit#2406	Murano Grande	2003	2	2	1	2,024	8/12/2019	\$2,825,000	\$1,395.75
Averages							2,911		\$5,313,357	\$1,825.06
Source: MLS										

The closed sale prices for these units were reported to be in the range of \$2,375,000 to \$13,000,000 or \$1,040.12 to \$2,969.39 per square foot of living area, or an overall average of \$1,825.06 per square foot.

The foregoing presentation and analysis will be employed in the Highest & Best Use and Residual Land Analysis section of this appraisal report.

US Marina Market Analysis

Over the past five years, the Marinas industry has been sailing along with increased revenue growth and rising profit. Marinas provide storage for small, recreational boats through the rental of slips and moorings, in addition to maintenance, sport and recreation equipment rental, food and beverage services.



As shown by increased boat building activity, consumers have been more financially capable of spending on nonessential activities, such as boating and water sports. Rising recreational spending and declining fuel prices have also created positive conditions for the Marinas industry, which is estimated to rise at an annualized rate of 1.0% over the five years to 2019. Total industry revenue is expected to reach \$5.2 billion, growing an anticipated 0.4% in 2019 alone.

KEY EXTERNAL DRIVERS

Per capita disposable income

Boating expenditures generally increase as household disposable income levels rise. Higher levels of boating participation lead to greater demand for marina berths. Per capita disposable income is expected to increase in 2019, presenting a potential opportunity for the industry.

Demand from boat building

As demand for new boats continues to grow, the marina business will increase with the rise in consumers needing storage for their watercraft. Discretionary income fuels demand for luxury purchases, such as a new boat. The Boat Building industry is expected to increase in 2019.

Households earning more than \$100,000 Although many boat owners are not in this income group, the industry earns a significant amount of revenue from households with an average annual income exceeding \$100,000. This group tends to own larger boats or yachts, which generate greater slip fee revenue. These boats also use more of the premium services offered by marinas. Therefore, an increase in the number of households in this group will support higher demand and revenue for marinas. Households earning more than \$100,000 are expected to increase in 2019.

Time spent on leisure and sports Participation in recreational activities such as boating typically increases as leisure time rises. Likewise, this growth will potentially lead to greater demand for marina facilities and services. Time spent on leisure and sports is expected to remain stagnant in 2019.

Consumer Confidence Index

The consumer confidence index is a survey concerning household finances, income, business conditions and economic outlook. Consumers will generally postpone big-ticket purchases, such as boats, when consumer sentiment is low, thus affecting demand for docking and storage provided by marinas. Consumer confidence is expected to fall in 2019, representing a potential threat to the industry.

World price of crude oil

The world price of crude oil heavily influences the costs of owning and using a boat for boat owners, which will have an effect on the volume of customers for a marina. Fuel is also sold by marinas and can influence revenue if the prices are too high for boat owners to want to use their boat on a regular basis. The world price of crude oil is expected to fall in 2019.

INDUSTRY PERFORMANCE

While the waters were a little choppy, the Marinas industry benefited from increased participation and expenditures by consumers over the five years to 2019, and more operators in the industry started reporting increases in occupancy rates, boosting industry revenue. Growth in per capita disposable income has enabled consumers to trade up to luxury goods for recreation, such as

boats for water sports and fishing, bringing more boat owners back to the waters and increasing business for the marinas. A marina's primary source of revenue is the storage of recreational boats. Speedboats, fishing boats and yachts are more readily available for use if they are stored in the water and docked at a marina, a convenience to boat owners looking to save time. In addition to increasing disposable income, the rising rate of the number of households earning more than \$100,000 and a rise in the Consumer Confidence Index indicate consumers' increased abilities for recreational spending. Experts estimate industry revenue to increase at an annualized rate of 1.0% to \$5.2 billion over the five years to 2019. With increasing demand for new boats, expansion within the Marinas industry is expected and the number of operators is anticipated to rise. Profitability has also increased for both small and large operators in the industry over the five years to 2019.

Favorable consumers

Recreational boating is an expensive activity at most levels. The cost of entry to owning a boat and undertaking boating as an activity is high. In addition to the price of a boat, fuel and storage are substantial costs a boat owner needs to consider. The improving economy over the five years to 2019 brought rising disposable income and increased consumer confidence to perpetuate leisure spending, which favors the Marinas industry. In addition to providing space and storage for recreational boats through slips (dockside spaces) and moorings (anchored buoys), marinas can expand operations to include sporting equipment rentals and food and beverage sales to attract both transient and regular boaters. These additions increase the possible sources of revenue for a marina. Yacht clubs, restaurants and bars are incorporated into many marina businesses and are often a part of the social scene for many coastal and lake localities; consumers of these amenities may also use the marina's docking services, providing industry operators with additional revenue. US boat sales have grown over the five years to 2019. Alongside growing per capita disposable income, industry revenue is expected to increase 0.4% in 2019 alone.

Location, regulation and externalities

Seasonal changes and the amount of time consumers spend on recreational boating are large factors in the flow of revenue for marinas. The geographic spread of marinas naturally follows the coastlines and large bodies of water across the United States. The greatest concentration of marinas is located in the Southeast region, accounting for an estimated 29.3% of all locations. This is largely due to the climate advantage over the Northeast, which has inclement weather and freezing temperatures that prevent most recreational boating activities.

However, marinas in the Northeast offer dry storage facilities, which have led revenue to flow through the off-months. An estimated one-third of revenue generated by marinas in the Northeast is from dry storage facilities.

Over the five years to 2019, the Marinas industry has been contending with increased voluntary and mandatory compliance regulation from various industry associations, state and federal

agencies. The most prominent ongoing initiative being undertaken by the Association of Marina Industries is called the Clean Marinas initiative, which has gained traction among federal and state regulatory agencies, and among industry operators. The program's aim is not only to help marinas navigate changing state and federal regulations, but also undertake several voluntary programs to potentially attain cost-savings for the operators in the industry. Upon completion of these programs, a certification is awarded to the operators in the industry. However, industry magazine Marina Dock Age carried out a survey in 2019 regarding the experiences of marinas in implementing the Clean Marinas initiative. The survey stated that the number of clean marinas grew by 20.0% since end of 2017. However, respondents cited funding constraints as the primary reason for not being actively involved in the initiative. According to the survey, 20.0% of respondents did not receive any funding.

Externalities such as hurricanes and other severe weather conditions affect revenue in the industry in several regions. Hurricanes that affected several regions, such as Hurricanes Maria and Irma in Puerto Rico and Houston, respectively, severely affected revenue of the marinas in the region. Operators in the industry have responded by undertaking a series of steps in curtailing damage to their properties because of inclement natural events.

INDUSTRY STRUCTURE

The number of operators in the industry has increased slightly, at an annualized rate of 0.9% to 12,095 over the five years to 2019. Many of the current operators endured the slow business conditions that occurred after the downturn, such as low customer volumes and limited tourist traffic around marinas. An estimated 12,151 marina establishments in 2019 falls in line with the number of operators, indicating there are few industry players that operate multiple establishments. While there are no major players accounting for more than 5.0% of industry revenue, larger businesses, such as Westrec Marinas and Suntex Ventures LLC, own a portfolio of marinas across different states, letting customers travel between locations with their boats.

However, the majority of businesses in the industry are local operations with only one establishment. These marinas typically require only a few employees to service customers and keep facilities in shape. According to the US Census, 79.6% of establishments employ fewer than 10 workers. The total number of industry employees is estimated to reach 36,491 workers in 2019, growing at an annualized rate of 1.0% during the five-year period. As marinas need supplementary workers to respond to the rising demand for services offered by them during important holiday seasons, including repairs, launching assistance and restaurants, they are expected to have enough additional revenue to handle any unexpected increase in employment and wages. Wages as a proportion of revenue are quite considerable for marinas, accounting for an expected 24.6% of revenue in 2019.

INDUSTRY OUTLOOK

Gradual revenue growth is expected for the Marinas industry over the five years to 2024, with industry revenue projected to rise at an annualized rate of 0.1% to \$5.2 billion. Transporting and launching a boat oneself can be an arduous task and take considerable daylight away from the activity itself. Over the five years to 2024, time spent on leisure and sports by consumers is estimated to increase slightly, which will likely lead to more value being placed on the limited time consumers have for recreational activities and the need for time-saving strategies. The increasing number of boats being built will also secure revenue for the future, as demand for storage services will increase.

Growing consumer economy and personalized services

Recreational boating will continue to be an expensive hobby, and thus demand for marinas depends on the amount of discretionary income consumers have for recreational activities. Per capita disposable income is forecast to rise over the next five years, encouraging consumers to purchase boats and marina memberships, given the increased financial security. Falling fuel prices, decreasing unemployment and rising trends in the Consumer Confidence Index is expected to keep industry revenue growing over the next five years.

Additionally, the primary revenue generator for the industry is providing storage and dockage services for all types of boats. Moving forward, marinas that focus on increasing add-on services will benefit the most. For example, some marinas provide country-club-style concierge services, such as boats and yachts that are fueled, cleaned and stocked with all necessary utilities, including food and drinks, before consumers even board their boats. These types of personal services will help operators in the industry differentiate themselves and generate higher revenue and, subsequently, profit. The number of households expected to earn more than \$100,000 a year is also expected to rise during the period. While wealth is not the sole determinant in being a boat owner, this income bracket purchases newly built boats, and is more inclined to use these types of services and amenities at a marina or yacht club.

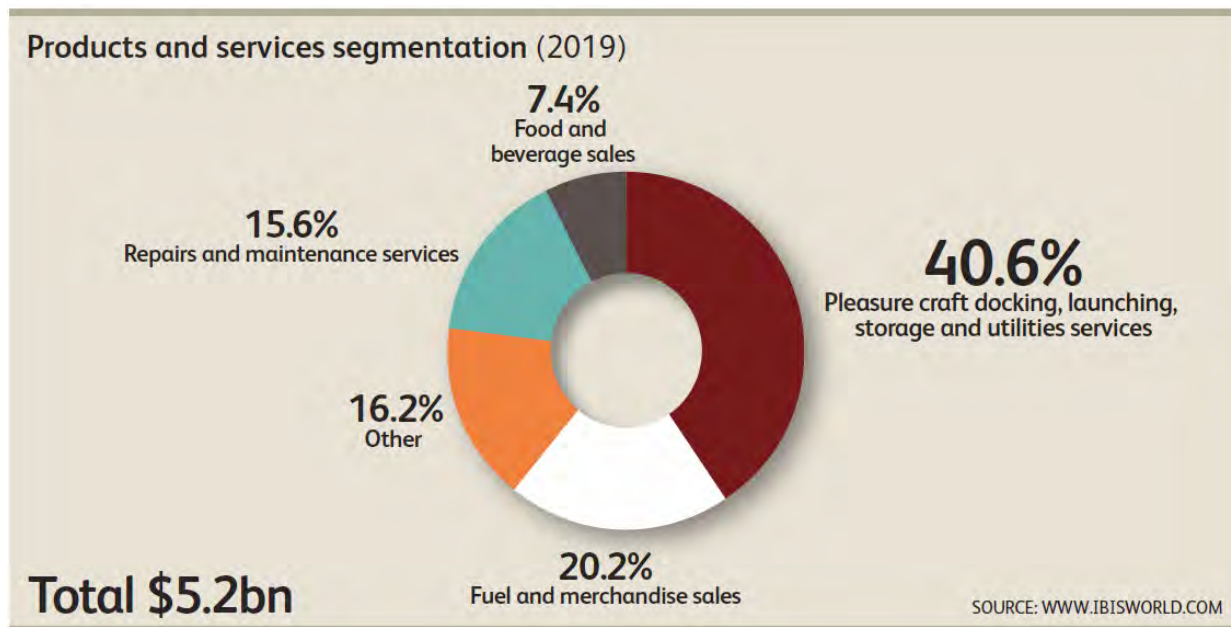
As consumers continue to embrace boating, the industry will likely expand its infrastructure to meet demand. The number of marina establishments is expected to grow at an annualized rate of 0.6% over the next five years, to reach 12,510 in 2024. The number of industry operators is forecast to increase at an annualized rate of 0.6%, suggesting most businesses will enter the industry as a single-marina operator, with some business expansion from existing marina operators. Employment is expected to increase at a steady pace over the next five years, rising at an annualized rate of 0.3% to 37,097 workers. During this period, wages are also expected to increase at an annualized rate of 0.3% to \$1.3 billion. As more marinas expand their facilities, they will need more employees to handle increased customer volume.

While the industry is active across the United States, the Southeast has the largest amount of industry establishments at 29.3%. The warmer waters and year-round boating weather attract businesses that do not want to deal with seasonal changes in weather and customer volume. This

trend is expected to continue and will increase competition for marinas in popular coastline locations. Similar to the real-estate market, the value of marina properties depends largely on a location's available supply and level of demand.

Higher prices can deter potential businesses without enough capital. Environmental protection laws will also restrict the development of new marinas in certain coastal regions, as a result of increased conscientiousness of oil pollution. Clean marina programs are state-by-state initiatives for marinas to follow national guidelines on keeping facilities and employees updated with environmentally friendly practices for boat handling and storage.

PRODUCTS & SERVICES



Marinas industry operators can offer a variety of products and services, but their primary service is to provide space for small, recreational boats, or pleasure crafts, through the rental of boat slips (dockside spaces) and moorings (anchored buoys). A typical marina has 50 to 100 slips; however, this can range anywhere from 10 to 1,500 slips.

Depending on their revenue and capacity, a marina can afford to provide additional services to storage such as craft maintenance, and the selling of sport and recreation equipment, food and beverage and other merchandise.

Pleasure craft docking, launching, storage and utilities services

According to the US Census, these services account for the largest proportion of industry revenue, estimated at 40.6%. This segment includes the rental of slips and buoys, services to launch a boat from the marina and into open water, and the storage of boats (if offered) out of water, which includes fees for utilities used for boat maintenance. Fees are generally charged based on the size of the boat and naturally vary from marina to marina.

Marinas located in popular areas for boat owners will compete on the quality of services provided and price. Pleasure craft storage as a profit segment has been increasing over the five years to 2019, especially for large marinas.

Fuel and merchandise sales

Fuel and merchandise sales make up a significant proportion of revenue, accounting for 20.2%. The resale of fuel to marina customers is estimated to account for 10.2% of industry revenue. Customers will purchase fuel from the marinas fuel station for the convenience, and if the marina chooses to offer discounts, price will be the factor.

However, revenue from fuel varies on the bases of location and larger facilities (more than 250 slips) are able to take advantage by offering discounts to customers and increase their share of revenue and profit from fuel sales.

Merchandise sales make up the rest of the portion of revenue from this segment. Merchandise revenue could vary by facilities. Some examples of Merchandise would be sports and recreational equipment, mooring equipment, dock boxes and accessories. This segment as a percentage of revenue has been increasing over the past five years to 2019, as more consumers purchase fuel directly from the marinas instead of buying themselves.

Repairs and maintenance services

Repairs and maintenance services account for 15.6% of industry revenue. Just like automobiles, watercraft experience wear-and-tear over time, and occasionally accidents occur that cause significant damage. It is important to boat owners to maintain the value of one of their most sizeable assets. Large marinas provide a range of services such as rigging, woodworking and engine service and have trained personnel to assist customers. With better trained employees hired by marinas, this segment has seen an increase in revenue over the past five years to 2019 as operators in the industry now have the ability to provide better repair and service facilities.

Food and beverage sales

Marinas often obtain a proportion of revenue from the sale of food and beverages, alcoholic and nonalcoholic. This segment has increased over the past five years to make up 7.4%. As marinas look for ways to boost income, they may offer food services, bars and snack shops. Marinas and yacht clubs are often used for social gatherings by boat owners and their families and friends, making it advantageous for a marina to foster a hospitality aspect. If a marina has the additional space, they can even establish a full-service restaurant for the public as another source of revenue. This move could consequently boost the value of a marina's boat storage services, as some boat owners seek popular areas to have their boats docked.

Other

Other products and services offered by marinas include boat rental, equipment rental, membership fees, endorsement fees, lodgings and amusement machine receipts, among others.

This segment makes up 16.2%, a large proportion representing the great variety among marinas and the services they provide.

DEMAND DETERMINANTS

Demand for Marinas industry facilities is based on several factors. Firstly, weather conditions tend to greatly affect demand. The number of visitors generally increases during the summer months, while severe storms reduce demand. Marina owners also cater to annual slip holders and transients, and although transients may be more profitable, their use of marinas is strongly affected by weather and the overall economy. Secondly, the types of boating and other facilities offered tend to affect demand. Many operators in this industry attempt to increase revenue by offering a full range of concierge services including retail, restaurants, cafes and bars, fuel stations, boating and sailing tuition, vessel rentals and full boat repair and maintenance services performed by qualified technicians. Location also serves as an important factor in determining demand for marinas. Great waterfront locations capitalize by providing space for special events such as weddings.

The level of boat ownership determines demand for the Marinas industry. Sales and ownership of powerboats and sailboats create demand for marina services. Economic factors also influence demand for marina services. Since boating is a discretionary recreational activity, it is vulnerable to shifts in regional and national economic conditions. Boat sales have historically been closely tied to consumer sentiment. Likewise, during times of low economic growth, the industry will typically experience lower demand for marina services.

Nonetheless, demand for marina services will remain as long as people own boats and need to store them. Boats need to be stored or docked when not in use and marinas provide boat owners with storage options. The size of the boat and the cost to store or dock the boat are factors a boat owner must consider. Marinas offer both slip rental and dry storage for boats, with dry boat storage as the less expensive option of the two. For boats that can be transported via trailers, owners have the option of storing them at their own property.

Finally, leisure time availability affects demand since a greater amount of leisure time will generally lead to a greater demand for industry services. Boating usually requires traveling some distance to water, which increases the time involved for the activity.

BUSINESS LOCATIONS 2019

Unlike most industries, establishments in the Marinas industry do not follow population trends. Many of the states with a high number of establishments have coastal access, or Great Lake access for recreational boating. The top three regions for industry establishments are the Southeast, the Mid-Atlantic and the Great Lakes.

Accounting for 29.3% of industry establishments, the Southeast contains key locations for marinas such as Florida (12.0% of industry establishments), Virginia and North Carolina. The advantage

for many marinas in the Southeast is the limited off-season time for boating, enabling marinas to stay open and active throughout the year in comparison with states whose weather is highly affected by seasonal changes. The region is also prone to tropical hurricanes, a downside for many marinas in the Southeast that have to account for damages and loss of business from weather damage.



The Mid-Atlantic accounts for an estimated 22.3% of industry establishments. This region includes New York (11.0% of industry establishments) and New Jersey (5.1% of industry establishments), both of which are in the top 5 states for industry establishment locations. This region has the advantages of Atlantic Ocean access and major metropolitan areas with large amounts of people and wealth.

The Great Lakes region is the third- most popular region for marinas, accounting for 13.5% of industry establishments. The five lakes are all exposed to winter weather conditions, but many boaters are attracted to the fresh-water access a marina in a lake can provide. Although the Great Lakes are large, they pose less threats to personal safety and to the condition of a boat when it comes to boating in comparison with the open ocean.

COMPETITIVE LANDSCAPE

Market Share Concentration

The Marinas industry has a very low level of concentration. Experts estimates that the four largest companies operating in this industry account for less than 10.0% of industry revenue. There are a significant number of small players in this industry, adding to the industry's fragmented nature. An estimated 79.6% of establishments in the Marinas industry employ less than 10 people. The low level of concentration within the industry is not expected to change significantly over the next five years, due to the small size of most companies and the limited amount of real-estate for expansion.

Additionally, the industry does not include services from government establishments that use the coastline for port authority water transportation, further reducing concentration.

KEY SUCCESS FACTORS

Ability to accommodate environmental requirements

Operators must ensure that their marinas do not negatively affect the environment and that they comply with environmental regulations.

Economies of scale

Larger marinas are able to reduce average cost per berth and take advantage of economies of scale.

Ability to attract local support/patronage

Marinas that serve the local area can secure long-term clients. Easy access for clients Companies in the industry must have good transportation links and roads to reach coastal areas and lakes.

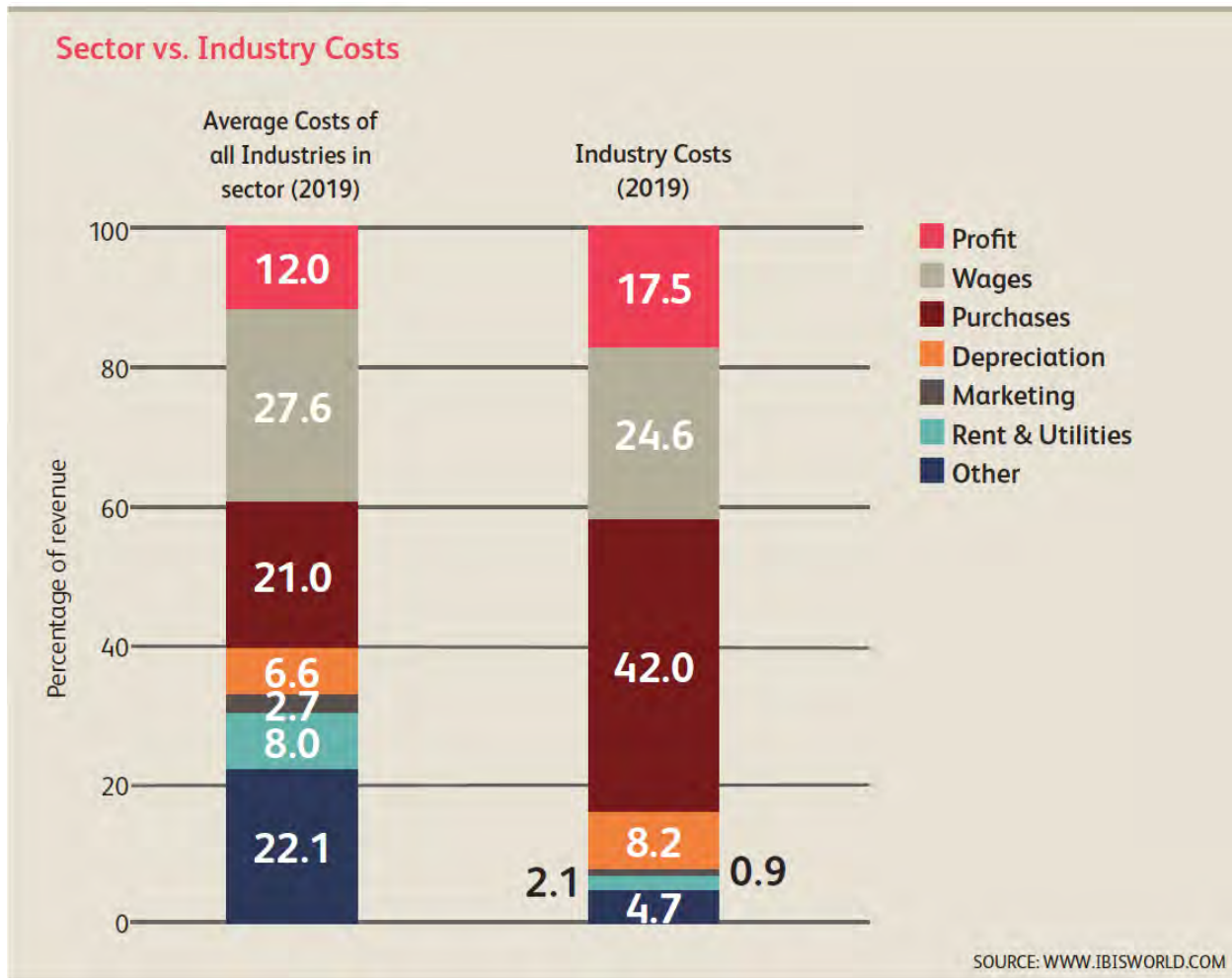
Experienced work force

An experienced work force is required to instruct users and perform boat repairs and maintenance. Maintenance of excellent customer relations Marinas must maintain strong customer relations to achieve high customer retention rates.

COST STRUCTURE BENCHMARKS

While the amount of discretionary income and demand for boats that consumers have creates the desire for Marinas industry services, the cost structure among marinas influences industry profit. The size and location of a marina will vary, but key costs will remain important for all industry

participants, such as lease and rental payments for the facilities, and equipment for boat maintenance servicing.



Profit

Profit is expected to comprise an estimated 17.5% of industry revenue in 2019. While large marinas have a greater amount of slips and dock space for more consumers, there are small, exclusive marinas and yacht clubs in appealing locations that can charge more for its available spaces and memberships. Profit will fluctuate on a yearly basis given the economic climate and boat traffic. As most marinas obtain the majority of their revenue from storage and dockage services, revenue stream and profit are steady for the operators in the industry. However, operators in the industry can generate better profit by offering more active services and amenities such as retail, repair, food and drink to bring in more from existing customers.

Wealthy boat owners will pay more for exclusivity and personalized services as well, adding to profit. Therefore, Profit has generally increased over the five years to 2019 to 17.5% from 15.4% in 2014, primarily due to add-on services provided by industry operators.

Wages

Wages make up a significant expense for this industry and account for 24.6% of industry revenue in 2019. The employees at a marina are a major part of the appeal of having one's boat stored at a marina. Cleaning, repairing and storing a boat takes manual labor than many boat owners would rather pay for someone else to do. The labor involved with launching and retrieving a boat is also the appeal of having a marina with staff that will do the work for boat owners. Industry associations such as Association of Marina Industries also offers several professional certifications such as Certified Marina Manager (CMM).

Employees with professional certifications can demand higher compensation and this adds to the cost for operators in the industry.

Purchases

Fuel prices play the most important role in purchases in the industry. IBISWorld estimates that purchases will account for 42.0% of industry revenue in 2019.

Marinas often store and sell fuel to customers, as well as use fuel for its own boats. Gasoline and Diesel fuel are the primary fuels used to run the boats.

Diesel fuel and specialty fuels such as isobutanol are used in bigger boats. With fuel prices changing almost every day, fuel cost could vary significantly for the operators in the industry. Bigger marinas can take advantage of better prices by buying fuel and storing it and then selling the fuel at market prices.

Depreciation

Depreciation is expected to account for 8.2% of industry revenue in 2019. The physical assets of a marina are critical to the value in services it provides and the reputation of the business. The docks, platforms, slips, buildings and walls of a marina are subject to severe weather conditions and must be formidable. At any sign of damage, they should be replaced, or else risk further damage to other assets, including customers' boats. As a result, depreciation is a significant cost in this industry.

Marketing

IBISWorld estimates that marketing accounts for 0.9% of industry revenue. While some exclusive, club-oriented marinas rely on recommendations by current customers, larger industry players with many available spaces advertise more publicly online and through media catered to boat owners, such as magazines. Industry magazines such as Marina Dockage feature a different marina on their cover in every issue. Operators in the industry can take advantage by advertising their marina and market themselves to a broader audience. Boat shows can be a major marketing tool if a marina purchases space in their literature material or sends a representative to accrue interest.

Rent

The primary service of a marina is space and proactive storage (cleaning, surveillance), consequently bringing rent costs up to an estimated 1.5% of revenue in 2019. Larger marinas with many buoyed boats will often have a boat for bringing boat owners and their guests out to their own boats from the docks.

Utilities

For security, surveillance and guidance for night-time boating, marinas are usually well-lit and, in some cases, have a lighthouse that will stay lit through the night. Restaurants, bars and lounges will naturally incur more expenses for a marina in terms of utilities. Overall, utilities costs are expected to account for 0.6% of total industry revenue in 2019.

Other

Repair and maintenance costs, and insurance are accounted for in this segment, which is estimated to account for 4.7% of revenue. Maintaining the facility and the boats of customers is a primary function of a marina, naturally making up a significant amount of its costs. In addition, damaging weather conditions and storms such as Hurricane Sandy, Irma, Maria and the recent drought in California which dried up not only the water but also revenue in popular rivers and lakes. This has increased the amount marinas need to spend on maintenance, reparations and insurance. These costs vary greatly among marinas, depending on the size and value.

CONCLUSION

Over the past five years, consumer conditions have boosted demand for boat storage as the number of boat owners has increased as a result of rising disposable income and the growing number of households earning over \$100,000.

Although not all boat owners are affluent, consumers with more funds available for large expenses are more likely to have a recreational boat and purchase the services provided by marinas. Marinas profit most from customers that spend on nonessentials in addition to storage, such as cleaning, add-on personalized services and amenities. Higher profit is also generated from passing transient customers, such as tourists visiting the marinas for a short period of time, rather than longer-term clients that house their boats in the marinas throughout the year. These services will help sustain profit, which is estimated to account for 17.5% of revenue in 2019, up from 15.4% in 2014.

While many operators left the industry following the economic downturn, the businesses that stuck it out have experienced considerable revenue growth and will likely expand operations with their increased earnings. Marinas will seek to raise revenue through the addition of full-service restaurants and bars, equipment rental services and other merchandise sales. Boat repair and maintenance will continue to lift sales as the number of boat owners increases, according to the 2017 National Boating Statistics report published by the US Coast Guard. Consumer disposable

income and recreational expenditure are expected to rise over the five years to 2024. Forecast are for revenue to grow at an annualized rate of 0.1% to \$5.2 billion over the next five years.

COMPETITIVE PROPERTIES

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

SUMMARY OF COMPARABLE LAND RENTALS				
Comp. No.	Name	Location	Distance from Subject	Occupancy
1	Loggerhead Marina	1400 Marina Drive, Hollywood, FL	16 Miles	90%
2	Williams Island Marina	4100 Island Boulevard, Aventura, FL	12 Miles	88%
3	Sea Isle Marina & Yachting Center	1635 N. Bayshore Drive, Miami, FL	3.2 Miles	98%
4	Island Gardens Deep Harbour	888 MacArthur Causeway, Miami, FL	2.5 Miles	82%
5	Miamarina at Bayside	401 Biscayne Boulevard, Miami, FL	3.0 Miles	100%
6	Turnberry Isle Marina	19735 Turnberry Way, Aventura, FL	13 Miles	80%
7	Keystone Point Marina	1950 NE 135th Street, North Miami, FL	8.9 Miles	97%
8	Rickenbacker Marina	3301 Rickenbacker Causeway, Key Biscayne, FL	2.8 Miles	95%
Subject	Miami Beach Marina	300-400 Alton Road, Miami Beach, Florida	---	91%
Compiled by CBRE				

As presented, all of the comparables support an “in-season” occupancy of 82% to 100% or an overall average of 94%. Comparables 2, 4 & 6 fall below the average and near the lower end of the range due to larger capacity, i.e. 65-foot yachts and mega-yachts that are priced at a higher rental rate and tend to have longer, contractual obligations that are harder to secure.

Occupancy

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

OCCUPANCY CONCLUSIONS	
Rent Comparables - Overall Average	94.1%
Rent Comparables - Overall Range	82% - 100%
Subject's Current Occupancy	91.2%
Subject's Stabilized Occupancy	92.0%
Compiled by CBRE	

Highest and Best Use

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

- legally permissible;
- physically possible;
- financially feasible; and
- maximally productive.

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

AS VACANT

Legally Permissible

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

Physically Possible

The subject properties are both adequately served by utilities, and has an adequate shape and size, sufficient access, etc., to be separately developable sites with some shared access and operating easements. In addition, the wet slip marina in its present state, is somewhat limited to marine uses. However, there is a possibility of back filling the marina basin for future development, subject to approval from the State of Florida trustees of the Internal Improvement Trust Fund and securing of Army Corp of Engineer, the Department of Natural Resource (DNR) fill permits and cost feasibility analysis.

Furthermore, existing structures on similar upland sites provide additional evidence for the physical possibility of residential condominium tower development.

Financially Feasible

The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally probable land uses versus the cost to create the uses. As discussed in the Market Analysis section of this report, the subject residential condominium market is cooling down following a run-up in positive unit absorption and increased pricing. These factors indicate that it would be financially feasible to complete a new, multi-family residential project if the site acquisition cost was low enough to provide an adequate developer's profit.

However, it is important to note, there is now considerable competition from mixed-use and residential tower developers bidding up prices for multi-family residential development sites for both rental and "for sale" condominium product.

With regards to wet slip marinas, there has been a marked increase in acquisitions as the recreational and commercial boating community continues to be a favored asset class for consolidation. Regional and national operators are seeking well located and value-add facilities, as well as, competition from residential developers seeking prime waterfront sites.

With respect to the residential development air rights over & above the uplands site, we have considered the owner/developers draft investment scenario with market supported pricing for end units and a deduction for profit in order to derive the residual land value, presented as follows:

DRAFT - DEVELOPER'S SCENARIO			
Residential Condominium			
Units	60		
Sellable SF	215,000		
SF per Unit	3,583		
Avg. Unit Price	\$7,166,667		
Price PSF	\$2,000		
Site Area	152,981		
Proposed Sellable FAR	1.41		
			Sellable FAR
Total Sellout	\$430,000,000		\$2,000.00
Less Residential Tower Development Costs	(\$317,715,769)		(\$1,477.75)
Less: Estimated Profit Incentive*	20.0%	(\$63,543,154)	(\$295.55)
RESIDUAL LAND VALUE		\$48,741,077	\$226.70
*estimated by appraiser.			
Source: Terra Group			

It should be noted, the developer has verbally offered and provided written offers for the subject residential development rights at \$50,000,000. However, that appears to be below market value based on the high development costs. Therefore, we have compared the developer's cost budget to several recently & proposed residential condominium tower developments in the Miami Beach submarket, presented as follows:

CONSTRUCTION COST COMPARABLES					
Comparable:	1	2	3	Average	Subject
Name/Location:	Miami Beach	Miami Beach	Miami Beach		Miami Beach
Property Type	Condominium	Condominium	Condominium		Condominium
Year of Cost Data	2017	2017	2020		2020
Size (Sellable SF):	137,249	67,319	153,837	119,468	215,000
Cost Component;					
Direct Cost	\$89,972,500	\$47,515,188	\$87,708,903	\$75,065,530	\$204,107,250
Indirect Cost	\$33,266,871	\$22,053,464	\$38,263,458	\$31,194,598	\$63,108,519
Marketing & Sales Commissions	\$11,503,345	\$3,364,305	\$13,314,152	\$9,393,934	\$50,500,000
Total Adjusted Costs	\$134,742,716	\$72,932,957	\$139,286,513	\$115,654,062	\$317,715,769
Rounded	\$134,743,000	\$72,933,000	\$139,287,000	\$115,654,000	\$317,716,000
Cost Per SF	\$981.74	\$1,083.39	\$905.42	\$990.18	\$1,477.75
Compiled by CBRE					

In the foregoing presentation, it would appear that the developer's costs are overstated by more than 20% to 30%. Therefore, we have recalculated the residual land value of the residential development rights using a reduced & market supported development cost and increased the profit incentive more in-line with market expectations, presented as follows:

LAND RESIDUAL ANALYSIS - RESIDENTIAL DEVELOPMENT RIGHTS		
Project Data		
Building Area Component:	<u>Net Sellable SF</u>	
Multifamily Condominium Units	215,000 SF	
Total Building Area:	215,000 SF	
No. of Units:	60 Units	
Economic Projections (Net Sellable SF Basis)		
Average Sale Price Estimate	<u>Sale Price \$/SF</u>	
Multifamily Condominium Units	\$2,000.00	
Average Sales Price PSF	\$2,000.00	\$430,000,000
Development Costs		
	<u>Cost \$/SF</u>	
Hard & Soft Construction Costs (\$/SF)	\$1,200.00	(\$258,000,000)
Entrepreneurial Profit	35.0%	(\$90,300,000)
Total		(\$348,300,000)
Residual Land Value (Rounded)		\$81,700,000
Residual Land Value (\$/SF of Site)		\$534.05
Residual Land Value (\$/SF of FAR)		\$380.00
Residual Land Value (\$/Unit)		\$1,361,667
Compiled by CBRE		

The above calculation and Residual Analysis produced an indicated land value of \$81,700,000 and is subject to market supported unit pricing, pre-construction marketing and pre-sales of 50 to 60 percent necessary for construction loan underwriting and assumes stable market conditions despite a cooling down effect and stable currency exchange rates.

Maximally Productive - Conclusion

The final test of highest and best use of the site as if vacant is that the use be maximally productive, yielding the highest return to the land. In the case of the subject as if vacant, the analysis has indicated that a new multi-family residential project could be appropriate, while a mixed-use residential & retail/office use and wet slip marina may be better suited in this submarket location.

AS IMPROVED

Legally Permissible

The submerged site has been improved with a wet slip marina and the uplands site has been improved with an existing mixed-use retail/office building that is a legal, conforming use.

Physically Possible

The layout and positioning of the existing uplands retail/office building, surface parking and wet slip marina on the submerged land are considered functional. While it would be physically possible for a variety of uses, based on the legal restrictions and the design of the improvements, the potential redevelopment of the property uplands with a new mixed-use retail/restaurant & office building and a luxury residential condominium tower could be a functional use, subject to shared access & utility easements, and off-street parking support.

Financially Feasible

The financial feasibility of a retail/office building and wet slip marina property is based on the amount of rent which can be generated, less operating expenses required to generate that income; if a residual amount exists, then the land is being put to a productive use.

Based upon the existing retail/office building and wet slip marina operation, there is positive cash flow that contributes value. In addition, there is a developer who is proposing a 60-unit luxury condominium tower development in the air rights space, subject to voter referendum, comprehensive plan modification and rezoning.

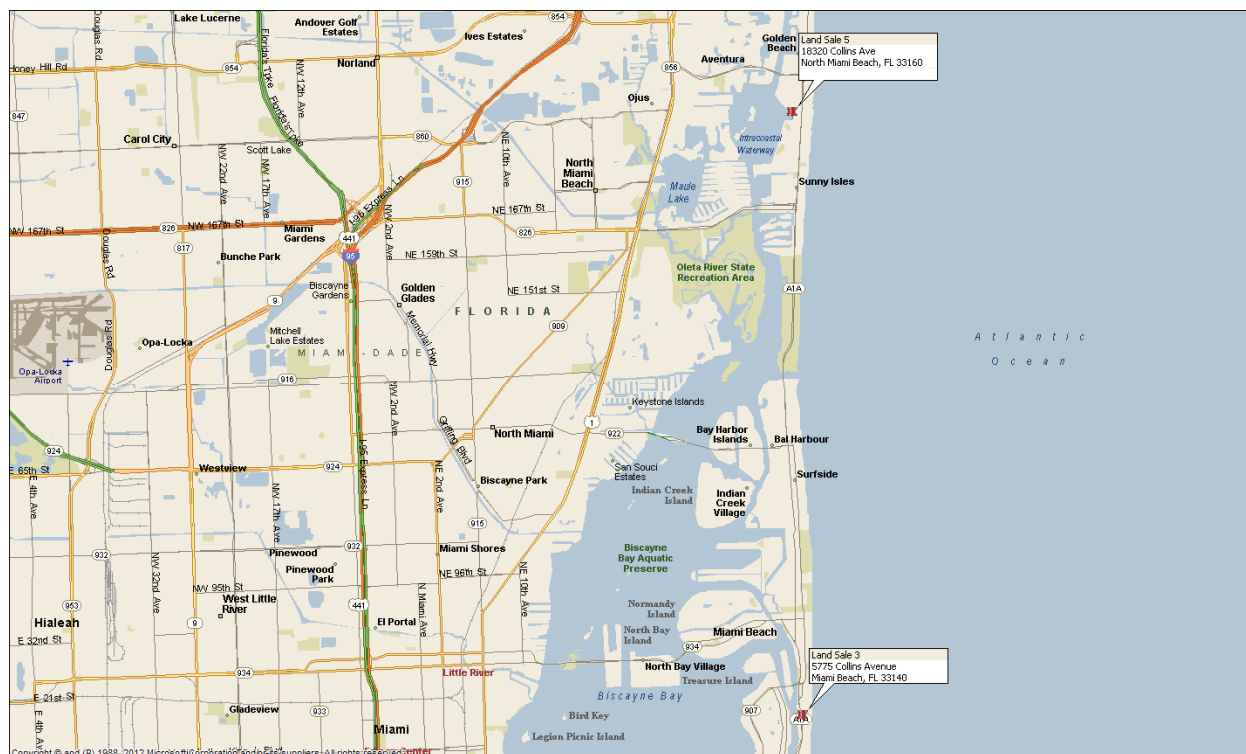
Therefore, the most obvious financially feasible use would be to continue the wet slip marina operation while exploring the residential development of the air rights for potential sell-off to a third party developer.

Maximally Productive - Conclusion

As shown in the applicable valuation sections, the existing building and site improvements contribute value. However, if the uplands portion of the site can achieve a winning voter referendum, and the comprehensive plan modification and rezoning, the potential sell-off of the residential development air rights for a luxury condominium tower would maximize the value & use of the subject property given the Biscayne Bay frontage and affluent resort community location on Miami Beach.

Land Value

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



SUMMARY OF COMPARABLE LAND SALES												
No.	Property Location	Transaction Type	Date	Proposed Use	Actual Sale Price	Adjusted Sale Price ¹	Size (Acres)	Size (SF)	Allowable Building (SF)	Indicated FAR	Price Per SF	Price Per SF (FAR)
1	1300 Monad Terrace Miami Beach, FL 33139	Sale	Jun-15	Residential condominium	\$51,165,000	\$55,620,428	1.61	70,316	137,249	1.95	\$791.01	\$405.25
2	601-685 Washington Avenue Miami Beach, FL 33139	Sale	Jun-15	Mixed-use retail, residential & parking	\$55,500,000	\$57,500,000	1.58	68,770	111,645	1.62	\$836.12	\$515.03
3	5775 Collins Avenue Miami Beach, FL 33140	Sale	Jun-16	70-Unit Condo	\$90,186,800	\$90,186,800	1.46	63,638	153,837	2.42	\$1,417.18	\$586.25
4	550 9th Street Miami Beach, FL 33139	Sale	Jan-18	Hotel	\$17,625,000	\$17,625,000	0.48	20,873	52,133	2.50	\$844.39	\$338.08
5	18320 Collins Avenue Sunny Isles Beach, FL 33160	Sale	Oct-18	High density residential	\$31,700,000	\$31,700,000	0.85	37,054	127,836	3.45	\$855.51	\$247.97
6	304-312 Ocean Drive Miami Beach, FL 33139	Sale	Dec-18	Apartments-Luxury Residential Condominiums	\$10,000,000	\$10,000,000	0.27	11,650	20,400	1.75	\$858.37	\$490.20
Subj.	300-400 Alton Road, Miami Beach, Florida	Offer	May-20	Multi-family residential condominium tower	\$50,000,000	\$50,000,000	3.51	152,981	215,000	1.41	\$326.84	\$232.56

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

The sales utilized represent the best data available for comparison with the subject and were selected from the greater Miami Beach submarket including comparable, high density residential communities with Biscayne Bay and Atlantic Ocean frontage. These sales were chosen based eastern in-fill locations, size, density/FAR and highest & best use.

DISCUSSION/ANALYSIS OF LAND SALES

We have considered similarities and differences for each of the comparable land sales in direct comparison to the subject site. We have considered and-or applied adjustments to the comparable sales for differences in favorable financing terms, conditions of sale, i.e. seller motivations, i.e. distress and/or assemblage premiums, market conditions (time), size/value, shape/configuration, corner influence, frontage/access, topography/site conditions, location, view amenity and zoning/density when compared to the subject property.

Land Sale One

This is the assembled sale of 15 individual parcels/ownerships for the proposed 59-unit Monad Terrace Condominium property located at 1300-1375 Monad Terrace in Miami Beach, Florida. The property will consist of two, 14-story condominium buildings are situated on a 1.61-acre site with a total gross building area of 336,356-SF including structured parking (75,000-SF), net sellable area of 137,249-SF plus 124,107-SF of common areas & amenities. The construction commenced in 2017 and were completed in 2019 with a 17-month construction period. The project is considered to be Class A+ based on Biscayne Bay frontage, Miami Beach address, common area amenities and quality of finishes. The assembled and recorded price was \$51,165,000; however, there was a \$4,455,428 assignment fee, indicating a total purchase price of \$55,620,428 or \$942,719/unit.

We adjusted Land Sale 1 downwards for superior property rights conveyed, i.e. fee simple surface, sub-surface & air rights versus the subject residential development air rights over &

above the proposed retail/restaurant & office building at grade. The downward adjustment is based on the FAR (floor-area-ratio) value contribution of the proposed retail/restaurant & office building. We also adjusted Land Sale 1 upwards for improving market conditions (time) between the sale transaction date and the effective date of this appraisal.

Land Sale Two

This comparable land sale is improved with seven (7) existing 1 & 2 story retail store buildings fronting Washington Avenue between 6th Street and 7th Street in the Flamingo Park Historic District on Miami Beach that were owned or were "in contract" to Washington Squared, LLC, as part of an assemblage for mixed-use redevelopment for a total purchase price of \$40,210,436, including lease buyouts, exiting debt & real estate commission obligations to the buyer. The assembled site area totals 68,770 square feet of medium intensity zoned land area that is improved with approximately 63,601 square feet of obsolete retail store building area dating to 1934, 1936 & 1948. The proposed redevelopment is conceptually site planned for 55,120 square feet of ground floor retail, plus 66-residential condominium units with 56,525 square feet or an average of 856-SF of living area per unit in a 9-story tower and 2-levels of structured parking with 240 spaces. In addition, there are several other redevelopment scenario options including a potential hotel tower instead of the residential condominium units.

The majority of the contracts, excluding 619-627 Washington Avenue, all closed simultaneously in the third week of June 2015. In addition to the assemblage purchase price, the buyer/investor, Washington Squared, LLC was able to negotiate & execute a membership interest purchase & sale to IC 601 Washington LLC, dated May 27, 2015. The forward purchase price is \$55,500,000 for a 96.5% interest in a joint venture agreement between the seller & purchaser. The seller retains a 3.5% interest in the joint venture valued at \$2,000,000, for a total purchase price valued at \$57,500,000 for 100% interest in the joint venture partnership.

Part of the assemblage strategy was the Washington Avenue Vision and Master Plan being developed with a Washington Avenue Blue Ribbon Panel (WABRP) that was recommending to increase building height restrictions. The WABRP was recommending a FAR as high as 2.75, subject to municipal government approvals, versus the current zoning of CD-2, Commercial, Medium Intensity District permits a maximum floor area ratio (FAR) of 1.50, plus Code Section 142-307(d) 2.0 FAR where more than 25% of the building is used for residential or hotel units.

We adjusted Land Sale 2 upwards for improving market conditions (time) between the sale transaction date and the effective date of this appraisal. We also adjusted Land Sale 2 downwards for smaller size/value relationship and downwards for superior location in direct comparison to the subject property.

We adjusted Land Sale 2 downwards for superior property rights conveyed, i.e. fee simple surface, sub-surface & air rights versus the subject residential development air rights over & above the proposed retail/restaurant & office building at grade. The downward adjustment is

based on the FAR (floor-area-ratio) value contribution of the proposed retail/restaurant & office building. We also adjusted Land Sale 2 downwards for conditions of sale, i.e. buyer/developer premium for a multiple parcel assemblage, and upwards for improving market conditions (time) between the sale transaction date and the effective date of this appraisal.

Land Sale Three

This is the sale of the former Marlborough House located along the east side of Collins Avenue, south of 63rd Street, in Miami Beach, Miami-Dade County, Florida. The Marlborough House is a 13-story condominium with 110 units and structured parking built in 1963 with a total of 113,083-SF of residential area. However, the improvements are physically & functionally obsolete given the high value of ocean front land on Miami Beach. The buyer, led by broker Edgardo Defortuna of Fortune International Group assembled each individual unit and purchased 100% of the units for a total consideration of \$90,186,800 (\$472.40/SF of building area, \$1,417.18/SF of land area and \$1,288,383/unit). The site is zone RM-3, which has a Floor Area Ratio (FAR) of 3.0, which indicates a total allowable building area of 190,914 SF, exclusive of garage area. The buyer dissolved the condominium on July 8, 2016. Subsequent to the sale, the property was approved with an 18-story luxury condominium building with 89 units, with some units being combined, decreasing the number of units to 70. The development, 57 Ocean will have a total net sellable area of 153,837 SF, a subterranean parking garage with 33,486 SF, and a total allowable building area of 190,910 SF (exclusive of the garage area). The development is scheduled to be completed by December 2021.

We adjusted Land Sale 3 downwards for superior property rights conveyed, i.e. fee simple surface, sub-surface & air rights versus the subject residential development air rights over & above the proposed retail/restaurant & office building at grade. The downward adjustment is based on the FAR (floor-area-ratio) value contribution of the proposed retail/restaurant & office building.

We also adjusted Land Sale 3 upwards for improving market conditions (time) between the sale transaction date and the effective date of this appraisal and downwards for superior ocean front & view amenity in direct comparison to the subject property.

Land Sale Four

This comparable land sale is the former Oceanside Extended Care long-term care nursing facility that was vacant and broker listed by Cushman & Wakefield as a redevelopment opportunity. The existing improvements were built in 1966 square feet with 6-levels previously operated as a 196 bed, long-term care nursing facility. The property was zoned HD, Hospital District, which allows for medical, professional office and hospital uses. The buyer/developer was seeking & received approvals for rezoning to CD-2, Commercial Median Intensity District, which is consistent with the zoning of both abutting properties. CD-2 zoning allows for multifamily, short-term rental or hotel use. The site area is 20,873 square feet and includes 24 ground level parking spaces.

The property was in foreclosure with the U.S. District Court judge approving the sale. The buyer/developer co-owns the Clinton Hotel and the Red South Beach Hotel on Miami Beach and acquired the property for conversion to hotel. The seller was co-owned by Philip Esformes, who was a defendant in a \$1 billion Medicare fraud and money laundering case and the Oceanside Extended Care facility was shut down as a result of the indictment. The rezoning is intended to allow the existing 88-rooms to be converted to 110 hotel rooms averaging 250-SF for micro hotel rooms. In addition, the facade would be renovated, the hotel lobby would be built on the south end of the property plus a 20-seat cafe would be added on the first floor and a rooftop pool deck with a small cafe would be created. The 24 surface parking spaces would become valet only. The rezoning approval also required the Miami Beach's historic preservation board and planning board approval followed by two public hearings at the city commission. The approval process included a covenant limiting food & beverage, loud music, etc. Any future change of use on the property must be approved by the Flamingo Park Neighborhood Association with 75% of all owners of property located along Pennsylvania Avenue between 8th and 9th Street. The ground floor café operations would close at 11 pm and the roof top café at midnight under the agreement and in order to be compatible with the residential neighbors.

We adjusted Land Sale 4 downwards for superior property rights conveyed, i.e. fee simple surface, sub-surface & air rights versus the subject residential development air rights over & above the proposed retail/restaurant & office building at grade. The downward adjustment is based on the FAR (floor-area-ratio) value contribution of the proposed retail/restaurant & office building.

We also adjusted Land Sale 4 upwards for conditions of sale, i.e. distressed court approved foreclosure sale transaction, upwards for improving market conditions (time) between the sale transaction date and the effective date of this appraisal and upwards for inferior street (non-waterfront) frontage in direct comparison to the subject property.

Land Sale Five

This comparable land sale represents an off-market negotiation & transaction between an abutting owner and Publix Supermarket who was redeveloping a larger store on-site and was able to sell-off the rear 37,054-SF of the 155,434-SF (3.569-acres) of uplands plus 13.48-acres of fee simple owned submerged land in Dumbfounding Bay (a.k.a. Intracoastal Waterway) to Dezer Properties. The buyer/ developer already owns approximately 3.15-acres of uplands abutting the site on the north with frontage along the Intracoastal Waterway and Collins Avenue. Publix secured a resolution with the City of Sunny Isles to redevelop the site with a new 53,558-SF grocery store, subject to a new traffic circulation pattern for ingress & egress of trucks on Collins Avenue, an ingress for customer vehicles from Collins Avenue with an elimination of customer vehicle egress onto Collins Avenue and a modification to the requirement to underground utilities along 183rd Street to Collins Avenue to exclude the non-owned gas station outparcel. The new Publix site plan resulted in an 0.354-acre shared roadway parcel connecting 183rd Street to the

abutting Dezer Tower parcel on the north. Publix Supermarkets and Dezer Properties executed a Declaration of Restrictions, Covenants & Conditions and Grant of Easements for ingress/egress, utilities, storm water drainage and a bay walk park construction & maintenance/repair obligations, as well as, a covenant of exclusive uses to protect Publix retail grocery business.

The B-1, Neighborhood Business and BO, Business Overlay zoning permit development at 25-units per acre and an 2.0 FAR plus bonus density of 80-units per acre and a maximum FAR up to a 3.45 for enclosed parking bonus (0.40), public parking bonus (0.25), a Collins Avenue/Sunny Isles Boulevard public streetscape enhancement bonus (0.30), and a site assembly bonus (up to 0.50). The dwelling unit density bonus can be increased by one dwelling unit per acre for each 0.02 increase in FAR granted in accordance with Section 265-36E(1) of the City Code up to a maximum density of 80 dwelling units per acre.

We adjusted Land Sale 5 downwards for superior property rights conveyed, i.e. fee simple surface, sub-surface & air rights versus the subject residential development air rights over & above the proposed retail/restaurant & office building at grade. The downward adjustment is based on the FAR (floor-area-ratio) value contribution of the proposed retail/restaurant & office building.

We also adjusted Land Sale 5 upwards for improving market conditions (time) between the sale transaction date and the effective date of this appraisal.

Land Sale Six

This comparable land sale comprises two lots fronting the northwest corner of Ocean Drive & 3rd Street in Miami Beach, Florida 33139. The property was broker listed at \$10,500,000 and sold for \$10,000,000 in an "all cash" transaction. The property is zoned RPS-3, Residential Performance Standard, Medium-High Density which allows for residential and hotel type development. According to the buyer/developer, a 4-story, 32,750-SF luxury residential condominium development with common areas and balcony/terraces, of which approximately 20,400-SF will be livable area. The site was delivered clear & level. However, there was a 3-story apartment building containing 8,382 square feet previously on-site. The apartment building property was classified as "Contributing" (Historic) in the Miami Beach Historic Properties Database and the location is within the Ocean Beach Historical District.

We adjusted Land Sale 6 downwards for superior property rights conveyed, i.e. fee simple surface, sub-surface & air rights versus the subject residential development air rights over & above the proposed retail/restaurant & office building at grade. The downward adjustment is based on the FAR (floor-area-ratio) value contribution of the proposed retail/restaurant & office building.

We also adjusted Land Sale 6 upwards for improving market conditions (time) between the sale transaction date and the effective date of this appraisal.

SUMMARY OF ADJUSTMENTS

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

LAND SALES ADJUSTMENT GRID							
Comparable Number	1	2	3	4	5	6	Subject
Transaction Type	Sale	Sale	Sale	Sale	Sale	Sale	Offer
Transaction Date	Jun-15	Jun-15	Jun-16	Jan-18	Oct-18	Dec-18	May-20
Proposed Use	Residential condominium	Mixed-use retail, residential & parking	70-Unit Condo	Hotel	High density residential	Apartments-Luxury Residential Condominiums	Multi-family residential condominium tower
Actual Sale Price	\$51,165,000	\$55,500,000	\$90,186,800	\$17,625,000	\$31,700,000	\$10,000,000	\$50,000,000
Adjusted Sale Price ¹	\$55,620,428	\$57,500,000	\$90,186,800	\$17,625,000	\$31,700,000	\$10,000,000	\$50,000,000
Size (Acres)	1.61	1.58	1.46	0.48	0.85	0.27	3.51
Size (SF)	70,316	68,770	63,638	20,873	37,054	11,650	152,981
Density (UPA)	37 du/ac	42 du/ac	48 du/ac	230 du/ac	105 du/ac	19 du/ac	17 du/ac
Allowable Units	59 Units	66 Units	70 Units	110 Units	89 Units	5 Units	60 Units
Allowable Bldg. Area (SF)	137,249 SF	111,645 SF	153,837 SF	52,133 SF	127,836 SF	20,400 SF	215,000 SF
Indicated FAR	1.95	1.62	2.42	2.50	3.45	1.75	1.41
Price Per SF	\$791.01	\$836.12	\$1,417.18	\$844.39	\$855.51	\$858.37	\$326.84
Price Per Bldg. Area	\$405.25	\$515.03	\$586.25	\$338.08	\$247.97	\$490.20	\$232.56
Price Per Unit	\$942,719	\$871,212	\$1,288,383	\$160,227	\$356,180	\$2,000,000	\$833,333
Price (\$ PSF)	\$791.01	\$836.12	\$1,417.18	\$844.39	\$855.51	\$858.37	\$326.84
Property Rights Conveyed	-30%	-30%	-30%	-30%	-30%	-30%	0%
Financing Terms ¹	0%	0%	0%	0%	0%	0%	0%
Conditions of Sale	0%	-20%	0%	20%	0%	0%	0%
Market Conditions (Time)	25%	25%	20%	10%	5%	5%	0%
Subtotal	\$692.13	\$585.28	\$1,190.43	\$780.22	\$628.80	\$630.90	\$326.84
Size	0%	0%	0%	0%	0%	0%	0%
Shape	0%	0%	0%	0%	0%	0%	0%
Corner	0%	0%	0%	0%	0%	0%	0%
Frontage/View Amenity	0%	0%	-25%	15%	0%	0%	0%
Topography	0%	0%	0%	0%	0%	0%	0%
Location	0%	0%	0%	0%	0%	0%	0%
Zoning/Density	0%	0%	0%	0%	0%	0%	0%
Utilities	0%	0%	0%	0%	0%	0%	0%
Highest & Best Use	0%	0%	0%	0%	0%	0%	0%
Total Other Adjustments	0%	0%	-25%	15%	0%	0%	0%
Value Indication PSF of Site	\$692.13	\$585.28	\$892.82	\$897.25	\$628.80	\$630.90	\$326.84
Value Indication PSF of FAR	\$354.60	\$360.52	\$369.34	\$359.24	\$182.26	\$360.29	\$232.56
Value Indication Per Unit	\$824,883	\$609,848	\$811,679	\$170,257	\$261,793	\$1,470,002	\$833,333

¹ Adjusted sale price for cash equivalency and/or development costs (where applicable)

Compiled by CBRE

CONCLUSION

Based on the preceding analysis, all of the comparable sales were representative of the subject site, with weighted emphasis given to Comparables 1, 2, 3 & 6 based on similar multi-family unit density, floor-area-ratio (FAR) and similar locations on Miami Beach.

In conclusion, a price per square foot of sellable building area/FAR and price per dwelling unit within the overall unadjusted and narrow adjusted ranges are considered appropriate for the subject. The following table presents the valuation of the subject residential development air rights, as follows:

CONCLUDED VALUE OF RESIDENTIAL DEVELOPMENT RIGHTS				
\$ PSF of FAR		Proposed Building FAR		Total
\$360.00	x	215,000	=	\$77,400,000
\$370.00	x	215,000	=	\$79,550,000
\$ Per Unit		Proposed Units		Total
\$1,400,000	x	60 Units	=	\$84,000,000
Indicated Value As Is of Net Buildable Uplands:				\$78,500,000
PSF of Site				\$257.23
PSF of FAR				\$365.12
Per Unit				\$1,308,333
Compiled by CBRE				

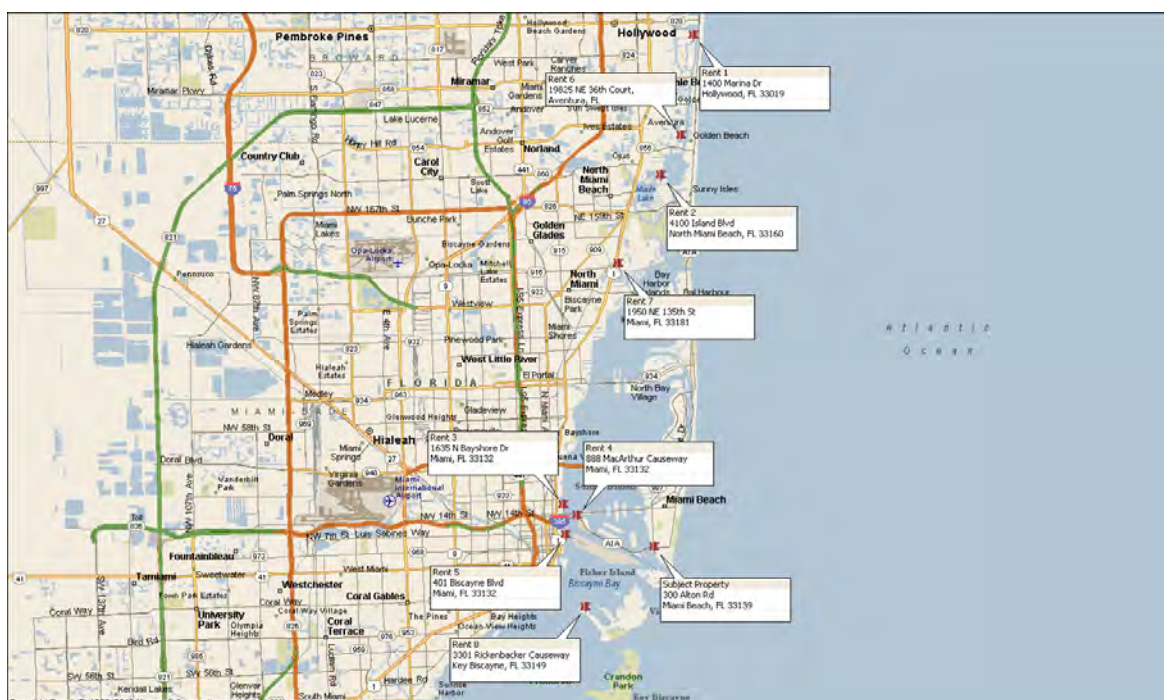
Reconciliation of the Residential Development Rights

The value indications from the sales comparison and income approaches to value are summarized as follows:

SUMMARY OF VALUE CONCLUSIONS - RESIDENTIAL DEVELOPMENT RIGHTS	
	As Is on
	May 7, 2020
Sales Comparison Approach	\$78,500,000
Income Approach - Residual Land Analysis	\$81,700,000
Reconciled Value	\$80,000,000
Compiled by CBRE	

Income Approach

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



SUMMARY OF COMPARABLE WET SLIP MARINA RENTALS

Comp. No.	Property Name and Location	YOC / Reno'd	Occ.	No. Slips	Distance to Inlet	Tenant Type	Lease Area (LF)	Quoted Daily Rate	Utilities
1	Loggerhead Marina 1400 Marina Drive, Hollywood, FL 33019	2003 / 2017	90%	190 Slips	7.0 Miles - Haulover 6.0 Miles - Port Everglades	Annual Monthly Seasonal Transient	70' & Up 70' & Up 70' & Up ---	\$1.32/LF \$1.56/LF \$1.73/LF \$2.00/LF	\$50.00/Month Water/Sewer + Metered Electric
2	Williams Island Marina 4100 Island Boulevard, Aventura, FL 33160	1984	88%	106 Slips	2.75 Miles - Haulover 10.5 Miles - Port Everglades	Annual Seasonal Transient	80' & Up 80' & Up 60' & Up	\$0.85/LF \$1.58/LF \$8.00/LF	\$8.00 to \$50.00/Month Water/Sewer + Metered Electric
3	Sea Isle Marina & Yachting Center 1635 N. Bayshore Drive, Miami, FL 33132	1986	98%	220 Slips	4.0 Miles - Govt. Cut	Annual Monthly Transient	Up to 110' Up to 110' Up to 110'	\$0.69/LF \$1.15/LF \$9.00/LF	Water/Sewer & Electric Included (1st cord)
4	Island Gardens Deep Harbour 888 MacArthur Causeway, Miami, FL 33132	2016	82%	50 Slips	3.5 Miles - Govt. Cut	Annual Monthly Seasonal Transient	55' to 550' 55' to 550' 55' to 550' 55' to 550'	\$3.50/LF \$6.40/LF \$10.00/LF \$8.00/LF	\$0.15/LF per Day for Electric
5	Miamarina at Bayside 401 Biscayne Boulevard, Miami, FL 33132	1987 / 2015	100%	130 Slips	4.0 Miles - Govt. Cut	Annual Monthly Transient	55' Minimum 55' Minimum 55' Minimum	\$0.76/LF \$1.38/LF \$5.00/LF	Water/Sewer & Electric Included
6	Turnberry Isle Marina 19735 Turnberry Way, Aventura, FL 33180	1980 / 2017	80%	68 Slips	4.0 Miles - Haulover 9.5 Miles - Port Everglades	Annual Monthly Seasonal Transient	Up to 250' Up to 250' Up to 250' Up to 250'	\$2.00/LF \$2.80/LF \$2.45/LF \$3.50/LF	Water/Sewer & Metered Electric
7	Keystone Point Marina 1950 NE 135th Street, North Miami, FL 33181	1957 / 1986	97%	320 Slips	2.0 Miles - Haulover	Monthly Monthly Transient	Up to 110' Up to 110' Up to 110'	\$0.74/LF \$0.91/LF \$0.75-\$1.50/LF	Includes Utilities
8	Rickenbacker Marina 3301 Rickenbacker Causeway, Key Biscayne, FL 33149	1977 / 2009	100%	568 Slips	0.25 Miles - Govt. Cut	Monthly Monthly Transient	Up to 100' Up to 100' Up to 100'	\$1.22 PSF \$1.81 PSF \$6.00-\$8.00/LF	
Subj.	Miami Beach Marina 300-400 Alton Road, Miami Beach, Florida	1985 / 1994	91%	354 Slips	0.25 Miles - Govt. Cut	Annual Monthly Seasonal Transient	Up to 250' Up to 250' Up to 250' Up to 250'	\$1.18/LF \$2.63/LF \$2.30/LF \$5.00-\$8.00/LF	Metered Electric

Compiled by CBRE

The rentals utilized represent the best data available for comparison with the subject. They were selected from our research within the Intracoastal Waterway submarket of the Miami and south Broward Counties.

Rent Comparable One

This comparable marina features 190-wet slips on the on the Desoto Waterway with direct access to the Intracoastal Waterway in the Three Islands residential community of Hollywood and is 11-miles south of the Port Everglades Inlet. The facility is improved with fixed concrete piers for both power and sailing yachts and range in size from 30 feet to 120 feet; and, 38 feet wide to 70 feet length for catamarans. Approach depth is 15 feet and dock depth is 8 feet at low tide for both the entrance channel and within the fairways and slips. The site location is a protected harbor with 24-hour security and managed guard gates, reciprocal benefits at other Suntex Marina locations, WiFi available throughout the marina, concierge service, uniformed staff, a Captain's Lounge, a Ships Store, a spa building with swimming pool, sauna, tennis courts and weight room, picnic/grill area, restrooms, laundry facility, travel lift, tennis and local shuttle service. Utility pedestals at each slip include metered electricity with 30, 50 and 100 amp rated outlets. Telephone connections are pre-wired and water outlets with potable City water. The utility charge is \$50.00 per month and includes water/sewer, plus metered electric, trash removal, pump out service and fuel. Rates are based on slip length or boat length, whichever is greater. All leases require a security deposit and there are accommodations for catamarans up to 38 feet wide. In season occupancy is currently reported at 100% with off-season reported as low as 83% at times.

In comparison to the subject, this property was generally similar with respect to age/condition, affluent residential community demographics, while inferior with respect to proximity to major deep water, ocean access inlet, while inferior with respect to yacht club amenities.

Rent Comparable Two

This comparable rental is part of the 84-acre Williams Island residential condominium community in Aventura with access to the Intracoastal via Maule Lake and the Ojus Canal. The Port Everglades Inlet is 14 miles to the north and the Haulover Inlet is 5.5 miles south east. The facility includes a very affluent residential demographic, an all-new 27,000-SF spa & fitness center, a tennis center with 16 tennis courts, a Cafe, fine dining, private functions and entertainment in the recently refurbished Island Club. The marina approach has a 10-foot depth and 7 to 8 feet within the basin. There are concrete dock & finger piers, floating & fixed docks, face wall docking up to 160 feet, 35 to 100 foot slips, 30 to 100 amp single phase electric and 3-phase service, 2 swimming pools, 23-slips with pump out service and free club membership. Metered electric utilities are billed monthly for a fee of \$8.00 up to \$50.00 for 30 to 100 amp and 3-phase service. In addition to sales tax there is a 2.25% environmental impact fee, a \$0.05 discount for automatic credit card payments and 5% discount for annual prepayments. Pump-out and fuel services are \$25.00 each. There is free pump-out at the North Marina, a \$25.00 fuel

service fee and \$125 charter boat landing fee. Electric and water service is included in the monthly billings for the 35' & under floating docks.

In comparison to the subject, this property was inferior with respect to location, while similar with respect to age/condition, affluent residential community demographics, and superior with regards to proximity of yacht club amenities.

Rent Comparable Three

This comparable wet slip marina is located behind the Biscayne Bay Marriott in the Omni Arts & Entertainment District in downtown Miami. This facility can accommodate yachts up to 110 feet. The property fronts Biscayne Bay with easy access to the ocean via the Intracoastal Waterway and provides a full-service fuel station (gas & diesel), short- and long-term dockage, a convenience & ship supply store on-site, professional boat cleaners & services are available. Current discounts are available on one-year leases and to the adjacent Opera Tower residents. There is also a Boat U.S. discount of 3% on fuel purchases and 5% on dockage. The first electric cord from boat is included in the quoted rates. The 2nd & 3rd electric cords are billed at \$4.00 to \$6.00 per day or \$40.00 to \$60.00 per month for 30 & 50 amp service, respectively. The pump out fee is a minimum \$20.00. Wet slip rates range from \$20.00 to \$21.50 per linear foot plus \$350 to \$400 per month for davits. This property is always occupied and the pricing has not changed since 2018. The private vessel landing fees range from \$20.00 to \$50.00 with a 2-hour time limit and commercial charter boat landing (pick-up & drop-off) is \$2.50/LF.

In comparison to the subject, this property was inferior with respect to age/condition and distance to deep water, ocean access.

Rent Comparable Four

This comparable rental is one of the newest, deep water marinas that has opened in the Miami area since January 2016. The marina features 5,000 linear feet of floating dock that is angled for large vessel maneuvering and has a capacity of 50 wet slips for a minimum 55 up to 550 foot mega yachts with drafts and approach of 13 to 22 feet deep. The developer is Flagstone Property Group who controls a long term ground lease with the City of Miami that dates back to 2001, and has entitlements for two, mixed-use resort hotel/residential towers, boutique retail mall, waterfront restaurant dining and a public promenade with Biscayne Bay overlook. However, the marina represents the first phase and includes The Deck at Island Gardens restaurant/lounge with garden event area and waterfront views overlooking the downtown Miami skyline. The developer intends to commence construction of the hotel/residential tower foundations and 221,000-SF of retail in 2021 after several prior announcements. The marina is full service including in-slip fueling, customs & immigration clearance and is the future home of Superyacht Miami, a new show by Show Management designed exclusively to cater to super yachts. Monthly electric fees are billed at \$0.15 per foot per day; and, 50 to 800 amp/3-phase service is available from \$7.00 to \$180.00 daily. On-site amenities include marina lounge,

conference room/business center services, restrooms, showers, internet access, ship store, grilling area, security, meeting facilities and a courtesy car.

In comparison to the subject, this property was superior with respect to new construction, while inferior with regards to location and proximity to deep water, ocean access via Government Cut.

Rent Comparable Five

This comparable rental is a wet slip marina that is part of the Bayside Festival Marketplace in downtown Miami and is owned & operated by the City of Miami. This location is on the Intracoastal Waterway at the west end of Government Cut and can accommodate vessels up to 165' with a 14 foot approach depth and 10 foot dockside depth. The marina was completely rebuilt and reopened in 1997 and renovated in 2015, with a total of 130 wet slips that are leased on a daily transient or long-term basis with several commercial charter & boat rental tenants on premises. City water and electric for 30, 50 & 100 amp service is included in quoted rate and pump out services are available. Additional amenities include laundry facilities, restrooms, showers, US Customs clearing, 24-hour staff & security, retail shopping & restaurants at Bayside Marketplace, which is a festival marketplace with over 100 stores, shops, restaurants, and cafes, and located next to the American Airlines Arena. This facility also hosts the Strictly Sail venue of the Miami International Boat Show. Additional features include concrete docks & finger piers, fishing & dive charters and sightseeing cruises are based at this location. The marina is always 100% leased, with a waiting list and the Skyrise Miami tourist attraction is under construction at the north end of the pier.

In comparison to the subject, this property was similar with respect to age/condition, while superior with regards to downtown Miami CBD location and inferior proximity to deep water, ocean access.

Rent Comparable Six

This comparable rental is an 18.42-acre, multi-family, high density residential zoned site with deep water ocean access and located within the Turnberry Isle country club resort community in northeast Miami-Dade County. Of the 18.42-acres, approximately 7.01-acres is improved uplands, while the remaining 11.42-acres is submerged land improved with a wet slip marina. The property was originally developed in 1980 as a yacht club marina with several amenities in support of the Turnberry Isle residential community including a yacht club building, a spa building, a 50-key marina hotel, a pool deck, tennis courts (8 count) and the 117-wet slip marina. However, the aforementioned amenity improvements, with the exception of the wet slip marina, are considered to be physically, functionally and financially obsolete. As such, the owner/developer is considering a four (4) building, 234-unit multi-family residential redevelopment plan on the 7.01-acres of buildable uplands. The wet slip marina renovation & reduction was recently completed and reduced to 68-wet slips that can accommodate larger vessels at a substantially higher rate. The renovated amenities include Ipe wood decking, a aluminum floating dock system, in-slip pump out service, 24-hour security, WiFi, Captain's

lounge, safe harbor, covered parking, fitness center, showers & laundry facilities, Turnberry Isle Country Club privileges (1-week complimentary), and dockage discounts for Turnberry Country Club Members.

In comparison to the subject, this property was generally similar with respect to age/condition, while inferior with regards to location and distance to deep water, ocean access.

Rent Comparable Seven

Keystone Point Marina is wet slip and dry rack marina located along NE 135th Street, just east of Biscayne Boulevard in North Miami, Florida. The facility is a deep water access marina via the Intracoastal Waterway and Biscayne Bay. It features 300 outdoor dry racks and 20 wet slips. Dry rack storage can accommodate vessels up to 42 feet, while wet slips can accommodate up to 110 feet. Outdoor dry rack storage rates range from \$20.00 to \$22.50 per linear foot per month depending on boat size. Wet slip rates range from \$22.50 to \$27.75 per linear foot per month depending on boat size. Short term and transient rates by require a reservation and are quoted at \$1.50 per foot per day in water and \$0.75 per foot per day for dry rack storage. The facility includes 4 travel lifts, boat wash down facilities, 24-hour access and unlimited use. The facility has floating docks and wooden finger piers, a free pump out station, marine diesel and regular unleaded gasoline, 24-hour access, 30 & 50 amp electric service and fresh water hook-ups. Currently, 8 dry racks and 2 wet slips were available with occupancy at approximately 97%. Rental rates have not changed in 2018.

In comparison to the subject, this property was inferior in most respects including age/condition, location and proximity to deep water, ocean access.

Rent Comparable Eight

Rickenbacker Marina is a full Service marina located on Virginia Key, Florida, just off the Intracoastal Waterway at Marker 67 (ICM #67) on the northeast side of the Benjamin Powell Bridge. The dry rack and wet slip facility has a capacity for 500 vessels. There are 3 marina forklifts, on-site maintenance companies with monthly maintenance plans (washing, waxing, bottom paint, etc.) and service mechanics. The wet slip component is located at the west end of the property and can accommodate up to 200 vessels up to 100' in length and 9' of draft. The dry rack component is located on the east end of the property and can accommodate up to 300 vessels. The dry rack rental rate is \$30.00 to \$33.00 per linear foot, with a minimum boat length of 25-feet. The Jet Ski storage can accommodate up 130 Jet Skis. Jet Ski storage rates are \$425 per month for open rack storage, \$450 per month for covered rack storage and \$500 per month for indoor storage. Rental rates are all inclusive. The facility offers 110v-30 amp and 220v-50 amp electric shore power. All slips have access to water, 24-hour dock attendants, security with guards & video surveillance, showers, free WiFi and live boards are available. Moorings are serviced regularly by a professional diving service. This is a City of Miami ground leased marina that is being considered for major renovation & repositioning, subject to resolution of pending litigation with existing operator/lessee.

In comparison to the subject, this property was the most similar with respect to location and proximity to Government Cut, while inferior with respect to age/condition and amenities.

MARKET RENT CONCLUSIONS

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

MARKET RENT CONCLUSIONS - WET SLIPS						
Category	40' Wet Slips	50' Wet Slips	55' Wet Slips	60' Wet Slips	80' Wet Slips	Side Pier
Gross Leasable Area (LF)	2,326 LF	7,760 LF	2,616 LF	3,224	2,080	2,503
Market Rent (\$/LF/Day)	\$1.50	\$1.60	\$1.80	\$2.00	\$2.30	\$2.65
Concessions (New Tenants)	5% Pre-Pay Discount & Multiple Boat Discount					
Reimbursements	Metered Electric					
Average Lease Term	Annual, Monthly & Transient					
Compiled by CBRE						

RENT ROLL ANALYSIS

The rent roll analysis serves as a crosscheck to the estimate of market rent for the subject. The collections shown on the rent roll include rent premiums and/or discounts.

RENT ROLL ANALYSIS FOR MIAMI BEACH MARINA				
No.	Size LF	% Total	Contract Rent	
			\$/LF/Day	\$/Month
1	200	1.0%	\$2.91	\$17,691
2	279	1.4%	\$2.16	\$18,319
3	164	0.8%	\$1.43	\$7,125
4	180	0.9%	\$1.51	\$8,261
5	150	0.7%	\$1.77	\$8,096
7	100	0.5%	\$1.56	\$4,730
8	40	0.2%	\$9.27	\$11,275
11	40	0.2%	\$1.57	\$1,907
12	40	0.2%	\$1.33	\$1,617
13	40	0.2%	\$1.57	\$1,907
15	40	0.2%	\$1.18	\$1,439
16	40	0.2%	\$1.52	\$1,848
17	40	0.2%	\$1.48	\$1,806
18	40	0.2%	\$1.45	\$1,764
19	40	0.2%	\$1.45	\$1,764
20	40	0.2%	\$1.57	\$1,907
21	40	0.2%	\$1.45	\$1,764
22	40	0.2%	\$1.45	\$1,764
23	40	0.2%	\$1.54	\$1,869
24	40	0.2%	\$1.52	\$1,848
25	40	0.2%	\$1.57	\$1,907
26	40	0.2%	\$1.57	\$1,907
27	40	0.2%	\$1.45	\$1,764
28	40	0.2%	\$1.54	\$1,869
29	40	0.2%	\$1.57	\$1,907
30	40	0.2%	\$1.45	\$1,764
31	40	0.2%	\$1.45	\$1,764
32	40	0.2%	\$1.45	\$1,764
33	40	0.2%	\$1.54	\$1,869
34	40	0.2%	\$1.45	\$1,764
35	40	0.2%	\$1.54	\$1,869
36	40	0.2%	\$1.57	\$1,907
37	40	0.2%	\$1.57	\$1,914
38	40	0.2%	\$1.45	\$1,764
39	40	0.2%	\$1.57	\$1,907
40	40	0.2%	\$1.45	\$1,764
41	40	0.2%	\$2.17	\$2,637
42	40	0.2%	\$2.07	\$2,524
43	40	0.2%	\$2.21	\$2,693
44	40	0.2%	\$2.03	\$2,475
45	40	0.2%	\$2.28	\$2,773
46	52	0.3%	\$1.41	\$2,238
47	52	0.3%	\$1.61	\$2,552
48	52	0.3%	\$1.47	\$2,332
49	52	0.3%	\$1.53	\$2,420
50	52	0.3%	\$1.47	\$2,320
51	52	0.3%	\$1.59	\$2,508
52	52	0.3%	\$1.35	\$2,128
53	52	0.3%	\$1.48	\$2,344
54	52	0.3%	\$1.47	\$2,320
56	52	0.3%	\$1.39	\$2,200
57	52	0.3%	\$1.98	\$3,126
58	52	0.3%	\$1.47	\$2,320
59	52	0.3%	\$1.86	\$2,948
60	52	0.3%	\$1.84	\$2,912
61	145	0.7%	\$1.91	\$8,424
62	52	0.3%	\$1.99	\$3,150
64	52	0.3%	\$1.61	\$2,552
65	52	0.3%	\$1.85	\$2,925
66	52	0.3%	\$1.82	\$2,879
68	52	0.3%	\$1.58	\$2,494
69	52	0.3%	\$1.42	\$2,244
70	52	0.3%	\$1.73	\$2,730
71	52	0.3%	\$1.45	\$2,295
72	52	0.3%	\$1.55	\$2,456
73	52	0.3%	\$1.38	\$2,178
74	52	0.3%	\$1.42	\$2,244
75	52	0.3%	\$1.45	\$2,299
76	52	0.3%	\$1.72	\$2,728
77	62	0.3%	\$2.96	\$5,590
78	62	0.3%	\$1.51	\$2,852
79	62	0.3%	\$1.46	\$2,760
80	62	0.3%	\$1.30	\$2,456
81	62	0.3%	\$1.56	\$2,940
82	62	0.3%	\$1.59	\$2,990
83	62	0.3%	\$1.59	\$2,990
84	62	0.3%	\$1.93	\$3,648
85	62	0.3%	\$1.53	\$2,880
86	62	0.3%	\$1.95	\$3,675
87	80	0.4%	\$4.20	\$10,208
89	62	0.3%	\$1.65	\$3,120
90	62	0.3%	\$1.87	\$3,528
91	62	0.3%	\$1.91	\$3,600
92	62	0.3%	\$1.62	\$3,055
93	62	0.3%	\$1.67	\$3,146
94	62	0.3%	\$1.50	\$2,820
95	62	0.3%	\$1.85	\$3,484
96	62	0.3%	\$1.56	\$2,940
97	62	0.3%	\$1.53	\$2,880
98	62	0.3%	\$1.47	\$2,767
99	62	0.3%	\$1.54	\$2,904
Compiled by CBRE				

RENT ROLL ANALYSIS - Continued				
100	62	0.3%	\$1.87	\$3,528
101	60	0.3%	\$1.99	\$3,632
102	60	0.3%	\$1.99	\$3,640
103	60	0.3%	\$2.14	\$3,900
104	60	0.3%	\$2.09	\$3,808
105	60	0.3%	\$2.09	\$3,816
106	60	0.3%	\$1.85	\$3,380
107	60	0.3%	\$2.38	\$4,339
108	60	0.3%	\$2.44	\$4,453
110	60	0.3%	\$2.35	\$4,282
111	60	0.3%	\$2.17	\$3,960
113	60	0.3%	\$2.19	\$3,997
114	60	0.3%	\$2.53	\$4,625
115	60	0.3%	\$2.30	\$4,193
117	100	0.5%	\$4.51	\$13,728
118	60	0.3%	\$2.35	\$4,282
119	60	0.3%	\$2.45	\$4,472
121	60	0.3%	\$2.16	\$3,939
122	60	0.3%	\$2.13	\$3,882
123	60	0.3%	\$2.09	\$3,808
124	60	0.3%	\$2.17	\$3,960
125	60	0.3%	\$1.87	\$3,404
126	60	0.3%	\$2.17	\$3,952
127	60	0.3%	\$2.14	\$3,900
128	60	0.3%	\$2.17	\$3,960
129	60	0.3%	\$2.19	\$3,997
130	60	0.3%	\$1.42	\$2,585
131	80	0.4%	\$1.51	\$44,148
132	80	0.4%	\$1.86	\$4,537
133	80	0.4%	\$1.18	\$2,875
134	80	0.4%	\$1.74	\$4,225
135	80	0.4%	\$1.97	\$4,800
136	80	0.4%	\$2.35	\$5,720
137	80	0.4%	\$2.29	\$5,569
138	80	0.4%	\$2.23	\$5,430
139	80	0.4%	\$1.80	\$4,368
140	80	0.4%	\$2.34	\$5,701
142	80	0.4%	\$2.34	\$5,701
143	80	0.4%	\$2.46	\$5,980
144	80	0.4%	\$2.40	\$5,850
146	80	0.4%	\$1.99	\$4,840
147	80	0.4%	\$1.22	\$2,970
150	80	0.4%	\$4.11	\$10,000
152	80	0.4%	\$1.44	\$3,500
153	80	0.4%	\$1.44	\$3,500
154	80	0.4%	\$1.44	\$3,500
155	80	0.4%	\$2.59	\$6,300
157	100	0.5%	\$2.93	\$107,087
158	55	0.3%	\$3.77	\$6,300
159	55	0.3%	\$1.75	\$2,920
160	55	0.3%	\$1.86	\$3,104
161	55	0.3%	\$1.62	\$2,707
162	55	0.3%	\$1.70	\$2,850
163	55	0.3%	\$1.72	\$2,880
164	55	0.3%	\$2.01	\$3,366
165	55	0.3%	\$1.75	\$2,925
166	55	0.3%	\$1.59	\$2,667
167	55	0.3%	\$2.03	\$3,404
168	55	0.3%	\$1.90	\$3,185
169	55	0.3%	\$2.01	\$3,366
170	50	0.2%	\$0.95	\$1,440
171	50	0.2%	\$0.88	\$1,332
172	50	0.2%	\$0.88	\$1,332
173	50	0.2%	\$0.89	\$1,357
174	50	0.2%	\$0.95	\$1,440
175	50	0.2%	\$1.04	\$1,584
176	50	0.2%	\$0.88	\$1,332
177	50	0.2%	\$0.89	\$1,357
178	50	0.2%	\$0.99	\$1,508
179	50	0.2%	\$0.88	\$1,332
180	50	0.2%	\$1.07	\$1,621
181	50	0.2%	\$1.17	\$1,772
182	50	0.2%	\$0.89	\$1,357
183	50	0.2%	\$0.95	\$1,440
184	50	0.2%	\$0.97	\$1,470
185	300	1.5%	\$0.68	\$6,230
186	60	0.3%	\$0.83	\$1,512
187	50	0.2%	\$1.00	\$1,517
188	50	0.2%	\$0.85	\$1,296
189	50	0.2%	\$1.04	\$1,583
190	50	0.2%	\$0.94	\$1,432
191	50	0.2%	\$0.99	\$1,508
193	50	0.2%	\$0.89	\$1,357
194	50	0.2%	\$0.90	\$1,368
196	50	0.2%	\$0.88	\$1,332
197	50	0.2%	\$1.12	\$1,696
198	50	0.2%	\$1.04	\$1,583
199	50	0.2%	\$1.02	\$1,554
Compiled by CBRE				

RENT ROLL ANALYSIS - Continued				
200	50	0.2%	\$0.88	\$1,332
201	50	0.2%	\$0.95	\$1,440
202	50	0.2%	\$0.97	\$1,470
203	50	0.2%	\$0.81	\$1,225
204	50	0.2%	\$0.89	\$1,347
205	50	0.2%	\$1.12	\$1,707
206	50	0.2%	\$1.09	\$1,655
207	50	0.2%	\$0.86	\$1,309
208	50	0.2%	\$0.89	\$1,347
209	55	0.3%	\$0.67	\$1,119
210	50	0.2%	\$0.78	\$1,190
211	60	0.3%	\$0.71	\$1,292
212	50	0.2%	\$0.72	\$1,088
213	50	0.2%	\$0.98	\$1,496
214	44	0.2%	\$0.89	\$1,190
215	50	0.2%	\$1.02	\$1,548
216	50	0.2%	\$0.68	\$1,039
217	50	0.2%	\$1.16	\$1,764
218	120	0.6%	\$1.54	\$5,635
219	50	0.2%	\$0.83	\$1,260
220	50	0.2%	\$1.07	\$1,634
221	50	0.2%	\$0.74	\$1,122
222	50	0.2%	\$0.85	\$1,292
223	50	0.2%	\$0.78	\$1,190
224	50	0.2%	\$0.76	\$1,161
225	50	0.2%	\$0.78	\$1,190
226	50	0.2%	\$1.00	\$1,520
227	50	0.2%	\$1.54	\$2,346
228	50	0.2%	\$1.08	\$1,649
229	50	0.2%	\$0.87	\$1,330
230	50	0.2%	\$0.94	\$1,424
231	50	0.2%	\$1.01	\$1,540
232	50	0.2%	\$0.97	\$1,474
233	50	0.2%	\$1.81	\$2,760
234	50	0.2%	\$1.19	\$1,806
235	50	0.2%	\$1.29	\$1,969
236	50	0.2%	\$1.19	\$1,806
237	50	0.2%	\$1.29	\$1,969
238	50	0.2%	\$1.22	\$1,849
239	50	0.2%	\$1.27	\$1,932
240	50	0.2%	\$1.16	\$1,764
241	50	0.2%	\$1.19	\$1,806
242	50	0.2%	\$1.28	\$1,940
243	50	0.2%	\$1.22	\$1,849
244	50	0.2%	\$1.19	\$1,806
245	50	0.2%	\$1.28	\$1,940
246	50	0.2%	\$1.29	\$1,969
247	50	0.2%	\$1.28	\$1,940
248	50	0.2%	\$1.28	\$1,940
249	50	0.2%	\$1.19	\$1,806
250	115	0.6%	\$1.60	\$5,590
251	50	0.2%	\$1.19	\$1,806
252	50	0.2%	\$1.33	\$2,016
253	50	0.2%	\$1.27	\$1,932
254	50	0.2%	\$1.27	\$1,932
255	50	0.2%	\$1.28	\$1,940
256	50	0.2%	\$1.19	\$1,806
257	50	0.2%	\$1.27	\$1,938
258	50	0.2%	\$1.06	\$1,617
259	50	0.2%	\$1.28	\$1,940
260	50	0.2%	\$1.24	\$1,890
261	50	0.2%	\$1.29	\$1,969
262	50	0.2%	\$1.27	\$1,932
263	50	0.2%	\$1.39	\$2,110
264	50	0.2%	\$0.83	\$1,258
265	50	0.2%	\$0.82	\$1,249
266	50	0.2%	\$0.81	\$1,230
267	40	0.2%	\$1.55	\$1,885
268	40	0.2%	\$1.45	\$1,764
269	40	0.2%	\$1.55	\$1,885
270	40	0.2%	\$1.24	\$1,505
271	40	0.2%	\$1.55	\$1,885
272	40	0.2%	\$1.48	\$1,806
274	40	0.2%	\$1.45	\$1,764
275	40	0.2%	\$1.59	\$1,930
276	40	0.2%	\$1.52	\$1,848
277	40	0.2%	\$1.55	\$1,885
278	40	0.2%	\$1.55	\$1,885
279	40	0.2%	\$1.45	\$1,764
280	40	0.2%	\$1.55	\$1,885
281	40	0.2%	\$1.52	\$1,848
282	40	0.2%	\$1.45	\$1,764
283	40	0.2%	\$1.52	\$1,848
285	50	0.2%	\$1.04	\$1,587
286	50	0.2%	\$1.21	\$1,840
287	50	0.2%	\$0.88	\$1,332
288	50	0.2%	\$0.94	\$1,425
289	50	0.2%	\$0.96	\$1,465
290	50	0.2%	\$0.74	\$1,120
291	50	0.2%	\$0.74	\$1,120
292	50	0.2%	\$0.96	\$1,465
293	50	0.2%	\$1.21	\$1,836
294	50	0.2%	\$0.95	\$1,444
295	50	0.2%	\$0.96	\$1,465
296	50	0.2%	\$0.94	\$1,425
297	50	0.2%	\$1.21	\$1,840
298	50	0.2%	\$0.92	\$1,406
299	55	0.3%	\$0.90	\$1,505
Compiled by CBRE				

RENT ROLL ANALYSIS - Continued				
300	50	0.2%	\$1.17	\$1,776
301	50	0.2%	\$1.02	\$1,554
302	50	0.2%	\$0.95	\$1,444
303	50	0.2%	\$0.99	\$1,505
304	50	0.2%	\$1.07	\$1,628
305	42	0.2%	\$1.04	\$1,332
306	50	0.2%	\$1.07	\$1,628
308	50	0.2%	\$1.13	\$1,713
309	50	0.2%	\$1.15	\$1,750
310	50	0.2%	\$1.18	\$1,790
311	50	0.2%	\$0.88	\$1,332
312	50	0.2%	\$1.18	\$1,795
313	50	0.2%	\$1.08	\$1,637
314	50	0.2%	\$1.04	\$1,587
315	50	0.2%	\$0.95	\$1,440
316	50	0.2%	\$1.23	\$1,872
319	50	0.2%	\$0.95	\$1,450
320	55	0.3%	\$2.10	\$3,515
321	55	0.3%	\$2.01	\$3,366
322	55	0.3%	\$1.59	\$2,667
323	55	0.3%	\$2.07	\$3,456
324	55	0.3%	\$1.34	\$2,250
325	55	0.3%	\$1.72	\$2,874
326	55	0.3%	\$1.80	\$3,019
327	55	0.3%	\$1.59	\$2,662
328	55	0.3%	\$1.44	\$2,413
329	55	0.3%	\$1.92	\$3,217
330	54	0.3%	\$2.60	\$4,264
331	54	0.3%	\$1.55	\$2,552
332	54	0.3%	\$1.53	\$2,505
333	54	0.3%	\$1.63	\$2,675
334	54	0.3%	\$1.40	\$2,299
335	54	0.3%	\$1.55	\$2,552
336	54	0.3%	\$1.27	\$2,090
337	54	0.3%	\$1.35	\$2,225
338	54	0.3%	\$1.35	\$2,215
339	54	0.3%	\$1.69	\$2,784
340	54	0.3%	\$1.35	\$2,214
341	54	0.3%	\$1.37	\$2,257
342	54	0.3%	\$1.55	\$2,548
343	54	0.3%	\$1.39	\$2,275
344	54	0.3%	\$1.61	\$2,640
345	54	0.3%	\$1.40	\$2,299
346	54	0.3%	\$1.27	\$2,090
347	54	0.3%	\$1.36	\$2,238
348	54	0.3%	\$1.41	\$2,320
349	54	0.3%	\$1.44	\$2,366
350	54	0.3%	\$1.60	\$2,633
351	54	0.3%	\$1.16	\$1,900
352	54	0.3%	\$1.27	\$2,090
353	54	0.3%	\$1.58	\$2,591
354	50	0.2%	\$1.02	\$1,550
Occupied Subtotals	18,713	91.2%	\$1.81	\$1,027,643
Vacant at Market				
No.	Size LF	% Total	\$/LF/Day	\$/Month
6	150	0.7%	\$2.65	\$12,091
9	40	0.2%	\$1.50	\$1,825
10	40	0.2%	\$1.50	\$1,825
14	40	0.2%	\$1.50	\$1,825
55	52	0.3%	\$1.60	\$2,531
63	52	0.3%	\$1.60	\$2,531
67	52	0.3%	\$1.60	\$2,531
88	80	0.4%	\$2.30	\$5,597
109	60	0.3%	\$1.60	\$2,920
112	60	0.3%	\$1.60	\$2,920
116	60	0.3%	\$1.60	\$2,920
120	60	0.3%	\$1.60	\$2,920
141	300	1.5%	\$2.65	\$24,181
145	80	0.4%	\$2.30	\$5,597
148	80	0.4%	\$2.30	\$5,597
149	80	0.4%	\$2.30	\$5,597
151	80	0.4%	\$2.30	\$5,597
156	100	0.5%	\$2.65	\$8,060
192	50	0.2%	\$1.60	\$2,433
195	50	0.2%	\$1.60	\$2,433
273	40	0.2%	\$1.50	\$1,825
284	40	0.2%	\$1.50	\$1,825
307	50	0.2%	\$1.60	\$2,433
317	50	0.2%	\$1.60	\$2,433
318	50	0.2%	\$1.60	\$2,433
Vacant Subtotals	1,796	8.8%	\$2.07	\$112,879
Total Contract & Market	20,509	100.0%	\$1.83	\$1,140,523
Total at Market	20,509	100.0%	\$1.88	\$1,170,395
Compiled by CBRE				

POTENTIAL RENTAL INCOME CONCLUSION

Within this analysis, potential rental income is estimated based upon the actual income in-place and the forward-looking market rental rates over the next twelve months

REVENUE HISTORY

The following table presents available operating revenue data provided for the subject from audited reports.

REVENUE HISTORY & ANALYSIS												
Year-Occupancy	2017			2018			2019			CBRE Estimate		
	Total	% EGI	\$/Slip	Total	% EGI	\$/Slip	Total	% EGI	\$/Slip	Total	% EGI	\$/Slip
Income - Gross Receipts - Area 2												
Potential Revenue - Annual Slip Rent	\$10,000,667	67.2%	\$28,250	\$11,163,149	68.1%	\$31,534	\$11,572,784	67.5%	\$32,691	\$12,591,369	65.5%	\$35,569
Potential Revenue - Monthly Slip Rent	409,468	2.8%	1,157	309,007	1.9%	873	482,570	2.8%	1,363	\$506,000	2.6%	1,429
Potential Revenue - Transient/Daily Slip Rent	1,921,942	12.9%	5,429	2,151,680	13.1%	6,078	1,970,315	11.5%	5,566	\$2,024,000	10.5%	5,718
Docks Services	526,983	3.5%	1,489	605,372	3.7%	1,710	611,486	3.6%	1,727	\$644,000	3.3%	1,819
Landing Fees	125,588	0.8%	355	180,138	1.1%	509	183,926	1.1%	520	\$193,200	1.0%	546
Pump-Out Fees	5,325	0.0%	15	4,310	0.0%	12	925	0.0%	3	\$4,600	0.0%	13
Live-Aboard Fees	69,175	0.5%	195	69,160	0.4%	195	57,192	0.3%	162	\$64,400	0.3%	182
Effective Gross Income - Area 2	\$13,059,148	87.8%	\$36,890	\$14,482,816	88.4%	\$40,912	\$14,879,198	86.8%	\$42,032	\$16,027,569	83.3%	\$45,276
Income - Gross Receipts - Areas 1 & 4												
Retail Sales	\$87,188	0.6%	\$246	\$91,034	0.6%	\$257	\$91,568	0.5%	\$259	\$91,568	0.5%	\$259
Retail/Office Rent	1,523,207	10.2%	4,303	1,659,783	10.1%	4,689	1,996,307	11.6%	5,639	\$3,261,464	17.0%	9,213
Vending Commissions	6,544	0.0%	18	7,339	0.0%	21	8,961	0.1%	25	\$9,000	0.0%	25
Other Income	155,416	1.0%	439	96,289	0.6%	272	124,274	0.7%	351	\$100,000	0.5%	282
Effective Gross Income - Areas 1 & 4	1,772,355	11.9%	5,007	1,854,445	11.3%	5,239	2,221,110	13.0%	6,274	3,462,032	18.0%	9,780
Less: Parking Garage Condominium Fees	---	---	---	---	---	---	---	---	---	(242,808)	-1.5%	(686)
Less: Submerged Land Lease	---	---	---	---	---	---	---	---	---	(207,731)	-1.3%	(587)
	---	---	---	---	---	---	---	---	---	(450,539)	-2.3%	(1,273)
Income - Gross Receipts - Parking Garages												
Gross Parking Fees	15,550	0.1%	44	24,649	0.2%	70	23,046	0.1%	65	\$142,500	0.7%	403
Income - Fuel Flowage												
Gasoline	7,363	0.0%	21	7,646	0.0%	22	9,456	0.1%	27	18,912	0.1%	53
Diesel	17,022	0.1%	48	17,515	0.1%	49	14,959	0.1%	42	29,918	0.2%	85
Effective Gross Income - Fuel Sales	24,385	0.2%	69	25,161	0.2%	71	24,415	0.1%	69	48,830	0.3%	138
Effective Gross Income - Total	\$14,871,438	100.0%	\$42,010	\$16,387,071	100.0%	\$46,291	\$17,147,769	100.0%	\$48,440	\$19,230,392	100.0%	\$54,323
Percentage Rent Due	\$1,512,979			\$1,667,515			\$1,742,512			\$1,999,000		
Rent as a % of Total EGI	10.2%			10.2%			10.2%			10.4%		

Source: Revenue Audits

VACANCY & CREDIT LOSS

The subject's estimated stabilized occupancy rate was previously discussed in the market analysis and summarized as follows:

VACANCY & CREDIT LOSS	
Year	% PGI
Current	9%
CBRE Estimate	8%
Compiled by CBRE	

RETAIL/RESTAURANT & OFFICE RENTAL INCOME

The retail/restaurant & office rentals utilized represent the best data available for comparison with the subject. They were selected from our research within the South of 5th submarket and broader Miami Beach area.

SUMMARY OF COMPARABLE RETAIL RENTALS											
Comp. No.	Property Name and Location	YOC / Reno'd	Occ.	GLA (SF)	Quoted Rental Rate	Expense Basis	Tenant Name	Lease Area (SF)	Lease Date	Lease Term	Base Rent
9	Retail/Office Bldg. 1609 Alton Road, Miami Beach, FL 33139	1947 / 1985	100%	8,700	\$80.34-\$105.06	NNN	Sky Nails Sobe Liquors	2,650 2,000	Sep-18 Nov-17	5.0 Yrs. 7.0 Yrs.	\$105.06 PSF \$80.34 PSF
10	Saber 1800 Alton 1800 Alton Road, Miami Beach, FL 33139	2018	94%	31,499	\$56.00-\$113.77	NNN	Starbucks Citibank, N.A. Michaels Stores Inc.	2,241 5,065 22,492	Apr-19 Feb-19 Jan-19	10.0 Yrs. 10.0 Yrs. 12.0 Yrs.	\$70.00 PSF \$113.77 PSF \$56.00 PSF
11	Sunset Harbour Shops 1854 Bay Road, Miami Beach, FL 33139	2012	92%	25,928	\$50.00-\$85.00	NNN	Ice Box Cafe Panther Coffee Shan Swimwear	2,710 1,650 1,019	Jun-18 Apr-18 Jan-18	5.0 Yrs. 5.0 Yrs. 5.0 Yrs.	\$80.00 PSF \$54.90 PSF \$85.00 PSF
12	17West 1681 West Avenue, Miami Beach, FL 33139	2018	86%	26,958	\$64.70-\$125.00	NNN	SunTrust GNC	3,696 1,162	Dec-19 Oct-19	10.0 Yrs. 10.0 Yrs.	\$125.00 PSF \$110.00 PSF
13	BB Plaza 1501 Alton Road, Miami Beach, FL 33139	1991	100%	24,780	\$65.00-\$70.00	NNN	Confidential	1,260	Aug-17	5.0 Yrs.	\$70.48 PSF
Subj. Pro Forma	Miami Beach Marina 300-400 Alton Road, Miami Beach, Florida	Proposed	0%	26,600	\$60.00 PSF	---	---	---	---	---	---
Compiled by CBRE											

Select restaurant rentals from the Miami Beach submarket including Monty's and Texas De Brazil from within the existing subject property are detailed as follows:

SUMMARY OF COMPARABLE RESTAURANT LEASES											
Comp. No.	Location	Tenant	Rentable SF	Patio Area	Lease Date	Lease Term	Base Rent	Reimbursements	Escalations		
1	1600 Collins Avenue, Miami Beach, FL	Joe & The Juice	6,500	Patio	Apr-16	5.0 Yrs.	\$100.00 PSF	NNN	---		
2	49 Collins Avenue, Miami Beach, FL	Upland Restaurant	9,284	---	Nov-16	10.0 Yrs.	\$76.84 PSF	NNN	3% per annum		
3	239 1st Street, Miami Beach, FL	The Stubborn Seed	2,332	---	Apr-17	5.0 Yrs.	\$94.49 PSF	Modified Gross	5% per annum		
4	1 Collins Avenue, Miami Beach, FL	Amare Ristorante	2,324	3,790	Apr-18	10.0 Yrs.	\$115.00 PSF	NNN	3% in Years 6 to 10		
5	834 1st Street, Miami Beach, FL	Fago De Chao	12,000	---	Jun-18	5.0 Yrs.	\$61.60 PSF	NNN	15% Step in Year 6		
Subj. Existing	Miami Beach Marina	Monty's Texas De Brazil	5,988 18,442	7,728 800	---	---	\$70.48 PSF \$25.59 PSF	NNN NNN	---		
Subj. Pro Forma	Miami Beach Marina	Proposed	10,000	TBD	TBD	TBD	\$75.00 PSF	NNN	TBD		
Compiled by CBRE											

And, the comparable office rentals from the Miami Beach submarket are detailed as follows:

SUMMARY OF COMPARABLE OFFICE RENTALS						
Comp. No.	Property Name and Location	YOC / Reno'd	Occ.	GLA (SF)	Quoted Rental Rate	Expense Basis
14	555 Washington 555 Washington, Miami Beach, FL 33139	2001	79%	63,132	\$43.00-\$45.00	Base Year Stop
15	404 Washington Avenue 404 Washington Avenue, Miami Beach, FL 33139	1995	96%	60,015	\$50.00 PSF	Base Year Stop
16	1674 Meridian 1674 Meridian Avenue, Miami Beach, FL 33139	1959 / 2001	37%	30,000	\$57.25 PSF	Base Year Stop
17	1688 Meridian Ave. Bldg. 1688 Meridian Avenue, Miami Beach, FL 33139	1961 / 2018	84%	96,870	\$46.00 PSF	Base Year Stop
18	Meridian Center 1680 Meridian Avenue, Miami Beach, FL 33139	1957 / 2006	87%	54,603	\$48.00 PSF	Base Year Stop
19	420 Lincoln Road 420 Lincoln Road, Miami Beach, FL 33139	1940 / 2002	91%	133,237	\$43.00 PSF	Base Year Stop
Subj. Pro Forma	Miami Beach Marina 300-400 Alton Road, Miami Beach, Florida	Proposed	0%	8,280	\$40.00 PSF	---
Compiled by CBRE						

In addition to the foregoing comparable office rentals, we note the Allied Marine office space located on the ground floor, corner of the Icon condominium parking garage. This particular space is part of the marina and is paying \$79.62-PSF for 4,769-SF of good quality office space with visibility from the MacArthur Causeway and 5th Street.

MARKET RENT CONCLUSIONS – PROPOSED RETAIL/OFFICE

We have estimated & concluded the market rent for the proposed retail/restaurant & office space and the existing Icon office space, as follows:

MARKET RENT CONCLUSIONS - PROPOSED RETAIL/OFFICE				
Category	Retail	Restaurant	Office	ICON Office (Existing)
Gross Leasable Area (SF)	26,600 SF	10,000 SF	8,280 SF	4,769 SF
Market Rent (\$/SF/Annum)	\$65.00	\$95.00	\$45.00	\$80.00
Compiled by CBRE				

Based on the foregoing comparable retail rent survey, we have input effective gross retail/office rental income at \$3,261,464 including a 5.0% for vacancy & collection loss.

PARKING GARAGE INCOME

The subject's parking income is based on the four (4) ground level garage spaces and parking agreements with Murano Grande, Icon, The Yacht Club at Portofino and Murano at Portofino. The prior, historic gross parking fee income has been nominal. However, with the proposed redevelopment of the retail/restaurant & office building component, there is an opportunity to lease excess parking spaces on a monthly basis.

We have estimated the off-street requirement based on the proposed redevelopment program as follows:

OFF-STREET PARKING REQUIREMENT - PROPOSED			
		Outdoor Seating	Required Spaces
Mixed-Uses			
Retail	26,600 SF	---	88 Spaces
Restaurant*	10,000 SF	8,528 SF	185 Spaces
Office	8,280 SF	---	21 Spaces
Marina	354 Slips	---	177 Spaces
Subtotal - Required			471 Spaces
Total Existing Spaces			686 Spaces
Less: Surface Parking Lot			-115 Spaces
Total Provided			571 Spaces
Overage			100 Spaces
Compiled by: CBRE			

*It is important to note the restaurant parking requirement includes the outdoor seating area and is calculated based on 70 percent customer dining room seating with an average of 35-SF per seat; and, 30 percent non-customer areas. The off-street parking requirement is for 1-space per 4-seats and 1-space per 60-SF of area not utilized for seating.

The comparable parking garage & surface lot monthly rates in the Miami Beach and South of 5th submarket are presented as follows:

COMPARABLE PARKING GARAGE & SURFACE LOT RATES		
Comparable	Location	Monthly (\$/Month)
JATC Miami Beach Parking	237 20th Street	\$175-\$275
The Lincoln Garage	1691 Michigan Avenue	\$200-\$250
Lincoln Center	1623 Alton Road	\$200-\$250
Z Ocean Parking Garage	1437 Collins Avenue	\$150-\$350
Pelican Garage	1041 Collins Avenue	\$175.00
Garage	1824 Alton Road	\$150.00
South Gates Towers	900 West Avenue	\$175.00
Bentley Bay	520 West Avenue	\$175.00
427 Collins Avenue - Lot	427 Collins Avenue	\$200.00
1732 James Avenue - Lot	1732 James Avenue	\$225.00
1501 Collins Avenue - Lot	1501 Collins Avenue	\$200.00
499 13th Street - Lot	499 13th Street	\$200.00
CBRE Estimate	300-400 Alton Road	\$125.00
Compiled by CBRE		

Based on the foregoing off-street parking analysis and comparable parking space survey, we have calculated the potential gross parking income for the subject property as follows:

POTENTIAL GROSS PARKING INCOME					
Component	No. Spaces	Monthly Rate	Occupancy	Monthly Total	Annual Total
Monthly	100 Spaces	\$125.00	95.0%	\$11,881	\$142,576
Total Parking Income				\$11,881	\$142,576
Compiled by CBRE					

PARKING GARAGE CONDOMINIUM ASSOCIATION FEES

The exiting off-street parking provided is through agreements by the City of Miami Beach with the abutting residential condominium tower associations, and summarized as follows:

PARKING GARAGE CONDOMINIUM FEES		
Project	\$/Space	Total
Yacht Club at Portofino (115 Spaces)	\$442	\$50,858
Murano at Portofino (108 Spaces)*	\$556	\$60,000
Murano Grande at Portofino & ICON (348 Spaces)	\$379	\$131,950
CBRE Estimate	\$425	\$242,808
Compiled by CBRE		

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CBRE Estimate	\$425	\$242,808
Compiled by CBRE		

FUEL SALES

The subject fuel sales revenue is based on price per through put or flowage. For purposes of our analysis we have utilized the historic fuel sales reports of \$0.02 per gallon of through put from 2017, 2018 and 2019, as reported in the audited report.

MARINA LEASE

As of the effective date of this appraisal, the Miami Beach Marina including the submerged land and uplands is leased to Miami Beach Marina Associates, Ltd. and is operated pursuant to a Lease Agreement dated June 24, 1983 and its subsequent First through Fourth amendments dated between October 23, 1991 and April 15, 1998. It should also be noted, the initial base term of the marina lease expires on January 1, 2022 and there is one, 30-year renewal option with an outside expiration date of December 31, 2052.

Pursuant to Section 28.3 of the First Amendment to the Lease, dated October 23, 1991, and Section 3.4 of the Fourth Amendment to the Lease, dated April 23, 1998, the City is entitled to receive consideration amounting to the greater of (i) \$320,000 per year (\$26,667 per month) in minimum annual guaranteed rent, or (ii) annual percentage rent defined as follows:

- a. Ten percent (10%) of gross receipts generated from Area 2 (the Submerged Lands).
- b. Ten percent (10%) of gross receipts generated from Areas 1 and 4 (the Uplands).
- c. Two cents (\$0.02) per gallon from the sale of gasoline.
- d. Two cents (\$0.02) per gallon from the sale of diesel fuel
- e. Thirty-five percent (35%) of gross parking fees generated by Marina parking facilities.

Pursuant to the Lease, gross receipts is defined as: (i) the entire amount of the price charged for all boat storage and dockage, goods, wares, merchandise, and all charges for services performed in, at, upon or from any part of the Marina; (ii) the receipts from all orders secured or received in the Marina in the normal and customary course of its operations; (iii) all deposits

received but not refunded to the purchaser in connection with any transactions; and (iv) the receipts from rent received by the Tenant resulting from occupancy or use of the Marina or any part thereof by any independent, third-party sublessee, concessionaire or parties operating through any sublessee or concessionaire, subject to certain exclusions, including sales of fuel, as defined in the Lease.

Management has interpreted the definition of gross receipts pursuant to the Lease to exclude certain common area maintenance charges, including expense reimbursements related to utility, real estate tax, and insurance costs received from subtenants (Subtenant Exclusions). Management believes these charges are not included in gross receipts because the common area maintenance charges are direct reimbursements of common area expenses.

In order to determine the appropriate and fair market value of the marina lease, we have compared the existing marina lease for the subject property to several comparable leased marina properties in the South Florida region, presented as follows:

COMPARABLE MARINA LEASES												
No.	Name/Location	Site - Acres	# of Slips	Lessor	Lessee	Base Rent	Expense Basis	Lease Term	Renewal Options	Escalations	Fuel Sales Flowage	Comments
1	Suntex Homestead 24777 SW 87th Avenue, Homestead, FL	2.78	306	Miami-Dade County	33032 Partners, Ltd.	5% of Revenues	NNN	46 Years	None remaining	Reviewed every 5-years	\$0.05/Gallon	Dry storage facility located in Homestead on Biscayne Bay. Older facility in average condition and caters to smaller recreational boaters.
2	Bayshore Landing 2560 South Bayshore Drive Coconut Grove, FL	6.69	111	City of Miami	Bayshore Partners	15% of Marina Revenues 10% of Office Revenues 10% of Restaurant Revenues	NNN	50 Years	None remaining	Flat	None	Home of Monty's restaurant & bar in Coconut Grove, on the west shore of Biscayne Bay. Facility is in average condition and caters to medium sized boats with in-water slips and boat lifts.
3	Harbour Towne Marina 801 NE 3rd Street Dania Beach, FL	23.4	684	City of Dania Beach	Harbour Towne Associates	Base rent + 8% of all Revenues	NNN	36 Years	None	Base rent increase every 5-years by CPI	None	Full service marina located on Dania Cut Off Canal within close proximity to Port Everglades. In-water and dry storage slips plus boathyard, office & repair shop space.
4	Palm Harbour Marina 400 N. Flagler Drive West Palm Beach, FL	28.15	192	City of West Palm Beach	Leisure Resorts, LLC	8% of all Revenues, excluding pass through expenses, retail sales & shore power	NNN	141 Years	3, 25-Year Option Terms	Flat	None	Premier marina located on Lake Worth next to downtown West Palm Beach. In good condition with recently built floating docks & larger slips up to 250 feet.
5	Haulover Marina Center 15500 Collins Avenue Miami Beach, FL	3.33	480	Miami-Dade County	Westrec Equities	18% of Gross Revenues with \$1,000,000 cap	NNN	25 Years	None	Flat	None	Newer dry storage marina designed for large center consoles. Location is north and in proximity of Haulover Inlet.
6	Bahia Mar 801 Seabreeze Boulevard Fort Lauderdale, FL	38.73	<u>250</u> 8,000-LF	City of Fort Lauderdale	Rahn Bahia Mar LLC	\$1,618,516 base rent in 2019 based on 4.25% of existing hotel (\$18,040,890) & marina (\$19,113,000) revenue *\$3,700,000 + real estate taxes projection after 10-years of redevelopment & lease-up by 2028	Net, Net + RE Tax	50 Years	1, 50-Year	Flat	WND	Existing hotel & marina on Intracoastal Waterway overlooking Fort Lauderdale Beach & oceanfront with major redevelopment program & lease approved in December 2017 including 108,296-SF of commercial; 1,003,687-SF of residential; and, 30,000-SF
Subj.	Miami Beach Marina 300-400 Alton Road Miami Beach, FL	41.42	<u>354</u> 20,509 LF	City of Miami Beach	Miami Beach Marina Associates, Ltd.	\$1,742,512 base rent in 2019 based on 10% of gross revenues + 35% of gross parking fees and \$0.02 per gallon fuel flowage	Modified Gross	30 Years	1, 30-Year	Flat	\$0.02/Gallon	Existing marina & retail/office complex proposed for luxury condo tower redevelopment and marina renovations.
Compiled by CBRE												

Compiled by CBRE

As previously noted, Miami Beach Marina Associates, Ltd. has requested an extension of the current marina lease term in conjunction with the prospective closing of the purchase and sale of the residential development air rights. Based on the on-going negotiations and most recent term sheet, dated May 6, 2020, the proposed lease terms are summarized as follows:

PROPOSED LEASE TERMS - MBM & ARMUI

Lessor	City of Miami Beach & Miami Beach Redevelopment Agency	
Lessee	Miami Beach Marina Associates, Ltd. (MBM) & Alton Road Mixed Use Investment, LLC (ARMUI)	
Site Size (SF)		1,804,137
Lease Date		TBD
Lease Commence Date		TBD
Expiration Date (Base Lease)		TBD
Lease Term (Base Lease)		720 Months
Remaining Lease Term (Base Lease)		720 Months
No. & Term of Options		TBD
Expiration Date (Base + All Options)		TBD
Remaining Lease Term (Base + All Options)		720 Months
<u>Proposed Rental Rate, Greater Of:</u>	<u>\$/SF/Yr.</u>	<u>Total \$/Yr.</u>
Base Lease Term	\$0.91	\$1,640,890
Escalations		Annual CPI

OR,

Annual Percentage Rent based on the following:

A. \$0.04 cents per gallon of gasoline or diesel;

B. 35% of all revenues received from any parking facilities serving the Expanded Leased Premises, including without limitation the Parking Garages and the Replacement Parking Facility.

C. 10% of all other Gross Receipts during each Lease Year throughout the Term of the A/R Marina Lease and any extensions thereof that exceed the then applicable thresholds for applicability of percentage rent. "Gross Receipts" means all revenues received by Marina Lessee or any affiliates from any operations of or at the leased premises less Operating Expenses (as such term is hereafter defined) [and certain specified "allowable deductions" currently contemplated by the Marina Lease].

"Operating Expenses" means, on an annual basis all rent under the Submerged Lands Lease, all rent under those certain parking garage leases with each of Murano Grande at Portofino Master Association, Inc., Murano Grande at Portofino Condominium Association, Inc., Icon Condominium Association, Inc., Yacht Club at Portofino Master Association, Inc. and TRG-SSDI, Ltd., as each has been amended (collectively, the "Parking Agreements" and the parking garages described therein, the "Parking Garages") and real estate taxes, stormwater fees and assessments for capital improvements payable by the City pursuant to the Parking Agreements. With respect to areas that are subleased, the rent paid by subtenants to the Marina Lessee (and not gross revenues of the subtenants) shall be the "Gross Receipts." Marina Lessee shall submit periodic reports to the City with respect to Gross Receipts and Operating Expenses, and the A/R Marina Lease will include the City's mandatory Inspector General audit rights.

Source: Draft Term Sheet, dated 5/6/2020

*As additional consideration for the marina lease extension, the lessee will commit to a capital improvement program of \$35 Million over 30 years or the current lease term, subject to further negotiations. This capital improvement program would be to improve the resiliency of marina area, modernize the appearance and infrastructure, improve way finding and signage and otherwise retain market attractiveness to maximize the percentage rent return to the City

Gross Revenues & Percentage Rent Summary

A summary of the gross revenues & percentage rent calculation is summarized as follows:

GROSS REVENUES & ANNUAL PERCENTAGE RENT SUMMARY			
Income - Potential Gross Receipts - Area 2		\$/Slip/Yr	Total
Potential Revenue - Annual Slip Rent		\$38,662	\$13,686,271
Potential Revenue - Monthly Slip Rent		1,554	550,000
Potential Revenue - Transient/Daily Slip Rent		6,215	2,200,000
Docks Services		1,977	\$700,000
Landing Fees		593	210,000
Pump-Out Fees		14	5,000
Live-Aboard Fees		198	70,000
Potential Gross Income - Area 2		\$49,213	17,421,271
Vacancy & Credit Loss	8.00%	(3,937)	(1,393,702)
Potential Effective Gross Income - Area 2		\$45,276	16,027,569
Income - Potential Gross Receipts - Areas 1 & 4		\$/Slip/Yr	Total
Retail Sales		259	\$91,568
Retail/Office Rent	95.00%	9,213	3,261,464
Vending Commissions		25	9,000
Other Income		282	100,000
Potential Gross Income - Areas 1 & 4		\$9,780	\$3,462,032
Potential Gross Income - Areas 1, 2 & 4			\$19,489,601
Less: Parking Garage Condominium Fees			(242,808)
Less: Submerged Land Lease			(207,731)
Potential Effective Gross Income - Areas 1, 2 & 4			\$19,039,062
Percentage Rent		x	10.00%
Marina Lease - Percentage Rent			\$1,903,906
Rounded to			\$1,900,000
Income - Potential Gross Receipts - Parking Garages - Areas 3 & 4;			Total
Monthly Parking Permits			\$142,500
Percentage Rent			35.00%
Parking Garage - Percentage Rent			\$49,875
Rounded to			\$50,000
Potential Fuel Sales;		Flowage	Per Gallon
Gasoline		472,809	\$0.04
Diesel		747,941	\$0.04
Potential Effective Gross Income - Fuel Sales			\$48,830
			\$49,000
ESTIMATED FAIR MARKET RENT (AREAS 1, 2, 3 & 4 + PARKING GARAGE & FUEL SALES)			\$1,999,000
ESTIMATED FAIR MARKET RENT - ALLOCATED TO UPLAND AREAS 1 & 4			\$338,200
Compiled by CBRE			

Net Present Value of Marina Fair Market Rent

In this section, we have estimated the net present value (NPV) of the marina fair market rent as concluded in the preceding section. At the request of the client, we have estimated the NPV of the remaining 32-year existing lease term, which includes the one (1), 30-year option renewal term; and, the estimated NPV assuming a new, 99-year lease term.

GROWTH RATES

In order to determine reasonable growth rates of the fair market rent for the net present value calculation, we have analyzed the actual compounded growth rate of the percentage rent reported between 2017 to 2019 from the subject property and reviewed published investor surveys, presented as follows:

SUMMARY OF GROWTH RATES	
Investment Type	Inflation
U.S. Bureau of Labor Statistics (CPI-U) 10-Year Snapshot Average as of Apr-20	1.63%
PwC Real Estate Investor Survey National Net Lease Market - Rent Growth	0.00% - 2.50%
PwC National Investor Survey National Development Land Market - Value Change	1.00% - 3.00%
Miami Beach Marina - Rent Growth 2017 to 2019	4.82%
CBRE Estimate	3.00%
Compiled by: CBRE	

DISCOUNT RATES

The following table illustrates sources for deriving a discount rate applicable to calculating the NPV of fair market rent payments.

DISCOUNT RATE - CONCLUSION		
Investment Type	Rate Range	Average
<i>RealtyRates.com - Land Leases</i>		
Golf	4.39% - 16.21%	9.48%
Lodging	4.56% - 15.56%	8.00%
Mobile Home/RV Park	4.72% - 13.06%	8.38%
Restaurant	6.11% - 15.31%	9.00%
Retail	4.89% - 11.26%	7.55%
Special Purpose	5.88% - 18.25%	8.98%
PwC Real Estate Investor Survey National Net Lease Market	5.00% - 10.00%	7.10%
CBRE Estimate		7.00%
Source: CBRE		

Several factors are considered in the determination of the discount rate applicable to the leasehold position. These include the length of the remaining lease term, the spread between contract and market rent, the demographic & economic trends, and the development cycle of the immediate area. Because the subject property is a wet slip marina located on a barrier island within proximity to the Atlantic Ocean, and some upside in percentage rent based on past performance, the appropriate discount rate should be near the lower end of the range of averages.

NET PRESENT VALUE CASH FLOW ANALYSIS

The NPV of the subject's leasehold interest is accomplished by discounting the projected annual cash flow, i.e. the annual fair market rent to the lessor. However, it is important to note, the City of Miami Beach has a leasehold interest and there is no reversion benefit to the City because the property ultimately reverts back to the State of Florida TITF.

As requested by the client, we performed two (2) discounted cash flows for comparison, i.e. one scenario based on the existing 32-year remaining lease term that includes one (1) option term; and, a second scenario assuming a new, 99-year lease term.

The estimate of the fair market marina rent was derived in the preceding section, it is inflated 3.0% annually and discounted to a net present value via a 7.0% discount rate in the following discounted cash flow tables:

ANALYSIS CASH FLOW SCHEDULE - MARINA LEASE - 32-YEARS REMAINING					
Year	Contract Rent	Reversion Proceeds	Net Cash Flow	PV Factor @ 7.00%	PV of Cash Flow
2020	\$1,999,000		\$1,999,000	0.9345794	\$1,868,224
2021	2,058,970		2,058,970	0.8734387	\$1,798,384
2022	2,120,739		2,120,739	0.8162979	\$1,731,155
2023	2,184,361		2,184,361	0.7628952	\$1,666,439
2024	2,249,892		2,249,892	0.7129862	\$1,604,142
2025	2,317,389		2,317,389	0.6663422	\$1,544,174
2026	2,386,911		2,386,911	0.6227497	\$1,486,448
2027	2,458,518		2,458,518	0.5820091	\$1,430,880
2028	2,532,273		2,532,273	0.5439337	\$1,377,389
2029	2,608,242		2,608,242	0.5083493	\$1,325,898
2030	2,686,489		2,686,489	0.4750928	\$1,276,331
2031	2,767,084		2,767,084	0.4440120	\$1,228,618
2032	2,850,096		2,850,096	0.4149644	\$1,182,689
2033	2,935,599		2,935,599	0.3878172	\$1,138,476
2034	3,023,667		3,023,667	0.3624460	\$1,095,916
2035	3,114,377		3,114,377	0.3387346	\$1,054,947
2036	3,207,808		3,207,808	0.3165744	\$1,015,510
2037	3,304,042		3,304,042	0.2958639	\$977,547
2038	3,403,164		3,403,164	0.2765083	\$941,003
2039	3,505,259		3,505,259	0.2584190	\$905,825
2040	3,610,416		3,610,416	0.2415131	\$871,963
2041	3,718,729		3,718,729	0.2257132	\$839,366
2042	3,830,291		3,830,291	0.2109469	\$807,988
2043	3,945,199		3,945,199	0.1971466	\$777,783
2044	4,063,555		4,063,555	0.1842492	\$748,707
2045	4,185,462		4,185,462	0.1721955	\$720,718
2046	4,311,026		4,311,026	0.1609304	\$693,775
2047	4,440,357		4,440,357	0.1504022	\$667,839
2048	4,573,567		4,573,567	0.1405628	\$642,874
2049	4,710,774		4,710,774	0.1313671	\$618,841
2050	4,852,098		4,852,098	0.1227730	\$595,707
2051	4,997,661	\$0	4,997,661	0.1147411	\$573,437
Indicated Net Present Value (NPV) of Marina Lease Payments (Rd)					\$35,200,000
Compiled By: CBRE					

ANALYSIS CASH FLOW SCHEDULE - MARINA LEASE - NEW 99-YEAR LEASE					
Year	Contract Rent	Reversion Proceeds	Net Cash Flow	PV Factor @ 7.00%	PV of Cash Flow
2020	\$1,999,000		\$1,999,000	0.9345794	\$1,868,224
2021	2,058,970		2,058,970	0.8734387	\$1,798,384
2022	2,120,739		2,120,739	0.8162979	\$1,731,155
2023	2,184,361		2,184,361	0.7628952	\$1,666,439
2024	2,249,892		2,249,892	0.7129862	\$1,604,142
2025	2,317,389		2,317,389	0.6663422	\$1,544,174
2026	2,386,911		2,386,911	0.6227497	\$1,486,448
2027	2,458,518		2,458,518	0.5820091	\$1,430,880
2028	2,532,273		2,532,273	0.5439337	\$1,377,389
2029	2,608,242		2,608,242	0.5083493	\$1,325,898
2030	2,686,489		2,686,489	0.4750928	\$1,276,331
2031	2,767,084		2,767,084	0.4440120	\$1,228,618
2032	2,850,096		2,850,096	0.4149644	\$1,182,689
2033	2,935,599		2,935,599	0.3878172	\$1,138,476
2034	3,023,667		3,023,667	0.3624460	\$1,095,916
2035	3,114,377		3,114,377	0.3387346	\$1,054,947
2036	3,207,808		3,207,808	0.3165744	\$1,015,510
2037	3,304,042		3,304,042	0.2958639	\$977,547
2038	3,403,164		3,403,164	0.2765083	\$941,003
2039	3,505,259		3,505,259	0.2584190	\$905,825
2040	3,610,416		3,610,416	0.2415131	\$871,963
2041	3,718,729		3,718,729	0.2257132	\$839,366
2042	3,830,291		3,830,291	0.2109469	\$807,988
2043	3,945,199		3,945,199	0.1971466	\$777,783
2044	4,063,555		4,063,555	0.1842492	\$748,707
2045	4,185,462		4,185,462	0.1721955	\$720,718
2046	4,311,026		4,311,026	0.1609304	\$693,775
2047	4,440,357		4,440,357	0.1504022	\$667,839
2048	4,573,567		4,573,567	0.1405628	\$642,874
2049	4,710,774		4,710,774	0.1313671	\$618,841
2050	4,852,098		4,852,098	0.1227730	\$595,707
2051	4,997,661		4,997,661	0.1147411	\$573,437
2052	5,147,590		5,147,590	0.1072347	\$552,000
2053	5,302,018		5,302,018	0.1002193	\$531,365
2054	5,461,079		5,461,079	0.0936629	\$511,501
2055	5,624,911		5,624,911	0.0875355	\$492,379
2056	5,793,658		5,793,658	0.0818088	\$473,972
2057	5,967,468		5,967,468	0.0764569	\$456,254
2058	6,146,492		6,146,492	0.0714550	\$439,198
2059	6,330,887		6,330,887	0.0667804	\$422,779
2060	6,520,814		6,520,814	0.0624116	\$406,974
2061	6,716,438		6,716,438	0.0583286	\$391,760
2062	6,917,931		6,917,931	0.0545127	\$377,115
2063	7,125,469		7,125,469	0.0509464	\$363,017
2064	7,339,233		7,339,233	0.0476135	\$349,446
2065	7,559,410		7,559,410	0.0444986	\$336,383
2066	7,786,192		7,786,192	0.0415875	\$323,808
2067	8,019,778		8,019,778	0.0388668	\$311,703
2068	8,260,372		8,260,372	0.0363241	\$300,051
2069	8,508,183		8,508,183	0.0339478	\$288,834

Compiled By: CBRE

ANALYSIS CASH FLOW SCHEDULE - MARINA LEASE - NEW 99-YEAR LEASE				
2070	8,763,428	8,763,428	0.0317269	\$278,036
2071	9,026,331	9,026,331	0.0296513	\$267,642
2072	9,297,121	9,297,121	0.0277115	\$257,637
2073	9,576,035	9,576,035	0.0258986	\$248,006
2074	9,863,316	9,863,316	0.0242043	\$238,734
2075	10,159,215	10,159,215	0.0226208	\$229,810
2076	10,463,991	10,463,991	0.0211410	\$221,219
2077	10,777,911	10,777,911	0.0197579	\$212,949
2078	11,101,249	11,101,249	0.0184653	\$204,988
2079	11,434,286	11,434,286	0.0172573	\$197,325
2080	11,777,315	11,777,315	0.0161283	\$189,948
2081	12,130,634	12,130,634	0.0150732	\$182,848
2082	12,494,553	12,494,553	0.0140871	\$176,012
2083	12,869,390	12,869,390	0.0131655	\$169,432
2084	13,255,471	13,255,471	0.0123042	\$163,098
2085	13,653,135	13,653,135	0.0114993	\$157,001
2086	14,062,730	14,062,730	0.0107470	\$151,132
2087	14,484,611	14,484,611	0.0100439	\$145,482
2088	14,919,150	14,919,150	0.0093868	\$140,044
2089	15,366,724	15,366,724	0.0087727	\$134,808
2090	15,827,726	15,827,726	0.0081988	\$129,769
2091	16,302,558	16,302,558	0.0076625	\$124,918
2092	16,791,635	16,791,635	0.0071612	\$120,248
2093	17,295,384	17,295,384	0.0066927	\$115,753
2094	17,814,245	17,814,245	0.0062548	\$111,425
2095	18,348,672	18,348,672	0.0058457	\$107,260
2096	18,899,133	18,899,133	0.0054632	\$103,250
2097	19,466,107	19,466,107	0.0051058	\$99,390
2098	20,050,090	20,050,090	0.0047718	\$95,675
2099	20,651,592	20,651,592	0.0044596	\$92,098
2100	21,271,140	21,271,140	0.0041679	\$88,655
2101	21,909,274	21,909,274	0.0038952	\$85,341
2102	22,566,553	22,566,553	0.0036404	\$82,151
2103	23,243,549	23,243,549	0.0034022	\$79,080
2104	23,940,856	23,940,856	0.0031796	\$76,123
2105	24,659,081	24,659,081	0.0029716	\$73,278
2106	25,398,854	25,398,854	0.0027772	\$70,538
2107	26,160,819	26,160,819	0.0025955	\$67,901
2108	26,945,644	26,945,644	0.0024257	\$65,363
2109	27,754,013	27,754,013	0.0022670	\$62,920
2110	28,586,634	28,586,634	0.0021187	\$60,567
2111	29,444,233	29,444,233	0.0019801	\$58,303
2112	30,327,560	30,327,560	0.0018506	\$56,124
2113	31,237,387	31,237,387	0.0017295	\$54,026
2114	32,174,508	32,174,508	0.0016164	\$52,006
2115	33,139,743	33,139,743	0.0015106	\$50,062
2116	34,133,936	34,133,936	0.0014118	\$48,190
2117	35,157,954	35,157,954	0.0013194	\$46,389
2118	36,212,692	\$0	0.0012331	\$44,655
Indicated Net Present Value (NPV) of Marina Lease Payments (Rd)				\$48,800,000
Compiled By: CBRE				

Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
 - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
 - (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
 - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
 - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
 - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
 - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
 - (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
 - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.
 - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
 - (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.

- (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.

13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.

ADDENDA

Addendum A

LAND SALE DATA SHEETS

Property Name Monad Terrace
 Address 1300 Monad Terrace
 Miami Beach, FL 33139
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID 02-3233-010-0010+

Site/Government Regulations

	Acres	Square feet
Land Area Net	1.614	70,316
Land Area Gross	1.614	70,316

Site Development Status	Platted
Shape	Irregular
Topography	Level, At Street Grade
Utilities	All available

Maximum FAR 1.95
 Min Land to Bldg Ratio 0.51:1
 Maximum Density 36.55 per ac

Frontage Distance/Street	150 ft West Avenue
Frontage Distance/Street	161 ft Biscayne Bay

General Plan N/A
 Specific Plan N/A
 Zoning RM-3, Residential Multifamily, High Intensity District
 Entitlement Status Fully Entitled/Planning Permissions

Sale Summary

Recorded Buyer Monad Terrace Property Owner, LLC
 True Buyer JDS Development Group
 Recorded Seller Various
 True Seller N/A

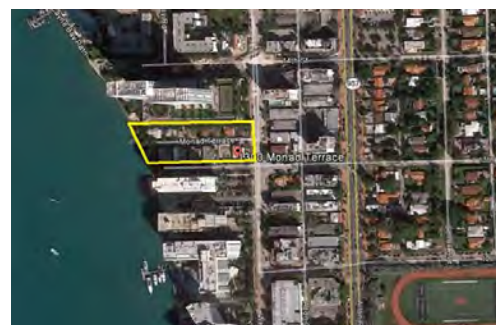
Marketing Time N/A
 Buyer Type Developer
 Seller Type Private Investor
 Primary Verification Buyer/Developer, Contracts & Appraisal on-file

Interest Transferred Fee Simple/Freehold
 Current Use N/A
 Proposed Use N/A
 Listing Broker Off-market assemblage
 Selling Broker None
 Doc # Various

Type	Sale
Date	6/11/2015
Sale Price	\$51,165,000
Financing	Cash to Seller
Cash Equivalent	\$51,165,000
Capital Adjustment	\$0
Adjusted Price	\$55,620,428

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
06/2015	Sale	Monad Terrace Property Owner, LLC	Various	\$51,165,000	\$34,456,962 / \$791.01



Sale	Land - Multi Unit Residential	No. 1
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Units of Comparison

\$791.01 / sf	\$942,719 / Unit
\$34,456,961.96 / ac	\$942,719 / Allowable Bldg. Units
	\$405.25 / Building Area

Financial

No information recorded

Map & Comments



This is the assembled sale of 15 individual parcels/ownerships for the proposed 59-unit Monad Terrace Condominium property located at 1300-1375 Monad Terrace in Miami Beach, Florida. The property will consist of two, 14-story condominium buildings are situated on a 1.61-acre site with a total gross building area of 336,356-SF including structured parking (75,000-SF), net sellable area of 137,249-SF plus 124,107-SF of common areas & amenities. The construction commenced in 2017 and were completed in 2019 with a 17-month construction period. The project is considered to be Class A+ based on Biscayne Bay frontage, Miami Beach address, common area amenities and quality of finishes. The assembled and recorded price was \$51,165,000; however, there was a \$4,455,428 assignment fee, indicating a total purchase price of \$55,620,428 or \$942,719/unit.

Property Name 6th & Washington
 Address 601-685 Washington Avenue
 Miami Beach, FL 33139
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID N/A

Site/Government Regulations

	Acres	Square feet
Land Area Net	1.579	68,770
Land Area Gross	1.579	68,770

Site Development Status	Finished
Shape	Rectangular
Topography	Other(See Comments)
Utilities	Available to site

Maximum FAR 1.62
 Min Land to Bldg Ratio 0.62:1
 Maximum Density 41.81 per ac

Frontage Distance/Street	549 ft	Washington Ave
Frontage Distance/Street	133 ft	6th Street
Frontage Distance/Street	130 ft	7th Street
Frontage Distance/Street	519 ft	Collins Court - Alley

General Plan Mixed-use retail/residential & parking
 Specific Plan Mixed-use retail/residential & parking
 Zoning CD-2, Commercial (See Comments)
 Entitlement Status Other (See Comments)

Sale Summary

Recorded Buyer	IC 601 Washington, LLC	Marketing Time	N/A
True Buyer	Eric Birnbaum	Buyer Type	Developer
Recorded Seller	Washington Squared, LLC	Seller Type	Private Investor
True Seller	Andrew Joblon, Managing Member	Primary Verification	Contract & Appraisal on-file

Interest Transferred Fee Simple/Freehold
 Current Use Obsolete strip retail
 Proposed Use Mixed-use retail, residential & parking
 Listing Broker N/A
 Selling Broker N/A
 Doc # See Comments

Type	Sale
Date	6/23/2015
Sale Price	\$55,500,000
Financing	Cash to Seller
Cash Equivalent	\$55,500,000
Capital Adjustment	\$2,000,000
Adjusted Price	\$57,500,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
06/2015	Sale	IC 601 Washington, LLC	Washington Squared, LLC	\$55,500,000	\$36,422,373 / \$836.12



Units of Comparison

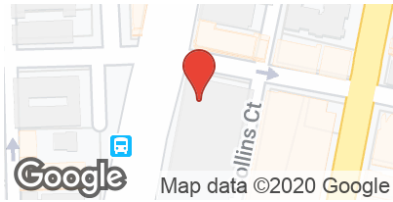
\$836.12 / sf
\$36,422,372.84 / ac

\$871,212 / Unit
\$871,212 / Allowable Bldg. Units
\$515.03 / Building Area

Financial

No information recorded

Map & Comments



This comparable land sale is improved with seven (7) existing 1 & 2 story retail store buildings fronting Washington Avenue between 6th Street and 7th Street in the Flamingo Park Historic District on Miami Beach that were owned or were "in contract" to Washington Squared, LLC, as part of an assemblage for mixed-use redevelopment for a total purchase price of \$40,210,436, including lease buyouts, exiting debt & real estate commission obligations to the buyer. The assembled site area totals 68,770 square feet of medium intensity zoned land area that is improved with approximately 63,601 square feet of obsolete retail store building area dating to 1934, 1936 & 1948. The proposed redevelopment is conceptually site planned for 55,120 square feet of ground floor retail, plus 66-residential condominium units with 56,525 square feet or an average of 856-SF of living area per unit in a 9-story tower and 2-levels of structured parking with 240 spaces. In addition, there are several other redevelopment scenario options including a potential hotel tower instead of the residential condominium units.

The majority of the contracts, excluding 619-627 Washington Avenue, all closed simultaneously in the third week of June 2015. In addition to the assemblage purchase price, the buyer/investor, Washington Squared, LLC was able to negotiate & execute a membership interest purchase & sale to IC 601 Washington LLC, dated May 27, 2015. The forward purchase price is \$55,500,000 for a 96.5% interest in a joint venture agreement between the seller & purchaser. The seller retains a 3.5% interest in the joint venture valued at \$2,000,000, for a total purchase price valued at \$57,500,000 for 100% interest in the joint venture partnership.

Part of the assemblage strategy was the Washington Avenue Vision and Master Plan being developed with a Washington Avenue Blue Ribbon Panel (WABRP) that was recommending to increase building height restrictions. The WABRP was recommending a FAR as high as 2.75, subject to municipal government approvals, versus the current zoning of CD-2, Commercial, Medium Intensity District permits a maximum floor area ratio (FAR) of 1.50, plus Code Section 142-307(d) 2.0 FAR where more than 25% of the building is used for residential or hotel units.

Property Name 57 Ocean (Former Marlborough House)
 Address 5775 Collins Avenue
 Miami Beach, FL 33140
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID 02-3211-016-0040 thr 1110

Site/Government Regulations

	Acres	Square feet
Land Area Net	1.461	63,638
Land Area Gross	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Generally Level
Utilities	N/A

Maximum FAR 3.00
 Min Land to Bldg Ratio 0.33:1
 Maximum Density 47.92 per ac

Frontage Distance/Street	225 ft Collins Ave
Frontage Distance/Street	225 ft Atlantic Ocean/beach

General Plan N/A
 Specific Plan N/A
 Zoning RM-3
 Entitlement Status N/A

Sale Summary

Recorded Buyer	Miami Beach Associates, LLC	Marketing Time	N/A
True Buyer	Edgardo Defortuna	Buyer Type	Developer
Recorded Seller	Multiple	Seller Type	End User
True Seller	N/A	Primary Verification	Buyer's representative - Fortune International Group

Interest Transferred Fee Simple/Freehold
 Current Use Condo
 Proposed Use 70-Unit Condo
 Listing Broker N/A
 Selling Broker N/A
 Doc # N/A

Type	Sale
Date	6/27/2016
Sale Price	\$90,186,800
Financing	Cash to Seller
Cash Equivalent	\$90,186,800
Capital Adjustment	\$0
Adjusted Price	\$90,186,800

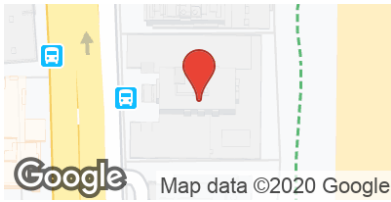
Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
06/2016	Sale	Miami Beach Associates, LLC	Multiple	\$90,186,800	\$61,733,726 / \$1,417.18



Sale**Land - Spec-Holding****No. 3****Units of Comparison**

\$1,417.18 / sf	\$1,288,383 / Unit
\$61,733,725.79 / ac	\$1,288,383 / Allowable Bldg. Units
	\$472.40 / Building Area

Financial**No information recorded****Map & Comments**

This is the sale of the former Marlborough House located along the east side of Collins Avenue, south of 63rd Street, in Miami Beach, Miami-Dade County, Florida. The Marlborough House is a 13-story condominium with 110 units and structured parking built in 1963 with a total of 113,083-SF of residential area. However, the improvements are physically & functionally obsolete given the high value of ocean front land on Miami Beach. The buyer, led by broker Edgardo Defortuna of Fortune International Group assembled each individual unit and purchased 100% of the units for a total consideration of \$90,186,800 (\$472.40/SF of building area, \$1,417.18/SF of land area and \$1,288,383/unit). The site is zone RM-3, which has a Floor Area Ratio (FAR) of 3.0, which indicates a total allowable building area of 190,914 SF, exclusive of garage area. The buyer dissolved the condominium on July 8, 2016. Subsequent to the sale, the property was approved with an 18-story luxury condominium building with 89 units, with some units being combined, decreasing the number of units to 70. The development, 57 Ocean will have a total net sellable area of 153,837 SF, a subterranean parking garage with 33,486 SF, and a total allowable building area of 190,910 SF (exclusive of the garage area). The development is scheduled to be completed by December 2021.

Sale**Land - Hotel / Motel****No. 4**

Property Name 550 9th Street
 Address 550 9th Street
 Miami Beach, FL 33139
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID 02-4203-009-0100

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.479	20,873
Land Area Gross	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	In-place

Maximum FAR 2.50
 Min Land to Bldg Ratio 0.40:1
 Maximum Density 229.55 per ac

Frontage Distance/Street	125 ft 9th Street
Frontage Distance/Street	189 ft Pennsylvania Avenue

General Plan Multi-family residential & hotel uses
 Specific Plan Hotel
 Zoning HD, Hospital District to be Rezoned to CD-2, Commercial Median Intensity Use
 Entitlement Status N/A

Sale Summary

Recorded Buyer	550 Ninth, LLC	Marketing Time	9 Month(s)
True Buyer	Simon Nemni	Buyer Type	Developer
Recorded Seller	A.D.M.E. Real Estate, LLC	Seller Type	Private Syndicator
True Seller	Philip Esformes	Primary Verification	Calum Weaver, Listing Agent

Interest Transferred Fee Simple/Freehold
 Current Use Obsolete nursing facility
 Proposed Use Hotel
 Listing Broker Cushman & Wakefield #954-377-0517
 Selling Broker N/A
 Doc # 30863/3494

Type	Sale
Date	1/31/2018
Sale Price	\$17,625,000
Financing	All Cash
Cash Equivalent	\$17,625,000
Capital Adjustment	\$0
Adjusted Price	\$17,625,000

Transaction Summary plus Five-Year CBRE View History

<u>Transaction Date</u>	<u>Transaction Type</u>	<u>Buyer</u>	<u>Seller</u>	<u>Price</u>	<u>Price/ac and /sf</u>
01/2018	Sale	550 Ninth, LLC	A.D.M.E. Real Estate, LLC	\$17,625,000	\$36,780,050 / \$844.39



Sale**Land - Hotel / Motel****No. 4****Units of Comparison**

\$844.39 / sf	\$160,227 / Unit
\$36,780,050.08 / ac	\$160,227 / Allowable Bldg. Units
	\$338.08 / Building Area

Financial**No information recorded****Map & Comments**

This comparable land sale is the former Oceanside Extended Care long-term care nursing facility that was vacant and broker listed by Cushman & Wakefield as a redevelopment opportunity. The existing improvements were built in 1966 square feet with 6-levels previously operated as a 196 bed, long-term care nursing facility. The property was zoned HD, Hospital District, which allows for medical, professional office and hospital uses. The buyer/developer was seeking & received approvals for rezoning to CD-2, Commercial Median Intensity District, which is consistent with the zoning of both abutting properties. CD-2 zoning allows for multifamily, short-term rental or hotel use. The site area is 20,873 square feet and includes 24 ground level parking spaces.

The property was in foreclosure with the U.S. District Court judge approving the sale. The buyer/developer co-owns the Clinton Hotel and the Red South Beach Hotel on Miami Beach and acquired the property for conversion to hotel. The seller was co-owned by Philip Esformes, who was a defendant in a \$1 billion Medicare fraud and money laundering case and the Oceanside Extended Care facility was shut down as a result of the indictment. The rezoning is intended to allow the existing 88-rooms to be converted to 110 hotel rooms averaging 250-SF for micro hotel rooms. In addition, the facade would be renovated, the hotel lobby would be built on the south end of the property plus a 20-seat cafe would be added on the first floor and a rooftop pool deck with a small cafe would be created. The 24 surface parking spaces would become valet only. The rezoning approval also required the Miami Beach's historic preservation board and planning board approval followed by two public hearings at the city commission. The approval process included a covenant limiting food & beverage, loud music, etc. Any future change of use on the property must be approved by the Flamingo Park Neighborhood Association with 75% of all owners of property located along Pennsylvania Avenue between 8th and 9th Street. The ground floor café operations would close at 11 pm and the roof top café at midnight under the agreement and in order to be compatible with the residential neighbors.

Property Name Dezer Plaza
 Address 18320 Collins Avenue
 Sunny Isles Beach, FL 33160
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID 31-2202-003-0201 & 0205

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.851	37,054
Land Area Gross	14.332	624,286

Site Development Status	Finished
Shape	Other(See Comments)
Topography	Level, At Street Grade
Utilities	All Available

Maximum FAR 3.45
 Min Land to Bldg Ratio 0.29:1
 Maximum Density 104.63 per ac

Frontage Distance/Street N/A Intracoastal Waterway

General Plan High density, mixed-use residential
 Specific Plan TBD
 Zoning B-1, Neighborhood Business & BO, Business Overlay District
 Entitlement Status N/A

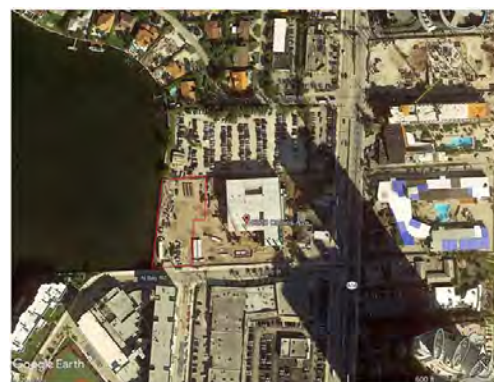
Sale Summary

Recorded Buyer	Dezer Plaza, LLC	Marketing Time	N/A
True Buyer	Gil Dezer	Buyer Type	Developer
Recorded Seller	Publix Super Markets Inc.	Seller Type	End User
True Seller	William W. Rayburn, IV, VP of Real Estate Assets	Primary Verification	Louis Archambault, Buyer's Attorney

Interest Transferred	N/A	Type	Sale
Current Use	Vacant	Date	10/18/2018
Proposed Use	High density residential	Sale Price	\$31,700,000
Listing Broker	Off-market transaction	Financing	All Cash
Selling Broker	N/A	Cash Equivalent	\$31,700,000
Doc #	N/A	Capital Adjustment	\$0
		Adjusted Price	\$31,700,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
10/2018	Sale	Dezer Plaza, LLC	Publix Super Markets Inc.	\$31,700,000	\$37,267,811 / \$855.51



Units of Comparison

\$855.51 / sf
\$37,267,810.96 / ac

\$356,180 / Unit
\$356,180 / Allowable Bldg. Units
\$247.97 / Building Area

Financial

No information recorded

Map & Comments



This comparable land sale represents an off-market negotiation & transaction between an abutting owner and Publix Supermarket who was redeveloping a larger store on-site and was able to sell-off the rear 37,054-SF of the 155,434-SF (3.569-acres) of uplands plus 13.48-acres of fee simple owned submerged land in Dumbfounding Bay (a.k.a. Intracoastal Waterway) to Dezer Properties. The buyer/developer already owns approximately 3.15-acres of uplands abutting the site on the north with frontage along the Intracoastal Waterway and Collins Avenue. Publix secured a resolution with the City of Sunny Isles to redevelop the site with a new 53,558-SF grocery store, subject to a new traffic circulation pattern for ingress & egress of trucks on Collins Avenue, an ingress for customer vehicles from Collins Avenue with an elimination of customer vehicle egress onto Collins Avenue and a modification to the requirement to underground utilities along 183rd Street to Collins Avenue to exclude the non-owned gas station outparcel. The new Publix site plan resulted in an 0.354-acre shared roadway parcel connecting 183rd Street to the abutting Dezer Tower parcel on the north. Publix Supermarkets and Dezer Properties executed a Declaration of Restrictions, Covenants & Conditions and Grant of Easements for ingress/egress, utilities, storm water drainage and a bay walk park construction & maintenance/repair obligations, as well as, a covenant of exclusive uses to protect Publix retail grocery business.

The B-1, Neighborhood Business and BO, Business Overlay zoning permit development at 25-units per acre and an 2.0 FAR plus bonus density of 80-units per acre and a maximum FAR up to a 3.45 for enclosed parking bonus (0.40), public parking bonus (0.25), a Collins Avenue/Sunny Isles Boulevard public streetscape enhancement bonus (0.30), and a site assembly bonus (up to 0.50). The dwelling unit density bonus can be increased by one dwelling unit per acre for each 0.02 increase in FAR granted in accordance with Section 265-36E(1) of the City Code up to a maximum density of 80 dwelling units per acre.

Property Name Ocean Drive Development Site
 Address 304-312 Ocean Drive
 Miami Beach, FL 33139
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID 02-4203-003-0510 & 0500

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.267	11,650
Land Area Gross	0.267	11,650

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

Maximum FAR 1.75
 Min Land to Bldg Ratio 0.57:1
 Maximum Density 18.70 per ac

Frontage Distance/Street	100 ft Ocean Drive
Frontage Distance/Street	115 ft 3rd Street

General Plan Boutique hotel and-or residential condominium
 Specific Plan Residential condominium
 Zoning RPS-3
 Entitlement Status N/A

Sale Summary

Recorded Buyer 312 Ocean Park, LLC
 True Buyer Marcelo Kingston & Ricardo Genton Peixoto
 Recorded Seller Sea Spray Development, LLC
 True Seller Yair Wolf

Marketing Time 9 Month(s)
 Buyer Type Developer
 Seller Type Private Investor
 Primary Verification Buyer, Development Plans on File & Public Records

Interest Transferred Fee Simple/Freehold
 Current Use See Comments
 Proposed Use Apartments-Luxury Residential Condominiums
 Listing Broker Josh Thomas, Marcus & Millichap \$954-245-3492
 Selling Broker N/A
 Doc # 31262/4607-4610

Type	Sale
Date	12/14/2018
Sale Price	\$10,000,000
Financing	All Cash
Cash Equivalent	\$10,000,000
Capital Adjustment	\$0
Adjusted Price	\$10,000,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
12/2018	Sale	312 Ocean Park, LLC	Sea Spray Development, LLC	\$10,000,000	\$37,397,158 / \$858.37



Sale	Land - Multi Unit Residential	No. 6
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Units of Comparison

\$858.37 / sf	N/A / Unit
\$37,397,157.82 / ac	\$2,000,000 / Allowable Bldg. Units
	\$490.20 / Building Area

Financial

No information recorded

Map & Comments



This comparable land sale comprises two lots fronting the northwest corner of Ocean Drive & 3rd Street in Miami Beach, Florida 33139. The property was broker listed at \$10,500,000 and sold for \$10,000,000 in an "all cash" transaction. The property is zoned RPS-3, Residential Performance Standard, Medium-High Density which allows for residential and hotel type development. According to the buyer/developer, a 4-story, 32,750-SF luxury residential condominium development with common areas and balcony/terraces, of which approximately 20,400-SF will be livable area. The site was delivered clear & level. However, there was a 3-story apartment building containing 8,382 square feet previously on-site. The apartment building property was classified as "Contributing" (Historic) in the Miami Beach Historic Properties Database and the location is within the Ocean Beach Historical District.

Addendum B

RENT COMPARABLE DATA SHEETS

Property Name Loggerhead Marina
 Address 1400 Marina Drive
 Hollywood, FL 33019
 United States

Government Tax Agency Broward
 Govt./Tax ID 51-42-23-15-0380

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Annual Rate - 40'	N/A	N/A	1	\$24	\$24.30
Annual Rate - 70'	N/A	N/A	1	\$40	\$40.05
Monthly Rate - 40'	N/A	N/A	1	\$29	\$29.32
Monthly Rate - 70'	N/A	N/A	1	\$48	\$47.60
Seasonal Rate - 40'	N/A	N/A	1	\$34	\$34.32
Seasonal Rate - 70'	N/A	N/A	1	\$53	\$52.60
Transient - Daily Rate	N/A	N/A	1	\$2	\$2.00
Totals/Avg	0			N/A	N/A

**Improvements**

Land Area	8.960 ac	Status	Existing
Net Rentable Area (NRA)	5,000 sf	Year Built	2003
Total # of Units	190 Slip	Year Renovated	2017
Floor Count	1	Condition	Good
Parking Type	Surface	Exterior Finish	Concrete Block
General Amenities	24-hour Security, Clubhouse, Controlled Access, Laundry Facility, On-Site Restaurant / Deli, Pool, Surface Parking		

Rental Survey

Occupancy	90%	Owner	Suntex Ventures
Tenant Size	30 - 120 sf	Management	N/A
Lease Term	1 - 12 Mo(s).	Concessions	N/A
Reimbursements	Modified Gross	Survey Date	05/2020
Rent Changes/Steps	N/A	Survey Notes	Annual, Seasonal, Monthly & Transient

Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u>
No actual leases available for this property.										

Map & Comments



This comparable marina features 190-wet slips on the on the Desoto Waterway with direct access to the Intracoastal Waterway in the Three Islands residential community of Hollywood and is 11-miles south of the Port Everglades Inlet. The facility is improved with fixed concrete piers for both power and sailing yachts and range in size from 30 feet to 120 feet; and, 38 feet wide to 70 feet length for catamarans. Approach depth is 15 feet and dock depth is 8 feet at low tide for both the entrance channel and within the fairways and slips. The site location is a protected harbor with 24-hour security and managed guard gates, reciprocal benefits at other Suntex Marina locations, WiFi available throughout the marina, concierge service, uniformed staff, a Captain's Lounge, a Ships Store, a spa building with swimming pool, sauna, tennis courts and weight room, picnic/grill area, restrooms, laundry facility, travel lift, tennis and local shuttle service. Utility pedestals at each slip include metered electricity with 30, 50 and 100 amp rated outlets. Telephone connections are pre-wired and water outlets with potable City water. The utility charge is \$50.00 per month and includes water/sewer, plus metered electric, trash removal, pump out service and fuel is available. Rates are based on slip length or boat length, whichever is greater. All leases require a security deposit and there are accommodations for catamarans up to 38 feet wide. In season occupancy is currently reported at 100% with off-season reported as low as 83% at times.

Property Name Williams Island Marina
 Address 4100 Island Boulevard
 Aventura, FL 33160
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID Multiple

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Annual Rate - 35' to 60' Slips	N/A	N/A	1	\$16	\$16.00
Annual Rate - 60' to 80' Slips	N/A	N/A	1	\$19	\$19.00
Annual Rate - 80'+ Parallel Dock	N/A	N/A	1	\$22	\$22.00
Annual Rate (per Month) - 35' & Under Floating Docks	N/A	N/A	1	\$26	\$26.00
Seasonal - 35' to 60' Slips	N/A	N/A	1	\$20-\$1	\$10.72
Seasonal - 60' to 80' Slips	N/A	N/A	1	\$26-\$2	\$13.93
Seasonal - 80'+ Parallel Dock	N/A	N/A	1	\$31-\$2	\$16.48
Seasonal (per Month) - 35' & Under Floating Docks	N/A	N/A	1	\$30	\$30.00
Seasonal Transient - 60' & Over	N/A	N/A	1	\$48	\$48.00
Seasonal Transient - 60' & Under	N/A	N/A	1	\$36	\$36.00
Transient - 60' & Over	N/A	N/A	1	\$36-\$4	\$20.00
Transient - 60' & Under	N/A	N/A	1	\$30-\$3	\$16.50
Totals/Avg	0			N/A	N/A

**Improvements**

Land Area	14.802 ac	Status	Existing
Net Rentable Area (NRA)	27,000 sf	Year Built	1984
Total # of Units	106 Slip	Year Renovated	N/A
Floor Count	N/A	Condition	Good
Parking Type	Surface	Exterior Finish	Concrete Block
General Amenities	Clubhouse, Controlled Access, On-Site Restaurant / Deli, Pool, Surface Parking		

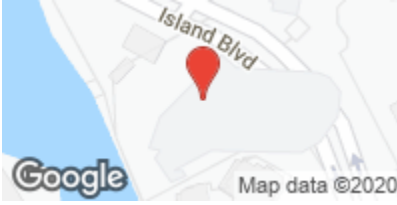
Rental Survey

Occupancy	88%	Owner	N/A
Tenant Size	35 - 160 sf	Management	Bill Draughon
Lease Term	1 - 12 Mo(s).	Concessions	N/A
Reimbursements	Modified Gross	Survey Date	05/2020
Rent Changes/Steps	N/A	Survey Notes	Annual, Seasonal & Transient

Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u>
No actual leases available for this property.										

Map & Comments



This comparable rental is part of the 84-acre Williams Island residential condominium community in Aventura with access to the Intracoastal via Maule Lake and the Ojus Canal. The Port Everglades Inlet is 14 miles to the north and the Haulover Inlet is 5.5 miles south east. The facility includes a very affluent residential demographic, an all-new 27,000-SF spa & fitness center, a tennis center with 16 tennis courts, a Cafe, fine dining, private functions and entertainment in the recently refurbished Island Club. The marina approach has a 10-foot depth and 7 to 8 feet within the basin. There are concrete dock & finger piers, floating & fixed docks, face wall docking up to 160 feet, 35 to 100 foot slips, 30 to 100 amp single phase electric and 3-phase service, 2 swimming pools, 23-slips with pump out service and free club membership. Metered electric utilities are billed monthly for a fee of \$8.00 up to \$50.00 for 30 to 100 amp and 3-phase service. In addition to sales tax there is a 2.25% environmental impact fee, a \$0.05 discount for automatic credit card payments and 5% discount for annual prepayments. Pump-out and fuel services are \$25.00 each. There is free pump-out at the North Marina, a \$25.00 fuel service fee and \$125 charter boat landing fee. Electric and water service is included in the monthly billings for the 35' & under floating docks.

Property Name Sea Isle Marina & Yachting Center
 Address 1635 N. Bayshore Drive
 Miami, FL 33132
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID 01-3231-036-0022

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Annual - Wet Slip	N/A	N/A	1-110	\$20-\$2,310	\$20.99
Monthly - Wet Slip	N/A	N/A	1-110	\$35	\$0.63
Transient	N/A	N/A	1-110	\$4-\$2,750	\$24.81
Totals/Avg	0			N/A	N/A

**Improvements**

Land Area	0.056 ac	Status	Existing
Net Rentable Area (NRA)	4,380 sf	Year Built	1986
Total # of Units	220 Slip	Year Renovated	N/A
Floor Count	1	Condition	Average
Parking Type	On-Street	Exterior Finish	Concrete
General Amenities	N/A		

Rental Survey

Occupancy	98%	Owner	N/A
Tenant Size	20 - 110 sf	Management	N/A
Lease Term	1 - 12 Mo(s).	Concessions	N/A
Reimbursements	Modified Gross	Survey Date	05/2020
Rent Changes/Steps	N/A	Survey Notes	Annual, Monthly & Transient

Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u>
No actual leases available for this property.										

Map & Comments



This comparable wet slip marina is located behind the Biscayne Bay Marriott in the Omni Arts & Entertainment District in downtown Miami. This facility can accommodate yachts up to 110 feet. The property fronts Biscayne Bay with easy access to the ocean via the Intracoastal Waterway and provides a full-service fuel station (gas & diesel), short- and long-term dockage, a convenience & ship supply store on-site, professional boat cleaners & services are available. Current discounts are available on one-year leases and to the adjacent Opera Tower residents. There is also a Boat U.S. discount of 3% on fuel purchases and 5% on dockage. The first electric cord from boat is included in the quoted rates. The 2nd & 3rd electric cords are billed at \$4.00 to \$6.00 per day or \$40.00 to \$60.00 per month for 30 & 50 amp service, respectively. The pump out fee is a minimum \$20.00. Wet slip rates range from \$20.00 to \$21.50 per linear foot plus \$350 to \$400 per month for davits. This property is always well occupied and the pricing has not changed since 2018. The private vessel landing fees range from \$20.00 to \$50.00 with a 2-hour time limit and commercial charter boat landing (pick-up & drop-off) is \$2.50/LF.

Property Name Island Gardens Deep Harbour
 Address 888 MacArthur Causeway
 Miami, FL 33132
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID N/A

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Annual	N/A	N/A	1	\$4	\$3.50
Monthly	N/A	N/A	1	\$5-\$8	\$6.40
Seasonal	N/A	N/A	1	\$10	\$10.00
Transient	N/A	N/A	1	\$6-\$10	\$8.00
Totals/Avg	0			N/A	N/A

**Improvements**

Land Area	10.783 ac	Status	Existing
Net Rentable Area (NRA)	4,277 sf	Year Built	2016
Total # of Units	50 Slip	Year Renovated	N/A
Floor Count	1	Condition	Excellent
Parking Type	N/A	Exterior Finish	N/A
General Amenities	Controlled Access, Event / Commercial Kitchen, On-Site Restaurant / Deli, Outdoor Amenity		

Rental Survey

Occupancy	82%	Owner	N/A
Tenant Size	55 - 550 sf	Management	Walton Goncalves
Lease Term	1 - 12 Mo(s).	Concessions	N/A
Reimbursements	Modified Gross	Survey Date	05/2020
Rent Changes/Steps	N/A	Survey Notes	Monthly & Transient

Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u>
No actual leases available for this property.										

Map & Comments



This comparable rental is one of the newest, deep water marinas that has opened in the Miami area since January 2016. The marina features 5,000 linear feet of floating dock that is angled for large vessel maneuvering and has a capacity of 50 wet slips for a minimum 55 up to 550 foot mega yachts with drafts and approach of 13 to 22 feet deep. The developer is Flagstone Property Group who controls a long term ground lease with the City of Miami that dates back to 2001, and has entitlements for two, mixed-use resort hotel/residential towers, boutique retail mall, waterfront restaurant dining and a public promenade with Biscayne Bay overlook. However, the marina represents the first phase and includes The Deck at Island Gardens restaurant/lounge with garden event area and waterfront views overlooking the downtown Miami skyline. The developer intends to commence construction of the hotel/residential tower foundations and 221,000-SF of retail in 2021 after several prior announcements. The marina is full service including in-slip fueling, customs & immigration clearance and is the future home of Superyacht Miami, a new show by Show Management designed exclusively to cater to super yachts. Monthly electric fees are billed at \$0.15 per foot per day; and, 50 to 800 amp/3-phase service is available from \$7.00 to \$180.00 daily. On-site amenities include marina lounge, conference room/business center services, restrooms, showers, internet access, ship store, grilling area, security, meeting facilities and a courtesy car.

Property Name Miamarina at Bayside
 Address 401 Biscayne Boulevard
 Miami, FL 33132
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID 01-0100-000-0520

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Annual - 55' Minimum	N/A	N/A	1	\$23	\$23.00
Monthly - 55' Minimum	N/A	N/A	1	\$42	\$42.00
Transient	N/A	N/A	1	\$5	\$5.00
Totals/Avg	0			N/A	N/A

**Improvements**

Land Area	26.730 ac	Status	Existing
Net Rentable Area (NRA)	36,993 sf	Year Built	1987
Total # of Units	130 Slip	Year Renovated	2015
Floor Count	2	Condition	Good
Parking Type	Open and Covered	Exterior Finish	Concrete
General Amenities	On-Site Restaurant / Deli, On-Site Security Personnel, Outdoor Amenity , Surface & Structured Parking		

Rental Survey

Occupancy	100%	Owner	City of Miami
Tenant Size	55 - 165 sf	Management	Stephen Bogner
Lease Term	1 - 12 Mo(s).	Concessions	N/A
Reimbursements	Modified Gross	Survey Date	05/2020
Rent Changes/Steps	N/A	Survey Notes	Annual, Monthly, Transient & Live Aboard

Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u>
No actual leases available for this property.										

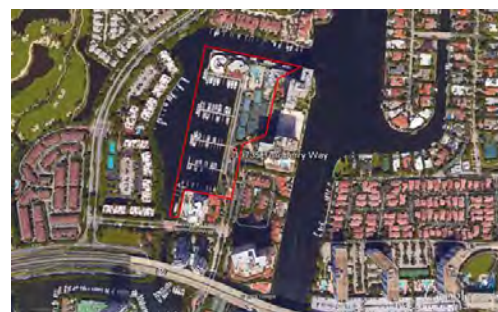
Map & Comments



This comparable rental is a wet slip marina that is part of the Bayside Festival Marketplace in downtown Miami and is owned & operated by the City of Miami. This location is on the Intracoastal Waterway at the west end of Government Cut and can accommodate vessels up to 165' with a 14 foot approach depth and 10 foot dockside depth. The marina was completely rebuilt and reopened in 1997 and renovated in 2015, with a total of 130 wet slips that are leased on a daily transient or long-term basis with several commercial charter & boat rental tenants on premises. City water and electric for 30, 50 & 100 amp service is included in quoted rate and pump out services are available. Additional amenities include laundry facilities, restrooms, showers, US Customs clearing, 24-hour staff & security, retail shopping & restaurants at Bayside Marketplace, which is a festival marketplace with over 100 stores, shops, restaurants, and cafes, and located next to the American Airlines Arena. This facility also hosts the Strictly Sail venue of the Miami International Boat Show. Additional features include concrete docks & finger piers, fishing & dive charters and sightseeing cruises are based at this location. The marina is always 100% leased, with a waiting list and the Skyrise Miami tourist attraction is under construction at the north end of the pier.

Property Name Turnberry Isle Marina
 Address 19735 Turnberry Way
 Aventura, FL 33180
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID 28-2202-012-0020, 28-1235-014-0040 & 0151

**Unit Mix Detail**

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Facedock - Annual	N/A	N/A	1	\$2	\$2.00
Monthly	N/A	N/A	1	\$3	\$2.80
Season	N/A	N/A	1	\$2	\$2.45
Transient/Daily	N/A	N/A	1	\$4	\$3.50
Wet Slips - Annual	N/A	N/A	1	\$2	\$1.80
Totals/Avg	0			N/A	N/A

Improvements

Land Area	7.006 ac	Status	Existing
Net Rentable Area (NRA)	N/A	Year Built	1980
Total # of Units	68 Slip	Year Renovated	2017
Floor Count	N/A	Condition	Excellent
Parking Type	Surface	Exterior Finish	N/A
General Amenities	N/A		

Rental Survey

Occupancy	75%	Owner	N/A
Tenant Size	50 - 150 sf	Management	N/A
Lease Term	1 - 12 Mo(s).	Concessions	N/A
Reimbursements	Gross	Survey Date	05/2020
Rent Changes/Steps	N/A	Survey Notes	N/A

Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u>
No actual leases available for this property.										

Map & Comments



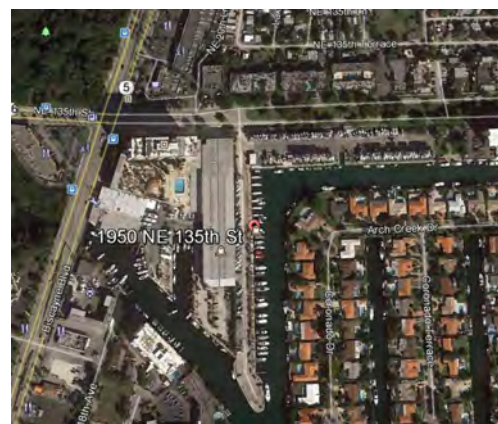
This comparable rental is an 18.42-acre, multi-family, high density residential zoned site with deep water ocean access and located within the Turnberry Isle country club resort community in northeast Miami-Dade County. Of the 18.42-acres, approximately 7.01-acres is improved uplands, while the remaining 11.42-acres is submerged land improved with a wet slip marina. The property was originally developed in 1980 as a yacht club marina with several amenities in support of the Turnberry Isle residential community including a yacht club building, a spa building, a 50-key marina hotel, a pool deck, tennis courts (8 count) and the 117-wet slip marina. However, the aforementioned amenity improvements, with the exception of the wet slip marina, are considered to be physically, functionally and financially obsolete. As such, the owner/developer is considering a four (4) building, 234-unit multi-family residential redevelopment plan on the 7.01-acres of buildable uplands. The wet slip marina renovation & reduction was recently completed and reduced to 68-wet slips that can accommodate larger vessels at a substantially higher rate. The renovated amenities include Ipe wood decking, a aluminum floating dock system, in-slip pump out service, 24-hour security, WiFi, Captain's lounge, safe harbor, covered parking, fitness center, showers & laundry facilities, Turnberry Isle Country Club privileges (1-week complimentary), and dockage discounts for Turnberry Country Club Members.

Property Name Keystone Point Marina
 Address 1950 NE 135th Street
 North Miami, FL 33181
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID N/A

Unit Mix Detail

Rate Timeframe	N/A				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Daily - Transient Dry Rack	N/A	N/A	1	\$1	\$0.75
Daily - Transient Wet Slip	N/A	N/A	1	\$2	\$1.50
Monthly - Dry Rack	N/A	N/A	1-42	\$20-\$975	\$23.15
Monthly - Wet Slip	N/A	N/A	1-55	\$23-\$2,145	\$38.71
Monthly - Wet Slip	N/A	N/A	1	\$28	\$27.75
Totals/Avg	0			N/A	N/A

**Improvements**

Land Area	4.780 ac	Status	Existing
Net Rentable Area (NRA)	N/A	Year Built	1957
Total # of Units	320 Slip	Year Renovated	1986
Floor Count	N/A	Condition	Good
Parking Type	Surface	Exterior Finish	Metal
General Amenities	N/A		

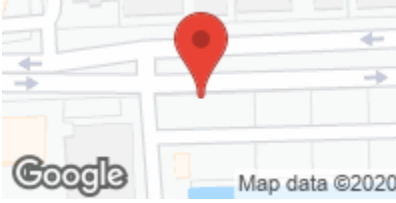
Rental Survey

Occupancy	97%	Owner	N/A
Tenant Size	20 - 110 sf	Management	N/A
Lease Term	1 - 12 Mo(s).	Concessions	0 - 0%
Reimbursements	Gross	Survey Date	05/2020
Rent Changes/Steps	N/A	Survey Notes	N/A

Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u>
No actual leases available for this property.										

Map & Comments



Keystone Point Marina is wet slip and dry rack marina located along NE 135th Street, just east of Biscayne Boulevard in North Miami, Florida. The facility is a deep water access marina via the Intracoastal Waterway and Biscayne Bay. It features 300 outdoor dry racks and 20 wet slips. Dry rack storage can accommodate vessels up to 42 feet, while wet slips can accommodate up to 110 feet. Outdoor dry rack storage rates ranges from \$20.00 to \$22.50 per linear foot per month depending on boat size. Wet slip rates range from \$22.50 to \$27.75 per linear foot per month depending on boat size. Short term and transient rates by require a reservation and are quoted at \$1.50 per foot per day in water and \$0.75 per foot per day for dry rack storage. The facility includes 4 travel lifts, boat wash down facilities, 24-hour access and unlimited use. The facility has floating docks and wooden finger piers, a free pump out station, marine diesel and regular unleaded gasoline, 24-hour access, 30 & 50 amp electric service and fresh water hook-ups. Currently, 8 dry racks and 2 wet slips were available with occupancy at approximately 97%. Rental rates have not changed in 2018.

Property Name Rickenbacker Marina
 Address 3301 Rickenbacker Causeway
 Key Biscayne, FL 33149
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID N/A

Unit Mix Detail

Rate Timeframe N/A

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Monthly Wet - 35' to 54'	N/A	N/A	1	\$39	\$39.00
Monthly Wet - 55' to 64'	N/A	N/A	1	\$45	\$45.00
Monthly Wet - 65' to 74'	N/A	N/A	1	\$55	\$55.00
Monthly Wet - 75' & Over	N/A	N/A	1	\$66-\$8	\$37.00
Transient /Daily - 45' & Over	N/A	N/A	1	\$8	\$8.00
Transient/Daily - 35' to 44'	N/A	N/A	1	\$6	\$6.00
Totals/Avg	0			N/A	N/A

**Improvements**

Land Area	5.200 ac	Status	Existing
Net Rentable Area (NRA)	N/A	Year Built	1977
Total # of Units	568 Slip	Year Renovated	2009
Floor Count	4	Condition	Good
Parking Type	Surface	Exterior Finish	Concrete Block
General Amenities	N/A		

Rental Survey

Occupancy	95%	Owner	N/A
Tenant Size	20 - 110 sf	Management	N/A
Lease Term	1 - 12 Mo(s).	Concessions	0 - 0%
Reimbursements	Modified Gross	Survey Date	05/2020
Rent Changes/Steps	N/A	Survey Notes	N/A

Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u>
No actual leases available for this property.										

Map & Comments



Rickenbacker Marina is a full Service marina located on Virginia Key, Florida, just off the Intracoastal Waterway at Marker 67 (ICM #67) on the northeast side of the Benjamin Powell Bridge. The dry rack and wet slip facility has capacity for 500 vessels. There are 3 marina forklifts, on-site maintenance companies with monthly maintenance plans (washing, waxing, bottom paint, etc.) and service mechanics. The wet slip component is located at the west end of the property and can accommodate up to 200 vessels up to 100' in length and 9' of draft. The dry rack component is located on the east end of the property and can accommodate up to 300 vessels. The dry rack rental rate is \$30.00 to \$33.00 per linear foot, with a minimum boat length of 25-feet. The Jet Ski storage can accommodate up to 130 Jet Skis. Jet Ski storage rates are \$425 per month for open rack storage, \$450 per month for covered rack storage and \$500 per month for indoor storage. Rental rates are all inclusive. The facility offers 110v-30 amp and 220v-50 amp electric shore power. All slips have access to water, 24-hour dock attendants, security with guards & video surveillance, showers, free WiFi and live boards are available. Moorings are serviced regularly by a professional diving service. This is a City of Miami ground leased marina that is being considered for major renovation & repositioning, subject to resolution of pending litigation with existing operator/lessee.

Property Name Retail/Office Bldg.
 Address 1609 Alton Road
 Miami Beach, FL 33139
 United States

Government Tax Agency N/A
 Govt./Tax ID 02-3234-018-0320

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.172	7,492
Land Area Gross	0.172	7,492
Excess Land Area	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	All available

Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	1.16
Frontage Distance/Street	N/A Alton Road

Zoning CD-2
 General Plan N/A

Improvements

Gross Leasable Area (GLA)	8,700 sf	Floor Count	1
Status	Existing	Parking Type	Surface
Occupancy Type	Multi-tenant	Parking Ratio	1.15/1,000 sf
Year Built	1947	Condition	Average
Year Renovated	1985	Exterior Finish	Stucco
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	Jessee Sutton
True Owner	N/A	Company	N/A

Rental Survey

Occupancy	100%	Tenant Size	2,000 - 2,500 sf
In Line Retail Occupancy	100%	Lease Term	60 - 120 Mo(s).
Reimbursements	NNN	Annual Base Rent	\$80.34 - \$105.06 per sf
Rent Changes/Steps	3%/Yr.	Free Rent	N/A
Survey Date	03/2020	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	\$19.00 per sf
		Total Oper. & Fixed Exp.	N/A

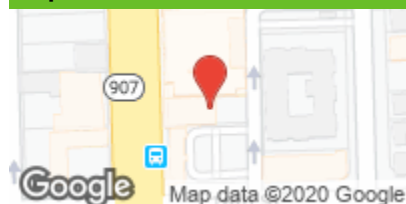


Comparable Retail - Misc. Freestanding Retail No. 9

Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size (sf)</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate per</u> <u>sf</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u> <u>per sf</u>
Sky Nails	Retail	2,650	60	Renewal	9/1/2018	\$105.06	NNN	3%/Yr.	0	\$0.00
Sobe Liquors	Retail	2,000	84	Renewal	11/1/2017	\$80.34	NNN	3%/Yr.	0	\$0.00

Map & Comments



This comparable is an 8,700-square foot mixed-use retail and office property located at 1609 Alton Road in Miami Beach, Florida. The improvements were constructed in 1996, renovated in 2002 and are situated on a .17-acre site, which includes 10 parking spaces located at the rear of the property. The subject is currently 100% occupied. Ground floor retail office tenants include Nail Republic (2,500 sf) and Sobe Liquors (2,000 sf); the second floor office tenant is AIDS Healthcare (4,200 sf) who renewed in August of 2019 at \$37.14 per square foot, triple net. Free rent and tenant improvements are negotiable.

Property Name Saber 1800 Alton
 Address 1800 Alton Road
 Miami Beach, FL 33139
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID 02-3233-012-0130

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.550	23,952
Land Area Gross	N/A	N/A
Excess Land Area	N/A	N/A

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

Maximum Floor Area 35,928 sf
 Maximum FAR 1.50
 Actual FAR 1.49

Frontage Distance/Street	150 ft Alton Road
Frontage Distance/Street	145 ft 18th Street

Zoning CD-2, Commercial Medium Density
 General Plan N/A

Improvements

Gross Leasable Area (GLA)	31,499 sf	Floor Count	5
Status	Under Construction	Parking Type	Attached Garages
Occupancy Type	Multi-tenant	Parking Ratio	4.48/1,000 sf
Year Built	2018	Condition	New
Year Renovated	N/A	Exterior Finish	Glass
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Contact

Recorded Owner	Saber 1800 Alton LLC	Leasing Agent	David Spitz
True Owner	Saber Real Estate Advisors	Company	DWNTWN Realty Advisors

Rental Survey

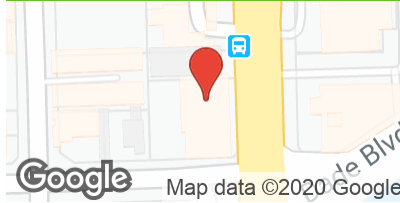
Occupancy	94%	Tenant Size	2,241 - 22,492 sf
In Line Retail Occupancy	94%	Lease Term	120 - 144 Mo(s).
Reimbursements	NNN	Annual Base Rent	\$56.00 - \$113.77 per sf
Rent Changes/Steps	10-12%/ Every 5 YRS	Free Rent	0 - 2 Mo(s).
Survey Date	03/2020	TI Allowance	\$0.00 - \$70.00 per sf
Survey Notes	N/A	Reimbursement Amount	\$18.00 per sf
		Total Oper. & Fixed Exp.	\$18.00 per sf



Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size (sf)</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate per</u> <u>sf</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u> <u>per sf</u>
Starbucks	Retail	2,241	120	New	4/1/2019	\$70.00	NNN	10% YR 6	0	\$89.25
Citibank, N.A.	Retail	5,065	120	New	2/1/2019	\$113.77	NNN	12.3% YR 6	0	\$88.88
Michaels Stores Inc.	Retail	22,492	144	New	1/15/2019	\$56.00	NNN	Flat	2	\$6.82

Map & Comments



This comparable is a 31,499-square foot retail property and structured parking garage located at 1800 Alton Road in Miami Beach, Florida. The improvements were completed in 2018 on a 0.55-acre site at the corner of Alton Road and 18th Street in the Sunset Harbour neighborhood. The improvements are comprised of a five-story project with two stories of retail below three stories of parking with 141 spaces. The property is anchored by Michael's Stores occupying 5,908-square feet of ground floor space and the entire 16,584-square foot second floor. Citibank occupies a 5,065-square foot end cap suite and Starbucks occupies a 2,241-square foot in-line space. Currently, one 1,818-square foot retail bay fronting 18th Street is vacant and available for lease with an asking rent of \$70.00 per square foot, triple net. The Michaels and Starbucks leases were signed on NNN terms excluding management fees, while Citibank has a NNN lease inclusive of all expenses.

Property Name Sunset Harbour Shops
 Address 1854 Bay Road
 Miami Beach, FL 33139
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID N/A

Site/Government Regulations

	Acres	Square feet
Land Area Net	N/A	N/A
Land Area Gross	N/A	N/A
Excess Land Area	N/A	N/A

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

Maximum Floor Area N/A
 Maximum FAR N/A
 Actual FAR N/A

Zoning CD-2
 General Plan N/A

Improvements

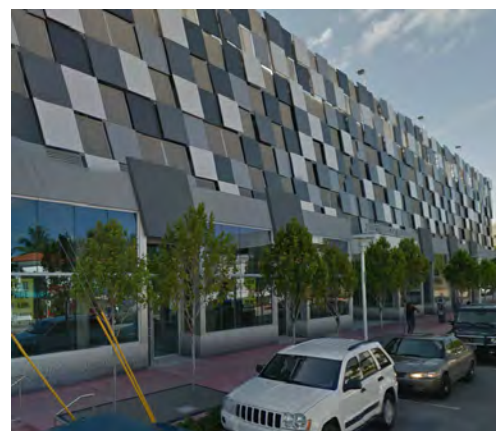
Gross Leasable Area (GLA)	25,928 sf	Floor Count	1
Status	N/A	Parking Type	Above Grade Structure
Occupancy Type	Multi-tenant	Parking Ratio	0.00/1,000 sf
Year Built	2012	Condition	Good
Year Renovated	N/A	Exterior Finish	Concrete
Total Anchor Rentable Area	N/A	Number of Buildings	2
Total In Line Rentable Area	30,000 sf		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	Melissa Dunn
True Owner	N/A	Company	N/A

Rental Survey

Occupancy	92%	Tenant Size	2,000 - 2,037 sf
In Line Retail Occupancy	92%	Lease Term	60 - 120 Mo(s).
Reimbursements	NNN	Annual Base Rent	\$50.00 - \$85.00 per sf
Rent Changes/Steps	3%-5%	Free Rent	N/A
Survey Date	03/2020	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	\$10.00 per sf
		Total Oper. & Fixed Exp.	N/A



Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size (sf)</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate per</u> <u>sf</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u> <u>per sf</u>
Ice Box Cafe	Retail	2,710	60	Renewal	6/1/2018	\$80.00	NNN	3.5%	N/A	N/A
Panther Coffee	Retail	1,650	60	Renewal	4/1/2018	\$54.90	NNN	3%/year	N/A	N/A
Shan Swimwear	Retail	1,019	60	New	1/1/2018	\$85.00	NNN	3.5%/year	N/A	N/A

Map & Comments



Sunset Harbor Shops is the ground floor retail space of a city owner parking garage located along Bay Road, between 18th Street and 20th Street, in Sunset Harbour area of Miami Beach, Florida. Currently, one 2,037-square foot bay is vacant and available for lease with an asking rent of \$85.00 per square foot, triple net. The most recent lease deals were in the \$50.00 to \$85.00 per square foot, triple net range.

Property Name 17West
 Address 1681 West Avenue
 Miami Beach, FL 33139
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID N/A

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.861	37,500
Land Area Gross	0.861	37,500
Excess Land Area	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Generally Level
Utilities	All

Maximum Floor Area N/A
 Maximum FAR N/A
 Actual FAR 0.72

Frontage Distance/Street	N/A Alton Rd.
Frontage Distance/Street	N/A 17th St.

Zoning CD-2, Commercial Medium Density
 General Plan N/A

Improvements

Gross Leasable Area (GLA)	26,958 sf	Floor Count	1
Status	Under Construction	Parking Type	Above Grade Structure
Occupancy Type	Multi-tenant	Parking Ratio	5.94/1,000 sf
Year Built	2018	Condition	Excellent
Year Renovated	N/A	Exterior Finish	Glass
Total Anchor Rentable Area	N/A	Number of Buildings	2
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	David Spitz
True Owner	N/A	Company	N/A

Rental Survey

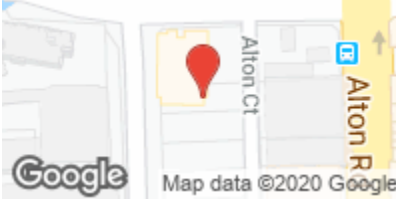
Occupancy	86%	Tenant Size	1,162 - 15,533 sf
In Line Retail Occupancy	86%	Lease Term	84 - 120 Mo(s).
Reimbursements	NNN	Annual Base Rent	\$64.70 - \$125.00 per sf
Rent Changes/Steps	3%/Yr. or 10% Every 5 Yea	Free Rent	N/A
Survey Date	03/2020	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	\$15.00 per sf
		Total Oper. & Fixed Exp.	N/A



Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size (sf)</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate per</u> <u>sf</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u> <u>per sf</u>
SunTrust	Retail	3,696	120	New	12/1/2019	\$125.00	NNN	10% Every 5 Years	N/A	N/A
GNC	Retail	1,162	120	New	10/1/2019	\$110.00	NNN	10% Every 5 Years	N/A	N/A

Map & Comments



This comparable is a 63,550 square foot mixed use development with ground floor retail, two decks of parking and two floors of multi-family units. The property is located at 1681 West Avenue in the South Beach neighborhood of Miami Beach, Miami-Dade County, Florida. It is known as 17West and is regarded as a Class A property in this market. It is anchored by a Trader Joe's and includes the following national tenants: GNC, Verizon and SunTrust. The second and third floors of the proposed development are parking decks. The subject also includes 26 one-, two- and three-bedroom units on the fourth and fifth floors that have been master leased to a short-term operator, Sonder. The subject is completed; however, not all of the retail space has been built out. Currently, the subject is 86.3% leased.

Property Name BB Plaza
 Address 1501 Alton Road
 Miami Beach, FL 33139
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID 02-3234-018-0480 (portion)

**Site/Government Regulations**

	Acres	Square feet
Land Area Net	1.370	60,000
Land Area Gross	N/A	N/A
Excess Land Area	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	All available

Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.41

Frontage Distance/Street	N/A Alton Road
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Zoning	Commercial
General Plan	N/A

Improvements

Building Area	N/A	Floor Count	1
Status	N/A	Parking Type	Surface
Occupancy Type	Multi-tenant	Parking Ratio	N/A
Year Built	1991	Condition	Average
Year Renovated	N/A	Exterior Finish	Masonry
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	24,780 sf		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Contact

Recorded Owner	BB Plaza Ltd	Leasing Agent	Alex Fryd
True Owner	Fryd Properties	Company	N/A

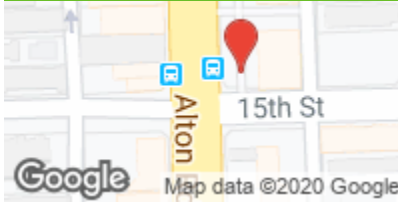
Rental Survey

Occupancy	100%	Tenant Size	1,523 sf
In Line Retail Occupancy	100%	Lease Term	36 - 60 Mo(s).
Reimbursements	NNN	Annual Base Rent	\$65.00 - \$70.00 per sf
Rent Changes/Steps	3%/Yr. or CPI	Free Rent	N/A
Survey Date	03/2020	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	\$14.29 per sf
		Total Oper. & Fixed Exp.	N/A

Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size (sf)</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate per</u> <u>sf</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u> <u>per sf</u>
Confidential	Retail	1,260	60	New	8/1/2017	\$70.48	NNN	3%	N/A	N/A

Map & Comments



This comparable is a retail strip center located on the northeast corner of Alton Road and 15th Street on Miami Beach, Florida. The center includes a surface parking lot providing a parking ratio of approximately 4 spaces per 1,000 square feet. Tenants include Chicken Kitchen, Smoothie King and Sabadell United Bank. The leasing agent reported that a 1,260 square foot space was recently leased to a national tenant at \$70.48 per square foot, triple net. The tenants name and lease details are not being released.

Property Name 555 Washington
 Address 555 Washington
 Miami Beach, FL 33139
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID 02-4203-002-0110

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.910	39,911
Land Area Gross	N/A	N/A

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

Maximum Floor Area N/A
 Maximum FAR N/A
 Actual FAR 1.58

Frontage Distance/Street	N/A	Washington Ave.
Frontage Distance/Street	N/A	5th Street
Frontage Distance/Street	N/A	6th Street

Zoning N/A
 General Plan N/A

Improvements

Primary Building Area	63,132 sf	Floor Count	4
Net Rentable Area (NRA)	63,132 sf	Parking Type	Above Grade Structure
Usable Area	N/A	Parking Ratio	4.12/1,000 sf
Load Factor	0.00	Condition	Good
Status	Existing	Exterior Finish	Masonry
Occupancy Type	Multi-tenant	Investment Class	A
Year Built	2001	Number of Buildings	N/A
Year Renovated	N/A		
Amenities	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	Steve Hurwitz
True Owner	N/A	Company	Continental Real Estate Company

Rental Survey

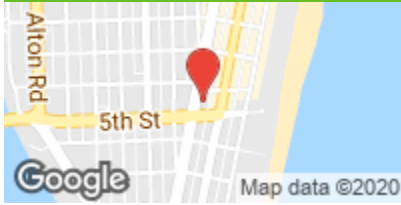
Occupancy	79%	Tenant Size	1,500 - 10,000 sf
Reimbursements	Base Year Stop	Lease Term	60 - 240 Mo(s).
Rent Changes/Steps	3.0%	Annual Base Rent	\$43.00 - \$45.00 per sf
Survey Date	03/2020	Free Rent	2 Mo(s).
Survey Notes	N/A	TI Allowance	\$30.00 - \$70.00 per sf
		Reimbursement Amount	\$0.00 per sf
		Total Oper. & Fixed Exp.	\$18.00 per sf



Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u>
No actual leases available for this property.										

Map & Comments



This comparable represents a Class A mixed-use office/retail building located on the NEC of Washington Avenue and 5th Street in Miami Beach. The improvements were constructed in 2001 on a 0.91-acre site. This property has 21,196 SF of ground floor retail space. The property is 78.8% leased and the current asking rent is in the range of \$43 - \$45 PSF with a base year stop on expenses. The property also includes an attached garage with 260 spaces.

Property Name 404 Washington Avenue
 Address 404 Washington Avenue
 Miami Beach, FL 33139
 United States

Government Tax Agency N/A
 Govt./Tax ID 02-4203-009-1980

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.569	24,788
Land Area Gross	N/A	N/A

Site Development Status	Finished
Shape	Irregular
Topography	Level, At Street Grade
Utilities	All

Maximum Floor Area N/A
 Maximum FAR N/A
 Actual FAR 3.50

Frontage Distance/Street	N/A	Washington Avenue
Frontage Distance/Street	N/A	5th Street

Zoning CPS2
 General Plan N/A

Improvements

Primary Building Area	86,752 sf	Floor Count	8
Net Rentable Area (NRA)	60,015 sf	Parking Type	Garage
Usable Area	N/A	Parking Ratio	0.00/1,000 sf
Load Factor	N/A	Condition	Average
Status	Existing	Exterior Finish	Concrete
Occupancy Type	Multi-tenant	Investment Class	A
Year Built	1995	Number of Buildings	1
Year Renovated	N/A		
Amenities	N/A		

Contact

Recorded Owner	Dominion Partners LP	Leasing Agent	N/A
True Owner	N/A	Company	N/A

Rental Survey

Occupancy	96%	Tenant Size	2,000 - 8,500 sf
Reimbursements	Base Year Stop	Lease Term	60 - 144 Mo(s).
Rent Changes/Steps	3% Annually	Annual Base Rent	\$50.00 per sf
Survey Date	03/2020	Free Rent	0 - 3 Mo(s).
Survey Notes	N/A	TI Allowance	\$20.00 - \$45.00 per sf
		Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A



Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u>
No actual leases available for this property.										

Map & Comments



This comparable is a 60,015-square foot, mixed-use office building with ground floor retail located at 404 Washington Avenue in Miami Beach, Florida. The improvements were constructed in 1995 on a .57-acre site. The property has good frontage at the southwest corner of Washington Avenue and 5th Street/MacArthur Causeway/A1A, which is the primary commercial corridor connecting Miami to South Beach. The building consists of an 11,468 SF restaurant space recently leased to Buckhead who will operate a Lobster Bar Sea Grille. Floors two through five are four levels of parking assigned to tenants and available for rent to the public. Floors six through eight consists of 44,962 SF of office space that is currently 96% leased. The office space is good quality finish with a combination of carpet and polished concrete floors, drop down acoustic tile and exposed concrete ceilings. The office space is leased at rents between \$50 PSF with a base year stop on expenses. Lease terms range from five to twelve years with 3% annual escalations. Tenant improvement allowances of up to \$45.00/SF and up to 3 months free rent are typically provided on new leases.

Property Name 1674 Meridian
 Address 1674 Meridian Avenue
 Miami Beach, FL 33139
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID 02-3234-007-0580

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.190	8,276
Land Area Gross	N/A	N/A

Site Development Status	Finished
Shape	N/A
Topography	Level, At Street Grade
Utilities	N/A

Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	3.62

Zoning	N/A
General Plan	N/A

Improvements

Primary Building Area	30,000 sf	Floor Count	5
Net Rentable Area (NRA)	30,000 sf	Parking Type	On-Street
Usable Area	0 sf	Parking Ratio	N/A
Load Factor	100.00	Condition	Average
Status	Existing	Exterior Finish	Masonry
Occupancy Type	N/A	Investment Class	C
Year Built	1959	Number of Buildings	N/A
Year Renovated	2001		
Amenities	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	Mindy McIlroy, Terranova Corp.
True Owner	N/A	Company	N/A

Rental Survey

Occupancy	37%	Tenant Size	6,578 sf
Reimbursements	Base Year Stop	Lease Term	36 Mo(s).
Rent Changes/Steps	CPI, 3%	Annual Base Rent	\$57.25 per sf
Survey Date	03/2020	Free Rent	0 Mo(s).
Survey Notes	N/A	TI Allowance	\$0.00 per sf
		Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	\$14.50 per sf



Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u>
No actual leases available for this property.										

Map & Comments



This comparable is a 5-story, mixed-use office and retail building located along the west side of Meridian Avenue and a half block north of the Lincoln Road pedestrian mall. The common areas include elevator lobby with 2 passenger elevators and common floor restrooms. The ground floor office lobby was recently renovated and has biometric security access. The quoted rental rate for the office suites \$57.25 PSF, based upon a base year expense stop. Free rent and tenant improvement allowances are negotiable.

Property Name 1688 Meridian Ave. Bldg.
 Address 1688 Meridian Avenue
 Miami Beach, FL 33139
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID 02-3234-007-0600

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.260	11,326
Land Area Gross	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	To site

Maximum Floor Area N/A
 Maximum FAR N/A
 Actual FAR 8.55

Frontage Distance/Street N/A Meridian Avenue

Zoning Commercial
 General Plan N/A

Improvements

Primary Building Area	96,870 sf	Floor Count	10
Gross Building Area (GBA)	96,870 sf	Parking Type	Surface
Usable Area	N/A	Parking Ratio	0.00/1,000 sf
Load Factor	N/A	Condition	Average
Status	Existing	Exterior Finish	Glass
Occupancy Type	Multi-tenant	Investment Class	B
Year Built	1961	Number of Buildings	1
Year Renovated	2018		
Amenities	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	Kevin Gonzalez
True Owner	N/A	Company	CBRE

Rental Survey

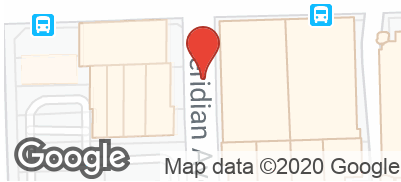
Occupancy	84%	Tenant Size	604 - 3,360 sf
Reimbursements	Base Year Stop	Lease Term	36 - 60 Mo(s).
Rent Changes/Steps	3%-5%/Yr.	Annual Base Rent	\$46.00 per sf
Survey Date	03/2020	Free Rent	0 - 2 Mo(s).
Survey Notes	N/A	TI Allowance	\$0.00 - \$20.00 per sf
		Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	\$16.00 per sf



Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size (sf)</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate per</u> <u>sf</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u> <u>per sf</u>
Merchant Data Systems	Office	3,548	38	Renewal	3/1/2018	\$28.84	NNN	3%	N/A	N/A
GDS Publishing	Office	9,687	80	New	9/1/2017	\$29.61	NNN	3%	N/A	N/A
The City of Miami Beach	Office	3,349	60	New	8/1/2016	\$29.95	NNN	3%	N/A	N/A
Regus	Office	19,374	121	New	6/1/2016	\$25.00	NNN	3%	N/A	N/A

Map & Comments



This comparable is a 10-story, multi-tenant professional office building located on the southwest corner of Meridian Avenue and 17th Street, one block north of the Lincoln Road Mall, on Miami Beach, Florida. The building was built in 1962, renovated in 1999 and is in average condition. Limited parking is available on two small surface lots. Currently, the property is 84% leased. The current asking rent is \$46.00 PSF with a base year stop on expenses. Lease terms range from three to five years with 3% to 5% annual increases. Free rent and tenant improvement allowances are negotiable.

Property Name Meridian Center
 Address 1680 Meridian Avenue
 Miami Beach, FL 33139
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID 02-3234-007-0590

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.250	11,250
Land Area Gross	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	To site

Maximum Floor Area N/A
 Maximum FAR N/A
 Actual FAR 5.37

Frontage Distance/Street N/A Meridian Avenue

Zoning Commercial
 General Plan N/A

Improvements

Primary Building Area	N/A	Floor Count	6
Net Rentable Area (NRA)	54,603 sf	Parking Type	None
Usable Area	N/A	Parking Ratio	0.00/1,000 sf
Load Factor	N/A	Condition	Average
Status	Existing	Exterior Finish	Concrete
Occupancy Type	Multi-tenant	Investment Class	B
Year Built	1957	Number of Buildings	1
Year Renovated	2006		
Amenities	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	Steven Hurwitz, CREC
True Owner	N/A	Company	N/A

Rental Survey

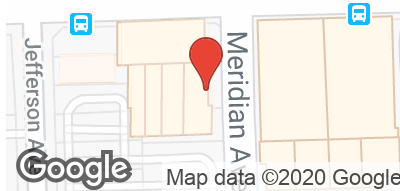
Occupancy	87%	Tenant Size	2,800 sf
Reimbursements	Base Year Stop	Lease Term	36 - 120 Mo(s).
Rent Changes/Steps	3.0%-4.0%/Yr.	Annual Base Rent	\$48.00 per sf
Survey Date	03/2020	Free Rent	0 - 3 Mo(s).
Survey Notes	N/A	TI Allowance	\$20.00 - \$60.00 per sf
		Reimbursement Amount	\$0.00 per sf
		Total Oper. & Fixed Exp.	\$15.00 per sf



Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size (sf)</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate per</u> <u>sf</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u> <u>per sf</u>
Miami Bch. Realty (Keller Williams)	Office	7,300	60	New	11/1/2019	\$53.00	Base Year Stop	3%	0	N/A
Verifract, LLC	Office	2,024	60	New	8/1/2019	\$44.56	Base Year Stop	3%	N/A	\$5.00

Map & Comments



This 6-story office building is constructed of steel and reinforced concrete. The building has a good location on the west side of Meridian between 17th Street and Lincoln Road in South Beach. There are two passenger elevators. The building was "gut" renovated in 2005/2006. Currently, there is one vacant office suite of 2,944 SF and one vacant retail space of 4,200 SF. Tenant improvement allowances for office space is typically about \$20 PSF, but older spaces are being converted to new modern, open plan design on rollover and that can cost about \$60 PSF including a demo. Free rent has not recently been offered. The property is currently 86.9% leased. Harry's Pizzeria just signed a new retail lease to take a 2,500 SF retail space at a starting rent of \$94 PSF, NNN. However, that included a very high \$600,000 (\$240 PSF) TI.

Property Name 420 Lincoln Road
 Address 420 Lincoln Road
 Miami Beach, FL 33139
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID 02-3234-006-0020

Site/Government Regulations

	Acres	Square feet
Land Area Net	3.501	152,498
Land Area Gross	3.501	152,498

Site Development Status	Finished
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	All available

Maximum Floor Area N/A
 Maximum FAR N/A
 Actual FAR 0.87

Frontage Distance/Street	N/A Lincoln Road
Frontage Distance/Street	N/A Washington Avenue
Frontage Distance/Street	N/A 16th Street
Frontage Distance/Street	N/A Drexel Avenue

Zoning CD-3
 General Plan N/A

Improvements

Primary Building Area	133,237 sf	Floor Count	7
Net Rentable Area (NRA)	133,237 sf	Parking Type	Above Grade Structure
Usable Area	N/A	Parking Ratio	0.00/1,000 sf
Load Factor	N/A	Condition	Average
Status	Existing	Exterior Finish	Masonry
Occupancy Type	Multi-tenant	Investment Class	A
Year Built	1940	Number of Buildings	2
Year Renovated	2002		
Amenities	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	Aaron Butler
True Owner	N/A	Company	N/A

Rental Survey

Occupancy	91%	Tenant Size	2,000 - 20,000 sf
Reimbursements	Base Year Stop	Lease Term	36 - 120 Mo(s).
Rent Changes/Steps	3%/Yr.	Annual Base Rent	\$43.00 per sf
Survey Date	03/2020	Free Rent	N/A
Survey Notes	N/A	TI Allowance	N/A
		Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	\$16.00 per sf



Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u>
No actual leases available for this property.										

Map & Comments



This comparable is a historic, 1940's mixed-use Art Deco office/retail complex comprising a total of 224,610-SF of NRA with two office buildings and a 490-space parking garage. The office component comprises 133,237 square feet; the 91,373 square feet of ground floor retail space has frontage along either Lincoln Road or Washington Avenue. This write-up is for the office space. The owner is repositioning the building by allowing small office leases to expire in order to combine suites for fewer larger tenants. The property is 91.4% leased. It was reported that there are numerous tenants with month-to-month terms, with several tenants wanting to relocated and/or expand. The leasing agent reported that asking rents range from approximately \$43 PSF with a base year stop on expenses. Tenant improvement allowances and free rent are negotiable.

Addendum C

DRAFT TERM SHEET

DISCUSSION DRAFT 5/6/2020

Miami Beach Marina

Proposed Lease Amendment, Air Rights Sale, and Development Agreement with City of Miami Beach

I. Background.

- a. The property at issue is as follows: (1) the property known as the “Miami Beach Marina site” consisting of (y) an uplands area located at 300 - 344 Alton Road, Miami Beach, Florida, folios # 02-4203-000-0010, 02-4203-009-9210 and 02-4203-009-9250 (“Area 1”) and (z) a submerged land area immediately adjacent to Area 1 and leased by the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida (“TIIF”) to the City of Miami Beach and the Miami Beach Redevelopment Agency (“Area 2;” collectively with Area 1, the “Existing Leased Premises”); (2) Lots 30 and 31 directly north of Area 1 (“Lots 30/31”); and (3) the Alton Road right of way adjacent to Area 1 and Lots 30/31 (the “ROW;” collectively with the Existing Leased Premises and Lots 30/31, the “Property”).¹
- b. Area 1 and Lots 30/31 are designated for “Public Facility” use under the City’s Comprehensive Plan.
- c. Area 1 and Lots 30/31 are zoned “GU” Civic and Government use.
- d. The parcels assigned Folios # 02-4203-000-0010 and 02-4203-009-9210 are owned by the Miami Beach Redevelopment Agency. The parcel assigned Folio # 02-4203-009-9250 is owned by the City of Miami Beach.
- e. Miami Beach Marina Associates, Ltd. (MBM) is the long-term lessee of the Existing Leased Premises under a lease document originally executed June 24, 1983, and subsequently amended through April 15, 1998 (the “Marina Lease”). MBM contemplates assigning the lease (as amended and restated²) to an entity (together with its successors in interest, the “Marina Lessee”) affiliated with MBM and Alton Road Mixed Use Investment, LLC (“ARMUI”), as such Marina Lease (as amended and restated) may after the City-wide referendum referenced in Section III.c. below be subleased to an affiliated entity solely with respect to the Upland Premises (as such term is hereafter defined) excluding storage,

¹ Developer/GLG to provide copy of deed search report to confirm ownership of parcels.

² Parties to discuss new lease arrangement, including effective date of new lease and termination of existing lease.

administrative and other spaces within the Upland Premises used in connection with the marina operations, to redevelop portions of Area 1, Lots 30/31 and such portions of the ROW, if any, that are to be included within the premises demised under the Marina Lease (as amended and restated).

- f. Marina Lessee has requested an extension of the current term of the Marina Lease, the initial term of which expires on January 1, 2022, to extend from date of the closing of the purchase and sale of the Air Rights Parcel (as such term is hereafter defined) pursuant to the Air Rights PSA (as such term is hereafter defined) and continue for a period of 60 years thereafter. (See Section II below).
- g. ARMUI has requested that the City of Miami Beach (City) convey to ARMUI or an affiliate approved by the City (hereinafter, the “Air Rights Purchaser”) a portion of the air space over Area 1 (the “Air Rights Parcel”), subject to the matters set forth in this term sheet.
- h. Marina Lessee and Air Rights Purchaser³ intend to develop and construct a mixed-use development on the Property, to include the following elements:
 - 1. Approximately 60 residential units, constructed within approximately 275,000 gross square feet of residential building development within the Air Rights Parcel,
 - 2. Improvements to the Expanded Leased Premises (as such term is hereinafter defined), consisting of:
 - a. Approximately 45,000 square feet of commercial/retail and office use uses, with all required parking spaces for the commercial/retail areas, within Revised Area 1 (as such term is hereinafter defined) (the “Upland Premises”), and
 - b. Approximately 2 acres of publicly accessible open green space, including a 1 acre at grade park, as described in section IV.c. below, within Revised Area 1 (collectively, the “Green Space”).

(hereinafter, the “Project”). The Project shall be further described through a series of actions and documents described below, including an amendment and restatement of the Marina Lease relating to the Property (Section II); the agreement for purchase and sale of the Air Rights Parcel to be negotiated between the City and Air Rights Purchaser (Section III); applicable land use approvals (Section IV); and a Chapter 163, Florida Statutes development agreement, to be negotiated between the City, [Marina Lessee and the Air Rights Purchaser] (Section V).

³ Developer to confirm if Marina Lessee and Air Rights Purchaser will be jointly and severally the Developer under the Development Agreement.

II. Lease Amendment.

Marina Lessee has requested that the City of Miami Beach (City) agree to an amendment and restatement of the Marina Lease as set forth herein (the Marina Lease, as so amended and restated, is hereinafter the “A/R Marina Lease”).

a. *Lease Term.*

The Initial Term for Area 1 and the right to use Area 2 shall be modified to begin upon the date of the closing of the purchase and sale of the Air Rights Parcel pursuant to the Air Rights PSA and shall continue for a period of 60 years thereafter. The City cannot guaranty that the submerged lands lease with TILF regarding Area 2 (the “Submerged Lands Lease”) shall be extended, but the City shall use its diligent, good faith efforts to cause the term of the Submerged Land Lease to be extended periodically to coincide with the extended term of the A/R Marina Lease.

b. *Rental Payment.* The rent shall be the greater of:⁴

1. Base Rent of \$[1,640,890], as adjusted annually based on CPI, or
2. Annual Percentage Rent of:
 - A. \$0.04 cents per gallon of gasoline or diesel;
 - B. 35% of all revenues received from any parking facilities serving the Expanded Leased Premises, including without limitation the Parking Garages and the Replacement Parking Facility.
 - C. [10] % of all other Gross Receipts during each Lease Year throughout the Term of the A/R Marina Lease and any extensions thereof that exceed the then applicable thresholds for applicability of percentage rent. “Gross Receipts” means all revenues received by Marina Lessee or any affiliates from any operations of or at the leased premises less Operating Expenses (as such term is hereafter defined) [and certain specified “allowable deductions” currently contemplated by the Marina Lease]⁵. “Operating Expenses” means, on an annual basis all rent under the Submerged Lands Lease, all rent under those certain parking garage leases with each of Murano Grande at Portofino Master Association, Inc., Murano Grande at Portofino Condominium Association, Inc., Icon

⁴ Subject to appraisals.

⁵ Subject to appraisals.

Condominium Association, Inc., Yacht Club at Portofino Master Association, Inc. and TRG-SSDI, Ltd., as each has been amended (collectively, the “Parking Agreements” and the parking garages described therein, the “Parking Garages”) and real estate taxes, stormwater fees and assessments for capital improvements payable by the City pursuant to the Parking Agreements. With respect to areas that are subleased, the rent paid by subtenants to the Marina Lessee (and not gross revenues of the subtenants) shall be the “Gross Receipts.” Marina Lessee shall submit periodic reports to the City with respect to Gross Receipts and Operating Expenses, and the A/R Marina Lease will include the City’s mandatory Inspector General audit rights.

c. Capital Improvements

As additional consideration for the A/R Marina Lease Marina Lessee will commit to a capital improvement program of \$35 Million over [30 years (current lease term)]⁶ [to implement scheduled capital improvements [not to exceed \$ _____]]⁷, improve the resiliency of Area 2, modernize the appearance and infrastructure of Area 2, improve way finding and signage and otherwise retain market attractiveness to maximize the percentage rent return to the City with respect to the activities on Area 2, as further described in the A/R Marina Lease. All such improvements and the phasing thereof shall be subject to the City’s approval in accordance with the A/R Marina Lease and TIF’s approval to the extent such approval is required under the then applicable submerged lands lease between TIF and the City regarding Area 2. Marina Lessee shall deliver to the City, as co-obligee, payment and performance bonds in form and substance acceptable to the City in connection with such improvements.

d. Expanded Leased Premises.

The Existing Leased Premises shall be contracted to exclude the Air Rights Parcel and shall be expanded to the north to include Lots 30/ 31 and potentially to the east to include some or all of the ROW⁹ (the “Expanded Leased Premises”).

e. Redevelopment.

⁶ City is requesting shorter period of time, with phases and outside dates. Developer to provide proposal, including phasing, for the City’s review.

⁷ Revision requested by Suntex

⁸ City understood that \$35,000,000 is independent of Marina Lessee’s scheduled improvements during the lease term.

⁹ Expansion of leased premises to include the ROW is under discussion

1. As part of the redevelopment of Area 1, as contracted to exclude the Air Rights Parcel and expanded to include Lots 30/31 and potentially some or all of the the ROW (Area 1, as so contracted and expanded, "Revised Area 1"), the Marina Lessee shall be authorized to demolish the existing improvements on Revised Area 1, subject to the Marina Lessee agreeing to pay to the City not less than \$[1,640,890]¹⁰, as adjusted annually based on CPI, throughout the construction period for the redevelopment of Revised Area 1 until the Certificate of Occupancy for the Replacement Facilities as described below is issued. It is intended that operations of the marina in Area 2 will continue during the period of redevelopment of Area 1, but may be disrupted or otherwise impacted in the ordinary course as the result of the development and construction operations on Area 1; provided, however, at all times during such construction, Marina Lessee shall cause access to the baywalk to remain open to and safe for use by the public.
2. Redevelopment of Revised Area 1 shall be approximately 45,000 SF of replacement, revenue producing, upland facilities containing a mix of uses that may include marina and or neighborhood oriented retail uses, cafes and/or restaurants, office and similar uses, but shall not include any free-standing outdoor bars, night clubs or other uses prohibited by the Marina Lease and the new Green Space (the "Replacement Facilities"). Nothing in the A/R Marina Lease will prohibit or limit a restaurant from having a full-service bar within its [indoor] leased space¹¹.
3. The Replacement Facilities shall also include approximately [140]¹² parking spaces for use by the marina to replace the existing spaces and shall include appropriate drop off and valet and service facilities necessary to serve Area 2 (the "Replacement Parking Facility"). All parking for office and retail tenants of the Upland Premises shall be subject to charges at prevailing rates at City parking garages in the region.
4. The Marina Lessee shall remain and/or become responsible for the maintenance and operation of the parking facilities serving Revised

¹⁰ Subject to appraisals.

¹¹ The City has asked for clarification regarding whether the full service bar would be indoors or outdoors. If the leased premises include outdoor areas, then it is intended that bars may be included within such outdoor areas. Planning Director to confirm.

¹² Developer to provide clarity regarding total parking spaces to be available for all of the uses of the Project, e.g., marina, commercial/office, retail, residential.

Area 1, including without limitation, the Parking Garages and the Replacement Parking Facility, the baywalk extending from MacArthur Causeway to the north and [_____] ¹³ to the south, and the Replacement Facilities to be developed on Revised Area 1 including but not limited to the Green Space and access ways, in each case, in accordance with City-prescribed standards to be set forth in the A/R Marina Lease. If Marina Lessee fails to satisfy such standards, in lieu of declaring a default, the City shall have the right to levy and the Marina Lessee shall pay a fine to the City for each such failure or continuance of such failure. The A/R Marina Lease shall obligate the Marina Lessee to pay all Operating Expenses and to reimburse the City in the amount of \$787,381 for amounts previously paid by the City pursuant to the Parking Agreements.¹⁴

5. The Marina Lessee shall be solely responsible for all costs and work associated with the Green Space improvements (including, without limitation, the design, permitting and construction), which improvements shall include, but not be limited to, resurfacing, drainage, landscaping, hardscaping, sidewalks, irrigation, signage, and lighting, and the design of such improvements shall be subject to the prior written approval of the City Manager or its designee.
6. The Marina Lessee shall be responsible for the safety, security and maintenance of the Green Space in accordance with City-prescribed standards to be set forth in the A/R Marina Lease. If Marina Lessee fails to satisfy such standards, in lieu of declaring a default, the City shall have the right to levy and the Marina Lessee shall pay a fine to the City for each such failure or continuance of such failure.
7. The City, the Marina Lessee and Air Rights Purchaser shall enter into the REA (as such term is hereafter defined) concurrently with closing of the transactions under the Air Rights PSA.
8. Marina Lessee shall fully cooperate with the City in connection with the City's or Miami-Dade County's operation and maintenance of a future water taxi/ferry and landing area within the leased premises at a location north of Pier A or such other location as determined by the City and/or Miami-Dade County, which landing area may include, without limitation, [public restrooms, a bike station, a ticket booth and vehicular parking to serve the water taxi/ferry]¹⁵.

¹³ City to confirm.

¹⁴ To be discussed.

¹⁵ To be discussed.

9. The A/R Marina Lease shall define the first class marina standard and include updated maintenance and public appearance/cleanliness standards, including parking maintenance standards for striping. If Marina Lessee fails to satisfy such standards, in lieu of declaring a default, the City shall have the right to levy and the Marina Lessee shall pay a fine to the City for each such failure or continuance of such failure. Parties to discuss Parking Facility Management and Operation Agreement, as amended, and incorporating obligations with respect thereto in an exhibit to the A/R Marina Lease.

10. The Green Space shall be subject to a perpetual public access easement and the City shall have the right to approve and designate the use and programming of the one-acre at grade portion of the Green Space adjacent to the baywalk.

11. The Marina Lessee shall be required to commence and complete construction of the Replacement Facilities in accordance with deadlines reasonably determined by the City and further described in the A/R Marina Lease.

12. The Marina Lessee shall deliver to the City, as co-obligee, payment and performance bonds in form and substance acceptable to the City in connection with the completion of the Replacement Facilities.

13. Marina Lessee shall fully cooperate with the City in connection with the City's operation and maintenance of a mooring field in the general vicinity of the marina and landing area within the leased premises, which landing area may include, without limitation, public restrooms, bike station and docking location for dinghies.

14. The Replacement Facilities shall also include public restrooms independent of the public restrooms located within the Parking Garages.

15. The Replacement Facilities shall also include replacement of the existing underground fuel storage tanks.

f. Security Deposit.

City shall retain the existing security deposit under the Marina Lease and notwithstanding anything to the contrary set forth in the Marina Lease, all interest accrued on the security deposit shall become part of the security deposit.

g. City Boat Slips and Parking Spaces.

Marina Lessee, at no cost to the City, shall provide four (4) boat slips of not less than forty (40) feet, as chosen by the City for public purposes (e.g., police department, fire department) and four (4) parking spaces to accompany the use such boat slips within the nearest available parking facility.

h. City Resident Discounts.

Annual fees for wet slips for boats of less than 50 feet charged to City residents shall not increase by more than five percent (5%) over the prior year's annual fees.

i. Transfers.

Marina Lessee's rights to sublease, assign or otherwise transfer the A/R Marina Lease or its rights thereunder will be subject to specified criteria as further described in the A/R Marina Lease.

III. Air Rights Purchase.¹⁶

- a. ARMUI has proposed a purchase price to the City in connection with the purchase and sale of the Air Rights Parcel at full Fair Market Value (hereinafter the "Purchase Price"), which shall be not less than \$50 Million.
- b. The City shall obtain two (2) independent appraisals of the Fair Market Value of the Air Rights Parcel, with such appraisers to be selected by the City Manager or his designee, at his sole and reasonable discretion, and paid for by Air Rights Purchaser, to determine the Purchase Price of the Air Rights Parcel based on its development potential as a 275,000 gross square feet residential building with approximately 60 dwelling units and other factors reasonably determined by the City.¹⁷
- c. Concurrently with the execution and delivery of the Development Agreement, the City and Air Rights Purchaser shall enter into a purchase and sale agreement regarding the Air Rights Parcel (the "Air Rights PSA"), but acknowledge and agree that the Air Rights PSA will be subject to approval of a Ballot Question(s) by a majority vote of the voters in a City-wide referendum. The "Ballot Question(s)" are the following: amendment and extension of the Marina Lease, the sale of the Air Rights Parcel, and, if necessary, any clarification of the site FAR. The Air Rights PSA shall provide for an escrow deposit in the amount of \$5,000,000 to be paid to the City at signing ("PSA Deposit"), which shall become non-refundable upon

¹⁶ To be further revised based on the appraisal working group discussions

¹⁷ Insert provisions regarding determination of purchase price if the appraisals reflect different amounts

approval of the Ballot Questions pursuant to the City-wide referendum and shall be subject to return to the Air Rights Purchaser solely in the event of a termination by the City as set forth in Section V.c.1. below. The Air Rights PSA will include as exhibits thereto the forms of A/R Marina Lease and of the REA.

- d. The sale of Air Rights Parcel shall be subject to, and comply with, Ch. 82, Article II, Sections 82-36 through 82-40, of the City Code (entitled “Sale or Lease of Public Property”).
- e. City will convey fee simple interest to the Air Rights Parcel to Air Rights Purchaser upon Closing, at which time Air Rights Purchaser will pay to the City the Purchase Price for the Air Rights Parcel. The A/R Marina Lease and REA shall be executed and delivered concurrently with closing under the Air Rights PSA.
- f. The Closing will occur within ninety (90) days following satisfaction of the following conditions: (i) the issuance of all necessary final, non-appealable approvals for the Project from the City’s Design Review Board and Planning Board; and (ii) the City Commission’s adoption of the Comprehensive Plan and Zoning Code Changes described in Section IV below. If Closing has not occurred on or before thirty-six (36) months after the effective date of the Development Agreement and approval of the Ballot Questions pursuant to the City-wide referendum for any reason other than a termination by the City as set forth in Section V.c.1. below, then the City shall have the right to terminate the Air Rights PSA and retain the PSA Deposit.
- g. Since the improvements to be constructed within the Air Rights Parcel shall not be located at ground level and instead shall be located above a portion of the retail components of the Project, at Closing a vertical subdivision shall be created and City, the Marina Lessee and Air Rights Purchaser shall enter into a reciprocal easement and operating agreement (the “REA”) granting reciprocal easements, imposing covenants addressing the respective needs of the City, the Marina Lessee and Air Rights Purchaser, and, for avoidance of doubt, acknowledging that the following rights with respect to the Air Rights Parcel shall survive termination/expiration of the A/R Marina Lease:
 - 1. Access, ingress and egress easements, including, without limitation, pedestrian, vehicular and service;
 - 2. Parking easements;
 - 3. Easements of structural support and foundation easements;
 - 4. Utility easements;

5. Easements for all required back of house support facilities for each party; and
 6. Covenants for the long-term operation, maintenance and cost sharing of all applicable areas, and creation of association(s) or other entity through which such operation, maintenance and cost sharing shall occur.
- h. Air Rights Purchaser will pay all Closing costs (including, without limitation, the City's outside counsel fees for the transaction, which shall be paid on a monthly basis) related to the Air Rights PSA.
- i. **Except** for transfers to affiliates of the Air Rights Purchaser approved by the City, Air Rights Purchaser shall not be entitled to assign or transfer its rights under the Air Rights PSA until the issuance of a certificate of occupancy for the Project. Any such approved transferee of the Air Rights PSA shall assume all remaining obligations of the Air Rights Purchaser under the Air Rights PSA; provided, however, the Air Rights Purchaser shall not be released from its obligations thereunder. For avoidance of doubt, upon issuance of a certificate of occupancy for the Project, the Air Rights Purchaser may freely transfer all or any portion of the Air Rights Parcel and may assign (both collaterally and absolutely) any or all surviving provisions under the Air Rights PSA; provided, however, that in no event shall any such transferee be a "prohibited person" to be defined in the Air Rights PSA.
- j. The City shall not be a party to or have any obligation to join in or consent to any declaration of condominium, declaration of covenants or other regime subdividing the Air Rights Parcel.
- k. Air Rights Purchaser shall be required to commence and complete construction of the improvements on the Air Rights Parcel in accordance with deadlines reasonably determined by the City and further described in the Development Agreement.

IV. City Actions.¹⁸

- a. The parties acknowledge and agree that, as a condition to the Closing of the Air Rights Parcel purchase and execution and delivery of the A/R Marina Lease and REA, the City Commission, acting in its regulatory capacity, shall, at its discretion, consider certain actions to accommodate the proposed development plan and design for the Project (collectively, the "Project Approvals"). The Project Approvals include the following:

¹⁸ Under review by City.

1. Comprehensive Plan Changes.

A. An amendment to the 2040 Comprehensive Plan to modify the text of the Public Facility: Governmental Use (PF) designation.

B. The following changes would be made to Policy RLU 1.1.17 of the Comprehensive Plan Resilient Land Use and Development Element:

Policy RLU 1.1.17 Public facility: Governmental uses (PF)

Purpose: To provide development opportunities for existing and new government uses, as well as public-private redevelopments.

Uses which may be permitted: Government uses, parking facilities, affordable or workforce housing, various types of commercial uses including business and professional offices, retail sales and service establishments, and eating and drinking establishments, and public-private marina redevelopments.

Public-private marina redevelopments shall include significant publicly accessible green open space and may permit the following uses: Retail sales and service establishments; commercial uses, including business and professional offices; eating and drinking establishments; apartment residential uses; and recreational uses.

Intensity Limits: Intensity may be limited by such set back, height, floor area ratio and/or other restrictions as the City Commission acting in a legislative capacity determines can effectuate the purpose of this land use category and otherwise implement complementary public policy. However, in no case shall the intensity exceed a floor area ratio of 3.5.¹⁹

2. Zoning Code Change.

An amendment to Section 142-698 and 142-699 of the Land Development Regulations to read as follows: ²⁰

¹⁹ FAR under discussion

²⁰ Proposed changes to CPS-4 height, setbacks and rooftop use to be provided

- b. The City's Design Review Board shall consider certain actions to accommodate the proposed development plan and design for the Project. Such actions include the following:
 - 1. Approval of the Project and the Green Space.
 - 2. Any associated variances for the Project and the Green Space.
- c. The application to the Design Review Board for Project approval shall include design plans for the Green Space. The Green Space shall consist of landscaping and hardscape improvements; lighting; irrigation for landscaping; outdoor seating and other outdoor furniture (if requested by the City); baywalk improvements; upgraded City-approved wayfinding and signage such as directional signage, access signage and similar signs (excluding private signage); and other accessory facilities. The Green Space shall be open to the public no later than the date a CO is issued for the Project.
- d. The City's Planning Board, shall consider approval of a conditional use for new construction of structures 50,000 square feet and over, as well as any other conditional uses necessary for the Project. Planning Board review is the first step in the process before Design Review Board review.
- e. The City Commission, Design Review Board and the Planning Board shall have no obligation to take any (or all) of the above stated actions; provided, however, that if the above stated City actions are not taken, then:
 - 1. Marina Lessee may, at its discretion, elect to terminate the Development Agreement (as defined in Section V, below), without liability to Marina Lessee. In the event of such termination, however, Marina Lessee shall be responsible for any attorney's fees incurred by the City with respect to the Development Agreement up to the date of termination; and
 - 2. Air Rights Purchaser may, at its discretion, elect to terminate the Air Rights PSA, without liability to Air Rights Purchaser. In the event of such termination, however, Air Rights Purchaser shall be responsible for any attorney's fees incurred by the City with respect to the Air Rights PSA, up to the date of termination and shall be entitled to the return of its PSA Deposit, less the amount of the City's reimbursable costs and expenses, which shall be disbursed to the City, to the extent not previously paid by Air Rights Purchaser.

Any such Termination of the Air Rights PSA shall automatically terminate the Development Agreement, and any such termination of the Development

Agreement shall automatically terminate the Air Rights PSA. In such event the Marina Lease shall remain in effect, unmodified.

- f. Marina Lessee and Air Rights Purchaser will be responsible for submitting any required applications for development approvals, with City as co-applicant, if and as necessary, for the Project (i.e., City Commission, Design Review Board, and Planning Board approvals), and for securing any and all final, non-appealable development approvals and permits for the Project.

V. **Development Agreement.** The above terms and other matters will be incorporated into a Development Agreement (the “Development Agreement”), which will include as an exhibit thereto the form of the Air Rights PSA (which, in turn, will include as exhibits thereto the forms of A/R Marina Lease and the REA), and which will provide for development of the Replacement Facilities, conveyance of the Air Rights Parcel and an amendment and restatement of the Marina Lease, to include, at a minimum, the following additional terms:

- a. Marina Lessee and Air Rights Purchaser will be responsible for submitting and obtaining any and all final, non-appealable development approvals for the Project (e.g., City Commission, Design Review Board, and Planning Board). Marina Lessee and Air Rights Purchaser acknowledge and agree that any such development approvals are subject to, and conditioned upon, approval by applicable development boards, in their sole and reasonable discretion.
- b. Except as to (i) involuntary transfers (as shall be defined in the Development Agreement and which will include, without limitation, foreclosure transfers and transfers in lieu of foreclosure), (ii) mortgages and pledges in favor of senior and mezzanine lenders that are “Institutional Lenders” (as shall be defined in the Development Agreement), (iii) transfers of direct/indirect ownership provided the principals of Marina Lessee and/or Air Rights Purchaser, in the aggregate, maintain control and majority ownership of the Marina Lessee and Air Rights Purchaser, as applicable, and (iv) transfers for estate planning purposes or as the result of death provided the transferor (or the applicable heir) retains control of the transferred interest, [Marina Lessee and Air Rights Purchaser]²¹ shall not be entitled to assign or transfer their respective rights under the Development Agreement until after the issuance of a CO for the Project. Any transferee shall assume all remaining obligations of Marina Lessee under the Development Agreement, including without limitation, Marina Lessee’s obligation to improve the Green Space as set forth in Section III, above.

²¹ Parties to Development Agreement to be discussed.

c. The term of the Development Agreement shall be for [_____] years.²² Time periods will be tolled due to force majeure (strikes, lockouts, acts of God, and other causes beyond the control of either party); appeals or other judicial or administrative challenges to Project approvals; and delays in obtaining permits from other governmental agencies. Notwithstanding the foregoing, in the event that a third party (unrelated or unaffiliated with the City, Air Rights Purchaser or the Marina Lessee) files any lawsuit, action or proceeding challenging the validity, issuance or execution, as applicable, of the sale of the Air Rights Parcel, the Air Rights PSA, the **Project Approvals** or the Development Agreement (each, a "Lawsuit"), then Air Rights Purchaser shall defend any such Lawsuit at its sole cost and expense using legal counsel reasonably acceptable to the City. Air Rights Purchaser shall further indemnify and hold the City harmless from and against all actual damages, losses, liabilities, fees, cost and expense (including attorneys' fees, costs and expenses) of any and every kind arising out of or relating to any such Lawsuit. The foregoing indemnity shall survive the expiration of earlier termination of the Air Rights PSA and the Development Agreement. Further, while any Lawsuit is pending, then Air Rights Purchaser shall not be required to close under the Air Rights PSA; and the City shall not be required to effectuate the Air Rights Parcel transfer, nor shall the terms of the Development Agreement become effective, until thirty (30) days after the Lawsuit has been completed and finally disposed of in a manner that sustains the validity of the challenged actions. If the Lawsuit is still pending for more than thirty (30) months after approval of the Development Agreement²³, Air Rights Parcel transfer, Air Rights PSA, and the Project Approvals, then:

1. any party to the Development Agreement or the Air Rights PSA, at its option, may elect to terminate the Development Agreement or the Air Rights PSA, without cause;
2. If the City elects to terminate the Development Agreement, City shall return to Air Rights Purchaser PSA Deposit;
3. the Air Rights Parcel transfer shall not be effectuated; and
4. the City and Air Rights Purchaser shall have no further obligation and/or liability to each other, and the City and the Marina Lessee shall have no further obligation and/or liability to each other.

Any such Termination of the Air Rights PSA shall automatically terminate the Development Agreement, and any such termination of the Development

²² Parties to discuss term. City proposes aligning term with outside dates for closing.

²³ Discuss baseline from which tolling will commence (item 18 on the white paper)

Agreement shall automatically terminate the Air Rights PSA. In such event the Marina Lease shall remain in effect, unmodified.

- VI. **Outside Counsel Review.** Marina Lessee and Air Rights Purchaser agree to reimburse the City for, or at City's option, pay directly, on a monthly basis, any attorney's fees incurred by the City for outside counsel's review and negotiation of the Development Agreement, the Air Rights PSA, and related agreements, not to exceed reasonable amounts, as mutually agreed upon by the Parties (which counsel shall be selected and approved by the City Attorney).

Addendum D

LEGAL DESCRIPTION



First American

Exhibit A

ISSUED BY

First American Title Insurance Company

File No: 1062-4670862

AREA 1 [UPLANDS]:

All of Lots 22 through 29, inclusive, and Lot 21, LESS the Southerly 40.00 feet thereof, in Block 111, of OCEAN BEACH, FLORIDA ADDITION NO. 3, according to the Plat thereof, as recorded in Plat Book 2, Page 81, of the Public Records of Miami-Dade County, Florida, TOGETHER WITH a 40.00 foot right-of-way on the Bay side of the Hope and Rebecca Tower Property, (being Lots 15 through 20 and the Southerly 40.00 feet of Lot 21, Block 111, of Ocean Beach, Florida Addition No. 3;

TOGETHER WITH an Easement over or under and upon the Westerly 100.00 feet of Lots 30 and 31, all in Block 111, OCEAN BEACH, FLORIDA ADDITION NO. 3; as recorded in Plat Book 2, Page 81, of the Public Records of Miami-Dade County, Florida.

AREA 2 [SUBMERGED LANDS]:

A portion of land lying West of and adjacent to Block 111, of OCEAN BEACH, FLORIDA ADDITION NO. 3, according to the Plat thereof, as recorded in Plat Book 2, at Page 81, of the Public Records of Miami-Dade County, Florida, more particularly described as follows; Commence at the Northwest corner of Section 3, Township 54 South, Range 42 East; Thence run Easterly along the North line of said Section 3 for 1,350.00 feet, more or less, to a point on the East line of Block 90 of the aforementioned Plat; Thence run South 00 degrees 30'00" E along the East line of Blocks 90, 89, 88, 87, 86, 85, 84, 83, 82, 81, 80, 79 and a portion of Block 111 and along their Southerly extensions for 5,207.00 feet to the Southeast corner of Lot 1, Block 111 of said Subdivision; Thence run S 89 degrees 05'00" W, along the South line of said Lot 1, Block 111 for 260.00 feet to a point on the East water line of Biscayne Bay, said point also being the POINT OF BEGINNING of the Tract of land hereinafter described; Thence run N 32 degrees 12' 16" W, along a line 300.00 feet West of and parallel with the Westerly right of way line of Alton Road for 2,159.28 feet to a point, Thence run N 28 degrees 29'08" W for 323.93 feet to an intersection with a line that is 35.00 feet Northerly of and parallel with the North line of a lot designated 49 B as shown on the AMENDED PLAT OF LOTS 43 TO 50, BLOCK 111, OCEAN BEACH, FLA., ADDITION NO. 3, as recorded in Plat Book 14, at Page 70, of the Public Records of Miami-Dade County, Florida; Thence run N 88 degrees 07'28" W for 35.69 feet; Thence run S 57 degrees 47'44" W for 254.60 feet; Thence run N 32 degrees 12'16" W for 20.00 feet; Thence run S 57 degrees 47'44" W for 300.00 feet to a point; Thence run S 32 degrees 12' 16" E for 1,154.00 feet to a point; Thence run S 57 degrees 47'44" W for 150.00 feet to a point; Thence run S 32 degrees 12' 16" E for 500.00 feet to a point; Thence run N 57 degrees 47'44" E for 150.00 feet to a point; Thence run S 32 degrees 12' 16" E for 912.00 feet to a point; Thence run S 67 degrees 48'22" E for 347.79 feet to a point; Thence run N 57 degrees 47'44" E for 360.62 feet, more or less, to other lands of The City of Miami Beach; Thence run N 32 degrees 11 '37" W for 326.25 feet, more or less, by other lands of The City of Miami Beach, to the POINT OF BEGINNING.

Addendum E

CLIENT ENGAGEMENT & SCOPE OF WORK

Proposal and Contract for Services

CBRE, Inc.
777 Brickell Avenue, Suite 1100
Miami, FL 33131
www.cbre.us/valuation

April 9, 2020

Stuart J. Lieberman, MAI
Vice President

Mark M. Milisits, RPA
Division Director
MIAMI BEACH
1833 Bay Road, 2nd Floor
Miami Beach, FL 33139
Phone: 305.673.7000
Email: MarkMilisits@miamibeachfl.gov

RE: Assignment Agreement
Wet Slip Marina, Parking Garage & High-Rise Development Site
Miami Beach Marina, 344 - 400 Alton Road
Miami Beach, FL 33139

Dear Mr. Milisits:

We are pleased to submit this proposal and our Terms and Conditions for this assignment.

PROPOSAL SPECIFICATIONS

Purpose:	To estimate the Fair Market Value & Fair Market Rent of the referenced real estate
Premise:	As Is
Rights Appraised:	Fee Simple
Intended Use:	Internal Decision Making for marketing, and sale or lease negotiation purposes
Intended User:	The intended user is the City of MIAMI BEACH ("Client"), and such other parties and entities (if any) expressly recognized by CBRE as "Intended Users" (as further defined herein).
Reliance:	Reliance on any reports produced by CBRE under this Agreement is extended solely to parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the respective reports, provided that any conditions to such acknowledgement required by CBRE or hereunder have been satisfied. Parties or entities other than Intended Users who obtain a copy of the report or any portion thereof (including Client if it is not named as an Intended User), whether as a result of its direct dissemination or by any other means, may not rely upon

any opinions or conclusions contained in the report or such portions thereof, and CBRE will not be responsible for any unpermitted use of the report, its conclusions or contents or have any liability in connection therewith.

Inspection:

CBRE will conduct a physical inspection of both the interior and exterior of the subject property, as well as its surrounding environs on the effective date of appraisal, subject to CDC guidelines.

Valuation Approaches:

The Sales Comparison and Income Capitalization Approaches will be completed.

Report Type:

Standard Appraisal Report

Appraisal Standards:

USPAP

Appraisal Fee:

\$18,000

*\$250 to \$350 per hour for in person meetings, conferences, hearings and-or expanded scope of work, if needed.

Expenses:

Fee includes all associated expenses

Retainer:

A retainer of \$10,000 is required

Payment Terms:

Final payment is due upon delivery of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. The fee is considered earned upon delivery of the draft report.

Delivery Instructions:

We will invoice you for the assignment in its entirety at the completion of the assignment.

CBRE encourages our clients to join in our environmental sustainability efforts by accepting an electronic copy of the report.

An Adobe PDF file via email will be delivered to MarkMilisits@miamibeachfl.gov. The client has requested Three (3) bound final copy (ies).

Delivery Schedule:**Preliminary Value:**

Not Required

Draft Report:

Upon Client's request

Final Report:

_20 business days / 4-weeks after the Start Date

Start Date:

The appraisal process will start upon receipt of your signed agreement, the retainer, and the property specific data.

Acceptance Date:

These specifications are subject to modification if this proposal is not accepted within 20 business days from the date of this letter.

Market Volatility:

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a global pandemic on the 11th March 2020, is causing heightened uncertainty in both local and global market conditions. Our valuation is based on the information available to us at the date of valuation. You acknowledge that our reports may include clauses highlighting the heightened market uncertainty if appropriate, and we recommend our valuation is kept under frequent review.

Both governments and companies are initiating travel restrictions, quarantine and additional safety measures in response to the COVID-19 pandemic. If, at any point, our ability to deliver the services under this LOE are restricted due to the pandemic, we will inform you within a reasonable timeframe and work with you on how to proceed. Whilst we will endeavor to meet the required timeframe for delivery, you acknowledge any Government or company-imposed restrictions due to the virus may impede our ability to meet the timeframe and/or deliverables of this engagement, and delays may follow. Any delays or inability to deliver on this basis would not constitute a failure to meet the terms of this engagement.

When executed and delivered by all parties, this letter, together with the Terms and Conditions and the Specific Property Data Request attached hereto and incorporated herein, will serve as the Agreement for appraisal services by and between CBRE and Client. Each person signing below represents that it is authorized to enter into this Agreement and to bind the respective parties hereto.

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

Sincerely,

CBRE, Inc.
Valuation & Advisory Services



Stuart J. Lieberman, MAI
Vice President
As Agent for CBRE, Inc.
T 305.381.6472
stuart.lieberman@cbre.com

AGREED AND ACCEPTED

FOR MIAMI BEACH ("CLIENT"):

Signature

Jimmy Morales
Name305.673.7000
Phone Number

Date

City Manager
TitleMarkMilisits@miamibeachfl.gov
E-Mail AddressAPPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION

FOR APPRAISER:

Signature

Stuart J. Lieberman, MAI
Name4/20/2020
Phone Number

Date

Vice President
Titlestuart.lieberman@cbre.com
E-Mail Address

City Attorney

Date

ADDITIONAL OPTIONAL SERVICES

Assessment & Consulting Services: CBRE's Assessment & Consulting Services group has the capability of providing a wide array of solution-oriented due diligence services in the form of property condition and environmental site assessment reports and other necessary due diligence services (seismic risk analysis, zoning compliance services, construction risk management, annual inspections, etc.). CBRE provides our clients the full complement of due diligence services with over 260 employees in the U.S. that are local subject matter experts.

Initial below if you desire CBRE to contact you to discuss a proposal for any part or the full complement of consulting services, or you may reach out to us at

WhitePlainsProposals@cbre.com. We will route your request to the appropriate manager. For more information, please visit www.cbre.com/assessment.

TERMS AND CONDITIONS

1. The Terms and Conditions herein are part of an agreement for appraisal services (the "Agreement") between CBRE, Inc. (the "Appraiser") and the client signing this Agreement, and for whom the appraisal services will be performed (the "Client"), and shall be deemed a part of such Agreement as though set forth in full therein. The Agreement shall be governed by the laws of the state where the appraisal office is located for the Appraiser executing this Agreement.
2. Client shall be responsible for the payment of all fees stipulated in the Agreement. Payment of the appraisal fee and preparation of an appraisal report (the "Appraisal Report, or the "report") are not contingent upon any predetermined value or on an action or event resulting from the analyses, opinions, conclusions, or use of the Appraisal Report. Final payment is due as provided in the Proposal Specifications Section of this Agreement. If a draft report is requested, the fee is considered earned upon delivery of the draft report. It is understood that the Client may cancel this assignment in writing at any time prior to delivery of the completed report. In such event, the Client is obligated only for the prorated share of the fee based upon the work completed and expenses incurred (including travel expenses to and from the job site), with a minimum charge of \$500. Additional copies of the Appraisal Reports are available at a cost of \$250 per original color copy and \$100 per photocopy (black and white), plus shipping fees of \$30 per report.
3. If Appraiser is subpoenaed or ordered to give testimony, produce documents or information, or otherwise required or requested by Client or a third party to participate in meetings, phone calls, conferences, litigation or other legal proceedings (including preparation for such proceedings) because of, connected with or in any way pertaining to this engagement, the Appraisal Report, the Appraiser's expertise, or the Property, Client shall pay Appraiser's additional costs and expenses, including but not limited to Appraiser's attorneys' fees, and additional time incurred by Appraiser based on Appraiser's then-prevailing hourly rates and related fees. Such charges include and pertain to, but are not limited to, time spent in preparing for and providing court room testimony, depositions, travel time, mileage and related travel expenses, waiting time, document review and production, and preparation time (excluding preparation of the Appraisal Report), meeting participation, and Appraiser's other related commitment of time and expertise. Hourly charges and other fees for such participation will be provided upon request. In the event Client requests additional appraisal services beyond the scope and purpose stated in the Agreement, Client agrees to pay additional fees for such services and to reimburse related expenses, whether or not the completed report has been delivered to Client at the time of such request.
4. Appraiser shall have the right to terminate this Agreement at any time for cause effective immediately upon written notice to Client on the occurrence of fraud or the willful misconduct of Client, its employees or agents, or without cause upon 5 days written notice.
5. In the event Client fails to make payments when due then, from the date due until paid, the amount due and payable shall bear interest at the maximum rate permitted in the state where the office is located for the Appraiser executing the Agreement. In the event either party institutes legal action against the other to enforce its rights under this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and expenses. Each party waives the right to a trial by jury in any action arising under this Agreement.
6. Appraiser assumes there are no major or significant items or issues affecting the Property that would require the expertise of a professional building contractor, engineer, or environmental consultant for Appraiser to prepare a valid report. Client acknowledges that such additional expertise is not covered in the Appraisal fee and agrees that, if such additional expertise is required, it shall be provided by others at the discretion and direction of the Client, and solely at Client's additional cost and expense.
7. Client acknowledges that Appraiser is being retained hereunder as an independent contractor to perform the services described herein and nothing in this Agreement shall be deemed to create any other relationship between Client and Appraiser. This engagement shall be deemed concluded and the services hereunder completed upon Appraiser's completion of all services and tasks set forth in this Agreement and the delivery to Client of the final Appraisal Report discussed herein.

8. All statements of fact in the report which are used as the basis of the Appraiser's analyses, opinions, and conclusions will be true and correct to Appraiser's actual knowledge and belief. Appraiser does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the condition of the Property furnished to Appraiser by Client or others. TO THE FULLEST EXTENT PERMITTED BY LAW, APPRAISER DISCLAIMS ANY GUARANTEE OR WARRANTY AS TO THE OPINIONS AND CONCLUSIONS PRESENTED ORALLY OR IN ANY APPRAISAL REPORT, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE EVEN IF KNOWN TO APPRAISER. Furthermore, the conclusions and any permitted reliance on and use of the Appraisal Report shall be subject to the assumptions, limitations, and qualifying statements contained in the report.
9. Appraiser shall have no responsibility for legal matters, including zoning, or questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The report will not constitute a survey of the Property analyzed.
10. Client shall provide Appraiser with such materials with respect to the assignment as are requested by Appraiser and in the possession or under the control of Client. Client shall provide Appraiser with sufficient access to the Property to be analyzed, and hereby grants permission for entry unless discussed in advance to the contrary.
11. The data gathered in the course of the assignment (except data furnished by Client) and the report prepared pursuant to the Agreement are, and will remain, the property of Appraiser. With respect to data provided by Client, Appraiser shall not violate the confidential nature of the Appraiser-Client relationship by improperly disclosing any proprietary information furnished to Appraiser. Notwithstanding the foregoing, Appraiser is authorized by Client to disclose all or any portion of the report and related data as may be required by statute, government regulation, legal process, or judicial decree, including to appropriate representatives of the Appraisal Institute if such disclosure is required to enable Appraiser to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
12. Unless specifically noted, in preparing the Appraisal Report the Appraiser will not be considering the possible existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (collectively, "Hazardous Material") on or affecting the Property, or the cost of encapsulation or removal thereof. Further, Client represents that there is no major or significant deferred maintenance of the Property that would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, at Client's discretion and direction, and are not covered as part of the Appraisal fee.
13. In the event Client intends to use the Appraisal Report in connection with a tax matter, Client acknowledges that Appraiser provides no warranty, representation or prediction as to the outcome of such tax matter. Client understands and acknowledges that any relevant taxing authority (whether the Internal Revenue Service or any other federal, state or local taxing authority) may disagree with or reject the Appraisal Report or otherwise disagree with Client's tax position, and further understands and acknowledges that the taxing authority may seek to collect additional taxes, interest, penalties or fees from Client beyond what may be suggested by the Appraisal Report. Client agrees that Appraiser shall have no responsibility or liability to Client or any other party for any such taxes, interest, penalties or fees and that Client will not seek damages or other compensation from Appraiser relating to any such taxes, interest, penalties or fees imposed on Client, or for any attorneys' fees, costs or other expenses relating to Client's tax matters.
14. Appraiser shall have no liability with respect to any loss, damage, claim or expense incurred by or asserted against Client arising out of, based upon or resulting from Client's failure to provide accurate or complete information or documentation pertaining to an assignment ordered under or in connection with this Agreement, including Client's failure, or the failure of any of Client's agents, to provide a complete copy of the Appraisal Report to any third party.
15. LIMITATION OF LIABILITY. EXCEPT TO THE EXTENT ARISING FROM SECTION 16 BELOW, OR SECTION 17 IF APPLICABLE, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATE, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR CONTRACTORS BE LIABLE TO THE OTHER, WHETHER BASED IN CONTRACT, WARRANTY, INDEMNITY, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT OR OTHERWISE, FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, INCIDENTAL OR INDIRECT DAMAGES, AND AGGREGATE DAMAGES IN CONNECTION WITH THIS AGREEMENT FOR EITHER PARTY (EXCLUDING THE OBLIGATION TO PAY THE

FEES REQUIRED HEREUNDER) SHALL NOT EXCEED THE GREATER OF THE TOTAL FEES PAYABLE TO APPRAISER UNDER THIS AGREEMENT OR TEN THOUSAND DOLLARS (\$10,000). THIS LIABILITY LIMITATION SHALL NOT APPLY IN THE EVENT OF A FINAL FINDING BY A COURT OF COMPETENT JURISDICTION THAT SUCH LIABILITY IS THE RESULT OF A PARTY'S FRAUD OR WILLFUL MISCONDUCT.

16. Client shall not disseminate, distribute, make available or otherwise provide any Appraisal Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Appraisal Report, in whole or in part, in any offering or other material intended for review by other parties) except to (i) any third party expressly acknowledged in a signed writing by Appraiser as an "Intended User" of the Appraisal Report provided that either Appraiser has received an acceptable release from such third party with respect to such Appraisal Report or Client provides acceptable indemnity protections to Appraiser against any claims resulting from the distribution of the Appraisal Report to such third party, (ii) any third party service provider (including rating agencies and auditors) using the Appraisal Report in the course of providing services for the sole benefit of an Intended User, or (iii) the extent required by statute, government regulation, legal process, or judicial decree, including as required under the Public Records Laws, including, without limitation, Chapter 119, Florida statutes. In the event Appraiser consents, in writing, to Client incorporating or referencing the Appraisal Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Appraiser with complete copies of such materials and Appraiser has approved all such materials in writing. Client shall not modify any such materials once approved by Appraiser. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, in no event shall the receipt of an Appraisal Report by such party extend any right to the party to use and rely on such report, and Appraiser shall have no liability for such unauthorized use and reliance on any Appraisal Report.
17. Time Period for Legal Action. Except to the extent prohibited by applicable law, unless the time period is shorter under applicable law, and except in connection with paragraph 16 above, Appraiser and Client agree that any legal action or lawsuit by one party against the other party or its affiliates, officers, directors, employees, contractors, agents, or other representatives, whether based in contract, warranty, indemnity, negligence, strict liability or other tort or otherwise, relating to (a) this Agreement or the Appraisal Report, (b) any services or appraisals under this Agreement or (c) any acts or conduct relating to such services or appraisals in connection with this Agreement, shall be filed within three (3) years from the date of delivery to Client of the Appraisal Report to which the claims or causes of action in the legal action or lawsuit relate. The time period stated in this section shall not be extended by any incapacity of a party or any delay in the discovery or accrual of the underlying claims, causes of action or damages.

Proposal and Contract for Services

SPECIFIC PROPERTY DATA REQUEST

In order to complete this assignment under the terms outlined, CBRE, Inc., Valuation & Advisory Services, will require the following specific information for the property:

1. PLEASE NOTIFY US IMMEDIATELY IF ANY OTHER CBRE SERVICE LINE (INCLUDING CAPSTONE) IS INVOLVED IN THE BROKERAGE, FINANCING, INVESTMENT OR MANAGEMENT OF THIS ASSET.

Right-click to select data request list

If any of the requested data and information is not available, CBRE, Inc., reserves the right to extend the delivery date by the amount of time it takes to receive the requested information or make other arrangements. Please have the requested information delivered to the following:

Stuart J. Lieberman, MAI
Vice President
stuart.lieberman@cbre.com
CBRE, Inc.
Valuation & Advisory Services
777 Brickell Avenue, Suite 1100
Miami, FL 33131



City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov
PROPERTY MANAGEMENT DEPARTMENT
Office of Real Estate
Tel: 305-673-7193 / Fax: 305-673-7033

March 9, 2020

Sent Via E-Mail

Re: Market Value Appraisal for the Miami Beach Marina site located at 344 Alton Road, Miami Beach, Florida.

To Whom It May Concern:

Please be advised that the City of Miami Beach (City) is evaluating the proposed redevelopment of the Miami Beach Marina site and is seeking bids to establish the market value of the property, which is more specifically described below:

Miami Beach Marina Site: (as depicted on the attached Exhibit A:

Area 1: Upland parcel consisting of approximately 155,200 square feet of land area (Folio #: 02-4203-009-9210 at 125,200 square feet and Folio #: 02-4203-009-9250 at 30,000 square feet per Miami-Dade County Property Appraiser)

Area 2: Approximately 1,648,937 square feet of submerged land, pursuant to that certain Sovereignty Submerged Lands Lease between the City and the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida (Lessor), recorded December 12, 2010. The lease commenced April 28, 2010 and expires January 21, 2036, and provides for approximately 406 boat slips, with an annual fee payable to Lessor in the amount of \$207,731 (2020), plus annual CPI increases.

Area 3: Ground floor of the parking garage at the Yacht Club at Portofino Condominium, 90 Alton Road, consisting of approximately 115 parking spaces, as well as permanent laundry, lavatory and shower facilities.

Ground floor of the parking garage at the Murano at Portofino Condominium, 1000 South Pointe Drive, consisting of approximately 108 parking spaces, as well as permanent laundry, lavatory and shower facilities.

Area 4: Ground floor of the parking garage at the Murano Grande at Portofino Condominium, 400 Alton Road, consisting of approximately 142 parking spaces, as well as permanent laundry, lavatory and shower facilities, a trash room and a maintenance room.

Ground floor of the parking garage at the Icon Condominium, 450 Alton Road, consisting of approximately 206 parking spaces, as well as

permanent office space (approximately 4,769 square feet) and an electric room.

The appraisal should determine the following:

1. The fair market value of the development rights associated with Area 1, to be sold/transferred to the developer, less approximately 43,000 square feet of retail/restaurant space to be owned by the City and included in the lease to the marina lessee.
2. The fair market rental value of the marina lease, including items such as base rent, percentage rent, annual increases, public benefits, etc., taking into consideration the following:
 - i) The current marina lease shall be extended for a total term up to 99 years, including renewal options.
 - ii) The marina lessee shall retain the right to operate the boat slips located on Area 2.
 - iii) The marina lease shall include approximately 43,000 square feet of retail/restaurant space to be located on Area 1.
 - iv) Revenue to marina lessee from all operations including, but not limited to, ancillary uses such as retail rent/income, fuel sales, parking, etc.
 - v) The marina lessee shall retain the right to operate and maintain the four (4) garage units located on Areas 3 & 4 (containing approximately 571 parking spaces).

Please submit a proposal to provide these services no later than Monday, March 16, 2020. Please be advised that **TIME IS OF THE ESSENCE** for this project and, as such, weighting of turnaround time will be given additional consideration for this proposal. Your proposal should reflect the cost and the date by which a fully certified appraisal will be completed and delivered to the City. Please include a resume for the appraiser who will be preparing the appraisal on behalf of the City, including the license information for said appraiser. Additionally, please provide at least two (2) examples of similar appraisals which have been completed within the last five (5) years.

Please submit your cost and time frame proposal via e-mail to markmilisits@miamibeachfl.gov

Please let me know if you have any questions or require additional information. I may be reached at (305) 673-7000 extension 26443.

Sincerely,

Mark Milisits

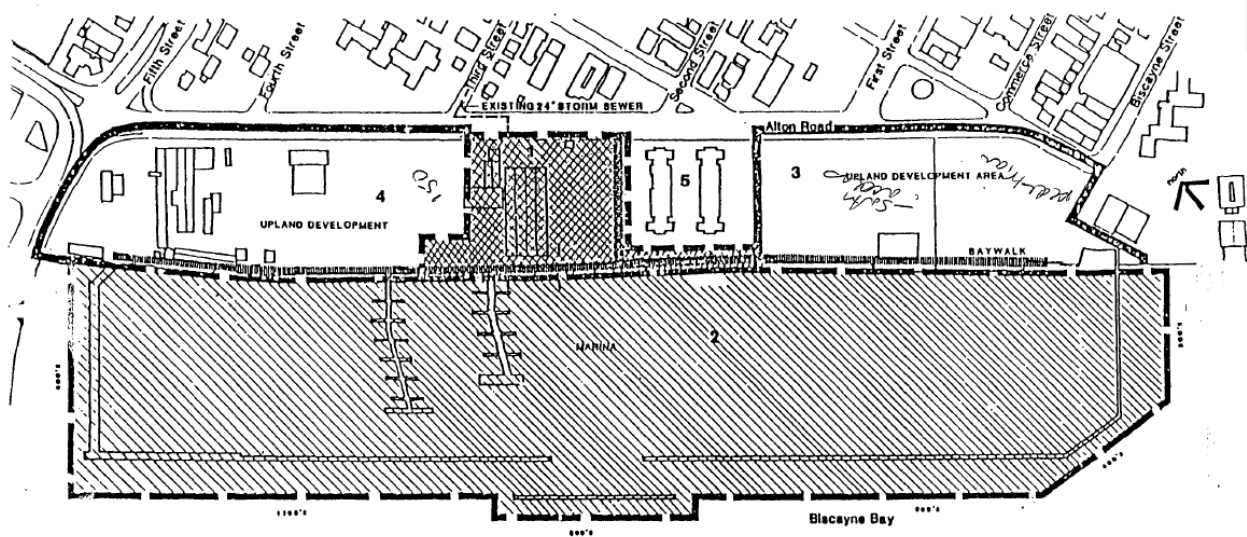
Mark M. Milisits, RPA
Division Director

Attachment:

A Miami Beach Marina Site

F:\RHCD\\$\ALL\ECON\\$\ALL\ASSET\APPRAISALS\Miami Beach Marina\Miami Beach Marina - Appraisal Quote Request (03-09-20).docx

We are committed to providing excellent public service and safety to all who live, work, and play in our vibrant, tropical, historic community.

Exhibit A

LEGEND

- | | | |
|----|---|--|
| 1. | United Nations Secret. | |
| 2. | 1941 - 1942 and 1943 - 1944 (see the monthly file) (black 11) (see black 11) (black 11) (see 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822 | |

We are committed to providing excellent public service and safety to all who live, work, and play in our vibrant, tropical, historic community.

Addendum F

QUALIFICATIONS

Stuart J. Lieberman, MAI

Vice President, Florida-Caribbean Region

CBRE



T +13053816472
M +13053816462
Stuart.lieberman@cbre.com

777 Brickell Avenue
Suite 1100
Miami, FL 33131

Clients Represented

- BankUnited
- Ocean Bank
- Centennial Bank
- C-III Asset Management
- City of Miami
- Miami-Dade County, Internal Services Dept.

Experience

Stuart J. Lieberman, MAI is a Vice president with over 30 years of real estate appraisal and consulting experience. Mr. Lieberman is in the Valuation & Advisory Services Group's Miami office in the South Florida/Caribbean Region.

Since 1987, Mr. Lieberman has provided real estate valuation and consulting services to the financial lending community, institutional clients, government agencies, corporate entities, legal & accounting professionals, developers and private individuals. Mr. Lieberman has experience providing market studies, feasibility studies, highest & best use analysis, market rent studies, expert testimony & litigation support and portfolio analysis.

Mr. Lieberman's experience encompasses a wide variety of property types including single & multi-family residential, senior housing, mobile home parks, high density urban & ocean front developments, open space & public parks, automobile dealerships, service stations & convenience stores, funeral homes, medical office & surgical centers, mixed-use office, financial institutions & branch banks, retail shopping centers & regional malls, parking garages, restaurants & night clubs, movie theatres, health & fitness clubs, marinas & shipping terminals, FBOs (fixed base operations), industrial flex warehouses, bulk distribution, truck terminals, refrigeration warehouses, R&D, business parks, self-storage facilities; and, special purpose properties, including bowling alleys, broadcasting facilities, car wash, historical properties, public & private schools, day care facilities, houses of worship & religious facilities, tourist attractions, sport arenas and entertainment venues & theatres.

Professional Affiliations / Accreditations

- Appraisal Institute – Designated Member No. 12003
- Certified General Real Estate Appraiser, State of Florida License RZ 1074
- Licensed Real Estate Broker – Associate, State of Florida License BK 0477878

Education

- University of South Florida, Tampa, FL, BA, Political Science – 1985
- Appraisal Institute, American Institute of Real Estate Appraisers, Society of Real Estate Appraisers and Florida Real Estate Commission core courses, electives and seminars.



RICK SCOTT, GOVERNOR

JONATHAN ZACHEM, SECRETARY



STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD

THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE
PROVISIONS OF CHAPTER 475, FLORIDA STATUTES

LIEBERMAN, STUART JAY

777 BRICKELL AVE
STE 910
MIAMI FL 33131

LICENSE NUMBER: RZ1074

EXPIRATION DATE: NOVEMBER 30, 2020

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James E. Agner, MAI, AI-GRS

CBRE

Senior Managing Director, Florida-Caribbean Region



T + 1 305 381 6480
james.agner@cbre.com
www.cbre.com/James.Agner

777 Brickell Ave., Suite 1100
Miami, FL 33131

Clients Represented

- LNR Partners
- Bank of America Merrill Lynch
- SunTrust Bank
- PNC Bank
- Mercantil
- Popular Community Bank
- 5/3 Bank
- Iberia Bank
- Santander Bank
- Regions Bank
- TD Bank
- Bank United
- BB&T Bank
- CitiBank
- Deutsche Bank
- Ocean Bank
- Centennial Bank
- Bank of the Ozark
- First Bank Florida

Experience

James Agner is the Senior Managing Director of the Valuation & Advisory Services for the Florida-Caribbean Region. Located in the CBRE Miami office since 1995, Mr. Agner has over thirty years of real estate appraisal and consulting experience throughout the State of Florida, with primary experience in South Florida and in the Caribbean. Mr. Agner is a designated member of the Appraisal Institute (MAI) and General Review Specialist (AI-GRS), member of the Society of Golf Appraisers (SGA), and Royal Institution of Chartered Surveyors (MRICS) and is licensed as a Certified General Real Estate Appraiser in the State of Florida and Georgia. He also has provided expert witness testimony in the Circuit Courts – State of Florida and United States Bankruptcy Courts.

As Senior Managing Director, Mr. Agner leads a valuation and advisory staff in Miami and Palm Beach Counties that provides exceptional quality appraisal work and client service in South Florida, Treasure Coast and the Florida Keys. He also coordinates all activities for Florida and in the Caribbean, including overseeing new business development, client relations and appraisal quality control production. Mr. Agner is also the National Director of the Golf Valuation Group and the Net Lease Valuation Group for CBRE.

Professional Affiliations / Accreditations

- Appraisal Institute – Designated Member (MAI), Certificate No. 7791
- Appraisal Institute – General Review Specialist (AI-GRS), Certificate No. 69150
- Society of Golf Appraisers (SGA), Certificate No. 25
- Royal Institution of Chartered Surveyors – Member (MRICS), Certificate No. 7505662
- Certified General Real Estate Appraiser, State of Florida, #RZ382
- Certified General Real Estate Appraiser, State of Georgia, #345321
- Licensed Real Estate Broker, State of Florida, BK402088

Education

- Florida State University, Tallahassee, FL
 - Bachelors of Science in Business Administration, Marketing - 1981



Ron DeSantis, Governor

Halsey Beshears, Secretary



STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

FLORIDA REAL ESTATE APPRAISAL BD

THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE
PROVISIONS OF CHAPTER 475, FLORIDA STATUTES

AGNER, JAMES E

777 BRICKELL AVE SUITE 1100
MIAMI FL 33131

LICENSE NUMBER: RZ382

EXPIRATION DATE: NOVEMBER 30, 2020

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WALTER DUKE +PARTNERS

C O M M E R C I A L
REAL ESTATE VALUATION

REAL ESTATE APPRAISAL REPORT OF MIAMI BEACH MARINA

LOCATED AT

300 Alton Road
Miami Beach, Miami-Dade County, Florida 33139

FOR

City of Miami Beach
1700 Convention Center Drive
Miami Beach, Florida 33129
Attention: Mr. Mark M. Milisits, RPA

PREPARED BY

Walter B. Duke, III, MAI, CCIM
Albert D. Owler
Andrew Rolf, MAI
2860 W State Road 84, Suite 109
Fort Lauderdale, FL 33312-4804

WALTER DUKE + PARTNERS

COMMERCIAL REAL ESTATE VALUATION

Walter B. Duke, III, MAI, CCIM
State Certified General Appraiser 375

June 2, 2020

Mr. Mark M. Milisits, RPA
Division Director
City of Miami Beach
1700 Convention Center Drive
Miami Beach, Florida 33139

Re: Miami Beach Marina
300 Alton Road
Miami Beach, Miami-Dade County, Florida 33139

Dear Mr. Milisits:

As requested, Walter Duke + Partners has performed a real estate appraisal report of the above referenced property. This appraisal report is intended to comply with the reporting standards set forth under Standard Rule 2-2 of the Uniform Standards of Professional Appraisal Practice (USPAP).

The subject property of this appraisal is broken out into four distinct areas, which are as follows:

- **Area 1**
- Upland parcel consisting of approximately 152,981 square feet of land area, Folio#: 02-4203-009- 9210 at 125,200 square feet and Folio#: 02-4203-009-9250 at 30,000 square feet per Miami-Dade County Property Appraiser.
- **Area 2**
- Approximately 1,648,937 square feet of submerged land, pursuant to that certain Sovereignty Submerged Lands Lease between the City and the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida (Lessor), recorded December 12, 2010.
- **Area 3**
- Ground floor of the parking garage at the Yacht Club at Portofino Condominium, 90 Alton Road, consisting of approximately 115 parking spaces, as well as permanent laundry, lavatory and shower facilities.
- Ground floor of the parking garage at the Murano at Portofino Condominium, 1000 South Pointe Drive, consisting of approximately 108 parking spaces, as well as permanent laundry, lavatory and shower facilities.
- **Area 4**
- Ground floor of the parking garage at the Murano Grande at Portofino Condominium, 400 Alton Road, consisting of approximately 142 parking spaces, as well as permanent laundry, lavatory and shower facilities, a trash room and a maintenance room.

- Ground floor of the parking garage at the Icon Condominium, 450 Alton Road, consisting of approximately 206 parking spaces, as well as permanent office space (approximately 4,769 square feet) and an electric room.

More specifically the subject property “As Is” is described as follows:

- Most of the property is comprised of the Miami Beach Marina.
- The leased area totals 41.36 acres which is made up of 37.85 acres of submerged area (marina) and 3.51 acres of upland area (Core Building-Existing).
- There are a total of 287 individual in-water boat slips, 825 linear feet of floating docks used by transients, and 92 boat elevators.
- Total available dock space is estimated at 20,075 linear feet.
- In addition to the marina, there are a reported 571 parking spaces located on the first floor of the two adjoining condominium towers to the north and south of the Core Building.
- The north building has a reported 368 spaces and the south building has a reported 227 spaces.
- These parking spaces are critical for the operation of the facility and are owned by the City of Miami Beach and used together with the marina.
- It should be noted that the parking spaces are considered a separate use and residents of the two condominiums located above the parking garages cannot park in these areas. The upper levels of the parking lots located within the buildings are used only by the residents which have a separate entrance and exit.

In addition, the subject property “As Proposed” is described as follows:

- The leased area totals 41.36 acres which is made up of 37.85 acres of submerged area (existing marina) and 3.51 acres of upland area as previously described.
- The proposed development of a parking garage with 270 spaces and 45,000 square feet of mixed-use space including restaurant, office and retail areas on three levels, located on the 4.17 acres of upland area where the Core building had been located.
- Above the parking garage and mixed uses space, a sixty-unit luxury condominium building will be developed.
- The city of Miami Beach will sell the air development rights to the developer located above the previously described area.
- The land located between the new development west ward to the shoreline will be developed as green space for public use.
- Zoning would be changed from GU to CPS-4.
- The existing marina lease would be extended to 99 years.
- The marina lessee will commit to making \$35 million of capital improvements to the marina over the lease term to enhance property operation and maintain its competitive position as a Class “A: marina facility.
- For purposes of this valuation analysis a Class “A” marina is defined as follows:
 - Greater than 200 slips whether dry or wet slips, or a combination of both.
 - Located near a downtown core district or near an inlet to a major body of water.
 - Best in class regarding infrastructure and management of the facility, relative to competition.
 - Modern infrastructure, preferably a floating dock system and or hurricane resistant storage building.
 - Modern utility services with voltage and amperage high enough to service the entire facility at 100% occupancy for class of vessels docking at the facility.
 - Quality and condition of infrastructure, at a minimum, in average condition for age.

- Florida Clean Marine designation.
- Management and personnel trained and certified, specifically the dockmaster.
- Comprehensive maintenance program keeping the facility in top working order with excellent curb appeal and with little or no deferred maintenance items.
- Rents and fuel sales at the top tier of market

The purpose of the report is to estimate:

1. The market value of the development rights associated with Area 1, to be sold/transferred to the developer, less approximately 45,000 square feet of retail/restaurant space to be owned by the City and included in the lease to the marina lessee. "Air Rights"
2. The fair market rental value of the marina lease, including items such as base rent, percentage rent, annual increases, public benefits, etc., taking into consideration the following:
 - The current marina lease shall be extended for a total term up to 99 years, including renewal options.
 - The marina lessee shall retain the right to operate the boat slips located on Area 2.
 - The marina lease shall include approximately 43,000 square feet of retail/restaurant space to be located on Area 1.
 - Revenue to marina lessee from all operations including, but not limited to, ancillary uses such as retail rent/income, fuel sales, parking, etc.
 - The marina lessee shall retain the right to operate and maintain the four (4) garage units located on Areas 3 & 4 (containing approximately 571 parking spaces).

The accompanying report describes in summary the neighborhood, site, improvements, approaches to value, and other pertinent data that was used to solve the appraisal problem. The appraisal is subject to the assumptions and contingent and limiting conditions set forth in the report. This appraisal report has been prepared in conformance with the appraisal regulations issued by the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation and the Code of Professional Ethics and Standards of Appraisal Practice of the Appraisal Institute.

This appraisal report was prepared for and submitted to City of Miami Beach and/or affiliates for the intended use of internal evaluation of a potential re-casting an existing ground lease and sale of fee simple air rights to a third party. as well as Air Rights Valuation for the City of Miami Beach and/or participants. Unless we consent in writing, this appraisal report cannot be used by any other person/entity or for any other purpose. If City of Miami Beach submits the appraisal report or directs Walter Duke + Partners to submit the appraisal report to a third party recipient with the prior approval of Walter Duke + Partners, such party should consider the appraisal report as one factor and should utilize such within its own independent investment considerations and underwriting criteria as part of its overall investment decision. Such third-party recipient is cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions, General Assumptions and Limiting Conditions, and the agreed upon specific scope of work between Walter Duke + Partners and City of Miami Beach

As of the date of this report, the global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). The world economy is in a state of high volatility based on the uncertainty of the outcome of the impact of the virus. In the United States, the federal, state and local governments are taking steps to limit the spread of the virus that have negatively impacted several facets of the economy including travel, tourism and hospitality. Based on the results of historic pandemics of the 20th century (Swine Flu, Asian Flu, Hong Kong Flu, SARS, MERS, EBOLA and HIV/AIDS) it is anticipated the current pandemic will

pass in time; however, the extent of the economic damage remains to be seen. Our opinions and conclusions are based on information available and accounts for market perception as of the date of this appraisal report. Your attention is drawn to Basic Assumptions and Limiting Conditions #21, #22 and #23.

Extraordinary Assumptions – (1) It should be noted that the estimates of prospective value are the presumption of good quality construction, competent management, aggressive marketing and economic stability. The prospective value estimates are subject to unforeseeable events that could alter market conditions prior to the effective date of the opinion. (2) The appraisers have relied on factual data regarding the subject property supplied to us by the owner. While we have attempted to confirm this data where possible, we have prepared the appraisal assuming the information provided to us is factual, except where otherwise noted. (3) The forecast for income, expenses, and absorption of space included herein are not predictions of the future, rather our best estimate of current market thinking on future income expenses and demand. We make no warranty or representation that these forecasts materialize. (4) Walter Duke + Partners has been provided with proposed construction costs, and pro-forma income and expense statements. If there is a significant change in this information, the value of the physical real estate, a revision of the appraisal report and opinion of value may be required.

Hypothetical Conditions – None were employed.

FAIR MARKET RENT CONCLUSION				
Appraisal Premise	Interest Appraised	Date of Value	Asset	Market Rent
Fair Market Rent	Leased Fee	7-May-20	Area 1 & 4	10% Gross Revenues
				\$242,250

FAIR MARKET RENT CONCLUSION				
Appraisal Premise	Interest Appraised	Date of Value	Asset	Market Rent
Fair Market Rent	Leased Fee	7-May-20	Area 2	10% Gross Revenues
				\$1,487,920

FAIR MARKET RENT CONCLUSION				
Appraisal Premise	Interest Appraised	Date of Value	Asset	Market Rent
As Is	Leasehold	7-May-20	Area 2	\$1.66 Per Linear Foot
Fair Market Rent				
				\$1.66 Per Linear Foot

FAIR MARKET RENT CONCLUSION				
Appraisal Premise	Interest Appraised	Date of Value	Asset	Market Rent
As Is	Leasehold	7-May-20	Area 1 & 4	\$40.50 Per SF
Fair Market Rent			Office	\$40.00 Per SF
			Retail	\$60.00 Per SF
			Restaurant	\$75.00 Per SF

FAIR MARKET RENT CONCLUSION				
Appraisal Premise	Interest Appraised	Date of Value	Asset	Market Rent
As Is	Leased Fee	7-May-20	Fuel Flow	\$0.02 Per Gallon
Fair Market Rent				
				\$0.04 Per Gallon

NET PRESENT VALUE - Existing 32-Year Lease Including Air Rights Parcel (City's Position)				
Appraisal Premise	Interest Appraised	Date of Value	Asset	Net Present Value
As Is	Leased Fee	7-May-20	Areas 1, 2, & 4	\$95,000,000

NET PRESENT VALUE Proposed 99-Year Lease Including Air Rights Parcel (City's Position)				
Appraisal Premise	Interest Appraised	Date of Value	Asset	Net Present Value
Fair Market Value	Leased Fee	7-May-20	Areas 1, 2, & 4	\$158,000,000

FAIR MARKET VALUE CONCLUSION - Air Rights				
Appraisal Premise	Interest Appraised	Date of Value	Asset	Market Value
Fee Simple	Air Rights	7-May-20	Areas 1 & 4	\$70,000,000

Thank you for the opportunity to serve you.

Sincerely,

Walter Duke + Partners



Walter Bryan Duke, III, MAI, CCIM
State-Certified General Real Estate Appraiser RZ375



Albert D. Owler
State-Certified General Real Estate Appraiser RZ2114



Andrew Scott Rolf, MAI
State-Certified General Real Estate Appraiser RZ3092

Appraisal Summary

Walter Duke + Partners File Number	200421-M
USPAP Reporting Format	Appraisal Report
Property Name	Miami Beach Marina
Address	300 Alton Road Miami Beach, Miami-Dade County, Florida
Tax Folio Number	02-4203-009-9250 02-4203-009-9210 02-4203-000-0010
Property Type	Full-Service Marina/Retail Space (Existing) Luxury Condominium/New Retail (Proposed)
Site Size (Gross)	41.36 Acres
(Upland)	3.51 Acres
(Submerged)	37.85 Acres
Enclosed Building Area	72,474 Square Feet, Multi-use building 1,250 Square Feet, Dock Master's Office 5,312 Square Feet, ICON Building (North) 493,285 Square Feet, Proposed
Zoning	GU, Government Use (Currently) CPS-4 Marina Sub District (Proposed)
Year Built	1985 thru 2014, periodically expanded and renovated
Highest and Best Use	
As Vacant	Marine related usage
As Improved	Marine related usage modified to modern marina standards with vertical residential development and additional commercial space on upland portion of overall property.
Flood Zone	"A"
FEMA Map Panel Number	120860319L, dated September 11, 2009
Census Tract	0045.00
Interest Appraised	Leased Fee/Fee Simple

FAIR MARKET RENT CONCLUSION				
Appraisal Premise	Interest Appraised	Date of Value	Asset	Market Rent
Fair Market Rent	Leased Fee	7-May-20	Area 1 & 4	10% Gross Revenues
				\$242,250

FAIR MARKET RENT CONCLUSION				
Appraisal Premise	Interest Appraised	Date of Value	Asset	Market Rent
Fair Market Rent	Leased Fee	7-May-20	Area 2	10% Gross Revenues
				\$1,487,920

FAIR MARKET RENT CONCLUSION				
Appraisal Premise	Interest Appraised	Date of Value	Asset	Market Rent
As Is	Leasehold	7-May-20	Area 2	\$1.66 Per Linear Foot
Fair Market Rent	\$1.66 Per Linear Foot			

FAIR MARKET RENT CONCLUSION				
Appraisal Premise	Interest Appraised	Date of Value	Asset	Market Rent
As Is	Leasehold	7-May-20	Area 1 & 4	\$40.50 Per SF
Fair Market Rent	Office \$40.00 Per SF			
	Retail \$60.00 Per SF			
	Restaurant \$75.00 Per SF			

FAIR MARKET RENT CONCLUSION				
Appraisal Premise	Interest Appraised	Date of Value	Asset	Market Rent
As Is	Leased Fee	7-May-20	Fuel Flow	\$0.02 Per Gallon
Fair Market Rent	\$0.04 Per Gallon			

NET PRESENT VALUE - Existing 32-Year Lease Including Air Rights Parcel (City's Position)				
Appraisal Premise	Interest Appraised	Date of Value	Asset	Net Present Value
As Is	Leased Fee	7-May-20	Areas 1, 2, & 4	\$95,000,000

NET PRESENT VALUE Proposed 99-Year Lease Including Air Rights Parcel (City's Position)				
Appraisal Premise	Interest Appraised	Date of Value	Asset	Net Present Value
Fair Market Value	Leased Fee	7-May-20	Areas 1, 2, & 4	\$158,000,000

FAIR MARKET VALUE CONCLUSION - Air Rights				
Appraisal Premise	Interest Appraised	Date of Value	Asset	Market Value
Fee Simple	Air Rights	7-May-20	Areas 1 & 4	\$70,000,000

Extraordinary Assumptions

(1) It should be noted that the estimates of prospective value are the presumption of good quality construction, competent management, aggressive marketing and economic stability. The prospective value estimates are subject to unforeseeable events that could alter market conditions prior to the effective date of the opinion. (2) The appraisers have relied on factual data regarding the subject property supplied to us by the owner. While we have attempted to confirm this data where possible, we have prepared the appraisal assuming the information provided to us is factual, except where otherwise noted. (3) The forecast for income, expenses, and absorption of space

included herein are not predictions of the future, rather our best estimate of current market thinking on future income expenses and demand. We make no warranty or representation that these forecasts materialize.

(4) Walter Duke + Partners has been provided with proposed construction costs, and pro-forma income and expense statements. If there is a significant change in this information, the value of the physical real estate, a revision of the appraisal report and opinion of value may be required.

Hypothetical Conditions

None were employed.

Date of Appraisal

May 7, 2020

Date of Report

June 2, 2020

Appraiser(s)

Walter B. Duke, III, MAI, CCIM

Albert D. Owler

Andrew S. Rolf, MAI

2860 W State Road 84, Suite 109

Fort Lauderdale, FL 33312-4804

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Certification of Appraisal

I certify that, to the best of my knowledge and belief,

- the statements of facts contained in this appraisal report, upon which the analyses, opinions, and conclusions were based, are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analysis, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- my compensation is not contingent upon a minimum valuation or an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
- the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute, which includes the Uniform Standards of Professional Appraisal Practice (USPAP).
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- the use of this report is subject to the requirements of the State of Florida relating to review by the Real Estate Appraisal Subcommittee of the Florida Real Estate Commission.
- as of the date of this report, Walter B. Duke, III, MAI, CCIM has completed the continuing education program for Designated Members of the Appraisal Institute.
- as of the date of this report, Andrew S. Rolf, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
- Andrew S. Rolf, MAI, Albert D. Owler and Walter B. Duke, III, MAI, CCIM made a personal inspection of the property that is the subject of this report on May 7, 2020.
- no one provided significant professional assistance to the person signing this report. The analyses, conclusions, and opinions contained in the report are the principal effort of the undersigned. However, certain functions, such as data collecting and verification, may have been performed by other members of the staff.
- Walter B. Duke, III, Andrew S. Rolf, and Albert D. Owler have not performed services as an appraiser or in any other capacity regarding the property that is the subject of this report within the past three-year period immediately preceding acceptance of this assignment.

Walter Duke + Partners



Walter Bryan Duke, III, MAI, CCIM
State-Certified General Real Estate Appraiser RZ375



Andrew Scott Rolf, MAI
State-Certified General Real Estate Appraiser RZ3092



Albert D. Owler
State-Certified General Real Estate Appraiser RZ2114

PHOTOGRAPHS

Aerial



Aerial Looking East
(Toward the Atlantic Ocean)

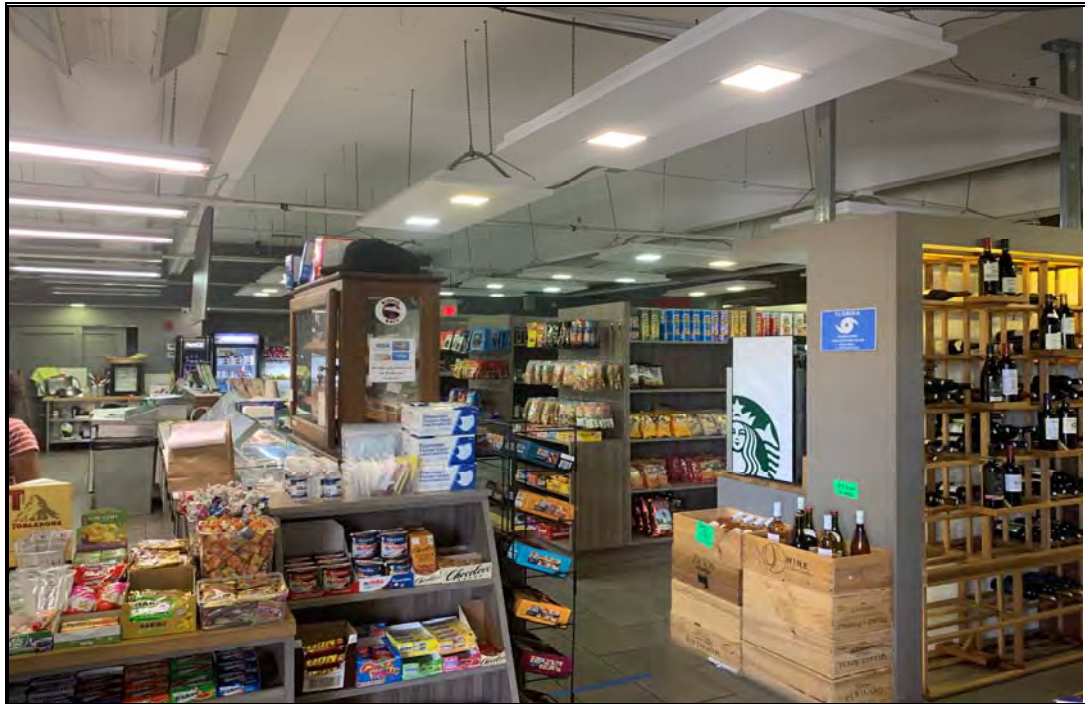




VIEW LOOKING SOUTHWEST AT THE CORE BUILDING



EXTERIOR VIEW WEST OF CORE BUILDING



INTERIOR VIEW OF DELI AREA



INTERIOR OF TYPICAL OFFICE STORE



VIEW OF DOCKS



DOCKMASTER'S OFFICE



VIEW OF BASIN



VIEW OF BOARDWALK



INTERIOR VIEW OF MEN'S BATHROOM AND SHOWERS



POOL AND PATIO AREA



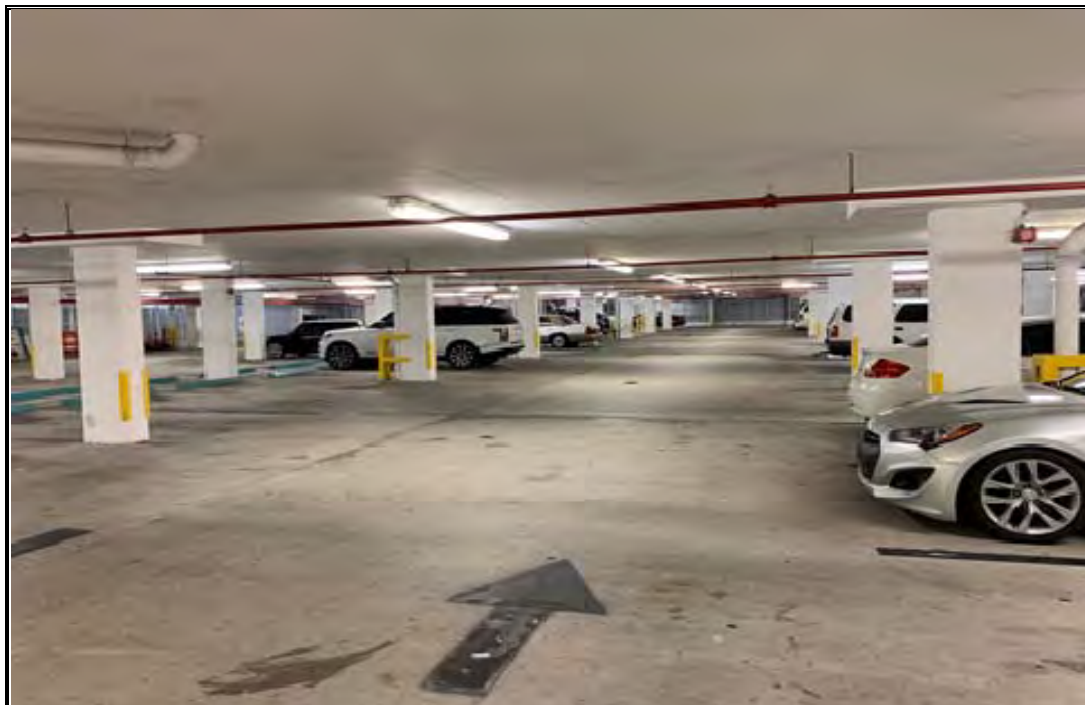
BOAT LIFT



BOAT ON A LIFT



NORTH PARKING GARAGE



SOUTH PARKING GARAGE



VIEW EAST OF ENTRANCE TO GOVERNMENT CUT



VIEW WEST TO PORT OF MIAMI



STREET SCENE – VIEW NORTH ALONG ALTON ROAD



STREET SCENE – VIEW SOUTH ALONG ALTON ROAD

Proposed Conceptual Plan



PREMISES OF THE APPRAISAL

Appraisal Format

Per the prior agreement between Walter Duke + Partners and City of Miami Beach, this appraisal report conforms to the Uniform Standards of Professional Appraisal Practice (USPAP).

Type and Definition of Value

The value opinion developed within this analysis is that of Market Value as defined within the Addenda of this report.

Intended Use of the Appraisal

This appraisal report was prepared for and submitted to City of Miami Beach and/or affiliates for the intended use of internal evaluation of a potential re-casting an existing ground lease and sale of fee simple air rights to a third party as well as Air Rights Valuation for the City of Miami Beach and/or participants. Unless we consent in writing, this appraisal report cannot be used by any other person/entity or for any other purpose. If City of Miami Beach submits the appraisal report or directs Walter Duke + Partners to submit the appraisal report to a third party recipient with the prior approval of Walter Duke + Partners, such party should consider the appraisal report as one factor and should utilize such within its own independent investment considerations and underwriting criteria as part of its overall investment decision. Such third-party recipient is cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions, General Assumptions and Limiting Conditions, and the agreed upon specific scope of work between Walter Duke + Partners and City of Miami Beach.

Terms and Definitions

Real Estate and Appraisal specific terms are defined within Addenda of this report.

Property Rights Appraised

The property rights appraised are all of those rights in *Leased Fee* interest.

Date of Appraisal

The effective date of the appraisal is May 7, 2020. This date coincides with the property inspection of the subject property, as well as when the subject was photographed.

Date of Report

The date of this report is June 2, 2020.

PRESENTATION OF DATA

Property Identification

The subject property is known as the Miami Beach Marina which is known throughout the entire yachting community as a “World Class” facility.

- The marina property is leased on a long-term basis from the City of Miami Beach. The current lease began on January 1, 1992 and ending on December 31, 2052 with extensions.
- The marina was only partially completed by the original developer, and the mixed use “Core” building was only a shell in 1992 when the property was leased to Mr. Robert Christoph of the RCI Group. The lessee completed the construction of both the marina and mixed use “Core” building.
- The majority of the property is comprised of the marina. The leased area totals 41.36 acres which is made up of 37.85 acres of submerged area (marina) and 3.51 acres of upland area (Core Building).
- There is a total of 287 individual in-water boat slips, 825 linear feet of floating docks used by transients, and 92 boat elevators. Total available dock space is estimated at 20,075 linear feet.
- In addition to the marina, there are a reported 571 parking spaces located on the first floor of the two adjoining condominium towers to the north and south of the Core Building.
- The north building has a reported 348 spaces and the south building has a reported 223 spaces.

These parking spaces are critical for the operation of the facility and are owned by the City of Miami Beach and used together with the marina. It should be noted that the parking spaces are considered a separate use and residents of the two condominiums cannot park in these areas. The upper levels of the parking lots located within the buildings are used only by the residents which have a separate entrance and exit.

The Core building which is located on the shoreline east of the marina is a mixed-use commercial development that has office, retail, and restaurant space. The gross building area is reported at 72,474 square feet and rentable area is calculated at 49,626 square feet.

The entire building is occupied with office and retail tenants, some having water views overlooking the marina and Government Cut to the west. To the south of the building is an open parking lot. The Core Building parking lot has a reported 120 spaces. The site of the subject property totals 3.51 acres is all upland area, and zoned GU, Government Use.

The ICON building is located at the northeast corner of the property and north of the Core Building. This portion of the property has office space for three tenants located on the first floor next to the covered parking garage used by the marina. This area is leased from the City of Miami and is part of the overall subject property. A total of 5,312 square feet of leasable space located in this area.

The subject site has numerous site improvements and building improvements which functions as one economic unit – a large full-service marina. These two properties, as combined, provide a unique blend of numerous uses that complement each other with a maritime motif as a full-service marina open to the public.

The property is located along the northeast bank of Government Cut within a neighborhood known as “South Beach.” The street address is 300 Alton Road, Miami Beach, Florida 33139.

Future Plans

The City of Miami Beach has been approached by Terra Group and the lessee of the Marina, Suntex, to re-cast the current ground lease, make certain improvements to the marina and redevelop the upland area where the existing core building is located.

The development features are as follows:

- The 3.51 acres of upland area will be developed with a sixty-unit luxury condominium building as on overbuild.
- The ground level will be developed with a below ground parking garage with 270 parking spaces. Of which 120 are slated for the condominium owners with the balance 150 space for the marina and mixed-use area.
- A mixed-use area above the parking garage will be developed with 45,000 square feet of restaurant, retail and office space.
- The mixed-use area will be leased, sublet, and maintained by Suntex the current marina lessee and operator. Suntex will commit to making \$35 million in improvements to the marina over the lease term.
- A green space area totaling 1.1 acres will be developed and maintained by the lessee and developer. This area runs westward from the building to the shoreline in front of the marina.
- The green space will be public access as well the mixed-use area of the new building.

- To the north of the new development will be an outdoor plaza that will total 25,880 square feet.
- Condominium owners would have a sperate entrance and private parking within the parking garage.
- Total building area is estimated at 493,285 square feet of which 215,000 SF will be sellable residential condominium area (3,583 SF unit average).

Scope of Work

The scope of work performed in a real estate appraisal is a description of the amount and type of information researched and the analysis applied in an assignment. Based upon the engagement letter dated April 1, 2020, the scope of work for this assignment is as follows:

Property Identification

The subject property was identified by street address, folio numbers, and legal description provided by the Miami Dade County Property Appraiser and the most recent public recorded deed.

Property Inspection

The subject property was visually inspected by Walter B. Duke, III, MAI, CCIM, Andrew Scott Rolf, MAI and Albert D. Owler on May 7, 2020, which included an exterior and interior tour or viewing of the property. They were accompanied by a representative of Suntex management. The property inspection was considered sufficient to identify the relevant property characteristics and included viewing a representative interior and exterior of the buildings and docks. The inspection by the appraisers was limited to items and characteristics readily observable without the use of special testing or equipment. The visual inspection conducted was not equivalent to the assessment of a site, building, structure or mechanical system performed by a professional engineer or general contractor. Based upon generally accepted appraisal practices within the South Florida submarket, the degree of inspection was considered adequate to develop a credible appraisal.

Type and Extent of Data Research

General:

- Data sources included CoStar.com, and Miami-Dade County Property Appraiser's web site, two (2) of the largest and most reliable on-line data-services available in South Florida, along with marketing/brokerage agents that are active in the market.

- The reported sale price was verified by examining the Florida Documentary Stamp Tax posted on the deed and by telephone verification with a party familiar with the transaction.
- The physical characteristics of the sales were ascertained by a combination of public records, physical inspection, appraiser's files, published public listing information, verification with parties to the transaction (buyers, sellers and/or brokers) and records contained in the Property Appraiser's Office.

Specific:

- Surveys of rental rates for in water marinas within the subject's neighborhood were utilized from previous appraisal assignments in our office as well as searches from our data-services and cross checked with public records.
- The market area searched included the South Florida regional market, with an emphasis on data from Miami-Dade and Broward Counties. Personal conversations with owners of the marinas as well as dockmasters were performed as a source of rental and occupancy information.
- The data search was focused on the Florida market with emphasis on South Florida. Every marina has unique characteristics, but the data was in enough quantity and quality to perform direct comparison to the subject property.
- The most recent sales were used when possible. Most market participants agree that there could be a change in market conditions from the COVID-19 economic fallout. None of the sales have occurred since the national emergency was declared. However, these sales represent the most similar sale properties available and have been utilized and adjusted accordingly.
- The parameters of the research are consistent with the investment market. The subject property is a well located wet-slip marina that caters to 30-foot vessels to mega and superyachts. As such, marina use sites and facilities which were similar to the highest and best use of the subject property were surveyed. There are numerous marinas and dry storage facilities in the area, however, only those that are considered most similar to the subject property and competitive in location were analyzed in this report.
- Sales of development sites across South Florida were researched with emphasis on water-fronting areas of Miami-Dade County market.
- Comparable condominium communities in the Miami Beach area were also researched in order to determine reasonable pricing for the subject condominium units.
- It is simply too early in the pandemic, which has not yet peaked in the United States, to determine the impact on commercial real estate in either the near-term or the long-term. Overall there will likely be a negative impact on the greater

CRE market but the impacts on well-located marinas may not be as profound. The subject property type supports projected social distancing and hygiene practices versus other property types such as hotels or restaurants which is considered to be a key mitigating factor.

Analysis Applied to Arrive at Opinion or Conclusions

The subject property is a marina facility which is considered a special purpose property. Though unique, there are many like it in the south Florida market.

The appraisal analysis is achieved using the three traditional approaches to value: Cost Approach, the Direct Sales Comparison (Market) Approach and the Income Approach.

The Cost Approach to Value is considered to have little relevance in estimating the value of the subject property due to the age of the improvements.

The Direct Sales Comparison (Market) Approach is based upon the principle of substitution; that is, when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming no costly delay in making the substitution. The traditional appraisal technique used to estimate value through substitution involves the collection and analysis of sales and listing data on various properties having as many similar characteristics to the property being evaluated as possible. The validity of this appraisal is very much dependent on the availability or quantity of data and the relevance or quality of data.

In the Income Approach to Value, investment properties are normally valued in proportion to their ability to produce income. Therefore, analysis of the property in terms of its ability to provide a sufficient net annual return on investment capital is an important means of valuing a real estate asset. An estimate of value is derived by capitalizing the net income at a rate commensurate with the investment risk inherent in the fee ownership of the property.

The Income Approach, when properly applied, is generally considered the most accurate indicator of value for income-producing properties like the subject property.

Due to the unique leased fee position of the client, City of Miami Beach, only elements of the Income Approach to Value were utilized. For the estimation of the value of the air rights, elements of the cost and sales comparison approaches were utilized.

As requested by the client, the report is presented in a narrative format with full supporting documentation for analysis.

Property Information

Analysis of items relative to the subject property included general information as provided by the owner of the property during the inspection and included the following:

- Historical and budget statements provided by City of Miami Beach.
- Proposed development plans by Terra Group.
- Property surveys provided by the client.
- Current rent roll for marina.
- Leases in place at the Core Building
- Proposed development costs and sell out projections.
- Term sheet and existing lease for the Miami Beach Marina.
- Proposed rezoning information regarding a change from to CPS-4 Marina Sub District.

This information is assumed to be accurate, factual and correct and this forms the premise of one of the extraordinary assumptions in this appraisal. Unless provided by survey, measurements are approximate.

Extraordinary Assumptions – (1) It should be noted that the estimates of prospective value are the presumption of good quality construction, competent management, aggressive marketing and economic stability. The prospective value estimates are subject to unforeseeable events that could alter market conditions prior to the effective date of the opinion. (2) The appraisers have relied on factual data regarding the subject property supplied to us by the owner. While we have attempted to confirm this data where possible, we have prepared the appraisal assuming the information provided to us is factual, except where otherwise noted. (3) The forecast for income, expenses, and absorption of space included herein are not predictions of the future, rather our best estimate of current market thinking on future income expenses and demand. We make no warranty or representation that these forecasts materialize. (4) Walter Duke + Partners has been provided with proposed construction costs, and pro-forma income and expense statements. If there is a significant change in this information, the value of the physical real estate, a revision of the appraisal report and opinion of value may be required.

Hypothetical Conditions - None were employed.

Other

The appraiser was instructed to estimate the following:

- The market value of the development rights associated with Area 1, to be sold/transferred to the developer, less approximately 45,000 square feet of retail/restaurant space to be owned by the City and included in the lease to the marina lessee. "Air Rights"
- The fair market rental value of the marina lease, including items such as base rent, percentage rent, annual increases, public benefits, etc., taking into consideration the following:
 - The current marina lease shall be extended for a total term up to 99 years, including renewal options.
 - The marina lessee shall retain the right to operate the boat slips located on Area 2.
 - The marina lease shall include approximately 43,000 square feet of retail/restaurant space to be located on Area 1.
 - Revenue to marina lessee from all operations including, but not limited to, ancillary uses such as retail rent/income, fuel sales, parking, etc.
 - The marina lessee shall retain the right to operate and maintain the four (4) garage units located on Areas 3 & 4 (containing approximately 571 parking spaces).

Street Address

The property possesses a street address of 300 Alton Road, Miami Beach, Florida.

Legal Description

According to a copy of the survey provided to the appraisers drawn by Schwebke, Shiskin and Associates dated July 20, 2017 the following is the legal description for the subject property:

LEGAL DESCRIPTION**AREA 1: LEASEHOLD ESTATE PURSUANT TO:**

LEASE AGREEMENT BETWEEN THE CITY OF MIAMI BEACH, A MUNICIPAL CORPORATION THE STATE OF FLORIDA, AS LANDLORD, AND CARNE R-MASON ASSOCIATES, LTD., AS TENANT, DATED JUNE 24, 1983 (A SHORT FORM LEASE WHICH WAS FILED NOVEMBER 9, 1983 RECORDED IN OFFICIAL RECORDS BOOK 11963, PAGE 1143), AS MODIFIED BY FIRST AMENDMENT TO MARINA LEASE DATED AS OF OCTOBER 23, 1991 AND SECOND AMENDMENT TO MARINA LEASE DATED AS OF AUGUST 11, 1994 (A MEMORANDUM OF LEASE AMENDMENTS WHICH WAS FILED MAY 29, 1997, IN OFFICIAL RECORDS BOOK 17656, AT PAGE 4709) AS AFFECTED BY PARTIAL RELEASE OF LEASE DATED DECEMBER 27, 1995, RECORDED IN OFFICIAL RECORDS BOOK 17077, PAGE 1193, AS FURTHER MODIFIED BY THIRD AMENDMENT TO MARINA LEASE AGREEMENT DATED AS OF MAY 27, 1997, RECORDED IN OFFICIAL RECORDS BOOK 17673, AT PAGE 2846, AS ASSIGNED BY ASSIGNMENT AND ASSUMPTION AGREEMENT RECORDED JUNE 11, 1997, IN OFFICIAL RECORDS BOOK 17673, AT PAGE 2830, AS FURTHER MODIFIED BY FOURTH AMENDMENT TO MARINA LEASE AGREEMENT DATED AS OF APRIL 15, 1998, RECORDED DECEMBER 15, 1998 IN OFFICIAL RECORDS BOOK 18391, AT PAGE 4862, AS PARTIALLY RELEASED BY PARTIAL RELEASE OF MARINA LEASE AGREEMENT RECORDED IN OFFICIAL RECORDS BOOK 18626, PAGE 4354, AS FURTHER ASSIGNED TO SUNTEX MARINA INVESTORS, LLC, A DELAWARE LIMITED LIABILITY COMPANY, BY VIRTUE OF THAT CERTAIN ASSIGNMENT OF LEASE RECORDED IN OFFICIAL RECORDS BOOK PAGE (TO BE RECORDED), ALL OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA, AS TO THE FOLLOWING DESCRIBED PROPERTY:

AREA 1:

ALL OF LOTS 22 THROUGH 29, INCLUSIVE, AND LOT 21, LESS THE SOUTHERLY 40.00 FEET THEREOF, IN BLOCK 111, OF OCEAN BEACH, FLORIDA ADDITION NO. 3, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 2, PAGE 81, OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA, TOGETHER WITH A 40.00 FOOT RIGHT OF WAY ON THE BAY SIDE OF THE HOPE AND REBECCA TOWER PROPERTY, (BEING LOTS 15 THROUGH 20 AND THE SOUTHERLY 40.00 FEET OF LOT 21, BLOCK 111, OF OCEAN BEACH, FLORIDA ADDITION NO. 3; TOGETHER WITH AND EASEMENT OVER OR UNDER AND UPON THE WESTERLY 100.00 FEET OF LOTS 30 AND 31, ALL IN BLOCK 111, OCEAN BEACH, FLORIDA ADDITION NO. 3; AS RECORDED IN PLAT BOOK 2, PAGE 81, OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA.

AREA 2: RIGHT TO USE PURSUANT TO:

LEASE AGREEMENT BETWEEN THE CITY OF MIAMI BEACH, A MUNICIPAL CORPORATION THE STATE OF FLORIDA, AS LANDLORD, AND CARNE R-MASON ASSOCIATES, LTD., AS TENANT, DATED JUNE 24, 1983 (A SHORT FORM LEASE WHICH WAS FILED NOVEMBER 9, 1983 RECORDED IN OFFICIAL RECORDS BOOK 11963, PAGE 1143), AS MODIFIED BY FIRST AMENDMENT TO MARINA LEASE DATED AS OF OCTOBER 23, 1991 AND SECOND AMENDMENT TO MARINA LEASE DATED AS OF AUGUST 11, 1994 (A MEMORANDUM OF LEASE AMENDMENTS WHICH WAS FILED MAY 29, 1997, IN OFFICIAL RECORDS BOOK 17656, AT PAGE 4709) AS AFFECTED BY PARTIAL RELEASE OF LEASE DATED DECEMBER 27, 1995, RECORDED IN OFFICIAL RECORDS BOOK 17077, PAGE 1193, AS FURTHER MODIFIED BY THIRD AMENDMENT TO MARINA LEASE AGREEMENT DATED AS OF MAY 27, 1997, RECORDED IN OFFICIAL RECORDS BOOK 17673, AT PAGE 2846, AS ASSIGNED BY ASSIGNMENT AND ASSUMPTION AGREEMENT RECORDED JUNE 11, 1997, IN OFFICIAL RECORDS BOOK 17673, AT PAGE 2830, AS FURTHER MODIFIED BY FOURTH AMENDMENT TO MARINA LEASE AGREEMENT DATED AS OF APRIL 15, 1998, RECORDED DECEMBER 15, 1998 IN OFFICIAL RECORDS BOOK 18391, AT PAGE 4862, AS PARTIALLY RELEASED BY PARTIAL RELEASE OF MARINA LEASE AGREEMENT RECORDED IN OFFICIAL RECORDS BOOK 18626, PAGE 4354, AS FURTHER ASSIGNED TO SUNTEX MARINA INVESTORS, LLC, A DELAWARE LIMITED LIABILITY COMPANY, BY VIRTUE OF THAT CERTAIN ASSIGNMENT OF LEASE RECORDED IN OFFICIAL RECORDS BOOK PAGE (TO BE RECORDED), ALL OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA, AS TO THE FOLLOWING DESCRIBED PROPERTY:

A PORTION OF LAND LYING WEST OF AND ADJACENT TO BLOCK 111, OF OCEAN BEACH, FLORIDA ADDITION NO. 3, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 2, AT PAGE 81, OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE NORTHWEST CORNER OF SECTION 3, TOWNSHIP 54 SOUTH, RANGE 42 EAST; THENCE RUN EASTERLY ALONG THE NORTH LINE OF SAID SECTION 3 FOR 1,350.00 FEET, MORE OR LESS, TO A POINT ON THE EAST LINE OF BLOCK 90 OF THE AFOREMENTIONED PLAT; THENCE RUN SOUTH 00 DEGREES 30'00" E ALONG THE EAST LINE OF BLOCKS 90, 89, 88, 87, 86, 85, 84, 83, 82, 81, 80, 79 AND A PORTION OF BLOCK 111 AND ALONG THEIR SOUTHERLY EXTENSIONS FOR 5,207.00 FEET TO THE SOUTHEAST CORNER OF LOT 1, BLOCK 111 OF SAID SUBDIVISION; THENCE RUN S 89 DEGREES 05'00" W, ALONG THE SOUTH LINE OF SAID LOT 1, BLOCK 111 FOR 260.00 FEET TO A POINT ON THE EAST WATER LINE OF BISCAYNE BAY, SAID POINT ALSO BEING THE POINT OF BEGINNING OF THE TRACT OF LAND HEREINAFTER DESCRIBED; THENCE RUN N 32 DEGREES 12'16" W, ALONG A LINE 300.00 FEET WEST OF AND PARALLEL WITH THE WESTERLY RIGHT OF WAY LINE OF ALTON ROAD FOR 2,159.28 FEET TO A POINT, THENCE RUN N 28 DEGREES 29'08" W FOR 323.93 FEET TO AN INTERSECTION WITH A LINE THAT IS 35.00 FEET NORTHERLY OF AND PARALLEL WITH THE NORTH LINE OF A LOT DESIGNATED 49 B AS SHOWN ON THE AMENDED PLAT OF LOTS 43 TO 50, BLOCK 111, OCEAN BEACH, FLA. ADDITION NO. 3, AS RECORDED IN PLAT BOOK 14, AT PAGE 70, OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA; THENCE RUN N 88 DEGREES 07'28" W FOR 35.69 FEET; THENCE RUN S 57 DEGREES 47'44" W FOR 254.64 FEET; THENCE RUN N 32 DEGREES 12'16" W FOR 20.00 FEET; THENCE RUN S 57 DEGREES 47'44" W FOR 300.00 FEET TO A POINT; THENCE RUN S 32 DEGREES 12'16" E FOR 1,154.00 FEET TO A POINT; THENCE RUN S 57 DEGREES 47'44" W FOR 150.00 FEET TO A POINT; THENCE RUN S 32 DEGREES 12'16" E FOR 500.00 FEET TO A POINT; THENCE RUN N 57 DEGREES 47'44" E FOR 150.00 FEET TO A POINT; THENCE RUN S 32 DEGREES 12'16" E FOR 912.00 FEET TO A POINT; THENCE RUN S 67 DEGREES 48'22" E FOR 347.79 FEET TO A POINT; THENCE RUN N 57 DEGREES 47'44" E FOR 360.62 FEET, MORE OR LESS, TO OTHER LANDS OF THE CITY OF MIAMI BEACH; THENCE RUN N 32 DEGREES 11'37" W FOR 326.25 FEET, MORE OR LESS, BY OTHER LANDS OF THE CITY OF MIAMI BEACH, TO THE POINT OF BEGINNING.

AREA 3:

EASEMENT RIGHTS UNDER BAY WALK EASEMENTS RECORDED IN OFFICIAL RECORDS BOOK 17077, PAGE 1232, AS AMENDED AND RESTATED IN OFFICIAL RECORDS BOOK 18713, PAGE 133, BOTH OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA.

AREA 4:

EASEMENT RIGHTS UNDER ACCESS EASEMENT RECORDED IN OFFICIAL RECORDS BOOK 17077, PAGE 1245, AS MODIFIED BY RELEASE AND MODIFICATION OF EASEMENT AGREEMENT RECORDED IN OFFICIAL RECORDS BOOK 18626, PAGE 4506, BOTH OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA.

AREA 5:

RIGHTS UNDER PARKING AGREEMENT, RECORDED IN OFFICIAL RECORDS BOOK 17077, PAGE 1196, OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA.

AREA 6:

RIGHTS UNDER PARKING AGREEMENT, RECORDED IN OFFICIAL RECORDS BOOK 12873, PAGE 2731, AS AMENDED IN OFFICIAL RECORDS BOOK 16313, PAGE 1077 AND OFFICIAL RECORDS BOOK 18626, PAGE 4822, ALL OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA.

AREA 7:

EASEMENT RIGHTS UNDER GRANT OF EASEMENTS FOR SSDI SOUTH DROP-OFF PARKING AND ACCESS EASEMENT AGREEMENT RECORDED IN OFFICIAL RECORDS BOOK 18626, PAGE 4514, AS ASSIGNED IN OFFICIAL RECORDS BOOK 19073, PAGE 2258, BOTH OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA.

AREA 8:

EASEMENT RIGHTS UNDER GRANT OF BAY WALK EASEMENT RECORDED IN OFFICIAL RECORDS BOOK 18626, PAGE 4400, OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA.

AREA 9:

EASEMENT RIGHTS UNDER GRANT OF EASEMENTS (150 FOOT EASEMENT AREA) RECORDED IN OFFICIAL RECORDS BOOK 18626, PAGE 4425, OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA.

Owner of Record

City of Miami Beach (Submerged Land of the Marina)
Miami Beach Redevelopment AG (Core Building Area)
1700 Convention Center Drive
Miami Beach, Florida 33139-1819

Source: *Miami-Dade County Tax Roll*

Property History

Suntex purchased an equity interest in the Miami Beach Marina Leasehold Interest from the RCI Group in the beginning of 2018. Terms of the transaction were not provided.

No other transactions involving the subject property have occurred within the past three years.

Real Estate Tax Analysis

In Florida, the assessed values for real and commercial personal properties are established each year as of January 1, by each County Property Appraiser's Office. Under the Florida Constitution and Statutes, this value is to be the "Just Value" of the property. "Just Value" is considered to be synonymous with "Market Value." The tax due is computed by multiplying the annual millage rate with the assessed value of the property. Millage rates are the amounts paid to each taxing body for every \$1,000 of Assessed Value (25 mills equal \$25 per \$1,000 of Assessed Value). Millage rates are established by all of the various taxing bodies that exist within a given taxing district.

Schedule of Assessment and Taxation

Property taxes are paid in arrears with the assessment and taxation process spread out over the year, as follows:

January 1 to June 30	Assess all parcels in the county
July 1	Tax Roll certified to Department of Revenue
August 1	TRIM Notices are mailed to property owners
September 15	Deadline to apply for appeal of Assessed Value
November 1	Taxes payable with a 4% discount
December 1	Taxes payable with a 3% discount
January 1	Taxes payable with a 2% discount
February 1	Taxes payable with a 1% discount
March 1	Taxes are due
April 1	Taxes are past due
May 31	Two-month grace period ends
June 1	Tax Certificates sold at auction

Subject Property's Assessment and Taxation

The assessment and taxation information prepared by the Miami-Dade County Property Appraiser's Office is presented as follows:

Assessment and Taxation

Tax Year	2019
Classification	Government and Institution, Intensive Mixed –Use Phase Bayside
Folio Number	02-4203-009-9210 (Upland) 02-4203-009-9210 (Upland) 02-4203-000-0010 (Marina)
Overall Assessment	\$15,409,997 Upland (Core Building) \$ 2,029,920 Upland (Parking Lot) \$ 4,871,792 Leasehold Marina
Total Taxes – Gross	\$515,391.64
Total Taxes – Discounted	\$494,775.97 (Discounted for November Payment)
Proposed Millage Rate	19.3785

Source: Miami-Dade County Tax Rolls and Real Estate Solutions, Inc.;

Based upon this market information, the real estate taxes for the subject property appear to be similar when compared to other properties located in the Miami Beach area. In addition, based on the Market Value "As Is" and for the purposes of this analysis, a tax burden of \$494,776 for the Core Building and Marina was considered appropriate. This figure includes a four percent discount for early payment, which prudent market participants take advantage of.

Delinquent Real Estate Taxes

According to the Miami-Dade County Revenue Department there are no delinquent real estate taxes outstanding on the appraised property.

Working Waterfront Property

The following is the Classification and Assessment of Working Waterfront Property. On November 4, 2008, Florida voters approved Amendment 6 creating changes to Section 4 of Article VII of the State Constitution. This Amendment provides for classification and assessment of working waterfront property based on the following qualified uses:

- Predominantly used for commercial fishing
- Accessible to the public and used for vessel launches into navigable waters
- A marina or dry stack open to the public
- A water-dependent marine manufacturing facility
- A water-dependent commercial fishing facility

- A water-dependent marine vessel construction or repair facility and/or support facilities

Prior to the passage of this amendment, working waterfront properties were assessed based on the 'Highest and Best Use' resulting in properties being assessed at values higher than the actual businesses they housed.

The working water exemption will run with the property as long as the facility operates as a public use waterfront. Adjustments to the assessed value relate to the land assessment and not the improvements.

Florida's Economic Conditions

The Summary of Commentary on Current Economic Conditions is a regionalized economic report published by the Federal Reserve Board eight times a year. This report is informally referred to by economists as The Beige Book. The Atlanta Fed territory includes Alabama, Florida, Georgia, and portions of Louisiana, Mississippi, and Tennessee.

The most recent *Beige Book*, issued April 15, 2020, reported that economic activity deteriorated from mid-February to late March, and the outlook diminished as a result of the COVID-19 pandemic. Labor market conditions weakened significantly as businesses reported widespread layoffs and furloughs. Non-labor costs were stable. Retail contacts noted plunging sales of discretionary goods, and surges in spending on essential items. Hospitality and tourism contacts reported significant declines in activity as conventions were cancelled and attractions were temporarily shuttered. Activity in residential and commercial real estate slowed somewhat. Manufacturing activity deteriorated, but new orders held steady or increased as a result of changes in product demand. Overall transportation activity declined. District bankers reported mixed conditions.

Employment and Wages – District labor market conditions deteriorated over the reporting period as the spread of COVID-19 precipitated a sharp contraction in activity leading to layoffs and furloughs, especially in retail, tourism and hospitality. Grocery, home improvement, and discount stores, along with home delivery services, experienced a surge in demand resulting in a strong increase in hiring. Growing restrictions on public gatherings forced many restaurants to pivot to take-out and delivery services in an effort to stay in business and preserve some jobs. Manufacturing and distribution workforces remained largely intact and those producing high-demand products indicated working longer hours. Most firms with the ability to do so transitioned to remote working. In response to a sharp drop in demand, the region's energy sector experienced a contraction in employment. Some businesses noted actively working to connect laid-off or furloughed employees with firms that were hiring.

Some District firms reported cutting pay, eliminating bonuses, and reducing hours, in efforts to retain employees. However, high demand sectors, such as grocery, distribution, and warehousing announced increases in hourly wages or bonuses. Some companies still hiring have postponed pre-employment background checks like drug tests and finger printing, largely in an effort to reduce physical contact. Many contacts reported relaxing attendance policies

and increasing paid time off and leave allowances. Some noted an extension of premium pay to essential workers or employees who deal directly with the public.

Prices – Most contacts reported stable input costs over the reporting period with expectations that prices may drop as a result of lower overall demand due to the COVID-19 pandemic. With considerable uncertainty regarding supply chains and demand, most sectors reported an effort to avoid raising prices. Oil price declines benefitted businesses outside of the energy sector, helping defray the rising cost of freight. The Atlanta Fed's Business Inflation Expectations survey showed year-over-year unit costs were up 1.6 percent in March, virtually unchanged from February. Over the next twelve months survey respondents, on average, indicated they expect unit costs to rise 1.9 percent.

Consumer Spending and Tourism – District retailers reported sales growth of grocery and household products, office equipment, and home improvement goods, which partially offset some of the steep decline in discretionary consumer spending activity due to COVID-19. E-commerce activity accelerated as brick-and-mortar sales plummeted. There were some reports of supply chain bottlenecks as high-traffic retailers such as grocers, big box, and warehouse chains struggled to manage the influx of shipments to fill empty shelves.

Tourism and hospitality contacts reported a massive decline in activity across the District as a result of COVID-19. By mid-March, most major conferences and conventions had been cancelled or postponed, the majority of tourist attractions were temporarily shuttered, and hoteliers reported historically low occupancy rates. Several contacts noted that hotels with locations close to hospitals were being considered for conversion for medical use and shelters for COVID-19 patients or hospital staff.

Construction and Real Estate – After a strong start to the year, District housing activity was significantly disrupted by the COVID-19 pandemic. Contacts indicated that since their sales pipeline was strong prior to the outbreak, recent transactions were solid and cancellations were muted. However, market participants anticipate a contraction in second quarter sales as in-person traffic and new sales activity declined significantly since early March. Expectations for potential disruptions in functions such as permitting, appraisals, deed filings, and notarizations due to social distancing were noted, and some reports indicated a tightening of credit and lending standards. Construction and development activity slowed and builders began strengthening cash reserves and guarding balance sheets.

Commercial real estate (CRE) contacts reported a deceleration in new leasing inquiries amid the COVID-19 pandemic. However, leasing activity that was already in the pipeline appeared to be moving forward. Declining tourism and travel activity significantly impacted CRE in the hospitality and retail sectors. Investment property sales slowed markedly due to issues associated with the slowing of financing from commercial mortgage backed securities and non-bank lenders; however, contacts reported that capital was readily available at banks for the financing of CRE projects. Banks reported that originations continued in the CRE space. Reports of tenants seeking rent relief have begun to emerge.

Manufacturing – Manufacturing firms reported solid overall activity in late February, but indicated conditions rapidly deteriorated in early March due to the COVID-19 pandemic. Despite the decline in activity, some firms suggested that new orders were holding steady or even increasing due to changes in product demand. Supply delivery times were reported to be increasing.

Transportation – District transportation contacts continued to report varying levels of activity, and the majority noted some degree of negative impacts to business due to COVID-19. Activity for logistics, trucking, and freight brokerage firms held steady on average as consumer demand for discretionary products declined and demand for essential items increased. However, according to railroad contacts, overall rail traffic fell by near double digits as compared with year-earlier levels, driven by declines in the movement of grain, coal, aggregates and iron and steel scrap, and motor vehicles and parts. Intermodal traffic also fell. Air cargo contacts cited a continued deterioration in freight volumes over the reporting period. Sizeable declines in revenue and massive shifts in costs, including implementing pay cuts across the board to help offset some of the revenue losses, were mentioned. Ports saw year-over-year declines in container activity as imports from Asia slowed, and significant declines in overall freight activity for the foreseeable future are anticipated.

Banking and Finance – Financial institutions expressed concerns about the potential increase in delinquencies and the impact on both earnings and capital due to uncertainties around the COVID-19 outbreak. Slower loan growth was reported and some indicated they were being more careful about underwriting, especially with residential and some commercial real estate properties. Financial institutions reported contacting customers in industries most affected by the pandemic to determine borrowers' potential needs for accommodations. These industries included travel and hospitality, retailers, restaurants and their suppliers, transportation and logistics, and health care providers. Given declines

in market value of some institutions, goodwill impairments were being considered. Liquidity remained stable. Some financial institutions reported growth in deposits while others experienced large cash withdrawals.





Energy – Global demand for crude oil and liquefied natural gas fell over the reporting period primarily as a result of the COVID-19 pandemic, in spite of the fall in oil prices. As a result of price declines, broad cost-cutting measures, including reductions in major capital spending plans, suspension of share buybacks, delays of onsite scheduled maintenance, hiring freezes, and the dismissal of contractors were reported. Industrial plant and construction contacts reported delays in some petrochemical new build and expansion projects. Utilities firms noted that power usage declines among commercial business lines were nearly offset by a spike in residential power usage, as people spend more time at home. Utilities firms anticipate a further drop in power demand, particularly from the industrial segment, as budget cuts make their way through the sector.

Agriculture – Agricultural conditions remained mixed. Most of the District remained drought free, with the exception of much of Florida and other parts of the Gulf coastal region, which experienced abnormally dry conditions. On a month-over-month basis, the March production forecast for Florida's orange crop was down from both last month's forecast and last year's production while the grapefruit production forecast was down month-over-month but remained ahead of last year's production. Contacts reported the COVID-19 pandemic has resulted in recent significant price increases for corn, rice, soybeans, milk and eggs, and an increase in demand for Florida oranges. Contacts also reported that some District states modified trucking weight and hour requirements in response to COVID-19, which has had a positive effect on getting product to market more quickly.

Source: The Summary of Commentary on Current Economic Conditions (The Beige Book)

Florida Market

Snapshot

FLORIDA MARKET MSA SNAPSHOT						
MSA		Population	Office SF	Industrial SF	SF Home Sales Inc.	Airport
		Median Age	Vacancy	Vacancy	Median SP Inc.	Domestic/Int'l Flights
Orlando		<u>2,440,000</u> 39.1	<u>43.27 million</u> 6.80%	<u>113.1 million</u> 6.30%	<u>+1.8%</u> <u>+3.6%</u>	<u>Orlando Int'l</u> 92/59 <u>Orlando Sanford Int'l</u> 74/13
Includes Orange, Seminole, Lake, and Osceola Counties						
South Florida		<u>6,166,488</u> 39.7	<u>235.6 million</u> 8.90%	<u>447.10 million</u> 4.73%	<u>-4.2%</u> <u>+7.9%</u>	<u>Miami Int'l</u> 59/104 <u>Fort Lauderdale Int'l</u> 84/66 <u>Palm Beach Int'l</u> 31/3
Includes Miami-Dade, Broward, and Palm Beach Counties						
Tampa Bay		<u>4,582,512</u> 42.3	<u>66 million</u> 6.80%	<u>212.40 million</u> 5.70%	<u>+2.3%</u> <u>+9.2%</u>	<u>Tampa Int'l</u> 67/16 <u>St. Petersburg-Clearwater Int'l</u> 53/2 <u>Sarasota-Bradenton Int'l</u> 37/1
Includes Hillsboro, Pinellas, Hernando, and Pasco Counties						
Jacksonville		<u>1,688,952</u> 38.8	<u>65.2 million</u> 8.40%	<u>143 million</u> 5.00%	<u>+9.6%</u> <u>+9.6%</u>	<u>Jax Int'l Airport</u> 32/0 <u>Port of Jacksonville</u> 10.9 million
Includes Baker, Clay, Duval, Flagler, Putnam, Nassau, and St. Johns Counties						

Source: CoStar, Florida Realtors, Census Bureau, South Florida Business Journal

COVID-19: IMPACTS ON COMMERCIAL REAL ESTATE

It currently remains impossible to quantify the likely impact on the property market with any reliability. Comparisons with the Financial Crisis of 2007-08 are not necessarily appropriate, given that central banks are working hard to avoid a repeat of the credit crunch that characterized the last downturn. Nevertheless, the speed with which the market adjusted to events a decade ago may represent a “downside scenario” against which to assess potential property market outcomes.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020. It provides economic support for American businesses and



individuals affected by the COVID-19 pandemic. The provisions of the Act, now known as the COVID-19 stimulus bill passed by Congress and will inject \$2.1 trillion (9% of U.S. GDP) directly into the U.S. economy. The spending measures are wide-ranging and involve relief for tenants and owners of commercial real estate.

- This round of stimulus is massive. The total value of the stimulus, including new credit facilities created by the law, is \$5.6 trillion—almost 25% of U.S. GDP.
- Recently Congress also approved an additional \$310 Billion to replenish the PPP, for small businesses and sets aside \$60 Billion for smaller community banks and credit unions that typically serve small businesses.
- Expedited Small Business Administration (SBA) loans will help small businesses retain employees.
- The CARES Act will aid every commercial real estate sector.
- Short-term deterioration in market fundamentals will be followed by a strong recovery starting later this year.
- Policymakers will deploy additional firepower to aid the U.S. economy if needed.

General Market Condition/Trends/Observations

- **It is difficult to assess the likely scale of impact on real estate transactions.** Following the collapse of Lehman Brothers in late 2008, global investment volumes were typically 60%-70% lower during the following four quarters than had been seen a year earlier. On this occasion, the impact is not expected to be as severe or as prolonged, but a fall in transactions of 25%-50% for one or two

quarters in those markets most severely affected cannot be ruled out. Overall, stock market movements give an early indication of expected levels and relativities of impact. Thus far, sectors such as real estate, which will see secondary impacts from reduced economic activity or are mainly impacted by “wait-and-see” disruption, are not viewed as particularly severely affected. As of March 13, in the U.K. the FTSE 350 REIT Index had fallen 24% since the start of the crisis, compared with the 29% decline recorded by the FTSE 350 overall. In the U.S., the S&P 500 overall was down 26% during the same period – marginally more than the 25% decline in the Office REIT index (although Retail and Industrial REIT indices saw declines of around 30%). In general, real estate stocks fared better than those in the hotel/leisure and financial sectors.



- **Some capital markets transactions will be delayed or jeopardized** due to practical constraints on completion (such as travel restrictions impacting on-site due diligence) or concerns over the outlook for the economy and occupier demand. Transaction volumes are likely to fall, probably quite sharply. At the same time, Q1 totals may be less affected, Q2 will be impacted by delays in completion, and Q3 will be hit because few new transactions are currently being initiated. “Long income” deals that are less sensitive to the short-term outlook are in high demand and will be less affected than those higher-risk transactions requiring more active management and asset repositioning to drive IRRs.
- **It seems likely that the extent of containment policies being implemented will have a material impact on investment transaction volumes for 2020.** The scale of impact depends on three factors that are extremely difficult to predict. First, how well investors who wish to transact are able to cope with the current disruption. Second, how effectively governments manage public and business confidence to minimize the impact on market sentiment. Third, how well governments and central banks can limit damage to the economy and prevent contagion into the financial system, which would materially affect pricing and investor demand for real estate.
- **Owner-occupants will be intensely focused on cashflow, particularly those that will see material loss of income due to social distancing and travel restrictions.** Landlords will receive some requests for rent deferrals or reductions and challenges around service charge levels in buildings that need to be kept secure and operational, but which tenants may be unable to occupy.

How landlords respond will, in part, depend on the wording of the lease concerned, but in most cases will be a matter of judgment as much as legality.

- **Across most sectors and markets, leasing activity will decline in volume compared with pre-crisis expectations.** While some transactions will be unaffected, many deals currently under consideration are likely to be delayed (though not yet canceled) as occupiers adopt a “wait-and-see” attitude. This disruption should prove temporary, and a bounce-back in deferred activity is expected during late 2020 and into early 2021. However, a heightened sense of uncertainty over the economic and business outlook will cause some deals to be withdrawn. Fewer new transactions will be initiated, and some expansion plans will be put on hold. Clearly, the extent of this slowdown will be highly variable across markets and will depend on how the economic impacts of the virus play out.
- **In the development market, it remains to be seen whether higher commodity prices will impact construction activity.** Construction costs are already elevated in the U.S., and in the U.K., where Brexit-related labor shortages are a further threat, such that development margins are reduced. Disruption to Chinese raw materials could delay or defer construction orders, particularly if local-sourced alternatives prove more expensive. Domestically, thirty-nine percent of contractors report that project owners have halted or canceled current construction projects amid deteriorating economic conditions – a jump from 28% in mid-March. 45% also noted delays in deliveries or supplies.
- **The impact on rents is impossible to quantify until there is a clearer view of the underlying economic impact of the current crisis.** Given that the disruption is expected to be severe but temporary – with activity returning to ‘normal’ more quickly than in previous ‘conventional’ recessions. Any impact on rents is expected to be similarly short-lived unless the downturn has done structural damage to particular areas of demand.



- **From a valuation perspective**, any impacts are expected to be relatively short-lived but – as with so many other aspects of the current crisis – this assumes that there will be a global recession, but not on the scale seen in late 2008. For comparison, office values in London fell 50%-70% during the Financial Crisis, and by 15%-20% in the single quarter following the collapse of Lehman Brothers. While such falls are well more than what is expected this year, they do highlight the potential scale of short-term impact that is possible when confidence in a highly priced market collapse. Even so, after a short period of sharp decline, values of good quality properties recovered rapidly in 2009, as investors quickly re-entered the market once the immediate sense of crisis had passed.

The Bottom Line

- A sharp drop in economic activity produced by necessary public health mandates has been met by a massive fiscal and monetary stimulus of unprecedented scale. By preserving the supply side of the economy, the CARES Act will enable a faster recovery.
- Although the U.S. economy will contract during the first half of 2020, the CARES Act will help ensure that economic activity can rebound more quickly.
- To be sure, severe economic dislocations are underway. However, the CARES Act will broadly ease financial pressures and lay the foundation for a healthy recovery.
- Though timing will vary somewhat particularly across property types commercial real estate market fundamentals will reflect the short-term weakening in the economy, followed by a strong recovery heading into 2021.
- Governments and central banks around the world are taking similarly robust measures. These responses will complement U.S. efforts by boosting the global economy and improving the medium-term outlook for domestic activity.

Source: Walter Duke + Partners, CBRE, Avison Young, Newmark Frank, Wall Street Journal, Cushman & Wakefield

Impact on Commercial Real Estate Varies by Property Type

Retail

- COVID-19 will exacerbate the challenges faced by the retail sector, and the consumer sector is likely to be more immediately affected. In developed markets, consumer spending typically accounts for around one-third of all economic activity, up to half of which is “discretionary.” Consumers are likely to delay or forego a material proportion of this expenditure due to illness, self-isolation, or uncertainty.

- Some tenants being hurt badly due to a lack of customers, while tenants in grocery, pharmacy, and essential goods and services categories are benefiting as consumers prepare for extended stays at home. Notably, several national and regional retailers have announced that they will not pay rent beginning as early as April 1.
- Retail tenants with large e-commerce footprints have best absorbed the economic impact from the current health crisis and stand to benefit from the relief provided to consumers by the CARES Act.
- Consumer discretionary retail, on the other hand, will be severely impacted. Retailers such as restaurants, wellness/fitness centers, or those located on urban high streets are experiencing sharply reduced demand due to mandated closures and drastically reduced foot traffic. Some restaurants with robust delivery and takeout services will be able to maintain moderate levels of business.
- Dense retail contained within regional malls, shopping centers, and food halls will feel more acute pain, as consumers remain at home and continue to avoid large gatherings of people.
- In contrast, on-line retailers and local high streets could benefit in relative or absolute terms. Some of the increase in on-line shopping will become permanent, accelerating the impact of internet retail on the physical market. In many countries, households stocking up (or panic buying) will boost Q1 sales data in the food sector.
- Food and restaurant trends worth watching: Ghost kitchens that support food delivery and takeout will continue to evolve. Food halls will need to be revisited with a focus on spatial needs and hygiene issues. The value of fast-casual and quick-service restaurants with strong drive-through business will outpace those without other factors being equal. Liquor sales are also up 55% year over year.

Office

- Office tenants at all levels, from large Fortune 500 companies to small businesses, stand to benefit from a combination of CARES Act relief and accommodative Federal Reserve policy. At the same time, considerable attention is directed to small businesses through the worst of the crisis.
- Office as a product type remains on sound footing, despite the increase in telework arrangements. Even before the COVID-19 crisis, many technology and financial services companies allowed flexible work arrangements. Still, they continued major office expansions, often including more flex and amenity spaces rather than pure office buildouts.

- Other components of office real estate stand to benefit, such as life sciences lab space and health-related users, particularly single-tenant, where hygiene can be more closely monitored. Pharmaceutical and biotech companies become even more critical components of the post COVID-19 economy.
- Data center properties have represented a growth opportunity for investors during the current cycle, even before the COVID-19 crisis. This trend will continue given the increased demand for data services across all segments of the economy and population—particularly if more employers expand their telework policies.
- In the office sector, rates of homeworking have already increased sharply. It remains to be seen what impact this will have on productivity and output, but it will accelerate the adoption of new technology and flexible working practices. In the immediate future, social distancing could provide a stress test for many co-working and flex office operators, with short license customers opting to work at home for weeks or even months.
- Office workers' pushback against open office environment is likely to intensify, and disruption in the co-working sectors will be exacerbated given the clustered nature of these working environments.
- There will probably be increased operating costs as management will be more focused than ever on sanitation and disinfection of office environments.

Multi-family

- Of all the major property types, the CARES Act likely will have the most significant direct impact on multi-family, both in terms of tenant relief for various age and income levels, and for asset owner relief in the form of tax credits and suspension of loan payments.
- Aid for tenants will come in the form of \$260 billion in additional unemployment benefits and insurance, which will help renters who were recently laid off or furloughed from their jobs remain in their units and pay their rent.
- Suspending payments through September for the federal government's student loan program will support renters, who tend to be younger and indebted by student loans.
- Tenants who have had a significant loss of income will also be able to apply for Housing Choice Vouchers (\$1.25 billion is earmarked), which will help them pay their rent in market-rate housing.
- For asset owners, the legislation will allow for certain forbearance periods for multi-family owners who have GSE loans (Fannie Mae and Freddie Mac).

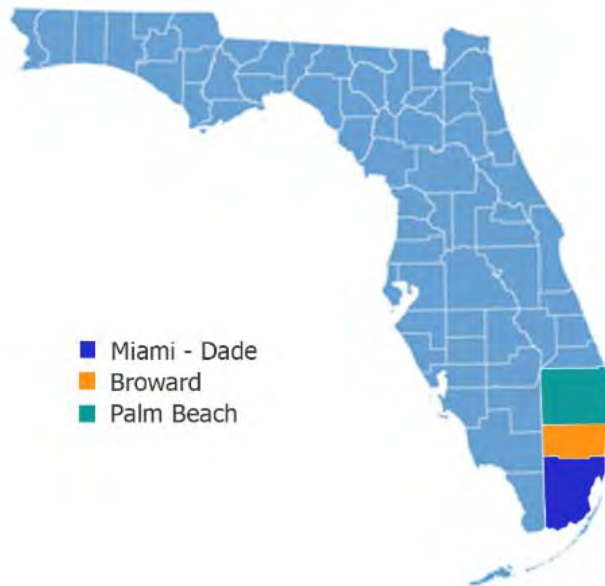
However, as a condition to this forbearance, multi-family owners cannot charge late fees and/or evict tenants.

- For multi-family developers who currently have PBS projects, \$1 billion has been earmarked to provide additional funds to help maintain and run operations of these properties.
- Though not included in the CARES Act, municipalities across the country have indicated that they too will enforce limits on rent increases and evictions, which could impact certain asset owners more acutely than others.
- Student housing may face headwinds with a sizable international enrollment decline in the fall, which will also negatively impact university system revenue.
- Seniors housing may have to adapt to new ways of protecting the older age cohort, as the COVID-19 crisis represents a greater threat to that demographic. The industry was facing pressures from a supply glut before the pandemic.
- LIHTC and other forms of subsidized multi-family housing stand to benefit while Class “A” and Class “C” market rate product may be at risk. Class “A” rents represent the highest rents while Class “C” product houses the most economically vulnerable residents.
- Co-living and micro-unit platforms that feature large community areas will need to be revisited as social distancing becomes the new normal.

South Florida Regional Analysis

Market Definition

The Miami-Fort Lauderdale-West Palm Beach Metropolitan Statistical Area comprises the area generally known as the South Florida Region (South Florida), which includes Miami-Dade, Broward and Palm Beach Counties.



With over 6 million residents, the South Florida metropolitan area is easily the most populous in Florida and the Southeastern United States. It is also eighth-most populous in the United States. It is part of the South Florida region and is partially synonymous with the Gold Coast.

The South Florida metropolitan area consists of three distinct metropolitan divisions, subdividing the region into three divisions according to the region's three counties:

- Miami-Dade County,
- Broward County, and
- Palm Beach County.



MIAMI



FORT LAUDERDALE



PALM BEACH

Metropolitan divisions include Miami, Fort Lauderdale, and Palm Beach.

The largest cities by population in the South Florida Region are noted on the following table:

South Florida MSA Largest Cities

CITY	POPULATION (2019)	COUNTY
Miami	490,947	Miami-Dade
Hialeah	239,722	Miami-Dade
Fort Lauderdale	186,220	Broward
Pembroke Pines	168,023	Broward
Hollywood	150,878	Broward
Miramar	138,837	Broward
Coral Springs	129,067	Broward
West Palm Beach	115,176	Palm Beach
Miami Gardens	114,284	Miami-Dade
Pompano Beach	112,058	Broward
Davie	104,249	Broward

Source: UF – BEBR

Current Trends

Prior to COVID-19 the South Florida economy was buoyed by strong job growth, a steady housing market, robust tourism, and increased construction activity. The South Florida's economy was in full gear with minimal headwinds outside of the potential for short term economic damage from the COVID-19 related measures.

- South Florida accounted for nearly 40,000 jobs out of the 220,000 added statewide in 2019 than a year earlier. At the same time, unemployment had been lower than it has been in over a decade, according to the state's final monthly unemployment and job creation report for 2019. The jobs report for 2Q20 will likely be extraordinarily weak due to fallout from the COVID-19 related economic shutdown.
- The housing market has nearly fully recovered and is generally in equilibrium except for the Miami condo market, which is overbuilt. The market took a slight pause due to COVID but is generally ok.
- Demand by foreign buyers and investors, mainly from South America, has slowed the Miami residential condominium market. Penthouse sales reflect the bulk of residential condo resale activity.
- Cruise and air travel are up year-over-year, but after six years of increases, the hotel occupancy in the region dropped slightly in the in 2019 mainly due to new supply. The South Florida hospitality industry will likely take a significant hit from the stoppage in passenger cruise lines and air travel.
- Gross regional economic output was also increasing but may stumble for a few quarter before regaining its footing.

Other Items of Note:

- Major transportation and infrastructure projects are planned or underway to improve the logistics of the region and, therefore, enable it to more effectively compete globally. Major improvements are underway at region airports and seaports. Passenger rail project Brightline opened the Fort Lauderdale–West Palm Beach segment in January 2018, followed by Fort Lauderdale–Miami in May 2018. An extension from West Palm Beach to Orlando via Cocoa is planned to open in late 2021 or early 2022, and more extensions are planned. The train service has been suspended due to COVID
- The Florida legislature has tabled the matter of expanded gambling in the State of Florida. The most recent bill proposed included two mega-casinos in South Florida.

Foreign investment from South America and Europe has slowed due to geopolitical unrest and a continued strong dollar, which in turn has slowed the Miami condominium market.

REGIONAL LOCATION MAP



Neighborhood Location Map



Area/Neighborhood Description

General Location & Boundaries

The subject property is located on the shoreline of Government Cut and the Miami Harbour and near the southern tip of South Beach. For purposes of this analysis, the subject neighborhood is defined as the area situated:

- East of Downtown Miami;
- West of the Atlantic Ocean, located approximately ½ mile east;
- South of the Arthur Godfrey Road; and
- North of the Fisher Island.

Location – The subject property is located within Miami Beach, a municipality which is situated on the barrier islands of Miami-Dade County between Biscayne Bay to the west and the Atlantic Ocean to the east. The bay separates Miami Beach from the city of Miami.



Miami Beach Viewing Southeast

Downtown Miami is located approximately three miles west of the subject. The immediate neighborhood is defined as the areas south of Dade Boulevard and north of Government Cut and are also known as the South Beach area of Miami Beach. Miami Beach comprises the county's barrier islands along the Atlantic Ocean from the South Beach area north to the Town of Surfside.

Access – Due to its island location, primary access to the neighborhood is provided by three causeways to the mainland areas of Miami-Dade County to the west. The Julia Tuttle Causeway/Interstate 195 at 41st Street in Miami Beach, runs west, and eventually connects to Interstate-95 and the Airport Expressway (State Road 112) in mainland areas of Miami. The Venetian Causeway connects to Dade Boulevard just north of 17th Street in Miami Beach, and the MacArthur Causeway/I-395 extends east/west from 5th Street to the north end of the Miami CBD.

Washington Avenue, Collins Avenue, and Alton Road are the primary north/south roadways through Miami Beach, while Dade Boulevard, 41st Street, 17th Street and 5th Street are the major east/west traffic arteries. Washington Avenue, Collins Avenue, and Alton Road are the primary north/south roadways through Miami Beach, while Dade Boulevard, 41st Street, 17th Street and 5th Street are the major east/west traffic arteries.



Collins Avenue

Description of Uses – Primarily developed since the 1920s, this neighborhood featured larger resort hotel properties along the oceanfront, with smaller apartment properties to the west of the community's oceanfront areas. By the 1960s, high-rise condominium development began to accompany the hotel projects, particularly on waterfront sites along Indian Creek and later spreading to oceanfront and bayfront properties throughout Miami Beach. Some single-family residential uses are noted in the western portions of the neighborhood, particularly in the area surrounding Alton Road, as well as the Sunset Islands and Venetian Islands in Biscayne Bay.

Supporting commercial uses such as strip retail buildings and freestanding stores and restaurants front the major thoroughfares including Collins Avenue, Washington Avenue, Alton Road and 5th Street. Mixed-use hotel and residential projects with ground-floor retail are prevalent along these thoroughfares as well. Office buildings are located near the heart of the city just north of Lincoln Road along 17th Street, which is also where the City Hall and the Miami Beach Convention Center can be found.

One of the most significant proposed developments in this area of Miami Beach over the past five years was a proposed pedestrian friendly, five-level parking structure and pedestrian plaza to be built by the City of Miami Beach to be located on the existing surface lots on the north side of the Miami City Ballet and the Miami Beach Regional Library. The project would span Liberty Avenue and include a retail and restaurant plaza. The project was designed by Zaha Hadid Architects, a firm out of London. Construction of the project was projected to begin in 2014 with a projected date of completion in 2015. The estimated cost of this project was \$18.5 million. However, as of December 2015, construction had not yet begun. In late 2015, the city commissioners asked for other development proposals for the garage. In March 2016, the architect died unexpectedly at age 65. Developers have proposed a public-private partnership with the city of Miami Beach to build the structure.



Zaha Hadid Parking Garage

However, the city preferred that the garage remain public with lower parking costs to the public. After soliciting new proposals for the project, Miami Beach awarded the contract to KVC Constructors in September 2017 for a guaranteed maximum price of \$22.47 million. The new architect is Shulman + Associates. The new seven story garage will total 180,064 square feet, with 513 parking spaces and 15,000 square feet of retail space along 23rd Street, Liberty Avenue and Park Avenue. Site work began in September of 2018 and the project is currently ongoing.

Lincoln Road, running east/west between 16th and 17th Street, is a famous pedestrian mall between Washington Avenue and Lenox Avenue that is lined with shops, sidewalk cafes, bars, restaurants and art galleries. In the 1960s, Miami Beach architect Morris Lapidus, well known for his work on the famous Fontainebleau and Eden Roc Hotels in Miami Beach, redesigned Lincoln Road to reflect the Mid-Century Modern architectural

(or “MiMo”) style, lining the road with gardens, streetscaping and fountains, and making the road one of the nation’s first pedestrian malls.



Today, Lincoln Road features some of the highest-priced retail space in the state, which is accompanied by a concert hall for the New World Symphony Orchestra, a state-of-the-art multiplex cinema, and the recently restored/renovated Colony Theatre, a 440-seat performance theater. The restoration of the theatre cost around \$6.5 million and took three years to complete.

In June 2012, a REIT paid \$132 million for the 166,500-square foot retail center at 1100 Lincoln Road. This property is the home to Regal Cinemas and Banana Republic and includes a 298-space parking garage. A retail/commercial property located at 530 Lincoln Road sold on December 13, 2013 and at that time set a record price of \$3,418 per square foot. The 8,776-square foot



property was previously approved for renovation. However, on May 7, 2014, the 8,375-square foot retail property located at 818 Lincoln Road sold for \$34,500,000 or \$4,119 per square foot. This price record didn’t last long as 718 Lincoln Road (6,943 square feet) sold for \$4,969 per square foot on May 14, 2014. On October 21, 2014, a new record was set by the sale of the ArtCenter Building at 800 Lincoln Road for \$4,999 per square foot. At the time, the biggest property sale on Lincoln Road occurred on August 18, 2014. Morgan Stanley Real Estate Investing paid \$342,000,000 for a six-building retail portfolio. The price equates to \$3,017 per square foot. It was one of the highest price deals in South Florida history. On March 25, 2016, Playa Retail Investments, LLC purchased a 74,887-square foot retail portfolio of buildings from 1001 to 1045 Lincoln Road for \$370,000,000 or \$4,941 per square foot. It was, at the time, the highest price

deal on Lincoln Road and the second largest real estate transaction ever in Miami Dade, second only to a 50% stake in the Fontainebleau Hotel that was purchased for \$375,000,000 in 2008. The buyer is an affiliate of Spanish billionaire Amancio Ortega. To date, the highest per square foot price paid on Lincoln Road was for the 5,000-square foot retail property located at 635-639 Lincoln Road for the recorded price of \$35,000,000 or \$7,000 per square foot.



In May 2018, a retail building at 947 Lincoln Road sold for \$25.65 million as a redevelopment property. The property last sold for \$301,000 in 1986. The property was purchased with an 8,625 square foot retail building build in 1925. In 2017, the city approved a plan to redevelop the building, with an expansion to 13,871 square feet and a

height increase from 24 feet to 36 feet. As part of the plan, the owner will renovate and restore the original Michigan Avenue façade and create a new modern building behind it, facing the popular Lincoln Road pedestrian strip.

In October 2015, Miami Beach Commissioners approved a final master plan for Lincoln Road that will overhaul the pedestrian only street. The plan includes enlarging sidewalks, adding extensive landscaping and turning some side streets and back alleys into pedestrian walkways that will serve as new retail and restaurant venues. The plan calls for creating 15-foot wide strips allowing for open air dining that will have new canopy structures built into the ground at regular intervals with central columns holding electrical outlets for lighting. The city's CRA allocated \$22 million for the pedestrian only part of Lincoln Road and \$12 million in additional funding to redesign and reconstruct side streets and back alleys. However, in 2017 the updated plans were revealed at a cost of \$43 million, nearly double the original budget. However, the city plans to cut costs by modifying designs when the budget is renegotiated in late 2017. As of late 2018, the design phase has not yet been completed and as of 2020 the project is underway.

After years of unprecedented increases in retail rents along Lincoln Road, many brokers and market participants reported that the market had peaked in late 2016/early 2017 as many owners dropped asking rents from a high of \$375 to \$450 per square foot to the current level of \$250 to \$265 per square foot. Many vacancies are taking longer to lease up. Despite the market correction, the shopping district remains healthy and is still

ranked among the top shopping, dining and entertainment district in the world because of the volume of visitors.

The largest land use within the subject's neighborhood is the Miami Beach Convention Center which is located along Washington Avenue just north of 17th Street. This center contains more than one million square feet of space for meetings. Located on the convention center property is the famous Jackie Gleason Theatre. The theatre, originally built in the 1960s, was renovated in 2007 and now managed by Live Nation featuring live concerts, productions, and special events. The Holocaust Memorial and the city's Botanical Gardens are adjacent to the convention center to the northwest.

Miami Beach has been one of America's pre-eminent beach resort communities for almost a century. The Fontainebleau Hotel is one of the most historically and architecturally significant hotels on Miami Beach. Built in 1954, it was considered the most luxurious hotel on Miami Beach. The Fontainebleau is situated on the oceanfront along Collins Avenue in the heart of "Millionaire's Row," fronting the Atlantic Ocean. The 1,504-room resort's most distinguishing features include two new towers, 11 restaurants and lounges, a 40,000-square-foot spa with mineral-rich water therapies and co-ed swimming pools, and a dramatic oceanfront pool. The hotel closed a large part of its property in 2006, when the hotel underwent a \$1 billion, two-year renovation and expansion. The renovated hotel re-opened in November 2008. Other major resorts along Miami Beach include the Eden Roc, the Ritz Carlton, the Loews Miami Beach Hotel, The Shore Club, The Setai, and the W South Beach, a 312-room luxury resort located at the corner of Collins Avenue and 23rd Street.

South Beach is one of the more popular areas of Miami Beach, which generally encompasses the beach area between the Government Cut ship channel at the south end of the city and 21st Street. As larger, new resort properties began spreading northward in Miami Beach by the 1960s, South Beach fell into a period of decline, with increasing vacant buildings, urban blight, and crime. Today, however, it is considered one of the most-valuable commercial areas in South Florida, after a pronounced renaissance that began in the late 1980s. In 1979, South Beach's Art Deco Historic District was listed on the National Register of Historic Places. The Art Deco District is the largest collection of Art Deco architecture in the world and comprises hundreds of hotels, apartments and other structures erected between the 1920s and 1940s. The Historic District is generally bound by the Atlantic Ocean to the east, Lenox Court to the west, 6th Street to the south, and Dade Boulevard to the north.

Miami Beach was in a redevelopment stage that began in the 1980s after investors and preservationists saved South Beach's Art Deco buildings from potential demolition. This

redevelopment gradually spread from the community's oceanfront areas westward into the mid-1990s as demand gained momentum. The success of designating and promoting the Art Deco District led preservationists and city leaders to designate additional areas in the city, including some of Miami Beach's neighborhoods that are outside of South Beach. The few remaining vacant sites along the oceanfront and Biscayne Bay were purchased for development of luxury hotels and condominiums. This was followed by the purchase of older, low-rise motel and hotel properties to the north and south of the Art Deco District that had outlived their economic viability. The pricing structure of these new luxury condo units typically ranges from over \$250,000 to well over \$1.0 million. This gentrification of the neighborhood; however, began to push out its older and original residents. The increased demand for living quarters in Miami Beach and South Beach resulted in strong increases in rental rates and property values. This trend caused the displacement of lower-income residents from many buildings, and the loss of retailers providing basic services to local residents. However, the housing crisis over the past several years had produced downward pressure on housing prices and rental rates, making the area slightly more affordable for the middle class.

The North Beach neighborhood has experienced recent speculative land sale activity for future redevelopment by several developers. The TC-1 zoning district was recently amended to allow for floor area ratio densities of 2.25 and building heights of 125 feet and 12 stories. Additionally, a boutique hotel was approved for North Beach. The Miami Beach Design Review Board approved Spider's 44 room boutique hotel on a 22,000-square foot site at 8011-8035 Harding Avenue.

Proximity to Supporting Facilities – The proximity to schools, medical facilities, parks, shopping and employment centers is considered to be adequate.

Health Care Facilities – Mount Sinai Medical Center is the nearest comprehensive medical hospital to the subject. Founded 1949, Mount Sinai is the largest private, independent, not-for-profit teaching hospital in South Florida, and contains 955 licensed beds and over 700 physicians and is located along Biscayne Bay just north of 41st Street in Miami Beach.

Employment – The subject property is approximately five miles east of the Central Business District (CBD) of Miami. This is the urban center of business activity within Miami-Dade County containing regional and national financial institutions, legal and accounting firms and governmental offices.

Schools – Schools include Miami Beach Senior High School, Nautilus Middle School and the South Pointe Elementary School. In addition to the schools above, Miami Beach and

Miami-Dade County have several private and religious schools, colleges and universities.

Parks and Recreation – There are adequate recreational facilities within the Miami Beach area. The Miami Beach Golf Club is a public golf facility situated along the east side of Alton Road, north of Dade Boulevard. Flamingo Park is located at the center of the South Beach neighborhood. This park, at 11th Street and Jefferson Avenue, contains 36.53 acres featuring a state-of-the-art football field, basketball courts, tennis courts, a pool, a dog park, and a new playground. The park also provides after-school and adult programs.

Retail/Shopping & Entertainment – Lincoln Road represents the heart of shopping in the subject's immediate area, featuring national retailers such as The Gap, Pottery Barn, The Apple Store, American Apparel, and Anthropologie, as well as local shops, restaurants, bars, and cafes. Just north of Lincoln Road at the corner of Meridian and 17th Street is a Macy's department store. A similar trend has occurred along Collins Avenue between 5th and 10th Streets, where older Art Deco buildings were gutted and remodeled for adaptive uses as freestanding retail stores. This drew national retailers to this location, including The Gap, Victoria's Secret, Banana Republic, Ralph Lauren, Sephora, Tommy Hilfiger, and Zara.

Publix Supermarkets are located at Dade Boulevard and Michigan Avenue, with a second store at West Avenue and 20th Street. Clusters of retail stores are located along Alton Road, Arthur Godfrey Road, Collins Avenue and Washington Avenue through Miami Beach. While stores along Collins Avenue and Washington Avenue tend to cater to tourists and visitors, Alton Road and Arthur Godfrey feature businesses catering to the local residential population.

An 180,000-square foot community center was completed in 2009 at Alton Road and 5th Street in Miami Beach, housing Best Buy, Publix, Ross, Staples and T.J. Maxx. This property was purchased by EDENS in late 2012 for an undisclosed price. Total Wine replaced Staples in the center in 2015. The store opened on October 15, 2015. The neighborhood's multi-screen cineplex is located in another vertical development along Alton Road at the west end of Lincoln Road Mall.

Summary – The subject's Miami Beach neighborhood features a broad mix of high-density land uses creating a unique urban neighborhood with excellent access to the Atlantic Ocean beaches. This mixture has proved popular with residents and visitors, with commercial zones along major roadways emerging as some of the region's most-popular retail/entertainment districts. The gentrification of the neighborhood's Art Deco

buildings spurred greater demand for housing, retail, office and hotel rooms in this market, illustrated by additional development activity. This has caused some issues with parking and development direction. Development is strictly controlled by preservation ordinances in order to protect the architectural integrity of its many Art Deco buildings. This factor, and the lack of available land for additional development, is a positive influence for investment in the market. Additionally, new development has slowed over the past year and the area now competes with the Wynwood neighborhood and downtown Miami for retail and restaurant patrons. Nonetheless, the long-term outlook for this neighborhood is quite positive for well-conceived and well-located commercial and residential properties.

Demographic Profile

Demographic profiles for the one-, three- and five-mile rings surrounding the subject are summarized in the addendum.

Marina Industry Overview

Since the subject property is an in-water marina, the health and status of the boating and marine industry of the nation in general and South Florida specifically has a direct effect on the subject property.

Boating Industry Magazine estimates there are approximately 10,000 waterfront facilities in the United States, of which 7,500 are marinas without extensive repair facilities. There are approximately 1,500 boatyards with the equipment and ability to handle hull and engine repairs and restoration. Of the total 9,000 marinas and boatyards, it is estimated that 3,000 are owned or associated with retail boat dealerships. According to a January 2019 study, figures reported by the National Marine Manufacturers Associations (NMMA), a Chicago based trade group, the U.S. recreational boating industry saw its seventh consecutive year of growth in 2018 and expects additional increase in 2019. The state of Florida ranked first in the nation in sales of boats and boating products with \$23.3 billion annually. California is a distant second with \$13 billion. Florida is also the home to 172 boat and ship manufacturers and 732 boat dealers. These businesses serve approximately 10,000 miles of inland and coastal waters and over three million acres of lakes. The study also notes that annual domestic sales of boats, marine products and services are estimated to be \$41 billion in 2018 up 5% from 2017.

The Murray study found the following:

The recreational boating industry is a significant sector of Florida's economy. Manufacturing, retailing, and service sectors comprising the industry have added significantly as the State's resident and tourist populations increased. This study is an update of earlier efforts to quantify the economic significance of the recreational marine and boating industry in Broward, Dade and Palm Beach Counties ("Tri-County") and Florida as a whole, based upon indicators of change within the industry.

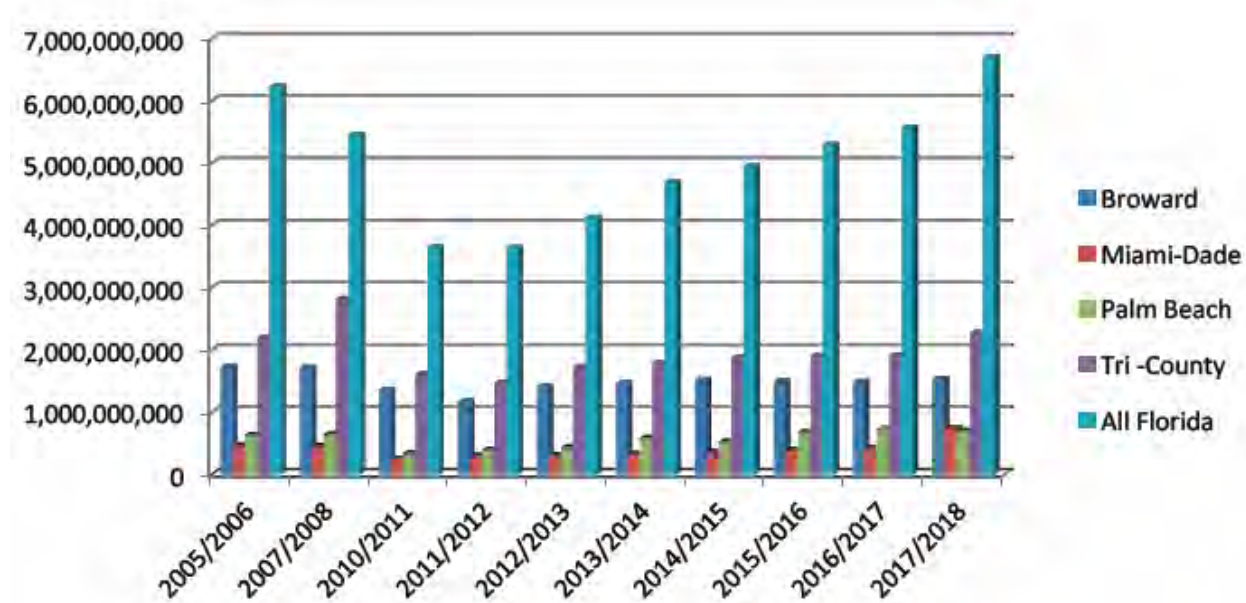
This study describes the trends in ownership and operation of recreational boats, and further estimates retail sales, employment, and industry output associated with the retail sale of new and used motorboats, supplies, and outboard motors by Florida's marine industry.

Between fiscal years 2014 and 2018, a consistent turn-around in the marine industry has occurred throughout the State and Tri-County areas. The overall increase in marine related sales in Broward County was 24.9%, Dade 124.6%, and Palm Beach 19.7% over

the period. Taken as a region the Tri-County marine industry sales grew an estimated 36.3% between 2014 and 2018. Statewide, gross marine sales grew by 31.3%. During the most recently completed fiscal year (2018), Broward County contributed to just over \$1.5 billion in sales for this sector, Miami-Dade County contributed \$746.7 million and Palm Beach County reported \$701.9 million. For fiscal year 2018, gross retail sales of boat and motor products equaled \$6.7 billion statewide – an increase of 43% since 2014

Combined as a region, the Tri-county area represented 44.4% (\$2.979 billion) of Florida's gross marine sales during the 2018 fiscal year.

**Gross Marine Sales
Florida and Tri-County
FY 2006-2018**



For FY 2018, the overall economic impact of the marine industry for the Tri-county area is estimated as follows:

Broward County's marine industry had an estimated economic impact of \$8.9 billion in gross output - an increase of \$100 million from \$8.8 billion in 2014; including \$3.1 billion in wages and earnings, up from \$3.0 billion in 2014, and 111,398 associated jobs compared to 110,470 in 2014.

TABLE I: Summary of Estimated Economic Impact of Marine Industry
Total Employment, Total Earnings, and Total Output
Broward County, Florida 2018

Sector	Total Employment (Jobs)	Total Earnings (\$)	Total Output (\$)
Manufacturing	22,519	\$342,906,067	\$1,413,329,239
Wholesale Trade	18,563	\$570,833,863	\$1,498,230,310
Retail Trade	35,097	\$1,362,090,168	\$3,323,031,208
Dockage	11,178	\$327,389,189	\$1,054,363,604
Marine Services	24,041	\$509,535,245	\$1,639,228,286
Total Marine Industry	111,398	\$3,112,754,532	\$8,928,182,647
<i>Source: (1), (4), (6), (11)</i>			

Miami-Dade County's marine industry had an estimated economic impact of \$914.2 million in gross output – an increase of \$146.2 million from \$768.0 million in 2014; including \$336.1 million in wages and earnings, up from \$278.2 million in 2014, and an associated 9,254 jobs compared to 7,776 in 2014.

Palm Beach County's marine industry had an estimated impact of \$1.883 billion in gross output – an increase of \$960.0 million from \$.923 billion in 2010; including \$682.1 million in wages and earnings compared to \$334.4 million in 2010, and an associated 18,220 jobs compared to 8,931 in 2010.

TABLE II: Summary of Estimated Economic Impact of Marine Industry
Total Employment, Total Earnings, and Total Output
Miami-Dade County, Florida 2018

Sector	Total Employment (Jobs)	Total Earnings (\$)	Total Output (\$)
Manufacturing	1,657	\$59,271,508	\$163,652,465
Wholesale Trade	1,592	\$56,953,628	\$157,252,648
Retail Trade	3,146	\$112,582,753	\$310,848,258
Dockage	1,119	\$40,066,215	\$110,625,409
Marine Services	1,740	\$62,251,640	\$171,880,801
Total Marine Industry	9,254	\$331,125,744	\$914,259,581
<i>Source: (4), (6), (11)</i>			

Palm Beach County's marine industry had an estimated impact of \$2.1 billion in gross output – an increase of \$306.9 million from \$1.883 billion in 2014; including \$791.3 million in wages and earnings compared to \$682.1 million in 2014, and an associated 21,135 jobs compared to 18,221 in 2014.

TABLE III: Summary of Estimated Economic Impact of Marine Industry
Total Employment, Total Earnings, and Total Output
Palm Beach County, Florida 2018

Sector	Total Employment (Jobs)	Total Earnings (\$)	Total Output (\$)
Manufacturing	1,972	\$73,863,817	\$203,942,774
Wholesale Trade	4,060	\$151,995,242	\$419,668,686
Retail Trade	6,301	\$235,920,169	\$651,390,831
Dockage	2,260	\$84,614,974	\$233,627,411
Marine Services	6,542	\$244,931,141	\$676,270,710
Total Marine Industry	21,135	\$791,325,342	\$2,184,900,415
<i>Source: (4), (6), (7), (11)</i>			

The Tri-county marine industry had an estimated economic impact of \$12.0 billion in gross output – an increase of \$500 million from \$11.5 billion in 2014; including \$4.2 billion in wages and earnings, up from \$4.0 billion in 2014, and an associated 141,787 jobs generated compared to 136,000 in 2014.

This increase in the marine industry has been mirrored by the moderate increases in registrations of boats in south Florida.

A total of 149,674 boats were registered in the South Florida market in 2017, up from 148,384 boats in 2016 that equates to a 1.0% gain. The following chart shows the number of licensed boats and yachts in the counties of Broward, Miami-Dade and Palm Beach.

TABLE IV: Summary of Estimated Economic Impact of Marine Industry Total Employment, Total Earnings, and Total Output Tri-County, Florida 2018			
Sector	Total Employment (Jobs)	Total Earnings (\$)	Total Output (\$)
Manufacturing	26,148	\$476,041,392	\$1,780,924,479
Wholesale Trade	24,215	\$779,782,733	\$2,075,151,645
Retail Trade	44,545	\$1,710,593,090	\$4,285,270,298
Dockage	14,557	\$452,070,378	\$1,398,616,424
Marine Services	32,323	\$816,718,027	\$2,487,379,797
Total Marine Industry	141,787	\$4,235,205,620	\$12,027,342,643
<i>Source: (4), (6), (7), (11)</i>			

Boats Registered

The most current available licensing statistics for FY 2017, as shown in Table 1 below, indicate the Tri- County region as a whole as home to 144,303 registered recreational water-craft – up from 136,091 in 2014, including nearly an 9.0% increase in Miami-Dade County (59,031 to 64,327). In the Tri-County, Miami-Dade County registered the most watercraft according to the "Florida Department of Highway Safety and Motor Vehicles." (5)4 While Palm Beach showed a slight decrease of 3.1% since 2014 (36,852 to 35,880), Broward County boat registrations increased by 9.7% – from 40,208 in 2014 to 44,096 in 2017.

TABLE 1 — Numbers of Recreational Watercraft Registered In Florida's Leading Marine Industry Counties FY 2013-2017

County	2013 (#)	2017 (#)	% Of State 2017	Change # 2013-2017
Broward	40,208	44,096	4.83%	9.67%
Palm Beach	37,028	35,880	3.93%	-3.10%
Miami-Dade	59,031	64,327	7.05%	8.97%
Pinellas	45,166	48,936	5.36%	8.35%
Manatee	16,592	18,757	2.06%	13.05%
Lee	42,320	46,354	5.08%	9.53%
Martin	14,871	17,320	1.90%	16.47%
Hillsborough	40,140	40,082	4.39%	-0.14%
Monroe	24,422	26,467	2.90%	8.37%
Duval	21,072	26,037	2.85%	23.56%
Top Ten Counties	346,724	368,256	40.36%	6.21%
All other Counties	517,949	544,136	59.64%	5.06%
Florida Total	973,868	912,392	N/A	-6.31%
<i>Source: Fla. Bureau of Titles and Registrations Florida Department of Highways and Motor Vehicle Safety. FY 2017 data is latest available as of date of this report.</i>				

These are figures from the Florida Department of Highway Safety and Motor Vehicles, which are the most recent figures available. They show that the total number of boats in the South Florida area make up 16.0% of the State's total. In 2013, the drop in registrations appears to have leveled out with a slight increase of 272 vessels. In 2014, there was a 1.3% gain with the addition of 1,833 vessels and in 2015, another gain of 3,098 or 2.2%. In 2016, again there was an increase of 2,115 vessels or 1.4%, with Miami-Dade County seeing the greatest increase of the three counties surveyed. This increase in the number of boats registered in the south Florida area is following the overall trend in the boating industry with modest gains as the economy steadily improves. The 2019 figures are expected to reflect this positive trend.

The Fort Lauderdale International Boat Show (FLIBS), the largest in the world, continues to flourish under the new producer, Informa. London-based Informa paid \$133 million in 2016 for the rights to produce the show. Since the purchase, Informa has invested over \$10 million in show enhancements, and it has resulted in record ticket sales and attendance and a vastly improved visitor experience.

Informa, one of the largest trade shows operators in the world, also produces the Monaco Yacht Show, the Palm Beach International Boat Show, and Miami Yachts Show. FLIBS is the biggest, though, pumping nearly \$900 million into the local economy every year.

Marine Industry Headwinds

The first is the impact of the Virgin Trains USA High-Speed Rail Project on local marine traffic. The \$3Billion project runs through downtown Fort Lauderdale over a low drawbridge at the New River. Its future projected annual ridership is reported to be 3.5 million passengers once a connection to Orlando is complete. MIAASF continues to work closely with the U.S. Coast Guard to protect the navigability of the New River against increased passenger rail on the FEC train bridge, and successfully lobbied the Florida Legislature in May 2019 to appropriate \$750,000 for the Florida Department of Transportation (FDOT) to study the impact and offer solutions to transportation infrastructure needs that will not negatively impact the \$8.9 billion marine industry in Broward County.

The second possible headwind to the local marine industry is the displacement of marine uses due to the development of high-rise residential uses similar to what has happened along the Miami River. Local leaders are aware of the importance of the industry and have discussed possible solutions to protect the marine industry. This will be a long-term concern as South Florida continues to be a desirable place to live, and developers seek out prime waterfront sites for the development of non-marine uses.

The third headwind is the lack of mega yacht dockage. As of 2016, there were 10,000 mega yachts with over 150 delivered every year. As such, global demand for mega yacht dockage is growing, and Fort Lauderdale currently lacks sufficient supply to meet the demand. There are several marina projects designed to support mega yacht dockage, Pier 66, Bahia Mar and Seahaven Superyacht, but given the desirability of Fort Lauderdale as a port of call for mega yacht repair and re-fit more dockage will have to be introduced. The primary challenge is the lack of suitable land due to tremendous growth in the region.

The Palm Beach International Boat Show was recently cancelled due to the COVID pandemic which will negatively impact the local marine industry for the short term, but it is not expected to have a negative long-term impact on the subject property.

The current boom in the South Florida marina and boatyard market is a nexus of lessons learned from the Great Recession and the continued expansion of the global yachting

market coupled with rising demand for recreational boating. Including projects in the pipeline, an investment of over a half-billion dollars will have been pumped into the local marine industry by boatyard owners, marine operators, and the producer of FLIBS in the decade since the Great Recession.

Recent Sales and or Transactions of Marine Facilities in South Florida

The sales and rental activity in the marina and boatyard market in south Florida have been increasing over the past several years.

Hidden Harbour, Marina Road Boat Yard and Hi-Lift – These three properties were sold by a local investors Andy Sturner. Hidden Harbour located in Pompano Beach is a multi-parcel property with dry storage, boat yard, retail buildings and vacant land. Plans call for the property to be redeveloped with a mixed-use mid-rise project. Marina Road Boat Yard is located furthest up the Middle River in Fort Lauderdale. The property improvements are near the end of their economic lives and are in need of redevelopment. Hi-Lift Marina located in Aventura is an older style dry storage building with some showroom space. The storage capacity of the building limits the size on the boats to less than 35 feet in length. Occupancy however has always remained high above 95%.



Hidden Harbour

Derecktors Fort Pierce – The Derecktor yard is building a boatyard to service yachts of over 200 ft. and 900 plus tons in Fort Pierce. Vessels of this size have a limited number of facilities in the south Florida market which presents a tremendous opportunity for Derecktor Fort Pierce, as the new yard will be known. The yard will include a 1,400-ton mobile hoist (along with a 3,500 ton or larger dry-dock) allowing the hauling and service of large sailing yachts. Once in full operation, Derecktor Fort Pierce will employ more than 200 people directly and hundreds more through subcontractors and suppliers.

Bradford Marine is an established full-service yacht repair and service facility that sold on January 1, 2019. The overall property consists of 14.646 acres of deep water/ocean access site containing 6.427 acres of upland area and 8.219 acres of submerged land along the south fork of the New River. Building improvements consist of six (6) buildings totaling 20,448 square feet of gross building area. Major site improvements consist of 30 large covered slips containing 252,707 square feet and 4,563 linear feet of concrete piers, 3,535 linear feet of shoreline/seawall and 9,398 linear feet of rentable covered dock facing. The property is located along the west side of the South Fork of the New River within a "pocket" of marine related uses within an industrial neighborhood. It possesses a street address of 3051 West State Road 84, Fort Lauderdale, Florida.

The property was purchased by a Father and Son investment company who has kept management in-place and for sees renovating the facility but keeping overall services similar to current operations. The sale price was \$34.8 million.



Bradford Marine

The **Old Port Cove** portfolio consisting of Old Port Cove, North Palm Beach Marina and the New Port Cove facility in Riviera Beach sold in February 2018. All three properties have been updated in the recent past and have strong operating histories. The buyer is Safe Harbour Marina out of Dallas Texas, the largest marina operator in the United States. The properties are made-up of two in water slip marinas and one dry storage facility. The properties were purchased for a reported amount of \$65 million however, not all of the deeds have been filed as of the date of this report.

In September 2017 all of the eleven **Loggerhead Marinas** sold to Suntex a marina investment firm out of Texas. The properties are located from Homestead up to Daytona Beach and one facility located in St. Petersburg on the west coast on Tamp Bay. Each property was unique with both dry storage and west slips configurations. All were purchased for their income capability and a few of the facilities looking to expand. The properties for the most part had stabilized occupancies with long term operating histories.

Haulover Marine Center located within the publicly owned Haulover Park was completed at the end of 2016. Westrec who currently leases and operates the open rack storage facility to the immediate south developed the property with a public private partnership with Miami-Dade County. After one year in operation the facility is reportedly nearing stabilization.

Fort Lauderdale Boatyard and Marina was sold to a marina developer in June 2016. The buyer is planning on redeveloping the property with a modern open dry rack boat storage facility for up to 812 vessels from 20 to 50 feet in length. In addition, there will be 2,912 linear feet of in-water rentable dock space located in the basin to the south of the upland area and parking for up to 184 vehicles to the north of the dry storage area. A fuel dock will be located along the southern boundary with a Tiki-hut along the north shoreline of the New River. The dockmaster's office will face the launching area and total 500 square feet. Compared to most new facilities developed in the south Florida market, amenities will be limited to vessel dockage and dry storage. With lower construction costs compared to an enclosed dry storage facility the developer will be able to lease slips at much lower rates. This proposed marina is located just west of South Fork Marina.

Lauderdale Boatyard, the former Art's Maine was purchased in June 2016 by local real estate investor based on an 8% cap rate. Tenant bays are small and upland area to work on boats is minimal. The SR 84 bridge needs 24-hour notice to open so access to the property is not considered as good as marinas located north of the bridge. Formally known as Art Marine it is an older marine-use facility with four metal buildings located on the west bank of the New River.

Seahaven Superyacht Marina is located on the south shoreline of Dania Cut-Off Canal recently opened in the beginning of 2019. The new development has 2,400 linear feet of dock space for vessels 100 to 250 feet in length and a draft of 15 feet. Based upon an average vessel length of 150 feet, a total of 16 vessels can be dock at the facility.

Merrill Stevens – 1270 N.W. 11th Street is the oldest shipyard business on the Miami River. The property was sold in December 2013 for \$7,687,500 to Turkish boat builder Rahmi M. Koç who is making significant investment to the property and the new boatyard facility is nearing completion.



Merrill Stevens

Island Gardens Marina has been completed and is in operation located on Watson Island and south of the MacArthur Causeway. This marina is a forty-six-slip facility with floating docks that can accommodate vessels up to 550 feet long and was developed to attract Mega and Super Yachts. The facility is part of a major development plan by Flagstone Property Group.



Island Garden Marina

Rickenbacker Marina is slated for redevelopment. Located on the north shoreline of Rickenbacker Causeway, this mixed-use facility will be redeveloped with a new dock system as well as boats storage facility. The city of Miami awarded RCI Marine operated by Robert Christoph, Jr. first place in the RFI proposals. The marinas infrastructure is dated, and redevelopment of the property will provide the boaters and

public a waterfront destination at the northern end of Biscayne Bay. The project has yet to move forward since the original lessee is fighting to retain its position.

Summary

The boating industry is one of the primary sources of jobs and revenue in Florida with a large portion of business done in the South Florida area. The condition of this industry has a profound effect on the local economy and equally affected by the national and world economy. The 60th Fort Lauderdale International Boat Show attracted more than 100,000 attendees from more than 52 countries, according to organizers. The five-day event, which celebrated its 60 anniversary this year, had more than 1,000 exhibitors and 1,300 boats.

Most of the boat dealers and yacht brokers reported their sales were similar to or better than the 2018 FLIBS event.

Over the long term, it is anticipated that this region will continue to attract new businesses and residents, with an accompanying increase in demand for goods and services. Based on the minimal amount of additional developable land for marina use and the current supply of boats in South Florida, which is now increasing, demand for dock space and boatyard services in South Florida is expected to continue its steady expansion the foreseeable future.

COVID-19 AND THE MARINE INDUSTRY

As of the date of this report, the global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). The world economy is in a state of high volatility based on the uncertainty of the outcome of the impact of the virus. In the United States, the federal, state and local governments are taking steps to limit the spread of the virus that have negatively impacted several facets of the economy including travel, tourism and hospitality. Based on the results of historic pandemics of the 20th century (Swine Flu, Asian Flu, Hong Kong Flu, SARS, MERS, EBOLA and HIV/AIDS) it is anticipated the current pandemic will pass in time; however, the extent of the economic damage remains to be seen. Our opinions and conclusions are based on information available and accounts for market perception as of the date of this appraisal report.

Regarding in-water marinas, the Covid-19 epidemic has driven occupancies higher. Larger mega and super yachts that tend to cruise the Bahamas and Caribbean during the winter months have been told by foreign governments that they are not allowed into their ports. This has stopped all chartering of vessels to private individuals and

corporations. Therefore, the vessels/yachts have returned to the United States and to south Florida in particular to shelter. The captains are being told to remain in port and the crews are to self-quarantine on the yachts.

Plans for the vessels to travel to the Mediterranean for the summer months have also been put on hold. Until the pandemic abates, it appears that the occupancies for dockage will remain high for the foreseeable future in the south Florida market. The summer months generally have the lowest occupancies. It appears currently this trend will reverse for this summer season.

Regarding dry storage facilities, as of May 1, 2020 South Florida has reopened dry storage and marina fuel docks. Also, public boat ramps have been reopened.

The hope is that once the pandemic has ended that there will be a quick resurgence to normal operational levels within the next two months. Unlike a natural disaster no infrastructure has been damaged and no repairs are needed to reopen business.

However, there will be a sector of boaters who were unemployed, or businesses of boat owners failed that with not be able to afford boating future. This includes both small and larger vessel owners and that there will most likely be an increase of pleasure boats listed for sale within the next twelve-month period.

Sources: Walter Duke + Partners, Florida Dept. of Revenue, Broward Review Miami Herald, Natl. Marine Manufacturing Assoc., Marine Industries Assoc. of S.F., Fla. Dept. of Natural Resources, Showboats International, The Triton, Miami Herald, Sun-Sentinel, Power and Motor Yacht Magazine, Fla. Bureau of Labor & Employment, Boating Industry Magazine, DredgingToady.com, and Florida Statistic Abstract 2010, Thomas J. Murry and Associates 2019.

Condominium Market Analysis

Miami-Dade County Condominium Market Data

The following analysis provides additional background information into the state of the condominium market in Miami-Dade County. From 1998 through 2001, new condominium unit sales formed a narrow range of approximately 2,848 to 3,730 units per year according to Reinhold P. Wolff Economic Research. From 2002 to 2004, however, this number jumped to 4,753 to 7,789 units as the wave of new construction produced increasing inventories that were transferred to buyers in the market. In 2005, new condominium construction reached a whopping 24,501 units, or more than the previous six years combined. By 2007 however, the slowdown that began to affect the market in late 2005 had begun to reduce new condo construction completions to an annual total of 13,516 units. As the pipeline of development has slowed, 9,602 new condo units were completed and transferred to buyers in 2008, followed by 4,556 in 2009 and 3,701 in 2010. This number continues to decline, with just 2,246 units completed and sold in 2011 down to 1,332 units completed and sold in 2012 and down to 577 units completed and sold in 2013. However, a number of new projects came online in 2014 and 2015 and the figures increased to 827 and 1,786 respectively.

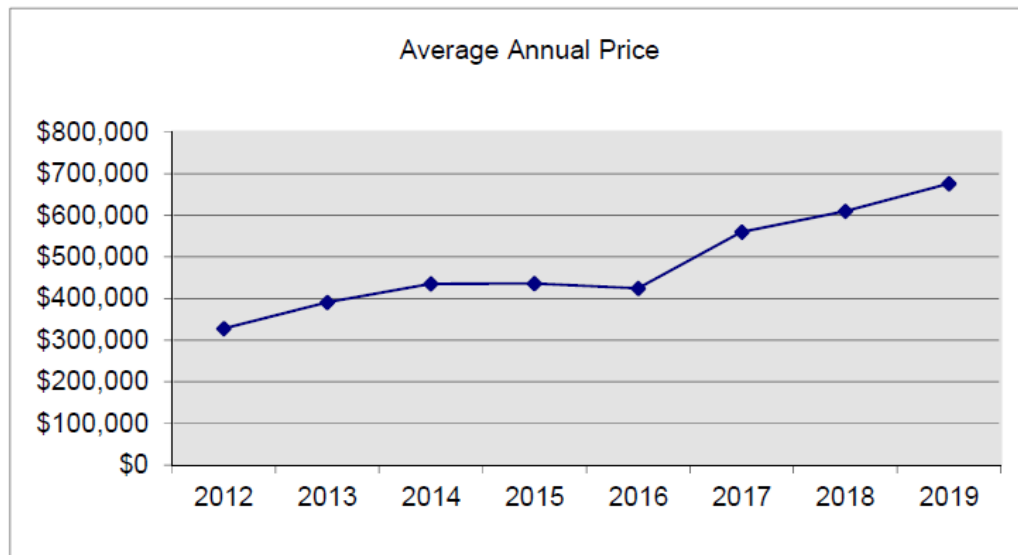
The trend in median prices for new and pre-owned (used) condo units sold in Miami-Dade County is exhibited in the following table.

Year	Median Price – New	Median Price – Used
2002	\$163,641	\$102,732
2003	\$177,455	\$123,074
2004	\$173,968	\$154,572
2005	\$216,244	\$204,301
2006	\$233,484	\$234,959
2007	\$273,900	\$255,934
2008	\$365,927	\$244,332
2009	\$336,608	\$144,358
2010	\$328,798	\$104,506
2011	\$347,380	\$152,895
2012	\$327,557	\$183,700
2013	\$390,448	\$186,351
2014	\$402,196	\$189,978
2015	\$435,748	\$209,085
2016	\$424,447	\$212,820
2017	\$559,488	\$239,481
2018	\$609,676	\$240,822

2019	\$675,901	\$228,704
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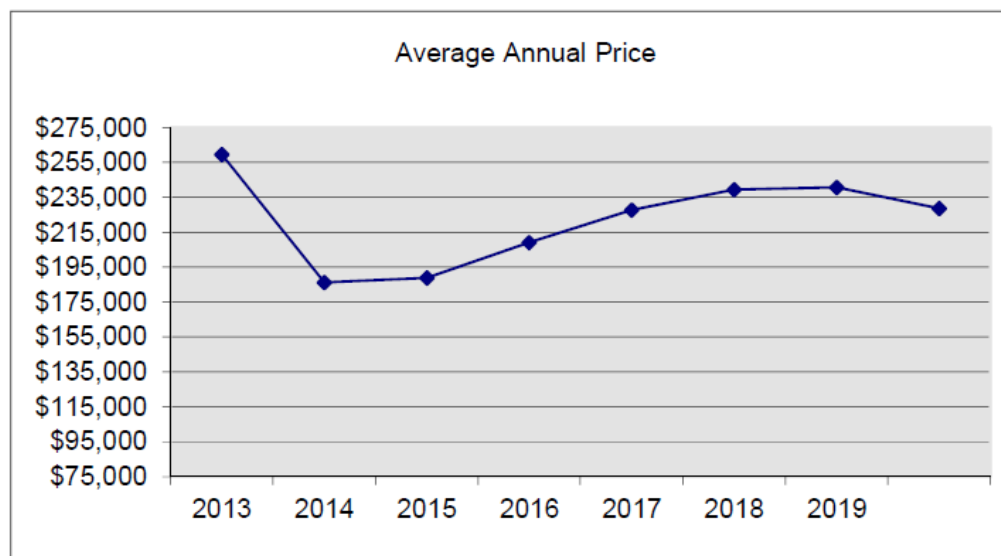
Reinhold P. Wolff Economic Research

The rising prices for condominiums that occurred in this market since the early part of this decade illustrate the economics that attracted investors and speculators. This encouraged those buyers to purchase for short-term price appreciation rather than for long-term investment. Prices for new projects continue to be volatile. Prices climbed to just over \$360,000 in the first quarter of 2011, down to \$271,000 by the third quarter of 2011, up again to \$385,000 by the first quarter of 2012 and down again to just over \$290,000 as of the third quarter 2012 but has since risen above \$400,000 and touched \$500,000 in 2015 and above \$600,000 in the first quarter of 2018 and over \$700,000 in the third quarter 2018. 2019 started off just over \$500,000 in the first quarter, then jumping over \$700,000 for the remaining three quarters, averaging just under \$700,000 for the year. The chart below summarizes median prices of new condo unit sales in Miami-Dade County.



Source: *Reinhold Wolff Economic Research*

Condo pricing for existing units in Miami-Dade County have also seen increased pricing:



Source: Reinhold Wolff Economic Research

Used condo unit sale prices fell to a low of \$81,571 in the third quarter of 2010. Since that time, the median price has rebounded over 260% after touching a high of \$299,744 in the second quarter of 2018 and over 190% after reaching \$239,638 in the fourth quarter of 2019.

Condo data compiled from the local MLS is presented below regarding active listings and sales in Miami-Dade County:

Month	Listings 2013	Listings 2014	Listings 2015	Listings 2016	Listings 2017	Listings 2018	Listings 2019	Listings 2020
Jan	13,454	16,417	16,621	17,123	15,961	16,519	17,716	16,239
Feb	13,819	17,103	17,072	18,109	16,280	16,937	17,883	16,268
Mar	13,655	17,235	17,559	18,307	16,485	16,779	17,666	16,104
Apr	13,871	17,394	17,632	18,161	16,210	16,709	17,521	15,328
May	13,750	16,999	17,219	18,238	16,247	16,514	17,285	
Jun	13,579	17,050	17,157	17,929	16,078	16,279	16,905	
Jul	13,748	16,816	16,833	17,431	16,134	16,283	16,762	
Aug	13,489	16,708	16,686	17,146	16,164	16,218	16,464	
Sep	13,797	16,867	16,608	16,892	15,824	16,409	16,500	
Oct	14,002	16,867	16,492	16,391	16,237	17,024	16,531	
Nov	13,994	16,757	16,889	15,938	16,444	17,269	16,475	
Dec	13,716	16,394	16,558	15,504	16,104	17,172	16,082	
Average	13,740	16,884	16,944	17,264	16,181	16,676	16,983	15,985

Source: MLS

Month	Sales 2013	Sales 2014	Sales 2015	Sales 2016	Sales 2017	Sales 2018	Sales 2019
Jan	1,268	1,377	1,202	1,053	950	1,030	906
Feb	1,360	1,297	1,312	1,159	1,058	1,090	1,012
Mar	1,607	1,557	1,620	1,417	1,427	1,312	1,299
Apr	1,795	1,690	1,651	1,394	1,182	1,493	1,465
May	1,875	1,688	1,604	1,367	1,447	1,477	1,543
Jun	1,688	1,589	1,655	1,461	1,434	1,397	1,317
Jul	1,734	1,555	1,655	1,240	1,214	1,329	1,325
Aug	1,777	1,416	1,485	1,283	1,275	1,368	1,317
Sep	1,573	1,595	1,434	1,200	887	1,116	1,231
Oct	1,620	1,673	1,520	1,058	1,121	1,309	1,292
Nov	1,432	1,285	1,221	1,072	1,042	1,145	1,143
Dec	1,518	1,576	1,364	1,178	1,258	1,154	1,352
Average	1,604	1,525	1,477	1,240	1,191	1,268	1,267

Source: *MLS*

According to this source, there was over a three-year supply of new, unsold condominiums and townhomes in Miami-Dade County in 2010. Unit sales were barely over 1,000 units per month, with more than 15,000 units available for sale. The sharp reduction in prices noted in 2010 began to attract homeowners waiting on the sidelines for prices to bottom as well as investors. After prices bottomed in the summer of 2010, inventory has shrunk dramatically with only a one-year supply of condo units available based in 2012 with 2013 noting less than a one-year supply of units. As market conditions have continued to improve over the past few years, listings have become more prevalent as unit owners that were underwater feel the time is right to sell. Further, new condo units have also been relisted for sale by international investors. As of year-end 2019, a 13-month supply of condo and townhouse units was on the market in Miami-Dade County. The data is summarized below:

	Sales 2013	Sales 2014	Sales 2015	Sales 2016	Sales 2017	Sales 2018	Sales 2019
Units Sold	1,604	1,525	1,477	1,240	1,191	1,268	1,267
Units Listed	13,740	16,884	16,944	17,264	16,181	16,676	16,983
Months Supply	8.6	11.1	11.5	13.9	13.6	13.1	13.4

Since 2016 the number of listing as compared to the number of sales has remained in very tight range of 13.1 to 13.9. Although a reduction in the inventory of new unsold condo units in Miami-Dade County has been noted through 2011 into 2018, a shadow inventory of rented units remains. However, the fear that the shadow inventory of rented condos units will saturate the for-sale market has never materialized and it appears that a normal pool of condominium units will likely remain as rentals going forward despite a large number of conventional style rental apartment communities coming online over the past few years.

The balance of new deliveries in 2018 marked the high point of all downtown deliveries since the commencement of the market recovery in 2012. During 2019, fewer than 600 new units were delivered, with over 1,300 under construction. Based on the current contract pipeline, there will be little competition for new projects by 2020.

Despite speculation in the media over the past 24 to 36 months that the downtown market was being overbuilt, continued strength in the U.S. economy coupled with a recovering global economy has provided the stability lacking during prior cycles. The 2013-2019 pipeline of construction also represented a significantly smaller delivery profile than the prior cycle 2004-2009 with Q2-2016 being the high-point in units under construction at 7,500 units. Since mid-2016, more inventory has been delivered than has entered the construction pipeline.

South Florida Macro

- As of May 2019, ISG Miami Report indicated that 4 projects in the Greater Downtown Miami submarket sold-out in 2018.
- Of the projects under construction or marketing, just 1,331 units remain unsold or 30% of the 4,454 units that have commenced construction during the current cycle.
- As of May 2019, the most recent ISG Miami Report indicated that of the 19,868 condo units that were developed in the current condo cycle dating back to 2012, 89% have been sold, leaving just 2,101 new developer units available for sale across South Florida, from Coconut Grove to Fort Lauderdale, east of Interstate 95.
- The remaining inventory is expected to be absorbed into the market over the next 24 months.

Submarket Micro

- ISG Miami reported that 85% (3,656 units) of the total units in “The Beaches” submarket have been sold. Only 669 units remain unsold.
- Of the 16 projects located on Miami Beach/South Beach, 12 are 100% sold out. Of the 4 projects with availabilities, 135 units remain unsold.

The difference between the supply and demand of new condo units in Miami-Dade County appears to be approaching equilibrium, a sustained improvement in demand for housing in this market from “organic” sources such as increasing household incomes may remain elusive until the economy improves further. The new wave of condo development in Miami-Dade County continues to be fueled by foreign buyers and

capital, especially from Argentina and Venezuela where political issues or problems can arise any day. These buyers are primarily investors which is very similar to the most recent condo boom in South Florida. Many of the units will be utilized as rentals which appears to be the norm in the market and should assist with keeping rental rates more affordable. ISG Miami expects the next condo cycle to commence by 2020 with marketing of new projects. Those units are expected to deliver between 2024 and 2025.

Considering the sudden onset of the COVID-19 pandemic, the luxury condo market in Miami got off to a good start in the first quarter of 2020. However, prices have begun a slight downward trend, allowing buyers opportunities for discounts in the older section of Miami's condo market. The overall luxury condo market has been in favor of buyers for the past several years, which has continued into the first quarter of 2020.

There is no doubt that buyer hesitation has peaked given the current economic unsteadiness granted by COVID-19, the full impact of which is expected to come through in the second quarter of 2020. However, it is too soon to predict the short- and long-term impacts on the real estate market, specifically the luxury condo market in Miami. Election years have also historically resulted in some buyer hesitation. A combination of the current economic state as well as a presidential election have increased projected higher levels of hesitation in the remainder of 2020. Regardless, the luxury condo market is still inventory-heavy in Miami.

Site Description

Physical Characteristics	
Site Area Leased	41.36 Acres
Upland Area	1.10 Acres (Green Space/Park) <u>2.41 Acres (New Building Pad)</u> 3.51 Total Acres
Submerged (Basin)	37.85 Acres
Shape	Irregular
Topography	Level at Street Grade
Primary Street Frontage	Four lane access from Alton Road
Secondary Street Frontage	None
Zoning Classification	GU, Government Use (Existing) CPS-4 Marina Sub District Commercial performance standard, intensive phased bayside (Proposed)
Zoning Authority	City of Miami Beach
Flood Zone	"A"
Flood Map Panel Number	1208060319-L, dated 9/11/2009
Census Tract	0045.00
Adjacent Land Uses - North	Residential Condominium
Adjacent Land Uses - South	Residential Condominium
Adjacent Land Uses - East	Alton Road
Adjacent Land Uses - West	Government Cut

Comparative Analysis of Site	Evaluation/Rating
Vehicular Access	Good for property type. Direct frontage along Alton Road, allowing access from both directions of traffic.
Riparian Access	Excellent
Vehicular Exposure/Visibility	Excellent
Traffic Volume	Local road, volume not provided
Drainage	Adequate

Utilities	Provider
Water, Sewer, Trash	City of Miami Beach, Private Contractor
Sewer	City Sewer
Natural Gas	Private Service
Electricity	Florida Power and Light
Telephone	Private contractor

Other	
Easements	There is an access easement located along the north boundary of the site and contiguous to the Core Building property which allows vehicular access to the Core Building and parking garages to the

Other	
	north. In addition, typical utility easements border the property which are commonly found in the south Florida area and do not have any detrimental effect on the use and or value of the subject property.
Encroachments	None Noted
Deed Restrictions	None Noted
Reciprocal Parking Agreements	None Noted
Common Ingress/Egress	The subject property is contiguous to a Miami Beach City owned easement described previously. This easement allows both directions of traffic ingress/egress to the site and is considered a required feature for the subject property.
Land Lease	The subject property has long-term land lease with the City of Miami Beach which has an expiration date of December 31, 2052. Terms are triple net and rent is based upon 10% of revenues made from the marina, ICOM Building, and Core Building. In addition, fuel sales are charged a rate of \$0.02 per gallon as well as 10% of net revenues from costs of goods sold.

Zoning & Land Use	
Current Zoning	The site is zoned G-U, Government Use by the City of Miami Beach. Any land or air rights owned by or leased to the city or other governmental agency for no less than an initial term of 20 years shall automatically convert to a GU government use district. Private or joint government/private uses in the GU government use district, including air rights, shall be reviewed by the planning board prior to approval by the city commission. Accessory uses in the GU government use district are as required in section 142-903. The zoning designation does not specifically address marine uses. But approvals for this use are made by the city commission on a case by case basis. The marina and office use have been granted to the subject property which runs with the term of the land lease. a special exception has been granted contained in Resolution 2015-095 with the City of Dania Beach to allow the development of a marina. The development is compliant with local zoning regulations.
Proposed Zoning	The City of Miami Beach is desirous of changing the zoning to CPS-4 Marina Sub District Commercial performance standard, intensive phased bayside. If the change is made the zoning would be similar to the adjoining properties to the north and south of the subject property. The Marina Sub District would address the marina component while the CPS-4 would be compliant with the proposed development of the luxury condominium building to be developed by the Terra Group.
Future Land Use Planning	High Density 60 to 125 units per acres.
Platting	The subject property is adequately platted.
Zoning Summary	The current use is allowable by law. The current improvements were developed in compliance with the zoning regulations.

The following is the proposed zoning analysis that was provided to Walter Duke + Partners by the client:

ZONING ANALYSIS - 344 Alton Road
City of Miami Beach, Florida
Client: Terra Group



Zoning Districts		CPS-4 Marina Sub-District		
		Required	Provided	Compliance
Lot: 400 Alton Road 344 Alton Road	Folio: 02-4203-009-9250	CPS-4 Marina Sub-District	Record	Record
	Folio: 02-4203-009-9218	CPS-4 Marina Sub-District	Record	Record
Lot Area Summary				
Net Lot Area Lot area, net: The total area within the lot lines excluding any street rights-of-way or other required dedications.				
344 (400 Alton Road (Lots 15-31))	Folio: 02-4203-009-9250 02-4203-009-9218	152,981.00 SF - Net Lot Area		Record
Half of Alton Road R.O.W.		25,500.00 SF - Net Lot Area		Record
Upland Area Adjacent to Parcel	Folio:	5,231.00 SF - Net Lot Area		Record
40'-0" R.O.W. South	Folio:	13,602.00 SF - Net Lot Area		Record
Total Net Lot Area (SF) - All Parcels (Per Surveyor)		197,314.00 SF - Net Lot Area		Record
Total Net Lot Area (Acres) - All Parcels (Per Surveyor)		4.53 Acres - Net Lot Area		Record
General Lot Requirements (Sec. 142-695(b))				
Lot Size		Required 5,000 Square Feet	152,981 SF	Compliant
Lot Width		50 ft min	518 Ft	Compliant
Floor Area Ratio (Maximum) - Sec. 142-695		2.50		Compliant
		453,285 GSF	Compliant	Compliant
		174,000 GSF		
		518,285 GSF		
Residential and/or hotel development	Excess FAR used by Murano Total Usable FAR Pursuant to all APD4 district regulations, excess maximum floor area shall not be 2.5, and open space ratio shall be 0.60 measured at or above grade.	Open Space Ratio at 0.60 measured at or above grade	316,089 GSF Parks - 20,870 SF Park - 47,700 SF Seaside Area - 13,004 SF Excessed: 3,000 SF TOTAL - 98,984 SF	Compliant
Minimum Unit Standards (Sec. 142-695)				
Minimum Unit Size (SF)		New Construction 550 SF Rehabilitated building 400 SF Non-elderly and elderly low and moderate income housing 400 SF Workforce housing 400 SF	Compliant Not Applicable Not Applicable Not Applicable	Compliant Not Applicable Not Applicable Not Applicable
Average Unit Size (SF)		New Construction 500 SF Rehabilitated building 550 SF Non-elderly and elderly low and moderate income housing 400 SF Workforce housing 400 SF	Compliant Not Applicable Not Applicable Not Applicable	Compliant Not Applicable Not Applicable Not Applicable
Minimum floor area per hotel unit (square feet)		15% = 300-335 square feet; 85% = 335 + square feet in all districts	Not Applicable	Not Applicable
Building Height (Sec. 142-693)				
Maximum Building Height (Feet)	Notwithstanding the above, the design review board or historic preservation board, in accordance with the applicable rules and criteria, may allow up to an additional five feet of height, as measured from the base flood elevation plus maximum floodwater, to the top of the second floor slab.	See Sec. 142-705 Amendment - 225 Feet - DAVID VERIFY	225 Feet	Compliant
Maximum Number of Stories		N/A	18 Stories - DAVID VERIFY	Not Applicable
Building Setback (Sec. 142-699)				

Front	Subterranean Pedestal Tower	This is a Minimum and Maximum Requirement Per Section 142-497	0 feet	N/A	Compliant
			0 feet	20'-0"	Compliant
			50 Feet	50'-0"	Compliant
	Side, Interior				
	Subterranean At-Grade Parking Lot (below building)		0 feet	N/A	Compliant
			5 feet	N/A	Compliant
	Pedestal		7.5 feet when abutting a residential district, otherwise none The required pedestal setback plus 10% the height of the building	89'-11" North 150'-0" South 55'-0" Podium + (10% of 225' = 22'-0") = 77'-0" Required 155'-0" Provided	Compliant
	Tower				Compliant
	Side, Facing a Street				
	Subterranean At-Grade Parking Lot (below building)		0 feet	N/A	Compliant
Pedestal Tower	5 feet	N/A	Compliant		
		The required pedestal setback plus 10% the height of the building	N/A	Compliant	
Rear	Subterranean Pedestal	Non-Oceanfront	5 feet	N/A	Compliant
			5 feet	300'-0" Lot Depth x 15% = 45'-0" Required 160'-0" Provided	Compliant
	Tower	Non-Oceanfront	15% of lot depth, 75 feet minimum		Compliant
Note: For lots greater than 100 feet in width the front setback shall be extended to include at least one open court with a minimum area of three square feet for every linear foot of lot frontage, except for those properties located in the C-PS1					
Density					
Dwelling Units per Acre			125 du/acre max.	17 du/acre	Compliant
Total Dwelling Units Allowed			566 Dwelling Units	80 Dwelling Units	Compliant
Note: Density Limits per 2025 Comprehensive Plan					
Parking Requirements (Municode Sec. 103-31 - 130-33)			Proposed		
Parking District			Parking District no. 1		
Residential and Lodging (Hotel) Parking			Minimum of 1.5 parking spaces per Dwelling Unit (Units 550-999 SF) Minimum of 1.75 parking spaces per Dwelling Unit (Units 1,000-1,200 SF) Minimum of 2 parking spaces per Dwelling Unit (Units 1,200+ SF) Minimum of 1.0 visitor parking space for every 10 DUs (developments with 20+ Units)		
Total Residential Required Parking =			0 Dwelling Units x 1.5 = 0 Dwelling Units x 1.75 = 60 Dwelling Units x 2 = 120 Total Required Parking / 10 =	0 Spaces 0 Spaces 120 Spaces 12 Spaces 132 Spaces	
Office Parking			Minimum of 1 parking spaces for every 400 square feet of Office Uses		
Total Office Required Parking =			15000 NSF / 400 x 1 =	38 Spaces 38 Spaces	
Commercial Parking			Minimum of 1 parking spaces for every 300 square feet of Commercial Uses		
Total Commercial Required Parking =			30000 NSF / 300 x 1 =	100 Spaces 100 Spaces	
Total Parking Required =				270 Spaces	
			Allocated in Existing Adjacent Structured Parking Allocated in Existing Development (Valet) - 143 Space Available	232 Spaces 38 Spaces	232 Structured Parking 38 Off-Site Compliant
Note: On-Street Parking available on Frontage Lines shall be counted towards Parking Requirement					

Improvement Description (Existing)

The improvements consist of two buildings which total 73,724 square feet of enclosed gross building area, a 379-slip marina, pool with sun deck area next to restaurant and 667 parking spaces.

A breakdown of the building sizes, uses and descriptions is provided in the following chart. This information was based on the physical inspection of the property by the appraisers, and data from a site plan for the property completed by Schwebke, Shiskin and Associates, Inc.

Building Breakdown

Building	Gross Building Area (S.F.)	Existing
Core Building	72,474	Three story concrete building located at the entrance to the property along Alton Road.
Dockmaster Building	<u>1,250</u>	Three story concrete building located on the end of Pier "E"
Total	73,724	Enclosed Building Area

Physical Characteristics	Core Building
Building Type	This building is made of concrete construction and is a mixed-use design with office, retail and restaurant space.
Building Class/Category	B Class
Size	72,474 Square Feet (Gross Building Area)
Stories	Three
Buildings	One
Exterior Walls	Painted stucco
Interior Walls	Painted drywall
Foundation	Monolithic concrete slab.
Floors	Ceramic tile, carpet, marble, slate, and finished concrete
Roof System	Flat deck
Roof Covering Material	Partial standing seam metal and flat deck
Ceiling Height	Up to 15'
HVAC	Central
Windows	Fixed pane in anodized aluminum frame
Pedestrian Doors	Metal frame
Overhead Doors	Metal roll-up loading areas
Loading Facilities	Street level
Electrical Service	Adequate
Lighting	Fluorescent, top hat incandescent
Fire Sprinklers	Yes
Interior	Condition of the interior is average to excellent depending on tenant and use

Physical Characteristics	Dockmaster's Building
Building Type	This building is made of concrete construction and is used as office and retail space for the marina operations.
Building Class/Category	C Class
Size	1,250 Square Feet
Stories	Three, first two stories have useable area and the third is a decorative spire
Buildings	One
Exterior Walls	Painted stucco over concrete
Interior Walls	Painted drywall
Foundation	Monolithic concrete slab.
Floors	Carpet and tile
Roof System	Steel truss system
Roof Covering Material	Painted standing metal seam
Ceiling Height	Up to 12'
HVAC	Central
Windows	Fixed pane aluminum frame
Pedestrian Doors	Metal
Overhead Doors	None

Physical Characteristics	Dockmaster's Building
Loading Facilities	None
Electrical Service	Adequate
Lighting	Fluorescent
Fire Sprinklers	Yes
Interior	Condition of the interior is very good

Physical Characteristics	Docks and Seawall
Seawall	Concrete cap formed over concrete plates retained by concrete pilings as well as rip rap.
Boat Dock Construction	Concrete decking supported by concrete pilings. All docks have water and electrical. The design/layout is a total of 2,485 linear feet of seawall, with 7,386 linear feet of piers, and 20,075 linear feet of rentable dock facing made up of 287 slips. Along the seawall and the docks are shore power hookups at power pedestals which provide 120, 240, 480, volt, 100-amp electrical service, and fresh water available.
Boat Lifts	A total of 92 boat lifts with a lifting capacity of 24,000 or 40,000 lbs.
Boat Dock Condition	Overall the docks and seawalls are considered in good condition for their age
Water Depth at Docks "Draft"	14 feet depending on tide

Site Improvements	
Site Improvements	Asphalt parking lot chain link fencing surrounds the property. To the south of the Core Building. Swimming Pool and Deck located to the west of the Core Building.
Parking Facility	Open parking located near the Core Building which totals 96 space and a total of 571 spaces located on the first floor of the adjacent condominium buildings which are part of the marina lease for a total of 667 parking spaces.
Underground Fuel Tanks	Two 9,450 Gallon Diesel Tanks and Two 5,745 Gallon Gasoline Tanks
Security	Electronic Gates at each dock entrance

Age/Condition	
Chronological Age	35 Years
Effective Age	20 Years
Total Economic Life	45 Years
Remaining Economic Life	25 Years
Condition	The subject facility has been used exclusively as a marina and mixed-use commercial property for the past 35 years. The property has been

Age/Condition	
	periodically expanded and renovated over the years of service. These items included plumbing, electrical service, dock repair, dock additions, renovation of office space, signage and paving. The buildings for their age and use have been adequately maintained. Therefore, the improvements reflect a physical condition which is representative of a property with a lower chronological age. However, it is recommended the marina be updated to maintain its competitive position in the market as a contemporary full-service world-class marina facility.

Proposed Building Breakdown

Building	Gross Building Area (S.F.)	Proposed
Condominium Building	275,000	Twelve story concrete building located at the entrance to the property along Alton Road. The building will have a total of 60 residential units and 215,000 SF of sellable area. The pedestal condo tower will start on floor 78' feet in the air and rise to 235' with rooftop pool deck.
Mixed Use Area	45,000	Three level area above the parking garage which will include retail, office and restaurant space.
Parking Garage	173,285	Parking garage will have a total of 270 self-contained parking spaces. A portion of the multi-level garage will be below ground and will support the mixed-use area and the condominium building.
Total	493,285	Enclosed Building Area

Site Plan Rendering - Upland Area



South Elevations



CONCEPT DESIGN
DRAFT / IN PROGRESS

SOUTH ELEVATION

WALTER DUKE + PARTNERS

COMMERCIAL REAL ESTATE VALUATION

Market Participants/Most Probable Purchaser

Marina

The subject property is a special use marina for larger luxury yachts with a relatively unique deep waterfront location with zoning allowing marine use. Location is good for a marine-related business due to obstructed deep-water access for privately owned vessels. The site is adequate in size and has significant site improvements in the form of office building, docks, seawall and paving. The subject should continue its use as a high-quality marina with mixed use component in the upland area and luxury condominium. The buyers and their profiles of recent marina sales are as follows:

Sale	Buyer	Buyer Type	Buyer Profile
1	Atlantic Marina Holdings	Investor	Regional Investor
2	Suntex	Investor	National Investor
3	Suntex	Investor	National Investor
4	Suntex	Investor	National Investor
5	Aqua Marine Partners	Investor	Local Investor

Of the sale activity Walter Duke + Partners has examined, all were purchased by investors. Based upon this information, the most probable purchaser for the subject property would be an investor.

During the course of business Walter Duke + Partners has been involved with a number of buyers and sellers in the current marine market over the past decade. In addition, many lenders have also been consulted with in regard to property listings, marketing, refinancing and disposition.

- Since the economic recovery, the current trend continues with investors looking for “best in class” properties in the south Florida market.
- New development is occurring in the south Florida market, notwithstanding gaining approvals from the numerous governmental agencies that control development of waterfront properties in Florida can be difficult to navigate. Recently completed marina projects within the past few years include Haulover Marina Center, Atlantic Holdings site of the old Jackson Marina facility, and the Seahaven Super Yacht marina. In addition, a few facilities in the Florida Keys to the south and the Rybovich boatyard in Riviera Beach to the north have been recently developed. Derecktors is in the process of opening a new facility if Fort Pierce.
- Operators of boatyards and marinas that have been through the past cycle are seeing increases in revenue streams and therefore have taken the opportunity to divest.

- Demand has been seen in the investment market from both traditional marina operators looking to expand market share and other Wall Street firms interested in diversifying their portfolios.

Due to the Covid-19 Virus Walter Duke + Partners has had additional recent discussions with active real estate brokers in the marine industry. They have indicated that prospective buyers are still interested in investing and that they don't perceive that the negative impact by the pandemic will be long lasting. Their thoughts are as follows:

1. Currently, banks are most likely going to take more time closing loans.
2. Rental marinas will see occupancy levels remain above seasonal drops normally seen in the summer.
3. Boatyards may see a slow-down in business do to supplies for parts becoming scares due to slowed manufacturing and limits on personnel working on vessels with "social distancing" requirements.
4. The timeline of the pandemic will be paramount in the recovery time for the marine industry and the overall economy.
5. Conversely lower gas prices will allow more budget minded boats on the water due to lower operating costs.

As indicated in the marina market overview, well located properties with good quality infrastructure has seen the greatest benefit in the market with second and third-class properties following.

Air Rights/Condominium Units

- The subject interacts within the southeast Florida real estate market and Miami Beach in particular. The concept of Market Value relates to the price a typically motivated buyer would pay for a property.
- The purchaser of the comparable sales are developers of vertical multi-family and mixed-use developments of significant intensity.
- The most probably purchaser of the air rights would be a strong developer with experience in very high-end residential product.
- For the condo units, the target market includes both domestic buyers and foreign buyers, predominantly from Central and South America as well as Europe and Russia.
- Buyers will likely be required to leave a 10% deposit at reservation and up to 40% to 50% total by the time the tower is topped off. Therefore, buyers at the proposed condominium will likely be required to have 40% to 50% of the purchase price deposited with the developer prior to closing.

- This deposit schedule is similar of other recent condo projects developed in Miami-Dade County.

(SWOT Analysis)

Strengths

- Excellent location with deep-water access to the Atlantic Ocean.
- Located near luxury hotels, airport, downtown and the beaches.
- Ample dock space for yachts and parking for vehicles.
- Government Cut corridor has positive influences with similar use properties located along the shoreline to the north and west.
- Long time established area known throughout the yachting community.
- Significant barriers to entry exist for new facilities.
- Close proximity and boating access to the Florida Keys to the south and Bahamas to the east.
- Excellent location for condominium high-rise with unobstructed views of Downtown Miami.
 - Unique and highly desired neighborhood
 - Good demographic profile
 - Walkable neighborhood with numerous restaurants, shops and nightlife within blocks of the subject.
- High density maximizes use of the site along with developable bonuses to the site.

Weaknesses

- Marina improvements will need to be updated over the near term to maintain its competitive position.

Opportunities

- South Florida continues to support and promote the importance of the marine industry.
- Significant barriers to entry exist for new facilities
- Marinas have evolved as a more widely accepted asset class. Natural social distancing nature of marinas may result in additional investment demand post COVID-19 pandemic.
- Miami Beach is one of the most desirable condominium submarkets in all of South Florida achieving peak pricing per square foot.
- Vertical development potential on upland area
- Recasting lease to maximize return on city owned property

Threats

- Most experts agree the Covid-19 will negatively impact the domestic economy but to what extent is unknown until it fully plays out.
- Current condominium cycle has wound down and with the onset of Covid-19 could delay the start of the next condominium cycle.

Typical Financing

Monetary Rates	May-20	Nov-19	May-19
Prime Lending Rate	3.25%	4.75%	5.50%
Fed Funds Rate	0.04%	1.55%	2.40%
Three Month Libor	0.54%	1.89%	2.58%

U.S. Treasury Rates	May-20	Nov-19	May-19
Three Month T-Bill	0.12%	1.52%	2.43%
Six Month T-Bill	0.12%	1.55%	2.44%
10 Year Note	0.64%	1.73%	2.52%
30 Year Bond	1.27%	2.21%	2.92%

Source: Bloomberg, Treasury.gov, Global-Rates.com

Exposure Time

Exposure time is a historical event, which according to the definition of Market Value, precedes the effective date of the appraisal. Based upon the information from interviews with market participants, Walter Duke + Partners believes a reasonable exposure time for the subject to be between six months to one year. Therefore, the market value estimate set forth in this report represents our estimate of value, as of the appraisal date, based upon this precedent exposure to the open market.

For the condo sellout, given the current conditions affecting the market, **it is the appraisers' opinion that a reasonable sellout time for the unsold subject units would be no more than 36 months from of the Spring 2021 selling season.** Pre-sale buyers will likely be required to make a 40% to 50% deposit which should eliminate price speculators and investors and prevent fallout of pre-sale buyers at completion.

Reasonable Marketing Time

The reasonable marketing time represents the most probable time required to expose the subject property on the open market to consummate a sale at a market level price. Based upon interviews with market participants, marketing time is a difficult variable to estimate. Participants interviewed within the course of this report indicated that marketing time is a direct function of price and exposure. These variables are interconnected and cannot be estimated independently. Fundamental economic theory

indicates that value and marketing time are directly related and must be estimated simultaneously in order to be meaningful.

As indicated, the major property types of commercial real estate currently reflect typical marketing periods from between six and 12 months, with an overall average of eight months. The Reasonable Marketing Period for the subject property is projected to be within the range established by the survey. The marketing periods of the Comparable Improved Sales ranged from 0 to 12 months. Based upon this information, the **Reasonable Marketing Period for the subject property is projected to be between six and 12 months.** In accordance with Advisory Opinion AO-7 issued by the Appraisal Standards Board of the Appraisal Foundation, the estimate of marketing time is not intended to be a prediction of a date of sale.

ANALYSIS OF DATA

The Appraisal Process

The appraisal process normally gives consideration to the “*three approaches*” as they are typically referred to. They include the Cost Approach, the Sales Comparison Approach and the Income Approach. The Appraisal of Real Estate, 14th ed., 2013, outlines the mechanics of each approach as follows:

Cost Approach

In this approach, an estimate reproduction or replacement cost of the building and land improvements as of the date of the appraisal is developed together with an estimate of the losses in value that have taken place due to wear and tear, design and plan, or neighborhood influences. To the depreciated building cost estimate, the estimated value of the land is added. The total represents the value indicated by the Cost Approach.

Sales Comparison Approach

The Direct Sales Comparison (Market) Approach is based upon the principle of substitution; that is, when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming no costly delay in making the substitution. The traditional appraisal technique used to estimate value through substitution involves the collection and analysis of sales and listing data on various properties having as many similar characteristics to the property being evaluated as possible. The validity of this appraisal is very much dependent on the availability or quantity of data and the relevance or quality of data.

Income Capitalization Approach

In this approach, the current rental income to the property is calculated with deductions for vacancy and collection loss and expenses. The prospective net operating income of the property is then estimated. To support this estimate, operating statements for the subject property in previous years and for comparable properties are reviewed along with available operating cost estimates. An applicable capitalization method and appropriate capitalization rates are developed and used in computations that lead to an indication of value.

Elements of all three approaches to value were utilized in this appraisal.

Highest and Best Use

The definition of highest and best use (*see glossary in Addendum*) implies recognition of the contribution of specific use to the community environment or to community development goals, in addition to wealth maximization of individual property owners. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. In the context of most probable selling price (Market Value), another appropriate term to reflect highest and best use would be most probable use. In the context of investment value, an alternative term would be most profitable use.

Highest and Best Use as Though Vacant

Highest and best use must meet four criteria: Legally Permissible, Physically Possible, Financial Feasibility and Maximum Profitability. Walter Duke + Partners has analyzed the criteria with regard to the subject site as follows:

- Legally Permissible

The most significant legal constraint to land use is zoning which specifies the type and intensity of land use. Zoning laws are designed to allow for the orderly development of communities rather than permitting a disorganized sprawl. The goal in general terms is to provide for comparable neighboring land uses, coordinate the development of primary infrastructure, and reduce the overall cost of providing the necessary services to the community.

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The site is zoned G-U, Government Use by the City of Miami Beach. Any land or air rights owned by or leased to the city or other governmental agency for no less than an initial term of 20 years shall automatically convert to a GU government use district. Private or joint government/private uses in the GU government use district, including air rights, shall be reviewed by the planning board prior to approval by the city commission. Accessory uses in the GU government use district are as required in section 142-903.

As summarized previously, the zoning designation does not specifically address marine uses. But approvals for this use are made by the city commission on a case

by case basis. The marina and office use have been granted to the subject property which runs with the term of the land lease.

A proposed zoning code change will be required as follows per the Term Sheet:

The development regulations (setbacks, floor area ratio, signs, parking, etc.) in the GU government use district shall be the average of the requirements contained in the surrounding zoning districts as determined by the planning and zoning director, which shall be approved by the city commission. Notwithstanding the above, public-private marina mixed-use redevelopments incorporating City-owned marina property and including residential dwelling units and significant publicly accessible green open-space, in the City's Public Facility (PF) comprehensive plan designation may be developed as follows:

- Floor Area Ratio: Maximum of 2.5
- Maximum building height: 225 feet. Notwithstanding the above, the design review board or historic preservation board, in accordance with the applicable review criteria, may allow additional height, as measured from the base flood elevation plus maximum freeboard, to the top of the second-floor slab.

▪ Physically Possible

The subject site's size, shape, frontage and access are considered suitable to accommodate most, if not all, legally permissible uses. Soil conditions are assumed to be adequate based on existing development on the site. Utilities are adequate and typical of the subject use. The most important physical feature of the site is its location along Government Cut to the south which accommodates deep-water access. This is a critical element for most marine related businesses, particularly those catering to large commercial boats and mega yachts.

Based on the surrounding development and locational attributes of the neighborhood, the subject is likely to be developed with a use or combination of uses that would cater to and benefit from the unobstructed, deep waterfront location of the property. The upland area is also suitable to support vertical multifamily development with supporting commercial uses.

▪ Financially Feasible

Financially feasible uses are the logical uses which are physically possible and legally permissible that will produce any net return to the owner of the site. Based upon the pattern of development observed within the neighborhood and our survey

of the submarket, rental marina and commercial uses have been developed in the neighborhood and are considered financially feasible. However, due to the waterfront location, the subject site would most likely be purchased for development with a marine oriented facility. Feasibility of such facilities would depend on the owner's resources and abilities. However, it appears that the local marine economy would support most of the feasible site uses for the marina component and the location is also well suited for vertical residential development with supporting commercial uses.

- Maximally Productive

Maximum productivity (profitability) deals with the use that will produce the greatest net return to the owner of the site over a given period of time; it is also the highest and best use of the site as if vacant. Among the financially feasible uses previously outlined, a marine-related facility is considered the maximally optimum use of the site. Most sites of similar utility have been purchased by users to operate their facilities. Based upon the information and analysis presented, Walter Duke + Partners believes the highest and best use of the subject site, as though vacant and available for use, would be a special use marine facility. This includes a full-service marina with yacht brokerage, dockage, and services as well as other ancillary marine oriented operations.

Further, as mentioned below the existing uses of the upland area are considered to be under utilization of the subject site area based on surrounding high-rise residential development. Therefore, in order to maximize the use of the subject site area, the air rights above any necessary marina related improvements should be developed with residential condominium uses consistent with the current plans for the subject property.

Highest and Best Use as Improved

Once a parcel of land is improved with a building, the two parts form an integral unit and, for all practical purposes, they are all inseparable. However, when the market value of the land alone, if vacant and available for use, exceeds the value of the property as improved, the improvements are no longer a viable contribution to the property and a new use must be adopted. In analyzing the highest and best use of the property as improved, several principles of real estate values must be considered. They include conformity, supply and demand, change and balance.

For a full-service marina, the subject's improvements are considered adequate considering the deep-water access and the large submerged area requirement for

dockage. This significant submerged area with docks in place supports the marine use of the subject property.

As mentioned above the existing improvements are an underutilization of the subject upland area and while needed to support the existing marina, the improvements do not maximize the use of the subject site area. As such the existing upland improvements should be razed to make way for new marina related improvements including retail, restaurant and office areas to support the current marina operation as well as developing the air rights above such marina related facilities consistent with surrounding uses.

Market Rent Analysis - Marina

Income Components

The subject property is unique in that it has four different income generating components. The categories include rent from the marina dockage, rents from the tenants in the upland area (mainly the Core Building), parking income, and income from the sale of fuel.

The income from the submerged area where the marina is located is known as Area 2 and according to the audit provided by the client includes the following categories:

Slip rentals: Annual subtenant rent
 Monthly subtenant rent
 Transient (daily) charges

Other receipts: Dock services
 Landing fees
 Pump-out fees
 Live-aboard fees

Income from this category is charged at a rate of 10% to the lessor.

The income from the upland area known as Areas 1 and 4 includes the following categories:

Gross receipts, net of Subtenant Exclusions:

Concessions rentals: Retail sales
 Upland rent, as reported to the Tenant

Other receipts: Vending commissions
 Other income

Income from this category is charged at a rate of 10% to the lessor.

Total Gross parking fees are charged a rate of 35%.

Gallons of fuel sold are charged at a rate of \$0.02 per gallon.

Historical Income

The past four years of historical income for the City of Miami Beach from the Miami Beach Marina as per the annual audits is presented as follows:

UPLAND RENT MIAMI BEACH MARINA 300 ALTON ROAD MIAMI BEACH, FLORIDA							
Year	Areas	Size SF	Annual Reported Rent	Rent Per SF	Percentage	Rent to City	% Change
2016	1 & 4	54,843	\$1,665,985	\$30.38	10.0%	\$166,599	N/A
2017	1 & 4	54,843	\$1,772,355	\$32.32	10.0%	\$177,236	6.4%
2018	1 & 4	54,843	\$1,845,445	\$33.65	10.0%	\$184,545	4.1%
2019	1 & 4	54,843	\$2,221,110	\$40.50	10.0%	\$222,111	20.4%

DOCKAGE RENT MIAMI BEACH MARINA 300 ALTON ROAD MIAMI BEACH, FLORIDA							
Year	Area	Total LF	Annual Reported Rent	Rent Per LF	Percentage	Rent to City	% Change
2016	2	20,509	\$11,447,617	\$1.53	10.0%	\$1,144,762	N/A
2017	2	20,509	\$13,059,148	\$1.74	10.0%	\$1,305,915	14.1%
2018	2	20,509	\$14,482,816	\$1.93	10.0%	\$1,448,282	10.9%
2019	2	20,509	\$14,879,198	\$1.99	10.0%	\$1,487,920	2.7%

FUEL SALES MIAMI BEACH MARINA 300 ALTON ROAD MIAMI BEACH, FLORIDA						
Year	Area	Gallons Sold	Rate Per Gallon		Rent to City	% Change
2016	2	1,165,584	\$0.02		\$23,312	N/A
2017	2	1,219,260	\$0.02		\$24,385	4.6%
2018	2	1,258,061	\$0.02		\$25,161	3.2%
2019	2	1,220,750	\$0.02		\$24,415	-3.0%

PARKING LOT REVENUE MIAMI BEACH MARINA 300 ALTON ROAD MIAMI BEACH, FLORIDA					
Year	Area	Revenues	Percentage	Rent to City	% Change
2016		\$17,400	35.0%	\$6,090	N/A
2017		\$15,550	35.0%	\$5,443	-10.6%
2018		\$24,649	35.0%	\$8,627	58.5%
2019		\$23,046	35.0%	\$8,066	-6.5%

TOTAL REVENUES MIAMI BEACH MARINA 300 ALTON ROAD MIAMI BEACH, FLORIDA		
Year	Rent to City	% Change
2016	\$1,174,163	N/A
2017	\$1,335,743	13.8%
2018	\$1,482,070	11.0%
2019	\$1,520,401	2.6%

Per the scope of the assignment Walter Duke + Partners has been requested to analyze the current rental structure at the subject property. In addition, as proposed with the removal of the existing Core Building and replaced with a parking garage, 45,000 square foot mixed use area and luxury condominium building.

Analysis of Leases In-Place Upland Rents Area 1 & 4


Upland Rent- The individual leases for Area 1 and 4 were reviewed. The current rent roll from the lessee Suntex was not provided, however the annual total gross income from which the percentage rent is calculated was provided, in audit form, for the past four years.

The lease brief is as follows:

- Generally, the leases are structured based upon varying lengths of time.
- Increases in rent range from 3% to 4% fixed or CPI whichever is greater.
- There are eighteen tenants of which two are large restaurants Monty Trainers and Texas de Brazil as well as a deli. Per the leases supplied.
- The balance of tenants is yachting oriented business including boat brokers, yacht managers, concierge services, scuba diving center, real estate brokerage, and event ticket sales.
- Yacht brokerage offices may be allotted dock slips to display the yachts for sale at the marina as part of the base rent.
- Tenants pay for common area maintenance CAM, utilities, trash removal, and share of real estate taxes. These additional passthrough expenses are not counted toward the revenues to the City of Miami Beach.
- The base rent charged to sublessee is a net rent to the lessee Suntex.

The average rent for the rentable building area of 54,843 square feet as of 2019 was \$40.50 per square foot






The following is a survey of local retail space in the Miami Beach Area:

COMPARABLE RENTAL SUMMARY TABLE NEIGHBORHOOD/COMMUNITY RETAIL SHOPPING CENTERS MIAMI BEACH, MIAMI-DADE COUNTY, FLORIDA							
No.	Name/Location	Year Built Condition	GLA (SF)	Base Rental Rate	Lease Type	Typical Term	Occup.
1	Bldg at Lenox 1045 5th Street Miami Beach, FL 	2019 Excellent	67,000	\$49.00 - \$70.00	NNN	3-5 years	62%
2	Anglers Hotel Retail 600 Washington Avenue Miami Beach, FL 	2018 Excellent	60,000	\$70.00 - \$70.00	NNN	3-5 years	96%
3	Retail 515-541 Jefferson Avenue Miami Beach, FL 	1971/2016 Good	3,200	\$73.50 - \$73.50	NNN	1-3 years	73%
4	Retail 749-755 Washington Avenue Miami Beach, FL 	1989 Good	17,500	\$55.00 - \$55.00	NNN	3-5 years	72%
5	Retail 816 Commerce Street Miami Beach, FL 	1924/2008 Average	4,824	\$69.65 - \$69.65	NNN	3-5 years	50%
--	Miami Beach Marina 300 Alton Road Miami Beach, FL	1985 Average	54,843	\$40.50	NNN	3-5 years	100%

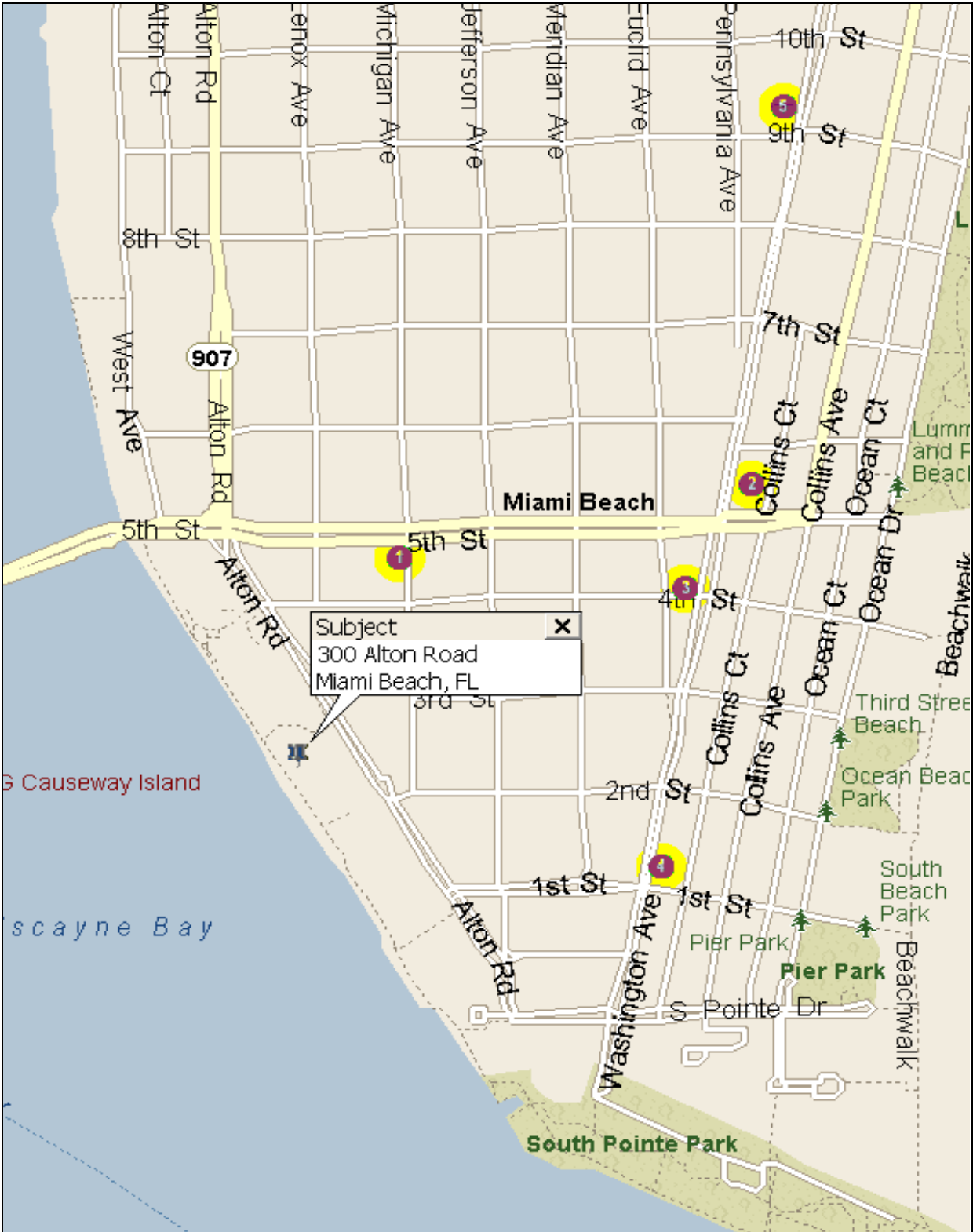
Comparable Retail Rent Location Map – Miami Beach








Comparable Rental Summary Table
Office Space
Miami Beach, Florida

	SUBJECT	RENTAL 1	RENTAL 2	RENTAL 3	RENTAL 4	RENTAL 5
						
Building Name	Miami Beach Marina	Thyssen Building	555 Washington	Office	Yukon Building	Bank of America Building
Location	300 Alton Road	1000 5th Street	555 Washington Avenue	404 Washington Avenue	119 Washington Avenue	930 Washington Avenue
	Miami Beach	Miami Beach	Miami Beach	Miami Beach	Miami Beach	Miami Beach
Property Data						
Class	B	B	A	B	A	C
Rentable SF	54,843	36,500	64,617	159,887	43,140	25,906
Year Built	1985	2004	2001 / 2015	1995	2002	1967 / 1994
No. of Floors	3	4	4	8	6	5
Parking/Ratio	Garage/12.6	Garage/3.0	Garage/4.0	Garage/1.2	Surface/2.5	Surface/1.6
Rental Data						
Base Office Rent/SF	\$40.50	\$44.00	\$45.00	\$50.00	\$78.00	\$35.00
Rental Basis	Triple Net	+Elecetric	+Elecetric	Modified Gross	Full Service	Full Service
Escalation	3%-4%	3%	3%	3%	3%	3%
Lease Term	3 to 5 Years	3 to 5 Years	3 to 5 Years	3 to 5 years	3 to 5 Years	1 to 3 years
Finish Allowance	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable
Concessions (months)	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable
Direct Space Available	0	15,184	15,214	6,293	2,227	430
Occupancy Rate	100.0%	58.4%	76.5%	96.1%	94.8%	98.3%

Comparable Office Rent Location Map – Miami Beach



The following is a survey of local restaurant space in the Miami Beach Area:

COMPARABLE RENTAL SUMMARY TABLE RESTAURANT SPACE MIAMI BEACH, MIAMI-DADE COUNTY, FLORIDA							
No.	Name/Location	Year Built Condition	GLA (SF)	Base Rental Rate	Lease Type	Typical Term	Occup.
1	Marea 801 S Pointe Drive Miami Beach, FL 	2015 Good	30,240	\$89.00 - \$120.00	NNN	5-25 years	8%
2	Lynmar Retail Building 735 Collins Avenue Miami Beach, FL 	2016 Good	12,966	\$75.00 - \$75.00	NNN	3-5 years	56%
3	Retail Restaurant 909 Collins Avenue Miami Beach, FL 	1925/2016 Good	6,047	\$75.00 - \$75.00	NNN	1-3 years	0%
4	Retail Restaurant 955 Alton Road Miami Beach, FL 	1950/2017 Good	16,440	\$55.00 - \$55.00	NNN	3-5 years	0%
5	The Skylark 865 Collins Avenue Miami Beach, FL 	1954 Good	16,070	\$69.65 - \$69.65	NNN	3-5 years	89%
--	Miami Beach Marina 300 Alton Road Miami Beach, FL	1985 Average	5,483	\$40.50 - \$40.50		3-5 years	100%

Comparable Restaurant Rent Location Map – Miami Beach



It appears in each category whether retail, office and or restaurant space that the rental rates at the subject property are currently below rental rates for each category in the South Beach district. It, however, was noted that during the inspection a few tenants have vacated the property and that future plans may preclude Suntex in the short term with securing credit tenants for this space coupled with the challenges of the COVID-19 pandemic.

In the future, with the proposed new development of the property with 45,000 square feet of mixed-use space the projected rental rates of \$40.00 per square foot for office, \$60.00 per square foot for retail and \$75.00 per square foot for restaurant space with water-views should be reasonably attainable and that the proposed rents are considered at market levels.

Analysis of Leases In-Place Marina Area 2

The marina component will be analysed “as is”. Plans call for capital improvements of \$35,000,000 over the 99-year proposed lease. However, the configuration and the total amount of rentable linear feet of rentable dock space is assumed to remain similar to the ‘As Is’ configuration for our analysis. The timing of the capital improvements is unknown at this time.

The real estate income category is for dockage only. Utility charges are not addressed in the lease and therefore are not an income category.

The dockage includes in-water boat storage for dock slips and the boat lifts. Similar “docking” marinas in south Florida were surveyed and included in this analysis. In the following analysis Walter Duke + Partners will address each category separately.

Dock Rent

Management has indicated due to the seasonal nature of this marina facility that the docks has an occupancy that fluctuates during the different seasons, currently is was reported that the facility was at 90% occupancy. This is typical for marinas that handle larger vessels in the south Florida market, since yachts move up north or over to the Mediterranean during the summer months.

Therefore, occupancies fluctuate during the seasons and marinas that have higher stabilized occupancy near 90% are generally utilized by the local boating population and cater to yacht brokers with boats-for-sale that need to be displayed.

Scheduled Dock Rent

The dock space totals 20,509 linear feet according to data provided by management. Management has indicated that the following are the current rental rates for 2020. Rates are based on cost per linear foot per day of the boat length, not dock/slip length. The rent schedule for the subject property is as follows:

Current Dock Rates**Rates**

Length of Stay	Rates
Transient	From \$5.00 to \$8.00 Depending on Slip Location*
Monthly	From \$80/ft per Month Depending on Slip Location*
Seasonal	From \$70/ft per Month Depending on Slip Location*
Annual	From \$36/ft per Month Depending on Slip Location*

*Excluding Electrical Service Charges

On a per day basis the rates equate to:

Annual	\$1.18 Per LF per Day
Seasonal	\$2.30 Per LF Per Day
Monthly	\$2.63 Per LF Per Day
Transient	\$5.00 to \$8.00 Per LF Per Day

We have analyzed the rent roll provided by the lessee and the current rent based upon slip length not boat length.

According to this rent roll the average rent per liner foot per day for the 354 slips reported is \$1.66 per liner foot per day. This is located between the annual rent and seasonal rent quote. In addition, the average slip length is calculated at 57.94 feet and the total rental dock facing is 20,509 liner feet.

The site plan located in their web site indicates 379 slips with 287 slip in water and 92 slips with boat lifts. The discrepancy in number of slips however does not affect the market rent analysis.

Occupancy was reported at 90% but this figure changes daily due to transients as well as season with the winter the highest and summer the lowest occupancies.

Market Rent

The second step in this analysis is to establish the market rent for the subject. In order to determine a proper and reasonable market rent for the subject, the appraisers have conducted a survey of competitive marina properties within the subject submarket. Of the properties analyzed, six rent comparables were selected in Broward County and five Comparables in Miami Dade County as being representative of this submarket and most similar to the subject property. Details regarding these rental comparables are summarized on the following Comparable Rental Rent Analysis Table.

Comparable Rental Summary Table
Marinas
Broward County, Florida

Map Key	Name Location	Total Slips	# Slips Over 80'	% Slips Over 80'	Max	Depth	Annual Rate \$/ft./day	Transient Rate In Season	In-Season Occupancy	Electric	Comments
1	Harbor Towne Marina 801 N.E. 3rd Street Dania Cutoff Canal Dania Beach	165	9	5.5%	200'	5' - 12'	\$1.60 - \$2.95	\$2.35 - \$3.85	98%	\$10.00 - \$60.00 Per Day	Large marina two miles south of Port Everglades. Located on the Dania Cut Off Canal. Good Location.
2	Pier 66 2301 SE 17th Street Intracoastal Waterway Fort Lauderdale	164	145	50.0%	350'	17'	\$2.50 - \$5.25	\$3.75 - \$9.00	95%	\$10.00 - \$180.00 Per Day	Premier resort and marina, near Port Everglades and the Atlantic Ocean. Recently renovated. Excellent Location.
3	Fort Lauderdale Grande 1875 SE 17th Street Intracoastal Waterway Fort Lauderdale	33	8	24.6%	250'+	15'	\$2.50 - \$5.25	\$3.75 - \$9.00	90%	Metered at \$0.15 per KWH	Slips #1-#8 along the 800' face dock + 25 interior slips = 33 total. Located due west of Pier 66. Excellent location.
4	Bahia Mar Yachting Ctr. 801 Seabreeze Blvd Intracoastal Waterway Fort Lauderdale	250	100	40.0%	300'	13'	\$2.25 - \$5.00	\$3.50 - \$8.25	90%	Metered at \$0.15 per KWH	Premier resort and marina, 2 miles from Port Everglades on the ICW. Across A1A from beach. Renovated in 2002 with floating docks and larger slips. Good Location.
5	Sunrise Harbor 1030 Seminole Drive Intracoastal Waterway Fort Lauderdale	22	22	100.0%	200'	8'	\$1.75 - \$3.00	\$4.75 - \$5.00	90%	Metered at \$0.12 per KWH	New marina designed specifically for mega yachts. North of Sunrise Bridge. Average location.
6	Lauderdale Marine Ctr. 2001 S.W. 20th Street New River	96	49	51.0%	200'	8'	\$1.25 - \$4.75	\$1.25 - \$4.75	90%	Metered \$0.12 per KW	Large marina with boat yard, due east of Marina Bay. Expanded facility in January 2009. Average location.
7	Seahaven Superyacht 301 NE 5th Avenue Dania Beach	24	24	100.0%	250'	15'	\$2.70 - \$3.75	\$4.00 - \$4.75	77%	Metered at \$0.15 per KWH	Newest marina in Broward County. Caterers to vessels over 100 feet in length. Docks are in excellent condition. Marina was completed in February 2019. Good location.

Source: Walter Duke and Partners

Comparable Rental Location Map – Broward County Marinas



Comparable Rental Summary Table
Marinas
Miami Dade County, Florida

Number	Name Location	Total Slips	Boat Length L.F. Average	Max	Draft	Dock Rates Per Day	Average Occupancy	Electric	Services	Comments	
7	One Island Park Marina 120 MacArthur Causeway Miami Beach	8	250'	800'	40'	Annual Seasonal Monthly Transient	\$2.40 - \$4.00 \$4.20 - \$7.00 \$4.80 - \$8.00 \$6.00 - \$10.00	85% Estimated	Metered	Crew Lounge with Wifi, fitness classes, dockmasters office.	Small marina located on a point location within Watson Island. Developed for the largest private vessels in the world. Dockage is fixed with along-side tie-up.
8	Sunset Harbour Y.C. 1928 Sunset Harbour Dr. Miami Beach	125	75'	150'	10'	Annual 6 Months Monthly Transient	\$1.32 - \$3.29 \$1.80 - \$4.27 \$1.97 - \$4.93 \$6.00 - \$10.00	100%	\$15.00 - \$20.00 Per Day	Finger piers and linear docks. Fitness center, pool, nearby shopping. Property located on upper Biscayne Bay, part of residential condominium.	Large marina modern facility. Slips are owned by individuals who allow the dockmaster to lease slips that are not occupied by owner. 6.6 miles to Government Cut with no fixed bridges.
9	Island Gardens Marina 888 MacArthur Causeway Miami	25	217'	500'	27'	Annual 6 Months Monthly Transient	N/A \$7.75 \$8.10 \$8.50	75%	Metered	Lounge, restrooms, restaurant, laundry services, BBQ area, WI-FI, pump out, and proposed hotel.	Premier marina at the western end of Government Cut. Marina newly completed with floating docks. 100 foot minimum vessels allowed.
10	Miamarina at Bayside 401 Biscayne Blvd. Miami	130	55'	150'	12'	Annual 6 Months Monthly Transient	\$0.76 - \$0.82 N/A \$1.32 \$5.00	100%	Included in dockage rates.	Restrooms, showers, laundromat, pump out, fuel dock, restaurants, shops at Bayside.	This is a city owned and operated marina next to downtown Miami. The facility is located within the Bayside complex that provides shops and waterfront restaurants.
11	Sea Isle Marina 1635 N. Bayshore Drive Miami	174	40'	170'	10'	Annual Seasonal Monthly Transient	\$0.65 - \$0.70 \$0.82 \$1.15 \$3.50	85%	\$50.00 - \$60.00 Per Month	Restrooms, showers, laundromat, phones, ship's store, restaurant.	Large marina located just north of Downtown Miami. The facility is located adjacent to the Omni. The facilities infrastructure is dated and
Subject	Miami Beach Marina 300 Alton Road Miami Beach	354	60'	250'	14'	Annual Seasonal Monthly Transient	\$1.18 \$2.30 \$2.63 \$5.00 - \$8.00	90%	\$2.00 - \$170.00 Per Day	Finger piers, floating linear docks, pool, boat elevators. Fuel, showers, water, restaurants, ships store, market, boat rentals, and South Beach area.	Large marina modern facility. World-renowned facility, excellent location next to Government Cut and the Atlantic Ocean only five minutes away.

Comparable Rental Location Map – Miami Dade County Marinas



(1) Harbor Towne Marina

Westrec operates this large marina complex (33 acres), along with several others in south Florida. It is located on the Dania Cutoff Canal, close to the ICW with no bridges between the marina and the Port Everglades inlet. Harbour Towne is popular for sailboats and large power vessels, with 165 wet slips for boats up to 150 feet long.

Only 9 of the 165 wet slips can hold a boat 80' or more in length. Occupancy has been high since the Covid-19 pandemic. A majority of the vessels at the facility are broker boats for sale. Management expects near full occupancy in the winter season until the pandemic passes. There are over 30 marine-oriented business tenants in the 80,000 sq. ft. office building; there are also fuel dock, marine store, restaurant, and full repair and maintenance services. The docks are a fixed design and becoming dated. The marina has no plans for expansion or upgrading of the wet slips. The marina is one of several south Florida properties managed by Westrec.

(2) Pier 66 Marina

Pier 66 is a 164-slip landmark marina located directly on the Intracoastal Waterway (ICW) just north and east of the SE 17th Street drawbridge. The marina currently has a total of about 5,000 linear feet of dockage that accommodate vessels 80' or more in length. Assuming an average boat length of 80' indicates that about 145 of the 164 total slips are capable of mega yacht dockage. The redeveloped the marina facility now accommodates larger yachts up to 350 feet in length within the yacht basin which has attracted more mega yachts since completion. Currently the upland area north of the iconic hotel is being redeveloped with high end amenities like multiple pools, sun decks and additional hotel rooms. The property is operated as a luxury hotel and marina in conjunction with other Tavistock properties in the area.

(3) Fort Lauderdale Grande Marina

This is a 33-slip landmark marina located directly on the Intracoastal Waterway (ICW) just north and west of the SE 17th Street drawbridge located across the ICW from Pier 66. The marina currently has a total of about 800 linear feet of dockage that accommodate vessels 80' or more in length. This is parallel dockage along the ICW face dock. There are 25 wet slips in the yacht basin (60' maximum boat length). The total number of slips is 33. Assuming an average boat length of 100' indicates a dockage capacity of 8 mega yachts.

(4) Bahia Mar Yachting Center

Bahia Mar is a Fort Lauderdale landmark marina located directly on the Intracoastal Waterway (ICW) and just across Highway A1A from Fort Lauderdale Beach. This property was recently purchase by the owners of Miami Beach Marina, the RCI Group. The marina docks were completely redeveloped into a configuration that replaced 350 aging fixed slips with 250 larger state-of-the-art floating dock wet slips. This was intended to provide more capacity for mega yachts. The marina currently has about 100 slips out of the 250 total that accommodate vessels 80' or more in length. This is a combination of parallel dockage and wet slips in the yacht basin.

(5) Sunrise Harbor Marina

This is a mega yacht marina directly on the ICW just north of the Sunrise Boulevard drawbridge. The facility has 2,500 linear feet of parallel dockage, which has been configured as 22 slips for yachts 80' or more in length. The marina is part of a luxury apartment and retail complex, and boat owners, guests, and crew have access to full amenities. The marina is close to Fort Lauderdale Beach, Galleria Shopping Mall, the Coral Ridge Yacht Club, and Hugh Birch State Park. The marina is operated by Westrec.

(6) Lauderdale Marine Center

These are privately owned docks are located on the New River five miles from the Intracoastal Waterway. The facility offers an excellent number of amenities including repairs, showers, and pump out. This is largest repair facility in the south Florida market with the expansion of the east-yard in January 2009. This privately-owned facility is a boat yard and marina. The floating docks are in excellent condition and are a modern designed and are primarily for vessels 40 feet to 200 feet in length. Of the 9,600 linear feet of both floating and fixed dock facing, 49 are capable of holding a yacht 100' or more in length. This facility caters to brokerage boats as well as vessels in for repairs.

(7) One Island Park Marina

These are recently developed docks which are located on Government Cut. The facility is located on a point of Watson island and has a "V" shape to the facility. The property was developed with only superyachts dockage in mind. The property has 8 designated slips but can handle vessels up-to 800 feet in length. This marina by far can handle the largest vessels in the area but is countered by the limited amount of dock facing at 1,235 linear feet. The depth at the facility is 40' due to the location on Government Cut. Docking is only along the shoreline with fixed pilings. IGY Marinas manages the facility.

(8) Sunset Harbour

Large marina modern facility with 125 slips. The slips are owned by individuals who allow the dockmaster to lease slips that are not occupied by owner. The distance is 6.6 miles to Government Cut with no fixed bridges. The property is located next to a Sunset Harbour residential condominium towers. The facility has similarities to Miami Beach Marina handling similar sized vessels. The location however is considered inferior due to the additional time and distance to Government Cut to the south. According to the dockmaster there is a waiting list for dock slips currently.

(9) Island Gardens Marina

The Island Gardens Marina has been recently completed and is in operation located on Watson Island and south of the MacArthur Causeway. This marina is a forty-six-slip facility with floating docks that can accommodate vessels up to 500 feet long and was developed to attract Mega and Super Yachts. The facility is part of a major development plan by Flagstone Property Group. Rental rates are the highest in the area. IGY Marinas is the operator and there is a 100-foot minimum requirement to dock at the facility. There is a problem with larger vessels that cannot clear the Dodge Island Bridge to the south must request clearance by the Coast Guard with a four-day notice to travel up Government Cut due to security reasons for the docked cruise ships.

(10) Miamarina at Bayside

Miamarina at Bayside is a city owned and operated marina next to downtown Miami. The facility is located within the Bayside complex that provides shops and waterfront restaurants. The facility has floating docks that were redeveloped in 1997. The property is located within the Bayside complex that surrounds the harbor area. Rental rates are lower than market levels due to being owned and operated by the City of Miami. These rates are similar to the rates at the dinner Key Marina located next to Coconut Grove. The government has kept the rates lower so that local residents can have dockage that is more affordable than privately operated facilities which usually have a resort component associated with the marina. In addition, the facility is oriented toward smaller vessels with an average length of 40 feet.

(11) Sea Isles Marina

Large marina located just north of Downtown Miami. The facility is located adjacent to the Omni. The facilities infrastructure is dated and was developed for smaller vessels. 4 miles to Atlantic Ocean. This is an older facility located next to the Riverpark Hotel and Suites and the Miami Marriot Biscayne Bay Hotel. The facility has fixed docks and a unique design as a half circle. The property has numerous amenities, but the older age of the facility has kept rental rates at the lower end of the spectrum.

The comparable rental marinas were analyzed based on size, condition, quality, age, location, dock improvements, and amenities provided. In addition to the comparable rentals examined, the appraisers are familiar with current rental trends in the south Florida marina market as well as those in competing submarkets.

Based upon the examination of the rent comparables a market rent for the subject property should be within the range indicated by the surrounding marinas. The world class marinas in Fort Lauderdale namely Pier 66, Bahia Mar, and Fort Lauderdale Grande command a premium due to the located adjacent to luxury hotels. These are the largest slips 300+ feet in length at \$8.00 to \$9.00 per day per foot at high season/transient rates. These facilities are also located closest to entrance to the ocean though Port Everglades. In addition, both Island Gardens Marina and One Island Park Marina cater to largest vessels, and in turn charge the highest rates in the area.

The typical boat lengths at the subject property range from 40' to 100' and average near 60' in length. In addition, it appears that most of the tenants at Miami Beach Marina are on annual leases with rental rates in the \$1.20 to \$2.00 per liner foot per day.

Conclusion

Based upon the examination of the rent comparables, as well as the current subject rent roll and dock age rates, the current rent schedule is considered at market with an average daily rental rate of \$1.66 per linear foot and is considered reasonable.

The reader should note, with the proposed redevelopment of the marina in the future, the developer would most likely increase the average slip size to accommodate larger vessels. Due to site area constraints the number of slips would obviously decrease but revenues on a per linear foot basis would increase. Once the slips lengths increase to over 100 feet vessels seasonal dockage becomes a more challenging.

These larger vessels tend to move to either the northern waters of the United States or the vessels are taken over to the Mediterranean to cruise during the summer months. This increases vacancy at marinas that cater to larger vessels. It was noted by the operator at Island Gardens that occupancy decreases to 20% to 30% during off season.

Analysis of Fuel Sales and Rate per Gallon

The current lease in place indicated that the lessee (Suntex) will pay to the lessor (City of Miami Beach) a charge of \$0.02 per gallon of fuel sold whether gasoline or diesel fuel. The historical sale of fuel is as follows:

FUEL SALES MIAMI BEACH MARINA 300 ALTON ROAD MIAMI BEACH, FLORIDA					
Year	Area	Gallons Sold	Rate Per Gallon	Rent to City	% Change
2016	2	1,165,584	\$0.02	\$23,312	N/A
2017	2	1,219,260	\$0.02	\$24,385	4.6%
2018	2	1,258,061	\$0.02	\$25,161	3.2%
2019	2	1,220,750	\$0.02	\$24,415	-3.0%

Fuel sales have ranged from a low of 1,165,584 in 2016 to 1,258,061 in 2018. The difference in the range can be attributed to a number of factors including the economy, cost of the fuel at the gas pump, and weather.

As of late the cost of fuel nation-wide has decreased due to the pandemic as well as influence by other nations increasing their respective outputs. That said, Walter Duke + Partners has surveyed five marinas in the area regarding current fuel prices charged to boaters as of May 11, 2020.

FUEL PRICES SOUTH FLORIDA MARINAS MAY, 2020		
Marina	Gasoline	Diesel
Harbor Towne	\$3.59	\$2.69
Pier 66	\$3.04	\$2.38
Lauderdale Marina	\$2.99	\$2.38
Haulover	\$3.59	\$2.39
Sea Island Marina	\$3.50	\$2.50
Miami Beach Marina	\$4.25	\$3.74

The **term sheet** indicated that the rate charged per gallon of fuel would be increased from \$0.02 per gallon to \$0.04 per gallon.

Walter Duke + Partners surveyed the marinas that were open and found that the Miami Beach Marina on average sells gasoline 27% higher than the average of the five comparables and diesel is 52% higher than the five comparables surveyed.

Conversations with two marina operators in the south Florida market discussed their operating margins.

The first indicated that they sold fuel at a 27% profit margin for gasoline and 22% profit margin for diesel. This would indicate a profit of \$0.71 per gallon for gasoline and \$0.45 per gallon for diesel, based on the average sale price of \$3.34 and \$2.47 per gallon respectively.

The second represents a Superyacht facility who generally makes a 13% profit on diesel fuel only. Superyachts can fuel at commercial ports and purchase a large amount of fuel at one time. Therefore, the margins are generally smaller.

The cost of fuel delivered by tanker truck is generally similar for each marina, though there might be slight variances due to the marina location and local taxes.

Miami Beach Marina appears to sell gasoline for \$0.91 per gallon and diesel \$1.27 per gallon above the average of our survey. This is due to its prime location at Government Cut.

Conclusion

It appears that an increase from \$0.02 to \$0.04 per gallon would be a reasonable increase based upon this previous analysis, and that the profit from fuel sales to the tenant would be nominally affected by an increase of \$0.02 per gallon.

Analysis of Percentage Rent for Submerged (Area 2) and Upland Areas (Area 1&4)

Walter Duke + Partners has analyzed long term leases for marinas in the south Florida market. These leases are generally between local governments and developers and or operators that manage marina facilities. Eight marinas that are located on leased land were found to be comparable to the Miami Beach Marina. They are presented as follows:

Summary Table - Land Leased Marinas - South Florida

Map Key	Name Location	Site Area	Number of Slips	Lessor	Lessee	Terms of Lease	Length of Lease	Renewals	Rent Based On	Fuel Flowage Charge	Increases	Comments
1	Suntex Homestead 24777 SW 87th Avenue Homestead, FL	2.78 Acres	306	Miami Dade County	33032 Partners, LTD	NNN	46 Years	None Remaining	5% of Revenues	\$0.05 Per Gallon	Reviewed every 5 Years	This marina is a dry storage facility located in southeastern Homestead on Biscayne Bay. An older facility which caters to smaller boats. Average Condition.
2	Bayshore Landing 2560 South Bayshore Dr. Coconut Grove, FL	6.69 Acres	111	City of Miami	Bayshore Partners	Tenant Pays RE Taxes	50 Years	None Remaining	15% Marina Revenues 10% Office Revenues 10% Restaurant Revenues	None	None	Home of Monty's Restaurant and Bar located in Coconut Grove and on the west shore of Biscayne Bay. Facility caters to medium sized boats with in-water slips and boat lifts. Average Condition
3	Harbour Towne Marina 801 NE 3rd Street Dania Beach, FL	23.4 Acres	684	City of Dania Beach	Harbour Towne Associates	Tenant Pays RE Taxes	36 Years	None	Base Rent Plus 8% of all Revenues	None	Base Rent Increases every 5 Years by CPI	This large marina is located on the Dania Cut Off Canal. In-water and dry storage slips plus boatyard, office, and repair shop space. Average Condition.
4	Palm Harbour Marina 400 N. Flagler Drive West Palm Beach	28.15 Acres	192	City of West Palm Beach	Leisure Resorts, LLC	Tenant Pays RE Taxes	141 Years	3 - 25 Year Options	8% of all revenues not including pass through expenses, retail sales or shore power	None	None	Premier marina located on Lake Worth next to downtown West Palm Beach, recently built floating docks with larger slips up to 250 feet. Good Condition.
5	Haulover Marina Center 15500 Collins Avenue Miami Beach	3.33 Acres	480	Miami Dade County	Westrec Equites	NNN	25 Years	None	Fixed steps or 18% of Revenues, which ever is greater, with \$1,000,000 Cap	None	None	Newly completed dry storage marina designed specifically for large center consoles. North of Haulover Inlet. Excellent location and condition of property.
6	Bahia Mar 801 Seabreeze Blvd. Fort Lauderdale	39 Acres	250	City of Fort Lauderdale	Suntex	Tenant Pays RE Taxes	44 Years Remaining	None	4.5% of all revenues	N/A	None	Iconic world class mixed use marina facility, with 44 years remaining on lease. Developer has approvals in place for redevelopment with new hotel and 651 residential units but will need lease extension to make it feasible.
7	Non-disclosed Fort Lauderdale	4 Acres	40	Private Owner	Local Investor	Tenant Pays RE Taxes & Submerged Land Lease	52 Years	None	Nominal base rent plus 10% revenues, plus submerged land lease 3.6% of revenues with State of Florida	None	None	Located on the Intercoastal Waterway
8	Las Olas Marina 150 Las Olas Circle Fort Lauderdale	7 Acres	70	City of Fort Lauderdale	Suntex	NNN	50 Years	None	12% of all revenues plus base rent of \$1.2M	N/A	None	Proposed Marina located on the Intra Coastal Waterway just west of the beach in Fort Lauderdale. Being developed with new floating docks to handle larger vessels. Upland area will have restaurants and offices. Pool for tenants.
Subject	Miami Beach Marina 300 Alton Road Miami Beach Florida	41.36 Acres	379 As Developed	City of Miami Beach	Suntex	Tenant Pays RE Taxes	44 Years Remaining	Yes	10% revenues from Marina and Core Building 35% from valet parking	\$0.02 per gallon of fuel sold	None	Mixed use marina facility known through out the world. Dock design is dated with fixed structures and smaller slips on average. Upland building is mixed use with restaurants and retail.

Source: Walter Duke and Partners



(1) Suntex Homestead

The property consists of a full-service marina with indoor dry storage and attached two story dock master's office there is a small amount of outdoor dry storage racks located next to the launch area. In addition, there is a small subleased restaurant building located to the north with extensive outdoor dining called Black Pointe Ocean Grill which is subleased to a restaurateur.

The property is remotely located in southernmost Miami-Dade County being situated along the west bank southern Biscayne Bay in a County owned park known as Black Point Park and Marina which is approximately 46 acres in size. Waterborne access is via a canal that travels eastward to the Bay and access via local roads along SW 248th Street.

The total site area is made-up of ±121,259 square feet of area, all of which is upland area. The north parcel (restaurant) is 13,107 square feet, and the south parcel (dry storage) is 108,152 square feet in size. The site is improved with a dry storage building with attached dock master's office that totals 53,850 square feet in size. There are a total of 306 dry storage racks with 7,701 linear feet of rentable space. The Ocean Grill restaurant a small building located to the north of the boat barn. The enclosed gross building area totals 1,407 square feet.

This is an older lease which began in 1988 and will expire in 2034. Older leases tend to have lower percentage rates. This lease is currently at 5% of gross revenues and \$0.05 per gallon of fuel sold.

(2) Bayshore Landing

The property is known as Bayshore Landing which is comprised of a two-story office and retail building, Monty's restaurant and a 111-slip Class "A" wet slip marina located on the western shoreline of Biscayne Bay in Coconut Grove, Miami-Dade County, Florida. This multi-purpose property including the marina and restaurant are known throughout the yachting community in south Florida for its excellent location and good quality facilities. The underlying land is leased on a long-term basis from the City of Miami.

The majority of the property is comprised of the marina component. The leased area for the entire project totals 6.69 acres which is made up of 4.55 acres of submerged area and 2.14 acres of upland area. The marina is made up of 111 boat slips and 4,995 linear feet of rentable dock space as per the matrix provided by the owner/operators. Vessels docked at the marina range in size from 27 to 85 feet, with an average length of 50 feet. Most tenants are on annual leases, with the balance made up of transients as well as seasonal boaters.

The commercial building, which is located on the upland shoreline west of the marina, comprises office, retail and restaurant space. The gross building area is reported at 47,246 square feet and rentable area is calculated at 38,908 square feet. The outside covered dining area located adjacent and east of the restaurant totals 11,173 square feet. A few of the tenants have water-views overlooking the marina and Biscayne Bay to the east. The easternmost portion of the upland area is made up of a one-story restaurant known as Monty's Raw Bar. The establishment has both indoor and outdoor seating available. This very popular waterfront eatery includes a large chickee huts for covered outdoor dining with views of the marina and Biscayne Bay to the east. To the south of the building is an open parking lot with a total of 48 parking spaces. Additional public metered parking is located along the south boundary of the site as well as further south at the Dinner Key Marina property across Aviation Avenue. The entire site is zoned CS, Civic Space, and is operated according to the master lease with essential services requirements in-place that includes restaurant, retail and marina uses.

The facility is a smaller version of Miami Beach Marina. The lease with the City of Miami is also like the subject property with percentage rents from 10% for office and restaurant and a slightly higher 15% for marina revenue.

(3) Harbor Towne Marina

Westrec operates this large marina complex (33 acres), along with several others in south Florida. It is located on the Dania Cutoff Canal, close to the ICW with no bridges between the marina and the Port Everglades inlet. Harbour Towne is popular for sailboats and large power vessels, with 165 wet slips for boats up to 150 feet long.

Only 9 of the 165 wet slips can hold a boat 80' or more in length. Occupancy has been high since the Covid-19 pandemic. A majority of the vessels at the facility are broker boats for sale. Management expects near full occupancy in the winter season until the pandemic passes. There are over 30 marine-oriented business tenants in the 80,000 sq. ft. office building; there are also fuel dock, marine store, restaurant, and full repair and maintenance services. The docks are a fixed design and becoming dated. The marina has no plans for expansion or upgrading of the wet slips. The marina is one of several south Florida properties managed by Westrec.

This lease is for the eastern portion of the facility that is owned by the City of Dania Beach. Revenues from the marina are at 8% with increases to the base rent every 5 years. The base rent is a nominal portion of the lease at \$181,000. Fuel is not included.

(4) Palm Harbour Marina

The property is known as Palm Harbor Marina which is comprised of a small one-story office building and a 192-slip Class "A" wet slip marina located on the western shoreline of Lake Worth in West Palm Beach, Palm Beach County, Florida. The marina was totally redeveloped and completed in late 2009 and additional dockage was developed in 2015. The marina is built of excellent quality materials and is in excellent condition. The location is next to downtown West Palm Beach and four miles south of the Lake Worth Inlet and the Atlantic Ocean. The underlying land is leased on a long-term basis from the City of West Palm Beach. The property is comprised of a marina and small office building. The leased area for the entire project totals 28.15 acres, CC2, City Center Lake Front zoned site of which represents 27.957 acres of submerged area and 0.193 acres of upland area.

The land lease rate is 8% of all revenues including fuel sales. This is very long lease that was for 141 years. The property is considered similar to Miami Beach Marina, but the docks are a newer floating design and the average slip length is greater.

(5) Haulover Marina Center

The property is known as Haulover Marine Center and is located within the publicly owned Haulover Park. The park is located between the affluent coastal cities of Sunny Isles Beach to the north and Bal Harbour to the south in an unincorporated area of Miami-Dade County. The park itself comprises 232 acres and provides public parking for beach goers to access the beach directly east across A1A. In addition to parking, the park has large open field areas for outdoor sports such as kite flying, executive golf, and tennis. The surrounding area caters to the recreational boating and fishing community and is predominated by marine related facilities. The property is made-up of two separate, non-contiguous parcels. The north parcel is a 3.331-acre site which was recently improved with a new dry storage facility which opened for business on September 14, 2016. The development is a Class "A" 480-rack, 165 mile per hour hurricane resistant boat storage building comprising of 112,738 square feet of gross building area. Maximum storage length is 50 feet in the rack and 60 feet on the floor. The site is currently leased by Westrec from Miami-Dade County along with the site to the north that has the new dry storage facility for a twenty-five-year term.

Terms of the lease are unique in that the percentage rent is high compared to the other comparables at 18%. However, there are no real estate taxes paid by the tenant and there is a \$1,000,000 cap on the rent, which is close to being met by the lessee at this time.

(6) Bahia Mar

This is a world class facility located near the Fort Lauderdale Beach on the Intercoastal Waterway. The property has a lease that is in its 55th year meaning that it is considered to have been negotiated in the mid-sixties at 4.5% of gross revenue and is not reflective of current lease terms made for marinas in the south Florida Market. Comparability is limited due to these conditions.

(7) Non-Disclosed

This marina is partially owned by a local investor who leases the upland area to a marina operator for 10% of the dock revenues. In addition, the lessee is responsible for 3.6% of marina revenues to the State of Florida. The effective rate to the lessee is 13.6% of revenues are paid to lessors of both the upland and submerged land.

This comparable represents what a private investor has negotiated as compared to a government entity which represent the remaining seven comparables and subject property.

(8) Las Olas Marina (Proposed)

The lease for this proposed facility located in Fort Lauderdale is based upon the lessee developing the project at their cost. Terms are 12% of all revenues with a base of \$1,200,000. This lease is considered to represent the most recent negotiation for a marina land lease in the south Florida marina market.

COMPARABLE MARINA LAND LEASE RATES

1	5.0%
2	12.5%
3	8%
4	8%
5	18%
6	4.5%
7	13.6%
8	12%
Average	10.2%

Conclusion

From the data presented we have concluded that the older leases for marina from government agencies were written at much lower percentage rates to the 4% to 5% range. Most recently there have been two leases that have just been negotiated with rates above 10%. However, as noted, the Haulover facility at 18% has no real estate taxes associated with the rent and there is a cap of \$1,000,000 annual rent.

The most recent lease is at 12%, with the lessee making a significant capital investment which will take a significant amount of time to complete. The average rate of 10.2% supports the current term sheet rate of 10% which is identical to the current lease rate in-place. In addition, the proposed \$35,000,000 of capital expenditure by Suntex for the redevelopment of the marina with modern dockage that will accommodate larger vessels has also been considered.

Based upon this information, it is Walter Duke + Partners conclusion that the current and proposed percentage rates for the Areas 1, 2, and 4 at 10% of revenues for the marina and Core Building as well as the proposed redeveloped area is considered to be at market levels as of May 7, 2020.

CONDOMINIUM AIR RIGHTS VALUATION

Estimate of Air Rights Value

The valuation of similar properties is generally accomplished by searching for sales of properties with a similar highest and best use as the subject, examining the motivations behind the purchase, reducing the sale prices into value indicators, comparing each sale with the appraised property and reconciling the comparisons into a final value estimate. In the previous Highest and Best Use section of this report, the appraisers have determined that the property's Highest and Best Use As If Vacant is for the development of high-rise ultra-luxury condo project.

Ownership of vacant Air Rights, such as that which comprises the subject, is common in Miami but typically occurs when transferring development rights. The sale of fee simple air rights for the purposes of developing the air rights on site is less frequent. The subject property has a common highest and best use for similar development with other multifamily development sites in this market. For this reason, these sales with a similar highest and best use were used to estimate the fee simple value of the subject site.


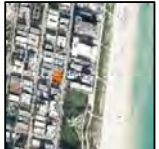

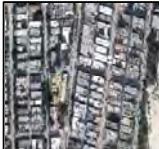

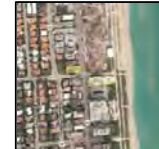
According to brokers, developers and market participants, the proper value indicator of land with a similar highest and best use in this region is the sale price per dwelling unit along with the sale price per building area. This unit of comparison allows potential developers (buyers) of these properties to analyze the total cost of development per planned dwelling unit, based on the density of potential development. In this analysis, projects with wide variances in potential density will exhibit a wide range of site prices per square foot, which is skewed by the potential development density. Conversely, if the total cost per unit threshold (including land) exceeds the rents that may be obtained in the market, then a prospective buyer/developer will not be motivated to purchase a given property for its development potential.

For purposes of this analysis, Walter Duke + Partners examined numerous sales of multifamily development sites in urban and suburban infill locations throughout the South Florida region. These included sites that encompass the range of development densities similar to the subject and were purchased for similar uses that are presented as follows:

Brickell / Miami CBD Site Sales	Sale Date	Lot SF	No. Units	Price	Price/SF Site	Price/Unit	Units/Acre	Waterfront
400 Biscayne Blvd.	1/18/2018	50,244	941	\$55,000,000	\$1,094.66	\$58,448	815.8	No
15 SE 10th Street	9/28/2017	5,956	N/A	\$16,180,200	\$2,716.62	N/A	N/A	No
1399 SW 1st Avenue	8/11/2017	44,575	N/A	\$31,750,000	\$712.28	N/A	N/A	No
90 SW 8th Street	7/19/2017	21,210	N/A	\$29,450,000	\$1,388.50	N/A	N/A	No
700 N Miami Avenue	3/3/2017	204,732	1,700	\$45,000,000	\$219.80	\$26,471	361.7	No
1428 Brickell Avenue	1/19/2017	49,983	N/A	\$50,000,000	\$1,000.34	N/A	N/A	No
115 SW 8th Street	1/19/2017	28,866	132	\$18,400,000	\$637.43	\$139,394	199.2	No
1021 SW 1st Avenue	2/23/2015	22,770	445	\$26,000,000	\$1,141.85	\$58,426.97	851.3	No
1420 S. Miami Avenue	12/26/2014	121,259	1,390	\$74,740,000	\$616.37	\$53,770	499.3	No
300 Biscayne Blvd.	11/8/2014	103,791	1,557	\$80,000,000	\$770.78	\$51,381	653.5	No
255 SW 11th Street	11/5/2014	81,146	372	\$20,225,000	\$249.24	\$54,368	199.7	No
300 Biscayne Boulevard Way	7/14/2014	54,450	1,250	\$125,000,000	\$2,295.68	\$100,000	1000.0	Yes
86 SW 8th Street	3/15/2014	28,000	438	\$16,750,000	\$598.21	\$38,242	681.4	No
1451 Brickell Avenue	7/12/2013	26,180	180	\$25,000,000	\$954.93	\$138,889	299.5	No
850 S. Miami Avenue	6/3/2013	60,000	690	\$32,000,000	\$533.33	\$46,377	500.9	No
1300 S. Miami Avenue	10/24/2012	55,919	583	\$18,500,000	\$330.84	\$31,732	454.1	No
1080 Brickell Avenue	5/22/2012	42,290	328	\$17,370,000	\$410.74	\$52,957	337.9	No
Edgewater Site Sales	Sale Date	Lot SF	No. Units	Price	Price/SF Site	Price/Unit	Units/Acre	Waterfront
SEC 29th Terr & 4th Ave	5/20/2019	50,965	174	\$13,650,000	\$267.83	\$78,448	148.7	No
412/436 NE 22nd Street	2/4/2019	88,295	296	\$29,600,000	\$335.24	\$100,000	146.0	Yes
459 NE 24th Street	5/6/2017	86,684	297	\$21,700,000	\$250.33	\$73,064	149.2	Yes
2701 Biscayne Blvd	5/5/2016	89,873	330	\$30,000,000	\$333.80	\$90,909	159.9	Yes
475 NE 32nd Street	4/26/2013	88,917	299	\$22,500,000	\$253.04	\$75,251	146.5	Yes
601 NE 30th Terrace	4/4/2013	197,257	678	\$29,000,000	\$147.02	\$42,773	149.7	Yes
Miami Waterfront Site Sales	Sale Date	Lot SF	No. Units	Price	Price/SF Site	Price/Unit	Units/Acre	Waterfront
8995 Collins Avenue	12/1/2015	26,500	58	\$55,000,000	\$2,075.47	\$948,276	95.3	Yes
6747 Collins Avenue	10/15/2015	41,624	13	\$38,500,000	\$924.95	\$2,961,538	13.6	Yes
8955 Collins Avenue	8/4/2015	31,533	50	\$40,000,000	\$1,268.51	\$800,000	69.1	Yes
18801 Collins Avenue	11/6/2014	200,376	490	\$124,250,000	\$620.08	\$253,571	106.5	Yes
6901 Collins Avenue	4/9/2014	40,651	27	\$26,000,000	\$639.59	\$962,963	28.9	Yes
18975 Collins Avenue	4/7/2014	139,392	300	\$82,000,000	\$588.27	\$273,333	93.8	Yes
6747 Collins Avenue	1/31/2014	41,624	13	\$21,000,000	\$504.52	\$1,615,385	13.6	Yes
6800 Indian Creek Drive	1/13/2014	46,275	80	\$11,250,000	\$243.11	\$140,625	75.3	Yes
17141 Collins Avenue	9/4/2013	32,000	68	\$30,000,000	\$937.50	\$441,176	92.6	Yes
6610 Indian Creek Drive	8/21/2012	79,050	115	\$9,154,000	\$115.80	\$79,600	63.4	Yes
3425 Collins Avenue	8/9/2013	55,200	63	\$100,000,000	\$1,811.59	\$1,587,302	49.7	Yes
10201 Collins Avenue	6/11/2012	240,887	239	\$220,000,000	\$913.29	\$920,502	43.2	Yes
16901 Collins Avenue	4/16/2012	108,317	192	\$65,000,000	\$600.09	\$338,542	77.2	Yes
17141 Collins Avenue	3/12/2012	32,000	64	\$20,000,000	\$625.00	\$312,500	87.1	Yes
19505 Collins Avenue	3/22/2011	49,830	39	\$24,000,000	\$481.64	\$615,385	34.1	Yes
Ft. Lauderdale Site Sales	Sale Date	Lot SF	No. Units	Price	Price/SF Site	Price/Unit	Units/Acre	Waterfront
200 S Federal Highway	1/16/2018	137,650	456	\$33,000,000	\$239.74	\$72,368	144.3	No
200 E Las Olas	12/14/2017	61,298	380	\$17,000,000	\$277.33	\$44,737	270.0	River
725 N Ft Lauderdale Beach Blvd	9/27/2017	70,575	N/A	\$23,600,000	\$334.40	N/A	N/A	Yes
1350 S Ocean Boulevard	8/10/2017	155,509	211	\$15,825,000	\$101.76	\$75,000	59.1	Yes
2150 SE 17th Street	7/11/2017	456,711	N/A	\$48,000,000	\$105.10	N/A	N/A	Yes
790 E Broward Boulevard	5/3/2017	83,200	329	\$19,500,000	\$234.38	\$59,271	172.3	No
435 Bayshore Drive	8/11/2015	33,984	31	\$13,470,000	\$396.36	\$434,516	39.7	Yes
315 N. Birch Road	5/5/2015	27,443	22	\$10,000,000	\$364.39	\$454,545	34.9	Yes
2000 S. Ocean Blvd.	10/24/2014	56,705	64	\$38,000,000	\$670.13	\$593,750	49.2	Yes
730 N. Ocean Boulevard	5/16/2014	91,067	79	\$10,500,000	\$115.30	\$132,911	37.8	Yes
700 Briny Avenue	3/17/2014	30,170	13	\$3,690,000	\$122.31	\$283,846	18.8	Yes
700 N. A-1-A	4/5/2013	85,860	95	\$20,000,000	\$232.94	\$210,526	48.2	Yes
Palm Beach Site Sales	Sale Date	Lot SF	No. Units	Price	Price/SF Site	Price/Unit	Units/Acre	Waterfront
456 S Ocean Boulevard	4/8/2018	36,312	4	\$26,300,000	\$724.29	\$6,575,000	4.8	Yes
419 Lakeview Avenue	11/20/2015	139,961	475	\$24,000,000	\$171.48	\$50,526	147.8	No
2121 Flagler Drive	5/19/2015	314,503	N/A	\$31,000,000	\$98.57	N/A	N/A	Yes
1101 Flagler Drive	7/31/2014	139,883	69	\$21,000,000	\$150.13	\$304,348	21.5	Yes
550 Quadrille Boulevard	3/11/2014	148,975	N/A	\$15,000,000	\$100.69	N/A	N/A	No
5750 Flagler Drive	11/8/2013	236,631	153	\$7,650,000	\$32.33	\$50,000	28.2	Yes
MINIMUM	--	5,956	4	\$3,690,000	\$32.33	\$26,471	4.8	--
MAXIMUM	--	456,711	1,700	\$220,000,000	\$2,716.62	\$6,575,000	1,000.0	--
AVERAGE	--	90,626	339	\$36,991,146	\$608.57	\$477,145	203.6	--
MEDIAN	--	58,353	202	\$25,500,000	\$446.19	\$116,456	100.9	--
SUBJECT		104,980	60					

Of the verified “arm’s length” transactions examined, five (5) properties were considered similar to the subject site with regard to their intended use as residential development sites in this market. These sales reflect unadjusted value indicators ranging from \$320,455 to \$1,617,647 per planned unit. A Comparable Vacant Land Sales Summary Table is presented below, with a location map on the subsequent page. Profiles of the comparables are presented in the addenda to this report.

Comparable Vacant Land Sales Summary Table

	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	SALE 5
						
Prop. ID No.		2812	3005	3004	2944	2566
LOCATION:	300 Alton Road Miami	304 Ocean Drive Miami Beach	18320 Collins Avenue Sunny Isles	550 9th Street Miami Beach	1135 103rd Street Bay Harbor	8995 Collins Avenue Surfside
AREA:						
SALE DATA:						
Cash Equiv. Sale Price	---	\$10,000,000	\$31,700,000	\$17,625,000	\$20,500,000	\$55,000,000
Sale Date	---	Dec-18	Oct-18	Jan-18	Nov-17	Jun-16
Financing	---	Cash Sale	Cash Sale	Cash Sale	Cash Sale	Cash Sale
Sale Price/SF	---	\$869.57	\$855.51	\$844.39	\$389.25	\$2,075.47
Sale Price/Acre	---	\$37,878,261	\$37,265,936	\$36,781,728	\$16,955,531	\$90,407,547
Sale Price/Unit	---	\$1,000,000	\$466,176	\$320,455	\$706,897	\$1,617,647
Sale Price/Bldg Area	---	\$490	\$248	\$641	\$169	N/A
Planned Use	Future Condos	Future Condos	Future Development	Future Hotel	Future Condos	Future Condos
PHYSICAL DATA:						
Net Size - Acres	2.41	0.26	0.85	0.48	1.21	0.61
Net Size - SF	104,980	11,500	37,054	20,873	52,666	26,500
No. Potential Units	60	10	68	55 *	29	34
Saleable Bld Area	215,000	20,400	127,836	27,500	121,000	N/A
Grade	Road Grade	Road Grade	Road Grade	Road Grade	Road Grade	Road Grade
Site Conditions	Vacant	Vacant	Vacant	Vacant	Vacant	Improved
Frontage/View	Biscayne Bay	Landlocked	Intracoastal	Landlocked	Intracoastal	Oceanfront
Frontage Feet'	373'	N/A	350'	N/A	350'	70'
Zoning	Buyer	RPS-3	B-1	CD-2	RM-3	HR-120
Platted/Approvals	Yes/Yes	Yes/No	Yes/No	Yes/Yes	Yes/No	Yes/No
ERCs	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
Impact Fees	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
Utilities	All to Site	All to Site	All to Site	All to Site	All to Site	All to Site
Density (Units/Acre)	24.9	37.9	79.9	114.8	24.0	55.9

*Adjusted. 1 hotel unit=1/2 condo unit

The most appropriate method to value the subject property is direct comparison with like property sales. However, a comparative analysis is necessary to extract differences, if any, in the features and attributes that differentiate the sales from the subject. In the following pages, comparable sales are summarized and a discussion of the various factors that may affect value is set forth.

Comparable Land Sales Location Map



Property Rights Conveyed

No adjustments necessary.

Financing (Cash Equivalency)

No adjustments necessary.

Conditions of Sale (Motivation)

No adjustments necessary.

Market Conditions (Time)

No adjustments necessary. Walter Duke + Partners acknowledges the current onset of the COVID-19 virus. However, the sale of the subject's air rights would not occur during a downturn in the global economy and thus no adjustment is warranted for market conditions.

Location

The subject property is located within the City of Miami beach with direct frontage on Biscayne Bay. The location in the South of Fifth neighborhood is excellent. Regarding achievable pricing for future condo units, Comparable Sale 1 and 5 are like the subject. The remaining sales are in neighborhoods or locations that cannot achieve peak pricing and thus are deemed inferior to the subject and adjusted upwards.

Zoning, Platting and Development Approvals

All the comparable properties and the subject are zoned for similar uses, with a highest and best use for development of a condo project. No adjustments for zoning were necessary.

As of the appraisal date, the subject property does not possess approvals for development, but sale of the subject is contingent upon approval. Therefore, Sales 1, 2, 3 and 5 are adjusted upwards to account for the time, cost and risk in securing development approvals.

Site Conditions

As of the appraisal date, the subject site is improved with older improvements that will be razed for future development. Sale 3 was improved at sale, but the building shell will remain and thus the sale is deemed like the subject. Only Sale 5 was improved at sale and deemed inferior to the subject with regards to site conditions.

Site Frontage and Configuration

The subject site is generally rectangular shaped with $\pm 373'$ of frontage along the Biscayne Bay. Comparable Sales 2, 4 and 5 are also generally rectangular shaped with water frontages ranging from $\pm 70'$ to $\pm 350'$. Sales 2 and 4 possess frontage on Biscayne Bay similar to the subject and require minimal upward adjustment. Sale 4 is further adjusted for the irregular shape of the site.

Sale 5 possesses less frontage on Biscayne Bay but possesses direct Atlantic Ocean frontage which offsets the subject's larger water frontage. Sale 5 is also bisected by Collins Avenue. The developer plans to construct the residential/hotel component on the oceanfront site and construct a parking deck with recreational amenity on the non-oceanfront site. While it could be argued that a bisected site could have less utility than a non-bisected site, in this instance it did not result in any lack of utility and is therefore not adjusted.

The remaining sales are landlocked with no water frontage. Both sales require upward adjustments for lack of frontage though Sale 1 will have some view amenity and is adjusted upward less than Sale 3.

Size & Density

The subject site over which the air rights will exist comprises ± 2.41 acres, which is above the range of site sizes exhibited among the Comparable Sales (from 0.26 to 1.21 acres). Normally, an inverse relationship exists between the price per unit of a property and its size. However, in the case of valuable waterfront sites such as the subject and the Comparable Sales the inverse relationship can be negated due to building height restrictions. No adjustments for size or density were deemed necessary.

Reconciliation of Land Value

Comparable site sales from the subject's South Florida market were analyzed. Differences between the comparable sales, including location, market conditions and site conditions permitted the extraction of percentage or dollar-amount adjustments that could be applied in order to derive an indication of Market Value for the subject.

Comparable Land Sale Adjustment Grid

Land Sale No.	1	2	3	4	5
Location:	304 Ocean Drive	18320 Collins Avenue	550 9th Street	1135 103rd Street	8995 Collins Avenue
Area:	Miami Beach	Sunny Isles	Miami Beach	Bay Harbor	Surfside
Sale Data:					
Date of Sale	Dec-18	Oct-18	Jan-18	Nov-17	Jun-16
Cash Equiv. Sale Price	\$10,000,000	\$31,700,000	\$17,625,000	\$20,500,000	\$55,000,000
Sale Price/SF	\$869.57	\$855.51	\$844.39	\$389.25	\$2,075.47
Sale Price/Acre	\$37,878,261	\$37,265,936	\$36,781,728	\$16,955,531	\$90,407,547
Sale Price/Planned Unit	\$1,000,000	\$466,176	\$320,455	\$706,897	\$1,617,647

ADJUSTMENTS:

Adj. Price/Sq.Ft. of Site	\$869.57	\$855.51	\$844.39	\$389.25	\$2,075.47
Adj. Price/Planned Unit	\$1,000,000	\$466,176	\$320,455	\$706,897	\$1,617,647
Location	0%	10%	25%	20%	0%
Water Frontage	10%	5%	25%	5%	0%
Configuration	0%	0%	0%	10%	0%
Site Condition	0%	0%	0%	0%	1%
Size	0%	0%	0%	0%	0%
Development Approvals	15%	15%	0%	15%	15%
Additional Adjustment	25%	30%	50%	50%	16%
Adjusted Price/SF	\$1,086.96	\$1,112.16	\$1,266.59	\$583.87	\$2,407.55
Adjusted Price/ Unit	\$1,250,000	\$606,029	\$480,682	\$1,060,345	\$1,876,471

Reconciliation of Market Value "As Is" – Fee Simple Interest

- For purposes of this valuation analysis, comparison is made on a price per unit, and per square foot of site area.
- After applying these adjustments, the comparable sales provide a range of value indications from \$480,682 to \$1,876,471 per unit. The median indication was \$1,060,345 per unit, with a mean of \$1,054,705 per unit.
- The comparable sales provide a range of value indications per square foot of site area from \$584 to \$2,408 per square foot, with a median of \$1,112 per square foot and a mean of \$1,291 per square foot.
- The subject's potential development of 60 units, at its highest and best use, provides a net development density of 37.9 units per net acre (based on 2.41-acres). The five primary sales are arrayed by density to determine if a pattern exists. In general, the ratio of adjusted price per unit to the adjusted price per square foot of site area decreases proportionally as the planned density (units per acre) increases. This trend is evident from the following table:

Adjusted Price Per Sq.Ft. of Site vs. Density (Units/Acre)

Sale No.	Density Units/Acre	Adjusted Price/SF	Adjusted Price/Unit	Price/Unit Over Price/SF
3	114.8	\$1,267	\$480,682	380
2	79.9	\$1,112	\$606,029	545
5	55.9	\$2,408	\$1,876,471	779
1	37.9	\$1,087	\$1,250,000	1,150
SUBJ.	24.9	---		
4	24.0	\$584	\$1,060,345	1,816

Overall, a pattern is reflected whereby value indications are impacted by density. The planned density of the subject of 24.9 units per acre is nearest to that of Sale 4 and between Sales 1 and 4.

Value Per Unit – Sale 4 at a density of 24 reflects an adjusted value per unit of \$1,060,345. Sales 1 and 4 bracket the subject density and produce per unit indicators of \$1,064,345 and \$1,250,000 respectively. Therefore, primary emphasis is given to Sales 1 and 4. Given this information, a value indication of \$1,175,000 per unit is considered reasonable and supportable and a value of \$70,500,000 is calculated as follows on a per unit basis:

Calculation of Value Using Value per Unit

Value/Unit	x	Potential Units	=	Total
\$1,175,000	x	60	=	\$70,500,000

Value Per Square Foot of Site Area – Sale 4 at a density of 24 reflects an adjusted value per square foot of \$584. Sales 1 and 4 bracket the subject density and produce per square foot indicators of \$584 and \$1,087 respectively. The subject site is largest in the competitive set and is closest in size to Sale 4. Sale 1 is the smallest site in the competitive set. Nevertheless, Walter Duke + Partners believes some emphasis must be given to Sales 1 and 3 which are located on Miami Beach and indicative of the value per SF of site area for the subject property. Thus, emphasis is also given to the adjusted value indicator per square foot of site area of Sale 4.

Given this information, a value indication of \$650 per square foot of site area is considered reasonable and supportable and a value of \$68,200,000 is calculated as follows on a per square foot basis:

Calculation of Value Using Value per Square Foot of Site

Value/Sq.Ft.	x	Net Sq.Ft. of Site	=	Total
\$650.00	x	104,980	=	\$68,236,740
ROUNDED				\$68,200,000

Value Per Square Foot of Saleable Area – The subject is proposed for 215,000 SF of saleable building area. The Comparable Sales report unadjusted sale prices of \$169 to \$641 per SF of saleable building area with a median of \$369 per SF and an average of \$387 per SF.

The estimate of Market Value for the subject from the value per unit (\$70.5 million) and value per SF (\$68.2 million) results in value indicators of \$328 to \$321 per square foot of saleable building area. Both figures fall well within the range of the Comparable Sales and seem reasonable based on the proposed building area of the subject and number of proposed units. Therefore, a value indication of \$325 per square foot of saleable building area is considered reasonable and supportable and a value of \$69,875,000 is calculated as follows on a per square foot basis:

Calculation of Value Using Value per Square Foot of Saleable Bldg. Area

Value/Sq.Ft.	x	Net Sq.Ft.	=	Total
\$325	x	215,000	=	\$69,875,000

Reconciliation - The three methodologies produced the following value indications.

Reconciliation	
Sale Price Per Unit	\$70,500,000
Sale Price Per SF Site Area	\$68,200,000
Sale Price Per Bldg Area	\$69,875,000

The three methodologies formed a relatively tight range. Primary emphasis is given to value per SF of building area and the value per unit. Based on this range of value indications, the estimated Fee Simple Market Value "As Is" Air Rights as of the appraisal date estimated to be **\$70,000,000**.

Typically, site values range from 10% to 15% of an estimated condo sellout up to 20% in markets with increasing values and pricing. In the subject market pricing can average or exceed \$2,000 per SF of saleable building area. The subject developer estimated average pricing of \$2,000 per SF of saleable building area or \$430,000,000.

The estimated market value of the subject air rights reflected above equates to 16.3% of the estimated sellout, which falls within the accepted range and towards the middle the of the range. As discussed previously in the appraisal, condominium developers are starting to plan for the next condominium cycle with marketing efforts expected to commence next year for new projects. If the next condo cycle was well underway with increasing pricing and demand, a higher % of sellout might seem more reasonable. On the other hand, if the potential for the next condo market was not likely for an extended period of time and demand was limited, a lower % of sellout would seem more reasonable. Thus, the estimated value at 16% of total sellout seems reasonable based on current and near-term market conditions (12 months) and provides additional support for our final value conclusion. The estimated market value recognizes that the market for condos in Miami appears to be entering a potentially new development cycle as of appraisal date despite the COVID-19 virus.

Comparison of Existing and Proposed Land Lease

At the request of the client a comparative analysis is undertaken that reflects the net present value to the City of Miami Beach under both the existing and proposed leases. According to the following calculations the net present value to the city under the proposed lease structure, based on our estimates of rent and underlying city owned land value is \$158,000,000. This figure exceeds the present value to the city under the existing lease structure by \$63,000,000 and is as such is considered a positive financial event for the City of Miami Beach.

Remaining 32-Year Lease Schedule May 2020				
PV of Fixed Rent Payments				
INPUTS				
Annual Ground Rent		\$1,742,512		
Growth Rate		Varies		
Discount Rate		4.00%		
Year	Rent	Times	PV Factor @ 4.00%	= PV
2020	\$1,742,512	x	0.96153846	\$1,675,492
2021	\$1,787,710	x	0.92455621	\$1,652,838
2022	\$1,834,115	x	0.88899636	\$1,630,522
2023	\$1,881,760	x	0.85480419	\$1,608,536
2024	\$1,930,678	x	0.82192711	\$1,586,877
2025	\$1,980,907	x	0.79031453	\$1,565,540
2026	\$2,032,479	x	0.75991781	\$1,544,517
2027	\$2,085,432	x	0.73069021	\$1,523,805
2028	\$2,139,805	x	0.70258674	\$1,503,399
2029	\$2,195,635	x	0.67556417	\$1,483,292
2039	\$2,843,459	x	0.45638695	\$1,297,718
2049	\$3,688,877	x	0.30831867	\$1,137,350
2050	\$3,786,519	x	0.29646026	\$1,122,552
2051	\$3,886,812	x	0.28505794	\$1,107,967
TOTAL		\$85,560,452		\$43,871,073
PV of Reversion				
ASSUMPTIONS				
Current Value		\$70,000,000		
Growth Rate		3.00%		
Discount Rate for Reversion		4.00%		
Current Value		Times	Growth Rate Factor @ 3%	= FV (rounded)
\$70,000,000		x	2.575082756	\$180,260,000
Estimated Future Value		Times	Discount Rate Factor @ 4%	= PV (rounded)
\$180,260,000		x	0.28505794	\$51,380,000
PV of Leased Fee Interest				
PV of Fixed Rent Payments				\$43,871,073
PV of Reversion				\$51,380,000
Equals: Probable Value of Leased Fee Interest				\$95,251,073
ROUNDED				\$95,000,000

Estimated 99-Year Lease Schedule May 2020				
PV of Fixed Rent Payments				
INPUTS				
Annual Ground Rent	\$1,787,066			
Growth Rate	Varies			
Discount Rate	4.00%			
Year	Rent	Times	PV Factor @ 4.00%	= PV
2020	\$1,787,066	x	0.96153846	\$1,718,333
2021	\$1,832,994	x	0.92455621	\$1,694,706
2022	\$1,880,154	x	0.88899636	\$1,671,450
2023	\$1,928,579	x	0.85480419	\$1,648,557
2024	\$1,978,304	x	0.82192711	\$1,626,022
2025	\$2,029,366	x	0.79031453	\$1,603,837
2026	\$2,081,799	x	0.75991781	\$1,581,996
2027	\$2,135,643	x	0.73069021	\$1,560,493
2028	\$2,190,936	x	0.70258674	\$1,539,323
2029	\$2,247,718	x	0.67556417	\$1,518,478
2039	\$2,907,056	x	0.45638695	\$1,326,742
2049	\$3,768,625	x	0.30831867	\$1,161,937
2059	\$4,896,326	x	0.20828904	\$1,019,851
2069	\$6,374,952	x	0.14071262	\$897,036
2079	\$8,317,238	x	0.09506040	\$790,640
2089	\$10,873,443	x	0.06421940	\$698,286
2099	\$14,244,274	x	0.04338433	\$617,978
2109	\$18,698,469	x	0.02930890	\$548,031
2118	\$23,929,223	x	0.02059204	\$492,752
TOTAL	\$836,593,158			\$95,669,363
PV of Reversion				
ASSUMPTIONS				
Current Value	\$70,000,000			
Growth Rate	3.00%			
Discount Rate for Reversion	4.00%			
Current Value	Times	Growth Rate Factor @ 3%	= FV (rounded)	
\$70,000,000	x	18.658866	\$1,306,120,000	
Estimated Future Value	Times	Discount Rate Factor @ 4%	= PV (rounded)	
\$1,306,120,000	x	0.020592042	\$26,900,000	
PV of Leased Fee Interest				
PV of Fixed Rent Payments				\$95,669,363
PV of Reversion				\$26,900,000
Proposed Suntex Capital Improvements				\$35,000,000
Equals: Probable Value of Leased Fee Interest				\$157,569,363
ROUNDED				\$158,000,000

ADDENDA

ASSUMPTIONS, CONTINGENT AND LIMITING CONDITIONS

Basic Assumptions, Contingent and Limiting Conditions

1. This appraisal report is made expressly subject to the following assumptions and limiting conditions and any special limiting conditions contained in the report which are incorporated herein by reference.
2. This appraisal represents the best opinion of the appraiser(s) as to Market Value of the property as of the appraisal date. The term "Market Value" is defined in the appraisal report.
3. The legal description furnished is assumed to be correct. The appraiser(s) assumes no responsibility for matters legal in character, nor does he/she render any opinion as to the title, which is assumed to be good. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
4. Any sketch in this report is included to assist the reader in visualizing the property. The appraiser(s) has made no survey of the property and assumes no responsibility in connection with such matters.
5. The appraiser(s) believes to be reliable the information, which was furnished by others, but he/she assumes no responsibility for its accuracy.
6. Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by any but the client, without the previous written consent of the appraiser(s) or the client, and then, only with proper qualification.
7. The appraiser(s) is not required to give testimony in deposition or in court, or give testimony at a governmental hearing by reason of this appraisal with reference to the property in question, unless arrangements have been previously made with the approval of the appraiser(s). Said arrangements must be prior to 30 days of the anticipated date. Further, the appraiser(s) reserves the right to consider and evaluate additional data that becomes available between the date of this report and the date of trial, if applicable, and to make any adjustments to the value opinions that may be required.
8. No testimony will be rendered unless the entire appraisal fee has been paid. Further, all testimony will be subject to expert witness fees previously approved by the appraiser(s).
9. The distribution of the total value of this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
10. The land, and particularly the soil, of the area under appraisement appear firm and solid. Subsidence in the area is unknown or uncommon, but this appraiser(s) does not warrant against this condition or occurrence. Subsurface rights (mineral and oils) were not considered in making this appraisal.
11. The appraiser(s) carefully inspected the buildings involved in this appraisal report and damage, if any, by termites, dry rot, wet rot, or other infestations, was reported as a matter of information by the appraiser(s), but he/she does not guarantee the amount or degree of damage, if any.

12. All furnishings and equipment, except those specifically indicated and typically considered as a part of real estate, have been disregarded by the appraiser(s). Only the real estate has been considered.
13. The comparable sales data relied upon in this appraisal is believed to be from reliable sources; however, it was not possible to inspect the interiors of all of the comparable, and it was necessary to rely on information furnished by others as to physical and economic data.
14. The appraiser(s) has inspected, as far as possible, the land and the improvements thereon; however, it was not possible to personally observe conditions beneath the soil or hidden structural components within the improvements; therefore, no representations are made herein as to these matters and, unless specifically considered in the report, the value estimate is subject to any such conditions that could cause loss in value. Conditions of heating, cooling, ventilating, electrical, and plumbing equipment is considered to be commensurate with the conditions of the balance of the improvements, unless otherwise stated.
15. Disclosure of the contents of this appraisal report is governed by the Bylaws and Regulations of the Appraisal Institute.
16. Unless otherwise stated in the report, the existence of hazardous substances including, without limitation, asbestos, radon gas, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of the appraiser(s), nor did the appraiser(s) become aware of such during the appraiser's inspection. The appraiser(s) has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser(s), however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.
17. The appraisal is as of the date specified and covers the legally described property only. The current purchasing power of the U.S. Dollar is the basis for the value reported. The appraiser(s) assumes no responsibility for economic or physical factors occurring at some later date, which may affect the opinions herein stated.
18. This appraisal is presented as a complete, bound report, and may be considered valid only so long as it is presented in its entirety. Further, all pages listed in the Table of Contents must be present and the appraiser's signature accompanied by the raised seal.
19. Neither all, nor any part of the content of the report, or copy thereof, [including conclusions as to the property value, the identity of the appraiser(s), or the firm with which the appraiser(s) is connected], shall be used for any purposes by anyone but the client specified in the report, the mortgagee or its successors and assigns, mortgage insurer, consultants, professional appraisal organizations, any state or federally approved financial institution, any department, agency or instrumentality of the United States or any State, or the District of Columbia, without the previous written consent of the appraiser(s); nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales or other media, without the written consent and approval of the appraiser(s).

20. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The appraiser(s) has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser(s) has no direct evidence relating to this issue, the appraiser(s) did not consider possible non-compliance with the requirements of ADA in estimating the value of the property. The appraiser(s) recommends that the entities affected by the Act conduct an "ADA Audit" of the facilities. The ADA Audit should be performed by competent legal professionals who are familiar with the detail and specificity of the Act, in conjunction with architects and engineers versed in its technical requirements. The cost to cure any non-compliant item(s) may serve to reduce the value estimate contained in this report and the appraiser(s) assumes no responsibility for any such condition, nor for any expertise or engineering knowledge required to discover them.
21. Any projected cash flows included in the analysis are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within this report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of market expectations of future income and expenses. The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. There is no warranty or assurances that these forecasts will occur. Projections may be affected by circumstances beyond anyone's knowledge or control. Any income and expense estimates contained in this report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
22. The analyses contained in this report may necessarily incorporate numerous estimates and assumptions regarding Property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by the analysis will vary from estimates, and the variations may be material.
23. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraphs, several events may occur that could substantially alter the outcome of the estimates such as, but not limited to changes in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. In making prospective estimates and forecasts, it is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
24. Acceptance of delivery or the payment for this report constitutes acceptance of this condition and all other contingent conditions set forth herein.

DEFINITIONS

APPRAISAL DEFINITIONS

Absolute net (bond) lease. A lease in which the tenant is responsible for payment of all expenses including but not limited to real estate taxes, insurance, maintenance, utilities, janitorial and structural repairs. The intent of this lease type is that the landlord absorbs no expenses relating to the operation or repair of the leased space.

Aggregate of retail values (ARV). The sum of the appraised values of the individual units in a subdivision, as if all of the units were completed and available for retail sale, as of the date of the appraisal. The sum of the retail sales includes an allowance for lot premiums, if applicable, but excludes all allowances for carrying costs.

Appraisal. (Noun) The act or process of developing an opinion of value. (Adjective) Of or pertaining to appraising and related functions such as appraisal practice or appraisal services.

Client. The party or parties who engages an appraiser (by employment or contract) in a specific assignment.

Discounted cash flow (DCF) analysis. The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams as well as the quantity and timing of the reversion and discounts each to its present value at a specified yield rate. DCF analysis can be applied with any yield capitalization technique and may be performed on either a lease-by-lease or aggregate basis.

Effective rent. The rental rate net of financial concessions such as periods of no rent during the lease term; may be calculated on a discounted basis, reflecting the time value of money, or on a simple, straight-line basis.

Extraordinary assumption. An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions.

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

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

Full service lease. A lease in which the landlord is responsible for payment of all expenses pertaining to real estate taxes, insurance, maintenance, all utilities and janitorial.

Going-concern value.

1. The market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; also called value of the going concern.
2. Tangible and intangible elements of value in a business enterprise resulting from factors such as having a trained work force, an operational plant, and the necessary licenses, systems, and procedures in place.
3. The value of an operating business enterprise. Goodwill may be separately measured but is an integral component of going-concern value.

Gross lease. A lease in which the landlord is responsible for payment of all expenses pertaining to real estate taxes, insurance, and maintenance, but not tenant utilities and janitorial.

Highest and best use. The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

Hypothetical condition. That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. A hypothetical condition may be used in an assignment only if:

- Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
- Use of the hypothetical condition results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions.

Industrial gross lease. A lease in which the landlord is responsible for all payment of all expenses pertaining to base year real estate taxes, base year insurance, and maintenance, but not tenant utilities and janitorial. Tenant is responsible for any increases over base year (first lease year) real estate taxes and insurance.

Inspection, property inspection. In accordance with generally accepted appraisal standards an inspection is the act of touring or viewing a property. It is a cursory or superficial visual observation of the property which is not intended to be confused with an assessment of a building, structure or mechanical systems performed by a professional engineer or general contractor.

Intended use. The use or uses of an appraiser's reported appraisal, consulting, or review assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.

Intended user. The client and any other party as identified, by name or type, as users of the appraisal, consulting, or review report, by the appraiser based on communication with the client at the time of the assignment.

Investment value. The value of a property interest to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.

Leased fee estate. An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.

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

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

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

Neighborhood shopping center. The smallest type of shopping center, generally with a gross leasable area of less than 100,000 square feet. Typical anchors include supermarkets and pharmacies. Neighborhood shopping centers offer convenience goods and personal services, and usually depend on the market support of more than 1,000 households.

Net lease. A lease in which the tenant is responsible for expenses payment of all expenses pertaining to real estate taxes, insurance, maintenance, utilities and janitorial. The landlord is responsible only for expenses relating to structural repairs.

Overall capitalization rate (R_o). An income rate for a total real property interest that reflects the relationship between a single year's net operating income expectancy and the total property price or value; used to convert net operating income into an indication of overall property value ($R_o = I_o/V_o$).

Personal property. Identifiable portable and tangible objects which are considered by the general public as being "person", e.g. furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment; all property that is not classified as real estate.

Prospective value estimate. A forecast of the value expected at a specified future date. A prospective value estimate is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written.

Retrospective value opinion. An opinion of value that is likely to have applied as of a specified historic date. A retrospective value opinion is most frequently sought in connection with appraisals for estate tax, condemnation, inheritance tax, and similar purposes.

Scope of work. The type and extent of research and analyses in an assignment.

Shell space. Space in which no interior finishing has been installed, including even basic improvements such as ceilings, interior walls and floor coverings.

Use value.

1. In economics, the attribution of value to goods and services based upon their usefulness to those who consume them.
2. In real estate appraisal, the value a specific property has for a specific use; may be the highest and best use of the property or some other use specified as a condition of the appraisal; may be used where legislation has been enacted to preserve farmland, timberland, or other open space land on urban fringes.

Vacancy and collection loss. An allowance for reductions in potential income attributable to vacancies, tenant turnover, and nonpayment of rent; also called *vacancy and credit loss* or *vacancy and contingency loss*.

Variable expenses. Operating expenses that generally vary with the level of occupancy or the extent of services provided.

Yield capitalization. The capitalization method used to convert future benefits into present value by discounting each future benefit at an appropriate yield rate or by developing an overall rate that explicitly reflects the investment's income pattern, value change, and yield rate.

Yield rate (Y). A rate of return on capital, usually expressed as a compound annual percentage rate. A yield rate considers all expected property benefits, including the proceeds from sale at the termination of the investment. Yield rates include the interest rate, discount rate, internal rate of return (*IRR*), overall yield rate (Y_O) and equity yield rate (Y_E).

SUBJECT PROPERTY DATA

PROPERTY LAYOUT



TERM SHEET SETTLEMENT AGREEMENT

DISCUSSION DRAFT 5/6/2020

Miami Beach Marina

Proposed Lease Amendment, Air Rights Sale, and Development Agreement with City of Miami Beach

I. Background.

- a. The property at issue is as follows: (1) the property known as the “Miami Beach Marina site” consisting of (y) an uplands area located at 300 - 344 Alton Road, Miami Beach, Florida, folios # 02-4203-000-0010, 02-4203-009-9210 and 02-4203-009-9250 (“Area 1”) and (z) a submerged land area immediately adjacent to Area 1 and leased by the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida (“TIIF”) to the City of Miami Beach and the Miami Beach Redevelopment Agency (“Area 2;” collectively with Area 1, the “Existing Leased Premises”); (2) Lots 30 and 31 directly north of Area 1 (“Lots 30/31”); and (3) the Alton Road right of way adjacent to Area 1 and Lots 30/31 (the “ROW;” collectively with the Existing Leased Premises and Lots 30/31, the “Property”).¹
- b. Area 1 and Lots 30/31 are designated for “Public Facility” use under the City’s Comprehensive Plan.
- c. Area 1 and Lots 30/31 are zoned “GU” Civic and Government use.
- d. The parcels assigned Folios # 02-4203-000-0010 and 02-4203-009-9210 are owned by the Miami Beach Redevelopment Agency. The parcel assigned Folio # 02-4203-009-9250 is owned by the City of Miami Beach.
- e. Miami Beach Marina Associates, Ltd. (MBM) is the long-term lessee of the Existing Leased Premises under a lease document originally executed June 24, 1983, and subsequently amended through April 15, 1998 (the “Marina Lease”). MBM contemplates assigning the lease (as amended and restated²) to an entity (together with its successors in interest, the “Marina Lessee”) affiliated with MBM and Alton Road Mixed Use Investment, LLC (“ARMUI”), as such Marina Lease (as amended and restated) may after the City-wide referendum referenced in Section III.c. below be subleased to an affiliated entity solely with respect to the Upland Premises (as such term is hereafter defined) excluding storage,

¹ Developer/GLG to provide copy of deed search report to confirm ownership of parcels.

² Parties to discuss new lease arrangement, including effective date of new lease and termination of existing lease.

administrative and other spaces within the Upland Premises used in connection with the marina operations, to redevelop portions of Area 1, Lots 30/31 and such portions of the ROW, if any, that are to be included within the premises demised under the Marina Lease (as amended and restated).

- f. Marina Lessee has requested an extension of the current term of the Marina Lease, the initial term of which expires on January 1, 2022, to extend from date of the closing of the purchase and sale of the Air Rights Parcel (as such term is hereafter defined) pursuant to the Air Rights PSA (as such term is hereafter defined) and continue for a period of 60 years thereafter. (See Section II below).
- g. ARMUI has requested that the City of Miami Beach (City) convey to ARMUI or an affiliate approved by the City (hereinafter, the “Air Rights Purchaser”) a portion of the air space over Area 1 (the “Air Rights Parcel”), subject to the matters set forth in this term sheet.
- h. Marina Lessee and Air Rights Purchaser³ intend to develop and construct a mixed-use development on the Property, to include the following elements:
 - 1. Approximately 60 residential units, constructed within approximately 275,000 gross square feet of residential building development within the Air Rights Parcel,
 - 2. Improvements to the Expanded Leased Premises (as such term is hereinafter defined), consisting of:
 - a. Approximately 45,000 square feet of commercial/retail and office use uses, with all required parking spaces for the commercial/retail areas, within Revised Area 1 (as such term is hereinafter defined) (the “Upland Premises”), and
 - b. Approximately 2 acres of publicly accessible open green space, including a 1 acre at grade park, as described in section IV.c. below, within Revised Area 1 (collectively, the “Green Space”).

(hereinafter, the “Project”). The Project shall be further described through a series of actions and documents described below, including an amendment and restatement of the Marina Lease relating to the Property (Section II); the agreement for purchase and sale of the Air Rights Parcel to be negotiated between the City and Air Rights Purchaser (Section III); applicable land use approvals (Section IV); and a Chapter 163, Florida Statutes development agreement, to be negotiated between the City, [Marina Lessee and the Air Rights Purchaser] (Section V).

³ Developer to confirm if Marina Lessee and Air Rights Purchaser will be jointly and severally the Developer under the Development Agreement.

II. Lease Amendment.

Marina Lessee has requested that the City of Miami Beach (City) agree to an amendment and restatement of the Marina Lease as set forth herein (the Marina Lease, as so amended and restated, is hereinafter the "A/R Marina Lease").

a. *Lease Term.*

The Initial Term for Area 1 and the right to use Area 2 shall be modified to begin upon the date of the closing of the purchase and sale of the Air Rights Parcel pursuant to the Air Rights PSA and shall continue for a period of 60 years thereafter. The City cannot guaranty that the submerged lands lease with TILF regarding Area 2 (the "Submerged Lands Lease") shall be extended, but the City shall use its diligent, good faith efforts to cause the term of the Submerged Land Lease to be extended periodically to coincide with the extended term of the A/R Marina Lease.

b. *Rental Payment.* The rent shall be the greater of:⁴

1. Base Rent of \$[1,640,890], as adjusted annually based on CPI, or
2. Annual Percentage Rent of:
 - A. \$0.04 cents per gallon of gasoline or diesel;
 - B. 35% of all revenues received from any parking facilities serving the Expanded Leased Premises, including without limitation the Parking Garages and the Replacement Parking Facility.
 - C. [10] % of all other Gross Receipts during each Lease Year throughout the Term of the A/R Marina Lease and any extensions thereof that exceed the then applicable thresholds for applicability of percentage rent. "Gross Receipts" means all revenues received by Marina Lessee or any affiliates from any operations of or at the leased premises less Operating Expenses (as such term is hereafter defined) [and certain specified "allowable deductions" currently contemplated by the Marina Lease]⁵. "Operating Expenses" means, on an annual basis all rent under the Submerged Lands Lease, all rent under those certain parking garage leases with each of Murano Grande at Portofino Master Association, Inc., Murano Grande at Portofino Condominium Association, Inc., Icon

⁴ Subject to appraisals.

⁵ Subject to appraisals.

Condominium Association, Inc., Yacht Club at Portofino Master Association, Inc. and TRG-SSDI, Ltd., as each has been amended (collectively, the “Parking Agreements” and the parking garages described therein, the “Parking Garages”) and real estate taxes, stormwater fees and assessments for capital improvements payable by the City pursuant to the Parking Agreements. With respect to areas that are subleased, the rent paid by subtenants to the Marina Lessee (and not gross revenues of the subtenants) shall be the “Gross Receipts.” Marina Lessee shall submit periodic reports to the City with respect to Gross Receipts and Operating Expenses, and the A/R Marina Lease will include the City’s mandatory Inspector General audit rights.

c. Capital Improvements

As additional consideration for the A/R Marina Lease Marina Lessee will commit to a capital improvement program of \$35 Million over [30 years (current lease term)⁶] [to implement scheduled capital improvements [not to exceed \$_____]]⁷, improve the resiliency of Area 2, modernize the appearance and infrastructure of Area 2, improve way finding and signage and otherwise retain market attractiveness to maximize the percentage rent return to the City with respect to the activities on Area 2, as further described in the A/R Marina Lease. All such improvements and the phasing thereof shall be subject to the City’s approval in accordance with the A/R Marina Lease and TIIF’s approval to the extent such approval is required under the then applicable submerged lands lease between TIIF and the City regarding Area 2. Marina Lessee shall deliver to the City, as co-obligee, payment and performance bonds in form and substance acceptable to the City in connection with such improvements.

d. Expanded Leased Premises.

The Existing Leased Premises shall be contracted to exclude the Air Rights Parcel and shall be expanded to the north to include Lots 30/ 31 and potentially to the east to include some or all of the ROW⁹ (the “Expanded Leased Premises”).

e. Redevelopment.

⁶ City is requesting shorter period of time, with phases and outside dates. Developer to provide proposal, including phasing, for the City’s review.

⁷ Revision requested by Suntex

⁸ City understood that \$35,000,000 is independent of Marina Lessee’s scheduled improvements during the lease term.

⁹ Expansion of leased premises to include the ROW is under discussion

1. As part of the redevelopment of Area 1, as contracted to exclude the Air Rights Parcel and expanded to include Lots 30/31 and potentially some or all of the the ROW (Area 1, as so contracted and expanded, "Revised Area 1"), the Marina Lessee shall be authorized to demolish the existing improvements on Revised Area 1, subject to the Marina Lessee agreeing to pay to the City not less than \$[1,640,890]¹⁰, as adjusted annually based on CPI, throughout the construction period for the redevelopment of Revised Area 1 until the Certificate of Occupancy for the Replacement Facilities as described below is issued. It is intended that operations of the marina in Area 2 will continue during the period of redevelopment of Area 1, but may be disrupted or otherwise impacted in the ordinary course as the result of the development and construction operations on Area 1; provided, however, at all times during such construction, Marina Lessee shall cause access to the baywalk to remain open to and safe for use by the public.
2. Redevelopment of Revised Area 1 shall be approximately 45,000 SF of replacement, revenue producing, upland facilities containing a mix of uses that may include marina and or neighborhood oriented retail uses, cafes and/or restaurants, office and similar uses, but shall not include any free-standing outdoor bars, night clubs or other uses prohibited by the Marina Lease and the new Green Space (the "Replacement Facilities"). Nothing in the A/R Marina Lease will prohibit or limit a restaurant from having a full-service bar within its [indoor] leased space¹¹.
3. The Replacement Facilities shall also include approximately [140]¹² parking spaces for use by the marina to replace the existing spaces and shall include appropriate drop off and valet and service facilities necessary to serve Area 2 (the "Replacement Parking Facility"). All parking for office and retail tenants of the Upland Premises shall be subject to charges at prevailing rates at City parking garages in the region.
4. The Marina Lessee shall remain and/or become responsible for the maintenance and operation of the parking facilities serving Revised

¹⁰ Subject to appraisals.

¹¹ The City has asked for clarification regarding whether the full service bar would be indoors or outdoors. If the leased premises include outdoor areas, then it is intended that bars may be included within such outdoor areas. Planning Director to confirm.

¹² Developer to provide clarity regarding total parking spaces to be available for all of the uses of the Project, e.g., marina, commercial/office, retail, residential.

Area 1, including without limitation, the Parking Garages and the Replacement Parking Facility, the baywalk extending from MacArthur Causeway to the north and [_____] ¹³ to the south, and the Replacement Facilities to be developed on Revised Area 1 including but not limited to the Green Space and access ways, in each case, in accordance with City-prescribed standards to be set forth in the A/R Marina Lease. If Marina Lessee fails to satisfy such standards, in lieu of declaring a default, the City shall have the right to levy and the Marina Lessee shall pay a fine to the City for each such failure or continuance of such failure. The A/R Marina Lease shall obligate the Marina Lessee to pay all Operating Expenses and to reimburse the City in the amount of \$787,381 for amounts previously paid by the City pursuant to the Parking Agreements.¹⁴

5. The Marina Lessee shall be solely responsible for all costs and work associated with the Green Space improvements (including, without limitation, the design, permitting and construction), which improvements shall include, but not be limited to, resurfacing, drainage, landscaping, hardscaping, sidewalks, irrigation, signage, and lighting, and the design of such improvements shall be subject to the prior written approval of the City Manager or its designee.
6. The Marina Lessee shall be responsible for the safety, security and maintenance of the Green Space in accordance with City-prescribed standards to be set forth in the A/R Marina Lease. If Marina Lessee fails to satisfy such standards, in lieu of declaring a default, the City shall have the right to levy and the Marina Lessee shall pay a fine to the City for each such failure or continuance of such failure.
7. The City, the Marina Lessee and Air Rights Purchaser shall enter into the REA (as such term is hereafter defined) concurrently with closing of the transactions under the Air Rights PSA.
8. Marina Lessee shall fully cooperate with the City in connection with the City's or Miami-Dade County's operation and maintenance of a future water taxi/ferry and landing area within the leased premises at a location north of Pier A or such other location as determined by the City and/or Miami-Dade County, which landing area may include, without limitation, [public restrooms, a bike station, a ticket booth and vehicular parking to serve the water taxi/ferry]¹⁵.

¹³ City to confirm.

¹⁴ To be discussed.

¹⁵ To be discussed.

9. The A/R Marina Lease shall define the first class marina standard and include updated maintenance and public appearance/cleanliness standards, including parking maintenance standards for striping. If Marina Lessee fails to satisfy such standards, in lieu of declaring a default, the City shall have the right to levy and the Marina Lessee shall pay a fine to the City for each such failure or continuance of such failure. Parties to discuss Parking Facility Management and Operation Agreement, as amended, and incorporating obligations with respect thereto in an exhibit to the A/R Marina Lease.

10. The Green Space shall be subject to a perpetual public access easement and the City shall have the right to approve and designate the use and programming of the one-acre at grade portion of the Green Space adjacent to the baywalk.

11. The Marina Lessee shall be required to commence and complete construction of the Replacement Facilities in accordance with deadlines reasonably determined by the City and further described in the A/R Marina Lease.

12. The Marina Lessee shall deliver to the City, as co-obligee, payment and performance bonds in form and substance acceptable to the City in connection with the completion of the Replacement Facilities.

13. Marina Lessee shall fully cooperate with the City in connection with the City's operation and maintenance of a mooring field in the general vicinity of the marina and landing area within the leased premises, which landing area may include, without limitation, public restrooms, bike station and docking location for dinghies.

14. The Replacement Facilities shall also include public restrooms independent of the public restrooms located within the Parking Garages.

15. The Replacement Facilities shall also include replacement of the existing underground fuel storage tanks.

f. Security Deposit.

City shall retain the existing security deposit under the Marina Lease and notwithstanding anything to the contrary set forth in the Marina Lease, all interest accrued on the security deposit shall become part of the security deposit.

g. City Boat Slips and Parking Spaces.

Marina Lessee, at no cost to the City, shall provide four (4) boat slips of not less than forty (40) feet, as chosen by the City for public purposes (e.g., police department, fire department) and four (4) parking spaces to accompany the use such boat slips within the nearest available parking facility.

h. City Resident Discounts.

Annual fees for wet slips for boats of less than 50 feet charged to City residents shall not increase by more than five percent (5%) over the prior year's annual fees.

i. Transfers.

Marina Lessee's rights to sublease, assign or otherwise transfer the A/R Marina Lease or its rights thereunder will be subject to specified criteria as further described in the A/R Marina Lease.

III. Air Rights Purchase.¹⁶

- a. ARMUI has proposed a purchase price to the City in connection with the purchase and sale of the Air Rights Parcel at full Fair Market Value (hereinafter the "Purchase Price"), which shall be not less than \$50 Million.
- b. The City shall obtain two (2) independent appraisals of the Fair Market Value of the Air Rights Parcel, with such appraisers to be selected by the City Manager or his designee, at his sole and reasonable discretion, and paid for by Air Rights Purchaser, to determine the Purchase Price of the Air Rights Parcel based on its development potential as a 275,000 gross square feet residential building with approximately 60 dwelling units and other factors reasonably determined by the City.¹⁷
- c. Concurrently with the execution and delivery of the Development Agreement, the City and Air Rights Purchaser shall enter into a purchase and sale agreement regarding the Air Rights Parcel (the "Air Rights PSA"), but acknowledge and agree that the Air Rights PSA will be subject to approval of a Ballot Question(s) by a majority vote of the voters in a City-wide referendum. The "Ballot Question(s)" are the following: amendment and extension of the Marina Lease, the sale of the Air Rights Parcel, and, if necessary, any clarification of the site FAR. The Air Rights PSA shall provide for an escrow deposit in the amount of \$5,000,000 to be paid to the City at signing ("PSA Deposit"), which shall become non-refundable upon

¹⁶ To be further revised based on the appraisal working group discussions

¹⁷ Insert provisions regarding determination of purchase price if the appraisals reflect different amounts

approval of the Ballot Questions pursuant to the City-wide referendum and shall be subject to return to the Air Rights Purchaser solely in the event of a termination by the City as set forth in Section V.c.1. below. The Air Rights PSA will include as exhibits thereto the forms of A/R Marina Lease and of the REA.

- d. The sale of Air Rights Parcel shall be subject to, and comply with, Ch. 82, Article II, Sections 82-36 through 82-40, of the City Code (entitled "Sale or Lease of Public Property").
- e. City will convey fee simple interest to the Air Rights Parcel to Air Rights Purchaser upon Closing, at which time Air Rights Purchaser will pay to the City the Purchase Price for the Air Rights Parcel. The A/R Marina Lease and REA shall be executed and delivered concurrently with closing under the Air Rights PSA.
- f. The Closing will occur within ninety (90) days following satisfaction of the following conditions: (i) the issuance of all necessary final, non-appealable approvals for the Project from the City's Design Review Board and Planning Board; and (ii) the City Commission's adoption of the Comprehensive Plan and Zoning Code Changes described in Section IV below. If Closing has not occurred on or before thirty-six (36) months after the effective date of the Development Agreement and approval of the Ballot Questions pursuant to the City-wide referendum for any reason other than a termination by the City as set forth in Section V.c.1. below, then the City shall have the right to terminate the Air Rights PSA and retain the PSA Deposit.
- g. Since the improvements to be constructed within the Air Rights Parcel shall not be located at ground level and instead shall be located above a portion of the retail components of the Project, at Closing a vertical subdivision shall be created and City, the Marina Lessee and Air Rights Purchaser shall enter into a reciprocal easement and operating agreement (the "REA") granting reciprocal easements, imposing covenants addressing the respective needs of the City, the Marina Lessee and Air Rights Purchaser, and, for avoidance of doubt, acknowledging that the following rights with respect to the Air Rights Parcel shall survive termination/expiration of the A/R Marina Lease:
 - 1. Access, ingress and egress easements, including, without limitation, pedestrian, vehicular and service;
 - 2. Parking easements;
 - 3. Easements of structural support and foundation easements;
 - 4. Utility easements;

5. Easements for all required back of house support facilities for each party; and
 6. Covenants for the long-term operation, maintenance and cost sharing of all applicable areas, and creation of association(s) or other entity through which such operation, maintenance and cost sharing shall occur.
- h. Air Rights Purchaser will pay all Closing costs (including, without limitation, the City's outside counsel fees for the transaction, which shall be paid on a monthly basis) related to the Air Rights PSA.
 - i. Except for transfers to affiliates of the Air Rights Purchaser approved by the City, Air Rights Purchaser shall not be entitled to assign or transfer its rights under the Air Rights PSA until the issuance of a certificate of occupancy for the Project. Any such approved transferee of the Air Rights PSA shall assume all remaining obligations of the Air Rights Purchaser under the Air Rights PSA; provided, however, the Air Rights Purchaser shall not be released from its obligations thereunder. For avoidance of doubt, upon issuance of a certificate of occupancy for the Project, the Air Rights Purchaser may freely transfer all or any portion of the Air Rights Parcel and may assign (both collaterally and absolutely) any or all surviving provisions under the Air Rights PSA; provided, however, that in no event shall any such transferee be a "prohibited person" to be defined in the Air Rights PSA.
 - j. The City shall not be a party to or have any obligation to join in or consent to any declaration of condominium, declaration of covenants or other regime subdividing the Air Rights Parcel.
 - k. Air Rights Purchaser shall be required to commence and complete construction of the improvements on the Air Rights Parcel in accordance with deadlines reasonably determined by the City and further described in the Development Agreement.

IV. City Actions.¹⁸

- a. The parties acknowledge and agree that, as a condition to the Closing of the Air Rights Parcel purchase and execution and delivery of the A/R Marina Lease and REA, the City Commission, acting in its regulatory capacity, shall, at its discretion, consider certain actions to accommodate the proposed development plan and design for the Project (collectively, the "Project Approvals"). The Project Approvals include the following:

¹⁸ Under review by City.

1. Comprehensive Plan Changes.

A. An amendment to the 2040 Comprehensive Plan to modify the text of the Public Facility: Governmental Use (PF) designation.

B. The following changes would be made to Policy RLU 1.1.17 of the Comprehensive Plan Resilient Land Use and Development Element:

Policy RLU 1.1.17 Public facility: Governmental uses (PF)

Purpose: To provide development opportunities for existing and new government uses, as well as public-private redevelopments.

Uses which may be permitted: Government uses, parking facilities, affordable or workforce housing, various types of commercial uses including business and professional offices, retail sales and service establishments, and eating and drinking establishments, and public-private marina redevelopments.

Public-private marina redevelopments shall include significant publicly accessible green open space and may permit the following uses: Retail sales and service establishments; commercial uses, including business and professional offices; eating and drinking establishments; apartment residential uses; and recreational uses.

Intensity Limits: Intensity may be limited by such set back, height, floor area ratio and/or other restrictions as the City Commission acting in a legislative capacity determines can effectuate the purpose of this land use category and otherwise implement complementary public policy. However, in no case shall the intensity exceed a floor area ratio of 3.5.¹⁹

2. Zoning Code Change.

An amendment to Section 142-698 and 142-699 of the Land Development Regulations to read as follows: ²⁰

¹⁹ FAR under discussion

²⁰ Proposed changes to CPS-4 height, setbacks and rooftop use to be provided

- b. The City's Design Review Board shall consider certain actions to accommodate the proposed development plan and design for the Project. Such actions include the following:
 - 1. Approval of the Project and the Green Space.
 - 2. Any associated variances for the Project and the Green Space.
- c. The application to the Design Review Board for Project approval shall include design plans for the Green Space. The Green Space shall consist of landscaping and hardscape improvements; lighting; irrigation for landscaping; outdoor seating and other outdoor furniture (if requested by the City); baywalk improvements; upgraded City-approved wayfinding and signage such as directional signage, access signage and similar signs (excluding private signage); and other accessory facilities. The Green Space shall be open to the public no later than the date a CO is issued for the Project.
- d. The City's Planning Board, shall consider approval of a conditional use for new construction of structures 50,000 square feet and over, as well as any other conditional uses necessary for the Project. Planning Board review is the first step in the process before Design Review Board review.
- e. The City Commission, Design Review Board and the Planning Board shall have no obligation to take any (or all) of the above stated actions; provided, however, that if the above stated City actions are not taken, then:
 - 1. Marina Lessee may, at its discretion, elect to terminate the Development Agreement (as defined in Section V, below), without liability to Marina Lessee. In the event of such termination, however, Marina Lessee shall be responsible for any attorney's fees incurred by the City with respect to the Development Agreement up to the date of termination; and
 - 2. Air Rights Purchaser may, at its discretion, elect to terminate the Air Rights PSA, without liability to Air Rights Purchaser. In the event of such termination, however, Air Rights Purchaser shall be responsible for any attorney's fees incurred by the City with respect to the Air Rights PSA, up to the date of termination and shall be entitled to the return of its PSA Deposit, less the amount of the City's reimbursable costs and expenses, which shall be disbursed to the City, to the extent not previously paid by Air Rights Purchaser.

Any such Termination of the Air Rights PSA shall automatically terminate the Development Agreement, and any such termination of the Development

Agreement shall automatically terminate the Air Rights PSA. In such event the Marina Lease shall remain in effect, unmodified.

- f. Marina Lessee and Air Rights Purchaser will be responsible for submitting any required applications for development approvals, with City as co-applicant, if and as necessary, for the Project (i.e., City Commission, Design Review Board, and Planning Board approvals), and for securing any and all final, non-appealable development approvals and permits for the Project.

V. **Development Agreement.** The above terms and other matters will be incorporated into a Development Agreement (the “Development Agreement”), which will include as an exhibit thereto the form of the Air Rights PSA (which, in turn, will include as exhibits thereto the forms of A/R Marina Lease and the REA), and which will provide for development of the Replacement Facilities, conveyance of the Air Rights Parcel and an amendment and restatement of the Marina Lease, to include, at a minimum, the following additional terms:

- a. Marina Lessee and Air Rights Purchaser will be responsible for submitting and obtaining any and all final, non-appealable development approvals for the Project (e.g., City Commission, Design Review Board, and Planning Board). Marina Lessee and Air Rights Purchaser acknowledge and agree that any such development approvals are subject to, and conditioned upon, approval by applicable development boards, in their sole and reasonable discretion.
- b. Except as to (i) involuntary transfers (as shall be defined in the Development Agreement and which will include, without limitation, foreclosure transfers and transfers in lieu of foreclosure), (ii) mortgages and pledges in favor of senior and mezzanine lenders that are “Institutional Lenders” (as shall be defined in the Development Agreement), (iii) transfers of direct/indirect ownership provided the principals of Marina Lessee and/or Air Rights Purchaser, in the aggregate, maintain control and majority ownership of the Marina Lessee and Air Rights Purchaser, as applicable, and (iv) transfers for estate planning purposes or as the result of death provided the transferor (or the applicable heir) retains control of the transferred interest, [Marina Lessee and Air Rights Purchaser]²¹ shall not be entitled to assign or transfer their respective rights under the Development Agreement until after the issuance of a CO for the Project. Any transferee shall assume all remaining obligations of Marina Lessee under the Development Agreement, including without limitation, Marina Lessee’s obligation to improve the Green Space as set forth in Section III, above.

²¹ Parties to Development Agreement to be discussed.

c. The term of the Development Agreement shall be for [_____] years.²² Time periods will be tolled due to force majeure (strikes, lockouts, acts of God, and other causes beyond the control of either party); appeals or other judicial or administrative challenges to Project approvals; and delays in obtaining permits from other governmental agencies. Notwithstanding the foregoing, in the event that a third party (unrelated or unaffiliated with the City, Air Rights Purchaser or the Marina Lessee) files any lawsuit, action or proceeding challenging the validity, issuance or execution, as applicable, of the sale of the Air Rights Parcel, the Air Rights PSA, the **Project Approvals** or the Development Agreement (each, a "Lawsuit"), then Air Rights Purchaser shall defend any such Lawsuit at its sole cost and expense using legal counsel reasonably acceptable to the City. Air Rights Purchaser shall further indemnify and hold the City harmless from and against all actual damages, losses, liabilities, fees, cost and expense (including attorneys' fees, costs and expenses) of any and every kind arising out of or relating to any such Lawsuit. The foregoing indemnity shall survive the expiration of earlier termination of the Air Rights PSA and the Development Agreement. Further, while any Lawsuit is pending, then Air Rights Purchaser shall not be required to close under the Air Rights PSA; and the City shall not be required to effectuate the Air Rights Parcel transfer, nor shall the terms of the Development Agreement become effective, until thirty (30) days after the Lawsuit has been completed and finally disposed of in a manner that sustains the validity of the challenged actions. If the Lawsuit is still pending for more than thirty (30) months after approval of the Development Agreement²³, Air Rights Parcel transfer, Air Rights PSA, and the Project Approvals, then:

1. any party to the Development Agreement or the Air Rights PSA, at its option, may elect to terminate the Development Agreement or the Air Rights PSA, without cause;
2. If the City elects to terminate the Development Agreement, City shall return to Air Rights Purchaser PSA Deposit;
3. the Air Rights Parcel transfer shall not be effectuated; and
4. the City and Air Rights Purchaser shall have no further obligation and/or liability to each other, and the City and the Marina Lessee shall have no further obligation and/or liability to each other.

Any such Termination of the Air Rights PSA shall automatically terminate the Development Agreement, and any such termination of the Development

²² Parties to discuss term. City proposes aligning term with outside dates for closing.

²³ Discuss baseline from which tolling will commence (item 18 on the white paper)

Agreement shall automatically terminate the Air Rights PSA. In such event the Marina Lease shall remain in effect, unmodified.

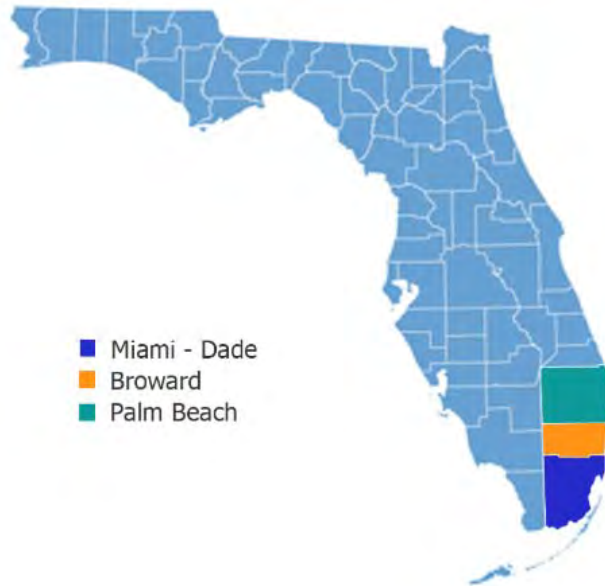
- VI. **Outside Counsel Review.** Marina Lessee and Air Rights Purchaser agree to reimburse the City for, or at City's option, pay directly, on a monthly basis, any attorney's fees incurred by the City for outside counsel's review and negotiation of the Development Agreement, the Air Rights PSA, and related agreements, not to exceed reasonable amounts, as mutually agreed upon by the Parties (which counsel shall be selected and approved by the City Attorney).

SOUTH FLORIDA REGIONAL OVERVIEW

South Florida Regional Analysis

Market Definition

The Miami-Fort Lauderdale-West Palm Beach Metropolitan Statistical Area comprises the area generally known as the South Florida Region (South Florida), which includes Miami-Dade, Broward and Palm Beach Counties.



With over 6 million residents, the South Florida metropolitan area is easily the most populous in Florida and the Southeastern United States. It is also eighth-most populous in the United States. It is part of the South Florida region and is partially synonymous with the Gold Coast.

The South Florida metropolitan area consists of three distinct metropolitan divisions, subdividing the region into three divisions according to the region's three counties:

- Miami-Dade County,
- Broward County, and
- Palm Beach County.



MIAMI



FORT LAUDERDALE



PALM BEACH

Metropolitan divisions include Miami, Fort Lauderdale, and Palm Beach.

The largest cities by population in the South Florida Region are noted on the following table:

South Florida MSA Largest Cities

CITY	POPULATION (2019)	COUNTY
Miami	490,947	Miami-Dade
Hialeah	239,722	Miami-Dade
Fort Lauderdale	186,220	Broward
Pembroke Pines	168,023	Broward
Hollywood	150,878	Broward
Miramar	138,837	Broward
Coral Springs	129,067	Broward
West Palm Beach	115,176	Palm Beach
Miami Gardens	114,284	Miami-Dade
Pompano Beach	112,058	Broward
Davie	104,249	Broward

Source: UF – BEBR

Current Trends

Prior to COVID-19 the South Florida economy was buoyed by strong job growth, a steady housing market, robust tourism, and increased construction activity. The South Florida's economy was in full gear with minimal headwinds outside of the potential for short term economic damage from the COVID-19 related measures.

- South Florida accounted for nearly 40,000 jobs out of the 220,000 added statewide in 2019 than a year earlier. At the same time, unemployment had been lower than it has been in over a decade, according to the state's final monthly unemployment and job creation report for 2019. The jobs report for 2Q20 will likely be extraordinarily weak due to fallout from the COVID-19 related economic shutdown.
- The housing market has nearly fully recovered and is generally in equilibrium except for the Miami condo market, which is overbuilt. The market took a slight pause due to COVID but is generally ok.
- Demand by foreign buyers and investors, mainly from South America, has slowed the Miami residential condominium market. Penthouse sales reflect the bulk of residential condo resale activity.
- Cruise and air travel are up year-over-year, but after six years of increases, the hotel occupancy in the region dropped slightly in the in 2019 mainly due to new supply. The South Florida hospitality industry will likely take a significant hit from the stoppage in passenger cruise lines and air travel.
- Gross regional economic output was also increasing but may stumble for a few quarter before regaining its footing.

Other Items of Note:

- Major transportation and infrastructure projects are planned or underway to improve the logistics of the region and, therefore, enable it to more effectively compete globally. Major improvements are underway at region airports and seaports. Passenger rail project Brightline opened the Fort Lauderdale–West Palm Beach segment in January 2018, followed by Fort Lauderdale–Miami in May 2018. An extension from West Palm Beach to Orlando via Cocoa is planned to open in late 2021 or early 2022, and more extensions are planned. The train service has been suspended due to COVID
- The Florida legislature has tabled the matter of expanded gambling in the State of Florida. The most recent bill proposed included two mega-casinos in South Florida.
- Foreign investment from South America and Europe has slowed due to geopolitical unrest and a continued strong dollar, which in turn has slowed the Miami condominium market.

Demographic Characteristics and Trends

Due to its temperate weather and relatively low taxes, South Florida has long been a popular retirement destination. As a result, South Florida's median age of 41 years is approximately the same as that of Florida, and four years older than the national average. Overall, South Florida's level of affluence and educational attainment is consistent with national averages. Within the South Florida market, however, there are notable differences between counties with regard to income and educational attainment levels with Palm Beach County having the area's highest levels and Miami-Dade County having the lowest. Overall, nearly 30% of the region's population holds a Bachelor's degree or better, and approximately 18% of its households have annual incomes of greater than \$100,000.

Other items of note:

- The South Florida population is slightly younger than the state average but older than the national average. Palm Beach County is the oldest with a median age of 43.8 years. Miami-Dade and Broward Counties' median ages are 38.8 years and 39.9 years, respectively. Florida has a median age of 38.7 years compared to the national average of 35.3 years.
- According to the US Census Bureau South Florida's median household income tumbled more than 14% in five years, although the decline appears to be slowing. In 2011, the median household income fell to \$48,880 in Broward County; \$40,552 in Miami-Dade County; and \$48,953 in Palm Beach County. The current median family income for Florida is \$54,777. Real median family income peaked in 2007 at \$63,084 and is now \$8,307 (13.17%) lower.
- The Census Bureau found that the number of South Floridians living below the poverty level has also increased over the past five years. Last year, 11.1% of Broward families and 11.6% of Palm Beach County families were in poverty. Approximately 15.6% of Miami-Dade residents live below the poverty level versus 15.6% for overall Florida.

Demographic Characteristics – South Florida vs. United States

Characteristic	South Florida	U.S.
Median Age (years)	39.8	37.4
Average Annual Household Income	\$64,767	\$69,636
Median Annual HH Income	\$43,311	\$49,231
<i>by Annual Income Level:</i>		
< \$25,000	29.4%	25.4%
\$25,000 to \$49,999	26.8%	25.3%
\$50,000 to \$74,999	16.9%	18.1%
\$75,000 to \$99,999	10.2%	11.7%
\$100,000 plus	16.8%	19.5%

Characteristic	South Florida	U.S.
<i>Education breakdown:</i>		
< High School	17.3%	14.6%
High School Graduate	27.6%	28.4%
College < Bachelor Degree	26.8%	28.9%
Bachelor Degree	17.9%	17.7%
Advanced Degree	10.4%	10.4%

Source: Claritas, Inc.

Population

According to the 2018 U.S. Census Bureau estimation, Florida's population is nearing 21.5 million during the past year and added more residents than every state but Texas. No. 1 remains California, with a population of 39.5 million, and No. 2 is Texas, with 28.9 million. The overall U.S. population is 328.2 million. Florida added 233,420 residents from July 1, 2018, to July 1, 2019. That ranked Florida second in number of new residents, as well as ninth in percentage gain, with a 1.10 percent year-over-year increase.

With an estimated population of 21.5 million, the migration rate into Florida from other states and other countries was the highest in the country in the past year. More of Florida's population gain was the result of people moving into Florida, rather than babies born here. The relatively narrow difference between Florida's birth rate and death rate kept the state's overall population from growing even faster. This trend has increase as residents continue to emigrate from high tax states Illinois, New York and New Jersey.

During the past year, there was a net domestic migration of 132,612 people moving to Florida from other states and a net migration of 129,525 people moving to Florida from other countries.

South Florida Population – 2019 Estimates

County	1990	2000	2010	2019	% Change 2010-2019
Miami-Dade	1,937,194	2,253,786	2,496,457	2,812,130	12.64%
Broward	1,255,531	1,623,016	1,748,066	1,919,644	9.82%
Palm Beach	863,503	1,131,190	1,320,134	1,447,857	9.68%
South Florida	4,056,228	5,007,992	5,564,635	6,179,631	11.05%
Florida	12,938,071	15,982,813	18,810,310	21,208,589	12.75%

Source: State of Florida - EDR

Miami-Dade County is the most populous among the South Florida counties, with just over 45% of the region's population, followed by Broward and Palm Beach Counties with 31.1% and 23.4%, respectively. Population projections are depicted in the following table.

Population Projections by County – South Florida MSA – 2015 – 2025

Population (000's)	2015	2020	2025	Compound Annual Growth Rate 15-20	Compound Annual Growth Rate 15-25
United States	321,369	334,503	347,335	1.0%	0.9%
South Florida	5,859.7	6,219.1	6,540.6	1.2%	1.2%
Miami-Dade County	2,653.9	2,832.0	2,995.9	1.3%	1.3%
Broward County	1,827.4	1,914.5	1,989.8	1.0%	0.9%
Palm Beach County	1,378.4	1,472.6	1,554.9	1.4%	1.3%

Source: *Florida Research and Economic Database (BEBR)*

While sources vary slightly, the consensus is that Florida is growing at a healthy pace and is now the third-largest state in the country based on population.

Other population highlights:

- Population growth is the state's primary engine of economic growth, fueling both employment and income growth, and helping various sectors of the local economy, including housing, retailing, and health care. That trend is expected to continue, given Florida's favorable climate and low tax environment.
- Florida's population growth is expected to remain above 1.5 percent over the next few years. In the near-term, Florida is expected to grow by an average of 1.52% annually between 2015 and 2020. Most of Florida's population growth through 2030 will be from net migration (92.9%). Nationally, average annual growth will be about 0.75% between 2015 and 2030.
- The future will be different than the past; Florida's long-term growth rate between 1970 and 1995 was over 3%.
- Between 2010 and 2030, Florida's population is forecast to grow by over 5.2 million persons.
- Florida's older population (age 60 and older) will account for most of Florida's population growth, representing 55.8 percent of the gains.
- Florida's younger population (age 0-17) will account for 14.3 percent of the gains, while the young working-age group (25-39) will account for 18.3 percent of the growth.

Labor Market

Employment Distribution – With nearly 2.73 million in the labor force, South Florida represents nearly one-third of the total labor force in the State of Florida, which is primarily a service-based economy. The number can balloon during peak tourism times due to seasonal staffing. Service jobs represent more than 38% of non-agricultural employment. Trade is the most important industry in South Florida followed by tourism. Employment distribution in the Miami MSA is presented on the following table.

Employment Industries – South Florida Region

Industry	Percentage
Trade, Transportation & Utilities	22.57%
Professional & Business Services	16.64%
Education and Health Services	15.31%
Leisure & Hospitality	12.12%
Government	11.65%
Financial Activities	6.82%
Construction	5.23%
Other Services	4.59%
Manufacturing	3.22%
Information	1.85%

Source: Bureau of Labor Statistics, Southeastern Regional Office, November 2019

Major Employers – The Miami Area MSA is home to nine Fortune 500 companies – World Fuel Services (83), Publix Supermarkets (91), AutoNation (145), Lennar (154), NextEra Energy (184), Office Depot (285), Rockwell Collins (350), Ryder System (363), and MasTec (436) and a number of Fortune 1000 companies. The region's employers include national and international corporations that encompass a variety of industries including retail, biotechnology, and health care. The ten largest private sector employers in the region are ranked as follows:

South Florida MSA – Largest Employers

Rank	Employer	Employees	Product/Service
1	Publix Super Markets	39,240	Super Market
2	Baptist Health South Florida	23,000	Health Care
3	University of Miami	16,188	Private College
4	Memorial Healthcare System	13,841	Health Care
5	American Airlines	13,500	Airline
6	Jackson Health System	12,623	Health Care
7	Florida International University	10,499	Public College
8	Broward Health	8,447	Public Hospital
9	Comcast Cable Communications	8,000	Cable Provider
10	Miami Dade College	6,673	Public College

South Florida MSA – Top Public Sector Employers

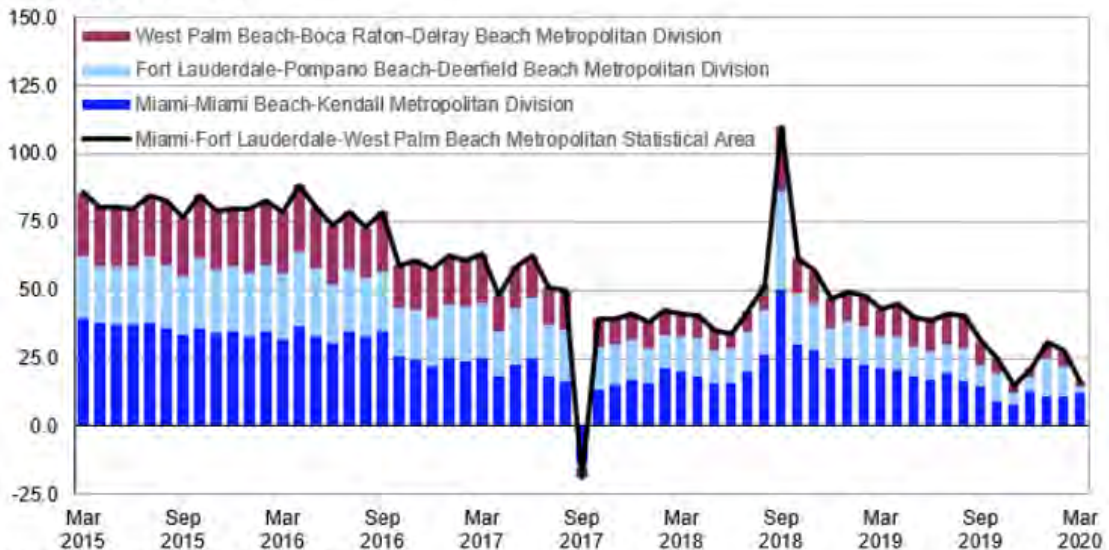
Rank	Employer	Employees
1	Miami Dade Public Schools	38,324
2	Broward County Public Schools	32,899
3	Miami Dade County	28,290
4	Palm Beach County Schools	22,051
5	State of Florida	17,929
6	Broward County	6,312
7	Palm Beach County	6,000

Source: South Florida Business Journal, Book of Lists, 2019

Employment – Total nonfarm employment for the Miami-Fort Lauderdale-West Palm Beach Metropolitan Statistical Area stood at 2,741,500 in March 2020, up 16,400, or 0.6 percent, over the year, the U.S. Bureau of Labor Statistics reported today. During the same period, the national job count increased 1.0 percent. Regional Commissioner Janet S. Rankin noted that the Miami area has had over-the-year employment gains exceeding 27,500 each month since February 2020.

Chart 1. Total nonfarm employment, over-the-year net change in the Miami metropolitan area and its divisions, March 2015–March 2020

Net change (in thousands)



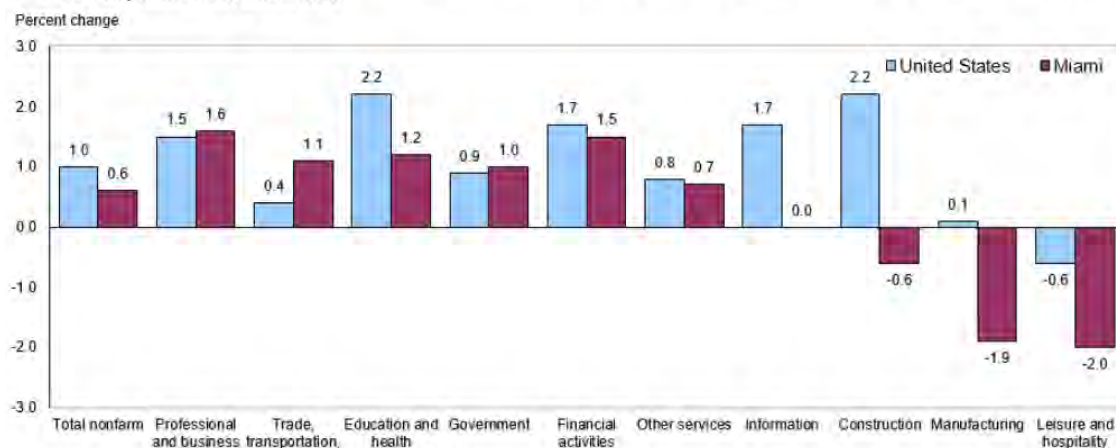
Source: U.S. Bureau of Labor Statistics.

The Miami area is made up of three metropolitan divisions—separately identifiable employment centers within the larger metropolitan area. All three divisions gained jobs over the year. Miami-Miami Beach-Kendall, the largest of the three divisions with 45 percent of the area's employment, added 12,300 jobs from March a year ago. The

Fort Lauderdale-Pompano Beach-Deerfield Beach Division, which accounted for 32 percent of Miami area's workforce, gained 2,500 jobs, while the West Palm Beach-Boca Raton-Delray Beach Division, with 23 percent of the workforce, added 1,600 jobs over the 12-month period. It is anticipated that local employment numbers will suffer over the short term in the remainder of 2020 due to the financial impact of the Covid virus business shutdown.

Industry Employment – Miami's professional and business services had the largest over-the-year increase in the local area in March 2020, adding 7,100 jobs, a 1.6-percent rate of job growth compared to 1.5-percent nationally. All three metropolitan divisions gained jobs in this industry from March 2019 to March 2020, Fort Lauderdale metropolitan area having the largest increase (4,900+).

Chart 2. Total nonfarm and selected industry supersector employment, over-the-year percent change, United States and the Miami metropolitan area, March 2020



Source: U.S. Bureau of Labor Statistics.

The trade, transportation, and utilities sector in the Miami area added 6,700 jobs, a 1.1-percent increase over the year. The Fort Lauderdale (+4,500) and Miami (+4,400) metropolitan divisions added jobs in this sector. Nationally, employment in trade, transportation, and utilities was up 0.4 percent since March 2019.

Miami's education and health services sector added 5,100 jobs, a 1.2-percent gain over the 12-month period. Job growth in this sector was primarily in the Miami metropolitan division (+5,500). Nationally, the rate of job growth in education and health services was up 2.2 percent over the year.

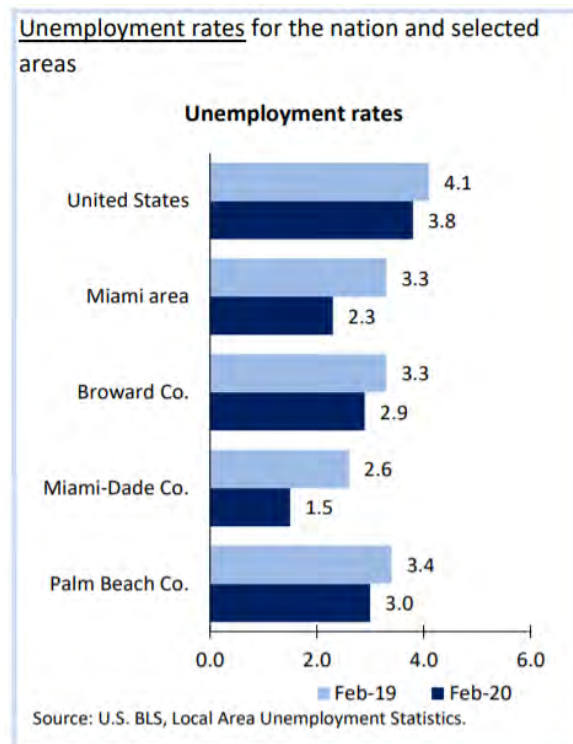
Miami's leisure and hospitality sector had the largest over-the-year decrease, losing 6,900 jobs, down 2.0 percent from March 2019. Job loss in this sector was focused in the Fort Lauderdale metropolitan division (-8,500). Nationally, employment in leisure

and hospitality was down 0.6 percent. It is anticipated that local employment numbers will suffer over the short term in 2020 due to the financial impact of the Covid virus business shutdown.

Unemployment – According to the most recent released report from the Bureau of Labor Statistics, the Florida's seasonally adjusted unemployment rate was 2.3% in February 2020. This information was gathered prior to the Covid virus business shutdown, which skyrocketed unemployment numbers nationally.

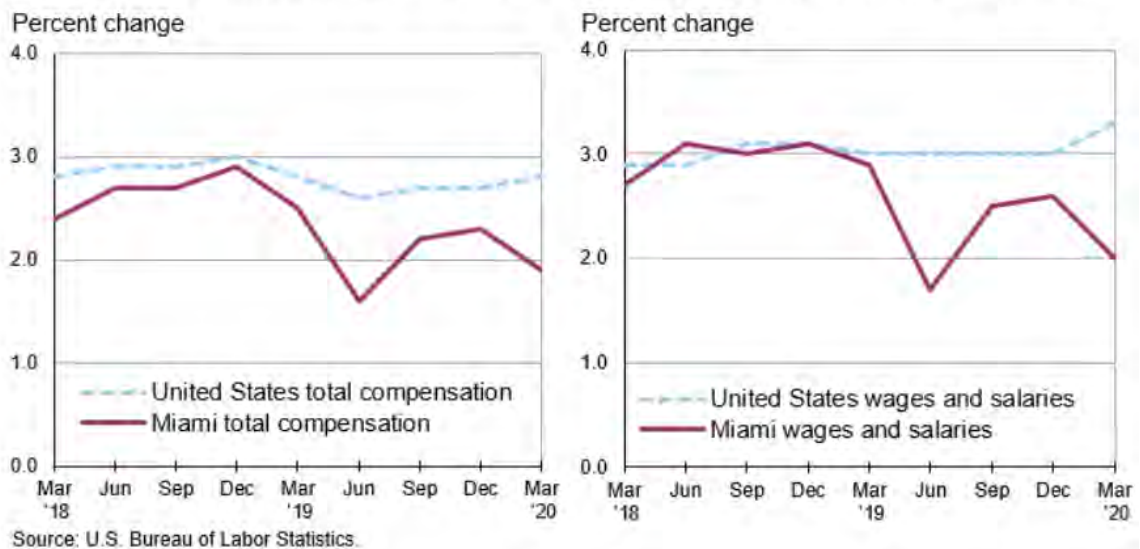
Southeastern Florida – Unemployment Rate Trends

- Miami-Dade's unemployment dropped from 2.6% to 1.5% from February 2019 to February 2020.
- Broward County's unemployment dropped from 3.3% to 2.9% from February 2019 to February 2020.
- During that time, unemployment also dropped in Palm Beach County, from 3.4% to 3.0%.
- Nationwide, unemployment rates improved from 4.1% to 3.8%.



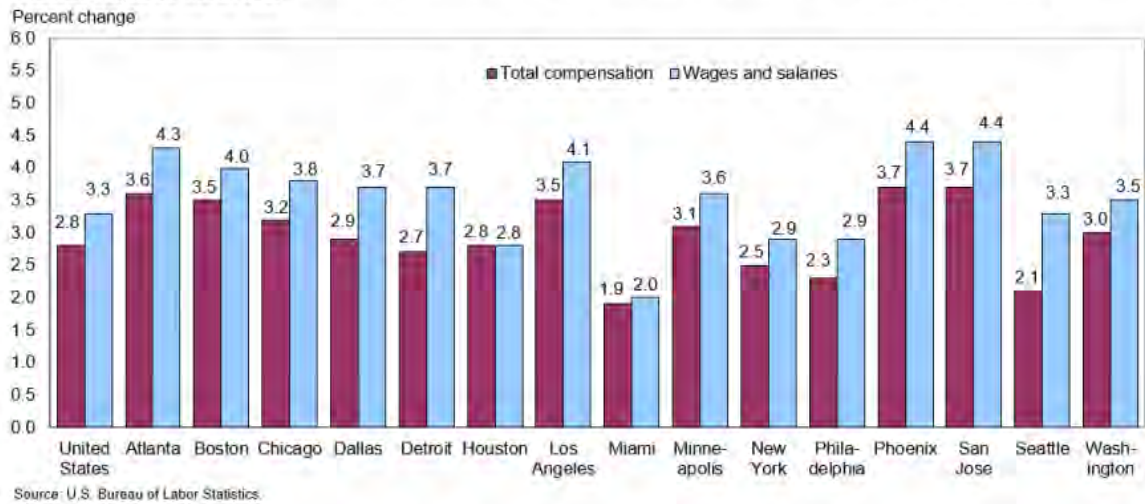
Compensation Costs for Wages and Salaries – Total compensation costs for private industry workers increased 1.9 percent in the Miami-Fort Lauderdale-Port St. Lucie, FL metropolitan area for the 12-month period ended March 2020. Regional Commissioner Janet S. Rankin noted that one year ago, Miami experienced an annual gain of 2.5 percent in compensation costs. Locally, wages and salaries, the largest component of compensation costs, advanced at a 2.0-percent pace for the 12-month period ended March 2020. Nationwide, total compensation costs increased 2.8 percent and wages and salaries rose 3.3 percent from March 2019 to March 2020.

Chart 1. Twelve-month percent changes in the Employment Cost Index, private industry workers, United States and the Miami area, not seasonally adjusted, March 2018–March 2020



Miami is 1 of 15 metropolitan areas in the United States and 1 of 5 areas in the South region of the country for which locality compensation cost data are available. Among these 15 largest areas, over-the-year percentage changes in the cost of compensation ranged 3.7 percent in both Phoenix and San Jose to 1.9 percent in Miami in March 2020; for wages and salaries, annual changes ranged from 4.4 percent in Phoenix and San Jose to 2.0 percent Miami.

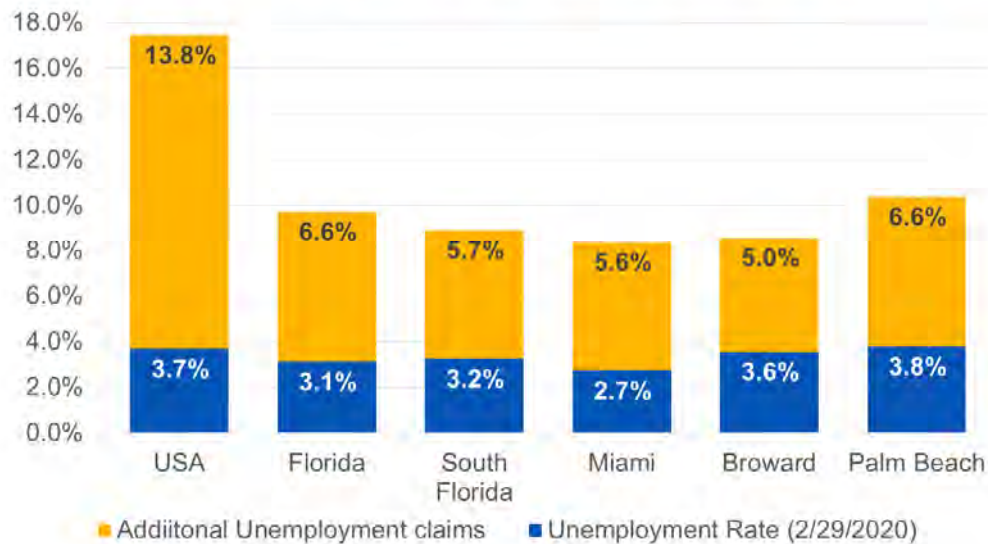
Chart 2. Twelve-month percent change in the Employment Cost Index, private industry workers, United States and localities, not seasonally adjusted, March 2020



Miami's 1.9-percent increase in compensation costs in the 12-month period ended March 2020 was below the 2.8 to 3.6 percent increase among the South's five metropolitan areas (Atlanta, Dallas, Houston, and Washington). Miami's 2.0-percent gain in wages and salaries over this 12-month period was also the smallest compared to rates ranging from 2.8-percent to 4.3-percent among the South's five metropolitan areas.

As of the end of February, Florida has reported roughly half the unemployment claims, relative to its labor market size, when compared to the national average. Florida reported close to 670,000 unemployment claims from March 1 to April 4, with a total labor market of 10 million. Compared to total U.S. unemployment claims over the same period, where close to 22.5 million out of a total labor market of close to 163.5 million have filed claims, Florida is reporting roughly half of the national average.

Estimated Unemployment Rate Based on Filed Claims



Source: CoStar, BLS



As many states begin to ponder how to gradually re-open their economies, the return to some degree of economic normalcy could hinge on figuring out the extent of the damage to the local labor market, as well as putting a support mechanism in place to get money into the hands of those who have lost their jobs.

According to Oxford Economics, Florida is the country's fourth-most vulnerable economy following the onset of COVID-19. Its ranking is driven by a high exposure to industries that depend on consumer discretionary spending, such as the retail and leisure and hospitality sectors, as well as its higher-than-average number of residents aged 65 and older and the high percentage of self-employed individuals and small businesses operating across the state.

However, adjusting the national 3.7% unemployment rate, pre-crisis, with the new jobless claims filed over the past month provides an unemployment rate of just over 17%. Performing a similar calculation for the 3.1% pre-pandemic unemployment rate across the Florida markets with new jobless claims results in a figure that is closer to a more manageable 10%.

Retail tenants and apartment dwellers still remain the most vulnerable, as they make up the majority of those seeing significant loss of business activity or financial hardship caused by job losses. Potential delays in getting federal support checks or

small-business loans will exacerbate the cash flow stress that many of those at risk are already facing, and will likely have a compounding negative impact on Florida's commercial real estate sector. Sole proprietors and small retail businesses are especially vulnerable as loss of income, even for a short period of time, can easily push a small company under.

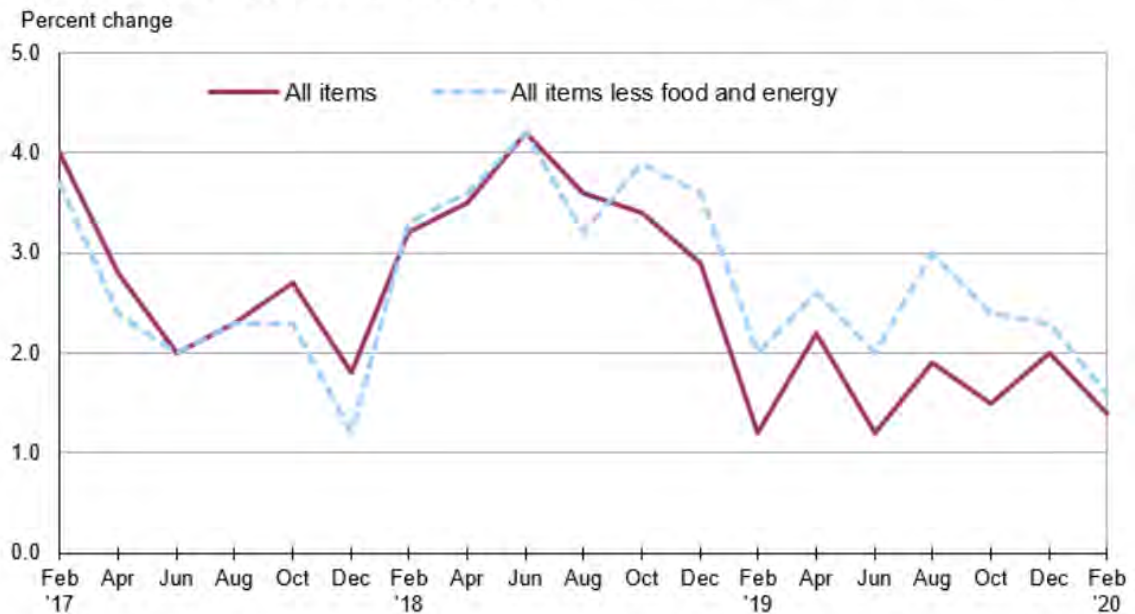
While Florida has a similar share of its labor markets in the retail and leisure and hospitality sectors to the national breakdown, the spending drivers are different. Florida depends more on consumer's discretionary recreational spending at places like Disney World, while many other states depend on large corporations and business travel to drive spending.

In addition, many in Florida identified difficulties applying for unemployment benefits in March due to reported crashing of Florida's online application for reemployment assistance website because of high traffic volumes. Given the technical difficulties and Florida's exposure to recreational discretionary spending, it is likely that jobless claims reported since the onset of the pandemic do not fully reflect the extent of the true damage to the state's economy and jobs market.

Consumer Price Index – The Consumer Price Index for All Urban Consumers (CPI-U) for Miami-Fort Lauderdale-West Palm Beach increased 0.4-percent over the December - February pricing period, the U.S. Bureau of Labor Statistics reported in March. Regional Commissioner Janet S. Rankin noted that the all items less food and energy index was up 0.7-percent since December and the food index was up 0.7-percent over the two-month pricing period. The energy index fell 2.8-percent over the two months.

From February 2019 to February 2020, the all items CPI-U increased 1.4 percent. The all items less food and energy index moved up 1.6 percent and the food index rose 0.1 percent over the year. The energy index also rose 1.5 percent since February 2019.

Chart 1. Over-the-year percent change in CPI-U, Miami-Fort Lauderdale-West Palm Beach, FL, February 2017–February 2020



Source: U.S. Bureau of Labor Statistics.

- The food index rose 0.7-percent over the December - February pricing period, while a 1.1-percent increase in the food away from home index took place. The food at home index remained also rose 0.4-percent. Since February 2019, the food index inclined 0.1 percent, reflecting an increase in the food away from home (2.4 percent) with a decrease in the food at home (-1.5 percent) indexes.
- The energy index fell 2.8 percent over the December - February pricing period, including a 6.4-percent increase in the gasoline index. The electricity index fell 4.0-percent over the past 12 months. Over the year, the energy index rose 1.5-percent.
- The index for all items less food and energy rose 0.7 percent over the December - February pricing period as well as shelter (0.7 percent) From February 2019 to February 2020, the index for all items less food and energy advanced 1.6 percent. Several indexes increased over the year including shelter (0.9 percent), medical care (3.7 percent), and apparel (10.0 percent

Housing Market

In March, Florida's housing market reported more closed sales and higher median prices year-over-year, but pending sales, new listings and pending inventory showed

lower levels compared to March 2019, according to the latest housing data released by Florida Realtors®. Sales of single-family homes statewide totaled 26,611 last month, 6.4% higher than March 2019.

The impact of the coronavirus pandemic on Florida and across the U.S. started to intensify in mid-March: Florida Gov. Ron DeSantis issued a state-of-emergency declaration on March 9, 2020, and President Donald Trump approved the governor's request to declare a major disaster for Florida on March 24, 2020. "In times of economic upheaval like what we're experiencing under COVID-19, having a place – a home – to take shelter is essential," says 2020 Florida Realtors President Barry Grooms, a Realtor and co-owner of Florida Suncoast Real Estate Inc. in Bradenton. "The governor has declared real estate an essential service and transactions are still occurring across the state.

However, many buyers and sellers have understandably pressed the pause button due to the pandemic and the current climate of uncertainty. "As a result, new listings and new pending sales are trending downward. In March, new listings for single-family homes were down 3.6% compared to a year ago, while new listings for condo-townhouse properties were down 10.4%. In times like this, a buyer or seller looking for support can turn to a local Realtor for knowledgeable advice and guidance."

Statewide median sales prices in March for both single-family homes and condo-townhouse properties rose year-over-year for 99 consecutive months. The statewide median sales price for single-family existing homes was \$275,000, and increase of 7.4% from the previous year, according to data from Florida Realtors Research Department in partnership with local Realtor boards/associations. Last month's statewide median price for condo-townhouse units was \$210,000, up 10.8% over the year-ago figure. The median is the midpoint; half the homes sold for more, half for less.

According to the National Association of Realtors® (NAR), the national median sales price for existing single-family homes in February 2020 was \$272,400, up 8.1% from the previous year; the national median existing condo price was \$249,900. In California, the statewide median sales price for single-family existing homes in February was \$579,770; in Massachusetts, it was \$395,000; in Maryland, it was \$295,000; and in New York, it was \$301,000. Looking at Florida's condo-townhouse market in March, statewide closed sales totaled 10,823, up 4.7% from the level a year ago. Closed sales may occur from 30- to 90-plus days after sales contracts are written.

To explain the mixed picture reflected in the March housing data, Florida Realtors Chief Economist Dr. Brad O'Connor noted a large share of home sales that closed in March actually went under contract in January and February, particularly sales that required financing – and with those closed sales “locked in,” the prices for those sales were locked in as well. “This aspect of closed sales and median sale prices make them lagging indicators for the market, especially in times of turmoil like we’re currently experiencing,” he says. New pending sales, which is the count of how many home sales went under contract during the month, show how the landscape in Florida’s residential real estate markets was changing in March, O'Connor said.



“On the single-family home side, we had a year-over-year drop in new pending sales of 22.6%, while over on the condo and townhouse side, we saw a decline of 35% compared to last year. New pending sales were really the first metric to turn in a downward direction after the stock market began to fall in late February, as buyers increasingly became wary of making a commitment as large as a home purchase in the face of such sudden economic uncertainty. This trend only accelerated through the end of the month, when the local closures and stay-at-home orders started to be issued across the state.” According to O'Connor, drops in both new pending sales and new listings indicate that both demand and supply are in decline, at least in the short run. “For now, we should expect to see significantly lower sales counts for April and May than we did last year, but movement in sale prices will be more stable for the time being, since the reductions in both supply and demand have countervailing impacts on home values,” he said. “However, the longer-term forecast is still hazy.”

Hospitality and Tourism Market

Florida tourism officials say a record number of visitors came to the state in 2018. Visit Florida, the state’s official tourism marketing corporation, announced this February that 126.1 million out-of-state visitors came to Florida in 2018. That is the eighth consecutive record-breaking year for Florida tourism, and 2019 has been on pace to continue this upward trend. Visit Florida has concluded that in Q1 through Q3 of 2019, over 101 million visitors have come to Florida, up 3.7 percent since the previous year.

Visit Florida also estimated:

- A record 36.6 million visitors traveled to Florida in Q1 of 2019, along with 32.9 million in Q2, and 31.6 million in Q3.
- Florida has seen 7.83 million overseas visitors and 2.86 million Canadians in the first three quarters of 2019.
- Total enplanements at 18 Florida airports during 2018 increased 7.6 percent over the previous year, with a record 93.9 million airline passengers.
- Florida's average daily room rate rose 3 percent.

Hospitality/Tourism trends in the South Florida market are as follows:

- The sharing economy continues to threaten the hospitality market. A study from the American Hotel & Lodging Education Foundation found that the practice of frequently listing multiple properties on Airbnb was more prevalent in South Florida than in the nation's other largest metropolitan areas. Currently, less than 1 percent of the 15.4 million people who visited Miami-Dade County last year used Airbnb. That portion is expected to grow coincident with Airbnb's explosive growth, but attempts at regulation are well underway in many South Florida cities. The City of Miami Beach is currently in litigation with Airbnb.
- Global warming is also a potential challenge to South Florida's hospitality sector. Last year due to the extremely warm winters, less people traveled south.
- Airport and cruise travel have significantly been impacted due to Covid-19.
- The South Florida hospitality and tourism market is expected to take a major financial hit during the balance of 2020 due to the federally imposed restrictions on cruise and airline travel stemming from the Covid virus fight.

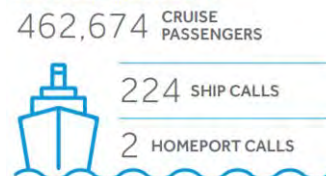
2018 CRUISE ACHIEVEMENTS



2018 CRUISE ACHIEVEMENTS



2018 CRUISE ACHIEVEMENTS



Household Formation

During the real estate crisis, housing formation dropped by over half in the region. The following table compares historical and projected growth trends in household formation in South Florida and Florida overall.

Household Formation by County – South Florida – 2000 - 2019

Households (000's)	2000	2010	2019	Percent Change 00-10	Percent Change 10-19
Florida	6,338.1	7,420.8	8,427.7	17.1%	13.6%
South Florida	1,905.5	2,107.6	2,336.3	10.4%	10.9%
Miami-Dade County	776.9	867.4	986.2	11.6%	13.7%
Broward County	654.4	686.0	751.8	4.8%	9.6%
Palm Beach County	474.2	554.2	598.3	14.8%	7.9%

Source: UF - BEBR

Miami-Dade County had the largest increase in households state-wide between 2010 and 2019, growing by 118,801, followed by Broward increasing by 65,769, and Palm Beach increasing by 54,064. The recovery of sustained household formation is a concern for the region but a recent surge of millennials has entered the workforce and the housing market has recovered, so it is likely that these trends will help household formation.

South Florida Banking

BankUnited maintained its status as South Florida's most profitable banking institution during the fourth quarter of 2019, according to the Federal Deposit Insurance Corp. The Miami Lakes-based bank (NYSE: BKU) earned \$96.6 million in fourth quarter income, up from the \$81.9 million in Q3 and \$60.4 million in the fourth quarter of 2018.

BankUnited was the second-most profitable bank in the entire state. It followed Saint Petersburg-based Raymond James Bank, which earned \$102.6 million.

The five most profitable banks in the region also include:

- Miami-based City National Bank of Florida, with net income of \$42.4 million, slightly down from \$42.8 million in Q3.
- Coral Gables-based Amerant Bank (Nasdaq: AMTB), with net income of \$15.3 million, compared to \$15.2 million in Q3.
- Miami-based Ocean Bank, with \$9.4 million, up from \$7.3 million in Q3.
- BAC Florida Bank, with \$7.4 million, down from \$8.9 million in Q3.

Local banks with fourth quarter losses include:

- Coral Gables-based Banesco USA, with a loss of \$5.8 million. The bank was the third-most profitable tri-county financial institution in Q3, when it earned \$14.2 million. Banesco USA acquired Miami's Brickell Bank last August.
- Miami-based Eastern National Bank, with a loss of \$1.58 million. The bank lost \$716,000 in Q3.
- Jupiter-based BankFlorida, with a loss of \$639,000, compared to a loss of \$34,000 in Q3.
- Hallandale Beach-based Home Federal Bank of Hollywood, with a loss of \$218,000, compared to a loss of \$190,000 in Q3.
- Plantation-based OptimumBank, with a loss of \$93,000, an improvement from Q3, when the bank lost \$116,000.

Florida's 104 federally insured banks had a combined net income of \$560 million. That's up from \$541 million in Q3, when the state had 109 banks. Florida lost 13 banks between December 2018 to December 2019, the FDIC reports.

Florida banks grew loans by a combined \$1.3 billion, a decline from \$1.9 billion in Q3. The non-current loan ratio, representing loan balances 90 or more days past due, was 2.76%, up from 2.56% in Q3. It's also an increase from the 2.46% non-current loan ratio during in December 2018.

Nationally, the banking industry earned \$55.2 billion in the fourth quarter, down 6.9% from the year before. FDIC Chairman Jenna McWilliams said that was due to higher expenses and a drop in net interest income. The nation's 5,177 federally insured banks generated a total of \$233.1 billion in net income in 2019.

Community banks experienced an especially profitable quarter, with \$6.4 billion in net income, up \$270.3 million from a year ago. The FDIC reports 54% of the nation's community bank's reported net income growth.

McWilliams said banks should build on their stable performance by reducing risk taking. She noted the U.S. experienced three reductions in short-term interest rates and yield-curve inversions during the second half of 2019, historically an indicator of a pending economic recession.

"In the current economic environment, the FDIC encourages banks to maintain careful underwriting standards and prudent risk management in order to maintain lending through economic fluctuations," McWilliams said.

Despite the Trump Administration relaxing regulatory matters, banks continue to operate in a challenging environment particularly community banks. Low interest rates for an extended period have led some institutions to reach for yield, which has increased their exposure to interest-rate risk, liquidity risk, and credit risk. Current oil and gas prices continue to affect borrowers that depend on the energy sector, and have had an adverse effect on asset quality. These challenges will only intensify as interest rates normalize.

Other South Florida banking/lending trends are noted as follows:

- The Fed continued to cut rates throughout early 2020.
- Branch banking has slowed and the trend is continuing toward mobile banking.
- Mergers and acquisitions should be announced as community banks are motivated due to burdensome Federal regulations. BB&T and SunTrust merged in a \$66 Billion deal to form the nation's 6th largest bank.
- The industry has started to lay off employees mostly in the mortgage space.

Conclusion/Key Points

- Market data strongly suggests that the South Florida economy is generally robust with only minor headwinds, such as the strong dollar and rising construction costs.
- Key economic variables such as population growth, employment growth, and housing, have all shown improvement.
- Key ties to South America and Europe, that have helped fuel a housing market rebound, and strong ties to Latin America and the Caribbean, have slowed but remain a key driving force in the expansion in trade in the region.
- Tourism has fully rebounded and there is expansion in the hospitality sector, although average occupancy has dropped off a bit with the introduction of new product.
- Investments in infrastructure will also benefit the region coincident with the opening of the Panama Canal. Led by Miami-Dade County,
- South Florida commercial real estate has reached, and in some cases, exceed previous peak pricing, with all property types now in play. There is an oversupply of residential condo product in Miami Dade, but Broward and Palm Beach are still in balance.
- The Federal Reserve recently underwent additional quantitative easing and interest rates are now zero for the first time in history.

- Most analysts agree that South Florida is in the late innings of the current economy with possibly two or so solid years of growth ahead before the rate slows.
- Florida's electorate recently elected a pro-business governor which favors the Florida economy. However, the economic impact of the President's administration's fiscal and business policies on the South Florida policy, namely tariffs is still being played out.
- Most experts agree the coronavirus will negatively impact the domestic economy but to what extent is unknown until it fully plays out. Of particular concern is the negative impact on hospitality and tourism, one of South Florida's major industries.

COMPARABLE DOCK RENTAL PHOTOGRAPHS



COMPARABLE RENTAL NUMBER 1
Harbor Towne Marina



COMPARABLE RENTAL NUMBER 2
Pier 66



COMPARABLE RENTAL NUMBER 3
Fort Lauderdale Grande



COMPARABLE RENTAL NUMBER 4
Bahia Mar Marina



COMPARABLE RENTAL NUMBER 5
Sunrise Harbor



COMPARABLE RENTAL NUMBER 6
Lauderdale Marine Center



COMPARABLE RENTAL NUMBER 7
One Island Park Marina



COMPARABLE RENTAL NUMBER 8
Sunset Harbour Y.C.



COMPARABLE RENTAL NUMBER 9
Island Gardens Marina



COMPARABLE RENTAL NUMBER 10
Miamarina at Bayside



COMPARABLE RENTAL NUMBER 11
Sea Isles Marina

LAND SALES PROFILES

Land Sale No. 1



Property Identification

Record ID	2812
Property Type	Multi-family, Condominium
Address	304 Ocean Drive, Miami Beach, Miami-Dade County, Florida 33139
Location	NWC 3rd Street and Ocean Drive
Tax ID	02-4203-003-0500, 0510
MSA	Miami
Market Type	Beach

Sale Data

Grantor	Sea Spray Development, LLC
Grantee	312 Ocean Park, LLC
Sale Date	December 18, 2018
Deed Book/Page	31262/4607
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Sale History	Aug. 2013 \$6,300,000
Verification	March 29, 2019; Confirmed by Andrew Rolf
Sale Price	\$10,000,000
Cash Equivalent	\$10,000,000

Land Data

Zoning	RPS-3
Topography	Level
Utilities	All available
Shape	Rectangular
Platting	Yes

Land Sale No. 1 (Cont.)

Concurrency	Yes
Approvals	No

Land Size Information

Gross Land Size	0.264 Acres or 11,500 SF
Planned Units	10

Indicators

Sale Price/Gross Acre	\$37,878,261
Sale Price/Gross SF	\$869.57
Sale Price/Planned Unit	\$1,000,000

Remarks

This is the sale of vacant site in Miami Beach located in the South of Fifth (SoFi) neighborhood. At the time of sale the property did not possess any entitlements and approvals. Since purchase the buyer has announced plans to construct a 10-unit luxury condo called Ocean Park South Beach comprising +/-20,400 SF of saleable area.

Land Sale No. 2



Property Identification

Record ID	3005
Property Type	Multi-family, Condominium
Property Name	Dezer Plaza
Address	18320 Collins Avenue, Miami Beach, Miami-Dade County, Florida 33160
Location	NWC 183rd Street & Atlantic Boulevard
Tax ID	31-2202-003-0201

Sale Data

Grantor	Publix Supermarkets Inc
Grantee	Dezer Plaza
Sale Date	October 15, 2018
Deed Book/Page	31186/4241
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Verification	May 05, 2020; Confirmed by Andrew Rolf
Sale Price	\$31,700,000
Cash Equivalent	\$31,700,000

Land Data

Zoning	B-1
Topography	Level
Utilities	All available
Shape	Rectangular
Platting	Yes
Concurrency	Yes
Approvals	No

Land Size Information

Gross Land Size	0.851 Acres or 37,054 SF
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Land Sale No. 2 (Cont.)

Planned Units 68

Indicators

Sale Price/Gross Acre \$37,265,936

Sale Price/Gross SF \$855.51

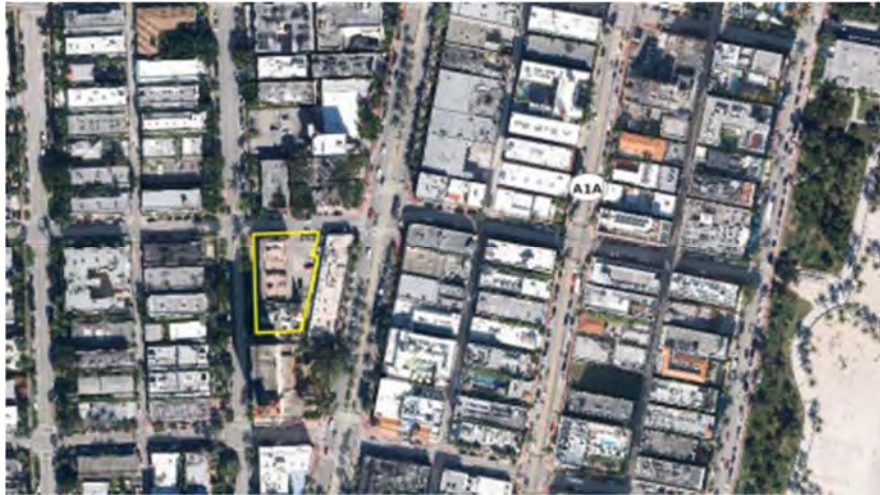
Sale Price/Planned Unit \$466,176

Remarks

This is the sale of a vacant lot located behind a newly renovated Publix store in Sunny Isles Beach. The vacant Intracoastal fronting site was acquired by Dezer who owns 3.15-acres located adjacent on the north side of the site. No plans were in place at the time of sale for development.

The B-1, Neighborhood Business and BO, Business Overlay zoning permit development at 25-units per acre and an 2.0 FAR plus bonus density of 80-units per acre and a maximum FAR up to a 3.45 for enclosed parking bonus (0.40), public parking bonus (0.25), a Collins Avenue/Sunny Isles Boulevard public streetscape enhancement bonus (0.30), and a site assembly bonus (up to 0.50). The dwelling unit density bonus can be increased by one dwelling unit per acre for each 0.02 increase in FAR granted in accordance with Section 265-36E(1) of the City Code up to a maximum density of 80 dwelling units per acre.

Land Sale No. 3



Property Identification

Record ID	3004
Property Type	Office/Hotel
Property Name	Former Oceanside Nursing Home
Address	550 9th Street, Miami Beach, Miami-Dade County, Florida 33139
Location	SEC 9th Street & Pennsylvania Avenue
Tax ID	02-4203-009-0100

Sale Data

Grantor	ADME Real Estate, LLC
Grantee	550 Ninth, LLC
Sale Date	January 31, 2018
Deed Book/Page	30863/349
Property Rights	Fee Simple
Marketing Time	9 months
Conditions of Sale	Arm's Length
Financing	Cash to seller
Verification	May 05, 2020; Confirmed by Andrew Rolf

Sale Price	\$17,625,000
Cash Equivalent	\$17,625,000

Land Data

Zoning	CD-2, Commercial Medium Intensity
Topography	Level
Utilities	All available
Shape	Rectangular
Platting	Yes
Concurrency	Yes
Approvals	Yes

Land Sale No. 3 (Cont.)

Land Size Information

Gross Land Size	0.479 Acres or 20,873 SF
Planned Units	110

Indicators

Sale Price/Gross Acre	\$36,781,728
Sale Price/Gross SF	\$844.39
Sale Price/Planned Unit	\$160,227

Remarks

This is the sale of a former 88-room (196-bed) nursing facility located on Miami Beach. The property was vacant at the time of sale and was marketed for redevelopment. The property was in foreclosure and the sale was approved by a U.S. judge. The buyer owns other hotels in Miami Beach and intends to convert the building to hotel use. Prior to closing on the sale the buyer secured zoning and approvals to convert the 88 rooms to 110 hotel rooms.

Land Sale No. 4



Property Identification

Record ID	2944
Property Type	Multi-family, Condominium
Address	1135 103rd Street, Bay Harbor Islands, Miami-Dade County, Florida 33154
Location	Bay Harbor Islands
Tax ID	13-2227-001-6770
MSA	Miami
Market Type	Beach

Sale Data

Grantor	P3 Investments I, LLC
Grantee	BH Investment, LLC
Sale Date	November 13, 2017
Deed Book/Page	30764/1606
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Verification	April 16, 2019; Confirmed by Andrew Rolf
Sale Price	\$20,500,000
Cash Equivalent	\$20,500,000

Land Data

Zoning	RM-3, Residential Multifamily
Topography	Level
Utilities	All available

Land Sale No. 4 (Cont.)

Shape	Rectangular
Platting	Yes
Concurrency	Yes
Approvals	No

Land Size Information

Gross Land Size	1.209 Acres or 52,666 SF
Planned Units	29
Front Footage	300 ft Biscayne Bay;

Indicators

Sale Price/Gross Acre	\$16,955,531
Sale Price/Gross SF	\$389.25
Sale Price/Planned Unit	\$706,897

Remarks

This is the sale of a vacant site located on the northern end of the Bay Harbor Islands with direct frontage on Biscayne Bay. The site was previously approved for 29 luxury condo units and 121,000 SF of saleable area. According to the confirming source the buyer wanted to own the premier site on the island but had no immediate plans to develop the site.

Land Sale No. 5



Property Identification

Record ID	2566
Property Type	Multi-family, Condominium
Property Name	Surf House
Address	8995 Collins Avenue, Surfside, Miami-Dade County, Florida
Tax ID	14-2235-022-0010 through -0360
MSA	Miami
Market Type	Beach

Sale Data

Grantor	Surf House condo association
Grantee	Surf House Ocean Views, LLC
Sale Date	June 10, 2016
Deed Book/Page	30114/2478
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Verification	October 11, 2015; Confirmed by Andrew Rolf
Sale Price	\$55,000,000
Cash Equivalent	\$55,000,000

Land Data

Zoning	HR-120, Mixed Use Resort
Topography	Level
Utilities	All available
Shape	Rectangular
Platting	Yes
Concurrency	Yes
Approvals	No

Land Sale No. 5 (Cont.)

Land Size Information

Gross Land Size	0.608 Acres or 26,500 SF
Planned Units	34
Front Footage	70 ft Atlantic Ocean;

Indicators

Sale Price/Gross Acre	\$90,407,547
Sale Price/Gross SF	\$2,075.47
Sale Price/Planned Unit	\$1,617,647

Remarks

This is the sale of the Surf House condo for a total price of \$55 million or just over \$1.5 million per unit for 37 condo units and a separate parking lot site located on the west side of Collins Avenue. Closings on five remaining units were still occurring as of November 2015. The buyer has not revealed exact development plans but intends to construct smaller units than currently being developed in the neighborhood to be marketed as second and third homes with prices starting around \$2.5 million. Zoning permits up to 58 units but the developer now intends to construct 34 units.

DEMOGRAPHICS



Household Income Profile

300 Alton Rd, Miami Beach, Florida, 33139 2
300 Alton Rd, Miami Beach, Florida, 33139
Ring: 1 mile radius

Prepared by Esri
Latitude: 25.77069
Longitude: -80.13914

Summary	2019	2024	2019-2024 Change	2019-2024 Annual Rate
Population	21,300	22,054	754	0.70%
Households	12,885	13,264	379	0.58%
Median Age	42.3	43.6	1.3	0.61%
Average Household Size	1.61	1.62	0.01	0.12%

Households by Income	2019		2024	
	Number	Percent	Number	Percent
Household	12,885	100%	13,264	100%
<\$15,000	2,551	19.8%	2,197	16.6%
\$15,000-\$24,999	1,336	10.4%	1,235	9.3%
\$25,000-\$34,999	1,244	9.7%	1,147	8.6%
\$35,000-\$49,999	1,436	11.1%	1,423	10.7%
\$50,000-\$74,999	1,804	14.0%	1,846	13.9%
\$75,000-\$99,999	1,345	10.4%	1,502	11.3%
\$100,000-\$149,999	1,443	11.2%	1,717	12.9%
\$150,000-\$199,999	732	5.7%	1,024	7.7%
\$200,000+	995	7.7%	1,174	8.9%
Median Household Income	\$48,336		\$56,689	
Average Household Income	\$81,278		\$93,969	
Per Capita Income	\$49,315		\$56,656	

Data Note: Income is reported for households as of July 1, 2019 and represents annual income for the preceding year, expressed in 2017 dollars. Income is reported for households as of July 1, 2024 and represents annual income for the preceding year, expressed in 2022 dollars
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri Forecasts for 2019 and 2024.



Household Income Profile

300 Alton Rd, Miami Beach, Florida, 33139 2
300 Alton Rd, Miami Beach, Florida, 33139
Ring: 1 mile radius

Prepared by Esri
Latitude: 25.77069
Longitude: -80.13914

2019 Households by Income and Age of Householder							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	551	2,742	2,890	1,969	1,490	1,608	1,635
<\$15,000	123	369	327	225	289	455	762
\$15,000-\$24,999	74	238	219	124	138	222	322
\$25,000-\$34,999	64	342	306	173	125	128	106
\$35,000-\$49,999	85	384	335	187	135	185	125
\$50,000-\$74,999	103	438	427	313	209	196	118
\$75,000-\$99,999	42	332	376	213	186	113	82
\$100,000-\$149,999	40	393	400	283	153	120	54
\$150,000-\$199,999	11	134	220	194	96	53	25
\$200,000+	10	113	281	256	158	137	40
Median HH Income	\$36,966	\$51,532	\$63,009	\$70,925	\$55,254	\$34,950	\$16,123
Average HH Income	\$51,734	\$73,520	\$96,722	\$111,148	\$93,191	\$73,401	\$37,866
Percent Distribution							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	100%	100%	100%	100%	100%	100%	100%
<\$15,000	22.3%	13.5%	11.3%	11.4%	19.4%	28.3%	46.6%
\$15,000-\$24,999	13.4%	8.7%	7.6%	6.3%	9.3%	13.8%	19.7%
\$25,000-\$34,999	11.6%	12.5%	10.6%	8.8%	8.4%	8.0%	6.5%
\$35,000-\$49,999	15.4%	14.0%	11.6%	9.5%	9.1%	11.5%	7.6%
\$50,000-\$74,999	18.7%	16.0%	14.8%	15.9%	14.0%	12.2%	7.2%
\$75,000-\$99,999	7.6%	12.1%	13.0%	10.8%	12.5%	7.0%	5.0%
\$100,000-\$149,999	7.3%	14.3%	13.8%	14.4%	10.3%	7.5%	3.3%
\$150,000-\$199,999	2.0%	4.9%	7.6%	9.9%	6.4%	3.3%	1.5%
\$200,000+	1.8%	4.1%	9.7%	13.0%	10.6%	8.5%	2.4%

Data Note: Income is reported for households as of July 1, 2019 and represents annual income for the preceding year, expressed in 2017 dollars. Income is reported for households as of July 1, 2024 and represents annual income for the preceding year, expressed in 2022 dollars

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri Forecasts for 2019 and 2024.



Household Income Profile

300 Alton Rd, Miami Beach, Florida, 33139 2
300 Alton Rd, Miami Beach, Florida, 33139
Ring: 1 mile radius

Prepared by Esri
Latitude: 25.77069
Longitude: -80.13914

2024 Households by Income and Age of Householder							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	667	2,559	2,757	2,140	1,640	1,720	1,783
<\$15,000	128	242	247	188	256	405	731
\$15,000-\$24,999	81	180	170	109	137	224	335
\$25,000-\$34,999	68	269	267	157	127	135	125
\$35,000-\$49,999	101	338	303	186	151	201	144
\$50,000-\$74,999	127	413	401	307	226	227	145
\$75,000-\$99,999	61	354	389	236	216	140	107
\$100,000-\$149,999	69	459	413	353	190	152	80
\$150,000-\$199,999	18	177	276	284	150	75	44
\$200,000+	15	126	292	321	187	161	72
Median HH Income	\$42,242	\$62,924	\$74,228	\$86,498	\$64,517	\$41,069	\$18,702
Average HH Income	\$60,790	\$87,241	\$108,619	\$129,205	\$105,497	\$84,198	\$49,809
Percent Distribution							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	100%	100%	100%	100%	100%	100%	100%
<\$15,000	19.2%	9.5%	9.0%	8.8%	15.6%	23.5%	41.0%
\$15,000-\$24,999	12.1%	7.0%	6.2%	5.1%	8.4%	13.0%	18.8%
\$25,000-\$34,999	10.2%	10.5%	9.7%	7.3%	7.7%	7.8%	7.0%
\$35,000-\$49,999	15.1%	13.2%	11.0%	8.7%	9.2%	11.7%	8.1%
\$50,000-\$74,999	19.0%	16.1%	14.5%	14.3%	13.8%	13.2%	8.1%
\$75,000-\$99,999	9.1%	13.8%	14.1%	11.0%	13.2%	8.1%	6.0%
\$100,000-\$149,999	10.3%	17.9%	15.0%	16.5%	11.6%	8.8%	4.5%
\$150,000-\$199,999	2.7%	6.9%	10.0%	13.3%	9.1%	4.4%	2.5%
\$200,000+	2.2%	4.9%	10.6%	15.0%	11.4%	9.4%	4.0%

Data Note: Income is reported for households as of July 1, 2019 and represents annual income for the preceding year, expressed in 2017 dollars. Income is reported for households as of July 1, 2024 and represents annual income for the preceding year, expressed in 2022 dollars

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri Forecasts for 2019 and 2024.



Household Income Profile

300 Alton Rd, Miami Beach, Florida, 33139 2
300 Alton Rd, Miami Beach, Florida, 33139
Ring: 3 mile radius

Prepared by Esri
Latitude: 25.77069
Longitude: -80.13914

Summary	2019	2024	2019-2024 Change	2019-2024 Annual Rate
Population	55,402	57,391	1,989	0.71%
Households	31,850	32,795	945	0.59%
Median Age	41.3	42.3	1.0	0.48%
Average Household Size	1.71	1.72	0.01	0.12%

Households by Income	2019		2024	
	Number	Percent	Number	Percent
Household	31,850	100%	32,795	100%
<\$15,000	4,671	14.7%	4,030	12.3%
\$15,000-\$24,999	2,813	8.8%	2,532	7.7%
\$25,000-\$34,999	2,846	8.9%	2,532	7.7%
\$35,000-\$49,999	3,604	11.3%	3,454	10.5%
\$50,000-\$74,999	4,368	13.7%	4,365	13.3%
\$75,000-\$99,999	3,310	10.4%	3,570	10.9%
\$100,000-\$149,999	4,312	13.5%	4,993	15.2%
\$150,000-\$199,999	2,409	7.6%	3,209	9.8%
\$200,000+	3,518	11.0%	4,109	12.5%
Median Household Income	\$59,323		\$71,101	
Average Household Income	\$98,279		\$112,431	
Per Capita Income	\$56,538		\$64,289	

Data Note: Income is reported for households as of July 1, 2019 and represents annual income for the preceding year, expressed in 2017 dollars. Income is reported for households as of July 1, 2024 and represents annual income for the preceding year, expressed in 2022 dollars
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri Forecasts for 2019 and 2024.



Household Income Profile

300 Alton Rd, Miami Beach, Florida, 33139 2
300 Alton Rd, Miami Beach, Florida, 33139
Ring: 3 mile radius

Prepared by Esri
Latitude: 25.77069
Longitude: -80.13914

2019 Households by Income and Age of Householder							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	1,412	6,802	7,103	5,397	4,099	3,594	3,441
<\$15,000	259	782	655	453	599	776	1,146
\$15,000-\$24,999	165	507	460	296	319	457	607
\$25,000-\$34,999	156	791	639	387	303	296	274
\$35,000-\$49,999	220	978	796	508	375	380	347
\$50,000-\$74,999	257	1,012	958	734	530	467	410
\$75,000-\$99,999	146	824	867	488	445	284	255
\$100,000-\$149,999	133	1,074	1,064	877	524	427	214
\$150,000-\$199,999	41	490	730	581	296	180	93
\$200,000+	35	344	934	1,074	708	327	95
Median HH Income	\$42,354	\$56,580	\$75,958	\$90,099	\$70,292	\$44,663	\$24,220
Average HH Income	\$59,700	\$81,284	\$112,659	\$136,269	\$118,802	\$83,645	\$49,330
Percent Distribution							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	100%	100%	100%	100%	100%	100%	100%
<\$15,000	18.3%	11.5%	9.2%	8.4%	14.6%	21.6%	33.3%
\$15,000-\$24,999	11.7%	7.5%	6.5%	5.5%	7.8%	12.7%	17.6%
\$25,000-\$34,999	11.0%	11.6%	9.0%	7.2%	7.4%	8.2%	8.0%
\$35,000-\$49,999	15.6%	14.4%	11.2%	9.4%	9.1%	10.6%	10.1%
\$50,000-\$74,999	18.2%	14.9%	13.5%	13.6%	12.9%	13.0%	11.9%
\$75,000-\$99,999	10.3%	12.1%	12.2%	9.0%	10.9%	7.9%	7.4%
\$100,000-\$149,999	9.4%	15.8%	15.0%	16.2%	12.8%	11.9%	6.2%
\$150,000-\$199,999	2.9%	7.2%	10.3%	10.8%	7.2%	5.0%	2.7%
\$200,000+	2.5%	5.1%	13.1%	19.9%	17.3%	9.1%	2.8%

Data Note: Income is reported for households as of July 1, 2019 and represents annual income for the preceding year, expressed in 2017 dollars. Income is reported for households as of July 1, 2024 and represents annual income for the preceding year, expressed in 2022 dollars

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri Forecasts for 2019 and 2024.



Household Income Profile

300 Alton Rd, Miami Beach, Florida, 33139 2
300 Alton Rd, Miami Beach, Florida, 33139
Ring: 3 mile radius

Prepared by Esri
Latitude: 25.77069
Longitude: -80.13914

2024 Households by Income and Age of Householder							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	1,617	6,632	6,745	5,722	4,366	3,880	3,833
<\$15,000	254	569	500	369	510	708	1,120
\$15,000-\$24,999	166	401	350	250	290	452	623
\$25,000-\$34,999	146	644	526	330	282	297	307
\$35,000-\$49,999	234	890	701	469	371	401	388
\$50,000-\$74,999	307	962	872	693	541	522	468
\$75,000-\$99,999	187	855	854	530	495	329	320
\$100,000-\$149,999	204	1,244	1,087	1,022	616	519	300
\$150,000-\$199,999	70	653	864	795	427	250	151
\$200,000+	50	414	990	1,264	834	402	157
Median HH Income	\$50,479	\$69,878	\$85,699	\$107,738	\$83,058	\$52,891	\$30,054
Average HH Income	\$70,625	\$95,876	\$127,105	\$154,638	\$134,899	\$95,914	\$61,006
Percent Distribution							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	100%	100%	100%	100%	100%	100%	100%
<\$15,000	15.7%	8.6%	7.4%	6.4%	11.7%	18.2%	29.2%
\$15,000-\$24,999	10.3%	6.0%	5.2%	4.4%	6.6%	11.6%	16.3%
\$25,000-\$34,999	9.0%	9.7%	7.8%	5.8%	6.5%	7.7%	8.0%
\$35,000-\$49,999	14.5%	13.4%	10.4%	8.2%	8.5%	10.3%	10.1%
\$50,000-\$74,999	19.0%	14.5%	12.9%	12.1%	12.4%	13.5%	12.2%
\$75,000-\$99,999	11.6%	12.9%	12.7%	9.3%	11.3%	8.5%	8.3%
\$100,000-\$149,999	12.6%	18.8%	16.1%	17.9%	14.1%	13.4%	7.8%
\$150,000-\$199,999	4.3%	9.8%	12.8%	13.9%	9.8%	6.4%	3.9%
\$200,000+	3.1%	6.2%	14.7%	22.1%	19.1%	10.4%	4.1%

Data Note: Income is reported for households as of July 1, 2019 and represents annual income for the preceding year, expressed in 2017 dollars. Income is reported for households as of July 1, 2024 and represents annual income for the preceding year, expressed in 2022 dollars

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri Forecasts for 2019 and 2024.



Household Income Profile

300 Alton Rd, Miami Beach, Florida, 33139 2
300 Alton Rd, Miami Beach, Florida, 33139
Ring: 5 mile radius

Prepared by Esri
Latitude: 25.77069
Longitude: -80.13914

Summary	2019	2024	2019-2024 Change	2019-2024 Annual Rate
Population	228,520	253,190	24,670	2.07%
Households	112,346	124,485	12,139	2.07%
Median Age	38.5	38.8	0.3	0.16%
Average Household Size	1.98	1.98	0.00	0.00%

Households by Income	2019		2024	
	Number	Percent	Number	Percent
Household	112,343	100%	124,482	100%
<\$15,000	20,177	18.0%	18,531	14.9%
\$15,000-\$24,999	10,768	9.6%	10,183	8.2%
\$25,000-\$34,999	9,750	8.7%	9,364	7.5%
\$35,000-\$49,999	12,814	11.4%	13,488	10.8%
\$50,000-\$74,999	16,546	14.7%	18,383	14.8%
\$75,000-\$99,999	11,454	10.2%	13,830	11.1%
\$100,000-\$149,999	14,193	12.6%	18,295	14.7%
\$150,000-\$199,999	6,619	5.9%	9,704	7.8%
\$200,000+	10,021	8.9%	12,703	10.2%
Median Household Income	\$52,925		\$62,362	
Average Household Income	\$86,565		\$99,737	
Per Capita Income	\$42,775		\$49,264	

Data Note: Income is reported for households as of July 1, 2019 and represents annual income for the preceding year, expressed in 2017 dollars. Income is reported for households as of July 1, 2024 and represents annual income for the preceding year, expressed in 2022 dollars
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri Forecasts for 2019 and 2024.



Household Income Profile

300 Alton Rd, Miami Beach, Florida, 33139 2
300 Alton Rd, Miami Beach, Florida, 33139
Ring: 5 mile radius

Prepared by Esri
Latitude: 25.77069
Longitude: -80.13914

2019 Households by Income and Age of Householder							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	5,947	25,904	23,964	18,218	15,271	12,283	10,755
<\$15,000	1,271	3,153	2,759	2,256	3,177	3,274	4,287
\$15,000-\$24,999	683	1,898	1,700	1,159	1,505	1,896	1,925
\$25,000-\$34,999	648	2,553	2,035	1,475	1,208	1,043	789
\$35,000-\$49,999	862	3,381	2,778	2,006	1,566	1,310	912
\$50,000-\$74,999	1,135	4,371	3,652	2,707	2,108	1,488	1,084
\$75,000-\$99,999	582	3,335	3,033	1,600	1,442	834	629
\$100,000-\$149,999	461	4,122	3,285	2,820	1,741	1,142	623
\$150,000-\$199,999	155	1,557	1,978	1,454	771	469	236
\$200,000+	150	1,534	2,745	2,741	1,754	828	270
Median HH Income	\$40,296	\$58,990	\$66,778	\$69,044	\$51,526	\$34,147	\$19,590
Average HH Income	\$56,823	\$82,901	\$102,226	\$113,662	\$91,949	\$68,478	\$44,067
Percent Distribution							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	100%	100%	100%	100%	100%	100%	100%
<\$15,000	21.4%	12.2%	11.5%	12.4%	20.8%	26.7%	39.9%
\$15,000-\$24,999	11.5%	7.3%	7.1%	6.4%	9.9%	15.4%	17.9%
\$25,000-\$34,999	10.9%	9.9%	8.5%	8.1%	7.9%	8.5%	7.3%
\$35,000-\$49,999	14.5%	13.1%	11.6%	11.0%	10.3%	10.7%	8.5%
\$50,000-\$74,999	19.1%	16.9%	15.2%	14.9%	13.8%	12.1%	10.1%
\$75,000-\$99,999	9.8%	12.9%	12.7%	8.8%	9.4%	6.8%	5.8%
\$100,000-\$149,999	7.8%	15.9%	13.7%	15.5%	11.4%	9.3%	5.8%
\$150,000-\$199,999	2.6%	6.0%	8.3%	8.0%	5.0%	3.8%	2.2%
\$200,000+	2.5%	5.9%	11.5%	15.0%	11.5%	6.7%	2.5%

Data Note: Income is reported for households as of July 1, 2019 and represents annual income for the preceding year, expressed in 2017 dollars. Income is reported for households as of July 1, 2024 and represents annual income for the preceding year, expressed in 2022 dollars

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri Forecasts for 2019 and 2024.



Household Income Profile

300 Alton Rd, Miami Beach, Florida, 33139 2
300 Alton Rd, Miami Beach, Florida, 33139
Ring: 5 mile radius

Prepared by Esri
Latitude: 25.77069
Longitude: -80.13914

2024 Households by Income and Age of Householder							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	7,455	28,052	25,437	20,133	16,666	14,150	12,590
<\$15,000	1,341	2,551	2,320	1,900	2,739	3,199	4,480
\$15,000-\$24,999	704	1,601	1,430	1,000	1,375	1,976	2,096
\$25,000-\$34,999	689	2,262	1,847	1,325	1,161	1,146	935
\$35,000-\$49,999	1,039	3,349	2,775	2,057	1,648	1,528	1,092
\$50,000-\$74,999	1,532	4,624	3,747	2,883	2,388	1,857	1,352
\$75,000-\$99,999	848	3,904	3,395	1,960	1,771	1,070	882
\$100,000-\$149,999	764	5,362	3,956	3,520	2,229	1,541	924
\$150,000-\$199,999	293	2,346	2,698	2,088	1,155	718	406
\$200,000+	244	2,053	3,269	3,398	2,200	1,117	423
Median HH Income	\$49,117	\$72,328	\$78,454	\$85,002	\$62,643	\$41,344	\$23,124
Average HH Income	\$67,879	\$98,020	\$116,115	\$129,845	\$107,304	\$79,843	\$53,527
Percent Distribution							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	100%	100%	100%	100%	100%	100%	100%
<\$15,000	18.0%	9.1%	9.1%	9.4%	16.4%	22.6%	35.6%
\$15,000-\$24,999	9.4%	5.7%	5.6%	5.0%	8.3%	14.0%	16.6%
\$25,000-\$34,999	9.2%	8.1%	7.3%	6.6%	7.0%	8.1%	7.4%
\$35,000-\$49,999	13.9%	11.9%	10.9%	10.2%	9.9%	10.8%	8.7%
\$50,000-\$74,999	20.5%	16.5%	14.7%	14.3%	14.3%	13.1%	10.7%
\$75,000-\$99,999	11.4%	13.9%	13.3%	9.7%	10.6%	7.6%	7.0%
\$100,000-\$149,999	10.2%	19.1%	15.6%	17.5%	13.4%	10.9%	7.3%
\$150,000-\$199,999	3.9%	8.4%	10.6%	10.4%	6.9%	5.1%	3.2%
\$200,000+	3.3%	7.3%	12.9%	16.9%	13.2%	7.9%	3.4%

Data Note: Income is reported for households as of July 1, 2019 and represents annual income for the preceding year, expressed in 2017 dollars. Income is reported for households as of July 1, 2024 and represents annual income for the preceding year, expressed in 2022 dollars

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri Forecasts for 2019 and 2024.

QUALIFICATIONS

WALTER DUKE + PARTNERS

COMMERCIAL REAL ESTATE VALUATION

Walter B. Duke, III, MAI, CCIM
State Certified General Appraiser 375

QUALIFICATIONS OF WALTER B. DUKE, III, MAI, CCIM

EDUCATION

University of Florida, Gainesville, Florida
Major in Real Estate
B.S. Degree in Business Administration



Walter B. Duke, III, MAI, CCIM

Appraisal Institute, American Institute of Real Estate Appraisers and Society of Real Estate Appraisers core course, electives, seminars and comprehensive examination.

APPRAISAL/REAL ESTATE EXPERIENCE

1992 – Present	President & CEO, Walter Duke + Partners, Inc.
1988 – 1992	Senior Appraiser, Clobus Valuation Co., Inc.
1985 – 1987	Staff Appraiser, Clobus Valuation Co., Inc.
1983 – 1984	Broker-Salesperson, Carmel Bay Realty

Appraisal assignments include the valuation and/or evaluation of a wide variety of commercial, residential and industrial properties in Florida prepared for banks, savings and loans, savings bank, insurance companies, estates, governmental agencies, REIT's, mortgage bankers, attorneys and individual investors. Property types include, but are not limited to, proposed and existing office buildings, commercial condominiums, warehouse and industrial properties, shopping centers and retail development, market and tax credit apartments, acreage tracts, commercial/industrial land and special purpose properties including marinas, boatyards, religious and/or educational facilities, fixed base operations (FBO).

Qualified Real Estate Valuation Expert Witness:
U.S. Bankruptcy Court, Southern District of Florida
17th Judicial Circuit Court, Broward County

PROFESSIONAL AND BUSINESS AFFILIATIONS

MAI – Member, Appraisal Institute, No. 8584
CCIM – Certified Commercial Investment Member No. 7130
Registered Real Estate Broker-Salesperson – State of Florida, No. 0398146
Certified General Appraiser – State of Florida, No. RZ375
Former Member – Review and Counseling Division – Region X South
Florida-Caribbean Chapter of Appraisal Institute:
President 2000, 2nd Vice President 1999, Secretary 1998, Treasurer 1997
Regional Representative: Region X Leadership Fort
Lauderdale – Class IV, 1998
Appraisal Institute-Leadership Advisory Council, 1997
Institute Affiliate Member – Realtor Association of Greater Fort Lauderdale Member –
Society of Commercial Realtors of Greater Fort Lauderdale Member – Executives'
Association of Fort Lauderdale
Former Member – Appraisal Journal Editorial Review Board
Member – Marine Industries Association of South Florida (MIASF)

CIVIC AND CHARITABLE ACTIVITIES

Mayor, City of Dania Beach, 2012 - 2014
City Commissioner – City of Dania Beach, 2009 – 2011, 2015-2016
Chairman - Dania Beach Community Redevelopment Agency 2012 - 2014
Member – Broward Metropolitan Planning Organization 2012 - 2016
Director, Marine Industries Association of South Florida
Trustee Member – Riverwalk Trust
Leadership Fort Lauderdale – Class IV, 1998

RECENT AWARDS AND RECOGNITION

Appraisal Institute – Recipient of the Volunteer of Distinction Award
Jubilee Center of South Broward – Recipient of the Compassion Award
Golden Anchor Award Recipient - Highest honor bestowed by the Marine Industries of South Florida, (MIASF)
Dania Lions Club - Recipient of the Nicholas James Costello Award for service to the community
Gold Coast Magazine Fort Lauderdale - named as a 2016 Power Couple along with wife Lisa
Symphony of the Americas, honored along with wife Lisa as a couple of "Style and Substance"
South Florida Business Journal - One of five notable figures who are "Making Waves in the Marine Industry"

RECENT SPEAKING ENGAGEMENTS

Keynote - Commercial Real Estate Trends" - Berger Commercial Realty Lunch N Learn Series
Keynote - Florida Commercial Real Estate Market" - South Florida Loan Committee
Keynote - Market Update – South Florida Commercial Real Estate" South Florida Chapter of the American Society of Appraisers (ASA)
Keynote - Commercial Real Estate and Dania Beach Development Overview" - Broward Council of the Miami Association of Realtors
Panelist - Market Perspectives on Valuation, National Association of Office and Industrial Properties (NAIOP)
Speaker - South Florida Commercial Real Estate Financing and Valuation" South Florida CCIM Chapter
Panelist - MIA SF Better Business Series" – Marine Industries of South Florida (MIASF)
Speaker - 2040 Regional Transportation Plan Rollout - Southeast Florida Transportation Council
Keynote Global Real Estate Trends Applicable to Fort Lauderdale – Fort Lauderdale Historical Society

RECENT PUBLISHED ARTICLES AND INDUSTRY CONTENT

Author - Top 5 Misconceptions About Commercial Real Estate Appraisals Author –
Dredging of the Dania Cut Off Canal Spurs Economic Growth Author – What Type of
Commercial Lease is Best for You?
Author – How Walkable Communities Increase Property Values
Author – Selling Your Marina? 5 Key Factors to Consider
Author – Millennials Finally Leaving the Nest – Fort Lauderdale Rental Market Booming
Author – The Importance of LIHTC Market Feasibility Studies
Author – When is the right time to sell a marina?" – Boating Industry Magazine – August 13, 2015
Author – Business is Booming at Walter Duke + Partners
Author – Top 10 Takeaways from this year's ICSC Conference
Co-Author – Big Profits/Low Risk: 7 Bank Lease Deal Trends
Author – Top 5 Misperceptions About Commercial Real Estate Appraisals
Author – All you need to know about Florida Charter Schools
Author – Top 4 Reasons Why Baby Boomers Still Own the Share of US Small Businesses
Author – Three Reasons to be Happy in Your Upside Down Condo!

Author – Three Troubling Trends in the South Florida Condo Market”
Author – Free Beer Included in Your Office Space?
Guest Columnist/South Florida Business Journal – Ask these questions before running for office, 2015
Author – Low Income Housing Tax Credit: A Government Program That Works
Contributor - Time to sell that Marina? – Trade Only Today Magazine – December, 2015 Issue
Author – Boom Interrupted: Six Signs Commercial Real Estate Could Be Peaking
Author – Thinking Outside the Box to Create Value in Church Property
Author – From the Desk of Duke: SHIP and SAIL Big Winners!
Guest Columnist/MIASF Soundings – Fort Lauderdale must be vigilant to maintain its title as Yachting Capital of the World
Author - Is the Condo Market Keeping You Up at Night?
Author - Top Three Reasons For An Improved Housing Market?
Author - Sea Level Rise: Does the Business Community Care?
Author – Nine Noteworthy Trends You Should Know

RECERTIFICATION AND CONTINUING EDUCATION

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. MAIs and SRAs who meet the minimum standards of this program are awarded periodic education certification. I am currently certified under this program.

WALTER DUKE + PARTNERS

COMMERCIAL REAL ESTATE VALUATION

Walter B. Duke, III, MAI, CCIM
State Certified General Appraiser 375

QUALIFICATIONS OF ANDREW S. ROLF, MAI

EDUCATION

Florida Atlantic University, Boca Raton, Florida
Master of Business Administration (MBA) – 2010

Florida State University, Tallahassee, Florida
Bachelor of Science Degree – 2003
Major – Real Estate and Finance

REAL ESTATE APPRAISAL EDUCATION

Appraisal Institute: Basic Income Capitalization – October 2004
 Course 510 Advanced Income Capitalization – September 2008
 Course 520 Market Analysis & Highest and Best Use – December 2009
 Course 530 Advanced Sales Comparison & Coast Approaches – July 2010
 Course 550 Advanced Applications – October 2009
 General Appraiser Report Writing & Case Studies – October 2010
 Separating Real Property, Personal Property & Intangible Assets – June 2012

APPRAISAL/REAL ESTATE EXPERIENCE

2007 – Present	Senior Appraiser, Walter Duke + Partners, Inc., f/k/a, Clobus, McLemore & Duke, Inc.
2003 – 2007	Trainee Appraiser, Clobus, McLemore & Duke, Inc.

Appraisal assignments include the valuation and/or evaluation of a wide variety of commercial properties in Florida prepared for banks, savings and loans, insurance companies, estates, governmental agencies, REITs, mortgage bankers and individual investors. Property types include, but are not limited to, proposed and existing shopping centers, office buildings, warehouses and industrial properties, rental apartment projects, acreage tracts, commercial/industrial land, mixed-use properties, self-storage facilities and senior housing facilities.

PROFESSIONAL AFFILIATIONS

MAI – Member, Appraisal Institute, No. 456819
State-Certified General Appraiser – State of Florida No. RZ3092
Real Estate Salesperson – State of Florida No. SL-3210795

RECERTIFICATION AND CONTINUING EDUCATION

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. MAIs who meet the minimum standards of this program are awarded periodic education certification. I am currently certified under this program.

WALTER DUKE + PARTNERS

COMMERCIAL REAL ESTATE VALUATION

Walter B. Duke, III, MAI, CCIM
State Certified General Appraiser 375

QUALIFICATIONS OF ALBERT D. OWLER

EDUCATION

University of South Florida, Tampa, Florida
Major in Finance
B.A. Degree in Business Administration

REAL ESTATE EDUCATION

Has successfully completed or has credit for the following courses/exams under the auspices of the Appraisal Institute:

- | | |
|-------------|--|
| Course 101 | • Real Property Appraisal |
| Course 1B-A | • Capitalization Theory and Techniques A |
| Course 1B-B | • Capitalization Theory and Techniques B |
| Course 2-3 | • Standards of Professional Practice, Part A |

APPRAISAL/REAL ESTATE EXPERIENCE

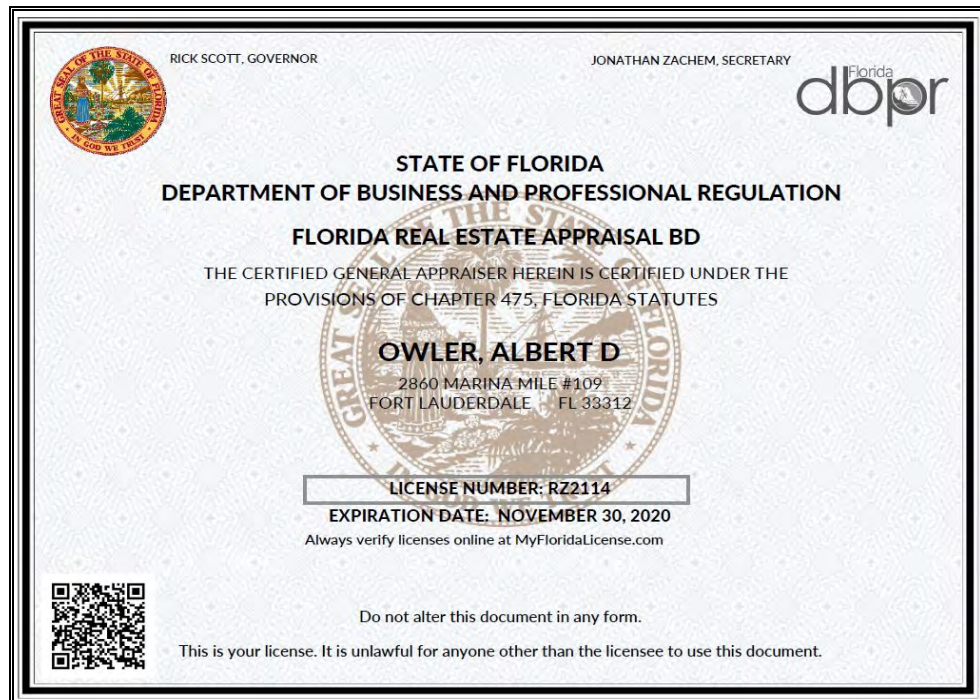
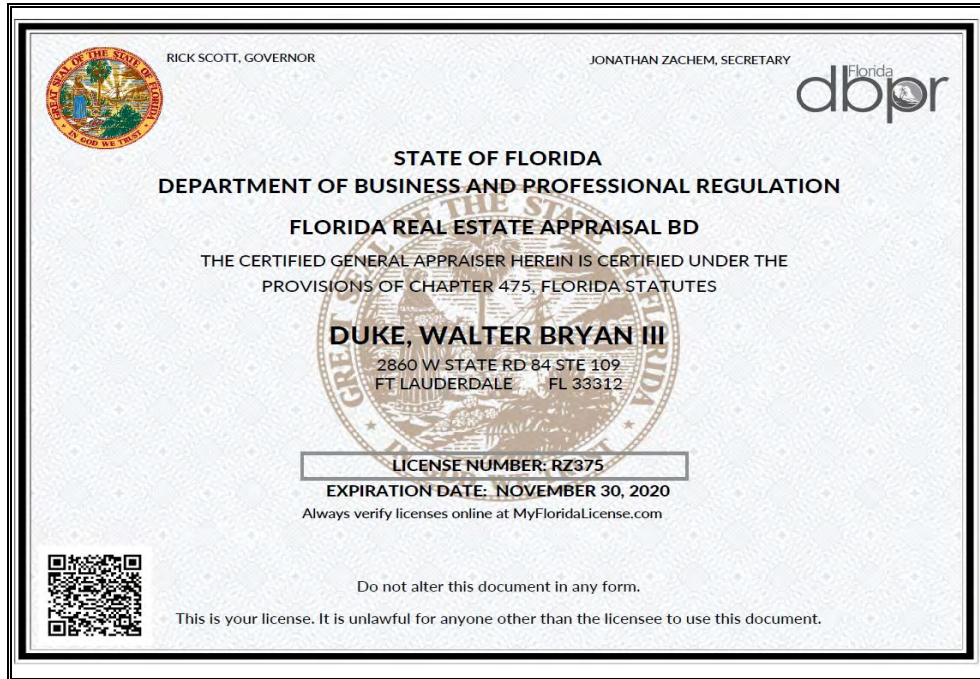
- | | |
|----------------|--|
| 1992 – Present | Senior Appraiser, Walter Duke + Partners, Inc., f/k/a, Clobus, McLemore & Duke, Inc. |
| 1985 – 1992 | Senior Appraiser and Review Appraiser, Hewitt, Olson & Associates, Inc. |

Appraisal assignments include the valuation and/or evaluation of a wide variety of commercial, residential and industrial properties in Colorado, Florida, Oklahoma, South Carolina and Texas, prepared for banks, savings and loans, savings bank, governmental agencies, and individuals. Property types include, but are not limited to, office buildings, educational, religious, warehouse and industrial properties, marinas, boatyards, shipyards, shopping centers, proposed and existing apartments, planned unit developments, residential subdivisions, acreage tracts, commercial/industrial land and special purpose properties.

PROFESSIONAL AND CIVIC AFFILIATIONS

Certified General Real Estate Appraiser – State of Florida No. RZ2114
Florida Real Estate Broker No. BK452723
Board Member, Marine Advisory Board, City of Dania Beach

LICENSES



BANKS / LENDERS

Amerinational
Amarillo National Bank
Bank Leumi
Bank of America, N.A.
Bank of Florida
Bank OZK
Bank United, F.S.B.
Banesco USA
BBVA / Compass Bank
Capital Bank
Capital One Bank
Catholic Order of Foresters
Centerstate Bank
CIBC World Markets
Citibank, F.S.B.
Citizens Bank
City National Bank
CLI Capital
CNL Bank
Coconut Grove Bank
Comerica
Commerce Bank, N.A.
Credit Suisse
Eastern Savings Bank
ECCU
Fidelity Bank of Florida
Fifth Third Bank
First American Bank
First Horizon Bank
First Housing
First Republic Bank
Florida Shores Bank
First United Bank
Flagler Bank
Floridian Community Bank
GE Capital
Gibraltar Private Bank & Trust
Grand Bank and Trust of Florida
Heartland Bank
Housing Trust Group
HSBC Bank USA
Hudson Valley Bank
Iberia Bank
International Finance Bank
Ironstone Bank
Key Bank, N.A.
Landmark Bank
Legacy Bank of Florida
Mack RE Strategies
Marquis Bank
Mercantile Bank
Mutual of Omaha Bank
Northern Trust Bank of Florida
Ocean Bank
OptimumBank
Pacific National Bank
PNC Bank
Popular Community Bank
Professional Bank
RBC Bank
Regions Bank
Sabadell United Bank
Safra National Bank of New York
Seacoast Bank
Seltzer Management Group
Stonegate Bank
Sun State Bank
Surety Bank
Synovus
Textron Financial
TD Bank

The Private Bank
TIAA Bank
Total Bank
Truist
U.S. Bank
U.S. Century Bank
United National Bank
Valley National Bank
Wells Fargo Bank
Zeigler Capital Markets

DEVELOPERS / INVESTORS

Allen Morris Commercial Real Estate
Alliance Companies
Alta Development
Altman Companies
American Land Company
Atlantic Pacific Companies
Bachow Ventures
Bergeron Development
Blue Water Developers
Brandon Companies
Bridge Development
Centerline Homes
Charter Schools USA
Colliers International S Florida
Cornerstone Group
Cymbal Development
Drury Development Corporation
Easton & Associates
Eden Multifamily
EJS Capital Partners
El Ad National Properties
Flagler / Codina Development
Florida Crystals
Florida East Coast Industries
Fort Partners
Foundry Commercial
Gatlin Development Company
Genting Group
Graham Companies
Groupe Pacific
Ireland Companies
Hix Snedeker
Hooper Construction
Jeff Greene Partners
Lincoln Property Company
McCourt Development
Mill Creek Residential Trust
Milton & Associates
M.R. McTigue & Co
MRK Partners
Netz Real Estate Fund
New Urban Development
Olen Properties
Pebb Capital
Pillar Multifamily
Plaza Equity Partners
Premier Developers
RAM Real Estate Development
Raza Development
Red Apple Development
Related Group
Richman Capital I
Rilea Group
Ross Realty Investments
Segbro Companies
Stiles Corporation
Taplin Companies
Trinsic Residential Group
Woolbright Development
ZOM Companies

CORPORATE / COMPANIES

Aelion Enterprises
AutoNation
Avison Young
BBX Capital
Bradford Marine
Brightline
Budget Rent-A-Car Corporation
Derecktor Shipyards
Foundry Commercial
Fox Rock
Holman Automotive
Huizenga Holdings
Lago Mar Beach Resort & Club
Lowe's Home Centers
Miami Dolphins
Pantropic Power
Roscioli Yachting Center
Seminole Indian Tribe of Florida
Tampa Electric (TECO)
Uniform Advantage
Westrec Marinas
WS Development
Yacht Management Group

GOVERNMENT / MUNICIPAL

Broward County Housing Authority
Broward County Property Appraiser
Broward County, Florida
Broward Health
Broward Regional Health Planning Council
City of Boca Raton
City of Coral Springs
City of Coral Gables
City of Fort Lauderdale
City of Hallandale Beach
City of Hollywood
City of Homestead
City of Oakland Park
City of Miramar
City of Oakland Park
City of Sunny Isles Beach
City of Sunrise
City of Wilton Manors
Fort Lauderdale DDA
Florida Housing Finance Corp.
Housing Authority City of Ft. Laud.
Miami Parking Authority
Miami-Dade Housing Authority
Palm Beach Housing Authority
Pinecrest School
School Board of Broward County
Town of Miami Lakes
Town of Southwest Ranches
United States Department of Justice

INSTITUTIONAL / NON-PROFIT

Aids Healthcare Foundation
American Maritime Officers (AMO)
Archdioceses of Miami
Boca Raton Community Hospital
Bonnet House Museum & Gardens
CSCI of Broward County
Dan Marino Foundation
First Housing Corporation
Florida Inland Navigation District
Habitat for Humanity
Holy Cross Hospital
Memorial Healthcare Systems
Nova Southeastern University
Salvation Army
South Broward Hospital District

Urban League
Volunteers of America
Watchtower Bible and Tract Society of New

LIFE COMPANIES

AEGON USA Realty Advisors
Aetna Life Insurance
Allstate Life Insurance Company
Berkshire Life Insurance Co.
Genworth Financial
Great American Life Insurance Co.
Guardian Life Insurance
ING Life Insurance
John Hancock Mutual Life
Life of Georgia Insurance Co.
Lincoln National Life Ins. Co.
Met Life Mortgage
Mutual Life Insurance Co.
Nationwide Life Insurance
New York Life
New England Mutual Life
Northwestern Mutual Life
Principal Real Estate Investors
Provident Mutual
Prudential Insurance Corporation
State Farm Life Insurance
Thrivent Financial for Lutherans
TransAmerica Life

LAW FIRMS

Akerman LLP
Arnstein & Lehr LLP
Berger Singerman LLP
Buchanan Ingersoll & Rooney PC
Cooney Trybus Kwavnick Peets
Dunay, Miskel & Backman
Frank Weinberg & Black, PL
Greenberg Traurig
Hackelman, Olive & Judd
Lochrie & Chakas, PA
Mastriana & Christiansen, PA
Moskowitz, Mandell, Salim & Simowitz
Nexterra Law
Rice Pugatch Robinson Storfer & Cohen
Saavedra Goodwin
Shutts, LLP
Tripp Scott
White & Case, LLP

MORTGAGE / WALL STREET

Ackman Ziff
AGM Financial
ASB Capital Management, Inc.
Aztec Group
Berkadia
Berkshire Mortgage Finance
Chrysler Credit Corporation
Dockerty Romer & Company
Florida Bond & Mortgage
Gross Mortgage Finance
Guggenheim Pillar Multifamily
Holliday Fenoglio Fowler, L.P.
InterBay Funding
Mercury Capital Corporation
Merrill Lynch Capital
Midland Funding
Morgan Stanley Mortgage Capital
Northmarq Capital
Thomas D. Wood & Company
Walker & Dunlop