



The insight you need. The independence you trust.

Roosevelt Center (Site)

Appraisal of Subject Site Performed "As If Vacant"

770 W 41 St

Miami Beach, Florida 33140

BBG File #0124007726

Prepared For

Ms. Gabriela Alfonsin MPA

Real Estate Asset Specialist

City of Miami Beach

1833 Bay Road

Miami Beach, FL 33139-1415

Report Date

May 7, 2024

Prepared By

BBG, Inc., Miami Office

1600 Ponce De Leon Boulevard, #908

Miami, FL 33134

786-522-4550

Client Manager: Lee Smalley, MAI

lsmalley@bbgres.com

BBG Website

bbgres.com



May 7, 2024

Ms. Gabriela Alfonsin MPA
Real Estate Asset Specialist
City of Miami Beach
1833 Bay Road
Miami Beach, FL 33139-1415

Re: Appraisal of Real Property
Roosevelt Center (Site)
770 W 41 St
Miami Beach, Florida 33140
BBG File #0124007726

Dear Ms. Alfonsin:

In accordance with your authorization (per the engagement letter found in the *Addenda* of this report), an Appraisal Report of the above-referenced property has been prepared.

The subject of this report is the parcel of land forming the endcap of the block between the Biscayne Waterway to the west, Chase Ave to the east, and W 41st Street to the north, in the City of Miami Beach. The site is currently improved with a 76-year-old retail building known as the Roosevelt Center.

The subject improvements consist of a four-story mixed-use Retail and Office building. The subject comprises 45,947 SF of total GBA. The property breakdown consists of a total leasable office space (38.96% of GBA) and 28,150 SF leasable retail space (61.04% GBA), and 350 SF of storage area (0.01% GBA). The subject property is currently 57.8% tenant occupied with 6 retail and 13 office spaces, or 19,400 SF, vacant for a total occupied area of 26,574 SF. The vacant space consists of one 1,400 SF 2nd floor office space, with an asking rental rate of \$30.00/SF with modified gross leasing arrangements. There is also a 17,650 SF theater, known as the Roosevelt theater, which is vacant and available for lease. Given that the scope of the assignment is to value the subject "as though" vacant, we have given on consideration to the improvements on the subject site as part of this valuation.

The site is generally rectangular in shape with frontage to W 41st Street and approximately 103 feet of depth. The site is level and on-grade with the surrounding streets and the parcel to the south (a parking lot owned by the city). W 41st Street sees an annual average daily traffic count of 41,000 vehicles along the subject's frontage and transitions to 195 approximately 0.3 miles west of the subject.

This Appraisal Report was prepared to conform with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), the appraisal guidelines set forth in Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and the December 2010 Interagency Appraisal and Evaluation Guidelines. This report has been written in accordance with the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute. In addition, this report is intended to be compliant with additional requirements of City of Miami Beach (client) as applicable. This report is intended to be used by the intended user(s) named herein; no other party may rely upon the opinions presented in this report.

EXTRAORDINARY ASSUMPTION(S) AND HYPOTHETICAL CONDITION(S)

The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical conditions listed below. Pursuant to the requirement within Uniform Standards of Professional Appraisal Practice Standards, it is stated here that the use of any extraordinary assumptions and/or hypothetical conditions might have affected the assignment results.

Extraordinary Assumption(s) - We are appraising the subject under the extraordinary assumption that information available from public resources is accurate. We have not been provided a survey of the subject property. If the actual size of the land is significantly different than that utilized within this report, the value conclusions could be impacted.

Hypothetical Condition(s) - We are estimating a Market Value the subject property under the hypothetical condition that the property is vacant and the subject improvements have been demolished and the site is ready for redevelopment as of the date of inspection.

Based on the analysis undertaken, the following value opinion(s) have been developed.

MARKET VALUE CONCLUSION(S)			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value - As Is (As If Vacant)	Fee Simple	April 19, 2024	\$16,150,000

This letter must remain attached to the report, which should be transmitted in its entirety, in order for the value opinion(s) set forth above to be relied upon by the intended user(s).

BBG, Inc. appreciates the opportunity to have performed this appraisal assignment on your behalf. If we may be of further service, please contact the Client Manager.

Sincerely,



Lee Smalley, MAI
State-Certified General Real Estate Appraiser
RZ2727
786-522-4550
lsmalley@bbgres.com

TABLE OF CONTENTS

Subject Property 1

Summary of Salient Facts..... 2

Property Transaction History 4

Scope of Work 5

Interest Rates and Economic Climate..... 8

Regional Overview 9

Market Analysis 12

Neighborhood (Primary Market) Analysis 19

Site Description 24

Property Assessment and Tax Analysis 27

Highest and Best Use 28

Valuation Process 29

Land Valuation (Sales Comparison)..... 30

Reconciliation and Final Value 39

Certification 40

Standard Assumptions and Limiting Conditions 41

Addenda 45

SUBJECT PROPERTY



SUMMARY OF SALIENT FACTS

APPRAISAL INFORMATION	
Client	City of Miami Beach 1833 Bay Road, Miami Beach, FL 33139-1415
Intended User(s)	This appraisal report may only be relied upon by the client and intended user(s) named herein. The intended user of this report is City of Miami Beach or affiliates.
Intended Use	The intended use of this appraisal is for asset valuation by City of Miami Beach.
Property Rights Appraised	As Is (As If Vacant) Market Value - Fee Simple
Premise Summary	As Is (As If Vacant) Market Value - April 19, 2024
Date of Inspection	April 19, 2024
Report Date	April 23, 2024
Marketing Time (Months)	12 months
Exposure Time (Months)	12 months
Owner of Record	245 East Eighth LLC
Most Probable Purchaser	Developer
Highest and Best Use	
If Vacant	Commercial Development
As Improved	Commercial Development
PROPERTY DATA	
Property Name	Roosevelt Center (Site)
Address	770 W 41 St Miami Beach, Florida 33140
Location	The subject is located between the Biscayne Waterway, to the west, and Chase Ave, to the east, on the south side of W 41st Street, in the City of Miami Beach, which is part of the Miami-Fort Lauderdale-West Palm Beach, FL MSA.
Property Description	Retail (General Freestanding) Appraisal of Subject Site Performed "As If Vacant"
County	Miami-Dade
Parcel Number	02-3227-016-0820
Census Tract No.	0040.00
Legal Description	Lengthy, see below.
Site Area	
Primary Site	21,538 square feet (0.49 acres)
Excess Land	0 square feet (0.00 acres)
Surplus Land	0 square feet (0.00 acres)
Total	21,538 square feet (0.49 acres)
Zoning	CD-3; Commercial High Intensity
Flood Zone/Map Number/Date	Zone AE 12086C0309L September 11, 2009
Flood Zone Comments	Zone AE is a Special Flood Hazard Area (SFHA) where base flood elevations are provided. AE Zones are now used on new format Flood Insurance Rate Maps (FIRM) instead of A1-A30 Zones. In communities that participate in the National Flood Insurance Program (NFIP), mandatory flood insurance purchase requirements apply to this zone.

LEGAL DESCRIPTION

That portion of Lot NINETEEN (19) of Block EIGHT (8). of FIRST ADDITION TO MID-GOLF SUBDIVISION of the Miami Beach Bay Shore Company, as the same is shown, marked and designated on the plat of said subdivision recorded in Plat Book 7, at Page 161, of the Public Records of Dade County, Florida, restricted to and more particularly described as follows. to-wit: Commencing at a point where the South line of West 41st Street intersects the East line of Chase Avenue, as the same is shown on a plat entitled "FORTY-FIRST STREET BLOCK", recorded in Plat Book 40, Page 47, Public Records of Dade County, Florida being a subdivision of the easterly portion of Lot NINETEEN (19), Block EIGHT (8) OF FIRST ADDITION TO MID-GOLF SUBDIVISION, as recorded in Plat Book 7, at Page 161, of said Public Records of Dade County, Florida, run in a westerly direction across Chase Avenue, along the south line of West 41st Street, a distance of 60 feet to a point, thence continue west along the south Line of West 41st Street, a distance of 15 feet to the point of beginning of the tract of land herein described; thence continue west along the south line of said West 41st Street a distance of 206.45 feet, plus or minus, to the westerly face of the concrete bulkhead situated on the easterly shore of Biscayne Waterway; thence run in a southerly direction meandering the westerly face of said concrete bulkhead a distance of 100.74 feet, more or less, to a point on the westerly face of said bulkhead of Biscayne Waterway, which is 100 feet due south at an angle of 90 00' from the northerly boundary of the tract herein described, thence run easterly and parallel to the northerly line of the tract herein described, being the south boundary of West 41st Street, at a distance of 100 feet south of and parallel to the said north line of the tract herein described, a distance of 209.3 feet, more or less, to the westerly boundary of Chase Avenue. as the same was dedicated by Miami Beach Bay Shore Company to the City of Miami Beach on March 14, 1935, and recorded in Deed Book 1618, Page 278, Public Records of Dade County, Florida; thence north along the westerly boundary of Chase Avenue (as dedicated) distance of 85 feet to the point of curvature of a circular curve; thence run along the arc of a circular curve, deflecting to the left and having for its elements a central angle of 90 00' and a radius of 15 feet, a distance of 23.56 feet, more or less, to the point of beginning of the tract of land herein described, together with any and all riparian or water rights incident to or belonging thereto.

RISK SUMMARY

Advantages	- The population growth and income levels of the area are relatively strong in comparison to nearby submarkets.
	- The area is mature, which impedes new competitive development due to in-fill construction costs.
	- The subject is located in a primary market.
	- The subject has a corner location in a strong commercial corridor.
	- The subject property benefits from its frontage along W 41st St (Arthur Godfrey Rd / SR 112) which transitions to 195 3/10ths of a mile west, and its proximity to Alton Rd and Collins Ace, all major thoroughfares in the market area providing significant traffic counts and accessibility to other market areas.
Challenges	- The subject is located within a flood zone and flood insurance is required.
	- Inflation remains a significant concern among investors.

VALUE INDICATIONS

1) As Is (As If Vacant) as of April 19, 2024

Land Value (Sales Comparison Approach)	\$16,150,000	\$749.84	Per Square Foot of Land
Exposure Time (Months)	3-12 months		
Marketing Time (Months)	<6 months		

EXTRAORDINARY ASSUMPTION(S) AND HYPOTHETICAL CONDITION(S)

The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical conditions listed below. Pursuant to the requirement within Uniform Standards of Professional Appraisal Practice Standards, it is stated here that the use of any extraordinary assumptions and/or hypothetical conditions might have affected the assignment results.

Extraordinary Assumption(s)	- We are appraising the subject under the extraordinary assumption that information available from public resources is accurate. We have not been provided a survey of the subject property. If the actual size of the land is significantly different than that utilized within this report, the value conclusions could be impacted.
Hypothetical Condition(s)	- We are estimating a Market Value the subject property under the hypothetical condition that the property is vacant and the subject improvements have been demolished and the site is ready for redevelopment as of the date of inspection.

PROPERTY TRANSACTION HISTORY

Recent Transaction 1

Sale Date	July 17, 2013
Deed Book/Page	28731-2347
Sale Price	\$5,300,000
% of Combined Price	87.9%
Grantor	Fleisher Associates
Grantee	245 East Eighth LLC
Comments	This sale represents a undivided 73.045% interest in the subject property.

Recent Transaction 2

Sale Date	June 24, 2013
Deed Book/Page	28698-0422
Sale Price	\$730,000
% of Combined Price	12.1%
Grantor	Courtney Slatten Katzenstein And Stephanie Slatten Johnston
Grantee	245 East Eighth LLC
Comments	This sale represents and undivided 26.955% fee simple interest in the subject property.

Combined Transaction

Sale Price	\$6,030,000
per SF Site	\$279.97
Comments	The above price and price per SF reflects the combined value of the to partial interest transactions and is provided for informational purposes.

There have been no other known transactions of the subject property within the three years prior to the effective date of this appraisal.

Please note, however, that this information is included only to satisfy the requirements of USPAP. It is not intended as a guarantee to the chain of title and a title search should be performed by a title company should a definitive summary be desired.

SCOPE OF WORK

The scope of work best defines the needs of the client(s) and intended user(s) of the report and dictates what factors an appraiser considered during the valuation process. The scope of work summarized below has been deemed acceptable as it meets or exceeds both the expectations of parties who are regularly intended users for similar assignments and what an appraiser's peers' actions would be in performing the same or a similar assignment. As such, the scope of work summarized below is deemed appropriate for this assignment based on its parameters and will produce credible assignment results. Additional scope details are included in appropriate sections of this report.

SCOPE OF THE INVESTIGATION															
General and Market Data Analyzed	<ul style="list-style-type: none"> Regional economic data and trends Market analysis data specific to the subject property type Published survey data Neighborhood demographic data Comparable cost, sale, rental, expense, and capitalization rate data Floodplain status Zoning information Assessor's information Interviewed professionals knowledgeable about the subject's property type and market 														
Inspection Details	The subject was inspected by Lee Smalley, MAI.														
Property Specific Data Requested and Received	<div>PROPERTY DATA RECEIVED</div> None														
Data Requested, but not Provided	<div>DATA REQUESTED, BUT NOT PROVIDED</div> Site plan Offering memorandum/listing brochure Sale contract Phase 1 ESA Title report ALTA survey Previous appraisal <u>Various historical and operational documents and related information</u>														
Data Sources	<div>DATA SOURCES</div> <table> <tr> <td>Site Size</td><td>Assessor's Records</td></tr> <tr> <td>Building Size</td><td>Assessor's Records</td></tr> <tr> <td>Tax Data</td><td>Assessor's Records</td></tr> <tr> <td>Zoning Information</td><td>Planning Dept</td></tr> <tr> <td>Flood Status</td><td>FEMA</td></tr> <tr> <td>Demographics Reports</td><td>Spotlight</td></tr> <tr> <td>Comparable Land Sales</td><td>Costar, Brokers, Public Records</td></tr> </table>	Site Size	Assessor's Records	Building Size	Assessor's Records	Tax Data	Assessor's Records	Zoning Information	Planning Dept	Flood Status	FEMA	Demographics Reports	Spotlight	Comparable Land Sales	Costar, Brokers, Public Records
Site Size	Assessor's Records														
Building Size	Assessor's Records														
Tax Data	Assessor's Records														
Zoning Information	Planning Dept														
Flood Status	FEMA														
Demographics Reports	Spotlight														
Comparable Land Sales	Costar, Brokers, Public Records														
VALUATION METHODOLOGY															
Most Probable Buyer	To apply the most relevant valuation methods and data, the appraiser must first determine the most probable buyer of the subject property. Based on the analyses presented, the most probable buyer of the subject property would be a(n) Developer														
Valuation Methods Utilized	This appraisal employs only the Sales Comparison Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that this approach would be considered necessary and applicable for market participants. Since no improvements exist on site, the Cost Approach is not relevant. The property generates														

no income and is not typically marketed, purchased or sold on the basis of anticipated lease income; thus, the Income Capitalization Approach was precluded.

DEFINITIONS

Pertinent definitions, including the definition of market value, are included in the glossary, located in the *Addenda* of this report. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States:

- Market Value** The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
- Buyer and seller are typically motivated;
 - Both parties are well informed or well advised, and acting in what they consider their best interests;
 - A reasonable time is allowed for exposure in the open market;
 - Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
 - 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. (Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472)

LEVEL OF REPORTING DETAIL

Standards Rule 2-2 (Real Property Appraisal, Reporting) contained in USPAP requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report.

This report is prepared as an **Appraisal Report**. An Appraisal Report must at a minimum summarize the appraiser's analysis and the rationale for the conclusions.

Municipal records were researched for information on ownership, real estate assessment, taxes, and zoning regulations. County resources, databases, etc. were consulted when it was necessary to obtain information relevant to the valuation of the subject property.

Similar properties within the subject area were researched to uncover existing and proposed inventory, marketability and feasibility of uses within the subject's classification. Also, the research effort endeavored to extract market data for the development of the approaches to value.

Municipal records were researched for information on ownership, real estate assessment, taxes, and zoning regulations. County resources, databases, etc. were consulted when it was necessary to obtain information relevant to the valuation of the subject property.

Similar properties within the subject area were researched to uncover existing and proposed inventory, marketability and feasibility of uses within the subject's classification. Also, the research effort endeavored to extract market data for the development of the approaches to value.

To locate comparable sale data, we researched the market for closed sales, current contracts and active listings using Costar, Loopnet, MLS, iMapp, local brokers, public records and our office file. Our initial focus was on recent sales of similar properties within the vicinity of the subject. As a result, we identified the comparables used for direct comparison to the subject. The details on each comparable are included in the addendum. We (or one of our staff) visited all of the comparables and noted the quality and condition as visible on the exterior from publicly accessible areas. All of the sales were verified through public records, and to the extent it was possible, practical, and material, confirmed by the appraiser with a knowledgeable party to the transaction. The extent of confirmation is noted within each sale write-up contained in the Addendum. The data is discussed and analyzed in the Sales Comparison Approach section of the report.

In the process of researching the comparables, reasonable efforts were made to uncover all pertinent information. However, much of the data that can be obtained is often incomplete and imperfect and relies on third party sources and phone interviews after, sometimes well after, the time of sale. Frequently various assumptions and judgments are necessary in analyzing the comparables.

While reasonable efforts, as determined by the appraisers, are made to provide support, and when possible “prove” adjustments, it is not always possible or practical. This level of precision at times is beyond the scope of most assignments. Nevertheless, adjustments based on the appraisers’ general experience, observations and judgment may be applied. The adjustments are included to provide transparency. They allow the reader to understand the magnitude of the perceived difference between the comparable and the subject for the given attribute.

While the resulting value indication is considered credible, the number and amount of adjustments affects its reliability and the confidence that may be placed on it. This factor is carefully considered in the reconciliation process.

The most pertinent data was assembled and analyzed in relation to the subject property. The information and analysis were then processed into an indication of value for the subject property using generally accepted appraisal principles and practices.

APPRAISERS COMPETENCY

No steps were necessary to meet the competency provisions established under USPAP. We have appraised properties similar to the subject in physical, locational, and economic characteristics, and are familiar with market conditions and trends; therefore, we have adequate experience and qualifications to appraise the subject. Appraiser certifications and qualifications are included in the Addenda of this report.

INTEREST RATES AND ECONOMIC CLIMATE

As we continue to monitor the real estate markets, it has become apparent that continued analyses and reporting of the health of the individual market segment is best left to specific discussions that individually impacted property types and locations. We have chosen not to include a detailed national market overview related specifically to pandemic related issues or current inflationary pressures that exist. We will address the key indicators within the appropriate sections of the report where applicable. As always, we will remain vigilant in monitoring national, state, and local economies as they relate to commercial real estate and in particular the subject property. Should conditions change materially warranting a more detailed analysis, we will alter our reporting as necessary.

Of more immediate concern related to commercial real estate are the elevated interest rates, cost of construction, and availability of related goods and services. These elements are a concern for real estate investors as some sectors have seen a compression in returns and a limitation of financing alternatives. While inflation appears to have stabilized, the elevated prices left in its wake remains chief among these concerns by investors and lenders. As inflationary pressures have resulted in numerous rate hikes as the Federal Reserve has targeted those pressures, the risk of further rate hikes still remains and is the chief cause of that investors remain cautionary. While these issues have had some longevity within the markets, they still may not be completely be priced into the prevailing real estate markets.

The Federal Reserve began to raise the federal funds rate in March 2022 to counter concerns regarding inflationary concerns, which is at its highest level since 1982. Interest rates had been at all-time lows for an extended period of time. The chart below shows many strong increases in 2022 with a tapering off in 2023 and a general stability over the past six months.

FEDERAL FUNDS CHART



This has led to a direct impact on mortgage interest rates, which has increased the cost of borrowing. The rise in mortgage interest rates combined with the increased cost of construction seemed to slow the demand for all types of development.

The rates at which the FED is raising interest rates is having a substantial impact on the ability of the economy to absorb these increases. Interest rates have

impacted overall cap rates, though the correlation is not perfect.

Continued rate increases and changes in monetary policies by the Federal Reserve, as well as ongoing global turmoil resulting from Russia's invasion of neighboring Ukraine, continue to result in unforeseen impacts on supply chains, the health of economies around the world, including here in the United States. Notwithstanding, construction costs and inflationary pressures have stabilized somewhat, with parts of the CPI components in the U.S. showing signs of declining. Recent data suggests construction material costs have declined to pre-COVID levels. However, most economists are cautiously optimistic, and rightfully so, as fuel prices remain at elevated levels further contributing to higher costs. Thus, while inflationary pressures have waned, there is no definitive trend that inflationary pressures have stabilized and nor can there be a safe prediction made with regard to additional rate hikes.

Ergo, the reader should note, the data and comparables applied in this report are data points that may have occurred prior to the events noted above, resulting in some risks associated with the application of lagging indicators. The opinions of those values are as of a specific point in time, the effective date of value, and changing conditions could impact those values in the future.

Economic influences provide insight into the ability of a given geographic area to rent or own real property in a financially prudent manner. Implied in this is the wherewithal to properly maintain a property and to renovate it as needed to allow for continued viability in the marketplace. The following discussion relates to those economic factors that influence real property in the Miami-Miami Beach-Kendall Metropolitan Division extracted from the Moody's Economy.com FEB 2023 (most recent) report.

Miami known as the "Capital of Latin America" is benefiting greatly from the relationship. It is viewed as having luxury status. As such, it attracts international capital and international trade is expected to accelerate. It has well developed shipping and distribution. However, Miami has high housing costs and congested roadways. Regardless, Miami is expected to out-perform the nation due to its international ties and infrastructure expansion. The county had a population of 2.7mm as of the 2020 census, making it the most populous county in Florida and the seventh most populous county in the US. It is Florida's third largest county in terms of land area. The county seat is the City of Miami, the core of the nation's ninth largest metro area with a 2020 population of 6.14 million people. The county consists of 34 incorporated cities and several unincorporated areas. The north, central, and east portions of the county are heavily urbanized, particularly along the coastline, including Miami's Central Business District in Downtown Miami. The south and west make up the county's agricultural economy; agricultural Redland makes up roughly one third of Miami-Dade's inhabited land area but is sparsely populated.

RECENT PERFORMANCE

Miami-Miami Beach-Kendall's economy has found a second wind. Nonfarm employment growth over the last three months has surged ahead of the heady state average and MIA is among the fastest-growing metro areas in the nation with more than 1 million residents. Payroll gains have been broad-based, but tourism is a fount of net new jobs, adding nearly three in 10 of the workers hired over the last three months. The unemployment rate has sunk to a record low and the tight labor market has pushed the employment cost index above the U.S. average. House price appreciation is above the national average amid still-strong demand and few homes for sale.

2017	2018	2019	2020	2021	2022	INDICATORS	2023	2024	2025	2026	2027	2028
148.0	152.8	156.0	151.6	165.0	172.8	Gross metro product (C17\$ bil)	180.9	186.5	191.1	196.7	202.4	208.4
3.9	3.2	2.1	-2.8	8.8	4.7	% change	4.7	3.1	2.5	2.9	2.9	3.0
1,173.6	1,197.8	1,221.1	1,136.3	1,180.6	1,254.1	Total employment (ths)	1,303.8	1,334.0	1,348.2	1,360.6	1,371.2	1,382.0
1.5	2.1	1.9	-7.0	3.9	6.2	% change	4.0	2.3	1.1	0.9	0.8	0.8
4.8	3.7	2.9	8.4	5.6	2.6	Unemployment rate (%)	1.8	2.4	3.2	3.3	3.3	3.2
10.8	9.2	4.5	1.4	16.2	4.0	Personal income growth (%)	7.1	4.8	4.6	4.6	4.4	4.4
50.0	52.8	55.7	57.7	61.8	67.3	Median household income (\$ ths)	71.7	74.5	77.1	79.8	82.6	85.4
2,711.9	2,710.4	2,712.3	2,694.9	2,668.5	2,671.0	Population (ths)	2,684.0	2,700.0	2,717.4	2,735.4	2,754.2	2,774.2
0.4	-0.1	0.1	-0.6	-1.0	0.1	% change	0.5	0.6	0.6	0.7	0.7	0.7
-1.7	-12.7	-8.0	-22.3	-26.7	0.6	Net migration (ths)	8.0	10.8	13.4	14.4	15.8	17.4
2,285	2,449	2,343	2,133	2,477	2,445	Single-family permits (#)	1,490	3,362	3,972	4,350	4,398	4,225
8,269	9,254	7,665	7,698	10,916	9,160	Multifamily permits (#)	11,268	8,136	8,057	8,085	7,967	7,849
7.6	7.0	5.1	5.7	15.1	24.4	FHFA house price index (% change)	12.0	3.3	-1.0	-0.8	0.5	1.6

TOURISM

Tourism will remain the foundation of the local economy, but the sector will contribute fewer net new jobs in the coming year. Visitors are a key part of MIA's economy, with leisure/hospitality accounting for more than 10% of total payrolls, and high-frequency data show that visitor spending has not buckled under the weight of higher interest rates or inflation. Hotel occupancy in Miami-Dade County has climbed by 4% over the year. Demand will slow in the coming year as the labor market softens and consumers are no longer able to shake the weight of higher interest rates. In addition, shortages of workers present a pressing challenge to the industry's expansion. These shortages will grow more acute as labor force growth slows, and high living costs increasingly price low-wage workers out of the metro division.

HOUSING

MIA's housing market will begin to show signs of fatigue, but nominal house price declines will be modest. From 2020, house prices shot up an astonishing 80%, and the subsequent 400-basis point hike in mortgage rates has done little to slow the blistering pace of gains. While housing affordability has cratered to a four-decade low, price appreciation over 2023 averaged close to 10%, firmly above the pre-pandemic pace. Extremely low housing affordability will keep many buyers on the sidelines in 2024. Further, with a more overvalued market than most, house prices will decline slightly over the next two years. With a modest nominal decline in prices, the threat to the broader economy is minimal. The most pressing risk comes from low transaction volumes, which will weigh on the above-average share of housing-related employment and spending associated with homebuying.

TOP EMPLOYERS

Publix Super Markets	39,240
Baptist Health South Florida	23,000
American Airlines	13,500
Jackson Health System	12,623
Florida International University	10,499
Miami Dade College	6,673
Wells Fargo	4,819
Goodwill Industries of South Florida	3,118
JPMorgan Chase	2,400
Norwegian Cruise Line Holdings Ltd.	2,100

Source: South Florida Business Journal 2019

Residents per square mile**DEMOGRAPHICS**

MIA's demographic trends will improve given renewed momentum in international migration and improving housing affordability. Affordability, while still low, is set to improve significantly over the next year as house prices retreat. Furthermore, international migration is on the mend following the end of pandemic-era limitations. This is crucial to the metro division as more than half of the local population was born outside of the U.S., the highest share nationally. Population growth will rebound but will still trail the lofty Florida average, putting a speed limit on growth in consumer-driven industries.

COMMERCIAL REAL ESTATE

MIA's commercial real estate prices are holding up better than nationally, thanks in part to strength in retail and office space, and the metro division will fare better than most in the coming year. Soaring office-using employment in the metro division will support office prices, even as an increasing number of workers opt for remote work arrangements. Office vacancies have barely budged over the past year, compared with a slow rise nationally, and stronger demand has kept effective rents rising. Significant risks to the CRE outlook abound given higher interest rates and increased challenges sourcing financing, but strong demand will help minimize the risk to MIA's economy

CONCLUSION

Miami-Miami Beach-Kendall's economy will moderate in 2024. Visitor spending will slow, but labor shortages will be a greater weight on growth in leisure/hospitality. Longer term, MIA's international character and well-developed tourism industry will be assets, but relatively high costs will cause job and population gains to lag Florida's pace.

MARKET ANALYSIS

Costar is the source for the following data. The data reflects conditions of 2023 Q4, the most recent data available. The initial discussion provides information on the overall Miami Retail market, followed by the subject's submarket. The subject is located within the Miami Beach submarket, which will be discussed later in this report.

CoStar introduced its Houseview Base Case in 2023. This comes in addition to several algorithmic forecast scenarios that are based entirely on modeling results using CoStar's internal econometric property sector models based on inputs from Oxford Economics' macroeconomic models in its North American Cities and Regions service published in December 2023.

The Houseview Base Case forecast scenario is based on the Algorithmic Base Case below, where additional interventions are made to the property sector forecasts to account for structural and cyclical impacts in the commercial real estate markets that are not adequately reflected in macroeconomic forecasts. For example, tighter financial conditions have resulted in higher cap rates and steeper valuation losses, while low office utilization rates caused by the adoption of hybrid work arrangements have weakened fundamentals beyond what headline job gains or losses encapsulate. These interventions result in forecasts that are better aligned with the professional views of CoStar's property sector specialists.

Algorithmic Base Case forecast is based on the Oxford Economics baseline forecast, which reflects low, but positive economic growth throughout 2024. Whereas prior forecasts included a mild contraction, momentum is now expected to carry the economy forward, leading to below-trend growth into 2025. Yet the impact of Federal Reserve rate hikes and more restrictive fiscal policy will still lead consumers to cut back on spending and firms will reduce investment and hiring. In this scenario, the economy grows by 1.2% in 2024 and 1.3% in 2025.

Job gains have been solid, with 2.7 million positions added in 2023 based on pre-benchmark figures. But growth rates slowed towards the end of the year and the forecast calls for continued moderation. Firms are projected to add 1.5 million positions in 2024. The unemployment rate, which ticked higher in 2023 to 3.8%, rises about 70 basis points higher by the of 2024, before falling in the following years but remaining above 4% through the forecast period.

Headline and core inflation are expected to continue to ease through the next four quarters but remain above the Federal Reserve's 2% target rate throughout 2024. Capital markets remain calm. Spreads between BBB corporate bonds and the 10-year Treasury stay between 1.5% and 2% through the end of the forecast period.

Costar provides statistics related to the retail market based on the following subtypes: Mall, Neighborhood Center, Power Center, Strip Center, General Retail and Other.

MIAMI RETAIL MARKET

KEY INDICATORS AT A GLANCE

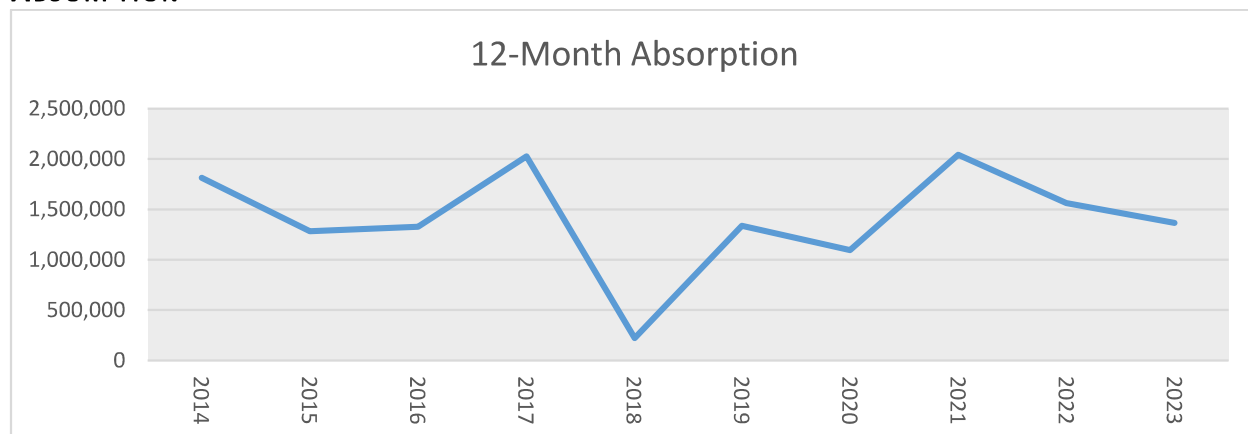
	PRIOR QUARTER	CURRENT QUARTER	COMPARISON
Vacancy (%)	2.94%	2.84%	decreased 10 Basis Points
Absorption (SF)	367,838	387,614	increased 19,776 SF
Quoted Rental Rates (\$/SF/Year)	\$46.51	\$46.80	increased \$0.29 PSF
Inventory (SF)	145,947,156	146,187,118	increased 239,968 SF
Net Deliveries (SF)	520,367	239,962	decreased 280,405 SF
Under Construction (SF)	1,279,595	1,084,837	decreased 194,758 SF

MIAMI RETAIL MARKET STATISTICS

PERIOD	EXISTING INVENTORY (SF)	VACANCY %	NET ABSORPTION (SF)	NET COMPLETIONS (SF)	UNDER CONST. (SF)	QUOTED RATES (\$/SF/YEAR)
2023 Q4	146,187,118	2.84%	387,614	239,962	1,084,837	\$46.80
2023 Q3	145,947,156	2.94%	367,838	520,367	1,279,595	\$46.51
2023 Q2	145,426,789	2.85%	581,401	422,683	1,729,557	\$45.85
2023 Q1	145,004,106	2.97%	29,645	208,462	2,121,624	\$45.19
2023	146,187,118	2.84%	1,366,498	1,391,474	1,084,837	\$46.80
2022	144,795,644	2.85%	1,561,136	1,104,225	2,276,704	\$44.47
2021	143,688,249	3.19%	2,040,807	827,612	2,636,781	\$41.61
2020	142,860,637	4.05%	1,095,100	1,554,873	1,934,759	\$39.30
2019	141,305,764	3.77%	1,337,239	1,154,112	1,976,402	\$38.53
2018	140,138,141	3.93%	222,854	988,941	2,453,281	\$37.25
2017	139,139,637	3.36%	2,024,318	1,813,340	1,413,693	\$35.76
2016	137,326,297	3.61%	1,325,773	1,513,680	2,209,641	\$34.34
2015	135,755,710	3.50%	1,283,546	1,099,792	2,437,685	\$33.03

The Miami Retail market ended the fourth quarter with a vacancy rate of 2.84%. The vacancy rate decreased over the previous quarter, with net absorption totaling 387,614 square feet in the fourth quarter. Rental rates increased compared to the previous quarter, ending fourth quarter at \$46.80. A total of 239,962 square feet was delivered to the market, with 1,084,837 square feet still under construction at the end of the quarter.

ABSORPTION



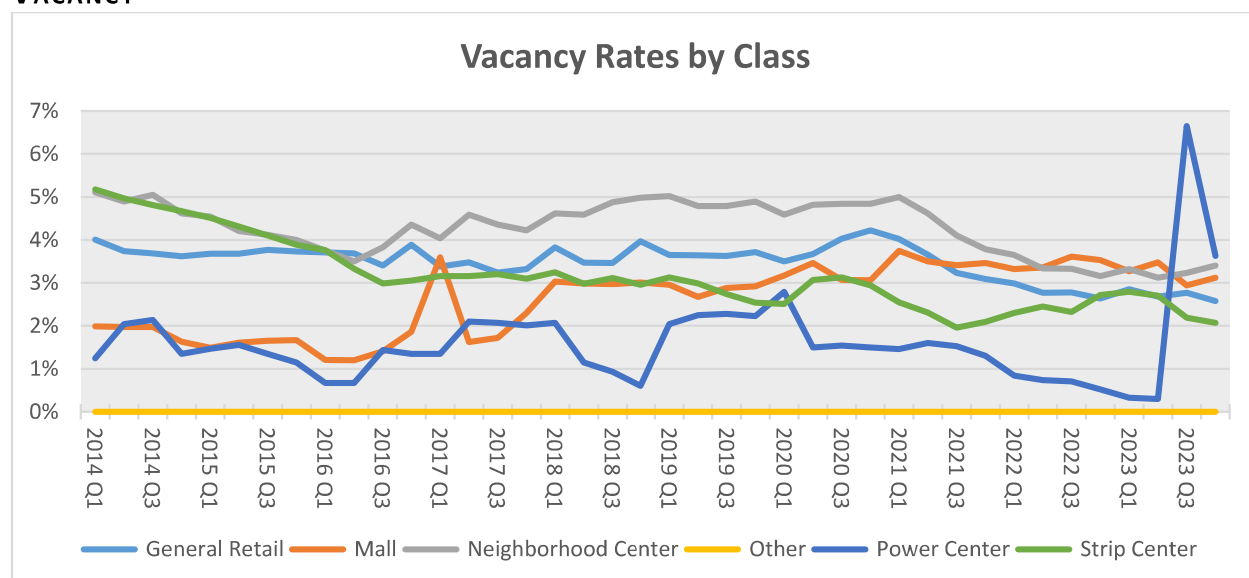
Net absorption for the overall Miami Retail market was 387,614 square feet in the fourth quarter 2023. That compares to 367,838 square feet in the third quarter 2023, 581,401 square feet in the second quarter 2023, and 29,645 square feet in the first quarter 2023. Net absorption in the market over the prior 12 months totaled 1,366,498 square feet.

The Mall subtype recorded net absorption of -33,546 square feet in the fourth quarter 2023, compared to 99,326 square feet in the third quarter 2023, 169,684 square feet in the second quarter 2023, and 46,679 square feet in the first quarter 2023. Neighborhood Centers recorded net absorption of 100,695 square feet in the fourth quarter 2023, compared to 127,096 square feet in the third quarter 2023, 74,217 square feet in the second quarter 2023, and -32,956 square feet in the first quarter 2023. Power Centers recorded net absorption of 127,401 square feet in the

fourth quarter 2023, compared to -60,000 square feet in the third quarter 2023, 900 square feet in the second quarter 2023, and 8,138 square feet in the first quarter 2023. Strip Centers recorded net absorption of 22,209 square feet in the fourth quarter 2023, compared to 68,853 square feet in the third quarter 2023, 14,623 square feet in the second quarter 2023, and 5,000 square feet in the first quarter 2023. General Retail recorded net absorption of 170,855 square feet in the fourth quarter 2023, compared to 128,646 square feet in the third quarter 2023, 322,971 square feet in the second quarter 2023, and 4,284 square feet in the first quarter 2023. Finally, Other retail subtypes recorded net absorption of 0 square feet in the fourth quarter 2023, compared to 0 square feet in the third quarter 2023, 0 square feet in the second quarter 2023, and 0 square feet in the first quarter 2023.

Net absorption for the Miami Beach submarket was -14,786 square feet in the fourth quarter 2023. That compares to -103,651 square feet in the third quarter 2023, -980 square feet in the second quarter 2023, and 1,387 square feet in the first quarter 2023.

VACANCY

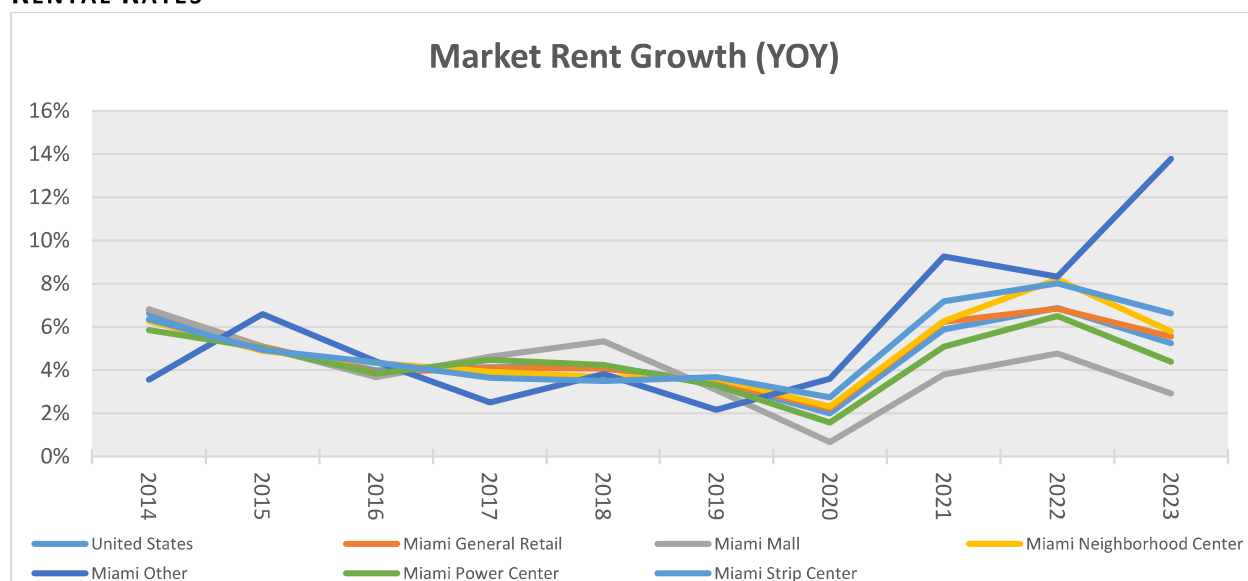


Vacancy for the overall Miami Retail market was 2.84% in the fourth quarter 2023. That compares to 2.94% in the third quarter 2023, 2.85% in the second quarter 2023, and 2.97% in the first quarter 2023.

The Mall subtype recorded vacancy of 3.12% in the fourth quarter 2023, compared to 2.94% in the third quarter 2023, 3.48% in the second quarter 2023, and 3.27% in the first quarter 2023. Neighborhood Centers recorded vacancy of 3.40% in the fourth quarter 2023, compared to 3.23% in the third quarter 2023, 3.12% in the second quarter 2023, and 3.32% in the first quarter 2023. Power Centers recorded vacancy of 3.63% in the fourth quarter 2023, compared to 6.65% in the third quarter 2023, 0.30% in the second quarter 2023, and 0.33% in the first quarter 2023. Strip Centers recorded vacancy of 2.07% in the fourth quarter 2023, compared to 2.19% in the third quarter 2023, 2.70% in the second quarter 2023, and 2.79% in the first quarter 2023. General Retail recorded vacancy of 2.58% in the fourth quarter 2023, compared to 2.77% in the third quarter 2023, 2.68% in the second quarter 2023, and 2.85% in the first quarter 2023. Finally, Other retail subtypes recorded vacancy of 0.00% in the fourth quarter 2023, compared to 0.00% in the third quarter 2023, 0.00% in the second quarter 2023, and 0.00% in the first quarter 2023.

Vacancy for the Miami Beach submarket was 6.00% in the fourth quarter 2023. That compares to 5.82% in the third quarter 2023, 4.74% in the second quarter 2023, and 4.69% in the first quarter 2023.

RENTAL RATES



The rental rates shown below are per square foot per year on a NNN basis.

The average asking rental rate for available Retail space, all subtypes, was \$46.80 psf at the end of the fourth quarter 2023 in the Miami market area. Average asking rental rates reported a 0.6% increase from the end of the third quarter 2023, when rents were reported at \$46.51.

The average quoted rate within the Mall subtype was \$60.21 at the end of the fourth quarter 2023, while Neighborhood Center rates stood at \$40.53, Power Center rates at \$47.10, Strip Center rates at \$40.36, General Retail rates at \$47.76, and Other retail rates at \$30.97. At the end of the third quarter 2023, Mall subtype rates were \$60.07, Neighborhood Center rates stood at \$40.20, Power Center rates at \$46.84, Strip Center rates at \$40.03, General Retail rates at \$47.46, and Other retail rates at \$30.31.

The average quoted asking rental rate in Miami's Miami Beach submarket was \$92.95 at the end of the fourth quarter 2023. In the third quarter 2023, quoted rates were \$92.62.

INVENTORY & CONSTRUCTION

During the fourth quarter 2023, a total of 239,962 square feet was completed in the Miami market area. This compares to a total of 520,367 square feet completed in the third quarter 2023, a total of 422,683 square feet completed in the second quarter 2023, and 208,462 square feet completed in the first quarter 2023.

There was 1,084,837 square feet of Retail space under construction at the end of the fourth quarter 2023.

SUBTYPE	EXISTING INVENTORY (SF)	NET DELIVERIES (12 MONTHS)	UNDER CONSTRUCTION (SF)
Mall	18,166,502	215,000	250,000
Neighborhood Center	36,850,972	369,564	7,505
Power Center	3,382,124	182,523	0
Strip Center	13,398,398	23,627	14,815
General Retail	73,920,930	600,760	812,517
Other	206,296	0	0
Total	146,187,118	1,391,474	1,084,837

MARKET OUTLOOK

The Miami Retail market ended the fourth quarter 2023 with a vacancy rate of 2.84%. The vacancy rate decreased over the previous quarter, with net absorption totaling 387,614 square feet in the fourth quarter 2023. Rental rates increased \$0.29 PSF over the previous quarter and ended at \$46.80. A total of 239,962 square feet was delivered in the quarter, with 1,084,837 square feet still under construction at the end of the quarter.

MIAMI BEACH RETAIL MARKET

KEY INDICATORS AT A GLANCE

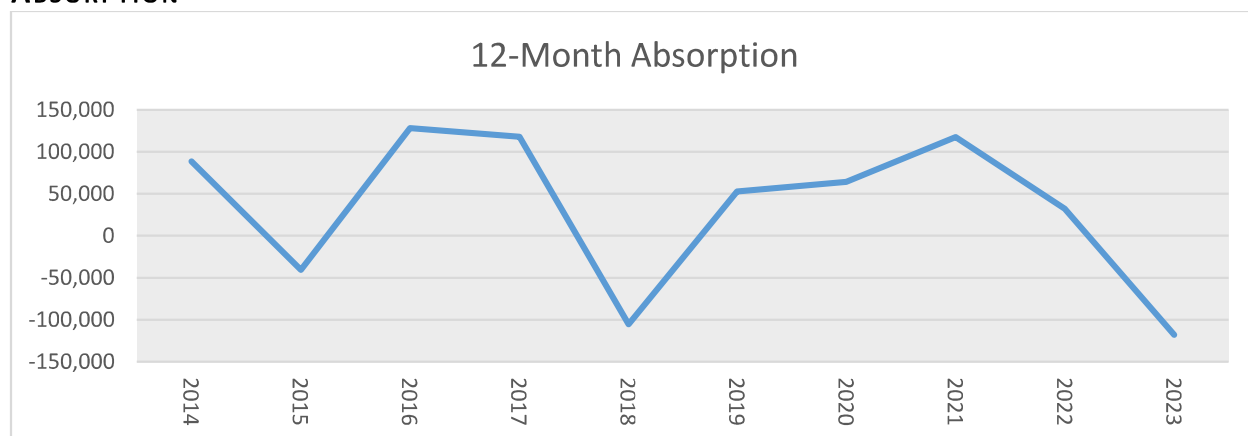
	PRIOR QUARTER	CURRENT QUARTER	COMPARISON
Vacancy (%)	5.82%	6.00%	increased 18 Basis Points
Absorption (SF)	-103,651	-14,786	increased 88,865 SF
Quoted Rental Rates (\$/SF/Year)	\$92.62	\$92.95	increased \$0.33 PSF
Inventory (SF)	9,605,839	9,609,139	increased 3,300 SF
Net Deliveries (SF)	0	3,300	increased 3,300 SF
Under Construction (SF)	308,960	305,660	decreased 3,300 SF

MIAMI BEACH RETAIL MARKET STATISTICS

PERIOD	EXISTING INVENTORY (SF)	VACANCY %	NET ABSORPTION (SF)	NET COMPLETIONS (SF)	UNDER CONST. (SF)	QUOTED RATES (\$/SF/YEAR)
2023 Q4	9,609,139	6.00%	-14,786	3,300	305,660	\$92.95
2023 Q3	9,605,839	5.82%	-103,651	0	308,960	\$92.62
2023 Q2	9,605,839	4.74%	-980	3,630	308,960	\$91.71
2023 Q1	9,602,209	4.69%	1,387	-11,221	309,290	\$91.59
2023	9,609,139	6.00%	-118,030	-4,291	305,660	\$92.95
2022	9,613,430	4.82%	32,040	-17,208	309,290	\$90.25
2021	9,630,638	5.32%	117,730	-2,424	311,228	\$86.48
2020	9,633,062	6.56%	64,089	4,535	275,499	\$83.39
2019	9,628,527	7.19%	52,639	190,147	32,124	\$82.94
2018	9,436,380	5.87%	-105,387	20,641	204,100	\$80.67
2017	9,415,739	4.55%	117,975	137,773	72,918	\$76.74
2016	9,277,966	4.40%	128,420	58,962	179,544	\$73.27
2015	9,219,004	5.18%	-40,560	5,066	96,493	\$70.84

The Miami Beach Retail market ended the fourth quarter with a vacancy rate of 6.00%. The vacancy rate increased over the previous quarter, with net absorption totaling -14,786 square feet in the fourth quarter. Rental rates increased compared to the previous quarter, ending fourth quarter at \$92.95. A total of 3,300 square feet was delivered to the market, with 305,660 square feet still under construction at the end of the quarter.

ABSORPTION

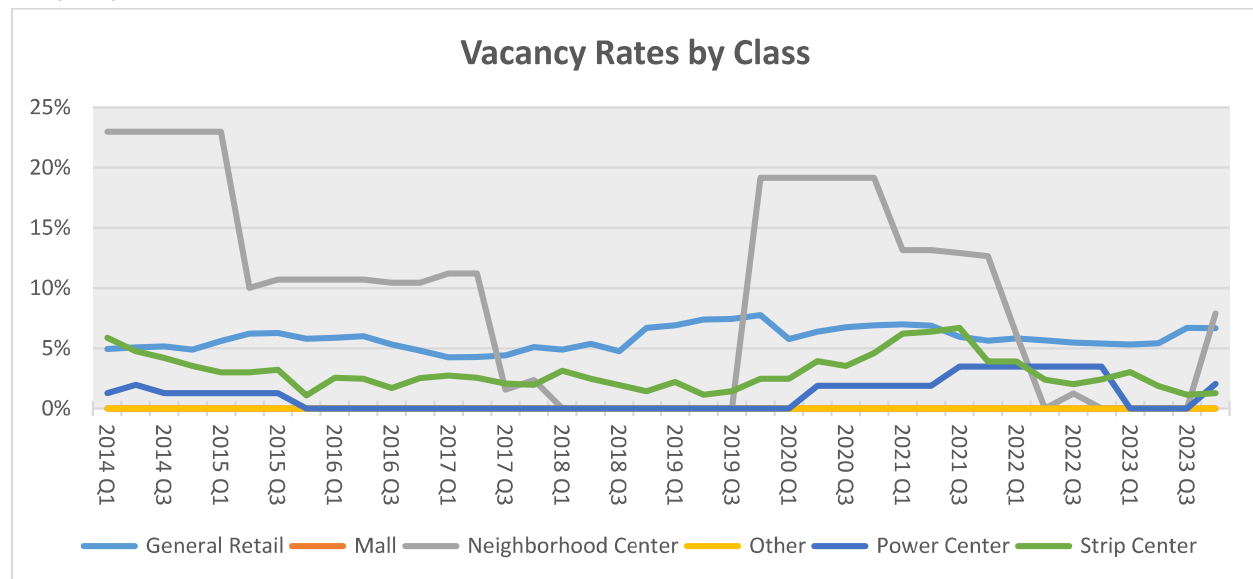


Net absorption for the overall Miami Beach Retail market was -14,786 square feet in the fourth quarter 2023. That compares to -103,651 square feet in the third quarter 2023, -980 square feet in the second quarter 2023, and 1,387 square feet in the first quarter 2023. Net absorption in the market over the prior 12 months totaled -118,030 square feet.

The Mall subtype Retail market recorded net absorption of 0 square feet in the fourth quarter 2023, compared to 0 square feet in the third quarter 2023, 0 square feet in the second quarter 2023, and 0 square feet in the first quarter 2023. The Neighborhood Center subtype Retail market recorded net absorption of -15,778 square feet in the fourth quarter 2023, compared to 0 square feet in the third quarter 2023, 0 square feet in the second quarter 2023, and 0 square feet in the first quarter 2023. The Power Center subtype Retail market recorded net absorption of -3,675

square feet in the fourth quarter 2023, compared to 0 square feet in the third quarter 2023, 0 square feet in the second quarter 2023, and 6,251 square feet in the first quarter 2023. Strip Centers recorded net absorption of -438 square feet in the fourth quarter 2023, compared to 2,537 square feet in the third quarter 2023, 7,794 square feet in the second quarter 2023, and -2,150 square feet in the first quarter 2023. General Retail recorded net absorption of 5,105 square feet in the fourth quarter 2023, compared to -106,188 square feet in the third quarter 2023, -8,774 square feet in the second quarter 2023, and -2,714 square feet in the first quarter 2023. Finally, Other retail subtypes recorded net absorption of 0 square feet in the fourth quarter 2023, compared to 0 square feet in the third quarter 2023, 0 square feet in the second quarter 2023, and 0 square feet in the first quarter 2023.

VACANCY

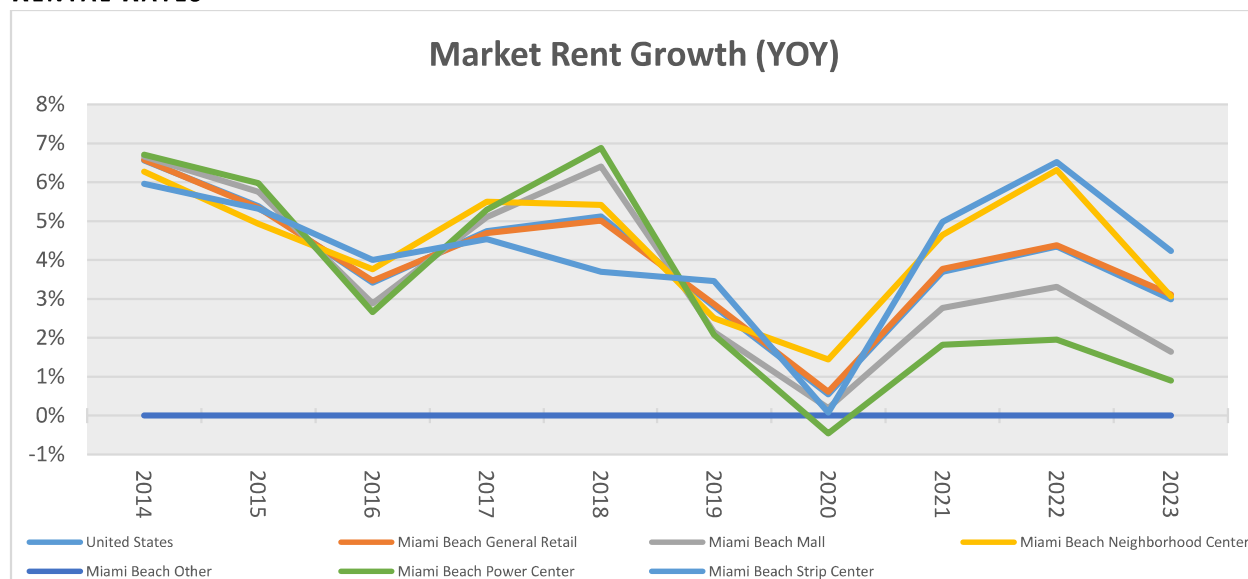


Vacancy for the overall Miami Beach Retail market increased to 6.00% in the fourth quarter 2023. That compares to 5.82% in the third quarter 2023, 4.74% in the second quarter 2023, and 4.69% in the first quarter 2023.

Mall subtype projects reported a vacancy rate of 0.00% at the end of the fourth quarter 2023, 0.00% at the end of the third quarter 2023, 0.00% at the end of the second quarter 2023, and 0.00% at the end of the first quarter 2023. Neighborhood Center subtype projects reported a vacancy rate of 7.89% at the end of the fourth quarter 2023, 0.00% at the end of the third quarter 2023, 0.00% at the end of the second quarter 2023, and 0.00% at the end of the first quarter 2023. Power Center subtype projects reported a vacancy rate of 2.04% at the end of the fourth quarter 2023, 0.00% at the end of the third quarter 2023, 0.00% at the end of the second quarter 2023, and 0.00% at the end of the first quarter 2023. Strip Centers recorded vacancy of 1.27% in the fourth quarter 2023, compared to 1.15% in the third quarter 2023, 1.85% in the second quarter 2023, and 3.03% in the first quarter 2023. General Retail recorded vacancy of 6.67% in the fourth quarter 2023, compared to 6.70% in the third quarter 2023, 5.41% in the second quarter 2023, and 5.31% in the first quarter 2023.

Finally, Other retail subtypes recorded vacancy of 0.00% in the fourth quarter 2023, compared to 0.00% in the third quarter 2023, 0.00% in the second quarter 2023, and 0.00% in the first quarter 2023.

RENTAL RATES



The rental rates shown below are per square foot per year on a NNN basis.

The average asking rental rate for available Retail space, all classes, was \$92.95 psf at the end of the fourth quarter 2023 in the Miami Beach market area. This represented a 0.4% increase in quoted rental rates from the end of the third quarter 2023, when rents were reported at \$92.62.

The average quoted rate within the Mall subtype sector was \$93.92 at the end of the fourth quarter 2023, while Neighborhood Center subtype rates stood at \$64.95, Power Center subtype rates at \$68.43, Strip Center rates at \$86.24, General Retail rates at \$94.34, and Other retail rates at \$0.00. At the end of the third quarter 2023, Mall subtype rates were \$93.72, Neighborhood Center rates were \$64.60, Power Center rates were \$68.38, Strip Center rates were \$85.63, General Retail rates were \$94.01 and Other Retail rates were \$0.00.

INVENTORY & CONSTRUCTION

During the fourth quarter 2023, a total of 3,300 square feet was completed in the Miami Beach market area. This compares to a total of 0 square feet completed in the third quarter 2023, a total of 3,630 square feet completed in the second quarter 2023, and -11,221 square feet completed in the first quarter 2023.

There were 305,660 square feet of Retail space under construction at the end of the fourth quarter 2023.

SUBTYPE	EXISTING INVENTORY (SF)	NET DELIVERIES (12 MONTHS)	UNDER CONSTRUCTION (SF)
Mall	583,829	0	250,000
Neighborhood Center	200,041	0	0
Power Center	179,896	0	0
Strip Center	360,794	3,630	0
General Retail	8,284,579	-7,921	55,660
Other	0	0	0

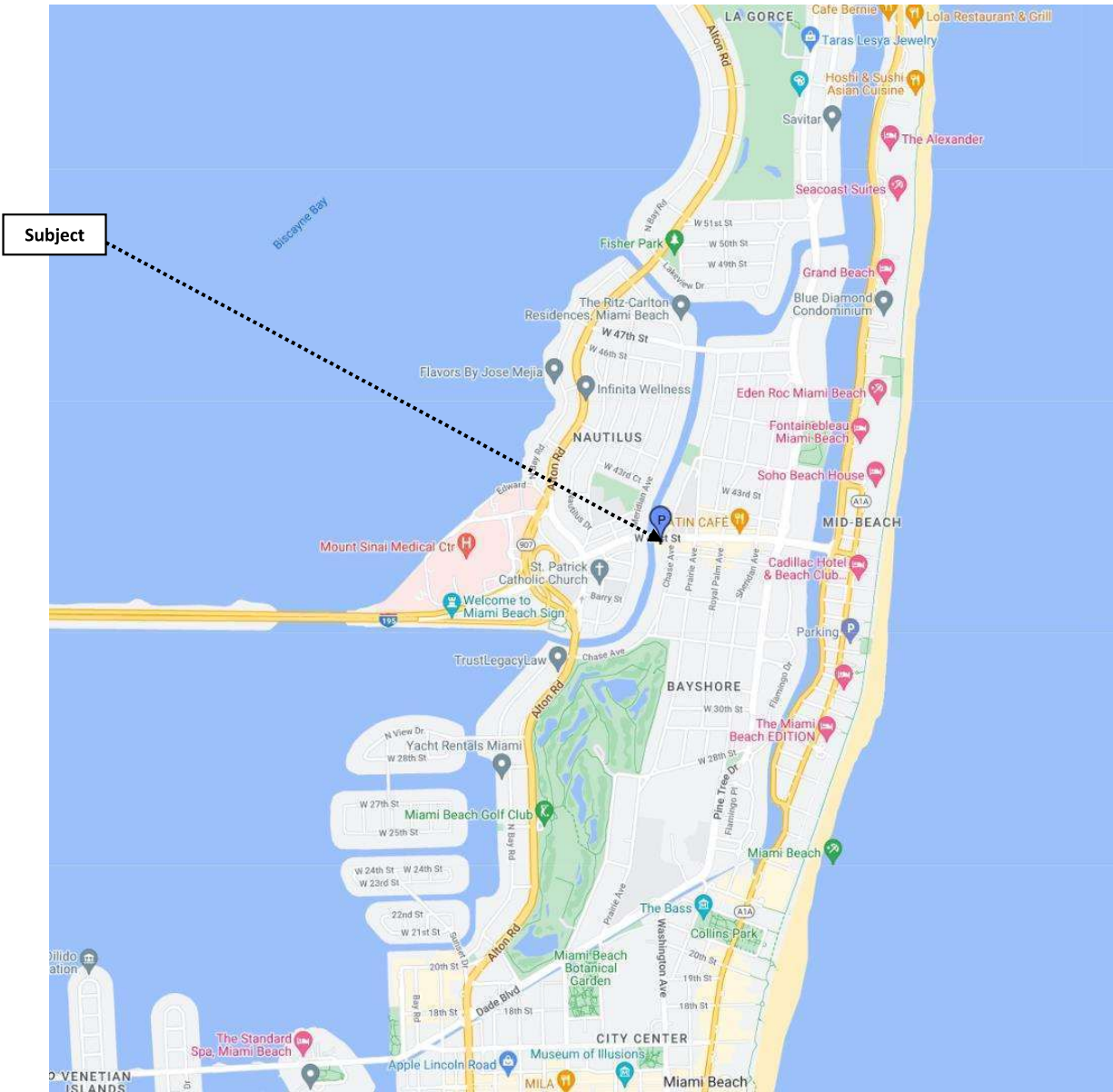
MIAMI BEACH MARKET OUTLOOK

The Miami Beach Retail market ended the fourth quarter 2023 with a vacancy rate of 6.00%. The vacancy rate increased over the previous quarter, with net absorption totaling -14,786 square feet in the fourth quarter 2023. Rental rates increased \$0.33 PSF over the previous quarter and ended at \$92.95. A total of 3,300 square feet was delivered in the quarter, with 305,660 square feet still under construction at the end of the quarter.

NEIGHBORHOOD (PRIMARY MARKET) ANALYSIS

A market area is “the defined geographic area in which the subject property competes for the attentions of market participants; the term broadly defines an area containing diverse land uses.” Market areas are defined by a combination of factors including physical features the demographic and socioeconomic characteristics of the residents or tenants, the condition of the improvements, and land use trends. Market area analysis focuses on the identification of the area’s boundaries and the social, economic, governmental and environmental influences that affect the value of real property within those boundaries. In conducting market area analysis, the competitive supply and demand for the subject property is more directly addressed. The purpose of a market area analysis is to provide a bridge between the study of general influences on all property values and the analysis of a particular subject. Market area boundaries are identified by determining the area in which the four forces that affect value (social, economic, governmental and environmental) operate in the same way they affect the subject property. Interaction of the various components influencing these four forces often results in the dissimilarities regarding the length of time between the stages of a neighborhood’s life cycle.

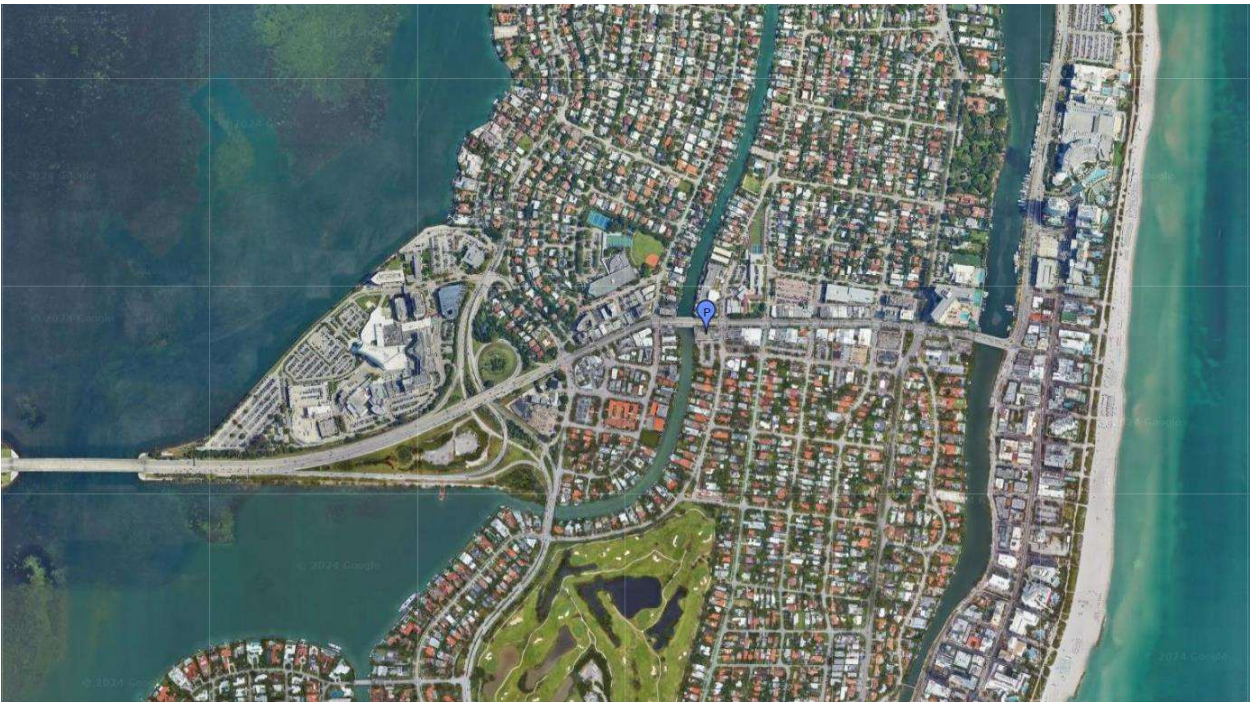
NEIGHBORHOOD MAP



LOCATION AND BOUNDARIES

The subject is located between the Biscayne Waterway, to the west, and Chase Ave, to the east, on the south side of W 41st Street, in the City of Miami Beach, which is part of the Miami-Fort Lauderdale-West Palm Beach, FL MSA. The subject is classified as being within the Miami Beach submarket area. It has the following boundaries:

MARKET BOUNDARIES			
	Market Boundary	Submarket Boundary	Neighborhood Boundary
North	Miami/Broward Border; NW 215th St east of NW 57th Ave; NW 202nd St west of NW 57th Ave	Dade Blvd/32nd St	17th St
South	Florida Keys	Norris Cut (Atlantic Ocean)	11th St
East	Atlantic Ocean	Atlantic Ocean	A1A
West	Miami/Monroe Border	Penninsular East Coast	Alton Rd



NEIGHBORHOOD COMPOSITION, GENERAL LAND USES

The subject is located in the northwestern-most corner of the Bayshore neighborhood, which is part of the larger Mid-Beach neighborhood. The area is roughly bound by the Collins Canal to the south, 41st Street to the north, Indian Creek to the east, and Biscayne Bay to the west. The neighborhood is characterized largely by single family homes and municipal uses (Miami Beach Golf Club, Miami Beach High School, Scott Rakow Youth Center).

NEIGHBORHOOD COMPOSITION			
Type	%	Type	%
Single-Family	40%	Civic	20%
Multifamily	15%	Industrial	0%
Commercial	15%	Vacant Land	10%

Residential – Adequate mix of established single-family communities and multifamily uses (including both rental and condominium uses). There has been limited residential and multifamily development in the area over the last several years as the area is mature and well-developed. Development in the greater Miami Beach market has largely been focused on multi-family uses, due to the increased density allowing developers to meet greater demand.

Retail – Primarily concentrated along W 41st Street and Indian Creek/A1A, where regional big box retailers and supporting uses such as restaurants, bank branches, drug stores, gas stations/convenience stores, specialty shops, etc. are located. There has been new retail development in the area over the last several years.

Employment Centers – Numerous local and regional employers located in close proximity of the subject with larger regional and national employers located the city and surrounding cities.

LIFE STAGES AND TRENDS

The market area is considered to be stable in the mature stage of its life cycle. Ongoing sales and investment over the recent past continue, largely in the form of redevelopment projects. Residential, retail, and commercial improvements in the area are in average to good condition, and many historical and protected properties are found in the market area.

ACCESS AND TRANSPORTATION

The subject is located directly on W 41st Street, which transitions to 195 just to the west of the subject and connects it to both of the main north-south thoroughfares on the island – Alton Road and Collins/Indian Creek Dr (A1A) – as well as the Wynwood and Miami Design Districts on the mainland (along US-1 and I-95). Thus, the subject has excellent and immediate access to several significant economic centers both in Miami Beach and on the mainland.

THOROUGHFARES									
Road	Dir	Via	Distance	AADT	Road	Dir	Via	Distance	AADT
W 41st St	E/W	N/A	Adjacent	41k	I-95	N/S	195	4.5 miles	179k
Dade Blvd/Venetian Way	E/W	Alton Rd	1.7 miles	9.7k	US-1/Biscayne Blvd	N/S	195	3.6 miles	37k
5th St/MacArthur Cswy	E/W	Alton Rd	3.0 miles	32.5-53k	Alton Rd	N/S	W 41st St	0.2 miles	3.9-5.8k
395/836	E/W	I-95	6.1 miles	143k	Collins/Indian Creek Dr	N/S	W 41st St	0.5 miles	12.5-41k
195/FL 112	E/W	W 41st St	0.3 miles	121k	John F Kennedy Cswy/934	E/W	Indian Creek	3.7 miles	40.5k

POINTS OF INTEREST

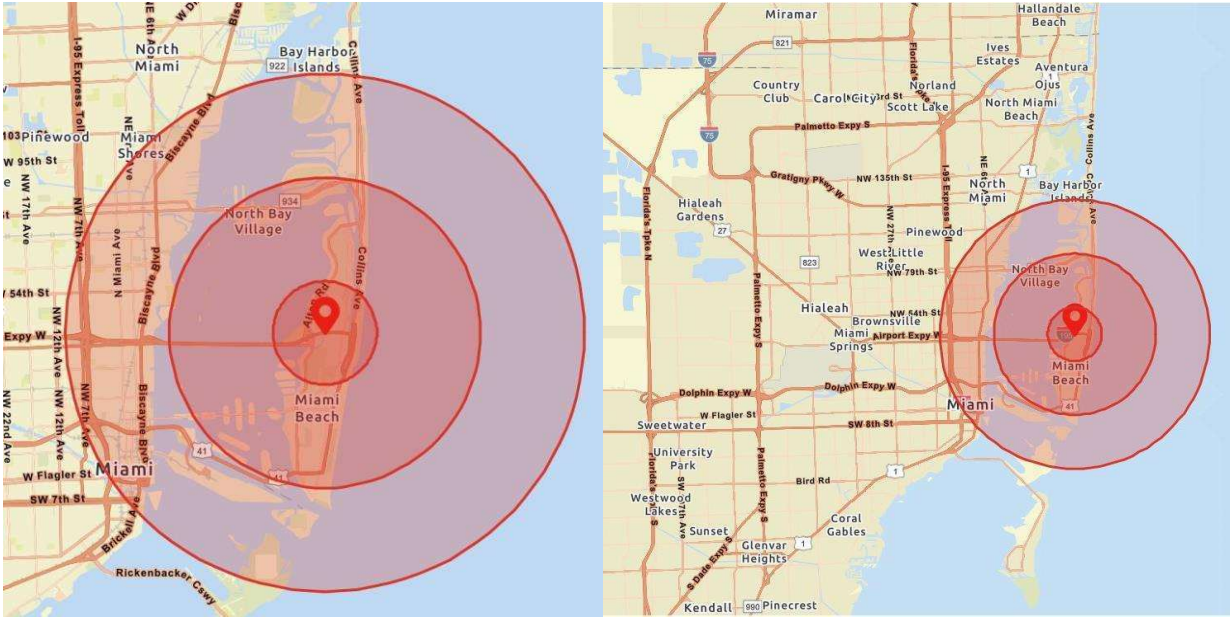
DISTANCE TO SUPPORTIVE USES / ACCESS					
Type	Miles	Dir	Type	Miles	Dir
<u>Government & EMS</u>			<u>Tourist Hubs</u>		
Mount Sinai Medical Center	0.6	W	South Pointe Beach	3.2	S
Baptist Health Miami Beach	2.6	S	The Wolfsonian-Florida International Univers	2.3	S
Illumina Medical Centers of Miami Bea	0.3	E	Museum of Illusions	1.6	S
UHealth Tower	5.5	W	Miami Beach Botanical Garden	1.3	S
HCA Florida Mercy Hospital	7.2	SW	The Bass	1.2	S
Miami Beach Police Crime Prevention	2.2	S	Miami Beach Boardwalk	0.8	NE
City of Miami Police Department	4.8	SW	Jungle Island	3.3	SW
Fire Station No.1	2.2	S	Miami Children's Museum	3.4	SW
Miami Beach Fire Prevention	1.5	S	Bayfront Park	4.5	SW
<u>Downtown Hubs</u>			Miami Seaquarium	5.9	S
Downtown Miami	4.7	SW	Vizcaya Museum & Gardens	6.8	SW
Downtown Coral Gables	9.1	SW	Haitian Heritage Museum	3.6	W
Downtown Fort Lauderdale	21.3	N	Wynwood Walls	4.3	W
Downtown Fort Myers	122.0	NW	<u>Transportation Hubs</u>		
Downtown West Palm Beach	62.1	N	Miami International Airport	9.3	W
Downtown Orlando	203.8	N	Port Miami	3.6	SW
Key West	134.8	SW	Port Everglades Terminal	17.7	N

DEMOGRAPHIC TRENDS

The following table shows demographic statistics in the 1-, 3-, and 5-mile radii of the subject property. The population within 1-mile of the subject has increased -3.9% since 2010. Within a 1-mile radius, the estimated average household income is \$166,631 and 52.1% of the homes occupied by owners. The population within 3-mile of the subject has increased -1.7% since 2010. Within a 3-mile radius, the estimated average household income is \$118,600 and 39.5% of the homes occupied by owners. The following chart demonstrates these trends for the primary market area:

POPULATION AND HOUSEHOLD CHANGES									
770 W 41 St Miami Beach Florida	1 Mile	3 Mile	5 Miles	Miami Beach	County	MSA	CSA	Florida	
Projected Population Change	-2.7%	-0.6%	2.8%	-1.0%	1.3%	2.0%	2.5%	5.2%	
Estimated Population Change	-3.9%	-1.7%	3.9%	-2.1%	0.8%	1.6%	2.2%	5.5%	
Actual Population Change	-16.7%	-4.6%	9.4%	-5.1%	8.2%	10.3%	10.8%	14.6%	
Projected Households Change	-2.3%	0.3%	3.3%	-0.1%	2.0%	2.3%	2.8%	5.5%	
Estimated Households Change	-3.5%	-0.7%	3.3%	-1.2%	1.5%	1.8%	2.4%	5.7%	
Actual Households Change	-21.0%	-7.8%	11.7%	-7.9%	11.5%	11.2%	11.6%	14.9%	

Source: 2024 Claritas, Inc.



COMPARATIVE DEMOGRAPHIC ANALYSIS FOR PRIMARY MARKET AREA									
	770 W 41 St Miami Beach Florida	1 Mile	3 Mile	5 Miles	Miami Beach	County	MSA	CSA	Florida
Population									
2029 Projection	10,111	70,645	249,813	80,353	2,757,812	6,358,023	7,199,301	23,916,544	
2024 Estimate	10,394	71,071	242,992	81,129	2,723,579	6,234,664	7,021,472	22,724,182	
2020 Census	10,820	72,330	233,920	82,890	2,701,767	6,138,333	6,868,652	21,538,187	
2010 Census	12,992	75,828	213,747	87,349	2,496,447	5,564,628	6,199,847	18,801,315	
2024 Est. Median Age	45.03	44.77	40.43	45.53	42.28	43.23	43.95	44.19	
2024 Est. Average Age	44.20	44.96	41.74	45.50	42.20	43.00	43.50	43.80	
Households									
2029 Projection	4,695	37,813	120,664	42,730	1,001,031	2,426,940	2,778,322	9,519,180	
2024 Estimate	4,804	37,705	116,824	42,787	981,728	2,372,788	2,701,536	9,019,295	
2020 Census	4,979	37,975	113,091	43,296	967,414	2,331,951	2,637,311	8,529,067	
2010 Census	6,305	41,169	101,217	46,991	867,364	2,097,624	2,362,855	7,420,825	
2024 Est. Average Household Size	2.15	1.88	2.04	1.89	2.73	2.59	2.56	2.47	
2024 Est. Households by Household Income (%)									
Household Income < \$15,000	11.1	10.7	12.4	12.0	11.1	9.8	9.6	8.9	
Household Income \$15,000 - \$24,999	4.7	7.9	8.0	8.8	8.7	7.7	7.7	7.5	
Household Income \$25,000 - \$34,999	7.2	7.8	7.4	8.4	8.4	7.9	8.0	8.2	
Household Income \$35,000 - \$49,999	9.3	11.0	10.2	11.6	11.7	11.4	11.6	12.0	
Household Income \$50,000 - \$74,999	8.3	14.9	15.6	14.2	16.4	16.2	16.4	17.2	
Household Income \$75,000 - \$99,999	9.7	11.4	10.8	10.8	12.1	12.0	12.2	12.8	
Household Income \$100,000 - \$124,999	7.8	8.3	8.2	7.7	8.8	9.3	9.4	9.6	
Household Income \$125,000 - \$149,999	6.2	5.3	6.1	4.9	6.0	6.8	6.8	6.8	
Household Income \$150,000 - \$199,999	7.9	6.5	7.1	6.0	6.5	7.3	7.3	7.0	
Household Income \$200,000 - \$249,999	5.7	4.4	4.0	4.2	3.6	3.9	3.9	3.6	
Household Income \$250,000 - \$499,999	10.6	6.6	6.0	6.4	4.1	4.7	4.6	3.9	
Household Income \$500,000+	11.5	5.2	4.2	5.1	2.5	3.0	2.8	2.2	
2024 Est. Average Household Income	\$166,631	\$118,600	\$111,219	\$114,587	\$96,977	\$104,286	\$103,277	\$98,338	
2024 Est. Median Household Income	\$99,091	\$70,715	\$68,425	\$65,508	\$64,649	\$69,799	\$69,644	\$68,658	
2024 Est. Tenure of Occupied Housing Units (%)									
Owner Occupied	52.1	39.5	32.3	37.9	50.2	58.0	60.0	65.2	
Renter Occupied	47.9	60.5	67.7	62.1	49.8	42.0	40.0	34.8	
2024 Est. Median All Owner-Occupied Housing Value	\$1,201,862	\$630,018	\$622,029	\$670,222	\$441,950	\$425,477	\$413,776	\$339,410	

Source: 2024 Claritas, Inc.

CONCLUSION

In summary, the subject is located within a stable neighborhood with good linkages to the region. The subject area is considered an attractive area for retail occupants due to its proximity to major tourist and high-income visitors as well as major regional traffic thoroughfares and associated access to business in the overall area. The demand for existing developments and, in particular, developable land is expected to remain strong in the long term.

SITE DESCRIPTION

The description of the site is based upon our physical inspection of the property, as well as information available from the client and public sources. The site area utilized herein is taken from Miami-Dade county records.

GENERAL SITE DESCRIPTION OVERVIEW			
Location	The subject is located between the Biscayne Waterway, to the west, and Chase Ave, to the east, on the south side of W 41st Street, in the City of Miami Beach, which is part of the Miami-Fort Lauderdale-West Palm Beach, FL MSA.		
Parcel Number	02-3227-016-0820		
Legal Description	Lengthy; see below.		
Latitude, Longitude	25.81358, -80.132113		
Site Area	21,538 square feet (0.49 acres)		
Configuration	Generally Rectangular		
Topography	Level		
Drainage	Appears adequate		
Utilities/Municipal Services	Typical utilities and municipal services available to site including water, sewer, natural gas, electricity, telephone and cable tv/internet.		
Off-Site Improvements	None		
Flood Zone(s)	<u>Zone</u>	<u>Map</u>	<u>Date</u>
	Zone AE	12086C0309L	September 11, 2009
Flood Zone Comments	Zone AE is a Special Flood Hazard Area (SFHA) where base flood elevations are provided. AE Zones are now used on new format Flood Insurance Rate Maps (FIRM) instead of A1-A30 Zones. In communities that participate in the National Flood Insurance Program (NFIP), mandatory flood insurance purchase requirements apply to this zone.		
Census Tract No.	0040.00		
Soil/Subsoil Conditions	We did not receive nor review a soil report. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our inspection of the property.		
Environmental Concerns	The inspecting appraiser did not observe any environmental issues and for the purpose of this appraisal, it is specifically assumed that none exist. No independent environmental studies were provided. This appraisal assignment was engaged to determine the market value of the property, independent of any potential environmental issues. In the event the property is determined to be impacted by environmental concerns, it could affect our appraisal conclusions.		
Easements, Encroachments and Deed Restrictions	A title report was not provided, however, we are unaware of any detrimental easements, encroachments or other restrictions that would adversely affect the site's use or marketability.		
Hazards Nuisances	We did not observe any evidence of hazards or nuisances during our inspection of the property.		
Frontage	W 41 St (corner; waterfront)		
Access	Adequate for current use; property is served by two curb cuts on 41st Street.		
Visibility	Average		
Surrounding Land Uses	The subject abuts commercial uses to the north (across 41st St) and east, a municipal parking lot to the south, and the Biscayne Waterway to the west.		
Opportunity Zone	The subject is not located in an Opportunity Zone.		
Enterprise Zone	The subject is not located in an Enterprise Zone.		
Traffic Counts	The subject is on a road which sees an annual average daily traffic count of 41,000		
Transportation Facilities	The subject is served by municipal roads sufficient to meet the needs of the subject as well as adjoining and supportive uses. Public transportation facilities are located nearby, including bus stops within 1 mile of the subject.		
Site Utility	Average		
Comments	The subject comprises a level, approximately rectangular site with primary frontage on W 41 St (~220 feet) and secondary frontage to the Biscayne Waterway (~103 feet) and Chase Ave (~103 feet).		

Legal Description

That portion of Lot NINETEEN (19) of Block EIGHT (8). of FIRST ADDITION TO MID-GOLF SUBDIVISION of the Miami Beach Bay Shore Company, as the same is shown, marked and designated on the plat of said subdivision recorded in Plat Book 7, at Page 161, of the Public Records of Dade County, Florida, restricted to and more particularly described as follows. to-wit: Commencing at a point where the South line of West 41st Street intersects the East line of Chase Avenue, as the same is shown on a plat entitled "FORTY-FIRST STREET BLOCK", recorded in Plat Book 40, Page 47, Public Records of Dade County, Florida being a subdivision of the easterly portion of Lot NINETEEN (19), Block EIGHT (8) OF FIRST ADDITION TO MID-GOLF SUBDIVISION, as recorded in Plat Book 7, at Page 161, of said Public Records of Dade County, Florida, run in a westerly direction across Chase Avenue, along the south line of West 41st Street, a distance of 60 feet to a point, thence continue west along the south line of West 41st Street, a distance of 15 feet to the point of beginning of the tract of land herein described; thence continue west along the south line of said West 41st Street a distance of 206.45 feet, plus or minus, to the westerly face of the concrete bulkhead situated on the easterly shore of Biscayne Waterway; thence run in a southerly direction meandering the westerly face of said concrete bulkhead a distance of 100.74 feet, more or less, to a point on the westerly face of said bulkhead of Biscayne Waterway, which is 100 feet due south at an angle of 90 00' from the northerly boundary of the tract herein described, thence run easterly and parallel to the northerly line of the tract herein described, being the south boundary of West 41st Street, at a distance of 100 feet south of and parallel to the said north line of the tract herein described, a distance of 209.3 feet, more or less, to the westerly boundary of Chase Avenue. as the same was dedicated by Miami Beach Bay Shore Company to the City of Miami Beach on March 14, 1935, and recorded in Deed Book 1618, Page 278, Public Records of Dade County, Florida; thence north along the westerly boundary of Chase Avenue (as dedicated) distance of 85 feet to the point of curvature of a circular curve; thence run along the arc of a circular curve, deflecting to the left and having for its elements a central angle of 90 00' and a radius of 15 feet, a distance of 23.56 feet, more or less, to the point of beginning of the tract of land herein described, together with any and all riparian or water rights incident to or belonging thereto.

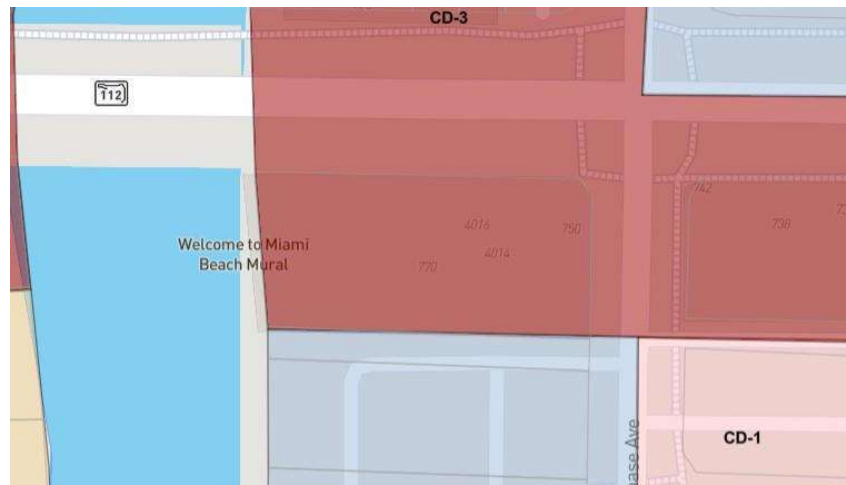
ZONING

Designation	CD-3
Description	Commercial High Intensity
Zoning Intent	The CD-3 commercial, high intensity district is designed to accommodate a highly concentrated business core in which activities serving the entire city are located.
Governing Authority	City of Miami Beach

ZONING REQUIREMENTS

Permitted Uses	Various commercial, multifamily, and lodging uses, including apartments, apartment hotels, commercial uses, kennel, health club, as well as other uses with approval.
Front (min. ft.)	0'
Rear, alley/no alley (min. ft.)	5'
Side (min. ft.) interior	0'
Maximum Built Area	46,752 SF
Maximum Footprint	19,838 SF
Maximum Density	71 units
Maximum Height	75'
Max Floor Area Ratio	2.25
Required No. Parking Spaces	0
Subject's Total Parking Spaces	0

ZONING MAP



FLOOD MAP



PROPERTY ASSESSMENT AND TAX ANALYSIS

PROPERTY ASSESSMENT AND TAX DATA

Real estate in Florida is assessed at 100% of the assessor's estimated "Just Value." Just Value has been equated to market value minus closing costs and any exemptions such as homestead, widow, disability or agricultural exemptions. Although the State of Florida requires real estate to be assessed at 100% of Just Value, the ratio of the assessed value to sale price is generally below 100%.

The assessments are effective as of January 1 of each year and payable by March 31 of the following year. For example, 2022 taxes were payable by March 31, 2023. The Miami-Dade commission in conjunction with local municipalities sets the millage rate for the given year by August or September of that year. Tax bills are mailed by October or November and provide for a 4% discount if paid by the end of November 3%, if paid by December 2% if paid by January, and 1% if paid by the end of February. Otherwise, tax bills are to be paid in full by the end of March and are delinquent after March 31. In the income projections that follow, we have assumed the owner will take advantage of the 4% early payment discount. The subject's assessed value and taxes are summarized below, and do not include any furniture, fixtures and equipment.

The following table summarizes the subject's real property taxation. As we are performing a valuation of the property "as if vacant" – under the hypothetical condition that the subject's improvements had been demolished prior to the effective date of this appraisal – we are not assessing the subject given its actual market value as improved and thus any projection of the subject's taxable values would be essentially meaningless. The following information is thus provided for informational purposes.

REAL ESTATE ASSESSMENT AND TAXES			
Tax ID No.	2021	2022	2023
Market Value	\$8,909,368	\$9,365,970	\$9,364,800
Assessed Value	\$6,725,609	\$7,398,169	\$8,137,985
Assessment Ratio	75%	79%	87%
General Tax Rate per \$1000	21.583873	20.541875	19.906584
Property Taxes	\$145,165	\$151,972	\$161,999
Special/Direct Assessments	\$0	\$0	\$0
Total Taxes	\$145,165	\$151,972	\$161,999
Total Taxes PSF	\$3.16	\$3.31	\$3.53
4% Discount	\$5,807	\$6,079	\$6,480
Final Taxes	\$139,358	\$145,893	\$155,520

The Miami-Dade Appraiser re-assesses real estate within the county on an annual basis using the sales comparison, cost and income approaches to value as applicable. In the process, significant emphasis is placed on any recent arm's length sales of a property under review for re-assessment.

DELINQUENCY

There are no delinquent real property taxes.

HIGHEST AND BEST USE

INTRODUCTION

The highest and best use is the reasonable, probable, and legal use of vacant land or an improved property that is physically possible, legally permissible, appropriately supported, financially feasible and that results in the highest value. These criteria are often considered sequentially. The tests of legal permissibility and physical possibility must be applied before the remaining tests of financial feasibility and maximal productivity. A financially feasible use is precluded if it is legally prohibited or physically impossible. If a reasonable possibility exists that one of the prior, unacceptable conditions can be changed, is it appropriate to proceed with the analysis with such an assumption.

HIGHEST AND BEST USE CRITERIA

The site's highest and best use is analyzed as vacant. In all cases, the property's highest and best use must meet four criteria: (1) legally permissible; (2) physically possible; (3) financially feasible; and (4) maximally productive.

HIGHEST AND BEST USE AS VACANT

LEGALLY PERMISSIBLE

Legal restrictions include deed restrictions, CC&R's, lease encumbrances, zoning requirements, building codes, historic district controls and environmental regulations, and were previously analyzed to determine legally permitted uses. Legally, the subject is zoned CD-3. Permitted uses include Various commercial, multifamily, and lodging uses, including apartments, apartment hotels, commercial uses, kennel, health club, as well as other uses with approval. No other legal restrictions have been identified that would limit development of the property beyond the development standards stipulated by municipal code.

PHYSICALLY POSSIBLE

Size, shape, topography, soil condition, availability of utilities, transportation access, surrounding uses, and locational characteristics were previously analyzed to determine which legal land uses are physically possible and which are best to conform to the physical and locational aspects of the site and its setting with respect to the neighborhood and community. Overall, the physical site attributes result in adequate utility, and the property could be developed with a variety of legally-conforming uses. Given the surrounding uses and location, the site is best suited for Commercial Development.

FINANCIALLY FEASIBLE

Financial feasibility is determined by the relationship of supply and demand for the legally probable land uses versus the cost to create them. The market analysis section reveals that Commercial Development in the subject's market are generally stabilized. Recent and planned Commercial Development in the market area serve as direct evidence that new Commercial Development is financially feasible. Comparisons of rental rates, operating expenses and construction costs indicate the property is capable of providing an adequate return on investment to warrant new Commercial Development in the current market. This assertion is supported by the fact that the property has the potential to generate rental income as shown in the income approach. Commercial Development is considered financially feasible.

MAXIMALLY PRODUCTIVE

The final test of highest and best use of the site as vacant is that the use be maximally productive, yielding the highest return to the land. In order to determine the maximally productive use, a comparison of rental rates, occupancy, operating expenses, and rates of return for the financially feasible uses have been made. Based on this analysis, Commercial Development renders the highest residual land value; therefore, Commercial Development on the subject's site is the maximally productive use of the subject as vacant.

VALUATION PROCESS

Valuation in the appraisal process generally involves three techniques, including the Cost Approach, Sales Comparison Approach and the Income Capitalization Approach.

These three valuation methods are defined in the following table:

VALUATION METHODS	DEFINITION
Cost Approach	In this approach, value is based on adding the contributing value of any improvements (after deductions for accrued depreciation) to the value of the land as if it were vacant based on its highest and best use. If the interest appraised is other than fee simple, additional adjustments may be necessary for non-realty interest and/or the impact of existing leases or contracts.
Sales Comparison Approach	In this approach, recent sales of similar properties in the marketplace are compared directly to the subject property. This comparison is typically accomplished by extracting “units of comparison”, for example, price per square foot, and then analyzing these units of comparison for differences between each comparable and the subject. The reliability of an indication found by this method depends on the quality of the comparable data found in the marketplace.
Income Capitalization Approach	In this approach, a property is viewed through the eyes of a typical investor, whose primary objective is to earn a profit on the investment principally through the receipt of expected income generated from operations and the ultimate resale of the property at the end of a holding period.

VALUATION METHODS UTILIZED
<p>This appraisal employs only the Sales Comparison Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that this approach would be considered necessary and applicable for market participants. Since no improvements exist on site, the Cost Approach is not relevant. The property generates no income and is not typically marketed, purchased or sold on the basis of anticipated lease income; thus, the Income Capitalization Approach was precluded.</p> <p>The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value, or is a correlation of all the approaches used in the appraisal.</p>

LAND VALUATION (SALES COMPARISON)

METHODOLOGY

The Sales Comparison Approach is employed to develop an opinion of land value. In the Sales Comparison Approach, we developed an opinion of value by comparing similar, recently sold sites in the surrounding or competing area to the subject property. In order to determine the value of the subject property, these comparable sales and/or listings are then evaluated and adjusted based on their differences when compared to the subject property. Inherent in this approach is the principle of substitution, which states that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

The Sales Comparison Approach to value requires the following sequential steps:

Unit of Comparison	A unit of comparison (i.e. price per square foot, price per acre, price per dwelling unit) must be selected for comparable analysis of the sales and the subject. The selected unit of comparison must be consistent with market behavior.
Search for Sales	Research must be done to locate comparable sales, listings and contracts of sites that are similar to the subject. Similarities may include size, utility, zoning, physical characteristics, location and the date of the sale.
Confirmation	All sales must be confirmed to verify that the data used is accurate, and that all of the sales, listings or contracts represent arm's-length transactions.
Comparison	Each of the sales that is chosen for this valuation is considered generally similar to the subject. Therefore, each difference between the comparables and the subject must be identified, and then adjusted for the various differences. All adjustments are made to the comparables as they relate to the subject property.
Reconciliation	Once the comparables have been adjusted, a value must be concluded based on the indications produced from the analysis of the comparables.

UNITS OF COMPARISON

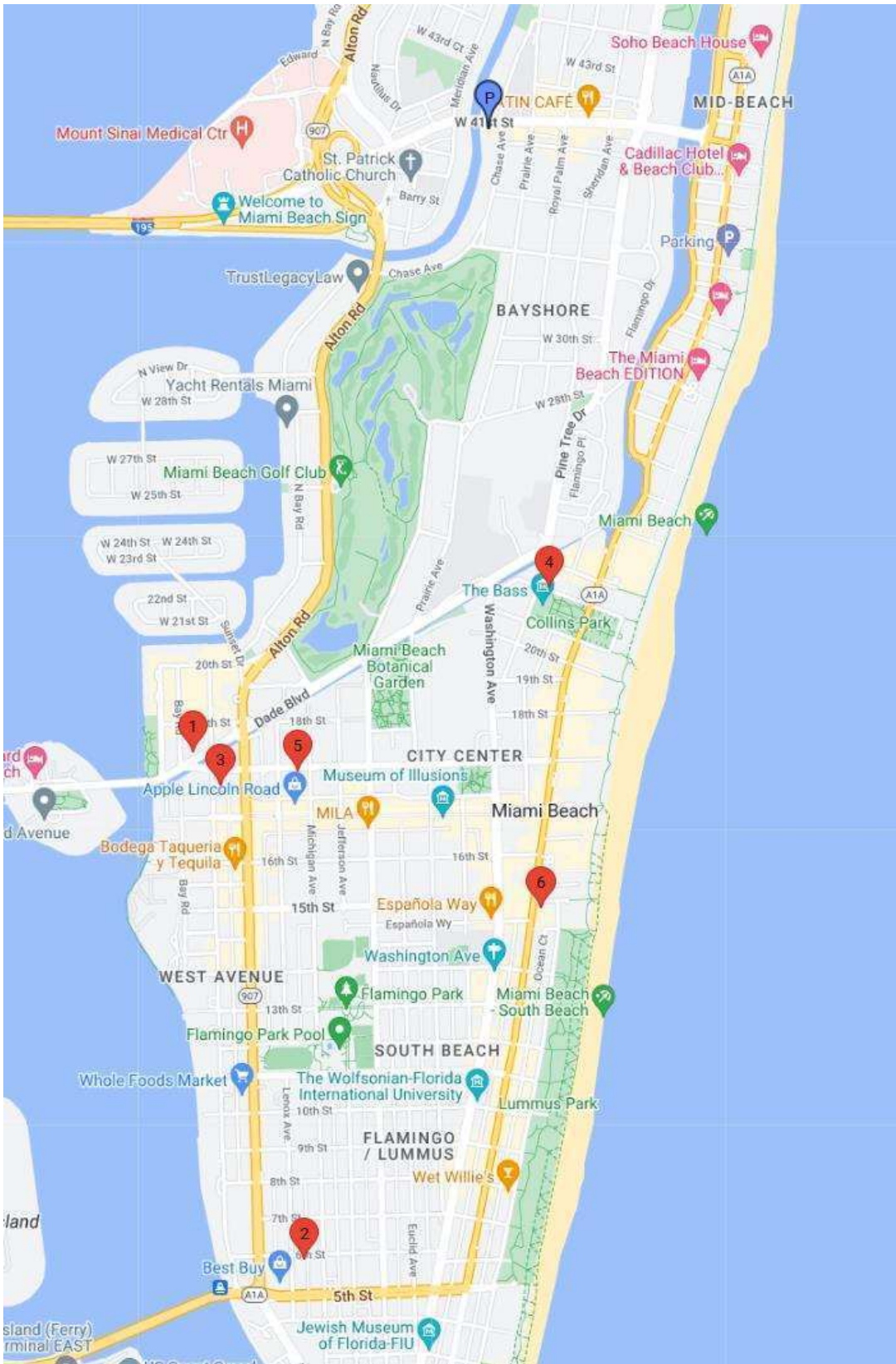
Based on market behavior observed, the most appropriate unit of comparison for this analysis is price per square foot.

COMPARABLE LAND SALES

Sales of comparable land in the area are exceedingly rare. Miami Beach is a unique market, considerably smaller and trading at higher rates than even the neighboring downtown Miami. Zoning restrictions in the market are particularly severe, and the subject's relatively liberal CD-3 zoning is the least common and most expensive in the market. Only one sale of CD-3 vacant land could be identified within an acceptable timeframe (Sale #4). Two CD-2 sales (Sales 1 and 3) and one CPS-2 sale (Sale 2) were identified, although they required significant adjustments. One improved CD-3 sale (Sale 5) was identified, allowing us to perform a residual land approach to extract an estimate of its land value (see below). Finally, one listing of an MXE-zoned vacant land property was identified (Listing 6) and included to supplement the previously mentioned sales.

On the following pages, we present a summary of the properties that we compared to the subject property, a map showing their locations, and the adjustment process.

COMPARABLE LAND SALES MAP



COMPARABLE LAND SALES SUMMARY

SUMMARY OF LAND SALES							
#	Property / Location	Sale Date / Status	Site Size (Net SF)	Zoning	Max FAR	Buildable Area (SF)	Sale Price Price per SF (Net)
1	1333 Dade Blvd (Land Side) 1333 Dade Boulevard Miami Beach, FL	Apr-23 Closed	8,450	CD-2, Commercial, medium intensity	2.00	16,900	\$4,500,000 \$532.54
2	1030 6th St 1030 6th Street Miami Beach, FL	Jun-22 Closed	15,002	CPS-2, General Commercial, Mixed- Use	2.00	30,004	\$5,700,000 \$379.95
3	1656-1680 West Ave Assemblage 1676 West Avenue Miami Beach, FL	Jun-22 Closed	60,113	CD-2, Commercial, Medium Intensity	2.00	120,226	\$39,300,000 \$653.77
4	Boutique Development Opportunity 2206 Park Avenue Miami Beach, FL	Feb-22 Closed	17,040	CD-3, Commercial High Intensity	2.25	38,340	\$13,500,000 \$792.25
5	1000 17 Street 1000 17th Street Miami Beach, FL	Sep-23 Closed	8,000	CD-3, Commercial, High Intensity	2.25	18,000	\$5,795,994 \$724.50
6	1475 Collins Ave 1475 Collins Avenue Miami Beach, FL	Sep-23 Listing	12,400	MXE, Mixed Use Entertainment	2.00	24,800	\$10,500,000 \$846.77
5	Roosevelt Center (Site) 770 W 41 St Miami Beach, Florida	---	21,538	CD-3, Commercial High Intensity	2.25	48,461	--- ---

COMMENTS

1 - On April 27th, 2023, the 9,364 square foot retail property located at 1333 Dade Blvd in Miami Beach, FL sold for \$4.5 million or \$480.56 per square foot. The property, delivered in 1941, sits on a 8,450 square foot parcel zoned CD-2 for commercial medium density use.

2 - On June 23, 2022, the .34 acres of land located at 1030 6th St, Miami Beach, FL 33139 sold for \$5,700,000. The buyer took out a loan of \$4,000,000 to finance the acquisition. The zoning on the property is GC (general commercial).

3 - On June 6th, 2022 this 5 property assemblage located on Alton Rd. & West Ave. Miami Beach, FL sold in an Investment sale for \$39.3MM. The properties were purchased by New York Developer Shvo, who has plans to redevelop the property which will include a 250,000 sf building with office and retail space. The sale includes an Ace Hardware's space and a popular gourmet grocer that closed in 2017 after Hurricane Irma. This purchase aligns with Shvo's strategy of opting to build offices in south beach in hopes to tap into the influx of tech and finance companies in this Market. Avison Young represented the private Seller and Fox and Stern represented the Buyer. The parties involved were not at liberty to disclose any of the vital data or were unable to be contacted. See CoStar PID: 12800898 for construction updates.

4 - On February 11th, 2022 the combined 17,040 SF (.3912 acre) parcels located at 2205 Park Ave and 427 22nd St in Miami Beach FL sold for \$13,500,000, \$792 per square foot or \$34,509,202 per acre. The subject property, zoned CD-3, sold with an approved plan for a 120 room hotel but it was unconfirmed whether the new owner will pursue those plans. No sale conditions were noted impacting the price

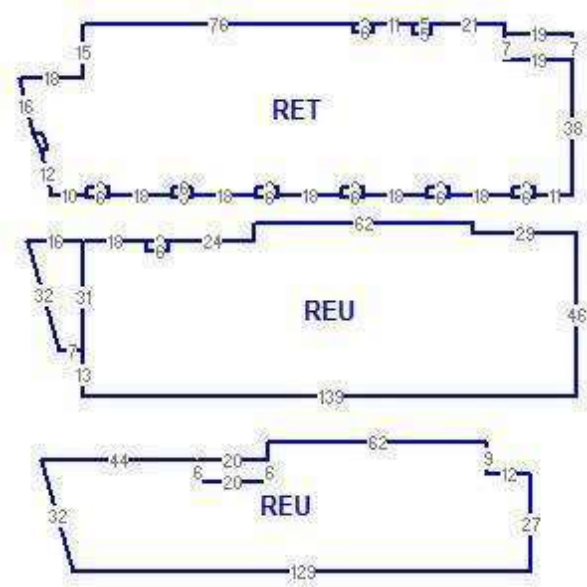
5 - Azora Exan has acquired 1000 17th St for \$16 mil lion. The property was fully leased at the time of the sale. The property is in the heart of South Beach, a market that receives 11 million tourists annually. Azora Exan plans to maintain the current operation of the building while gradually bring rents to market rates.

6 - The vacant land located at 1475 Collins avenue is currently offered for sale at \$10,500,000 or \$846.77 PSF of land. The property contains a corner location with direct frontage to Collins avenue and is zoned MXE Mixed-use.

RESIDUAL LAND VALUE CONCLUSION OF SALE #5

Sale 5, as described in the Land Valuation (Sales Comparison) section, is the result of a residual land value approach. To develop the value of Sale 5’s land, we performed a Cost Approach analysis of the Sale to determine the depreciated value of the improvements as of the sale date and deducted this value from the sale price. The resulting figure is a reasonable estimate of the land value.

The following tables summarize the process by which we arrived at the land value for Sale 5 as used in the Land Valuation (Sales Comparison) section.



SUMMARY		BUILDING				
Description	Value	Floor	GBA	NRA	Terrace	Canopies
Sale Price	\$16,000,000	1	7,321	7,181	0	140
Value of Improvements	\$10,204,006	2	7,456	6,912	357	187
Residual Value of Land	\$5,795,994	3	6,972	4,511	2,401	60
Per SF of Land	\$724	Total	21,749	18,604	2,758	387

COST APPROACH SUMMARY - 1000 17th St, Miami Beach				
Replacement Cost New (RCN)	Area (SF)	\$/SF	Subtotal	TotalCost
Building Improvements				
Base Cost	18,604	\$327.00	\$6,083,508	
Sprinklers	18,604	\$4.87	\$90,601	
Terraces	2,758	\$111.50	\$307,517	
Canopies	387	\$90.00	\$34,830	
Elevators	2	\$100,000	\$200,000	
Subtotal			\$6,716,456	
Multipliers				
Current Cost		1.090		
Local Area		0.960		
Area Multiplier		1.016		
Story Height		1.064		
Product of Multipliers			x 1.131	
Adjusted Base Building Cost				\$7,596,312
Site Improvements				
Landscaping, Lighting, Other Site Improvements			\$150,000	
Total Site Improvements				\$150,000
Total Direct Costs				\$7,746,312
Plus Other Indirect Costs (% of Direct Costs)	15%			\$1,161,947
Subtotal Replacement Cost New (RCN)				\$8,908,259
Plus Entrepreneurial Profit (% of RCN)	20%			\$1,781,652
Total Replacement Cost New (RCN)				\$10,689,911
per square foot				\$574.60
Less Accrued Depreciation				
Physical				
Curable (Deferred Maintenance)			\$0	
Incurable				
Effective Age (Years)	2.5			
Economic Life	55			
Total Incurable Physical Depreciation	4.5%		\$485,905	
Functional Obsolescence	0.0%		\$0	
External Obsolescence	0.0%		\$0	
Total	4.5%			\$485,905
Depreciated Value of the Improvements				\$10,204,006
per square foot				\$548.48
Indicated Value by Cost Approach				\$10,204,006
Rounded to nearest \$10,000				\$10,200,000
per square foot				\$548.27
Source: Marshall Valuation Service				
Type: Luxury Boutiques	Section: 13	Class: B		
Date: May-2024	Page: 24	Quality: Average		

COMPARABLE LAND SALES ADJUSTMENT GRID

COMPARABLE LAND SALE ADJUSTMENTS							
	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6
Property / Location	Roosevelt Center (Site) 770 W 41 St Miami Beach, Florida	1333 Dade Blvd (Land Side) 1333 Dade Boulevard Miami Beach, FL	1030 6th St 1030 6th Street Miami Beach, FL	1656-1680 West Ave Assemblage 1676 West Avenue Miami Beach, FL	Boutique Development Opportunity 2206 Park Avenue Miami Beach, FL	1000 17 Street 1000 17th Street Miami Beach, FL	1475 Collins Ave 1475 Collins Avenue Miami Beach, FL
Sale Date / Status	---	Apr-23 Closed	Jun-22 Closed	Jun-22 Closed	Feb-22 Closed	Sep-23 Closed	Sep-23 Listing
Property Rights	---	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Leased Fee	Fee Simple
Site Size (Acres)	0.49	0.19	0.34	1.38	0.39	0.18	0.28
Site Size (SF)	21,538.00	8,450	15,002	60,113	17,040	8,000	12,400
Sale Price	-----	\$4,500,000	\$5,700,000	\$39,300,000	\$13,500,000	\$5,795,994	\$10,500,000
Zoning	CD-3, Commercial	CD-2	CPS-2	CD-2	CD-3	CD-3	MXE
Unadjusted Price per SF	-----	\$532.54	\$379.95	\$653.77	\$792.25	\$724.50	\$846.77
Transactional Adjustments	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6
Property Rights Conveyed		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Leased Fee	Fee Simple
Adjustment		0%	0%	0%	0%	0%	0%
Financing Terms							
Adjustment		0%	0%	0%	0%	0%	0%
Conditions of Sale							Listing
Adjustment		0%	0%	0%	0%	0%	-5%
Expenditures Immed After Sale							
Adjustment		2%	0%	0%	0%	0%	0%
Market Conditions	Apr-24	Apr-23	Jun-22	Jun-22	Feb-22	Sep-23	Sep-23
Adjustment		0%	0%	0%	0%	0%	0%
Total Transactional Adjustments		2%	0%	0%	0%	0%	-5%
Adjusted Price per SF		\$543.63	\$379.95	\$653.77	\$792.25	\$724.50	\$804.44
Property Adjustments	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6
Location		Similar	Inferior	Inferior	Similar	Similar	Similar
1.00% Adjustment per	21,538	8,450	15,002	60,113	17,040	8,000	12,400
Net Site Size (SF)	4,356	-3%	-2%	9%	-1%	-3%	-2%
.50% Adjustment per	48,461	16,900	30,004	120,226	38,340	18,000	24,800
Buildable Area (SF)	2,000 SF	8%	5%	-18%	3%	8%	6%
Zoning / Intended Use	CD-3	CD-2	CPS-2	CD-2	CD-3	CD-3	MXE
	W 41 St (corner; waterfront)	Dade Blvd	Michigan Ct (Corner)	Alton Rd	Park Ave (Corner, Canal)	17th St & Michigan (Corner)	A1A and 15th
Frontage		5%	15%	-10%	0%	0%	-10%
Total Property Adjustments		35%	48%	16%	1%	5%	-6%
Indication for Subject per SF		\$733.27	\$562.76	\$757.81	\$804.12	\$757.15	\$754.70

ADJUSTMENT PROCESS

The sales that we have utilized represent the best available information that could be compared to the subject property. The major elements of comparison for an analysis of this type include the property rights conveyed, the financial terms incorporated into a particular transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

DISCUSSION OF ADJUSTMENTS – TRANSACTIONAL ADJUSTMENTS

PROPERTY RIGHTS CONVEYED

This adjustment accounts for any impact that the property rights transferred to the buyer may have on sale price. For leased fee properties, the length of leases in place and the relationship of market to contract rent could impact value. Some properties may have stronger appeal to an owner-user or an investor, resulting in a premium or discount associated with fee simple property rights. If a buyer acquires the leasehold interest in a comparable, then an adjustment may be necessary that accounts for the impact to the of ground rent and/or risk associated with the expiration of the ground lease to the sale price.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

FINANCING TERMS

This category accounts for differences in financing terms associated with the transaction. Financing arrangements that may require an adjustment include mortgage assumptions (at favorable interest rates), seller buydowns, installment sales, wrap-around loans, or any other atypical financing arrangements that do not represent cash-equivalent terms.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

TERMS/CONDITIONS OF SALE

Adjustments for conditions of sale typically reflect various motivations of the buyer and/or seller. This may include such factors as seller distress (short sale, REO, auction) or buyer motivation (assemblage, etc.). In some situations, the conditions of sale may significantly affect transaction prices. Properties that are listed for sale may require adjustments herein to account for any disparity between asking prices and the achievable sale price anticipated.

Sale 6 is a listing and expected to sell at approximately 5% less than the listing price. This has been accounted for in the adjustments chart.

EXPENDITURES IMMEDIATELY AFTER SALE

In order to arrive at the effective sale price, the actual sale price of each comparable is adjusted to account for any expenditures planned by the buyer immediately after sale, such as capital expenditures, cost to cure deferred maintenance, or lease-up costs.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

MARKET CONDITIONS

This adjustment category accounts for differences in economic conditions between the effective date of appraisal and the transaction date of the comparable, such as may be caused by changing supply and demand factors, rental rates, vacancy rates and/or capitalization rates.

The comparables sold from Feb-22 to Apr-23. During that time, average sale prices increased while interest rates trended upward as a result of macroeconomic conditions from inflationary pressures. Based on this, and additional information in the Market Analysis section, we believe that no market rate adjustment is warranted.

DISCUSSION OF ADJUSTMENTS – PROPERTY ADJUSTMENTS

LOCATION

The appeal of a property's location to users of and/or investors in a particular property type can influence value significantly. This factor broadly considers the impact of demographics, geographical attributes, access to transportation networks and local land use trends on pricing. Comparisons of location can often be derived, or even quantified, by examining rent, vacancy, capitalization rate, and land value trends in the subject and directly competitive areas.

Sales 2 and 3 are located on interior lots, and thus do not benefit from the exposure and traffic counts of properties on major thoroughfares. As such, both sales were adjusted downward accordingly.

SITE SIZE (SF)

Size and pricing typically have an inverse relationship, whereby larger sites tend to achieve lower pricing on a per-square-foot basis. This is attributable to economies of scale, as well as the narrower pool of prospective buyers for a larger property.

All sales were adjusted 1.00% for every 4,356 (1/10th acre) of site size difference.

BUILDABLE AREA (SF)

Sites with a higher density allow for a larger building area, and are considered superior to similar sites with a lower building area allowance. For the purposes of this analysis, buildable area was calculated by multiplying the property's FAR, as indicated by the zoning, by the property's site size.

An adjustment of 0.5% per 2,000 SF of buildable area was applied to all sales.

ZONING / INTENDED USE

The value of vacant land is largely contingent upon its potential use. This factor considers the uses permitted by the applicable development standards, per the subject's zoning designation. The maximum density to which a property can be developed typically impacts total value positively; however, depending upon property type, location, and type of construction higher permitted densities can have an inverse relationship to pricing on a per-unit or per-square-foot basis.

Sales 1 and 3 are in zoning district CD-2, while Sale 2 is in zoning district CPS-2. These districts are considered inferior to the subject's more liberal CD-3 zoning and warranted upwards adjustments.

FRONTAGE

Frontage characteristics of a property may have an impact upon sales price, as properties with a large amount of frontage along roadways, railways and waterways typically command a higher price than those without.

Sales 1 and 2 are considered to have inferior frontage characteristics and were adjusted accordingly. Sale 3 is located on Alton Road, which is considered a superior location than the subject. The listing (Sale 6) is located on the corner of A1A and 15th, an exceptional location, and was adjusted downwards accordingly.

LAND VALUE CONCLUSION

SALES SUMMARY	UNADJUSTED	ADJUSTED
Minimum	\$379.95	\$562.76
Maximum	\$846.77	\$804.12
Average	\$654.96	\$728.30
Median	\$689.13	\$755.93
Standard Deviation	\$158.69	\$77.00

After adjustments, the comparable land sales reflect a range from \$562.76 to \$804.12 per square foot, with an average of \$728.30 per square foot. [Provide an explanation as to what sales were most comparable and which were relied on primarily for value conclusion.] Based on the data available and the analyses presented, the indicated value of the land by the Sales Comparison Approach is \$750.00 per square foot, calculated in the following table.

LAND VALUE CONCLUSION	
Indicated Value per SF	\$750.00
Land Area (SF)	x 21,538
Indicated Value	\$16,153,500
Rounded to nearest \$10,000	\$16,150,000
Per SF (Net)	\$749.84
Per Buildable SF	\$333.26
Per Acre	\$32,662,921

RECONCILIATION AND FINAL VALUE

SUMMARY OF VALUE INDICATIONS

VALUE INDICATIONS			
1) As Is (As If Vacant) as of April 19, 2024			
Land Value (Sales Comparison Approach)	\$16,150,000	\$749.84	Per Square Foot of Land
Exposure Time (Months)	3-12 months		
Marketing Time (Months)	<6 months		

MARKET VALUE - VALUATION RELIANCE

As we are appraising the subject as if it were vacant land, the only applicable approach is the Sales Comparison Approach. Implicit in this approach is the assumption that the subject would be purchased by a developer who would capitalize on the subject's highly desirable location and zoning to develop a commercial property.

FINAL OPINION(S) OF VALUE

Based on the inspection of the property and the investigation and the analysis undertaken, we have developed the following value opinion(s).

MARKET VALUE CONCLUSION(S)			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value - As Is (As If Vacant)	Fee Simple	April 19, 2024	\$16,150,000

MARKETING TIME AND EXPOSURE TIME

Developing estimates of Marketing and Exposure Time in the case of the subject is particularly difficult given its uniqueness. Miami Beach is one of the most competitive real estate markets in the United States; sales of vacant land are infrequent, and the marketing time of any given parcel is highly dependent on zoning, location, and the seller's desire to sell. Most land sales occurred within 14 months of listing. Likewise, sales of improved retail are relatively uncommon, but do tend to range between 3 to 12 months.

Financing for retail properties purchased for investment purposes continues to be somewhat limited, which has reduced the pool of potential buyers for this property type. However, the subject has significant appeal to an institutional grade investor given its excellent location. Therefore, we do not believe the limited availability of financing has any negative impact on the marketability of the subject, and we believe it would sell within 6 months at the appraised market value.

CERTIFICATION

I certify that, to the best of my 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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved with this assignment.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My 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.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. My 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.
9. The reported analyses, opinions, and Value Indications were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics, the Standards of Professional Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, Lee Smalley, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
12. Lee Smalley, MAI has made a personal inspection of the property that is the subject of this report.
13. Richard F. Paez, the registered appraiser trainee, researched and analyzed area, neighborhood, site, improvements, zoning, tax and assessment, market, highest and best use, comparable construction, sale, and rent data. Additionally, Richard F. Paez developed the valuation indications herein under the direct supervision of Lee Smalley, MAI, over the course of approximately 20 hours.
14. Lee Smalley, MAI has not provided 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 the agreement to perform this assignment.
15. The use of this report is subject to the requirements of the Florida Real Estate Appraisal Board relating to review by its duly authorized representatives. As of the date of this report, Lee Smalley, MAI, is a State Certified Appraiser and has completed the continuing education requirements for the State of Florida.



Lee Smalley, MAI

State-Certified General Real Estate Appraiser

RZ2727

786-522-4550

lsmalley@bbgres.com

STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

- 1) Notwithstanding that Appraiser may comment on, analyze or assume certain conditions in the appraisal, BBG, Inc. shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations or other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise. Accordingly:
 - a) The Appraiser has not conducted any engineering or architectural surveys in connection with this appraisal assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the Appraiser or the Appraiser's staff or was obtained or taken from referenced sources and is considered reliable. The Appraiser and BBG, Inc. shall not be monetarily liable or responsible for or assume the costs of preparation or arrangement of geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
 - b) Unless otherwise stated in the report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment. Further, unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Further, unless otherwise stated, it is assumed that there are no rights associated with extraction or exploration of such elements considered. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
 - c) Any legal description or plats reported in the appraisal are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. BBG, Inc. has made no survey of the property and assumes no monetary liability or responsibility in connection with such matters.
 - d) Title is assumed to be good and marketable, and in fee simple, unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated. Further, BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way.
 - e) The appraisal report is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the appraisal report; additionally, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the appraisal report. Further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value opinion. Moreover, unless otherwise stated herein, it is assumed that there are no encroachments or violations of any zoning or other regulations affecting the subject property, that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there are no trespasses or encroachments.
 - f) The American Disabilities Act (ADA) became effective January 26, 1992. The Appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative impact upon the value

- of the property. Since the Appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
- g) No monetary liability or responsibility is assumed for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report.
 - h) It is assumed the subject property is not adversely affected by the potential of floods; unless otherwise stated herein. Further, it is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.
 - i) Unless otherwise stated within the appraisal report, the depiction of the physical condition of the improvements described therein is based on visual inspection. No monetary liability or responsibility is assumed for (a) the soundness of structural members since no engineering tests were conducted; (b) the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made; and (c) hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during the Appraiser's inspection.
 - j) If building improvements are present on the site, it is assumed that no significant evidence of termite damage or infestation was observed during physical inspection, unless so stated in the appraisal report. Further, unless so stated in the appraisal report, no termite inspection report was available. No monetary liability or responsibility is assumed for hidden damages or infestation.
 - k) Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No monetary liability or responsibility is assumed for such conditions or for engineering which may be required to discover them.
 - l) BBG, Inc., excepting employees of BBG Assessment, Inc., and the appraiser(s) are not experts in determining the presence or absence of hazardous substances toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. BBG, Inc. and the appraiser(s) assume no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. The Client is free to retain an expert on such matters in this field; however, Client retains such expert at Client's own discretion, and any costs and/or expenses associated with such retention are the responsibility of Client.
 - m) BBG, Inc. is not an expert in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The Appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions contained within the appraisal report based upon any subsequent endangered species impact studies, research, and investigation that may be provided. However, it is assumed that no environmental impact studies were either requested or made in conjunction with this analysis, unless otherwise stated within the appraisal report.
- 2) If the Client instructions to the Appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.
 - 3) If provided, the estimated insurable value is included at the request of the Client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable value purposes. The Appraiser is not familiar with the definition of insurable value from the insurance provider, the local governmental underwriting regulations, or the types

of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The Appraiser is not a cost expert in cost estimating for insurance purposes.

- 4) The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. This appraisal is based on market conditions existing as of the date of this appraisal.
- 5) The value opinions reported herein apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value opinions, unless such proration or division of interests is set forth in the report. Any division of the land and improvement values stated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
- 6) Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are BBG, Inc.'s best estimate of current market thinking of what future trends will be. No warranty or representation is made that such projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
- 7) The Appraiser assumes no monetary liability or responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.
- 8) Any proposed or incomplete improvements included in the appraisal report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
- 9) If the appraisal report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the Appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- 10) Although the Appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the Appraiser either by the Client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the Appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or opinions of value.
- 11) The right is reserved by the Appraiser to make adjustments to the analyses, opinions, and conclusions set forth in the appraisal report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the Appraiser. The Appraiser shall have no monetary liability or responsibility for any unauthorized change(s) to the report.
- 12) The submission of the appraisal report constitutes completion of the services authorized and agreed upon. Such appraisal report is submitted on the condition the Client will provide reasonable notice and customary compensation, including expert witness fees, relating to any subsequent required attendance at conferences, depositions, or judicial or administrative proceedings. In the event the Appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the Client immediately. The Client has the sole responsibility for obtaining a protective order, providing legal instruction not to appear with the appraisal report and related work files, and will answer all questions pertaining to the assignment, the preparation of the report, and the reasoning used to

formulate the opinion of value. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the Client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work.

- 13) 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 (a) 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, (b) 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 (c) as required by statute, government regulation, legal process, or judicial decree. 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, the receipt of an Appraisal Report by such party shall not confer any right upon such party to use or rely upon such report, and Appraiser shall have no liability for such unauthorized use or reliance upon such report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold Appraiser, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (Appraiser and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Appraisal Report.

Overview

BBG OVERVIEW

BBG is one of the nation's largest real estate due diligence firms with more than 45 offices across the country serving more than 3,000 clients. We deliver best-in-class valuation, advisory and assessment services with a singular focus of meeting our clients' needs.

Our professional team offers broad industry expertise and deep market knowledge to help clients meet their objectives throughout the real estate life cycle.

BBG clients include commercial real estate professionals, investors, lenders, attorneys, accountants and corporations.

THE BBG DIFFERENCE

National Footprint. BBG is one of only two national firms offering in-house valuation and environmental and property condition assessment services for all commercial property types.

Customer-focused Growth. BBG is one of the largest national due diligence firms because we deliver best-in-class work product and provide excellent customer care.

Qualified Team. Over 50 percent of BBG appraisers are MAI designated and offer deep industry expertise gained through real-world experience.

Unbiased Independence. By focusing exclusively on due diligence services, BBG guarantees an independent perspective free from potential conflicts of interest.

Innovative Technology. BBG has made significant analytics and IT investments to continually improve our data and report quality.

SERVICES

Valuation

- + Single Asset Valuation
- + Portfolio Valuation
- + Institutional Asset Valuation
- + Appraisal Review
- + Appraisal Management
- + Lease and Cost Analysis
- + Insurance Valuation
- + Arbitration & Consulting
- + Feasibility Studies
- + Highest and Best Use Studies
- + Evaluation
- + Investment analysis
- + Tax appeals
- + Litigation Support
- + Manufactured Housing and Campgrounds

Advisory

- + ASC 805 Business combinations
- + ASC 840 Leases
- + Purchase Price Allocations
- + Portfolio Valuations for reporting net asset values (NAV)
- + Public and non-traded REIT valuations
- + Valuations for litigation and litigation support
- + Sale-leaseback valuation analysis
- + Valuations for bankruptcy/fresh start accounting
- + Cost segregation analysis

Assessment

- + Environmental due diligence
- + Property condition consulting
- + Small loan services
- + Energy consulting
- + Environmental consulting
- + Zoning
- + ALTA Surveys

ADDENDA

Glossary	A
Letter of Engagement	B
Appraiser Qualifications and Licenses	C
Metropolitan Area Description	D
Subject Photographs	E
Comparable Land Sales	F

GLOSSARY

Appraisal: (noun) the act or process of developing an opinion of value; an opinion of value. (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services.⁷

Appraisal Practice: valuation services performed by an individual acting as an appraiser, including but not limited to appraisal and appraisal review.⁷

Appraisal Review: (noun) the act or process of developing an opinion about the quality of another appraiser's work (i.e., a report, part of a report, a workfile, or some combination of these), that was performed as part of an appraisal or appraisal review assignment, (adjective) of or pertaining to an opinion about the quality of another appraiser's work that was performed as part of an appraisal or appraisal review assignment.⁷

Appraiser: one who is expected to perform valuation services competently and in a manner that is independent, impartial and objective.⁷

Appraiser's Peers: other appraisers who have expertise and competency in a similar type of assignment.⁷

Assessed Value: The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.¹

Asset:

1. Any item, the rights to which may have economic value, including financial assets (cash or bonds), business interests, intangible assets (copyrights and trademarks), and physical assets (real estate and personal property).
2. In general business usage, something owned by a business and reflected in the owner's business sheet.

Asset: A resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.²

Assignment: a valuation service that is provided by an appraiser as a consequence of an agreement with a client.⁷

Assignment Conditions: Assumptions, extraordinary assumptions, hypothetical conditions, laws and regulation, jurisdictional exceptions, and other conditions that affect the scope of work.⁷

Assignment Elements: Specific information needed to identify the appraisal or appraisal review problem: client and any other intended users, intended use of the appraiser's opinions and conclusions, type and definition of value; effective date of the appraiser's opinions and conclusions; subject of the assignment and its relevant characteristics; and assignment conditions.⁷

Assignment Results: An appraiser's opinions or conclusions, not limited to value, that were developed when performing an appraisal assignment, an appraisal review assignment, or a valuation service other than an appraisal or appraisal review.⁷

Bias: a preference or inclination that precludes an appraiser's impartiality, independence, or objectivity in an assignment.⁷

Business Enterprise: an entity pursuing an economic activity.⁷

Business Equity: the interests, benefits, and rights inherent in the ownership of a business enterprise or a part thereof in any form (including, but not necessarily limited to, capital stock, partnership interests, cooperatives, sole proprietorships, options, and warrants).⁷

Capital Expenditure: Investments of cash (or the creation of liability) to acquire or improve an asset, e.g., land, buildings, building additions, site improvements, machinery, equipment; as distinguished from cash outflows for expense items that are normally considered part of the current period's operations. Also referred to as Cap Ex.¹

Cash Equivalency Analysis: An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash or its equivalent.¹

Client: the party or parties (i.e., individual, group or entity) who engage an appraiser by employment or contract in a specific assignment, whether directly or through an agent.⁷

Condominium Ownership: A form of fee ownership of separate units or portions of multiunit buildings that provides for formal filing and recording of a divided interest in real estate.¹

Confidential Information:

1: information that is either:

- Identified by the client as confidential when providing it to a valuer and that is not available from any other source, or
- Classified as confidential or private by applicable law or regulation.

2: Information that is either

- Identified by the client as confidential when providing it to an appraiser and that is not available from any other source; or
- Classified as confidential or private by applicable law or regulation *
- NOTICE: For example, pursuant to the passage of the Gramm-Leach-Bliley Act in November 1999, some public agencies have adopted privacy regulations that affect appraisers. The Federal Trade Commission (FTC) issued two rules. The first rule (16 CFR 313) focuses on the protection of "non-public personal information" provided by consumers to those involved in financial activities "found to be closely related to banking or usual in connection with the transaction of banking." These activities include "appraising real or personal property." The second rule (16 CFR 314) requires appraisers to safeguard customer non-public personal information. Significant liability exists for appraisers should they fail to comply with these FTC rules.⁷

Cost: the actual or estimated amount required to create, reproduce, replace or obtain a property.⁷

Cost Approach: A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.¹

Credible: worthy of belief.⁷

Deferred Maintenance: Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of the property, such as a broken window, a dead tree, a leak in the roof, or a faulty roof that must be completely replaced. These items are almost always curable.¹

Disposition Value: The most probable price that a specified interest in real property should bring under the following conditions: 1) Consummation of a sale within a specific time, which is short than the typical exposure time for such a property in that market. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration of the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.¹

Economic Life: The period over which improvements to real estate contribute to property value.¹

Effective Date: the date to which the appraiser's analysis, opinions and conclusions apply, also referred to as date of value.⁷

Effective Gross Income Multiplier (EGIM): The ratio between the sale price (or value) of a property and its effective gross income.¹

Effective Rent: Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions, the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.¹

Exposure Time: an opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at the market value on the effect date of the appraisal.⁷

Extraordinary Assumption: an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.⁷

Fair Market Value:

1. In nontechnical usage, a term that is equivalent to the contemporary usage of market value.
2. As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency. For example, one definition of *fair market value* provided by the Internal Revenue Service for certain purposes is as follows: The price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts. The fair market value of a particular item of property includible in the decedent's gross estate is not to be determined by a forced sale price. Nor is the fair market value of an item of property to be determined by the sale price of the item in a market other than that in which such item is most commonly sold to the public, taking into account the location of the item wherever appropriate. (IRS Regulation §20.2031-1)¹

Fair Share:

1. A share of a fund or deposit that is divided or distributed proportionately.
2. A share of a burden or obligation that is divided proportionately; e.g., a tenant in a multitenant building or development may be required to pay a pro rata share of the building's operating expenses based on the number of square feet the tenant occupies. In a shopping center, the tenant's share of operating costs is often stated as a fraction, with the gross leasable area of the tenant's premises as the numerator and the gross leasable area or gross leased area of the entire shopping center as the denominator.
3. The share of a trade area that a retail facility is likely to capture; assumes that capture is a function of property size as a proportion of the overall inventory of competitive space in the trade area, i.e., that the facility captures a "fair share" of the trade area.¹

Fair Value:

1. The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (FASB)
2. The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties. (This does not apply to valuations for financial reporting.) (IVS).¹
3. The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.²

Feasibility Analysis: a study of the cost benefit relationship of an economic endeavor.¹

Fee Simple Estate: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.¹

Floor Area Ratio (FAR): The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.¹

Going Concern:

1. An established and operating business having an indefinite future life.
2. An organization with an indefinite life that is sufficiently long that, over time, all currently incomplete transformations [transforming resources from one form to a different, more valuable form] will be completed.¹

Gross Building Area (GBA):

1. Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
2. Gross leasable area plus all common areas.
3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the super structure and substructure basement; typically does not include garage space.¹

Highest and Best Use:

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS).
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)¹

Hypothetical Condition: a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.⁷

Income Capitalization Approach: Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.¹

Inspection: Personal observation of the exterior or interior of the real estate that is the subject of an assignment performed to identify the property characteristics that are relevant to the assignment, such as amenities, general physical condition, and functional utility. Note that this is not the inspection process performed by a licensed or certified building inspector.¹

Insurable Value: A type of value for insurance purposes.¹

Intangible Property (Intangible Assets): Nonphysical assets, including but not limited to franchises, trademarks, patents, copyrights, goodwill, equities, securities, and contracts as distinguished from physical assets such as facilities and equipment.⁷

Intended Use: the user(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment.⁷

Intended User: the client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment.⁷

Internal Rate of Return ("IRR"): The annualized yield rate or rate of return on capital that is generated or capable of being generalized within an investment of portfolio over a period of ownership. Alternatively, the indicated return of capital associated with a projected or pro forma income stream. The discount rate that equates the present value of the net cash flows of a project with the present value of the capital investment. It is the rate at which the Net Present Value (NPV) equals zero. The IRR reflects both the return on invested capital and the return of the original investment, which are basic considerations of potential investors. Therefore, deriving the IRR from analysis of market transactions of similar properties having comparable income patterns is a proper method for developing market discount rates for use in valuations to arrive at Market Value. Used in discounted cash flow analysis to find the implied or expected rate of return of the project, the IRR is the rate of return which gives a zero net present value (NPV). See also equity yield rate (YE); financial management rate of return (FMRR); modified internal rate of return (MIRR); yield rate (Y).¹

Investment Value: 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2) The value of an asset to the owner or a prospective owner for individual investment or operational objectives. (IVS)¹

Jurisdictional Exception: an assignment condition established by applicable law or regulation, which precludes an appraiser from complying with a part of USPAP.⁷

Leasehold Interest: The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.¹

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.¹

Liquidation Value: The most probable price that a specified interest in real

property should bring under the following conditions: 1) Consummation of a sale within a short time period; 2) The property is subjected to market conditions prevailing as of the date of valuation; 3) Both the buyer and seller are acting prudently and knowledgeably; 4) The seller is under extreme compulsion to sell; 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time 8) Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.¹

Load Factor: A measure of the relationship of common area to useable area and therefore the quality and efficiency of building area layout, with higher load factors indicating a higher percentage of common area to overall rentable space than lower load factors; calculated by subtracting the amount of useable area from the rentable area and then dividing the difference by the useable area:¹

Load Factor =

$$\frac{(\text{Rentable Area} - \text{Useable Area})}{\text{Useable Area}}$$

Market Value: a type of value stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the value definition that is identified by the appraiser as applicable in an appraisal.⁷

Market Value "As If Complete" On The Appraisal Date: Market value as if complete on the effective date of the appraisal is an estimate of the market value of a property with all construction, conversion, or rehabilitation hypothetically completed, or under other specified hypothetical conditions as of the date of the appraisal. With regard to properties wherein anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate of value should reflect the market value of the property as if complete and prepared for occupancy by tenants.

Market Value "As Is" On The Appraisal Date: Value As Is -The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning. See also effective date; prospective value opinion.

Market Value of the Total Assets of the Business: The market value of the total assets of the business is the market value of all of the tangible and intangible assets of a business as if sold in aggregate as a going concern. This assumes that the business is expected to continue operations well into the future.⁴

Marketing Time: An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property Market Value Opinions" address the determination of reasonable exposure and marketing time).³

Mass Appraisal: the process of valuing a universe of properties as of a given date using standard methodology, employing common data and allowing for statistical testing.⁷

Mass Appraisal Model: a mathematical expression of how supply and demand factors interact in a market.⁷

Misleading: intentionally or unintentionally misrepresenting, misstating or concealing relevant facts or conclusions.⁷

Net Lease: A lease in which the landlord passes on all expenses to the tenant. See also lease.¹

Net Rentable Area (NRA): 1) The area on which rent is computed. 2) The Rentable Area of a floor shall be computed by measuring to the inside finished surface of the dominant portion of the permanent outer building walls, excluding any major vertical penetrations of the floor. No deductions shall be made for columns and projections necessary to the building. Include space such as mechanical room, janitorial room, restrooms, and lobby of the floor.⁵

Penetration Ratio (Rate): The rate at which stores obtain sales from within a trade area or sector relative to the number of potential sales generated; usually applied to existing facilities. Also called: penetration factor.¹

Personal Inspection: a physical observation performed to assist in identifying relevant property characteristics in a valuation service.⁷

Personal Property: any tangible or intangible article that is subject to ownership and not classified as real property, including identifiable tangible objects that are considered by the general public as being "personal", such as furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment, and intangible property that is created and stored electronically such as plans for installation art, choreography, emails or designs for digital tokens.⁷

Physical Characteristics: attributes of a property that are observable or measurable as a matter of fact, as distinguished from opinions and conclusions, which are the result of some level of analysis or judgement.⁷

Price: the amount asked, offered or paid for a property.⁷

Prospective opinion of value. A value opinion effective as of a specified future date. The term does not define a type of value. Instead it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.¹

Real Estate: an identified parcel or tract of land, including improvements, if any.⁷

Real Property: the interests, benefits and rights inherent in the ownership of real estate.⁷

Reconciliation: A phase of a valuation assignment in which two or more value indications are processed into a value opinion, which may be a range of value, a single point estimate, or a reference to a benchmark value.¹

Relevant Characteristics: features that may affect a property's value or marketability such as legal, economic or physical characteristics.⁷

Reliable Measurement: [The IAS/IFRS framework requires that] neither an asset nor a liability is recognized in the financial statements unless it has a cost or value that can be measured reliably.²

Remaining Economic Life: The estimated period over which existing improvements are expected to contribute economically to a property; an estimate of the number of years remaining in the economic life of a structure or structural components as of the effective date of the appraisal; used in the economic age-life method of estimating depreciation.¹

Replacement Cost: The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout.¹

Report: any communication, written or oral, of an appraisal or appraisal review that is transmitted to the client or a party authorized by the client upon completion of an assignment.⁷

Retrospective Value Opinion: A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."¹

Sales Comparison Approach: The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of

comparable sales is available.¹

Scope of Work: the type and extent of research and analyses in an appraisal or appraisal review assignment.⁷

Signature: personalized evidence indicating authentication of the work performed by the appraiser and the acceptance of the responsibility for content, analyses and the conclusions in the report.⁷

Stabilized value: A value opinion that excludes from consideration any abnormal relationship between supply and demand such as is experienced in boom periods when cost and sale price may exceed the long-term value, or during periods of depression, when cost and sale price may fall short of long-term value. It is also a value opinion that excludes from consideration any transitory condition that may cause excessive construction costs, e.g., a premium paid due to a temporary shortage of supply.

Substitution: The principle of substitution states that when several similar or commensurate commodities, goods, services are available, the one with the lowest price will attract the greatest demand and widest distribution. This is the primary principle upon which the cost and sales comparison approaches are based.³

Total Assets of a Business: Total assets of a business is defined by the Appraisal Institute as “the tangible property (real property and personal property, including inventory and furniture, fixtures and equipment) and intangible property (cash, workforce, contracts, name, patents, copyrights, and other residual intangible assets, to include capitalized economic profit).”

Use Value:

The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually.¹

Valuation Service: a service pertaining to an aspect of property value, regardless of the type of service and whether it is performed by appraisers or by others.⁷

Value: the monetary relationship between properties and those who buy and sell, or use those properties, expressed as an opinion of the worth of a property at a given time.⁷

Workfile: data, information and documentation necessary to support the appraiser's opinions and conclusions and to show compliance with USPAP.⁷

¹Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute 2010). ²Appraisal Institute, *International Financial Reporting Standards for Real Property Appraiser*, IFRS Website, www.ifrs-ebooks.com/index.html. ³Appraisal Institute, *The Appraisal of Real Estate*, 13th ed. (Chicago: Appraisal Institute 2008). ⁴ This definition is taken from “Allocation of Business Assets Into Tangible and Intangible Components: A New Lexicon,” *Journal of Real Estate Appraisal*, January 2002, Volume LXX, Number 1. This terminology is to replace former phrases such as: value of the going concern. ⁵Finâncial Publishing Company, *The Real Estate Dictionary*, 7 ed. ⁶ U.S. Treasury Regulations. ⁷USPAP 2020-2021

LETTER OF ENGAGEMENT



April 11, 2024

Ms. Elizabeth Miro
c/o Gabriela Alfonsin, MPA, Real Estate Asset Specialist
Asset Management Division
Facilities and Fleet Management Department
City of Miami Beach
1833 Bay Road
Miami Beach, FL 33139

Phone: 305-673-7000 Ext: 26161; 305-317-9955
Email: GabrielaAlfonsin@miamibeachfl.gov

RE: Appraisal Report of 770 W 41St Street, Miami Beach, Florida 33140

Dear Ms. Miro:

We are pleased to submit this proposal and our Terms and Conditions for the Appraisal Report of the above referenced real estate.

PROPOSAL SPECIFICATIONS

Valuation Premise:	Form an opinion of the Market Value As Is
Property Rights Appraised:	Fee Simple Estate
Intended Use:	Asset Valuation
Intended Users:	City of Miami Beach
Scope of Work:	All Applicable Approaches
Inspection:	BBG Inspection
Site/Property Contact:	

Name:

Phone:

Email:

Appraisal Standards:

Uniform Standards of Professional Appraisal Practice (USPAP) and Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute

April 11, 2024
Page 2 of 10

Report Type:
Report Format:
Fee:

Appraisal Report
Narrative
\$4,600
Fee includes up to two hours of consultation time after delivery of the final reports. Any time incurred thereafter will be billed at an hourly rate.

Please indicate below who is responsible for payment:

Name: _____

Company: City of Miami Beach

Address: 1700 Convention Center Dr.
Miami Beach, FL 33139

Phone: _____

Email: _____

Signature: _____
None

DocuSigned by:
Elizabeth Miro
23A5B4B13369431...

Retainer:

Wire Payment/ACH Information Below:

Bank of America
Acct#: 488038497058
Wire Payment Routing#: 026009593
ACH Payment Routing#: 111000025

Payment Terms:

Balance is due and payable upon delivery of the final report or within 30 days of your receipt of our draft report, whichever is sooner. If a draft report is requested, the fee is considered earned upon delivery of our draft report.
Fee quoted includes all expenses

Payment Options:

- Credit card (a 3% fee is applied) which is the quickest payment method to verify.
- Wire or ACH payment which are the second quickest payment methods. See below information for sending the wire or ACH
- A check mailed to BBG, Inc., 8343 Douglas Avenue, Suite 700, Dallas, TX 75225 – This method is the slowest option as it takes time to receive, process and confirm the funds.

April 11, 2024
Page 3 of 10

Payment Options (cont.):

If you would like to pay by credit card, please pay invoice online directly from our website at bbgres.com/pay-your-invoice/

- 1. A 3% convenience fee is automatically applied to all credit card payments.
- 2. Please add Accounting BBG email (eft@bbgres.com) as correspondent for remitting payment (BBG Email Contact), so that we can get this applied to our system in a timely manner.
- 3. Please include the BBG Invoice # in your credit card submission. If you have not yet received an invoice number, please use the drop-down tool to select 'Property Details' and include the address of the property.
- 4. A copy of the receipt will be sent directly to you once the payment has been made.

If you choose to pay by wire or ACH, please let us know once the wire or ACH has been initiated and forward the bank confirmation if able.

Be sure to include the address as a reference whenever sending any wire payment.

BBG Appraisal Wiring and ACH Instructions:

Bank of America Account # 488038497058
Payment via ACH Routing # 111000025
Payment via Wire Routing # 026009593
Bank Address: Bank of America
6019 Berkshire Lane
Dallas, TX 75225

Due to the limited capability to provide complete remittance details in ACH and Wire payments, please send all payment remittance details, including applicable invoice numbers, to eft@bbgres.com to ensure timely and accurate payment application.

Report Copies:

Delivery Date:

Report Delivery Recipients:

1 Final PDF
15 business days from acceptance and receipt of critical information
If any other person(s) are authorized to be included on delivery of the report, please include their information in the space below:

Name(s):
Email(s):

Acceptance Date:

Date of Execution

April 11, 2024

Page 4 of 10

Property Information Request:

The following list of items will be needed within 2 days in order to meet the above referenced delivery date:

Property Contact for Site Inspection (if not already provided)

Survey

Sales History (any listings, contracts, etc.)

Legal Description

Environmental Survey (if applicable)

Engineering Report (if applicable)

Explanation of Entitlements

Title Policy (if applicable)

Tax Bill(s) for Account Numbers & any pending Appeal Correspondence (if applicable)

Do not provide Personally Identifiable Information (PII) to BBG, Inc. or any of its agents. PII is any piece of information meant to identify a specific individual. This includes data such as a Social Security number, driver's license number and financial account numbers.

The attached Terms and Conditions of the Engagement are deemed part of this Appraisal Services Agreement and are incorporated fully herein by reference and shall apply to any appraisal reports, contract or orders into which they are incorporated. In addition, with respect to any appraisal report, any use of or reliance on the appraisal by any party, regardless of whether the use or reliance is authorized or known by BBG, Inc. and its agents, servants, employees, principals, affiliated companies and all those in privity with them, constitutes acceptance of such Terms and Conditions of the Engagement, as well as acceptance of all other appraisal statements, limiting conditions and assumptions stated in the appraisal report. Use of this appraisal report constitutes acknowledgement and acceptance of the Terms and Conditions of the Engagement, special assumptions (if any), extraordinary assumptions (if any), and hypothetical conditions (if any) on which this estimate of market value is based. This appraisal report has been prepared for the exclusive benefit of the client. It may not be used or relied upon by any other party. Any other party who is not the identified client within this report who uses or relies upon any information in this report does so at their own risk.

Client acknowledges and agrees that BBG may anonymize all property and operational information ("Client Data") provided and aggregate with other anonymized data from other Clients and/or other sources and use such aggregated, anonymized Client Data in existing or future BBG product offerings. BBG shall process the Client Data in a manner that renders the form and source of the Client Data unidentifiable to any other Client or third party.

April 11, 2024

Page 5 of 10

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



As Agent for BBG, Inc.

Marc George Nassif, MAI, LEED AP, MRICS
Senior Managing Director
42 Watson Street, Suite C, Detroit, MI 48201
P 734-462-0700 C 248-496-6787
E mnassif@bbgres.com

770 W 41St Street, Miami Beach, Florida 33140

AGREED AND ACCEPTED

DocuSigned by:



23A5B4B13369431...
Client Signature

4/12/2024 | 4:52 PM EDT

Date

Terms and Limiting Conditions of the Engagement

The Terms and Conditions of the Engagement are deemed part of the attached Proposal Specifications and Appraisal and Consulting Services Agreement and are incorporated fully therein, and shall apply to any appraisal services, consulting services, oral testimony, reports, contracts, or orders into which they may be incorporated.

A) Definitions. In the Terms and Conditions of the Engagement:

1. "BBG, Inc." means BBG, Inc. and its agents, successors, assigns, servants, employees, principals, affiliated companies and all those in privity with them.
2. "Appraiser" means the appraiser(s) performing part or all of the appraisal services and/or signing an appraisal report. "Appraiser" may also mean "Consultant" in a consulting assignment.
3. "Appraisal and Consulting Services Agreement" means any written agreement with Client for performance of the appraisal services by Appraiser, including any agreement entered into electronically.
4. "Client" means any party identified expressly as a client in an Appraisal and Consulting Services Agreement and also any party identified expressly as a client by the Appraiser in an appraisal report.
5. "Appraisal" means any appraisal or consulting report(s) prepared by or oral report and/or testimony presented by BBG, Inc.
6. "Report" means a written or oral report prepared by and/or oral testimony presented by BBG, Inc.

B) Venue and Jurisdiction

THIS APPRAISAL AND CONSULTING SERVICES AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC SUBSTANTIVE LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION. IF ANY ACTION RELATING TO THIS APPRAISAL AND CONSULTING SERVICES AGREEMENT OR THE CONTEMPLATED TRANSACTIONS IS BROUGHT BY A PARTY HERETO AGAINST ANY OTHER PARTY HERETO, THE PREVAILING PARTY IN SUCH ACTION WILL BE ENTITLED TO RECOVER ALL REASONABLE EXPENSES RELATING THERETO (INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES) FROM THE NON-PREVAILING PARTY.

Each party to this Appraisal and Consulting Services Agreement (a) hereby irrevocably submits to the exclusive jurisdiction and venue of the state courts located in Dallas County, Texas (or, if but only if such court lacks jurisdiction, the United States District Court for the Northern District of Texas) for the purpose of any Action between any of the parties hereto arising in whole or in part under or in connection with this Appraisal and Consulting Services Agreement, any Ancillary Agreement, or the Contemplated Transactions, (b) hereby waives and agrees not to assert any claim that he, she or it is not subject personally to the jurisdiction of the above-named courts or that any such Action brought in the above-named courts should be dismissed on grounds of forum non conveniens. Notwithstanding the foregoing, a party hereto may commence any Action in a court other than the above-named courts solely for the purpose of enforcing an order or judgment issued by the above-named courts.

C) Limitations of Liability

It is expressly agreed that in any action which may be brought against BBG, Inc., arising out of, relating to, or in any way pertaining to this engagement, this Appraisal and Consulting Services Agreement, or any services, reports, information, or opinions contained therein or presented, BBG, Inc. shall not be responsible or liable for any incidental or consequential losses, unless the same was fraudulent or prepared with gross negligence. It is further agreed that the collective liability of BBG, Inc. in any such action shall not exceed the fees paid for the preparation of the respective report or services unless the same was fraudulent or prepared with gross negligence. Finally, it is agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.

Client hereby agrees to indemnify, defend, protect, and hold BBG, Inc. harmless from and against all claims, damages, losses and expenses, including attorneys' fees, expenses and costs, incurred upon investigating and defending any claim, action or proceeding arising from, or in any way connected to, relating to, or in any way pertaining to this engagement, this Appraisal and Consulting Services Agreement, or any services, reports, information, or opinions contained therein or presented.

Further, you acknowledge that any opinions and conclusions expressed by professionals employed by BBG, Inc. related to this agreement are representations made by them as employees and not as individuals. BBG, Inc.'s responsibility is limited to you as a Client. The use of BBG, Inc.'s product by third parties is not intended unless

Terms and Limiting Conditions of the Engagement

expressly stated and shall be solely at the risk of you and/or third parties. BBG, Inc. acknowledges that Client will be the end-user of, and can rely upon, the opinion and conclusions of BBG, Inc.

D) Confidentiality

The parties agree that (i) this Appraisal and Consulting Services Agreement and the terms contained herein, (ii) opinions or valuation conclusions, (iii) the identity of the analyst or the firm and any reference to the professional organization of which the appraiser is affiliated or to the designations thereof, and (iv) all information regarding the property of whatever nature made available to either party by the other (including all versions of BBG, Inc.'s final report and all prior drafts of same) and methods of each party revealed during the performance of the Services (altogether, collectively, the "Confidential Information") shall be treated as strictly confidential. Accordingly, neither party nor any employee, agent or affiliate thereof shall disclose the same to any third party without the written consent of other party and approval of Appraiser; provided, however, that, a party shall not hereby be precluded from disclosure of Confidential Information that may be compelled by legal requirements, or from disclosing this Appraisal and Consulting Services Agreement (and the terms contained herein) to its attorneys, accountants, auditors, lenders, and other professionals who may be bound to that party by duties of confidence.

Do not provide Personally Identifiable Information (PII) to BBG, Inc. or any of its agents. PII is any piece of information meant to identify a specific individual. This includes data such as a Social Security number, driver's license number and financial account numbers.

E) General Assumptions and Limiting Conditions

Appraisal services have been provided with the following general assumptions:

1. Notwithstanding that the Appraiser may comment on, analyze or assume certain conditions in the appraisal or consulting assignment, BBG, Inc. shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations or other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise. Accordingly:
 - a) The Appraiser has not conducted any engineering or architectural surveys in connection with this appraisal or consulting assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the Appraiser or the Appraiser's staff or was obtained or taken from referenced sources and is considered reliable. The Appraiser and BBG, Inc. shall not be monetarily liable or responsible for or assume the costs of preparation or arrangement of geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
 - b) Unless otherwise stated in the written report or oral report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment. Further, unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Further, unless otherwise stated, it is assumed that there are no rights associated with extraction or exploration of such elements considered. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
 - c) Any legal description or plats reported in the appraisal are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. BBG, Inc. has made no survey of the property and assumes no monetary liability or responsibility in connection with such matters.
 - d) Title is assumed to be good and marketable, and in fee simple, unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated. Further, BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way, except as stated.

Terms and Limiting Conditions of the Engagement

- e) The appraisal report is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the report; additionally, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the report. Further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value opinion. Moreover, unless otherwise stated herein, it is assumed that there are no encroachments or violations of any zoning or other regulations affecting the subject property, that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there are no trespasses or encroachments.
- f) The American Disabilities Act (ADA) became effective January 26, 1992. The Appraiser has not made a specific compliance survey or analysis of the property to determine whether it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative impact upon the value of the property. Since the Appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
- g) No monetary liability or responsibility is assumed for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report or oral report.
- h) It is assumed the subject property is not adversely affected by the potential of floods unless otherwise stated herein. Further, it is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any existing or proposed buildings.
- i) Unless otherwise stated within the appraisal report or oral report, the depiction of the physical condition of the improvements described therein is based on visual inspection. No monetary liability or responsibility is assumed for (a) the soundness of structural members since no engineering tests were conducted; (b) the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made; and (c) hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during the Appraiser's or Consultant's inspection.
- j) If building improvements are present on the site, it is assumed that no significant evidence of termite damage or infestation was observed during physical inspection, unless so stated in the appraisal report or oral report. Further, unless so stated in the report or oral report, no termite inspection report was available. No monetary liability or responsibility is assumed for hidden damages or infestation.
- k) Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No monetary liability or responsibility is assumed for such conditions or for engineering which may be required to discover them.
- l) BBG, Inc., excepting employees of BBG Assessment, Inc., and the appraiser(s) are not experts in determining the presence or absence of hazardous substances toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. BBG, Inc. and the appraiser(s) assume no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. The Client is free to retain an expert on such matters in this field; however, Client retains such expert at Client's own discretion, and any costs and/or expenses associated with such retention are the responsibility of Client.
- m) BBG, Inc. is not an expert in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The Appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions contained within the appraisal report based upon any subsequent endangered species impact studies, research, and investigation that may be provided. However, it is assumed that no environmental impact studies were either requested or made in conjunction with this analysis, unless otherwise stated within the report.

Terms and Limiting Conditions of the Engagement

2. If the Client instructions to the Appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.
3. If provided, the opinion of insurable replacement cost is included at the request of the Client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable replacement cost purposes. The Appraisers are not familiar with the definition of insurable replacement cost from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The Appraisers are not cost experts in cost estimating for insurance purposes.
4. The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. Any appraisal report is based on market conditions existing as of the effective date.
5. Any value opinions reported or expressed apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value opinions, unless such proration or division of interests is set forth in the report. Any division of the land and improvement values stated herein is applicable only under the program of utilization shown. These separate valuations are invalidated for any other application.
6. Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are BBG, Inc.'s best estimate of current market thinking of what future trends will be. No warranty or representation is made that such projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
7. The Appraiser assumes no monetary liability or responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.
8. Any proposed or incomplete improvements included in the appraisal report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
9. If the appraisal report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the Appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
10. Although the Appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the Appraiser either by the Client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the Appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or opinions of value.
11. The right is reserved by the Appraiser to make adjustments to the analyses, opinions, and conclusions set forth in the appraisal report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the Appraiser or Consultant. The Appraiser shall have no monetary liability or responsibility for any unauthorized change(s) to the report.
12. The submission of the appraisal report constitutes completion of the services authorized and agreed upon unless other services are provided for in this agreement. Such report is submitted on the condition the Client will provide reasonable notice and customary compensation, including expert witness fees, relating to any

Terms and Limiting Conditions of the Engagement

subsequent required attendance at conferences, depositions, or judicial or administrative proceedings, unless otherwise defined herein. In the event the Appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the Client immediately. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the Client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work. A payment agreement must be reached in advance of the Appraiser providing such services.

13. 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 report, in whole or in part, in any offering or other material intended for review by other parties) except to (a) any third party expressly acknowledged in a signed writing by Appraiser as an "Intended User" of the report provided that either Appraiser has received an acceptable release from such third party with respect to such report or Client provides acceptable indemnity protections to Appraiser against any claims resulting from the distribution of the report to such third party, (b) any third party service provider (including rating agencies and auditors) using the report in the course of providing services for the sole benefit of an Intended User, or (c) as required by statute, government regulation, legal process, or judicial decree. In the event Appraiser consents, in writing, to Client incorporating or referencing the 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, the receipt of a report by such party shall not confer any right upon such party to use or rely upon such report, and Appraiser shall have no liability for such unauthorized use or reliance upon such report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold Appraiser, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (Appraiser and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the report.

APPRAISER QUALIFICATIONS AND LICENSES

Profile

Lee R. Smalley is a Managing Director in Miami for BBG. He has over 15 years of experience in the appraisal profession and in the valuation of both commercial and residential properties.

Preceding BBG, Lee founded and owned The Appraisal Research Center, where he performed commercial real estate appraisals and analysis on a variety of property types. He also has experience as an expert witness and has provided detailed consultation support for feasibility and market study applications.

Professional Affiliations

Appraisal Institute

MAI Designation No. 500495

Real Estate Sales Associate (SL) No. SL3319947

General Certified Appraiser:

State of Florida (License No. RZ2727)

State of Tennessee (License No. 5778)

State of North Carolina (License No. A8507)

State of New Jersey (License No. 42RG00272200)

State of Kentucky (License No. 5583)

State of Alabama (License No. G01460)

State of Maryland (License No. 33803)

Miami-Dade County Special Magistrate, 2016

University Relations Chair – South Florida Chapter of the Appraisal Institute, 2017

Leadership and Development Advisory Committee - Appraisal Institute, 2017

General Comprehensive Examination Committee - Appraisal Institute, 2017

Education

Associates of Arts, Dec. 2002, Miami Dade Community College, Miami, FL

Bachelors of Business Administration / Finance, April 2007, Florida International University, Miami, FL



Ron DeSantis, Governor

Melanie S. Griffin, 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

SMALLEY, LEE ROBERT

1600 PONCE DE LEON BLVD 908
CORAL GABLES FL 33134

LICENSE NUMBER: RZ2727

EXPIRATION DATE: NOVEMBER 30, 2024

Always verify licenses online at 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.

METROPOLITAN AREA DESCRIPTION

ECONOMIC DRIVERS



EMPLOYMENT GROWTH RANK

2022-2024
30
1st quintile2022-2027
32
1st quintile

Best=1, Worst=410

RELATIVE COSTS

LIVING
119%BUSINESS
114%

U.S.=100%

VITALITY

RELATIVE
1.08
Rank: 10

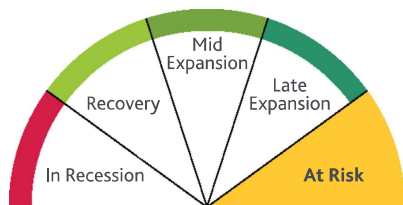
Best=1, Worst=403

QUALITY

OF LIFE
50

Best=1, Worst=378

BUSINESS CYCLE STATUS



STRENGTHS & WEAKNESSES

STRENGTHS

- » Strong ties to Latin America.
- » Luxury status attracts international capital.
- » World's second-busiest cruise port.
- » Well-developed shipping and distribution infrastructure.

WEAKNESSES

- » High household debt burden.
- » Congested roads and airport.
- » Industrial structure that leaves economy susceptible to business cycle downturns.

FORECAST RISKS

SHORT TERM



LONG TERM

RISK EXPOSURE
2023-2028**151**

2nd quintile

Most=1
Least=403

UPSIDE

- » Pickup in international migration provides a lift to housing and consumer industries.
- » Flow of workers from colder climates leads more firms to relocate to South Florida.

DOWNSIDE

- » Elevated inflation and slowing global growth prove bigger drags on visitor arrivals.
- » Rapidly rising housing costs accelerate out-migration to other Florida metro areas.

MOODY'S RATING

Aa2COUNTY
AS OF DEC 15, 2022

ANALYSIS

Recent Performance. Miami-Miami Beach-Kendall retains its status as a top performer. Though job growth has decelerated, the metro division continues to outrun both the state and region by a comfortable margin. Professional/business services and finance lead the way with support from goods producers. Leisure/hospitality, however, has paused. An extremely tight labor market—the unemployment rate continues to inch lower past multidecade lows—and continued house price gains are propelling cost pressures. Inflation in MIA is higher than all of the nearly two dozen regional economies tracked. While there has been a modest improvement of late, annual inflation is still running more than 2 full percentage points over the second highest metro area.

Visitors. Tourism is already easing off the gas, and the year ahead will register a markedly slower pace of growth than seen over the last two. Demand-side indicators are on solid footing, with hotel occupancy rates improved over last year. However, this has not translated to employment growth, and with payrolls just shy of pre-pandemic levels. Furthermore, higher costs are forcing some vacationers to pull back on their spending, limiting spillover growth from tourists. Of the roughly 70 metro areas tracked by OpenTable, MIA saw the largest pullback in the number of seated diners in November compared with a year ago. Labor shortages present another challenge and have held back growth even as visitor arrivals are robust. These shortages will grow more acute as labor force growth has slowed, and high house prices and elevated rents will increasingly price low-wage workers out of the metro division. A cooling U.S. economy ensures that spending on recreation pulls back

relative to 2022, and leisure/hospitality will settle into a slower pace.

Rentals. MIA residents will enjoy a reprieve in cost pressures as house prices recede and strong multifamily building arrests the climb in rental costs. The rental vacancy rate has climbed substantially, due to both higher multifamily completions and high costs pushing residents to relocate elsewhere. Improved supply in the rental market will help ease price pressures. Multifamily completions are up significantly over the past year, ranking in the top tercile of large regional economies. Permit issuance is likewise strong, ensuring a steady pipeline for multifamily units.

Arrivals. Improving migration trends due to a resurgence in international arrivals will help MIA outmuscle supply constraints and a slowing macroeconomic environment. International migration is more important to MIA than any other metro area or division nationally, with twice as many international migrants per capita. As immigration rebounds from several subdued years, first due to President Trump's restrictive policies and then pandemic border closures, population growth will once again surpass the national pace. The rebalancing of the housing and rental markets will likewise slow the outflow of domestic residents, though still higher costs than other metro areas in the state ensure domestic out-migration will persist.

Miami-Miami Beach-Kendall will slow as the national economy downshifts and visitor spending trails last year's pace. MIA's appeal to movers and visitors from overseas will prove a durable asset, but relatively high costs will cause job and population gains to lag Florida's pace.

Colin Seitz

1-866-275-3266

November 2023

helpconomy@moodys.com

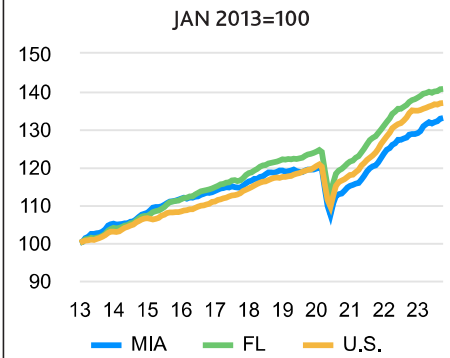
2017	2018	2019	2020	2021	2022	INDICATORS	2023	2024	2025	2026	2027	2028
147.9	152.7	155.9	151.5	165.0	172.8	Gross metro product (C12\$ bil)	179.5	184.4	189.2	195.3	201.5	207.8
3.8	3.3	2.1	-2.8	8.9	4.7	% change	3.9	2.7	2.6	3.2	3.2	3.1
1,173.6	1,197.8	1,221.1	1,136.3	1,180.6	1,254.1	Total employment (ths)	1,301.1	1,319.6	1,332.6	1,345.5	1,356.8	1,368.4
1.5	2.1	1.9	-7.0	3.9	6.2	% change	3.7	1.4	1.0	1.0	0.8	0.8
4.8	3.7	2.9	8.4	5.6	2.6	Unemployment rate (%)	1.9	2.9	3.4	3.4	3.3	3.2
10.9	9.2	4.2	2.9	14.2	7.1	Personal income growth (%)	8.4	5.1	4.4	4.6	4.5	4.5
50.0	52.8	55.7	57.7	61.7	67.3	Median household income (\$ ths)	71.3	73.8	76.2	78.9	81.7	84.5
2,711.9	2,710.4	2,712.3	2,694.9	2,668.5	2,702.3	Population (ths)	2,726.6	2,745.8	2,763.5	2,781.4	2,800.3	2,820.3
0.4	-0.1	0.1	-0.6	-1.0	1.3	% change	0.9	0.7	0.6	0.6	0.7	0.7
-1.7	-12.7	-8.0	-22.3	-26.7	32.1	Net migration (ths)	20.5	14.8	13.7	14.3	15.7	17.4
2,285	2,449	2,343	2,133	2,477	2,445	Single-family permits (#)	1,828	3,179	3,895	4,376	4,427	4,278
8,269	9,254	7,665	7,698	10,916	9,160	Multifamily permits (#)	12,747	8,612	8,441	8,459	8,247	7,965
7.6	7.0	5.1	5.7	15.1	24.4	FHFA house price index (% change)	10.1	-1.1	-2.3	-0.1	1.7	2.3

ECONOMIC HEALTH CHECK

3-MO MA	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23
Employment, change, ths	4.3	2.7	1.8	0.8	2.9	3.9
Unemployment rate, %	1.8	1.8	1.8	1.8	1.7	1.7
Labor force participation rate, %	61.4	61.2	61.1	60.9	60.8	60.6
Average weekly hours, #	34.6	34.8	35.0	35.0	35.4	35.7
Industrial production, 2012=100	98.7	98.2	98.2	98.5	99.3	99.4
Residential permits, single-family, #	1,422	1,604	1,836	1,625	1,412	1,258
Residential permits, multifamily, #	12,434	10,171	9,979	18,012	15,928	14,322
Dec/Dec	Dec 17	Dec 18	Dec 19	Dec 20	Dec 21	Dec 22
Employment, change, ths	17.0	24.5	23.9	-93.5	80.5	59.5
<div> <div>Better than prior 3-mo MA</div> <div>Unchanged from prior 3-mo MA</div> <div>Worse than prior 3-mo MA</div> </div>						

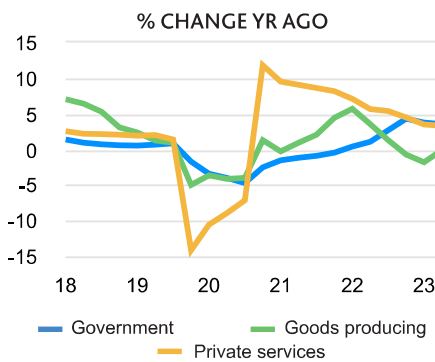
Sources: BLS, Census Bureau, Moody's Analytics

BUSINESS CYCLE INDEX



Source: Moody's Analytics

CURRENT EMPLOYMENT TRENDS

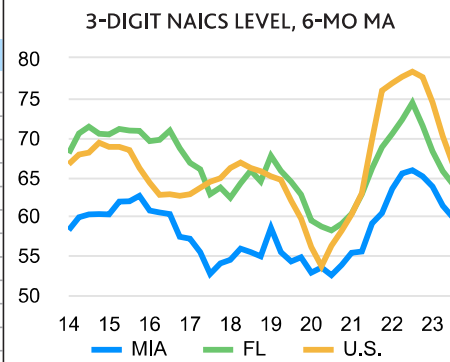


Sources: BLS, Moody's Analytics

	% CHANGE YR AGO, 3-MO MA		
	Oct 22	Apr 23	Oct 23
Total	5.9	4.6	3.2
Mining	-16.6	0.1	-0.2
Construction	5.2	-3.0	-6.7
Manufacturing	5.6	5.6	6.7
Trade	4.4	4.6	2.8
Trans/Utilities	6.7	2.8	6.5
Information	14.9	0.8	-4.3
Financial Activities	6.1	2.6	1.5
Prof & Business Svcs.	9.7	5.7	5.5
Edu & Health Svcs.	4.9	6.4	4.5
Leisure & Hospitality	9.7	6.4	0.0
Other Services	2.0	6.6	6.9
Government	0.8	3.8	3.8

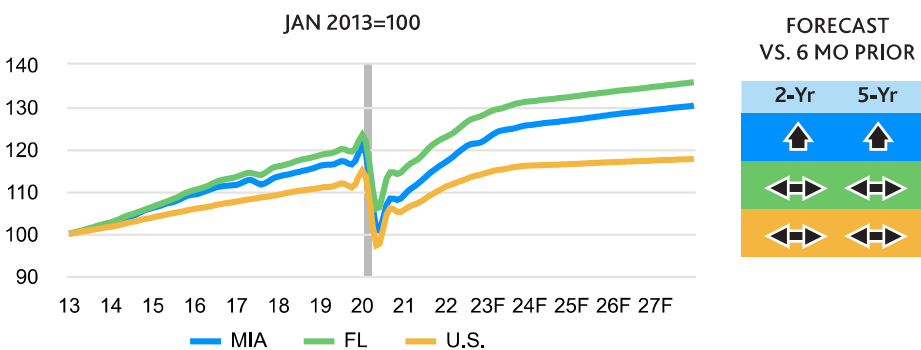
Sources: BLS, Moody's Analytics

DIFFUSION INDEX



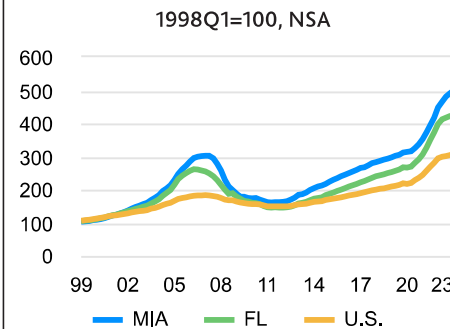
Sources: BLS, Moody's Analytics

RELATIVE EMPLOYMENT PERFORMANCE



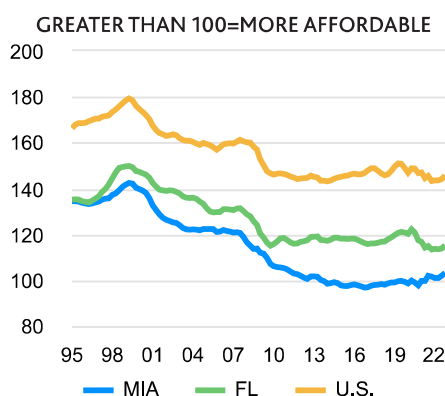
Sources: BLS, Moody's Analytics

HOUSE PRICE



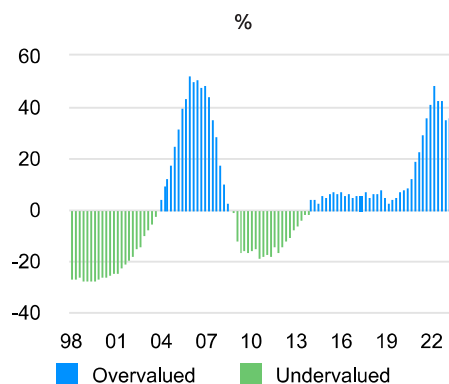
Sources: FHFA, Moody's Analytics

RENTAL AFFORDABILITY



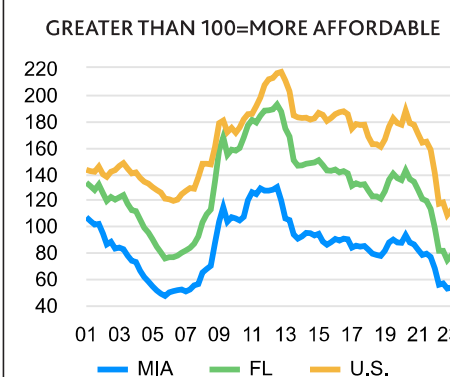
Sources: Census Bureau, BLS, Moody's Analytics

HOUSE PRICE TRENDS

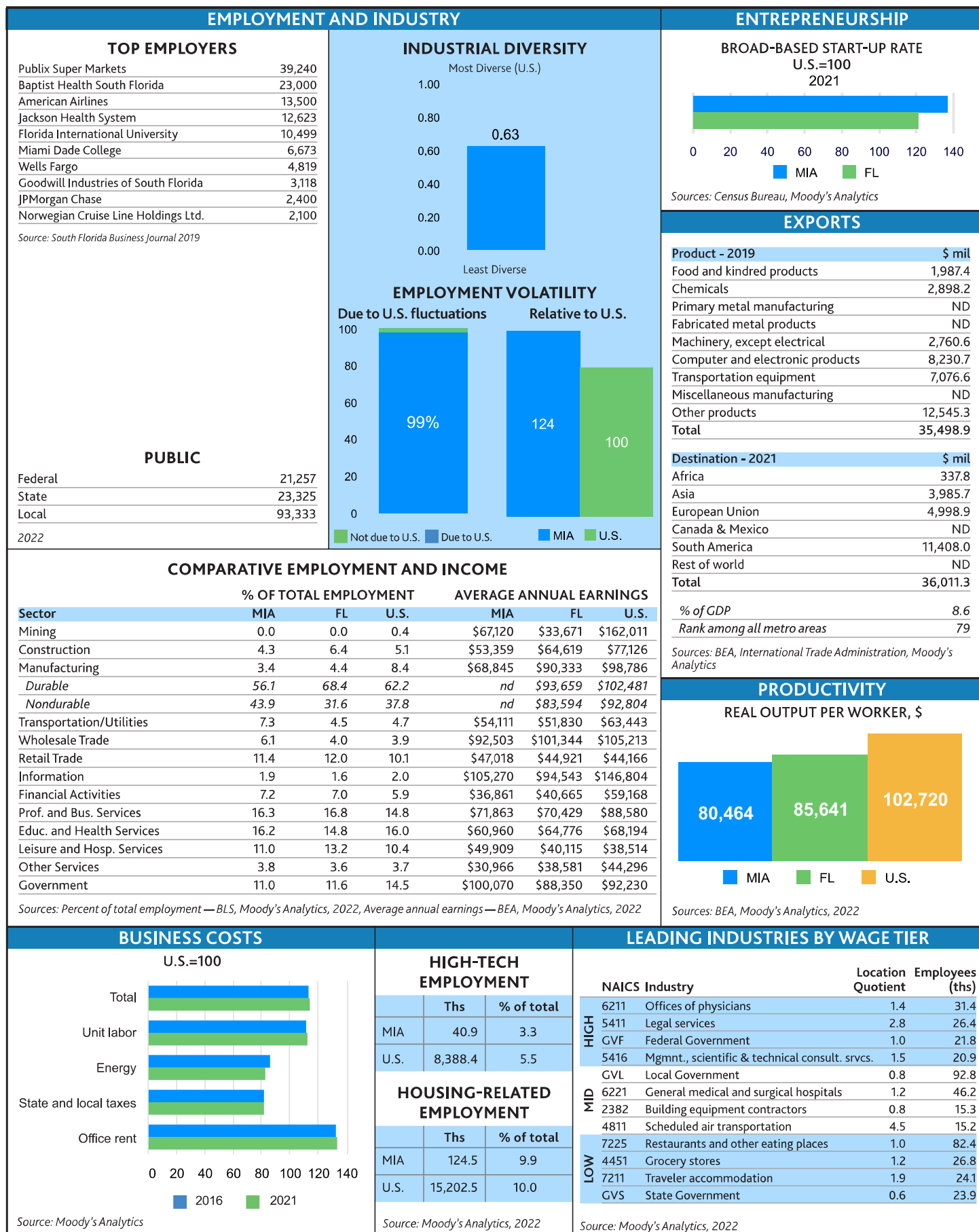


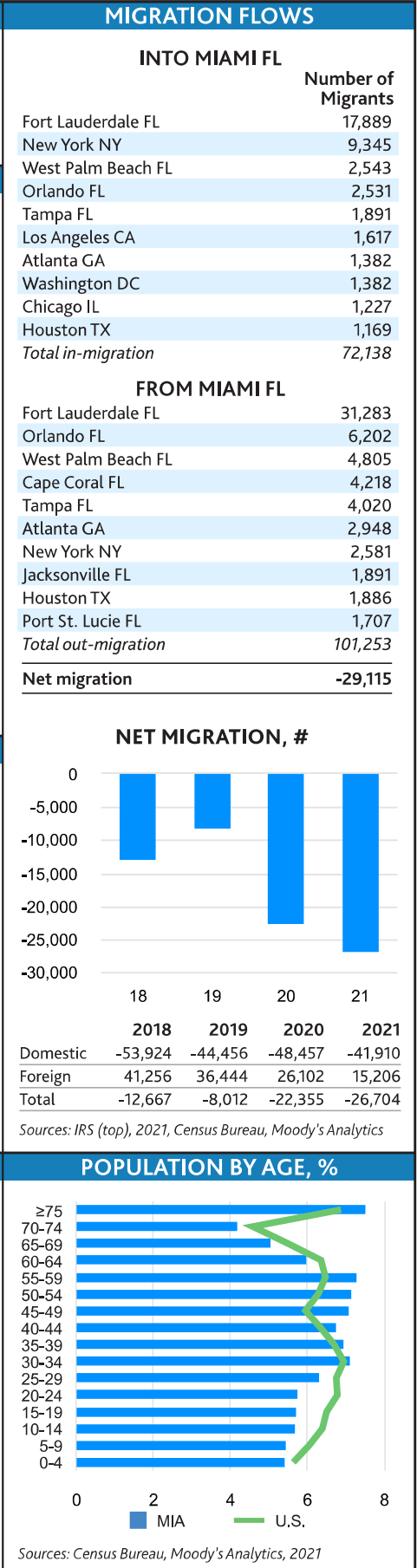
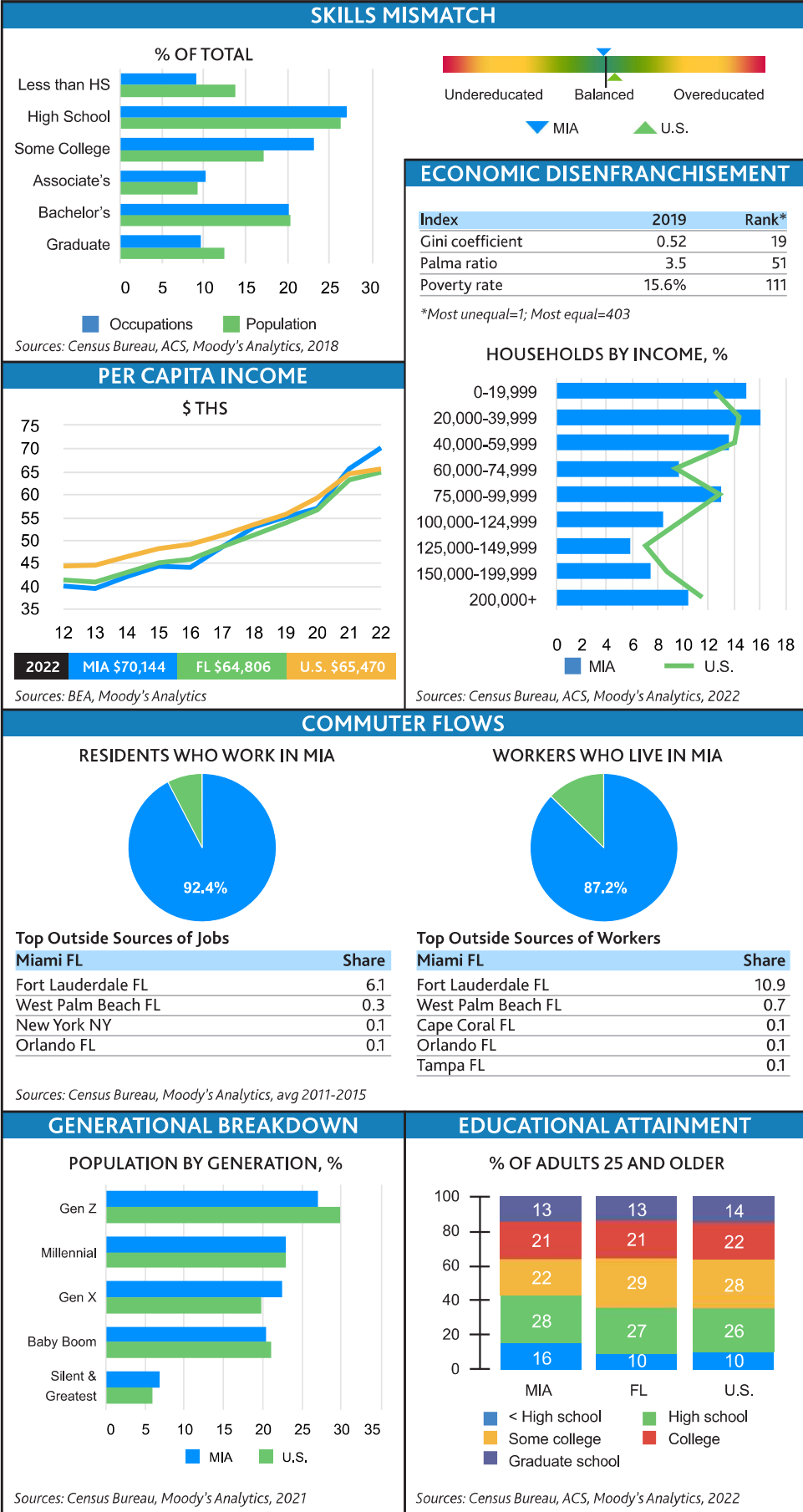
Source: Moody's Analytics

HOUSING AFFORDABILITY

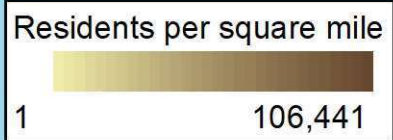


Sources: NAR, Moody's Analytics





POPULATION DENSITY



	Units	Value	Rank*
Total area	sq mi	2,431.2	142
Total water area	sq mi	532.6	39
Total land area	sq mi	1,897.7	169
Land area - developable	sq mi	599.5	257
Land area - undevelopable	sq mi	1,299.1	115
Population density	pop. to developable land	1,409.0	15
Total population	ths	2,673.8	22
U.S. citizen at birth	% of population	42.5	402
Naturalized U.S. citizen	% of population	32.5	1
Not a U.S. citizen	% of population	21.8	1
Median age		40.9	117
Total housing units	ths	1,095.5	22
Owner occupied	% of total	46.4	375
Renter occupied	% of total	43.4	11
Vacant	% of total	10.2	150
1-unit, detached	% of total	38.2	399
1-unit, attached	% of total	10.1	32
Multifamily	% of total	50.4	4
Median year built		1981	

Sources: Census Bureau, Moody's Analytics, 2022 except land area 2010

MOODY'S ANALYTICS / Précis® U.S. Metro / November 2023

About Moody's Analytics

Moody's Analytics provides financial intelligence and analytical tools supporting our clients' growth, efficiency and risk management objectives. The combination of our unparalleled expertise in risk, expansive information resources, and innovative application of technology helps today's business leaders confidently navigate an evolving marketplace. We are recognized for our industry-leading solutions, comprising research, data, software and professional services, assembled to deliver a seamless customer experience. Thousands of organizations worldwide have made us their trusted partner because of our uncompromising commitment to quality, client service, and integrity.

Concise and timely economic research by Moody's Analytics supports firms and policymakers in strategic planning, product and sales forecasting, credit risk and sensitivity management, and investment research. Our economic research publications provide in-depth analysis of the global economy, including the U.S. and all of its state and metropolitan areas, all European countries and their subnational areas, Asia, and the Americas. We track and forecast economic growth and cover specialized topics such as labor markets, housing, consumer spending and credit, output and income, mortgage activity, demographics, central bank behavior, and prices. We also provide real-time monitoring of macroeconomic indicators and analysis on timely topics such as monetary policy and sovereign risk. Our clients include multinational corporations, governments at all levels, central banks, financial regulators, retailers, mutual funds, financial institutions, utilities, residential and commercial real estate firms, insurance companies, and professional investors.

Moody's Analytics added the economic forecasting firm Economy.com to its portfolio in 2005. This unit is based in King of Prussia PA, a suburb of Philadelphia, with offices in London, Prague and Sydney. More information is available at www.economy.com.

Moody's Analytics is a subsidiary of Moody's Corporation (NYSE: MCO). Further information is available at www.moodyanalytics.com.

DISCLAIMER: Moody's Analytics, a unit of Moody's Corporation, provides economic analysis, credit risk data and insight, as well as risk management solutions. Research authored by Moody's Analytics does not reflect the opinions of Moody's Investors Service, the credit rating agency. To avoid confusion, please use the full company name "Moody's Analytics", when citing views from Moody's Analytics.

About Moody's Corporation

Moody's Analytics is a subsidiary of Moody's Corporation (NYSE: MCO). MCO reported revenue of \$5.5 billion in 2022, employs approximately 14,000 people worldwide and maintains a presence in more than 40 countries. Further information about Moody's Analytics is available at www.moodyanalytics.com.

© 2023 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED BY MOODY'S (COLLECTIVELY, "PUBLICATIONS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES ITS PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating process or in preparing its Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it fees ranging from \$1,000 to approximately \$5,000,000. MCO and Moody's Investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moody's.com under the heading "Investor Relations — Corporate Governance — Charter Documents Director and Shareholder Affiliation Policy."

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for Japan only: Moody's Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any credit rating, agreed to pay to MJKK or MSFJ (as applicable) for credit ratings opinions and services rendered by it fees ranging from JPY100,000 to approximately JPY550,000,000.

MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.

SUBJECT PHOTOGRAPHS



Exterior View of Subject Property



Exterior View of Subject Property



Exterior View of Subject Property



Exterior View of Subject Property



Exterior View of Subject Property



Exterior View of Subject Property



Exterior View of Subject Property



Exterior View of Subject Property



View of Waterway



View of Waterway



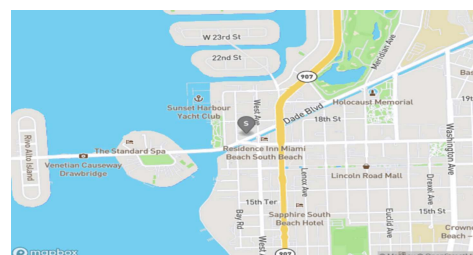
Street View



Street View

COMPARABLE LAND SALES

Sale Comparable #1
1333 Dade Blvd (Land Side)
 1333 Dade Boulevard
 Miami Beach, FL 33139-1420
 Miami-Dade County
 BBG Property #794769



Property Data

Property Type/Use	Land Commercial	Lat/Long	25.792629 / -80.1432
Parcel ID #	0232330120671	Census Tract	0041.06
Opportunity Zone	No	Frontage	Dade Blvd
Gross Land Area	8,450 SF 0.19 Acres	Net Land Area	8,450 SF 0.19 Acres
Utilities		Terrain / Topography	
Easements / Encroachments		Zoning	CD-2 Commercial, medium intensity

Sale Transaction Data for BBG Event #928384 on 4/26/2023					Net Area	Gross Area
Transaction Date	4/26/2023	Consideration	\$4,500,000	Price PSF	\$532.54	\$532.54
Sale Status	Closed	Adjustments	\$93,640	Price Per Acre	\$23,197,634	\$23,197,634
		Cash Equivalent Price	\$4,593,640			
Property Rights	Fee Simple					
Transaction Component	Real Estate					
Tenancy	Vacant					
Grantor	Jose L Rodriguez					
Grantee	QRIAR Office, LLC					
Comments	On April 27th, 2023, the 9,364 square foot retail property located at 1333 Dade Blvd in Miami Beach, FL sold for \$4.5 million or \$480.56 per square foot. The property, delivered in 1941, sits on a 8,450 square foot parcel zoned CD-2 for commercial medium density use.					
Verification	9/22/2023 OM					

Sale Comparable #2

1030 6th St

1030 6th Street

Miami Beach, FL 33139-6334

Miami-Dade County

BBG Property #676262

THE HOHAUSER HOTEL

1030 6th Street, Miami Beach, Florida

**HISTORIC PRESERVATION BOARD
FINAL SUBMISSION**
December 14th, 2020



Scope of Work

- Restoration of two historic 2-story structures and the adjoining courtyard.
- Partial demolition of 1 contributing 2-story structure on the south side of the lot.
- New construction of a 6-story hotel.
- 51 units in new proposed building and 14 units in existing buildings.



2019

2018

2017

2016

2015

2014

2013

2012

2011

2010

2009

2008

2007

2006

2005

2004

2003

2002

2001

2000

1999

1998

1997

1996

1995

1994

1993

1992

1991

1990

1989

1988

1987

1986

1985

1984

1983

1982

1981

1980

1979

1978

1977

1976

1975

1974

1973

1972

1971

1970

1969

1968

1967

1966

1965

1964

1963

1962

1961

1960

1959

1958

1957

1956

1955

1954

1953

1952

1951

1950

1949

1948

1947

1946

1945

1944

1943

1942

1941

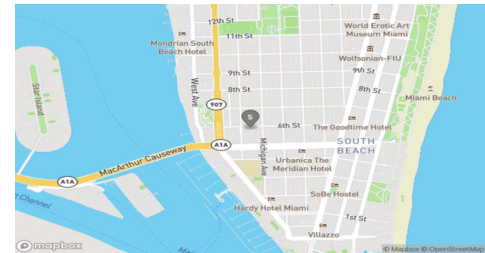
1940

1939

1938

1937

1936

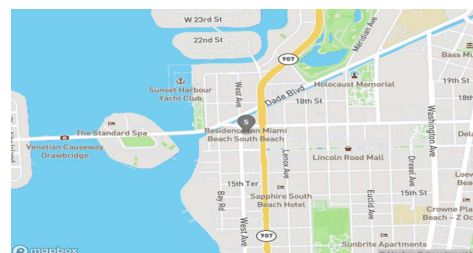


Property Data

Property Type/Use	Land	Lat/Long	25.775603 / -80.1390
	Other		
Parcel ID #	0242030097860	Census Tract	0044.05
Opportunity Zone	No	Frontage	Michigan Ct (Corner)
Gross Land Area	15,002 SF	Net Land Area	15,002 SF
	0.34 Acres		0.34 Acres
Utilities	All available to site.	Terrain / Topography	Level
Easements / Encroachments	None detrimental known	Zoning	CPS-2
			General Commercial, Mixed-Use

Sale Transaction Data for BBG Event #809834 on 6/23/2022					Net Area	Gross Area
Transaction Date	6/23/2022	Consideration	\$5,700,000	Price PSF	\$379.95	\$379.95
Sale Status	Closed	Adjustments	\$0	Price Per Acre	\$16,550,593	\$16,550,593
		Cash Equivalent Price	\$5,700,000			
Property Rights	Fee Simple					
Grantor	Fernandez Properties Inc					
Grantee	1030 Property Investments LLC					
Comments	On June 23, 2022, the .34 acres of land located at 1030 6th St, Miami Beach, FL 33139 sold for \$5,700,000. The buyer took out a loan of \$4,000,000 to finance the acquisition. The zoning on the property is GC (general commercial).					
Verification	1/9/2023					
	Public records					

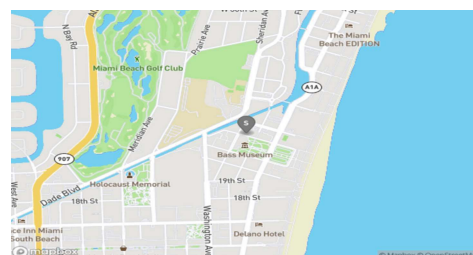
Sale Comparable #3
1656-1680 West Ave Assemblage
 1676 West Avenue
 Miami Beach, FL 33139
 Miami-Dade County
 BBG Property #847703



Property Data			
Property Type/Use	Land Mixed Use	Lat/Long	25.791525 / -80.1422
Parcel ID #	1656 Alton Rd 02-3234-017-0160 1664 Alton Rd 02-3234-017-0170 1676 Alton Rd 02-3234-017-0180 1680 Alton Rd 02-3234-017-0190	Census Tract	0042.08
Opportunity Zone	No	Frontage	Alton Rd
Gross Land Area	60,113 SF 1.38 Acres	Net Land Area	60,113 SF 1.38 Acres
Utilities		Terrain / Topography	
Easements / Encroachments		Zoning	CD-2 Commercial, Medium Intensity

Sale Transaction Data for BBG Event #994013 on 6/6/2022					Net Area	Gross Area
Transaction Date	6/6/2022	Consideration	\$39,300,000	Price PSF	\$653.77	\$653.77
Sale Status	Closed	Adjustments	\$0	Price Per Acre	\$28,478,166	\$28,478,166
		Cash Equivalent Price	\$39,300,000			
Property Rights	Fee Simple					
Transaction Component	Real Estate					
Tenancy	Owner					
Grantor	Alton Road Invest Llc / Hardware Parking Llc / Robert Shor					
Grantee	SHVO Inc					
Comments	On June 6th, 2022 this 5 property assemblage located on Alton Rd. & West Ave. Miami Beach, FL sold in an Investment sale for \$39.3MM. The properties were purchased by New York Developer Shvo, who has plans to redevelop the property which will include a 250,000 sf building with office and retail space. The sale includes an Ace Hardware's space and a popular gourmet grocer that closed in 2017 after Hurricane Irma. This purchase aligns with Shvo's strategy of opting to build offices in south beach in hopes to tap into the influx of tech and finance companies in this Market. Avison Young represented the private Seller and Fox and Stern represented the Buyer. The parties involved were not at liberty to disclose any of the vital data or were unable to be contacted. See CoStar PID: 12800898 for construction updates.					
Verification	4/22/2024 Costar, Press Release					

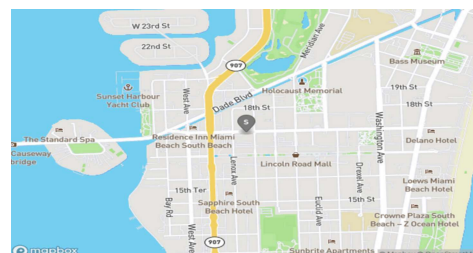
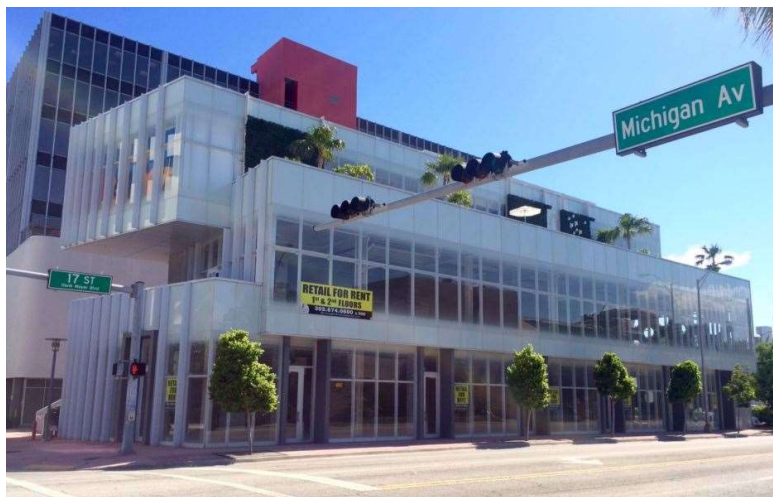
Sale Comparable #4
Boutique Development Opportunity
 2206 Park Avenue
 Miami Beach, FL 33139
 Miami-Dade County
 BBG Property #579063


Property Data

Property Type/Use	Land Commercial	Lat/Long	25.798150 / -80.1299
Parcel ID #	02-3226-001-0320, 02-3226-001-0330	Census Tract	0042.06
Opportunity Zone	No	Frontage	Park Ave (Corner, Canal)
Gross Land Area	17,040 SF 0.39 Acres	Net Land Area	17,040 SF 0.39 Acres
Utilities		Terrain / Topography	
Easements / Encroachments		Zoning	CD-3 Commercial High Intensity

Sale Transaction Data for BBG Event #744704 on 2/11/2022					Net Area	Gross Area
Transaction Date	2/11/2022	Consideration	\$13,500,000	Price PSF	\$792.25	\$792.25
Sale Status	Closed	Adjustments	\$0	Price Per Acre	\$34,510,564	\$34,510,564
		Cash Equivalent Price	\$13,500,000			
Property Rights	Fee Simple					
Grantor	Encotol LLC					
Grantee	22 Landlord LLC					
Comments	On February 11th, 2022 the combined 17,040 SF (.3912 acre) parcels located at 2205 Park Ave and 427 22nd St in Miami Beach FL sold for \$13,500,000, \$792 per square foot or \$34,509,202 per acre. The subject property, zoned CD-3, sold with an approved plan for a 120 room hotel but it was unconfirmed whether the new owner will pursue those plans. No sale conditions were noted impacting the price					
Verification	5/19/2022 Susan Gale					

Sale Comparable #5
1000 17 Street
 1000 17th Street
 Miami Beach, FL 33139
 Miami-Dade County
 BBG Property #51285



Property Data

Improvement Details

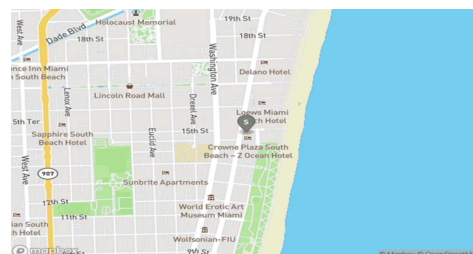
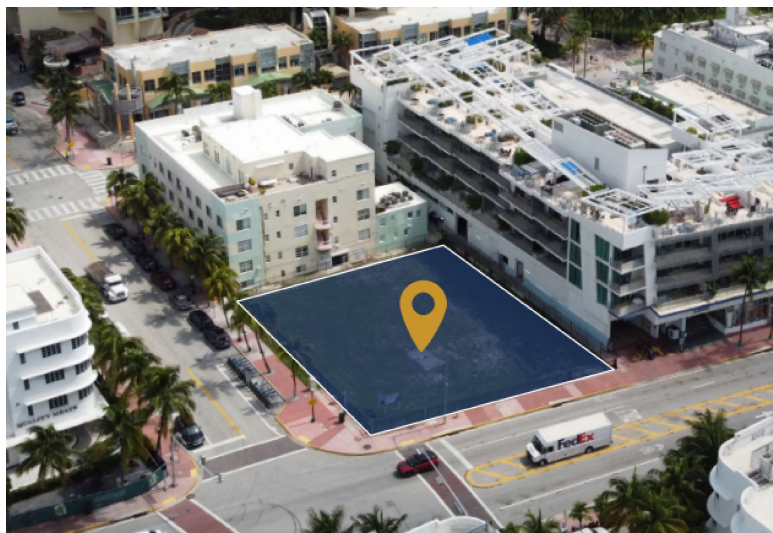
Property Type/Use	Retail Storefront	Lat/Long	25.791960 / -80.1393
Parcel ID #		Number of Buildings	1
Year Built	2014	Year Renovated	N/A
Quality	Good	Condition	Good
Class		Construction Details	
Gross Building Area	17,973 SF	Rentable Area	17,973 SF
Number of Stories	3	Floor Area Ratio	2.25
Opportunity Zone	No	Census Tract	
Site Size (Gross)	8,000 SF (0.18 acres)	Site Size (Net)	8,000 SF (0.18 acres)

Sale Transaction Data for BBG Event #972297 on 9/5/2023

				PSF (GBA)	PSF (Rentable)
Transaction Date	9/5/2023	Consideration	\$16,000,000	\$890.22	\$890.22
Sale Status	Closed	Adjustments	\$0	\$0.00	\$0.00
Occupancy at TOS	100%	Cash Equivalent Price	\$16,000,000	\$890.22	\$890.22
Property Rights	Leased Fee				
Transaction Component	Real Estate				
Tenancy	Multiple				
Grantor	17th Street Partners LLC				
Grantee	1000 17TH ST LLC				
Comments	Azora Exan has acquired 1000 17th St for \$16 mil lion. The property was fully leased at the time of the sale. The property is in the heart of South Beach, a market that receives 11 million tourists annually. Azora Exan plans to maintain the current operation of the building while gradually bring rents to market rates.				
Verification	2/15/2024				
	Jordan Gimelstein				

Financial Attributes	In-Place Income		Proforma Income	
	<i>Amount</i>	<i>PSF (Rentable)</i>	<i>Amount</i>	<i>PSF (Rentable)</i>
Rental Income	n/a	n/a	\$1,617,570	\$90.00
Gross Annual Income	n/a	n/a	\$1,617,570	\$90.00
Vacancy Expense	n/a	n/a	\$48,527	\$2.70
Effective Gross Income	n/a	n/a	\$1,569,043	\$87.30
Expenses	n/a	n/a	\$627,617	\$34.92
Net Operating Income	\$941,426	\$52.38	\$941,426	\$52.38
GIM	n/a		9.89	
EGIM	n/a		10.20	
Overall Rate	5.88%		5.88%	
Operating Expense Ratio	n/a		40.00%	

Sale Comparable #6
1475 Collins Ave
 1475 Collins Avenue
 Miami Beach, FL 33139
 Miami-Dade County
 BBG Property #579106


Property Data

Property Type/Use	Land	Lat/Long	25.787380 / -80.1302
	Commercial		
Parcel ID #	02-3234-019-1230	Census Tract	0042.05
Opportunity Zone	No	Frontage	
Gross Land Area	12,400 SF	Net Land Area	12,400 SF
	0.28 Acres		0.28 Acres
Utilities		Terrain / Topography	
Easements / Encroachments		Zoning	MXE
			Mixed Use Entertainment

Sale Transaction Data for BBG Event #925757 on				Net Area	Gross Area
Transaction Date		Consideration	\$0	Price PSF	
Sale Status	Listing	Adjustments	\$10,500,000	Price Per Acre	
		Cash Equivalent Price	\$10,500,000		
Property Rights	Fee Simple				
Transaction Component	Real Estate				
Tenancy	Vacant				
Grantor	CVS 10346 FL, LLC C/O CVS CAREMARK CORP				
Grantee	For Sale				
Comments	The vacant land located at 1475 Collins avenue is currently offered for sale at \$10,500,000 or \$846.77 PSF of land. The property contains a corner location with direct frontage to Collins avenue and is zoned MXE Mixed-use.				
Verification	9/14/2023				
	Antonio Puente				