

CBRE VALUATION & ADVISORY SERVICES

Exhibit A

# APPRAISAL REPORT

SMITH & WOLLENSKY  
1 WASHINGTON AVENUE  
MIAMI BEACH, FLORIDA 33139  
CBRE FILE NO. 20-341SE-9176-1

CLIENT: CITY OF MIAMI BEACH

**CBRE**

VALUATION & ADVISORY SERVICES

**CBRE**

777 Brickell Ave. Ste. 1100  
Miami, FL 33131

T (305) 381-6472  
www.cbre.com

Date of Report: January 6, 2021

Mr. Jimmy Morales  
City Manager  
CITY OF MIAMI BEACH  
1700 Convention Center Drive  
Miami Beach, Florida 33139

RE: Appraisal of: Smith & Wollensky  
1 Washington Avenue  
Miami Beach, Miami-Dade County, Florida 33139  
CBRE, Inc. File No. 20-341SE-9176-1

Dear Mr. Morales:

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market rent of the referenced property. Our analysis is presented in the following Market Study.

The subject is a 2-story, 20,851-square foot restaurant property located at 1 Washington Avenue in the South Pointe Park in the City of Miami Beach in Miami-Dade County, Florida. The improvements were constructed in 1987, renovated in 1997 & 2017 and are situated on a 0.55-acre waterfront site overlooking the South Pointe Park bay walk and Government Cut, the deep water, ocean access inlet that connects Biscayne Bay to the Atlantic Ocean. The subject is presently tenant occupied by Smith & Wollensky with 268-indoor seats, 154-outdoor seats plus 36-outdoor seats on 581-SF along the bay walk that is operated via a concession agreement.

The subject property is currently leased to the NY Restaurant Group who operates the Smith & Wollensky restaurant as a successor to One Washington Avenue Corp. with 59-months remaining on the last 10-year renewal option lease term. The original lease dates back to February 1985 with an initial 20-year term plus two, 10-year renewal options that will expire on November 6, 2025.

We have been requested to estimate the fee simple market rent As Is of the subject property, including and excluding the Concession Area, for internal decision making purposes and for negotiations to extend the existing lease term with the NY Restaurant Group. We have also calculated a rent abatement to address the near term impact of the Covid-19 pandemic.

Mr. Jimmy Morales  
January 6, 2021  
Page 2

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

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Rent - Restaurant & Concession Area	Fee Simple Estate & License	December 18, 2020	\$1,740,400
Covid-19 Rent Abatement - Restaurant & Concession Area	Fee Simple Estate & License	December 18, 2020	(\$729,000)
Market Rent - Restaurant	Fee Simple Estate	December 18, 2020	\$1,223,800
Covid-19 Rent Abatement - Restaurant	Fee Simple Estate	December 18, 2020	(\$441,000)

Compiled by CBRE

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

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

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

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES



Stuart J. Lieberman, MAI  
Vice President  
Cert Gen RZ1074

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



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

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

**CBRE**

## Certification

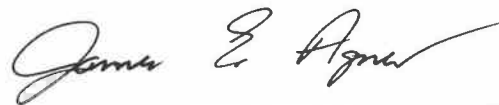
We certify to the best of our knowledge and belief:

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



---

Stuart J. Lieberman, MAI  
Cert Gen RZ1074



---

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



## Subject Photographs



Aerial View



Photo 1 – Front Elevation & Entrance



Photo 2 – Rear Elevation from Bay Walk



Photo 3 – Interior View



Photo 4 – Main Dining Room



Photo 5 – Main Bar/Lounge



Photo 6 – Event Room





Photo 7 - Kitchen



Photo 8 - Kitchen



Photo 9 - Event Room



Photo 10 - 2<sup>nd</sup> Floor Seating



Photo 11 - 2<sup>nd</sup> Floor Corridor



Photo 12 - 2<sup>nd</sup> Floor Dining Room



Photo 13 – 2<sup>nd</sup> Floor Kitchen



Photo 14 – 2<sup>nd</sup> Floor Event Deck & Bar



Photo 15 – SE View from Event Deck



Photo 16 – SW View from Event Deck



Photo 17 – Concession Area Looking SE



Photo 18 – Concession Area Looking SW



## Executive Summary

<b>Property Name</b>	Smith & Wollensky		
<b>Location</b>	1 Washington Avenue Miami Beach, Miami-Dade County, FL 33139		
<b>Client</b>	City of Miami Beach		
<b>Highest and Best Use</b>	Government, cultural, private and joint government/private uses		
As If Vacant	Existing leasehold restaurant use		
As Improved	Fee Simple Estate		
<b>Property Rights Appraised</b>	December 18, 2020		
<b>Date of Inspection</b>	6 - 12 Months		
<b>Estimated Exposure Time</b>	6 - 12 Months		
<b>Estimated Marketing Time</b>	0.55 AC 24,010 SF		
<b>Primary Land Area - Restaurant</b>	0.01 AC 581 SF		
<b>Surplus Land Area - Concession Area</b>	GU, Government Use District		
<b>Zoning</b>			
<b>Improvements</b>			
Property Type	Retail	(Restaurant)	
Number of Buildings	1		
Number of Stories	2		
Gross Leasable Area	20,851 SF		
Seating Capacity - Indoor	268 Seats		
Seating Capacity - Outdoor Patios & Decks	154 Seats		
Seating Capacity - Concession Area	<u>36 Seats</u>		
Seating Capacity - Total Indoor/Outdoor	458 Seats		
Seating Capacity - Restaurant Indoor/Outdoor	422 Seats (excludes Concession Area)		
Year Built / Renovated	1987 / 1997 & 2017		
Condition	Good		
<b>Major Tenants</b>			
Smith & Wollensky	20,851 SF		

### VALUATION

		Total	Per Seat	Per SF
<b>Market Rent As Is On</b>	<b>December 18, 2020</b>			
Income Approach - Restaurant & Concession Area		\$1,740,400	\$3,800	\$83.47
<b>Market Rent As Is On</b>	<b>December 18, 2020</b>			
Income Approach - Restaurant		\$1,223,800	\$2,900	\$58.69

### CONCLUDED MARKET VALUE

Appraisal Premise	Interest Appraised	Date of Value	Value
Market Rent - Restaurant & Concession Area	Fee Simple Estate & License	December 18, 2020	\$1,740,400
Covid-19 Rent Abatement - Restaurant & Concession Area	Fee Simple Estate & License	December 18, 2020	(\$729,000)
Market Rent - Restaurant	Fee Simple Estate	December 18, 2020	\$1,223,800
Covid-19 Rent Abatement - Restaurant	Fee Simple Estate	December 18, 2020	(\$441,000)

Compiled by CBRE

### IMPORTANT WARNING - MATERIAL VALUATION UNCERTAINTY FROM CORONAVIRUS

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. As of the valuation date, in the case of the subject property, there is a shortage of market evidence for comparison purposes, to inform opinions of value.

Our valuation of the property is therefore reported as being subject to 'material valuation uncertainty'. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.

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

Values may change more rapidly and significantly than during standard market conditions. Given the unknown future impact that COVID-19 might have on the real estate market and the difficulty in differentiating between short term impacts and long-term structural changes, we recommend that you keep the valuation(s) contained within this report under frequent review.

## **STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)**

### **Strengths/ Opportunities**

- The subject property is part of a high density, barrier island & resort community.
- The subject location is an exclusive municipal park with off-street parking support, a public bay walk and unobstructed water views overlooking Government Cut, a deep water, ocean access inlet to the Atlantic Ocean and views of Biscayne Bay.
- The subject property has a high ratio of outdoor seating that is very favorable for operations during the Covid-19 pandemic, i.e. a 41.5% of total capacity is outdoor patio, 2<sup>nd</sup> floor event deck and concession area.
- Strong sales revenue history and real estate tax exempt benefit from the municipal park location & ownership.
- Historically low interest rates and unprecedented government stimulus in the wake of the Covid-19 pandemic.
- The State of Florida and the Miami-Dade County market have entered Phase 3 of the re-opening in the wake of Covid-19.

### **Weaknesses/ Threats**

- Current operations are reported to be at 35% of pre-pandemic level and there is a 50% cap on capacity until lifted by executive order.
- Management and maintenance intensive property.

## **EXTRAORDINARY ASSUMPTIONS**

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

- The original contract lease & addendum agreements report a site area of 16,000-SF, while a more recent boundary survey, dated October 6, 2020, represents a site area of 24,010-SF plus 581-SF for the concession area. Our appraisal process & analysis is based on the more recent survey unless advised otherwise by the client.

---

<sup>1</sup> The Appraisal Foundation, USPAP, 2020-2021

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

### **HYPOTHETICAL CONDITIONS**

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

- None noted

### **OWNERSHIP AND PROPERTY HISTORY**

Title to the subject site is vested with the City of Miami Beach and the leasehold improvements are vested in the name of the New York Restaurant Group as successor to One Washington Avenue Corporation. According to lease documents and historical accounts, the City of Miami Beach issued an RFP for the site location as a restaurant use. A lease agreement was negotiated and executed with Specialty Restaurant Corp. in February 1985 for a 16,000-SF ready-to-build pad site with the tenant responsible for constructing the improvements, which was completed and opened as Crawdaddy’s in 1987.

On the following pages are abstracts of the original lease, the assignment of lease, the addendum to lease and the concession agreement that highlight the historic tenant/operator timeline including entity transfers, tenant/operator bankruptcy and lease assignments.

---

<sup>2</sup> The Appraisal Foundation, *USPAP, 2020-2021*

**LEASE ABSTRACT - CRAWDADDY'S RESTAURANT**

Lessor	City of Miami Beach	
Lessee	Specialty Restaurant Corp.	
Site Size (SF)	16,000	
Lease Date	February 8, 1985	
Lease Commence Date	November 7, 1985	
Expiration Date (Base Lease)	November 6, 2005	
Lease Term (Base Lease)	240 Months	
No. & Term of Options	2 options @ 10 years With 12-months notice.	
Expiration Date (Base + All Options)	November 6, 2025	
Remaining Lease Term (Base + All Options)	59 Months	
Assignment/Subletting	Allowed, subject to City Commission approval.	
Contract Rental Rate	\$/SF/Yr.	Total \$/Yr.
Base Lease Term	\$1.88	\$30,000
Option Term 1	\$1.88	\$30,000
<b>Option Term 2</b>	<b>\$1.88</b>	<b>\$30,000</b>
Lessor Obligation	Provide, improved roads, electric, water & sanitary sewer, gas & telephone to site	
Lessee Obligation	Construct and operate 1st class restaurant & cocktail lounge with not less than 200-seats, 16,000-SF to 18,000-SF and total cost not less than \$1,700,000.	
Leasehold Improvements	Vest to lessor upon expiration or termination of lease.	
Percentage Rent - Gross Receipts	2.5% to \$2,500,000 3% for \$2,500,001 to \$4,800,000 3.5% over \$4,800,000 or \$2,500 per month minimum guarantee, whichever is greater.	
Security Deposit	\$15,000	
Lessor Expenses	None	
Lessee Expenses	All - Absolute Net	
Automobile Parking	Lessor makes available for patrons & employees and refunds any fees to the patrons upon presentation of a validated restaurant parking ticket	
Assignment of Lease & Sublease	July 12, 1993 assignment & change of entity by same principal of lease & operating sublease to One Washington Avenue Corp. via \$2,500,000 purchase & sale of building & F,F&E.	
Name Change	April 6, 1994 name change to South Pointe Seafood House who filed bankruptcy on July 26, 1996	

Source: Lease Agreement



**ASSIGNMENT OF LEASE ABSTRACT - SMITH & WOLLENSKY - APRIL 16, 1997**

Lessor	City of Miami Beach	
Lessee	New York Restaurant Group	
Site Size (SF)	16,000	
Lease Date	February 8, 1985	
Lease Commence Date	November 7, 1985	
Expiration Date (Base Lease)	November 6, 2005	
Lease Term (Base Lease)	240 Months	
Remaining Lease Term (Base Lease)	181 Months	
No. & Term of Options	2 options @ 10 years With 12-months notice.	
Expiration Date (Base + All Options)	November 6, 2025	
Remaining Lease Term (Base + All Options)	59 Months	
Assignment/Subletting	Allowed, subject to City Commission approval.	
Contract Rental Rate	\$/SF/Yr.	Total \$/Yr.
Base Lease Term	\$1.88	\$30,000
Option Term 1	\$1.88	\$30,000
+ Bonus Increase Per Year	\$1.56	\$25,000
<b>Option Term 2</b>	<b>\$1.88</b>	<b>\$30,000</b>
<b>+ Bonus Increase Per Year</b>	<b>\$4.06</b>	<b>\$65,000</b>
Leasehold Improvements	Vest to lessor upon expiration or termination of lease.	
Percentage Rent - Gross Receipts	2.5% to \$2,500,000 3.5% for \$2,500,001 to \$4,800,000 4.0% over \$4,800,000 or \$2,500 per month minimum guarantee, whichever is greater	
	Gross receipts exclude cost or value of employee and business promotion meals. Gross receipts include retail sales and mail order sales.	
Lessor Expenses	None	
Lessee Expenses	All - Absolute Net	
Automobile Parking	\$75,000 per year payment for 105 parking spaces. If sales exceed \$3 million, the payment can be recaptured by tenant from the base rent payment.	
Construction	6-month abatement of approximately \$15,000 to allow for construction.	
Contribution	NY Restaurant Group will contribute \$40,000 to demolish bandshell at South Pointe Park.	
Assignment of Lease	Contingent upon immediate payment of all money due from South Pointe Seafood House Restaurant and approval by the bankruptcy court.	

Source: Assignment of Lease Agreement

**ADDENDUM TO LEASE ABSTRACT - JUNE 1, 1997**

Lessor	City of Miami Beach	
Lessee	NY Restaurant Group as successor in interest to One Washington Avenue Corp.	
Site Size (SF)	16,000	
Addendum to Lease Date	June 1, 1997	
Lease Commence Date	November 7, 1985	
Expiration Date (Base Lease)	November 6, 2005	
Lease Term (Base Lease)	240 Months	
Remaining Lease Term (Base Lease)	181 Months	
No. & Term of Options	2 options @ 10 years With 12-months notice.	
Expiration Date (Base + All Options)	November 6, 2025	
Remaining Lease Term (Base + All Options)	59 Months	
Contract Rental Rate	\$/SF/Yr.	Total \$/Yr.
Base Lease Term	\$1.88	\$30,000
Option Term 1	\$1.88	\$30,000
+ Bonus Increase Per Year	\$1.56	\$25,000
<b>Option Term 2</b>	<b>\$1.88</b>	<b>\$30,000</b>
<b>+ Bonus Increase Per Year</b>	<b>\$4.06</b>	<b>\$65,000</b>
Leasehold Improvements	Vest to lessor upon expiration or termination of lease.	
Percentage Rent - Gross Receipts	2.5% to \$2,500,000 3.0% for \$2,500,001 to \$3,000,000 3.5% over \$3,000,000 or \$2,500 per month minimum guarantee, whichever is greater Gross receipts exclude cost or value of employee and business promotion meals. Gross receipts include retail sales and mail order sales.	
Lessor Expenses	None	
Lessee Expenses	All - Absolute Net	
Automobile Parking	\$75,000 per year payment for 105 parking spaces and credited against lessee's percentage rent obligation.	
Parking Impact Fee	\$9,600 annually for 32 additional parking spaces and 1/2 of all impact fee shall be credited against lessee's percentage rent obligation.	
Construction	Tenant making improvement with 6-month rent & parking fee abatement from June 1 to December 1, 1997.	
Contribution	One Washington Avenue will contribute \$35,200 to demolish bandshell at South Pointe Park.	
Assignment of Lease	Contingent upon immediate payment of all money due from South Pointe Seafood House Restaurant and approval by the bankruptcy court.	

Source: Addendum to Lease

**CONCESSION AGREEMENT ABSTRACT - APRIL 14, 2009**

Owner	City of Miami Beach	
Concessionaire	One Washington Avenue Corp. (d/b/a Smith & Wollensky)	
Site Size (SF)	581	
Commence Date	October 1, 2009	
Expiration Date (Base Term)	November 6, 2025	
Term (Base)	193 Months	
Remaining Term (Base)	59 Months	
Contract Rental Rate	\$/SF/Yr.	Total \$/Yr.
Base Term - Minimum Guarantee Fee	\$137.69	\$80,000
Year 5	\$172.12	\$100,000
<b>Year 10</b>	<b>\$206.54</b>	<b>\$120,000</b>
Year 15	\$213.43	\$124,000
Use	Food and beverage service to be dispensed by Smith & Wollensky; and, alcoholic beverages only for consumption within the concession area	
Percentage of Gross Receipts	10% of gross receipts in excess of the minimum gross fee.	
Owner Expenses	None	
Concessionaire Expenses	All - Improvements, maintenance, repair & operation including the 25-feet of adjacent area.	

Source: Concession Agreement

## Table of Contents

Certification .....	i
Subject Photographs.....	ii
Executive Summary .....	vi
Table of Contents.....	xiii
Scope of Work.....	1
Area Analysis .....	5
Neighborhood Analysis .....	15
Site Analysis.....	23
Improvements Analysis.....	28
Zoning .....	33
Tax and Assessment Data .....	35
Market Analysis.....	36
Highest and Best Use .....	63
Income Capitalization Approach.....	64
Assumptions and Limiting Conditions .....	71
<b>ADDENDA</b>	
A Rent Comparable Data Sheets	
B Client Contract Information	
C Qualifications	



## Scope of Work

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

### INTENDED USE OF REPORT

This appraisal is to be used for market rent study and no other use is permitted.

### CLIENT

The client is City of Miami Beach.

### INTENDED USER OF REPORT

This appraisal is to be used by City of Miami Beach. No other user(s) may rely on our report unless as specifically indicated in this report.

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

### PURPOSE OF THE APPRAISAL

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

### DEFINITION OF MARKET RENT

Market rent is defined in the 14th Addition of The Appraisal of Real Estate as the most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).<sup>4</sup>

### DEFINITION OF VALUE

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

---

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

<sup>4</sup> Appraisal Institute, The Appraisal of Real Estate, 14th ed. (Chicago: Appraisal Institute, 2013), 50.

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 concessions granted by anyone associated with the sale.<sup>5</sup>

### INTEREST APPRAISED

The value estimated represents the Fee Simple Estate as defined below:

*Fee Simple Estate* - Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.<sup>6</sup>

*Leased Fee Interest* - The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.<sup>7</sup>

*Leasehold Interest* - The tenant's possessory interest created by a lease.<sup>8</sup>

*Going Concern* - An established and operating business having an indefinite future life.<sup>9</sup>

### Extent to Which the Property is Identified

The property is identified through the following sources:

- postal address
- assessor's records
- legal description

### Extent to Which the Property is Inspected

The extent of the inspection included the following: full interior, exterior and surrounding environs.

---

<sup>5</sup> Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472.

<sup>6</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6<sup>th</sup> ed. (Chicago: Appraisal Institute, 2015), 90.

<sup>7</sup> *Dictionary of Real Estate Appraisal*, 128.

<sup>8</sup> *Dictionary of Real Estate Appraisal*, 128.

<sup>9</sup> *Dictionary of Real Estate Appraisal*, 102.

## Type and Extent of the Data Researched

CBRE reviewed the following:

- applicable tax data
- zoning requirements
- flood zone status
- demographics
- income and expense data
- comparable rental & listing data

## Type and Extent of Analysis Applied

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

## Data Resources Utilized in the Analysis

<b>DATA SOURCES</b>	
<i>Item:</i>	<i>Source(s):</i>
<b>Site Data</b>	
Size	Legal description and boundary survey
<b>Improved Data</b>	
Building Area	As Built boundary survey and public records
No. Bldgs.	As Built survey
Parking Spaces	Contract lease agreement, assignments & amendments
Year Built/Developed	Public records
<b>Economic Data</b>	
Deferred Maintenance:	Not applicable
Building Costs:	Not applicable
Income Data:	Contract lease agreement, tenant sales reports & market data
Expense Data:	Contract lease agreement, tenant sales reports & market data
Compiled by CBRE	

## APPRAISAL METHODOLOGY

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

### Cost Approach

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

### Sales Comparison Approach

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of

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

#### Income Capitalization Approach

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

#### Methodology Applicable to the Subject

In studying the market for the effective market rent of the subject, we have presented macroeconomic and a microeconomic data and employed a comparable rent survey via the income approach in order to determine a competitive market rent, percentage rent, and market oriented lease terms & conditions.



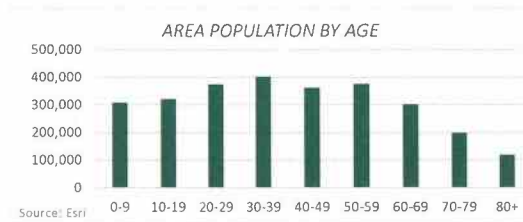
# Area Analysis



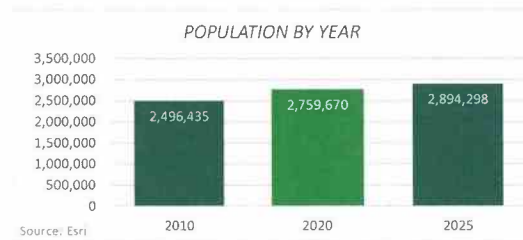
The subject is located in Miami-Dade County. Key information about the area is provided in the following tables.

## POPULATION

The area has a population of 2,759,670 and a median age of 39, with the largest population group in the 30-39 age range and the smallest population in 80+ age range.

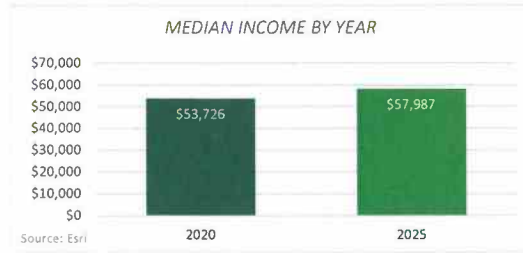


Population has increased by 263,235 since 2010, reflecting an annual increase of 1.0%. Population is projected to increase by an additional 134,628 by 2025, reflecting 1.0% annual population growth.



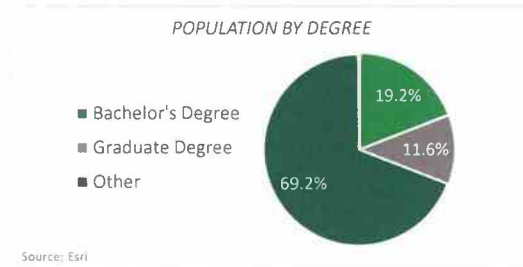
### INCOME

The area features an average household income of \$80,823 and a median household income of \$53,726. Over the next five years, median household income is expected to increase by 7.9%, or \$852 per annum.

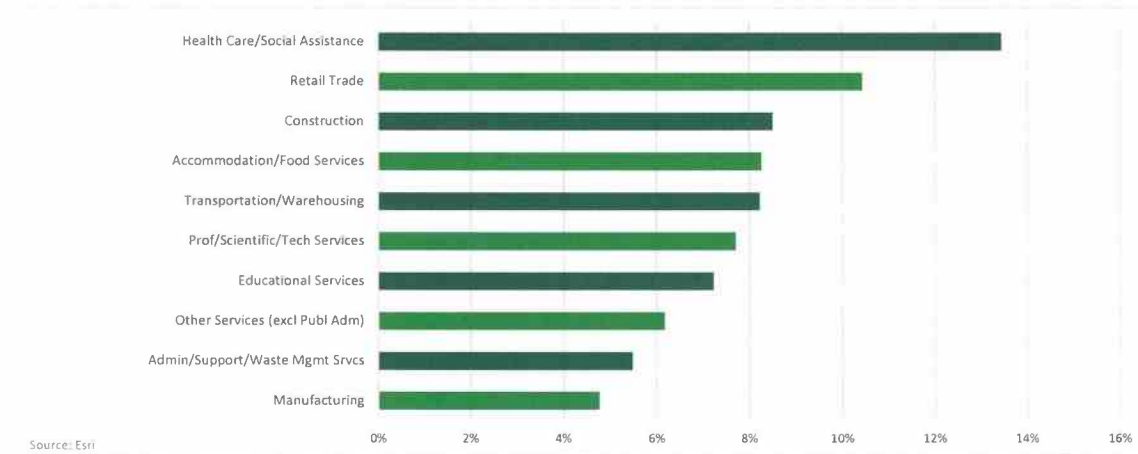


### EDUCATION

A total of 30.8% of individuals over the age of 24 have a college degree, with 19.2% holding a bachelor's degree and 11.6% holding a graduate degree.

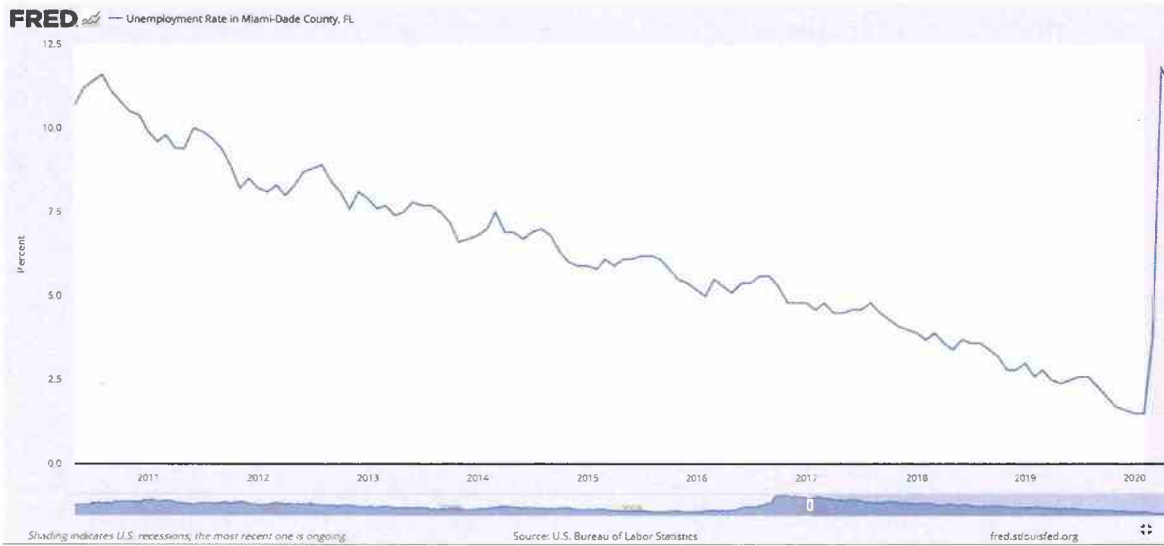
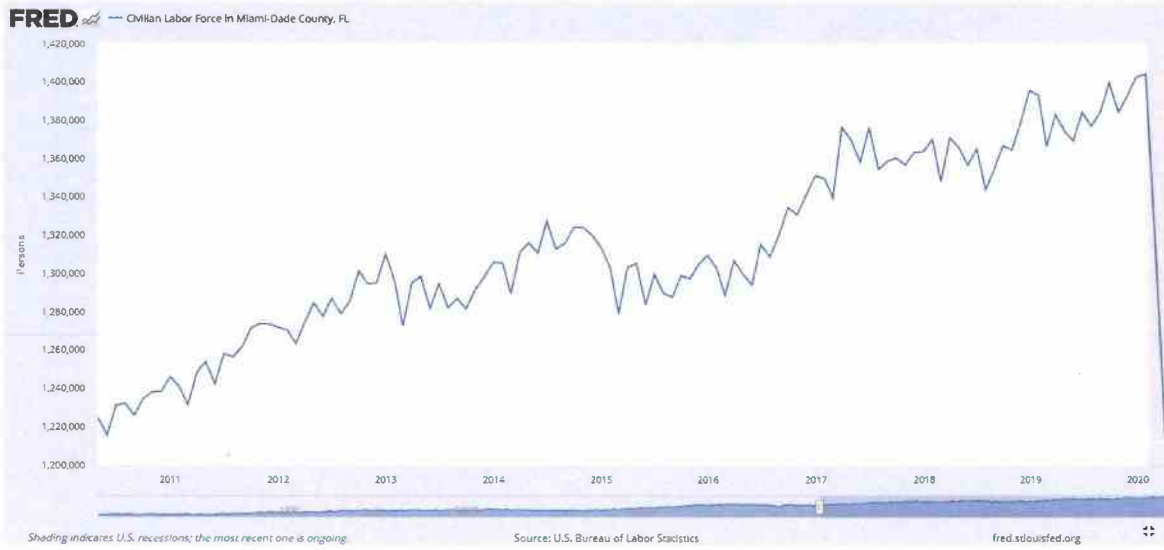


### EMPLOYMENT



The area includes a total of 1,310,569 employees and has a 7.3% unemployment rate. The top three industries within the area are Health Care/Social Assistance, Retail Trade and Construction, which represent a combined total of 32% of the population.

### MIAMI-DADE COUNTY LABOR MARKET



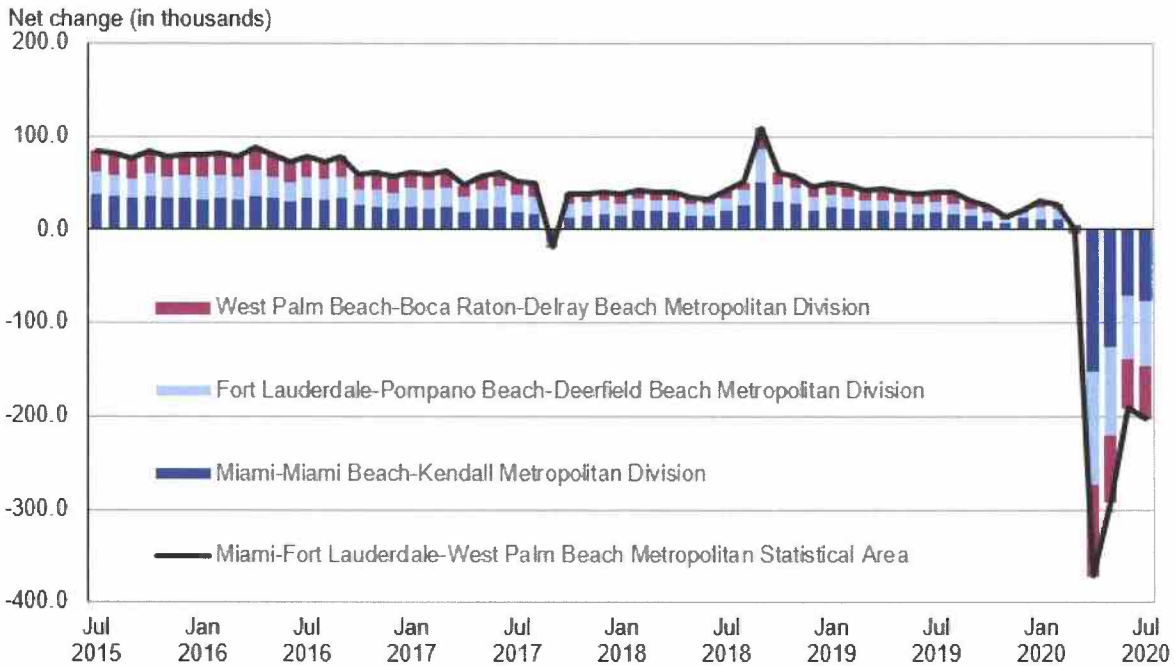
**MIAMI-FORT LAUDERDALE-WEST PALM BEACH MSA EMPLOYMENT**

**Miami Area Employment - July 2020**

**Local Rate of Employment Loss Similar to the National Average**

Total nonfarm employment for the Miami-Fort Lauderdale-West Palm Beach, FL Metropolitan Statistical Area stood at 2,476,400 in July 2020, down 202,500 over the year, the U.S. Bureau of Labor Statistics reported today. Miami’s rate of job loss, at 7.6 percent, was similar to the national decline of 7.7 percent. (See chart 1 and table 1.) Regional Commissioner Janet S. Rankin noted that Miami’s over-the-year employment loss in July was greater than the 191,000 jobs lost in June. (The Technical Note at the end of this release contains metropolitan area definitions. All data in this release are not seasonally adjusted; accordingly, over-the-year analysis is used throughout.)

**Chart 1. Total nonfarm employment, over-the-year net change in the Miami metropolitan area and its divisions, July 2015–July 2020**



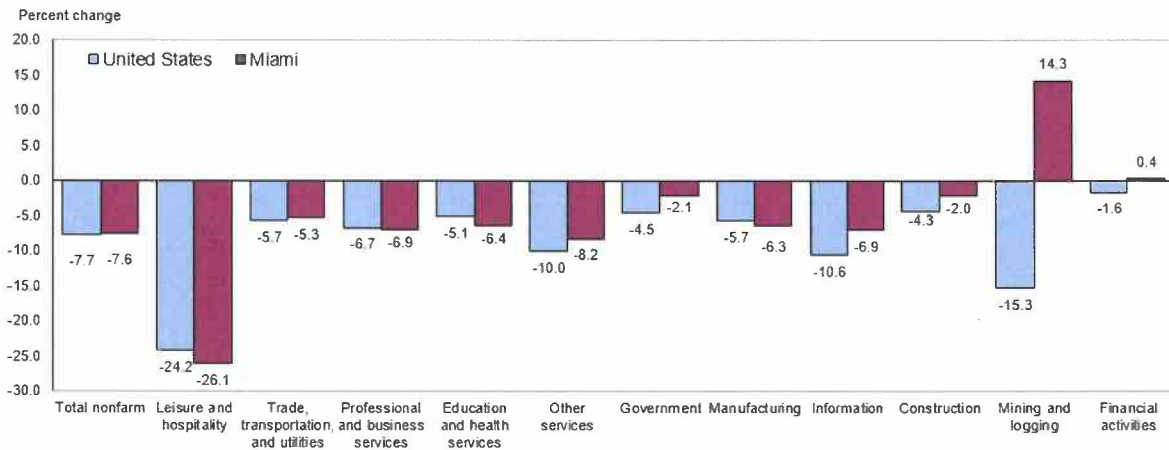
Source: U.S. Bureau of Labor Statistics.

The Miami area is made up of three metropolitan divisions—separately identifiable employment centers within the larger metropolitan area. All three divisions lost jobs over the year. Miami-Miami Beach-Kendall, the largest of the three divisions with 45 percent of the area’s employment, lost 75,900 jobs from July a year ago. The Fort Lauderdale-Pompano Beach-Deerfield Beach Division, which accounted for 32 percent of Miami area’s workforce, lost 69,300 jobs, while the West Palm Beach-Boca Raton-Delray Beach Division lost 57,300 jobs over the 12-month period.

### Industry employment

Employment in Miami’s leisure and hospitality supersector fell sharply (-85,200) for the 12 months ending in July, the largest loss of jobs among local major industry sectors. In percentage terms, the leisure and hospitality supersector declined 26.1 percent in Miami; nationwide, the rate of job loss was 24.2 percent. (See chart 2.)

**Chart 2. Total nonfarm and selected industry supersector employment, over-the-year percent change, United States and the Miami metropolitan area, July 2020**



Source: U.S. Bureau of Labor Statistics.

The trade, transportation, and utilities sector in the Miami area lost 32,600 jobs, a 5.3-percent decline over the year. Over half of the jobs lost in this sector were in the Miami metropolitan division (-17,800). Nationally, employment in trade, transportation, and utilities was down 5.7 percent over the year.

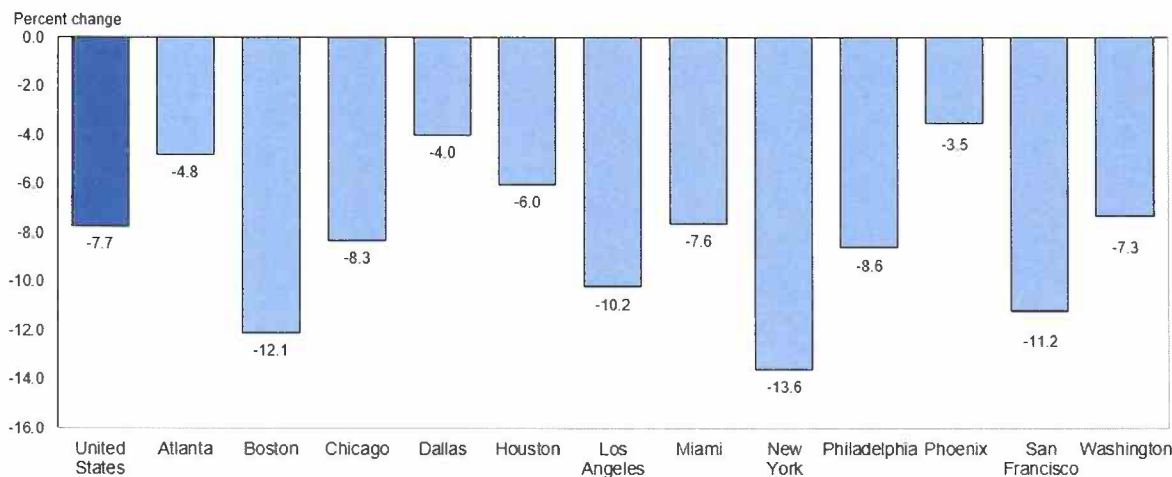
Two other supersectors in the Miami area lost over 25,000 jobs since last July. The professional and business services supersector in the local area lost 31,300 jobs, down 6.9 percent; nationwide, employment in professional and business services was down 6.7 percent. Miami’s education and health services industry lost 25,900 jobs over the year, down 6.4 percent; nationwide, employment in this supersector was down 5.1 percent.

Five other local area supersectors had job losses greater than 1,000, ranging from 9,900 in other services to 2,900 in construction.

### Twelve largest metropolitan areas

Miami-Fort Lauderdale-West Palm Beach was 1 of the nation’s 12 largest metropolitan statistical areas in July 2020. All 12 areas had over-the-year job losses during the period, with the rates of job losses in 6 areas exceeding the national decrease of 7.7 percent. New York-Newark-Jersey City had the fastest rate of job loss (-13.6 percent), followed by Boston-Cambridge-Nashua (-12.1 percent). Phoenix-Mesa-Scottsdale (-3.5 percent) had the slowest rate of job loss. (See chart 3 and table 2.)



**Chart 3. Total nonfarm employment, over-the-year percent change, United States and 12 largest metropolitan areas, July 2020**

Source: U.S. Bureau of Labor Statistics.

New York lost the largest number of jobs over the year (-1,354,700), followed by Los Angeles-Long Beach-Anaheim (-628,000). The smallest employment loss occurred in Phoenix (-74,000). Annual losses in the remaining nine metropolitan areas ranged from 396,000 in Chicago-Naperville-Elgin to 135,000 in Atlanta-Sandy Springs-Roswell.

Over the year, leisure and hospitality lost the most jobs in all 12 metropolitan areas. New York had the largest loss of jobs for this sector (-439,800), followed by Los Angeles (-242,500). Atlanta and Phoenix had the smallest job losses for the leisure and hospitality sector (-48,300 each). The remaining eight areas had job losses ranging from 138,000 in Chicago to 60,500 in Houston-The Woodlands-Sugar Land for this industry sector.

Phoenix had over-the-year employment gains in three industry sectors: trade, transportation, and utilities (5,900); education and health services (4,300); and other services (1,000). Dallas-Fort Worth-Arlington added 10,700 jobs in financial activities. No other area had job gains over 1,000.

### Coronavirus (COVID-19) Pandemic Impact on July 2020 Establishment Survey Data

BLS has continued to review all estimation and methodological procedures for the establishment survey, which included the review of data, estimation processes, the application of the birth-death model, and seasonal adjustment. Business births and deaths cannot be adequately captured by the establishment survey as they occur. Therefore, the Current Employment Statistics (CES) program uses a model to account for the relatively stable net employment change generated by business births and deaths. Due to the impact of COVID-19, the relationship between business births and deaths is no longer stable. Typically, reports with zero employment are not included in estimation. For the June final and July preliminary estimates, CES included a portion of these reports in the estimates and made modifications to the birth-death model. In addition for both months, the establishment survey included a portion of the reports that returned to reporting



positive employment from reporting zero employment. For more information, see [www.bls.gov/web/empsit/cesbd.htm](http://www.bls.gov/web/empsit/cesbd.htm).

In the establishment survey, workers who are paid by their employer for all or any part of the pay period including the 12th of the month are counted as employed, even if they were not actually at their jobs. Workers who are temporarily or permanently absent from their jobs and are not being paid are not counted as employed, even if they are continuing to receive benefits. The length of the reference period does vary across the respondents in the establishment survey; one-third of businesses have a weekly pay period, slightly over 40 percent a bi-weekly, about 20 percent semi-monthly, and a small amount monthly.

## MIAMI-DADE COUNTY TOP PRIVATE EMPLOYERS

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

Source: The Beacon Council

**MIAMI-DADE COUNTY TOP PUBLIC EMPLOYERS**

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

## OPENING DAY

Growth in nonresidential construction jobs will also be robust because groundbreakings on major projects have become routine in MIA. Phase one of the MiamiCentral train station, which will eventually connect a new intercity train line with local transit options, debuted in May 2019. The \$2 billion Miami Worldcenter is transforming 27 acres of parking lots into a vast collection of residential, retail, office and hotel buildings. Over the next few years, the "tallest building in Florida" distinction will pass among multiple skyscrapers in downtown Miami. And county commissioners recently gave final approval to a \$4 billion mega-mall that will be America's largest shopping complex if it is completed as planned.

## CONCLUSION

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

## Neighborhood Analysis



### LOCATION

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

### BOUNDARIES

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

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

## LAND USE

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

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

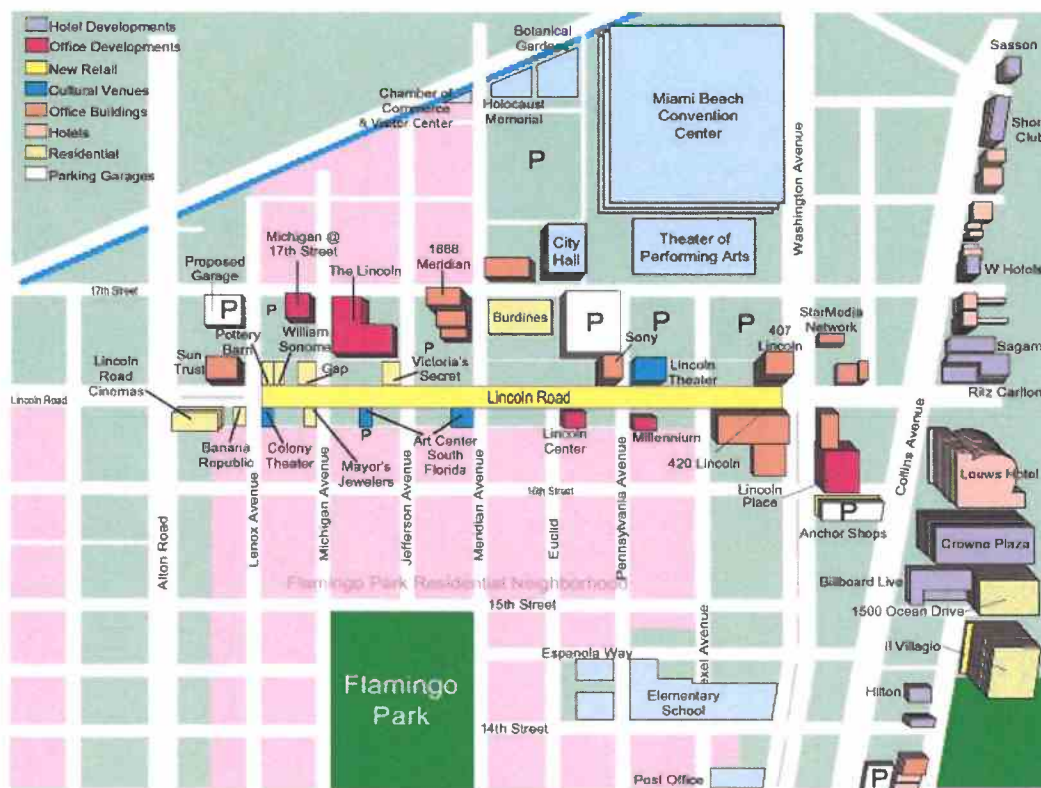
The subject location is also identified as the South of Fifth submarket (a.k.a. SoFi) and is an affluent neighborhood in South Beach that spans from South Pointe Park north to fifth street and east-west from Biscayne Bay to the Atlantic Ocean.

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

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

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





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

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

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

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

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

## ACCESS

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

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

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

## DEMOGRAPHICS

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

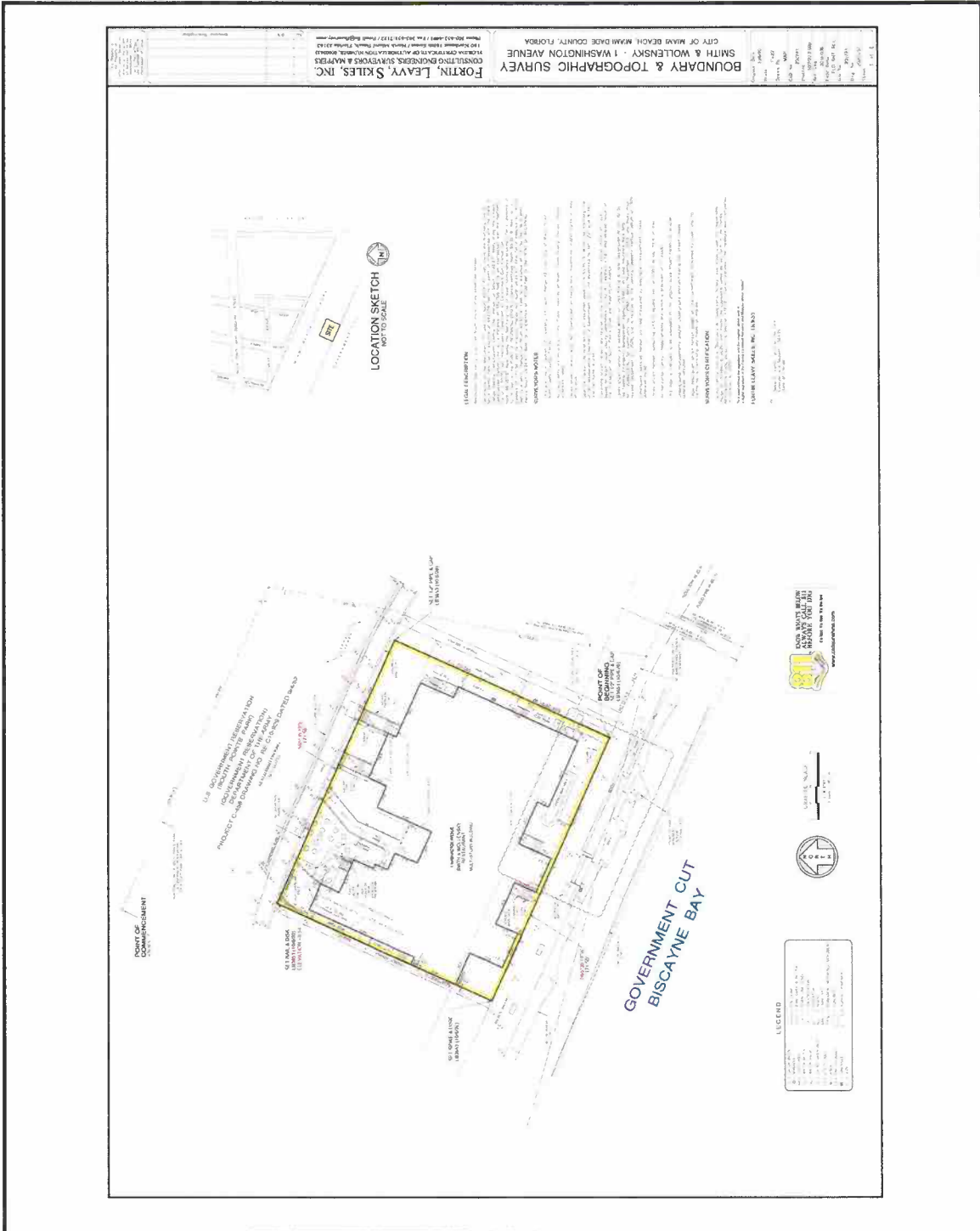
SELECTED NEIGHBORHOOD DEMOGRAPHICS						
1 Washington Avenue Miami Beach, FL 33139	1 Mile Radius	3 Mile Radius	5 Mile Radius	33139 - Miami Beach	Florida	Miami-Dade County
<b>Population</b>						
2025 Total Population	13,987	48,505	227,763	41,612	23,056,641	2,894,298
2020 Total Population	13,338	46,935	203,380	40,156	21,587,015	2,759,670
2010 Total Population	12,533	44,736	160,305	38,179	18,801,310	2,496,435
2000 Total Population	11,513	44,099	129,967	37,950	15,982,378	30,982
Annual Growth 2020 - 2025	0.95%	0.66%	2.29%	0.71%	1.33%	0.96%
Annual Growth 2010 - 2020	0.62%	0.48%	2.41%	0.51%	1.39%	1.01%
Annual Growth 2000 - 2010	0.85%	0.14%	2.12%	0.06%	1.64%	N/A
<b>Households</b>						
2025 Total Households	8,200	28,133	116,300	24,766	8,989,496	995,690
2020 Total Households	7,850	27,369	103,966	24,030	8,438,100	951,252
2010 Total Households	7,546	26,510	81,510	23,221	7,420,802	867,352
2000 Total Households	6,911	26,060	63,406	23,125	6,337,929	776,774
Annual Growth 2020 - 2025	0.88%	0.55%	2.27%	0.61%	1.27%	0.92%
Annual Growth 2010 - 2020	0.40%	0.32%	2.46%	0.34%	1.29%	0.93%
Annual Growth 2000 - 2010	0.88%	0.17%	2.54%	0.04%	1.59%	1.11%
<b>Income</b>						
2020 Median Household Income	\$49,850	\$59,098	\$60,615	\$58,146	\$56,362	\$53,726
2020 Average Household Income	\$98,530	\$99,485	\$97,500	\$98,025	\$81,549	\$80,823
2020 Per Capita Income	\$58,245	\$58,152	\$50,300	\$58,754	\$31,970	\$27,939
2020 Pop 25+ College Graduates	5,903	21,756	82,867	18,600	4,839,094	604,612
Age 25+ Percent College Graduates - 2020	51.6%	55.0%	52.4%	54.5%	31.0%	30.8%

Source: ESRI

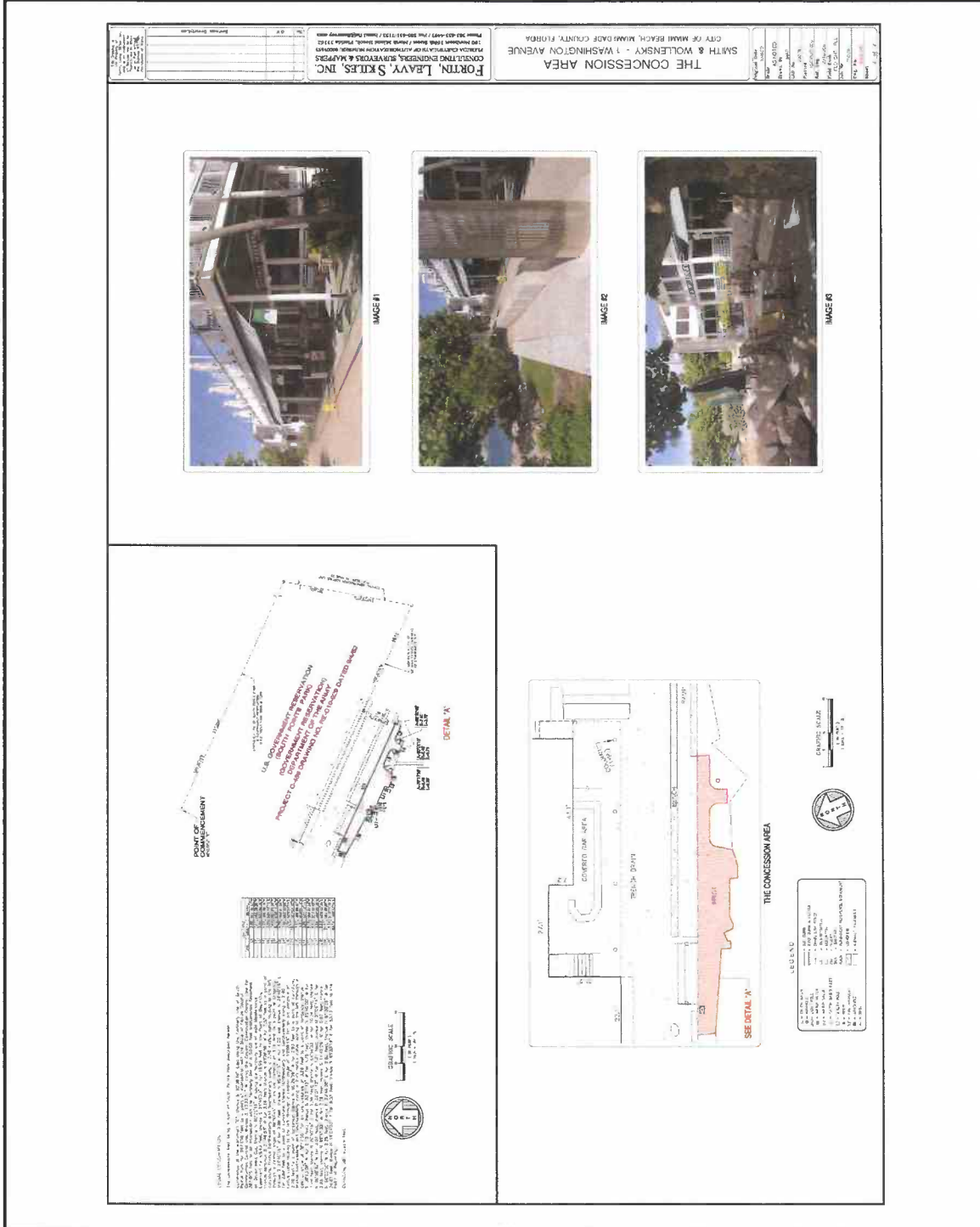
## CONCLUSION

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

SURVEY EXHIBIT - RESTAURANT SITE

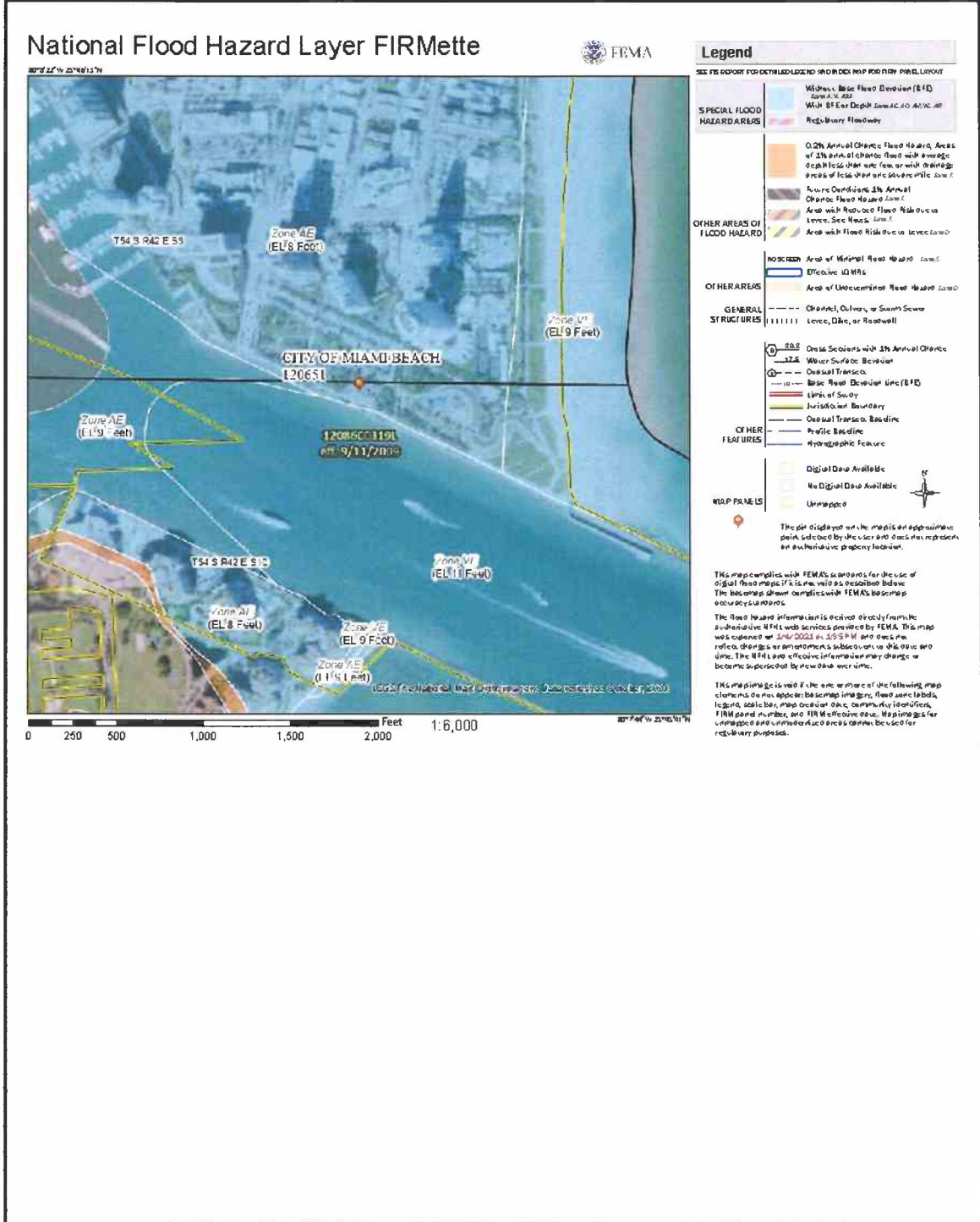


SURVEY EXHIBIT – CONCESSION AREA





FLOOD PLAIN MAP





## Site Analysis

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

<b>SITE SUMMARY AND ANALYSIS</b>			
<b>Physical Description</b>			
Gross Site Area - Restaurant & Concession Area	0.56 Acres		24,591 Sq. Ft.
Net Site Area - Restaurant	0.55 Acres		24,010 Sq. Ft.
Primary Road Frontage	Washington Avenue/Inlet Boulevard		172 Feet
Secondary Road Frontage	South Pointe Park		172 Feet
Additional Frontage	Government Cut - Biscayne Bay		172 Feet
Surplus Land Area - Concession Area	0.01 Acres		581 Sq. Ft.
Zoning District	GU, Government Use District		
Flood Map Panel No. & Date	12086C0319L		11-Sep-09
Flood Zone	Zone AE		
Adjacent Land Uses	South Pointe Park, deepwater inlet, luxury mid-to-high-rise residential condominium towers		
<b>Comparative Analysis</b>		<b>Rating</b>	
Visibility	Setback from Washington Avenue and excellent from Government Cut		
Functional Utility	Good		
Traffic Volume	Neighborhood, commuter & heavy seasonal traffic		
Adequacy of Utilities	Good		
Landscaping	Good		
Drainage	Assumed adequate		
<b>Utilities</b>	<b>Provider</b>	<b>Availability</b>	
Water	City of Miami Beach	Yes	
Sewer	City of Miami Beach	Yes	
Natural Gas	Contract service	Yes	
Electricity	FPL	Yes	
Telephone	AT&T land lines	Yes	
Mass Transit	Miami-Dade Transit (MDT) Metrobus service & Miami Beach Trolley	Yes	
<b>Other</b>	<b>Yes</b>	<b>No</b>	<b>Unknown</b>
Detrimental Easements			X
Encroachments			X
Deed Restrictions			X
Reciprocal Parking Rights	See Comments		
Various sources compiled by CBRE			

### SITE AREA

The subject site is reported to be 0.55-acres plus a 0.01-acre concession area within a 16.5-acre public park. The original contract lease & addendum agreements report a site area of 16,000-SF, while a more recent boundary survey, dated October 6, 2020, represents a site area of 24,010-SF plus 581-SF for the concession area.

## INGRESS/EGRESS

Ingress and egress is available to the site via Washington Avenue to Inlet Boulevard and the South Pointe Park surface parking lot drive.

Street improvements include asphalt pavement, concrete sidewalks & gutters, stormwater drainage, and street lighting.

Government Cut improvements include a public bay walk/linear park, concrete, pavers and large stone boulders on bank.

## RECIPROCAL PARKING

The subject site is supported by the South Pointe Park municipal, metered parking lot, of which 105-spaces are allocated to the subject property plus an additional 32 spaces subject to a parking impact fee.

## EASEMENTS AND ENCROACHMENTS

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

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

## COVENANTS, CONDITIONS AND RESTRICTIONS

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

## ENVIRONMENTAL ISSUES

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

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

### ADJACENT PROPERTIES

The adjacent land uses are summarized as follows:

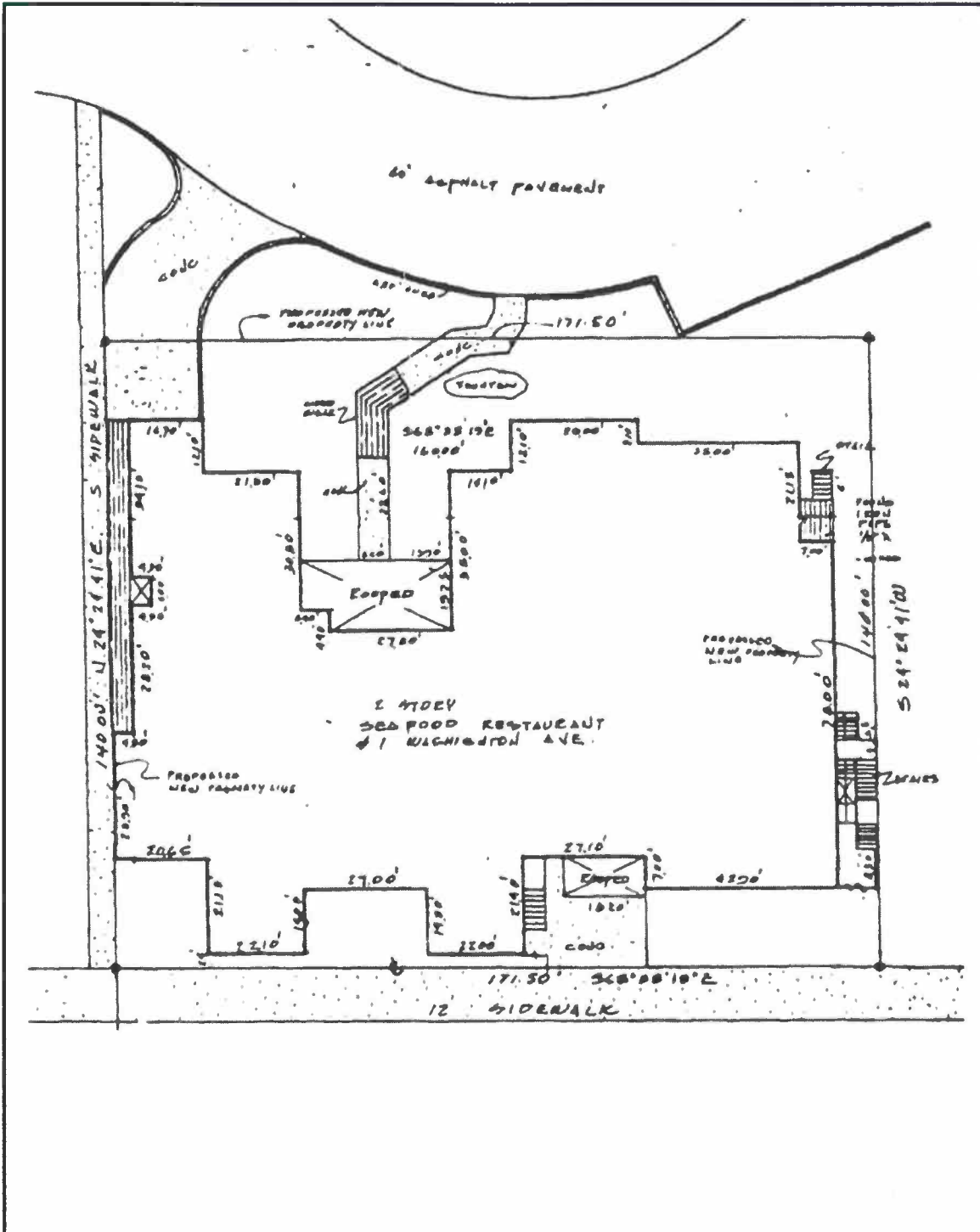
North:	South Pointe Park, Inlet Boulevard, and the Portofino and Continuum residential condominium communities
South:	Government Cut and Fisher Island
East:	South Pointe Park and Atlantic Ocean
West:	South Pointe Park, the Apogee residential condominium, the Miami Beach Marina and Biscayne Bay

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

### CONCLUSION

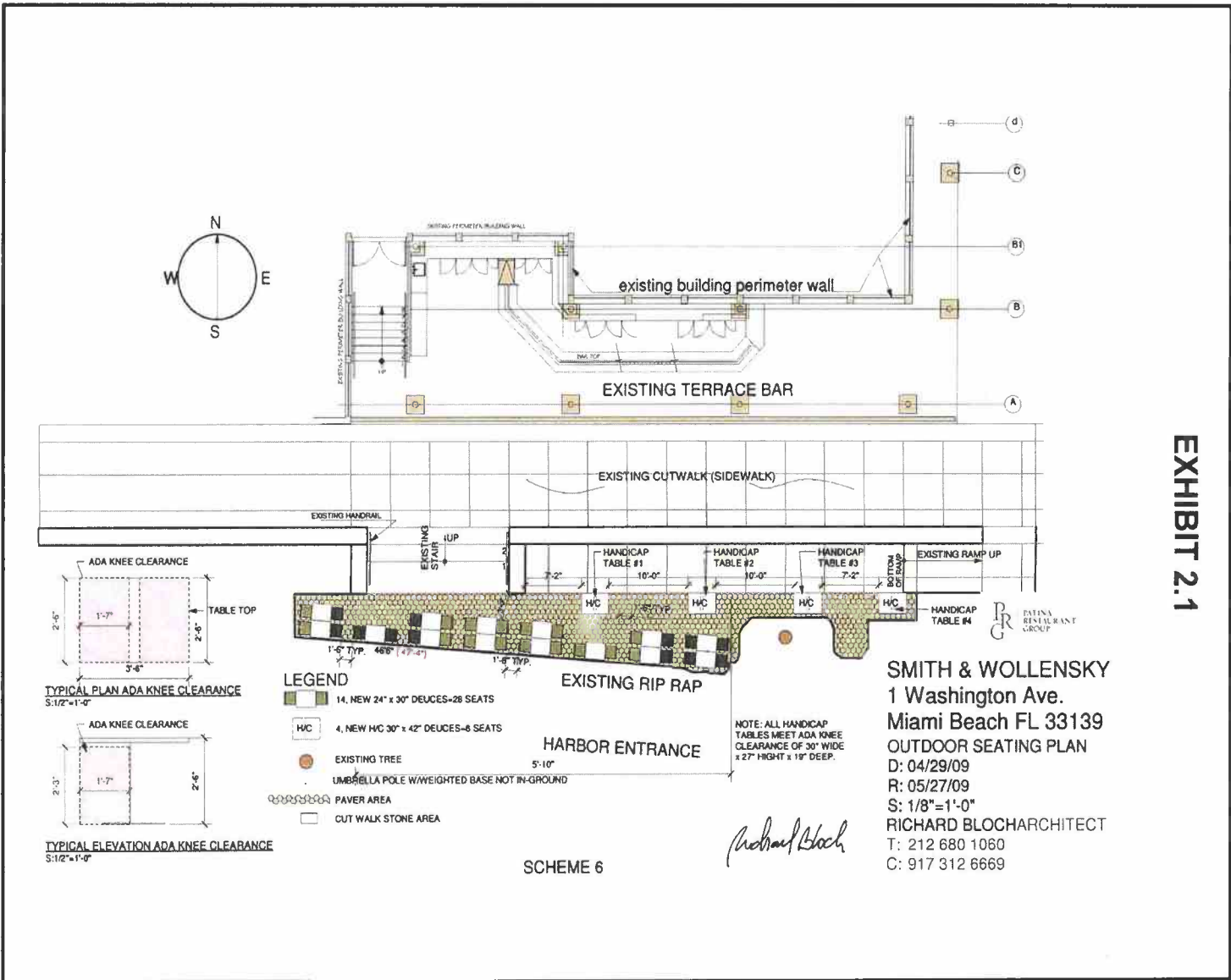
The site is strategically located along Government Cut, a deep water, ocean access inlet that connects Biscayne Bay to the Atlantic Ocean, as well as, being located within the affluent, South of 5<sup>th</sup>, high density residential community in South Beach.

BUILDING EXHIBIT



CONCESSION AREA EXHIBIT

EXHIBIT 2.1





## Improvements Analysis

The following chart shows a summary of the improvements.

<b>IMPROVEMENTS SUMMARY AND ANALYSIS</b>			
Property Type	Retail	(Restaurant)	
Number of Buildings	1		
Number of Stories	2		
Gross Leasable Area	20,851 SF		
Seating Capacity - Indoor	268 Seats		
Seating Capacity - Outdoor Patio & Deck	154 Seats		
Seating Capacity - Concession Area - Outdoor	<u>36 Seats</u>		
Seating Capacity - Total Indoor/Outdoor	458 Seats		
Floor Area Ratio (FAR)	0.87		
Land-to-Building Ratio	1.15 : 1		
Parking Improvements	Surface		
Parking Spaces:	105		
Parking Ratio (per 1,000 SF GLA )	5.04		
<b>Component</b>	<b>Location</b>	<b>Seating Capacity</b>	<b>Standing Capacity</b>
Indoor Seating	1st & 2nd Floors	268	350
Outdoor Patio	1st Floor	54	54
Outdoor Patio Deck	2nd Floor	100	150
Concession Area	Ground Level	36	36
<b>Total</b>		<b>458</b>	<b>590</b>

Source: Various sources compiled by CBRE

The subject is a 2-story, 20,851-square foot restaurant property constructed in 1987, renovated in 1997 & 2017 and are situated on a 0.55-acre waterfront site. The subject is presently tenant occupied by Smith & Wollensky with 268-indoor seats, 154-outdoor seats plus 36-outdoor seats on 581-SF along the bay walk that is operated via a concession agreement.

The subject property is currently leased to the NY Restaurant Group who operates the Smith & Wollensky restaurant as a successor to One Washington Avenue Corp. with 59-months remaining on the last 10-year renewal option lease term. The original lease dates back to February 1985 with an initial 20-year term plus two, 10-year renewal options that will expire on November 6, 2025.

According to interviews with the general manager, several capital improvements have been completed in the past 1-to-3 years including a new copper seam roof, roof mounted HVAC system, grease traps and added underground tanks. In addition, in January 2017, the tenant/operator completed an extensive renovation, including upgraded and modernized dining and private event spaces, an expanded indoor bar and lounge and a new Overlook Deck, i.e. an uncovered 2<sup>nd</sup> story terrace that features unobstructed views of South Pointe Park, Government Cut, Biscayne Bay, Fisher Island and the Atlantic Ocean plus a full bar, lounge and table seating.

The first floor main bar has been improved with marble-top bar with new barstools, dining chairs and other furnishings including new textures and colors, floors, wall coverings and lighting have been refinished and upgraded.

### ECONOMIC AGE AND LIFE

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

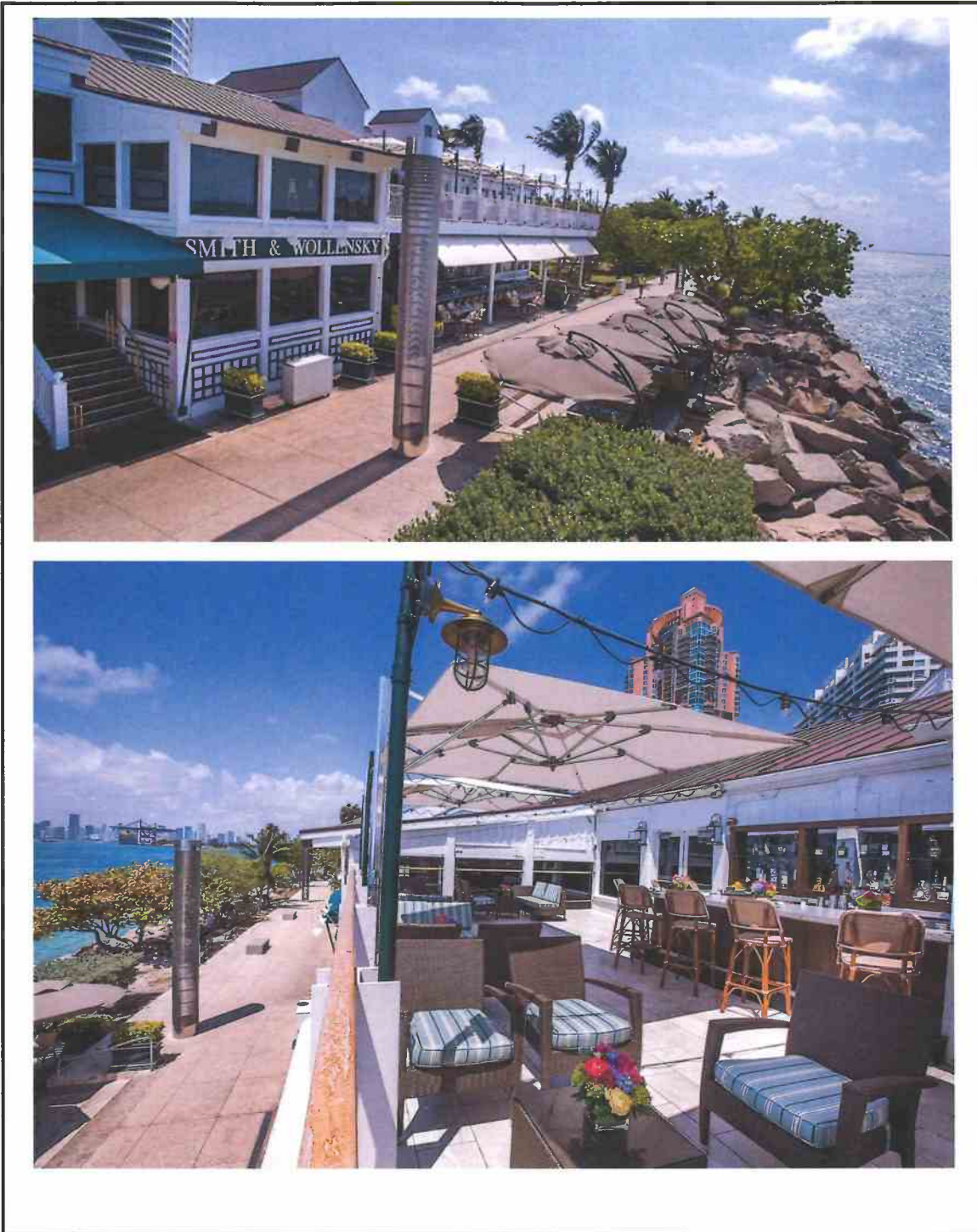
<b>ECONOMIC AGE AND LIFE</b>	
Actual Age	33 Years
Effective Age	20 Years
MVS Expected Life	40 Years
Remaining Economic Life	20 Years
Accrued Physical Incurable Depreciation	50.0%
Compiled by CBRE	

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

### CONCLUSION

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

RENOVATION FILE PHOTOGRAPHS

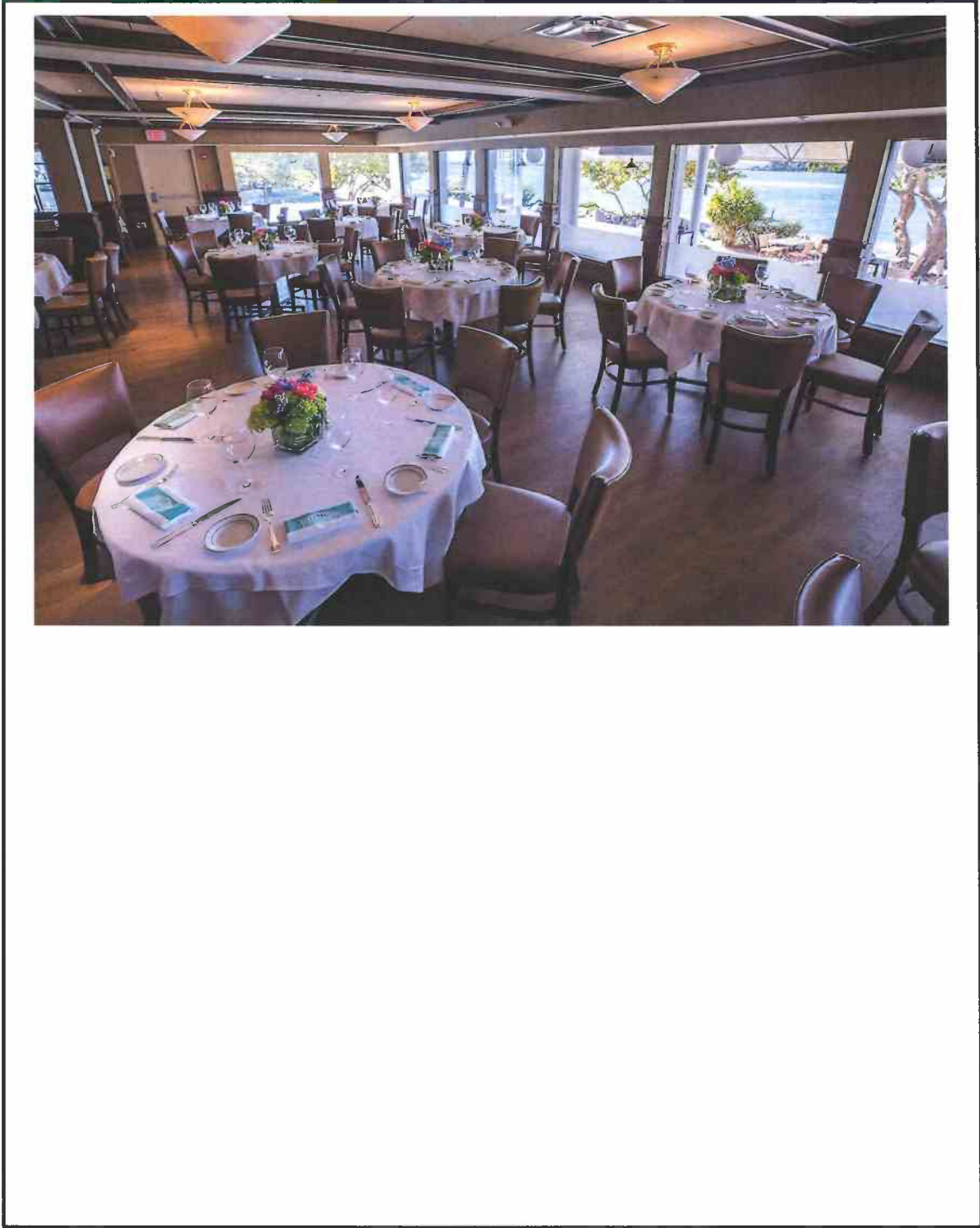




CONCESSION AREA EXHIBIT



CONCESSION AREA EXHIBIT





# Zoning

The following chart summarizes the subject’s zoning requirements.

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

Source: City of Miami Beach Planning & Zoning Dept.

**ANALYSIS AND CONCLUSION**

The improvements represent a legally-conforming use and, if damaged, may be restored without special permit application. Additional information may be obtained from the City of Miami Beach Planning & Zoning Department. For purposes of this appraisal, CBRE has assumed the information obtained is correct.

## Tax and Assessment Data

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

<b>AD VALOREM TAX INFORMATION</b>				
<b>Parcel</b>	<b>Assessor's Parcel No.</b>	<b>Parcel Description</b>	<b>2019</b>	<b>2020</b>
1	02-4210-000-0040		37,023,848	37,031,395
	<b>Subtotal</b>		<b>\$37,023,848</b>	<b>\$37,031,395</b>
	<b>% of Assessed Value</b>		<b>100%</b>	<b>100%</b>
	<b>Final Assessed Value</b>		<b>37,023,848</b>	<b>37,031,395</b>
	<b>General Tax Rate (per \$100 A.V.)</b>		<b>1.937850</b>	<b>1.935960</b>
	<b>Total Taxes</b>		<b>\$717,467</b>	<b>\$716,913</b>
	<b>Less: 4% Early Pay Discount</b>		<b>(\$28,699)</b>	<b>(\$28,677)</b>
	<b>Total Taxes</b>		<b>Exempt</b>	<b>Exempt</b>

Source: Assessor's Office

The subject property is exempt from real estate property taxes based on municipal government ownership. However, if the subject property were sold-off to a third-party the exemption would be rescinded. In addition, under the current lease agreement, the land component remains exempt while the third-party leasehold improvements could become taxable, unless a non-profit or municipal government entity owned and operated the leasehold improvements.

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

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

## Market Analysis

The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. Primary data sources used for this analysis includes CBRE, Inc., PriceWaterhouseCoopers (PWC), Market Research, Econometric Advisors (a subsidiary of CBRE, Inc.), Costar Group, Inc., and Esri.

The subject is in the Miami Beach submarket and is considered a Class A, single tenant retail restaurant property.

### DEMOGRAPHIC ANALYSIS

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

#### Housing, Population and Household Formation

The following table illustrates the population and household changes for the subject neighborhood with primary focus on the 1-, 3- and 5-mile radius.

POPULATION AND HOUSEHOLD PROJECTIONS						
	1 Mile Radius	3 Mile Radius	5 Mile Radius	33139 - Miami Beach	Florida	Miami-Dade County
<b>Population</b>						
2025 Total Population	13,987	48,505	227,763	41,612	23,056,641	2,894,298
2020 Total Population	13,338	46,935	203,380	40,156	21,587,015	2,759,670
2010 Total Population	12,533	44,736	160,305	38,179	18,801,310	2,496,435
2000 Total Population	11,513	44,099	129,967	37,950	15,982,378	2,253,362
Annual Growth 2020 - 2025	0.95%	0.66%	2.29%	0.71%	1.33%	0.96%
Annual Growth 2010 - 2020	0.62%	0.48%	2.41%	0.51%	1.39%	1.01%
Annual Growth 2000 - 2010	0.85%	0.14%	2.12%	0.06%	1.64%	1.03%
<b>Households</b>						
2025 Total Households	8,200	28,133	116,300	24,766	8,989,496	995,690
2020 Total Households	7,850	27,369	103,966	24,030	8,438,100	951,252
2010 Total Households	7,546	26,510	81,510	23,221	7,420,802	867,352
2000 Total Households	6,911	26,060	63,406	23,125	6,337,929	776,774
Annual Growth 2020 - 2025	0.88%	0.55%	2.27%	0.61%	1.27%	0.92%
Annual Growth 2010 - 2020	0.40%	0.32%	2.46%	0.34%	1.29%	0.93%
Annual Growth 2000 - 2010	0.88%	0.17%	2.54%	0.04%	1.59%	1.11%

Source: ESRI

As shown, the subject's neighborhood is experiencing positive increases in both population and households based on high density, in-fill redevelopment projects. In addition, the subject property draws from a broader national & international tourist demographic.

#### Income Distributions

Household income available for expenditure on consumer items is a primary factor in determining the retail supply and demand levels in a given market area. In the case of this study, a projection of household income identifies (in gross terms) the market from which the subject

submarket draws. The following table illustrates estimated household income distribution for the subject neighborhood.

<b>HOUSEHOLD INCOME DISTRIBUTION</b>						
Households by Income Distribution (2020)	1 Mile Radius	3 Mile Radius	5 Mile Radius	33139 - Miami Beach	Florida	Miami-Dade County
<\$15,000	19.12%	13.90%	14.62%	14.22%	10.63%	12.84%
\$15,000 - \$24,999	10.85%	9.70%	9.50%	9.60%	9.81%	11.35%
\$25,000 - \$34,999	9.29%	9.13%	8.36%	9.42%	9.76%	9.58%
\$35,000 - \$49,999	10.82%	10.75%	9.88%	10.80%	13.61%	12.57%
\$50,000 - \$74,999	11.18%	14.52%	14.92%	14.61%	18.33%	17.64%
\$75,000 - \$99,999	10.69%	10.88%	11.30%	10.72%	12.34%	11.29%
\$100,000 - \$149,999	9.75%	12.24%	12.90%	11.99%	13.76%	12.20%
\$150,000 - \$199,999	5.08%	7.06%	7.45%	7.24%	5.48%	5.83%
\$200,000+	13.21%	11.81%	11.07%	11.41%	6.27%	6.70%

Source: ESRI

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

<b>HOUSEHOLD INCOME LEVELS</b>						
Income	1 Mile Radius	3 Mile Radius	5 Mile Radius	33139 - Miami Beach	Florida	Miami-Dade County
2020 Median Household Income	\$49,850	\$59,098	\$60,615	\$58,146	\$56,362	\$53,726
2020 Average Household Income	\$98,530	\$99,485	\$97,500	\$98,025	\$81,549	\$80,823
2020 Per Capita Income	\$58,245	\$58,152	\$50,300	\$58,754	\$31,970	\$27,939

Source: ESRI

An analysis of the income data indicates that the submarket is generally comprised of middle and upper-middle income economic cohort groups, which include the target groups to which the subject is oriented. In addition, the subject property draws from a broader national & international tourist demographic.

### Employment

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

EMPLOYMENT BY INDUSTRY						
Occupation (2020)	1 Mile Radius	3 Mile Radius	5 Mile Radius	33139 - Miami Beach	Florida	Miami-Dade County
Agric/Forestry/Fishing/Hunting	0.00%	0.24%	0.21%	0.27%	0.90%	0.59%
Construction	4.21%	4.62%	6.56%	4.05%	8.59%	8.84%
Manufacturing	3.98%	2.99%	4.02%	3.29%	5.56%	4.96%
Wholesale Trade	2.00%	3.56%	3.93%	3.67%	2.74%	3.82%
Retail Trade	7.58%	7.67%	8.73%	7.84%	11.71%	10.86%
Transportation/Warehousing	6.54%	6.05%	5.64%	6.15%	5.60%	8.56%
Information	3.18%	2.96%	2.57%	2.92%	1.70%	1.81%
Finance/Insurance	7.13%	5.18%	7.26%	5.09%	5.18%	4.86%
Prof/Scientific/Tech Services	11.82%	13.78%	13.51%	13.53%	8.04%	8.02%
Mgmt of Companies/Enterprises	0.25%	0.26%	0.17%	0.17%	0.14%	0.12%
Admin/Support/Waste Mgmt Svcs	4.88%	3.92%	4.07%	3.77%	5.76%	5.70%
Educational Services	8.17%	7.05%	5.85%	6.89%	7.96%	7.51%
Health Care/Social Assistance	8.26%	9.61%	11.95%	9.90%	14.92%	14.00%
Arts/Entertainment/Recreation	3.53%	3.32%	2.79%	3.41%	2.59%	1.77%
Accommodation/Food Services	21.36%	22.27%	14.08%	22.44%	8.58%	8.59%
Other Services (excl Publ Adm)	4.88%	4.49%	6.11%	4.59%	5.52%	6.42%
Public Administration	2.24%	2.05%	2.57%	2.04%	4.53%	3.57%

Source: ESRI

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

### Outlook

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



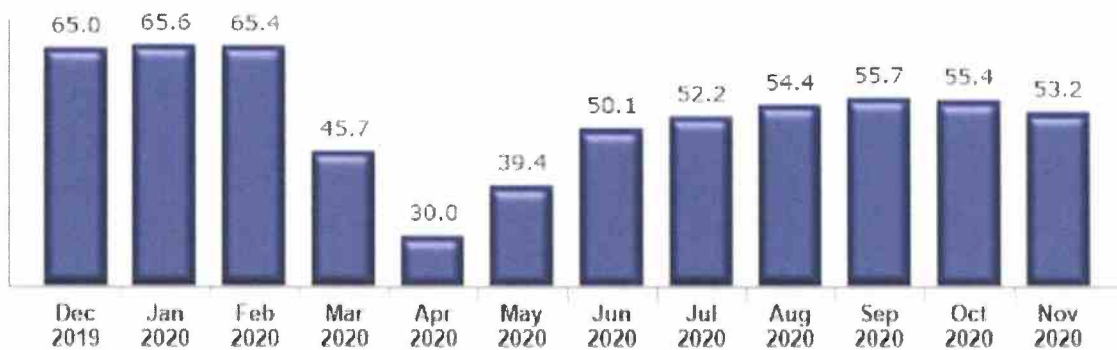
## 2020 NATIONAL RESTAURANT MARKET ANALYSIS

According to the *National Restaurant Association's* 2020 Restaurant Industry Forecast report, restaurant and foodservice sales were projected to total \$899 billion in 2020, the 11<sup>th</sup> consecutive year of sales growth for the restaurant industry. However, the COVID-19 pandemic shook the industry to the core and many projections will be skewed as restaurants were forced to endure shutdowns and limit capacity.

Restaurant sales plummeted from \$65.4 billion in February to just \$30.0 billion in April. While the industry was given a lifeline through takeout and online orders, sales once again fell for two consecutive months in October and November. The following table shows all reported sales of eating and drinking places over the last year:

### Total Eating and Drinking Place Sales

(in billions of current dollars)



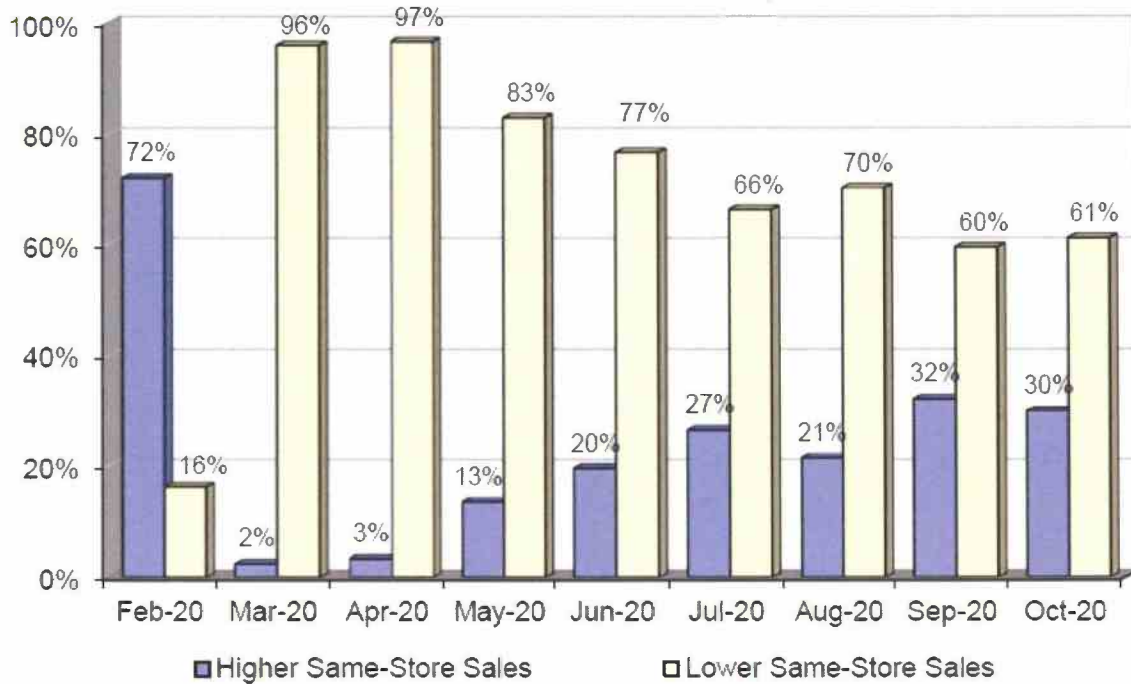
Source: U.S. Census Bureau; figures are seasonally-adjusted

Based on the data, not only has the restaurant sales recovery stalled, but it has likely entered a double dip recession for the year. Sales also remain more than 19% below the pre-pandemic levels. The end of the outdoor dining season in many parts of the country may be a contributing factor, but large increases in COVID-19 cases in parts of the country have led to tighter restrictions and increased capacity limitations.

Although there is some hope with the release of approved vaccines, it will likely be several more months before business conditions even begin to resemble some normalcy in the restaurant industry. According to a recent survey, 83% of full service operators expect their sales to decrease from current levels during the next 3 months, while only 3% think their sales will increase. Conversely, limited service operators reported that 67% believe their sales will decline during the next 3 months while only 9% expect sales to rise.

Restaurant operators continued to report negative same-store sales and customer traffic through October as shown in the following chart:

### Restaurant Operators' Reporting of Same-Store Sales versus Same Month in Previous Year

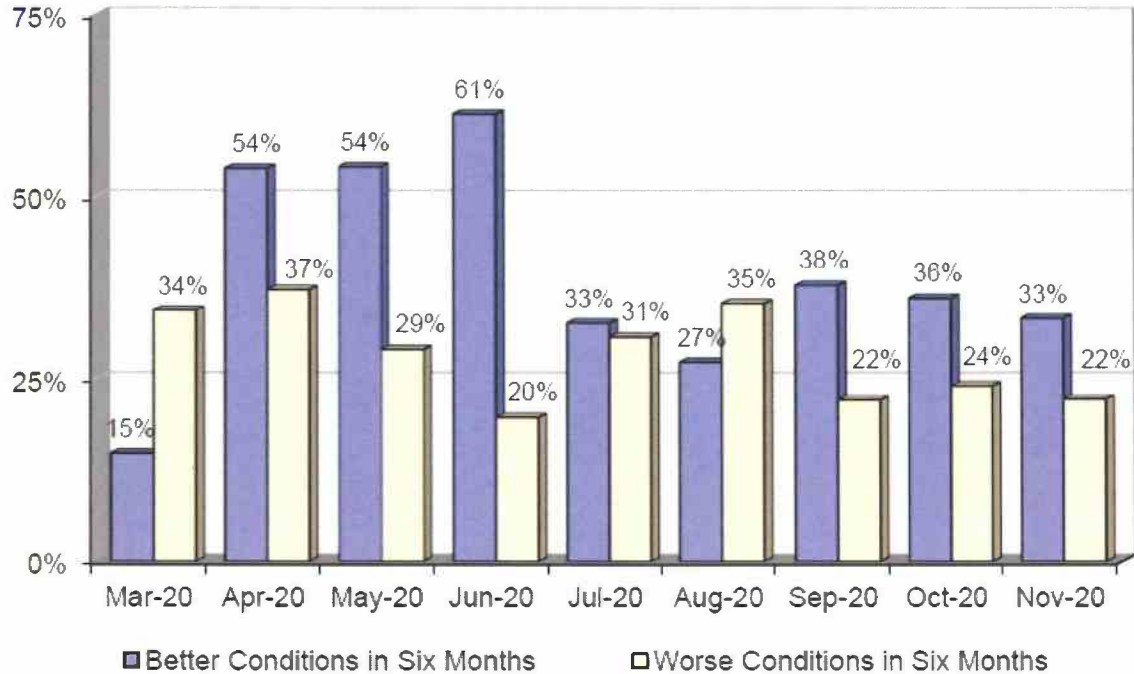


Source: National Restaurant Association, Restaurant Industry Tracking Survey

As has been the case throughout the pandemic, limited service operators were much more likely to report higher same-store sales as their full service counterparts.

However, operators continued to have a mixed outlook for the economy in the coming months. The following chart shows operators' outlook for general condition in the next six months:

### Restaurant Operators' Outlook for General Economic Conditions in Six Months



Source: National Restaurant Association, Restaurant Industry Tracking Survey

The pandemic is clearly have a negative impact on this market segment and it will likely be some time before the industry recovers to pre-pandemic levels. The following information was largely gathered from the NRA 2020 forecast data which was primarily based on information from 2019 before the on-set of the pandemic.

#### 2020 STATE AND REGIONAL OUTLOOK

Regions of the country with the most favorable economic conditions and the strongest population growth are expected to fare the best in restaurant sales. The following chart illustrates the breakdown of the U.S. into regions along with individual state performance:

	2019 LOCATIONS	2019 SALES (BILLIONS)		2019 LOCATIONS	2019 SALES (BILLIONS)
ALABAMA	8,776	\$9.8	<b>NEW JERSEY</b>	<b>19,329</b>	<b>\$20.2</b>
ALASKA	1,482	\$2.0	NEW MEXICO	3,550	\$4.4
ARIZONA	10,876	\$15.6	<b>NEW YORK</b>	<b>49,032</b>	<b>\$54.5</b>
ARKANSAS	5,411	\$5.5	<b>NORTH CAROLINA</b>	<b>19,851</b>	<b>\$23.5</b>
<b>CALIFORNIA</b>	<b>81,514</b>	<b>\$102.8</b>	NORTH DAKOTA	1,725	\$1.5
COLORADO	12,084	\$15.0	<b>OHIO</b>	<b>23,036</b>	<b>\$25.6</b>
CONNECTICUT	8,511	\$8.9	OKLAHOMA	7,040	\$8.1
DELAWARE	2,042	\$2.5	OREGON	10,697	\$10.2
DISTRICT OF COLUMBIA	2,466	\$4.8	<b>PENNSYLVANIA</b>	<b>26,546</b>	<b>\$25.7</b>
<b>FLORIDA</b>	<b>42,275</b>	<b>\$52.5</b>	RHODE ISLAND	2,991	\$2.8
<b>GEORGIA</b>	<b>18,933</b>	<b>\$24.9</b>	SOUTH CAROLINA	9,865	\$11.7
HAWAII	3,779	\$5.7	SOUTH DAKOTA	1,896	\$1.6
IDAHO	3,577	\$3.1	TENNESSEE	12,086	\$15.1
<b>ILLINOIS</b>	<b>25,851</b>	<b>\$32.1</b>	<b>TEXAS</b>	<b>49,666</b>	<b>\$70.6</b>
INDIANA	12,210	\$14.1	UTAH	5,324	\$6.1
IOWA	6,381	\$4.9	VERMONT	1,421	\$1.3
KANSAS	5,322	\$5.5	VIRGINIA	15,757	\$19.9
KENTUCKY	7,628	\$9.2	WASHINGTON	15,764	\$14.8
LOUISIANA	9,818	\$11.0	WEST VIRGINIA	3,282	\$3.0
MAINE	3,229	\$2.7	WISCONSIN	13,025	\$10.7
MARYLAND	11,503	\$14.5	WYOMING	1,337	\$1.2
MASSACHUSETTS	15,727	\$19.5			
MICHIGAN	17,557	\$19.0			
MINNESOTA	10,833	\$11.6			
MISSISSIPPI	4,906	\$5.5			
MISSOURI	11,363	\$12.9			
MONTANA	2,770	\$2.4			
NEBRASKA	4,163	\$3.4			
NEVADA	6,113	\$10.9			
NEW HAMPSHIRE	3,208	\$3.3			

Source: NRA 2020 SOI report

The bold states are the top 10 in locations and highest sales in 2019.

## OUTLOOK FOR THE NEXT DECADE

The US Economic growth is expected to be more moderate over the next decade, due in large part to a slower population growth and labor-force growth. The labor-force growth is projected to slow over the next decade, but this will vary by age group. Older adults are expected to register the largest inflows to the labor force while the number of teenage workers is expected to decline by 2030 to its lowest level in 65 years. The following also lists the NRA's 25 most likely developments over the next decade:

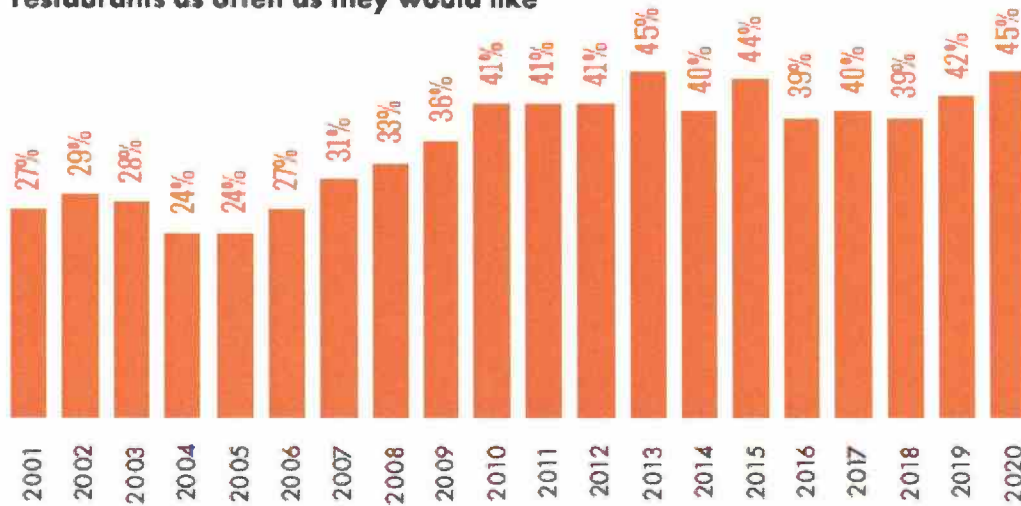
1. Competition for customers will intensify.
2. It will be commonplace for restaurants to accept mobile payments.
3. Handheld payment terminals that allow for pay-at-the-table will be commonplace.
4. The vast majority of takeout and delivery orders will be placed digitally.
5. Packaging designed exclusively for delivery and carryout will be more sophisticated and effective.
6. Regardless of the nutritional content of the food, consumers will still want comfort foods.
7. Convenience stores and grocery stores will expand their foodservice offerings.
8. More restaurant layouts will include areas dedicated to delivery and carryout.
9. State and local governments will increase restaurant industry regulation.
10. Total employee compensation costs will increase as a percent of sales.
11. More training will be provided online and on smartphones.
12. The restaurant industry will continue to be a breeding ground for entrepreneurialism.
13. Equipment used in restaurants will be more energy-efficient.
14. The use of kiosks in limited-service restaurants will be commonplace.
15. There will be increased regulation around third-party delivery.
16. More employees will be certified in safe food handling through ServSafe products.
17. Video menu boards in limited-service restaurants will be commonplace.
18. More restaurants will be designed to reduce use of energy and water and minimize waste.
19. Turning point-of-sale (POS) data into actionable knowledge for operators will become easier.
20. Restaurant operators will be more likely to implement more local, targeted and customized promotions.
21. Technology will be more effectively used to control costs and enhance management efficiency.
22. Women will hold a larger proportion of upper management jobs in the restaurant industry.
23. Restaurants will offer more healthy options on their menus.
24. Restaurant inspection results will be readily available to the public.
25. The federal government will enact more data-privacy rules to regulate how businesses handle customer data.

Source: National Restaurant Association, *Restaurant Industry 2030*, [Restaurant.org/Restaurants2030](https://www.restaurant.org/Restaurants2030)

The 2015 economy was the strongest year yet in the aftermath of the Great Recession. The national economy added a net 2.9 million jobs on an annual basis in 2015, and the 2.11% employment increase was the strongest gain in 15 years.

One takeaway from the 2020 survey was that almost half of all adults said that their frequency to restaurants was not enough. This has been increasing over the last several years indicating that there was pent-up demand for restaurants even before the pandemic.

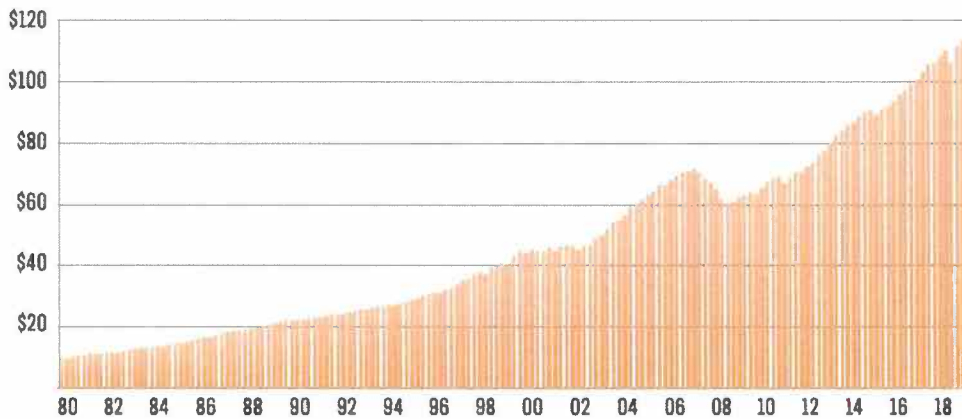
Percent of adults who say they are **not eating at restaurants as often as they would like**



Source: National Restaurant Association, National Household Surveys, 2001-2020

Household net worth has also been on a steady rise over the last decade up to 2019. The following table tracks the growth in household net worth:

TOTAL HOUSEHOLD NET WORTH (\$ TRILLIONS)



Source: Federal Reserve



### Operational Trends

Operators report that the top challenge remains the recruiting and retaining of employees. However, delivery competition topped the list of concerns for some operators ranking fifth overall and reflecting the rapid growth in this side of the industry which is likely to grow even further during and post pandemic.

Nearly half of responding restaurant operators say their customers' loyalty is more difficult to maintain that it was two years ago. Consumers are being drawn to loyalty programs and more than 80% say they are more likely to visit a restaurant that offers a customer loyalty program.

Technology will also be a driving force for the industry in the coming years. Ninety percent of consumers says they would pay attention to restaurant specials communicated via an app to a restaurant that they patronize. Variable pricing may become more prevalent with 75% of adults saying they would likely pay attention to variable pricing by restaurants that they visit. Flexible pricing could be implemented in real time, depending on how busy or slow business is. During days or periods of time that are very busy, prices could be higher and during days or periods of time that are very slow, prices could be lower. Electronic menus on tablets or video boards allow price flexibility. Pricing changes could be communicated to the public using a smartphone app and social media.

Fifty-two percent of adults say purchasing takeout or delivery food is essential to the way they live. Ten years ago, only 27% of adults held this sentiment. New technology has fueled this change, giving consumers what they want at a push of a button. This new technology also introduces more fast-paced change to the industry, and restaurant operators must work to keep up. This section provides an overview of the latest off-premises trends, as well as insights into consumers' wants and needs to help give operators a competitive advantage. Three in four operators say off-premises business is their best opportunity for growth in the years ahead, but only about half of all restaurant operators initially plan to devote more resources to expanding the off-premises side of their business in 2020. This has likely changed in the post-pandemic world however, as off-premises business has been the only way many operators have stayed in business during the crisis.

Finally, operators are reportedly boosting marketing efforts across all channels to reach consumers in this highly competitive environment.

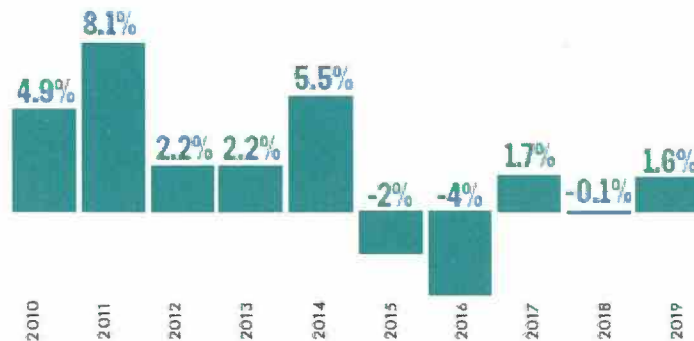
MARKETING TECHNIQUE	FAMILY DINING	CASUAL DINING	FINE DINING	QUICK SERVICE	FAST CASUAL	COFFEE & SNACK	TOP TAKEAWAY:
SOCIAL MEDIA MARKETING, SUCH AS FACEBOOK ADS OR SPECIAL OFFERS VIA TWITTER AND FOURSQUARE	76%	76%	64%	73%	73%	60%	A solid majority of operators in each of the six major segments say they will devote more resources to social media and electronic marketing in 2020.
ELECTRONIC MARKETING, SUCH AS EMAIL OR ONLINE ADS	72%	71%	67%	74%	74%	69%	
TRADITIONAL MARKETING, SUCH AS DIRECT MAIL OR NEWSPAPER ADS	52%	42%	30%	57%	47%	29%	

Source: National Restaurant Association, Restaurant Trends Survey, 2019

The off-premises category is made up of delivery, takeout, curbside pickup, drive-thru, food trucks and catering. Now more than ever, consumers rely on off-premises options in their daily lives.

### Food Costs

The recent rate of change in the producer price index for all foods is presented in the following table:



Source: Bureau of Labor Statistics. Note: Figures represent the average change in prices paid to domestic producers for their output

Average wholesale food costs rose 1.6% in 2019, after remaining essentially flat in 2018. Food costs will likely continue to trend higher in 2020, with the U.S. Department of Agriculture projecting sizable gains in pork and poultry prices. Nearly half of operators expect their average food costs to rise in 2020. To help cut costs and enhance the efficiency of their operations, a solid majority of restaurant operators plan to improve food waste management in 2020. Most operators say they plan to take steps to improve the management of food waste in their operation in 2020.

Menu prices rose 3.1% in 2019, the strongest annual increase since 2009 (3.5%). The gain was well above the modest 0.9% increase in grocery store prices in 2019, the fourth consecutive year in which grocery store inflation remained below 1%.



### MENU PRICE GROWTH BY REGION

Consumer Price Index for food away from home and food at home – historical growth rates

REGION	2016	2017	2018	2019
<b>NORTHEAST</b>				
MENU PRICES	2.7%	2.4%	2.8%	2.9%
GROCERY STORE PRICES	-1.3%	0.2%	1.2%	0.8%
<b>MIDWEST</b>				
MENU PRICES	2.6%	1.7%	2.4%	2.7%
GROCERY STORE PRICES	-1.3%	-0.4%	0.0%	0.5%
<b>SOUTH</b>				
MENU PRICES	2.0%	2.0%	2.1%	3.1%
GROCERY STORE PRICES	-1.4%	-0.2%	0.3%	0.7%
<b>WEST</b>				
MENU PRICES	3.3%	3.3%	3.4%	3.6%
GROCERY STORE PRICES	-1.1%	-0.3%	0.4%	1.5%

Source: Bureau of Labor Statistics

In each of the four U.S. regions, menu price growth outpaced grocery stores. The West region saw a 3.6% gain in menu prices, the country’s highest. The following breaks down major cities and the CPI of food away from home historical growth rates:

CITY	2016	2017	2018	2019
BOSTON-CAMBRIDGE-NEWTON, MA-NH	3.6%	1.8%	2.4%	2.2%
NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA	3.3%	2.4%	3.0%	2.8%
PHILADELPHIA-CAMDEN-WILMINGTON, PA-NJ-DE-MD	1.6%	1.9%	1.6%	2.7%
BALTIMORE-COLUMBIA-TOWSON, MD	2.2%	2.2%	1.6%	3.4%
WASHINGTON-ARLINGTON-ALEXANDRIA, DC-VA-MD-WV	2.5%	2.4%	1.8%	2.0%
MIAMI-FORT LAUDERDALE-WEST PALM BEACH, FL	2.6%	2.5%	1.8%	1.7%
ATLANTA-SANDY SPRINGS-ROSWELL, GA	1.6%	2.3%	2.7%	2.8%
TAMPA-ST. PETERSBURG-CLEARWATER, FL	1.5%	0.1%	3.3%	3.7%
CHICAGO-NAPERVILLE-ELGIN, IL-IN-WI	3.6%	1.8%	3.4%	3.1%
DETROIT-WARREN-DEARBORN, MI	0.7%	1.7%	2.4%	1.4%
MINNEAPOLIS-ST. PAUL-BLOOMINGTON, MN-WI	3.7%	2.4%	3.8%	2.8%
ST. LOUIS, MO-IL	1.9%	2.6%	1.7%	3.6%
DALLAS-FORT WORTH-ARLINGTON, TX	2.2%	1.8%	2.4%	4.6%
HOUSTON-THE WOODLANDS-SUGAR LAND, TX	1.3%	1.8%	3.0%	2.4%
PHOENIX-MESA-SCOTTSDALE, AZ	4.6%	4.0%	2.7%	3.0%
DENVER-AURORA-LAKEWOOD, CO	0.8%	4.8%	3.1%	3.2%
SEATTLE-TACOMA-BELLEVUE, WA	3.3%	3.0%	3.0%	3.1%
LOS ANGELES-LONG BEACH-ANAHEIM, CA	3.8%	3.9%	3.6%	5.0%
SAN FRANCISCO-OAKLAND-HAYWARD, CA	4.3%	2.8%	4.7%	6.6%
SAN DIEGO-CARLSBAD, CA	3.5%	0.8%	3.1%	2.1%

Source: Bureau of Labor Statistics

### Labor Costs

Labor costs will continue to rise in 2020, as the tight labor market and unfilled job openings put upward pressure on wages.

These three factors will continue to put upward pressure on wages:

- The national unemployment rate is near a five-decade low.
- The rate of job openings in the overall restaurant industry remains well above historical averages.
- Three in 10 restaurant operators say they have job openings that are difficult to fill

Wage growth of restaurant employees outpaced their counterparts in the overall private sector for the sixth consecutive year in 2019. During the last six years, average hourly earnings of restaurant employees jumped 25%. In the overall private sector, the gain was 17%. The following shows the growth in average hourly earnings for all employees, by restaurant industry segment:

SEGMENT	2016	2017	2018	2019
Fullservice restaurants	5.0%	4.6%	3.9%	3.3%
Quickservice and fast-casual restaurants	4.5%	4.9%	4.5%	4.5%
Cafeterias, grill buffets, and buffets	1.7%	4.7%	5.1%	9.7%
Snack and nonalcoholic beverage bars	1.5%	4.5%	4.7%	5.2%
Foodservice contractors	-0.1%	0.8%	0.5%	1.5%
Caterers and mobile food services	4.2%	-1.0%	3.1%	7.1%
Drinking places	8.6%	6.7%	3.6%	5.2%

Source: Bureau of Labor Statistics

The restaurant and foodservice industry added 3.4 million jobs during the last decade. Although job growth will slow somewhat in the years ahead, the industry will still add another 1.6 million jobs by 2030.

## CONCLUSION

Employed adults say they are working and commuting longer than ever, which means less time available to cook meals at home. Employed adults are also reporting less time available to prepare meals at home than they previously did as well.

As consumer demand for delivery options continues to rise, look for more restaurants to enter this line of business in 2020. Despite the consumer demand, only about half of restaurant operators say they offer delivery. This trend will likely change in the post pandemic world.

Restaurant operators looking to grow their off-premise business will likely encounter strengthening competition from retail store visits where a customer purchases a foodservice item.



Convenience stores, where 60% of foodservice traffic occurs during the breakfast and PM snack dayparts, are among the chief competitors.

The COVID-19 pandemic has clearly had a disastrous effect on the food services and restaurant industry. The challenges ahead remain strong for the industry to regain pre-pandemic sales figures and many restaurants may not survive. However, the outlook remains good for industry over the long-term as consumers report pent up demand for these services.

### MIAMI-DADE COUNTY RETAIL MARKET ANALYSIS

The following table summarizes historical and projected performance for the overall Miami-Dade County retail market, as defined by CoStar Group, Inc.

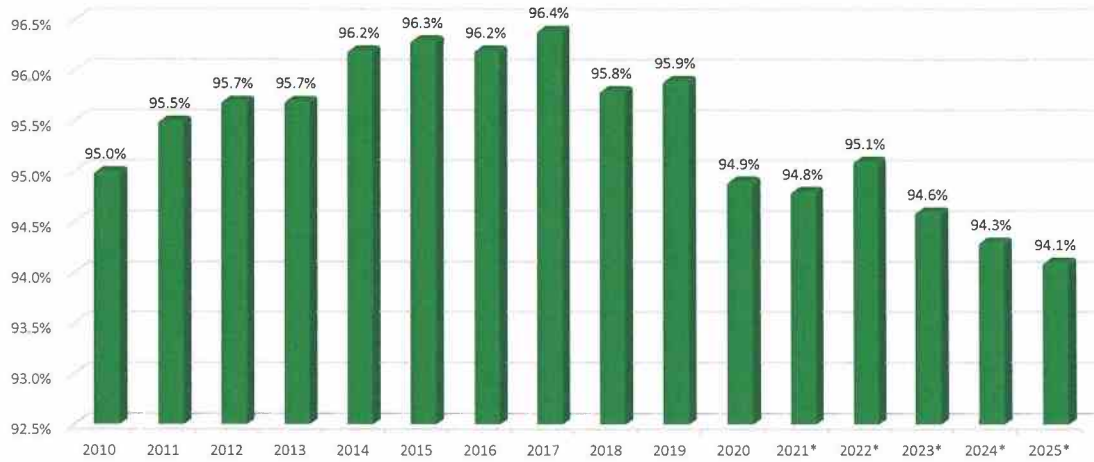
MIAMI-DADE COUNTY - FL RETAIL MARKET								
Year Ending	Inventory (SF)	Completions (SF)	Occupied Stock (SF)	Occupancy	Asking Rent (\$/SF NNN)	Asking Rent Change	Net Absorption (SF)	Transaction Price Per Area (SF)
2010	126,340,988	611,994	120,046,584	95.0%	\$26.74	-0.82%	891,950	\$226.35
2011	127,104,549	763,561	121,448,160	95.5%	\$27.05	1.14%	1,401,576	\$367.66
2012	127,872,111	767,562	122,355,184	95.7%	\$28.29	4.59%	2,609,018	\$284.46
2013	128,261,368	389,257	122,729,424	95.7%	\$29.30	3.56%	374,242	\$242.87
2014	129,494,185	1,232,817	124,561,648	96.2%	\$31.20	6.49%	1,832,223	\$361.32
2015	130,521,182	1,026,997	125,707,232	96.3%	\$32.71	4.85%	1,123,488	\$332.71
2016	131,445,878	863,789	126,465,096	96.2%	\$33.99	3.93%	717,634	\$328.25
2017	132,975,412	1,529,534	128,229,016	96.4%	\$35.41	4.18%	1,693,027	\$334.80
2018	133,833,018	848,043	128,162,744	95.8%	\$36.75	3.77%	-5,707	\$339.60
2019	134,561,221	714,692	129,004,224	95.9%	\$37.83	2.93%	829,066	\$335.82
2020 Q1	135,620,937	1,059,716	130,200,584	96.0%	\$37.98	2.60%	1,196,361	\$268.76
2020 Q2	135,592,023	-28,914	129,858,336	95.8%	\$37.61	0.61%	-342,251	\$365.95
2020 Q3	135,650,747	58,724	129,674,248	95.6%	\$37.60	0.26%	-176,186	\$291.48
2020 Q4	136,385,403	734,656	129,445,664	94.9%	\$37.36	-1.24%	-177,305	\$109.21
2021*	136,940,772	555,369	129,845,344	94.8%	\$37.76	1.07%	400,683	\$0.00
2022*	137,191,899	251,127	130,479,888	95.1%	\$39.36	4.23%	635,300	\$0.00
2023*	138,133,590	941,691	130,640,328	94.6%	\$40.59	3.13%	151,787	\$0.00
2024*	139,538,591	1,405,001	131,556,080	94.3%	\$41.32	1.81%	896,256	\$0.00
2025*	140,569,879	1,031,288	132,243,096	94.1%	\$41.85	1.27%	667,554	\$0.00

\* Future Projected Data according to Costar

Source: Costar, 4th Quarter 2020

Miami-Dade County Historical & Projected Occupancy

**HISTORICAL OCCUPANCY: MIAMI-DADE COUNTY - FL RETAIL MARKET**



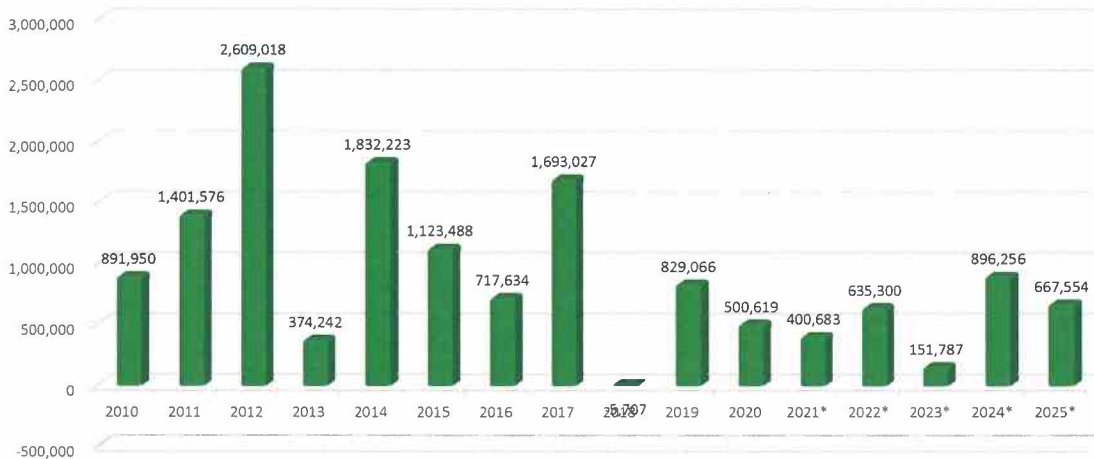
\* Future Projected Data according to Costar

Source: Costar, 4th Quarter 2020

The Miami-Dade County market's occupancy rate declined to 94.9% from 95.9% between yearend 2019 and the 4th quarter 2020, while 2014 through 2017 proved to peak occupancy years. The forward looking occupancy is projected to trend downwards into 2021 through 2025 with a bottom of projected to be 94.1%.

Miami-Dade County Historical & Projected Net Absorption

**HISTORICAL NET ABSORPTION: MIAMI-DADE COUNTY - FL RETAIL MARKET**

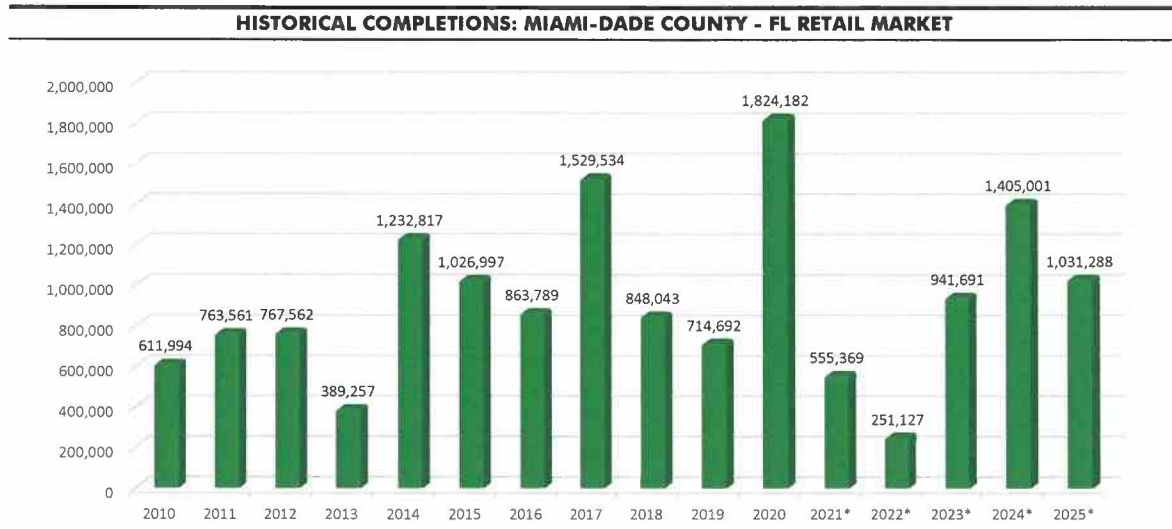


\* Future Projected Data according to Costar

Source: Costar, 4th Quarter 2020

The overall market area has experienced positive net absorption since 2010 with a decline into the negative in 2018. However, there was a return to positive net absorption in 2019 followed by positive projections for year end 2020 and more modest positive projection for 2021.

**Miami-Dade County Historical Completions & Projections**

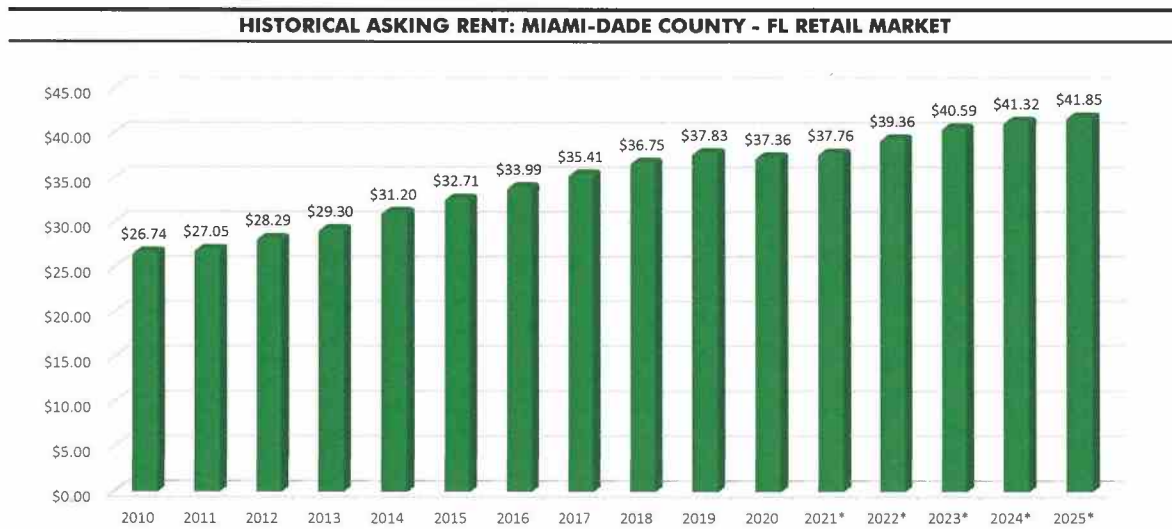


\* Future Projected Data according to Costar

Source: Costar, 4th Quarter 2020

The overall market area had substantial completions of new retail delivered to market since 2010 with a spike of 1,824,182-SF to be completed by year end 2020, while forward looking to 2021 to 2025 are projected for a modest completion schedule in the wake of the Covid-19 pandemic.

**Miami-Dade County Historical Asking Rent Growth**



\* Future Projected Data according to Costar

Source: Costar, 4th Quarter 2020

The overall market achieved average peak asking rents at \$37.83-PSF in 2019 with growth of 3.9% compounded annually between 2010 to 2019, while 2020 is expected to retract by (1.2%) at year end 2020 in the wake of the Covid-19 pandemic.

**Miami-Dade County Historical Transaction Price Per Building Area**



\* Future Projected Data according to Costar

Source: Costar, 4th Quarter 2020

The overall market achieved average peak transaction pricing in 2011 at \$367.66-PSF of rentable area and the last recorded transaction history is from 2019 at \$335.82-PSF, while 2020 and forward looking projections are not yet available in the wake of the Covid-19 pandemic.

**MIAMI-DADE COUNTY SUBMARKET SNAPSHOT**

The following table summarizes the inventory, completions, average asking rent and occupancy for each submarket within the Miami-Dade County market as of the 4th quarter 2020.

MIAMI-DADE COUNTY - FL SUBMARKET SNAPSHOT				
Submarket	Inventory (SF)	Completions* (SF)	Asking Rent (\$/SF NNN)	Occupancy
Aventura	5,568,045	0	\$59.09	96.2%
Biscayne Corridor	1,979,524	0	\$33.78	92.4%
Brickell	1,570,695	27,000	\$62.74	90.7%
Coconut Grove	1,788,943	87,000	\$53.63	89.4%
Coral Gables	3,862,444	125,000	\$46.37	91.8%
Coral Way	2,724,877	2,163	\$38.15	96.9%
Downtown Miami	4,083,019	306,144	\$38.68	75.0%
Hialeah	12,663,376	4,976	\$28.08	97.6%
Kendall	21,612,354	18,853	\$37.75	95.1%
Miami	12,293,482	48,321	\$24.51	95.8%
Miami Airport	12,887,687	13,829	\$34.72	96.7%
<b>Miami Beach</b>	<b>9,113,034</b>	<b>161,612</b>	<b>\$82.84</b>	<b>92.2%</b>
Miami Gardens/Opa Locka	3,612,402	48,004	\$23.63	98.0%
Miami Lakes	4,958,714	0	\$27.18	97.3%
Northeast Dade	13,514,073	814,957	\$27.88	96.1%
Outlying Miami-Dade Cnty	776,227	71,785	\$29.48	94.8%
South Dade	12,416,381	81,878	\$26.58	96.5%
West Miami	7,180,838	8,500	\$32.26	97.8%
Wynwood-Design District	3,673,088	4,160	\$49.49	88.1%

\*Completions include trailing 4 quarters

Source: Costar, 4th Quarter 2020

As presented, in the foregoing table, the subject Miami Beach submarket comprises 9,113,034-SF or approximately 6.7% of the total Miami-Dade County market inventory with average asking rent of \$82.84-PSF that is above all of the 19 other submarkets, while overall submarket occupancy below 13 of the same 19 submarkets.

### Miami Beach Submarket

The Miami Beach submarket consists of approximately 9,113,034-SF of retail space with the historical and projected inventory for the submarket indicated in the following table:

MIAMI BEACH RETAIL SUBMARKET								
Year Ending	Inventory (SF)	Completions (SF)	Occupied Stock (SF)	Occupancy	Asking Rent (\$/SF NNN)	Asking Rent Change	Net Absorption (SF)	Transaction Price Per Area (SF)
2010	8,240,457	7,619	7,934,169	96.3%	\$58.17	1.30%	74,782	\$524.97
2011	8,344,217	103,760	8,030,621	96.2%	\$58.68	0.88%	96,452	\$460.35
2012	8,470,932	126,715	8,098,591	95.6%	\$61.12	4.16%	67,970	\$1,772.71
2013	8,480,074	9,142	8,041,500	94.8%	\$62.90	2.92%	-57,091	\$1,383.41
2014	8,564,355	84,281	8,125,291	94.9%	\$66.93	6.41%	83,791	\$1,838.93
2015	8,594,421	30,066	8,108,528	94.3%	\$70.46	5.28%	-13,857	\$862.55
2016	8,646,995	52,574	8,239,752	95.3%	\$72.89	3.45%	131,224	\$531.22
2017	8,758,879	111,884	8,328,902	95.1%	\$77.30	6.05%	89,150	\$901.18
2018	8,852,000	93,121	8,313,735	93.9%	\$81.56	5.51%	-15,167	\$340.04
2019	8,951,422	97,422	8,293,444	92.6%	\$83.59	2.49%	-21,891	\$453.71
2020 Q1	9,050,861	99,439	8,525,576	94.2%	\$84.59	1.20%	232,132	\$810.66
2020 Q2	9,050,861	0	8,450,750	93.4%	\$83.84	-0.89%	-74,826	\$598.29
2020 Q3	9,050,861	0	8,403,481	92.8%	\$83.40	-0.53%	-47,269	\$569.32
2020 Q4	9,113,034	62,173	8,406,001	92.2%	\$82.84	-0.67%	8,953	\$0.00
2021*	9,087,025	-26,009	8,440,380	92.9%	\$83.61	0.94%	34,511	\$0.00
2022*	9,093,220	6,195	8,444,496	92.9%	\$87.05	4.11%	4,202	\$0.00
2023*	9,155,961	62,741	8,439,173	92.2%	\$89.67	3.00%	-5,693	\$0.00
2024*	9,568,507	412,546	8,797,192	91.9%	\$91.17	1.68%	357,083	\$0.00
2025*	9,637,995	69,488	8,850,632	91.8%	\$92.22	1.14%	52,499	\$0.00

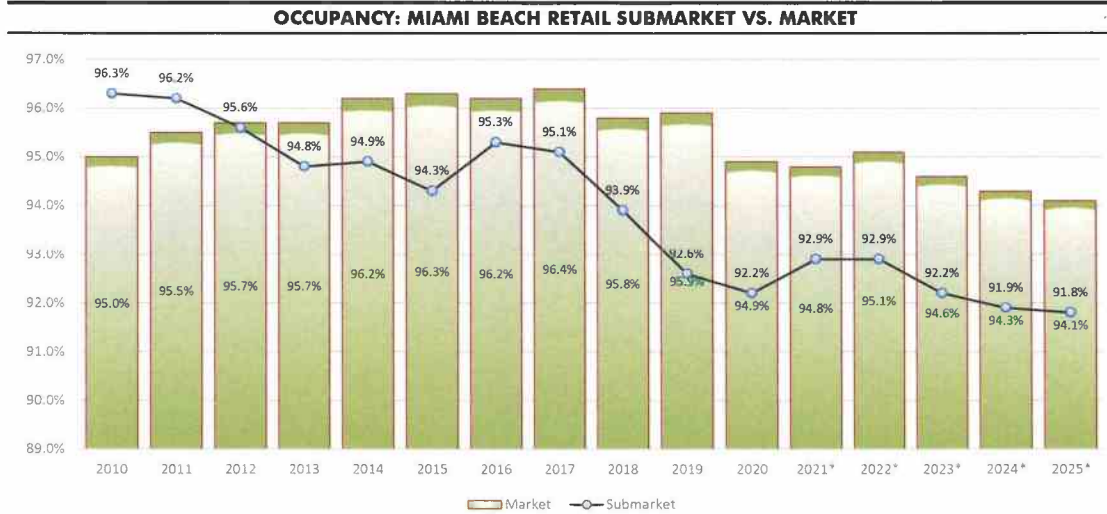
\*Future Projected Data according to Costar

Source: Costar, 4th Quarter 2020



The current submarket inventory represents approximately 6.7% of the overall market inventory and 8.9% of the completions reported for yearend 2020.

**Miami Beach Submarket Occupancy**



\* Future Projected Data according to Costar

Source: Costar, 4th Quarter 2020

As of the 4th Quarter 2020, the overall submarket occupancy was reported to be 92.2% in comparison to 94.9% for the overall market area. The forward-looking projection for the submarket is to bottom out by 2025 in concert with the Miami-Dade County market in the wake of the Covid-19 pandemic.

**Miami Beach Submarket Net Absorption**



\* Future Projected Data according to Costar

Source: Costar, 4th Quarter 2020

The subject submarket experienced a positive net absorption from 2010 through 2017 with the exception of 2018. The forward looking net absorption is projected to be a modest positive as a result of the Covid-19 pandemic.

**Miami Beach Submarket Completions**

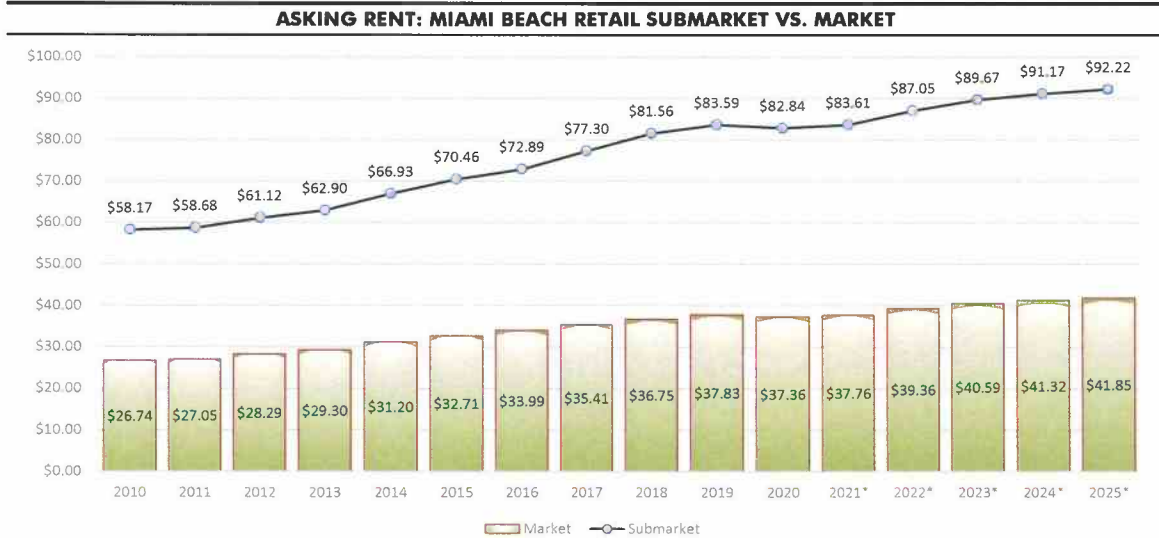


\* Future Projected Data according to Costar

Source: Costar, 4th Quarter 2020

The subject submarket had 161,612-SF of completions in 2020 with only 26,009-SF projected for completion in 2021 in the wake of the Covid-19 pandemic.

**Miami Beach Submarket Effective Rent**



\* Future Projected Data according to Costar

Source: Costar, 4th Quarter 2020

The Miami Beach submarket achieved average asking rent growth of +4.1% compounded annually between 2010 to 2019, while 2020 is expected to decline by (0.9%) in the wake of the Covid-19 pandemic.

## COMPETITIVE PROPERTIES

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

SUMMARY OF COMPARABLE RESTAURANT RENTALS				
Comp. No.	Name	Location	Distance from Subject	Overall Occupancy
1	JB's on the Beach	300 North Ocean Boulevard, Deerfield Beach, FL	38 Miles	100%
2	etta Las Olas	1002 E Las Olas Boulevard, Fort Lauderdale, FL	24 Miles	90%
3	Grove Ink Restaurant	3490 Main Highway, Miami, FL	7.4 Miles	100%
4	Tigertail + Mary	3321 Mary Street, Miami, FL	7.0 Miles	100%
5	Moxie's Grill & Bar	900 S Miami Avenue, Miami, FL	3.7 Miles	83%
6	Amara at Parioso	3101 NE 7th Avenue, Miami, FL	4.3 Miles	100%
7	Red, The Steakhouse	801 South Pointe Drive, Miami Beach, FL	0.2 Miles	43%
Subject	Smith & Wollensky	1 Washington Avenue, Miami Beach, Florida		100%
Compiled by CBRE				

The majority of comparable properties surveyed reported occupancy rates of 43% or better, and all are currently in average-to-good condition. Comparables 2, 5 & 7 are multi-tenant properties with vacancy, while the remainder of the comparables are single tenant, triple net leased properties that are 100% occupied with long term lease commitments.

## SUBJECT ANALYSIS

### Tenant Analysis

The subject property is tenant occupied by Smith & Wollensky, which is owned by the Irish investment firm Danu Partners. In February 2020, the company announced last week that it has acquired most of the Strega properties from Nick Varano's restaurant group including Strega Waterfront, Strip by Strega, Strega Prime, several cafes, and a catering business. Danu operates Smith & Wollensky and the new acquisitions under a new Medford-based subsidiary called PPX Hospitality Brands.

The Smith & Wollensky brand started in 1977 and has been known as the quintessential New York steakhouse. In 1997, Smith & Wollensky Restaurants expanded into major cities across the US, including Miami Beach, Chicago, New Orleans, Las Vegas, Washington, D.C., Philadelphia, Columbus, Ohio, Dallas, Houston, and Boston. Smith & Wollensky Restaurant Group also operates five other restaurants including Cité, Maloney & Porcelli, Manhattan Ocean Club, Park Avenue Café and The Post House.

### Tenant Store Sales Comparison Analysis

The subject is considered to be a nationally recognized restaurant brand with 170,000 guests per annum. The retail sales reported for the subject property in the past 5-years is presented in the following table.

SUBJECT'S RETAIL SALES							
	2015	2016	2017	2018	2019	% Chg./Yr.	2019 Per Seat
Smith & Wollensky - Restaurant	\$657/SF	\$592/SF	\$625/SF	\$684/SF	\$715/SF	2.1%	\$32,541
Concession Area	\$168/SF	\$151/SF	\$158/SF	\$204/SF	\$209/SF	5.6%	\$121,248
Totals	\$825/SF	\$743/SF	\$783/SF	\$888/SF	\$924/SF	2.9%	\$42,071

Compiled by CBRE

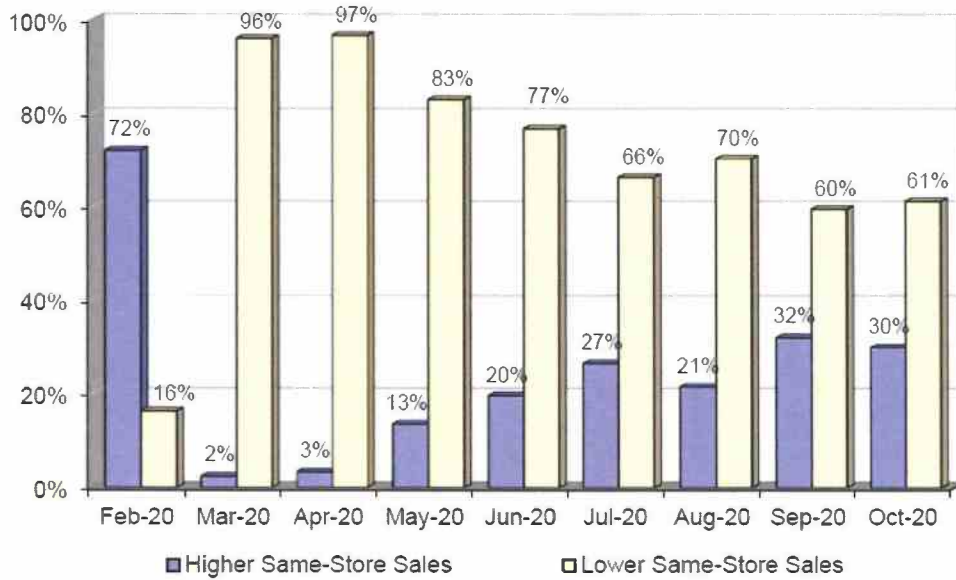
As presented, the subject tenant has enjoyed positive sales growth from 2015 through 2019, while 2020 figures were not available for this analysis due to the Covid-19 pandemic. According to management, the restaurant closed in March 2020 as a result of the pandemic and executive order from the State of Florida governor and re-opened at the end of May 2020 with a 50% maximum capacity mandate.

### Cost to Achieve Stabilized Operations

As of the effective date of this market study, the general manager reports business operations at 35% versus 2019. Therefore, a market rent abatement should be considered in order to achieve stabilized operations & occupancy during the Covid-19 pandemic and 50% maximum capacity mandate.

As previously presented in the National Restaurant 2020 Market Analysis, restaurant operators continued to report negative same-store sales and customer traffic through October as shown in the following chart:

### Restaurant Operators' Reporting of Same-Store Sales versus Same Month in Previous Year



Source: National Restaurant Association, Restaurant Industry Tracking Survey

As has been the case throughout the pandemic, limited service operators were much more likely to report higher same-store sales as their full service counterparts.

Based on the foregoing actual micro and macro analyses, CBRE has projected the subject property operations will have a phased increase in customer capacity, as follows:

- January through June 2021 at 35% capacity; and,
- July through December 2021 at 45% to 95% capacity.

Based on the foregoing, we would expect temporary rent reduction to off-set the impact of the Covid-19 pandemic and a market rental rate abatement for the restaurant & concession area, calculated as follows:



**RESTAURANT RENT & CONCESSION FEE ABATEMENT CALCULATION FOR 2021**

2019 Gross Sales - Restaurant & Concession		\$19,268,644				
2019 Average Monthly Sales		\$1,605,720				
Month	Average Sales	% of Monthly Sales	Estimated Sales Projections	% Rent @ 10% of Sales	Market Rent	Rent Loss
1	\$1,605,720	35.0%	\$562,002	\$56,200	\$145,033	(\$88,833)
2	\$1,605,720	35.0%	\$562,002	\$56,200	\$145,033	(\$88,833)
3	\$1,605,720	35.0%	\$562,002	\$56,200	\$145,033	(\$88,833)
4	\$1,605,720	35.0%	\$562,002	\$56,200	\$145,033	(\$88,833)
5	\$1,605,720	35.0%	\$562,002	\$56,200	\$145,033	(\$88,833)
6	\$1,605,720	35.0%	\$562,002	\$56,200	\$145,033	(\$88,833)
7	\$1,605,720	45.0%	\$722,574	\$72,257	\$145,033	(\$72,776)
8	\$1,605,720	55.0%	\$883,146	\$88,315	\$145,033	(\$56,719)
9	\$1,605,720	65.0%	\$1,043,718	\$104,372	\$145,033	(\$40,662)
10	\$1,605,720	75.0%	\$1,204,290	\$120,429	\$145,033	(\$24,604)
11	\$1,605,720	85.0%	\$1,364,862	\$136,486	\$145,033	(\$8,547)
12	\$1,605,720	95.0%	\$1,525,434	\$152,543	\$145,033	\$7,510
<b>TOTAL RENT LOSS FOR ABATEMENT</b>						<b>(\$728,796)</b>
<b>ROUNDED</b>						<b>(\$729,000)</b>

Source: Tenant Sales Report & Covid-19 Restaurant Industry Reports

And, a market rental rate abatement for the restaurant, excluding the concession area, calculated as follows:

**RESTAURANT RENT ABATEMENT CALCULATION FOR 2021**

2019 Gross Sales - Restaurant		\$14,903,719				
2019 Average Monthly Sales		\$1,241,977				
Month	Average Sales	% of Monthly Sales	Estimated Sales Projections	% Rent @ 10% of Sales	Market Rent	Rent Loss
1	\$1,241,977	35.0%	\$434,692	\$43,469	\$101,983	(\$58,514)
2	\$1,241,977	35.0%	\$434,692	\$43,469	\$101,983	(\$58,514)
3	\$1,241,977	35.0%	\$434,692	\$43,469	\$101,983	(\$58,514)
4	\$1,241,977	35.0%	\$434,692	\$43,469	\$101,983	(\$58,514)
5	\$1,241,977	35.0%	\$434,692	\$43,469	\$101,983	(\$58,514)
6	\$1,241,977	35.0%	\$434,692	\$43,469	\$101,983	(\$58,514)
7	\$1,241,977	45.0%	\$558,889	\$55,889	\$101,983	(\$46,094)
8	\$1,241,977	55.0%	\$683,087	\$68,309	\$101,983	(\$33,675)
9	\$1,241,977	65.0%	\$807,285	\$80,728	\$101,983	(\$21,255)
10	\$1,241,977	75.0%	\$931,482	\$93,148	\$101,983	(\$8,835)
11	\$1,241,977	85.0%	\$1,055,680	\$105,568	\$101,983	\$3,585
12	\$1,241,977	95.0%	\$1,179,878	\$117,988	\$101,983	\$16,004
<b>TOTAL RENT LOSS FOR ABATEMENT</b>						<b>(\$441,355)</b>
<b>ROUNDED</b>						<b>(\$441,000)</b>

Source: Tenant Sales Report & Covid-19 Restaurant Industry Reports

### Rent As a Percentage of Sales

Typically, rent as a percentage of sales is cross analyzed as a health ratio and as an occupancy cost ratio. An occupancy cost ratio is defined as the total cost of occupying the premises (i.e., rents, overages, recoveries, etc.) divided by its total sales. This ratio is relevant as the amount of rent a tenant will potentially pay is closely related to their ability to generate adequate sales volume while also maintaining a desired profit margin.

However, when only base rent is known, and none of the cost recoveries or reimbursements are known, then the analysis becomes base rent as a percentage of sales. Furthermore, with regards to the subject property, the real estate tax obligation is currently an exempt status on both land & leasehold building improvements. Therefore, the base rent as a percentage of sales can parallel an occupancy cost analysis.

Information obtained from published data regarding occupancy cost ratios is presented as follows:

Tenant Classification	National Median Occupancy Costs			
	Super	Regional	Community	Neighbor-
	Regional			hood
Traditional Dept. Store	3.13%	3.24%	-----	-----
Home Improvements	-----	-----	5.80%	-----
Discount Department Store	-----	-----	2.88%	-----
Supermarket	-----	-----	2.56%	2.34%
Discount Mixed Apparel	8.79%	-----	6.61%	-----
Bath Shop/Linens	12.85%	-----	10.81%	-----
Drugstore/Pharmacy	9.64%	-----	3.32%	3.50%
Home Accessories	15.18%	16.00%	12.52%	-----
Dollar Store/Novelties	10.78%	-----	8.76%	9.82%
Mixed Apparel	11.34%	12.12%	8.81%	-----
<b>Restaurant with Liquor</b>	<b>8.21%</b>	<b>9.54%</b>	<b>7.82%</b>	<b>8.99%</b>
<b>Restaurant without Liquor</b>	<b>9.94%</b>	<b>8.73%</b>	<b>10.49%</b>	<b>9.85%</b>
Cards and Gifts	17.29%	15.55%	13.73%	15.66%
Family Shoes	14.68%	15.82%	9.31%	9.33%
Cosmetics/Beauty Supplies	14.57%	13.64%	7.84%	8.05%
Jewelry	12.87%	12.21%	6.31%	8.21%
Health Food	15.84%	16.13%	13.22%	15.49%
Unisex Hair	16.95%	13.17%	15.35%	13.15%
Nail Salon	26.12%	25.39%	17.87%	27.76%

Source: Dollars and Cents of Shopping Centers: 2008

As presented, occupancy costs for restaurants with & without liquor produced an overall range from 7.82% to 10.49%. Because we do not have the additional cost recoveries for the subject property, which exclude the highest fixed expense for real estate taxes through municipal

ownership & exemption, the appropriate base rent as a percent of sales should fall within the midpoint of the range at say, 7.5% to 10.5%.

Based on the foregoing tenant gross sales report and rent as a percentage of sales, we have calculated market rent range for the subject property as follows:

<b>MARKET RENT AS A % OF GROSS SALES</b>						
<b>Component</b>	<b>2019 Sales</b>	<b>Rent as a % of Sales</b>			<b>Market Rent Range</b>	
					<b>PSF</b>	
Restaurant & Concession Area	\$19,268,644	7.5%	to	10.5%	\$69.31	to \$97.03
					<b>Per Seat</b>	
					\$3,155	to \$4,417
					<b>PSF</b>	
Restaurant Only	\$14,903,719	7.5%	to	10.5%	\$53.61	to \$75.05
					<b>Per Seat</b>	
					\$2,441	to \$3,417
<b>Compiled by CBRE</b>						

### Occupancy

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

<b>OCCUPANCY CONCLUSIONS</b>	
Miami-Dade County	94.9%
Miami Beach Submarket	92.2%
Rent Comparables - Overall Average	88.9%
Rent Comparables - Stable Range	90.0% - 100%
Subject's Current Occupancy	100.0%
Subject's Stabilized Occupancy	100.0%
<b>Compiled by CBRE</b>	

The foregoing stabilized occupancy conclusion is premised on the long term operating history reported for the subject property dating to at least 1997, i.e. 23 years +/- of no vacancy, the strong tenant sales growth reported in the preceding 5-year period, and assuming a minimum 10-year prospective lease term going forward.

## Highest and Best Use

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

- Legal permissibility;
- Physical possibility;
- Financial feasibility; and
- Maximum productivity.

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

### AS VACANT

The property is zoned for government uses and is of sufficient size to accommodate various types of development. The immediate area includes high density, luxury residential condominium towers and recreational uses. Considering the surrounding land uses, the very desirable waterfront location, legal restrictions and other factors, it is our opinion that a restaurant or recreation & leisure oriented use would be reasonable and appropriate.

### AS IMPROVED

As improved, the subject restaurant is a legally permissible and physically possible. The improvements continue to contribute substantial value to the property and based on our analysis, the existing use is financially feasible and the maximally productive use. Therefore, it is our opinion that the highest and best use of the subject, as improved, is for continued restaurant related use.

# Income Capitalization Approach

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





SUMMARY OF COMPARABLE RESTAURANT RENTALS																		
No.	Property Name and Location	YOC / Reno'd	Overall Occ.	Seating Capacity (Indoor & Outdoor)	GLA (SF)	SF Per Seat	Gross Sales Per Seat	Base Rent Per Seat	Rent as a % of Sales	Lease Date	Lease Term	Base Rent	Percentage Rent	Tenant Improvements	Expense Basis	Escalations	Free Rent	
1	JB's on the Beach 300 North Ocean Boulevard, Deerfield Beach, FL 33441	2002	100%	300 Seats	6,470	22 SF	\$38,333	\$2,000	5.2%	Mar-19	20.0 Yrs.	\$92.74 PSF	5% of Gross Sales	As Is	NNN	10% Every 5-Years	---	
2	e!ta Las Olas 1002 E Las Olas Boulevard, Fort Lauderdale, FL 33301	1966 / 2020	90%	365 Seats	8,526	23 SF	---	\$1,635	---	Feb-21	10.0 Yrs.	\$70.00 PSF	5% of Gross Sales	\$146.61 PSF	NNN	3.0% / year	6 Months	
3	Grove Ink Restaurant 3490 Main Highway, Miami, FL 33133	2020	100%	---	7,670	---	---	---	---	Feb-21	10.0 Yrs.	\$70.00 PSF	---	1st Generation	NNN	3%/Yr.	6 Months	
4	Tigertail + Mary 3321 Mary Street, Miami, FL 33133	2018	100%	120 Seats	5,731	48 SF	---	\$2,917	---	Oct-18	10.0 Yrs.	\$61.07 PSF	7.5%-10% of Gross Sales	1st Generation	NNN	2% / year	---	
5	Moxie's Grill & Bar 900 S Miami Avenue, Miami, FL 33130	2007	83%	375 Seats	8,157	22 SF	---	\$1,305	---	Jan-20	10.0 Yrs.	\$60.00 PSF	---	\$100.00 PSF	NNN	---	---	
6	Amara at Parioso 3101 NE 7th Avenue, Miami, FL 33137	2017	100%	367 Seats	10,798	29 SF	\$21,798	\$2,508	11.5%	Jan-21	10.0 Yrs.	\$85.25 PSF	10% of Gross Sales	---	NNN	2% / year	---	
7	Red, The Steakhouse 801 South Pointe Drive, Miami Beach, FL 33139	2015	43%	210 Seats	6,458	31 SF	---	\$2,143	---	Sep-20	10.0 Yrs.	\$69.68 PSF	---	---	NNN	---	---	
Subj.	Smith & Wallensky 1 Washington Avenue, Miami Beach, Florida	1987 / 1997 & 2017	100%	458 Seats	20,851	46 SF	\$42,071	\$2,032	4.8%	Nov-15	10.0 Yrs.	\$44.63 PSF	2.5%-3.5% of Gross Sales	---	NNN	---	---	

Compiled by CBRE

The rentals utilized represent the best data available for comparison with the subject. They were selected from our research within the greater Miami Beach area and similar waterfront and beach front locations in south Florida.

## DISCUSSION/ANALYSIS OF RENT COMPARABLES

### Rent Comparable One

This comparable is a 6,470-square foot beach & oceanfront restaurant located at 300 North Ocean Boulevard in the City of Deerfield Beach in northeast Broward County, Florida. The restaurant building has direct Atlantic Ocean with significant outdoor, covered patio seating and is supported by an 0.94-acre, open surface parking lot located across the street at 301 NE 21st Street. The oceanfront site was acquired in October 2001 for \$3,000,000 by the original owner/operator, John & Janet Boyle, who developed the building in 2002 and assembled the surface parking lot in November 2003 for \$3,375,000. In the 1st quarter 2019, ARK Restaurants (NASDAQ: ARKR) acquired the operating entity from the Boyle's and executed a new, 20-year lease with one, 5-year renewal option with Boyle Beach House LLC as the fee simple owner/landlord. The initial base rent is \$600,000 per annum with 10% escalations every 5-years plus percentage rent at 5.0% of gross sales with a \$12,000,000 breakpoint. The property features an indoor/outdoor seating capacity of 300-seats and reported gross sales at \$11,500,000 in 2019.

In comparison to the subject property, Rental 1 is similar based on an exclusive beach front location, surface parking lot support, and high density residential & resort hotel demographics.

### Rent Comparable Two

This comparable rental is a 2-story, 8,526-SF restaurant plus 1,014-SF of front & back patio deck area on the 2nd floor within a 24,590-square foot high street retail property located at 1002 - 1032 East Las Olas Boulevard in Fort Lauderdale, Florida. The improvements were originally constructed in 1966 and are situated on a 0.81-acre business zoned site with the owner/developer in process of repositioning & redeveloping a portion of the property by razing an existing 3,800-square foot retail building and replacing it with the new, 8,526-square foot, restaurant building that is pre-leased to etta, an upscale table service restaurant & bar.

The approvals are reportedly in-hand with the demolition occurring in November 2020 and occupation anticipated in the 1st quarter 2021 but no later than June 1, 2021 at which time etta will begin paying base rent at \$70.00-PSF less free rent adjustments, on a triple net plus an operating expense pass through of \$11.87-PSF in Year 1 with a 3% cap on controllable expenses plus percentage rent at 5% of gross revenue with an \$8,500,000 breakpoint. The initial lease term is 10-years plus two, 5-year renewal terms. The budgeted hard & soft construction costs total \$2,610,000, or \$306.12 per square foot, plus an additional \$1,250,000 or \$146.61-PSF for the new restaurant tenant improvement allowance. The Fire Marshall capacity is for 429 customer seats including indoor/outdoor & bar areas, while the operators floor plan design is for

365-capacity, of which 233-seats are indoors and 132-seats are outdoors on the 2nd floor front & back patio decks. Off-street parking for the restaurant will be 3-covered spaces plus a pedestrian breezeway connecting to municipal public parking lots.

The existing tenants include Blue Mercury, Stokehouse Unlimited (pop-up), Jamail Chelsea Gallery (month-to-month), and Louis Bossi's Ristorante Bar.

In comparison to the subject property, Rental 2 is inferior with regards to non-exclusive & non-waterfront location, while superior with respect to newer age/construction and similar municipal parking lot support.

#### **Rent Comparable Three**

This comparable reflects 6,975-square feet of ground floor restaurant space with a 695-square foot rooftop terrace situated within a 52,998-square foot, five-story, suburban office building located at 480 Main Highway in Miami, Florida. The improvements were completed in the third quarter of 2020 and are situated on a 0.32-acre site. The restaurant space is leased to Grove Ink Restaurant at \$70.00 per square foot, triple net, with a 10-year term, 3% annual increases, no tenant improvement allowance and 6-months free rent, outside term.

In comparison to the subject property, Rental 3 is inferior with regards to non-exclusive & non-waterfront location, while superior with respect to new age/construction and similar high density residential demographic support.

#### **Rent Comparable Four**

This comparable restaurant rental is located at the base of the Club Residences at Park Grove condominium tower in the Coconut Grove submarket in Miami, Florida. The lease commencement was on October 30th 2018 for a 10-year term plus three, 10-year renewal options with 2% annual escalations. Percentage rent is based on 10% of gross sales between \$3.5 to \$5.5 million; 9% of gross sales between \$5.5 to \$7.5 million; and, 7.5% of gross sales over \$7.5 million. The tenant operator is Michael Schwartz of the Genuine Hospitality Group. The floor plan design has a capacity for 120-seats including main dining room, bar, private dining room, patio and front lawn. The Park Grove master site plan overlooks Regatta Park, Dinner Key Marina and Biscayne Bay, and includes One Park Grove (67-units), Two Park Grove (67-units) and The Club Residences (129-units).

In comparison to the subject property, Rental 4 is inferior with regards to non-exclusive & non-waterfront location, while superior with respect to new age/construction and similar high density residential demographic support.

#### **Rent Comparable Five**

This comparable is a class A, mixed-use, urban lifestyle center located at 900 South Miami Avenue in the off-Brickell submarket in downtown Miami, Florida. The retail comprises 3-levels with escalator & elevator access is connected to a multi-family rental tower, Publix supermarket

and structured parking garage. The retail component comprises of 147,014-square feet and with units ranging from 535 to 35,500 square feet. The most recent lease commences in January 2020 for a 8,157-square foot space leased to Moxie's Grill & Bar at \$60.00-PSF, NNN for a 10-year term with \$100/SF for TI. However, the tenant is spending \$2.5 million or \$306.49-PSF on demo & buildout. This is the former Rosa Mexicana end cap space on the ground floor with outdoor, sidewalk seating and directly below Blue Martini. Moxie's Grill & Bar is a contemporary Canadian concept owned by Tom Gaglardi of Eatz Hospitality and is designed for a total of 375-seats including 150-outdoor patio seats with a historic Banyan tree, indoor bar, high-tops, booths and standard seating tables.

In comparison to the subject property, Rental 5 is inferior with regards to non-exclusive & non-waterfront location, while superior with respect to newer age/construction and similar high density residential demographic support.

#### Rent Comparable Six

This comparable rental represents the 2-story beach club building within the Parioso District master site plan comprising One Parioso (273-units), Parioso Bay (368-units), GranParioso (321-units) and Parioso Bayviews (388-units) in the Edgewater submarket in Miami, Florida. The beach club is a freestanding building completed in 2017 and leased to Amara by Michael Schwartz in 2018. The lease was initially executed in 2018 with rent commencement in January 1, 2019. However, the Covid-19 pandemic state ordered closures provided for abatement & lease renegotiations. The new lease commenced January 1, 2021 for a 10-year term plus three, 10-year renewal options. The new annual rent is \$1,050,000 with 2% annual increases plus percentage rent at 10% gross revenues with an \$12.0 million breakpoint. The tenant operator reportedly approached \$8.0 million in sales in 2019 from 1st floor operations only and is now able to expand into the 2nd floor area, which is set-up for bar & events. After the re-opening in June 2020, the tenant operator shifted to dinner & takeout only and is reportedly doing 90% of the prior sales revenue. The landlord is responsible for roof & structural repairs & replacements. Off-street parking is provided in the residential condo tower structured parking garages and on-street, metered parking.

The building site plan & design fronts Biscayne Bay with unobstructed water front views and access to transient boat dockage. The total capacity is 367-seats, of which 119-indoor dining room & bar seats are on the 1st floor plus 90-outdoor patio seats. The 2nd floor has 158-seats including 32-lounge seats, 12-meeting room seats, 101-outdoor patio seats and 13-bar seats and a small plunge pool.

The property is also listed "for sale," unpriced, as a triple net investment by Fabio Faerman, CCIM of FA Commercial.

In comparison to the subject property, Rental 6 is similar based on an exclusive Biscayne Bay waterfront location, shared structured garage parking and high density residential demographics.

### Rent Comparable Seven

This comparable rental is a ground floor restaurant comprising 6,458-SF plus 3,000-SF +/- of outdoor patio space located in the Marea condominium at the northeast corner intersection of South Pointe Drive and Alton Road in the South of 5th submarket in Miami Beach, Florida. The Marea condominium is a 6-story, 70-unit boutique residential condominium tower overlooking South Pointe Park with 30,240-SF of ground floor retail & restaurant space including a 6,389-SF Kosushi Thai restaurant. Red South Beach is relocating from a long term Washington Avenue location and is operated by owner/Chef Peter Vauthy who signed a 10-year, \$4.5 million lease for the fully built-out former Mira Five Stars restaurant with 140-indoor seating capacity and 70-outdoor seats on the cover patio area which is necessary to operate during the pandemic and was not available at the prior Washington Avenue location. The tenant/chef modified the kitchen and the interior space design includes open dining area, a glass enclosed VIP room, two (2) private dining rooms, and a bar.

The Red, The Steakhouse commercial Unit CU1 was listed "for sale" and "for rent" at \$11,500,000 and \$95.00-PSF, triple net. Several of the other, available commercial units range from 1,000 to 5,770 square feet and are quoted at \$89.00 to \$120.00 per square foot on a triple net basis.

In comparison to the subject property, Rental 7 is inferior with regards to non-exclusive & non-waterfront location, while superior with respect to newer age/construction and similar South of 5<sup>th</sup> submarket location and high density residential demographics.

### MARKET RENT CONCLUSIONS

Based on the foregoing presentation and analysis, the appropriate market rent for the subject property should fall within the mid-to-upper end of the base rent produced by the most comparable waterfront restaurants on a per square foot basis of \$85.00 to \$90.00; and, on a per seat basis of \$2,500 to \$4,400 as presented in the Market Study section and the comparable rental survey.

In addition to base rent, a percentage rent clause should also be included at 10% of gross sales with a natural breakpoint. The natural breakpoint is the point where the fixed base rent equals the percentage rent and the tenant pays the greater of the fixed base rent or percentage rent.



The following chart shows the market rent conclusion for the subject restaurant & concession area:

<b>MARKET RENT CONCLUSIONS</b>	
Category	Restaurant & Concession Area
Gross Leasable Area (SF)	20,851
Percent of Total SF	100.0%
Market Rent (\$/SF/Yr.)	\$83.47
Market Rent (\$/Seat/Yr.)	\$3,800
Percentage Rent - Natural Breakpoint	10% of Gross Sales
No. Seats	458 Seats
Concessions (New Tenants)	Zero to 6 Months
Concessions (Renewals)	None
Reimbursements	NNN
Escalations	10% Every 5-Years
Tenant Improvements (New Tenants)	None
Tenant Improvements (Renewals)	None
Average Lease Term	120 Months
Compiled by CBRE	

The following chart shows the market rent conclusion for the subject restaurant, excluding the concession area:

<b>MARKET RENT CONCLUSIONS</b>	
Category	Restaurant
Gross Leasable Area (SF)	20,851
Percent of Total SF	100.0%
Market Rent (\$/SF/Yr.)	\$58.69
Market Rent (\$/Seat/Yr.)	\$2,900
Percentage Rent - Natural Breakpoint	10% of Gross Sales
No. Seats	422 Seats
Concessions (New Tenants)	Zero to 6 Months
Concessions (Renewals)	None
Reimbursements	NNN
Escalations	10% Every 5-Years
Tenant Improvements (New Tenants)	None
Tenant Improvements (Renewals)	None
Average Lease Term	120 Months
Compiled by CBRE	

## Assumptions and Limiting Conditions

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

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

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

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

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

**ADDENDA**



Addendum A

**RENT COMPARABLE DATA SHEETS**

## Comparable

## Retail - Restaurant

No. 1

Property Name JB's on the Beach  
 Address 300 North Ocean Boulevard  
 301 NE 21st Avenue  
 Deerfield Beach, FL 33441  
 United States  
 Government Tax Agency Broward  
 Govt./Tax ID Multiple



## Site/Government Regulations

	Acres	Square feet
Land Area Net	1.418	61,761
Land Area Gross	1.418	61,761
Excess Land Area	N/A	N/A

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

Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.16

Frontage Distance/Street	120 ft Atlantic Ocean/Beach
Frontage Distance/Street	272 ft Ocean Blvd. (NE 21st Ave.)
Frontage Distance/Street	150 ft NE 20th Ave.

Zoning	B-1, Business
General Plan	N/A

## Improvements

Gross Leasable Area (GLA)	6,470 sf	Floor Count	2
Status	Existing	Parking Type	Surface
Occupancy Type	Single Tenant	Parking Ratio	18.70/1,000 sf
Year Built	2002	Condition	Excellent
Year Renovated	N/A	Exterior Finish	Stucco
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

## Contact

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

## Rental Survey

Occupancy	100%	Tenant Size	6,470 sf
In Line Retail Occupancy	100%	Lease Term	240 Mo(s).
Reimbursements	NNN	Annual Base Rent	\$92.74 per sf
Rent Changes/Steps	10% Every 5-Years	Free Rent	N/A
Survey Date	11/2020	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A

**Comparable Retail - Restaurant No. 1**

**Actual Leases**

<u>Tenant Name</u>	<u>Tenancy Use Type</u>	<u>Size (sf)</u>	<u>Term (Mo.)</u>	<u>Type of Lease</u>	<u>Start Date</u>	<u>Annual Base Rate per sf</u>	<u>Reimbs.</u>	<u>Rent Changes / Steps</u>	<u>Free Rent (Mo.)</u>	<u>TI Allowance per sf</u>
JB's On The Beach	Retail	6,470	240	New	3/6/2019	\$92.74	NNN	10% Every 5-Years	0	\$0.00

**Map & Comments**



This comparable is a 6,470-square foot beach & oceanfront restaurant located at 300 North Ocean Boulevard in the City of Deerfield Beach in northeast Broward County, Florida. The restaurant building has direct Atlantic Ocean with significant outdoor, covered patio seating and is supported by an 0.94-acre, open surface parking lot located across the street at 301 NE 21st Street. The oceanfront site was acquired in October 2001 for \$3,000,000 by the original owner/operator, John & Janet Boyle, who developed the building in 2002 and assembled the surface parking lot in November 2003 for \$3,375,000. In the 1st quarter 2019, ARK Restaurants (NASDAQ: ARKR) acquired the operating entity from the Boyle's and executed a new, 20-year lease with one, 5-year renewal option with Boyle Beach House LLC as the fee simple owner/landlord. The initial base rent is \$600,000 per annum with 10% escalations every 5-years plus percentage rent at 5.0% of gross sales with a \$12,000,000 breakpoint. The property features an indoor/outdoor seating capacity of 300-seats and reported gross sales at \$11,500,000 in 2019.

## Comparable

## Retail - Restaurant

No. 2

Property Name      etta Las Olas  
 Address              1002 E Las Olas Boulevard  
                             Fort Lauderdale, FL 33301  
                             United States

Government Tax Agency    N/A  
 Govt./Tax ID                50-42-11-02-0070

**Site/Government Regulations**

	Acres	Square feet
Land Area Net	0.809	35,250
Land Area Gross	0.809	35,250
Excess Land Area	N/A	N/A

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

Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.70
Frontage Distance/Street	N/A E. Las Olas Blvd.

Zoning	B-1, Business
General Plan	N/A

**Improvements**

Gross Leasable Area (GLA)	8,526 sf	Floor Count	1
Status	Existing	Parking Type	Surface
Occupancy Type	Multi-tenant	Parking Ratio	0.82/1,000 sf
Year Built	1966	Condition	Good
Year Renovated	2020	Exterior Finish	Stucco
Total Anchor Rentable Area	8,526 sf	Number of Buildings	2
Total In Line Rentable Area	16,064 sf		
Anchor	Etta Las Olas		
Junior Anchor	N/A		
National	N/A		

**Contact**

Recorded Owner	N/A	Leasing Agent	Rich Lovell
True Owner	N/A	Company	Amera Corp.

**Rental Survey**

Occupancy	90%	Tenant Size	1,425 - 8,526 sf
In Line Retail Occupancy	90%	Lease Term	60 - 120 Mo(s).
Reimbursements	NNN	Annual Base Rent	\$49.15 - \$87.65 per sf
Rent Changes/Steps	3%/Yr.	Free Rent	0 - 6 Mo(s).
Survey Date	01/2021	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	\$14.40 per sf
		Total Oper. & Fixed Exp.	N/A

**Comparable Retail - Restaurant No. 2**

**Actual Leases**

<u>Tenant Name</u>	<u>Tenancy Use Type</u>	<u>Size (sf)</u>	<u>Term (Mo.)</u>	<u>Type of Lease</u>	<u>Start Date</u>	<u>Annual Base Rate per sf</u>	<u>Reimbs.</u>	<u>Rent Changes / Steps</u>	<u>Free Rent (Mo.)</u>	<u>TI Allowance per sf</u>
Etta	Retail	8,526	120	New	2/1/2021	\$70.00	NNN	3.0% / year	6	\$146.61

**Map & Comments**



This comparable rental is a 2-story, 8,526-SF restaurant plus 1,014-SF of front & back patio deck area on the 2nd floor within a 24,590-square foot high street retail property located at 1002 - 1032 East Las Olas Boulevard in Fort Lauderdale, Florida. The improvements were originally constructed in 1966 and are situated on a 0.81-acre business zoned site with the owner/developer in process of repositioning & redeveloping a portion of the property by razing an existing 3,800-square foot retail building and replacing it with the new, 8,526-square foot, restaurant building that is pre-leased to etta, an upscale table service restaurant & bar.

The approvals are reportedly in-hand with the demolition occurring in November 2020 and occupation anticipated in the 1st quarter 2021 but no later than June 1, 2021 at which time etta will begin paying base rent at \$70.00-PSF less free rent adjustments, on a triple net plus an operating expense pass through of \$11.87-PSF in Year 1 with a 3% cap on controllable expenses plus percentage rent at 5% of gross revenue with an \$8,500,000 breakpoint. The initial lease term is 10-years plus two, 5-year renewal terms. The budgeted hard & soft construction costs total \$2,610,000, or \$306.12 per square foot, plus an additional \$1,250,000 or \$146.61-PSF for the new restaurant tenant improvement allowance. The Fire Marshall capacity is for 429 customer seats including indoor/outdoor & bar areas, while the operators floor plan design is for 365-capacity, of which 233-seats are indoors and 132-seats are outdoors on the 2nd floor front & back patio decks. Off-street parking for the restaurant will be 3-covered spaces plus a pedestrian breezeway connecting to municipal public parking lots.

The existing tenants include Blue Mercury, Stokehouse Unlimited (pop-up), Jamail Chelsea Gallery (month-to-month), and Louis Bossi's Ristorante Bar.



## Comparable

## Retail - Misc. Freestanding Retail

No. 3

Property Name Grove Ink Restaurant  
 Address 3490 Main Highway  
 Miami, FL 33133  
 United States

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

**Site/Government Regulations**

	Acres	Square feet
Land Area Net	0.318	13,858
Land Area Gross	0.318	13,858
Excess Land Area	N/A	N/A

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

Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.55

Frontage Distance/Street	1,156 ft Main Hwy.
--------------------------	--------------------

Zoning	T5-O
--------	------

General Plan	N/A
--------------	-----

**Improvements**

Gross Leasable Area (GLA)	7,670 sf	Floor Count	5
Status	Existing	Parking Type	Subterranean Structure
Occupancy Type	Multi-tenant	Parking Ratio	0.00/1,000 sf
Year Built	2020	Condition	New
Year Renovated	N/A	Exterior Finish	Masonry
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

**Contact**

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

**Rental Survey**

Occupancy	100%	Tenant Size	695 - 6,975 sf
In Line Retail Occupancy	100%	Lease Term	120 Mo(s).
Reimbursements	NNN	Annual Base Rent	\$70.00 per sf
Rent Changes/Steps	3%/Yr.	Free Rent	6 Mo(s).
Survey Date	10/2020	TI Allowance	\$6.00 per sf
Survey Notes	N/A	Reimbursement Amount	\$22.57 per sf
		Total Oper. & Fixed Exp.	N/A



**Comparable Retail - Misc. Freestanding Retail No. 3**

**Actual Leases**

<u>Tenant Name</u>	<u>Tenancy Use Type</u>	<u>Size (sf)</u>	<u>Term (Mo.)</u>	<u>Type of Lease</u>	<u>Start Date</u>	<u>Annual Base Rate per sf</u>	<u>Reimbs.</u>	<u>Rent Changes / Steps</u>	<u>Free Rent (Mo.)</u>	<u>TI Allowance per sf</u>
Grove Ink	Retail	7,670	120	New	2/1/2021	\$70.00	NNN	3%/Yr.	6	\$0.00

**Map & Comments**



This comparable reflects 6,975-square feet of ground floor restaurant space with a 695-square foot rooftop terrace situated within a 52,998-square foot, five-story, suburban office building located at 480 Main Highway in Miami, Florida. The improvements were completed in the third quarter of 2020 and are situated on a 0.32-acre site. The restaurant space is leased to Grove Ink Restaurant at \$70.00 per square foot, triple net, with a 10-year term, 3% annual increases, no tenant improvement allowance and 6-months free rent, outside term.

## Comparable

## Retail - Restaurant

No. 4

Property Name Tigertail + Mary  
 Address 3321 Mary Street  
 Miami, FL 33133  
 United States

Government Tax Agency Miami-Dade  
 Govt./Tax ID 01-4121-384-0040

## Site/Government Regulations

	Acres	Square feet
Land Area Net	0.120	5,227
Land Area Gross	N/A	N/A
Excess Land Area	N/A	N/A

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

Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	1.10
Frontage Distance/Street	N/A Mary Street

Zoning T5 O  
 General Plan High density, mixed-use residential

## Improvements

Gross Leasable Area (GLA)	5,731 sf	Floor Count	1
Status	Existing	Parking Type	Garage
Occupancy Type	Single Tenant	Parking Ratio	2.09/1,000 sf
Year Built	2018	Condition	Good
Year Renovated	N/A	Exterior Finish	Masonry
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

## Contact

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

## Rental Survey

Occupancy	100%	Tenant Size	5,731 sf
In Line Retail Occupancy	100%	Lease Term	120 Mo(s).
Reimbursements	NNN	Annual Base Rent	\$61.07 per sf
Rent Changes/Steps	Greater of 2% or CPI	Free Rent	N/A
Survey Date	12/2021	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A



**Comparable Retail - Restaurant No. 4**

**Actual Leases**

<u>Tenant Name</u>	<u>Tenancy Use Type</u>	<u>Size (sf)</u>	<u>Term (Mo.)</u>	<u>Type of Lease</u>	<u>Start Date</u>	<u>Annual Base Rate per sf</u>	<u>Reimbs.</u>	<u>Rent Changes / Steps</u>	<u>Free Rent (Mo.)</u>	<u>TI Allowance per sf</u>
Tigertail + Mary	Retail	5,731	120	New	10/30/2018	\$61.07	NNN	2% / year	N/A	N/A

**Map & Comments**



This comparable restaurant rental is located at the base of the Club Residences at Park Grove condominium tower in the Coconut Grove submarket in Miami, Florida. The lease commencement was on October 30th 2018 for a 10-year term plus three, 10-year renewal options with 2% annual escalations. Percentage rent is based on 10% of gross sales between \$3.5 to \$5.5 million; 9% of gross sales between \$5.5 to \$7.5 million; and, 7.5% of gross sales over \$7.5 million. The tenant operator is Michael Schwartz of the Genuine Hospitality Group. The floor plan design has a capacity for 120-seats including main dining room, bar, private dining room, patio and front lawn. The Park Grove master site plan overlooks Regatta Park, Dinner Key Marina and Biscayne Bay, and includes One Park Grove (67-units), Two Park Grove (67-units) and The Club Residences (129-units).

## Comparable

## Retail - Restaurant

No. 5

Property Name Moxie's Grill & Bar  
Address 900 S Miami Avenue  
Miami, FL 33130  
United States

Government Tax Agency N/A  
Govt./Tax ID 01-0207-010-1010

## Site/Government Regulations

	Acres	Square feet
Land Area Net	3.065	133,517
Land Area Gross	3.065	133,517
Excess Land Area	N/A	N/A

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

Maximum Floor Area N/A  
Maximum FAR N/A  
Actual FAR 1.10

Frontage Distance/Street N/A S Miami Avenue

Zoning T6-48b-O

General Plan N/A

## Improvements

Gross Leasable Area (GLA) 8,157 sf

Status Existing  
Occupancy Type Multi-tenant

Year Built 2007

Year Renovated N/A

Total Anchor Rentable Area N/A

Total In Line Rentable Area N/A

Anchor N/A

Junior Anchor N/A

National N/A

Floor Count	2
Parking Type	Attached Garages
Parking Ratio	0.00/1,000 sf
Condition	Good
Exterior Finish	Masonry
Number of Buildings	4

## Contact

Recorded Owner N/A

True Owner N/A

Leasing Agent John Ellis

Company Newmark Knight Frank

## Rental Survey

Occupancy 83%

In Line Retail Occupancy 83%

Reimbursements NNN

Rent Changes/Steps 3% Annually

Survey Date 01/2021

Survey Notes N/A

Tenant Size 535 - 35,500 sf

Lease Term 60 Mo(s).

Annual Base Rent \$60.00 per sf

Free Rent N/A

TI Allowance \$100.00 per sf

Reimbursement Amount \$43.00 per sf

Total Oper. & Fixed Exp. \$43.00 per sf





**Comparable Retail - Restaurant No. 5**

**Actual Leases**

<u>Tenant Name</u>	<u>Tenancy Use Type</u>	<u>Size (sf)</u>	<u>Term (Mo.)</u>	<u>Type of Lease</u>	<u>Start Date</u>	<u>Annual Base Rate per sf</u>	<u>Reimbs.</u>	<u>Rent Changes / Steps</u>	<u>Free Rent (Mo.)</u>	<u>TI Allowance per sf</u>
Moxie's Grill & Bar	Retail	8,157	120	New	1/1/2020	\$60.00	NNN	N/A	N/A	\$100.00

**Map & Comments**



This comparable is a class A, mixed-use, urban lifestyle center located at 900 South Miami Avenue in the off-Brickell submarket in downtown Miami, Florida. The retail comprises 3-levels with escalator & elevator access is connected to a multi-family rental tower, Publix supermarket and structured parking garage. The retail component comprises of 147,014-square feet and with units ranging from 535 to 35,500 square feet. The most recent lease commences in January 2020 for a 8,157-square foot space leased to Moxie's Grill & Bar at \$60.00-PSF, NNN for a 10-year term with \$100/SF for TI. However, the tenant is spending \$2.5 million or \$306.49-PSF on demo & buildout. This is the former Rosa Mexicana end cap space on the ground floor with outdoor, sidewalk seating and directly below Blue Martini. Moxie's Grill & Bar is a contemporary Canadian concept owned by Tom Gaglardi of Eatz Hospitality and is designed for a total of 375-seats including 150-outdoor patio seats with a historic Banyan tree, indoor bar, high-tops, booths and standard seating tables.

## Comparable

## Retail - Restaurant

No. 6

Property Name Amara at Parioso  
 Address 3101 NE 7th Avenue  
 Miami, FL 33137  
 United States

Government Tax Agency Miami-Dade  
 Govt./Tax ID 01-3230-102-0050

## Site/Government Regulations

	Acres	Square feet
Land Area Net	0.220	9,600
Land Area Gross	N/A	N/A
Excess Land Area	N/A	N/A

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

Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	1.28

Frontage Distance/Street	N/A NE 7th Avenue
Frontage Distance/Street	N/A Biscayne Bay

Zoning	T6-36a L
General Plan	High density, mixed-use residential



## Improvements

Gross Leasable Area (GLA)	10,798 sf	Floor Count	2
Status	Existing	Parking Type	Above Grade Structure
Occupancy Type	Single Tenant	Parking Ratio	0.00/1,000 sf
Year Built	2017	Condition	Excellent
Year Renovated	N/A	Exterior Finish	Masonry
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

## Contact

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

## Rental Survey

Occupancy	100%	Tenant Size	10,798 sf
In Line Retail Occupancy	100%	Lease Term	120 Mo(s).
Reimbursements	NNN	Annual Base Rent	\$85.00 per sf
Rent Changes/Steps	2%	Free Rent	3 Mo(s).
Survey Date	01/2021	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A

## Comparable

## Retail - Restaurant

No. 6

## Actual Leases

<u>Tenant Name</u>	<u>Tenancy Use Type</u>	<u>Size (sf)</u>	<u>Term (Mo.)</u>	<u>Type of Lease</u>	<u>Start Date</u>	<u>Annual Base Rate per sf</u>	<u>Reimbs.</u>	<u>Rent Changes / Steps</u>	<u>Free Rent (Mo.)</u>	<u>TI Allowance per sf</u>
Amara by Michael Schwartz	Retail	12,316	120	New	1/1/2021	\$85.25	NNN	2% / year	N/A	N/A

## Map &amp; Comments



This comparable rental represents the 2-story beach club building within the Parioso District master site plan comprising One Parioso (273-units), Parioso Bay (368-units), GranParioso (321-units) and Parioso Bayviews (388-units) in the Edgewater submarket in Miami, Florida. The beach club is a freestanding building completed in 2017 and leased to Amara by Michael Schwartz in 2018. The lease was initially executed in 2018 with rent commencement in January 1, 2019. However, the Covid-19 pandemic state ordered closures provided for abatement & lease renegotiations. The new lease commenced January 1, 2021 for a 10-year term plus three, 10-year renewal options. The new annual rent is \$1,050,000 with 2% annual increases plus percentage rent at 10% gross revenues with an \$12.0 million breakpoint. The tenant operator reportedly approached \$8.0 million in sales in 2019 from 1st floor operations only and is now able to expand into the 2nd floor area, which is set-up for bar & events. After the re-opening in June 2020, the tenant operator shifted to dinner & takeout only and is reportedly doing 90% of the prior sales revenue. The landlord is responsible for roof & structural repairs & replacements. Off-street parking is provided in the residential condo tower structured parking garages and on-street, metered parking.

The building site plan & design fronts Biscayne Bay with unobstructed water front views and access to transient boat dockage. The total capacity is 367-seats, of which 119-indoor dining room & bar seats are on the 1st floor plus 90-outdoor patio seats. The 2nd floor has 158-seats including 32-lounge seats, 12-meeting room seats, 101-outdoor patio seats and 13-bar seats and a small plunge pool.

The property is also listed "for sale," unpriced, as a triple net investment by Fabio Faerman, CCIM of FA Commercial.

## Comparable

## Retail - Restaurant

No. 7

Property Name Red, The Steakhouse  
Address 801 South Pointe Drive  
Miami Beach, FL 33139  
United States

Government Tax Agency Miami-Dade  
Govt./Tax ID 02-4203-368-0310

## Site/Government Regulations

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

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

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

Frontage Distance/Street	N/A South Pointe Drive
Frontage Distance/Street	N/A Alton Road

Zoning	N/A
General Plan	High density, mixed-use residential

## Improvements

Gross Leasable Area (GLA)	6,458 sf	Floor Count	1
Status	Existing	Parking Type	Above Grade Structure
Occupancy Type	Single Tenant	Parking Ratio	0.00/1,000 sf
Year Built	2015	Condition	Good
Year Renovated	N/A	Exterior Finish	Masonry
Total Anchor Rentable Area	N/A	Number of Buildings	2
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

## Contact

Recorded Owner	N/A	Leasing Agent	Wolfgang Herz
True Owner	N/A	Company	Fortune International Realty

## Rental Survey

Occupancy	43%	Tenant Size	6,458 sf
In Line Retail Occupancy	43%	Lease Term	120 Mo(s).
Reimbursements	NNN	Annual Base Rent	\$69.68 per sf
Rent Changes/Steps	N/A	Free Rent	N/A
Survey Date	09/2020	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A



**Comparable Retail - Restaurant No. 7**

**Actual Leases**

<u>Tenant Name</u>	<u>Tenancy Use Type</u>	<u>Size (sf)</u>	<u>Term (Mo.)</u>	<u>Type of Lease</u>	<u>Start Date</u>	<u>Annual Base Rate per sf</u>	<u>Reimbs.</u>	<u>Rent Changes / Steps</u>	<u>Free Rent (Mo.)</u>	<u>TI Allowance per sf</u>
Red, The Steakhouse	Retail	6,458	120	New	9/1/2020	\$69.68	NNN	N/A	N/A	N/A

**Map & Comments**



This comparable rental is a ground floor restaurant comprising 6,458-SF plus 3,000-SF +/- of outdoor patio space located in the Marea condominium at the northeast corner intersection of South Pointe Drive and Alton Road in the South of 5th submarket in Miami Beach, Florida. The Marea condominium is a 6-story, 70-unit boutique residential condominium tower overlooking South Pointe Park with 30,240-SF of ground floor retail & restaurant space including a 6,389-SF Kosushi Thai restaurant. Red South Beach is relocating from a long term Washington Avenue location and is operated by owner/Chef Peter Vauthy who signed a 10-year, \$4.5 million lease for the fully built-out former Mira Five Stars restaurant with 140-indoor seating capacity and 70-outdoor seats on the cover patio area which is necessary to operate during the pandemic and was not available at the prior Washington Avenue location. The tenant/chef modified the kitchen and the interior space design includes open dining area, a glass enclosed VIP room, two (2) private dining rooms, and a bar.

The Red, The Steakhouse commercial Unit CU1 was listed "for sale" and "for rent" at \$11,500,000 and \$95.00-PSF, triple net. Several of the other, available commercial units range from 1,000 to 5,770 square feet and are quoted at \$89.00 to \$120.00 per square foot on a triple net basis.

Addendum B

**CLIENT CONTRACT INFORMATION**



# Proposal and Contract for Services

December 7, 2020

Jimmy Morales, City Manager  
**CITY OF MIAMI BEACH**  
1700 Convention Center Drive Miami Beach, FL 33139  
Email: [adrianmorales@miamibeachfl.gov](mailto:adrianmorales@miamibeachfl.gov)

RE: Assignment Agreement for Restaurant & Lounge  
Smith & Wollemsky, 1 Washington Avenue, Miami Beach, FL 33131

CBRE, Inc.  
777 Brickell Avenue, Suite 1100  
Miami, FL 33131  
[www.cbre.us/valuation](http://www.cbre.us/valuation)

**Stuart J. Lieberman, MAI**  
Vice President

Dear Mr. Morales:

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

## PROPOSAL SPECIFICATIONS

<b>Purpose:</b>	To estimate the Market Rent of the referenced real estate
<b>Premise:</b>	As Is
<b>Rights Appraised:</b>	Fee Simple
<b>Intended Use:</b>	Internal Decision Making purposes for negotiating of lease terms & conditions
<b>Intended User:</b>	The intended user is CITY OF MIAMI BEACH ("Client"), and such other parties and entities (if any) expressly recognized by CBRE as "Intended Users" (as further defined herein).
<b>Reliance:</b>	Reliance on any reports produced by CBRE under this Agreement is extended solely to parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the respective reports, provided that any conditions to such acknowledgement required by CBRE or hereunder have been satisfied. Parties or entities other than Intended Users who obtain a copy of the report or any portion thereof (including Client if it is not named as an Intended User), whether as a result of its direct dissemination or by any other means, may not rely upon any opinions or conclusions contained in the report or such portions thereof, and CBRE will not be responsible for any unpermitted use of the report, its conclusions or contents or have any liability in connection therewith.
<b>Inspection:</b>	CBRE will conduct a physical inspection of both the interior and

exterior of the subject property, as well as its surrounding environs on the effective date of appraisal.

**Valuation Approaches:** Only the Market Study & Income Approach will be completed.

**Report Type:** Standard Appraisal Report

**Appraisal Standards:** USPAP

**Appraisal Fee:** \$3,500

**Expenses:** Fee includes all associated expenses

**Retainer:** A retainer is not required for this assignment

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

**Delivery Instructions:** We will invoice you for the assignment in its entirety at the completion of the assignment. CBRE encourages our clients to join in our environmental sustainability efforts by accepting an electronic copy of the report.

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

**Delivery Schedule:**

**Preliminary Value:** Not Required

**Draft Report:** Not Required

**Final Report:** 15\_business days / 3-weeks after the Start Date

**Start Date:** The appraisal process will start upon receipt of your signed agreement and the property specific data.

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

**Market Volatility:**

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

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

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

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

Sincerely,

**CBRE, Inc.**  
**Valuation & Advisory Services**



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

## TERMS AND CONDITIONS

1. The Terms and Conditions herein are part of an agreement for appraisal services (the "Agreement") between CBRE, Inc. (the "Appraiser") and the client signing this Agreement, and for whom the appraisal services will be performed (the "Client"), and shall be deemed a part of such Agreement as though set forth in full therein. The Agreement shall be governed by the laws of the state where the appraisal office is located for the Appraiser executing this Agreement.
2. Client shall be responsible for the payment of all fees stipulated in the Agreement. Payment of the appraisal fee and preparation of an appraisal report (the "Appraisal Report, or the "report") are not contingent upon any predetermined value or on an action or event resulting from the analyses, opinions, conclusions, or use of the Appraisal Report. Final payment is due as provided in the Proposal Specifications Section of this Agreement. If a draft report is requested, the fee is considered earned upon delivery of the draft report. It is understood that the Client may cancel this assignment in writing at any time prior to delivery of the completed report. In such event, the Client is obligated only for the prorated share of the fee based upon the work completed and expenses incurred (including travel expenses to and from the job site), with a minimum charge of \$500. Additional copies of the Appraisal Reports are available at a cost of \$250 per original color copy and \$100 per photocopy (black and white), plus shipping fees of \$30 per report.
3. If Appraiser is subpoenaed or ordered to give testimony, produce documents or information, or otherwise required or requested by Client or a third party to participate in meetings, phone calls, conferences, litigation or other legal proceedings (including preparation for such proceedings) because of, connected with or in any way pertaining to this engagement, the Appraisal Report, the Appraiser's expertise, or the Property, Client shall pay Appraiser's additional costs and expenses, including but not limited to Appraiser's attorneys' fees, and additional time incurred by Appraiser based on Appraiser's then-prevailing hourly rates and related fees. Such charges include and pertain to, but are not limited to, time spent in preparing for and providing court room testimony, depositions, travel time, mileage and related travel expenses, waiting time, document review and production, and preparation time (excluding preparation of the Appraisal Report), meeting participation, and Appraiser's other related commitment of time and expertise. Hourly charges and other fees for such participation will be provided upon request. In the event Client requests additional appraisal services beyond the scope and purpose stated in the Agreement, Client agrees to pay additional fees for such services and to reimburse related expenses, whether or not the completed report has been delivered to Client at the time of such request.
4. Appraiser shall have the right to terminate this Agreement at any time for cause effective immediately upon written notice to Client on the occurrence of fraud or the willful misconduct of Client, its employees or agents, or without cause upon 5 days written notice.
5. In the event Client fails to make payments when due then, from the date due until paid, the amount due and payable shall bear interest at the maximum rate permitted in the state where the office is located for the Appraiser executing the Agreement. In the event either party institutes legal action against the other to enforce its rights under this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and expenses. Each party waives the right to a trial by jury in any action arising under this Agreement.
6. Appraiser assumes there are no major or significant items or issues affecting the Property that would require the expertise of a professional building contractor, engineer, or environmental consultant for Appraiser to prepare a valid report. Client acknowledges that such additional expertise is not covered in the Appraisal fee and agrees that, if such additional expertise is required, it shall be provided by others at the discretion and direction of the Client, and solely at Client's additional cost and expense.
7. Client acknowledges that Appraiser is being retained hereunder as an independent contractor to perform the services described herein and nothing in this Agreement shall be deemed to create any other relationship between Client and Appraiser. This engagement shall be deemed concluded and the services hereunder completed upon Appraiser's completion of all services and tasks set forth in this Agreement and the delivery to Client of the final Appraisal Report discussed herein.

8. All statements of fact in the report which are used as the basis of the Appraiser's analyses, opinions, and conclusions will be true and correct to Appraiser's actual knowledge and belief. Appraiser does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the condition of the Property furnished to Appraiser by Client or others. TO THE FULLEST EXTENT PERMITTED BY LAW, APPRAISER DISCLAIMS ANY GUARANTEE OR WARRANTY AS TO THE OPINIONS AND CONCLUSIONS PRESENTED ORALLY OR IN ANY APPRAISAL REPORT, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE EVEN IF KNOWN TO APPRAISER. Furthermore, the conclusions and any permitted reliance on and use of the Appraisal Report shall be subject to the assumptions, limitations, and qualifying statements contained in the report.
9. Appraiser shall have no responsibility for legal matters, including zoning, or questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The report will not constitute a survey of the Property analyzed.
10. Client shall provide Appraiser with such materials with respect to the assignment as are requested by Appraiser and in the possession or under the control of Client. Client shall provide Appraiser with sufficient access to the Property to be analyzed, and hereby grants permission for entry unless discussed in advance to the contrary.
11. The data gathered in the course of the assignment (except data furnished by Client) and the report prepared pursuant to the Agreement are, and will remain, the property of Appraiser. With respect to data provided by Client, Appraiser shall not violate the confidential nature of the Appraiser-Client relationship by improperly disclosing any proprietary information furnished to Appraiser. Notwithstanding the foregoing, Appraiser is authorized by Client to disclose all or any portion of the report and related data as may be required by statute, government regulation, legal process, or judicial decree, including to appropriate representatives of the Appraisal Institute if such disclosure is required to enable Appraiser to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
12. Unless specifically noted, in preparing the Appraisal Report the Appraiser will not be considering the possible existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (collectively, "Hazardous Material") on or affecting the Property, or the cost of encapsulation or removal thereof. Further, Client represents that there is no major or significant deferred maintenance of the Property that would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, at Client's discretion and direction, and are not covered as part of the Appraisal fee.
13. In the event Client intends to use the Appraisal Report in connection with a tax matter, Client acknowledges that Appraiser provides no warranty, representation or prediction as to the outcome of such tax matter. Client understands and acknowledges that any relevant taxing authority (whether the Internal Revenue Service or any other federal, state or local taxing authority) may disagree with or reject the Appraisal Report or otherwise disagree with Client's tax position, and further understands and acknowledges that the taxing authority may seek to collect additional taxes, interest, penalties or fees from Client beyond what may be suggested by the Appraisal Report. Client agrees that Appraiser shall have no responsibility or liability to Client or any other party for any such taxes, interest, penalties or fees and that Client will not seek damages or other compensation from Appraiser relating to any such taxes, interest, penalties or fees imposed on Client, or for any attorneys' fees, costs or other expenses relating to Client's tax matters.
14. Appraiser shall have no liability with respect to any loss, damage, claim or expense incurred by or asserted against Client arising out of, based upon or resulting from Client's failure to provide accurate or complete information or documentation pertaining to an assignment ordered under or in connection with this Agreement, including Client's failure, or the failure of any of Client's agents, to provide a complete copy of the Appraisal Report to any third party.
15. LIMITATION OF LIABILITY. EXCEPT TO THE EXTENT ARISING FROM SECTION 16 BELOW, OR SECTION 17 IF APPLICABLE, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATE, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR CONTRACTORS BE LIABLE TO THE OTHER, WHETHER BASED IN CONTRACT, WARRANTY, INDEMNITY, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT OR OTHERWISE, FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, INCIDENTAL OR INDIRECT DAMAGES, AND AGGREGATE DAMAGES IN CONNECTION WITH THIS AGREEMENT FOR EITHER PARTY (EXCLUDING THE OBLIGATION TO PAY THE

FEES REQUIRED HEREUNDER) SHALL NOT EXCEED THE GREATER OF THE TOTAL FEES PAYABLE TO APPRAISER UNDER THIS AGREEMENT OR TEN THOUSAND DOLLARS (\$10,000). THIS LIABILITY LIMITATION SHALL NOT APPLY IN THE EVENT OF A FINAL FINDING BY A COURT OF COMPETENT JURISDICTION THAT SUCH LIABILITY IS THE RESULT OF A PARTY'S FRAUD OR WILLFUL MISCONDUCT.

16. Client shall not disseminate, distribute, make available or otherwise provide any Appraisal Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Appraisal Report, in whole or in part, in any offering or other material intended for review by other parties) except to (i) any third party expressly acknowledged in a signed writing by Appraiser as an "Intended User" of the Appraisal Report provided that either Appraiser has received an acceptable release from such third party with respect to such Appraisal Report or Client provides acceptable indemnity protections to Appraiser against any claims resulting from the distribution of the Appraisal Report to such third party, (ii) any third party service provider (including rating agencies and auditors) using the Appraisal Report in the course of providing services for the sole benefit of an Intended User, or (iii) the extent required by statute, government regulation, legal process, or judicial decree, including as required under the Public Records Laws, including, without limitation, Chapter 119, Florida statutes. In the event Appraiser consents, in writing, to Client incorporating or referencing the Appraisal Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Appraiser with complete copies of such materials and Appraiser has approved all such materials in writing. Client shall not modify any such materials once approved by Appraiser. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, in no event shall the receipt of an Appraisal Report by such party extend any right to the party to use and rely on such report, and Appraiser shall have no liability for such unauthorized use and reliance on any Appraisal Report.
17. Time Period for Legal Action. Except to the extent prohibited by applicable law, unless the time period is shorter under applicable law, and except in connection with paragraph 16 above, Appraiser and Client agree that any legal action or lawsuit by one party against the other party or its affiliates, officers, directors, employees, contractors, agents, or other representatives, whether based in contract, warranty, indemnity, negligence, strict liability or other tort or otherwise, relating to (a) this Agreement or the Appraisal Report, (b) any services or appraisals under this Agreement or (c) any acts or conduct relating to such services or appraisals in connection with this Agreement, shall be filed within three (3) years from the date of delivery to Client of the Appraisal Report to which the claims or causes of action in the legal action or lawsuit relate. The time period stated in this section shall not be extended by any incapacity of a party or any delay in the discovery or accrual of the underlying claims, causes of action or damages.



# AGREED AND ACCEPTED

**APPROVED AS TO  
FORM & LANGUAGE  
& FOR EXECUTION**

FOR CITY OF MIAMI BEACH ("CLIENT"):

*[Handwritten Signature]*  
\_\_\_\_\_  
City Attorney  
*[Handwritten Signature]* *ff* 12-8-20  
\_\_\_\_\_  
Date

DocuSigned by:  
*Morales, Jimmy*  
\_\_\_\_\_  
Signature

12/10/2020 | 4:37 PM EST  
\_\_\_\_\_  
Date

Jimmy Morales  
\_\_\_\_\_  
Name

City Manager  
\_\_\_\_\_  
Title

305.673.7631  
\_\_\_\_\_  
Phone Number

adrianmorales@miamibeachfl.gov  
\_\_\_\_\_  
E-Mail Address

## ADDITIONAL OPTIONAL SERVICES

Assessment & Consulting Services: CBRE's Assessment & Consulting Services group has the capability of providing a wide array of solution-oriented due diligence services in the form of property condition and environmental site assessment reports and other necessary due diligence services (seismic risk analysis, zoning compliance services, construction risk management, annual inspections, etc.). CBRE provides our clients the full complement of due diligence services with over 260 employees in the U.S. that are local subject matter experts.

Initial below if you desire CBRE to contact you to discuss a proposal for any part or the full complement of consulting services, or you may reach out to us at [WhitePlainsProposals@cbre.com](mailto:WhitePlainsProposals@cbre.com). We will route your request to the appropriate manager. For more information, please visit [www.cbre.com/assessment](http://www.cbre.com/assessment).

\_\_\_\_\_ Initial Here

VALUATION & ADVISORY SERVICES

# Proposal and Contract for Services

## SPECIFIC PROPERTY DATA REQUEST

In order to complete this assignment under the terms outlined, CBRE, Inc., Valuation & Advisory Services, will require the following specific information for the property:

1. PLEASE NOTIFY US IMMEDIATELY IF ANY OTHER CBRE SERVICE LINE (INCLUDING CAPSTONE) IS INVOLVED IN THE BROKERAGE, FINANCING, INVESTMENT OR MANAGEMENT OF THIS ASSET.
2. Current title report or title holder name
3. Legal description
4. Survey and/or plat map
5. Site plan for the existing development
6. Building plans and specifications, including square footage for all buildings and suites
7. Current county property tax assessment or tax bill
8. Details on any sale, contract, or listing of the property within the past three years
9. Engineering studies, soil tests or environmental assessments
10. Ground lease, if applicable
11. Details regarding the development costs, including land cost, if developed within the past three years
12. Three-year and YTD property income and expenses
13. Current year property income and expense budget
14. Detailed occupancy report for the past three years and current YTD
15. Expense reimbursement schedule on a tenant-by-tenant basis
16. Historical sales volumes for all tenants subject to percentage rent
17. Complete copies or abstracts of all lease agreements and a current rent roll
18. Details regarding any pending changes to the rent roll or pertinent information regarding the current/future status of the tenants
19. Details regarding the lease rates/terms and marketing activity for any vacant suites
20. Details regarding any tenant improvement allowances and free rent provided for all leases pending or signed over the prior 12 months
21. Details regarding capital expenditures made within the last 12 months, or scheduled for the next 12 months
22. Any previous market/demand studies or appraisals
23. Name and telephone number of property contact for physical inspection and additional information needed during the appraisal process
24. Any other information that might be helpful in valuing this property

If any of the requested data and information is not available, CBRE, Inc., reserves the right to extend the delivery date by the amount of time it takes to receive the requested information or make other arrangements. Please have the requested information delivered to the following:

Stuart J. Lieberman, MAI  
Vice President  
stuart.lieberman@cbre.com  
CBRE, Inc.  
Valuation & Advisory Services  
777 Brickell Avenue, Suite 1100  
Miami, FL 33131

[www.cbre.us/valuation](http://www.cbre.us/valuation)

**CBRE**

Addendum C

**QUALIFICATIONS**

# Stuart J. Lieberman, MAI

Exhibit A

CBRE

Vice President, Florida-Caribbean Region



T +13053816472  
M +13053816462  
Stuart.lieberman@cbre.com

777 Brickell Avenue  
Suite 1100  
Miami, FL 33131

## Clients Represented

- BankUnited
- Ocean Bank
- Centennial Bank
- C-III Asset Management
- City of Miami
- Miami-Dade County, Internal Services Dept.

## Experience

Stuart J. Lieberman, MAI is a Vice president with over 30 years of real estate appraisal and consulting experience. Mr. Lieberman is in the Valuation & Advisory Services Group's Miami office in the South Florida/Caribbean Region.

Since 1987, Mr. Lieberman has provided real estate valuation and consulting services to the financial lending community, institutional clients, government agencies, corporate entities, legal & accounting professionals, developers and private individuals. Mr. Lieberman has experience providing market studies, feasibility studies, highest & best use analysis, market rent studies, expert testimony & litigation support and portfolio analysis.

Mr. Lieberman's experience encompasses a wide variety of property types including single & multi-family residential, senior housing, mobile home parks, high density urban & ocean front developments, open space & public parks, automobile dealerships, service stations & convenience stores, funeral homes, medical office & surgical centers, mixed-use office, financial institutions & branch banks, retail shopping centers & regional malls, parking garages, restaurants & night clubs, movie theatres, health & fitness clubs, marinas & shipping terminals, FBOs (fixed base operations), industrial flex warehouses, bulk distribution, truck terminals, refrigeration warehouses, R&D, business parks, self-storage facilities; and, special purpose properties, including bowling alleys, broadcasting facilities, car wash, historical properties, public & private schools, day care facilities, houses of worship & religious facilities, tourist attractions, sport arenas and entertainment venues & theatres.

## Professional Affiliations / Accreditations

- Appraisal Institute – Designated Member No. 12003
- Certified General Real Estate Appraiser, State of Florida License RZ 1074
- Licensed Real Estate Broker – Associate, State of Florida License BK 0477878

## Education

- University of South Florida, Tampa, FL, BA, Political Science – 1985
- Appraisal Institute, American Institute of Real Estate Appraisers, Society of Real Estate Appraisers and Florida Real Estate Commission core courses, electives and seminars.

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

**LIEBERMAN, STUART JAY**

777 BRICKELL AVE SUITE 1100  
MIAMI FL 33131

**LICENSE NUMBER: RZ1074**

**EXPIRATION DATE: NOVEMBER 30, 2022**

Always verify licenses online at [MyFloridaLicense.com](http://MyFloridaLicense.com)



Do not alter this document in any form.

This is your license. It is unlawful for anyone other than the licensee to use this document.



# James E. Agner, MAI, AI-GRS

Exhibit A

CBRE

Senior Managing Director, Florida-Caribbean Southeast Region



T + 1 305 381 6480  
james.agner@cbre.com  
www.cbre.com/James.Agner

777 Brickell Ave., Suite 1100  
Miami, FL 33131

## Clients Represented

- LNR Partners
- Wells Fargo
- Truist
- PNC Bank
- Amerant Bank
- Popular Bank
- 5/3 Bank
- First Horizon Bank
- Santander Bank
- Regions Bank
- TD Bank
- Bank United
- US Century
- CitiBank
- Deutsche Bank
- Ocean Bank
- Centennial Bank
- Bank OZK
- First Bank Florida

## Experience

James Agner is the Senior Managing Director of the Valuation & Advisory Services for the Florida-Caribbean Southeast Region. Located in the CBRE Miami office since 1995, Mr. Agner has over thirty years of real estate appraisal and consulting experience throughout the State of Florida, with primary experience in South Florida and in the Caribbean. Mr. Agner is a designated member of the Appraisal Institute (MAI) and General Review Specialist (AI-GRS), member of the Society of Golf Appraisers (SGA), and Royal Institution of Chartered Surveyors (MRICS) and is licensed as a Certified General Real Estate Appraiser in the State of Florida. He also has provided expert witness testimony in the Circuit Courts – State of Florida and United States Bankruptcy Courts.

As Senior Managing Director, Mr. Agner leads a valuation and advisory staff in Miami and Palm Beach Counties that provides exceptional quality appraisal work and client service in South Florida, Treasure Coast and the Florida Keys. He also coordinates all activities for Florida and in the Caribbean, including overseeing new business development, client relations and appraisal quality control production. Mr. Agner is also the National Director of the Golf Valuation Group for CBRE.

## Professional Affiliations / Accreditations

- Appraisal Institute – Designated Member (MAI), Certificate No. 7791
- Appraisal Institute – General Review Specialist (AI-GRS), Certificate No. 69150
- Society of Golf Appraisers (SGA), Certificate No. 25
- Royal Institution of Chartered Surveyors – Member (MRICS), Certificate No. 7505662
- Certified General Real Estate Appraiser, State of Florida, #RZ382
- Licensed Real Estate Broker, State of Florida, BK402088

## Education

- Florida State University, Tallahassee, FL
  - Bachelors of Science in Business Administration, Marketing - 1981

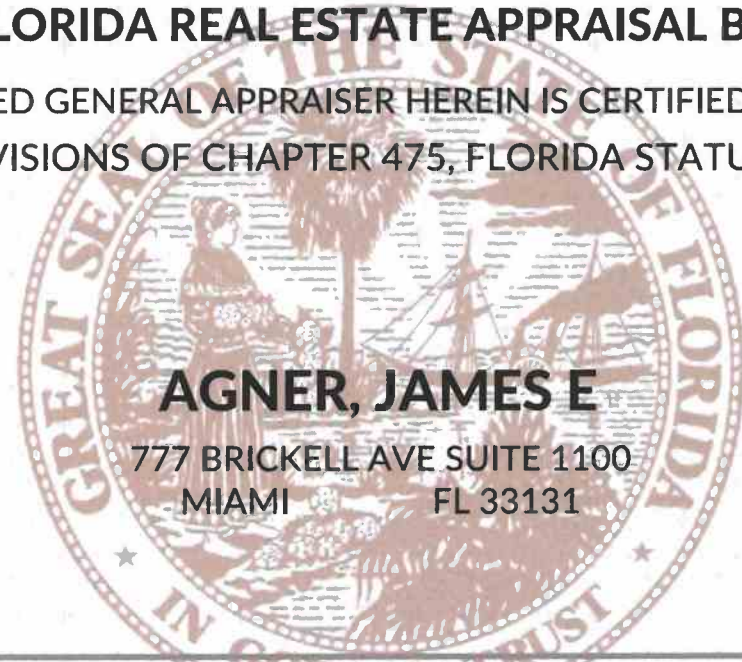




**STATE OF FLORIDA**  
**DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION**

**FLORIDA REAL ESTATE APPRAISAL BD**

THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE  
PROVISIONS OF CHAPTER 475, FLORIDA STATUTES



**AGNER, JAMES E**

777 BRICKELL AVE SUITE 1100  
MIAMI FL 33131

**LICENSE NUMBER: RZ382**

**EXPIRATION DATE: NOVEMBER 30, 2022**

Always verify licenses online at [MyFloridaLicense.com](http://MyFloridaLicense.com)



Do not alter this document in any form.

This is your license. It is unlawful for anyone other than the licensee to use this document.