THE BYRON

500 71st Street
Miami Beach, Florida 33141-3018

APPRAISAL REPORT

Date of Report: January 31, 2021

Colliers File #: MIA210016

PREPARED FOR
Raul Aguila
City Manager
City of Miami Beach
1700 Convention Center Drive
Miami, FL 33139

PREPARED BY
COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

LETTER OF TRANSMITTAL

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January 31, 2021

Raul Aguila
City Manager
City of Miami Beach
1700 Convention Center Drive

Miami, FL 33139

RE: The Byron
500 71st Street
Miami Beach, Florida 33141-3018

Colliers File #: MIA210016

Mr. Aguila:

Pursuant with our engagement, the above captioned property was appraised utilizing best practice appraisal principles for this property type. This appraisal report satisfies the scope of work and requirements agreed upon by City of Miami Beach and Colliers International Valuation & Advisory Services.

The date of this report is January 31, 2021. At the request of the client, this appraisal is presented in an Appraisal Report format as defined by *USPAP* Standards Rule 2-2(a). Our appraisal format provides a summary description of the appraisal process, subject and market data and valuation analyses.

The purpose of this appraisal is to develop opinions of the Fair Market Value under different scenarios. These scenarios include the As-Is Market Value, Prospective Value Upon Completion and Prospective Value Upon Stabilization of the subject property's leasehold interest.. The following table conveys the final opinions of market value of the proposed subject property that are developed within this appraisal report:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
Market Value As-Is	Fee Simple	January 25, 2021	$4,700,000
Prospective Value Upon Completion	Leasehold	December 31, 2022	$45,900,000
Prospective Value Upon Stabilization	Leasehold	December 31, 2023	$46,800,000
OTHER CONCLUSIONS			
Allocated Value to Cultural Center			$5,300,000

The subject property consists of a 31,497 square foot parcel with a proposed mixed use development that will include 151 rent restricted workforce multifamily housing units; 9,000 square feet of retail space and a 10,500 square foot cultural center. The seven-story building will result in 101,105 square feet of rentable area with 155,186 square feet of gross building area. The proposed project is expected to be complete by the end of 2022. The average unit size for the dwellings is 540 square feet. It is our understanding that the owner of the land (City of Miami Beach or "City") will retain ownership of the parcel under a 99-year ground lease with the developer owning the multifamily and dedicated retail space. The proposed cultural center will be deeded back to the City for their maintenance and operation as a public benefit to the community upon completion of the project.

The subject site is currently developed with a ±28,000 square foot movie and performance art theatre that was built circa 1968, purchased by the City in 2001 and renovated in 2014. Currently, the property has extensive deferred maintenance and it has been closed since July 2019 as the City's Building Department deemed it unsafe. The subject property also includes a public parking lot that is adjacent to the southwest of the main site, totaling the 31,500 square feet or approximately 0.72 of an acre.

For our analysis, the proposed development per the description of the project will be of good/excellent construction and believed to be in excellent condition with a remaining economic life of 60 years since it will be new. The proposed subject property is estimated to have a stabilized occupancy level estimate of 95.0% that was developed in this appraisal.

Lastly, as requested, we have included an Economic & Fiscal Impact Analysis, which can be found in the Addenda of this report. The analysis was performed independently of Colliers International Valuation Services (CIVAS) by Mr. Steven McDonald, Chief Economist/Senior Manager from the Economic & Valuation Services of Raftelis. His opinions and conclusions are solely based on his analysis and findings regarding the scope of work that he has been engaged to perform and are independent of our analysis and conclusions found in this report.

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

It is prudent to note that the COVID-19 virus (aka coronavirus) is a serious illness that is currently developing throughout the world and more specifically the United States. The effects thus far include volatility in the stock and capital markets. The impact to demand and ultimately values for real estate is also developing. Real estate is an investment type that historically takes a longer period to be impacted in relation to alternative investment types. CIVAS professionals have consulted with market participants in preparation of this assignment to understand and monitor how the subject property may be impacted. *The proposed subject property is a 151-unit multi-family complex that is subject to annual lease renewals. While the impact of COVID-19 has affected the multifamily and retail real estate sector, we would estimate some secondary affects from the economic downturn because of the pandemic will lag and affect the property's marketability by the time it is complete. However, this lagging economic impact may be more related to the retail space than the multifamily, as affordable housing is in very high demand for the market area.*

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. *USPAP* defines an Extraordinary Assumption 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". *USPAP* defines a Hypothetical Condition as, "that which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis".

It should be noted that if this engagement is directly with the owner of the Property, the Appraisal and Financial Analysis will not be accepted by federally insured lenders due to FIRREA Compliance, limiting the use of this report. Should this potentially impact your source of lenders, we recommend engagement be directed by a Federally Insured Lender.

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at our opinions of value are fully discussed below. We advise the client to consider these issues carefully given the intended use of this appraisal, as their use might have affected the assignment results.

EXTRAORDINARY ASSUMPTIONS

We have considered the following extraordinary assumptions for this analysis:

- We have relied on the renderings and term sheet details provided with the general specifications of what the project will entail. We have assumed these to be the most recent version and any modifications to the square footage, number of units, or dedicated space to the retail and/or the cultural center described in this analysis will likely impact our concluded results.

HYPOTHETICAL CONDITIONS

We have considered the following Hypothetical Conditions for this analysis:

- We are under the hypothetical condition the subject property is zoned and has the entitlements for its maximum density as a TC-C, Town Center – Central Core District, as the subject site is currently zoned as GU, Civic and Government Use District.

RELIANCE LANGUAGE

The Appraisal is for the sole use of the Client; however, Client may provide only complete, final copies of the Appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Colliers International Valuation & Advisory Services is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow the Appraisal prepared by Colliers International Valuation & Advisory Services or portions of such Appraisal, to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that Colliers International Valuation & Advisory Services will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to Colliers International Valuation & Advisory Services, by a party satisfactory to Colliers International Valuation & Advisory Services. Colliers International Valuation & Advisory Services does consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide Colliers International Valuation & Advisory Services with an Indemnification Agreement and/or Non-Reliance letter.

Colliers International Valuation & Advisory Services hereby expressly grants to Client the right to copy the Appraisal and distribute it to other parties in the transaction for which the Appraisal has been prepared, including employees of Client, other lenders in the transaction, and the borrower, if any.

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will influence the subject's value.

The signatures below indicate our assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

**COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES**

DRAFT

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GENERAL INFORMATION

Property Name	The Byron
Property Type	Multifamily - Mid/High-Rise Housing
Address	500 71st Street
City	Miami Beach
State	Florida
Zip Code	33141-3018
County	Miami-Dade
Core Based Statistical Area (CBSA)	Miami-Fort Lauderdale-West Palm Beach, FL
Market	Miami
Submarket	Miami Beach
Longitude	-80.123754
Latitude	25.855811
Number Of Parcels	2
Assessor Parcels	02-3211-002-1070, 02-3211-002-1090
Total Taxable Value	$0
Census Tract Number	39.14

SITE INFORMATION

Land Area	**Acres**	**Square Feet**
Usable	0.72	31,497
Unusable	0.00	0
Excess	0.00	0
Surplus	0.00	0
Total	**0.72**	**31,497**
Topography	Level at street grade	
Shape	L-Shaped	
Access	Good	
Exposure	Good	
Appeal	Good/Excellent	
Current Zoning	Civic & Government Use (GU)	
Flood Zone	Zone AE	
Seismic Zone	No Risk	

PROPOSED IMPROVEMENT INFORMATION

Number Of Units	151
Average Unit Size	540 SF
Net Rentable Area SF (NRA)	101,105 SF
Gross Building Area SF (GBA)	155,186 SF
Development Density	208.8 Units/Acre (151 Units / 0.72 Acres)
Number Of Apartment Buildings	1
Number Of Non-Residential Buildings	0
Total Number Of Buildings	1
Number Of Stories	7
Retail Space (NRA)	9,000 SF
Cultural Center (NRA)	10,500 SF
Year Built	2022
Quality	Excellent
Condition	Excellent
Marketability	Good/Excellent
Type Of Construction	Steel and masonry
Parking Type	None
Property Amenities	The subject's common amenities are minimal.

HIGHEST & BEST USE	
As Vacant	Development of a residential property as market conditions warrant
As Improved	Continued use as a residential property

EXPOSURE TIME & MARKETING PERIOD	
Exposure Time	Six to Nine Months
Marketing Period	Six to Nine Months

VALUATION SUMMARY	
Current Occupancy	100.0%
Stabilized Occupancy	95.0%
Estimated Lease-Up Period	36 Months
Current Average Rent/Unit	$1,496/Unit
Concluded Average Rent/Unit	$1,502/Unit
Potential Gross Income	$3,755,700
Vacancy, Concessions & Credit Loss	5.0%
Effective Gross Income	$3,557,717
Total Expenses	$1,479,484
Net Operating Income	$2,078,232
Capitalization Rate (OAR)	4.50%
Discount Rate (IRR)	6.50%
Terminal Capitalization Rate	5.25%

VALUATION SUMMARY			
VALUATION INDICES	**MARKET VALUE AS-IS**	**PROSPECTIVE VALUE UPON COMPLETION**	**PROSPECTIVE VALUE UPON STABILIZATION**
INTEREST APPRAISED	FEE SIMPLE	LEASEHOLD	LEASEHOLD
DATE OF VALUE	JANUARY 25, 2021	DECEMBER 31, 2022	DECEMBER 31, 2023
INCOME CAPITALIZATION APPROACH			
Discounted Cash Flow (DCF)		**$45,900,000**	**$46,800,000**
DCF $/Unit		$303,974/Unit	$309,934/Unit
DCF $/SF (NRA)		$453.98/SF	$462.89/SF
Holding Period		9 Years	8 Years
Terminal Capitalization Rate		5.25%	5.25%
Internal Rate of Return (Cash Flow)		6.50%	6.50%
Internal Rate of Return (Reversion)		6.50%	6.50%
Direct Capitalization			**$47,100,000**
Direct Capitalization $/Unit			$311,921/Unit
Direct Capitalization $/SF (NRA)			$465.85/SF
Net Operating Income			$2,119,498
NOI $/Unit			$14,036/Unit
NOI $/SF (NRA)			$20.96/SF
Capitalization Rate			4.50%
Effective Gross Income Multiplier		**$43,800,000**	**$46,300,000**
EGIM $/Unit		$290,066/Unit	$306,623/Unit
EGIM $/SF (NRA)		$433.21/SF	$457.94/SF
INCOME CONCLUSION		**$45,900,000**	**$46,800,000**
Income Conclusion $/Unit		$303,974/Unit	$309,934/Unit
Income Conclusion $/SF (NRA)		$453.98/SF	$462.89/SF
SALES COMPARISON APPROACH			
SALES CONCLUSION		**$45,200,000**	**$47,700,000**
Sales Conclusion $/Unit		$299,338/Unit	$315,894/Unit
Sales Conclusion $/SF		$291.26/SF	$307.37/SF
COST APPROACH			
COST CONCLUSION		**$40,300,000**	
Cost Conclusion $/Unit		$266,887/Unit	
Cost Conclusion $/SF (GBA)		$259.69/SF	
FINAL VALUE CONCLUSION			
FINAL VALUE	**$4,700,000**	**$45,900,000**	**$46,800,000**
Final $/Unit		$303,974/Unit	$309,934/Unit
Final $/SF (NRA)		$453.98/SF	$462.89/SF
Implied Capitalization Rate			4.53%
OTHER CONCLUSIONS			
Allocated Value to Cultural Center		**$5,300,000**	

These results are subject to the extraordinary assumptions and/or hypothetical conditions outlined in the letter and body of this appraisal report. Any changes to these extraordinary assumptions, hypothetical conditions or additional information not available to the appraiser at the time of the analysis, may affect the concluded results.

REAL ESTATE VALUATION - SWOT ANALYSIS

SWOT is an acronym for the internal strengths and weaknesses of an asset and the environmental (external) opportunities and threats facing that property. Based on our analysis of the subject property we have identified the following strengths, weaknesses, opportunities and threats.

Strengths

- *The proposed development is in a highly desired market area, especially for seasonal visitors.*
- *The proposed development would likely enhance the surrounding areas given its existing improvements.*
- *Workforce housing is in high demand and the proposed development would likely lease up very quickly.*
- *The development of the retail space and cultural center is expected to enhance the surrounding area as well as create a public benefit for all residents.*
- *The proposed development is expected to generate a positive economic impact to the city as it relates to employment, sales taxes and property taxes.*

Weaknesses

- *The proposed retail space may take longer than expected to lease up, potentially decreasing rental income if market conditions deteriorate.*
- *Existing improvements create a nuisance to the affecting its curb appeal, overall physical exposure and increased public safety concerns to surrounding properties.*
- *Retrofitting the existing improvements may not necessarily be feasible given the reported costs and extensive deferred maintenance, resulting in major renovation expenditures that may become more frequent and extensive over time. This, of course, can be mitigated with professional management and an on-going maintenance and replacement program but could place downward pressure on achievable net operating income due to high operating expenses as well as not creating the intended public benefit.*

Opportunities

- *Redevelopment in the market area is likely to attract further development and renovations to existing property's, resulting in higher rents, lower vacancy and a positive impact to the city's economic and fiscal finances.*
- *While retail has been seriously affected by COVID-19, it is expected to recover as the retail investment market continues to look for opportunities. The marketability of new or proposed developments is expected to remain good if investment demand continues for highly desired markets or areas of opportunity.*
- *There are limited opportunities for affordable housing and retail supply due to limited appropriately zoned land, high cost of construction and difficulty securing construction financing for speculative development.*

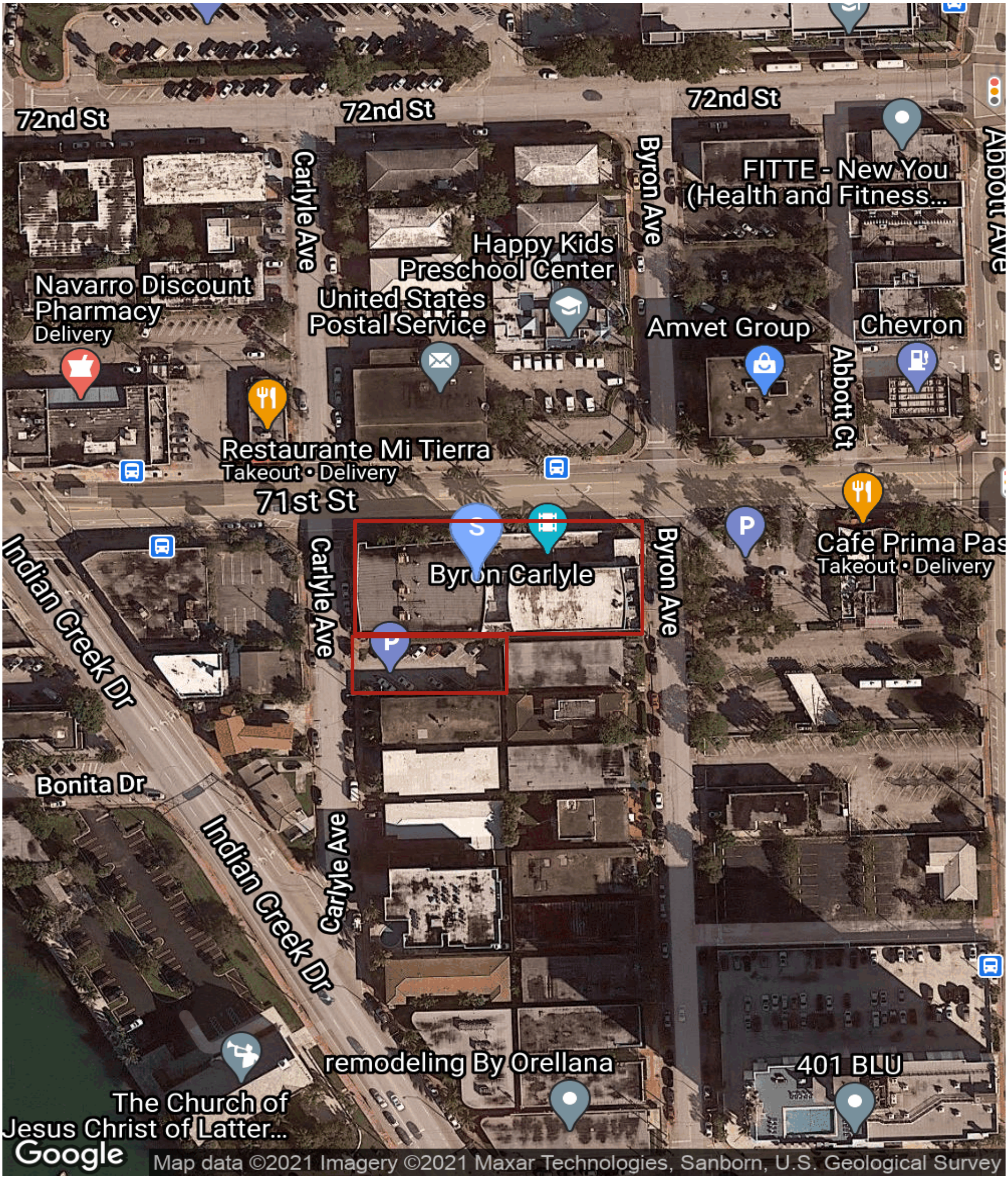
Threats

- *If the area's development moves toward a more affluent market, it may drive seasonal visitors and employed professionals to other more affordable markets.*
- *A sluggish economy because of the pandemic and high unemployment, may further generate a deterioration in employment, causing a downturn on demand for retail and related services.*

ECONOMIC IMPACT – KEY FINDINGS

According to Raftelis Financial Consultants (“Raftelis”) the potential economic impacts of the proposed redevelopment of the Byron Carlyle property are summarized as follows:

- *Redevelopment of the Byron Carlyle property is expected to generate one-time economic impacts*
- *of $60M in output and 427 temporary jobs earning $28M during construction of the Project.*
- *Consumption and production taxes from development of the Project (excluding property taxes and*
- *impact fees) benefiting the City from this one-time activity are estimated at $120,000.*
- *Recurring annual retail sales, City Cultural Center activities, and consumption expenditures from*
- *new households are expected to generate economic impacts of $16M in output and 119 permanent*
- *jobs earning $5M. These impacts are expected to occur each and every year and are stated in*
- *constant 2021 dollars.*
- *By definition, all direct impacts will occur within the City. While some indirect and induced*
- *impacts will occur outside the City, there is a likelihood of more capture of consumption*
- *expenditures and employment demand from households than would otherwise exist.*
- *The addition of 151 multi-family units targeting “workforce” household would create roughly $9M*
- *in aggregate household income, generating $2.2M in annual demand for food-away-from-home,*
- *retail, and entertainment spending.*
- *Consumption and use taxes from annual retail, City Cultural Center activities, and household*
- *consumer spending (excluding property taxes) benefiting the City are estimated at $75,000 each*
- *year (constant 2021 dollars).*


72nd St
72nd St
72nd St
Carlyle Ave
Byron Ave
Abbott Ave
FITTE - New You
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Happy Kids
Preschool Center
Navarro Discount
Pharmacy
Delivery
United States
Postal Service
Amvet Group
Chevron
Abbott Ct
Restaurante Mi Tierra
Takeout • Delivery
71st St
Byron Carlyle
Carlyle Ave
Byron Ave
Cafe Prima Pas
Takeout • Delivery
Indian Creek Dr
Bonita Dr
Indian Creek Dr
Carlyle Ave
remodeling By Orellana
401 BLU
The Church of
Jesus Christ of Latter...
Google
Map data ©2021 Imagery ©2021 Maxar Technologies, Sanborn, U.S. Geological Survey

PROPOSED EXTERIOR RENDERING – OPTION 1

PROPOSED EXTERIOR RENDERING – OPTION 2

EXISTING IMPROVEMENTS

NORTH PROPERTY BOUNDARY

EAST PROPERTY BOUNDARY

SOUTHEAST PROPERTY BOUNDARY

SOUTHWEST BUILDING ELEVATION

SOUTHWEST PROPERTY BOUNDARY

71ST STREET – EAST BOUND

71ST STREET – WEST BOUND

BYRON AVENUE – SOUTH BOUND

CARLYLE AVENUE – SOUTH BOUND

PROPERTY IDENTIFICATION

The subject property consists of a 31,497 square foot parcel with a proposed mixed use development that will include 151 rent restricted workforce multifamily housing units; 9,000 square feet of retail space and a 10,500 square foot cultural center. The seven-story building will result in 101,105 square feet of rentable area with 155,186 square feet of gross building area. The proposed project is expected to be complete by the end of 2022. The average unit size for the dwellings is 540 square feet. It is our understanding that the owner of the land (City of Miami Beach or "City") will retain ownership of the parcel under a 99-year ground lease with the developer owning the multifamily and dedicated retail space. The proposed cultural center will be deeded back to the City for their maintenance and operation as a public benefit to the community upon completion of the project.

The subject site is currently developed with a ±28,000 square foot movie and performance art theatre that was built circa 1968, purchased by the City in 2001 and renovated in 2014. Currently, the property has extensive deferred maintenance and it has been closed since July 2019 as the City's Building Department deemed it unsafe. The subject property also includes a public parking lot that is adjacent to the southwest of the main site, totaling the 31,500 square feet or approximately 0.72 of an acre.

The property is located at 500 71st Street in Miami Beach, Miami-Dade County, Florida. The assessor's parcel numbers are: 02-3211-002-1070, 02-3211-002-1090. The legal description of the subject property is as follows:

LOTS 1, 2, 3, 11 AND 12, BLOCK 14 NORMANDY BEACH SOUTH, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 21, PAGE 54, OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA.

CLIENT IDENTIFICATION

The client of this specific assignment is City of Miami Beach.

PURPOSE

The purpose of this appraisal is to develop opinions of the Fair Market Value under the following scenarios: As-Is Market Value, Prospective Value Upon Completion and Prospective Value Upon Stabilization of the subject property's leasehold interest..

INTENDED USE

The intended use of this appraisal is to assist the client in making internal business decisions related to this asset.

INTENDED USERS

City of Miami Beach is the only intended user of this report. Use of this report by third parties and other unintended users is not permitted. This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.

ASSIGNMENT DATES

Date of Report	January 31, 2021
Date of Inspection	January 25, 2021
Valuation Date - As-Is	January 25, 2021
Valuation Date - Prospective Upon Completion	December 31, 2022
Valuation Date - Prospective At Stabilization	December 31, 2023

PERSONAL INTANGIBLE PROPERTY

We have assumed that there is no personal property or intangible items are included in this valuation. Removable fixtures such as the kitchen appliances and hot water heaters are real estate fixtures that are essential to the use and operation of the complex. Supplemental income typically obtained in the operation of an apartment complex is included; which may include minor elements of personal and business property. As immaterial components, no attempt is made to segregate these items.

PROPERTY AND SALES HISTORY

Current Owner

The subject title is currently recorded in the name of City of Miami Beach who acquired multiple properties, including the title to the subject property on May 9, 2001 as land/improved from Theatre Realty, Inc., for $1,700,000 as recorded in (Book 19658/Page 4990) of the Miami-Dade County Deed Records.

Three-Year Sales History

Research of the applicable public records, private data services and an interview of the current owner and/or broker revealed that the subject property has not transferred during the past three years of the effective date of value stated in this report.

Subject Sale Status

Research of the applicable public records, private data services and an interview of the current owner and/or broker revealed that the subject property is not under a current agreement of sale or option and is not currently offered for sale on the open market. However, the City of Miami Beach has solicited a request for proposal (RFP) to provide the site, under a long-term lease agreement in exchange for the development of a mixed use project that would include a cultural center, which would be deeded back upon completion of the project. Per the term sheet provided, the ground lease is for $1.00 per year for 99 years and currently under review.

DEFINITIONS

This section summarizes the definitions of value, property rights appraised, and value scenarios that are applicable for this appraisal assignment. All other applicable definitions for this assignment are in the Valuation Glossary section of the Addenda.

DEFINITIONS OF VALUE

Given the scope and intended use of this assignment, the following definition of value is applicable:

The purpose of the appraisal is to develop a current opinion of the (Just) Fair Market Value of the subject property. According to Rule 12D-1.002c, Florida Administrative Code, (Just) Fair Market Value is defined as the price at which a property, if offered for sale in the open market, with a reasonable time for the seller to find a purchaser, would transfer for cash or its equivalent, under prevailing market conditions between parties who have knowledge of the uses to which the property may be put, both seeking to maximize their gains and neither being in a position to take advantage of the exigencies of the offer.

For this analysis, the term (Just) Fair Market Value, Fair Market Value and Market Value will be used interchangeably and will mean the same thing.

PROPERTY RIGHTS APPRAISED

The property rights appraised constitute the leasehold interest.

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.[1]

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.[2]

VALUE SCENARIOS

As-Is Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.[3]

Prospective Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy.[4]

[1] The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015
[2] The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015
[3] The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015
[4] The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

INTRODUCTION

The appraisal development and reporting processes requires gathering and analyzing information about those assignment elements necessary to properly identify the appraisal problem to be solved. The scope of work decision must include the research and analyses that are necessary to develop credible assignment results given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed. The scope of work for this appraisal assignment is outlined below:

- The appraisers analyzed the regional and local area economic profiles including employment, population, household income, and real estate trends. The local area was further studied to assess the general quality and condition, and emerging development trends for the real estate market. The immediate market area was inspected and examined to consider external influences on the subject.
- The appraisers confirmed and analyzed legal and physical features of the proposed subject property including sizes of the site and improvements, flood plain data, seismic zone, zoning, easements and encumbrances, access and exposure of the site, and construction materials and condition of the improvements. This process also included estimating the remaining economic life of the improvements, analysis of the subject's site coverage and parking ratios compared to market standards, a process to identify deferred maintenance and a conclusion of the subject's overall functional utility.
- The appraisers completed an apartment and retail market analysis that included regional, market and sub-market overviews. The Miami market and Miami Beach sub-market overviews analyzed supply/demand conditions using vacancy, absorption, supply change and rent change statistics. Conclusions were drawn regarding the proposed subject property's competitive position given its physical and locational characteristics, the prevailing economic conditions and external influences.
- The appraisers conducted a Highest and Best Use analysis, determining the highest and best use of the subject property As-Vacant, As-Improved and As-Proposed. The analysis considered legal, locational, physical and financial feasibility characteristics of the proposed subject property. Development of the Highest and Best Use As-Improved explored potential alternative treatments of the property including demolition, expansion, renovation, conversion, and continued use "as-is."
- The appraisers confirmed and analyzed financial features of the subject property including budgeted/pro form income/expense data, proposed rent roll, surveys , and tax and assessment records. This information as well as trends established by confirmed market indicators was used to forecast performance of the proposed subject property.
- Selection of the valuation methods was based on the identifications required in USPAP relating to the intended use, intended users, definition and date of value, relevant property characteristics and assignment conditions. As a result, this appraisal developed the Income (Direct Capitalization, Discounted Cash Flow & PGIM) and Sales Comparison approaches to value. The resulting value indicators were reconciled within the Analysis of Value Conclusions section. The appraisal develops opinions of the As-Is Market Value, Prospective Value Upon Completion and Prospective Value Upon Stabilization of the subject property's leasehold interest. The reasoning for including or excluding traditional approaches to value is developed within the Valuation Methodology section.
- Reporting of this appraisal is in an Appraisal Report format as required in USPAP Standard 2. The appraiser's analysis and conclusions are summarized within this document.
- We understand the Competency Rule of USPAP and the authors of this report meet the standards.
- No one provided significant real property appraisal assistance to appraisers signing this certification.

SOURCES OF INFORMATION

The following sources were contacted to obtain relevant information:

SOURCES OF INFORMATION	
ITEM	**SOURCE**
Tax Information	Miami-Dade County Tax Assessor
Zoning Information	City of Miami Beach Zoning Code
Site Size Information	Miami-Dade County Tax Assessor
Building Size Information	Miami-Dade County Tax Assessor
New Construction	City of Miami Beach / Miami-Dade County
Flood Map	InterFlood
Demographics	Pitney Bow es/Gadberry Group - GroundView®
Comparable Information	See Comparable Datasheets for details
Legal Description	Grant Deed from RealQuest
Other Property Data	Miami-Dade County Property Records
Proposed Development/Term Sheet	Justin Karr, Economic Development - City of Miami Beach
Feasibility Study (2006)	Justin Karr, Economic Development - City of Miami Beach
Proposed Development Costs	Justin Karr, Economic Development - City of Miami Beach
Income/Expenses - Pro Forma	Justin Karr, Economic Development - City of Miami Beach
Site Survey	Justin Karr, Economic Development - City of Miami Beach

SUBJECT PROPERTY INSPECTION

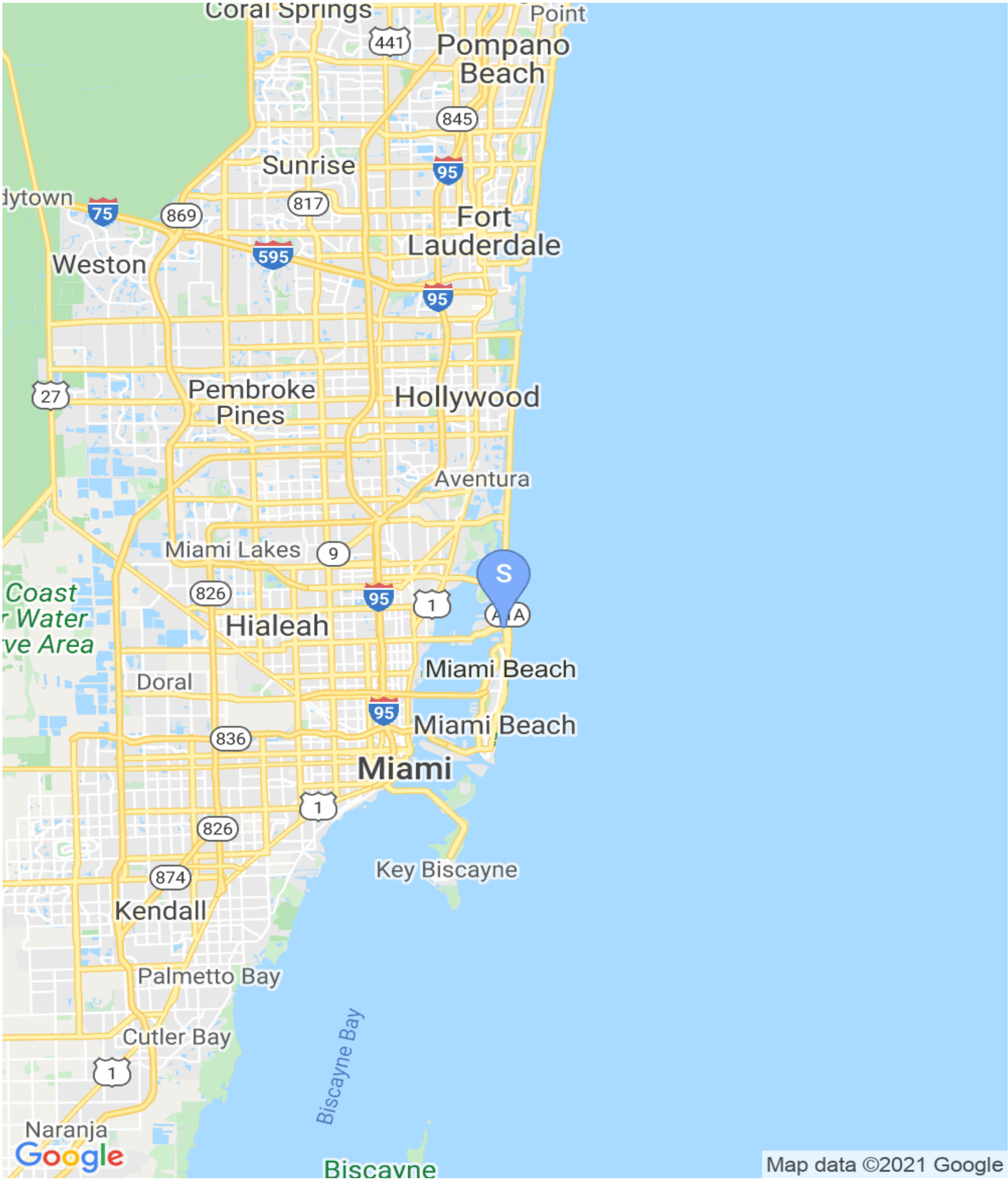
The following table illustrates the Colliers International professionals involved with this appraisal report and their status related to the property inspection.

SUBJECT PROPERTY INSPECTION			
APPRAISER	**INSPECTED**	**EXTENT**	**DATE OF INSPECTION**
Daniel Salcedo, MAI	Yes	Exterior Only	January 25, 2021
Patrick R. Phipps, MAI	No		
Ralph Peña, III, MAI	No		

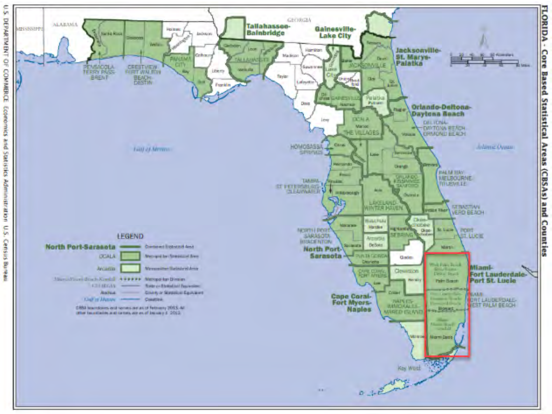
The exterior site visit was performed unaccompanied as the scope of work did not require an interior view. Per a memorandum provided, it is our understanding that the property is not fit for its intended occupancy, noting serious concerns with regards to the electrical system, as the electrical room is below the crown of road elevation and has been subject to severe flooding over the years. Thus, due to life safety concerns, and the building inability to properly recertified as structurally and electrically safe for its intended occupancy, any new lease or time extension is not in the best interest of the City nor something the Building Department is prepared to allow.[5]

The proposed development is based on information provided by the developer and the client, and assumed to be correct and in excellent conditions as of the effective date of this analysis since it will be new and no defer maintenance is present.

[5] Miami Beach – Building Department "Byron Carlyle Memorandum", dated July 2, 2019 from Adrian Morales, Director property Management to Ana M. Salgueiro, Building Official and Director.


Coral Springs
Point
441
Pompano
Beach
845
Sunrise
95
dytown
75
869
817
Fort
Lauderdale
Weston
595
95
27
Pembroke
Pines
Hollywood
Aventura
Miami Lakes
9
S
Coast
r Water
ve Area
826
95
1
A1A
Hialeah
Miami Beach
Doral
95
836
Miami Beach
Miami
1
826
Key Biscayne
874
Kendall
Palmetto Bay
Biscayne Bay
Cutler Bay
1
Naranja
Google
Biscayne
Map data ©2021 Google

INTRODUCTION



The Miami-Fort Lauderdale-West Palm Beach, FL CBSA is in the southeastern portion of the state. The CBSA is comprised of three major counties: Palm Beach, Broward, and Miami-Dade. The subject property is located within Miami-Dade County. The CBSA includes three major cities, encompassing, West Palm Beach, Fort Lauderdale, and Miami. The subject property is located within Miami Beach.

The U.S. Census statistics for metropolitan areas are reported as follows: A Core-Based Statistical Area (CBSA) is defined as a United States geographical area defined by the Office of Management and Budget (OMB) that consists of one or more counties (or equivalents) anchored by an urban center of at least 10,000 people plus adjacent counties that are socioeconomically tied to the urban center by commuting. CBSAs are delineated based on a central urban area or urban cluster: a contiguous area of high population density. CBSAs are composed of counties and county equivalents. The counties containing the core urban area are known as the central counties of the CBSA. A central county is a county in which 50% of its population lives in urban areas of at least 10,000 in population, or where a population of 5,000 are located in a single urban area of at least 10,000 in population where that urban area is split between more than one county. Additional surrounding counties, known as outlying counties, can be included in the CBSA if these counties have strong social and economic ties to the central counties as measured by commuting and employment. Outlying counties are included in the CBSA if 25% of the workers living in the county work in the central county or counties or, conversely, 25% of the employment in the county is held by workers who live in the central county or counties. All counties in a CBSA must be contiguous, and a county can only be included within one CBSA.

Adjacent CBSAs are merged into a single CBSA when the central county or counties of one CBSA qualify as an outlying county or counties to the other CBSAs. One or more CBSAs may be grouped together or combined to form a larger statistical entity known as a combined statistical area (CSA) when the employment interchange measure (EIM) reaches 15% or more.

As well as MSAs, CBSAs are also subdivided into micropolitan statistical areas for CBSAs built around an urban cluster of at least 10,000 in population but less than 50,000 in population. Previous terms that are no longer used include standard metropolitan statistical area (SMSA) and primary metropolitan statistical area (PMSA).

The United States Office of Management and Budget (OMB) has defined 917 core-based statistical areas (CBSAs) for the United States and 12 for Puerto Rico. The 929 Core Based Statistical Areas currently defined by the OMB include the 388 metropolitan statistical areas (MSAs), which have an urban core population of at least 50,000, and the 541 Micropolitan statistical areas, which have an urban core population of at least 10,000 but less than 50,000.

DEMOGRAPHIC ANALYSIS

The following is a demographic study of the region sourced by *Pitney Bowes/Gadberry Group - GroundView®*, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of geographical areas. Demographic changes are often highly correlated to changes in the underlying economic climate. Periods of economic uncertainty necessarily make demographic projections somewhat less reliable than projections in more stable periods. These projections are used as a starting point, but we also consider current and localized market knowledge in interpreting them within this analysis. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

Population

According to Pitney Bowes/Gadberry Group - GroundView®, a Geographic Information System (GIS) Company, the Miami-Fort Lauderdale-Pompano Beach metropolitan area had a 2020 total population of 6,236,128 and experienced an annual growth rate of 1.1%, which was lower than the Florida annual growth rate of 1.5%. The metropolitan area accounted for 28.6% of the total Florida population (21,789,922). Within the metropolitan area the population density was 1,147 people per square mile compared to the lower Florida population density of 384 people per square mile and the lower United States population density of 92 people per square mile.

POPULATION

YEAR	US	FL	CBSA
2010 Total Population	308,745,538	18,801,310	5,564,635
2020 Total Population	330,412,290	21,789,922	6,236,128
2025 Total Population	341,167,877	23,332,593	6,575,760
2010 - 2020 CAGR	0.7%	1.5%	1.1%
2020 - 2025 CAGR	0.6%	1.4%	1.1%

Source: Pitney Bowes/Gadberry Group - GroundView®

POPULATION DENSITY

YEAR	US	FL	CBSA
2020 Per Square Mile	92	384	1,147
2025 Per Square Mile	95	411	1,210

Source: Pitney Bowes/Gadberry Group - GroundView®

The 2020 median age for the metropolitan area was 41.33, which was 7.49% older than the United States median age of 38.24 for 2020. The median age in the metropolitan area is anticipated to grow by 0.37% annually, increasing the median age to 42.11 by 2025.

MEDIAN AGE

YEAR	US	FL	CBSA
2020	38.24	42.27	41.33
2025	38.97	43.15	42.11
CAGR	0.38%	0.41%	0.37%

Source: Pitney Bowes/Gadberry Group - GroundView®

Education

The CBSA has the nation's and state's largest public-school districts and a major employer for the market area. Miami-Dade County Public Schools District is considered the fourth largest in the country. Palm Beach County School District is among the fourth largest in the state and 11th in the nation. Broward County School District is the sixth largest in the United States. More than 85% of students enrolled are high school graduates or higher and just below the state's percentage and the same across the U.S. Approximately 32.0% have a bachelor's degree or higher, and more than ten percent than the state and the same across the nation. The educational attainment has provided an excellent labored skill for the market area and expected to continue in the long-term as population increases and the need for higher education will be needed to fulfill job opportunities in the CBSA.

Household Trends

The 2020 number of households in the metropolitan area was 2,255,930. The number of households in the metropolitan area is projected to grow by 0.7% annually, increasing the number of households to 2,333,176 by 2025. The 2020 average household size for the metropolitan area was 2.73, which was 5.63% larger than the United States average household size of 2.58 for 2020. The average household size in the metropolitan area is anticipated to grow by 0.40% annually, raising the average household size to 2.78 by 2025.

NUMBER OF HOUSEHOLDS

YEAR	US	FL	CBSA
2020	124,774,359	8,216,582	2,255,930
2025	128,904,424	8,612,023	2,333,176
CAGR	0.7%	0.9%	0.7%

Source: Pitney Bow es/Gadberry Group - GroundView®

AVERAGE HOUSEHOLD SIZE

YEAR	US	FL	CBSA
2020	2.58	2.60	2.73
2025	2.58	2.66	2.78
CAGR	0.00%	0.45%	0.40%

Source: Pitney Bow es/Gadberry Group - GroundView®

The Miami-Fort Lauderdale-Pompano Beach metropolitan area had 37.78% renter occupied units, compared to the lower 33.04% in Florida and the lower 34.78% in the United States.

HOUSING UNITS

	US	FL	CBSA
Ow ner Occupied	65.22%	66.96%	62.22%
Renter Occupied	34.78%	33.04%	37.78%

Source: Pitney Bow es/Gadberry Group - GroundView®

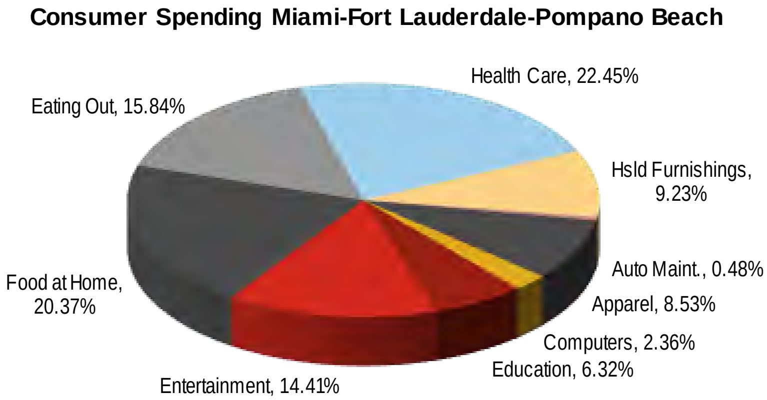
The 2020 median household income for the metropolitan area was $57,506, which was -8.5% lower than the United States median household income of $62,847. The median household income for the metropolitan area is projected to grow by 4.1% annually, increasing the median household income to $70,157 by 2025.

As is often the case when the median household income levels are higher than the national average, the cost of living index is also higher. According to the American Chamber of Commerce Researchers Association (ACCRA) Cost of Living Index, the Miami-Miami Beach-Kendall MSA's cost of living is 115.4 compared to the national average score of 100. The ACCRA Cost of Living Index compares groceries, housing, utilities, transportation, health care and miscellaneous goods and services for over 300 urban areas.

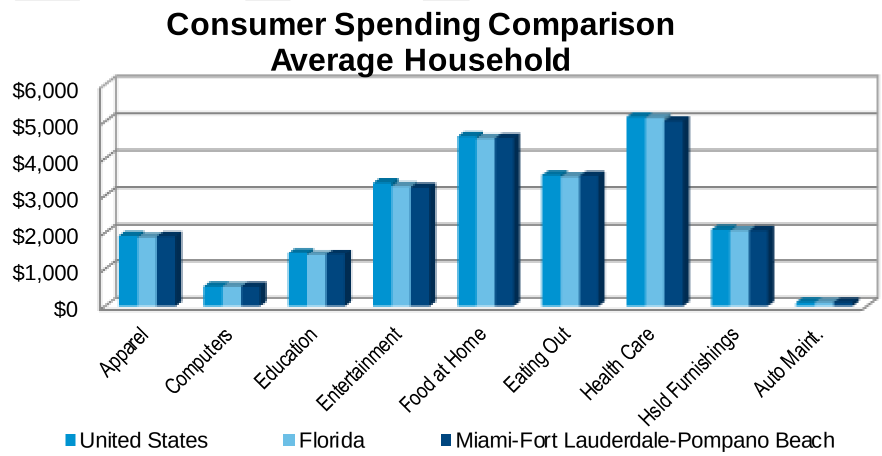
MEDIAN HOUSEHOLD INCOME			
YEAR	US	FL	CBSA
2020	$62,847	$55,985	$57,506
2025	$75,115	$67,956	$70,157
CAGR	3.6%	4.0%	4.1%

Source: Pitney Bow es/Gadberry Group - GroundView®

The Median Household Income in the region is expected to hedge possible inflation as it is forecasted to have a compound annual growth rate of 4.1% over the next five years and outperforming the expected growth for the state as well as the country.



The regions consumption patterns are mostly in consumer staples, health care and entertainment with health care representing more than 22.4% of the average household income, followed by food at home (20.37%); and closely tied is eating out (15.8%) and entertainment (14.4%).



All of the categories appear to be similar in features and characteristics as the state and the country, with more than $4,000 of household income dedicated to the consumer staples, health care and entertainment each.

EMPLOYMENT

Total employment has increased annually over the past decade in the state of Florida by 2.3% and increased annually by 2.4% in the area. From 2018 to 2019 unemployment decreased in Florida by 0.5% and decreased by 1.1% in the area. In the state of Florida unemployment has decreased over the previous month by 0.0% and decreased by 1.3% in the area.

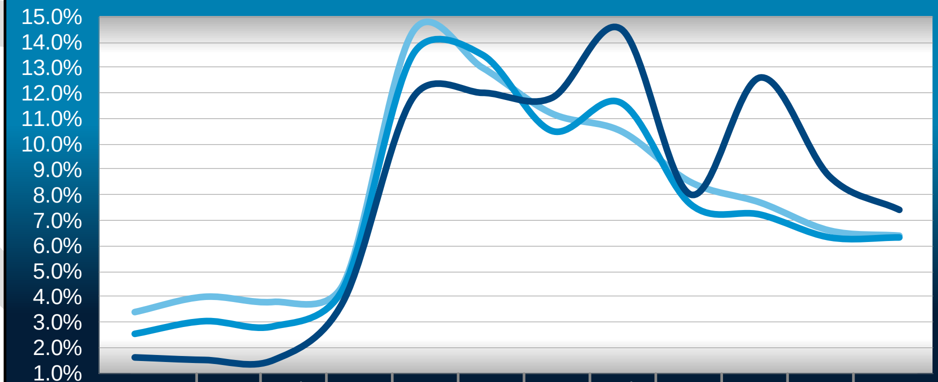
EMPLOYMENT & UNEMPLOYMENT STATISTICS 2010 - 2019

	TOTAL EMPLOYMENT				UNEMPLOYMENT RATE		
	Florida		Miami-Miami Beach-Kendall, FL Metropolitan Division		United States*	Florida	Miami-Miami Beach-Kendall, FL Metropolitan Division
Year	Total	% Δ Yr Ago	Total	% Δ Yr Ago			
2010	8,193,659	0.6%	1,089,226	0.5%	9.6%	11.1%	11.1%
2011	8,371,638	2.2%	1,137,041	4.4%	8.9%	10.0%	9.4%
2012	8,588,669	2.6%	1,176,385	3.5%	8.1%	8.5%	8.3%
2013	8,770,084	2.1%	1,195,237	1.6%	7.4%	7.2%	7.4%
2014	8,966,245	2.2%	1,225,796	2.6%	6.2%	6.3%	6.7%
2015	9,070,977	1.2%	1,220,715	(0.4%)	5.3%	5.5%	5.9%
2016	9,335,870	2.9%	1,244,190	1.9%	4.9%	4.8%	5.2%
2017	9,639,326	3.3%	1,298,510	4.4%	4.4%	4.2%	4.5%
2018	9,808,656	1.8%	1,315,474	1.3%	3.9%	3.6%	3.5%
2019	10,016,060	2.1%	1,350,924	2.7%	3.7%	3.1%	2.4%
CAGR	**2.3%**	-	**2.4%**	-	-	-	-

Source: U.S. Bureau of Labor Statistics *Unadjusted Non-Seasonal Rate

Historically employment in the State of Florida has been relatively stable prior to CVODI-19 with an annual compound growth rate of 2.3% and like the Miami- Miami Beach-Kendall MSA of 2.4% during the same period. At the end of 2019, unemployment was at less than 2.4% for the MSA, performing much better than the country and state during the same year end.

UNEMPLOYMENT RATES



	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020
USA	3.4%	4.0%	3.8%	4.5%	14.4%	13.0%	11.2%	10.5%	8.5%	7.7%	6.6%	6.4%
Florida	2.5%	3.0%	2.8%	4.3%	13.5%	13.5%	10.5%	11.6%	7.6%	7.2%	6.3%	6.3%
Area	1.6%	1.5%	1.5%	3.8%	11.8%	12.0%	11.8%	14.5%	8.0%	12.6%	8.7%	7.4%

In the short run, the massive unemployment since mid-March and extending until now, because of COVID-19 and the mandatory stay-at-home mandate, has affected some industries more than others. The service industry, which the region is highly dependent on, has been severely impacted. Specific service industries are the food service (dine in restaurants), tourism/hospitality (hotels, airlines, cruise ships) and retail. While we do expect these industries to recover, it is the depth and extension of the job losses that is still uncertain in the mid-term.

TOP EMPLOYERS

EMPLOYER NAME	EMPLOYEES	INDUSTRY
Miami-Dade County Public School Dis	33,477	Education
Miami-Dade County Public School Dis	25,502	Government
U.S. Government	19,200	Government
State of Florida	17,100	Government
University of Miami	12,818	Education
Baptist Health South Florida	11,353	Healthcare
American Airlines	11,031	Transportation
Jackson Health System	9,797	Healthcare
Miami Childern's Hospital	3,500	Healthcare
Carnival Cruise Lines	3,500	Tourism

Source: Beacon Council, 2020

The preceding chart depicts the top employers in Miami-Dade County. Principal employers in the region are spread throughout diverse sectors, including education, public administration, and healthcare. The largest employer is Miami-Dade County Public School District. The school district employs more than 33.477 people. The second largest employer is Miami-Dade County with 25,502 employees, serving the residents of the county. The third largest employer is the U.S. Federal Government with 19,200 employees in its institutional offices. The major employers are for the most part government entities with education, healthcare and tourism from private companies making the top ten list for the county. As COVID-19 and stay-at-home mandates continue, we are likely to see a decrease of employment in the tourism sector than in any of the other industries.

TRANSPORTATION

The South Florida metropolitan area has a well-developed transportation system. Miami is the primary transportation hub of the United States to the Caribbean Islands and Latin America. It has three international airport supported by numerous municipal airports in proximity, four seaports as well as a considerable number of highways, U.S. routes and state roads as well as several public transportation systems.

Roadway

The metropolitan area is served by five interstate highways operated by the FDOT in conjunction with local agencies.

- I-95 runs north to south along the coast, ending just south of Downtown Miami.
- I-75 runs east to west, turning south in western Broward County; it connects suburban North Miami-Dade to Naples on the west coast via Alligator Alley, which transverses the Florida Everglades before turning north.
- I-595 connects the Broward coast and downtown Fort Lauderdale to I-75 and Alligator Alley.
- I-195 and I-395 both connect the main I-95 route to Biscayne Boulevard and Miami Beach, which is located across Biscayne Bay. I-195 and I-395 also connect (at their interchanges with I-95) to the Airport Expressway (State Road 112) and the Dolphin Expressway (State Road 836), respectively, both of which run west to Miami International Airport; the Dolphin Expressway also connects to Florida's Turnpike and the western suburbs of Miami-Dade County.

Air

The South Florida area is served by three major airports: Miami International Airport (MIA), Fort-Lauderdale-Hollywood International Airport (FLL), and Palm Beach International Airport (PBI). The three major airports combine to make the fourth largest domestic origin and destination market in the United States, after New York City, Los Angeles, and Chicago. The top 5 Air Carriers in South Florida ranked by domestic departing passengers from South Florida include American Airlines, Delta Air Lines, Southwest Airlines, JetBlue Airways and US Airways.

Miami International Airport is the largest gateway between the United States and Latin America, and is one of the largest airline hubs in the United States, owing to its proximity to tourist attractions, local economic growth, large local Latin American and European populations, and strategic location to handle connecting traffic between North America, Latin America, and Europe. Miami's airport ranks third, behind Chicago and Memphis, in the US for cargo volumes with 1.8 million tons which fuels the demand for warehousing space. Miami International Airport is the primary airport serving the South Florida area and is the main connecting point for cargo between Latin America and the world. It handled 83% of all imports and exports to and from Latin America and the Caribbean. In 2015, the International Air Transport Association (IATA) certified Miami International Airport as a pharmaceuticals freight hub, the first U.S. and second global airport designated. MIA is home to 101 carriers which is the most of any U.S. airport. The following chart summarizes the local airport statistics.

MIAMI INTERNATIONAL AIRPORT (MIA)

YEAR	ENPLANED PASSENGERS	% CHG
2009	16,187,768	-
2010	17,017,654	5.1%
2011	18,342,158	7.8%
2012	18,987,488	3.5%
2013	19,420,089	2.3%
2014	19,468,523	0.2%
2015	20,986,341	7.8%
2016	20,875,813	(0.5%)
2017	20,709,225	(0.8%)
2018	21,021,640	1.5%
2019	21,421,031	1.9%

Source: U.S. Department of Transportation

Rail

In Miami, Miami-Dade Transit operates Metrorail, Florida's only rapid transit metro with 22 stations on a 22.4-mile (36.0 km) track, the Downtown Miami people mover, (Metromover) with 21 stations and 3 lines on 4.4-mile (7.1 km) track, as well as Metrobus. Miami-Dade commissioners announced a plan to build six new mass transit lines, "Strategic Miami Area Rapid Transit", this will hopefully boost Miami's often-criticized public transportation system, despite its 11th ranking nationally. In Broward County, Broward County Transit runs public buses as does Palm Tran in Palm Beach County. Additionally, the South Florida Regional Transportation Authority operates Tri-Rail, a commuter rail train that connects the three of the primary cities of South Florida (Miami, Fort Lauderdale, and West Palm Beach), and most intermediate points.

Tri-Rail Commuter Rail, with its four double-decker passenger cars accommodating a total of 700 seated passengers, services Dade, Broward, and Palm Beach counties for convenient commuter travel between West Palm Beach and Miami. There are a total of 50 north- and south-bound trains running each weekday from dawn until midnight, and slightly fewer on the weekends, covering a 70-mile route. All Tri-Rail stations are served by a dedicated Tri-Rail shuttle system, interconnecting county transit buses or other transit systems.

All Aboard Florida or Brightline is a passenger rail project that will connect Miami and Orlando through express intercity service while also building new passenger stations. A wholly owned subsidiary of Florida East Coast Industries (FECI), the project will include stations located in downtown Fort Lauderdale and West Palm Beach. It will be the first time a privately owned company in the US has developed and operated an express passenger rail system in over 100 years. The service will use the existing FEC corridor between Miami and Cocoa, while also building a new 40-mile (64 km) stretch of tracks along the State Road 528 corridor between Cocoa and the Orlando International Airport. All Aboard Florida will serve the historic FEC rail corridor along the east coast of Florida, where approximately 50% of the state's population—over 9 million people—currently lives.

Ports

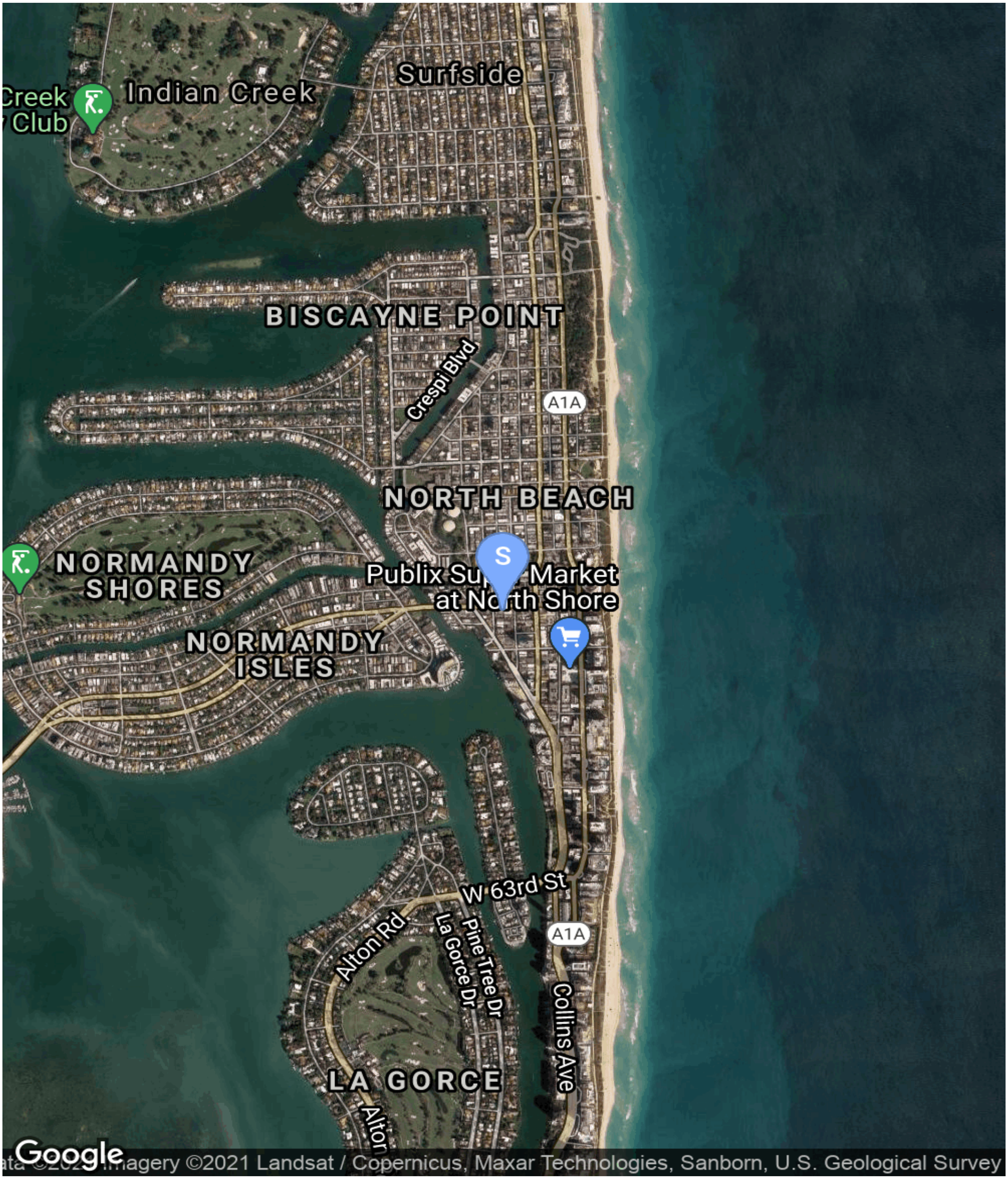
The metropolis also has four seaports, the largest and most important being the Port of Miami. The Port of Miami is an important contributor to the local south Florida and state economies and caters to both cruise ships and containerized cargo. The Port of Miami has been dredged to 50 feet to allow the bigger post-Panamatic ships to come through. Miami is the first port on the U.S. Eastern Seaboard prepared for the Panama Canal Expansion.

The Port of Miami infrastructure improvement tunnel (costing about $1.5B) has been completed and allows trucks and containers to travel on I-95 from the port all the way to NY without a stoplight. In addition, the port received a TIGER grant from the federal government to repair a damaged bridge and increase the capacity of the existing by increasing the capacity of the on-dock rail connection already in place which will move cargo off the docks quicker. These improvements allow the port to triple its capacity from one million TEUs to three million TEUs. The port also serves more than four million cruise line passengers each year. Others in the area include Port Everglades, Port of Palm Beach and the Miami River Port.

Located In the heart of Greater Fort Lauderdale and the City of Hollywood, FL, Port Everglades is one of the busiest cruise ports in the world. It is a leading container port in Florida and among the most active cargo ports in the United States. And, Port Everglades is South Florida's main seaport for receiving petroleum products including, gasoline and jet fuel. A foreign-trade zone and available office space inside the Port's secure area make Port Everglades a highly desirable business center for world trade. The total value of economic activity at Port Everglades is more than $28 billion. And, 224,054 Florida jobs are impacted by the Port, including 13,322 people who work for companies that provide direct services to Port Everglades. Port Everglades is embarking on three critical expansion projects. These key expansion projects are expected to be completed over the next six years and will add up to five berths, widen and deepen the channel to 50 feet and bring freight rail into the Port.

SUMMARY

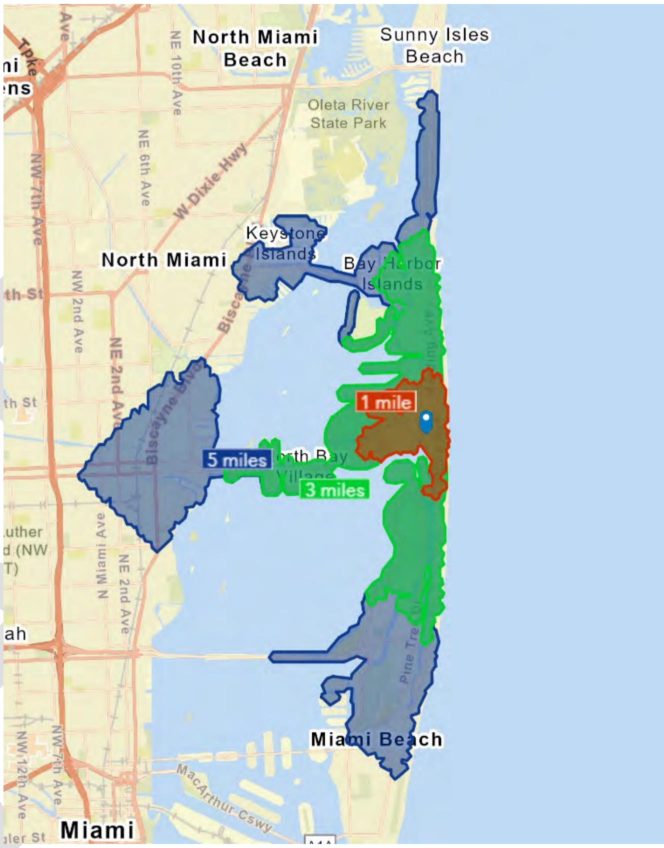
We continue to see an upward trend in income, South Florida's median household income is slightly above the state average. Relatively low energy prices have contributed significantly to increases in real median household income. Real estate investment continues to be a popular option for the investment community in South Florida and is likely to stay robust considering the instability in other parts of the world. Construction levels still have room to grow in some sectors and are still lower than the peak volume over the previous decade. Both domestic and foreign in-migration will continue to fuel the market, with a significant influence coming from foreigners moving capital from Latin American bases to the United States via Miami. South Florida's recognition as the Gateway to the Americas has further enhanced our position as a global market place where professional local talent is readily available to compete and expand.


Surfside
Indian Creek
Creek
Club
BISCAYNE POINT
Crespi Blvd
A1A
NORTH BEACH
NORMANDY
SHORES
S
Publix Super Market
at North Shore
NORMANDY
ISLES
W 63rd St
A1A
Alton Rd
La Gorce Dr
Pine Tree Dr
Collins Ave
LA GORCE
Alton
Google
Imagery ©2021 Landsat / Copernicus, Maxar Technologies, Sanborn, U.S. Geological Survey

INTRODUCTION

In this section of the report, we provide details about the local area and describe the influences that bear on the real estate market as well as the subject property. A map of the local area is presented on the prior page. Below are insights into the local area based on fieldwork, interviews, demographic data and experience working in this market.

LOCAL AREA PROFILE



The subject property is in Miami Beach, Florida, within Miami-Dade County. More specifically, the property is located on the south side of 71 Street, east of Carlyle Avenue and west of Byron Avenue. The assembled parcels mainly front along 71st street, with secondary frontage along Byron and Carlyle Avenue. The overall site is located as the MacArthur Causeway turns into 5th Street that links to the rest of Miami Beach. The property is located on the north end of Miami Beach, less than two blocks west of Collins Avenue or A1A, a major seasonal tourism area corridor that leads to South Beach and our tourist related areas. The area is predominantly mid to high-rise residential condominiums along Collins Avenue with garden and low rise multifamily apartments located in secondary roadways and throughfares in between. Pockets of low and single family housing along most of the secondary roadways in Miami Beach are more evident as you drive west into Normandy Shores and Normandy Isles, a major subdivision located west of the subject site. The subject site is a short drive of 10 mins to the Miami Downtown Area, The Wynwood District and as far as North Miami Beach. The proposed development will be walking distance from major retail and entertainment venues as well as less than several block from the Atlantic Ocean and Collins Avenue, a major north/south commercial and residential thoroughfare popular with locals and tourist.

The local area is characterized for having a mixed of households ranging from seasonal visitors to senior style life style. While the predominant tapestry segment is identified as the international marketplace household. These households are characterized having a rich blend of cultures found in densely populated urban and suburban areas. Almost 40% of residents are foreign-born. These are young, Hispanic families renting apartments in older buildings that dominate this market, about 25% of households have children. Over 20% have no vehicles, typically those living in the city and close to major public transportation. These households are mainly employed in white collars and service occupations (especially food service and building maintenance. Median households is lower, but home values are high, reflecting the metropolitan areas in which they live. Consumers are attentive to personal style; purchases reflect their youth and their children. Deeply rooted in their culture and traditions as foreigners. Approximately 76% of households live in multitenant apartment buildings, 30% in 2-4 unit structures. About 85% live in apartments built before the 1970s. Median age is 32.8 with an average households size of three and $46,500 median households income.

Lastly, from the real estate market perspective, the immediate area is predominant older residential garden style or low rise multifamily apartments with no affordable housing development located within the one-mile drive of the subject's location.

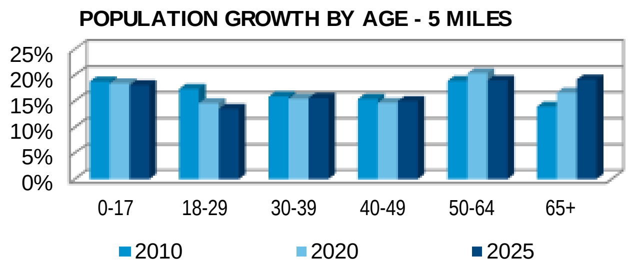
DEMOGRAPHIC PROFILE

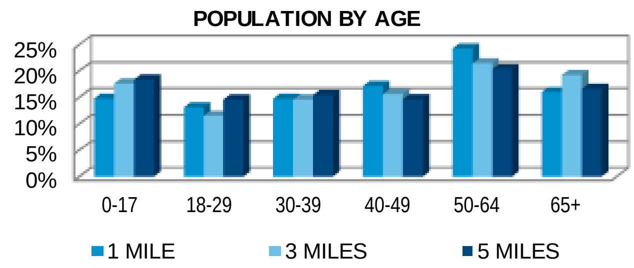
Below is a demographic study of the area, sourced by *Pitney Bowes/Gadberry Group - GroundView®*, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of properties and geographical areas. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

LOCAL AREA DEMOGRAPHICS

DESCRIPTION	1 MILE	3 MILES	5 MILES	DESCRIPTION	1 MILE	3 MILES	5 MILES
POPULATION				**AVERAGE HOUSEHOLD INCOME**			
2000 Population	26,743	65,336	194,734	2020	$70,713	$97,271	$86,103
2010 Population	24,263	65,283	194,290	2025	$85,276	$115,128	$103,403
2020 Population	25,952	73,135	209,417	Change 2020-2025	20.59%	18.36%	20.09%
2025 Population	26,687	75,740	215,168	**MEDIAN HOUSEHOLD INCOME**			
Change 2000-2010	(9.27%)	(0.08%)	(0.23%)	2020	$45,846	$58,925	$51,655
Change 2010-2020	6.96%	12.03%	7.79%	2025	$54,703	$72,383	$62,516
Change 2020-2025	2.83%	3.56%	2.75%	Change 2020-2025	19.32%	22.84%	21.03%
POPULATION 65+				**PER CAPITA INCOME**			
2010 Population	3,634	11,396	27,034	2020	$33,558	$45,098	$37,274
2020 Population	4,148	14,033	34,752	2025	$40,483	$53,266	$44,551
2025 Population	5,017	16,522	41,054	Change 2020-2025	20.63%	18.11%	19.52%
Change 2010-2020	14.14%	23.14%	28.55%	**2020 HOUSEHOLDS BY INCOME**			
Change 2020-2025	20.95%	17.74%	18.13%	<$15,000	16.2%	12.9%	14.8%
NUMBER OF HOUSEHOLDS				$15,000-$24,999	14.4%	9.6%	11.5%
2000 Households	12,183	30,583	83,952	$25,000-$34,999	9.7%	9.3%	10.0%
2010 Households	11,721	30,984	84,602	$35,000-$49,999	13.0%	11.6%	12.3%
2020 Households	12,288	33,696	89,022	$50,000-$74,999	17.8%	15.5%	16.0%
2025 Households	12,641	34,824	91,050	$75,000-$99,999	10.5%	10.8%	9.5%
Change 2000-2010	(3.79%)	1.31%	0.77%	$100,000-$149,999	10.4%	13.1%	11.2%
Change 2010-2020	4.84%	8.75%	5.22%	$150,000-$199,999	1.6%	5.1%	4.9%
Change 2020-2025	2.87%	3.35%	2.28%	$200,000 or greater	6.5%	12.2%	9.8%
HOUSING UNITS (2020)				**MEDIAN HOME VALUE**	$316,741	$463,659	$378,537
Owner Occupied	4,139	16,121	39,941	**AVERAGE HOME VALUE**	$596,943	$808,717	$643,739
Renter Occupied	8,237	17,507	49,136	**HOUSING UNITS BY UNITS IN STRUCTURE**			
HOUSING UNITS BY YEAR BUILT				1, detached	1,435	5,729	22,204
Built 2010 or later	62	343	1,448	1, attached	268	606	3,420
Built 2000 to 2009	590	2,958	6,271	2	192	390	2,727
Built 1990 to 1999	951	2,632	5,680	3 or 4	1,408	1,953	4,752
Built 1980 to 1989	1,330	3,264	8,143	5 to 9	1,744	2,643	5,680
Built 1970 to 1979	1,968	6,002	15,115	10 to 19	2,092	3,458	7,937
Built 1960 to 1969	2,779	7,597	17,692	20 to 49	2,293	4,967	11,654
Built 1950 to 1959	2,342	5,756	18,793	50 or more	2,922	13,777	29,703
Built 1940 to 1949	1,474	3,147	8,970	Mobile home	22	79	962
Built 1939 or earlier	791	1,997	6,910	Boat, RV, van, etc.	0	26	37

Source: Pitney Bowes/Gadberry Group - GroundView®





Transportation Routes

Major traffic arteries are shown in the chart below:

MAJOR ROADWAYS & THOROUGHFARES			
HIGHWAY	**DIRECTION**	**FUNCTION**	**DISTANCE FROM SUBJECT**
Interstate I-95	north-south	Interstate Highw ay	This is w ithin 5 miles of the subject property.
Interstate I-195	east-w est	Local Highw ay	This is w ithin 4 miles of the subject property.
SURFACE STREETS	**DIRECTION**	**FUNCTION**	**DISTANCE FROM SUBJECT**
71st Street/Normandy Drive	east-w est	Primary Arterial	The subject property fronts this street.
Abbott Avenue	north-south	Primary Arterial	This is just dow n the street from the subject property.
Collins Avenue/A1A	north-south	Primary Arterial	This is w ithin a mile of the subject property.

Public Transportation is available near the subject property. It is located along 71st Street as well as walking distance to Abbot Avenue and Collins Avenue or A1A to the east of the subject site.

Economic Factors

The local area is predominantly retail trade and service related. Among the retail major business sectors include those related to the clothing, convenience and food and beverages sectors, such as restaurants. Among the services, these include finance and insurance, real estate, rental and leasing, and other investment related professionals. Given the property's location, hotel accommodations and lodging and health services are two of the major sectors of employment in the area, followed by the indirect food and services and drinking location along the main thoroughfares. The accommodations and food service; health related, and the retail sector combined generate close to 75% of the total employment in the local area, a major catalyst and economic driver for Miami Beach.

Community Services

Community services and facilities are readily available in the surrounding area. These include public services such as fire stations, hospitals, police stations, and schools (all ages). The subject property is in the Miami-Dade. GreatSchools.org is an on-line tool that rates every school on a scale of one to ten based on test scores**.** They also track parents rating of the school on a one to five scale. The following chart details the ratings of schools nearest to the subject.

HIGH SCHOOLS							
HIGH SCHOOLS	GREATSCHOOLS RATING	PARENT RATING	SCHOOL TYPE	GRADES SERVED	DISTANCE FROM SBJ.	CITY LOCATION	TOTAL ENROLLMENT
Miami Beach Senior High School	4	4	public	9-12	3.98 miles	Miami Beach	2,421
Mast@Fiu	10	5	public	9-12	4.02 miles	lorth Miami Beac	316
Alonzo And Tracy Mourning Senior Hig	6	4	public	9-12	4.49 miles	lorth Miami Beac	1,699
North Miami Senior High School	3	3	public	9-12	4.71 miles	North Miami	2,464
North Miami Senior Adult Education	-	-	public	n/a	4.71 miles	North Miami	-
Miami Beach Adult & Community Ed Cer	-	-	public	n/a	4.85 miles	Miami Beach	-
Academy For Community Education (Ac	-	-	public	9-12	4.91 miles	El Portal	70
Itech@Thomas A Edison Educational C	6	-	public	9-12	5.02 miles	Miami	222
Design & Architecture Senior High Sch	10	5	public	9-12	5.13 miles	Miami	503
Miami Edison Senior High School	2	3	public	9-12	5.34 miles	Miami	727

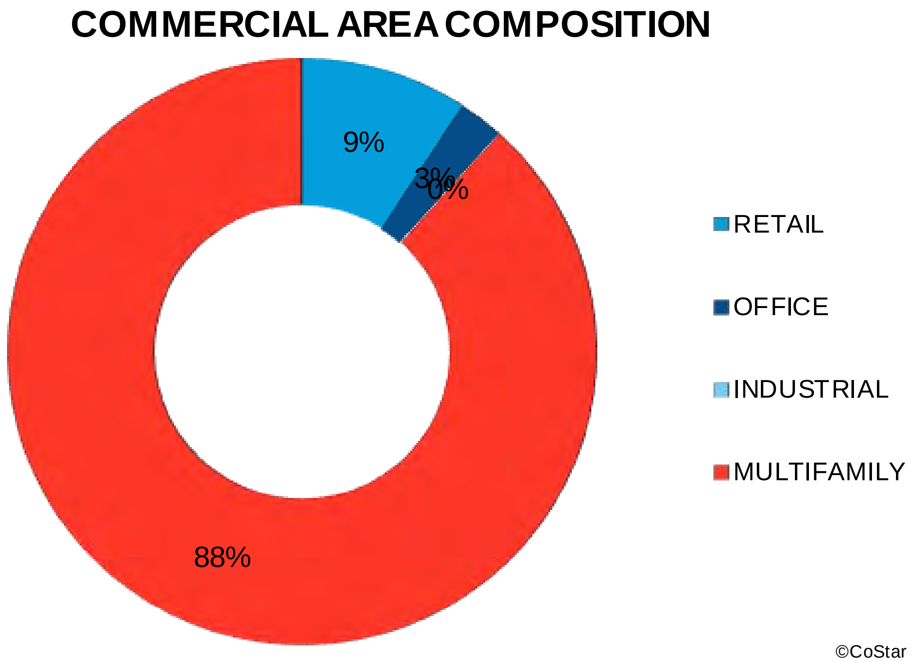
Source: GreatSchools.org

IMMEDIATE AREA PROFILE

This section discusses uses and development trends in the immediate area that directly impact the performance and appeal of the subject property.

Predominant Land Uses

Significant development in the immediate area consists of mid to high-rise residential condominiums and garden to low rise apartments supported by local retail trade and office uses. Most of the commercial development is located along major thoroughfares such as 71st Street, Abbot Avenue and Collins Avenue with pockets of single family residences and small multifamily uses along secondary streets and roadways. The local area has a mix of commercial uses nearby and the composition is shown in the following graph.



Residential Development

Residential users in the immediate area are primarily single family residential. Just to the west of the subject property along Normandy Drive, extending in an east/west direction. These residences are part of the Normandy Shores/Normandy Isles subdevelopment.

Multi-Family Development

The following chart shows a summary of multi-family data by type in the immediate area from CoStar.

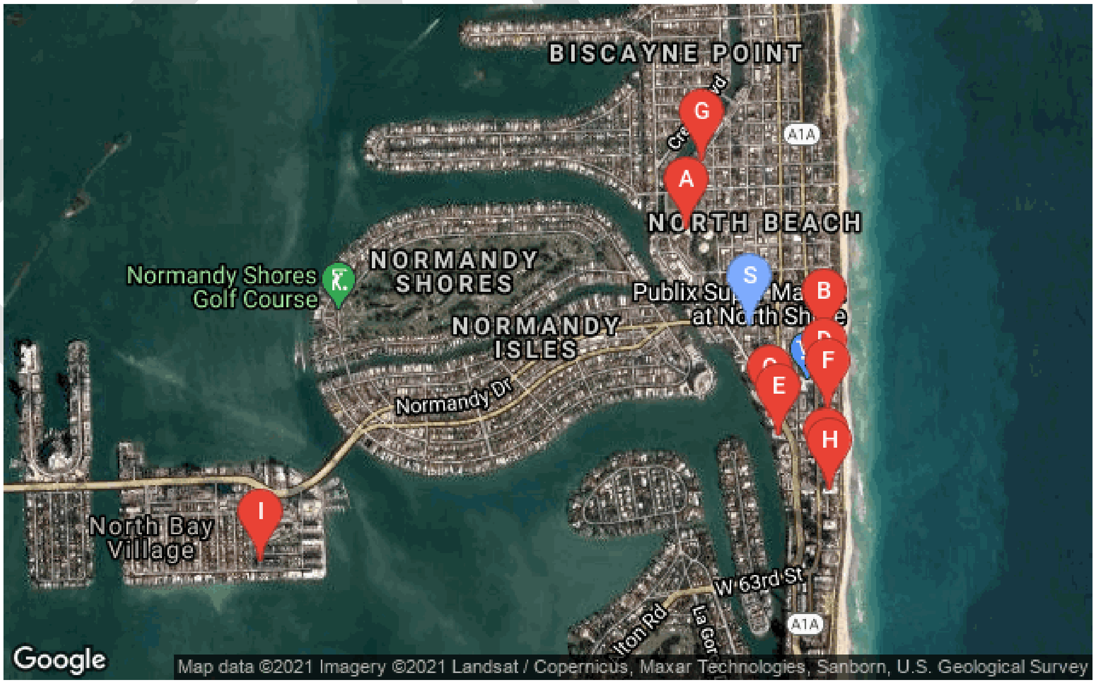
MULTIFAMILY SUMMARY			
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT
A	6	705,176	2006
B	37	2,130,343	1958
C	327	3,844,697	1950
TOTAL	**370**	**6,680,216**	**1952**

Source: CoStar

The largest three multi-family properties are at 7441 Wayne Avenue, 6917 Collins Avenue and 6770 Indian Creek Drive with an NRA of 461,790 SF, 333,989 SF and 326,542 SF that were built in 1964, 1969 and 1968, respectively. The closest large multi-family property in proximity to the subject is at 6917 Collins Avenue. Most properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest multi-family properties in the immediate area from CoStar.

LARGEST MULTIFAMILY PROPERTIES						
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	STORIES	YEAR BUILT
Parkview Point Condos	0.4 Miles	A	B	461,790	15	1964
Collins	0.2 Miles	B	B	333,989	14	1969
Aquasol	0.3 Miles	C	C	326,542	15	1968
Carillon South	0.3 Miles	D	A	324,416	16	2008
Eden House	0.4 Miles	E	B	234,816	15	1950
The Sterling	0.4 Miles	F	B	225,555	22	1991
Ocean House Nobe	0.5 Miles	G	C	207,044	2	1948
Bel Aire	0.6 Miles	H	B	200,000	10	1949
North Bay Villas	1.7 Miles	I	C	126,148	5	1972
Monte Carlo	0.5 Miles	J	A	102,000	21	2014

Source: CoStar



Retail Development

The following chart shows a summary of retail data by type in the immediate area from CoStar.

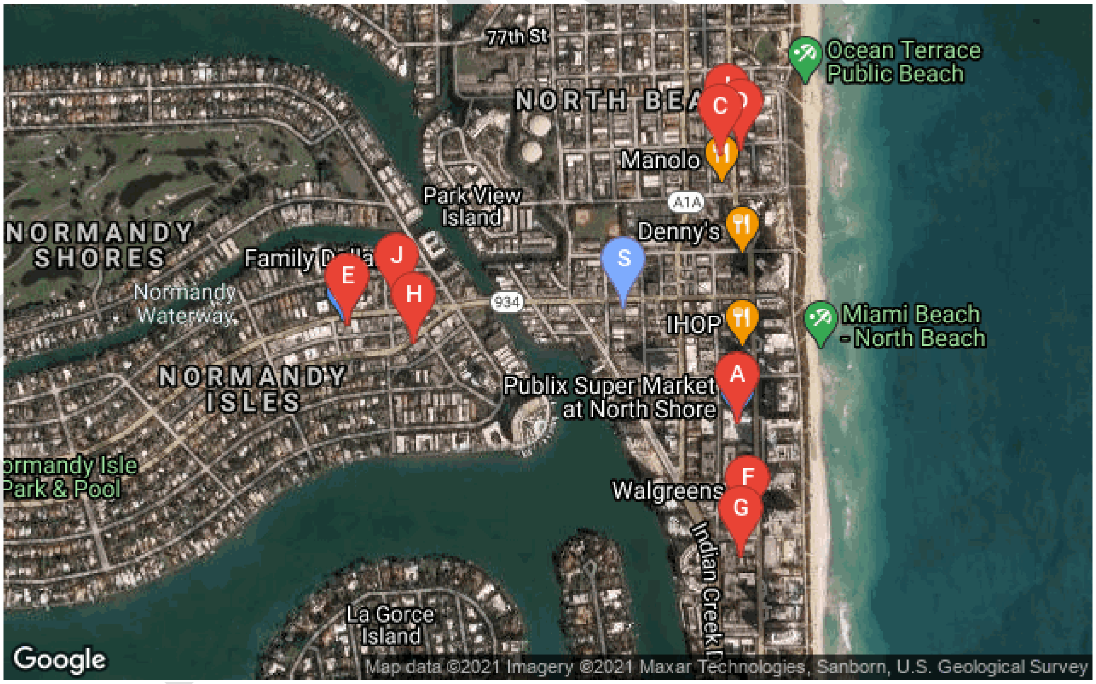
RETAIL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
General Retail	103	694,116	1955	96.0	$37.10
TOTAL	**103**	**694,116**	**1955**	**96.0**	**$37.10**

Source: CoStar

The largest three retail properties are at 6876 Collins Avenue, 500 71st Street and 7340 Collins Avenue with an NRA of 48,725 SF, 24,917 SF and 20,554 SF that were built in 1961, 1968 and 0, respectively. The closest large retail property in proximity to the subject is at 500 71st Street. All of the properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest retail properties in the immediate area from CoStar.

LARGEST SHOPPING CENTERS							
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Publix at North Shore	0.3 Miles	A	General Retail	48,725	100.0	1961	N/Av
Retail Building	0.0 Miles	B	General Retail	24,917	100.0	1968	N/Av
Retail Building	0.3 Miles	C	General Retail	20,554	100.0	-	N/Av
Retail Building	0.3 Miles	D	General Retail	19,790	100.0	1941	N/Av
Retail Building	0.4 Miles	E	General Retail	18,771	100.0	1952	N/Av
Retail Building	0.4 Miles	F	General Retail	18,762	100.0	1987	N/Av
Retail Building	0.4 Miles	G	General Retail	15,876	100.0	1950	N/Av
Retail Building	0.3 Miles	H	General Retail	15,000	100.0	1940	N/Av
CVS Pharmacy	0.3 Miles	I	General Retail	15,000	100.0	1986	N/Av
Retail Building	0.4 Miles	J	General Retail	13,779	100.0	1987	N/Av

Source: CoStar



Office Development

The following chart shows a summary of office data by class in the immediate area from CoStar.

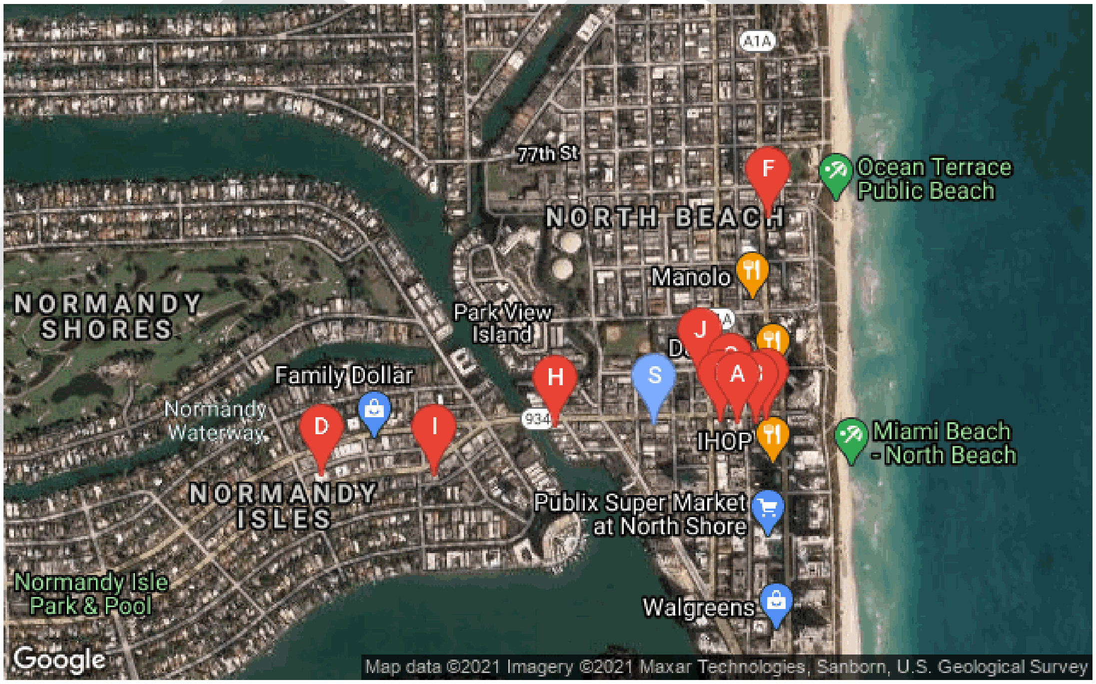
OFFICE SUMMARY					
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
A	0	0	-	-	-
B	4	92,750	1966	100.0	-
C	11	92,199	1949	98.8	$22.00
TOTAL	**15**	**184,949**	**1954**	**99.1**	**$22.00**

Source: CoStar

The largest three office properties are at 300 71st Street, 220-240 71st Street and 301-317 71st Street with an NRA of 58,000 SF, 19,538 SF and 18,601 SF that were built in 1971, 1956 and 1952, respectively. The closest large office property in proximity to the subject is at 7140 Abbott Avenue with an NRA of 6,922 SF that was built in 1963. All the properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest office properties in the immediate area from CoStar.

LARGEST OFFICE BUILDINGS							
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
City National Bank	0.1 Miles	A	B	58,000	100.0	1971	N/Av
Office Building	0.2 Miles	B	C	19,538	100.0	1956	N/Av
Office Building	0.1 Miles	C	B	18,601	100.0	1952	N/Av
Office Building	0.5 Miles	D	B	13,919	100.0	1999	N/Av
Office Building	0.1 Miles	E	C	13,076	100.0	1948	N/Av
Office Building	0.4 Miles	F	C	13,034	100.0	1948	N/Av
Office Building	0.2 Miles	G	C	12,675	100.0	1937	N/Av
Office Building	0.2 Miles	H	C	9,956	100.0	1941	N/Av
1040 Normandy	0.4 Miles	I	C	8,000	87.1	1965	$22.00
Office Building	0.1 Miles	J	C	6,922	100.0	1963	N/Av

Source: CoStar



Industrial Development

The following chart shows a summary of industrial data by type in the immediate area from CoStar.

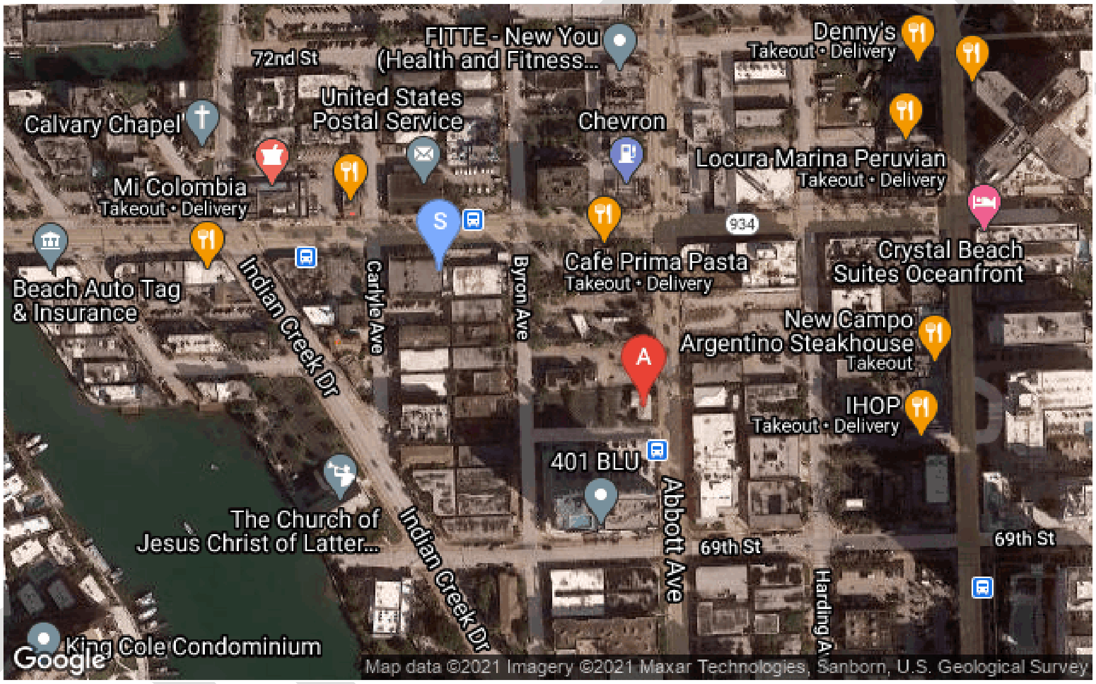
INDUSTRIAL SUMMARY					
TYPE	**PROPERTIES**	**NRA (SF)**	**AVG YR BLT**	**OCCUPANCY**	**AVG RENT**
Industrial	1	1,733	1990	100.0	-
Flex	0	0	-	-	-
TOTAL	**1**	**1,733**	**1990**	**100.0**	**$0.00**

Source: CoStar

The largest industrial property is at 6940 Abbott Avenue with an NRA of 1,733 SF that was built in 1990. The closest large industrial property in proximity to the subject is at 6940 Abbott Avenue. All the properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest industrial properties in the immediate area from CoStar.

LARGEST INDUSTRIAL PROPERTIES							
NAME	**DISTANCE**	**MAP PIN**	**TYPE**	**NRA (SF)**	**% LEASED**	**YEAR BUILT**	**AVG RENT**
Industrial Building	0.1 Miles	A	Industrial	1,733	100.0	1990	N/Av

Source: CoStar



The following map shows the subject property and the five largest retail, office, and industrial properties in the immediate area from CoStar.


Fairway Park
Gary Ave
Park View Island
73rd St
Burgers & Sha
Byron Ave
Ocean Terrace
Manolo
North Beach Bandshell
A1A
Denny's
Sabor Tropical Supermarket
Marseille Dr
Family Dollar
Katana Japanese
934
Dickens Ave
Indian Creek Dr
Byron Ave
Abbott Ave
IHOP
Silverlake Bistro
Papillon Montessori
Biarritz Dr
934
Publix Super Market at North Shore
Google
Map data ©2021 Imagery ©2021 Maxar Technologies, Sanborn, U.S. Geological Survey

SUBJECT PROPERTY ANALYSIS

The following discussion draws context and analysis on how the subject property is influenced by the local and immediate areas.

Subject Property Analysis

The uses adjacent to the property are noted below:

- **North -** 71st Street/Commercial Retail (Post Office)
- **South -** Residential - Multifamily
- **East -** Byron Avenue/Public Parking Lot
- **West - Carlyle Av/Commercial Office/Parking Lot**

Access

The subject site has frontage on an arterial identified as 71st Street, that extends in an east/west direction. Based on our field work, the subject's access is rated good compared to other properties with which it competes.

Visibility

The subject is clearly visible in both directions along the street. The visibility of the property is not hampered by adjacent properties, trees or other obstructions. In comparison to competitive properties, the subject property has good visibility.

Subject Conclusion

Trends in the local and immediate areas, adjacent uses and the property's specific location features indicate an overall positive external influence for the subject, which is concluded to have an average position in context of competing properties.

SUMMARY

The property is in an area that is stable given its extensive development and limited land. However, the area has slowly moved into the renewal stage of an area's neighborhood cycle as pockets of new or redevelopment are evident along major and secondary thoroughfares. The local area offers accessibility to transportation infrastructure that enables movement throughout Miami Beach. There are sufficient demand drivers providing jobs as well as the convenience of an abundance of lifestyle attributes. These characteristics in conjunction should continue to generate demand for housing in the immediate area. Overall the condition and appeal of the area is average to good. At present, the area is between stability and renewal stage of its neighborhood lifecycle. Property values are expected to appreciate in the local area in the mid to long-term as these redevelopment would be expected to continue to reshape the area.

General Description The subject site consists of two parcels. As noted below, the subject site has 31,497 SF (0.72 AC) of land area. The area is estimated based on legal description, site survey and the assessor's parcel map. The following discussion summarizes the subject site size and characteristics.

Assessor Parcels	See Multiple Parcel Chart For Breakdown	
Number Of Parcels	2	
Land Area	**Acres**	**Square Feet**
Primary Parcel	0.72	31,497
Unusable Land	0.00	0
Excess Land	0.00	0
Surplus Land	0.00	0
Total Land Area	**0.72**	**31,497**
Shape	See Multiple Parcel Chart For Breakdown	
Topography	Level at street grade	
Adjacent Use North	71st Street/Commercial Retail (Post Office)	
Adjacent Use South	Residential - Multifamily	
Adjacent Use East	Byron Avenue/Public Parking Lot	
Adjacent Use West	Carlyle Av/Commercial Office/Parking Lot	
Zoning	Civic & Government Use (GU)	
Drainage	Assumed Adequate	
Utilities	All available to the site	

Street Improvements	**Street**	**Direction**	**No. Lanes**	**Street Type**	**Curbs**	**Sidewalks**	**Streetlights**	**Center Lane**	**Gutters**
71st Street	Primary Street	two-way	two-lane	major arterial	✓	✓	✓	✓	✓
Carlyle Avenue	Secondary Street	one-way	one-lane	minor arterial	✓	✓	✓		✓
Byron Avenue	Secondary Street	one-way	one-lane	minor arterial	✓	✓			✓

Frontage The property has about 220 feet along 71st Street to the north; 155 feet along Carlyle Avenue to the west; and approximately 100 feet along Byron Avenue to the east.

Accessibility **Good** - The subject can be accessed directly from either direction along 71st Street; in a north direction along Carlyle Avenue; and a south direction along Byron Avenue.

Exposure **Good** - The subject is at a signalized corner location at the intersection of two well-traveled arterials

Seismic The subject is in a no risk zone.

Flood Zone Zone AE. This is referenced by Community Number 12086C0326L, Panel Number 12086, dated September 11, 2009. Zone AE is a High Risk Special Flood Hazard Area (SFHA). Special Flood Hazard Areas represent the area subject to inundation by 1-percent-annual chance flood. Structures located within the SFHA have a 26-percent chance of flooding during the life of a standard 30-year mortgage. Federal floodplain management regulations and mandatory flood insurance purchase requirements apply in these zones. Areas subject to inundation by the 1-percent-annual-chance flood event determined by detailed methods. BFEs are shown within these zones. (Zone AE is used on new and revised maps in place of Zones A1–A30.)

MULTIPLE PARCEL SITE DESCRIPTION GRID

PARCEL	USABLE SF	TOTAL SF	TOTAL AC	SHAPE	ACCESS	EXPOSURE	FLOOD PLAIN
02-3211-002-1070	25,250	25,250	0.58	Rectangular	Good/Excellent	Good/Excellent	Zone AE
02-3211-002-1090	6,247	6,247	0.14	Rectangular	Good	Good	Zone AE
TOTAL	**31,497**	**31,497**	**0.72**				

Easements A preliminary title report was not available for review. During the on-site inspection, no adverse easements or encumbrances were noted. This appraisal assumes that there is no negative value impact on the subject improvements. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.

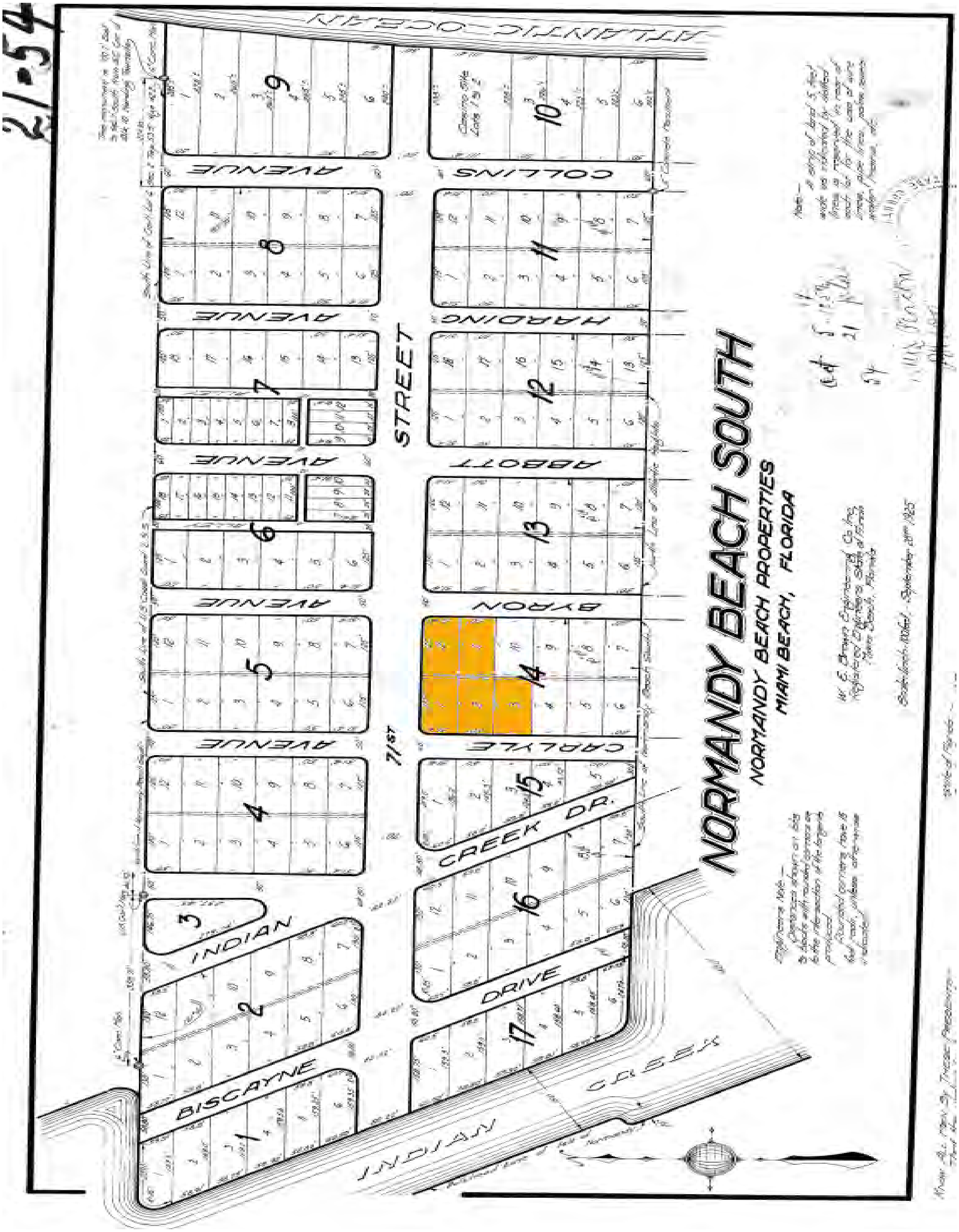
Soils A detailed soils analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for the existing improvements.

Hazardous Waste We have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. The client provided a copy of a Phase I Environmental Site Assessment report (date January 22, 2021) . According to the report, "This assessment has revealed no evidence of RECs or VECs in connection with the Site at this time". If questions arise, the reader is strongly cautioned to review the report and or seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer.

Conclusion Overall, the subject site is considered a good residential site in terms of its location, exposure, and access to employment, education and shopping centers. All these characteristics provide supporting uses for the subject site making it desirable for multifamily development. Overall there are no known factors that would limit the site's development according to its highest and best use.

TAX PARCEL MAP

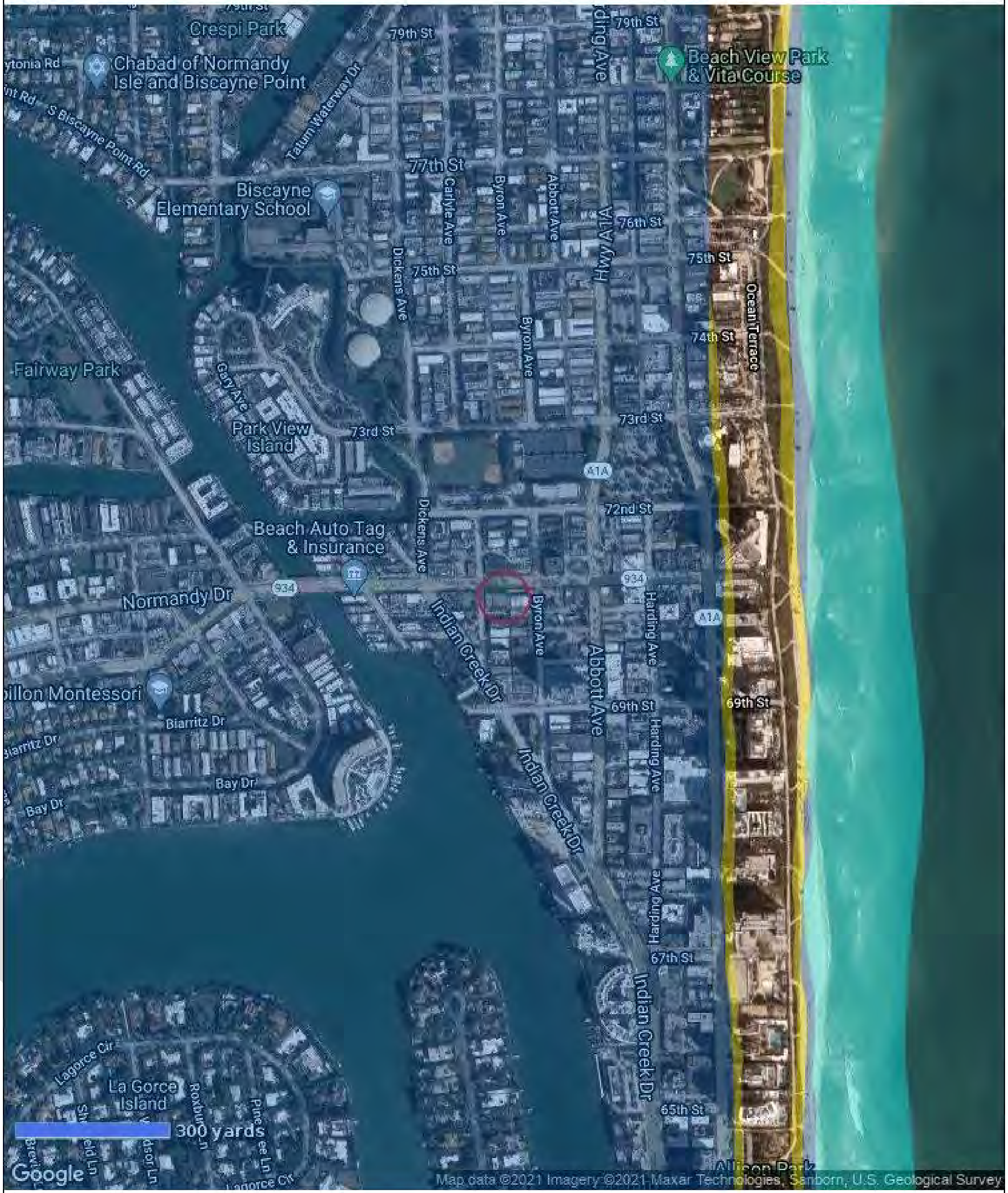
PLAT SURVEY MAP



FLOOD MAP

InterFlood by a la mode

Prepared for: Colliers International
500 71st St
Miami Beach, FL 33141-3018



Powered by CoreLogic®

MAP DATA

FEMA Special Flood Hazard Area: **Yes**
Map Number: **12086C0326L**
Zone: **AE**
Map Date: **September 11, 2009**
FIPS: **12086**

MAP LEGEND

- Areas inundated by 500-year flooding
- Areas inundated by 100-year flooding
- Velocity Hazard
- Protected Areas
- Floodway
- Subject Area

SITE PLAN

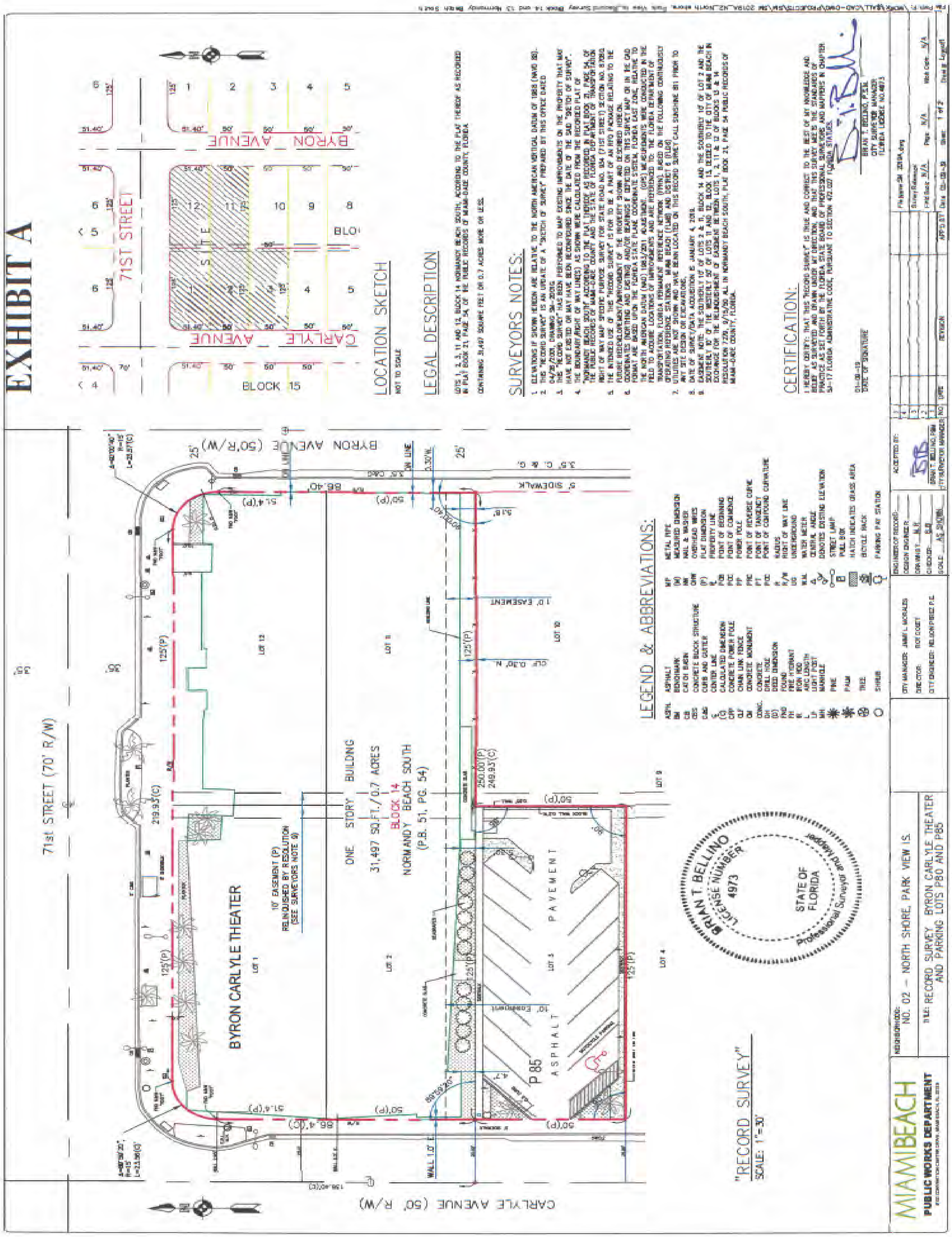
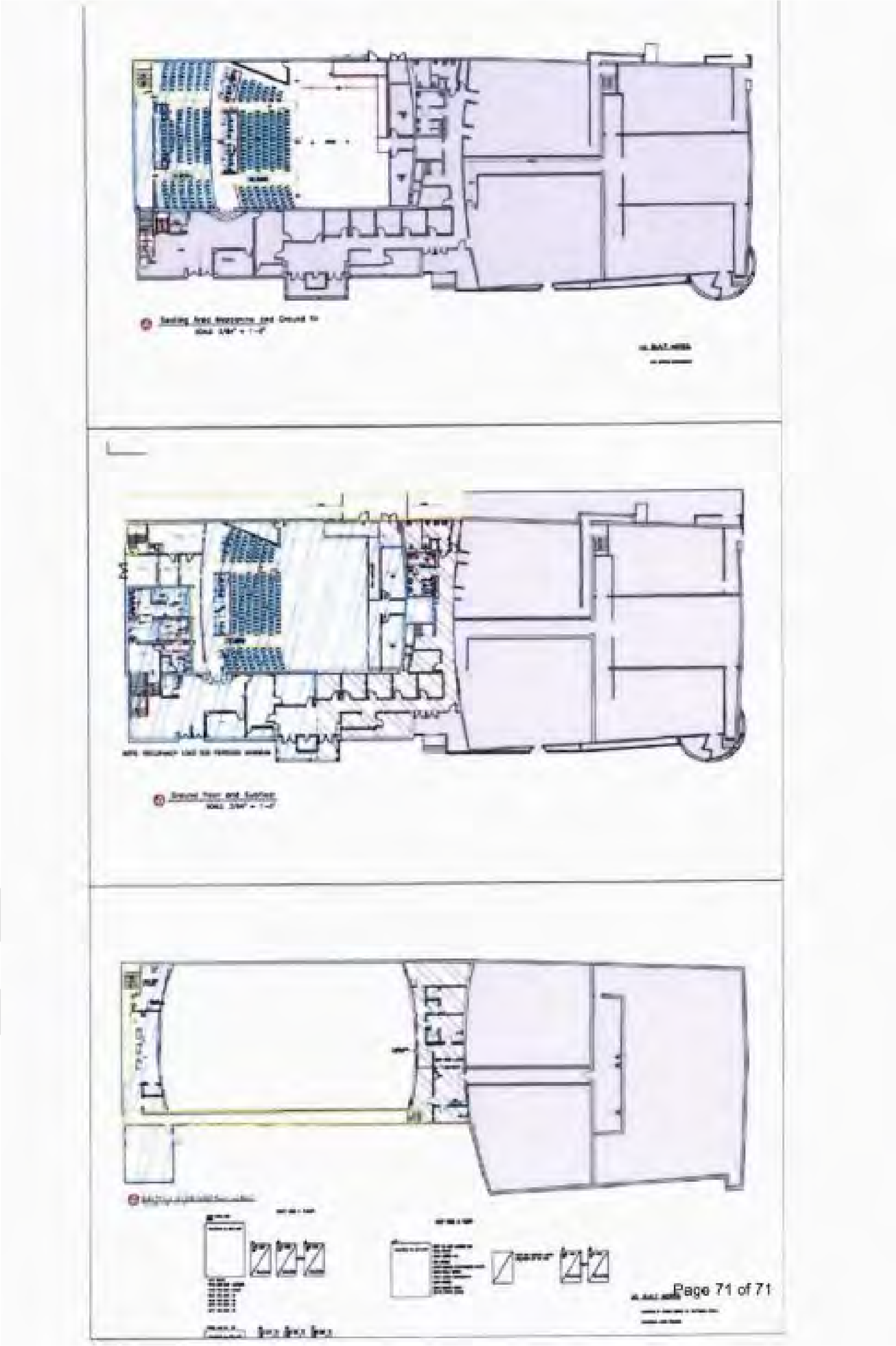


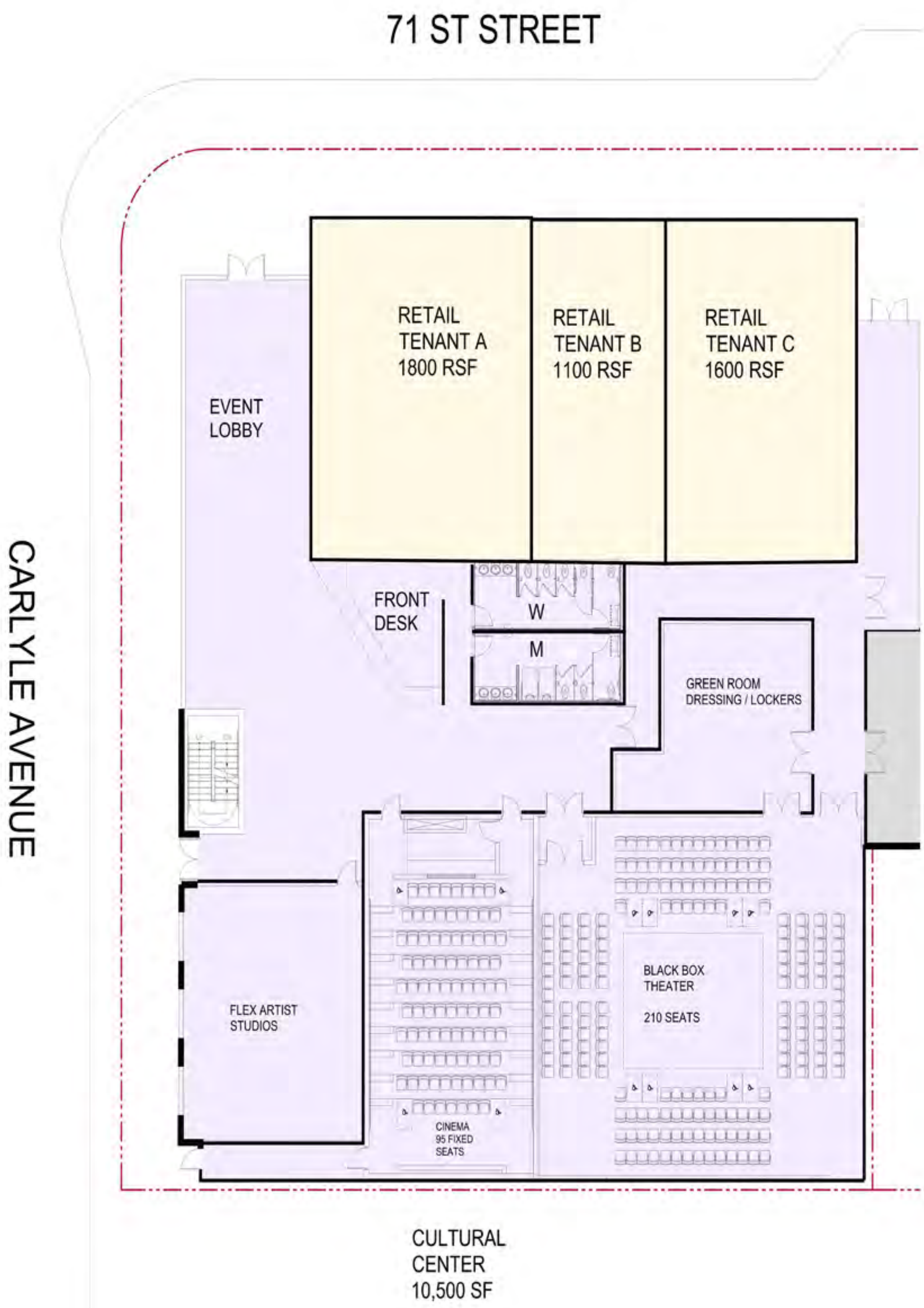
EXHIBIT A
71st STREET (70' R/W)
BYRON AVENUE (50' R/W)
CARLYLE AVENUE (50' R/W)
BYRON CARLYLE THEATER
ONE STORY BUILDING
31,497 SQ.FT./0.7 ACRES
BLOCK 14
NORMANDY BEACH SOUTH
(P.B. 51, PG. 54)
ASPHALT PAVEMENT
LOCATION SKETCH
LEGAL DESCRIPTION
SURVEYORS NOTES:
LEGEND & ABBREVIATIONS:
CERTIFICATION:
"RECORD SURVEY"
SCALE: 1"=30'
BRIAN T. BELLINO
LICENSE NUMBER 4973
STATE OF FLORIDA
Professional Surveyor and Mapper
MIAMIBEACH
PUBLIC WORKS DEPARTMENT
NO. 02 – NORTH SHORE, PARK VIEW IS.
RECORD SURVEY BYRON CARLYLE THEATER AND PARKING LOTS P80 AND P85

EXISTING FLOOR PLANS



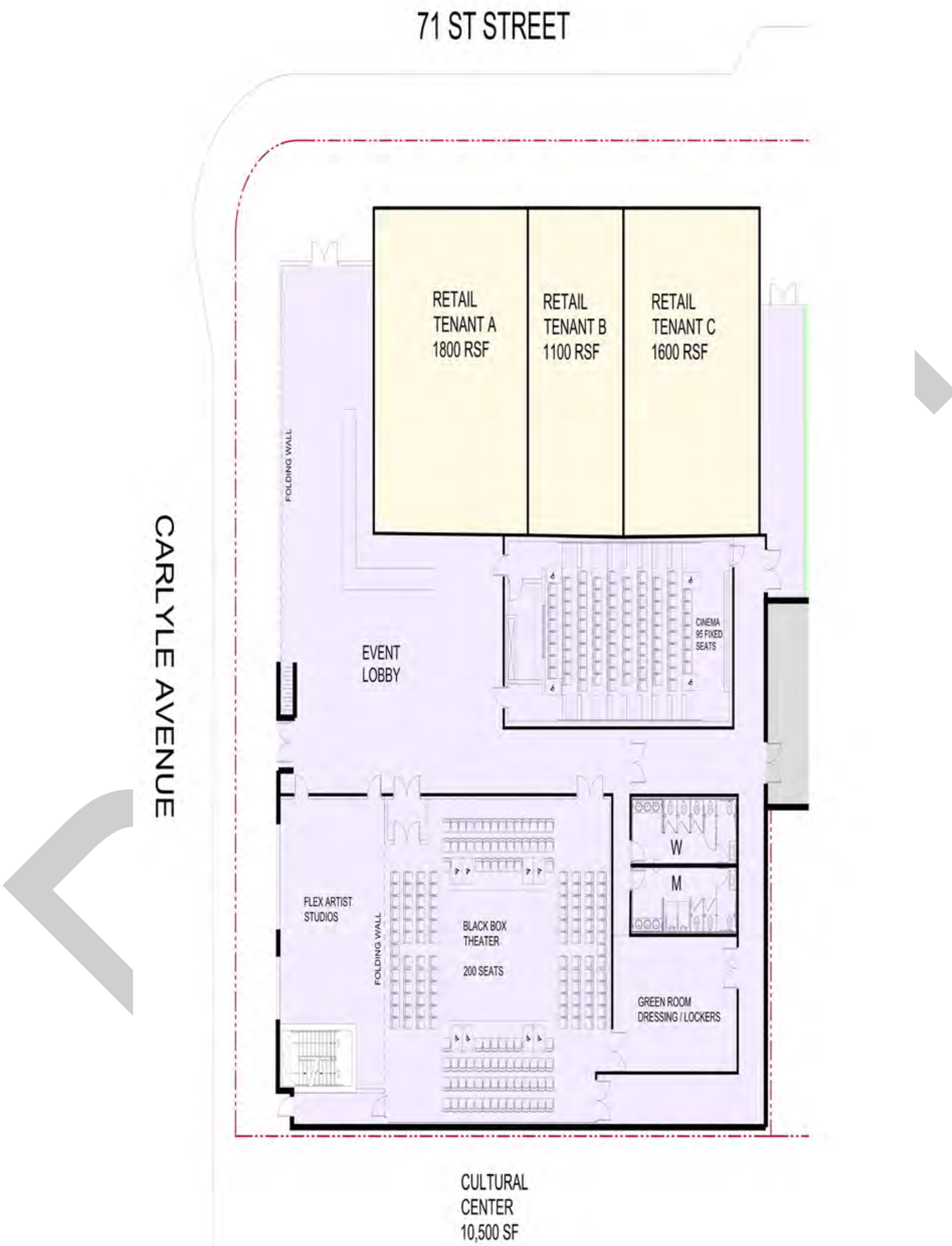
Existing Movie Theatre/Performing Arts

PROPOSED FLOOR PLANS



Proposed Floor Plan – Ground Floor (Option 1)

PROPOSED FLOOR PLANS



Proposed Floor Plan – Ground Floor (Option 2)

Introduction

The information presented below is a basic description of the existing and the proposed improvements. The existing improvements are provided for information purposes and not relied upon since we did not analyze the existing improvements. The data and information provided is related to the proposed development and used in the valuation of the property. Reliance has been placed upon information provided by the developer deemed dependable for this analysis.

It is assumed that the proposed development will not change from its current configuration and renderings as they may affect our analysis and overall results. We have assumed that the property construction techniques will be performed in a timely manner making the project's structural components functional and operational, unless otherwise noted. If questions arise regarding the integrity of the proposed improvements or their operational components, it may be necessary to consult additional professional resources.

Existing Use

The property is currently improved with a 28,335 square foot theatre facility which has been closed for the past several years due to extensive deferred maintenance. Originally opened in December 1968 as twin cinemas hosting first run movies in the heart of North Miami Beach. A total of 994 seats were originally built, with the large auditorium having a capacity of 590 seats, consisting of approximately 28,000 square feet. In the mid- 1970s, the Theater was re- developed into a multiplex cinema; the larger auditorium to the west was subdivided into five (5) smaller theaters. The Theater continued to operate until it was sold by Wometco Enterprises (Theatre Realty, Inc.), when the City of Miami Beach purchased it in May 2001, for $1. 7 million.

It remained functional and operational until 2014 when it was renovated and remained open until July 2019, when the city decided to not renew the lease in place at the time. Since then, it is our understanding that the property is not fit for its intended occupancy, noting serious concerns with regards to the electrical system, as the electrical room is below the crown of road elevation and has been subject to severe flooding over the years. Thus, due to life safety concerns, and the inability to be properly recertified as structurally and electrically safe for its intended occupancy, any new lease or time extension is not in the best interest of the City nor something the Building Department is prepared to allow.[6] According to a letter to the Commission, dated September 12, 2018, the property has yet to meet the 50 year certification.

Proposed Use

The proposed development consists of a 151 unit mid-rise multifamily residential building with 9,000 square feet of ground floor retail space, and 10,500 square feet dedicated to related cultural activities and identified as the cultural center. The following is a breakdown of the proposed development as provided by the developer:

[6] Miami Beach – Building Department "Byron Carlyle Memorandum", dated July 2, 2019 from Adrian Morales, Director property Management to Ana M. Salgueiro, Building Official and Director.

PROPOSED DEVELOPMENT BREAKDOWN

	Floo Area (SF)			
DESCRIPTION	GBA	NRA	Units	Avg (SF)
Multifamily - Residential	81,605	81,605	151	540
Retail	9,000	9,000	2	4,500
Cultural Center	10,500	10,500	1	10,500
Common Area	1,300			
Balcony Slab	23,464			
Core Circulation	19,160			
Amenity Roof Terraces	4,848			
Mechanical/BOH	5,309			
Total	155,186	101,105		

Based on the information provided, the following provides some general characteristics of the proposed development.

Proposed Property Type	Multifamily - Mid/High-Rise Housing
Number of Units	151
Average Unit Size	540 SF
Total Number of Buildings	1
Number of Stories	7
Development Density	208.8 Units/Acre (151 Units / 0.72 Acres)
Net Rentable Area (NRA)	101,105 SF
Gross Building Area (GBA)	155,186 SF
Parking Total	0 (None)
Parking Comment	No parking has been included in the proposed development. We assume parking will be available to residents in nearby existing public parking lots.
Year Built	2022
Age/Life Analysis	
Actual Age	0 Years
Effective Age	0 Years
Economic Life	60 Years
Remaining Life	60 Years
Quality	Excellent
Condition	Excellent
Marketability	Good/Excellent

PROPOSED UNIT MIX				
UNIT TYPES	NO. UNITS	% OF TOTAL	UNIT SIZE (SF)	NRA (SF)
1 BD / BA	7	4.6%	413	2,891
1 BD / BA	8	5.3%	425	3,400
1 BD / BA	7	4.6%	463	3,241
1 BD / BA	32	21.2%	486	15,552
1 BD / BA	7	4.6%	541	3,787
1 BD / BA	28	18.5%	512	14,336
1 BD / BA	3	2.0%	553	1,659
1 BD / BA	7	4.6%	576	4,032
1 BD / BA	8	5.3%	581	4,648
1 BD / BA	8	5.3%	584	4,672
1 BD / BA	7	4.6%	621	4,347
1 BD / BA	7	4.6%	622	4,354
2 BD / BA	7	4.6%	660	4,620
2 BD / BA	15	9.9%	671	10,065
TOTAL/AVERAGE	**151**	**100%**	**540**	**81,604**
TOTAL NET RENTABLE AREA (NRA)				**81,604**

The proposed unit sizes were provided by the subject's developer.

Basic Construction Steel and masonry

Foundation Reinforced concrete slab

Framing Structural steel with masonry and concrete encasement

Exterior Walls Glass curtainwall

Roof Type Gabled

Roof Cover Sealed membrane

Insulation Exact type unknown at this type and assume adequate (R-type) and to code for both walls and ceilings.

Plumbing Each bathroom will include a toilet, sink, and a shower/tub kit with wall-mounted showerhead. Kitchens include a sink, dishwasher, and garbage disposal. There is a laundry closet with washer/dryer hookups. Most units will have stacked washer/dryer.

Air Conditioning Each unit is expected to have their own centralized air-conditioning, temperature controlled unit.

Heating Each unit is expected to include a wall mount forced air heating throughout.

Hot Water Each unit will include a hot water heater with a capacity of 30 gallons.

Lighting Each unit will have adequate lighting (Fluorescent lights in the kitchen, incandescent lighting fixtures elsewhere).

Electrical Each unit will be separately metered

Interior Walls Painted and medium textured finish on gypsum board.

Ceilings It is expected to be the typical popcorn style finish from any asbestos.

Windows Windows are expected to be double pane vinyl sliders with horizontal mini-blinds.

Doors	Exterior doors are expected to be metal with peepholes. Interior doors are hollow, painted wood.
Flooring	Floor coverings for bath and kitchen areas are expected to be vinyl. The floor coverings in living areas are expected to be wall to wall carpeting.
Elevators	The building is expected to have at least two passenger elevators, which includes for move-ins.
Project Amenities	The subject's common amenities are minimal.
Unit Amenities	Each unit features: Aside from the standard unit amenities such as HVAC, storage/closet space, the unit will include hardwood floors, washer/dryer hook up and high tech appliances. Some of the units are expected to have balcony terrace access as well as views to the bay or the city given the large windows and natural light provided in the renderings.
Appliances	Each unit will be equipped with an electric oven/range combination, garbage disposal, dishwasher, microwave, and refrigerator/freezer. The age and condition of appliances varies from unit to unit.
Laundry	The proposed project will not offer common area laundry since it is expected each unit will have washer/dryer hook up.
Countertops	The subject’s units will include granite countertops.
Cabinets	Expected to be typical wood cabinetry
Security	Security patrol will be provided at the subject. In addition, each unit will have a natural gas detector, fire/smoke detector, and dead bolt.
Fire Protection	The subject will have a fire sprinkler system and smoke alarms.
Landscaping	The subject will have minimal amount of landscaping. Plantings throughout the property include trees, flowers, mowed lawn, shrubs and hedges. There is a sprinkler system.
Deferred Maintenance	Deferred maintenance is measured as the cost of repairing or restoring the item to new or reasonably new condition. Based on the fact the property is a proposed development, no deferred maintenance exists.
Commercial Build-out/TIs	The improvements have or will have typical retail finishes that vary based on each tenant concept. The developer will provide each space either in shell condition with tenant improvement (TI) allowances ranging roughly from $35 to $45/SF, or in vanilla shell with minimal additional TIs.
Property Signage	Based on the renderings, the property is expected to have its major signage along 71st Street.
Hazardous Materials	This appraisal assumes that the improvements are constructed free of all hazardous waste and toxic materials, including (but not limited to) asbestos. Please refer to the Assumptions and Limiting Conditions section regarding this issue.
***ADA* Compliance**	This analysis assumes that the subject complies with all ADA requirements. Please refer to the Assumptions and Limiting Conditions section regarding this issue.

Conclusion

The subject proposed improvements are expected to be in excellent condition for their age and for the surrounding neighborhood. The interiors will have a Class A standard finish, superior to most other properties in the immediate area. The roofs system is expected to be in excellent condition given it will be new. Overall, the proposed property is expected to have an attractive design and good curb appeal.

INTRODUCTION

Assessment of real property is established by an assessor that is an appointed or elected official charged with determining the value of each property. The assessment is used to determine the necessary rate of taxation required to support the municipal budget. A property tax is a levy on the value of property that the owner is required to pay to the municipality in which it is situated. Multiple jurisdictions may tax the same property.

ASSESSMENT IN FLORIDA

Real property in Miami-Dade County in the State of Florida is re-assessed every year. In Miami-Dade County real estate taxes are due March 31st of each year. However, if taxes are paid by November 30th, a property owner can realize a 4% discount in the total liability. The discount is reduced by 1% each month after November 30th until the full liability is due in March. Our analysis assumes a prudent investor would take advantage of this discount.

In general, County Assessor's offices have been more conservative in terms of increasing assessments despite improvements in the multifamily sector. This is attributed to limited staff and cost of defending tax appeals and the change in 2009 from the Assessor having the Presumption of Correctness to the Preponderance of Evidence, requiring the assessor to have a much greater burden to support assessments if contested. Assessment levels are impacted by the following primary factors:

- Re-assessment without a transaction
- Re-assessment following a transaction

Re-Assessment Without Transaction

Although re-assessment occur annually, if there is not a sale, all taxing authorities except for schools have a 10% cap on assessment increases per year. This can result in a difference between the County estimated *Market Value* (also called *Just Value*) and the actual *Assessed Value* as it applies to the other taxing authorities. Additionally, assessments are typically done on a 3-year rotation and assessments are in arrears, reflecting assessments effective January 2015 and sales prior to that date. As a result, the subject and comparable assessments could reflect as far back as January 2013 meaning they potentially reflect values based on sales as far back as 2012. As a result, properties that have not been re-assessed following a sale in recent history tend to lag actual market value considerably.

Re-Assessment Following Transaction

The sale of a property can trigger re-assessment for the following year, but the property will not necessarily be re-assessed at the sale price. It is typical for assessment levels to lag actual market values. Generally we see assessment levels range from 60% - 80% of market value. However, in the event of a sale, we are seeing increases more typical at 70% - 85% of the purchase price the following January 1. The level of increase depends on the County, asset class and type as well as the conditions of sale. Now that there has been significant market improvement for several years, we are seeing that there may be a substantial increase in the year following acquisition, but a relatively flat re-assessment the year following the initial increase. However, this can vary from county-to-county.

Analysis

As a result of the dynamics involved, projecting future real estate tax assessment levels, and thus, liability can be subjective. The primary factors are:

- Variability in how counties are handling re-assessment following a sale
- Lag that occurs based on the timing of re-assessment following a sale

- In an up-market, assessments lagging in the years following a re-set either due to assessments being held flat, or further market improvement because of market trends overall, or property improvements completed by new ownership following acquisition.

When all these factors are considered, a more reasonable range for projected tax assessments over the holding period is wider than the initial re-set would suggest. For this reason, it is our opinion the applicable range is really 70% - 85% of value or purchase price, depending on the particular asset or location.

As implicit in the definition of Market Value is the consummation of a sale, even in the event of a refinance, the potential real estate tax implication following a sale must be considered. It can be considered via a projected increase in assessment level, loaded capitalization rate, or a combination of both a more moderate increase in the assessment level and a relatively more moderately loaded cap rate.

MARKET PARTICIPANTS

We discussed expectation of increases in the real estate tax assessment, and thus, real estate tax liability, with investors and brokers active in the marketplace. It was reported that they are generally anticipating increases in assessment levels to 70% - 85% of the contract price, depending on the asset and location. Additionally, these increases are typically reflected in the in-place capitalization rates reported by market participants. That said, conversations with investors active in the market have indicated that over the first couple years following acquisition, real estate tax liabilities have been somewhat lower than they had initially expected. This is attributed to the lag in re-assessment from a timing standpoint, and the relatively flat, or low re-assessments following the initial increase. For example, if a property is acquired February 1, 2021, it will not be re-assessed until January 1, 2022, giving the owner the benefit of the in-place taxes for an extended period.

SUBJECT PROPERTY ANALYSIS

The subject property is located within Miami-Dade County. The assessed value and property tax for the current year are summarized in the following table.

CURRENT ASSESSMENT & TAXES

Tax Year	2021				Tax Rate	19.3596
Tax Rate Area	Miami-Dade				Taxes Current	Yes
APN	**LAND**	**IMPV**	**TOTAL**	**EXEMPTIONS**	**TAXABLE**	**BASE TAX**
02-3211-002-1070	$6,312,500	$2,202,246	$8,514,746	$8,514,746	$0	$0
02-3211-002-1090	$312,500	$0	$312,500	$312,500	$0	$0
Totals	**$6,625,000**	**$2,202,246**	**$8,827,246**	**$8,827,246**	**$0**	**$0**
Total/Unit	**$43,874**	**$14,584**	**$58,459**	**$58,459**	**$0**	**$0**
Total/SF (NRA)	**$65.53**	**$21.78**	**$87.31**	**$87.31**	**$0.00**	**$0.00**
Total Base Tax Without Early Payment						**$0**
Total Base Tax Per Unit Without Early Payment						**$0**
Total Base Tax Per SF (NRA) Without Early Payment						**$0.00**
Discount For Early Payment		**4.00%**				**$0**
Total Base Tax With Early Payment						**$0**
Total Base Tax Per Unit With Early Payment						**$0**
Total Base Tax Per SF (NRA) With Early Payment						**$0.00**

Source: Miami-Dade County Assessment & Taxation

The total assessment for the subject property is $8,827,246 or $58,459/Unit. The subject property benefits from an exemption in the amount of $8,827,246, reducing the taxable assessment to zero. While it is not exempt from being assessed, it is exempt from any property taxes under its current use and ownership.

As part of the scope of work, we researched assessment and tax information related to the subject property. The following are key factors related to local assessment and taxation policy. Real property in Miami-Dade County is assessed at 70-90% of market value. The discount rate for properties early payment within this municipality is 4.0% of the property taxes, as reported by the State of Florida. Real property is reassessed annually. The next scheduled reassessment date is in October 2021 and effective January 1, 2022. In addition to scheduled reassessments, properties in Miami-Dade County are reassessed upon sale, conversion, renovation or demolition. Given the subject property is expected to be under a ground lease arrangement with the City of Miami Beach retaining ownership of the land, and the developer retaining ownership of the improvements, with the exception of the dedicated cultural center, we assume that the Reassessment will stem from the developer's owned improvements, triggering a taxable value, and consequently property taxes for the proposed subject property is completed and certified for occupancy.

According to the Miami-Dade County Assessor’s and Tax Collector's Office, real estate taxes for the subject property are current as of the date of this report since they are exempt from payment.

TAX COMPARABLES

To determine if the assessment and taxes on the proposed subject property are reasonable, and given that the existing uses under the City’s ownership are exempt, we have considered current assessment and the taxable estimates as provided by the County Tax Assessor’s and Tax Collector’s Office. We have segregated the estimated reassessed and taxable values as well as the corresponding real estate taxes between the portion corresponding to the multifamily and those allocated to the retail space.

Multifamily Property Tax Analysis

First we have analyzed the proposed 151- unit multifamily and compared with similar multifamily properties in the same area. We have identified the following multifamily properties. They are illustrated in the table below.

MULTIFAMILY - TAX COMPARABLES

	SUBJECT		COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	COMP 6	LOW	HIGH	AVG
Property Name	The Byron		Multifamily	Multifamily	Multifamily	Multifamily	Multifamily	Multifamily			
Address	500 71st Street		650 72 St	6727 Indian Creek Dr	6966 Byron Av	6981 Indian Creek Dr	7125 Carlyle Av	8215 Harding Av			
City, State	Miami Beach, FL		Miami Beach, FL	Miami Beach, FL	Miami Beach, FL	Miami Beach, FL	Miami Beach, FL	Miami Beach, FL			
APN	02-3211-002-1070, 02-3211-002-1090		02-3211-002-0170	02-3211-007-1040	02-3211-002-1150	02-3211-002-1210	02-3211-002-0280	02-3202-010-0050			
Year Built	2022		1954	1950	1925	1939	1940	1957	1925	1957	1944
Units	151		15	12	12	10	12	16			
NRA	101,105		10,717	10,718	5,016	3,880	5,756	7,911	3,880	10,718	7,333
Assessment Period	2021	Pro-Forma	2021	2021	2021	2021	2021	2021			
County Market Value $	$8,827,246	$0	$2,522,000	$1,690,000	$1,377,000	$1,346,000	$1,795,000	$1,806,514			
County MV $/Unit	$58,459	$0	$168,133	$140,833	$114,750	$134,600	$149,583	$112,907			
Assessed $	$0	$0	$1,008,800	$676,000	$550,800	$538,400	$718,000	$722,606			
Assessed $/Unit	$0	$0	$67,253	$56,333	$45,900	$53,840	$59,833	$45,163			
Taxable $	$0		$2,522,000	$1,690,000	$1,377,000	$1,346,000	$1,795,000	$1,806,514	$1,346,000	$2,522,000	$1,756,086
Taxable $/Unit	$0		$168,133	$140,833	$114,750	$134,600	$149,583	$112,907	$112,907	$168,133	$136,801
Taxable $/SF	$0.00		$235.33	$157.68	$274.52	$346.91	$311.85	$228.35	$157.68	$346.91	$259.11
Total Taxes	$0		$48,825	$32,718	$26,658	$26,058	$34,751	$41,371	$26,058	$48,825	$35,064
Taxes Per Unit	$0		$3,255	$2,727	$2,222	$2,606	$2,896	$2,586	$2,222	$3,255	$2,715
Taxes Per SF	$0.00		$4.56	$3.05	$5.31	$6.72	$6.04	$5.23	$3.05	$6.72	$5.15

The comparable multifamily properties reflect taxes ranging from $2,222 to $3,255/Unit with an average of $2,715/Unit. As shown from the chart, most of the properties are smaller in unit size, since the area is characterized as having smaller unit count and very few are more than 25 units unless they are condominiums. Overall, the range appears to be tight, which means consistency by the assessor regarding property assessment in the area for multifamily use. However, the estimated reassessment includes land and improvements.

As mentioned before, typically the assessor will estimate the reassessment based on a ratio of the sales price on the year of the reassessment. The selected tax comparables sold in the past two years and ranged from a low of 45% to a high of 93%. While it is likely that the low end was not reassessed for 2020, the overall average is estimated at 70%. For the proposed multifamily, we have used this ratio as the basis for our reassessment estimate. The allocated taxes related to the building range from a low of $0.01 to $2.36 per square foot with an overall average of $1.81 per square foot. Much of the disparity in this range is due to the contributory value from the assessor to the improvements and their economic and physical depreciation and obsolescence estimated by the assessor upon reassessment.

Preceding subject tax information represents assessment of an exempt improved property given its current use and ownership. The following table estimates the stabilized tax expense by emulating the process that the Miami-Dade County uses to assess changed properties then applying the millage rate.

MULTIFAMILY - ESTIMATED STABILIZED TAXES		
	Cost Approach	$32,211,314
x	Adjustment for County RMV	70%
=	Estimated County RMV	$22,547,919
x	Estimated Changed Property Ratio	96.0%
=	Estimated Assessed Value	$21,646,003
x	Current Millage Rate	19.3596
=	**Stabilized Taxes Estimate (rounded)**	**$419,058**
	Stabilized Taxes/SF of NRA	**$4.14**

As detailed in our Cost Approach Valuation Section of this report, the basis of the assessment is derived from the estimated cost provided by the developer and estimated only the allocated costs attributed to the multifamily portion of the total costs. We multiplied it by the reassessment ratio to derive the taxable amount. We then deducted the discount attributed to the early payment provided by the county and applied the current milage as reported by the tax collectors' office for 2021. While it is higher than the tax comparables used when compared to the contributory taxes from the buildings, it is reasonable since the property is new with no depreciation or obsolescence deduction. The estimated future tax liability of the subject will be considered as part of the real estate taxes and deducted from our estimated operating expenses and detailed in the Income Capitalization Approach section of this analysis. The assessment and consequently the estimated taxes do not include any contribution from the land as well as the dedicated cultural center space since they will be under the ownership of the City and are likely to be reassessed but exempt from paying any real estate taxes.

Retail Tax Analysis

The reassessment of the retail space consist of 9,000 square feet of net rentable area since it is expected to be retained by the developer for use by third parties. This does not include the any of the space dedicated to the cultural center (10,500 SF) as it will be retained by the City for the public use and benefit. Thus, we have looked at several retail type uses as tax comparables and are detailed as follows:

RETAIL - TAX COMPARABLES

	SUBJECT	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	COMP 6	LOW	HIGH	AVG
Property Name	The Byron	Retail - Storefront	Retail Condo	Retail - Storefront	Retail - Storefront	Retail - Storefront	Retail - Storefront			
Address	500 71st Street	735 Collins Av	1201 20th St - CU6	9415 Harding Av	721 Collins Av	1784 West Av	9525 Harding Av			
City, State	Miami Beach, FL	Miami Beach, FL	Miami Beach, FL	Miami Beach, FL	Miami Beach, FL	Miami, FL	Miami Beach, FL			
APN		02-4203-004-0240	02-3234-242-0560	14-2235-007-0640	02-4203-004-0220	02-3233-012-0630	14-2235-007-0350			
Year Built	2022	1941	2016	1952	1999	2004	1952	1941	2016	1977
NRA	9,000	15,195	1,096	3,958	6,575	7,790	10,000	1,096	15,195	7,436
Taxable $	$0	$8,200,000	$929,050	$3,000,000	$6,100,000	$6,000,000	$2,068,462			
Taxable $/SF	$0.00	$539.65	$847.67	$757.96	$927.76	$770.22	$206.85	$206.85	$927.76	$675.02
Total Taxes	$0	$158,749	$15,412	$59,384	$118,094	$116,158	$118,768			
Taxes Per SF	$0.00	$10.45	$14.06	$15.00	$17.96	$14.91	$11.88	$10.45	$17.96	$14.04

The retail tax comparables range from $10.45 to $17.96 per square foot with an average of $14.04 per square foot. Overall the range appears to be tight allowing for consistency across the type and use in this submarket area.

As with the multifamily, the retail's reassessment ranges from sales occurring in the past three years ranging from a low of 70% to a high of 85% with an average of 80%. We used the reassessment ratio of 80% for our estimated taxable amount for the retail space. The contributory taxable value range from a low of $0.48 to a high of $14.06 per square foot with an overall average of $4.84 per square foot.

RETAIL - ESTIMATED STABILIZED TAXES		
	Cost Approach	$2,805,777
x	Adjustment for County RMV	80%
=	Estimated County RMV	$2,244,622
x	Estimated Changed Property Ratio	96.0%
=	Estimated Assessed Value	$2,154,837
x	Current Millage Rate	19.3596
=	**Stabilized Taxes Estimate (rounded)**	**$41,717**
	Stabilized Taxes/SF of NRA	**$2.14**

As estimate before, the basis of the assessment is derived from the estimated cost provided by the developer and estimated only the allocated costs attributed to the retail portion of the total costs. While it is lower than the average derived from the tax comparables used when compared to the contributory taxes from the buildings, it is conservative since the property is new with no depreciation or obsolescence deduction. The estimated future tax liability of the subject will be considered as part of the real estate taxes and deducted from our estimated operating expenses and detailed in the Income Capitalization Approach section of this analysis. As with multifamily, the assessment and consequently the estimated taxes do not include any contribution from the land as well as the dedicated cultural center space since they will be under the ownership of the City and are likely to be reassessed but exempt from paying any real estate taxes.

CONCLUSION

The proposed subject property estimated taxes by the developer appear to be within range as they are less than 1.0% different from our estimates overall.

PROPOSED TAXES GENERATED OVER 10-YRS		Colliers Estimate	Developer's Estimate	% Difference
Multifamily	($/SF)	$4.14		
Retail	($/SF)	$2.14		
Total	($/SF)	$6.28	$6.49	
Net Rentable Area	(SF)	90,605	90,605	
Total Real Estate Taxes		**$569,433**	**$588,145**	**3.3%**
Per Unit		$3,771	$3,895	
Estimated Annual Growth		3.00%	2.00%	
10-Year Tax Collection		**$6,527,896**	**$6,440,029**	**-1.3%**

Combined the property taxes are $6.55 per square foot and when multiplied by the net rentable area will generate an estimated $593,052 in taxes for the first year of our analysis. Independently, the developer provided his estimates per the pro forma financial provided and estimated approximately $6.49 per square foot for the project. In both cases it excludes any of the land as well as the cultural center that will be under the ownership, operation and management of the City. Thus, the estimated taxes appear to be reasonable.

It is expected that over a ten year holding period, the property taxes will represent approximately $6.4 to $6.7 million for the city and an operating expense for the developer. While there is a slight difference between our estimate and the developer's, it is attributed to the growth rate estimate over the holding period. This can vary and will dependent on external circumstances as well as the tax assessor's reassessment.

Lastly, regarding rent restriction as the proposed property is expected to qualify for some tax credit, it is our understanding that the property's average median income will be capped at 140% of the households that qualify for this type of assistance based on the Average Median Income (AMI) as estimated annually by the Department of Housing and Urban Development (HUD). As of April 1, 2020, the AMI for Miami-Dade County is $59,100 with a rent capped of $2,880 for a one bedroom unit and an income limit of $102,480 for a two person households, which would be the typical household size and maximum number of bedrooms propose in the subject property. This reflects what is typically categorized as the “workforce” households that are between the 60% and 140% threshold. While there are various scenarios resulting in a variety of households being in this range, it is likely all the multifamily units would qualify.

INTRODUCTION

Zoning requirements typically establish permitted and prohibited uses, building height, lot coverage, setbacks, parking and other factors that control the size and location of improvements on a site. The zoning characteristics for the subject property are summarized below:

ZONING SUMMARY		
Municipality Governing Zoning	City of Miami Beach Planning & Zoning Department	
Current Zoning	Civic & Government Use (GU)	
Proposed Zoning		Town Center Core District (TC-C)
Permitted Uses	Government buildings and uses, including but not limited to parking lots and garages; parks and associated parking; schools; performing	A diverse mix of residential, educational, commercial, and cultural and entertainment activities for workers,
Prohibited Uses	All other	Pawnshop, tobacco and vape dealers, package liquor stores, check cashing stores, occult science establishments, and tattoo studios
Current Use	Theatre	
Proposed Use		Multifamily Apartments with Retail on the Ground Floor
Is Current Use Legally Permitted?	Yes	
Zoning Change	Anticipated	

ZONING REQUIREMENTS		
Conforming Use	The existing improvements represent a conforming use within this zone.	The proposed improvements are subject to revisions by the city's zoning ordinance and pertinent department approvals, which is subject to a public notice requirement.
Maximum Residential Density	(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 beapproved by the city commission.	150 units per acre. The maximum residential density may be increased by up to 80% beyond the maximum residential density if development incorporates certified workforce or affordable housing units. The additional density may only be utilized for workforce or affordable housing units.
Minimum Yard Setbacks	(b) Upon the sale of GU property, the zoning district classification shall be determined, after public hearing with notice pursuant toFlorida Statutes, by the city commission in a manner consistent with the comprehensive plan. Upon the expiration of a lease to thecity or other government agency, the district shall revert to the zoning district and its regulations in effect at the initiation of the lease.	71st Street/Class A
Building Height at which Setback Occurs		Grade to 55 feet/55 feet to max height
Minimum Setback from Property Line		10 feet/25 feet
Allowable Habitable Encroachments into Setback	(c) Setback regulations for parking lots and garages when they are the main permitted use are listed in subsection 142-1132(n).	0 feet/5 feet
Subject Density (Units/Acre)		209
Minimum Unit Size	Following a public hearing, the development regulations required by these land development regulations, except for the historicpreservation and design review processes, may be waived by a five-sevenths vote of the city commission for developments pertainingto governmental owned or leased buildings, uses and sites which are wholly used by, open and accessible to the general public, orused by not-for-profit, educational, or cultural organizations, or for convention center hotels, or convention center hotel accessorygarages, 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.	Workforce and Affordable housing: 400 SF
Maximum Building Height		165 feet for lots between 20,000 and 45,000 SF.
Maximum Floor Area Ratio (FAR)		3.5 times the lot area
Parking Requirement	Theaters: One space for every four seats.	Workforce housing: Shall have the same parking requirements as specified in section 130-32(6), or alternatively, one-half parking spaces per unit,whichever is less. Notwithstanding the above, when an existing building is renovated and the number of units is increased, or when units are addedon a lot with an existing building that is retained and renovated, there shall be no parking requirement for the newly constructed units, and existingbuildings shall be exempt from the requirements of section 118-395(b), Repair and/or rehabilitation of nonconforming buildings and uses.

Source: City of Miami Beach Planning & Zoning Department

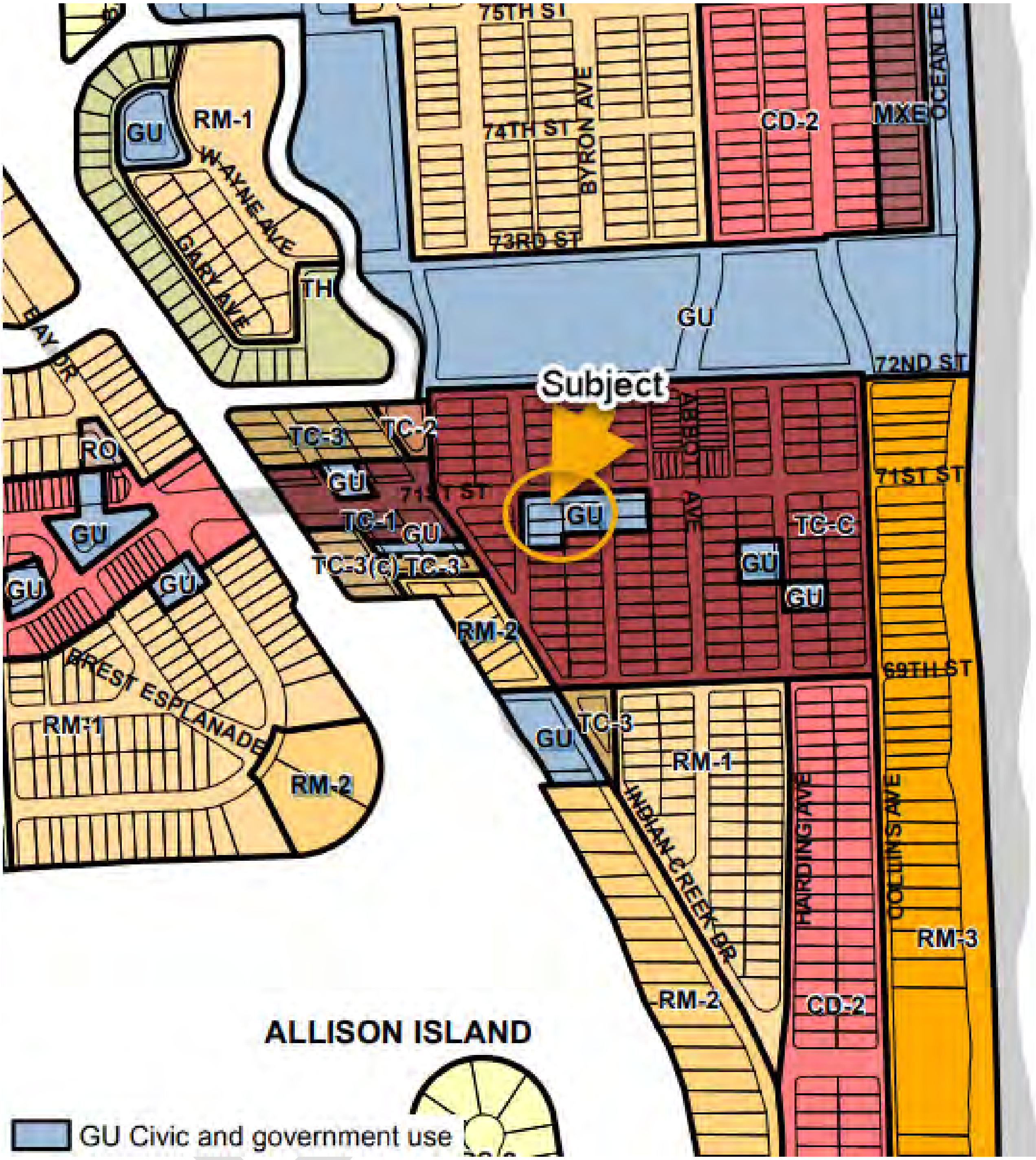
ZONING CONCLUSIONS

Based on the interpretation of the zoning ordinance, the subject property is not an outright permitted use; however, there are circumstances under which the improvements could be rebuilt if unintentionally destroyed. According to the Developer's Term Sheet, dated November 30, 2020; under line item 5: Development Agreement, the City of Miami Beach Planning & Zoning Department, would rezone the subject to TC-C (North Beach Town Center Core). This would allow a density of up to 150 dwellings per acre, plus a bonus density if the development is related to workforce, with a maximum height of 165 feet permitted. It is our understanding that if the current zoning remains unchanged, the city will convert the property to TC-C after 30 years.

In addition to the change the zoning, it is our understanding from the developer that he is purchasing an additional FAR as part of the development to increase the density to the front parcel located along 71st Street, allowing the proposed density of 151 units.

Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of our analysis correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence. Please note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

ZONING MAP


75TH ST
74TH ST
73RD ST
BYRON AVE
CD-2
MXE
OCEAN TE
GU
RM-1
WAYNE AVE
GARY AVE
TH
BAY DR
72ND ST
Subject
TC-3
TC-2
RO
GU
71ST ST
TC-1
TC-3(c)
ABBOTT AVE
TC-C
RM-2
69TH ST
BREST ESPLANADE
RM-1
RM-2
TC-3
INDIAN CREEK DR
HARDING AVE
COLLINS AVE
RM-3
CD-2
ALLISON ISLAND
GU Civic and government use

INTRODUCTION

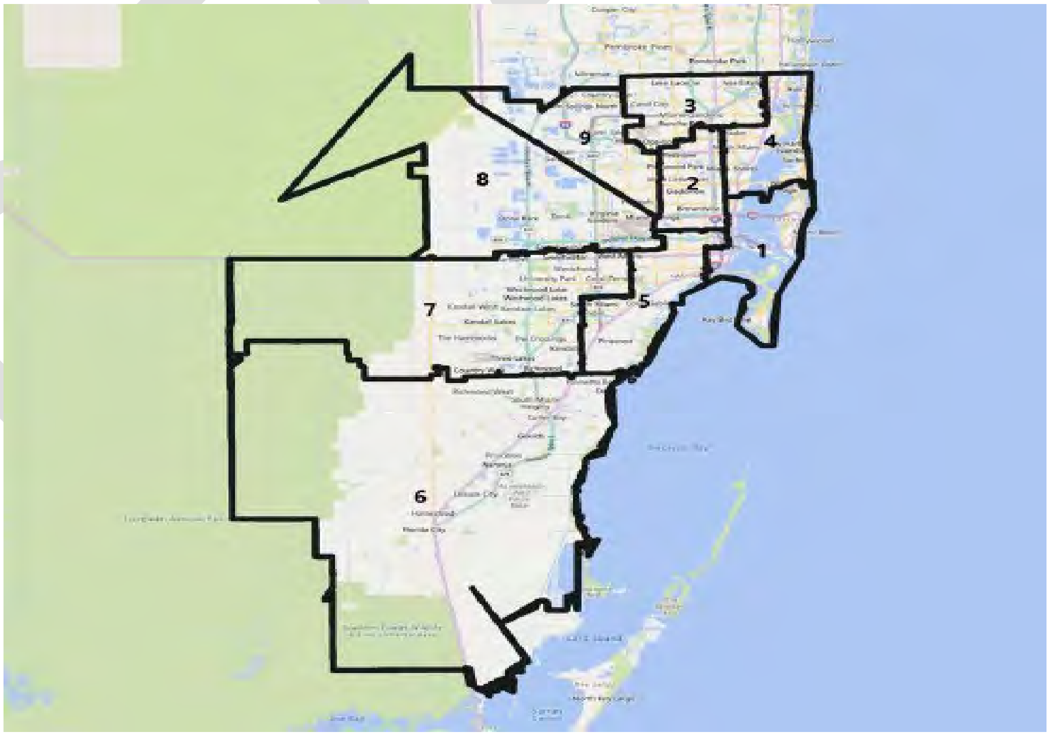
The market analysis section provides a comprehensive study of supply/demand conditions, examines transaction trends, and interprets ground level information conveyed by market participants. Based on these findings and an analysis of the subject property, conclusions are drawn regarding the subject's competitive position within the marketplace. Below is a list of the various sections covered in the following Apartment Market Analysis:

- Miami-Miami Beach-Kendall Apartment Market
- Northeast Miami Apartment Submarket
- Competitive Dataset Analysis
- Broker / Market Participant Interviews
- Transaction Trends
- Subject Property Analysis

MIAMI-MIAMI BEACH-KENDALL METRO APARTMENT MARKET ANALYSIS

The following is an analysis of supply/demand trends in the Miami-Miami Beach-Kendall Apartment Market using information provided by MPF Research, widely recognized as a market leader in Apartment data and statistics. Through their coverage of the MPF-100, a collection of the 100 largest primary and secondary markets in the US, data is primarily sourced at the floor-plan, transaction level. This is made possible through MPF's sister company relationship with RealPage, the developers of YieldStar and OneSite revenue and property management software suites, resulting in access to access individual lease transactions for roughly 3.7 million units.

We will first analyze the metro market, followed by the submarket. The following map highlights MPF's coverage of the Miami-Miami Beach-Kendall Metro Market and the individual submarkets tracked. The subject is located within the Northeast Miami submarket denoted as (5) below.



Current Market Snapshot

The table below presents a current quarter snapshot of key indicators for the Miami-Miami Beach-Kendall Metro Market.

MIAMI-MIAMI BEACH-KENDALL MARKET AT A GLANCE									2020 Q4
	TOTAL UNITS	OCCUP-ANCY (%)	ABSORP. (UNITS)	NEW INV. (UNITS)	REMOVALS (UNITS)	INVENTORY UNITS ∆	INVENTORY % ∆	UNDER CONST.	NEAR-TERM DELIVERIES[1]
INVENTORY	306,741	95.2%	2,258	2,375	0	2,375	0.8%	13,395	10,140
	BY VINTAGE					BY STYLE			
CATEGORY	2000+	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	TOTAL
Occupancy	94.0%	96.0%	96.7%	96.5%	96.4%	96.3%	96.3%	93.4%	95.2%
Quarterly Occ. ∆	0.1%	-0.3%	0.0%	0.2%	-0.1%	-0.3%	0.6%	0.1%	0.0%
Annual Occ. ∆	-1.4%	-0.7%	0.2%	-1.0%	-1.1%	-0.6%	-0.4%	-1.7%	-1.0%
Rent ($/mo.)	$1,873	$1,581	$1,418	$1,343	$1,496	$1,498	$1,544	$1,948	$1,668
Rent ($/sf)	$1.90	$1.63	$1.69	$1.63	$1.79	$1.62	$1.73	$2.04	$1.79
Annual Revenue ∆2	-5.3%	-3.6%	0.7%	-1.3%	-2.2%	1.1%	-2.5%	-8.8%	-3.6%
% Offering Concessions	22.8%	23.3%	6.4%	18.5%	14.5%	8.1%	13.4%	36.4%	19.1%
Avg. Concession	9.0%	4.8%	4.1%	3.5%	6.1%	3.9%	5.6%	8.6%	7.5%
Qtr. Same-Property Rent ∆	-0.3%	1.3%	1.2%	0.1%	0.5%	1.4%	-0.3%	-0.7%	0.3%
Ann. Same-Property Rent ∆	-3.9%	-3.0%	0.5%	-0.4%	-1.1%	1.7%	-2.1%	-7.1%	-2.7%

Source: MPF Research® [1] Delivering within next four quarters. [2] Annual Revenue Change = Annual Occ. Change + Annual Rent Change

Note: All data presented by MPF, including quarterly data, reflects a rolling 12 month analysis

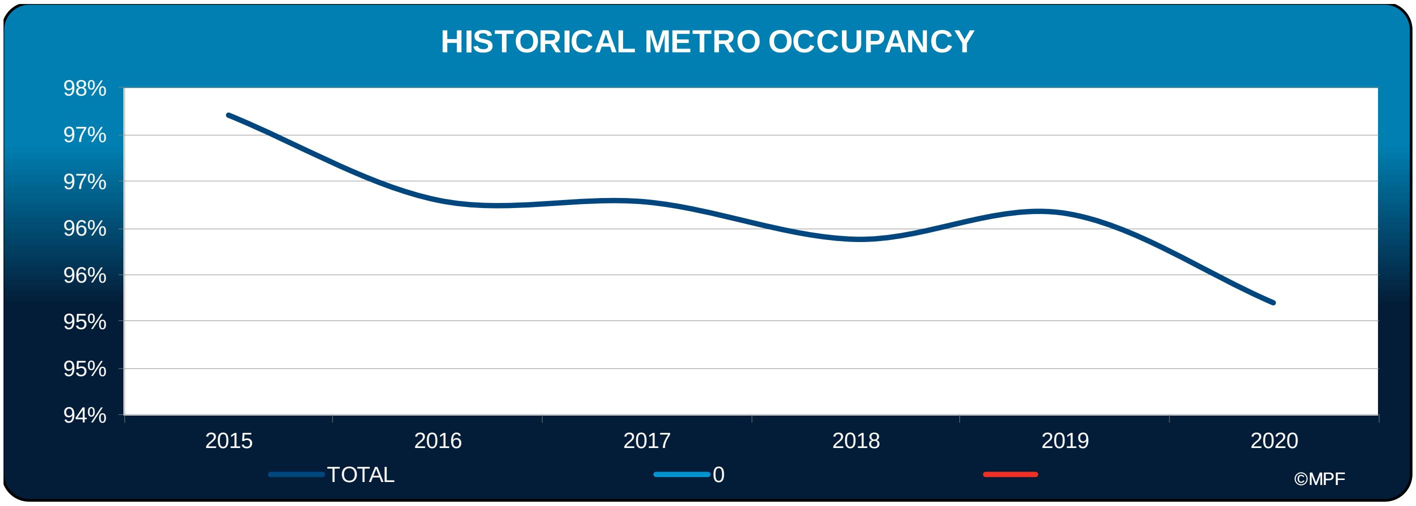
As is shown in the preceding table, there are over 300,000 units in the metro market as of current quarter. The average occupancy is relatively high at 95.2%. There are over 13,395 units under construction and approximately 10,140 of those delivering in the next 12 months throughout the metro. The added supply will impact the respective locations to varying degrees depending on the level of supply being delivered in each immediate area. The trend toward infill living has spurred development in the urban core where any impact is expected to be short–lived as these are typically also core employment centers. As is indicated by the positive absorption levels, high occupancy and significant rent growth, fundamentals are still favorable. We expect rent growth to normalize more toward longer term historical levels in the years to come with the market still maintaining stabilized occupancy levels at or above 94%-95%.

Occupancy

As presented, the Miami-Miami Beach-Kendall market maintains a current inventory of 306,741 units, up approximately 0.80% (2,375 units) from the previous quarter. The current market-wide occupancy rate of 95.2% is indicated through a range extending from 93.4% to 96.7% across all property styles and vintages. When compared to the previous quarter, the market-wide average occupancy rate has remained flat. On a current-quarter annualized basis, occupancy rates have decreased 1.0%.

OCCUPANCY								MIAMI-MIAMI BEACH-KENDALL METRO	
	BY VINTAGE					BY STYLE			
PERIOD	2000+	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	TOTAL
2015	96.9%	97.3%	97.5%	97.2%	97.9%	97.5%	97.2%	96.8%	97.2%
2016	95.8%	96.1%	97.1%	96.2%	97.3%	96.8%	96.4%	95.4%	96.3%
2017	95.6%	96.4%	96.2%	97.4%	97.6%	97.0%	96.1%	95.2%	96.3%
2018	95.2%	95.9%	96.1%	97.0%	97.8%	96.7%	95.1%	95.1%	95.9%
2019	95.4%	96.7%	96.5%	97.4%	97.5%	96.8%	96.7%	95.1%	96.2%
2020	94.0%	96.0%	96.7%	96.5%	96.4%	96.3%	96.3%	93.4%	95.2%
2020 Q1	95.3%	96.7%	96.7%	97.0%	97.8%	96.8%	96.1%	95.3%	96.2%
2020 Q2	94.1%	95.8%	96.6%	96.6%	97.6%	96.5%	95.8%	93.7%	95.3%
2020 Q3	93.9%	96.4%	96.8%	96.3%	96.5%	96.5%	95.6%	93.2%	95.2%
2020 Q4	**94.0%**	**96.0%**	**96.7%**	**96.5%**	**96.4%**	**96.3%**	**96.3%**	**93.4%**	**95.2%**

Source: MPF Research®



Overall occupancy levels in the metro have been at 95%+ since 2015. Most vintage categories are performing well with occupancy levels over 94%, while we expect some fluctuation in the 2000+ vintage asset category going forward as new supply is absorbed. New construction is largely concentrated in mid/high rise style communities, which is the reason for the greater fluctuation in occupancy reported for that category. Average occupancy levels are expected to remain over 94%-95% in the coming year.

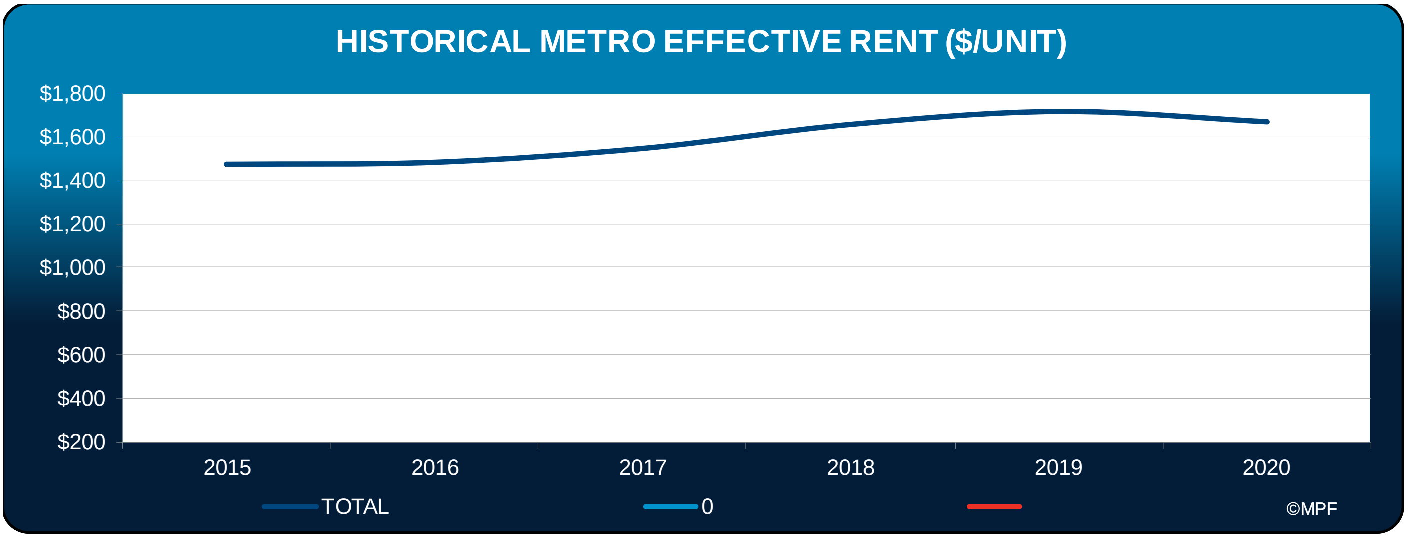
Rental Rates / Revenue

The following tables and supporting graphs represent the current and historical rental rates on both a $/Unit (Table 1) and $/SF (Table 2) basis. Rental rates are reported as effective rates (net of concessions).

EFFECTIVE RENT ($/UNIT) — **MIAMI-MIAMI BEACH-KENDALL METRO**

	BY VINTAGE					BY STYLE			
PERIOD	2000+	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	TOTAL
2015	$1,754	$1,456	$1,272	$1,136	$1,335	$1,293	$1,324	$1,865	$1,475
2016	$1,765	$1,466	$1,297	$1,152	$1,332	$1,304	$1,353	$1,894	$1,484
2017	$1,781	$1,547	$1,317	$1,228	$1,407	$1,363	$1,374	$1,967	$1,547
2018	$1,899	$1,591	$1,363	$1,285	$1,458	$1,437	$1,518	$2,068	$1,656
2019	$1,946	$1,636	$1,421	$1,339	$1,509	$1,481	$1,588	$2,085	$1,715
2020	$1,873	$1,581	$1,418	$1,343	$1,496	$1,498	$1,544	$1,948	$1,668
2020 Q1	$1,945	$1,620	$1,413	$1,337	$1,512	$1,485	$1,575	$2,073	$1,710
2020 Q2	$1,909	$1,577	$1,394	$1,336	$1,495	$1,469	$1,558	$2,020	$1,686
2020 Q3	$1,879	$1,567	$1,401	$1,331	$1,487	$1,479	$1,528	$1,965	$1,662
2020 Q4	**$1,873**	**$1,581**	**$1,418**	**$1,343**	**$1,496**	**$1,498**	**$1,544**	**$1,948**	**$1,668**

Source: MPF Research®



EFFECTIVE RENT ($/SF)									MIAMI-MIAMI BEACH-KENDALL METRO
	BY VINTAGE					BY STYLE			
PERIOD	2000+	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	TOTAL
2015	$1.73	$1.50	$1.45	$1.36	$1.60	$1.40	$1.52	$1.87	$1.58
2016	$1.75	$1.51	$1.50	$1.41	$1.61	$1.43	$1.56	$1.93	$1.60
2017	$1.78	$1.55	$1.57	$1.47	$1.67	$1.47	$1.58	$2.01	$1.66
2018	$1.90	$1.60	$1.62	$1.52	$1.77	$1.53	$1.73	$2.11	$1.76
2019	$1.96	$1.69	$1.67	$1.60	$1.82	$1.59	$1.79	$2.17	$1.83
2020	$1.90	$1.63	$1.69	$1.63	$1.79	$1.62	$1.73	$2.04	$1.79
2020 Q1	$1.96	$1.67	$1.67	$1.61	$1.82	$1.60	$1.77	$2.16	$1.83
2020 Q2	$1.93	$1.63	$1.65	$1.61	$1.80	$1.58	$1.75	$2.11	$1.81
2020 Q3	$1.90	$1.62	$1.67	$1.61	$1.78	$1.59	$1.73	$2.05	$1.78
2020 Q4	**$1.90**	**$1.63**	**$1.69**	**$1.63**	**$1.79**	**$1.62**	**$1.73**	**$2.04**	**$1.79**

Source: MPF Research®

On a per unit basis, rental rates by vintage range from a low of $1,343 per month to a high of $1,873 per month. When analyzed based on style, rental rates range from $1,498 (low-rise) to $1,948 (high-rise). In total, the market-wide inventory-weighted average rental rate is $1,668 per unit per month. On a per square foot basis, rental rates range from a low of $1.63 to a high of $1.90 when analyzing property vintage and $1.62 to $2.04 when analyzed by property style. In aggregate, the market-wide average rental rate is $1.79 per square foot. Annual revenue change, defined as annual occupancy change plus annual rent change represents a decrease of -3.6% versus the previous same-quarter annual period.

Concessions

The following tables represent the percentage of properties offering concessions (Table 1) and the concessions granted as a percentage of potential gross income (Table 2).

PERCENT OF PROPERTIES OFFERING CONCESSIONS						MIAMI-MIAMI BEACH-KENDALL METRO			
	BY VINTAGE					BY STYLE			
PERIOD	2000+	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	TOTAL
2015	10.2%	7.7%	8.1%	8.3%	19.0%	4.8%	12.4%	16.9%	9.8%
2016	18.4%	23.8%	15.9%	11.6%	16.7%	7.6%	19.0%	35.9%	17.8%
2017	19.6%	17.2%	18.8%	11.0%	17.8%	5.9%	22.6%	35.3%	17.7%
2018	18.9%	28.7%	19.0%	8.9%	16.7%	8.6%	19.9%	35.1%	19.2%
2019	20.7%	15.1%	15.6%	12.7%	9.0%	12.4%	16.2%	23.9%	17.2%
2020	22.8%	23.3%	6.4%	18.5%	14.5%	8.1%	13.4%	36.4%	19.1%
2020 Q1	22.3%	11.2%	14.5%	19.3%	8.0%	9.2%	24.8%	26.2%	17.8%
2020 Q2	30.7%	23.9%	27.0%	14.5%	12.0%	14.4%	25.5%	40.6%	25.8%
2020 Q3	27.8%	19.1%	21.7%	19.0%	14.1%	12.4%	17.4%	40.5%	23.3%
2020 Q4	**22.8%**	**23.3%**	**6.4%**	**18.5%**	**14.5%**	**8.1%**	**13.4%**	**36.4%**	**19.1%**

Source: MPF Research®

CONCESSIONS AS PERCENT OF PGI						MIAMI-MIAMI BEACH-KENDALL METRO			
	BY VINTAGE					BY STYLE			
PERIOD	2000+	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	TOTAL
2015	3.6%	1.2%	2.1%	5.6%	1.9%	2.8%	2.5%	3.0%	2.9%
2016	4.1%	1.5%	2.3%	2.0%	5.0%	2.0%	3.7%	3.4%	3.2%
2017	5.3%	3.2%	3.8%	1.8%	5.3%	5.3%	5.6%	4.1%	4.6%
2018	5.3%	2.3%	2.7%	4.9%	1.8%	2.3%	3.6%	4.6%	4.0%
2019	5.6%	5.4%	2.8%	3.8%	1.9%	4.0%	4.7%	5.6%	5.0%
2020	9.0%	4.8%	4.1%	3.5%	6.1%	3.9%	5.6%	8.6%	7.5%
2020 Q1	5.3%	5.2%	3.5%	2.2%	2.4%	3.6%	4.5%	5.3%	4.7%
2020 Q2	6.8%	4.5%	3.4%	2.5%	3.0%	3.8%	4.5%	6.8%	5.8%
2020 Q3	7.5%	5.4%	2.5%	4.5%	7.4%	4.0%	4.7%	7.5%	6.4%
2020 Q4	**9.0%**	**4.8%**	**4.1%**	**3.5%**	**6.1%**	**3.9%**	**5.6%**	**8.6%**	**7.5%**

Source: MPF Research®

Analyzed by vintage, the percentage of properties currently offering concessions range from 6.4% (1980s) to 23.3% (1990s). When singularly analyzing property style, this range shifts to a low of 8.1% (low-rise) to a high of 36.4% (high-rise). An aggregate, market-wide average of 19.1% is indicated.

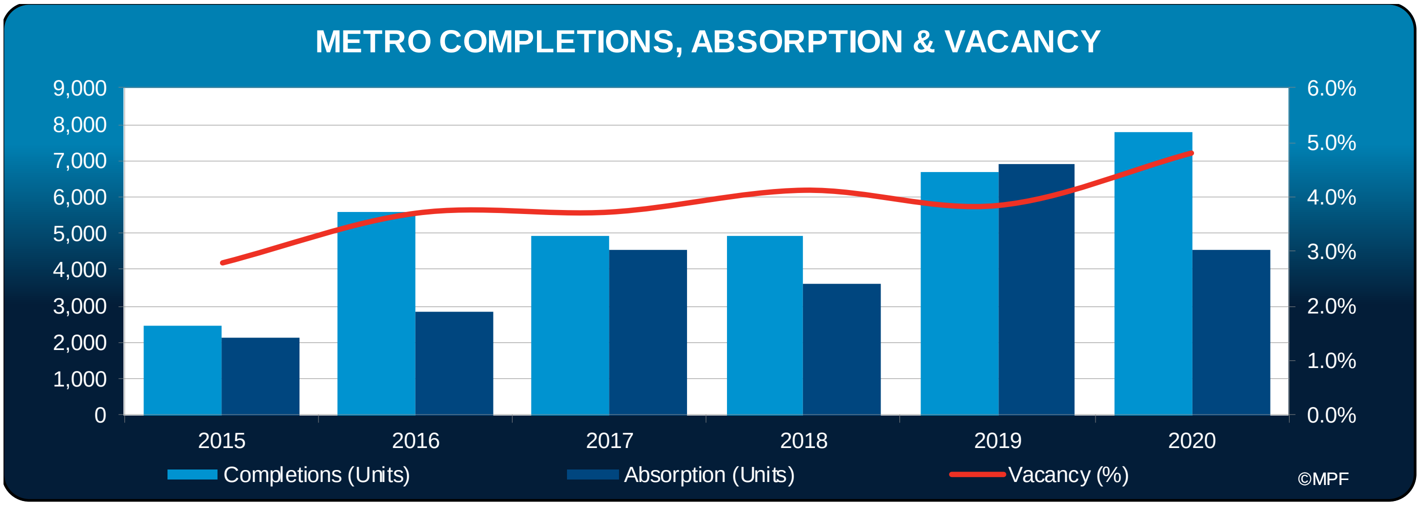
The average concession given ranges from 3.5% to 9.0% (vintage) and 3.9% to 8.6% (style) of potential gross income. An inventory-weighted average across all vintages and styles of 7.5% of potential gross income is indicated.

Historical Supply/Demand

The following table highlights the trailing annual and quarterly supply, construction, and absorption metrics.

HISTORICAL SUPPLY/DEMAND ANALYSIS						MIAMI-MIAMI BEACH-KENDALL MARKET			
PERIOD	TOTAL UNITS	OCCUP-ANCY (%)	ABSORP. (UNITS)	NEW INV. (UNITS)	REMOVALS (UNITS)	INVENTORY UNITS Δ	INVENTORY % Δ	UNDER CONST.	NEAR-TERM DELIVERIES[1]
2015	277,344	97.2%	2,115	2,466	1,404	1,062	0.4%	12,508	5,353
2016	282,900	96.3%	2,823	5,592	36	5,556	2.0%	11,116	4,929
2017	287,672	96.3%	4,522	4,929	157	4,772	1.7%	13,663	4,950
2018	292,622	95.9%	3,623	4,950	0	4,950	1.7%	14,348	6,684
2019	298,935	96.2%	6,891	6,684	371	6,313	2.2%	16,638	7,806
2020	306,741	95.2%	4,554	7,806	0	7,806	2.6%	13,395	10,140
2020 Q1	300,038	96.2%	1,032	1,103	0	1,103	0.4%	16,883	9,798
2020 Q2	302,440	95.3%	-170	2,402	0	2,402	0.8%	15,552	10,541
2020 Q3	304,366	95.2%	1,434	1,926	0	1,926	0.6%	14,346	10,908
2020 Q4	**306,741**	**95.2%**	**2,258**	**2,375**	**0**	**2,375**	**0.8%**	**13,395**	**10,140**

Source: MPF Research® [1] Delivering within next four quarters.



A spike in deliveries was seen from 2015-2019, as the market was playing catch up from the post-recession environment when there was more limited capital for development projects. Absorption has outpaced construction thus far and vacancy rates have remained low as there continues to be demand for rental housing with positive job growth and household formation numbers.

Metro Construction Activity

CONSTRUCTION ACTIVITY SUMMARY	MIAMI-MIAMI BEACH-KENDALL METRO	
CATEGORY	UNITS UNDER CONSTRUCTION	UNITS COMPLETED[1]
Conventional (Market)	15,424	6,802
TOTAL	**15,424**	**6,802**

Source: MPF Research® [1]Properties completed in the last 4 quarters

Within the Miami-Miami Beach-Kendall Metro area, there are a total of 15,424 conventional units currently under construction highlighted by activity in the Coral Gables/South Miami, Downtown Miami/South Beach and West Miami/Doral submarkets. There are currently 1,190 units under construction within the subject's submarket and 237 units have delivered within the past four quarters.

The following table sets forth the detailed construction activity, by submarket, for conventional properties in the market.

CONVENTIONAL CONSTRUCTION DETAIL	MIAMI-MIAMI BEACH-KENDALL METRO	
CATEGORY	UNITS UNDER CONSTRUCTION	UNITS COMPLETED[1]
Dow ntow n Miami/South Beach	3,581	1,708
North Central Miami	792	108
Northeast Miami	1,190	237
Coral Gables/South Miami	4,440	1,883
Homestead/South Dade County	1,335	796
Westchester/Kendall	712	644
West Miami/Doral	1,715	915
Hialeah/Miami Lakes	914	511
Miami Gardens	745	0
TOTAL	**15,424**	**6,802**

Source: MPF Research® [1]Properties completed in the last 4 quarters

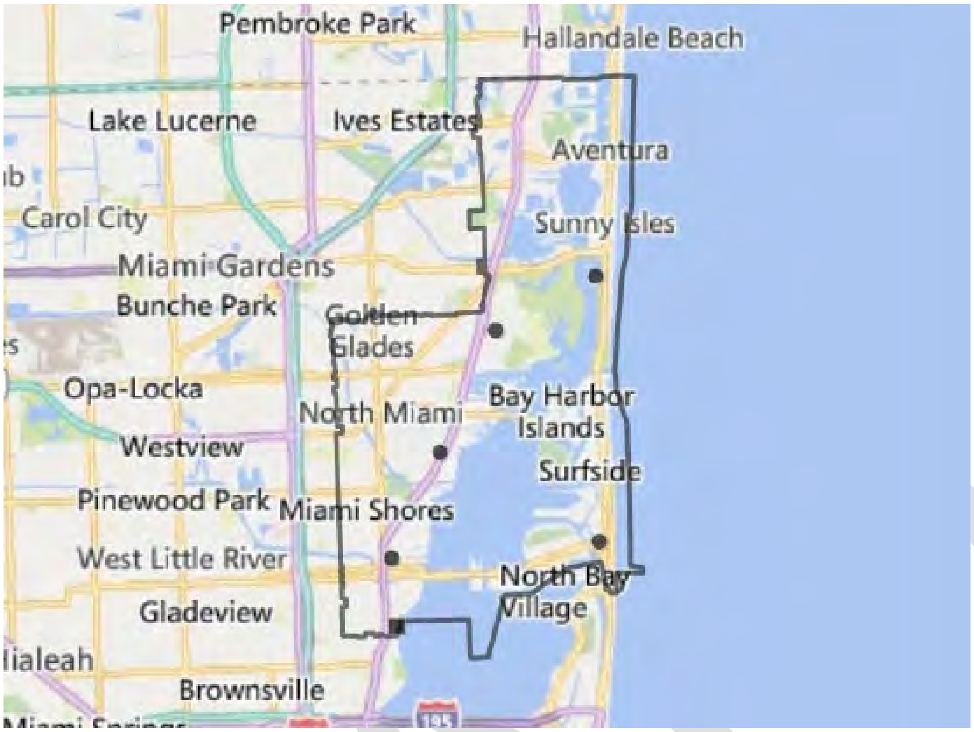
We expect the existing pipeline to be well received by the market as the deliveries are relatively dispersed throughout the metro except for Coral Gables/South Miami, Downtown Miami/South Beach, and West Miami/Doral, where most of the demand drivers are located. Generally, absorption has been in the range of 15-30+ units per month depending on the project and the location.

Market Conclusion

Overall, the market area has seen a decrease of occupancy over the past several years leveling off at 95% in the past year. While rents continue to remain stable, there is significant construction that is likely to be absorbed over the next 12 months. While COVID-19 has affected the apartment market, it has remained resilient given the need to minimize mobility. Tenants are likely to be more hesitant in moving when compared prior to the start of the pandemic, allowing for better retention and an increase in renewals. However, the increase in concessions is also an indication of landlord's willing to retain tenants as well as attract new tenants given the massive temporarily work leave and or permanent job loss. Coupled with a low interest rate environment and the need for social distancing, owning is becoming a possible alternative. However, the supply of single family housing is also limited, likely keeping most tenants on the side line for the remainder of 2021., which is expected to be a challenging year for the multifamily market.

NORTHEAST MIAMI APARTMENT SUBMARKET OVERVIEW

The submarket ‘s geographical boundaries are identified as follows:



The table below presents a current quarter snapshot of the key indicators within the submarket.

NORTHEAST MIAMI SUBMARKET AT A GLANCE									2020 Q4
	TOTAL UNITS	OCCUP-ANCY (%)	ABSORP. (UNITS)	NEW INV. (UNITS)	REMOVALS (UNITS)	INVENTORY Δ (UNITS)	INVENTORY Δ (%)	UNDER CONST.	NEAR-TERM DELIVERIES[1]
INVENTORY	50,096	96.1%	1,148	237	0	237	0.5%	1,190	591
	BY VINTAGE					BY STYLE			
CATEGORY	**2000+**	**1990s**	**1980s**	**1970s**	**PRE-1970s**	**LOW-RISE**	**MID-RISE**	**HIGH-RISE**	**TOTAL**
Occupancy	95.9%	97.1%	95.0%	97.0%	93.7%	96.4%	96.2%	95.8%	**96.1%**
Quarterly Occ. Δ	2.8%	1.6%	1.5%	1.2%	1.3%	-0.1%	1.7%	3.4%	**1.8%**
Annual Occ. Δ	0.9%	1.5%	-0.8%	-0.4%	-0.7%	0.3%	-0.4%	1.6%	**0.5%**
Rent ($/mo.)	$1,792	$1,637	$1,371	$1,231	$1,539	$1,733	$1,374	$1,625	**$1,567**
Rent ($/sf)	$1.94	$1.82	$1.77	$1.45	$1.81	$1.76	$1.73	$1.86	**$1.78**
Annual Revenue Δ[2]	3.2%	-6.0%	-6.0%	-2.9%	-3.5%	-0.4%	-5.8%	-3.3%	**-3.1%**
% Offering Concessions	25.9%	44.6%	0.0%	12.3%	0.0%	7.4%	9.0%	52.3%	**23.5%**
Avg. Concession	8.1%	3.5%	n.a.	2.6%	n.a.	6.0%	2.3%	5.4%	**5.1%**
Qtr. Same-Property Rent Δ	2.6%	1.3%	-2.0%	-0.9%	-0.3%	1.6%	-0.3%	1.4%	**0.9%**
Ann. Same-Property Rent Δ	2.3%	-7.4%	-5.2%	-2.5%	-2.7%	-0.6%	-5.5%	-4.9%	**-3.6%**

Source: MPF Research® [1] Delivering within next four quarters. [2] Annual Revenue Change = Annual Occ. Change + Annual Rent Change

As is shown in the preceding table, there are about 50,100 units in the submarket as of the current quarter. The average occupancy is high at 96.1%. There were 1,148 units absorbed with 237 new units and another 591 units expected in the short term. As is indicated by the stable occupancy and rent growth, fundamentals are favorable for existing assets, while new development is showing discipline against overbuilding for the immediate area. We expect additional rent growth in the years to come with the market maintaining stabilized occupancy levels near 94%-95%.

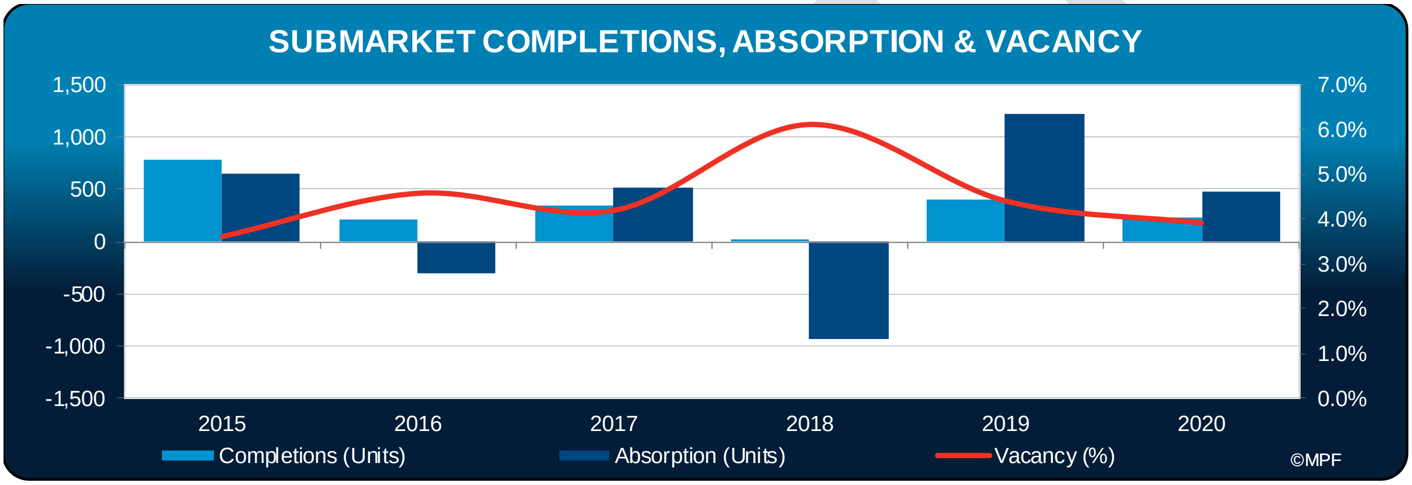
Trailing Submarket Performance

Key supply/demand, occupancy, rental rate, and concession statistics for available trailing annual and quarterly periods are summarized below.

Historical Supply/Demand

HISTORICAL SUPPLY/DEMAND ANALYSIS									NORTHEAST MIAMI SUBMARKET
PERIOD	TOTAL UNITS	OCCUPANCY (%)	ABSORP. (UNITS)	NEW INV. (UNITS)	REMOVALS (UNITS)	INVENTORY UNITS Δ	INVENTORY % Δ	UNDER CONST.	NEAR-TERM DELIVERIES[1]
2015	48,924	96.4%	650	787	0	787	1.6%	574	211
2016	49,099	95.4%	-300	211	36	175	0.4%	363	348
2017	49,447	95.8%	521	348	0	348	0.7%	412	15
2018	49,462	93.9%	-933	15	0	15	0.0%	696	397
2019	49,859	95.6%	1,222	397	0	397	0.8%	701	237
2020	50,096	96.1%	473	237	0	237	0.5%	1,190	591
2020 Q1	49,859	96.2%	305	0	0	0	0.0%	957	458
2020 Q2	49,859	94.8%	-697	0	0	0	0.0%	957	701
2020 Q3	49,859	94.2%	-286	0	0	0	0.0%	1,144	701
2020 Q4	**50,096**	**96.1%**	**1,148**	**237**	**0**	**237**	**0.5%**	**1,190**	**591**

Source: MPF Research® [1] Delivering within next four quarters

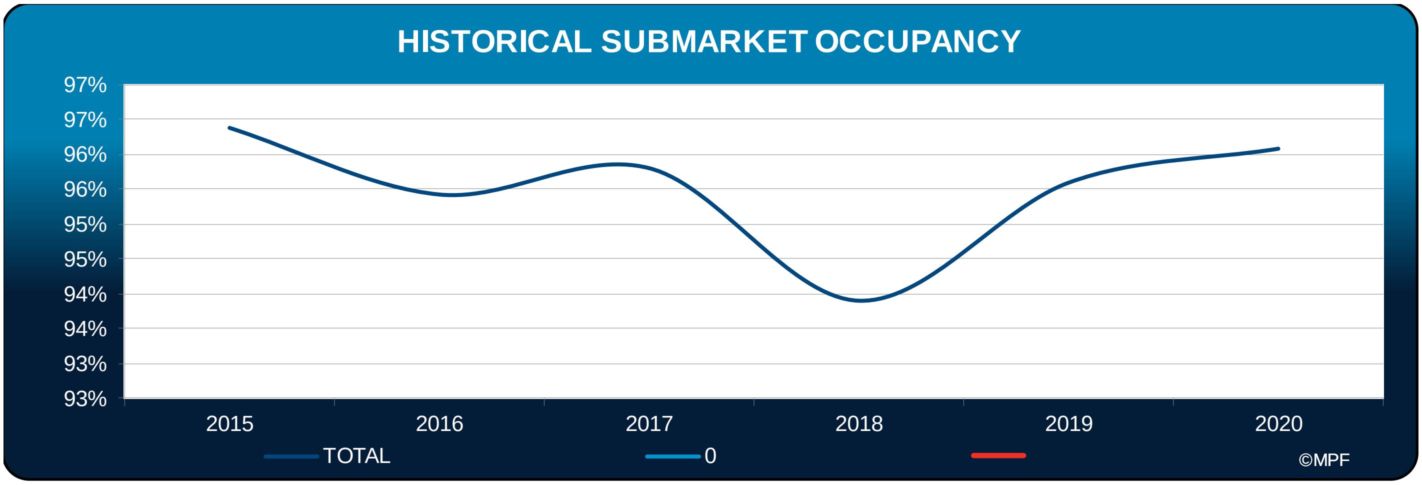


Submarket Occupancy Trends

OCCUPANCY ANALYSIS											NORTHEAST MIAMI SUBMARKET
	BY VINTAGE					BY STYLE			SUBMARKET	METRO	VERSUS
PERIOD	2000+	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	TOTAL	TOTAL	METRO
2015	96.9%	95.8%	n.a.	96.2%	97.0%	96.9%	96.2%	96.2%	96.4%	97.2%	● (red)
2016	96.0%	93.7%	98.4%	95.7%	96.6%	96.0%	95.4%	95.0%	95.4%	96.3%	● (red)
2017	96.5%	93.8%	90.4%	97.1%	96.5%	95.9%	95.2%	96.1%	95.8%	96.3%	● (red)
2018	92.6%	95.0%	91.0%	93.9%	97.7%	92.8%	93.9%	95.0%	93.9%	95.9%	● (red)
2019	95.0%	95.7%	95.8%	97.3%	94.4%	96.1%	96.5%	94.2%	95.6%	96.2%	● (red)
2020	95.9%	97.1%	95.0%	97.0%	93.7%	96.4%	96.2%	95.8%	96.1%	95.2%	● (green)
2020 Q1	96.1%	96.6%	96.7%	95.9%	95.8%	97.3%	95.6%	95.9%	96.2%	96.2%	● (green)
2020 Q2	94.2%	94.8%	93.9%	95.5%	95.5%	96.4%	95.4%	93.2%	94.8%	95.3%	● (red)
2020 Q3	93.1%	95.5%	93.5%	95.8%	92.4%	96.5%	94.5%	92.4%	94.2%	95.2%	● (red)
2020 Q4	**95.9%**	**97.1%**	**95.0%**	**97.0%**	**93.7%**	**96.4%**	**96.2%**	**95.8%**	**96.1%**	**95.2%**	● (green)

Source: MPF Research® Legend: ● Outperforming ● Underperforming ● Similar

Overall occupancy levels in the submarket have stabilized above levels of 95%+ since 2015. Average occupancy levels are expected to remain high at about 94%-95% going forward given the access to employment drivers and supportive services of the immediate area. As previously noted, this submarket includes the downtown CBD and surrounding areas, which have experienced the highest level of new construction this cycle. Newly delivered assets primarily consist of mid- to high-rise construction, which exhibit the greatest fluctuation in occupancy as these properties work through their initial lease-up process.



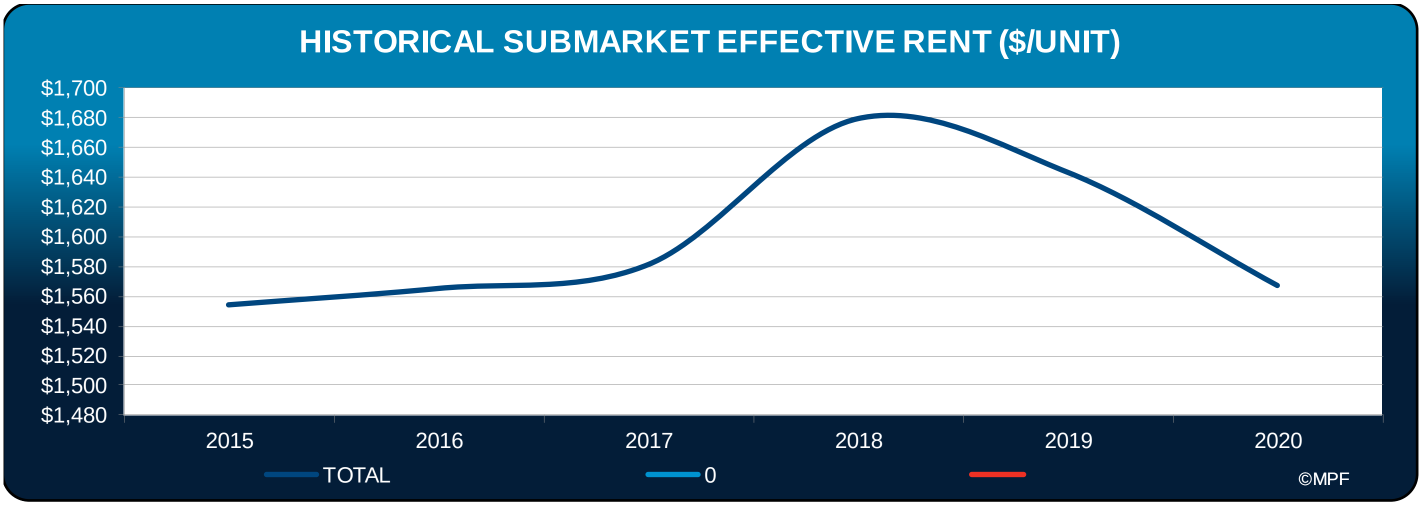
Submarket Rental Rate Trends

The following tables represent the current and historical submarket rental rates on both a $/Unit (Table 1) and $/SF (Table 2) basis. Rental rates are reported as effective rates (net of concessions).

EFFECTIVE RENT ($/UNIT) — **NORTHEAST MIAMI SUBMARKET**

	BY VINTAGE					BY STYLE			SUBMARKET	METRO	VERSUS
PERIOD	2000+	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	TOTAL	TOTAL	METRO
2015	$1,779	$1,615	n.a.	$1,139	$1,538	$1,637	$1,144	$1,666	$1,554	$1,475	🟢
2016	$1,875	$1,615	$1,089	$1,109	$1,493	$1,578	$1,131	$1,744	$1,565	$1,484	🟢
2017	$1,863	$1,944	$1,401	$1,108	$1,410	$1,583	$1,161	$1,900	$1,581	$1,547	🟢
2018	$1,989	$1,898	$1,418	$1,133	$1,485	$1,761	$1,290	$2,012	$1,679	$1,656	🟢
2019	$1,843	$1,768	$1,446	$1,263	$1,582	$1,744	$1,450	$1,752	$1,643	$1,715	🔴
2020	$1,792	$1,637	$1,371	$1,231	$1,539	$1,733	$1,374	$1,625	$1,567	$1,668	🔴
2020 Q1	$1,943	$1,723	$1,467	$1,214	$1,572	$1,796	$1,388	$1,802	$1,661	$1,710	🔴
2020 Q2	$1,859	$1,644	$1,399	$1,226	$1,530	$1,710	$1,374	$1,726	$1,603	$1,686	🔴
2020 Q3	$1,853	$1,616	$1,399	$1,242	$1,544	$1,706	$1,378	$1,710	$1,598	$1,662	🔴
2020 Q4	**$1,792**	**$1,637**	**$1,371**	**$1,231**	**$1,539**	**$1,733**	**$1,374**	**$1,625**	**$1,567**	**$1,668**	🔴

Source: MPF Research® Legend: 🟢 Outperforming 🔴 Underperforming 🔵 Similar



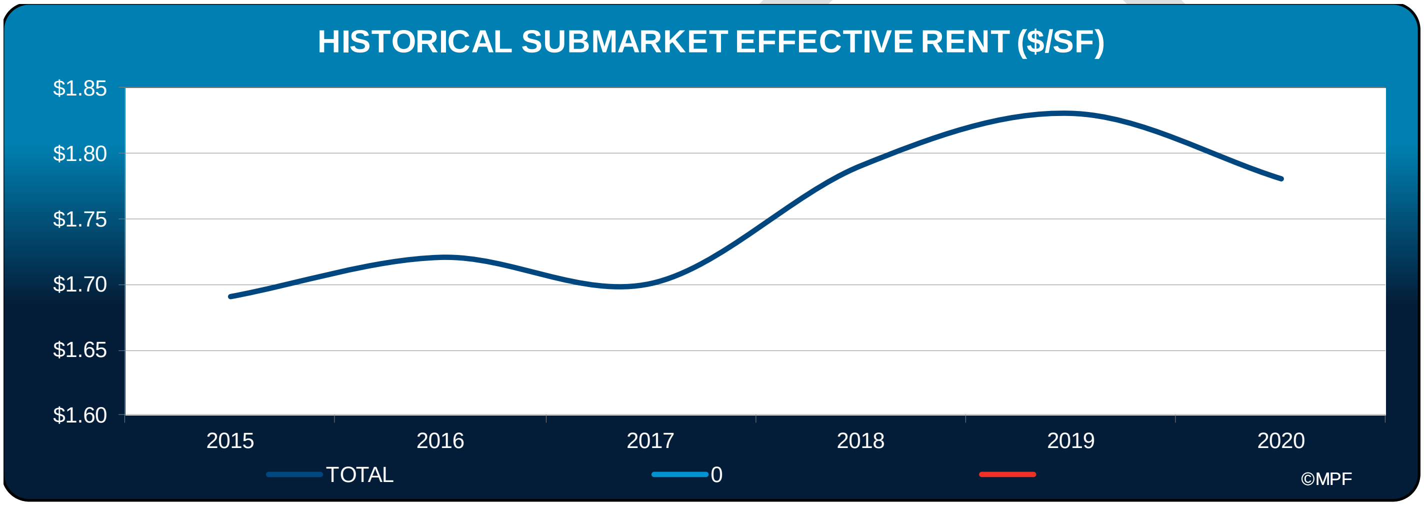
Rents in the submarket tend to outperform the metro on both a per square foot basis and a monthly basis given the submarket's mostly urban setting near the CBD. Rents have been trending up significantly over the past 4-5 years, but growth started occurring at a faster rate in late 2013 through 2015. From 2015 to date average rents are up about 1.1% per year, while year-over-year rents have decreased at 0.9%. Assets of a similar vintage reported rent increases of about 0.7% per year from 2015, while year-over-year the rate decreased by about

0.7%. In the near term, minimal rent growth is expected given the recent deliveries and overall effects of the COVID-19 pandemic trickle through the local and metro markets.

EFFECTIVE RENT ($/SF) — **NORTHEAST MIAMI SUBMARKET**

	BY VINTAGE					BY STYLE			SUBMARKET	METRO	VERSUS
PERIOD	2000+	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	TOTAL	TOTAL	METRO
2015	$1.83	$1.77	n.a.	$1.33	$1.72	$1.68	$1.47	$1.77	$1.69	$1.58	🟢
2016	$1.92	$1.77	$1.66	$1.30	$1.69	$1.66	$1.44	$1.86	$1.72	$1.60	🟢
2017	$1.91	$1.78	$1.80	$1.30	$1.63	$1.61	$1.49	$1.90	$1.70	$1.66	🟢
2018	$1.98	$1.82	$1.83	$1.33	$1.83	$1.72	$1.61	$2.02	$1.79	$1.76	🟢
2019	$1.86	$1.97	$1.86	$1.49	$1.86	$1.77	$1.82	$1.89	$1.83	$1.83	🔵
2020	$1.94	$1.82	$1.77	$1.45	$1.81	$1.76	$1.73	$1.86	$1.78	$1.79	🔴
2020 Q1	$2.00	$1.92	$1.89	$1.43	$1.85	$1.82	$1.74	$1.96	$1.85	$1.83	🟢
2020 Q2	$1.91	$1.83	$1.80	$1.45	$1.80	$1.73	$1.73	$1.87	$1.79	$1.81	🔴
2020 Q3	$1.90	$1.80	$1.80	$1.47	$1.82	$1.73	$1.73	$1.86	$1.78	$1.78	🔵
2020 Q4	**$1.94**	**$1.82**	**$1.77**	**$1.45**	**$1.81**	**$1.76**	**$1.73**	**$1.86**	**$1.78**	**$1.79**	🔴

Source: MPF Research® Legend: 🟢 Outperforming 🔴 Underperforming 🔵 Similar



Submarket Concession Trends

The following tables represent the percentage of properties offering concessions (Table 1) and the concessions granted as a percentage of potential gross income (Table 2).

PERCENT OF PROPERTIES OFFERING CONCESSIONS — **NORTHEAST MIAMI SUBMARKET**

	BY VINTAGE					BY STYLE			SUBMARKET	METRO	VERSUS
PERIOD	2000+	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	TOTAL	TOTAL	METRO
2015	62.6%	0.0%	n.a.	45.2%	19.9%	0.0%	49.2%	44.6%	32.2%	9.8%	🔴
2016	52.3%	38.3%	0.0%	0.0%	17.4%	0.0%	0.0%	64.2%	31.0%	17.8%	🔴
2017	19.6%	0.0%	84.3%	0.0%	14.8%	0.0%	21.5%	24.4%	16.4%	17.7%	🟢
2018	37.0%	0.0%	0.0%	20.9%	0.0%	0.0%	12.8%	43.5%	18.9%	19.2%	🟢
2019	17.9%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	8.5%	4.8%	17.2%	🟢
2020	25.9%	44.6%	0.0%	12.3%	0.0%	7.4%	9.0%	52.3%	23.5%	19.1%	🔴
2020 Q1	44.7%	0.0%	0.0%	22.9%	0.0%	0.0%	12.1%	35.5%	17.8%	17.8%	🔵
2020 Q2	41.8%	44.6%	15.7%	0.0%	0.0%	7.4%	3.0%	62.9%	27.4%	25.8%	🔴
2020 Q3	46.8%	52.0%	0.0%	0.0%	0.0%	15.6%	3.8%	63.6%	30.2%	23.3%	🔴
2020 Q4	**25.9%**	**44.6%**	**0.0%**	**12.3%**	**0.0%**	**7.4%**	**9.0%**	**52.3%**	**23.5%**	**19.1%**	🔴

Source: MPF Research® Legend: 🟢 Outperforming 🔴 Underperforming 🔵 Similar

CONCESSIONS AS PERCENT OF PGI									NORTHEAST MIAMI SUBMARKET		
	BY VINTAGE					BY STYLE			SUBMARKET	METRO	VERSUS
PERIOD	2000+	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	TOTAL	TOTAL	METRO
2015	4.4%	n.a.	n.a.	5.6%	0.7%	n.a.	5.6%	3.9%	4.2%	2.9%	🔴
2016	2.6%	1.1%	n.a.	n.a.	2.7%	n.a.	n.a.	2.2%	2.2%	3.2%	🟢
2017	2.8%	n.a.	2.2%	n.a.	2.8%	n.a.	2.2%	2.8%	2.6%	4.6%	🟢
2018	2.1%	n.a.	n.a.	5.9%	n.a.	n.a.	5.9%	2.1%	2.8%	4.0%	🟢
2019	6.0%	n.a.	n.a.	n.a.	n.a.	n.a.	2.0%	7.7%	6.0%	5.0%	🔴
2020	8.1%	3.5%	n.a.	2.6%	n.a.	6.0%	2.3%	5.4%	5.1%	7.5%	🟢
2020 Q1	5.0%	n.a.	n.a.	2.7%	n.a.	n.a.	2.7%	5.0%	4.6%	4.7%	🟢
2020 Q2	9.0%	2.5%	1.4%	n.a.	n.a.	5.7%	1.4%	6.4%	6.2%	5.8%	🔴
2020 Q3	6.2%	6.0%	n.a.	n.a.	n.a.	6.2%	1.3%	6.3%	6.1%	6.4%	🟢
2020 Q4	**8.1%**	**3.5%**	**n.a.**	**2.6%**	**n.a.**	**6.0%**	**2.3%**	**5.4%**	**5.1%**	**7.5%**	🟢

Source: MPF Research® Legend: 🟢 Outperforming 🔴 Underperforming 🔵 Similar

As of the current quarter, approximately 5.1% of all properties across all vintages and styles are offering concessions. This average is derived from a style range of 2.3% (Mid-rise) to 5.4% (high-rise) and a vintage range 2.6% (1970s) to 8.1% (2000+). The current submarket average is significantly lower than each of the preceding two quarters and like first quarter results, each of the trailing four annual periods, and that of the broader metro market area.

The current submarket average concession expressed as a percent of potential gross income is 5.1%, which is below each of the previous two quarters and below that of the Metro Market as a whole. We would anticipate a continuance of this trend of limited concessions in the near-term with a return to a normalized range of 4.0% - 6.0% of potential gross income in 12 to 18 months.

Submarket Construction Activity

The following projects are listed as being currently under construction within the submarket.

CONSTRUCTION ACTIVITY						NORTHEAST MIAMI SUBMARKET
PROPERTY NAME	PROPERTY TYPE	NO. OF UNITS	NO. OF STORIES	PROJECT STATUS	START DATE	FINISH DATE
1940 Park Av	Rent Restricted	41	3	Proposed	N/A	N/A
Adela at MiMo Bay	Conventional	237	6	Completion	11/1/18	12/1/20
72nd & Park	Conventional	283	22	Under Construction	11/1/20	11/1/22
Biscayne 112	Conventional	402	8	Under Construction	5/1/19	4/1/21
Las Marinas	Conventional	256	17	Under Construction	3/1/20	3/1/22
The Corridor South	Conventional	62	5	Under Construction	9/1/18	5/1/21
Villa Sole	Conventional	187	6	Under Construction	9/1/20	7/1/22
	TOTAL UNITS:	**1,468**				

Source: MPF Research®

Within the submarket, there are total of (1,468) conventional projects under construction. All the projects are considered direct competition for the subject. Only one was identified as being within Miami Beach area and in proximity of the proposed subject property as a proposed development with some type of rent restrictions. All the other projects are expected to rent at market levels.

Northeast Miami Submarket Conclusion

Overview

The submarket saw a slight increase in occupancy, but rents have decreased when compared to the prior quarter and with the past 12 months. The high concessions derived mostly from high-rise unit owners coupled with demand for the north and CBD area, has keep the rent average stable and almost at par with the metro area in performance. Historically rents are looking more like 2015 rents while occupancy rates continue to increase, outperforming with the metro area, which would also include concessions. It would appear the concessions might be in a downward trend, but not enough to match the historical lows of 2.0% over the past several years and prior to COVID-19. We would estimate that concessions are likely to hover around 4.0% to 6.) over the next 12 months, likely to continue to outperform the metro market. Rents are expected to continue to be at par with the metro area and would expect to decrease slightly given the amount of new units expected over the next 18 months. Affordable housing remains limited and is expected to continue in demand as housing shortages, income levels and job displacement continue to be a challenge for most tenants in the submarket.

ABSORPTION SUMMARY

The following table summarizes recent absorption statistics in the market. We note that each of these absorption rates was during the property's leas up period.

SOUTH FLORIDA ABSORPTION STATISTICS					
PROPERTY NAME	COUNTY	CITY	# UNITS	VINTAGE	ABSORPTION UNITS/MO
The Henry	Miami-Dade	Coral Gables	120	2020	9
The Residences at Thesis	Miami-Dade	Coral Gables	204	2020	14
Life Time Living	Miami-Dade	Coral Gables	434	2020	7
Zoi House	Miami-Dade	Miami	130	2020	8
Soleste Alameda	Miami-Dade	Miami	306	2020	17
Life Time Living	Miami-Dade	Coral Gables	434	2020	11
Modera Metro Dadeland East	Miami-Dade	Miami	422	2019	19
5250 Park	Miami-Dade	Doral	231	2019	17
Wynw ood 25	Miami-Dade	Miami	289	2019	20
Yard 8 Midtow n	Miami-Dade	Miami	387	2019	32
Blu27	Miami-Dade	Miami	328	2019	26
LaVida	Miami-Dade	Miami	272	2019	11
Modera Metro Dadeland East	Miami-Dade	Miami	422	2019	19
AVERAGE					**16**

The properties indicate a range of 7 to 32 units per month and an average absorption rate of 16 units per month. We note that leasing efforts were slowed, or in some cases, halted completely, at the onset of the Covid-19 pandemic, primarily because of countywide Stay At Home orders mandated by local government authorities. Several surveyed properties noted a recent increase in leasing traffic. For this reason, we expect the subject's absorption rate to be above the recent statistics.

The proposed subject is expected to have a good/excellent location Class A finishes, however considering the number of direct competitors proposed to enter the market in the foreseeable future, we have concluded to a conservative 12 units per month.

BROKER / MARKET PARTICIPANT INTERVIEWS

Interviews with brokers and other market participants were conducted to put previously discussed trends and data into better context of what is really occurring in the marketplace.

SALES PERSPECTIVE INTERVIEW	
Name	Paloma Sarabia-Perez
Company	Harding Investments LLC
Location	Miami Beach, FL
Survey Date	4Q 20
Survey Property Profile	Multifamily

According to Paloma Sarabia-Perez, sale transactions have been strong over the past six months for the subject property type, with most activity being seen from regional and local buyers. The market participant reported that quality investment opportunities are currently in greatest demand. This property type is considered to have somewhat limited availability, with few listings offered within the marketplace. Based on these factors, conditions are in equilibrium in regard to negotiating sale terms. Marketing periods are ranging from 3 to 12 months, with an average approximately 6 months. Pricing for this property type generally falls within a moderate range from $180,000 to $300,000 per unit. Currently capitalization rates for stabilized assets range from 4.00% to 6.00%, with an average of 5.00%. Discount rates range from 6.00% to 8.00%, with an average of 7.00%. Investors are projecting residual capitalization rates ranging from 5.00% to 7.00%, with an average of 6.00%. Finally, the most typical sales commission for this property type is 2% of the sale price.

TRANSACTION TRENDS

As additional evidence to support the existing level of sales activity, the following table summarizes a list of regional sales that generally represent similar investment characteristics of the subject property.

MARKET RENT SALES TRANSACTIONS MULTIFAMILY CAP RATES- SOUTH FLORIDA

NO.	PROPERTY NAME	CITY	SALES DATE	NO. OF UNITS	CLASS	YR. BUILT	$/UNIT	CAP RATE
1	New Colony	Lauderhill	Dec-20	180	C	1973	$104,444	5.50%
2	Vizcaya Villas	Tamarac	Jun-20	129	B	1990	$130,620	5.70%
3	Legacy at the Palms	Miami	Feb-20	100	C	1968	$168,900	6.00%
4	The Club at Crystal Lakes	Deerfield Beach	Nov-19	125	B	2018	$244,000	5.50%
5	Luna at Hollywood	Hollywood	Oct-19	150	B	1968	$127,000	5.50%
6	Wilton Tower	Fort Lauderdale	Sep-19	150	C	1975	$192,333	4.75%
7	Summer Grove Apartments	Miami	Aug-19	116	C	1973	$193,534	5.01%
8	Nova Central	Davie	Jul-19	140	C	1996	$216,428	4.70%
9	Courtyards at Sunrise	Sunrise	Jul-19	128	C	1976	$158,203	4.52%
10	Brenton At Abbey Park	West Palm Beach	Jul-19	160	B	2003	$122,812	5.16%
11	Boynton Place Apartments	Boynton Beach	Jun-19	192	B	1989	$177,083	4.75%
12	Westview Gardens Apartments	Miami	Nov-18	160	B	2000	$90,500	6.38%
13	Crossroads at Downtown Boca	Boca Raton	Oct-18	102	B	1964	$164,705	5.20%
14	Vue on 67th	Davie	Oct-18	178	C	1972	$112,359	5.25%
15	The Place at Dania Beach	Dania Beach	Oct-18	144	B	2017	$263,888	4.85%
16	Alister Isles	Fort Lauderdale	Aug-18	127	A	2012	$293,307	4.40%
17	Oakwood Apartments	Lake Worth	Jul-18	160	C	1993	$160,262	5.75%
18	High Ridge Landing	Boynton Beach	May-18	184	A	2016	$227,717	4.25%
19	The Queue	Fort Lauderdale	Feb-18	191	A	2017	$277,486	4.60%
20	Colony Park	West Palm Beach	Jan-18	130	B	2002	$96,923	6.25%
21	Windsor at Delray Beach	Delray Beach	Dec-17	188	B	2016	$321,010	4.60%
22	Marina Bay	Lake Worth	Dec-17	192	B	2001	$82,552	6.50%
23	Windsor Castle	Coral Springs	Nov-17	180	B	1995	$230,694	5.02%
24	Monteverde at Renaissance Condos	Boynton Beach	Oct-17	118	A	2007	$160,016	5.15%
25	Oasis	Oakland Park	Aug-17	140	C	1970	$96,428	7.40%
26	Waterview at Coconut Creek Apartments	Coconut Creek	Jul-17	192	B	1987	$192,708	4.95%
27	Club Prado	Miami	Jun-17	196	A	2016	$311,224	4.50%
28	Vizcaya Villas	Tamarac	Jun-17	129	B	1990	$95,736	7.00%
29	San Sherri Apartments	Hialeah	Jun-17	108	B	1967	$149,074	6.00%
30	Boynton Place Apartments	Boynton Beach	Feb-17	192	B	1989	$157,317	4.90%
						MIN	$82,552	4.25%
						MAX	$321,010	7.40%
						AVG	$177,309	5.33%
						MED	$162,484	5.16%

RENT RESTRICTED SALES TRANSACTIONS - FLORIDA

NO.	PROPERTY NAME	CITY	SALES DATE	NO. OF UNITS	CLASS	YR. BUILT	$/UNIT	CAP RATE
1	Overlook at Monroe	Sanford	Dec-20	184	B	1994	$74,184	7.00%
2	Park Crest Terrace Apartments	Sebring	Nov-20	100	C	2001	$85,910	7.00%
3	Valencia Garden	Wauchula	Aug-20	104	C	2007	$72,596	7.00%
4	Tierra Vista	Kissimmee	Feb-20	152	C	1998	$129,605	5.60%
5	Brittany Bay Apartments	Largo	Feb-20	568	A	1974	$108,000	4.25%
6	Sonrise Villas	Fellsmere	Jan-20	240	C	2004	$64,583	7.00%
7	2545 Indian River Blvd	Vero Beach	Jan-20	60	B	1953	$83,333	5.58%
8	Heron Pond	Lehigh Acres	Dec-19	256	B	2003	$64,843	5.75%
9	Eden Pointe	Bradenton	Sep-19	270	B	1995	$113,888	5.04%
10	Sterling Pointe	Silver Springs	Jul-19	271	C	1981	$72,324	5.60%
11	Brenton At Abbey Park	West Palm Beach	Jul-19	160	B	2003	$122,812	5.16%
12	529 14th St	West Palm Beach	Jul-19	6	C	1987	$90,833	9.20%
13	Brooke Commons	Orlando	Jun-19	288	B	2000	$161,458	5.14%
14	Tradewinds Hammocks Apartments	Key Largo	May-19	66	B	2000	$107,575	5.50%
15	Armature Park	Tampa	May-19	116	C	1975	$60,344	2.60%
16	Willow Key	Orlando	Mar-19	384	B	1999	$141,371	4.50%
17	Sunrise Pointe	Port Orange	Feb-19	208	B	2001	$103,419	5.43%
18	The Oaks Trail	Arcadia	Dec-18	123	C	1980	$56,097	8.29%
19	Jacaranda Trail I & II	Arcadia	Dec-18	100	C	2004	$56,000	6.73%
20	Santa Clara II	Miami	Dec-18	208	A	2005	$87,500	6.46%
21	Westview Gardens Apartments	Miami	Nov-18	160	B	2000	$90,500	6.38%
22	Groves at Wimauma Apartments	Wimauma	Oct-18	108	B	2002	$49,074	5.50%
23	Aspen Lakes Apartments	Miami	Sep-18	226	C	1971	$108,407	5.00%
24	Grande Court North Port	North Port	Aug-18	128	B	2005	$85,937	5.78%
25	Harbor Cove	Gainesville	Jul-18	208	B	2001	$82,692	6.50%
26	Caroline Arms Apartments	Jacksonville	Jul-18	204	C	1972	$57,598	8.20%
27	Sienna Square	Tallahassee	Apr-18	184	B	1991	$103,260	5.06%
28	Courtney Manor	Jacksonville	Apr-18	360	C	1999	$70,138	6.80%
29	Madelyn Oaks Apartments	Jacksonville	Apr-18	360	C	2002	$78,888	6.20%
30	Arbor Crest Apartments	Quincy	Feb-18	120	B	2006	$42,500	7.84%
31	Crossings at Cape Coral	Cape Coral	Feb-18	168	B	2000	$79,761	7.00%
32	Colony Park	West Palm Beach	Jan-18	130	B	2002	$96,923	6.25%
33	Sterling Pointe	Silver Springs	Dec-17	268	C	1981	$52,238	7.00%
34	Marina Bay	Lake Worth	Dec-17	192	B	2001	$82,552	6.50%
35	Cedar Park Apartments	Lake City	Dec-17	72	C	1968	$66,886	8.00%
36	Falcon Trace Apartment Homes	Orlando	Nov-17	252	C	1999	$137,400	5.25%
37	Timber Sound Apartments	Orlando	Oct-17	240	C	1998	$77,083	5.50%
38	Landon Pointe	Orlando	Sep-17	276	B	2001	$87,500	5.75%
39	Oceanside Estate Apartments	Pinellas Park	Sep-17	104	C	1981	$105,769	6.50%
40	Lake Weston Point	Orlando	Aug-17	240	A	1999	$63,958	6.00%
41	Cabana Club Apartments	Miami	Jul-17	332	C	1969	$90,361	5.08%
42	The Park at Collington	Orlando	Jun-17	216	C	1992	$76,388	6.26%
43	Bayou Oaks	Sarasota	Jun-17	80	C	2000	$45,937	7.20%
44	Bromelia Place	Immokalee	Mar-17	30	B	2007	$40,000	7.14%
45	Beacon Hill Apartments	Orlando	Feb-17	192	C	1999	$80,729	6.00%
46	Timberwood Trace Apartments	Jacksonville	Feb-17	224	C	1994	$79,017	5.80%
47	Oak Haven Apartments	Immokalee	Oct-16	160	C	1993	$49,687	7.52%
48	Hickory Knoll	Ocala	Oct-16	96	C	1981	$60,104	6.60%
49	Cutlerwood Apartments	Miami	Oct-16	161	C	1963	$86,956	6.96%
50	Park Springs Apartments	Plant City	Oct-16	200	B	2000	$65,500	5.67%
51	Lake Wales Garden	Lake Wales	Sep-16	96	C	1973	$25,661	6.50%
52	Pasco Woods Apartments	Wesley Chapel	Sep-16	200	B	2000	$76,541	4.43%
53	Reserve at Port St. Lucie	Port Saint Lucie	Sep-16	188	C	1997	$103,723	6.22%
54	Indigo Isles	Jacksonville	Sep-16	200	C	2000	$65,500	5.75%
55	Rotonda Lakes	Rotonda West	Sep-16	176	B	1998	$40,625	6.00%
56	Orange City Villas	Orange City	Aug-16	96	C	1979	$36,458	6.50%
57	Biscayne Palm Club	Homestead	Aug-16	114	C	1972	$58,771	6.00%
58	Columbus Court Apartments	Tampa	Jun-16	160	C	1970	$68,750	7.20%
59	Miami Gardens Apartments	Miami Gardens	May-16	331	C	1970	$72,507	7.10%
60	Landon Trace Townhomes	Orlando	Mar-16	228	B	1998	$56,140	7.70%
61	Grande Court Boggy Creek	Kissimmee	Feb-16	394	B	2003	$66,497	6.35%
62	Auburn Trace Apartments	Delray Beach	Feb-16	152	B	1990	$74,342	6.52%
63	Parkside Residences	West Palm Beach	Jan-16	144	B	1995	$54,861	5.36%
						MIN	$25,661	2.60%
						MAX	$161,458	9.20%
						AVG	$78,584	6.22%
						MED	$76,388	6.25%

RETAIL SALES TRANSACTIONS & CAP RATES									
NO.	PROPERTY NAME	ADDRESS	CITY	SALES DATE	YR. BUILT	NRA (SF)	SALES PRICE	$/SF	CAP ATE
1	Retail	728-744 W 41st St	Miami Beach	12/31/2020	1945	12,141	$5,500,000	$453	4.77%
2	Retaial	601 71st St	Miami Beach	12/31/2020	1956	3,405	$3,875,000	$1,138	3.40%
3	Office Condo	1434 Collins Ave	Miami Beach	7/20/2020	1955	4,681	$2,950,000	$630	5.00%
4	Retail Condo	1201 20th St	Miami Beach	4/17/2020	2016	1,110	$1,250,000	$1,126	5.94%
5	Retaila	1208 Collins Ave	Miami Beach	3/17/2020	2009	11,261	$6,200,000	$551	5.40%
6	Retail	9415 Harding Ave	Surfside	12/16/2019	1952	4,000	$3,500,000	$875	4.47%
7	Lexi Shoppes	1700 79th Street Cswy	North Bay Village	11/22/2019	1981	19,438	$6,500,000	$334	6.59%
8	Retail	9569-9571 Harding Ave	Miami Beach	10/29/2019	1952	2,698	$2,500,000	$927	4.30%
9	Walgreens	509 Collins Ave	Miami Beach	8/29/2019	1995	22,875	$33,050,000	$1,445	4.90%
10	Lynmar Retail	735 Collins Ave	Miami Beach	5/13/2019	2016	12,966	$8,705,000	$671	5.00%
11	Lincoln Road	318-338 Lincoln Rd	Miami Beach	5/6/2019	1945	22,774	$20,500,000	$900	4.00%
12	CVS	983 Washington Ave	Miami Beach	2/15/2019	1936	12,443	$18,315,000	$1,472	4.78%
13	The Sephora Building	721 Collins Ave	Miami Beach	7/30/2018	1999	5,400	$7,500,000	$1,389	6.51%
14	Miami Beach Walgreens	2300 Collins Ave	Miami	6/22/2018	1955	16,705	$8,000,000	$479	5.00%
15	Fogo de Chão	834-836 1st St	Miami Beach	5/23/2018	2008	12,480	$15,250,000	$1,222	4.82%
							MIN	$334	3.40%
							MAX	$1,472	6.59%
							AVG	$907	4.99%
							MED	$900	4.90%

Sales volume has been active for the market area mostly from domestic investment reaching more than $1.0 billion as of December 2020. According to *Real Capital Analytics*, this volume is mostly attributed to limited opportunities in the market area an increasing asset pricing given the amount of capital chasing very few good deals. Coupled with the low interest environment this had fueled lower cap rates across the board. Overall institutional and equity investors continue to be the main buyers and sellers with volume expected to recover after COVID-19. Affordable housing remains in high demand as the volume of sales continues and remains an attractive investment option for most regional and institutional investors.

COMPETITIVE DATASET ANALYSIS

Most of the existing supply in the subject's immediate market area was constructed between the 1970s and 1980s and likely under 25 units on average. The general area has average to good appeal. The following table summarizes the results of a vacancy survey of directly competing properties to the subject that was confirmed during development of this assignment.

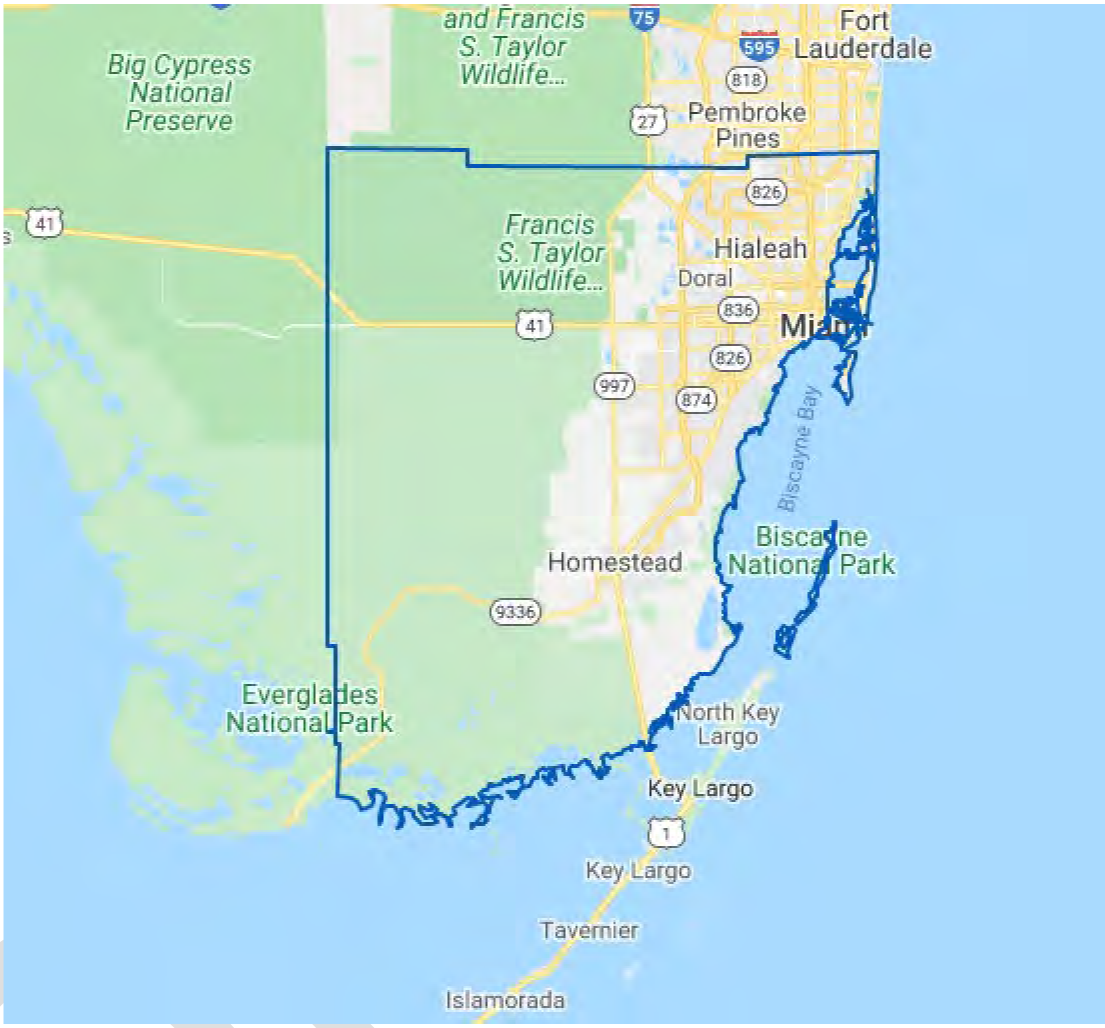
VACANCY SURVEY AS OF JANUARY 2021			
PROJECT	UNITS	VACANT UNITS	VACANCY
The Byron	**151**	**0**	**0.0%**
Moda North Bay Village	285	23	8.1%
Grand Beach Apartments	180	14	7.8%
Stella Maris Senior Center	136	4	2.9%
Treasures on the Bay	160	4	2.5%
Marina Del Rey	108	8	7.4%
Park View Island	100	0	0.0%
TOTAL/AVERAGE	1,120	53	**4.7%**
ADJUSTED AVERAGE	1,120	53	**4.7%**

Source: Colliers International Valuation & Advisory Services

Overall the vacancy survey indicated an overall vacancy of just under 5.0%, which is slightly above the submarkets performance and slightly below the markets performance. While we do expect the proposed subject property to perform at market levels, we estimate that given it new construction, demand target tenants, it would likely outperform its competitors and both submarket and market.

MIAMI RETAIL MARKET

The following is an analysis of supply/demand trends in the Miami Retail Market using information provided by CoStar, widely recognized as a credible source for tracking market statistics.



The table below presents historical data for key market indicators.

MIAMI HISTORICAL STATISTICS (LAST TEN YEARS)					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2011	128,572,833 SF	836,772 SF	1,129,432 SF	4.8%	$23.50/SF
2012	128,815,762 SF	834,159 SF	354,865 SF	4.5%	$25.50/SF
2013	128,937,824 SF	630,363 SF	167,604 SF	4.4%	$25.65/SF
2014	129,962,744 SF	1,572,791 SF	1,635,925 SF	4.1%	$26.74/SF
2015	130,836,119 SF	1,231,430 SF	938,632 SF	3.8%	$29.15/SF
2016	131,621,749 SF	1,155,933 SF	611,574 SF	3.6%	$29.81/SF
2017	133,048,363 SF	2,156,682 SF	1,651,719 SF	3.6%	$31.58/SF
2018	133,921,400 SF	1,319,923 SF	20,520 SF	4.0%	$33.63/SF
2019	134,703,808 SF	1,400,894 SF	858,623 SF	4.1%	$35.77/SF
2020	135,858,049 SF	1,289,736 SF	745,155 SF	4.3%	$35.84/SF
CAGR	0.6%	-	-	-	4.3%

*Supply numbers based on information w hich is amended/updated on an on-going basis by Costar.
Source: Costar®

Over the past ten years the Miami Retail market was somewhat soft where there was slight imbalance in prevailing Retail supply/demand conditions. Over this time period the market inventory increased by 9.7%. Further there was positive absorption (6.3% change), moderate decrease in the vacancy rate (-0.5% change) and considerable increase of the asking average rent (52.5% change).

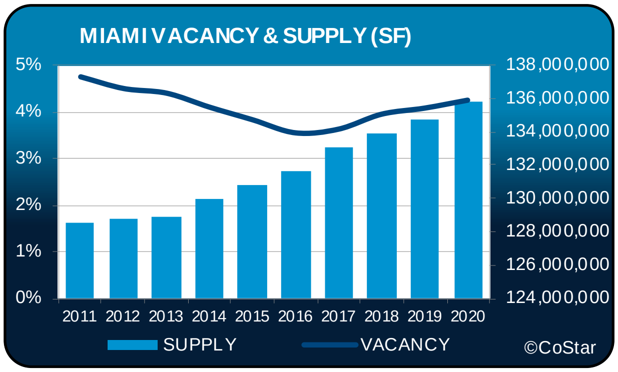
Analysis of the data indicates the Miami Retail market has gone through three distinctive trends over the past ten years.

TEN YEAR HISTORICAL TREND ANALYSIS

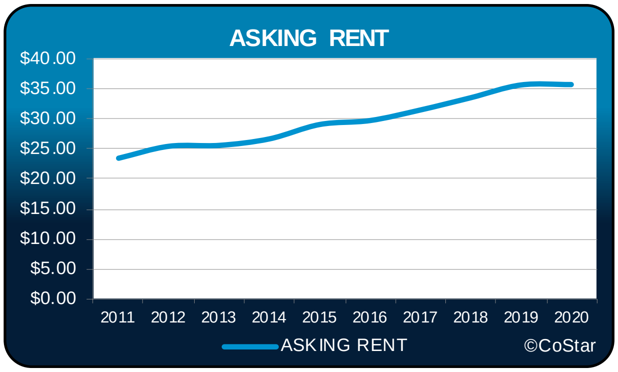
PERIOD	ADDED SUPPLY	NET ABSORPTION	VACANCY	ASKING RENT
2011-2020	12,428,683 SF	8,114,049 SF	4.8%→4.3%	$23.50→$35.84
10 Yrs	*9.7%*	*6.3%*	*-0.5%*	*52.5%*
2014-2020	10,127,389 SF	6,462,148 SF	4.1%→4.3%	$26.74→$35.84
7 Yrs	*7.8%*	*5.0%*	*0.2%*	*34.0%*
2016-2020	7,323,168 SF	3,887,591 SF	3.6%→4.3%	$29.81→$35.84
5 Yrs	*5.6%*	*3.0%*	*0.7%*	*20.2%*
2018-2020	4,010,553 SF	1,624,298 SF	4.0%→4.3%	$33.63→$35.84
3 Yrs	*3.0%*	*1.2%*	*0.3%*	*6.6%*

The seven year period from 2014 to 2020 was highlighted with significantly increased supply, positive absorption, moderate increase of vacancy rates and considerable increase of asking rent in the market. The next five year period from 2016 to 2020 featured significantly increased supply, positive absorption, moderate increase of vacancy rates and considerable increase of asking rent levels. The most recent three year period from 2018 to 2020 featured FALSE supply, slight positive absorption, moderate increase of vacancy rates and considerable increase of asking rent levels.

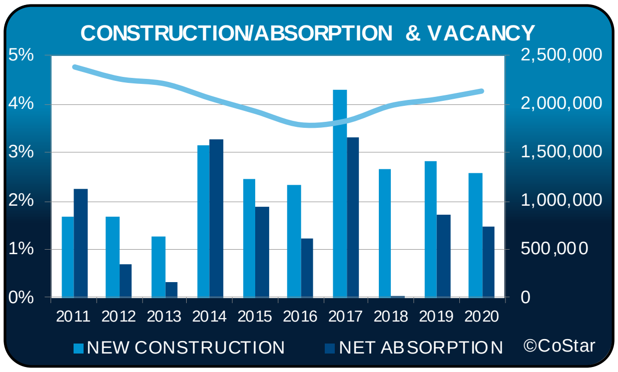
Over the past ten years the market had a compound annual growth rate (CAGR) of 0.6% per year. Vacancy has ranged from 3.6% to 4.8% with an average of 4.1%. Vacancy increased from 4.1% in 2014 to 4.3% in 2020, increased from 3.6% in 2016 to 4.3% in 2020 and increased from 4.0% in 2018 to 4.3% in 2020.



Over the past ten years asking rent has experienced a CAGR of 4.3%. Asking rent hit a low of $23.50/SF in 2011 and a high in 2020 at $35.84/SF.



In the past ten years a total of 12,428,683 SF were added to the supply with 8,114,049 SF of net absorption achieved during the same period.



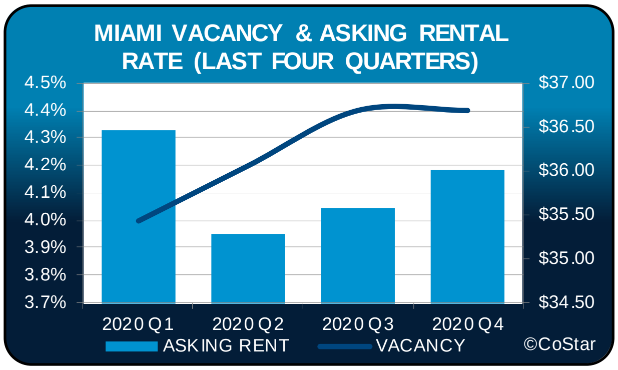
The following table summarizes the trailing four quarter performance of the Miami market.

MIAMI TRAILING FOUR QUARTER PERFORMANCE					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2020 Q1	135,763,524 SF	1,081,356 SF	1,198,211 SF	4.0%	$36.47/SF
2020 Q2	135,744,610 SF	67,119 SF	(333,251) SF	4.2%	$35.28/SF
2020 Q3	135,811,234 SF	84,224 SF	(162,870) SF	4.4%	$35.57/SF
2020 Q4	135,858,049 SF	57,037 SF	43,065 SF	4.4%	$36.02/SF

Source: Costar®

As of Q4 2020 the Miami market has a total Retail inventory of 135,858,049 SF with 5,976,388 SF vacant indicating a current vacancy rate of 4.4%. There was 57,037 SF completed last quarter, whereas there was 1,289,736 SF added in the last year.

Over the past four quarters the Miami retail market has experienced a moderate increase of supply. These key factors have resulted in positive net absorption, increase of vacancy rates and decrease of asking rent in the marketplace.



Key supply/demand statistics for the most recent quarter, last year and historical averages are summarized below.

MIAMI MARKET TREND ANALYSIS

	Q4 2020	2020	Last 10
Total SF	135,858,049	135,858,049	131,627,865
Vacant SF	5,976,388	5,773,967	5,402,008
Market Vacancy	4.4%	4.3%	4.1%
Construction Grow th Rate	0.0%	0.9%	0.6%
Absorption Rate	0.0%	0.5%	0.6%
Average Asking Rent/SF	$36.02	$35.84	$29.72

Source: Costar®

Vacancy

The Q4 2020 vacancy rate (4.4%) is consistent with last year (4.3%) and consistent with the average vacancy over the past ten years (4.1%). The historic vacancy trend indicates somewhat weak long-term demand for retail space in the Miami market. The most recent vacancy trends demonstrate similar market conditions in comparison to the historic trend and suggest continued soft demand moving forward.

Supply

The inventory grew by 0.0% during Q4 2020, whereas the growth rate was 0.9% last year. Over the past ten years the Miami retail market grew at a CAGR of 0.6%. The historic trend demonstrates a nominal growth rate that was generally supported. The most recent trends show similar growth in comparison to the historic trend in reaction to the current economic conditions. As summarized in the table below, there are 31 Retail projects under construction in the Miami Retail market totaling 1,918,576 SF that represent 1.4% of supply that will be added in the near term. The construction activity in the market appears to be at a level that will not reasonably be supported by the market. Based on this evidence it appears that supply side issues do not represent a threat to the stability of supply/demand conditions in the market.

MIAMI RETAIL CONSTRUCTION ACTIVITY SUMMARY

STATUS	NO. OF PROJECTS	SIZE (SF)	% OF SUPPLY
Under Construction	31	1,918,576	1.4%

Source: Costar®

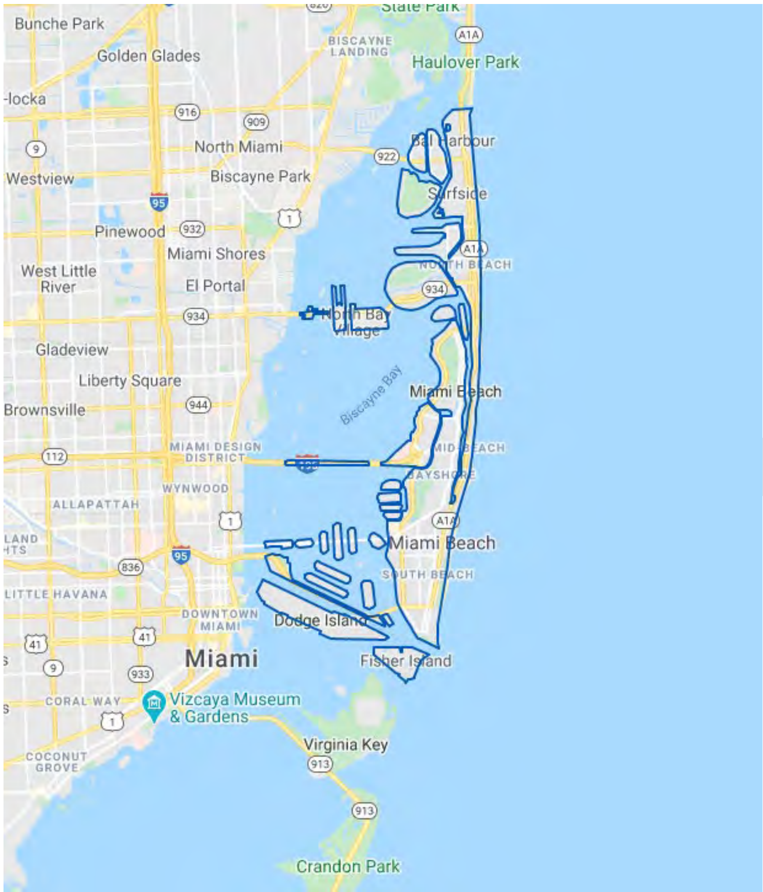
Absorption

During Q4 2020 net absorption was 0.0% and net absorption was 0.5% over the last year. The Miami retail market has established an overall trend of stable absorption (0.6%) over the past ten years. The historic absorption trend indicates stable long-term demand for retail space in the Miami market. The most recent absorption trends demonstrate similar market conditions in comparison to the historic trend and suggest continued stability moving forward.

Miami Market Conclusion

Based on the preceding analysis, the Miami Retail market demonstrates relatively weak fundamentals. Analysis of supply and demand factors indicate the market is currently in a state of imbalance with no evidence to prove this will change any time soon. The greatest weakness of the market appears to be its weak employment growth.

MIAMI BEACH RETAIL SUBMARKET OVERVIEW



The following is an analysis of supply/demand trends in the Miami Beach Retail Submarket using information provided by CoStar. The table below presents historical data for key market indicators.

MIAMI BEACH HISTORICAL STATISTICS (LAST TEN YEARS)					
PERIOD	**SUPPLY**	**NEW CONSTRUCTION**	**NET ABSORPTION**	**VACANCY**	**ASKING RENT**
2011	8,504,580 SF	103,760 SF	96,442 SF	4.1%	$56.69/SF
2012	8,629,585 SF	126,715 SF	59,191 SF	4.5%	$70.71/SF
2013	8,626,527 SF	9,142 SF	(63,699) SF	5.2%	$57.75/SF
2014	8,706,280 SF	84,281 SF	80,306 SF	5.3%	$56.88/SF
2015	8,684,323 SF	34,464 SF	(60,286) SF	6.0%	$58.09/SF
2016	8,736,897 SF	71,835 SF	131,639 SF	5.4%	$58.84/SF
2017	8,844,828 SF	149,702 SF	85,782 SF	4.4%	$65.53/SF
2018	8,937,949 SF	111,542 SF	(16,610) SF	5.1%	$71.05/SF
2019	9,037,371 SF	104,750 SF	(20,419) SF	6.9%	$66.77/SF
2020	9,136,810 SF	99,439 SF	88,396 SF	6.7%	$63.11/SF
CAGR	0.7%	-	-	-	1.1%

*Supply numbers based on information w hich is amended/updated on an on-going basis by Costar.
Source: Costar®

Over the past ten years the Miami Beach Retail submarket was somewhat soft where there was slight imbalance in prevailing Retail supply/demand conditions. Over this time period the submarket inventory significantly increased by 10.5%. Further there was slight positive absorption (4.5% change), moderate increase in the vacancy rate (2.6% change) and considerable increase of the asking average rent (11.3% change).

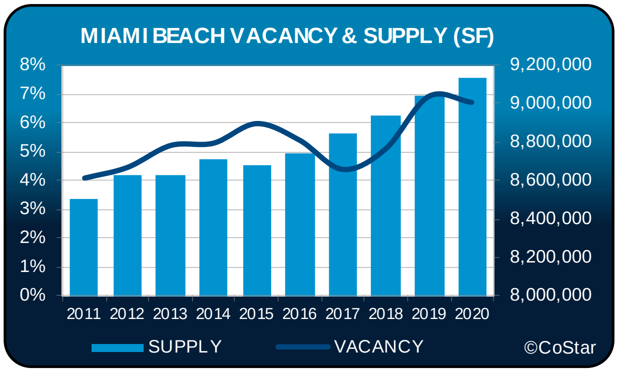
Analysis of the data indicates the Miami Beach Retail submarket has gone through three distinctive trends over the past ten years.

TEN YEAR HISTORICAL TREND ANALYSIS

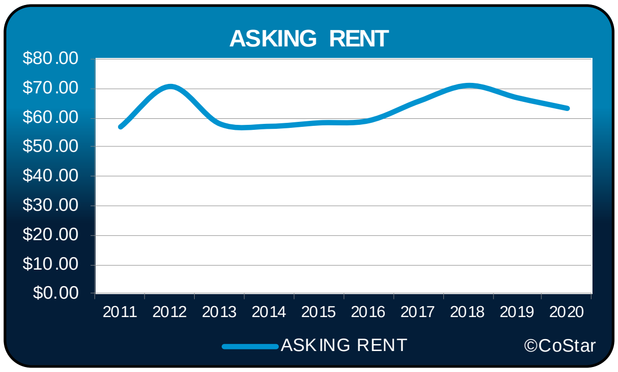
PERIOD	ADDED SUPPLY	NET ABSORPTION	VACANCY	ASKING RENT
2011-2020	895,630 SF	380,742 SF	4.1%→6.7%	$56.69→$63.11
10 Yrs	*10.5%*	*4.5%*	*2.6%*	*11.3%*
2014-2020	656,013 SF	288,808 SF	5.3%→6.7%	$56.88→$63.11
7 Yrs	*7.5%*	*3.3%*	*1.4%*	*11.0%*
2016-2020	537,268 SF	268,788 SF	5.4%→6.7%	$58.84→$63.11
5 Yrs	*6.1%*	*3.1%*	*1.3%*	*7.3%*
2018-2020	315,731 SF	51,367 SF	5.1%→6.7%	$71.05→$63.11
3 Yrs	*3.5%*	*0.6%*	*1.6%*	*-11.2%*

The seven year period from 2014 to 2020 was highlighted with significantly increased supply, slight positive absorption, moderate increase of vacancy rates and considerable increase of asking rent in the submarket. The next five year period from 2016 to 2020 featured significantly increased supply, positive absorption, moderate increase of vacancy rates and considerable increase of asking rent levels. The most recent three year period from 2018 to 2020 featured significantly increased supply, slight positive absorption, increase of vacancy rates and considerable decrease of asking rent levels.

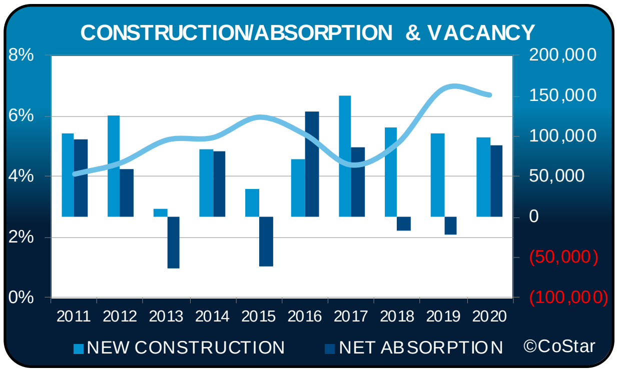
Over the past ten years the submarket had a compound annual growth rate (CAGR) of 0.7% per year. Vacancy has ranged from 4.1% to 6.9% with an average of 5.3%. Vacancy increased from 5.3% in 2014 to 6.7% in 2020, increased from 5.4% in 2016 to 6.7% in 2020 and increased from 5.1% in 2018 to 6.7% in 2020.



Over the past ten years asking rent has experienced a CAGR of 1.1%. Asking rent hit a low of $56.69/SF in 2011 and a high in 2018 at $71.05/SF.



In the past ten years a total of 895,630 SF were added to the supply with 380,742 SF of net absorption achieved during the same period.



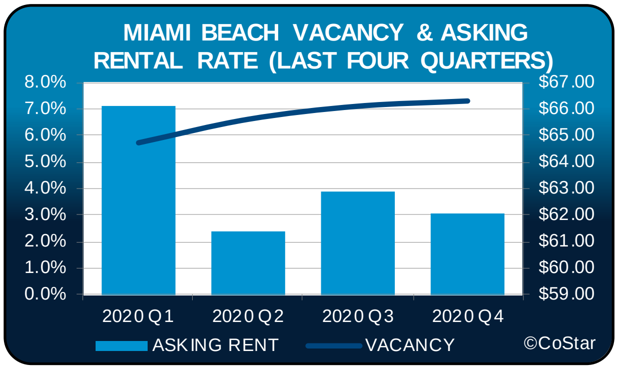
The following table summarizes the trailing four quarter performance of the Miami Beach submarket.

MIAMI BEACH TRAILING FOUR QUARTER PERFORMANCE					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2020 Q1	9,136,810 SF	99,439 SF	232,132 SF	5.7%	$66.13/SF
2020 Q2	9,136,810 SF	0 SF	(75,411) SF	6.6%	$61.38/SF
2020 Q3	9,136,810 SF	0 SF	(48,675) SF	7.1%	$62.87/SF
2020 Q4	9,136,810 SF	0 SF	(19,650) SF	7.3%	$62.07/SF

Source: Costar®

As of Q4 2020 the Miami Beach submarket has a total Retail inventory of 9,136,810 SF with 668,992 SF vacant indicating a current vacancy rate of 7.3%. There was no additional inventory delivered last quarter, whereas there was 99,439 SF added in the last year.

Over the past four quarters the Miami Beach retail submarket has experienced an increase of supply. There was also positive net absorption, increase in vacancy rates and decrease of asking rent in the marketplace.



Key supply/demand statistics for the most recent quarter, last year and historical averages are summarized below.

MIAMI BEACH MARKET TREND ANALYSIS			
	Q4 2020	2020	Last 10
Total SF	9,136,810	9,136,810	8,784,515
Vacant SF	668,992	610,339	468,742
Market Vacancy	7.3%	6.7%	5.3%
Construction Growth Rate	0.0%	1.1%	0.7%
Absorption Rate	(0.2%)	1.0%	0.4%
Average Asking Rent/SF	$62.07	$63.11	$62.54

Source: Costar®

Vacancy

The Q4 2020 vacancy rate (7.3%) is slightly higher than last year (6.7%) and higher than the average vacancy over the past ten years (5.3%). The historic vacancy trend indicates weak long-term demand for retail space in the Miami Beach submarket. The most recent vacancy trends demonstrate slightly superior market conditions in comparison to the historic trend and suggest continued soft demand moving forward.

Supply

There was no new inventory added during Q4 2020, whereas the growth rate was 1.1% last year. Over the past ten years the Miami Beach retail submarket grew at a CAGR of 0.7%. The historic trend demonstrates a nominal growth rate that was generally supported. The most recent trends show similar growth in comparison to the historic trend in reaction to the current economic conditions. As summarized in the table below, there are 3 Retail projects under construction in the Miami Beach Retail submarket totaling 413,493 SF that represent 4.3% of supply that will be added in the near term. The construction activity in the submarket appears to be at a level that will not reasonably be supported by the market. Based on this evidence it appears that supply side issues do not represent a threat to the stability of supply/demand conditions in the market.

MIAMI BEACH RETAIL CONSTRUCTION ACTIVITY SUMMARY

STATUS	NO. OF PROJECTS	SIZE (SF)	% OF SUPPLY
Under Construction	3	413,493	4.3%

Source: Costar®

Absorption

During Q4 2020 net absorption was -0.2% and net absorption was 1.0% over the last year. The Miami Beach retail market has established an overall trend of stable absorption (0.4%) over the past ten years. The historic absorption trend indicates stable long-term demand for retail space in the Miami Beach submarket. The most recent absorption trends demonstrate slightly inferior market conditions in comparison to the historic trend and suggest continued soft demand moving forward.

Miami Beach Submarket Conclusion

Based on the preceding analysis, the Miami Beach Retail submarket demonstrates relatively weak fundamentals. Analysis of supply and demand factors indicate the market is currently in a state of imbalance with no evidence to prove this will change any time soon. The greatest weakness of the submarket appears to be its high vacancy rates.

SUBJECT PROPERTY ANALYSIS

This market analysis has examined historical and current supply/demand trends for the subject property type on market and submarket levels. Further, the subject's competitive dataset was profiled and analyzed to gain perspective of supply/demand conditions for properties in direct competition with the subject. Market participant interviews were conducted to provide ground level support of what is really occurring in the marketplace. Next, transaction trends were researched and analyzed. The final step will be to draw conclusions from the market data and analyses based on their perceived influence on the subject property.

The proposed subject will consist of one and two bedroom units with an average size of 540 square feet. These units appear to be smaller than the typical average size in the market area. They are expected to focus on a "workforce" related household that is working in the area but does not live in the area. Most of the development would likely compete with eh proposed development given the amount of employment generated in the area from season visitors and dedicated to the service and retail industry.

The amount new supply is likely to push rents downward with an increase in concessions and vacancy likely overing I the same range as the submarket and market performance over the past 12 months. We estimate that the proposed site will perform well given its location and proximity to employment centers in the core of the north area of the Miami Beach market.

The proposed subject's retail is expected to be more competitive given the amount of retail space in the area. While this sector has been seriously affected by the pandemic, not all areas of retail are affected the same. Consumer staples has been resilient during the pandemic and the demand for basic goods and services has increase significantly since the start of the pandemic. Delivery and more extended services that include delivery and take out are now part of the service provided. For most dine-in food services and entertainment it is still a challenge and would expect vacancies to increase as they are dependent on the marginal volumes they generate to stay in business. For the subject property, we would expect a lag in leasing up the proposed retail space given the amount of retail in the market area as well as the challenges presented by the pandemic. On the long-run we would expect the retail space to do well as mixed development project with multifamily and the cultural center since it would create synergies in use and occupancy.

General Vacancy Conclusion

As summarized in the table below this market analysis relied on various published data sources and field research for assessing how supply/demand conditions influence the long-term vacancy estimate of the subject property.

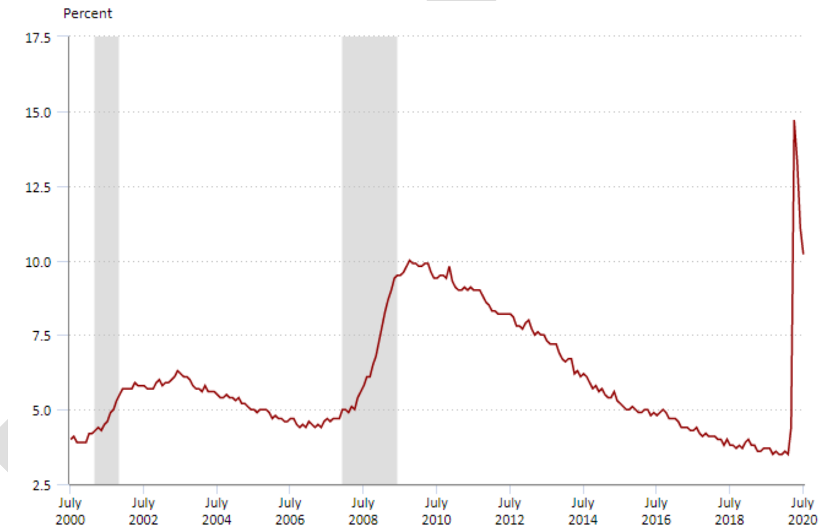
GENERAL VACANCY CONCLUSION			
MPF	**4Q 20**	**LAST YR**	**AVG LAST 5**
Miami	4.5%	4.7%	4.5%
Miami Beach	4.8%	4.8%	3.9%
Competitive Set	4.7%		
Competitive Set - Adjusted	4.7%		
Subject	5.3%		
GENERAL VACANCY RATE CONCLUSIONS			**3.0%**

COVID-19 IMPACT

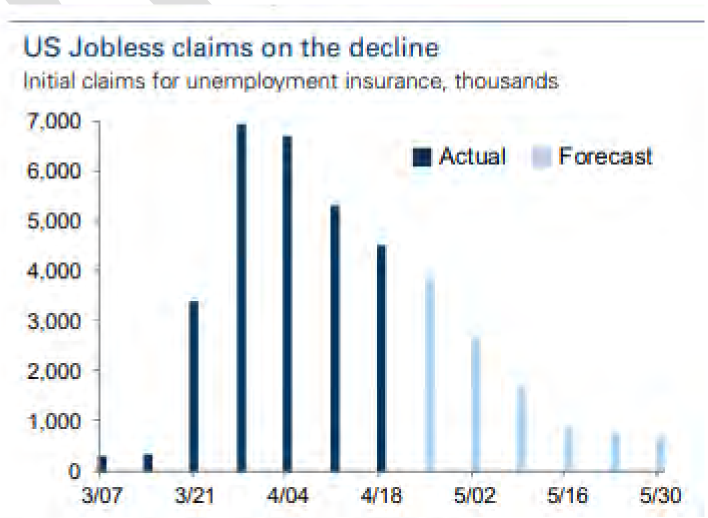
It is prudent to note that the COVID-19 virus (aka coronavirus) is a serious illness that is currently spreading throughout the world and more specifically the United States. The effects thus far include volatility in the stock market, capital markets, recent Federal Reserve interest rate cuts, and a federal stimulus package. The impact to demand and ultimately values for real estate is also developing. Real estate is an investment type that historically takes a longer time to be impacted in relation to alternative investment types. Colliers Valuation professionals have consulted with market participants in preparation of this assignment to understand and monitor how the subject property may be impacted.

COVID Impacts on Employment

Nearly all markets are experiencing some level of employment loss as businesses temporarily shutter to prevent further spreading of COVID-19, with the nation experiencing a jump in unemployment benefit claims by over 38.6M (14.7%) through April 2020 as employees were furloughed or laid off. July 2020 recently ended with a slight rebound in employment growth, with claims down to 10.2%.

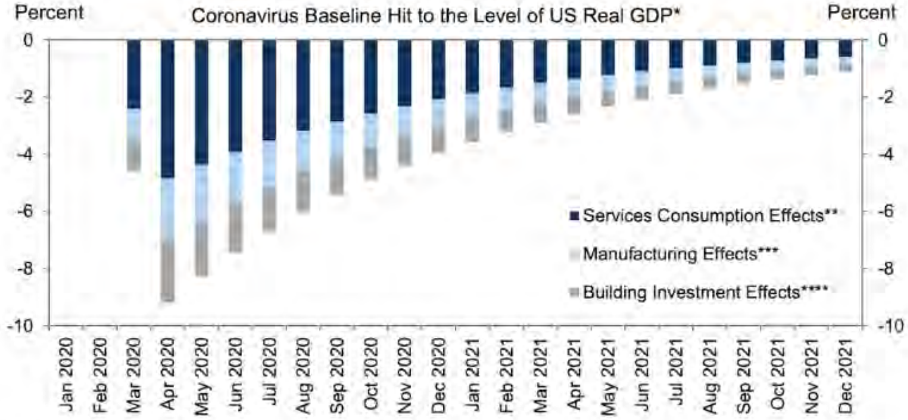


Thus far, peak unemployment claims occurred in late March and early April, declining weekly throughout April. Forecasts by Goldman project on-going declines in unemployment claims through May as the country begins to re-open.



Source: US Bureau of Labor Statistics, Goldman Sachs GIR.

The initial perspective by Goldman Sachs' Chief Economist Jan Hatzius on March 31st projecting a contraction in GDP in 2Q20 (24%) with unemployment increasing to 15% by mid-year, while expecting a strong recovery in 3Q20 with GDP expanding 19% with current projections of a bit more than half of the near-term output decline made up by year-end with near full recovery through 2021, reflected below the chart below:

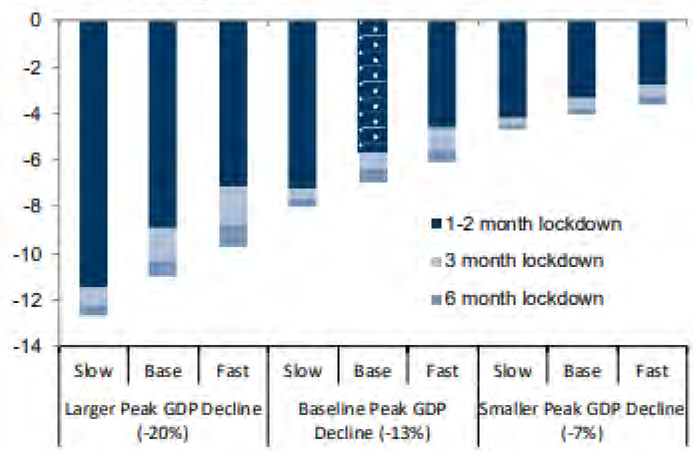


* Relative to a counterfactual of 1.75% potential growth.
** Includes cutbacks to consumption categories requiring face-to-face interaction.
*** Includes reduced domestic and foreign demand for goods, supply chain disruptions, and plant shutdowns.
**** Includes cutbacks to structures investment, homebuilding, and home sales.

Goldman Sachs

The April 28, 2020 Goldman Sachs Global Macro Research Report "Reopening the Economy" with interviews of Dr. Zeke Emanuel (Penn), Dr. Mark McCellan (Duke), and Dr. Barry Bloom (Harvard), along with a number of contributors, growth projections have been modified based on a variety of lockdown durations

2020 growth largely depends on the peak decline, the length of lockdowns, and the speed of recovery
2020 full-year GDP growth, %

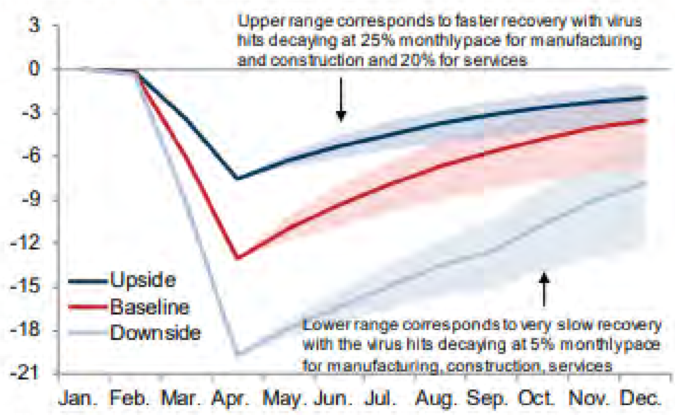


Note: Slow, base, and fast correspond to the expected speed of economic recovery; shaded bar represents our 2020 full-year growth forecast assuming a baseline peak decline in GDP, a baseline speed of recovery, and a 1-2-month full lockdown.
Source: Goldman Sachs Global Investment Research.

Further, modified projections of GDP growth for 2020 based off lockdown lengths have been made and reflected in the chart below, reflecting adjustments to GDP growth predicated on lockdown lengths.

We see both upside and downside risks to our baseline path

Coronavirus hit to the level of US real GDP, %



Note: This is relative to a counterfactual of 1.75% potential growth; solid lines show an upside scenario (7% peak growth hit), our baseline (13& peak growth hit), and downside scenario (20% peak growth hit, 6 month lockdown) under our baseline speed of recovery.

Scenario	2020 QoQ AR Q1	Q2	Q3	Q4	2020 YoY Q1	Q2	Q3	Q4	2020 Full-year
Deep hit, 6 mo lockdown	-7	-53	20	20	-0.3	-18.0	-14.6	-11.1	-11.0
Baseline peak hit	**-8**	**-34**	**19**	**12**	**-0.6**	**-10.9**	**-7.4**	**-5.2**	**-6.0**
Small hit	-7	-20	11	7	-0.3	-6.1	-4.1	-3.0	-3.4

Note: Chart is implied quarterly growth rates, assuming baseline recovery speed. Source: Goldman Sachs Global Investment Research.

Discussions/debates amongst economists and real estate market participants is whether there will be a hockey stick or swoosh recovery becoming evident in the 3rd quarter of 2020 and extending into 2021. The duration and extent of the near-term negative impacts to the economy is anticipated to be somewhat moderated by the numerous coronavirus stimulus packages, which provides Coronavirus stimulus to various business sectors along with checks to a broad portion of the US population.

To lessen the impact on the overall economy, the U.S. has agreed on a $2 Trillion stimulus package to help alleviate some of the potential future losses across multiple industries. A portion of the stimulus will be paid directly to Americans hit by the pandemic. Congress spent about $250 billion for checks up to $1,200 per person that went directly to taxpayers. To be eligible for the full amount, a person's most recently filed tax return must show that they made $75,000 or under. Couples received a maximum of $2,400 and the cutoff was $150,000. The Tax Foundation, a DC-based thinktank, estimates that 93.6% of Americans will be eligible for a check coming from the stimulus package.

Forbearance Parameters

- Fannie Mae and Freddie Mac will forbear the collection of principal and interest, escrows, and reserves for ninety (90) consecutive days, available beginning April 1st through August.
- Freddie Mac - the latest date to enter into a Forbearance Agreement will be July 10, 2020, with a monthly start date no later than August 1, 2020.
- Fannie Mae - delegation will be in effect until August 31, 2020 (unless terminated by Fannie Mae earlier).
- A Borrower must repay missed payments ratably over twelve (12) months beginning at the end of the forbearance period.
- Evictions of Coronavirus impacted residents must be suspended through the term of forbearance - three (3) months for Freddie Mac and up to fifteen (15) months for Fannie Mae.
- Fannie Mae requires that affected residents must be given the option to repay any missed rent payments over a twelve (12) month period, without late charges, together with their regular monthly rent. Freddie

Mac is not requiring borrowers to adhere to any type of obligation with regards to repayment options or rent forgiveness for residents.

We've interviewed a number of active market participants (some of whom are listed below) to provide insight on the current market for us to best reflect the present market conditions. As well, we have participated in numerous industry calls including those hosted by NCREIF, NHMC, Appraisal Institute, RICS, and several clients (PGIM, Berkadia, Walker & Dunlop, etc.), as well as those hosted by various asset type leaders within Colliers:

- Brian Eriksen / Gary LeFave – Eaton Vance
- Jim Miller – American Landmark
- Randy Harwood – TA Realty
- Trevor Brotman – Wells Fargo
- Stephen Farnsworth – Walker & Dunlop
- Steve Hovanec – TSB Capital Advisors
- Tucker Knight – Berkadia
- John Wakefield – VW Multifamily
- Dr. Ward McCarthy – Jeffries
- Patrick Richard – Stoneweg

Market participants have provided a broad range of perspectives recognizing the uncertainty of the duration of contraction and degree the stimulus packages will aid in the rate of recovery. It is anticipated another stimulus package will follow later in 2Q to help further increase liquidity and stimulate business growth once we get past the more intense period of COVID-19 infection and see both contraction rates and critical patient counts beginning to decline materially. However, there is anticipation of short-term revenue loss attributable to tenant concessions or outright defaults as well as an increase in the risk premium recognizing the more intermediate uncertainty relative to forward looking rent growth, occupancy, and capital market factors, which have the potential to have some offsetting positive outcomes (i.e. reduced construction and reduced conversion to single family home ownership), but overall anticipate an intermediate softening.

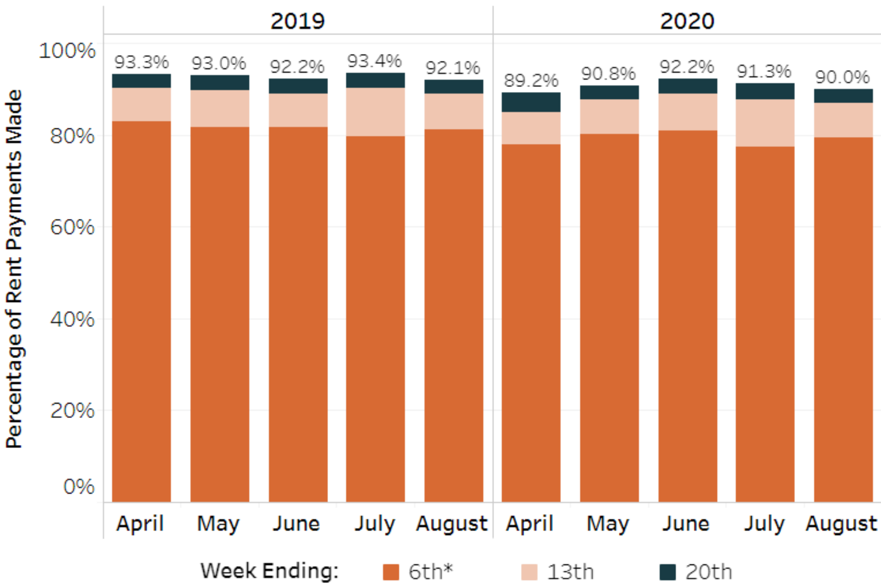
Presently, the consensus perspective from investors, advisors, and other active market participants suggests we should account for near-term disruption of rental income ranging from 5% to 15% over the coming 3 to 6 months, while anticipating a return to operational patterns recently observed within 12 to 24 months, if not sooner as we adapt to the impact of COVID-19.

During April, interviews with property owners/management firms interviewed have indicated a 5% to 15% range in April rent abatements, with multiple owner-operators indicating April rent payments totaling 90% to 95% of normal collections, with some exceeding 95%. This was further validated by the CNBC interview of Related CEO Jeff Blau who conveyed 88% multifamily rents on the morning of April 6th and further the Walker & Dunlop Interview of Barry Sternlicht of Starwood in mid-April who indicated rent collections of 94%. Market participants also mentioned parlaying discounts into new lease agreements by owners to soften tenant rollover.

In addition, we have considered initial data derived from the weekly NMHC Rent Payment Tracker, powered by Entrata, MRI Software, RealPage, ResMan and Yardi, to provide a regular accounting of rent payments, which is intended to provide more data and transparency around rent payments. This tracker reflects data from 11.5 million units across the county and began on Wednesday, April 8th, and will continue to provide weekly updates, which we have summarized to date:

- **July 27th** – "The National Multifamily Housing Council (NMHC)'s Rent Payment Tracker found 93.3 percent of apartment households made a full or partial rent payment by July 27 in its survey of 11.4 million units of professionally managed apartment units across the country. This is a 2.0-percentage point decrease from the share who paid rent through July 27, 2019 and compares to 94.7 percent that had paid by June 27, 2020. These data encompass a wide variety of market-rate rental properties across the United States, which can vary by size, type and average rental price."

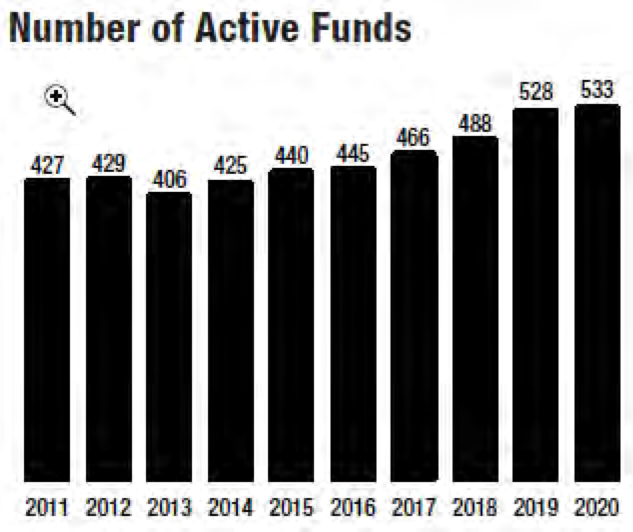
- **August 20th** – "The National Multifamily Housing Council (NMHC)'s Rent Payment Tracker found 90 percent of apartment households made a full or partial rent payment by August 20 in its survey of 11.4 million units of professionally managed apartment units across the country. This is a 2.1-percentage point, or 237,056 -household decrease from the share who paid rent through August 20, 2019 and compares to 91.3 percent that had paid by July 20, 2020. These data encompass a wide variety of market-rate rental properties across the United States, which can vary by size, type and average rental price."

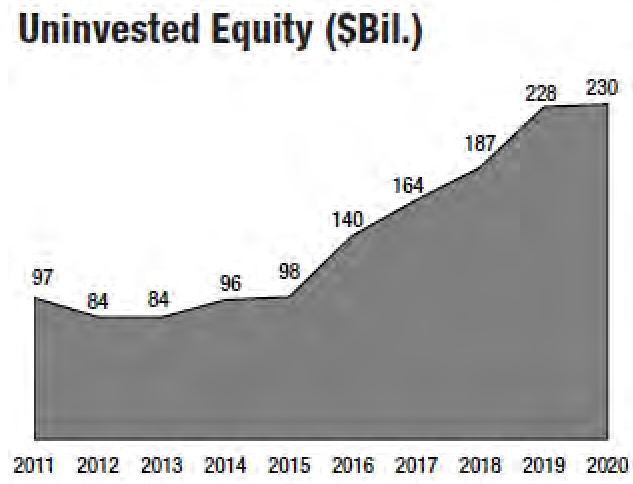


"At a time when the country is continuing to face a pandemic and suffering from a recession, lawmakers in Congress and the Trump administration must come back to the table and work together on passing comprehensive legislation in the next COVID-19 relief package," said Doug Bibby, NMHC President.

Lastly, the feedback on current transactions has been that contracts on assets in more highly sought markets that are more institutional class assets where sponsors have more access to near-term capital have had fewer cases of fall out or re-trade, with numerous transactions proceeding with no price re-trade, while some value-add or secondary/tertiary market transactions have fallen out or been re-traded for a variety of reasons.

Investment Sales brokers interviewed conveyed the expectation of 5% to 15% overall value adjustment proceeding through the entire event based on what is known as of early April, sharing that while it's too early to say with certainty that several listings they had active with interest levels prior to March 15th went silent, but this week they started testing the market with whisper reductions of 10% on select listings and found positive interest amongst buyers. Still no contracts, but some traction. In addition, they conveyed concern related to tenant advocacy groups and whether those would impact collections significantly. Despite the near-term, there remains an overhang of available capital amongst fund managers, with 533 active funds holding more than $230B in uninvested equity, which should buffer the market from a more prolonged downturn.





Both charts sourced via Real Estate Alert March 18, 2020 Special Report Edition

While this is an evolving situation with respect to multifamily housing, current market feedback indicates that further clarify and consensus may take upwards of a year to fully understand the impact of COVID-19, but broadly speaking an adjustment to the near term rent collections and analysis of intermediate term impact of risk premium via capitalization rate needs to be considered.

COVID-19 Impact Conclusion

Thus far, considering the changing economic factors and market participant feedback, we recognize near-term impact on credit loss and some uncertainty in intermediate prospects for rent growth (both by way of rental rate increases and occupancy), and have accounted for near-term rent loss expectations in the income analysis as well as forward-looking market uncertainty within the capitalization rate analysis.

SUMMARY OF MARKET ANALYSIS

In general, the apartment market recovered faster than other asset types following the last recession and we've reached pre-peak levels in terms of rental rates and pricing. Apartment properties benefited from foreclosure action and general consumer confidence with respect to the housing market. As a result, a significant percentage of the would-be home owners became prospective tenants. This has helped the multifamily market rebound quickly, experiencing high levels demand, pushing up rental rates and occupancy levels.

Performance in the South Florida Market has leveled off recently as job growth moderates and supply levels remain elevated, in conjunction with the COVID-19 pandemic. While there is generally an acceptance that rent growth at the pace achieved over the past couple of years won't be sustainable in the long term, a normalized growth closer to longer term norms from 1.0% to 3.0% are expected. The submarket is a growing submarket that experienced accelerating construction activity in the current cycle. The submarket generally outperforms the metro in terms of rental rates on monthly basis. Although construction activity remains elevated, absorption is anticipated to keep pace with supply and occupancies are expected to remain relatively stable. Overall, the submarket is nearing the end of a growth stage of its lifecycle with mild fluctuation in performance expected in the near term and long-term growth expected.

It is prudent to note that the COVID-19 virus (aka coronavirus) is a serious illness that is currently developing throughout the world and more specifically the United States. The effects thus far include volatility in the stock and capital markets. The impact to demand and ultimately values for real estate is also developing. Real estate is an investment type that historically takes a longer period to be impacted in relation to alternative investment types.

Based on discussions with market participants that include brokers, property owners, and property management, the near-term effects on multifamily assets will likely be in the form of short-term rent loss during periods of increased unemployment, shelter-in-place orders, and illness. Overall occupancies and rental trends are projected to remain generally stable, while turnover and lease-up percentages will be somewhat lower than typical. The benefits from the recently approved economic stimulus legislation are targeted to benefit both multi-family property owners and many households that fall within the for-rent residential market, thus the general sentiment is favorable over the long-term with some short-term interruptions during this time.

EXPOSURE TIME & MARKETING PERIOD

Exposure time is defined as "The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market" (The Dictionary of Real Estate Appraisal, Appraisal Institute, 2015). Reasonable exposure time is impacted by the aggressiveness and effectiveness of a property's exposure to market participants, availability and cost of financing, and demand for similar investments. Exposure time is best established based the recent history of marketing periods for comparable sales, discussions with market participants and information from published surveys.

The following information was taken into consideration to develop estimates of exposure time and marketing period for the subject property:

EXPOSURE TIME & MARKETING PERIOD					
SOURCE	QUARTER	RANGE			AVG
PriceWaterhouse Coopers					
Southeast Region Apartment	4Q 20	1.0	to	6.0	4.5
National Net Lease	4Q 20	1.0	to	18.0	5.8
AVERAGE		**1.0**	**to**	**12.0**	**5.2**

The availability of acquisition financing factors into exposure time. In recent quarters, financing has been available for well-positioned commercial real estate, particularly for stabilized assets within core MSAs and owner/user deals. For second tier or marginal properties, financing has been available but subject to more stringent requirements. Based on review of the local capital market, we conclude that adequate financing options would have been available to consummate a sale of the property on the date of value.

Exposure Time Conclusion

The preceding information generally supports an exposure time range from 1.0 to 10.0 months for Multifamily (Mid/High-Rise Housing) properties. The subject property will be in excellent quality and is in excellent condition. Based on its overall physical and locational characteristics, the proposed subject will have an above average overall appeal to investors and users/occupants/tenants. Considering these factors, a reasonable estimate of exposure time for the proposed subject property is six to nine months.

Marketing Period Conclusion

Marketing period is very similar to exposure time, but reflects a projected time to sell the property, rather than a retrospective estimate. We have reviewed open listings and discussed the market with local participants, and given the nature of the subject property, we feel that a period of six to nine months is supported for the subject's marketing period.

INTRODUCTION

The highest and best use of an improved property is defined as that reasonable and most probable use that will support its highest present value. The highest and best use, or most probable use, must be legally permissible, physically possible, financially feasible, and maximally productive. This section develops the highest and best use of the subject property As-Vacant and As-Improved.

AS-VACANT ANALYSIS

Legal Factors

The legal factors that possibly influence the highest and best use of the subject site are discussed in this section. Private restrictions, zoning, building codes, historic district controls, and environmental regulations are considered, if applicable to the subject site. Permitted uses of the subject's Civic & Government Use (GU) zoning were listed in the Zoning Analysis section. However, alongside the proposal it is expected to change to a higher density under TC-C, Town Center-Central Core District, which would allow up to 150 dwelling units per acre. Additionally, the developer's costs includes the purchase of Floor Area Ratio ("FAR") to reach the proposed 151-units. We are under the hypothetical condition that the subject site's zoning is legally permitted under the expected use of TC-C.

Physical & Locational Factors

Regarding physical characteristics, the subject site is l-shaped in shape and has level topography with good access and good exposure. The subject is surrounded by residential and commercial uses, as well as pockets of vacant lots. Given the subject's location and surrounding uses, the subject site is desirable for a mixed use involving residential, commercial and institutional uses. Although a mixed-use area, residential is the predominant land use with various retail and commercial uses along primary arterials. Of the outright permitted uses, physical and locational features best support development of a residential property as market conditions warrant for the site's highest and best use as-vacant.

Feasibility Factors

The financial feasibility of those uses that meet the legal and physical tests discussed is analyzed further in this section. Supply and demand conditions affect the financial feasibility of possible uses. Indicators of feasibility, which typically indicate favorable or non-favorable supply and demand conditions, include construction financing and proposed projects. Financial feasibility factors generally support near term development of the subject site.

As-Vacant Conclusion

Based on the previous discussion, the subject's highest and best use as-vacant is concluded to be development of a residential property as market conditions warrant.

AS-IMPROVED /AS -PROPOSED ANALYSIS

Legal Factors

The proposed subject's Multifamily (Mid/High-Rise Housing) use (as-improved) is would be permitted subject to the acceptance of the project by the City since the existing use as GU zoning would not allow it. We have assumed that the subject is considered a legal, conforming use based on the proposed density. The legal factors influencing the highest and best use of the property support the subject's use as-improved under this condition.

Physical & Locational Factors

The physical and location characteristics of the proposed subject improvements have been previously discussed in this report. In summary, the proposed subject's improvements are expected to be constructed sometime during 2022 and would likely have a remaining economic life of 60 years based on our estimate. The project is expected to be of excellent quality construction and in excellent condition, with adequate service amenities. The proposed subject improvements as-improved are sufficiently supported by site features including its l-shaped shape, level topography, good access and good exposure per the renderings and term sheet provided. Further, the proposed subject's location supports the subject improvements as-improved with similar and homogeneous developments present in the subject's immediate market area. Physical and location factors influencing the highest and best use of the property support the proposed subject's use as-improved.

Alternative Uses & Feasibility Factors

In addition to legal and physical considerations, analysis of the subject property as-improved requires the treatment of two important issues: 1) consideration of alternative uses for the property; and 2) the marketability of the most probable use. The five possible alternative treatments of the property are demolition, expansion, renovation, conversion, and the subject's use as-improved.

› **Demolition:** The subject current improvements do not contribute significant value above the current land value. Therefore, demolition of the existing improvements would be applicable in this case.

› **Expansion:** The subject property comprises approximately 0.72 acres (31,497 SF) and would be improved with a Multifamily (Mid/High-Rise Housing). The subject site would not contain additional site area for expansion; therefore, expansion of the subject is not considered a viable option.

› **Renovation:** The existing improvements of the subject property are more than 50 years old and per the reports provided, indicate that the property requires extensive improvements to bring it up to the minimal standards required to be functional and operational. It is our opinion that renovation, in the form of capital expenditures, would not increase the rent levels or value appreciably. For this reason, renovation is not appropriate.

› **Conversion:** Conversion is neither appropriate nor applicable to this property.

› **Continued Use "As-Is"** The final option is the continued use of the property "As-Is." This is legal, physically possible, and financially feasible. Therefore, is to demolish the existing use and develop the proposed mixed use project consisting of a 151-unit multifamily md-rise with commercial retail space, which some portion of it could be used as a cultural center for the benefit of public use.

› Among the five alternative uses, the subject's use As-Proposed is supported to be its Highest and Best Use.

Marketability Factors

As previously indicated in the Market Analysis, the subject property has good/excellent marketability. The condition of the property reflects good/excellent maintenance and appeal. In general apartment supply/demand conditions and immediate market area trends support viable short and long-term operations of the subject's use as-improved. The proposed development would be appealing to equity investors and institutional investors while demand for affordable housing in the area would be appealing to most of the households employed in the area but live outside the subject's market location.

As-Improved Conclusion

Legal, physical, and market considerations have been analyzed to evaluate the highest and best use of the property. This analysis is presented to evaluate the type of use that will generate the greatest level of future benefits possible from the property. Based on the previous discussion, the highest and best use of the subject property As-Proposed is concluded to be for a mixed use that encompasses multifamily residential with retail use

INTRODUCTION

The following presentation of the appraisal process deals directly with the valuation of the subject property. The following paragraphs describe the standard approaches to value that were considered for this analysis.

INCOME APPROACH

The Income Approach is based on the premise that properties are purchased for their income producing potential. It considers both the annual return on the invested principal and the return of the invested principal. This valuation technique entails careful consideration of contract rents currently in place, projected market rents, other income sources, vacancy allowances, and projected expenses associated with the efficient operation and management of the property. The relationship of these income estimates to property value, either as a single stream or a series of projected streams, is the essence of the income approach. The three fundamental methods of this valuation technique include Direct Capitalization, Discounted Cash Flow and Effective Gross Income Multiplier.

- **Direct Capitalization**
  This method analyzes the relationship of one year's stabilized net operating income to total property value. The stabilized net operating income is capitalized at a rate that implicitly considers expected growth in cash flow and growth in property value over a buyer's investment horizon. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect an as is value.
- **Discounted Cash Flow (DCF)**
  The DCF analysis models a property's performance over a buyer's investment horizon from the date of acquisition through the projected sale of the property at the end of the holding period. Net cash flows from property operations and the reversion are discounted at a rate reflective of the property's economic and physical risk profile.
- **Effective Gross Income Multiplier**
  Also known as the EGIM, this method is appropriate within the Income Approach because it is recognized that purchasers are concerned with the income-producing ability of the property. The EGIM is derived by dividing the effective gross annual income of each comparable into the sales price. The EGIM has the advantages of simplicity and easy calculation. It is based on the premise that rents and sales prices move in the same direction and, essentially, in the same proportion as do net income and sales prices. The EGIM is typically used without adjustments. The final selection of an effective income multiplier is based upon the applicability of each comparable and a range is established.

Development of the Income Approach is a specific scope requirement of this assignment. Characteristics specific to the subject property warrant that this valuation technique is developed. The subject is an investment property; therefore, the Income Approach represents the decision making process of knowledgeable buyers and sellers of this property type. Direct Capitalization, Discounted Cash Flow and the PGIM methods are all applicable and developed within this analysis. The resulting opinions of value are correlated into a final value by the Income Approach.

SALES COMPARISON APPROACH

The Sales Comparison Approach is based on the principle of substitution, which asserts that no one would pay more for a property than the value of similar properties in the market. This approach analyzes comparable sales by applying transactional and property adjustments to bracket the subject property on an appropriate unit value comparison. The sales comparison approach is applicable when sufficient data on recent market transactions is available. Alternatively, this approach may offer limited reliability because many properties have unique characteristics that cannot be accounted for in the adjustment process.

Development of the Sales Comparison Approach is a specific scope requirement of this assignment. Characteristics specific to the subject property warrant that this valuation technique to be developed. Sufficient sales data is available to provide a credible value estimate by the Sales Comparison Approach. Based on this reasoning, the Sales Comparison Approach is presented within this appraisal.

LAND VALUATION

Development land in the subject marketplace is most often valued utilizing the Sales Comparison Approach. However, we limited our analysis using a Residual Analysis, where we estimated the Prospective Value – Upon Completion and deduct the estimated cost of development, resulting in the contributory value of the land. Development of the subject site value is a specific scope requirement of this assignment. Characteristics specific to the subject property warrant that a site value is developed.

COST APPROACH

The Cost Approach is a set of procedures through which a value indication is derived for the fee simple estate by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive or profit; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property interest being appraised. For investment properties, this valuation technique is most often relied upon as a test of financial feasibility for proposed construction.

Development of the Cost Approach is a specific scope requirement of this assignment. Characteristics specific to the subject property warrant that this valuation technique is developed. The subject property is proposed construction, which makes the Cost Approach particularly useful as a test of financial feasibility. Based on the preceding information, the Cost Approach will not be presented.

RECONCILIATION OF VALUE CONCLUSIONS

The Income (Direct Capitalization, Discounted Cash Flow & PGIM) and Sales Comparison approaches are used to value the subject property, which will be reconciled into the final opinions of market value in the Analysis of Value Conclusions section.

INTRODUCTION

The Income Approach is based on the premise that properties are purchased for their income producing potential. It considers both the annual return on the invested principal and the return of the invested principal. This valuation technique entails careful consideration of contract rents currently in place, projected market rents, other income sources, vacancy allowances, and projected expenses associated with the efficient operation and management of the property. The relationship of these income estimates to property value, either as a single stream or a series of projected streams, is the essence of the income approach. The three fundamental methods of this valuation technique include Direct Capitalization, Discounted Cash Flow and Effective Gross Income Multiplier.

Direct Capitalization
This method analyzes the relationship of one year's stabilized net operating income to total property value. The stabilized net operating income is capitalized at a rate that implicitly considers expected growth in cash flow and growth in property value over a buyer's investment horizon. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect an as is value.

Discounted Cash Flow (DCF)
The DCF analysis models a property's performance over a buyer's investment horizon from the current as is status of the property, to projected stabilization of operations and through the projected sale of the property at the end of the holding period. Net cash flows from property operations and the reversion are discounted at a rate reflective of the property's economic and physical risk profile.

Effective Gross Income Multiplier
Also known as the EGIM, this method is appropriate within the Income Approach because it is recognized that purchasers are concerned with the income-producing ability of the property. The EGIM is derived by dividing the effective gross annual income of each comparable into the sales price. The EGIM has the advantages of simplicity and easy calculation. It is based on the premise that rents and sales prices move in the same direction and, essentially, in the same proportion as do net income and sales prices. The EGIM is typically used without adjustments. The final selection of an effective income multiplier is based upon the applicability of each comparable and a range is established.

Given the appraisal problem and defined scope of work, the following table summarizes the value scenarios and Income Approach methods developed within this appraisal report:

INCOME APPROACH VALUE SCENARIOS			
VALUE	METHODS USED		
SCENARIO	DIRECT CAP	DCF	EGIM
As-Is Market Value			
Prospective Value Upon Completion		✓	
Prospective Value Upon Stabilization	✓	✓	✓

As previously discussed within the Valuation Methods section, Direct Capitalization, Discounted Cash Flow and PGIM analysis are used in this appraisal.

Income Approach Framework
The following identifies the primary sections and order in which the Income Approach is developed.

- Subject Income History
- Apartment Rent Analysis
- Commercial Rent Analysis
- Cash Flow Risk Analysis

- Income & Expense Analysis
- Investment Market Analysis
- Discounted Cash Flow
- Direct Capitalization
- Effective Gross Income Analysis
- Adjustments to Value
- Income Approach Reconciliation

Proposed Subject Income Pro Forma Estimates

The developer is proposing the following unit mix and rent rates for the multifamily project:

SUBJECT LEASING INFORMATION

UNIT TYPE	UNIT SUMMARY OCC	VAC	TOT	UNITS PERCENT OF TOTAL	AVG UNIT SF	NRA SF	UNIT % OCC-UPIED	ASKING RENT PER UNIT	TOTAL $/MO	AVG $/SF	ACTUAL RENT PER UNIT AVERAGE	TOTAL $/MO	AVG $/SF
1 BD / BA	7	0	7	4.6%	413	2,891	100%	$1,159	$8,113	$2.81	$1,159	$8,113	$2.81
1 BD / BA	8	0	8	5.3%	425	3,400	100%	$1,158	$9,264	$2.72	$1,158	$9,264	$2.72
1 BD / BA	7	0	7	4.6%	463	3,241	100%	$1,283	$8,981	$2.77	$1,283	$8,981	$2.77
1 BD / BA	32	0	32	21.2%	486	15,552	100%	$1,291	$41,312	$2.66	$1,291	$41,312	$2.66
1 BD / BA	7	0	7	4.6%	541	3,787	100%	$1,428	$9,996	$2.64	$1,428	$9,996	$2.64
1 BD / BA	28	0	28	18.5%	512	14,336	100%	$1,358	$38,024	$2.65	$1,358	$38,024	$2.65
1 BD / BA	3	0	3	2.0%	553	1,659	100%	$1,515	$4,545	$2.74	$1,515	$4,545	$2.74
1 BD / BA	7	0	7	4.6%	576	4,032	100%	$1,578	$11,046	$2.74	$1,578	$11,046	$2.74
1 BD / BA	8	0	8	5.3%	581	4,648	100%	$1,578	$12,624	$2.72	$1,578	$12,624	$2.72
1 BD / BA	8	0	8	5.3%	584	4,672	100%	$1,578	$12,624	$2.70	$1,578	$12,624	$2.70
1 BD / BA	7	0	7	4.6%	621	4,347	100%	$1,803	$12,621	$2.90	$1,803	$12,621	$2.90
1 BD / BA	7	0	7	4.6%	622	4,354	100%	$1,800	$12,600	$2.89	$1,800	$12,600	$2.89
2 BD / BA	7	0	7	4.6%	660	4,620	100%	$1,984	$13,888	$3.01	$1,984	$13,888	$3.01
2 BD / BA	15	0	15	9.9%	671	10,065	100%	$2,018	$30,270	$3.01	$2,018	$30,270	$3.01
TOTAL/AVG	**151**	**0**	**151**	**100%**	**540**	**81,604**	**100.0%**	**$1,496**	**$225,908**	**$2.77**	**$1,496**	**$225,908**	**$2.77**

RECENT LEASES AS OF JANUARY 1, 2020 THROUGH JANUARY 25, 2021

The unit mix consist of one and two bedroom units. The one bedroom units represent more than 85% of the total units with the remaining 15% dedicated to two bedrooms. The unit size for the one bedrooms range 413 square feet to 622 square feet with an average of 531 square feet. The two bedroom units range in size from a low of from with rents ranging from a low of 600 square feet to a high 671 with an average size of 666 square feet. Combined, the average unit size is 540 square feet and considered smaller than most of the available units in the immediate market area and competitive set.

Proposed Subject Utility Structure

- **Hot Water -** Not included in the rent - directly billed from utility company
- **Cold Water -** Not included in the rent - directly billed from utility company
- **Sewer -** Not included in the rent - directly billed from utility company
- **Trash Removal -** Not included in the rent - directly billed from utility company
- **Gas -** Not included in the rent - directly billed from utility company
- **Electricity -** Not included in the rent - directly billed from utility company
- **Telephone -** Not included in the rent - directly billed from utility company
- **Cable -** Not included in the rent - directly billed from utility company
- **Internet -** Not included in the rent - directly billed from utility company

ANALYSIS OF RENT COMPARABLES

Unit of Comparison

The analysis is conducted on a rent per month basis, reflecting market behavior. This unit of comparison is predominantly used in this market.

Selection of Comparables

A complete search of the area was conducted to find the most comparable complexes in terms of age, appeal, condition, number of units, and amenities. The rent comparables are in the subject's local area. The proposed subject is in classified as being in excellent condition with good/excellent appeal for the market area considering its vintage. The comparables selected in this analysis are similar properties to the subject property as we have considered at market and rent restricted and/or subsidized multifamily properties. The range of rent types will allow us to better understand and compare the market rent and restricted rent levels expected to attract tenants to the proposed development, which typically rents in the range of these two rent types.

Concessions

Some of the comparables were offering concessions at the time of survey. Please see the data sheets for full details.

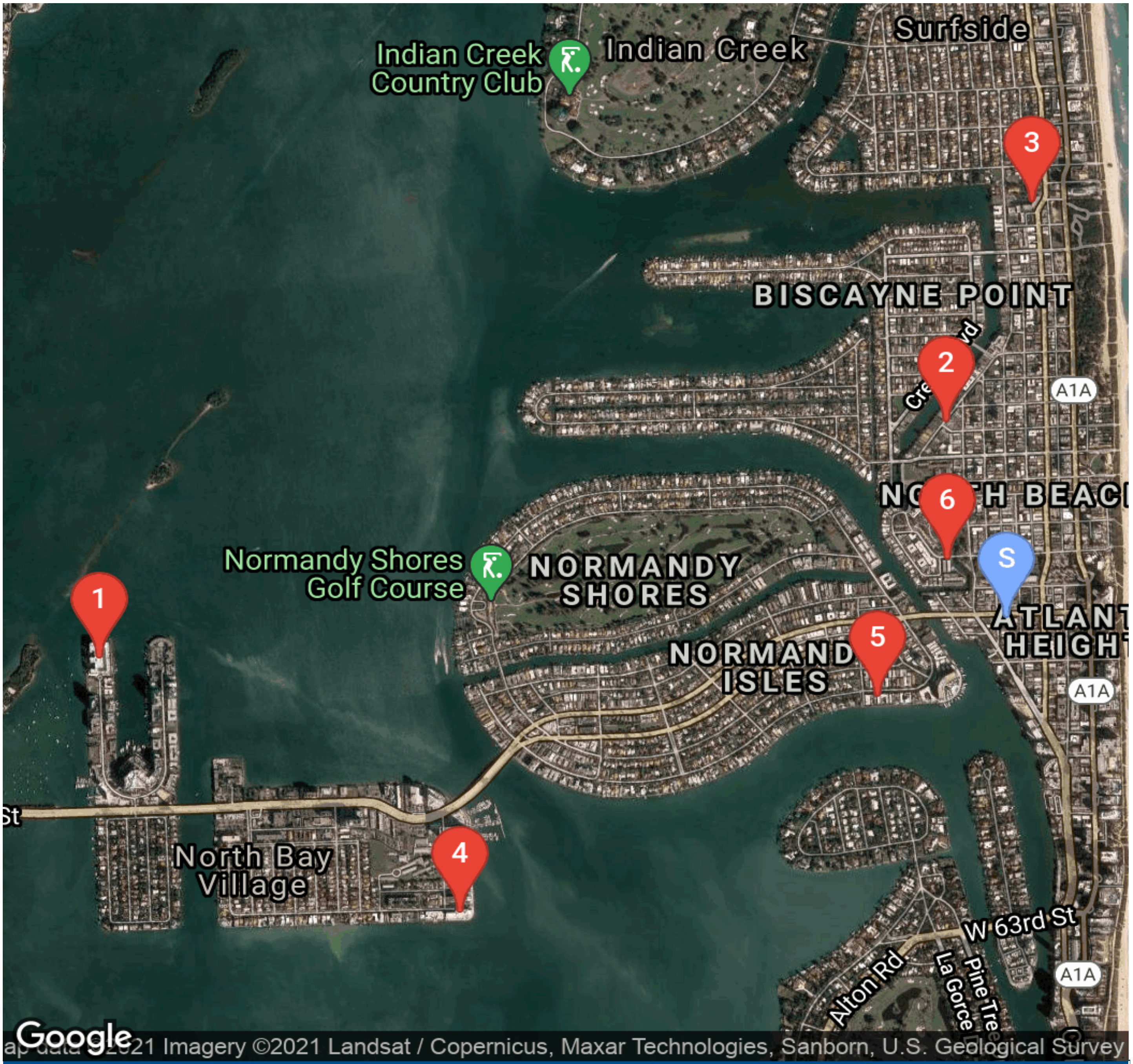
Presentation

The following presentation summarizes the comparables most like the subject property. A Rent Comparable Summation Table, Rent Comparable Location Map, Data Sheets, and analysis of the rent comparables is presented on the following pages.

RENT SUMMATION TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5	COMPARABLE 6
Name	The Byron	Moda North Bay Village	Grand Beach Apartments	Stella Maris Senior Center	Treasures on the Bay	Marina Del Rey	Park View Island
Address	500 71st Street	8000 West Dr.	7801 Tatum Waterw ay Dr	8638 Harding Av	1900 S Treasure Dr	1006-1022 Bay Dr	780 73rd St
City	Miami Beach	North Bay Village	Miami Beach	Miami Beach	North Bay Village	Miami Beach	Miami Beach
State	FL	FL	FL	FL	FL	FL	FL
Zip	33141-3018	33141	33141	33141	33141	33141	33141
PHYSICAL INFORMATION							
Project Design	Mid-Rise	Apartments	Garden	Mid-Rise	Mid-Rise	Garden	Garden
Number of Units	151	285	180	136	160	108	100
NRA	101,105	259,811	162,042	72,387	151,845	87,876	62,700
Year Built	2022	2015	1947	1985	1962	1954	1958
Average SF/Unit	540	912	900	532	949	814	627
RENT INFORMATION							
Occupancy	100.0%	92.0%	92.0%	97.1%	97.7%	92.6%	100.0%
Rent Type	LIHTC	Market Rent	Market Rent	Rent Subsidized	Market Rent	Market Rent	Rent Subsidized
$/Unit Average	$1,496	$2,232	$1,565	$1,081	$1,986	$1,241	$1,023
$/SF Average	$2.77	$2.45	$1.74	$2.03	$2.09	$1.53	$1.63
1 BD $/Unit Avg	$1,409	$1,965	$1,325	$1,109	$1,769	$1,202	$1,023
2 BD $/Unit Avg	$2,007	$2,748	$1,620	-	$2,125	$1,412	-

RENT COMPARABLE LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	NAME	ADDRESS	OCC %	AVG SF/UNIT	$/SF AVG	$/UNIT AVG
SUBJECT	-	The Byron	500 71st Street, Miami Beach, FL	100.0%	540	$2.77	$1,496
No. 1	2.3 Miles	Moda North Bay Village	8000 West Dr., North Bay Village, FL	92.0%	912	$2.45	$2,232
No. 2	0.5 Miles	Grand Beach Apartments	7801 Tatum Waterw ay Dr, Miami Beach , I	92.0%	900	$1.74	$1,565
No. 3	1.1 Miles	Stella Maris Senior Center	8638 Harding Av, Miami Beach , FL	97.1%	532	$2.03	$1,081
No. 4	1.6 Miles	Treasures on the Bay	1900 S Treasure Dr, North Bay Village , Fl	97.7%	949	$2.09	$1,986
No. 5	0.4 Miles	Marina Del Rey	1006-1022 Bay Dr, Miami Beach, FL	92.6%	814	$1.53	$1,241
No. 6	0.2 Miles	Park View Island	780 73rd St, Miami Beach, FL	100.0%	627	$1.63	$1,023

COMPARABLE 1

LOCATION INFORMATION	
Name	Moda North Bay Village
Address	8000 West Dr.
City, State, Zip Code	North Bay Village, FL, 33141
MSA	Miami-Fort Lauderdale-Pompano Beach, FL

PHYSICAL INFORMATION	
Project Design	Apartments
Number of Units	285
Year Built	2015
Net Rentable Area (NRA)	259,811
Average Unit Size (SF)	912
Rent Type	Market Rent
Quality	Good
Condition	Good
Appeal	Good
Project Amenities	Common Laundry, BBQ/Picnic Area, Fitness Center, Concierge/Doorman, Swimming Pool, Elevators, Pet Policy, Clubhouse, Business Center
Unit Amenities	Walk-in Closets, Washer/Dryer In-Unit, Microwave, Range/Stove, Deadbolt, Garbage Disposal, Dishwasher, Parking Covered, Premium Appliances, Premium Countertops, Balcony/Patio, Air Conditioning
Parking	

UTILITIES	INCL. IN RENT	NOT INCL. IN RENT
Electricity		✓
Water		✓
Hot Water		✓
Sewer		✓
Garbage		✓
Telephone		✓
Gas		✓
Cable/Satellite		✓
High-Speed Internet		✓

UNIT MIX

DESCRIPTION	UNITS	SIZE	LOW	HIGH	AVG RENT
1 BD / 1 BA	88	651			$1,800
1 BD / 1 BA	21	710			$1,880
1 BD / 1 BA	61	790	$2,159	$2,230	$2,195
1 BD / 1 BA	18	821			$2,098
2 BD / 2 BA	7	1186			$2,400
2 BD / 2 BA	11	1189			$2,410
2 BD / 2 BA	20	1196			$2,692
2 BD / 2 BA	17	1212			$2,787
2 BD / 2 BA	5	1226			$2,703
2 BD / 2 BA	5	1282			$2,426
2 BD / 2 BA	12	1420			$2,625

MODA NORTH BAY VILLAGE

OCCUPANCY / ABSORPTION	
Vacant Units	23
Occupancy Rate	92%
Fees & Deposits	N/Av
Concessions	First month free

CONFIRMATION	
Name	Confidential
Source	Confidential
Date	02/19/2020
Phone Number	Confidential

REMARKS

This is a 285-unit mid-rise multifamily property on the water located in the North East Submarket of Miami-Dade County. The property is situated on 4.26 acres fronting the intracoastal waterway. The buildings were constructed in 2015 and are approximately 90% occupied. The unit mix is one-bedroom (718 SF), two-bedroom (1,285 SF) apartments units. The building amenities include but not limited to: business center, clubhouse, fitness center, pool, granite counter tops, and washer/dryers in unit. Moda North Bay Village is located in the North East Submarket of Miami-Dade County. The property is situated on 4.26 acres fronting the intracoastal waterway. The building amenities include business center, clubhouse, fitness center, pool, clubhouse, and parking structure. Unit interiors feature stainless steel appliances, walk-in closets, patio/balcony, water views, granite counter tops, and washer/dryers in unit. Storage units range from $45-80/month. Per leasing agent the most recent rents can be found on the property website and the unit mix has been condensed for clarity. The tenant pays W/S/T and management is offering first month free.

COMPARABLE 2

LOCATION INFORMATION	
Name	Grand Beach Apartments
Address	7801 Tatum Waterw ay Dr
City, State, Zip Code	Miami Beach , FL, 33141
MSA	Miami-Miami Beach-Kendall, FL

PHYSICAL INFORMATION	
Project Design	Garden
Number of Units	180
Year Built	1947
Net Rentable Area (NRA)	162,042
Average Unit Size (SF)	900
Rent Type	Market Rent
Location	Average/Good
Quality	Average/Good
Condition	Fair/Average
Project Amenities	Exterior Lighting, Common Laundry, Security Alarm/Patrol, On-Site Manager, Sw imming Pool
Unit Amenities	Air Conditioning, Deadbolt, Balcony/Patio, Garbage Disposal, Refrigerator, Range/Stove, Parking Open
Parking	Parking Open

UTILITIES	INCL. IN RENT	NOT INCL. IN RENT
Electricity		✓
Water	✓	
Hot Water		✓
Sew er	✓	
Garbage	✓	
Telephone		✓
Gas		✓
Cable/Satellite		✓
High-Speed Internet		✓

UNIT MIX

DESCRIPTION	UNITS	SIZE	LOW	HIGH	AVG RENT
1 BD / 1 BA	60	770			$1,325
2 BD / 1 BA	58	925			$1,625
2 BD / 2 BA	2	996			$1,463
3 BD / 2 BA	58	1000			$1,750
3 BD / 2 BA	2	1100			$1,750

GRAND BEACH APARTMENTS

OCCUPANCY / ABSORPTION	
Vacant Units	14
Occupancy Rate	92%
Fees & Deposits	N/Av
Concessions	See remarks.

CONFIRMATION	
Name	Leasing Agent
Source	Confidential
Date	08/20/2019
Phone Number	Confidential

REMARKS

The property is located on Tatum Waterw ay Drive, east of Alton Road. Per leasing agent all units are being updated w ith granite countertops, light w ood modern cabinetry w ith brushed nickel hardw are, new er w hite appliances, light w ood print ceramic tiles, new paint and updated ceiling fans and light fixtures. All units have patio/balcony. There are no W/D connections and units do not have dishw ashers. Tenants use street parking.

Project Design: Garden

The property is located on Tatum Waterw ay Drive, east of Alton Road. Per leasing agent all units are being updated w ith granite countertops, light w ood modern cabinetry w ith brushed nickel hardw are, new er w hite appliances, light w ood print ceramic tiles, new paint and updated ceiling fans and light fixtures. All units have patio/balcony. There are no W/D connections and units do not have dishw ashers. Concession being offered at the time of survey w as first month free and deposit w aived w ith approved credit. Water, sew er and trash are included in the rent. Tenants use street parking.

COMPARABLE 3

LOCATION INFORMATION

Name	Stella Maris Senior Center
Address	8638 Harding Av
City, State, Zip Code	Miami Beach , FL, 33141
MSA	Miami-Miami Beach-Kendall, FL

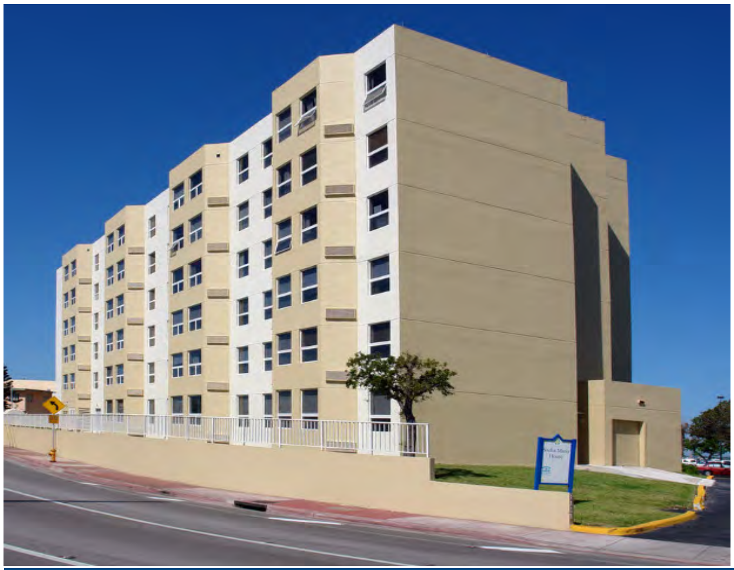
PHYSICAL INFORMATION

Project Design	Mid-Rise
Number of Units	136
Year Built	1985
Net Rentable Area (NRA)	72,387
Average Unit Size (SF)	532
Rent Type	Rent Subsidized
Quality	Average/Good
Condition	Average/Good
Appeal	Average/Good
Project Amenities	Elevators
Unit Amenities	Air Conditioning, Refrigerator, Parking Open, Range/Stove
Parking	Parking Open

UTILITIES	INCL. IN RENT	NOT INCL. IN RENT
Electricity		✓
Water		✓
Hot Water		✓
Sewer		✓
Garbage		✓
Telephone		✓
Gas		✓
Cable/Satellite		✓
High-Speed Internet		✓

UNIT MIX

DESCRIPTION	UNITS	SIZE	LOW	HIGH	AVG RENT
STUDIO / 1 BA	35	432			$999
1 BD / 1 BA	101	567			$1,109



STELLA MARIS SENIOR CENTER

OCCUPANCY / ABSORPTION

Vacant Units	4
Occupancy Rate	97%
Fees & Deposits	N/Av
Concessions	None.

CONFIRMATION

Name	Confidential
Source	Confidential
Date	09/17/2018
Phone Number	Confidential

REMARKS

This senior rent subsidized property is located on Harding Avenue, between Byron Avenue and Collins Avenue.

Project Design: Mid-Rise

Affordable Program: Subsidized This senior rent subsidized property is located on Harding Avenue, between Byron Avenue and Collins Avenue. The property could not be reached after several attempts, rates and occupancy provided are per third party resource.

COMPARABLE 4

LOCATION INFORMATION

Name	Treasures on the Bay
Address	1900 S Treasure Dr
City, State, Zip Code	North Bay Village , FL, 33141
MSA	Miami-Miami Beach-Kendall, FL

PHYSICAL INFORMATION

Project Design	Mid-Rise
Number of Units	160
Year Built	1962
Net Rentable Area (NRA)	151,845
Average Unit Size (SF)	949
Rent Type	Market Rent
Quality	Average/Good
Condition	Average/Good
Appeal	Average/Good
Project Amenities	Swimming Pool, Business Center, Common Laundry, Concierge/Doorman, Fitness Center
Unit Amenities	Premium Appliances, Microwave, Premium Flooring, Air Conditioning, Balcony/Patio, Complete Appliance Package, Washer/Dryer In-Unit, Washer/Dryer Hookups, Parking Open
Parking	Parking Open

UTILITIES	INCL. IN RENT	NOT INCL. IN RENT
Electricity		✓
Water		✓
Hot Water		✓
Sewer		✓
Garbage		✓
Telephone		✓
Gas		✓
Cable/Satellite		✓
High-Speed Internet		✓

UNIT MIX

DESCRIPTION	UNITS	SIZE	LOW	HIGH	AVG RENT
STUDIO / 1 BA	4	512	$1,409	$1,767	$1,588
1 BD / 1 BA	7	925			$1,542
1 BD / 1.5 BA	24	726	$1,675	$1,806	$1,741
1 BD / 1.5 BA	27	748	$1,791	$1,770	$1,781
1 BD / 1.5 BA	28	776	$1,846	$1,833	$1,840
2 BD / 2 BA	24	1001	$1,995	$2,094	$2,045
2 BD / 2 BA	26	1275	$2,188	$2,212	$2,200
3 BD / 2 BA	20	1340	$2,469	$2,825	$2,647

TREASURES ON THE BAY

OCCUPANCY / ABSORPTION

Vacant Units	4
Occupancy Rate	98%
Fees & Deposits	N/Av
Concessions	None.

CONFIRMATION

Name	Confidential
Source	Confidential
Date	09/17/2018
Phone Number	Confidential

REMARKS

The property is located on S Treasure Drive with spectacular views of Biscayne Bay. The property recently underwent a multi-million dollar building renovations. Amenities include three bay front pools, concierge and parking valet services, cyber café, modern fully equipped fitness center and luxer lockers. Unit interiors have quartz countertops, two- tone cabinetry, complete stainless steel appliance package including microwave, updated paint, wood-like tile in the wet areas and living area and carpet in the bedrooms. All units have floor-to-ceiling tinted glass private patio/balcony and front-loading W/D. One parking space is included in the rent. Reserved parking carries a monthly premium. □
□
Project Design: Mid-Rise The property is located on S Treasure Drive with spectacular views of Biscayne Bay. The property recently underwent a multi-million dollar building renovations. Amenities include three bay front pools, concierge and parking valet services, cyber café, modern fully equipped fitness center and luxer lockers. Unit interiors have quartz countertops, two- tone cabinetry, complete stainless steel appliance package including microwave, updated paint, wood-like tile in the wet areas and living area and carpet in the bedrooms. All units have floor-to-ceiling tinted glass and private patio/balcony. One parking space is included in the rent. Reserved parking carries a $125/monthly premium. The property could not be reached after several attempts. Rates in the unit mix are base rates of available floorplans from the property website, occupancy is via third party resource. The property offers a wide variety of floorplans so the unit mix is condensed and estimated rates have been provided for floorplans that were unavailable. □

COMPARABLE 5

LOCATION INFORMATION	
Name	Marina Del Rey
Address	1006-1022 Bay Dr
City, State, Zip Code	Miami Beach, FL, 33141
MSA	Miami-Miami Beach-Kendall, FL

PHYSICAL INFORMATION	
Project Design	Garden
Number of Units	108
Year Built	1954
Net Rentable Area (NRA)	87,876
Average Unit Size (SF)	814
Rent Type	Market Rent
Location	Average
Quality	Average
Condition	Average
Project Amenities	Swimming Pool, BBQ/Picnic Area
Unit Amenities	None
Parking	

UTILITIES	INCL. IN RENT	NOT INCL. IN RENT
Electricity		✓
Water		✓
Hot Water		✓
Sewer		✓
Garbage		✓
Telephone		✓
Gas		✓
Cable/Satellite		✓
High-Speed Internet		✓

UNIT MIX

DESCRIPTION	UNITS	SIZE	LOW	HIGH	AVG RENT
STUDIO / 1 BA	4	525			$1,001
1 BD / 1 BA	80	750			$1,202
2 BD / 1 BA	24	1074			$1,412

MARINA DEL REY

OCCUPANCY / ABSORPTION	
Vacant Units	8
Occupancy Rate	93%
Fees & Deposits	N/Av
Concessions	N/Av

CONFIRMATION	
Name	Confidential
Source	Confidential
Date	01/26/2021
Phone Number	Confidential

REMARKS

COMPARABLE 6

LOCATION INFORMATION

Name	Park View Island
Address	780 73rd St
City, State, Zip Code	Miami Beach, FL, 33141
MSA	Miami-Fort Lauderdale-Pompano Beach, FL

PHYSICAL INFORMATION

Project Design	Garden
Number of Units	100
Year Built	1958
Net Rentable Area (NRA)	62,700
Average Unit Size (SF)	627
Rent Type	Rent Subsidized
Location	Average
Quality	Average
Condition	Average
Project Amenities	None
Unit Amenities	None
Parking	

UTILITIES

UTILITIES	INCL. IN RENT	NOT INCL. IN RENT
Electricity		✓
Water		✓
Hot Water		✓
Sewer		✓
Garbage		✓
Telephone		✓
Gas		✓
Cable/Satellite		✓
High-Speed Internet		✓

UNIT MIX

DESCRIPTION	UNITS	SIZE	LOW	HIGH	AVG RENT
1 BD / 1 BA	100	627			$1,023

PARK VIEW ISLAND

OCCUPANCY / ABSORPTION

Vacant Units	0
Occupancy Rate	100%
Fees & Deposits	N/Av
Concessions	N/Av

CONFIRMATION

Name	Confidential
Source	Confidential
Date	01/26/2021
Phone Number	Confidential

REMARKS

DISCUSSION OF RENTAL ADJUSTMENTS

Adjustments for differences between the subject property and the comparables can be made quantitatively or qualitatively. Adjustments for some differences can be derived from the market and are addressed below. Other items for which dollar adjustments are more difficult to derive are addressed in the Qualitative Adjustments paragraph.

Adjustments

The subject property and the comparables vary to some degree in terms of physical characteristics, project amenities, unit amenities, parking, laundry, and utilities. The following grid illustrates the quantitative adjustments applied to the comparables (when necessary) to make the comparables like the subject in terms of these features.

RENT COMPARABLE ADJUSTMENT TABLE

	$ ADJ.	SUBJECT	COMP 1		COMP 2		COMP 3		COMP 4		COMP 5		COMP 6	
PHYSICAL PROJECT FEATURES														
Age	**$50**	0	6	($100)	74	($100)	36	($100)	6	($100)	67	($100)	63	($100)
Number of Units	**$10**	151	285	$10	180	$10	136	$0	160	$0	108	($10)	100	($10)
Physical Subtotal Adjustment				($90)		($90)		($100)		($100)		($110)		($110)
PROJECT AMENITIES														
Swimming Pool	**$5**	**No**	Yes	($5)	Yes	($5)	No	$0	Yes	($5)	Yes	($5)	No	$0
Fitness Center	**$5**	**No**	Yes	($5)	No	$0	No	$0	Yes	($5)	No	$0	No	$0
Clubhouse	**$10**	**No**	Yes	($10)	No	$0	No	$0	No	$0	No	$0	No	$0
Project Amenities Subtotal Adjustment				($20)		($5)		$0		($10)		($5)		$0
UNIT AMENITIES														
Air Conditioning	**$10**	**Yes**	No	$10	Yes	$0	Yes	$0	Yes	$0	No	$10	No	$10
Dishwasher	**$10**	**Yes**	No	$10	No	$10	No	$10	No	$10	No	$10	No	$10
Fireplace	**$10**	**No**	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0
Unit Amenities Subtotal Adjustment				$20		$10		$10		$10		$20		$20
LAUNDRY														
Common Laundry	**$5**	**No**	Yes	($5)	Yes	($5)	No	$0	Yes	($5)	No	$0	No	$0
Washer/Dryer Hookups	**$5**	**Yes**	No	$5	No	$5	No	$5	Yes	$0	No	$5	No	$5
Washer/Dryer In-Unit	**$40**	**No**	No	$0	No	$0	No	$0	Yes	($40)	No	$0	No	$0
Laundry Subtotal Adjustment				$0		$0		$5		($45)		$5		$5
PARKING														
Parking Open	**$5**	**No**	No	$0	Yes	($5)	Yes	($5)	Yes	($5)	No	$0	No	$0
Parking Covered	**$15**	**No**	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0
Parking Driveway	**$15**	**No**	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0
Parking Garage	**$50**	**No**	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0
Parking Subtotal Adjustment				$0		($5)		($5)		($5)		$0		$0
UTILITIES INCLUDED IN RENT														
Electricity	**$30**	**No**	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0
Water	**$10**	**No**	No	$0	Yes	($10)	No	$0	No	$0	No	$0	No	$0
Hot Water	**$10**	**No**	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0
Sewer	**$10**	**No**	No	$0	Yes	($10)	No	$0	No	$0	No	$0	No	$0
Garbage	**$10**	**No**	No	$0	Yes	($10)	No	$0	No	$0	No	$0	No	$0
Cable	**$20**	**No**	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0
Internet	**$25**	**No**	No	$0	No	$0	No	$0	No	$0	No	$0	No	$0
Utilities Subtotal Adjustment				$0		($30)		$0		$0		$0		$0
TOTAL ADJUSTMENTS				($90)		($120)		($90)		($150)		($90)		($85)

RENT COMPARABLE ADJUSTMENT GRID

The following tables adjust the comparables to the subject property quantitatively.

RENT COMPARABLE ADJUSTMENT SUMMARY

	NO.	AVG	EFF. RENT	ADJUSTMENTS						TOTAL	ADJUSTED	
COMPARABLE 1	UNITS	SIZE	$/UNIT	PHYSICAL	PROJECT	UNIT	LAUNDRY	PARKING	UTILITES	ADJ	$/UNIT	$/SF
1 BD / 1 BA	88	651	$1,800	($90)	($20)	$20	$0	$0	$0	($90)	$1,710	$2.63
1 BD / 1 BA	21	710	$1,880	($90)	($20)	$20	$0	$0	$0	($90)	$1,790	$2.52
1 BD / 1 BA	61	790	$2,195	($90)	($20)	$20	$0	$0	$0	($90)	$2,105	$2.66
1 BD / 1 BA	18	821	$2,098	($90)	($20)	$20	$0	$0	$0	($90)	$2,008	$2.45
2 BD / 2 BA	7	1,186	$2,400	($90)	($20)	$20	$0	$0	$0	($90)	$2,310	$1.95
2 BD / 2 BA	11	1,189	$2,410	($90)	($20)	$20	$0	$0	$0	($90)	$2,320	$1.95
2 BD / 2 BA	20	1,196	$2,692	($90)	($20)	$20	$0	$0	$0	($90)	$2,602	$2.18
2 BD / 2 BA	17	1,212	$2,787	($90)	($20)	$20	$0	$0	$0	($90)	$2,697	$2.23
2 BD / 2 BA	5	1,226	$2,703	($90)	($20)	$20	$0	$0	$0	($90)	$2,613	$2.13
2 BD / 2 BA	5	1,282	$2,426	($90)	($20)	$20	$0	$0	$0	($90)	$2,336	$1.82
2 BD / 2 BA	12	1,420	$2,625	($90)	($20)	$20	$0	$0	$0	($90)	$2,535	$1.79
2 BD / 2 BA	20	1,458	$3,246	($90)	($20)	$20	$0	$0	$0	($90)	$3,156	$2.16
COMPARABLE 2												
1 BD / 1 BA	60	770	$1,325	($90)	($5)	$10	$0	($5)	($30)	($120)	$1,205	$1.56
2 BD / 1 BA	58	925	$1,625	($90)	($5)	$10	$0	($5)	($30)	($120)	$1,505	$1.63
2 BD / 2 BA	2	996	$1,463	($90)	($5)	$10	$0	($5)	($30)	($120)	$1,343	$1.35
3 BD / 2 BA	58	1,000	$1,750	($90)	($5)	$10	$0	($5)	($30)	($120)	$1,630	$1.63
3 BD / 2 BA	2	1,100	$1,750	($90)	($5)	$10	$0	($5)	($30)	($120)	$1,630	$1.48
COMPARABLE 3												
STUDIO / 1 BA	35	432	$999	($100)	$0	$10	$5	($5)	$0	($90)	$909	$2.10
1 BD / 1 BA	101	567	$1,109	($100)	$0	$10	$5	($5)	$0	($90)	$1,019	$1.80
COMPARABLE 4												
STUDIO / 1 BA	4	512	$1,588	($100)	($10)	$10	($45)	($5)	$0	($150)	$1,438	$2.81
1 BD / 1 BA	7	925	$1,542	($100)	($10)	$10	($45)	($5)	$0	($150)	$1,392	$1.50
1 BD / 1.5 BA	24	726	$1,741	($100)	($10)	$10	($45)	($5)	$0	($150)	$1,591	$2.19
1 BD / 1.5 BA	27	748	$1,781	($100)	($10)	$10	($45)	($5)	$0	($150)	$1,631	$2.18
1 BD / 1.5 BA	28	776	$1,840	($100)	($10)	$10	($45)	($5)	$0	($150)	$1,690	$2.18
2 BD / 2 BA	24	1,001	$2,045	($100)	($10)	$10	($45)	($5)	$0	($150)	$1,895	$1.89
2 BD / 2 BA	26	1,275	$2,200	($100)	($10)	$10	($45)	($5)	$0	($150)	$2,050	$1.61
3 BD / 2 BA	20	1,340	$2,647	($100)	($10)	$10	($45)	($5)	$0	($150)	$2,497	$1.86
COMPARABLE 5												
STUDIO / 1 BA	4	525	$1,001	($110)	($5)	$20	$5	$0	$0	($90)	$911	$1.74
1 BD / 1 BA	80	750	$1,202	($110)	($5)	$20	$5	$0	$0	($90)	$1,112	$1.48
2 BD / 1 BA	24	1,074	$1,412	($110)	($5)	$20	$5	$0	$0	($90)	$1,322	$1.23
COMPARABLE 6												
1 BD / 1 BA	100	627	$1,023	($110)	$0	$20	$5	$0	$0	($85)	$938	$1.50

Investor Income Expectation Comment

In prior years, apartment investors in the Miami market area were expecting continued rental rate increases and would often look at “proforma” rents when making purchase decisions. However, the lending market has changed dramatically from that time and financing is much more difficult to obtain. Based on discussions with numerous brokers in the Miami market area, investors are placing heavy emphasis on actual, “in place” rents at this time. Thus, this rental rate analysis will compare the subject proposed asking rents to market comparables as usual, but will place most emphasis on actual rents recognizing current investor and market actions.

MARKET RENT ANALYSIS

The following tables summarize the various indicators of market rent, and provide the market rent analysis and conclusions for the subject property.

1 BEDROOM UNIT CONCLUSION							
		UNIT	RENT/MONTH		ADJUSTED RENT/MONTH		NET
COMP	UNIT TYPE	SIZE	$/UNIT	$/SF	$/UNIT	$/SF	ADJ %
3	1 BD / 1 BA	567	$1,109	$1.96	$1,019	$1.80	-8.1%
6	1 BD / 1 BA	627	$1,023	$1.63	$938	$1.50	-8.3%
1	1 BD / 1 BA	651	$1,800	$2.76	$1,710	$2.63	-5.0%
1	1 BD / 1 BA	710	$1,880	$2.65	$1,790	$2.52	-4.8%
5	1 BD / 1 BA	750	$1,202	$1.60	$1,112	$1.48	-7.5%
2	1 BD / 1 BA	770	$1,325	$1.72	$1,205	$1.56	-9.1%
1	1 BD / 1 BA	790	$2,195	$2.78	$2,105	$2.66	-4.1%
1	1 BD / 1 BA	821	$2,098	$2.56	$2,008	$2.45	-4.3%
4	1 BD / 1 BA	925	$1,542	$1.67	$1,392	$1.50	-9.7%
4	1 BD / 1.5 BA	726	$1,741	$2.40	$1,591	$2.19	-8.6%
4	1 BD / 1.5 BA	748	$1,781	$2.38	$1,631	$2.18	-8.4%
4	1 BD / 1.5 BA	776	$1,840	$2.37	$1,690	$2.18	-8.2%
LOW		567	$1,023	$1.60	$938	$1.48	-9.7%
HIGH		925	$2,195	$2.78	$2,105	$2.66	-4.1%
AVERAGE		738	$1,628	$2.21	$1,516	$2.05	-7.2%
MEDIAN		749	$1,761	$2.38	$1,611	$2.18	-8.1%

SUBJECT ANALYSIS & CONCLUSIONS								
			ASKING RENT		ACTUAL RENT		CONCLUDED RENT	
UNITS	UNIT TYPE	SIZE	$/UNIT	$/SF	$/UNIT	$/SF	$/UNIT	$/SF
7	1 BD / BA	413	$1,159	$2.81	$1,159	$2.81	$1,225	$2.97
8	1 BD / BA	425	$1,158	$2.72	$1,158	$2.72	$1,225	$2.88
7	1 BD / BA	463	$1,283	$2.77	$1,283	$2.77	$1,225	$2.65
32	1 BD / BA	486	$1,291	$2.66	$1,291	$2.66	$1,225	$2.52
7	1 BD / BA	541	$1,428	$2.64	$1,428	$2.64	$1,500	$2.77
28	1 BD / BA	512	$1,358	$2.65	$1,358	$2.65	$1,500	$2.93
3	1 BD / BA	553	$1,515	$2.74	$1,515	$2.74	$1,500	$2.71
7	1 BD / BA	576	$1,578	$2.74	$1,578	$2.74	$1,500	$2.60
8	1 BD / BA	581	$1,578	$2.72	$1,578	$2.72	$1,500	$2.58
8	1 BD / BA	584	$1,578	$2.70	$1,578	$2.70	$1,500	$2.57
7	1 BD / BA	621	$1,803	$2.90	$1,803	$2.90	$1,800	$2.90
7	1 BD / BA	622	$1,800	$2.89	$1,800	$2.89	$1,800	$2.89

The rent comparables range in size from 567 SF to 925 SF, with an average unit size of 738 SF. The rent comparables' unadjusted rent per month ranges from $1,023 to $2,195, with an average rent of $1,628. After applying adjustments to the comparables for differences in amenities, laundry, parking and utilities, the rent comparables' rent per month ranges from $938 to $2,105, with an average rent of $1,516.

2 BEDROOM UNIT CONCLUSION

COMP	UNIT TYPE	UNIT SIZE	RENT/MONTH $/UNIT	RENT/MONTH $/SF	ADJUSTED RENT/MONTH $/UNIT	ADJUSTED RENT/MONTH $/SF	NET ADJ %
2	2 BD / 1 BA	925	$1,625	$1.76	$1,505	$1.63	-7.4%
5	2 BD / 1 BA	1,074	$1,412	$1.31	$1,322	$1.23	-6.4%
2	2 BD / 2 BA	996	$1,463	$1.47	$1,343	$1.35	-8.2%
4	2 BD / 2 BA	1,001	$2,045	$2.04	$1,895	$1.89	-7.3%
1	2 BD / 2 BA	1,186	$2,400	$2.02	$2,310	$1.95	-3.8%
1	2 BD / 2 BA	1,189	$2,410	$2.03	$2,320	$1.95	-3.7%
1	2 BD / 2 BA	1,196	$2,692	$2.25	$2,602	$2.18	-3.3%
1	2 BD / 2 BA	1,212	$2,787	$2.30	$2,697	$2.23	-3.2%
1	2 BD / 2 BA	1,226	$2,703	$2.20	$2,613	$2.13	-3.3%
4	2 BD / 2 BA	1,275	$2,200	$1.73	$2,050	$1.61	-6.8%
1	2 BD / 2 BA	1,282	$2,426	$1.89	$2,336	$1.82	-3.7%
1	2 BD / 2 BA	1,420	$2,625	$1.85	$2,535	$1.79	-3.4%
1	2 BD / 2 BA	1,458	$3,246	$2.23	$3,156	$2.16	-2.8%
LOW		925	$1,412	$1.31	$1,322	$1.23	-8.2%
HIGH		1,458	$3,246	$2.30	$3,156	$2.23	-2.8%
AVERAGE		1,188	$2,310	$1.93	$2,206	$1.84	-4.9%
MEDIAN		1,196	$2,410	$2.02	$2,320	$1.89	-3.7%

SUBJECT ANALYSIS & CONCLUSIONS

UNITS	UNIT TYPE	SIZE	ASKING RENT $/UNIT	ASKING RENT $/SF	ACTUAL RENT $/UNIT	ACTUAL RENT $/SF	CONCLUDED RENT $/UNIT	CONCLUDED RENT $/SF
7	2 BD / BA	660	$1,984	$3.01	$1,984	$3.01	$2,000	$3.03
15	2 BD / BA	671	$2,018	$3.01	$2,018	$3.01	$2,000	$2.98

The rent comparables range in size from 925 SF to 1,458 SF, with an average unit size of 1,188 SF. The rent comparables' unadjusted rent per month ranges from $1,412 to $3,246, with an average rent of $2,310. After applying adjustments to the comparables for differences in amenities, laundry, parking and utilities, the rent comparables' rent per month ranges from $1,322 to $3,156, with an average rent of $2,206.

Overall, the rents on a per unit basis appear to be within range of the restricted and market rates derived from the comparables. However, on a per square foot basis, they are higher. One major reason is the proposed subject property units are smaller than similar unit types in the immediate market area and the comparables selected Given the limited amount of new multifamily dwellings space in the in the neighborhood as well as the submarket, a premium for being newer and its location would merit the higher per square foot rents.

POTENTIAL RENTAL INCOME

The gross rental income equals the total gross income based the rent conclusions presented previously and is summarized in the following table.

APARTMENT POTENTIAL GROSS INCOME

			ASKING RENT			CONTRACT RENT (BLENDED)[1]			CONCLUDED MARKET RENT			CONTRACT
UNIT TYPE	UNITS	SF	$/UNIT (MO.)	MONTHLY	ANNUALLY	$/UNIT (MO.)	MONTHLY	ANNUALLY	$/UNIT (MO.)	MONTHLY	ANNUALLY	V. MARKET
1 BD / BA	7	413	$1,159	$8,113	$97,356	$1,159	$8,113	$97,356	$1,225	$8,575	$102,900	94.6%
1 BD / BA	8	425	$1,158	$9,264	$111,168	$1,158	$9,264	$111,168	$1,225	$9,800	$117,600	94.5%
1 BD / BA	7	463	$1,283	$8,981	$107,772	$1,283	$8,981	$107,772	$1,225	$8,575	$102,900	104.7%
1 BD / BA	32	486	$1,291	$41,312	$495,744	$1,291	$41,312	$495,744	$1,225	$39,200	$470,400	105.4%
1 BD / BA	7	541	$1,428	$9,996	$119,952	$1,428	$9,996	$119,952	$1,500	$10,500	$126,000	95.2%
1 BD / BA	28	512	$1,358	$38,024	$456,288	$1,358	$38,024	$456,288	$1,500	$42,000	$504,000	90.5%
1 BD / BA	3	553	$1,515	$4,545	$54,540	$1,515	$4,545	$54,540	$1,500	$4,500	$54,000	101.0%
1 BD / BA	7	576	$1,578	$11,046	$132,552	$1,578	$11,046	$132,552	$1,500	$10,500	$126,000	105.2%
1 BD / BA	8	581	$1,578	$12,624	$151,488	$1,578	$12,624	$151,488	$1,500	$12,000	$144,000	105.2%
1 BD / BA	8	584	$1,578	$12,624	$151,488	$1,578	$12,624	$151,488	$1,500	$12,000	$144,000	105.2%
1 BD / BA	7	621	$1,803	$12,621	$151,452	$1,803	$12,621	$151,452	$1,800	$12,600	$151,200	100.2%
1 BD / BA	7	622	$1,800	$12,600	$151,200	$1,800	$12,600	$151,200	$1,800	$12,600	$151,200	100.0%
2 BD / BA	7	660	$1,984	$13,888	$166,656	$1,984	$13,888	$166,656	$2,000	$14,000	$168,000	99.2%
2 BD / BA	15	671	$2,018	$30,270	$363,240	$2,018	$30,270	$363,240	$2,000	$30,000	$360,000	100.9%
TOTAL	**151**		**$1,496**	**$225,908**	**$2,710,896**	**$1,496**	**$225,908**	**$2,710,896**	**$1,502**	**$226,850**	**$2,722,200**	**99.6%**

[1] **Contract + Market (Vacant Units Projected At Market Level)**

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

INCOME COMPONENT			MONTHLY	TOTAL ANNUAL
151	Occupied Units	@ Contract Rent	$225,908	$2,710,896
0	Vacant Units	@ Market Rates	$0	$0
151	Total Units	@ Contract Rent (Blended)	$225,908	$2,710,896
151	Total Units	@ Market Rent	$226,850	$2,722,200
% Difference (In-Place versus Market)				**0.4%**

The variation between the total annual rent reflected in the proposed rent roll analysis and the market rent conclusion owes to older leases that reflect recent lower rents or concessions attributed to the competitive appeal and concessions. Additionally, the proposed rents for the subject property are expected to entice “workforce” households that the developer estimates will be capped at 140% of the Average Median Income (AMI). Typically this limit reflects rents that are between the low income threshold (which ranges between 30% and 60% of AMI and much higher than the very low income classification of less than 30% of AMI. Consequently, the rents would likely be between the market rates and the low income threshold of 60%. Per our rent comparables of market and rent restricted type, we have estimated the rental rates to be reasonable and would be within the range of the “workforce” households.

COMMERCIAL - RETAIL INCOME

This section provides an overview of the subject's existing commercial leases and asking rents for any vacant space as applicable. The rental income conclusion was reconciled considering such items as durability of in-place contract rents, lease escalations and market terms as measured by rent comparables.

Commercial - Retail Rent Roll

The following Rent Roll Summary reflects a breakdown of the individual tenant spaces and a snapshot of proposed rents by the developer including lease term, expense structure, base rent, expense recovery and total income.

PROPOSED RETAIL RENT ROLL SUMMARY — **AS OF JANUARY 2021**

		TOTAL	% OF	TENANT	LEASE TERMS			EXPENSE	CURRENT BASE RENT		
SUITE	TENANT	NRA (SF)	NRA	GROUP	START	END	YEARS	STRUCTURE	ANNUAL	PSF (YR.)	PSF (MO.)
C-1	Proposed Retail Space	4,500	23.1%	Retail	1/21	1/26	5.0	Triple Net	$270,000	$60.00	$5.00
C-2	Proposed Retail Space	4,500	23.1%	Retail	1/21	1/26	5.0	Triple Net	$270,000	$60.00	$5.00
C-3	Proposed Cultural Center	10,500	53.8%	Retail	1/21	1/26	5.0	Triple Net	$0	$0.00	$0.00
OCCUPIED SUBTOTALS		**19,500**	100.0%		-	-	-	-	**$540,000**	**$27.69**	**$2.31**
VACANT SUBTOTALS		**0**	0.0%								
Total NRA		**19,500**	**100.0%**						**$540,000**	**$27.69**	**$2.31**

The developer is proposing 9,000 square feet of retail space with 10,500 square feet of net rentable area dedicated to the cultural center. It is our understanding that the cultural center will be deeded back to the City as part of the project development and the ground lease agreement for their use and occupancy as a public benefit.. Thus, the developer has not considered any rent estimate for this space. However he did consider an $8.00 per square foot of reimbursable expenses that will be generated by the cultural center space since it is expected to be on a triple net basis.

After some discussion with market participants and the developer, the use of the space if it were not to be deeded back to the city would likely be used for some form of retail related use given the features and characteristics provided in the term sheet about the retail space. As of now, there is still some uncertainty as to what the city expects to use the space for regarding its layout as a cultural center. A cultural center can vary from open space, flexible theatre and performing arts areas to museum layout and/or a recreational facilities with a variety of amenities. It is our understanding that the space will likely involve some type of theatre/performing arts use.

For our analysis, and considering that government institutional owned space such as parks, theatres, and schools are governed by the public benefit and enjoyment of the facilities and not just the economic profit, there is a responsibility to at least meet the operating and maintenance needs of that facility. Thus, . we have estimated the cultural rent at par with the rest of the retail space to measure its economic value. Our analysis, and more specifically the rent estimate, is not considering any of the hedonic benefit and/or social and economic impact it may derive from the use and benefit of the cultural center to the households as well as indirectly impacting the city's public finances, as it goes beyond the analysis of this report. However, it is our opinion from an economic perspective that the highest and best use of the space, would likely be for some type of retail use that would closely simulate the cultural center' expected use.

MARKET RENT ANALYSIS

Having discussed the subject's current income producing capability in detail through an analysis of the subject rent roll, it is appropriate to examine competitive comparable properties within the market. This allows for a comparison of the subject property's contracts to what is attainable in the current market. Risks associated with anomalies between the subject rent roll and current market terms will be addressed in the Cash Flow Risk section that follows the Market Rent Analysis section.

Analysis by Tenant Category
Within the Commercial Rent Roll section, the subject tenant spaces were segregated into tenant categories defined by correlating Market Leasing Assumptions (MLAs). For each MLA, we provide a specific analysis, described below, as a rent module. In each rent module, we derive an opinion of market rent and correlating lease terms for each MLA included in our analysis.

› **Retail Analysis** - Comparable Retail leases are used to derive market rent for the Retail MLA category.

Adjustment Process
Quantitative adjustments are made to the comparable leases. The following adjustments or general market trends were considered for the basis of market rent analysis.

Transactional Adjustments	If warranted, the comparable leases were adjusted for varying lease structures, atypical concessions and market conditions. The adjustment for rent concession equivalency quantifies the differences between market standard free rent and tenant improvement allowances compared to those of the lease transaction, which were divided by the comparable's lease term, and applied to the beginning "face" rent of the comparable lease. The market conditions adjustment is explained at the end of this section.
Concession Adjustment	The adjustment for rent concessions is a basis for creating a comparable market standard free rent months and a tenant improvement allowance. The differences between free rent and tenant improvements (+/-) is divided by the comparable's lease term, and applied to the beginning base rent of the comparable lease. This methodology does not consider amortization of rental increases over the lease term. The rent concession adjustment calculation is outlined below:

CONCESSION ADJUSTMENT SUMMARY	
FREE RENT ADJUSTMENT	**TI ADJUSTMENT**
Comparable Free Rent	Comparable TI
Less: Market Standard	Less: Market Standard
Equals: Free Rent Adjustment	Equals: TI Adjustment
Divided by Comparable Monthly Lease Term	Divided by Comparable Lease Term
Times: Beginning Base Rent	Equals: Adjustment
Equals: Adjustment	

Property Adjustments — Quantitative percentage adjustments were made for location and physical characteristics such as size, age, condition, exposure and parking ratio. Where possible the adjustments applied are based on paired data or other statistical analysis. It should be stressed that the adjustments are subjective in nature and are meant to illustrate our logic in deriving a value opinion for the subject site.

Tenant Space Adjustments — The lease comparables were further adjusted to the subject to account for tenant space specific characteristics such as size and space functionality.

Transactional market conditions adjustment was based on a review of historical sale data, market participant interviews and review of current versus historical pricing. Based on our research, the following table summarizes the market conditions adjustment applied in this analysis.

MARKET CONDITIONS ADJUSTMENT		
Per Year As Of	March 2020 (PRE COVID-19)	3.00%

The analysis applies an upward market conditions adjustment of 3% annually reflecting the conditions between the oldest comparable sale date up through the period preceding COVID-19.

COVID-19 Impact Adjustment

While we applied market conditions adjustments for factors such as rent growth generated market appreciation prior to COVID-19, we recognize the need for straight-line adjustment for near-term rent loss anticipated and increased risk premiums for intermediate market uncertainty, which we have applied a -5% downward adjustment, which differs from the market adjustments to the leases, which up until the point in time that the impact of COVID-19 became more apparent.

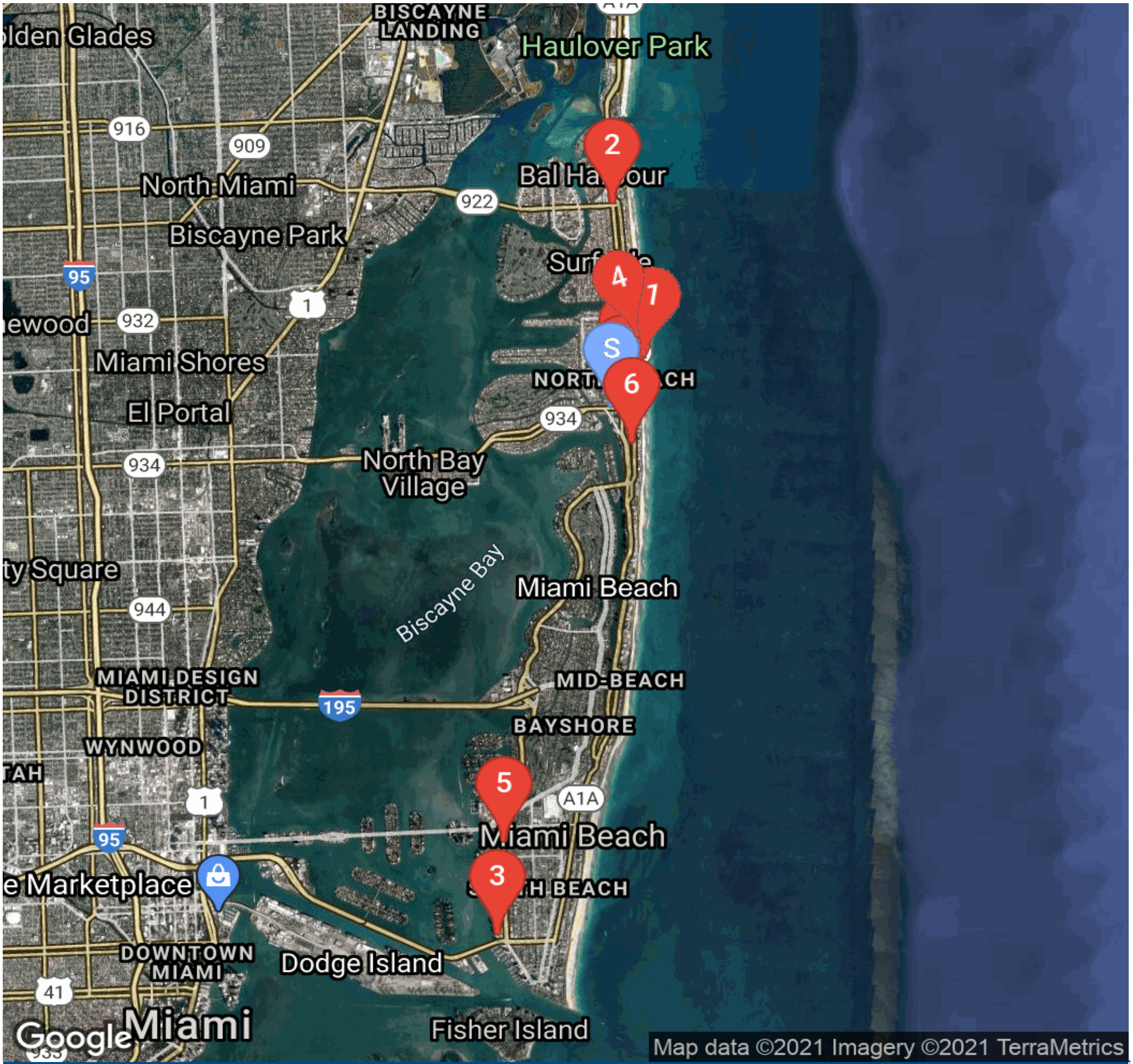
ANALYSIS OF COMPARABLE RETAIL LEASES

The Retail lease analysis is used to derive an opinion of market rent and correlating leasing assumptions for the Retail MLA category. The following table includes a summary of the comparables selected for this analysis, including relevant listings and actual leases at competing properties. Following the table is an adjustment grid, analysis and our conclusion. Datasheets containing more details of the comparables are presented later in this section.

RETAIL LEASE SUMMATION TABLE

COMPARABLE	SUBJECT	LEASE 1	LEASE 2	LEASE 3	LEASE 4	LEASE 5	LEASE 6
Name	The Byron	Storefront Retail	Storefront Retail	Storefront Retail	Freestanding Retail	Freestanding Retail	Storefront Retail
Address	500 71st Street	7427-7438 Collins Av	9585-9599 Harding Av	520 West Av	7145 Abbott Av	1609-1613 Alton Rd	6644 Collins Av
City	Miami Beach	Miami Beach	Surfside	Miami Beach	Miami Beach	Miami Beach	Miami Beach
State	FL	FL	FL	FL	FL	FL	FL
Zip	33141-3018	33141	33154	33139	33141	33139	33141
PHYSICAL INFORMATION							
Property Type	Retail	Retail	Retail	Retail	Retail	Retail	Retail
NRA	19,500	10,500	10,059	6,012	2,750	7,448	8,177
Occupancy		100%	100%	100%	100%	100%	88%
Year Built	2022	1952	1952	2004	1967	1947	1949
LEASE INFORMATION							
Tenant Name		GoBrands	Lace Star	Retail Tenant	Campbell Industrial	AIDs Healthcare	Chimichurry Grill
Commencement Date		1/1/2021	4/1/2020	3/29/2020	9/1/2019	8/1/2019	4/1/2019
Lease Type		New	New	New	New	New	New
Lease Status		Signed	Signed	Signed	Signed	Signed	Signed
Rate Type		NNN	NNN	NNN	NNN	NNN	NNN
Avg Size (SF)	6,500	5,218	2,042	6,012	2,750	4,200	1,850
Term (Yrs)		1	5	5	5	7	5
Rent ($/SF/Yr.)		$41.00	$50.00	$50.00	$33.81	$38.00	$23.00
Avg. Escalation/Yr		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Concessions							3 Mos.

COMPARABLE RETAIL LEASE MAP



COMPARABLE KEY

COMP	DISTANCE	NAME	ADDRESS	TENANT	LEASE DATE	SF	$/SF
SUBJECT	-	The Byron	500 71st Street, Miami Beach, FL	-	-	-	$45.00
No. 1	0.3 Miles	Storefront Retail	7427-7438 Collins Av, Miami Beach, FL	GoBrands	1/1/2021	5,218	$41.00
No. 2	2.2 Miles	Storefront Retail	9585-9599 Harding Av, Surfside, FL	Lace Star	4/1/2020	2,042	$50.00
No. 3	5.7 Miles	Storefront Retail	520 West Av, Miami Beach, FL	Retail Tenant	3/29/2020	6,012	$50.00
No. 4	0.1 Miles	Freestanding Retail	7145 Abbott Av, Miami Beach, FL	Campbell Indu	9/1/2019	2,750	$33.81
No. 5	4.7 Miles	Freestanding Retail	1609-1613 Alton Rd, Miami Beach, FL	AIDs Healthca	8/1/2019	4,200	$38.00
No. 6	0.4 Miles	Storefront Retail	6644 Collins Av, Miami Beach, FL	Chimichurry G	4/1/2019	1,850	$23.00

Comparable Rent Datasheets

The following pages present the rent comparable datasheets that were used in the prior analysis.

COMPARABLE 1

PHYSICAL INFORMATION

Name	Storefront Retail
Address	7427-7438 Collins Av
City, State, Zip Code	Miami Beach, FL 33141
MSA	Miami-Miami Beach-Kendall, FL
Net Rentable Area (NRA)	10,500
Year Built	1952
Occupancy	100.0%
Site Size	14,810
Site Coverage	70.9%
Construction	Concrete
Parking Spaces	8
Store Frontage	Good/Excellent

STOREFRONT RETAIL

CONFIRMATION

Name	
Source	CoStar
Date / Phone Number	01/21/2021

REMARKS

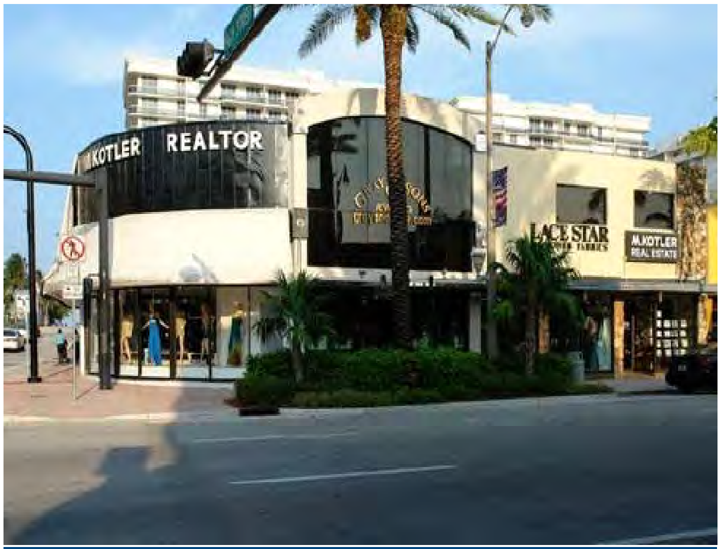
The property is located along the w est side of Collins Avenue, betw een 74th and 75th Street w ith good visibility and overall [physical exposure along this major thoroughfare. The lease consist of a one year term that rented on a triple net basis. The tenant provides on-demand retail and delivery of products. The company offers college essentials, party supplies, and accessories to snacks, frozen foods, and household essentials.

TENANT NAME	RATE TYPE	SIZE	START DATE	TERM	LEASE RATE	ADJ LEASE RATE
GoBrands	NNN	5,218	1/1/2021	1	$41.00	$42.85

COMPARABLE 2

PHYSICAL INFORMATION

Name	Storefront Retail
Address	9585-9599 Harding Av
City, State, Zip Code	Surfside, FL 33154
MSA	Miami-Fort Lauderdale-Pompano Beach, FL
Net Rentable Area (NRA)	10,059
Year Built	1952
Occupancy	100.0%
Site Size	7,405
Site Coverage	135.8%
Construction	Concrete
Parking Spaces	5
Store Frontage	Good/Excellent



STOREFRONT RETAIL

CONFIRMATION

Name	
Source	CoStar
Date / Phone Number	02/25/2020

REMARKS

The property is currently listed for rent and reported to have been listed for the past six months. The two story building is located along Harding Avenue, a major thoroughfare. The space is considered to be in fair/average condition with TI's reported as $35 per square foot. The rate reflects a term of 60 months or five years. Operating expenses includes property taxes, common area maintenance. The reported asking rent is a modified gross, which does not include any management fees.

TENANT NAME	RATE TYPE	SIZE	START DATE	TERM	LEASE RATE	ADJ LEASE RATE
Lace Star	NNN	2,042	4/1/2020	5	$50.00	$47.50

COMPARABLE 3

PHYSICAL INFORMATION

Name	Storefront Retail
Address	520 West Av
City, State, Zip Code	Miami Beach, FL 33139
MSA	Miami-Miami Beach-Kendall, FL
Net Rentable Area (NRA)	6,012
Year Built	2004
Occupancy	100.0%
Construction	Concrete/Block
Parking Spaces	26
Parking Ratio	7.68
Building Class	A
Store Frontage	Good/Excellent

STOREFRONT RETAIL

CONFIRMATION

Name	
Source	CoStar
Date / Phone Number	09/4/2020

REMARKS

Retail condo units w ith 3,386 SF of indoor space and a 2,626 SF Terrace for outdoor entertainment/dining. Unit is located in the Bentley Bay condominium project in South Beach. Lease signed is for 5 years at $50.00/SF NNN.

TENANT NAME	RATE TYPE	SIZE	START DATE	TERM	LEASE RATE	ADJ LEASE RATE
Retail Tenant	NNN	6,012	3/29/2020	5	$50.00	$52.25

COMPARABLE 4

PHYSICAL INFORMATION

Name	Freestanding Retail
Address	7145 Abbott Av
City, State, Zip Code	Miami Beach, FL 33141
MSA	Miami-Miami Beach-Kendall, FL
Net Rentable Area (NRA)	2,750
Year Built	1967
Occupancy	100.0%
Site Size	10,019
Site Coverage	27.4%
Construction	Concrete
Parking Spaces	5
Store Frontage	Good/Excellent

FREESTANDING RETAIL

CONFIRMATION

Name	
Source	CoStar
Date / Phone Number	01/21/2021

REMARKS

The property is located on the southeast corner of Abbott Avenue and 72nd Street. The property w as previously a service gas station. The lease is reported to be for a five year term at the starting rate indicated. While the property is reported to need some tenant improvements, the original asking rent w as reduced to the stated amount as the tenant accepted the space in an as is condition. The tenant is dedicated to industrial hearing and air conditioning repairs.

TENANT NAME	RATE TYPE	SIZE	START DATE	TERM	LEASE RATE	ADJ LEASE RATE
Campbell Industrial Heating & A	NNN	2,750	9/1/2019	5	$33.81	$32.44

COMPARABLE 5

PHYSICAL INFORMATION

Name	Freestanding Retail
Address	1609-1613 Alton Rd
City, State, Zip Code	Miami Beach, FL 33139
MSA	Miami-Fort Lauderdale-Pompano Beach, FL
Net Rentable Area (NRA)	7,448
Year Built	1947
Occupancy	100.0%
Site Size	7,405
Site Coverage	100.6%
Construction	Concrete
Parking Spaces	12
Store Frontage	Good/Excellent

FREESTANDING RETAIL

CONFIRMATION

Name	
Source	CRMLS
Date / Phone Number	02/25/2020

REMARKS

Located in the Miami Beach area, the property is a multi-tenant store front in tw o stories. The property is reported to have leased for a seven year term at market and submarket rates. The property w as originally listed for $40 per square foot, on a triple net basis, a discount of 5.00% from actual closing rental rate. The tenant is related to the medical industry and using the second story retail space.

TENANT NAME	RATE TYPE	SIZE	START DATE	TERM	LEASE RATE	ADJ LEASE RATE
AIDs Healthcare Foundation	NNN	4,200	8/1/2019	7	$38.00	$42.34

COMPARABLE 6

PHYSICAL INFORMATION

Name	Storefront Retail
Address	6644 Collins Av
City, State, Zip Code	Miami Beach, FL 33141
MSA	Miami-Miami Beach-Kendall, FL
Net Rentable Area (NRA)	8,177
Year Built	1949
Occupancy	88.0%
Site Size	8,712
Site Coverage	93.9%
Construction	Concrete
Store Frontage	Good/Excellent

STOREFRONT RETAIL

CONFIRMATION

Name	
Source	CoStar
Date / Phone Number	01/21/2021

REMARKS

The property is located on the southw est corner of 67th Street and Collins Avenue, along a major retail thoroughfare. The property has good visibility and overall physical exposure along either thoroughfare. The property is w alking distance from major high-rise multi family residences and other major employment centers. The reported lease consist of a five year term w ith three months of free rent at the indicated price per square foot on a triple net basis. The tenant is suing the retail space for a dine in restaurant at the time of the transaction.

TENANT NAME	RATE TYPE	SIZE	START DATE	TERM	LEASE RATE	ADJ LEASE RATE
Chimichurry Grill	NNN	1,850	4/1/2019	5	$23.00	$22.51

RETAIL LEASE ADJUSTMENT TABLE							
COMPARABLE	SUBJECT	LEASE 1	LEASE 2	LEASE 3	LEASE 4	LEASE 5	LEASE 6
Name	The Byron	Storefront Retail	Storefront Retail	Storefront Retail	Freestanding Retail	Freestanding Retail	Storefront Retail
Address	500 71st Street	7427-7438 Collins Av	9585-9599 Harding Av	520 West Av	7145 Abbott Av	1609-1613 Alton Rd	6644 Collins Av
City	Miami Beach	Miami Beach	Surfside	Miami Beach	Miami Beach	Miami Beach	Miami Beach
NRA	19,500	10,500	10,059	6,012	2,750	7,448	8,177
Occupancy	0.0%	100.0%	100.0%	100.0%	100.0%	100.0%	88.0%
Year Built	2022	1952	1952	2004	1967	1947	1949
Year Renovated	-	-	-	-	-	-	-
LEASE INFORMATION							
Tenant Name		GoBrands	Lace Star	Retail Tenant	Campbell Industrial Heating & Air	AIDs Healthcare Foundation	Chimichurry Grill
Commencement Date		1/1/2021	4/1/2020	3/29/2020	9/1/2019	8/1/2019	4/1/2019
Lease Type		New	New	New	New	New	New
Lease Status		Signed	Signed	Signed	Signed	Signed	Signed
Rate Type		NNN	NNN	NNN	NNN	NNN	NNN
Avg Size (SF)	6,500	5,218	2,042	6,012	2,750	4,200	1,850
Term (Yrs)		1.0	5.0	5.0	5.0	7.0	5.0
Rent ($/SF/Yr.)		$41.00	$50.00	$50.00	$33.81	$38.00	$23.00
Avg. Escalation/Yr		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Concessions							3 Mos.
TI's ($/SF)							
TRANSACTIONAL ADJUSTMENTS							
Lease Type		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Concessions		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Market Conditions (preceding COVID-19)[1]		0%	0%	0%	1%	2%	3%
COVID-19 Market Impact		-5%	-5%	-5%	-5%	-5%	-5%
Subtotal Eff Rent		$38.95	$47.50	$47.50	$32.44	$36.82	$22.51
PROPERTY ADJUSTMENTS							
Location		0%	0%	0%	0%	0%	0%
Size (Property)		0%	-10%	0%	-10%	-5%	-10%
Quality		0%	0%	0%	0%	0%	0%
Condition		0%	0%	0%	0%	10%	0%
Exposure		0%	0%	0%	0%	0%	0%
Access		0%	0%	0%	0%	0%	0%
Age		10%	10%	10%	10%	10%	10%
Subtotal Property Adj		10%	0%	10%	0%	15%	0%
Subtotal Tenant Adj		0%	0%	0%	0%	0%	0%
TOTAL ADJUSTED RENT		$42.85	$47.50	$52.25	$32.44	$42.34	$22.51

STATISTICS	UNADJUSTED	ADJUSTED
LOW	$23.00	$22.51
HIGH	$50.00	$52.25
MEDIAN	$39.50	$42.60
AVERAGE	$39.30	$39.98

[1] Market Conditions Adjustment - Compound annual change in market conditions: 0%

Date of Value (for adjustment calculations): 3/1/20

Retail Lease Analysis

The lease comparables indicate an adjusted value range from $22.51 to $52.25/SF, with a median of $42.60/SF and an average of $39.98/SF. The range of total gross adjustment applied to the comparables was from 15% to 32%, with an average gross adjustment across all comparables of 24%. The level of total adjustment applied to the comparables is considered minimal, an indication that the dataset is applicable to the subject and increases the credibility of the analysis. The adjustment process for each comparable is discussed in the following paragraphs.

Discussion of Adjustments

Comparable 1 ($42.85/SF as adjusted) required a total downward transaction adjustment of -$2.05. This comparable required a total upward adjustment of 10% for property characteristics. The total gross adjustment applied to this comparable was 15%. The substantial level of gross adjustments required for this comparable was justified due to the comparable's varying attributes. Considering these factors, this comparable is given primary consideration as a value indicator for the subject.

Comparable 2 ($47.50/SF as adjusted) required a total downward transaction adjustment of -$2.50. This comparable required adjustments for property characteristics, however these resulted in a net adjustment of 0%.

The total gross adjustment applied to this comparable was 25%. The substantial level of gross adjustments required for this comparable was justified due to the comparable's varying attributes. Considering these factors, this comparable is given primary consideration as a value indicator for the subject.

Comparable 3 ($52.25/SF as adjusted) required a total downward transaction adjustment of -$2.50. This comparable required a total upward adjustment of 10% for property characteristics. The total gross adjustment applied to this comparable was 15%. The substantial level of gross adjustments required for this comparable was justified due to the comparable's varying attributes. Considering these factors, this comparable is given primary consideration as a value indicator for the subject.

Comparable 4 ($32.44/SF as adjusted) required a total downward transaction adjustment of -$1.37. This comparable required adjustments for property characteristics, however these resulted in a net adjustment of 0%. The total gross adjustment applied to this comparable was 26%. The substantial level of gross adjustments required for this comparable was justified due to the comparable's varying attributes. Considering these factors, this comparable is given primary consideration as a value indicator for the subject.

Comparable 5 ($42.34/SF as adjusted) required a total downward transaction adjustment of -$1.18. This comparable required a total upward adjustment of 15% for property characteristics. The total gross adjustment applied to this comparable was 32%. The substantial level of gross adjustments required for this comparable was justified due to the comparable's varying attributes. Considering these factors, this comparable is given primary consideration as a value indicator for the subject.

Comparable 6 ($22.51/SF as adjusted) required a total downward transaction adjustment of -$0.49. This comparable required adjustments for property characteristics, however these resulted in a net adjustment of 0%. The total gross adjustment applied to this comparable was 28%. The substantial level of gross adjustments required for this comparable was justified due to the comparable's varying attributes. Considering these factors, this comparable is given primary consideration as a value indicator for the subject.

RETAIL SPACE MARKET RENT CONCLUSION

The following table summarizes the analysis of the comparables leases and the Retail market rent conclusion.

RETAIL LEASE CONCLUSION TABLE

	LEASE	ADJUSTMENT				NET	GROSS	OVERALL
LEASE	RATE	TRANSACTIONAL¹	ADJUSTED	PROPERTY²	FINAL	ADJ %	ADJ %	COMPARISON
1	$41.00	($2.05)	$38.95	10%	**$42.85**	5%	15%	PRIMARY
2	$50.00	($2.50)	$47.50	0%	**$47.50**	-5%	25%	PRIMARY
3	$50.00	($2.50)	$47.50	10%	**$52.25**	4%	15%	PRIMARY
4	$33.81	($1.37)	$32.44	0%	**$32.44**	-4%	26%	PRIMARY
5	$38.00	($1.18)	$36.82	15%	**$42.34**	11%	32%	PRIMARY
6	$23.00	($0.49)	$22.51	0%	**$22.51**	-2%	28%	PRIMARY
LOW	**$22.51**					**AVERAGE**		**$39.98**
HIGH	**$52.25**					**MEDIAN**		**$42.60**
		PROPOSED RENT		**ACHIEVABLE MRKT RANGE**				**CONCLUSION**
Retail		**$60.00**		**$40.00 - $50.00**				**$45.00**

¹Cumulative ²Additive (Includes Tenant Adjustments)

The comparables indicate an adjusted value range from $22.51 to $52.25/SF, with a median of $42.60/SF and an average of $39.98/SF. Based on the results of the preceding analysis, Comparable 1 ($42.85/SF adjusted), Comparable 2 ($47.50/SF adjusted), Comparable 3 ($52.25/SF adjusted), Comparable 4 ($32.44/SF adjusted), Comparable 5 ($42.34/SF adjusted) and Comparable 6 ($22.51/SF adjusted) are given primary consideration for the lease rate conclusion. Given the proposed subject's location, expected functional and physical attributes, our concluded market rent estimate is reasonable.

COMMERCIAL POTENTIAL GROSS RENT

Our analysis and conclusions of the subject's commercial potential gross rent are detailed as follows:

POTENTIAL GROSS RENT SUMMARY AS OF JANUARY 2021

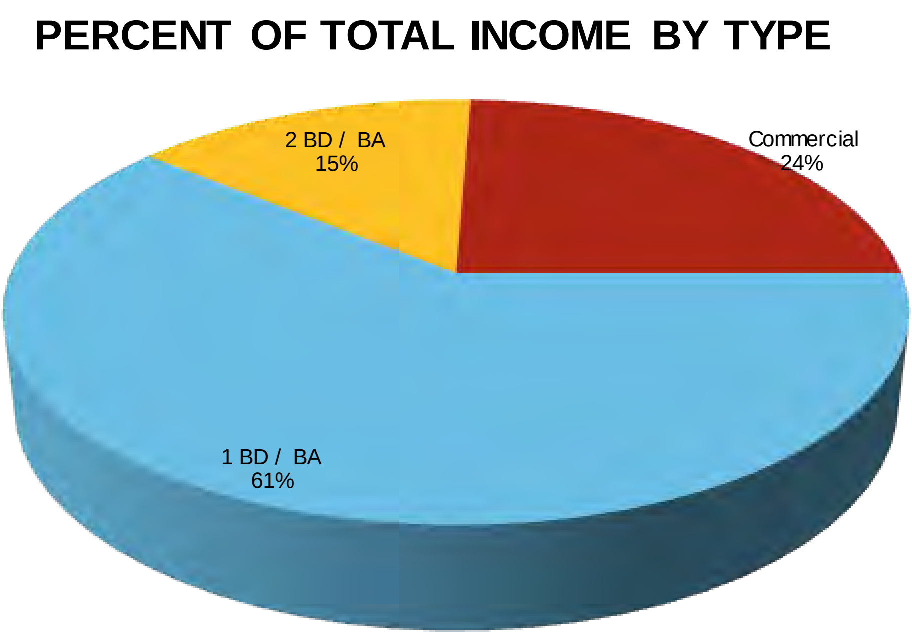
OCCUPIED SPACE							RENT FORECAST		
TENANT	TOTAL NRA (SF)	% OF NRA	PROPOSED RENT	MARKET RENT	PROPOSED VS MARKET	BASIS FOR PROFORMA	ANNUAL	PSF (YR.)	PSF (MO.)
Proposed Retail Space	4,500	23.1%	$60.00	$45.00	133%	Market	$202,500	$45.00	$3.75
Proposed Retail Space	4,500	23.1%	$60.00	$45.00	133%	Market	$202,500	$45.00	$3.75
Proposed Cultural Center	10,500	53.8%	$0.00	$45.00	0%	Market	$472,500	$45.00	$3.75
OCCUPIED SUBTOTALS	**19,500**	**100.0%**			-	-	**$877,500**	**$45.00**	**$3.75**
VACANT SPACE							**MARKET POTENTIAL RENT (1)**		
VACANT SUBTOTALS	**0**	**0.0%**			-	-	**$0**	-	-
TOTAL	**19,500**	**100.0%**			-	-	**$877,500**	**$45.00**	**$3.75**

(1) Potential rent at current market levels, reflected on an annual basis.

Our estimated rent appears to be below the estimate rent for the retail space that the developer provided. We have also considered the potential revenue that the cultural center could generate if it is treated as retail space for the use by third parties, resulting in the total potential gross income for the retail space.

TOTAL INCOME BY TYPE

The graph below segregates the proposed subject property's income by type.



As indicated from the cart, the proposed project would derive a significant percentage of its potential gross income from the rental of the one bedroom units since they represent 85% of the total 151 units with the commercial retail space generating another 24% of the potential gross income. The two bedroom units would generate the remaining 15% of the gross income expected for the proposed development. If the cultural center were not leased, the one bedroom would represent 70%, the commercial retail would decrease to 13.0% and the two bedroom would be the remaining 17% of the gross income.

NOI and Cash Flow Growth

NOI and cash flow growth over the investment holding period is a key measure to investors. The growth forecast is measured against the risks of ownership, and play a significant role in determining value. The subject's growth forecast is presented below. These figures are derived from the cash flow presented later in the report, measuring the growth from the first stabilized year through the last year of the holding period.

NET OPERATING INCOME & CASH FLOW GROWTH				
	FIRST STABILIZED YEAR OF HOLDING PERIOD	LAST YEAR OF HOLDING PERIOD BEFORE SALE	NUMBER OF PERIODS FOR CAGR CALCULATION	
	YEAR 2	YEAR 10	YEARS	CAGR
NOI	$2,119,498	$2,731,298	8	3.22%
Cash Flow	$2,124,373	$2,736,173	8	3.21%

Compound Annual Growth Rate (CAGR) measured from first stabilized year through last year of holding period.

The subject's NOI and cash flow growth is typical, when compared to alternative investments. This rate of growth will be considered in our investment rates selected for the valuation of this asset.

INCOME & EXPENSE ANALYSIS

The preceding section addressed potential risks associated with the cash flow of the subject property. Having addressed potential risks, it is appropriate to analyze historical revenues and operating expenses. Operating expenses include those items necessary to maintain the subject property and generate income at the forecasted level. Expenses associated with debt financing, depreciation, or other accounting items are disregarded. Expenses are estimated based on one or more of the following sources: (1) historical or projected operation of the subject; (2) comparable expense properties; (3) published operating sources; or (4) individual suppliers. The expense comparables reflect varying accounting methods with respect to individual line items and reserves for replacement expenses. On a line-item basis, due to the variances in accounting and classification, their applicability is diminished.

The following section provides supporting information and discusses the individual expense conclusions for the proposed subject property. The developer provided his estimated pro forma projections for the development. The table represents the proposed first year revenue and projected revenue on a stabilized basis:

SUBJECT OPERATING HISTORICALS

YEAR	BUDGET/PRO FORMA 2023				COLLIERS FORECAST DCF YR 1			
INCOME ITEMS	**TOTAL**	**$/UNIT**	**$/SF**	**%EGI**	**TOTAL**	**$/UNIT**	**$/SF**	**%EGI**
Potential Rental Income	$2,710,787	$17,952	$26.81	84.9%	$2,722,200	$18,028	$26.92	76.5%
Commercial Income	$540,000	$3,576	$5.34	16.9%	$877,500	$5,811	$8.68	24.7%
TOTAL RENTAL INCOME	$3,250,787	$21,528	$32.15	101.8%	$3,599,700	$23,839	$35.60	101.2%
OTHER INCOME								
Retail - Reimbursements	$118,428	$784	$1.17	3.7%	$156,000	$1,033	$1.54	4.4%
TOTAL OTHER INCOME	$118,428	$784	$1.17	3.7%	$156,000	$1,033	$1.54	4.4%
POTENTIAL GROSS INCOME (PGI)	$3,369,215	$22,313	$33.32	105.5%	$3,755,700	$24,872	$37.15	105.6%
Vacancy	($135,539)	($898)	($1.34)	(4.2%)	($81,666)	($541)	($0.81)	(2.3%)
Credit Loss	$0	-	-	0.0%	($27,222)	($180)	($0.27)	(0.8%)
Concessions	($40,662)	($269)	($0.40)	(1.3%)	($27,222)	($180)	($0.27)	(0.8%)
Loss To Lease	$0	-	-	0.0%	($17,999)	($119)	($0.18)	(0.5%)
Commercial Vacancy & Credit Loss	$0	-	-	0.0%	($43,875)	($291)	($0.43)	(1.2%)
EFFECTIVE GROSS INCOME (EGI)	$3,193,014	$21,146	$31.58	100.0%	$3,557,717	$23,561	$35.19	100.0%
EXPENSE ITEMS								
Real Estate Taxes	($588,145)	($3,895)	($5.82)	(18.4%)	($569,433)	($3,771)	($5.63)	(16.0%)
Property Insurance	($114,760)	($760)	($1.14)	(3.6%)	($120,800)	($800)	($1.19)	(3.4%)
Utilities	($17,214)	($114)	($0.17)	(0.5%)	($120,800)	($800)	($1.19)	(3.4%)
Repairs & Maintenance	($114,760)	($760)	($1.14)	(3.6%)	($114,760)	($760)	($1.14)	(3.2%)
Turnover Expenses	($71,725)	($475)	($0.71)	(2.2%)	($71,725)	($475)	($0.71)	(2.0%)
Off-Site Management	($95,790)	($634)	($0.95)	(3.0%)	($106,731)	($707)	($1.06)	(3.0%)
Payroll	($86,070)	($570)	($0.85)	(2.7%)	($254,435)	($1,685)	($2.52)	(7.2%)
Advertising	($28,690)	($190)	($0.28)	(0.9%)	($30,200)	($200)	($0.30)	(0.8%)
General & Administrative	($35,863)	($238)	($0.35)	(1.1%)	($60,400)	($400)	($0.60)	(1.7%)
Reserves	$0	-	-	0.0%	($30,200)	($200)	($0.30)	(0.8%)
TOTAL EXPENSES	($1,153,017)	($7,636)	($11.40)	(36.1%)	($1,479,484)	($9,798)	($14.63)	(41.6%)
NET OPERATING INCOME (NOI)	**$2,039,997**	**$13,510**	**$20.18**	**63.9%**	**$2,078,232**	**$13,763**	**$20.56**	**58.4%**

OTHER INCOME

No other income is reported for the proposed development.

Apartment Income

Our analysis and conclusions of the subject's apartment income are detailed as follows:

TOTAL APARTMENT RENTAL INCOME					
YEAR	TOTAL	$/UNIT	$/SF	%EGI	ANALYSIS
BUDGET/PRO FORMA 2023	$2,710,787	$17,952	$26.81	84.9%	The developer estimates approximately $18,180 per unit derived from the one and two bedroom units. Based on our analysis, the estimate appears reasonable as we have estimated just over $18,000 per unit.
DCF YR 1	$2,722,200	$18,028	$26.92	76.5%	

Commercial Income

Our analysis and conclusions of the subject's commercial income are detailed as follows:

TOTAL COMMERCIAL RENTAL INCOME					
YEAR	TOTAL	$/UNIT	$/SF	%EGI	ANALYSIS
BUDGET/PRO FORMA 2023	$540,000	$3,576	$5.34	16.9%	The developer accounted for the dedicated retail space and only took into consideration the reimbursement expected from the cultural center as it will be deeded back to the city upon completion of the project. Per our discussion in our analysis and estimating that the cultural rental space would likely be used as retail, we have estimated its potential gross income that is expected from the rent derived for all of the space, resulting in a higher projected estimate.
DCF YR 1	$877,500	$5,811	$8.68	24.7%	

Other Income

Based on our analysis of the proposed subject's expected operations, there are no other income generators present.

TOTAL OTHER INCOME					
YEAR	TOTAL	$/UNIT	$/SF	%EGI	ANALYSIS
BUDGET/PRO FORMA 2023	$118,428	$784	$1.17	3.7%	Theis line item is attributed to the reimbursements derived from the retail space. We have estimated $8.00 per square foot of retail space to be reasonable. We have considered the dedicated retail space as well as the cultural center. The developer accounted for the a similar amount but only for the cultural center as it will be deeded back to the city once it is completed, but will still contributr with their share of the property's pro rat share of expenses and reimbursements.
DCF YR 1	$156,000	$1,033	$1.54	4.4%	

Vacancy and Credit Loss

This category was discussed in depth in the market analysis section of this report. Please reference that discussion for a full analysis. Our conclusions incorporated into the cash flow model are summarized in the tables which follow:

INCOME LOSS ASSUMPTIONS										
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
YEAR ENDING	DEC-21	DEC-22	DEC-23	DEC-24	DEC-25	DEC-26	DEC-27	DEC-28	DEC-29	DEC-30
Vacancy	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Collection Loss	1.00%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Concessions	1.00%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Other Income V & CL	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Commercial V & CL	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

Analysis of Operating Expenses

Expenses are estimated based on one or more of the following sources: (1) historical or projected operation of the subject; (2) comparable expense properties; (3) published operating sources; or (4) individual suppliers. The expense comparables reflect varying accounting methods with respect to individual line items and reserves for replacement expenses. On a line-item basis, due to the variances in accounting and classification, their applicability is diminished. The following section provides supporting information and discusses the individual expense conclusions for the proposed subject property. The operating expenses for the proposed subject property were presented previously. The following chart summarizes comparable expenses as well as available published operating expense data.

EXPENSE COMPARABLES

COMPARABLE	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	COMP 6	LOW	HIGH	AVG
Expense Year	2022	2022	2020	2020	2019	2019	2019	2022	2021
Actual/Budget	Pro Forma/Budget	Pro Forma/Budget	Budget	TTM/Actual	TTM/Actual	TTM/Actual	-	-	-
Units	456	162	292	341	360	384	162	456	333
Year Built	2021	2021	2018	2018	2016	2012	2012	2021	2018
Rental Income	$30,181	$33,179	$26,053	$22,099	$23,106	$25,513	$22,099	$33,179	$26,689
Miscellaneous Income	$1,017	$1,283	$744	$1,096	$819	$1,241	$744	$1,283	$1,033
Miscellaneous Income % EGI	3.3%	3.7%	2.8%	4.7%	3.4%	4.6%	2.8%	4.7%	3.8%
EGI ($/UNIT)	$31,198	$34,462	$26,797	$23,195	$23,925	$26,754	$23,195	$34,462	$27,722
EXPENSE ITEMS	**$/UNIT**	**$/UNIT**	**$/UNIT**	**$/UNIT**	**$/UNIT**	**$/UNIT**	**LOW**	**HIGH**	**AVG**
Real Estate Taxes	$4,604	$4,180	$4,667	$1,942	$4,048	$3,719	$1,942	$4,667	$3,860
Property Insurance	$925	$1,107	$650	$622	$576	$511	$511	$1,107	$732
Utilities	$604	$981	$817	$1,159	$538	$676	$538	$1,159	$796
Trash Removal	-	$136	$197	$196	$148	$257	$136	$257	$187
Repairs & Maintenance	$450	$325	$470	$740	$437	$638	$325	$740	$510
Turnover Expenses	$175	$261	$171	$182	$241	$443	$171	$443	$246
Off-Site Management	$516	$998	$621	$541	$662	$685	$516	$998	$671
Payroll	$1,311	$1,749	$1,842	$2,025	$1,443	$1,739	$1,311	$2,025	$1,685
Advertising	$230	$525	$565	$627	$351	$425	$230	$627	$454
Model Unit	$199	-	$302	$132	$64	-	$64	$302	$174
General & Administrative	$274	$395	$350	$505	$494	$437	$274	$505	$409
Reserves	$200	$200	$200	$200	$200	$200	$200	$200	$200
TOTAL EXPENSES ($/UNIT)	**$9,488**	**$10,857**	**$10,852**	**$8,871**	**$9,202**	**$9,730**	**$8,871**	**$10,857**	**$9,833**

Conclusion of Operating Expenses

In the following section we discuss the individual expense conclusions for the subject property.

EXPENSE ANALYSIS & CONCLUSIONS

REAL ESTATE TAXES

YEAR	SUBJECT TOTAL	$/UNIT	$/SF	%EGI	EXPENSE COMPS COMP	$/UNIT	%EGI
BUDGET/PRO FORM	$588,145	$3,895	$5.82	18.4%	1	$4,604	14.8%
DCF YR 1	$569,433	$3,771	$5.63	16.0%	2	$4,180	12.1%
					3	$4,667	17.4%
					4	$1,942	8.4%
					5	$4,048	16.9%
					6	$3,719	13.9%
CONCLUSION	**$569,433**	**$3,771**	**$5.63**	**16.0%**	**AVG**	$3,860	13.9%

ANALYSIS

The concluded taxes are based on the estimated improvement taxes of the proposed development and is based on the cost estimates provided by the developer and the expense comparable information. We have excluded any contributory taxes derived from the land as well as the dedicated cultural center since it will be owned by the city and expected to be exempt from any real estate taxes. Please refer to the Assessments and Taxes section in the Executive Summary for additional details.

PROPERTY INSURANCE

YEAR	SUBJECT TOTAL	$/UNIT	$/SF	%EGI	EXPENSE COMPS COMP	$/UNIT	%EGI
BUDGET/PRO FORM	$114,760	$760	$1.14	3.6%	1	$925	3.0%
DCF YR 1	$120,800	$800	$1.19	3.4%	2	$1,107	3.2%
					3	$650	2.4%
					4	$622	2.7%
					5	$576	2.4%
					6	$511	1.9%
CONCLUSION	**$120,800**	**$800**	**$1.19**	**3.4%**	**AVG**	$732	2.6%

ANALYSIS

This expense includes all premiums and costs incurred for insurance covering structures, public liability, rental value, and equipment. The conclusion is based on the pro forma expenses and the expense comparable information.

UTILITIES

YEAR	SUBJECT TOTAL	$/UNIT	$/SF	%EGI	EXPENSE COMPS COMP	$/UNIT	%EGI
BUDGET/PRO FORM	$17,214	$114	$0.17	0.5%	1	$604	1.9%
DCF YR 1	$120,800	$800	$1.19	3.4%	2	$981	2.8%
					3	$817	3.0%
					4	$1,159	5.0%
					5	$538	2.2%
					6	$676	2.5%
CONCLUSION	**$120,800**	**$800**	**$1.19**	**3.4%**	**AVG**	$796	2.9%

ANALYSIS

Utilities include gas, electricity, water, sewer, and trash removal. The conclusion is based on the expense comparable information.

REPAIRS & MAINTENANCE

	SUBJECT				EXPENSE COMPS		
YEAR	TOTAL	$/UNIT	$/SF	%EGI	COMP	$/UNIT	%EGI
BUDGET/PRO FORM	$114,760	$760	$1.14	3.6%	1	$450	1.4%
DCF YR 1	$114,760	$760	$1.14	3.2%	2	$325	0.9%
					3	$470	1.8%
					4	$740	3.2%
					5	$437	1.8%
					6	$638	2.4%
CONCLUSION	**$114,760**	**$760**	**$1.14**	**3.2%**	AVG	$510	1.9%

ANALYSIS

This expense covers the cost of all other routine maintenance and repairs including routine maintenance and repairs. The conclusion is based on the pro forma expenses and the expense comparable information.

TURNOVER EXPENSES

	SUBJECT				EXPENSE COMPS		
YEAR	TOTAL	$/UNIT	$/SF	%EGI	COMP	$/UNIT	%EGI
BUDGET/PRO FORM	$71,725	$475	$0.71	2.2%	1	$175	0.6%
DCF YR 1	$71,725	$475	$0.71	2.0%	2	$261	0.8%
					3	$171	0.6%
					4	$182	0.8%
					5	$241	1.0%
					6	$443	1.7%
CONCLUSION	**$71,725**	**$475**	**$0.71**	**2.0%**	AVG	$246	0.9%

ANALYSIS

This expense item includes typical costs associated with unit turnover such as cleaning and painting. The conclusion is based on the pro forma expenses and the expense comparable information.

OFF-SITE MANAGEMENT

	SUBJECT				EXPENSE COMPS		
YEAR	TOTAL	$/UNIT	$/SF	%EGI	COMP	$/UNIT	%EGI
BUDGET/PRO FORM	$95,790	$634	$0.95	3.0%	1	$516	1.7%
DCF YR 1	$106,731	$707	$1.06	3.0%	2	$998	2.9%
					3	$621	2.3%
					4	$541	2.3%
					5	$662	2.8%
					6	$685	2.6%
CONCLUSION	**$106,731**	**$707**	**$1.06**	**3.0%**	AVG	$671	2.4%

ANALYSIS

This expense reflects the professional management service for the subject. The conclusion is based on the pro forma expenses and the expense comparable information.

PAYROLL

	SUBJECT				EXPENSE COMPS		
YEAR	TOTAL	$/UNIT	$/SF	%EGI	COMP	$/UNIT	%EGI
BUDGET/PRO FORM	$86,070	$570	$0.85	2.7%	1	$1,311	4.2%
DCF YR 1	$254,435	$1,685	$2.52	7.2%	2	$1,749	5.1%
					3	$1,842	6.9%
					4	$2,025	8.7%
					5	$1,443	6.0%
					6	$1,739	6.5%
CONCLUSION	**$254,435**	**$1,685**	**$2.52**	**7.2%**	AVG	$1,685	6.2%

ANALYSIS

This expense consists of all payroll and associated employee benefits related to the subject's personnel directly involved in the management of the subject. The conclusion is based on the expense comparable information.

ADVERTISING

	SUBJECT				EXPENSE COMPS		
YEAR	TOTAL	$/UNIT	$/SF	%EGI	COMP	$/UNIT	%EGI
BUDGET/PRO FORM	$28,690	$190	$0.28	0.9%	1	$230	0.7%
DCF YR 1	$30,200	$200	$0.30	0.8%	2	$525	1.5%
					3	$565	2.1%
					4	$627	2.7%
					5	$351	1.5%
					6	$425	1.6%
CONCLUSION	**$30,200**	**$200**	**$0.30**	**0.8%**	AVG	$454	1.7%

ANALYSIS

This expense includes marketing, advertising and promoting the subject property. The conclusion is based on the pro forma expenses and the expense comparable information.

GENERAL & ADMINISTRATIVE

	SUBJECT				EXPENSE COMPS		
YEAR	TOTAL	$/UNIT	$/SF	%EGI	COMP	$/UNIT	%EGI
BUDGET/PRO FORM	$35,863	$238	$0.35	1.1%	1	$274	0.9%
DCF YR 1	$60,400	$400	$0.60	1.7%	2	$395	1.1%
					3	$350	1.3%
					4	$505	2.2%
					5	$494	2.1%
					6	$437	1.6%
CONCLUSION	**$60,400**	**$400**	**$0.60**	**1.7%**	AVG	$409	1.5%

ANALYSIS

This expense includes office supplies, accounting, legal fees, other professional fees, and all other administrative costs. The conclusion is based on the pro forma expenses and the expense comparable information.

RESERVES	SUBJECT				EXPENSE COMPS		
YEAR	TOTAL	$/UNIT	$/SF	%EGI	COMP	$/UNIT	%EGI
BUDGET/PRO FORM	$0		$0.00	0.0%	1	$200	0.6%
DCF YR 1	$30,200	$200	$0.30	0.8%	2	$200	0.6%
					3	$200	0.7%
					4	$200	0.9%
					5	$200	0.8%
					6	$200	0.7%
CONCLUSION	**$30,200**	**$200**	**$0.30**	**0.8%**	**AVG**	$200	0.7%

ANALYSIS

Reserves for replacements are not typical cash expenditures, but rather the annualized cost of major expense in the future. The expense conclusion considers the subject's age and condition. The conclusion is based on the expense comparable information.

TOTAL EXPENSES	LOW	HIGH
PRO FORMA $/UNIT	$7,636	$7,636
EXPENSE COMPARABLES $/UNIT	$8,871	$10,857
SALE COMPARABLE $/UNIT	$8,629	$12,047
SUBJECT PRO FORMA %EGI	36.1%	36.1%
EXPENSE COMPARABLES %EGI	30.4%	40.5%
SALE COMPARABLES %EGI	36.0%	46.7%
TOTAL EXPENSES $/UNIT	$9,798	
TOTAL EXPENSES %EGI	41.6%	
TOTAL EXPENSES	**$1,479,484**	

CONCLUSION

The proposed subject development's pro forma is estimated at $7,636 per unit, representing approximately 36.1% of EGI. The sales comparables range from a low of $8,871 to a high of $10,857 per unit, representing a range of 27.5% to 37.4% of EGI. The expense comparables have a range of $4,853 to a high of $5,887 per unit, representing a range of 30.4% to 40.5% of EGI. Overall, the estimates per unit is slightly on the higher end of the range w hile on the high end of the range as it relates to the EGI. This higher estimate is attributed to the expected payroll and utilities charges.

INVESTMENT MARKET ANALYSIS

Development of Capitalization Rate

The going-in capitalization rate, also known as overall rate (OAR), can be determined using several sources and methods. In developing our opinion of OAR, the following techniques were used:

- Comparable Sales (Sales Comparison Approach)
- Supplemental Comparable Sales (Competitive Market)
- Investor Surveys
- Band of Investment Technique

Comparable Sales

The following table presents a summary of the comparable sales used ahead in the Sales Comparison Approach, and the capitalization rates from each of those sales. We have included additional sales to further support capitalization rate trends for the subject property.

	CAPITALIZATION RATE COMPARABLES (OAR)													
	NAME	CITY	ST	SALE DATE	YR BLT	CLASS	NRA	$/SF	UNITS	AVG UNIT SF	$/UNIT	SALE PRICE	NOI	NOI/SF	CAP RATE
1	Broadstone Oceanside	Pompano Beach	FL	Dec-20	2019	A	195,830	$486	211	928	$451,422	$95,250,000	$4,333,436	$22.13	4.55%
2	The Mile at Coral Gables	Miami	FL	Dec-19	2016	A	109,462	$365	120	912	$333,333	$40,000,000	$1,700,000	$15.53	4.25%
3	The Club at Crystal Lakes	Deerfield Beach	FL	Nov-19	2018	A	127,110	$240	125	1,016	$244,000	$30,500,000	$1,524,397	$11.99	5.00%
4	Modera Skylar	Miami	FL	Nov-18	2013	A	168,590	$264	166	1,015	$267,771	$44,450,000	$1,934,654	$11.48	4.35%
5	The Place at Dania Beach	Dania Beach	FL	Oct-18	2017	A	132,706	$286	144	921	$263,889	$38,000,000	$1,967,626	$14.83	5.11%
6	The Queue	Fort Lauderdale	FL	Feb-18	2017	A	153,933	$344	191	805	$277,487	$53,000,000	$2,436,081	$15.83	4.60%
	ADDITIONAL COMPS														
1	Riverhouse at 11th	Doral	FL	Mar-20	2018	A	279,592	$340	292	958	$325,342	$95,000,000	$4,123,000	$14.75	4.34%
2	Toscana	Margate	FL	Dec-19	2016	A	250,000	$241	240	1,042	$251,042	$60,250,000	$2,940,200	$11.76	4.88%
3	Ventura Pointe	Pembroke Pines	FL	Oct-19	2018	A	196,466	$283	206	954	$269,903	$55,600,000	$2,641,000	$13.44	4.75%
5	Ora Flagler Village	Fort Lauderdale	FL	Sep-19	2018	A	249,731	$372	292	855	$318,151	$92,900,000	$4,161,920	$16.67	4.48%
6	Avalon Bontera/Alti Bonterra	Hialeah	FL	Aug-19	2017	A	345,650	$260	314	1,101	$286,624	$90,000,000	$4,374,000	$12.65	4.86%
7	Bell at Plantattion	Plantation	FL	Nov-18	2017	A	247,250	$272	250	989	$269,000	$67,250,000	$3,261,625	$13.19	4.85%
8	Jefferson Lighthouse	Pompano Beach	FL	Jun-18	2015	A	265,522	$207	243	1,093	$226,337	$55,000,000	$2,585,000	$9.74	4.70%
9	Marquis Coral Springs	Coral Springs	FL	Mar-18	2016	A	280,759	$263	250	1,123	$294,800	$73,700,000	$3,574,450	$12.73	4.85%
10	Soleste West	Miami	FL	Oct-17	2017	A	192,198	$307	206	933	$286,619	$59,043,465	$2,509,347	$13.06	4.25%
LOW				Oct-17											**4.25%**
HIGH				Dec-20											**5.11%**
AVERAGE				Apr-19											**4.65%**
MEDIAN				Aug-19											**4.70%**
INDICATED CAPITALIZATION RATE (OAR)															**4.50%**

The multifamily sales represent a range of 5.00% to 5.85% with an average of 5.56% over the past 12 to 18 months. The additional sales represent range of 3.75% to 7.12% with an average of 5.52% in the past 12 months. Combined, the range is from 3.75% to 7.12% with an overall average of 5.53% and a median of 5.76%. Given the proposed subject property's location, physical features and expected functional use, we would estimate a slightly lower than average and median estimates.

Supplemental Sales (Market) - Multifamily

The following table presents a summary of supplemental regional market rate sales, and the capitalization rates from each of those transactions.

PRICING & CAPITALIZATION RATES - CLASS A ASSETS

South Florida

Property Name	Metro	City	Sale Date	Yr Blt	Units	Sale Price	$/Unit	OAR
AMLI Flagler Village	Miami-Ft Lauderdale	Fort Lauderdale	In Contract	2009	218	$73,000,000	$334,862	-
Delray Station	W Palm Beach-Boca Raton	Delray Beach	Jul-20	2017	284	$73,900,000	$260,211	4.40%
Sole at City Center	W Palm Beach-Boca Raton	West Palm Beach	Jan-20	2018	315	$103,494,000	$328,552	4.50%
Shorecrest Club Apartments	Miami-Ft Lauderdale	Miami	Jan-20	2015	497	$132,100,000	$265,795	2.99%
Avalon Toscana	Miami-Ft Lauderdale	Margate	Dec-19	2015	240	$60,250,000	$251,042	4.50%
The Atlantic Cypress Creek	Miami-Ft Lauderdale	Lauderdale Lakes	Nov-19	2017	420	$102,900,000	$245,000	4.60%
The Club at Crystal Lakes	Miami-Ft Lauderdale	Deerfield Beach	Nov-19	2018	125	$30,500,000	$244,000	4.70%
Ventura Pointe	Miami-Ft Lauderdale	Pembroke Pines	Oct-19	2018	206	$55,600,000	$269,903	4.75%
Avalon at Bonterra	Miami-Ft Lauderdale	Hialeah	Aug-19	2018	314	$90,000,000	$286,624	4.86%
Bell Lighthouse Point	Miami-Ft Lauderdale	Pompano Beach	Aug-19	2015	249	$58,500,000	$234,940	4.48%
Savona Grand	W Palm Beach-Boca Raton	Lake Worth	Jul-19	2003	214	$47,750,000	$223,131	4.60%
Cortland Boca Raton	W Palm Beach-Boca Raton	Boca Raton	Jul-19	2012	384	$120,835,000	$314,674	4.40%
Exchange Lofts	Miami-Ft Lauderdale	Fort Lauderdale	Jul-19	1943/2011	87	$23,250,000	$267,241	3.80%
Nexus Sawgrass	Miami-Ft Lauderdale	Sunrise	Jun-19	2012	501	$139,000,000	$277,445	4.70%
LUMA West Palm Beach	W Palm Beach-Boca Raton	West Palm Beach	May-19	2017	245	$66,923,500	$273,157	4.70%
Doral View & Town Fountainbleau	Miami-Ft Lauderdale	Miami	May-19	2013/16	720	$208,750,000	$289,931	4.80%
Avana Cypress Creek	Miami-Ft Lauderdale	North Lauderdale	May-19	2009	220	$46,000,000	$209,091	4.68%

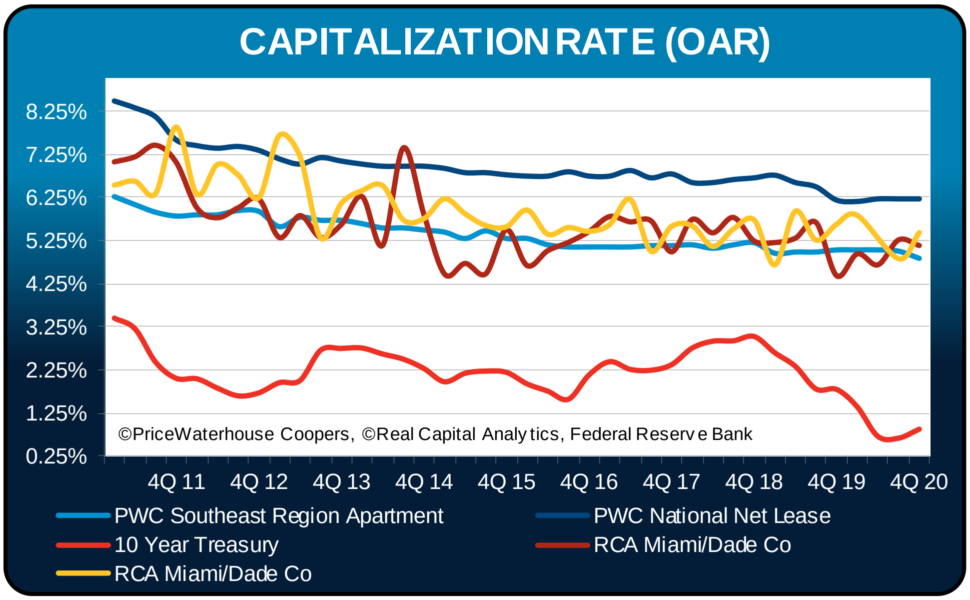
Prepared by: COLLIERS INTERNATIONAL, VALUATION & ADVISORY SERVICES - FLORIDA MULTIFAMILY TEAM

The above extracted capitalization rates exhibit a range of 2.99% to 4.86%, with an average of 4.47%.

Investor Surveys

The potential investor pool for the subject asset includes national, regional and local investors. While all these groups place emphasis on local cap rates, regional and national investors would also strongly consider national cap rate trends from investor surveys due to the potential to invest in other regions that are offering competitive rates of return.

The following graph provides a historical illustration of capitalization rate statistics as surveyed by investors that we considered to be relevant to the subject property.



The following table provides the most recent survey results from investors and our independent market participant interview.

CAPITALIZATION RATE SURVEYS (OAR)					
SOURCE	**QUARTER**	**RANGE**			**AVG**
PriceWaterhouse Coopers					
Southeast Region Apartment	4Q 20	4.00%	to	6.00%	4.83%
National Net Lease	4Q 20	4.00%	to	8.00%	6.22%
Real Capital Analytics					
Miami/Dade Co	4Q 20				5.14%
Miami/Dade Co	4Q 20				5.45%
10 Year Treasury	4Q 20	-		-	0.86%
Market Participant Interview					
Paloma Sarabia-Perez	4Q 20	4.00%	to	6.00%	5.00%
AVERAGE		**4.00%**	**to**	**6.67%**	**5.35%**

Institutional investor's survey expect overall capitalization rates in the range of 4.40% to 9.18% with an average of 6.85%. This is a combined rate of multifamily and retail space, depending on the property's location, and use. As shown from the chart above, multifamily are lower than the retail given current and expected market conditions for each property type and use. A blended rate would likely fall within the range. Thus, given the proposed subject property's location, physical features and expected functional and mixed use, we would estimate a lower than average estimate.

Market Participants

MARKET PARTICIPANTS | GENERAL CAP RATE OPINIONS						
NAME	FIRM	COVERAGE	DATE	RATES		
Zach Sackley	Cushman & Wakefield	South FL	3Q2020			
Class A - In-Place				4.25%	-	4.50%
Class B - In-Place				4.50%	-	5.00%
Class C - In-Place				5.25%	-	5.75%
Hampton Beebe	NKF	South FL	3Q2020			
Class A - In-Place				4.25%	-	4.75%
Class B - In-Place				4.75%	-	5.50%
Class C - In-Place				5.75%	+	
Still Hunter	CBRE	South FL	3Q2020			
Class A - In-Place				4.00%	-	4.50%
Class B - In-Place				4.65%	-	5.15%
Class C - In-Place				5.25%	-	5.75%
Felipe J. Echarte	Marcus & Millichap	South FL	3Q2020			
Class A - In-Place				4.25%	-	4.75%
Class B - In-Place				4.50%	-	5.00%
Class C - In-Place				5.00%	-	5.50%
Maurice Habif	JLL	South FL	3Q2020			
Class A - In-Place				4.25%	-	5.00%
Class B - In-Place				4.50%	-	5.25%
Class C - In-Place				5.25%	+	6.00%
Indicated Rate - Class A				**4.00%**		**5.00%**
Indicated Rate - Class B				**4.50%**		**5.50%**
Indicated Rate - Class C				**5.00%**		**6.00%**

For the multifamily, several market participants were interview and provided a range of 4.00% to a high of 6.00%, depending on the indicate class type. Given the proposed subject property's location, physical features and expected functional use, we would estimate a range between the Class A and B type would be reasonable.

Band of Investment Technique

Because most properties are purchased with debt and equity capital, the overall capitalization rate must satisfy the market return requirements of both investment positions. Lenders must anticipate receiving a competitive interest rate commensurate with the perceived risk of the investment or they will not make funds available. Lenders also require that the principal amount of the loan be repaid through amortization payments. Similarly, equity investors must anticipate receiving a competitive equity cash return commensurate with the perceived risk or they will invest their funds elsewhere.

To analyze the capitalization rate from a financial position, the Band of Investment Technique is used. Available financing information indicates the following terms:

BAND OF INVESTMENT ASSUMPTIONS	
Loan Amortization Period	30 Years
Interest Rate	3.00%
Loan-to-Value (LTV) Ratio	75%
Mortgage Constant	5.06%

Equity dividend rates vary depending upon motivations of buyers and financing terms. The previous terms and an appropriate equity dividend rate are used in the Band of Investments calculations, which are presented on the following chart.

BAND OF INVESTMENT CALCULATION					
Mortgage Component	75%	x	5.06%	=	3.794%
Equity Component	25%	x	8.50%	=	2.125%
Indicated Capitalization Rate					5.919%
INDICATED CAPITALIZATION RATE					**5.92%**

Debt Coverage Ratio Technique

An alternate method to calculating capitalization rates based on financing metrics is the Debt Coverage Ratio method, which uses the relationship between the DCR, LTV, and mortgage constant to conclude to a rate value. Based on the assumptions previously discussed, we have concluded to a DCR of 1.30, an LTV of 75% and a mortgage constant of 5.06%. The following calculation indicates the cap rate conclusion by this method:

DEBT COVERAGE RATIO CALCULATION	
Debt Coverage Ratio	1.30
Loan-to-Value (LTV) Ratio	75%
Mortgage Constant	5.06%
INDICATED CAPITALIZATION RATE	**4.93%**

Capitalization Rate Conclusion

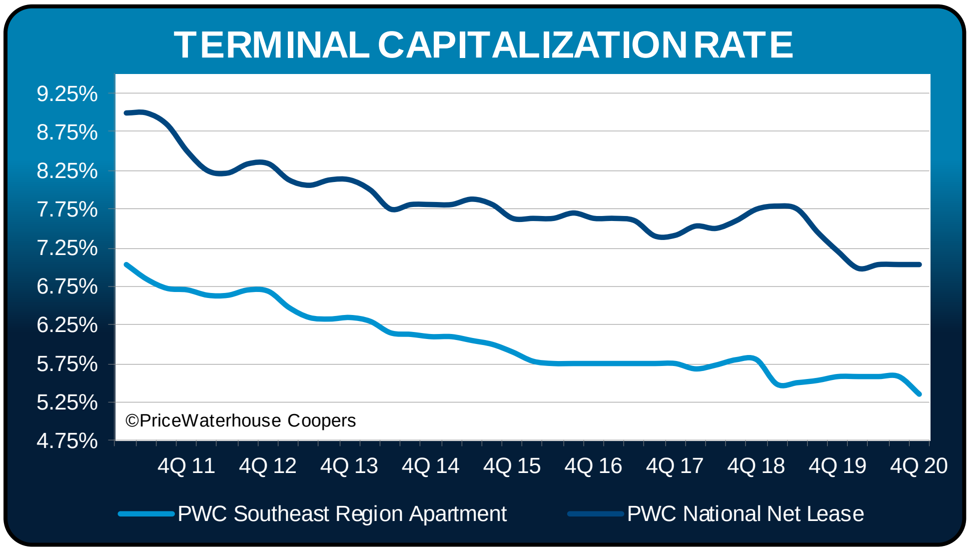
Taking all factors into consideration, the following table summarizes the various capitalization rate indicators and provides the final capitalization rate conclusion.

SOURCE	QUARTER	RANGE			AVG
Comparable Sales		4.25%	to	5.11%	4.64%
Supplemental Comparable Sales		4.25%	to	4.88%	4.66%
Investor Surveys	4Q 20	4.00%	to	6.67%	5.35%
Paloma Sarabia-Perez	4Q 20	4.00%	to	6.00%	-
Band of Investment Technique					5.92%
Debt Coverage Technique					4.93%
AVERAGE		4.13%	to	5.66%	5.10%
CAPITALIZATION CONCLUSION					**4.50%**
CAPITALIZATION CONCLUSION (STABILIZED YEAR)					**4.50%**

The overall range is from 4.29% to 7.04% with an average of 5.89%. Given the proposed subject property's location, physical features and expected functional and mixed use as multifamily and retail, the estimated blended rate concluded be reasonable.

Development of Terminal OAR (Terminal Capitalization Rate)

Investor surveys, discussions with market participants and the subject's investment characteristics were considered in developing our opinion of Terminal OAR. The following graph provides a historical illustration of terminal rate statistics as surveyed by investors that we considered to be relevant to the subject property.



Taking all factors into consideration, the following table summarizes the various terminal rate indicators and provides the final terminal capitalization rate conclusion.

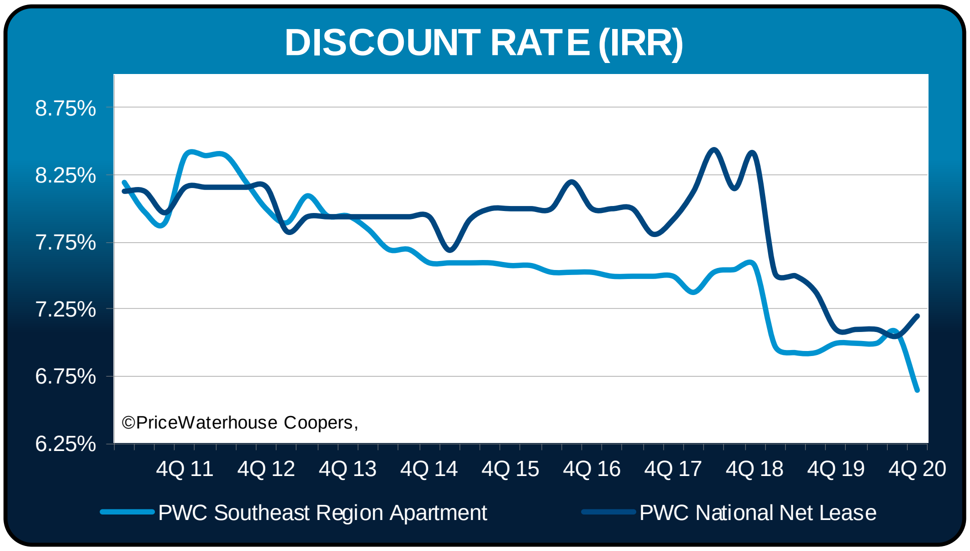
TERMINAL CAPITALIZATION RATE CONCLUSION

SOURCE	QUARTER	RANGE			AVG
PriceWaterhouse Coopers					
Southeast Region Apartment	4Q 20	4.75%	to	6.50%	5.35%
Going-In Vs Terminal Spread					*52 bps*
National Net Lease	4Q 20	5.50%	to	8.50%	7.03%
Going-In Vs Terminal Spread					*81 bps*
Market Participant Interview	4Q 20	5.00%	to	7.00%	6.00%
AVERAGE		5.08%	to	7.33%	6.13%
TERMINAL CAPITALIZATION RATE CONCLUSION					**5.25%**

There is a 50 bps spread between the proposed subject's going-in capitalization rate of 4.50% and the selected terminal capitalization rate above of 5.25%. This spread is slightly below what is generally supported by the investor survey. Given the proposed subject property's location, physical features and expected functional and mixed use, we would estimate a lower than average estimate.

Development of Discount Rate (IRR)

Investor surveys, discussions with market participants and the subject's investment characteristics were considered in developing our opinions of Discount Rates. The following graph provides a historical illustration of discount rate statistics as surveyed by investors that we considered to be relevant to the subject property.



Taking all factors into consideration, the following table summarizes the various discount rate indicators and provides the final discount rate conclusion.

DISCOUNT RATE (IRR) CONCLUSIONS					
SOURCE	**QUARTER**	**RANGE**			**AVG**
PriceWaterhouse Coopers					
Southeast Region Apartment	4Q 20	6.00%	to	8.00%	6.65%
Capitalization Vs Discount Spread					*182 bps*
National Net Lease	4Q 20	5.50%	to	10.00%	7.20%
Capitalization Vs Discount Spread					*98 bps*
Market Participant Interview					
Paloma Sarabia-Perez	4Q 20	6.00%	to	8.00%	7.00%
AVERAGE		5.75%	to	9.00%	6.95%
DISCOUNT RATE IRR CONCLUSION (CASH FLOW)					**6.50%**
DISCOUNT RATE IRR CONCLUSION (REVERSION)					**6.50%**

There is a 150 bps spread between the proposed subject's going-in capitalization rate of 4.50% and the selected discount rate above of 6.50%. This spread is slightly below what is generally supported by the investor survey. Given the proposed subject property's location, physical features and expected functional and mixed use, we would estimate a lower than average estimate.

DISCOUNTED CASH FLOW ANALYSIS

The DCF analysis models a property's performance over a buyer's investment horizon from the current as is status of the property, to projected stabilization of operations and through the projected sale of the property at the end of the holding period. Net cash flows from property operations and the reversion are discounted at rates reflective of the property's economic and physical risk profile. Support for rent and expense growth rates, as well as our assumptions applied in the DCF are presented next.

Rent Growth Projection

Below is information provided by forward looking investor surveys that we used to support rent growth:

MARKET RENT CHANGE FORECAST					
SOURCE	QUARTER	RANGE			AVG
PriceWaterhouse Coopers					
Southeast Region Apartment	4Q 20	0.00%	to	1.50%	1.05%
National Net Lease	4Q 20	-10.00%	to	2.00%	-0.85%
AVERAGE		**-5.0%**	**to**	**1.8%**	**0.1%**

Expense Growth

Below is information provided by investor surveys that we used to support expense growth:

EXPENSE CHANGE					
SOURCE	QUARTER	RANGE			AVG
PriceWaterhouse Coopers					
Southeast Region Apartment	4Q 20	2.00%	to	4.00%	3.00%
National Net Lease	4Q 20	0.00%	to	3.00%	1.10%
US BLS CPI 10-Year Snap Shot	December 20				1.69%
US BLS CPI 3-Year Snap Shot	December 20				1.67%
AVERAGE		**1.0%**	**to**	**3.5%**	**1.9%**

Inflation Assumptions

The following table summarizes all inflation assumptions that were used in our DCF analysis:

INFLATION ASSUMPTIONS										
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
YEAR ENDING	DEC-21	DEC-22	DEC-23	DEC-24	DEC-25	DEC-26	DEC-27	DEC-28	DEC-29	DEC-30
Rent	-	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Other Income	-	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Expenses	-	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Taxes	-	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

DCF Assumptions

The following are the assumptions incorporated into our DCF analysis:

DCF ASSUMPTIONS	
Cash Flow Software	**Colliers International Excel Model**
Base Scenario	**MARKET VALUE AS IS**
Cash Flow Start Date	Jan-21
Calendar or Fiscal Analysis	Fiscal
Investment Holding Period	10 years
Analysis Projection Period	11 years
Internal Rate of Return (Cash Flow)	6.50%
Internal Rate of Return (Reversion)	6.50%
Terminal Capitalization Rate	5.25%
Reversionary Sales Cost	1.50%
Basis Point Spread (OARout vs. OARin)	75 pts
Additional Scenario	**PROSPECTIVE VALUE UPON COMPLETION**
Cash Flow Start Date	Jan-22
Calendar or Fiscal Analysis	Fiscal
Investment Holding Period	9 years
Analysis Projection Period	10 years
Internal Rate of Return (Cash Flow)	6.50%
Internal Rate of Return (Reversion)	6.50%
Terminal Capitalization Rate	5.25%
Reversionary Sales Cost	1.50%
Basis Point Spread (OARout vs. OARin)	75 pts
Additional Scenario	**PROSPECTIVE VALUE UPON STABILIZATION**
Cash Flow Start Date	Jan-23
Calendar or Fiscal Analysis	Fiscal
Investment Holding Period	8 years
Analysis Projection Period	9 years
Internal Rate of Return (Cash Flow)	6.50%
Internal Rate of Return (Reversion)	6.50%
Terminal Capitalization Rate	5.25%
Reversionary Sales Cost	1.50%
Basis Point Spread (OARout vs. OARin)	75 pts

Capital Expenditures

As part of Discounted Cash Flow modeling, we incorporated allowances for reserves for replacement, tenant improvements and leasing commissions, which are summarized below.

CAPITAL EXPENDITURES YEAR ENDING	YEAR 1 DEC-21	YEAR 2 DEC-22	YEAR 3 DEC-23	YEAR 4 DEC-24	YEAR 5 DEC-25	YEAR 6 DEC-26	YEAR 7 DEC-27	YEAR 8 DEC-28	YEAR 9 DEC-29	YEAR 10 DEC-30
Reserves	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Reserves $/SF	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Tenant Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Leasing Commissions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Commercial Reserves	($4,875)	($4,875)	($4,875)	($4,875)	($4,875)	($4,875)	($4,875)	($4,875)	($4,875)	($4,875)
Commercial Reserves $/SF	($0.25)	($0.25)	($0.25)	($0.25)	($0.25)	($0.25)	($0.25)	($0.25)	($0.25)	($0.25)

Note, capital expenditures were also considered for items such as curable depreciation (deferred maintenance) and other known capital improvement initiatives that were likely to occur during the holding period. Based on information that we gathered during the property inspection and from interviews with the subject property contact, there were no additional capital expenditures modeled into the DCF analysis.

Cost of Sale

The cost of selling the property at the end of the investment holding period must be deducted from the capitalized value. These costs include sales commissions, and any other closing costs that would normally be included as a deduction within the local marketplace. Based on our experience in the market and analysis of recent transactions and offerings, we utilized a Cost of Sale at Reversion of 1.50%.

DISCOUNTED CASH FLOW ANALYSIS

THE BYRON

												ANNUAL GROWTH	ANNUAL GROWT	ANNUAL GROWT
Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**REVERSION**			
For the Years Beginning	**Jan-21**	**Jan-22**	**Jan-23**	**Jan-24**	**Jan-25**	**Jan-26**	**Jan-27**	**Jan-28**	**Jan-29**	**Jan-30**	**Jan-31**	**Year 1 -**	**Year 2 -**	**Year 3 -**
For the Years Ending	**Dec-21**	**Dec-22**	**Dec-23**	**Dec-24**	**Dec-25**	**Dec-26**	**Dec-27**	**Dec-28**	**Dec-29**	**Dec-30**	**Dec-31**	**Year 10**	**Year 10**	**Year 10**
Potential Rental Income	$2,722,200	$2,803,866	$2,887,982	$2,974,621	$3,063,860	$3,155,776	$3,250,449	$3,347,962	$3,448,401	$3,551,853	$3,658,409	3.00%	3.00%	3.00%
Commercial Income	$877,500	$903,825	$930,940	$958,868	$987,634	$1,017,263	$1,047,781	$1,079,214	$1,111,590	$1,144,938	$1,179,286	3.00%	3.00%	3.00%
TOTAL RENTAL INCOME	**$3,599,700**	**$3,707,691**	**$3,818,922**	**$3,933,489**	**$4,051,494**	**$4,173,039**	**$4,298,230**	**$4,427,176**	**$4,559,991**	**$4,696,791**	**$4,837,695**	**3.00%**	**3.00%**	**3.00%**
OTHER INCOME														
Retail - Reimbursements	$156,000	$160,680	$165,500	$170,465	$175,579	$180,846	$186,271	$191,859	$197,615	$203,543	$209,649	3.00%	3.00%	3.00%
TOTAL OTHER INCOME	**$156,000**	**$160,680**	**$165,500**	**$170,465**	**$175,579**	**$180,846**	**$186,271**	**$191,859**	**$197,615**	**$203,543**	**$209,649**	**3.00%**	**3.00%**	**3.00%**
POTENTIAL GROSS INCOME (PGI)	**$3,755,700**	**$3,868,371**	**$3,984,422**	**$4,103,954**	**$4,227,073**	**$4,353,885**	**$4,484,501**	**$4,619,035**	**$4,757,606**	**$4,900,334**	**$5,047,344**	**3.00%**	**3.00%**	**3.00%**
Vacancy	($107,991)	($129,769)	($133,662)	($137,672)	($141,802)	($146,056)	($150,438)	($154,951)	($159,600)	($164,388)	($169,319)	4.78%	3.00%	3.00%
Collection Loss	($35,997)	($18,538)	($19,095)	($19,667)	($20,257)	($20,865)	($21,491)	($22,136)	($22,800)	($23,484)	($24,188)	(4.63%)	3.00%	3.00%
Concessions (% Rental Income)	($35,997)	($18,538)	($19,095)	($19,667)	($20,257)	($20,865)	($21,491)	($22,136)	($22,800)	($23,484)	($24,188)	(4.63%)	3.00%	3.00%
Loss To Lease	($17,998)	($18,538)	($19,095)	($19,667)	($20,257)	($20,865)	($21,491)	($22,136)	($22,800)	($23,484)	($24,188)	3.00%	3.00%	3.00%
Commercial Vacancy & Credit Loss	($43,875)	($45,191)	($46,547)	($47,943)	($49,382)	($50,863)	($52,389)	($53,961)	($55,580)	($57,247)	($58,964)	3.00%	3.00%	3.00%
EFFECTIVE GROSS INCOME (EGI)	**$3,513,842**	**$3,637,795**	**$3,746,929**	**$3,859,336**	**$3,975,117**	**$4,094,370**	**$4,217,200**	**$4,343,716**	**$4,474,027**	**$4,608,248**	**$4,746,495**	**3.06%**	**3.00%**	**3.00%**
Real Estate Taxes	($569,433)	($586,515)	($604,110)	($622,233)	($640,900)	($660,127)	($679,931)	($700,329)	($721,339)	($742,979)	($765,268)	3.00%	3.00%	3.00%
Property Insurance	($120,800)	($123,820)	($126,916)	($130,089)	($133,341)	($136,675)	($140,092)	($143,594)	($147,184)	($150,864)	($154,636)	2.50%	2.50%	2.50%
Utilities	($120,800)	($123,820)	($126,916)	($130,089)	($133,341)	($136,675)	($140,092)	($143,594)	($147,184)	($150,864)	($154,636)	2.50%	2.50%	2.50%
Repairs & Maintenance	($114,760)	($117,629)	($120,570)	($123,584)	($126,674)	($129,841)	($133,087)	($136,414)	($139,824)	($143,320)	($146,903)	2.50%	2.50%	2.50%
Turnover Expenses	($71,725)	($73,518)	($75,356)	($77,240)	($79,171)	($81,150)	($83,179)	($85,258)	($87,389)	($89,574)	($91,813)	2.50%	2.50%	2.50%
Off-Site Management	($106,731)	($109,134)	($112,408)	($115,780)	($119,253)	($122,831)	($126,516)	($130,311)	($134,221)	($138,247)	($142,395)	2.92%	3.00%	3.00%
Payroll	($254,435)	($260,796)	($267,316)	($273,999)	($280,849)	($287,870)	($295,067)	($302,444)	($310,005)	($317,755)	($325,699)	2.50%	2.50%	2.50%
Advertising	($30,200)	($30,955)	($31,729)	($32,522)	($33,335)	($34,168)	($35,022)	($35,898)	($36,795)	($37,715)	($38,658)	2.50%	2.50%	2.50%
General & Administrative	($60,400)	($61,910)	($63,458)	($65,044)	($66,670)	($68,337)	($70,045)	($71,796)	($73,591)	($75,431)	($77,317)	2.50%	2.50%	2.50%
Reserves	($30,200)	($30,200)	($30,200)	($30,200)	($30,200)	($30,200)	($30,200)	($30,200)	($30,200)	($30,200)	($30,200)	(0.00%)	0.00%	0.00%
TOTAL OPERATING EXPENSES	**($1,479,484)**	**($1,518,297)**	**($1,558,979)**	**($1,600,780)**	**($1,643,734)**	**($1,687,874)**	**($1,733,231)**	**($1,779,838)**	**($1,827,732)**	**($1,876,949)**	**($1,927,525)**	**2.68%**	**2.69%**	**2.69%**
NET OPERATING INCOME (NOI)	**$2,034,357**	**$2,119,498**	**$2,187,950**	**$2,258,556**	**$2,331,382**	**$2,406,496**	**$2,483,969**	**$2,563,877**	**$2,646,295**	**$2,731,298**	**$2,818,970**	**3.33%**	**3.22%**	**3.22%**
Commercial Reserves	$4,875	$4,875	$4,875	$4,875	$4,875	$4,875	$4,875	$4,875	$4,875	$4,875	$4,875	(0.00%)	0.00%	0.00%
TOTAL CAPEX	**$4,875**	**$4,875**	**$4,875**	**$4,875**	**$4,875**	**$4,875**	**$4,875**	**$4,875**	**$4,875**	**$4,875**	**$4,875**	**(0.00%)**	**0.00%**	**0.00%**
CASH FLOW BEFORE DEBT SERVICE	**$2,039,232**	**$2,124,373**	**$2,192,825**	**$2,263,431**	**$2,336,257**	**$2,411,371**	**$2,488,844**	**$2,568,752**	**$2,651,170**	**$2,736,173**	**$2,823,845**	**3.32%**	**3.21%**	**3.21%**
Implied Overall Rate	4.52%	4.71%	4.86%	5.02%	5.18%	5.35%	5.52%	5.70%	5.88%	6.07%	6.26%			
Cash on Cash Return	4.53%	4.72%	4.87%	5.03%	5.19%	5.36%	5.53%	5.71%	5.89%	6.08%	6.27%			

DCF VALUE CONCLUSION

Prospective Value Upon Completion

Below is the calculated Prospective Value Upon Completion for the subject property, incorporating sensitivity analysis at various rates.

PROSPECTIVE VALUE UPON COMPLETION					
As of January 2022 - Includes Years Start Period: 2 through 11					
Terminal	Discount Rate (IRR) for Cash Flow				
Cap Rates	6.00%	6.25%	6.50%	6.75%	7.00%
4.25%	$54,925,384	$53,930,814	$52,958,184	$52,006,950	$51,076,581
4.75%	$50,854,756	$49,945,581	$49,056,360	$48,186,600	$47,335,819
5.25%	$47,559,486	$46,719,440	$45,897,741	$45,093,935	$44,307,582
5.75%	$44,837,307	$44,054,367	$43,288,446	$42,539,125	$41,805,995
6.25%	$42,550,676	$41,815,706	$41,096,639	$40,393,085	$39,704,663
IRR Reversion	6.00%	6.25%	6.50%	6.75%	7.00%
Cost of Sale at Reversion			1.50%		
Percent Residual			65.38%		
ROUND TO NEAREST $100,000			$45,900,000		

The table below provides sensitivity analysis plus details of the allocation of value between the cash flows and reversion.

PRESENT VALUE OF CASH FLOW								
PROSPECTIVE VALUE UPON COMPLETION								
YEAR	PERIOD	CASH FLOW	DISCOUNT FACTOR @ 6.25%	PRESENT VALUE	DISCOUNT FACTOR @ 6.50%	PRESENT VALUE	DISCOUNT FACTOR @ 6.75%	PRESENT VALUE
2	Jan-22-Dec-22	$2,124,373	0.9412	$1,999,410	**0.9390**	**$1,994,717**	0.9368	$1,990,045
3	Jan-23-Dec-23	$2,192,825	0.8858	$1,942,433	**0.8817**	**$1,933,325**	0.8775	$1,924,280
4	Jan-24-Dec-24	$2,263,431	0.8337	$1,887,037	**0.8278**	**$1,873,779**	0.8220	$1,860,645
5	Jan-25-Dec-25	$2,336,257	0.7847	$1,833,179	**0.7773**	**$1,816,027**	0.7701	$1,799,074
6	Jan-26-Dec-26	$2,411,371	0.7385	$1,780,817	**0.7299**	**$1,760,013**	0.7214	$1,739,501
7	Jan-27-Dec-27	$2,488,844	0.6951	$1,729,912	**0.6853**	**$1,705,690**	0.6758	$1,681,862
8	Jan-28-Dec-28	$2,568,752	0.6542	$1,680,427	**0.6435**	**$1,653,008**	0.6330	$1,626,099
9	Jan-29-Dec-29	$2,651,170	0.6157	$1,632,323	**0.6042**	**$1,601,920**	0.5930	$1,572,152
10	Jan-30-Dec-30	$2,736,173	0.5795	$1,585,562	**0.5674**	**$1,552,377**	0.5555	$1,519,962
PV OF CASH FLOW		$21,773,197		$16,071,101		**$15,890,855**		$15,713,620
REVERSIONARY YEAR 11 NOI		**$2,818,970**						
PROPERTY RESALE @ 5.25%		**$53,694,669**						
COST OF SALE @ 1.50%		**$805,420**						
PV OF REVERSION		$52,889,249	0.5795	$30,648,339	**0.5674**	**$30,006,886**	0.5555	$29,380,315
TOTAL PRESENT VALUE (CASH FLOW + REVERSION)				$46,719,440		**$45,897,741**		$45,093,935
FINAL VALUE CONCLUSION						$45,900,000		
IMPLIED CAPITALIZATION RATE						4.43%		

Prospective Value Upon Stabilization

Below is the calculated Prospective Value Upon Stabilization for the subject property incorporating sensitivity analysis at various rates.

PROSPECTIVE VALUE UPON STABILIZATION					
As of January 2023 - Includes Years Start Period: 3 through 11					
Terminal	Discount Rate (IRR) for Cash Flow				
Cap Rates	6.00%	6.25%	6.50%	6.75%	7.00%
4.75%	$51,781,668	$50,942,806	$50,120,650	$49,314,822	$48,524,953
5.00%	$49,947,850	$49,143,225	$48,354,587	$47,581,577	$46,823,841
5.25%	$48,288,682	$47,515,032	$46,756,721	$46,013,402	$45,284,740
5.50%	$46,780,347	$46,034,856	$45,304,114	$44,587,789	$43,885,557
5.75%	$45,403,172	$44,683,392	$43,977,822	$43,286,143	$42,608,042
IRR Reversion	6.00%	6.25%	6.50%	6.75%	7.00%
Cost of Sale at Reversion			1.50%		
Percent Residual			68.35%		
ROUND TO NEAREST $100,000			$46,800,000		

The table below provides sensitivity analysis plus details of the allocation of value between the cash flows and reversion.

PRESENT VALUE OF CASH FLOW									
PROSPECTIVE VALUE UPON STABILIZATION									
YEAR	PERIOD	CASH FLOW	DISCOUNT FACTOR @ 6.25%	PRESENT VALUE	DISCOUNT FACTOR @ 6.50%	PRESENT VALUE	DISCOUNT FACTOR @ 6.75%	PRESENT VALUE
3	Jan-23-Dec-23	$2,192,825	0.9412	$2,063,835	**0.9390**	**$2,058,991**	0.9368	$2,054,169
4	Jan-24-Dec-24	$2,263,431	0.8858	$2,004,977	**0.8817**	**$1,995,575**	0.8775	$1,986,239
5	Jan-25-Dec-25	$2,336,257	0.8337	$1,947,753	**0.8278**	**$1,934,068**	0.8220	$1,920,512
6	Jan-26-Dec-26	$2,411,371	0.7847	$1,892,118	**0.7773**	**$1,874,414**	0.7701	$1,856,917
7	Jan-27-Dec-27	$2,488,844	0.7385	$1,838,032	**0.7299**	**$1,816,560**	0.7214	$1,795,388
8	Jan-28-Dec-28	$2,568,752	0.6951	$1,785,454	**0.6853**	**$1,760,453**	0.6758	$1,735,861
9	Jan-29-Dec-29	$2,651,170	0.6542	$1,734,343	**0.6435**	**$1,706,044**	0.6330	$1,678,272
10	Jan-30-Dec-30	$2,736,173	0.6157	$1,684,659	**0.6042**	**$1,653,281**	0.5930	$1,622,559
PV OF CASH FLOW		$19,648,824		$14,951,171		**$14,799,387**		$14,649,916
REVERSIONARY YEAR 9 NOI		**$2,818,970**						
PROPERTY RESALE @ 5.25%		**$53,694,669**						
COST OF SALE @ 1.50%		**$805,420**						
PV OF REVERSION		$52,889,249	0.6157	$32,563,861	**0.6042**	**$31,957,333**	0.5930	$31,363,486
TOTAL PRESENT VALUE (CASH FLOW + REVERSION)				$47,515,032		**$46,756,721**		$46,013,402
FINAL VALUE CONCLUSION						$46,800,000		
IMPLIED CAPITALIZATION RATE						4.35%		

STABILIZED DIRECT CAPITALIZATION

This method analyzes the relationship of one year's stabilized net operating income to total property value. The stabilized net operating income is capitalized at a rate that implicitly considers expected growth in cash flow and growth in property value over a buyer's investment horizon. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect an as is value.

The subject property is expected to attain stabilized occupancy in year 2. The following table summarizes our opinion of market value for the subject property via Direct Capitalization including the Prospective Value Upon Stabilization (Capitalized Value) in year 2 as of December 31, 2023.

DIRECT CAPITALIZATION SUMMATION TABLE (YEAR 2)

INCOME ITEMS	%PGI	%EGI	$/SF	$/UNIT	TOTAL
Potential Rental Income			$27.73	$18,568.65	$2,803,866
Commercial Income			$8.94	$5,986	$903,825
TOTAL RENTAL INCOME			**$36.67**	**$24,554.25**	**$3,707,691**
OTHER INCOME					
Retail - Reimbursements			$1.59	$1,064.11	$160,680
TOTAL OTHER INCOME			**$1.59**	**$1,064.11**	**$160,680**
POTENTIAL GROSS INCOME (PGI)			**$38.26**	**$25,618**	**$3,868,371**
INCOME LOSS	**%PGI**		**$/SF**	**$/UNIT**	**TOTAL**
Vacancy	3.5%		($1.28)	($859)	($129,769)
Collection Loss	0.5%		($0.18)	($123)	($18,538)
Concessions (% Rental Income)	0.5%		($0.18)	($123)	($18,538)
Loss To Lease	0.5%		($0.18)	($123)	($18,538)
Commercial Vacancy & Credit Loss	5.0%		($0.45)	($299)	($45,191)
TOTAL INCOME LOSS	**(6.0%)**		**($2.28)**	**($1,527)**	**($230,576)**
EFFECTIVE GROSS INCOME (EGI)	**94.0%**		**$35.98**	**$24,091**	**$3,637,795**
Real Estate Taxes	(15.2%)	(16.1%)	($5.80)	($3,884)	($586,515)
Property Insurance	(3.2%)	(3.4%)	($1.22)	($820)	($123,820)
Utilities	(3.2%)	(3.4%)	($1.22)	($820)	($123,820)
Repairs & Maintenance	(3.0%)	(3.2%)	($1.16)	($779)	($117,629)
Turnover Expenses	(1.9%)	(2.0%)	($0.73)	($487)	($73,518)
Off-Site Management	(2.8%)	(3.0%)	($1.08)	($723)	($109,134)
Payroll	(6.7%)	(7.2%)	($2.58)	($1,727)	($260,796)
Advertising	(0.8%)	(0.9%)	($0.31)	($205)	($30,955)
General & Administrative	(1.6%)	(1.7%)	($0.61)	($410)	($61,910)
Reserves	(0.8%)	(0.8%)	($0.30)	($200)	($30,200)
TOTAL EXPENSES	**(39.2%)**	**(41.7%)**	**($15.02)**	**($10,055)**	**($1,518,297)**
NET OPERATING INCOME (NOI)	**54.8%**	**58.3%**	**$20.96**	**$14,036**	**$2,119,498**
Capitalization Rate					4.50%
Capitalized Value					$47,099,963
PROSPECTIVE VALUE UPON STABILIZATION			**$466/SF**	**$311,921/Unit**	**$47,100,000**

Rounded to nearest $100,000

ADJUSTMENTS TO VALUE

As of the effective valuation date, the proposed subject property was stabilized and there were no observable deferred maintenance items present. Based on analysis of the subject property, there were no value adjustments required in developing our opinion of the As-Is Market Value as we have estimate that it would take less than 12 months to lease up the multifamily as well as the retail.

The lease-up costs are estimated as follows:

SUMMARY OF VALUE ADJUSTMENTS			
ADJUSTMENT ITEM	Multifamily	Retail	Total
LEASE-UP COSTS			
Rent Loss	$1,584,480	$893,893	$2,478,374
Marketing	$14,300	$8,067	$22,367
Subtotal Lease-Up Costs	$1,598,780	$901,961	$2,500,741
Entrepreneurial Profit	$31,976	$17,678	$49,654
TOTAL LEASE-UP COSTS	**$1,630,756**	**$919,639**	**$2,550,000**

Rounded to nearest $10,000

EFFECTIVE GROSS INCOME MULTIPLIER METHOD

The effective gross income multiplier (EGIM), as indicated by the comparable sales, will be applied to the effective gross income for the subject property to determine an estimate of value. The multiplier is also used as an indicator of value and takes into consideration the proportion of expense to every dollar of effective gross income. It is derived by dividing the sale price by the effective gross income. Typically, effective gross income multipliers, which are derived and applied before considering expenses, are used without adjustments. However, to avoid an inaccurate conclusion of value, those comparables with similar expense ratios (% of effective gross income) are typically emphasized. The following table summarizes each comparable sale's expense ratio and EGIM indicator:

EGIM ANALYSIS				
SALE	TOTAL EXPENSE	EXPENSES/UNIT	EXPENSE % (EGI)	EGIM
Subject	$1,479,484	$9,798	42%	-
1	$2,437,558	$11,552	36%	14.07
2	$1,445,692	$12,047	46%	12.72
3	$1,078,667	$8,629	41%	11.72
4	$1,974,583	$11,895	47%	10.52
5	$1,391,734	$9,665	41%	11.31
LOW	$1,078,667	$8,629	36%	10.52
HIGH	$2,437,558	$12,047	47%	14.07
AVERAGE	$1,699,021	$10,593	42%	12.11
MEDIAN	$1,655,791	$10,661	42%	12.02

Effective gross income multipliers are typically correlated with operating expense ratios (OER). As OERs increase, the efficiency of the property’s income producing capacity is diminished. Thus, those sales with the highest OERs typically indicate the lowest EGIMs, and vice versa. This general trend is demonstrated by the comparables. Based on the subject's expense ratio, which within the comparables and is close to the median and average of the comparables, a multiplier towards the middle of the range is considered most appropriate for the subject. Therefore, a multiplier of 13.00 is concluded. The concluded EGIM, the EGIM value calculation, and the indicated value based on the EGIM Method are displayed in the following table.

EGIM INDICATED VALUE				
CONCLUDED EGIM		**CONCLUDED EGI**		**VALUE**
13.00	X	$3,557,717	=	$46,300,000
Lease-Up Costs				
TOTAL LEASE-UP COSTS				($2,550,000)
PROSPECTIVE VALUE UPON COMPLETION				**$43,800,000**
				Rounded to nearest $100,000

ALLOCATED VALUE ESTIMATE OF THE CULTURAL CENTER

Since the project involved the mixed use of the residential, retail and cultural center, we have estimated the allocation portion that would likely be for the cultural center based on the income potential, the contributory expenses allocated to the space and expected capitalization rate for this type of use.

Provided the rent and given the cultural share is going to share some of the expenses with the overall proposed development, we have extracted the expenses associated with the subject property once it is stabilized. We did not include any of the real estate expenses as they are not originally considered in the overall analysis. Our estimate is as follows:

DIRECT CAPITALIZATION - CULTURAL CENTER		
INCOME ITEMS		**AMOUNT**
Estimated Rent		$45.00/SF
Less Vacancy & Collection Loss	x	7.00%
	+	$3.15/SF
Plus Reimbursements	+	$9.18/SF
Effective Gross Income (EGI)	=	$51.03/SF
Less Operating Expenses	-	$9.18/SF
Net Operating Income	=	$41.85/SF
Estimated Cap Rate	÷	8.50%
Market Value	=	$492.35/SF
Net Rentable Area	x	10,500 SF
Estimated Market Value	=	$5,169,706
	Rounded	**$5,200,000**

The estimated rent for the cultural center is $45 per square foot on a triple net basis, we deducted the market vacancy and collection loss for retail space and added the expected stabilized operating expenses (not including real estate taxes, as these will not be paid by the City given their exemption. We then deducted the operating expenses, and given the rent is on a triple net basis, they wash out. Thus resulting in a net operating income of $41 per square foot.

A national survey of sales transactions involving theatre/concert halls was performed that included more than 713 transactions over the past ten years, resulted in overall capitalization rates of 8.70% Like the national survey, a state survey resulted in 34 similar sales transactions related to this type of property and use with an overall average capitalization rate of 8.50%. Under this consideration, we estimated 8.50% to be reasonable for the proposed cultural center space, as it is reflective of similar theatre/concert hall space that is proposed.

Using the allocated net rentable area for the cultural center of 10,500 square feet, it resulted in a point estimate of value of just over $492 per square foot or $5.1 million of allocated value to the cultural center.

RECONCILIATION OF INCOME APPROACH VALUES

The following table summarizes the opinions for market value that were developed by the Direct Capitalization, Discounted Cash Flow and Effective Gross Income Multiplier methods of the income approach. Of the three approaches, the Discounted Cash Flow analysis is most reliable because it mirrors the sentiment of participants in this asset class. Therefore, the reconciled values below place primary emphasis on the Discounted Cash Flow method with secondary emphasis in the Direct Capitalization and Effective Gross Income Multiplier Techniques.

VALUATION INDICES	PROSPECTIVE VALUE UPON COMPLETION	PROSPECTIVE VALUE UPON STABILIZATION
INTEREST APPRAISED	LEASEHOLD	LEASEHOLD
DATE OF VALUE	DECEMBER 31, 2022	DECEMBER 31, 2023
INCOME CAPITALIZATION APPROACH		
Discounted Cash Flow (DCF)	**$45,900,000**	**$46,800,000**
DCF $/Unit	$303,974/Unit	$309,934/Unit
DCF $/SF (NRA)	$453.98/SF	$462.89/SF
Holding Period	9 Years	8 Years
Terminal Capitalization Rate	5.25%	5.25%
Internal Rate of Return (Cash Flow)	6.50%	6.50%
Internal Rate of Return (Reversion)	6.50%	6.50%
Direct Capitalization		**$47,100,000**
Direct Capitalization $/Unit		$311,921/Unit
Direct Capitalization $/SF (NRA)		$465.85/SF
Net Operating Income		$2,119,498
NOI $/Unit		$14,036/Unit
NOI $/SF (NRA)		$20.96/SF
Capitalization Rate		4.50%
Effective Gross Income Multiplier	**$43,800,000**	**$46,300,000**
EGIM $/Unit	$290,066/Unit	$306,623/Unit
EGIM $/SF (NRA)	$433.21/SF	$457.94/SF
INCOME CONCLUSION	**$45,900,000**	**$46,800,000**
Income Conclusion $/Unit	$303,974/Unit	$309,934/Unit
Income Conclusion $/SF (NRA)	$453.98/SF	$462.89/SF

Based on our analysis, the allocated value of the cultural center is estimated at $5,200,000.

MULTIFAMILY - INTRODUCTION

The Sales Comparison Approach is based on the principle of substitution, which asserts that a buyer would not pay more for a property than the value of similar properties in the market. This approach analyzes comparable sales by applying transactional and property adjustments to bracket the subject property within an appropriate unit value comparison.

UNIT OF COMPARISON

The most relevant unit of comparison is the price per unit. This indicator best reflects the analysis used by buyers and sellers in this market for improved properties with similar design and utility.

COMPARABLE SELECTION

We completed a thorough search for similar improved sales in terms of property type, location, physical characteristics, and date of sale. In selecting comparables, emphasis was placed on confirming recent improved sales of properties that match the highest and best use, and buyer/seller profile of the subject property. Overall, the sales selected represent the best comparables available for this analysis.

ADJUSTMENT PROCESS

Quantitative adjustments are made to the comparable sales. The following adjustments or general market trends were considered for the basis of valuation.

Transactional Adjustments

Dollar adjustments to the comparable sales were considered and made when warranted for transactional adjustments in the sequence shown below:

Property Rights Transferred	The valuation of the subject site was completed on a leasehold basis. If warranted, leased fee, leasehold and/or partial interest sales were adjusted accordingly.
Financing Terms	The subject property was valued on a cash equivalent basis. Adjustments were made to the comparables involving financing terms atypical of the marketplace.
Conditions of Sale	This adjustment accounts for extraordinary motivation on the part of the buyer or seller often associated with distressed sales.
Expenditures After Purchase	Adjustments were applied if physical conditions warranted expenditures on the part of the buyer to bring the comparable up to functional standards. Most often this adjustment accounts for costs associated with deferred maintenance.
Market Conditions	Market conditions adjustments were based on a review of historical sale data, market participant interviews and review of current versus historical pricing. on our research, the following table summarizes the market conditions adjustment applied in this analysis.

MARKET CONDITIONS ADJUSTMENT		
Per Year As Of	March 2020 (PRE COVID-19)	3.00%

The analysis applies an upward market conditions adjustment of 3% annually reflecting the conditions between the oldest comparable sale date up through the period preceding COVID-19.

COVID-19 Impact Adjustment
While we applied market conditions adjustments for date of sale preceding the date of value for factors such as rent growth generated market appreciation prior to COVID-19, we recognize the need for straight-line adjustment for near-term rent loss anticipated and increased risk premiums for intermediate market uncertainty, which we have applied a -5% downward adjustment, which differs from the market adjustments to the sales, which up until the point in time that the impact of COVID-19 became more apparent.

Location	The location adjustment considers 1) the strength of the property's submarket and 2) the surrounding uses of the comparable as compared to the subject property. We have used the REIS data to provide an indication of the submarket net operating incomes. Regarding the surrounding uses, this is a more subjective estimate and considers the subject's proximity to several employment centers, shopping centers, universities and public venues such as parks, schools and entertainment areas.

Property Adjustments
Quantitative percentage adjustments are also made for location and physical characteristics such as size, age, site and parking ratios, access, exposure, quality and condition, as well as other applicable elements of comparison. Where possible the adjustments applied are based on paired data or other statistical analysis. It should be stressed that the adjustments are subjective in nature and are meant to illustrate our logic in deriving a value opinion for the subject property.

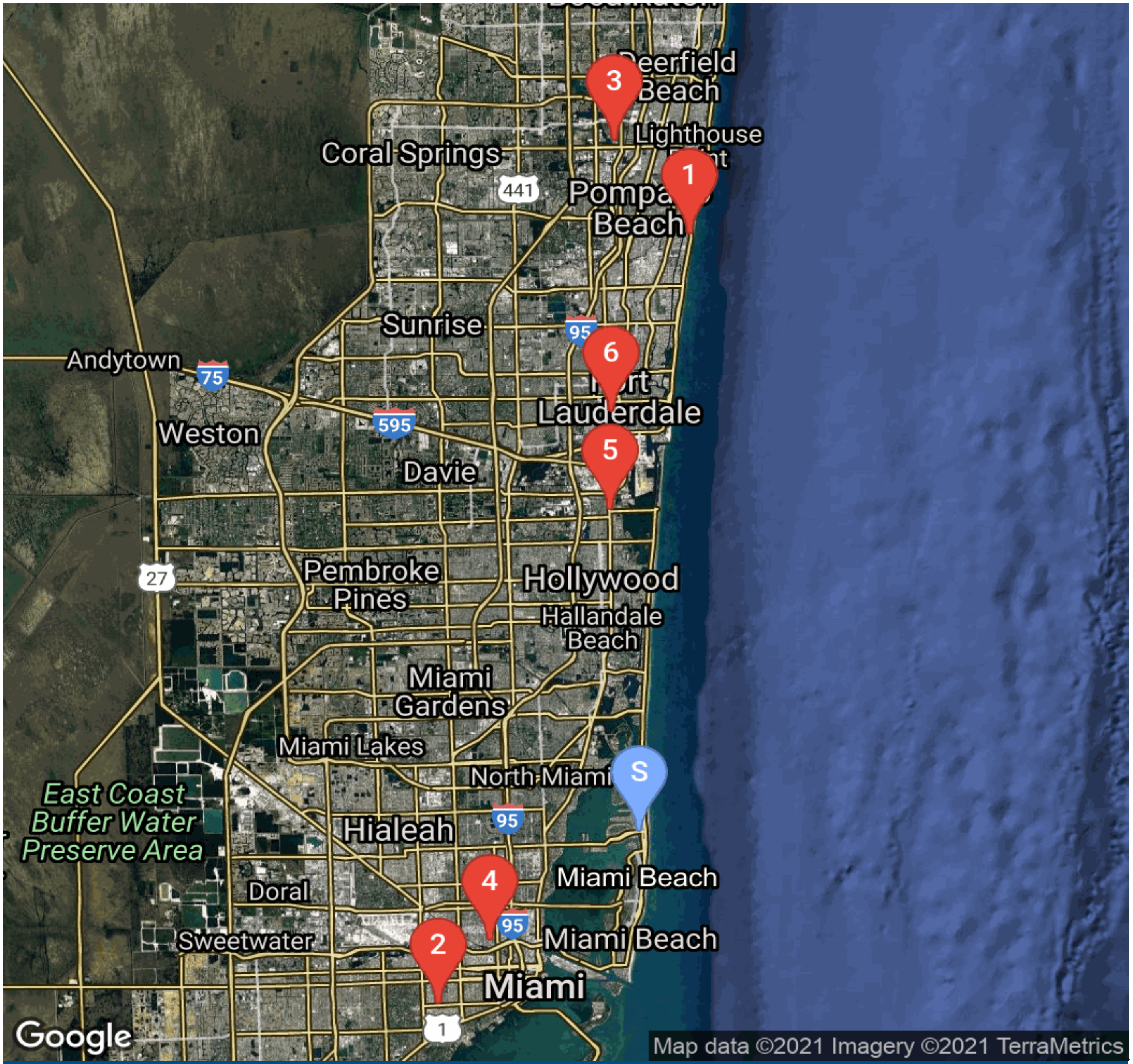
PRESENTATION

The following Sales Summation Table, Location Map and datasheets summarize the improved sales data. Following these items, the comparable sales are adjusted for applicable elements of comparison and the opinion of value by the Sales Comparison Approach is concluded.

IMPROVED SALES SUMMATION TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5	COMPARABLE 6
Name	The Byron	Broadstone Oceanside	The Mile at Coral Gables	The Club at Crystal Lakes	Modera Skylar	The Place at Dania Beach	The Queue
Address	500 71st Street	1333 S Ocean Blvd	3622 SW 22nd St	3800 Crystal Lake Dr	1444 NW 14th Av	180 E Dania Beach Blvd	801 SE 2nd Av
City	Miami Beach	Pompano Beach	Miami	Deerfield Beach	Miami	Dania Beach	Fort Lauderdale
State	FL	FL	FL	FL	FL	FL	FL
Zip	33141-3018	33062	33145	33064	33125	33004	33316
County	Miami-Dade	Broward	Miami-Dade	Broward	Miami-Dade	Broward	Broward
PHYSICAL INFORMATION							
Project Design	Mid/High-Rise Housing	Mid-Rise	Mid-Rise	Low-Rise	High-Rise	Mid-Rise	Mid-Rise
NRA (SF)	101,105	195,830	109,462	127,110	168,590	132,706	153,933
Units	151	211	120	125	166	144	191
Average Unit SF	540	928	912	1,016	1,015	921	805
Land Area (SF)	31,497	252,648	39,204	217,800	83,635	84,506	67,954
Year Built	2022	2019	2016	2018	2013	2017	2017
Stories	7	8	13	5	20	7	7
UNIT MIX DETAILS							
Studio	0%	0%	0%	0%	1%	0%	6%
1 Bed	85%	59%	66%	18%	42%	24%	34%
2 Bed	15%	37%	32%	50%	57%	72%	52%
3+ Bed	0%	4%	3%	32%	0%	3%	7%
Average Unit (SF)	540	928	912	1,016	1,015	921	805
SALE INFORMATION							
Date		12/10/2020	12/18/2019	11/13/2019	11/13/2018	10/9/2018	2/1/2018
Status		Recorded	Recorded	Recorded	Recorded	Recorded	Recorded
Sale Conditons		Arms-Length	Arms-Length	Arms-Length	Arms-Length	Arms-Length	Arms-Length
Rights Transferred		Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
Transaction Price		$95,250,000	$40,000,000	$30,500,000	$44,450,000	$38,000,000	$53,000,000
Transaction $/Unit		$451,422	$333,333	$244,000	$267,771	$263,889	$277,487
Transaction $/SF NRA		$486	$365	$240	$264	$286	$344
Expenses % PGI		31%	44%	39%	45%	38%	41%
Expenses % EGI		36%	46%	41%	47%	41%	43%
NOI/Unit	$13,763	$20,538	$14,167	$12,195	$11,655	$13,664	$12,754
NOI/SF NRA	$20.56	$22.13	$15.53	$11.99	$11.48	$14.83	$15.83
Occupancy	94.7%	93.1%	91.7%	95.0%	97.0%	90.8%	95.0%
Capitalization Rate		4.55%	4.25%	5.00%	4.35%	5.11%	4.60%
PGIM		12.06	12.05	11.17	10.23	10.41	11.74
EGIM		14.07	12.72	11.72	10.52	11.31	12.32

SALES LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	NAME	ADDRESS	OCC.	SALE DATE	OAR	$/UNIT
SUBJECT	-	The Byron	500 71st Street, Miami Beach, FL	94.7%	-	-	$240,000
No. 1	25.3 Miles	Broadstone Oceanside	1333 S Ocean Blvd, Pompano Beach, FL	93.1%	12/10/2020	4.55%	$451,422
No. 2	10.9 Miles	The Mile at Coral Gables	3622 SW 22nd St, Miami, FL	91.7%	12/18/2019	4.25%	$333,333
No. 3	29.2 Miles	The Club at Crystal Lakes	3800 Crystal Lake Dr, Deerfield Beach, FL	95.0%	11/13/2019	5.00%	$244,000
No. 4	7.6 Miles	Modera Skylar	1444 NW 14th Av, Miami, FL	97.0%	11/13/2018	4.35%	$267,771
No. 5	13.6 Miles	The Place at Dania Beach	180 E Dania Beach Blvd, Dania Beach, FL	90.8%	10/9/2018	5.11%	$263,889
No. 6	17.7 Miles	The Queue	801 SE 2nd Av, Fort Lauderdale, FL	95.0%	2/1/2018	4.60%	$277,487

COMPARABLE 1

LOCATION INFORMATION

Name	Broadstone Oceanside
Address	1333 S Ocean Blvd
City, State, Zip Code	Pompano Beach, FL, 33062
County	Brow ard
MSA	Miami-Fort Lauderdale-Pompano Beach, FL
APN	49-43-06-56-0020

SALE INFORMATION

Buyer	SE Oceanside LLC
Seller	CRP/AR Oceanside Ow ner LLC
Transaction Date	12/10/2020
Transaction Status	Recorded
Transaction Price	$95,250,000
Analysis Price	$95,250,000
Rights Transferred	Leased Fee
Conditions of Sale	Arms-Length
Marketing Time	3 Months

PHYSICAL INFORMATION

Project Type	Mid-Rise
Project Size NRA	195,830 SF
Units	211
No. of Buildings/Floors	1 Buildings / 8 Floors
Year Built	2019
Parking Spaces / Ratio	359 (1.7/Unit)
Quality / Condition	Excellent / Excellent
Appeal	Good/Excellent
Building Structure	Concrete
Site Size	5.8 Acres (252,648 SF)
Zoning	PD-1
Average Unit Size	928 SF
Density	36.4
Project Amenities	Fitness Center, Elevators, Clubhouse, Car Wash, Business Center, BBQ/Picnic Area
Unit Amenities	Premium Countertops, Premium Appliances, Premium Flooring, Washer/Dryer In-Unit, Walk-

UNIT MIX

NO. UNITS	AVG SIZE	BEDS/BATHS	DESCRIPTION
121	748	1Bed / 1Bath	1 Bed / 1 Bath
1	760	1Bed / 1Bath	1 Bed / 1 Bath
1	790	1Bed / 1Bath	1 Bed / 1 Bath
1	795	1Bed / 1Bath	1 Bed / 1 Bath
1	844	1Bed / 1Bath	1 Bed / 1 Bath
1	1,084	2Bed / 2Bath	2 Bed / 2 Bath
1	1,149	2Bed / 2Bath	2 Bed / 2 Bath
76	1,159	2Bed / 2Bath	2 Bed / 2 Bath
7	1,425	3Bed / 2Bath	3 Bed / 2 Bath
1	1,841	3Bed / 2.5Bath	3 Bed / 2.5 Bath

BROADSTONE OCEANSIDE

OPERATING INCOME

	TOTAL	PER UNIT	PER SF
Rent Income	$7,514,976	$35,616	$38.37
Other Income	$383,264	$1,816	$1.96
Gross Income	$7,898,240	$37,432	$40.33
Vacancy @ 15.0%	($1,127,246)	($5,342)	($5.76)
Effective Gross Income	$6,770,993	$32,090	$34.58
Expenses	($2,437,558)	($11,552)	($12.45)
Net Operating Income	$4,333,436	$20,538	$22.13
Occupancy at Sale	93.1%		
Expense % of PGI / EGI		31%	36%

ANALYSIS INFORMATION

Price/Unit			$451,422
Adjusted Price/Unit			$471,736
Capitalization Rate			4.55%
Equity Div. / PGIM / EGIM	-	12.06	14.07

CONFIRMATION

Name	Confidential	
Company	Confidential	
Source	Seller's Broker	
Date / Phone Number	12/29/2020	Confidential

REMARKS

Broadstone Oceanside is located off S Ocean Blvd just S of E Atlantic Blvd. Property amenities include boat access, pool/spa, beach access, grilling area, fitness center, yoga room, conference room, sky lounge, business center, and putting green. Unit interiors feature stainless steel appliance package, premium flooring, patios/balconies, french doors, w ood blinds, quartz countertops, tile backsplash, and chrome fixtures. the sale commenced on December 10, 2020 for a price of $95,250,000 or $451,421 per unit. SE Oceanside LLC purchased the asset from CRP?AR Oceanside Ow ner LLC and Cushman & Wakefield w ere the listing brokers. The asset w as on the market for 3.4 months and w as built in 2019. The reported cap rate w as 4.5% w ith an NOI of $4,333,435. The property w as 15% vacant at the time of sale.

COMPARABLE 2

LOCATION INFORMATION	
Name	The Mile at Coral Gables
Address	3622 SW 22nd St
City, State, Zip Code	Miami, FL, 33145
County	Miami-Dade
MSA	Miami-Fort Lauderdale-Pompano Beach, FL
APN	01-4116-00902350
SALE INFORMATION	
Buyer	The Mile Apartments, LLC
Seller	Monogram Residential Mile, LLC
Transaction Date	12/18/2019
Transaction Status	Recorded
Transaction Price	$40,000,000
Analysis Price	$40,000,000
Recording Number	31770-3077
Rights Transferred	Leased Fee
Conditions of Sale	Arms-Length
Marketing Time	1 Months
PHYSICAL INFORMATION	
Project Type	Mid-Rise
Project Size NRA	109,462 SF
Units	120
No. of Buildings/Floors	1 Buildings / 13 Floors
Year Built	2016
Parking Spaces / Ratio	184 (1.5/Unit)
Quality / Condition	Excellent / Excellent
Appeal	Good/Excellent
Building Structure	Masonry
Site Size	0.9 Acres (39,204 SF)
Zoning	T-5-O
Average Unit Size	912 SF
Density	136.7
Project Amenities	Elevators, Clubhouse, Fitness Center, Guest Parking, Parking Garage, On-Site Manager,
Unit Amenities	Balcony/Patio, Washer/Dryer In-Unit, Premium Flooring, Premium Countertops, Premium

UNIT MIX

NO. UNITS	AVG SIZE	BEDS/BATHS	DESCRIPTION
5	528	1Bed / 1Bath	1BD/1BA
8	634	1Bed / 1Bath	1BD/1BA
47	802	1Bed / 1Bath	1BD/1BA
13	869	1Bed / 1Bath	1BD/1BA
6	927	1Bed / 1Bath	1BD/1BA
20	1,003	2Bed / 2Bath	2BD/2BA
14	1,065	2Bed / 2Bath	2BD/2BA
2	1,167	2Bed / 2Bath	2BD/2BA
2	1,489	2Bed / 2Bath	2BD/2BA
1	2,305	3Bed / 2Bath	3BD/2BA
2	2,305	3Bed / 3Bath	3BD/3BA

THE MILE AT CORAL GABLES

OPERATING INCOME	TOTAL	PER UNIT	PER SF
Rent Income	$3,111,930	$25,933	$28.43
Other Income	$208,626	$1,739	$1.91
Gross Income	$3,320,556	$27,671	$30.34
Vacancy @ 0.0%	($174,864)	($1,457)	($1.60)
Effective Gross Income	$3,145,691	$26,214	$28.74
Expenses	($1,445,692)	($12,047)	($13.21)
Net Operating Income	$1,700,000	$14,167	$15.53
Occupancy at Sale	91.7%		
Expense % of PGI / EGI		44%	46%

ANALYSIS INFORMATION			
Price/Unit			$333,333
Adjusted Price/Unit			$319,833
Capitalization Rate			4.25%
Equity Div. / PGIM / EGIM	-	12.05	12.72

CONFIRMATION		
Name	Zachary Sackley	
Company	Cushman & Wakefield	
Source	Seller's Broker	
Date / Phone Number	01/0/1900	Confidential

REMARKS

This comparable represents a retail building located in Miami, FL. This property was constructed in 2016. The building features a thirteen-story design that consists of 234,992 SF. The comparable is situated on a 0.88 AC site along Coral Way, which is a major thoroughfare. The Mile is located along Coral Way/Miracle Mile within the bounds of the city of Miami immediately adjacent to downtown Coral Gables. The property consists of 120 units contained within one 13-story podium parked Highrise. Parking is located on floors one through five, residential units are located on floors one through 13, 3,000 square feet of retail are located on the first floor, and the Property's amenity deck is located on the sixth floor. Community amenities include pool plus shallow tanning pool, sun deck with lounge chairs, Gaming area, flat screen TV, WiFi and prep kitchen, Key fob access-controlled building, Work/play social lounge, elevators, and fully-equipped fitness studio w/ towel service. Units feature condo-quality finishes that include GE stainless steel appliances, white quartz counter tops, white porcelain tile throughout the kitchen and living rooms, roller shades on all windows, designer kitchen cabinets, full-size washers and dryers, and floor-to-ceiling glass in the living areas and select bedrooms. Unit ceiling heights are 14-feet on the ground floor, 11-feet on the sixth floor, and 9-feet for all other floors.On December 18, 2019, Acumen Real Estate paid a confirmed $40 million to acquire. The property was 94% occupied at the time of sale. The sales broker reported a 4.25% cap rate, based on T-3 income and pro forma expenses with taxes reassessed based on purchase price.

COMPARABLE 3

LOCATION INFORMATION	
Name	The Club at Crystal Lakes
Address	3800 Crystal Lake Dr
City, State, Zip Code	Deerfield Beach, FL, 33064
County	Broward
MSA	Miami-Fort Lauderdale-Pompano Beach, FL
APN	48-42-15-01-0522
SALE INFORMATION	
Buyer	Grande Associated Owner, LLC
Seller	Village at Crystal Lakes, LLC
Transaction Date	11/13/2019
Transaction Status	Recorded
Transaction Price	$30,500,000
Analysis Price	$30,500,000
Recording Number	116175992
Rights Transferred	Leased Fee
Conditions of Sale	Arms-Length
PHYSICAL INFORMATION	
Project Type	Low-Rise
Project Size NRA	127,110 SF
Units	125
No. of Buildings/Floors	3 Buildings / 5 Floors
Year Built	2018
Parking Spaces / Ratio	216 (1.7/Unit)
Quality / Condition	Excellent / Excellent
Appeal	Good/Excellent
Building Structure	Concrete/Block
Site Size	5.0 Acres (217,800 SF)
Average Unit Size	1,016 SF
Density	25.0
Project Amenities	Fitness Center, Playground, Clubhouse, Swimming Pool
Unit Amenities	Balcony/Patio, Washer/Dryer In-Unit, Premium Flooring, Premium Countertops, Premium

UNIT MIX

NO. UNITS	AVG SIZE	BEDS/BATHS	DESCRIPTION
22	696	1Bed / 1Bath	1 BR / 1 BA
63	986	2Bed / 2Bath	2 BR / 2 BA
40	1,242	3Bed / 2Bath	3 BR / 2 BA

THE CLUB AT CRYSTAL LAKES

OPERATING INCOME

	TOTAL	PER UNIT	PER SF
Rent Income	$2,632,061	$21,056	$20.71
Other Income	$99,590	$797	$0.78
Gross Income	$2,731,651	$21,853	$21.49
Vacancy @ 0.0%	($128,587)	($1,029)	($1.01)
Effective Gross Income	$2,603,064	$20,825	$20.48
Expenses	($1,078,667)	($8,629)	($8.49)
Net Operating Income	$1,524,397	$12,195	$11.99
Occupancy at Sale	95.0%		
Expense % of PGI / EGI		39%	41%

ANALYSIS INFORMATION

Price/Unit			$244,000
Adjusted Price/Unit			$234,118
Capitalization Rate			5.00%
Equity Div. / PGIM / EGIM	-	11.17	11.72

CONFIRMATION

Name	Confidential	
Company	Confidential	
Source	Appraisal Document	
Date / Phone Number	01/0/1900	Confidential

REMARKS

On November 13, 2019 AHS Development Group sold the 125-unit apartment community located at 3800 Crystal Lake Drive in Deerfield Beach, FL to Landmark Companies for $30.5 million, or $244,000 per unit. The property was completed in 2018 and consist of 3 5-story buildings situated on a 5-acre site. Community amenities include a swimming pool, resident clubhouse, playground, fitness center, WiFi in common areas, and assigned parking. Units feature in-unit washer & dryer, full stainless-steel appliance package, granite countertops, vinyl plank flooring with "wood-look", and balcony/patio. At the time of sale the subject property was called The Club at Crystal Lakes. The seller developed leased-up and sold the property. The buyer is diversifying into Florida as most of the properties they own are in New Jersey. The property was 95% occupied at the time of sale. The 5.0% cap rate is based on the buyer's Y1 proforma with taxes reassessed post sale.

COMPARABLE 4

LOCATION INFORMATION

Name	Modera Skylar
Address	1444 NW 14th Av
City, State, Zip Code	Miami, FL, 33125
County	Miami-Dade
APN	01-3135-010-0430

SALE INFORMATION

Buyer	Rockw ood Capital LLC
Seller	Waterton Residential LLC
Transaction Date	11/13/2018
Transaction Status	Recorded
Transaction Price	$44,450,000
Analysis Price	$44,450,000
Recording Number	31229-1843
Rights Transferred	Leased Fee
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Project Type	High-Rise
Project Size NRA	168,590 SF
Units	166
No. of Buildings/Floors	1 Buildings / 20 Floors
Year Built	2013
Parking Spaces / Ratio	319 (1.9/Unit)
Quality / Condition	Excellent / Excellent
Appeal	Good/Excellent
Building Structure	Concrete
Site Size	1.9 Acres (83,635 SF)
Zoning	T6-8-O
Average Unit Size	1,015 SF
Density	86.5
Project Amenities	Sw imming Pool, Dog Park, Rooftop Area, Elevators, Electronic Gate, Guest Parking,
Unit Amenities	Complete Appliance Package, Parking Garage, Balcony/Patio, Walk-in Closets, Washer/Dryer

UNIT MIX

NO. UNITS	AVG SIZE	BEDS/BATHS	DESCRIPTION
1	401	0Bed / Bath	Studio
1	404	0Bed / Bath	Studio
1	556	1Bed / 1Bath	1 Bed / 1 Bath
1	581	1Bed / 1Bath	1 Bed / 1 Bath
1	652	1Bed / 1Bath	1 Bed / 1 Bath
1	655	1Bed / 1Bath	1 Bed / 1 Bath
1	657	1Bed / 1Bath	1 Bed / 1 Bath
1	660	1Bed / 1Bath	1 Bed / 1 Bath
32	805	1Bed / 2Bath	1 Bed / 2 Bath
16	954	1Bed / 2Bath	1 Bed / 2 Bath
16	1,000	1Bed / 2Bath	1 Bed / 2 Bath
16	1,116	2Bed / 2Bath	2 Bed / 2 Bath
16	1,127	2Bed / 2Bath	2 Bed / 2 Bath
32	1,146	2Bed / 2Bath	2 Bed / 2 Bath
30	1,148	2Bed / 2Bath	2 Bed / 2 Bath

MODERA SKYLAR

OPERATING INCOME

	TOTAL	PER UNIT	PER SF
Rent Income	$4,343,597	$26,166	$25.76
Other Income	$0	$0	$0.00
Gross Income	$4,343,597	$26,166	$25.76
Vacancy @ 0.0%	($117,277)	($706)	($0.70)
Effective Gross Income	$4,226,320	$25,460	$25.07
Expenses	($1,974,583)	($11,895)	($11.71)
Net Operating Income	$1,934,654	$11,655	$11.48
Occupancy at Sale	97.0%		
Expense % of PGI / EGI		45%	47%

ANALYSIS INFORMATION

Price/Unit			$267,771
Adjusted Price/Unit			$291,014
Capitalization Rate			4.35%
Equity Div. / PGIM / EGIM	-	10.23	10.52

CONFIRMATION

Name	Confidential	
Company	Confidential	
Source	Seller's Broker	
Date / Phone Number	03/27/2019	Confidential

REMARKS

This property is located on the w est side of NW 14th Street w ithin the Health Care District of Miami. The units feature Class A finishes that include granite countertops, stainless steel appliances and modern cabinetry. The sale included and additional 3 parcels totaling .38 acres. Based on our conversations w ith the seller's broker, the buyer intends to develop the adjacent site w ith 100 units. The broker estimated that the contributory value of the site at $3M. We adjusted the sale price by $3M to account for the undeveloped parcels included in the sale. Based on T3 in-place income and broker estimated expenses adjusted for taxes at 75% of the sale price and reserves at $200 per unit, the asset traded at a 4.35% cap rate.

COMPARABLE 5

LOCATION INFORMATION

Name	The Place at Dania Beach
Address	180 E Dania Beach Blvd
City, State, Zip Code	Dania Beach, FL, 33004
County	Broward
MSA	Miami-Fort Lauderdale-Pompano Beach, FL
APN	50-42-34-10-0010

SALE INFORMATION

Buyer	Guillermina Dawson
Seller	Village At Dania Beach, LLC
Transaction Date	10/9/2018
Transaction Status	Recorded
Transaction Price	$38,000,000
Analysis Price	$38,000,000
Recording Number	115383583
Rights Transferred	Leased Fee
Financing	Cash at Settlement
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Project Type	Mid-Rise
Project Size NRA	132,706 SF
Units	144
No. of Buildings/Floors	1 Buildings / 7 Floors
Year Built	2017
Quality / Condition	Excellent / Excellent
Appeal	Good/Excellent
Building Structure	Concrete/Block
Site Size	1.9 Acres (84,506 SF)
Average Unit Size	921 SF
Density	74.2
Project Amenities	Electronic Gate, Concierge/Doorman, Common Area Wi-Fi, Fitness Center, Elevators, On-Site
Unit Amenities	Washer/Dryer In-Unit, Premium Flooring, Walk-in Closets, Premium Countertops, Premium

UNIT MIX

NO. UNITS	AVG SIZE	BEDS/BATHS	DESCRIPTION
34	613	1Bed / 1Bath	1 Bed / 1 Bath
1	1,391	1Bed / 1Bath	1 Bed / 1 Bath
104	952	2Bed / 2Bath	2 Bed / 2 Bath
5	2,293	3Bed / 3Bath	3 BR / 3 BA - TH

THE PLACE AT DANIA BEACH

OPERATING INCOME

	TOTAL	PER UNIT	PER SF
Rent Income	$3,651,478	$25,357	$27.52
Other Income	$0	$0	$0.00
Gross Income	$3,651,478	$25,357	$27.52
Vacancy @ 8.0%	($292,118)	($2,029)	($2.20)
Effective Gross Income	$3,359,360	$23,329	$25.31
Expenses	($1,391,734)	($9,665)	($10.49)
Net Operating Income	$1,967,626	$13,664	$14.83
Occupancy at Sale	90.8%		
Expense % of PGI / EGI		38%	41%

ANALYSIS INFORMATION

Price/Unit			$263,889
Adjusted Price/Unit			$273,758
Capitalization Rate			5.11%
Equity Div. / PGIM / EGIM	-	10.41	11.31

CONFIRMATION

Name	Zachary Sackley	
Company	Cushman & Wakefield	
Source	Seller's Broker	
Date / Phone Number	01/0/1900	Confidential

REMARKS

The subject is a 144-unit multi-family mid/high rise property located at 180 E. Dania Beach Boulevard in Dania Beach. The property consists of a 7-story apartment building with a rooftop pool deck and terrace and a three-story parking structure. The improvements were completed in the mid-2017 and are situated on a 1.93-acre site. Tenants began moving in to the subject in May 2017 and the property reached stabilized occupancy in March 2018. This asset sold at 97% occupancy. Note the property also includes 6,771 SF of ground floor street-retail space. The retail space was in shell condition and the owner's reportedly budgeted build-out at $500k. There is a Declaration of Restrictive Covenants recorded on August 22, 2014 with the city of Dania Beach for a workforce attainable housing restriction prior to development in order for the property to receive certain density and height benefits. As a result, 55 dwelling units rent cannot exceed 30% of an amount equaling 120% of the median annual income for Broward County as published by the U.S. Department of Housing and Urban Development, adjusted for family size. The covenant allows for the owner of the property to designate units to which the restriction applies. According to the broker this restrictions did not limit the income potential of the units, thus there were no effects to the purchase price. The effective purchase price was adjusted for the retail build-out, while the financials were based on the in-place income and expenses with re-assessed taxes + reserves.

COMPARABLE 6

LOCATION INFORMATION

Name	The Queue
Address	801 SE 2nd Av
City, State, Zip Code	Fort Lauderdale, FL, 33316
County	Broward
MSA	Miami-Fort Lauderdale-Pompano Beach, FL
APN	50-42-10-1G-0010

SALE INFORMATION

Buyer	Boardwalk Properties FL
Seller	Urban Street Development
Transaction Date	02/1/2018
Transaction Status	Recorded
Transaction Price	$53,000,000
Analysis Price	$53,000,000
Recording Number	114906663
Rights Transferred	Leased Fee
Financing	Cash at Settlement
Conditions of Sale	Arms-Length
Marketing Time	2 Months

PHYSICAL INFORMATION

Project Type	Mid-Rise
Project Size NRA	153,933 SF
Units	191
No. of Buildings/Floors	1 Buildings / 7 Floors
Year Built	2017
Parking Spaces / Ratio	318 (1.7/Unit)
Quality / Condition	Excellent / Excellent
Appeal	Good/Excellent
Building Structure	Masonry/Steel
Site Size	1.6 Acres (67,954 SF)
Average Unit Size	805 SF
Density	122.4
Project Amenities	Game Room, Swimming Pool, Storage Units, Fitness Center, Clubhouse, Business Center,
Unit Amenities	Ceiling Fans, Vaulted Ceilings, Complete Appliance Package, Premium Flooring, Premium

UNIT MIX

NO. UNITS	AVG SIZE	BEDS/BATHS	DESCRIPTION
12	529	0Bed / 1Bath	Studio/1 Bath
65	599	1Bed / 1Bath	1 Bed / 1 Bath
100	908	2Bed / 2Bath	2 Bed / 2 Bath
14	1,275	3Bed / 2Bath	3 Bed / 2 Bath

THE QUEUE

OPERATING INCOME

	TOTAL	PER UNIT	PER SF
Rent Income	$4,240,584	$22,202	$27.55
Other Income	$273,416	$1,431	$1.78
Gross Income	$4,514,000	$23,634	$29.32
Vacancy @ 5.0%	($212,029)	($1,110)	($1.38)
Effective Gross Income	$4,301,971	$22,523	$27.95
Expenses	($1,865,890)	($9,769)	($12.12)
Net Operating Income	$2,436,081	$12,754	$15.83
Occupancy at Sale	95.0%		
Expense % of PGI / EGI		41%	43%

ANALYSIS INFORMATION

Price/Unit			$277,487
Adjusted Price/Unit			$307,372
Capitalization Rate			4.60%
Equity Div. / PGIM / EGIM	-	11.74	12.32

CONFIRMATION

Name	Zachary Sackley	
Company	Cushman Wakefield	
Source	Seller's Broker	
Date / Phone Number	03/21/2018	Confidential

REMARKS

The asset is located in downtown Fort Lauderdale just south of Las Olas Boulevard and the New River. It is less than 1K feet from a planned Wave Streetcar stop which will provide access to the Brightline. The midrise asset is 7-story, structured parked asset with elevators, courtyard pool, zen garden, two-story gym, dog park, club room with game tables, outdoor grill, fireside lounge, electric car charging stations and storage units. Unit interiors feature upgraded SS appliances, wood-look flooring, modern flat front cabinetry, kitchen islands, granite countertops and ground-floor units have 12 foot vaulted ceilings. The South FL developers sold the asset to a Miami investment group. Cushman Wakefield represented the seller. It was 66% occupied when the asset was marketed but was stabilized when it sold. Lease up averaged 22 units per month. According to the broker, the asset traded based on about a 4.50% cap on pro forma income including re-assessed taxes, management and reserves.

IMPROVED SALES ADJUSTMENT TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5	COMPARABLE 6
Name	The Byron	Broadstone Oceanside	The Mile at Coral Gables	The Club at Crystal Lakes	Modera Skylar	The Place at Dania Beach	The Queue
Address	500 71st Street	1333 S Ocean Blvd	3622 SW 22nd St	3800 Crystal Lake Dr	1444 NW 14th Av	180 E Dania Beach Blvd	801 SE 2nd Av
City, State	Miami Beach, FL	Pompano Beach, FL	Miami, FL	Deerfield Beach, FL	Miami, FL	Dania Beach, FL	Fort Lauderdale, FL
NRA	101,105	195,830	109,462	127,110	168,590	132,706	153,933
Units	151	211	120	125	166	144	191
Average Unit SF	540	928	912	1,016	1,015	921	805
Density	208.8	36.4	136.7	25.0	86.5	74.2	122.4
Land Area (SF)	31,497	252,648	39,204	217,800	83,635	84,506	67,954
Year Built	2022	2019	2016	2018	2013	2017	2017
SALE INFORMATION							
Date		12/10/2020	12/18/2019	11/13/2019	11/13/2018	10/9/2018	2/1/2018
Rights Transferred		Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
Occupancy	94.7%	93.1%	91.7%	95.0%	97.0%	90.8%	95.0%
Capitalization Rate		4.6%	4.3%	5.0%	4.4%	5.1%	4.6%
NOI/Unit		$20,538	$14,167	$12,195	$11,655	$13,664	$12,754
NOI/SF NRA		$22.13	$15.53	$11.99	$11.48	$14.83	$15.83
$/Unit		$451,422	$333,333	$244,000	$267,771	$263,889	$277,487
$/SF NRA		$486.39	$365.42	$239.95	$263.66	$286.35	$344.31
Transaction Price		$95,250,000	$40,000,000	$30,500,000	$44,450,000	$38,000,000	$53,000,000
TRANSACTIONAL ADJUSTMENTS							
Property Rights		0%	0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%	0%
Expenditures After the Sale		0%	0%	0%	0%	0%	0%
Market Conditions (preceding COVID-19)[1]		0%	1%	1%	4%	4%	6%
COVID-19 Market Impact		-5%	-5%	-5%	-5%	-5%	-5%
Subtotal Transactional Adj Price		$428,851	$319,833	$234,118	$264,558	$260,722	$279,429
PROPERTY ADJUSTMENTS							
Location		5%	5%	5%	5%	5%	5%
Quality		0%	0%	0%	0%	0%	0%
Condition		0%	0%	0%	0%	0%	0%
Appeal		0%	0%	0%	0%	0%	0%
Average Unit Size		0%	0%	0%	0%	0%	0%
Age		0%	0%	0%	5%	0%	0%
Number Of Units		5%	-5%	-5%	0%	0%	5%
Project Amenities		0%	0%	0%	0%	0%	0%
Subtotal Property Adjustment		10%	0%	0%	10%	5%	10%
TOTAL ADJUSTED PRICE		**$471,736**	**$319,833**	**$234,118**	**$291,014**	**$273,758**	**$307,372**

STATISTICS	UNADJUSTED	ADJUSTED
LOW	$244,000	$234,118
HIGH	$451,422	$471,736
MEDIAN	$272,629	$299,193
AVERAGE	$306,317	$316,305

[1] Market Conditions Adjustment - Compound annual change in market conditions: 3%
Date of Value (for adjustment calculations): 03/01/20

SALES COMPARABLE ANALYSIS

Introduction

The comparable sales indicate an adjusted value range from $234,118 to $471,736/Unit, with a median of $299,193/Unit and an average of $316,305/Unit. The range of total gross adjustment applied to the comparables was from 14% to 21%, with an average gross adjustment across all comparables of 17%. The level of total adjustment applied to the comparables is considered minimal, an indication that the dataset is applicable to the subject and increases the credibility of the analysis. The adjustment process for each comparable sale is discussed in the following paragraphs.

Discussion of Adjustments

Comparable 1 ($471,736/Unit as adjusted) required a total downward transaction adjustment of -5%. This comparable required a total upward adjustment of 10% for property characteristics. The total gross adjustment applied to this comparable was 15%. The substantial level of gross adjustments required for this comparable was justified due to the comparable's varying attributes. Considering these factors, this comparable is given primary consideration as a value indicator for the subject.

Comparable 2 ($319,833/Unit as adjusted) required a total downward transaction adjustment of -4%. This comparable required adjustments for property characteristics, however these resulted in a net adjustment of 0%. The total gross adjustment applied to this comparable was 16%. The substantial level of gross adjustments required for this comparable was justified due to the comparable's varying attributes. Considering these factors, this comparable is given primary consideration as a value indicator for the subject.

Comparable 3 ($234,118/Unit as adjusted) required a total downward transaction adjustment of -4%. This comparable required adjustments for property characteristics, however these resulted in a net adjustment of 0%. The total gross adjustment applied to this comparable was 16%. The substantial level of gross adjustments required for this comparable was justified due to the comparable's varying attributes. Considering these factors, this comparable is given primary consideration as a value indicator for the subject.

Comparable 4 ($291,014/Unit as adjusted) required a total downward transaction adjustment of -1%. This comparable required a total upward adjustment of 10% for property characteristics. The total gross adjustment applied to this comparable was 19%. The substantial level of gross adjustments required for this comparable was justified due to the comparable's varying attributes. Considering these factors, this comparable is given primary consideration as a value indicator for the subject.

Comparable 5 ($273,758/Unit as adjusted) required a total downward transaction adjustment of -1%. This comparable required a total upward adjustment of 5% for property characteristics. The total gross adjustment applied to this comparable was 14%. The substantial level of gross adjustments required for this comparable was justified due to the comparable's varying attributes. Considering these factors, this comparable is given primary consideration as a value indicator for the subject.

Comparable 6 ($307,372/Unit as adjusted) required a total upward transaction adjustment of 1%. This comparable required a total upward adjustment of 10% for property characteristics. The total gross adjustment applied to this comparable was 21%. The substantial level of gross adjustments required for this comparable was justified due to the comparable's varying attributes. Considering these factors, this comparable is given primary consideration as a value indicator for the subject.

SALES COMPARISON APPROACH CONCLUSION

The comparable sales indicate an adjusted value range from $234,118 to $471,736/Unit, with a median of $299,193/Unit and an average of $316,305/Unit. Based on the results of the preceding analysis, Comparable 1 ($471,736/Unit adjusted), Comparable 2 ($319,833/Unit adjusted), Comparable 3 ($234,118/Unit adjusted), Comparable 4 ($291,014/Unit adjusted), Comparable 5 ($273,758/Unit adjusted) and Comparable 6 ($307,372/Unit adjusted) are given primary consideration for the subject's opinion of value.

The following table summarizes the analysis of the comparables, reports the reconciled price per unit value conclusion, and presents the concluded value of the subject property.

SALES COMPARISON APPROACH CONCLUSION (UNIT)								
	TRANSACTION	ADJUSTMENT				NET	GROSS	WEIGHT
COMP	PRICE	TRANSACTIONAL[1]	ADJUSTED	PROPERTY[2]	FINAL	ADJ %	ADJ %	GIVEN
1	$451,422	-5%	$428,851	10%	**$471,736**	4%	15%	PRIMARY
2	$333,333	-4%	$319,833	0%	**$319,833**	-4%	16%	PRIMARY
3	$244,000	-4%	$234,118	0%	**$234,118**	-4%	16%	PRIMARY
4	$267,771	-1%	$264,558	10%	**$291,014**	9%	19%	PRIMARY
5	$263,889	-1%	$260,722	5%	**$273,758**	4%	14%	PRIMARY
6	$277,487	1%	$279,429	10%	**$307,372**	11%	21%	PRIMARY
LOW	**$234,118**						**AVERAGE**	**$316,305**
HIGH	**$471,736**						**MEDIAN**	**$299,193**
			SUBJECT UNITS		**$/UNIT CONCLUSION**			**VALUE**
PROSPECTIVE VALUE UPON STABILIZATION			**151**	**x**	**$240,000**		**=**	**$36,200,000**
Lease- Up Costs								**From Lease-Up Analysis**
Rent Loss								($1,584,480)
Marketing								($14,300)
Total Lease-Up Costs								($1,598,780)
Entrepreneurial Profit								($31,976)
TOTAL LEASE-UP COSTS								($1,630,756)
PROSPECTIVE VALUE UPON COMPLETION					**$229,139**			**$34,600,000**

[1]Cumulative [2]Additive Rounded to nearest $100,000

REGRESSION ANALYSIS

The following chart summarizes the comparables in a regression analysis.

SALES REGRESSION ANALYSIS		
	NOI/UNIT	$/UNIT
Comparable 1	$20,538	$471,736
Comparable 2	$14,167	$319,833
Comparable 3	$12,195	$234,118
Comparable 4	$11,655	$291,014
Comparable 5	$13,664	$273,758
Comparable 6	$12,754	$307,372
Subject	**$13,763**	**$306,904**
CORRELATION COEFFICIENT		**0.938**

The correlation coefficient is a statistical measure of the strength of the relationship between the relative movements of two variables. A value of exactly 1.0 means there is a perfect positive relationship between the two variables. The values range between -1.0 and 1.0. A value of exactly 1.0 means there is a perfect positive relationship between the two variables. For a positive increase in one variable, there is also a positive increase in the second variable. A value of -1.0 means there is a perfect negative relationship between the two variables. This shows that the variables move in opposite directions - for a positive increase in one variable, there is a decrease in the second variable. If the correlation between two variables is 0, there is no linear relationship between them.

The strength of the relationship varies in degree based on the value of the correlation coefficient. For example, a value of 0.2 shows there is a positive correlation between two variables, but it is weak and likely unimportant. Analysts in some fields of study do not consider correlations important until the value surpasses at least 0.8. However, a correlation coefficient with an absolute value of 0.9 or greater would represent a very strong relationship. Thus, the high correlation of 0.98 would further support our findings that $240,000 per unit for the multifamily use of the proposed project would have a very strong relationship in terms of value per unit and therefore, would further support our concluded point estimate for the multifamily.

RETAIL - INTRODUCTION

The Sales Comparison Approach is based on the principle of substitution, which asserts that a buyer would not pay more for a property than the value of similar properties in the market. This approach analyzes comparable sales by applying transactional and property adjustments to bracket the subject property within an appropriate unit value comparison.

UNIT OF COMPARISON

The most relevant unit of comparison is the price per square foot of unit. This indicator best reflects the analysis used by buyers and sellers in this market for improved properties with similar design and utility.

COMPARABLE SELECTION

We completed a thorough search for similar improved sales in terms of property type, location, physical characteristics, and date of sale. In selecting comparables, emphasis was placed on confirming recent improved sales of properties that match the highest and best use, and buyer/seller profile of the subject property. Overall, the sales selected represent the best comparables available for this analysis.

ADJUSTMENT PROCESS

Quantitative adjustments are made to the comparable sales. The following adjustments or general market trends were considered for the basis of valuation.

Transactional Adjustments

Dollar adjustments to the comparable sales were considered and made when warranted for transactional adjustments in the sequence shown below:

Property Rights Transferred	The valuation of the subject site was completed on a leasehold basis. If warranted, leased fee, leasehold and/or partial interest sales were adjusted accordingly.
Financing Terms	The subject property was valued on a cash equivalent basis. Adjustments were made to the comparables involving financing terms atypical of the marketplace.
Conditions of Sale	This adjustment accounts for extraordinary motivation on the part of the buyer or seller often associated with distressed sales.
Expenditures After Purchase	Adjustments were applied if physical conditions warranted expenditures on the part of the buyer to bring the comparable up to functional standards. Most often this adjustment accounts for costs associated with deferred maintenance.
Market Conditions	Market conditions adjustments were based on a review of historical sale data, market participant interviews and review of current versus historical pricing. Based on our research, the following table summarizes the market conditions adjustment applied in this analysis.

MARKET CONDITIONS ADJUSTMENT		
Per Year As Of	March 2020 (PRE COVID-19)	3.00%

The analysis applies an upward market conditions adjustment of 3% annually reflecting the conditions between the oldest comparable sale date up through the period preceding COVID-19.

COVID-19 Impact Adjustment

While we applied market conditions adjustments for date of sale preceding the date of value for factors such as rent growth generated market appreciation prior to COVID-19, we recognize the need for straight-line adjustment for near-term rent loss anticipated and increased risk premiums for intermediate market uncertainty, which we have applied a -5% downward adjustment, which differs from the market adjustments to the sales, which up until the point in time that the impact of COVID-19 became more apparent.

Property Adjustments

Quantitative percentage adjustments are also made for location and physical characteristics such as size, age, site and parking ratios, access, exposure, quality and condition, as well as other applicable elements of comparison. Where possible the adjustments applied are based on paired data or other statistical analysis. It should be stressed that the adjustments are subjective in nature and are meant to illustrate our logic in deriving a value opinion for the subject property.

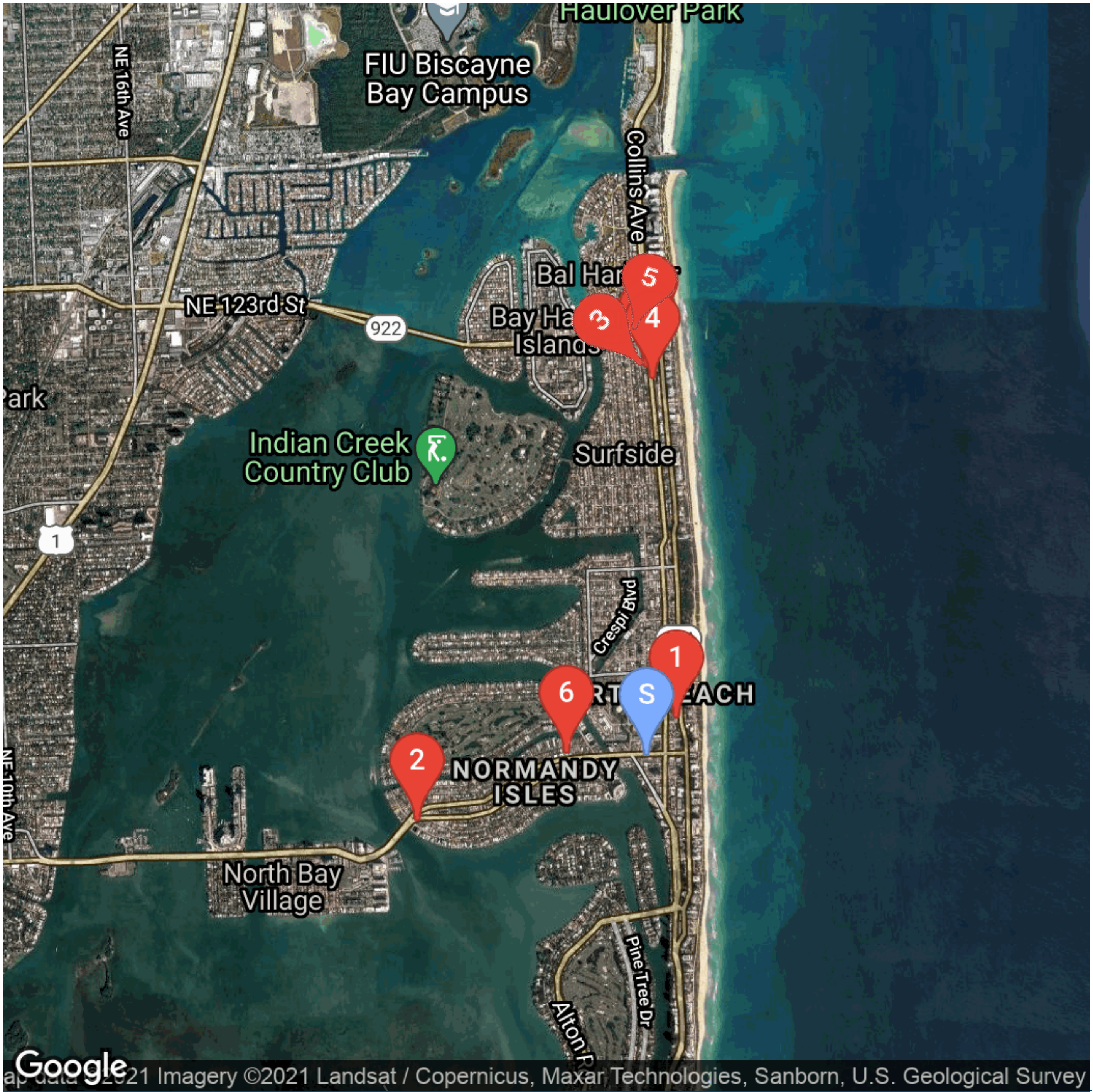
PRESENTATION

The following Sales Summation Table, Location Map and datasheets summarize the improved sales data. Following these items, the comparable sales are adjusted for applicable elements of comparison and the opinion of value by the Sales Comparison Approach is concluded.

IMPROVED SALES SUMMATION TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5	COMPARABLE 6
Name	The Byron	Broadstone Oceanside	The Mile at Coral Gables	The Club at Crystal Lakes	Modera Skylar	The Place at Dania Beach	The Queue
Address	500 71st Street	1333 S Ocean Blvd	3622 SW 22nd St	3800 Crystal Lake Dr	1444 NW 14th Av	180 E Dania Beach Blvd	801 SE 2nd Av
City	Miami Beach	Pompano Beach	Miami	Deerfield Beach	Miami	Dania Beach	Fort Lauderdale
State	FL	FL	FL	FL	FL	FL	FL
Zip	33141-3018	33062	33145	33064	33125	33004	33316
County	Miami-Dade	Broward	Miami-Dade	Broward	Miami-Dade	Broward	Broward
PHYSICAL INFORMATION							
Project Design	Mid/High-Rise Housing	Mid-Rise	Mid-Rise	Low-Rise	High-Rise	Mid-Rise	Mid-Rise
NRA (SF)	101,105	195,830	109,462	127,110	168,590	132,706	153,933
Units	151	211	120	125	166	144	191
Average Unit SF	540	928	912	1,016	1,015	921	805
Land Area (SF)	31,497	252,648	39,204	217,800	83,635	84,506	67,954
Year Built	2022	2019	2016	2018	2013	2017	2017
Stories	7	8	13	5	20	7	7
UNIT MIX DETAILS							
Studio	0%	0%	0%	0%	1%	0%	6%
1 Bed	85%	59%	66%	18%	42%	24%	34%
2 Bed	15%	37%	32%	50%	57%	72%	52%
3+ Bed	0%	4%	3%	32%	0%	3%	7%
Average Unit (SF)	540	928	912	1,016	1,015	921	805
SALE INFORMATION							
Date		12/10/2020	12/18/2019	11/13/2019	11/13/2018	10/9/2018	2/1/2018
Status		Recorded	Recorded	Recorded	Recorded	Recorded	Recorded
Sale Conditons		Arms-Length	Arms-Length	Arms-Length	Arms-Length	Arms-Length	Arms-Length
Rights Transferred		Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
Transaction Price		$95,250,000	$40,000,000	$30,500,000	$44,450,000	$38,000,000	$53,000,000
Transaction $/Unit		$451,422	$333,333	$244,000	$267,771	$263,889	$277,487
Transaction $/SF NRA		$486	$365	$240	$264	$286	$344
Expenses % PGI		31%	44%	39%	45%	38%	41%
Expenses % EGI		36%	46%	41%	47%	41%	43%
NOI/Unit	$13,763	$20,538	$14,167	$12,195	$11,655	$13,664	$12,754
NOI/SF NRA	$20.56	$22.13	$15.53	$11.99	$11.48	$14.83	$15.83
Occupancy	94.7%	93.1%	91.7%	95.0%	97.0%	90.8%	95.0%
Capitalization Rate		4.55%	4.25%	5.00%	4.35%	5.11%	4.60%
PGIM		12.06	12.05	11.17	10.23	10.41	11.74
EGIM		14.07	12.72	11.72	10.52	11.31	12.32

RETAIL SALES LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	NAME	ADDRESS	OCC.	SALE DATE	OAR	$/SF
SUBJECT	-	The Byron	500 71st Street, Miami Beach, FL	100.0%	-	-	$590
No. 1	0.2 Miles	Storefront Retail	7300-7310 Collins Av, Miami Beach, FL	100.0%	1/8/2021		$632
No. 2	1.2 Miles	Freestanding Retail	2050 71 St, Miami Beach, FL	100.0%	12/7/2020		$587
No. 3	2.0 Miles	Retail - Restaurant	9472 Harding Av, Miami Beach, FL	100.0%	10/7/2020		$409
No. 4	1.9 Miles	Retail - Storefront	9415 Harding Av, Surfside, FL	100.0%	12/16/2019	4.47%	$875
No. 5	2.1 Miles	Retail - Storefront	9569-9571 Harding Av, Miami Beach, FL	100.0%	10/29/2019	4.30%	$927
No. 6	0.4 Miles	Retail - Freestanding	1133 Normandy Dr, Miami Beach, FL	100.0%	12/7/2018		$330

COMPARABLE 1

LOCATION INFORMATION	
Name	Storefront Retail
Address	7300-7310 Collins Av
City, State, Zip Code	Miami Beach, FL, 33141
County	Miami-Dade
MSA	Miami-Miami Beach-Kendall, FL
APN	02-3202-003-1080

SALE INFORMATION	
Buyer	7300 Collins Investments LLC
Seller	Collins & 73rd Developers LLC
Transaction Date	01/8/2021
Transaction Status	Recorded
Transaction Price	$8,000,000
Analysis Price	$8,000,000
Recording Number	32273/4684
Rights Transferred	Leased Fee
Financing	Conventional
Conditions of Sale	Arms-Length
Marketing Time	6 Months

PHYSICAL INFORMATION	
Gross Building Area (GBA)	12,652
Leasable Area (NRA)	12,652
Number of Buildings	1
Year Built	1952
Parking Spaces / Ratio	8 (/1,000 SF NRA)
Front Footage	Good/Excellent
Quality	Excellent
Condition	Excellent
Appeal	Good/Excellent
Building Structure	Concrete
Exterior	Stucco
Site Size	0.3 Acres (14,810 SF)
Zoning	CD-2
Shape	Generally Rectangular
Topography	Generally Level
Access	Good
Exposure	Good
Traffic Count	25,000
Site Coverage (SF)/Ratio	85.4%

STOREFRONT RETAIL

ANALYSIS INFORMATION	
Price per SF	$632
Adjusted Price per SF	$600
Capitalization Rate	

CONFIRMATION		
Name	Confidential	
Company	Confidential	
Source	CoStar	
Date / Phone Number	01/21/2021	Confidential

REMARKS

The property is located on the northwest corner of Collins Avenue and 73rd Street with very good visibility, frontage and overall exposure along both thoroughfares. The property is reported to have been completely leased up at the time with 13 tenants. Original asking price was $9.5 million and reduced about 15% upon closing. The property has previously sold for $10.5 million in 2016. Details of the leases in place at the time of the transaction were not made available at that time.

COMPARABLE 2

LOCATION INFORMATION	
Name	Freestanding Retail
Address	2050 71 St
City, State, Zip Code	Miami Beach, FL, 33141
County	Miami-Dade
MSA	Miami-Miami Beach-Kendall, FL
APN	02-3210-002-1110

SALE INFORMATION	
Buyer	Father Sons Brothers Inc
Seller	Esue Ll
Transaction Date	12/7/2020
Transaction Status	Recorded
Transaction Price	$1,200,000
Analysis Price	$1,200,000
Recording Number	32244/3872
Rights Transferred	Leased Fee
Financing	Assumed Debt
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION	
Gross Building Area (GBA)	2,045
Leasable Area (NRA)	2,045
Number of Buildings	1
Year Built	1958
Parking Spaces / Ratio	8 (/1,000 SF NRA)
Front Footage	Good/Excellent
Quality	Excellent
Condition	Excellent
Appeal	Good/Excellent
Building Structure	Concrete
Exterior	Stucco
Site Size	0.4 Acres (17,860 SF)
Zoning	CD-1
Shape	Irregular
Topography	Generally Level
Access	Good
Exposure	Good
Traffic Count	18,000
Site Coverage (SF)/Ratio	11.5%

FREESTANDING RETAIL

ANALYSIS INFORMATION	
Price per SF	$587
Adjusted Price per SF	$558
Capitalization Rate	

CONFIRMATION		
Name	Confidential	
Company	Confidential	
Source	CoStar	
Date / Phone Number	01/21/2021	Confidential

REMARKS

The property is located on the east side of Bay Drive and 71 Street, w ith good visibility, frontage and overall exposure along either thoroughfare. The property is a single tenant free standing retail that is dedicated to the sale of convenience goods and services.Terms and conditions of the lease agreement w ere not made available as of the date of the transaction and assume to be at market.

COMPARABLE 3

LOCATION INFORMATION

Name	Retail - Restaurant
Address	9472 Harding Av
City, State, Zip Code	Miami Beach, FL, 33141
County	Miami-Dade
MSA	Miami-Miami Beach-Kendall, FL
APN	14-2235-007-0720

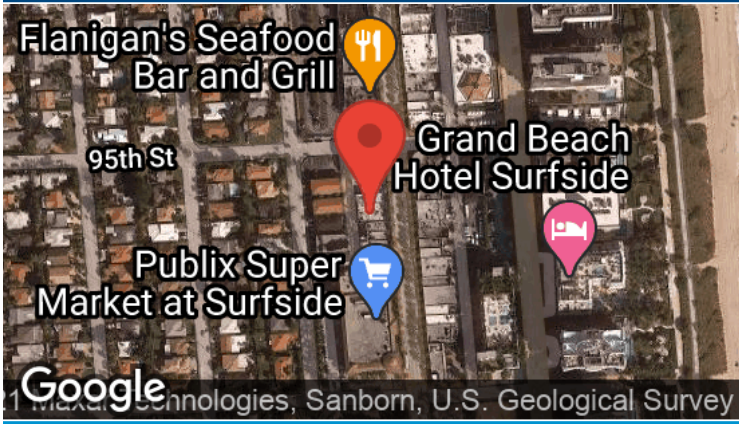
SALE INFORMATION

Buyer	Encyclia C Group Inc
Seller	212 of Miami LLC
Transaction Date	10/7/2020
Transaction Status	Recorded
Transaction Price	$1,430,000
Analysis Price	$1,430,000
Recording Number	32237/0908
Rights Transferred	Leased Fee
Financing	Assumed Debt

PHYSICAL INFORMATION

Gross Building Area (GBA)	3,500
Leasable Area (NRA)	3,500
Number of Buildings	1
Year Built	1952
Parking Spaces / Ratio	4 (/1,000 SF NRA)
Front Footage	Good/Excellent
Quality	Excellent
Condition	Excellent
Appeal	Good/Excellent
Building Structure	Concrete
Exterior	Stucco
Site Size	0.1 Acres (4,792 SF)
Zoning	B-1
Shape	Generally Rectangular
Topography	Generally Level
Access	Good
Exposure	Good
Traffic Count	26,500
Site Coverage (SF)/Ratio	73.0%

RETAIL - RESTAURANT



ANALYSIS INFORMATION

Price per SF	$409
Adjusted Price per SF	$389
Capitalization Rate	

CONFIRMATION

Name	Confidential	
Company	Confidential	
Source	CoStar	
Date / Phone Number	01/21/2021	Confidential

REMARKS

The property is located along the west side of Harding Avenue within a highly densed retail corridor. The property's store frontage, visibility and overall exposure is typical when compared to neighboring properties. The property was reported to have sold with a single tenant using it as a restaurant. The terms and conditions of the lease agreement in place at the time of the transaction were not made available and assume to be at market rates. The buyer is reported to have purchased the property for investment purposes.

COMPARABLE 4

LOCATION INFORMATION	
Name	Retail - Storefront
Address	9415 Harding Av
City, State, Zip Code	Surfside, FL, 33154
County	Miami-Dade
MSA	Miami-Miami Beach-Kendall, FL
APN	14-2235-007-0640

SALE INFORMATION	
Buyer	9415 Harding LLC
Seller	Harding Retail Ow ner LLC
Transaction Date	12/16/2019
Transaction Status	Recorded
Transaction Price	$3,500,000
Analysis Price	$3,500,000
Recording Number	31754/4251
Rights Transferred	Leased Fee
Financing	Conventional
Conditions of Sale	Arms-Length
Marketing Time	5 Months

PHYSICAL INFORMATION	
Gross Building Area (GBA)	4,000
Leasable Area (NRA)	4,000
Number of Buildings	1
Year Built	1952
Parking Spaces / Ratio	3 (/1,000 SF NRA)
Front Footage	Good/Excellent
Quality	Excellent
Condition	Excellent
Appeal	Good/Excellent
Building Structure	Concrete
Exterior	Stucco
Site Size	0.1 Acres (5,001 SF)
Zoning	B-1
Shape	Generally Rectangular
Topography	Level
Access	Good
Exposure	Good
Traffic Count	26,500
Site Coverage (SF)/Ratio	80.0%

RETAIL - STOREFRONT

ANALYSIS INFORMATION	
Price per SF	$875
Adjusted Price per SF	$840
Capitalization Rate	4.47%

CONFIRMATION		
Name	Confidential	
Company	Confidential	
Source	CoStar	
Date / Phone Number	01/21/2021	Confidential

REMARKS

The property is located along the east side of Harding Avenue w ith store frontage, good visibility and overall good physical exposure along this major thoroughfare w hen compared to similar retail properties in the same retail corridor. The property w as sold w ithin four tenants in place. Details of the lease agreements w ere not made available as of the date of the transaction and assume dto have been at market. The reported overall capitalization rate is 4.47% at that time.

COMPARABLE 5

LOCATION INFORMATION

Name	Retail - Storefront
Address	9569-9571 Harding Av
City, State, Zip Code	Miami Beach, FL, 33154
County	Miami-Dade
MSA	Miami-Miami Beach-Kendall, FL
APN	14-2235-007-0300

SALE INFORMATION

Buyer	9569-9571 Harding Inc
Seller	Harding Retail Ow ner LLC
Transaction Date	10/29/2019
Transaction Status	Recorded
Transaction Price	$2,500,000
Analysis Price	$2,500,000
Recording Number	31682/0505
Rights Transferred	Leased Fee
Financing	Conventional
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Gross Building Area (GBA)	2,698
Leasable Area (NRA)	2,698
Number of Buildings	1
Year Built	1952
Parking Spaces / Ratio	2 (/1,000 SF NRA)
Front Footage	Good/Excellent
Quality	Excellent
Condition	Excellent
Appeal	Good/Excellent
Building Structure	Concrete
Exterior	Stucco
Site Size	0.1 Acres (2,614 SF)
Zoning	B-1
Shape	Generally Rectangular
Topography	Generally Level
Access	Good
Exposure	Good
Traffic Count	26,500
Site Coverage (SF)/Ratio	103.2%

RETAIL - STOREFRONT

ANALYSIS INFORMATION

Price per SF	$927
Adjusted Price per SF	$889
Capitalization Rate	4.30%

CONFIRMATION

Name	Confidential	
Company	Confidential	
Source	CoStar	
Date / Phone Number	01/21/2021	Confidential

REMARKS

The property is located along the east side of Harding Avenue, w ith store frontage, typical visibility and overall physical exposure w hen compared to similar retail properties in the retail corridor. The property sold w ith three tenants in place at the time of the transaction. Details of the lease agreements in place at that time w ere not made available and assumed the rates to have been at market.

COMPARABLE 6

LOCATION INFORMATION

Name	Retail - Freestanding
Address	1133 Normandy Dr
City, State, Zip Code	Miami Beach, FL, 33141
County	Miami-Dade
MSA	Miami-Miami Beach-Kendall, FL
APN	02-3210-013-1140

SALE INFORMATION

Buyer	DJK Miami Beach LLC
Seller	Union Planters Bank
Transaction Date	12/7/2018
Transaction Status	Recorded
Transaction Price	$2,700,000
Analysis Price	$2,700,000
Recording Number	31274/4301
Rights Transferred	Fee Simple
Financing	All Cash
Conditions of Sale	Arms-Length
Marketing Time	6 Months

PHYSICAL INFORMATION

Gross Building Area (GBA)	8,185
Leasable Area (NRA)	8,185
Number of Buildings	1
Year Built	1958
Parking Spaces / Ratio	15 (/1,000 SF NRA)
Front Footage	Good/Excellent
Quality	Excellent
Condition	Excellent
Appeal	Good/Excellent
Building Structure	Concrete
Exterior	Stucco
Site Size	0.3 Acres (12,632 SF)
Zoning	CD-2
Shape	Generally Rectangular
Topography	Level
Access	Good
Exposure	Good
Traffic Count	20,000
Site Coverage (SF)/Ratio	64.8%

RETAIL - FREESTANDING

ANALYSIS INFORMATION

Price per SF	$330
Adjusted Price per SF	$326
Capitalization Rate	

CONFIRMATION

Name	Confidential	
Company	Confidential	
Source	CoStar	
Date / Phone Number	01/21/2021	Confidential

REMARKS

The property is located along the north side of Normandy Drive, with typical store frontage, visibility and overall exposure when compared to surrounding retail properties along this same thoroughfare. The property sold as a owner/user since it is used as a bank branch. It is our understanding that the property was purchased for investment purposes. Details of the planned use were not made available as of the date f this transaction.

IMPROVED SALES ADJUSTMENT TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5	COMPARABLE 6
Name	The Byron	Broadstone Oceanside	The Mile at Coral Gables	The Club at Crystal Lakes	Modera Skylar	The Place at Dania Beach	The Queue
Address	500 71st Street	1333 S Ocean Blvd	3622 SW 22nd St	3800 Crystal Lake Dr	1444 NW 14th Av	180 E Dania Beach Blvd	801 SE 2nd Av
City, State	Miami Beach, FL	Pompano Beach, FL	Miami, FL	Deerfield Beach, FL	Miami, FL	Dania Beach, FL	Fort Lauderdale, FL
NRA	101,105	195,830	109,462	127,110	168,590	132,706	153,933
Units	151	211	120	125	166	144	191
Average Unit SF	540	928	912	1,016	1,015	921	805
Density	208.8	36.4	136.7	25.0	86.5	74.2	122.4
Land Area (SF)	31,497	252,648	39,204	217,800	83,635	84,506	67,954
Year Built	2022	2019	2016	2018	2013	2017	2017
SALE INFORMATION							
Date		12/10/2020	12/18/2019	11/13/2019	11/13/2018	10/9/2018	2/1/2018
Rights Transferred		Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
Occupancy	94.7%	93.1%	91.7%	95.0%	97.0%	90.8%	95.0%
Capitalization Rate		4.6%	4.3%	5.0%	4.4%	5.1%	4.6%
NOI/Unit		$20,538	$14,167	$12,195	$11,655	$13,664	$12,754
NOI/SF NRA		$22.13	$15.53	$11.99	$11.48	$14.83	$15.83
$/Unit		$451,422	$333,333	$244,000	$267,771	$263,889	$277,487
$/SF NRA		$486.39	$365.42	$239.95	$263.66	$286.35	$344.31
Transaction Price		$95,250,000	$40,000,000	$30,500,000	$44,450,000	$38,000,000	$53,000,000
TRANSACTIONAL ADJUSTMENTS							
Property Rights		0%	0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%	0%
Expenditures After the Sale		0%	0%	0%	0%	0%	0%
Market Conditions (preceding COVID-19)[1]		0%	1%	1%	4%	4%	6%
COVID-19 Market Impact		-5%	-5%	-5%	-5%	-5%	-5%
Subtotal Transactional Adj Price		$428,851	$319,833	$234,118	$264,558	$260,722	$279,429
PROPERTY ADJUSTMENTS							
Location		5%	5%	5%	5%	5%	5%
Quality		0%	0%	0%	0%	0%	0%
Condition		0%	0%	0%	0%	0%	0%
Appeal		0%	0%	0%	0%	0%	0%
Average Unit Size		0%	0%	0%	0%	0%	0%
Age		0%	0%	0%	5%	0%	0%
Number Of Units		5%	-5%	-5%	0%	0%	5%
Project Amenities		0%	0%	0%	0%	0%	0%
Subtotal Property Adjustment		10%	0%	0%	10%	5%	10%
TOTAL ADJUSTED PRICE		**$471,736**	**$319,833**	**$234,118**	**$291,014**	**$273,758**	**$307,372**

STATISTICS	UNADJUSTED	ADJUSTED
LOW	$244,000	$234,118
HIGH	$451,422	$471,736
MEDIAN	$272,629	$299,193
AVERAGE	$306,317	$316,305

[1] Market Conditions Adjustment - Compound annual change in market conditions: 3%
Date of Value (for adjustment calculations): 03/01/20

RETAIL SALES COMPARABLE ANALYSIS

Introduction

The comparable sales indicate an adjusted value range from $234,118 to $471,736/Unit, with a median of $299,193/Unit and an average of $316,305/Unit. The range of total gross adjustment applied to the comparables was from 14% to 21%, with an average gross adjustment across all comparables of 17%. The level of total adjustment applied to the comparables is considered minimal, an indication that the dataset is applicable to the subject and increases the credibility of the analysis. The adjustment process for each comparable sale is discussed in the following paragraphs.

Discussion of Adjustments

Comparable 1 ($471,736/Unit as adjusted) required a total downward transaction adjustment of -5%. This comparable required a total upward adjustment of 10% for property characteristics. The total gross adjustment applied to this comparable was 15%. The substantial level of gross adjustments required for this comparable was justified due to the comparable's varying attributes. Considering these factors, this comparable is given primary consideration as a value indicator for the subject.

Comparable 2 ($319,833/Unit as adjusted) required a total downward transaction adjustment of -4%. This comparable required adjustments for property characteristics, however these resulted in a net adjustment of 0%. The total gross adjustment applied to this comparable was 16%. The substantial level of gross adjustments required for this comparable was justified due to the comparable's varying attributes. Considering these factors, this comparable is given primary consideration as a value indicator for the subject.

Comparable 3 ($234,118/Unit as adjusted) required a total downward transaction adjustment of -4%. This comparable required adjustments for property characteristics, however these resulted in a net adjustment of 0%. The total gross adjustment applied to this comparable was 16%. The substantial level of gross adjustments required for this comparable was justified due to the comparable's varying attributes. Considering these factors, this comparable is given primary consideration as a value indicator for the subject.

Comparable 4 ($291,014/Unit as adjusted) required a total downward transaction adjustment of -1%. This comparable required a total upward adjustment of 10% for property characteristics. The total gross adjustment applied to this comparable was 19%. The substantial level of gross adjustments required for this comparable was justified due to the comparable's varying attributes. Considering these factors, this comparable is given primary consideration as a value indicator for the subject.

Comparable 5 ($273,758/Unit as adjusted) required a total downward transaction adjustment of -1%. This comparable required a total upward adjustment of 5% for property characteristics. The total gross adjustment applied to this comparable was 14%. The substantial level of gross adjustments required for this comparable was justified due to the comparable's varying attributes. Considering these factors, this comparable is given primary consideration as a value indicator for the subject.

Comparable 6 ($307,372/Unit as adjusted) required a total upward transaction adjustment of 1%. This comparable required a total upward adjustment of 10% for property characteristics. The total gross adjustment applied to this comparable was 21%. The substantial level of gross adjustments required for this comparable was justified due to the comparable's varying attributes. Considering these factors, this comparable is given primary consideration as a value indicator for the subject.

RETAIL SALES COMPARISON APPROACH CONCLUSION

The comparable sales indicate an adjusted value range from $234,118 to $471,736/Unit, with a median of $299,193/Unit and an average of $316,305/Unit. Based on the results of the preceding analysis, Comparable 1 ($471,736/Unit adjusted), Comparable 2 ($319,833/Unit adjusted), Comparable 3 ($234,118/Unit adjusted), Comparable 4 ($291,014/Unit adjusted), Comparable 5 ($273,758/Unit adjusted) and Comparable 6 ($307,372/Unit adjusted) are given primary consideration for the subject's opinion of value.

The following table summarizes the analysis of the comparables, reports the reconciled price per unit value conclusion, and presents the concluded value of the subject property.

SALES COMPARISON APPROACH CONCLUSION (UNIT)								
	TRANSACTION	ADJUSTMENT				NET	GROSS	WEIGHT
COMP	PRICE	TRANSACTIONAL[1]	ADJUSTED	PROPERTY[2]	FINAL	ADJ %	ADJ %	GIVEN
1	$451,422	-5%	$428,851	10%	**$471,736**	4%	15%	PRIMARY
2	$333,333	-4%	$319,833	0%	**$319,833**	-4%	16%	PRIMARY
3	$244,000	-4%	$234,118	0%	**$234,118**	-4%	16%	PRIMARY
4	$267,771	-1%	$264,558	10%	**$291,014**	9%	19%	PRIMARY
5	$263,889	-1%	$260,722	5%	**$273,758**	4%	14%	PRIMARY
6	$277,487	1%	$279,429	10%	**$307,372**	11%	21%	PRIMARY
LOW	**$234,118**						**AVERAGE**	**$316,305**
HIGH	**$471,736**						**MEDIAN**	**$299,193**
			SUBJECT UNITS		**$/UNIT CONCLUSION**			**VALUE**
PROSPECTIVE VALUE UPON STABILIZATION			**151**	x	**$240,000**	=		**$36,200,000**
Lease- Up Costs								**From Lease-Up Analysis**
Rent Loss								($1,584,480)
Marketing								($14,300)
Total Lease-Up Costs								($1,598,780)
Entrepreneurial Profit								($31,976)
TOTAL LEASE-UP COSTS								($1,630,756)
PROSPECTIVE VALUE UPON COMPLETION					**$229,139**			**$34,600,000**

[1]Cumulative [2]Additive — Rounded to nearest $100,000

SALES COMPARISON APPROACH – RECONCILIATION

The following is the reconciliation o the multifamily and retail sales point estimate of value:

SALES COMPARISON APPROACH - RECONCILIATION		
PROSPECTIVE VALUE - UPON STABILIZATION		
Multifamily		$36,200,000
Retail	+	$11,500,000
TOTAL (ROUNDED)	=	**$47,700,000**
PROSPECTIVE VALUE - UPON COMPLETION		
Multifamily		$34,600,000
Retail	+	$10,600,000
TOTAL (ROUNDED)	=	**$45,200,000**

ALLOCATED VALUE ESTIMATE OF THE CULTURAL CENTER

As before, we have estimated the allocated portion of the Cultural Center's point estimate of value derived from the Sales Comparison Approach. It is as follows:

ALLOCATED ESTIMATE - CULTURAL CENTER		
Prospective Value Upon Completion		$10,600,000
Net Rentable Area (SF)	÷	19,500
NRA/SF	=	$544
Cultural Center NRA	x	10,500
Premise of Value	=	$5,707,692
Rounded		**$5,700,000**

Since the project involved the mixed use of the residential, retail and cultural center, we have estimated the allocation portion that would likely be for the cultural center based on the estimated sales per square foot of retail derived from the Prospective Value -Upon Completion in the Sales Comparison Approach and applied it to the cultural center. From a national survey of sales in the past ten years of more than 730 theatres/concert halls transacted, sales prices average $4.5 million. Thus, our estimate appears higher than the average but reasonable.

INTRODUCTION

The Cost Approach is a set of procedures through which a value indication is derived for the fee simple estate by estimating the current cost to construct a reproduction of (or replacement for) the existing structures,, including an entrepreneurial incentive or profit; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property interest being appraised.[7]

REPLACEMENT COST ANALYSIS

The following cost approach to value was developed based on replacement cost analysis. Replacement Cost is defined as: The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout.[8]

Replacement cost includes both direct and indirect costs. Direct costs are expenditures for labor and materials used in the construction of improvements (also known as hard costs). Indirect costs are expenditures for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract (also known as soft costs). Indirect costs often include real property taxes during construction, professional fees, permanent financing fees, leasing commissions, marketing costs and contingency.

Replacement Cost New (Buildings)

This section calculates the replacement cost new of the subject building improvements by estimating total direct and indirect costs to which an entrepreneurial profit incentive is applied. Three sources were selected to support direct and indirect costs: Marshall Valuation Service, the developer's cost schedule and cost comparables. This selection is appropriate considering the scope and intended use of the appraisal, and given that the subject improvements are over five years old.

Marshall Valuation Service

Marshall Valuation Service is a comprehensive appraisal guide widely used throughout the United States for developing replacement costs and depreciated values of buildings and other improvements, and is largely considered the authority on building costs.

The table on the following page outlines the process we applied for developing replacement cost new of the subject building improvements with Marshall Valuation Service. First, the subject components were researched to identify the applicable base building costs per square foot. Next, the base building costs were adjusted for square foot refinements, height and size refinements, and current and local cost multipliers to determine an estimate of direct costs. After determining direct costs using Marshall Valuation Service, we then analyzed market evidence to estimate indirect costs. Finally, an appropriate developer’s profit was applied to provide an indication of the replacement cost new.

Based on our research, indirect costs are typically 10% to 20% of direct cost for this type of development in the marketplace. This range is generally supported by the cost comparables presented ahead that indicate a range for indirect costs from 13% to 45% of direct costs. Considering the size and project characteristics, we have estimated indirect costs at 20% of direct costs.

Entrepreneurial profit and overhead compensates the developer for project risk and management. It is unlikely that a developer would proceed with a development unless adequate profit is available to justify the effort. Based on anecdotal evidence provided by developers of similar Mid/High-Rise Housing projects, profit is typically based

[7] The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015
[8] The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

on a percentage of replacement cost, generally 15% to 25%, depending upon project size, location, marketability and risk. An entrepreneurial profit and overhead allocation of 15% was used in this analysis.

The replacement cost new as developed with Marshall Valuation Service is summarized in the following table.

REPLACEMENT COST NEW SUMMARY (BUILDINGS)			
MARSHALL VALUATION SERVICE			
Direct & Indirect Costs		$29,880,780	$192.55/SF
Entrepreneurial Profit	@15%	$4,482,117	$28.88/SF
TOTAL REPLACEMENT COST NEW (RCN)		**$34,362,897**	**$221.43/SF**

Developer's Cost Schedule

We reviewed a cost schedule prepared by Developer dated November 30, 2020, as summarized in the table below.

DEVELOPER'S COST SCHEDULE			
Direct Costs			
Hard Cost - Construction	$0	$23,470,035	
Hard Cost - Contigency	$0	$1,408,202	
Total Direct Costs		**$24,878,237**	**$160.31/SF**
Indirect Costs			
Total Predevelopment Costs	$0	$1,550,458	
Soft Costs	$0	$6,543,475	
Interest Reserve	$0	$781,237	
Developer Build Out	$0	$1,304,348	
Total Indirect Costs		**$10,179,517**	**$65.60/SF**
Profit @ 15%		$5,258,663	$33.89/SF
TOTAL COSTS		**$40,316,417**	**$259.79/SF**

The preceding developer's costs reflect the most recent detailed cost budget for the subject's proposed construction. All costs associated with site improvements were excluded, as they are analyzed separately ahead. The developer's cost schedule included a profit allocation 10% of direct and indirect costs, which was consistent with our estimate with the Marshall Valuation Service section. Therefore, this allocation was adjusted to our estimate of 15% to remain consistent.

Cost Comparables

The cost comparables selected for this analysis are summarized in the following table.

COST COMPARABLES						
COMPARABLE	**1**	**2**	**3**	**4**	**5**	**6**
Cost Year Built	2024	2020	2020	2020	2020	2020
Property Type	Multifamily	Multifamily	Multifamily	Multifamily	Multifamily	Multifamily
City	Miami Beach	Miami	Miami	Miami	Miami	Miami
State	FL	FL	FL	FL	FL	FL
Units	330	230	190	391	289	92
Gross Building Area	1,097,883 SF	214,526 SF	317,208 SF	575,414 SF	422,006 SF	301,242 SF
Direct Cost	$187,761,894	$36,691,432	$40,110,332	$70,724,511	$58,789,242	$35,336,293
Indirect Cost	$45,312,323	$4,765,828	$10,027,583	$29,267,180	$26,534,092	$10,600,888
Subtotal	$233,074,217	$41,457,260	$50,137,915	$99,991,691	$85,323,334	$45,937,181
Profit %	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Profit $	$23,307,422	$4,145,726	$5,013,792	$9,999,169	$8,532,333	$4,593,718
Total Costs	$256,381,639	$45,602,986	$55,151,707	$109,990,860	$93,855,667	$50,530,899
Per Unit	$776,914	$198,274	$290,272	$281,307	$324,760	$549,249
Per Square Foot	$233.52	$212.58	$173.87	$191.15	$222.40	$167.74
LOW	$198,274/Unit	$168/SF				
HIGH	$776,914/Unit	$234/SF				
AVERAGE	$403,463/Unit	$200/SF				

The cost comparables of multifamily projects that include some component of retail space ranged in size from 214,526 to 1,097,883 SF, with an average of 488,047 SF. The comparable buildings were built between 2020 and 2024. Included in the cost breakdown for each comparable are direct costs, indirect costs and profit. The replacement cost new (excluding site improvements) of the cost comparables ranged from $168/SF to $234/SF, and averaged $200/SF. The higher end of the range includes some degree of retail space. The lower end represents projects that are solely multifamily developments. Tus we would infer that the proposed development would likely be on the higher end of the range.

Building Replacement Cost New Conclusion (Buildings)

The following table summarizes the indicators that were used to estimate the replace cost new of the subject building improvements and the reconciled conclusion.

REPLACEMENT COST NEW ESTIMATES CONCLUSION (BUILDINGS)			
APPROACH	**TOTAL**	**$/UNIT**	**$/SF**
Marshall Valuation Service Cost Estimate	$34,362,897	$227,569	$221.43
Developer's Cost Schedule	$40,316,417	$266,996	$259.79
Cost Comparables	$31,069,831	$205,760	$200.21
CONCLUDED REPLACEMENT COST NEW (BUILDINGS)	$40,316,417	$266,996	$259.79

The analysis supports a range for replacement cost new of the building improvements from $200.21 to $259.79/SF. Primary weight was placed on the Developer's Costs Estimate in the reconciled conclusion of $259.79. Comparing our estimated cost and the cost estimates from similar projects, the developer's estimates are at the higher end of the range. Among the major reasons for higher costs could be because of higher labor costs and the limited space to stage in the Miami Beach area. It is important to mention that we have estimated an entrepreneurial profit of 15% within the total costs from the different methods, including the developer's estimate since it would the minimal return expected for these type of projects. Therefore, given it's on the higher end of the range and being conservative, we have used the developer's costs estimates.

Depreciation Analysis (Buildings)

Our analysis of depreciation reflects physical and functional curable prior to consideration of physical and functional incurable items, which are treated as components of the age-life analysis. If applicable, economic obsolescence was independently estimated and deducted. For this analysis it is assumed that economic obsolescence was allocated solely to the improvements. Given the proposed project is new and we have estimated an economic life of 60 years, there is no physical depreciation.

Economic Obsolescence

As mentioned before, we have estimated the cost per NOI to determine if the project is feasible. The estimate excludes any land value.

FEASIBILITY ESTIMATE		
Required Rent		
Costs		$40,316,417
NRA (SF)	÷	101,105
Cost PSF	=	$399
OAR	x	4.50%
Required NOI/SF	=	$17.94
Plus Operating Expenses	+	$15.02
EGI	=	$32.96
Stabilized V&CL	÷/+	6.0%
Required Rent/SF	=	$35.07
Estimated Market Rent		$38.26
Avg Growth Rate		2.00%
Estimated Holding Period (Yrs)		-0.37

The cost feasible NOI implies that the rental rates to support new construction need to be about $35.07 per square foot. It should also be noted that this does not factor in the land value. Other areas of Miami Beach would likely need rental rates of at least $38.26 per square foot to support new construction without the underlying land values. It is our conclusion that the estimated development costs are supported by market rental rates in the subject market area.

Site Improvements Replacement Cost

The replacement cost new of the subject site improvements is already included within the estimate costs provided by the developer as the pertinent detailed information regarding the site improvements were not made available.

COST APPROACH CONCLUSION

The Cost Approach analysis and conclusion are presented in the following table.

COST APPROACH VALUE CONCLUSION			
IMPROVEMENTS (BUILDINGS)			
Direct & Indirect Costs			$35,057,754
PLUS: Entrepreneurial Profit			$5,258,663
LESS: Total Depreciation			$0
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS (BUILDINGS)			$40,316,417
IMPROVEMENTS (SITE)			
Direct & Indirect Costs			$0
PLUS: Entrepreneurial Profit			$0
LESS: Total Depreciation			$0
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS (SITE)			$0
SUMMARY (ALL IMPROVEMENTS)			
Adjusted Costs/Cost New			$35,057,754
PLUS: Total Entrepreneurial Profit			$5,258,663
TOTAL REPLACEMENT COST NEW			$40,316,417
LESS: Total Depreciation			$0
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS			$40,316,417
PLUS: Land Value (Primary Site)			$0
PROSPECTIVE VALUE UPON COMPLETION	**$266,887/Unit**	**$260/SF**	**$40,300,000**
			Rounded to nearest $100,000

LAND VALUE ESTIMATE

As part of our scope of work, we have been requested to estimate the land value where the proposed development will be developed. We have estimated the 31,500 square foot lot's As-Is Market Value using a residual analysis and detailed as follows:

Market Value As Is

From the Income Capitalization Approach and Sales Comparison Approach we estimated the Market Value Upon Completion and deducted the estimated Cost to Develop the proposed project using the developer's estimate of costs. The estimated land value is based on a residual analysis, where we have deducted from the point premise of value upon completion and associated costs estimated by the developer as they appear within range. Given the parcel includes improvements, we have deducted the estimated demolition costs ($25 per square foot of 28,335 SF) to derive the "As-is" Market Value of the site as vacant and available.

AS -IS MARKET VALUE			
		INCOME	**SALES**
Prospective Value Upon Completion		$45,900,000	$45,200,000
Less Costs to Develop	-	$40,300,000	$40,300,000
Estimated Land Value	=	$5,600,000	$4,900,000
Less Demolition Costs	-	$708,375	$708,375
Estimated " As is" Land Value	=	$4,891,625	$4,191,625
Rounded		**$4,900,000**	**$4,200,000**

From our residual analysis, the estimated value of the As-Is would range between $4.2 and $4.9 million. Based on our analysis and placing most of the emphasis on the Income Capitalization Approach with secondary support from the Sales Approach, an As-Is Market Value of $4.7 million is concluded.

INTRODUCTION

The Reconciliation of Value Conclusions is the final step in the appraisal process and involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property. Understanding the profiles of potential buyers and their typical reliance on each approach to value strongly influences the weighting process.

Based on the overall quality of the data and analyses, and decision-making process of the typical buyer profile of the subject asset, the Income Capitalization Approach warranted primary emphasis and the Sales and Cost Approaches warranted secondary emphasis in developing our final opinions of market.

PRESENTATION OF VALUE CONCLUSIONS

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will influence the subject's value.

The following table summarizes our final opinions of the As-Is Market Value, Prospective Value Upon Completion and Prospective Value Upon Stabilization of the subject property’s leasehold interest.

ANALYSIS OF VALUE CONCLUSIONS			
VALUATION INDICES	**MARKET VALUE AS-IS**	**PROSPECTIVE VALUE UPON COMPLETION**	**PROSPECTIVE VALUE UPON STABILIZATION**
INTEREST APPRAISED	FEE SIMPLE	LEASEHOLD	LEASEHOLD
DATE OF VALUE	JANUARY 25, 2021	DECEMBER 31, 2022	DECEMBER 31, 2023
Cost Approach		$40,300,000	
Sales Comparison Approach	$4,200,000	$45,200,000	$47,700,000
Income Approach	$4,900,000	$45,900,000	$46,800,000
FINAL VALUE CONCLUSION	**$4,700,000**	**$45,900,000**	**$46,800,000**
$/Unit		$303,974/Unit	$309,934/Unit
$/SF (NRA)		$453.98/SF	$462.89/SF
Implied Capitalization Rate			4.53%
Exposure Time	Six to Nine Months	Six to Nine Months	Six to Nine Months
Marketing Period	Six to Nine Months	Six to Nine Months	Six to Nine Months
OTHER CONCLUSIONS	**AS OF JANUARY 25, 2021**		
Allocated Value to Cultural Center		**$5,300,000**	

These results are subject to the extraordinary assumptions and/or hypothetical conditions outlined in the letter and body of this appraisal report. Any changes to these extraordinary assumptions, hypothetical conditions or additional information not available to the appraiser at the time of the analysis, may affect the concluded results.

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions of the signers are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The signers of this report have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- Daniel Salcedo, MAI has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Patrick R. Phipps, MAI has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Ralph Peña, III, MAI has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- The signers are not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
- The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The 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.
- The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* and the *Code of Professional Ethics and Standards of Professional Appraisal* Practice of the Appraisal Institute.
- Daniel Salcedo, MAI inspected the property that is the subject of this report. Patrick R. Phipps, MAI did not inspect the property that is the subject of this report. Ralph Peña, III, MAI did not inspect the property that is the subject of this report.
- No one provided significant real property appraisal assistance to appraisers signing this certification.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report Daniel Salcedo, MAI, Patrick R. Phipps, MAI, and Ralph Peña, III, MAI completed the continuing education program for Designated Members of the Appraisal Institute.

DRAFT

January 31, 2021
Date

Daniel Salcedo, MAI
Valuation Services Director
State Certified General Real Estate Appraiser
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DRAFT

January 31, 2021
Date

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DRAFT

January 31, 2021
Date

Ralph Peña, III, MAI
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This appraisal is subject to the following assumptions and limiting conditions:

- The appraisers may or may not have been provided with a survey of the subject property. If further verification is required, a survey by a registered surveyor is advised.
- We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- The exhibits in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.
- Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.
- The appraisers assume no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein.
- Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.
- This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.
- The appraisers may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made therefore.
- The statements of value and all conclusions shall apply as of the dates shown herein.
- There is no present or contemplated future interest in the property by the appraisers which is not specifically disclosed in this report.
- Without the written consent or approval of the authors neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to value conclusions and to the identity of the appraisers and the firm with which the appraisers are connected.
- This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.
- The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.
- The liability of Colliers International Valuation & Advisory Services, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraisers are in no way responsible for any costs incurred to discover or correct any deficiency in the property.
- The appraisers are not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Colliers International Valuation & Advisory Services and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or personal

injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.

- The appraisers assume no responsibility for determining if the subject property complies with the *Americans with Disabilities Act* (*ADA*). Colliers International Valuation & Advisory Services, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance. This appraisal assumes that the subject meets an acceptable level of compliance with *ADA* standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.
- An on-site inspection of the subject property was conducted. No evidence of asbestos materials on-site was noted. A Phase 1 Environmental Assessment was not provided for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.
- A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.
- This analysis assumes that the financial information provided for this appraisal, including rent rolls and historical income and expense statements; accurately reflect the current and historical operations of the subject property.

Economic & Fiscal Impact Report
Engagement Letter
Term Sheet
Cost Budget
Valuation Glossary
Qualifications of Appraisers
Qualifications of Colliers International Valuation & Advisory Services

CITY OF

MIAMI BEACH

The Byron North Beach Economic Impact

January 28, 2021

RAFTELIS

RAFTELIS

January 28, 2021

Mr. Patrick Phipps, MAI
Managing Director, Jacksonville
Colliers International
76 S. Laura Street, Suite 1500
Jacksonville, FL 32202

Subject: Estimated Economic Impacts – The Byron North Beach

Mr. Phipps:

Raftelis Financial Consultants, Inc. ("Raftelis") has completed an analysis of the potential economic impacts of the proposed redevelopment of the Byron Carlyle property located in the City of Miami Beach (the "City"). A summary of key findings from this analysis includes the following:

- Redevelopment of the Byron Carlyle property is expected to generate one-time economic impacts of $60M in output and 427 temporary jobs earning $28M during construction of the Project.
- Consumption and production taxes from development of the Project (excluding property taxes and impact fees) benefiting the City from this one-time activity are estimated at $120,000.
- Recurring annual retail sales, City Cultural Center activities, and consumption expenditures from new households are expected to generate economic impacts of $16M in output and 119 permanent jobs earning $5M. These impacts are expected to occur each and every year and are stated in constant 2021 dollars.
- By definition, all direct impacts will occur within the City. While some indirect and induced impacts will occur outside the City, there is a likelihood of more capture of consumption expenditures and employment demand from households than would otherwise exist.
- The addition of 151 multi-family units targeting "workforce" household would create roughly $9M in aggregate household income, generating $2.2M in annual demand for food-away-from-home, retail, and entertainment spending.
- Consumption and use taxes from annual retail, City Cultural Center activities, and household consumer spending (excluding property taxes) benefiting the City are estimated at $75,000 each year (constant 2021 dollars).

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OVERVIEW OF ECONOMIC BENEFITS

There are multiple measures and values of a community's standard of living that go beyond jobs and income. But the practical reality is that income generated from employment is an important common denominator in the ability to achieve most of these measures. Individual Health, life expectancy, food security, education, income equality, and much more are most often only advanced when the local labor force is employed at all income and education levels and regional economic production grows. Thus, it is common to measure "economic benefits" of activities solely in terms of national or local output ("Gross Domestic Product" or "GDP") and employment; both from a business enterprise and household perspective. But it is important to understand that these measures are also contributing to the overall standard of living within the community in other ways.

The Byron North Beach ("Project") is proposed as a mixed-use development which would include a City operated cultural center ("City Cultural Center"), retail uses, and multi-family units targeting "workforce" households. The planned Project components include a 200- to 300-seat capacity cultural center within 10,500 square feet, 4- to 6-bays of retail uses totaling 9,000 square feet, and 151 multi-family units. Altogether, the Project will create measurable economic benefits for the community during its construction and development (One-time Impacts) and annual, ongoing (Recurring Impacts).

One-time Development Economic Impacts

Based on a total development budget of $40M including predevelopment costs, soft costs, and hard construction costs, the Project would be expected to create measurable one-time economic impacts in the region. During the construction phase, an estimated 427 total temporary jobs are expected to be created within the region with 269 directly associated with the Project.

Economic Measure	Direct	Indirect	Induced	Total
Employment	269	52	106	427
Earnings (000's)	$20,609	$2,693	$4,999	$28,300
Output (000's)	$36,125	$7,815	$16,102	$60,041
Earning/Job	$76,600	$51,800	$47,200	$66,300
Output/Job	$134,300	$150,300	$151,900	$140,600

Source: IMPLAN

The total temporary job count for development of the entire site is associated with more than $60M in total economic output and $28M in labor income. While these impacts occur only during the construction and development of the Project, they are nonetheless essential to maintaining a flow of demand for construction related employment within the region and establish a base of skilled labor that provides for future development opportunities.

In addition to the economic benefits created during construction and development, it is estimated that State and Local taxing jurisdictions would benefit from nearly $1,020,000 in tax collections (excluding property taxes), predominately from sales taxes on consumption and production. Of this amount, the City is expected to collect roughly $120,000 in taxes (excluding property taxes and impact fees).

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Recurring Economic Impacts

Based on the activities that are expected to occur in the retail uses and City Cultural Center, along with the consumption expenditures from the new households, the Project would be expected to create measurable recurring, annual economic impacts predominately within the City. On an annual basis, development of the project will create 119 total permanent jobs with 39 directly associated with the Project.

Economic Measure	Direct	Indirect	Induced	Total
Employment	39	15	65	119
Earnings (000's)	$1,309	$640	$3,070	$5,018
Output (000's)	$3,676	$2,192	$10,047	$15,915
Earning/Job	$33,600	$42,700	$47,200	$42,200
Output/Job	$94,300	$146,100	$154,600	$133,700

Source: IMPLAN

The total permanent job count is associated with nearly $16M in total economic output and $5M in labor income. Again, both output and income occurring on an annual basis.

The household spending that creates Induced employment impacts are those most likely to benefit the neighboring areas adjacent to the Project. While these employment impacts can occur anywhere within the City, County, or region, the direct activity stimulated by the Project is likely a main attraction for these support and affiliated jobs. The Induced employment impacts created from the Project represent a mix of professional and service-related jobs, clearly providing adjacent neighboring areas with more enhanced employment opportunity than would otherwise exist.

Top 15 Employment Sectors	Total Jobs
411 - Retail - General merchandise stores	20.0
496 - Performing arts companies	12.7
534 - Other local government enterprises	8.6
447 - Other real estate	5.5
509 - Full-service restaurants	3.9
510 - Limited-service restaurants	3.3
490 – Hospitals	3.0
499 - Independent artists, writers, and performers	2.4
483 - Offices of physicians	2.2
406 - Retail - Food and beverage stores	2.0
476 - Services to buildings	1.9
442 - Other financial investment activities	1.7
418 - Transit and ground passenger transportation	1.7
488 - Home health care services	1.6
511 - All other food and drinking places	1.5

Source: IMPLAN

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The addition of 151 multi-family units targeting "workforce" households would create roughly $9M in aggregate household income, generating $2.2M in annual demand for food-away-from-home, retail, and entertainment spending. Nothing limits consumer spending from occurring outside of the City, however, these levels of spending and economic impact would be less likely without the creation of new households at the Project.

In addition to the economic benefits created from annual activities, it is estimated that State and Local taxing jurisdictions would benefit from nearly $610,000 in annual tax collections (excluding property taxes), also predominately from sales taxes on consumption and use. Of this amount, the City is expected to collect roughly $75,000 in annual taxes (excluding property taxes).

Additional detail on the process and inputs for this analysis are provided in Appendix A. Let me know if you have any questions, comments, or thoughts.

Respectfully submitted,

Raftelis Financial Consultants, Inc.

Steven McDonald, CVA
Chief Economist / Valuation Services

SM
Attachments – Appendix A

APPENDIX A – MEASURING ECNOMIC IMAPCTS

Economic Impacts: The Basics

Economic impact analysis attempts to calculate how an activity affects the economy or economic growth of a specific geography using measurable market transactions. Economic benefits are typically defined as the value of an activity's economic output, expressed in terms of sales or production capacity, value added or other like economic or commercial activity, and total employment generated. The most common measures of benefit are simply economic output (final sales), jobs, and wages. Economic benefits can be classified as direct, indirect, or induced:

- Direct benefits relate to revenues generated or expenditures made in the local economy from a specific activity such as any type of retail sales, food and beverage sales, or entertainment. For this analysis, government final consumption expenditure ("GFCE") will be used to reflect the direct benefit to the local and regional economy from the on-going operation of the City Cultural Center.
- Indirect benefits are created by the industries and enterprises supporting the direct activities (e.g., services, wholesalers, suppliers).
- Induced benefits are those stimulated by subsequent or secondary rounds of expenditures when employees of the primary activity spend annual wages as household consumption expenditures. Induced benefits can also created from the increase in available housing units needed to accommodate in population growth.

The economic benefits derived in this report have been prepared using commercially available software, Impact Analysis for Planning ("IMPLAN"). IMPLAN is a common input-output model often used to track the impacts of economic activities. These kinds of generalized models incorporate multipliers adapted from extensive archives of national economic accounts specific to a state, region, or county. Calculating economic benefits utilizing this type of input-output model is generally accepted as the industry standard and results will be very consistent among different input-output models or between different professionals.

Most economic impact analyses are calculated and driven by private sector activities such as new manufacturing or new business enterprises. Determining these impacts is essentially a function of estimating either final sales (e.g. retail sales), employment created, value added from an intermediate activity, or an increase in household incomes. However, government spending also constitutes a very important institutional sector in our economy and is more difficult to measure.

In our system of national income accounting, the spending by governments for goods and services for current use to directly provide for individual and collective needs of the community is classified as GFCE and represents one of the major components of GDP. GFCE consists of the value of the goods and services produced by the government itself, excluding capital formation and sales or purchases by the government of goods and services produced by market producers that are supplied to households—without any transformation—as "social transfers" in-kind. Total government spending includes all government consumption, investment, and transfer payments.

National accountants use a common accounting framework for all the institutional sectors, whether private companies or government. However, government agencies are structured differently than firms. Foremost, government services generally have no "selling" prices and most general government agencies function without an operating profit surplus. Thus, this non-market output is provided to households and firms, but it is not recorded as consumption by these sectors but as consumption by the government itself. It is important to note that "final consumption by general government" is an accounting convention. General government does not actually consume its output. Households and firms consume that output as public services. However, because there are no observable monetary transactions, national accountants have given up on the idea of attributing this consumption specifically to households or to General government account, but it remains a key component of GDP.

Because of the unique nature of GFCE, Analysis-by-Parts ("ABP") is the appropriate technique for analyzing these public impacts. Analysis-by-Parts is a technique by which you can analyze the impact of an industry's production or spending in separate components using multiple activities instead of using a single industry activity. To perform an ABP, known values for direct employment and direct labor income are added to the direct intermediate inputs or output. All these elements can be estimated from IMPLAN data if there is an estimate of at least one data point for the activity's industry direct effect, which is GFCE in this case. The impact of all other activities were based on industry standard economic measures.

Economic Impact Inputs for the Project

The following metrics were utilized as inputs for estimating the economic impacts contained in this report:

- Construction: A development budget of $40,316,418 was identified for the redevelopment of the Byron Carlyle property to include predevelopment costs, soft costs, hard construction costs, and interest cost. This analysis used a hard construction cost of $28,600,000 for vertical improvements and $1,500,000 for architectural and professional fees. We did not include City permit fees, real estate taxes, project overhead, contingency, or interest costs.
- Retail: The Project was estimated to directly create 18 retail employees based on 9,000 square feet and using a value of 500 square feet per employee. The industry category of Retail – General Merchandise Stores (411) was identified as most appropriate for this use.
- Performing Arts activities: Based on a planned 200-seat black box theater and 95-seat cinema, annual sales from various performances was estimated at $1,225,000. The industry category of Performing Arts Companies (496) was identified as most appropriate for this use.
- City Cultural Center: ABP was used to estimated economic impacts from this public purpose use. This analysis estimated 8 total employees with $375,000 in employee compensation would be required to manage this facility. In addition, $725,000 industry spending patterns (501 – Museums and Historical site) was included above the expenditures related to Performing Arts Companies.
- Household Income: the income impacts from 151 multi-family units targeting "workforce" households was estimated at $7,745,000, calculated as the aggregate income from households spending 35% on housing at a weighted monthly rent of $1,496.

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PROFESSIONAL SERVICE AGREEMENT

COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

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January 11, 2021

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Patrick.Phipps@colliers.com

Raul Aguila
City Manager
City of Miami Beach
1700 Convention Center Drive,
Miami Beach, FL 33139
305.673.7010
raulaguila@miamibeachfl.gov

RE: Appraisal and Financial Analysis of BYRON CARLYLE THEATER PROJECT, MIAMI BEACH, FLORIDA

Dear Mr. Aguila:

Thank you for considering Colliers International Valuation & Advisory Services, LLC for the assignment identified in the below stated Professional Service Agreement. Please sign one copy of the agreement and return it to me, thereby indicating your authorization for us to proceed with this assignment and your acceptance of the attached Terms and Conditions.

PROFESSIONAL SERVICE AGREEMENT (**"Agreement"**)	
Project	Byron Carlyle Theater Project ("Property")
Location	500 71st Street, Miami Beach, FL 33141-3018, Miami-Dade County
Parties	Colliers International Valuation & Advisory Services, LLC ("CIVAS") and CITY OF MIAMI BEACH, (herein at times referred to as "Client")
Intended User	The Appraisal and Financial Analysis will be prepared for CITY OF MIAMI BEACH. Intended users include the Client. No other users are intended. **It should be noted that if this engagement is directly with the owner of the Property, the Appraisal and Financial Analysis will not be accepted by federally insured lenders due to FIRREA Compliance, limiting the use of this report. Should this potentially impact your source of lenders, we recommend engagement be directed by a Federally Insured Lender.**
Intended Use	The report to be performed under this Agreement ("Appraisal and Financial Analysis") is intended only for use in Internal Decision Making. The report is not intended for any other use.
Purpose	Market Value, Public Benefit
Type of Appraisal	CIVAS will produce an Appraisal and Financial Analysis Report in which the appraiser's analysis and conclusions will be fully described within this document.
Rights Appraised	Leasehold Interest, Fee Simple for Underlying Land
Date of Value	Date of inspection (or other date defined by appraiser)

Scope of Work	CIVAS and/or its designated affiliate will provide the Appraisal and Financial Analysis in accordance with USPAP and the Code of Ethics and Certifications Standards of the Appraisal Institute and State Licensing Laws. CIVAS will research relevant market data and perform analysis to the extent necessary to produce credible Appraisal and Financial Analysis results. Based on our discussions with the Client, the Client has requested the following valuation scenarios: › As Is (Value of Underlying Land) › Prospective Value Upon Completion › Prospective Value Upon Stabilization - Prospective Value Upon Stabilization of the overall proposed improvements which will include a statement as to whether the project is feasible or not. - Items of note to be contained within the prospective value: A) Proposed taxable value and real estate taxes generated by the proposed development B) Proposed rental rates for the subject with comparison to other similar properties in the area C) Estimated as is value of the site as is using a residual analysis Economic and Fiscal Impact Analysis – The private sector and public sector both produce quantifiable economic and fiscal impacts. Fiscal impact analysis centers on the public revenues associated with a particular set of economic activities, generally originating from new development or other economic development initiatives. Virtually all state and local taxes result from the flow of trade and consumer spending, directly and indirectly, captured within economic income. Fiscal impacts are quantifiable in very precise measures tied to legally applicable taxes, levies, charges or assessments. Additionally, as in the case of the economic impacts, there are both one time or recurring continuing effects stemming from the construction of any project elements and their continuing operations in a distinctly defined setting. We will provide an analysis of economic and fiscal impacts resulting from the proposed development. This analysis will include the following efforts: A. Fiscal Impact Analysis 1. Initial Client meeting to confirm project goals (remote) 2. Identify development program 3. Calculate City and Project FTE population 4. Populate City fiscal models using 2020 Comprehensive Annual Financial Report ("CAFR") 5. Estimate net fiscal impact of proposed development B. Economic Impact Analysis 1. Identify development program and estimate relevant industries and other economic variables 2. With Client's assistance, determine most appropriate construction cost for the proposed development. 3. Create and run on-time (construction) and on-going economic impact models using IMPLAN and the most recent economic data for the County CIVAS anticipates developing the following valuation approaches: › Land Value › Cost Approach › Sales Comparison Approach (if applicable) › Income Capitalization Approach An interior/exterior observation of the subject property will be performed. **Please note if it's a requirement per the client's underwriting guidelines to analyze and report all approaches to value, this will be performed although some approaches may be limited in application.** The scope of work will be included in the Appraisal and Financial Analysis. A copy of the Assumptions and Limiting Conditions, which appear in the Appraisal, is available upon request.
Delivery	Draft Appraisal and Financial Analysis: Delivered January 22, 2021, assuming authorization and receipt of property specific information in a timely manner. Final Appraisal and Financial Analysis: Delivered three (3) days after completion of client review and authorization to deliver final report(s).
Professional Fee	$20,000
Expenses	Fees include all associated expenses.
No. of Reports	One (1) Electronic Draft Appraisal and Financial Analysis and One (1) Electronic Final Appraisal and Financial Analysis. No printed copies will be delivered to the client.
Retainer	No retainer is required.
Payment Terms	CIVAS will invoice Client for the Appraisal and Financial Analysis in its entirety at the delivery of the draft Appraisal and Financial Analysis. Final payment is due and payable within five (5) business days upon delivery of the electronic copy of the Final Appraisal and Financial Analysis or within thirty (30) days of your receipt of our Draft Appraisal and Financial Analysis, whichever is sooner. If a Draft Appraisal and Financial Analysis is requested, the fee is considered earned upon delivery of our Draft Appraisal and Financial Analysis.
Acceptance Date	These specifications are subject to modification if this Agreement is not accepted within three (3) business days from the date of this letter.

Terms and Conditions

The attached Terms and Conditions and Specific Property Data Request are deemed a part of this Agreement as though set forth in full herein. The following is a list of information needed to begin and complete our analysis. The Client signing this Agreement or the party sending the specific property data certifies that all the information provided is accurate and complete as of the date of this request, and that any updates, revisions or additional relevant information that comes into control or possession of the Client prior to the date on which the Report is delivered shall be provided to CIVAS immediately. Please forward with the Agreement or as soon as possible the following, if available. The attached City Addendum are deemed a part of this Agreement as though set forth in full herein. In the event of a discrepancy, the terms of the Addendum shall control.

- Survey with Legal Description & Site Size
- Title Report
- Wetland Delineation Map (if applicable)
- Engineering studies, soil tests or environmental assessments
- Ground lease (if applicable)
- Existing Building or Improvement Plans
- Individual Floor or Unit Plans
- Current County Property Tax Bill
- Details on any Sale, Contract, or listing of the property in the past 3 years
- Construction Cost/Budget (within past 3 years)
- Detailed list of personal property items
- Property Condition Report
- Details regarding the historical and future replacement schedule (i.e., carpets, appliances, cabinetry, laundry facilities, HVAC, etc.)
- Capital improvements history (2 years) & budget
- Three year & YTD Income & Expenses
- Current Budget
- Detailed occupancy report for the past 3 years and YTD
- Detailed current certified rent roll indicating any vacant units and in-place rents
- Details regarding any pending changes to the rent roll including any negotiated side deals to delay or forgive rent payments
- Aged Accounts/Delinquency Report
- Details regarding any concessions currently being offered for new and existing tenants
- Marketing plan and/or local competitive study, if available
- Copy of recent Appraisals or Market Studies
- Name and telephone number of property contact for physical inspection and additional information needed during the appraisal process
- Property Contact ______________________

In addition to the items requested above, please forward any additional materials you would consider relevant in the analysis of the subject property.

The Appraisal and Financial Analysis requires CIVAS to submit a Summation of the Appraisal and Financial Analysis Findings in the form of a Letter of Transmittal along with the Summary of Salient Facts and Special/Limiting Conditions applicable to the Appraisal and Financial Analysis. This will be completed in conjunction with the Appraisal and Financial Analysis at the above stated fee.

If you have questions regarding the enclosed, please feel free to contact me. CIVAS appreciates this opportunity to be of service to you on this assignment and looks forward to working with you.

I, **Raul Aguila/City of Miami Beach,** agree to the above stated terms and authorize Colliers International Valuation & Advisory Services, LLC to prepare the above referenced Appraisal and Financial Analysis.

DocuSigned by:
Raul J. Aguila
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______________________ Date: 1/11/2021 | 6:34 PM EST

Raul Aguila
City Manager
City of Miami Beach

Respectfully,

Colliers International Valuation & Advisory Services, LLC

Patrick Phipps

Patrick R. Phipps, MAI
Managing Director | Jacksonville
Direct +1 904.861.1114
Mobile +1 904.254.0618
Patrick.Phipps@colliers.com

APPROVED AS TO FORM & LANGUAGE & FOR EXECUTION

City Attorney ff Date 1-14-21

TERMS AND CONDITIONS

"T&C"

1) The Appraisal will be subject to Colliers International Valuation & Advisory Services, LLC's ("CIVAS") Assumptions and Limiting Conditions that are incorporated into each appraisal, and any Extraordinary Assumptions and Hypothetical Conditions that may be incorporated into each appraisal.
2) Any capitalized, non-defined words shall have the same meaning as defined in the Agreement to which these T&Cs are attached.
3) Client is defined as the party signing the Agreement and shall be responsible for payment of the fees stipulated in the Agreement. Payment of the fee for the Appraisal is not contingent on the appraised value(s) or the outcome of the report(s). Additional fees will be charged on an hourly basis for any work that may exceed the scope of this proposal, including performing additional valuation scenarios, additional research, and conference calls, meetings, deposition preparation, deposition, trial testimony or travel that may exceed the time allotted by CIVAS for an assignment of this nature. If CIVAS is requested to cease working on the Appraisal for any reason prior to the completion of the appraisal(s), CIVAS will be entitled to bill the Client for the time spent to date at CIVAS' hourly rates for the personnel involved. The Client will be billed a minimum $500 or at a rate of $250 per hour for associate time, $300 per hour for valuation services director, $400 per hour for managing director, and $450 per hour for executive managing director. If the Client delays completion of the assignment beyond ninety (90) days, the fee may be renegotiated. This may result in the total fee exceeding the original agreed fee agreed upon cost. All additional fees shall require Client's prior written approval.
4) ~~Client agrees to pay all fees and expenses, including attorney's fees, incurred by CIVAS in connection with the collection or attempted collection of the fees and expenses. In the event Client fails to make payments when due and payable, the amount due shall bear interest at 1.5% per month or the maximum rate permitted in the state in which the CIVAS office executing the Agreement is located, whichever is lesser~~.
5) The fee is due upon delivery of the final report or within forty five (45) ~~thirty (30)~~ days of your receipt of the draft report, whichever is sooner. If a draft is requested, the fee is considered earned upon delivery of our draft report.
6) ~~In the event that either party commences any legal action relating to the provisions of the Agreement, including collection, the prevailing party shall be entitled to its actual attorneys' fees and costs. The Agreement shall be governed by and construed in accordance with the laws of the state where the CIVAS office executing the Agreement is located. The venue of any action arising out of the Agreement shall be the county where the CIVAS office executing the Agreement is located. Client will have up to thirty (30) days from receipt of the Draft Appraisal to review and communicate its review to CIVAS. CIVAS reserves the right to bill Client for additional appraisal efforts that may arise from the Client not responding within with this time period.~~
7) CIVAS does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to CIVAS by Client. In the event that any such information is inaccurate, misleading or incomplete, CIVAS shall have no responsibility or liability for any matters relating thereto (whether to the Client or to any third party).
8) CIVAS shall have no responsibility for legal matters, questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The Appraisal will not constitute a survey of the Property analyzed.
9) Client shall provide CIVAS with such materials with respect to the Appraisal as requested by CIVAS and which are in the possession or under the control of Client. Client shall provide CIVAS with sufficient access to the Property to be analyzed and hereby grants permission for entry, unless discussed in advance to the contrary.
10) The data gathered in the course of the Appraisal (except data furnished by Client) and the Appraisal prepared pursuant to the Agreement are, and will remain, the property of CIVAS. With respect to data provided by Client, such data shall be confidential, and CIVAS shall not disclose any information identified as confidential furnished to CIVAS. Notwithstanding the foregoing, CIVAS is authorized by Client to disclose all or any portion of the Appraisal and the related data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable CIVAS to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
11) Unless specifically noted, CIVAS does not assume any duty to analyze or examine the Property or adjacent property for the possible presence of toxic and/or hazardous substances or materials (including but not exclusive to asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (hazardous material), or the cost of encapsulation or removal thereof) and accepts no liability regarding the issue. If such materials exist, CIVAS defers to the expertise of professionals specifically trained in analyzing the cost to remediate, which will not be a part of the appraisal fee proposal. The Appraisal will contain a comprehensive disclaimer to this effect.
12) CIVAS understands that there is no major or significant deferred maintenance in the Property which would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, and are not a part of the fee contemplated in the Agreement.
13) Client acknowledges that CIVAS is being retained hereunder as an independent contractor to perform the services described herein and nothing in the Agreement shall be deemed to create any other relationship between Client and CIVAS. The Agreement shall be deemed concluded and the services hereunder completed upon delivery to Client of the Appraisal discussed herein.
14) ~~Client agrees that its only remedy for losses or damages relating to the Agreement shall be limited to the amount of the appraisal fee paid by the Client and in no circumstances shall CIVAS be liable for any losses or damages in excess of this amount. Should the Client, or any other entitled party, make a claim against CIVAS, its directors, officers, employees and other affiliates and shareholders, relating to this engagement or the appraisal(s), the maximum damages recoverable from CIVAS, its directors, officers, employees and other affiliates and shareholders, shall be the amount of funds actually collected by CIVAS under the Agreement, and no claim shall be made for any consequential or punitive damages.~~
15) If CIVAS or any of its employees receives a subpoena or other judicial notification to produce documents or provide testimony involving the Appraisal in connection with a lawsuit or related proceeding, CIVAS will notify the Client of receipt of the subpoena or

notification. However, if CIVAS is not part of the lawsuit or proceedings, Client agrees to compensate CIVAS for the professional time required and to reimburse CIVAS for the expenses incurred in responding to any such subpoena or judicial notification, including any attorneys' fees, as they are incurred. CIVAS is to be compensated at the prevailing hourly rates of the personnel responding to the subpoena or command for testimony. All additional compensation shall be subject to Client's prior written approval.

16) If expert witness testimony is required in connection with the Appraisal, the following hourly rates will apply. The Client will be billed at the rate of $250 per hour for associate time, $350 per hour for valuation services director, $400 per hour for managing director, and $450 per hour for executive managing director. The hourly billings pertain to court preparation, waiting and travel time, document review and preparation (excludes appraisal report) and all meetings related to court testimony.

17) ~~Client shall indemnify and hold CIVAS, its parent, subsidiaries, affiliates, its officers, directors, employees and agents ("CIVAS Indemnities"), fully harmless against all losses, damages, claims, and expenses of any kind whatsoever (including costs and reasonable attorneys' fees), sustained or incurred by a third party as a result of the negligence or intentional acts or omissions of Client (including any failure to perform any duty imposed by law), any misrepresentation, distortion or if Client fails to provide complete and accurate information to CIVAS, for which recovery is sought against the CIVAS Indemnities by that third party; however, such obligation to defend and indemnify shall not apply to the extent caused by the negligent act or willful misconduct of CIVAS. Client shall indemnify and hold CIVAS Indemnities harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the Appraisal to any third party.~~ LIMITATION OF LIABILITY. EXCEPT FOR THE INDEMNIFICATION PROVISION ABOVE, ANYTHING IN THE AGREEMENT TO THE CONTRARY NOTWITHSTANDING, UNDER NO CIRCUMSTANCES WHATSOEVER SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, OR INCIDENTAL DAMAGES OF ANY KIND WHATSOEVER.

18) CIVAS agrees to maintain Professional Liability Insurance in the amount of $1,000,000 and General Liability insurance in the amount of $2,000,000, as well as Workers Compensation per local regulatory requirements. CIVAS will endeavor to provide Client with written notice regarding any cancellation of any such insurance. CIVAS will provide Client with certificates of insurance naming Client as an additional insured on the General Liability policy upon request.

19) The Appraisal and the name Colliers International Valuation & Advisory Services may not be used in any marketing or investment material or offering memoranda without CIVAS' prior written consent. CIVAS, its employees and appraisers have no liability to any recipients of any prepared material, and disclaim all liability to any party other than the Client.

20) Unless CIVAS consents in writing, the Appraisal cannot be used by any party or for any purpose other than the Client for the purposes specified in the Agreement. Should the Client provide a copy of this Appraisal to any person or entity not authorized by CIVAS in writing, Client hereby agrees to hold CIVAS, its directors, officers, employees and other affiliates and shareholders, harmless from all damages, expenses, claims and costs, including any attorney's fees. The Client acknowledges that any opinions and conclusions expressed by the professionals of CIVAS pursuant to the Agreement are made as employees and not as individuals. CIVAS' responsibility is limited to the Client, and the use of the Appraisal or related product by third parties shall be solely at the risk of the Client and/or third parties. Notwithstanding the foregoing, CIVAS acknowledges that the Appraisal is subject to Florida's sunshine law and will be a public record in accordance with Fla. Stat. 119.

21) The use of this appraisal shall be used only for the purpose as set forth in the Intended Use section of the Agreement. In the event that the client wishes to use this report or portions of this report for any other purpose such as, to become part of or be referenced in, any offering or other material intended for the review of others, or to be submitted to others, will be at the Client's sole and absolute discretion and, if given, will be on condition that CIVAS will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CIVAS and the Client, by a party satisfactory to CIVAS and the Client. CIVAS does consent to Client submission of the complete Appraisal to rating agencies, loan participants or your accountants/auditors without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.

CITY OF MIAMI BEACH ADDENDUM - GENERAL

1. Incorporation by Reference. The City of Miami Beach, Florida ("CITY") and the undersigned ("Vendor") hereby incorporate this Addendum - General ("Addendum") into the agreement between CITY and Vendor (the "Agreement"). If this Addendum conflicts with the Agreement terms, this Addendum shall control.

2. Payment. Vendor shall submit bills for compensation for goods, services and/or expenses in detail sufficient for a pre-and post-audit; invoice requirements will be specified by the CITY department utilizing Vendor's services. If CITY does not issue payment within forty-five (45) days of receipt of a proper invoice, CITY may pay Vendor an interest penalty at the rate established pursuant to § 55.03(1), F.S., if the interest exceeds one dollar. CITY's performance and obligation to pay is contingent upon an appropriation of funds; CITY will give notice to Vendor of the non-availability of funds when CITY has knowledge thereof. CITY will be responsible for paying only for any goods/services it receives; Vendor must refund any payment for goods/services that are unused upon the termination of the Agreement. CITY is a tax immune sovereign and exempt from the payment of sales, use or excise taxes. Vendor is responsible for and shall pay any taxes due under the Agreement. If Vendor is making any payment to CITY, Vendor shall pay timely and not offset any amounts. CITY shall not make any deposits or prepay any amounts; any deposits are refundable.

3. Relationship of the Parties. Each of the parties is an independent contractor and nothing in the Agreement shall designate any of the employees or agents of one party as employees or agents of the other. Vendor represents and warrants that it is not on the Convicted Vendor List (see § 287.133, F.S.). Each party hereby assumes all risks attributable to the willful or negligent acts or omissions of that party and its officers, employees, and agents thereof. Vendor also assumes such risk with respect to the willful or negligent acts or omissions of Vendor's subcontractors or persons otherwise acting or engaged to act at the instance of Vendor in furtherance of fulfilling Vendor's obligations under the Agreement.

4. Information. Vendor acknowledges that all documents, materials and information furnished to or learned by Vendor in connection with the Agreement (the "Information") are and shall remain at all times proprietary and the sole property of CITY. Vendor shall not disclose Information to third parties unless it obtains CITY's prior written consent. CITY is subject to Chapter 119 of Florida Statutes, the Florida Public Records Law. The Agreement, this Addendum and any related documents and/or correspondence shall also become a public record subject to the Public Records Law, regardless of any confidentiality provision outlined in the Agreement. CITY may respond to public records requests without providing Vendor any notice. However, in the event CITY receives a request for Vendor's information, which is exempt from disclosure pursuant to the Public Records Laws AND is clearly marked as confidential, CITY will redact such information from release, unless otherwise authorized in writing by Vendor. CITY may unilaterally cancel the Agreement for Vendor's refusal to allow public access to public records related to the Agreement. Additionally, Vendor shall comply with all applicable requirements of the Public Records Laws, particularly if Vendor is a "Contractor" as defined under § 119.0701, F.S. This provision shall survive the expiration or termination of the Agreement. **IF VENDOR HAS QUESTIONS REGARDING THE APPLICABILITY OF CHAPTER 119 TO VENDOR'S DUTY TO PROVIDE PUBLIC RECORDS, VENDOR MAY CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (305) 673-7411, RAFAELGRANADO@MIAMIBEACHFL.GOV, OR BY MAIL AT 1700 CONVENTION CENTER DR, MIAMI BEACH, FL 33139.**

5. Indemnity. Nothing in the Agreement shall be construed as a waiver of sovereign immunity nor as an indemnification of Vendor by CITY, and any clause in the Agreement providing for City to indemnify Vendor is hereby deleted in its entirety and/or null and void.

6. Compliance. In its performance, Vendor shall, at its own expense, at all times in the term:

a. Permits: have all applicable permits, licenses, consents, and approvals necessary;

b. General: comply with all applicable federal, state, local laws and other governmental requirements, including those of the CITY; and

c. Privacy: comply with all applicable state and federal laws and CITY policies and procedures governing the use and/or safe-keeping of confidential, highly sensitive, and/or personally identifiable or protected health information (as may be defined by state or federal law). Vendor shall obtain, in advance, all necessary permissions and consents required in regard to its collection and/or receipt of any such information.

7. General Provisions.

a. Warranties. Vendor, at a minimum, warrants that the IP, the goods, and/or services to be provided by Vendor will be free of any material defects and will operate and conform to the specifications provided in all material aspects throughout the term of the Agreement. This warranty shall be in addition to any warranties provided in the Agreement.

b. Publicity. Vendor shall not make any announcements relating to the Agreement, nor shall Vendor use CITY's name, trademarks, logos or marks, without the prior written approval from CITY's Communications Department in each instance.

c. Insurance. CITY, as a public body corporate entity, warrants and represents that it is self-funded for liability insurance, with said protection being applicable to officers, employees, servants, and agents while acting within the scope of their employment by CITY. Any provision requiring CITY to provide or acquire insurance coverage other than such self-insurance shall not be effective. Vendor shall have and maintain the types and amounts of insurance that, at minimum, will cover Vendor's (or subcontractor's) exposure in performing the Agreement and name CITY as additional insured and be primary and non-contributory on Vendor's policies (except for workers' compensation & professional liability). All policies shall be in a form and with deductible limits reasonably satisfactory to CITY, with insurance companies reasonably approved by CITY and authorized to do business in the State of Florida. Certificates of all insurance shall be deposited with CITY prior to the date of the Agreement. All insurance policies and certificates shall contain a provision that it will not be cancelled without giving CITY thirty (30) days' written notice prior to the effective date of cancellation. Timely renewal certificates will be provided to CITY as coverage renews. Vendor, for and on behalf of itself and each of its insurers, hereby waives any and all rights of subrogation against CITY for any loss or damage arising from any cause covered by any insurance required to be carried under the Agreement by any other insurance actually carried by Vendor. Vendor shall provide copies of any insurance policies upon request by CITY. If the professional liability coverage is provided on a claims-made basis, then such insurance shall continue for three (3) years following the expiration or termination of the Agreement. The insurance shall have a retroactive date of placement by the effective date of the Agreement.

d. Third Parties. CITY is not liable for the acts of third parties or the consequences of the acts of third parties. There shall be no third party beneficiary to the Agreement.

e. Governing Law. The Agreement is governed by the laws of the State of Florida, without regards to its conflicts of law principles. Exclusive venue of any actions shall be in Miami-Dade County, Florida. CITY is entitled to the benefits of sovereign immunity.

f. Travel Expenses. If CITY is responsible for reimbursing Vendor for travel expenses pursuant to the Agreement, bills shall be subject to, and shall be submitted by Vendor in accordance with, § 112.061, F.S. and CITY's Travel Policy. CITY reserves the right not to pay travel expenses unless CITY approves such expenses in advance, in writing.

g. Lobbying. Vendor shall be solely responsible for its compliance with the lobbying prohibitions set forth in Sections 2-487 and/or 2-488 of the City Code.

h. Conflicts. Vendor represents that it is familiar with, and shall be responsible for, compliance with the requirements of Chapter 112, Florida Statutes, and other laws and regulations concerning conflicts of interests in dealing with public entities of the State of Florida. Violation of this section shall be grounds for termination for cause of the Agreement.

i. Renewal. Any automatic renewal provision is hereby deleted. In the event that the Agreement is held over by the City beyond the initial term herein provided, it shall only be from a month-to-month basis and shall not constitute an implied renewal of the Agreement. Said month-to-month extension shall be upon the same terms of the contract, including as to compensation and payment.

j. Termination. Upon giving at least thirty (30) days' written notice to Vendor, CITY may terminate the Agreement, at any time, either for cause or for City's convenience, with no further obligation to Vendor, other than to pay for any goods received or services rendered in compliance with the Agreement prior to the effective date of termination. CITY shall not be liable for any early termination charges. In the event of termination for cause, City reserves all rights available to it at law and in equity.

k. Records. Vendor agrees to keep and maintain, separate and independent records, in accordance with generally accepted accounting principles, devoted exclusively to its obligations and activities under the Agreement. Such records (including books, ledgers, journals, and accounts) shall contain all entries reflecting the business operations under the Agreement. CITY or its authorized agent shall have the right to audit and inspect such records from time to time during the term of the Agreement, upon reasonable notice to Vendor.

l. Deletion. Any term and/or condition in the Agreement on the following subject matters are hereby deleted in their entirety and declared null and void: (a) Grants of exclusivity by CITY to Vendor; (b) Restrictions on the hiring of Vendor's employees; (c) CITY's responsibility to pay intangible taxes, property taxes, or sales taxes; (d) CITY's tort liability; (e) Automatic renewals of the term of the Agreement; (f) Limitation of time to bring suit; (g) Limitation of Vendor's liability; (h) that CITY performs reporting functions and/or maintains certain types of operations (i) Granting Vendor any right to audit CITY; (j) Attorneys' or collection fees provisions; (k) Arbitration and mediation clauses; and (l) Indemnification of Vendor by CITY.

m. Assignment. Vendor shall not assign, transfer, delegate, subcontract, or otherwise dispose of, whether voluntarily, involuntarily, or by operation of law, any right or obligation hereunder without the prior written consent of CITY, not to be unreasonably withheld. Any such unapproved assignment, subcontracting or transfer is void. No subcontracting or delegation shall relieve Vendor of any obligation or liability under the Agreement.

8. No counterparts; Signatures. The Agreement may not be executed in counterparts. It may be signed electronically and such electronic signatures shall constitute an original for all purposes. The parties represent and warrant that any person signing the Agreement has the authority to do so and that such signature shall be sufficient to bind Vendor. This Agreement shall be considered signed if/when a party's signature is delivered by facsimile or e-mail transmission of a ".pdf" format date file, including via DocuSign. Such signature via DocuSign shall be treated in all respects as having the same force and effect as an original signature.

By signing below, Vendor's authorized representative agrees to incorporate this Addendum into the Agreement, and hereby executes this Addendum as of the date set forth below.

CITY:

DocuSigned by:

By: Raul Aguila
2B3D6240F92B45D...
Raul Aguila, Interim City Manager 1/14/2021 | 4:49 PM EST

Date: ____

Approved as to Form and Legal Sufficiency: ____ 1-14-21
City Attorney

VENDOR: Colliers International Valuation & Advisory Services LLC.

By: ____

Name: ____

Title: ____

Date: ____

Developer's Proposed Term Sheet
Bryon Carlyle Cultural Center
Workforce Housing
November 30, 2020

1. Project Description ("Project")

- Property type – Cultural center, multi-family residential units, retail space.

- The multi-family component:
  - 151 Units consisting of: (61) 1-bedroom units ("Standard"); (28) 1-bedroom units ("Loft"); (40) 1-bedroom units ("Classic"); and (22) 2-bedroom units ("Classic").

- The ground floor space will be subdivided for retail and cultural center use as follows:
  - Ground Floor Retail: approximately 4,500 sq. ft. – 2-3 retail bays.
  - Ground Floor Retail West: approximately 4,500 sq. ft. – 2-3 retail bays.
  - Ground Floor Cultural Center: a minimum of 10,500 sq. ft.
  - Shared back of the house service area

2. Cultural Center Component

- Location: SW corner of the building with an entrance on 71st Street ("Cultural Center").
- Delivery: The Developer will deliver the Cultural Center to the City as a Grey Shell (cold shell):
  - Includes bare stud walls, unfinished floors, with a point of connection for sewer within the space and electrical service within the electrical room.
  - Developer providing an additional $1,500,000.00 for buildout of t space for city.
  - Upon receiving building permit approval, Developer to deliver to City either a letter of credit or cash bond to secure the $1.5M commitment for the Build Out.
  - If city selects a tenant for the space within 60 days after Developer obtaining building permit, Developer would commit to provide construction services for the Build Out as part the Project. [Bond securing completion should remain in place until work gets done, with developer ability to reduce the bond amount as is customary during construction.
  - If City selects tenant at later date, City to be responsible for the Build Out, with funds to be provided in escrow, and available to City for draws to cover hard and soft costs for the Build Out only.

- Square footage: approximately 10,500 sq. ft.
- Estimated cost: $5.1 million.

- Estimated market value of land is $4.5 million.
- Estimated market value of cultural center valued at $12 million.

3. Project Budget / Operating Budget

- The Cultural Center's proportionate share of operating/maintenance costs (i.e. CAM) is currently estimated at $8.00/square foot or $84,000.00 annually.

4. Project financing to be obtained

- Financing mix: financing through a regional bank and/or a mix of regional bank financing and private lender financing.
  - Collateral: developer will retain, as a term of the lease, the ability to fully collateralize the leasehold interest, subject to City Manager approval of institutional lender, with such approval not to be unreasonably withheld.
- Tax credits and subsidies: Not applicable unless offered by the City, County and State.

5. The Development Agreement

- Construction period: five (5) years to TCO (aspirational); with outside date of seven (7) years from Effective Date of Development Agreement.

- Zoning: City to rezone property from GU to TC-C. If the project remains GU → city will convert the property to TCC after thirty (30) years. [Note: Contract zoning issue; not agreed, as not legally enforceable.]

- Required approvals:
  - City Commission shall approve the Concept Plan design.
  - Developer responsible for all design approvals (DRB).
    - the City Manager will approve the final Plans and Specifications and material modifications thereto, and will not unreasonably withhold any approvals. City Manager or designee will either approve or provide objections/comments to the proposed Plans and Specifications (or material modifications thereto), within 14 business days of receipt of the proposed plans. If the City has not provided a response within the 14-day time period, the proposed plans shall be deemed approved.
  - Outside date of 9 months following Effective Date of Development Agreement for <u>DRB approval</u> (plus 1 month to exhaust all appeals).
  - Outside date of 1 year after DRB Approval to <u>complete construction documents</u>.
  - Outside date of 7 months following construction documents completion for <u>final Building permit</u>.
  - Outside date of 7 years for <u>TCO</u> (5-year aspirational goal).

6. **Term of Ground Lease**

  - Initial Term: ninety-nine (99) years
  - Workforce housing covenant: thirty (30) years
  - **Rent: $1/annually**
  - **Percentage rent: 0%**
  - **10,500 SF city-owned cultural center with a $1.5 mil budget for build out.**

7. **Condition of Property/Environmental**

  - AS IS condition, subject to:
    - review of the environmental phase I and/or II to be obtained for the project
    - confirmation of the non-existence of any environmentally hazardous materials or conditions affecting the property and/or abutting or adjacent properties.
  - Phase 1/Phase 2 costs: The City will be responsible for the first $350,000.00 for costs of the phase 1 and if necessary, a phase 2, remediation [and demolition][Note: Administration does not recommend covering demolition costs] and the Developer will be responsible for costs in excess of $350,000.00.
  - City's warranties/representations:
    - As City is not able to make reps as to environmental condition until the phase 1/phase 2 reports are completed, D.A. will include due diligence period to permit Developer to estimate the environmental costs prior to the Project financial close / Lease Possession Date.
    - City to pay for environmental remediation costs, up to a maximum of $350,000.00. Any amount in excess shall be approved by the City Commission at its sole discretion. If City Commission declines to cover any excess costs, Developer has option to either cover costs and proceed with the project, or terminate the agreement for convenience.

8. **Terms re: Management and Operation of Facility**

  - Marketing Plan: Developer to provide City with a marketing plan within ninety (90) days of receiving final (no planning board approval needed), Design Review Board plan approvals.
  - Leasehold condominium: Developer may submit the real property and improvements thereon, and the appurtenances thereto, to leasehold condominium ownership.
  - Each condo unit/lessee shall be responsible for all utilities, repairs and maintenance within each unit.
  - The to-be-formed condominium association shall be responsible for all repairs and maintenance for the common areas as paid for by the common area maintenance charges.

9. Use Restrictions/Project Requirements

- Ground Lease will incorporate the workforce housing requirements of Chapter 58 of the City Code.
- Restrictive covenants period: relating to the workforce housing units shall run with the land for a total period of thirty (30) years ("Restrictive Covenant Period").
- Short term rentals: None.
- Tenant mix: (20%) at or below one hundred percent (100%) of AMI – all other units shall be capped at one-hundred forty percent (140%) of AMI**.**
- Lottery. Priority to City employees, any teachers working in Miami beach (whether public or private schools), medical personnel in Miami Beach (Tier 1). After Tier 1, placement via lottery system for all other income-eligible tenants.
- Tiers shall be consistent with requirements of Chapter 58 Workforce Housing

10. City Participation

- City's contribution:
  - providing the Ground Lease.
  - City will not be responsible for any costs or expenses related to the development, financing, design and construction
  - Costs and expenses of the operation and maintenance of the Cultural Facility.

11. Termination Rights

- Developer Termination:
  - Developer shall be responsible for all City's incurred costs and expenses up to $350,000.00 in the event the Developer terminates other than for convenience.
- City Termination:
  - City will not have the right to terminate for convenience.

12. Other

- Developer and/or Lessee to comply with all applicable laws in the performance of their obligations for the project.
- Developer will use its best efforts to incorporate the City's local workforce hiring goals.

  Each party responsible for payment of its own attorney fees [and costs] incurred in connection with the project and its approvals.
- Developer will split the costs for the review of D.A. and Ground Lease, including public hearing ads and required mailers. [Note: need to be clear that application fees, public hearing notices, mailers, and appraisal costs, as required under the City Code, are Developer costs, and will be borne by the Developer.]


THE BYRON
NORTH BEACH
NOVEMBER 30, 2020

ASSET SUMMARY

TOTAL CAPITALIZATION	**38,652,462**
LOT SIZE (ACRES)	**0.72 Acres**
LOT SIZE (SQ. FT.)	31,500
Provided FAR	124,230 SF
MAX FAR	124,239 SF
FAR	**3.5 x**
TOTAL GROSS SQ. FT.	**155,186 SF**
RESIDENTIAL	81,605 SF
BALCONY SLAB	23,464 SF
COMMON AREA	1,300 SF
CORE CIRCULATION	19,160 SF
RETAIL	9,000 SF
CULTURAL CENTER	10,500 SF
AMENITY ROOF TERRACES	4,848 SF
UNOCCUPIED ROOFS	- SF
MECHANICAL/BOH	5,309 SF
EFFICIENCY	**65%**
TOTAL NET SQ. FT.	**101,105 SF**
NET RESIDENTIAL SQ. FT.	81,605 SF
NET RETAIL SQ. FT.	9,000 SF
CULTURAL CENTER	10,500 SF
TOTAL UNITS	**151**
AVERAGE SQ. FT.	540 SF
PROFORMA MONTHLY RENT PSF	**$2.77**

PSF	**$382**	**PER UNIT**	$255,977

UNIT BREAKDOWN

	Units	Net Sq. Ft.	Total NSF	% Sq. Ft.	ProForma Rent PSF	Monthly Rent	140% AMI Cap	Rent % of AMI
1-br Standard	7	413	2,892	4%	2.80	1,159	2,401	48%
1-br Standard	8	425	3,400	4%	2.73	1,158	2,401	48%
1-br Standard	7	463	3,241	4%	2.77	1,283	2,401	53%
1-br Standard	32	486	15,552	19%	2.66	1,291	2,401	54%
1-br Standard	7	541	3,787	5%	2.64	1,428	2,401	59%
1-br Loft	28	512	14,336	18%	2.65	1,358	2,401	57%
1-br Classic	3	553	1,659	2%	2.74	1,515	2,401	63%
1-br Classic	7	576	4,032	5%	2.74	1,578	2,401	66%
1-br Classic	8	581	4,648	6%	2.72	1,578	2,401	66%
1-br Classic	8	584	4,672	6%	2.70	1,578	2,401	66%
1-br Classic	7	621	4,347	5%	2.90	1,803	2,401	75%
1-br Classic	7	622	4,354	5%	2.89	1,800	2,401	75%
2-br Classic	7	660	4,620	6%	3.01	1,984	2,880	69%
2-br Classic	15	671	10,065	12%	3.01	2,018	2,880	70%
	151	**540**	**81,605**	**100%**	**2.77**	**1,496**		

1-br Standard	61	473	28,872	35%	2.69	1,273
1-br Loft	28	512	14,336	18%	2.65	1,358
1-br Classic	40	593	23,712	29%	2.79	1,651
2-br Classic	22	668	14,685	18%	3.01	2,007
	151	**540**	**81,605**	**100%**	**2.77**	**1,496**

THE BYRON
NORTH BEACH

CULTURAL COMPONENT COST & VALUE

CULTURE CENTER DIRECT COSTS	$5,100,000
ADDITIONAL DEVELOPER COSTS	$600,000
DEVELOPER CONTRIBUTION BUILD OUT	$1,500,000
VALUE OF COMPLETED CULTURAL CENTER	**$12,600,000**

DIRECT FINANCIAL BENEFIT TO CITY

PERMIT AND IMPACT FEES	$2,900,736
INFRASTRUCTURE IMPROVEMENTS	$1,050,000
GENERAL UTILITIES	$698,339
REAL ESTATE TAXES (DURING INITIAL WFH PERIOD)	$23,859,913
VALUE OF COMPLETED CULTURAL CENTER	$12,600,000
NET BENEFIT TO CITY	**$41,108,998**

DEVELOPMENT BUDGET

Predevelopment	
FAR Purchase	600,000
Land Closings Costs	230,918
Loan Closings Costs	952,110
Total Predevelopment Costs	**1,783,027**

Soft Costs	
Architecture and Professional Fees	1,027,000
Legal	450,000
Permits, Inspection and Fees	1,803,147
County and City Fees	1,442,589
Marketing and Leasing	325,000
Real Estate Taxes	72,000
Insurance	429,150
General and Administrative	750,000
Project Overhead	858,299
Soft Cost Contingency	367,811
Total Soft Costs	**7,524,996**

Hard Costs	
Hard Cost Construction	26,990,540
Hard Cost Contingency	1,619,432
Total Hard Costs	**28,609,972**

Development Summary	
Total Predevelopment Costs	1,783,027
Soft Costs	7,524,996
Hard Costs	28,609,972
Interest Reserve	898,422
Total Development Costs	**38,816,418**
Developer Build Out	1,500,000
Total Development Budget	**40,316,418**

OPERATING CASH FLOW YEARS 2023 - 2037

RENTAL ASSUMPTIONS	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Revenue Growth	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*
Vacancy	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*
Concessions	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*
OpEx Growth	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*
Rent per Sq. Ft. (Market)	**$2.77**	**$2.85**	**$2.94**	**$3.02**	**$3.12**	**$3.21**	**$3.31**	**$3.40**	**$3.51**	**$3.61**	**$3.72**	**$3.83**	**$3.95**	**$4.07**	**$4.19**
Effective Rent per Sq. Ft. (Market)	**$2.59**	**$2.67**	**$2.75**	**$2.83**	**$2.91**	**$3.00**	**$3.09**	**$3.18**	**$3.28**	**$3.38**	**$3.48**	**$3.58**	**$3.69**	**$3.80**	**$3.91**

APARTMENT RENTAL REVENUE															
Apartment Rental Revenue	2,710,787	2,792,110	2,875,874	2,962,150	3,051,014	3,142,545	3,236,821	3,333,926	3,433,943	3,536,962	3,643,071	3,752,363	3,864,934	3,980,882	4,100,308
Vacancy	(135,539)	(139,606)	(143,794)	(148,107)	(152,551)	(157,127)	(161,841)	(166,696)	(171,697)	(176,848)	(182,154)	(187,618)	(193,247)	(199,044)	(205,015)
Concessions	(40,662)	(41,882)	(43,138)	(44,432)	(45,765)	(47,138)	(48,552)	(50,009)	(51,509)	(53,054)	(54,646)	(56,285)	(57,974)	(59,713)	(61,505)
Effective Rental Income	**2,534,586**	**2,610,623**	**2,688,942**	**2,769,610**	**2,852,698**	**2,938,279**	**3,026,428**	**3,117,221**	**3,210,737**	**3,307,059**	**3,406,271**	**3,508,459**	**3,613,713**	**3,722,124**	**3,833,788**

OTHER REVENUE															
Retail East	270,000	278,100	286,443	295,036	303,887	313,004	322,394	332,066	342,028	352,289	362,857	373,743	384,955	396,504	408,399
Retail West	270,000	278,100	286,443	295,036	303,887	313,004	322,394	332,066	342,028	352,289	362,857	373,743	384,955	396,504	408,399
Cultural Center	84,000	86,520	89,116	91,789	94,543	97,379	100,300	103,309	106,409	109,601	112,889	116,276	119,764	123,357	127,058
Total Retail Income	624,000	642,720	662,002	681,862	702,317	723,387	745,089	767,441	790,465	814,178	838,604	863,762	889,675	916,365	943,856
Utility Reimbursement	34,428	35,461	36,525	37,620	38,749	39,911	41,109	42,342	43,612	44,921	46,268	47,656	49,086	50,559	52,075
Effective Gross Income	**3,193,014**	**3,288,804**	**3,387,468**	**3,489,092**	**3,593,765**	**3,701,578**	**3,812,625**	**3,927,004**	**4,044,814**	**4,166,158**	**4,291,143**	**4,419,878**	**4,552,474**	**4,689,048**	**4,829,719**

OPERATING EXPENSES															
Payroll & Benefits	86,070	87,791	89,547	91,338	93,165	95,028	96,929	98,867	100,845	102,862	104,919	107,017	109,158	111,341	113,568
Repairs & Maintenance	43,035	43,896	44,774	45,669	46,582	47,514	48,464	49,434	50,422	51,431	52,459	53,509	54,579	55,670	56,784
General & Administrative (G&A)	35,863	36,580	37,311	38,058	38,819	39,595	40,387	41,195	42,019	42,859	43,716	44,591	45,482	46,392	47,320
Marketing	28,690	29,264	29,849	30,446	31,055	31,676	32,310	32,956	33,615	34,287	34,973	35,672	36,386	37,114	37,856
Management Fee	95,790	98,664	101,624	104,673	107,813	111,047	114,379	117,810	121,344	124,985	128,734	132,596	136,574	140,671	144,892
General Utilities	17,214	17,558	17,909	18,268	18,633	19,006	19,386	19,773	20,169	20,572	20,984	21,403	21,832	22,268	22,714
Outsourcing/Contract Services	71,725	73,160	74,623	76,115	77,637	79,190	80,774	82,389	84,037	85,718	87,432	89,181	90,965	92,784	94,640
Insurance	114,760	117,055	119,396	121,784	124,220	126,704	129,238	131,823	134,460	137,149	139,892	142,690	145,543	148,454	151,423
Real Estate Taxes	588,145	599,908	611,906	624,144	636,627	649,360	662,347	675,594	689,106	702,888	716,945	731,284	745,910	760,828	776,045
Turnover	71,725	73,160	74,623	76,115	77,637	79,190	80,774	82,389	84,037	85,718	87,432	89,181	90,965	92,784	94,640
Total Operating Expenses	**(1,153,017)**	**(1,177,035)**	**(1,201,562)**	**(1,226,610)**	**(1,252,189)**	**(1,278,311)**	**(1,304,988)**	**(1,332,231)**	**(1,360,054)**	**(1,388,468)**	**(1,417,488)**	**(1,447,125)**	**(1,477,393)**	**(1,508,307)**	**(1,539,879)**

NOI	2,039,997	2,111,769	2,185,906	2,262,482	2,341,576	2,423,267	2,507,638	2,594,773	2,684,760	2,777,690	2,873,656	2,972,753	3,075,081	3,180,741	3,289,840

LOAN	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Senior Loan - Beginning Bal.	25,124,101	25,124,101	24,596,011	24,052,078	23,491,827	22,914,769	22,320,399	21,708,198	21,077,631	20,428,147	19,759,178	19,070,141	18,360,432	17,629,432	16,876,502
Interest 3.00%	(753,723)	(753,723)	(737,880)	(721,562)	(704,755)	(687,443)	(669,612)	(651,246)	(632,329)	(612,844)	(592,775)	(572,104)	(550,813)	(528,883)	(506,295)
Principal		(528,090)	(543,933)	(560,251)	(577,058)	(594,370)	(612,201)	(630,567)	(649,484)	(668,969)	(689,038)	(709,709)	(731,000)	(752,930)	(775,518)
Loan - Ending Bal.	25,124,101	24,596,011	24,052,078	23,491,827	22,914,769	22,320,399	21,708,198	21,077,631	20,428,147	19,759,178	19,070,141	18,360,432	17,629,432	16,876,502	16,100,984
Cash Flow (After Senior)	**1,286,274**	**829,956**	**904,093**	**980,669**	**1,059,763**	**1,141,454**	**1,225,825**	**1,312,960**	**1,402,947**	**1,495,877**	**1,591,843**	**1,690,940**	**1,793,268**	**1,898,928**	**2,008,027**

OPERATING CASH FLOW YEARS 2036 - 2052

RENTAL ASSUMPTIONS	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Revenue Growth	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*
Vacancy	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*
Concessions	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*
OpEx Growth	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*
Rent per Sq. Ft. (Market)	**$4.31**	**$4.44**	**$4.58**	**$4.71**	**$4.85**	**$5.00**	**$5.15**	**$5.30**	**$5.46**	**$5.63**	**$5.80**	**$5.97**	**$6.15**	**$6.33**	**$6.52**
Effective Rent per Sq. Ft. (Market)	**$4.03**	**$4.15**	**$4.28**	**$4.41**	**$4.54**	**$4.67**	**$4.81**	**$4.96**	**$5.11**	**$5.26**	**$5.42**	**$5.58**	**$5.75**	**$5.92**	**$6.10**

APARTMENT RENTAL REVENUE															
Apartment Rental Revenue	4,223,317	4,350,017	4,480,517	4,614,933	4,753,381	4,895,982	5,042,862	5,194,148	5,349,972	5,510,471	5,675,785	5,846,059	6,021,441	6,202,084	6,388,146
Vacancy	(211,166)	(217,501)	(224,026)	(230,747)	(237,669)	(244,799)	(252,143)	(259,707)	(267,499)	(275,524)	(283,789)	(292,303)	(301,072)	(310,104)	(319,407)
Concessions	(63,350)	(65,250)	(67,208)	(69,224)	(71,301)	(73,440)	(75,643)	(77,912)	(80,250)	(82,657)	(85,137)	(87,691)	(90,322)	(93,031)	(95,822)
Effective Rental Income	**3,948,802**	**4,067,266**	**4,189,284**	**4,314,962**	**4,444,411**	**4,577,743**	**4,715,076**	**4,856,528**	**5,002,224**	**5,152,291**	**5,306,859**	**5,466,065**	**5,630,047**	**5,798,948**	**5,972,917**

OTHER REVENUE															
Retail East	420,651	433,271	446,269	459,657	473,447	487,650	502,280	517,348	532,868	548,854	565,320	582,280	599,748	617,740	636,273
Retail West	420,651	433,271	446,269	459,657	473,447	487,650	502,280	517,348	532,868	548,854	565,320	582,280	599,748	617,740	636,273
Cultural Center	130,869	134,795	138,839	143,004	147,295	151,713	156,265	160,953	165,781	170,755	175,877	181,154	186,588	192,186	197,952
Total Retail Income	972,172	1,001,337	1,031,377	1,062,318	1,094,188	1,127,013	1,160,824	1,195,649	1,231,518	1,268,464	1,306,517	1,345,713	1,386,084	1,427,667	1,470,497
Utility Reimbursement	53,638	55,247	56,904	58,611	60,370	62,181	64,046	65,968	67,947	69,985	72,085	74,247	76,475	78,769	81,132
Effective Gross Income	**4,974,611**	**5,123,849**	**5,277,565**	**5,435,892**	**5,598,969**	**5,766,938**	**5,939,946**	**6,118,144**	**6,301,688**	**6,490,739**	**6,685,461**	**6,886,025**	**7,092,606**	**7,305,384**	**7,524,546**

OPERATING EXPENSES															
Payroll & Benefits	115,839	118,156	120,519	122,929	125,388	127,895	130,453	133,062	135,724	138,438	141,207	144,031	146,912	149,850	152,847
Repairs & Maintenance	57,919	59,078	60,259	61,465	62,694	63,948	65,227	66,531	67,862	69,219	70,603	72,016	73,456	74,925	76,423
General & Administrative (G&A)	48,266	49,232	50,216	51,220	52,245	53,290	54,356	55,443	56,552	57,683	58,836	60,013	61,213	62,437	63,686
Marketing	38,613	39,385	40,173	40,976	41,796	42,632	43,484	44,354	45,241	46,146	47,069	48,010	48,971	49,950	50,949
Management Fee	149,238	153,715	158,327	163,077	167,969	173,008	178,198	183,544	189,051	194,722	200,564	206,581	212,778	219,162	225,736
General Utilities	23,168	23,631	24,104	24,586	25,078	25,579	26,091	26,612	27,145	27,688	28,241	28,806	29,382	29,970	30,569
Outsourcing/Contract Services	96,532	98,463	100,432	102,441	104,490	106,580	108,711	110,885	113,103	115,365	117,672	120,026	122,426	124,875	127,372
Insurance	154,452	157,541	160,692	163,906	167,184	170,527	173,938	177,417	180,965	184,584	188,276	192,041	195,882	199,800	203,796
Real Estate Taxes	791,566	807,397	823,545	840,016	856,816	873,953	891,432	909,260	927,445	945,994	964,914	984,212	1,003,897	1,023,975	1,044,454
Turnover	96,532	98,463	100,432	102,441	104,490	106,580	108,711	110,885	113,103	115,365	117,672	120,026	122,426	124,875	127,372
Total Operating Expenses	**(1,572,126)**	**(1,605,061)**	**(1,638,699)**	**(1,673,057)**	**(1,708,148)**	**(1,743,991)**	**(1,780,601)**	**(1,817,995)**	**(1,856,190)**	**(1,895,205)**	**(1,935,056)**	**(1,975,763)**	**(2,017,344)**	**(2,059,818)**	**(2,103,206)**

NOI	**3,402,485**	**3,518,789**	**3,638,866**	**3,762,835**	**3,890,820**	**4,022,947**	**4,159,345**	**4,300,149**	**4,445,498**	**4,595,534**	**4,750,405**	**4,910,262**	**5,075,262**	**5,245,566**	**5,421,339**

LOAN		16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Senior Loan - Beginning Bal.		16,100,984	15,302,200	14,479,453	13,632,024	12,759,172	11,860,134	10,934,125	9,980,336	8,997,933	7,986,058	6,943,826	5,870,328	4,764,625	3,625,751	2,452,710
Interest	3.00%	(483,030)	(459,066)	(434,384)	(408,961)	(382,775)	(355,804)	(328,024)	(299,410)	(269,938)	(239,582)	(208,315)	(176,110)	(142,939)	(108,773)	(73,581)
Principal		(798,783)	(822,747)	(847,429)	(872,852)	(899,038)	(926,009)	(953,789)	(982,403)	(1,011,875)	(1,042,231)	(1,073,498)	(1,105,703)	(1,138,874)	(1,173,040)	(1,208,232)
Loan - Ending Bal.		15,302,200	14,479,453	13,632,024	12,759,172	11,860,134	10,934,125	9,980,336	8,997,933	7,986,058	6,943,826	5,870,328	4,764,625	3,625,751	2,452,710	1,244,479
Cash Flow (After Senior)		**2,120,672**	**2,236,976**	**2,357,053**	**2,481,022**	**2,609,007**	**2,741,134**	**2,877,532**	**3,018,336**	**3,163,685**	**3,313,721**	**3,468,592**	**3,628,449**	**3,793,449**	**3,963,753**	**4,139,526**

DISCLAIMER

This preliminary proforma is for illustrative purposes only and is based on specific assumptions, all of which are subject to change. The information contained herein is proprietary and should remain confidential. Any and all deadlines or milestones, contained herein are for modeling purposes only and are subject to change based on negotiations, closing dates, market volatility and final design review and constructability analysis. Development budgets and operating statement will require refinement through collaboration and negotiation. All final agreements and proformas shall take precedence and govern the actual development of the project.

Valuation Glossary

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Unless specified otherwise, these definitions were extracted from the following sources or publications:

The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015 *(Dictionary)*.

Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition (USPAP).

The Appraisal of Real Estate, Fourteenth Edition, Appraisal Institute, Chicago, Illinois, 2013 *(14th Edition)*.

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. *(Dictionary)*

Ad Valorem Tax

A real estate tax based on the assessed value of the property, which is not necessarily equivalent to its market value. *(14th Edition)*

Aggregate of Retail Values (ARV)

The sum of the separate and distinct market value opinions for each of the units in a condominium; subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as sold together in a single transaction; it is simply the total of the individual market value conclusions. Also called *sum of the retail values*. *(Dictionary)*

Arm's-length Transaction

A transaction between unrelated parties who are each acting in his or her own best interest. *(Dictionary)*

As-Is Market Value

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

Assessed Value

The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value. *(14th Edition)*

Average Daily Room Rate (ADR)

In the lodging industry, the net rooms revenue derived from the sale of guest rooms divided by the number of paid occupied rooms. *(Dictionary)*

Band of Investment

A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment. *(Dictionary)*

Cash-Equivalent Price

The price of a property with nonmarket financing expressed as the price that would have been paid in an all-cash sale. *(Dictionary)*

Common Area

The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. *(Dictionary)*

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Contract Rent

The actual rental income specified in a lease. *(14th Edition)*

Cost Approach

A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised. *(14th Edition)*

Curable Functional Obsolescence

An element of depreciation; a curable defect caused by a flaw in the structure, materials, or design, which can be practically and economically corrected. *(Dictionary)*

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service, which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. *(Dictionary)*

Deferred Maintenance

Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of a property. (*Dictionary)*

Depreciation

In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. *(Dictionary)*

Direct Costs

Expenditures for the labor and materials used in the construction of improvements; also called *hard costs*. *(Dictionary)*

Discounted Cash Flow (DCF) Analysis

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

Discount Rate

A rate of return on capital used to convert future payments or receipts into present value; usually considered to be a synonym for *yield rate*. *(Dictionary)*

Disposition Value

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

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider their best interests.
7. An adequate marketing effort will be made during the exposure time.

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8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.

9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Easement

The right to use another's land for a stated purpose. Access or right-of-way easements may be acquired by private parties or public utilities. Governments may be the beneficiaries of easements placed on privately owned land that is dedicated to conservation, open space, or preservation. *(14th Edition)*

Economic Life

The period over which improvements to real property contribute to property value. *(Dictionary)*

Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. *(Dictionary)*

Effective Date

The date on which the appraisal or review opinion applies (SVP) *(Dictionary)*

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. *(Dictionary)*

Effective Gross Income Multiplier (EGIM)

The ratio between the sale price (or value) of a property and its effective gross income. *(Dictionary)*

Effective Rent

The rental rate net of financial concessions such as periods of free rent during the lease term and above or below-market tenant improvements (TIs). *(14th Edition)*

Eminent Domain

The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the *takings clause*, guarantees payment of just compensation upon appropriation of private property. *(Dictionary)*

Entrepreneurial Incentive

The amount an entrepreneur expects to receive for his or her contribution to a project. Entrepreneurial incentive may be distinguished from entrepreneurial profit (often called *developer's profit*) in that it is the expectation of future profit as opposed to the profit actually earned on a development or improvement. *(Dictionary)*

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Entrepreneurial Profit

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

Excess Land

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

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. Due to the higher risk inherent in the receipt of excess rent, it may be calculated separately and capitalized or discounted at a higher rate in the income capitalization approach. *(14th Edition)*

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. *(Dictionary)*

Exposure Time

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

External Obsolescence

A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be temporary or permanent. *(Dictionary)*

Extraordinary Assumption

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. Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or 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. (USPAP)

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Fair Market Value

In nontechnical usage, a term that is equivalent to the contemporary usage of *market value*.

As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency. (*Dictionary*)

Feasibility Analysis

A study of the cost-benefit relationship of an economic endeavor. *(USPAP)*

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. *(Dictionary)*

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the zoning or 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. *(Dictionary)*

Functional Obsolescence

The impairment of functional capacity of improvements according to market tastes and standards. *(Dictionary)*

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. (*Dictionary*)

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. *(Dictionary)*

Going-concern

An established and operating business having an indefinite future life. *(Dictionary)*

Going-concern Value

An outdated label for 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; more accurately termed the *market value of the going concern or market value of the total assets of the business. (Dictionary)*

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. *(Dictionary)*

Gross Leasable Area (GLA) - Commercial

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. *(Dictionary)*

Gross Living Area (GLA) - Residential

Total area of finished, above-grade residential area; calculated by measuring the outside perimeter of the structure and includes only finished, habitable, above-grade living space. (Finished basements and attic areas are not generally included in total gross living area. Local practices, however, may differ.) *(Dictionary)*

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Highest & Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for that asset when formulating the price that it would be willing to bid (IVS). *(Dictionary)*

Hypothetical Condition

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

Income Capitalization Approach

In the income capitalization approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to this approach. Techniques and procedures from this approach are used to analyze comparable sales data and to measure obsolescence in the cost approach. (*14th Edition)*

Incurable Functional Obsolescence

An element of depreciation; a defect caused by a deficiency or superadequacy in the structure, materials, or design that cannot be practically or economically corrected as of the effective date of the appraisal. *(Dictionary)*

Indirect Costs

Expenditures or allowances for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract. Indirect costs may include administrative costs, professional fees, financing costs and the interest paid on construction loans, taxes and the builder's or developer's all-risk insurance during construction, and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. Also called *soft costs*. *(Dictionary)*

Insurable Replacement Cost

The cost estimate, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design and layout for insurance coverage purposes guaranteeing that damaged property is replaced with a new property (i.e., depreciation is not deducted). *(Dictionary)*

Interim Use

The temporary use to which a site or improved property is put until a different use becomes maximally productive. *(Dictionary)*

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Investment Value

The value of a property 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. *(Dictionary)*

Liquidation Value

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

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

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

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 reversion right when the lease expires. *(Dictionary)*

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. *(Dictionary)*

Legally Nonconforming Use

A use that was lawfully established and maintained, but no longer conforms to the use regulations of its current zoning; also known as a *grandfathered use*. *(Dictionary)*

Market Area

The geographic region from which a majority of demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas. *(Dictionary)*

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specific lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). *(Dictionary)*

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Market Study

An analysis of the market conditions of supply, demand, and pricing for a specific property type in a specific area. (*Dictionary)*

Market Value (Most Common Non-FRT)

The most probable price, as of a specific date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue distress. *(Dictionary)*

Market Value (Interagency Guidelines)

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

1. buyer and seller are typically motivated;

2. both parties are well informed or well advised, and acting in what they consider their own best interests;

3. a reasonable time is allowed for exposure in the open market;

4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales

Market Value (Inter. Guidelines con't)

concessions granted by anyone associated with the sale. *(Interagency Appraisal and Evaluation Guidelines, December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472)*

Marketability Analysis

The study of how a specific property is expected to perform in a specific market. A marketability analysis expands on a market analysis by addressing a specific property.*(Dictionary)*

Neighborhood Analysis

The objective analysis of observable or quantifiable data indicating discernible patterns of urban growth, structure, and change that may detract from or enhance property values; focuses on four sets of considerations that influence value: social, economic, governmental, and environmental factors. *(Dictionary)*

Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization). *(14th Edition)*

Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. *(Dictionary)*

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Off-site Costs

Costs incurred in the development of a project, excluding on-site costs such as grading and construction of the building and other improvements; also called *common costs* or *off-site improvement costs*. *(Dictionary)*

On-site Costs

Costs incurred for the actual construction of buildings and improvements on a particular site. *(Dictionary)*

Overage Rent

The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakeven sales volume. *(14th Edition)*

Overall Capitalization Rate (OAR)

The relationship between a single year's net operating income expectancy and the total property price or value. *(Dictionary)*

Parking Ratio

The ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios for various land uses are often stated in zoning ordinances.*(Dictionary)*

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. *(Dictionary)*

Potential Gross Income Multiplier (PGIM)

The ratio between the sale price (or value) of a property and its annual potential gross income. *(Dictionary)*

Present Value (PV)

The value of a future payment or series of future payments discounted to the current date or to time period zero. *(Dictionary)*

Prospective Opinion of Value

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

Qualitative Adjustment

An indication that one property is superior, inferior, or the same as another property. Note that the common usage of the term is a misnomer in that an adjustment to the sale price of a comparable property is not made. Rather, the indication of a property's superiority or inferiority to another is used in relative comparison analysis, bracketing, and other forms of qualitative analysis. *(Dictionary)*

Quantitative Adjustment

A numerical (dollar or percentage) adjustment to the indicated value of the comparable property to account for the effect of a difference between two properties on value. *(Dictionary)*

Rentable Area

The amount of space on which the rent is based; calculated according to local practice. *(Dictionary)*

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Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. *(Dictionary)*

Reproduction Cost

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

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." *(Dictionary)*

Sales Comparison Approach

The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered vacant when an adequate supply of comparable sales is available. *(Dictionary)*

Scope of Work

The type and extent of research and analysis in an appraisal or appraisal review assignment. Scope of work includes, but is not limited to:

The extent to which the property is identified;

The extent to which tangible property is inspected;

The type and extent of data researched; and

The type and extent of analysis applied to arrive at opinions or conclusions. *(USPAP)*

Shopping Center Types

<u>Neighborhood Shopping Center</u>: The smallest type of shopping center, generally with a gross leasable area of between 30,000 and 100,000 square feet. Typical anchors include supermarkets. Neighborhood shopping centers offer convenience goods and personal services and usually depend on a market population support of 3,000 to 40,000 people.

<u>Community Shopping Center</u>: A shopping center of 100,000 to 400,000 square feet that usually contains one junior department store, a variety store, discount or department store. A community shopping center generally has between 20 and 70 retail tenants and a market population support of 40,000 to 150,000 people.

<u>Regional Shopping Center</u>: A shopping center of 300,000 to 900,000 square feet that is built around one or two full-line department stores of approximately 200,000 square feet each plus small tenant spaces. This type of center is typically supported by a minimum population of 150,000 people.

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Shopping Center Types (cont.)

Super-Regional Center: A large center of 600,000 to 2.0 million square feet anchored by three or more full-line department stores. This type of center is typically supported by a population area of 300,000 people. *(14th Edition)*

Superadequacy

An excess in the capacity or quality of a structure or structural component; determined by market standards. *(Dictionary)*

Surplus Land

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

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed for use by a lessee.

2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. *(Dictionary)*

Triple Net Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called *NNN*, *triple net lease*, or *fully net lease*. *(Dictionary)*

Usable Area

The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas. *(Dictionary)*

Useful Life

The period of time over which a structure or a component of a property may reasonably be expected to perform the function for which it was designed. *(Dictionary)*

Vacancy and Collection Loss

A deduction from potential gross income (PGI) made to reflect income deductions due to vacancies, tenant turnover, and non-payment of rent; also called *vacancy and credit loss* or *vacancy and contingency loss*. *(Dictionary)*

Yield Capitalization

A method used to convert future benefits into present value by 1) discounting each future benefit at an appropriate yield rate, or 2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate. *(Dictionary)*

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Mr. Salcedo has evaluated properties throughout the United States, Latin American and Caribbean.

EXPERIENCE

2016 – 2019 – CRE Global Advisors, Miami, FL, Managing Director

2013 – 2016 Duff & Phelps (American Appraisal), Miami, FL, Director

2005 – 2013 Micelli Capital Advisors, Miami, FL, Director

1998 – 2005 American Appraisal Associates, Dallas, TX, Senior Associate

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Appraisal Institute – MAI Designation

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Patrick Phipps is the Managing Director for the Jacksonville, Florida office of Colliers International Valuation & Advisory Services. He has been actively engaged in real estate valuation and advisory since 2002 with appraisal reports prepared for a wide variety of public and private clients. His experience includes analysis and appraisal of all types of real estate, including residential, retail, office, agricultural, industrial, and special purpose properties, among others.

Mr. Phipps has extensive specialized expertise in hospitality properties with over 200 properties appraised throughout the Southeast and New York.

He also focuses on appraisals for litigation, including specializing in eminent domain. He is an Appraiser of Record for the Florida Department of Transportation and has been qualified as an expert witness throughout Florida, preparing appraisals for condemnors and private property owners.

EXPERIENCE

2002-2012 – Crenshaw Williams Appraisal Company, Senior Appraiser

2012-2017 Integra Realty Resources – Jacksonville, Managing Director/Principal

2017-2019 JLL Valuation & Advisory Services, Executive Vice President

2019 – Present Colliers International Valuation & Advisory Services, Managing Director – Jacksonville

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International Right-of-Way Association (IRWA) Member

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7-Hour National USPAP Update Course

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EDUCATION AND QUALIFICATIONS

Florida International University
Bachelor of Arts: History

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Ralph Peña is the Managing Director for the Miami, Florida office of Colliers International Valuation & Advisory Services. He has been actively engaged in real estate valuation and advisory since 1993 with appraisal reports prepared for a wide variety of public and private clients. His experience includes analysis and appraisal of all types of real estate, including residential, multi-family, retail, office, industrial, and special purpose properties, among others.

Mr. Peña has evaluated properties throughout the Metro Washington DC and South Florida Region as well as Dallas Fort Worth.

EXPERIENCE

1993 – 2009 – Peña Appraisal Service, Vice President

2009 – 2010 Millennium Real Estate Advisors, Washington DC, Senior Appraiser

2010 – 2015 BB&T, Real Estate Evaluator for the Texas and Metro Washington DC Region

2015 – 2019 Ready Capital, Collateral Risk Manager

PROFESSIONAL MEMBERSHIPS AND ACCREDITATIONS

Appraisal Institute Designated Member

APPRAISAL INSTITUTE COURSES

Advanced Income Capitalization

Advanced Cost and Sales Approach

7-Hour National USPAP Update Course

General Appraiser Market Analysis and Highest & Best Use

General Appraiser Report Writing and Case Studies

Business Practices and Ethics

Advanced Concepts & Case Studies

OTHER RELATED COURSES

Appraising Small Apartment Properties

Advanced Hotel Appraising – Full Service Hotels

Basic Hotel Appraising – Limited Service Hotels

The Dirty Dozen

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REPRESENTATIVE CLIENTS AND PROJECTS

- Ocean Bank
- Banco Popular
- Berkadia
- US Century Bank
- Northmarq
- Grandbridge
- Walker & Dunlop
- Ready Capital
- TBK Bank

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

PENA, RALPH III

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LICENSE NUMBER: RZ2724

EXPIRATION DATE: NOVEMBER 30, 2022

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Colliers International

Valuation & Advisory Services

Services Offered

- Single Asset Valuation
- Portfolio Valuation
- Institutional Asset Valuation
- Loan Pool Valuation
- Appraisal Review
- Appraisal Management
- Lease and Cost Analysis
- Insurance Valuation
- Arbitration & Consulting
- Feasibility Studies
- Investment Analysis
- Highest and Best Use Studies
- Tax Appeals
- Litigation Support
- Segregated-Cost Analysis

Experience That Counts

- Office
- Industrial
- Retail
- Multifamily
- Mixed-Use Properties
- Senior Housing
- Land
- Self-Storage
- Manufactured Housing
- Agriculture
- Net Lease
- Hospitality
- Health Care
- Subdivisions
- Embassies & Consulates
- GSA Properties
- Special Use Properties
- Telecommunications

Real estate valuations play a pivotal role in today's business climate. An accurate and well supported opinion of property value can mean the difference between reaching a critical goal—securing a loan, closing a sale, reporting to investors, choosing the best asset—or failing to achieve it altogether.

Colliers Valuation & Advisory Services' reports are designed to deliver insight into a property's fundamentals, its competition and the overall market dynamics affecting value. A solid valuation report can be a strategic asset for investors, lenders and owners, provided that it addresses both a property's unique characteristics and the most current market conditions.

Commitment to high-end client service, coupled with Colliers International's unparalleled market intelligence and resources, differentiates us as the firm of choice in the real estate industry.

PROFESSIONALS

Our professionals share a commitment to deliver the highest level of service and consistent results. We go the extra mile for our clients, whether this means meeting a tight deadline or working with a complex and challenging property.

TECHNOLOGY

Our unmatched report creation technology speeds appraisals through the pipeline. This secure, centralized production system generates a wide range of reports and high volume portfolio orders without delays.

INFORMATION

Today's business climate places valuation in a more pivotal position than ever before. All our appraisals are evaluated and approved by an experienced review team to ensure our clients receive concise and timely appraisals. With clear, prompt reporting and a comprehensive, big picture approach, Colliers International's Valuation and Advisory reports give our clients the information they need to make better business decisions.

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