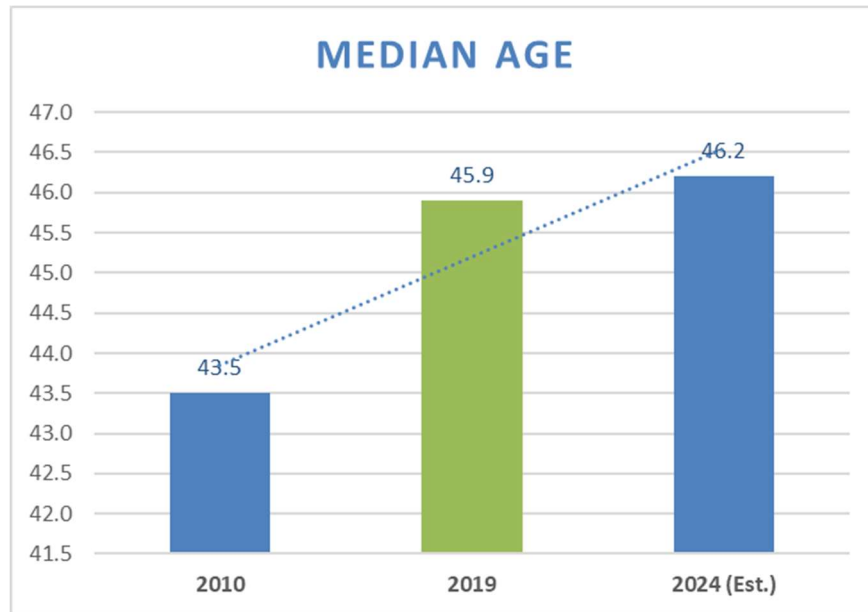


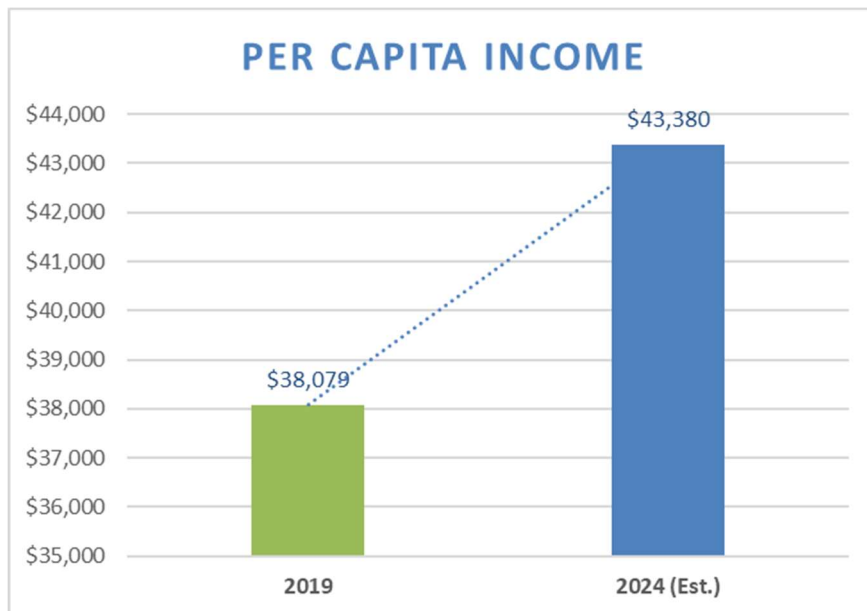
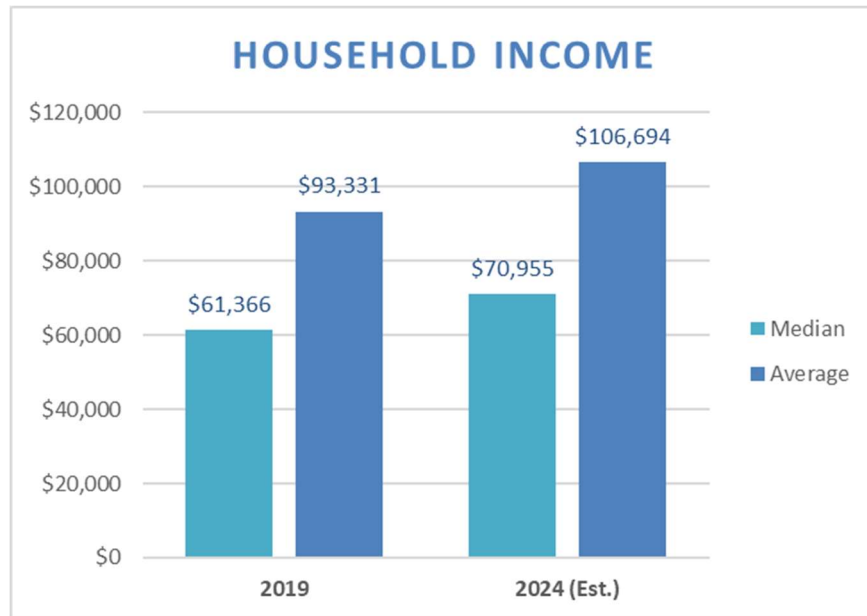
The median age in Palm Beach County, FL is currently indicated at 45.9 years, up from 2010, when the median age was 43.5 years. The population is expected to increase in 2025, with the median age projected as 46.2 years. The median age nationally in 2020 is 38.5.



## INCOME

Site To Do Business reports current median household income at \$63,026, which is forecasted to increase to \$69,276 by 2025, an increase of 9.92%. Similarly, per capita income is expected to increase from its current level of \$39,264 to \$43,563 by 2025, an increase of 10.95%. In 2020, the national median household income is \$62,203 and the national per capita income is \$34,136.

According to ESRI, Palm Beach County, FL has a wealth index of 133, indicating more wealth when compared to the national average of 100.



## HOUSING

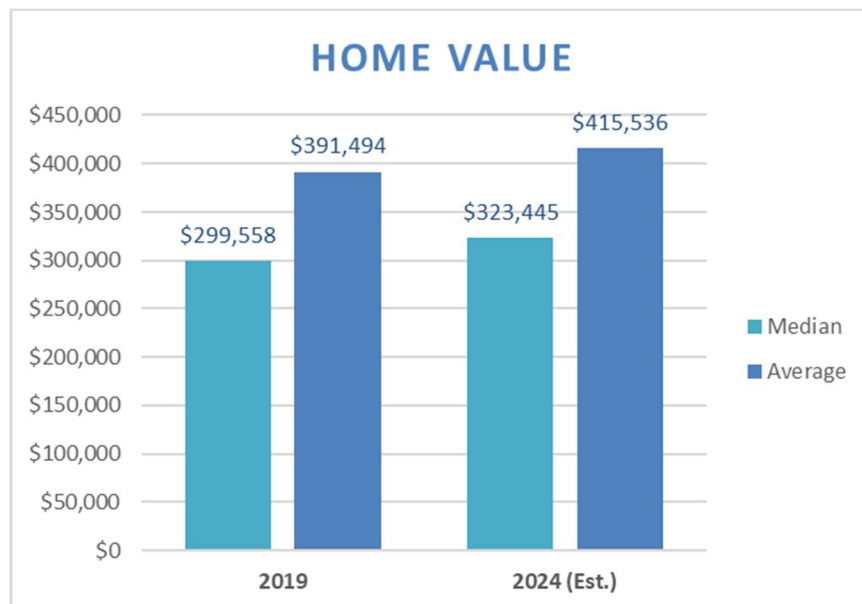
According to Site To Do Business, there were approximately 556,428 housing units in Palm Beach County, FL as of the 2000 census. That figure increased to 664,594 housing units as of the 2010 census. Current estimates indicate 712,964 housing units, an increase of 7.28% from the 2010 census. Housing units are forecasted to grow to 745,150 units in 2025, indicating a growth rate of 4.51% over the five-year period.

Owner-occupied units comprise the majority of the housing stock in the area. Current estimates indicate that approximately 59.1% of total housing units are owner-occupied, with 24.9% of units occupied by renters. The balance of the units, 16.0%, are vacant. In 2025, the mix is expected to shift to 59.1% owner-occupied units and 25.5% renter-occupied units. Nationally in 2020, 56.40% are owner-occupied, 32.30% are occupied by renters, and 11.30% are vacant.

The ESRI Housing Affordability Index (HAI) has a base of 100, representing an area where median income is sufficient to qualify for a loan on a home valued at the median home price and not be cost-burdened, defined as spending more than 30 percent of income on housing-related costs. The higher the index is over 100, the more affordable the housing is in the area. An index of below 100 indicates housing is less affordable and a typical resident cannot purchase a home in the area without being cost-burdened.

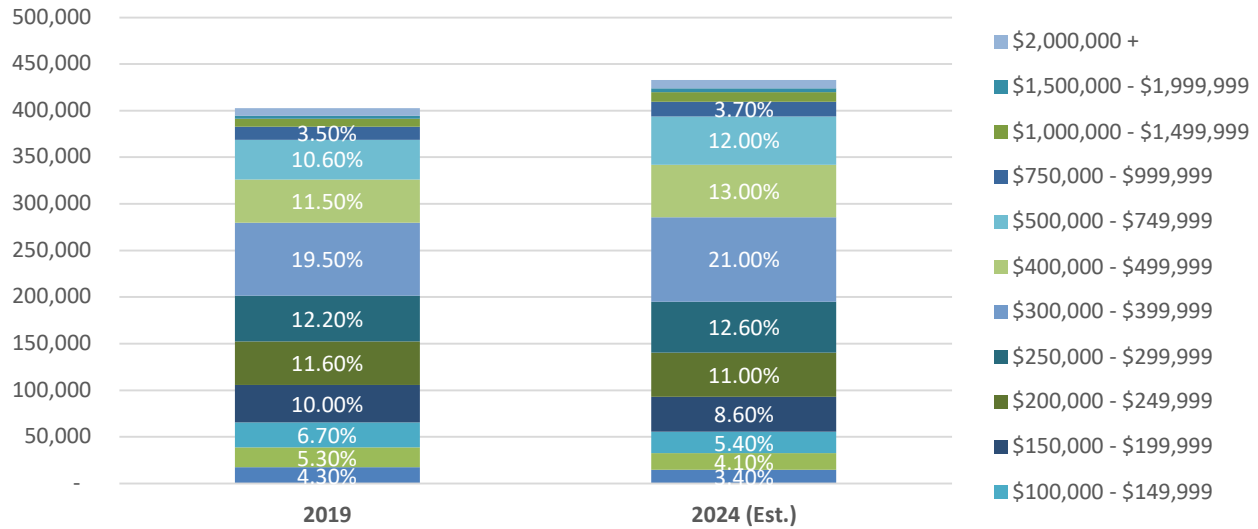
Palm Beach County, FL has a Housing Affordability Index of 111, indicating that the median income is sufficient for a typical resident to purchase a median value home in the area. The national Housing Affordability Index in 2020 is 141, indicating Palm Beach County, FL is less affordable than the national average.

Assuming the national average effective mortgage rate from the Federal Housing Finance Agency (FHFA), a 30-year mortgage, and a 20% down payment, the typical resident in Palm Beach County, FL spends 20.1% of their household income on mortgage payments. Nationally, the percent of income used for a mortgage is 15.80%.



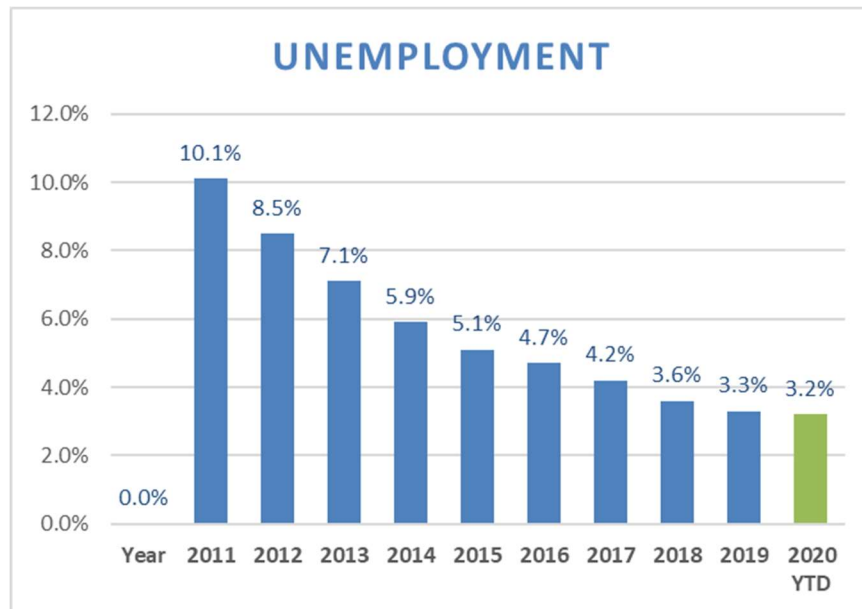
In 2020, the median home value is \$303,461. It is expected to increase to \$336,013 by 2025, indicating an annual home appreciation rate of 2.15%. The median home value nationally in 2020 is \$235,127.

## OWNER OCCUPIED HOUSING UNITS BY VALUE

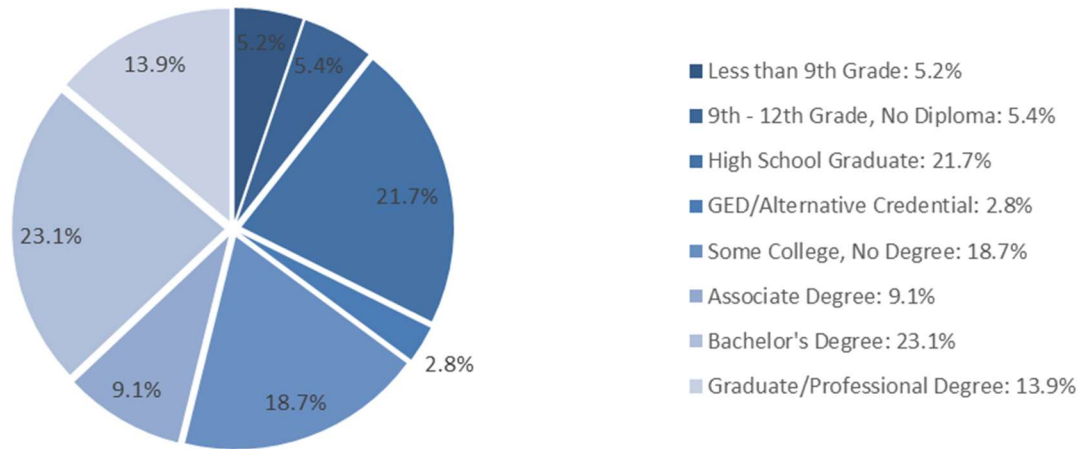


## EMPLOYMENT

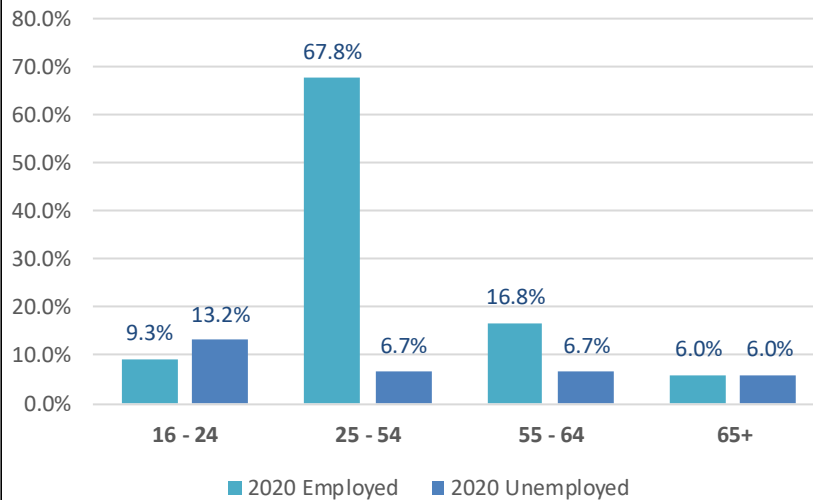
Palm Beach County, FL currently employs 668,584 workers according to Site To Do Business/ESRI. The U.S. Bureau of Labor Statistics currently reports unemployment at 8.1%, as of August 2020, which is higher than the long-term average of 6.5% since January 2010. Unemployment peaked in April 2020 at 14.2%. Year to date, unemployment has averaged 8.5%, up from last year's 3.3% average.



### POPULATION (25+) BY EDUCATION



### EMPLOYMENT/UNEMPLOYMENT BY AGE



### CONCLUSION

An analysis of South Florida and more specifically, Palm Beach County, FL demonstrates that the area has historically been on a path of growth. Previous population growth is primarily due to in-migration, with the majority of the migrants coming from within the state, as well as New York, Georgia and international sources.

### NEIGHBORHOOD MAP



### INTRODUCTION

A property is an integral part of its surroundings and must not be treated as an entity separate and apart from its surroundings. The value of a property is not found exclusively in its physical characteristics; physical, economic, political and sociological forces in the area interact to give value to a property. In order to determine the degree of influence extended by these forces on a property, their past and probable future trends are analyzed. Therefore, in order to form an opinion of the value of a property, an analysis is made of the area in which the property under study is found. This area is referred to as a neighborhood.

A neighborhood can be a portion of a city, a community or an entire town. It is usually an area which exhibits a fairly high degree of homogeneity as to use, tenancy and certain other characteristics. Homogeneity is a state of uniform structure or composition throughout. Therefore, in real estate terminology, a homogeneous neighborhood is one in which the property types and uses are similar. A neighborhood is more or less a unified area with somewhat definite boundaries. As a neighborhood's boundaries serve to limit the physical area that exerts germane influences on a property's value, the boundaries may indeed run concurrent with variations in prevailing land uses or physical characteristics.

### LOCATION

The subject is located along the north side of Worth Ave, east of Hibiscus Ave, in the City of Palm Beach, Palm Beach County, Florida.

The boundaries for the subject neighborhood can be distinguished by the prevailing land uses, as well as the county's infrastructure. The subject's boundaries are as follows: the northern boundary is the Lake Worth Inlet, which is the northern limit to the Town of Palm Beach; the eastern boundary is the Atlantic Ocean; the western boundary is the Intracoastal Waterway; and the southern boundary is the Lake Avenue Causeway, which is the southern limit to the Town of Palm Beach. These boundaries correspond to the town limits of the Town of Palm Beach.

Palm Beach is a barrier island which is 16 miles long and is connected to the mainland by four bridges, three near the center of town and one at the southern boundary of the town. The year-round population is 10,000 and the seasonal population is approximately 30,000 residents.

### ACCESSIBILITY

The subject does not contain any direct vehicular access, only pedestrian access. It is noted that directly north of the subject, a valet parking lot is available to retail tenants and customers.

South Ocean Boulevard is a two-lane, north/south thoroughfare characterized by mid and high-rise condominium developments within the immediate section of the subject's neighborhood. This is the main and only north/south thoroughfare that travels along the entire length of the Town of Palm Beach.

There are three east/west bridges within the center portion of Palm Beach connecting it to the mainland. The northernmost is the Flagler Memorial Bridge, then, going south is Royal Palm Way which is known as Okeechobee Boulevard on the mainland that stretches through downtown, and the third is Southern Boulevard. Access to the southern end of the neighborhood is via the Lake Worth Bridge.

### DEVELOPMENT

Retail uses are concentrated along S. County Road, with high end retailers located along Worth Avenue. Worth Avenue stretches approximately four blocks and is referred to as the Rodeo Drive of Florida. The street first became fashionable after the construction in 1918 of the Everglades Club. The street contains approximately 250 shops, boutiques, and restaurants including Neiman Marcus, Gucci, Jimmy Choo, Louis Vuitton, Tiffany & Company, Salvatore Ferragamo, among others.

The center of town features historic houses reflecting the boom times of the 1920s and 1930s and the estate section features magnificent homes with views of the Atlantic Ocean or the Intracoastal Waterway. Newer homes in this area are sensitive to the unique quality of the area and look as though they were original structures.

Besides featuring the area's commercial component, the northern and central sections of Palm Beach contain three country clubs and golf courses, and the world-famous Breakers Resort. South of Sloan's Curve, the area becomes mostly one of condominiums, situated with the Town's Par 3 golf course nearby, tennis courts and access to Lake Worth.

Also, located within the neighborhood is the private club, Mar-a-Lago.

The neighborhood also has numerous parks and recreational facilities. The main recreational facility located within the neighborhood is the Atlantic Ocean beaches. As mentioned, within the subject's neighborhood is a diverse mixture of commercial and residential uses. These uses include retail, office and residential (apartments, condominiums and single-family houses) developments. Primary development in the neighborhood consists of single-family homes.

There has been minimal to no development activity along Worth Ave over the past 8 qtrs.

### DEMOGRAPHICS

The Site To Do Business is a service that provides demographic data, including historical, current and forecasted population estimates for a specified region. Patterns of development, density and migration are reflected in the population estimates. A survey of the subject area's population and growth rate is summarized in the following charts, followed by a map of the surveyed area.

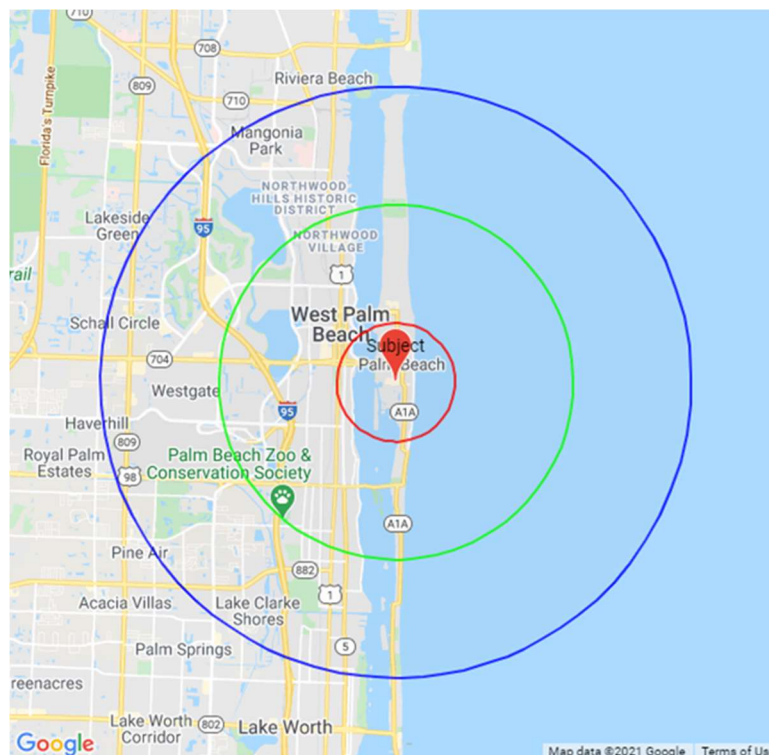
Demographics						
	2020			2025		
Summary	1 mile	3 mile	5 mile	1 mile	3 mile	5 mile
Population	4,043	51,928	136,457	4,158	56,739	145,079
Households	1,922	23,093	54,516	1,990	25,410	58,238
Families	788	10,699	29,321	813	11,617	30,943
Average Household Size	1.67	2.15	2.40	1.67	2.15	2.40
Owner Occupied Housing Units	1,397	10,132	27,229	1,449	10,586	28,135
Renter Occupied Housing Units	525	12,961	27,287	541	14,824	30,103
Median Age	59.7	41.2	38.6	61.8	41.7	39.2
Population by Age	1 mile	3 mile	5 mile	1 mile	3 mile	5 mile
0 - 4	1.1%	5.1%	5.8%	1.0%	5.1%	5.8%
5 - 9	1.5%	4.8%	5.6%	1.5%	4.7%	5.4%
10 - 14	1.3%	4.6%	5.5%	1.3%	4.5%	5.3%
15 - 19	11.0%	5.4%	5.7%	10.8%	5.2%	5.8%
20 - 24	12.9%	6.7%	7.0%	12.3%	7.0%	7.1%
25 - 34	5.0%	15.6%	15.6%	4.4%	14.6%	14.6%
35 - 44	4.6%	11.8%	12.6%	4.6%	12.6%	13.1%
45 - 54	7.0%	11.2%	11.8%	5.7%	10.6%	11.3%
55 - 64	14.3%	13.0%	12.4%	13.3%	12.1%	11.7%
65 - 74	20.2%	11.3%	9.8%	20.5%	12.2%	10.6%
75 - 84	13.7%	6.5%	5.4%	17.3%	7.8%	6.4%
85+	7.4%	3.8%	2.8%	7.2%	3.6%	2.8%
Households by Income	1 mile	3 mile	5 mile	1 mile	3 mile	5 mile
<\$15,000	6.20%	14.00%	13.50%	5.30%	12.10%	11.80%
\$15,000 - \$24,999	9.10%	11.20%	10.80%	8.70%	10.40%	10.00%
\$25,000 - \$34,999	5.50%	10.50%	10.80%	5.20%	9.90%	10.20%
\$35,000 - \$49,999	9.90%	12.00%	13.80%	10.20%	11.90%	13.50%
\$50,000 - \$74,999	8.90%	15.50%	17.10%	9.30%	15.20%	17.10%
\$75,000 - \$99,999	4.50%	9.00%	9.90%	4.70%	9.60%	10.40%
\$100,000 - \$149,999	15.10%	12.10%	11.80%	15.90%	13.70%	13.30%
\$150,000 - \$199,999	10.30%	5.30%	4.80%	10.90%	6.30%	5.70%
\$200,000+	30.40%	10.30%	7.50%	29.80%	10.90%	8.10%
Median Household Income	\$115,242	\$52,659	\$51,123	\$116,524	\$57,324	\$54,992
Average Household Income	\$168,668	\$90,655	\$81,049	\$175,285	\$99,236	\$89,236
Per Capita Income	\$81,345	\$40,268	\$32,631	\$84,978	\$44,389	\$36,062

Source: Site To Do Business

Trends: 2020 - 2025 Annual Rate			
1 mile Radius	Area	State	National
Population	0.56%	1.33%	0.72%
Households	0.70%	1.27%	0.72%
Families	0.63%	1.23%	0.64%
Owner HHs	0.73%	1.22%	0.72%
Median Household Income	0.22%	1.51%	1.60%
3 mile Radius	Area	State	National
Population	1.79%	1.33%	0.72%
Households	1.93%	1.27%	0.72%
Families	1.66%	1.23%	0.64%
Owner HHs	0.88%	1.22%	0.72%
Median Household Income	1.71%	1.51%	1.60%
5 mile Radius	Area	State	National
Population	1.23%	1.33%	0.72%
Households	1.33%	1.27%	0.72%
Families	1.08%	1.23%	0.64%
Owner HHs	0.66%	1.22%	0.72%
Median Household Income	1.47%	1.51%	1.60%

Source: Site To Do Business

NEIGHBORHOOD/AREA COMPARISON				
Category	1 mile	3 mile	5 mile	Area
Median Household Income	\$115,242	\$52,659	\$51,123	\$63,026
Average Household Income	\$168,668	\$90,655	\$81,049	\$96,328
Per Capita Income	\$81,345	\$40,268	\$32,631	\$39,264
Average Household Size	1.67	2.15	2.40	2.42
Median Age	59.7	41.2	38.6	45.9



Source: Site To Do Business

### LIFE CYCLE

A neighborhood's life cycle usually consists of four stages:

- Growth - a period during which the neighborhood gains public favor and acceptance
- Stability - a period of equilibrium without marked gains or losses
- Decline - a period of diminishing demand
- Revitalization - a period of renewal, redevelopment, modernization, and increasing demand

*Source: The Appraisal of Real Estate, 14th Edition*

From a general examination, due to the limited amount of new construction taking place in the neighborhood, it appears that the neighborhood is in the stability stage of its life cycle.

### NEIGHBORHOOD ANALYSIS CONCLUSION

In conclusion, the neighborhood has a suburban location in the Town of Palm Beach, Palm Beach County, Florida. The subject and the surrounding neighborhood, as delineated by boundaries, is an upscale residential/commercial district. In conclusion, several factors have combined for the neighborhood's past growth and present stability, of which location has contributed the greatest amount. Finally, we are of the opinion that the subject's neighborhood should experience continued stability based upon the solid foundation it has established.

## MARKET ANALYSIS

The following information was compiled from published sources and is used in conjunction with primary and secondary data to analyze the market trends impacting the value of the subject property.

### NATIONAL STRIP SHOPPING CENTER MARKET - PWC

According to the *PwC Real Estate Investor Survey*, 1st Quarter 2021 (based on data collected in 4th Quarter 2020):

The pandemic continues to challenge the strip shopping center market. “It’s a complete disaster, and tenants are really struggling,” remarks a participant. “It’s clear that tenant-landlord relationships have suffered,” states another.

- With fewer merchants opening stores and few new retailing concepts, many owners wonder how to fill vacancies.
- According to Survey participants, new tenant leases show robust tenant improvement allowances, reduced rental rates, and new pandemic clauses.
- Unfortunately, surveyed investors believe that leasing trends for the remainder of the year will be lower than last year, requiring continued offerings of free rent.

#### FORECAST VALUE CHANGE [NEXT 12 MONTHS]:

Range: (8.0%) – 5.0%

Average: (0.5%)

National Market Yield Rates for Real Estate Investments National Strip Shopping Center Market First Quarter 2021			
	Current Quarter	Last Quarter	Year Ago
Discount Rate (IRR)	6.25%-11.00%	6.25%-11.00%	5.50%-11.00%
Average	8.35%	8.33%	7.71%
Overall Cap Rate (OAR)	5.00%-10.00%	5.00%-10.00%	4.50%-10.00%
Average	7.35%	7.30%	6.81%
Residual Cap Rate	5.00%-10.00%	5.00%-10.00%	4.75%-10.00%
Average	7.33%	7.33%	6.92%
Market Rent Change Rate	0.00%-3.00%	0.00%-3.00%	0.00%-3.00%
Average	0.50%	0.60%	1.58%
Expense Change Rate	0.00%-3.00%	0.00%-3.00%	0.00%-5.00%
Average	2.50%	2.50%	2.75%
Marketing Time Range	2-18 months	2-18 months	2-18 months
Average	8.5	7.9	7.4

Source: PwC Real Estate Investor Survey, 1st Quarter 2021

### PALM BEACH COUNTY RETAIL MARKET ANALYSIS

According to the *CoStar Retail Market Analysis and Forecast*, 1Q 2021, Palm Beach's retail market has been hit hard by the coronavirus pandemic but continues to outperform the nation on many fronts. Permanent retailer closures have pulled net absorption negative in three of the past four quarters, but vacancies have increased by less than 100 basis points and remain below the National Index rate.

The pandemic comes at a time of heightened development in Palm Beach, which will continue to put upward pressure on vacancies in the near term. There is about 600,000 SF under construction that is due to complete across the next 12 months. Construction starts have slowed, though not completely stopped, during the pandemic so the pipeline is set to cool significantly following the forthcoming deliveries.

Rent growth has slowed in recent quarters but continues to be some of the strongest in Florida on an annual basis. Annual gains over 2% are the highest in the U.S. among the 20 retail markets where the average rent is over \$25/SF.

Following high levels of investment activity in 2019, sales volume has declined significantly in the past year. Quarterly volume fell to an 11-year low in 20Q2, and though it nearly tripled quarter over quarter in 20Q3, it remained almost 30% behind the market's 10-year quarterly average.

#### KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	9,385,404	3.3%	\$33.06	4.0%	26,836	0	0
Power Center	3,568,770	7.8%	\$30.71	10.0%	17,621	0	0
Neighborhood Center	30,114,423	7.0%	\$27.20	8.4%	(86,042)	0	245,583
Strip Center	5,016,552	4.6%	\$25.84	4.8%	8,617	0	0
General Retail	29,993,008	3.5%	\$27.84	4.4%	(506)	0	296,817
Other	1,059,265	1.3%	\$37.88	6.8%	17	0	134,654
<b>Market</b>	<b>79,137,422</b>	<b>5.0%</b>	<b>\$28.36</b>	<b>6.2%</b>	<b>(33,457)</b>	<b>0</b>	<b>677,054</b>

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.8%	5.8%	5.3%	8.8%	2010 Q1	3.5%	2006 Q1
Net Absorption SF	(320 K)	528,165	230,678	1,524,991	2007 Q1	(844,004)	2009 Q3
Deliveries SF	314 K	739,119	466,272	2,536,912	2006 Q4	185,474	2014 Q1
Rent Growth	2.5%	1.6%	2.6%	5.8%	2017 Q1	-5.6%	2009 Q3
Sales Volume	\$556 M	\$634.3M	N/A	\$1.6B	2015 Q3	\$135.7M	2009 Q3

Source: CoStar

### Fundamentals

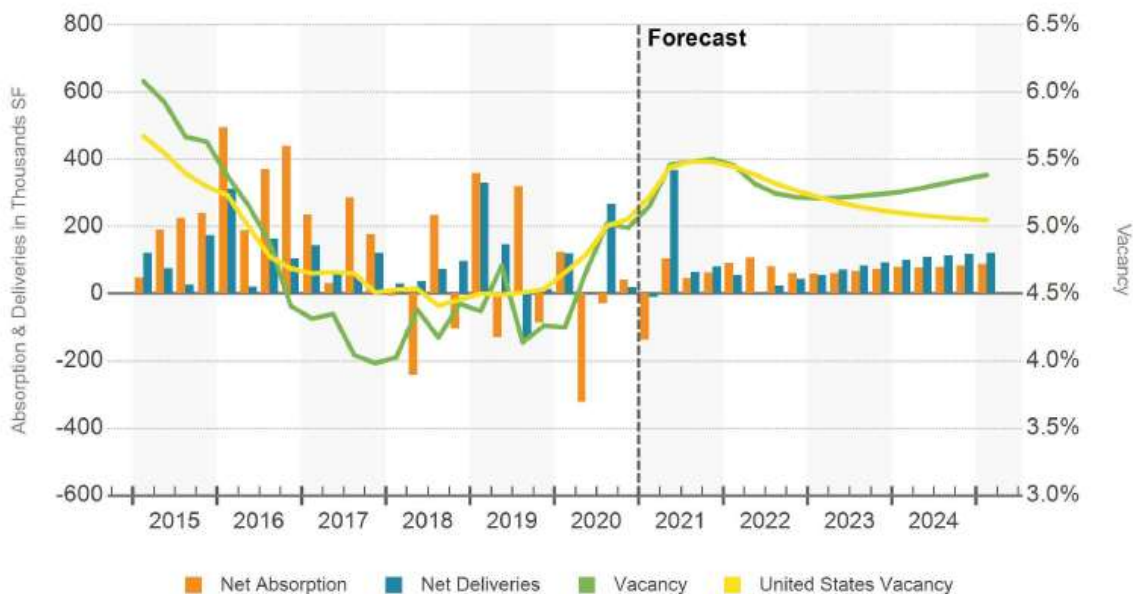
According to *CoStar*, Retail vacancies have been on an upward path in Palm Beach for the past three years, and the increases have accelerated in the past year with the coronavirus pandemic. Many retailers were told to close temporarily in the spring, when the virus was declared a pandemic, and in the months that followed many of those closures turned permanent. This has translated to net negative retail absorption in three of the past four quarters, which has pushed the metro's vacancy rate up nearly 100 basis points since the start of 2020. The rate is now the highest it has been in more than four years but remains below the National Index.

Gyms have been hit hard by the pandemic and 24Hour Fitness filed for bankruptcy at the end of 20Q2. After closing during the lockdowns, six South Florida branches were permanently shuttered in 20Q3 including one in Boynton Beach and one in Greenacres. The pandemic delivered the final blow to some department stores, which had already been faltering over the past decade with the increase in online shopping. Neiman Marcus closed two South Florida stores in September, following its bankruptcy filing in May. The shops, in Palm Beach and at the Galleria at Fort Lauderdale, were among four department stores and 17 outlets that have been closed nationwide.

Retail leasing activity has not dropped in Palm Beach during the coronavirus pandemic but rather it has stayed low, as it already had been in the seven months prior to the pandemic. In fact, leasing volume in October 2020 was the highest in the market in 13 months. This is due in large part to Bowlero's lease for 62,000 SF in Boca Raton.

Looking forward, the continued economic uncertainty given the ongoing pandemic as well as near-term supply-side pressure will likely continue to push vacancies over the next year. There is about 600,000 SF under construction due to deliver in the coming quarters.

#### NET ABSORPTION, NET DELIVERIES & VACANCY



Source: CoStar

## MARKET STATISTICS

### SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Boca Raton East	337	4,096	5.2%	8	1	4	0.1%	6	0	-	-	-
2	Boca Raton North	32	531	0.7%	13	0	0	0%	-	0	-	-	-
3	Boca Raton West	177	6,337	8.0%	6	0	0	0%	-	7	160	2.5%	1
4	Boynton/Lantana	614	10,522	13.3%	3	2	5	0%	5	11	119	1.1%	4
5	Delray Beach	583	8,049	10.2%	4	3	267	3.3%	1	5	131	1.6%	3
6	Jupiter	316	4,537	5.7%	7	0	0	0%	-	1	5	0.1%	9
7	North Palm Beach	713	11,012	13.9%	2	1	7	0.1%	4	5	150	1.4%	2
8	Palm Bch Cty Outlying	273	3,963	5.0%	9	0	0	0%	-	2	53	1.3%	5
9	Palm Beach	86	1,085	1.4%	12	1	18	1.6%	2	0	-	-	-
10	Palm Springs/Lake Worth	261	2,584	3.3%	11	0	0	0%	-	0	-	-	-
11	Royal Palm Bch/Wellington	291	7,717	9.7%	5	2	12	0.2%	3	1	13	0.2%	8
12	West Palm Beach	1,304	15,835	20.0%	1	0	0	0%	-	2	33	0.2%	6
13	West Palm Beach CBD	288	2,952	3.7%	10	1	2	0.1%	7	1	14	0.5%	7

Source: CoStar

### SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Boca Raton East	\$32.50	6	2.3%	8	-0.1%	10
2	Boca Raton North	\$41.67	2	3.1%	1	2.8%	1
3	Boca Raton West	\$36.49	3	2.6%	5	1.2%	5
4	Boynton/Lantana	\$27.83	8	2.8%	4	1.3%	4
5	Delray Beach	\$33.38	5	2.9%	3	2.4%	3
6	Jupiter	\$28.06	7	2.4%	7	0.6%	7
7	North Palm Beach	\$26.82	9	2.9%	2	2.6%	2
8	Palm Bch Cty Outlying	\$23.65	12	2.0%	11	-0.7%	12
9	Palm Beach	\$64.27	1	1.2%	13	-0.7%	13
10	Palm Springs/Lake Worth	\$23.77	11	2.0%	10	0.1%	9
11	Royal Palm Bch/Wellington	\$26.37	10	2.2%	9	0.1%	8
12	West Palm Beach	\$21.93	13	2.5%	6	1.1%	6
13	West Palm Beach CBD	\$33.76	4	1.9%	12	-0.2%	11

Source: CoStar

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Boca Raton East	343,309	8.4%	13	(91,282)	-2.2%	11	-
2	Boca Raton North	15,417	2.9%	3	(7,564)	-1.4%	6	-
3	Boca Raton West	210,112	3.3%	4	(82,731)	-1.3%	10	-
4	Boynton/Lantana	500,334	4.8%	7	(137,999)	-1.3%	13	-
5	Delray Beach	455,840	5.7%	9	260,959	3.2%	1	1.0
6	Jupiter	175,863	3.9%	5	(76,919)	-1.7%	9	-
7	North Palm Beach	533,898	4.8%	8	(50,187)	-0.5%	7	-
8	Palm Bch Cty Outlying	255,762	6.5%	10	(55,695)	-1.4%	8	-
9	Palm Beach	71,947	6.6%	11	(3,255)	-0.3%	5	-
10	Palm Springs/Lake Worth	47,362	1.8%	1	(2,052)	-0.1%	4	-
11	Royal Palm Bch/Wellington	551,903	7.2%	12	(104,059)	-1.3%	12	-
12	West Palm Beach	732,308	4.6%	6	5,766	0%	3	-
13	West Palm Beach CBD	79,844	2.7%	2	25,242	0.9%	2	-

Source: CoStar

### PALM BEACH RETAIL SUBMARKET ANALYSIS

In analyzing metropolitan areas, CoStar has developed geographic designations to help group properties together, called Markets, Submarket Clusters and Submarkets. Markets are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Markets are then divided into Submarket Clusters, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

For CoStar analysis, the subject is located within the Palm Beach submarket.

According to *CoStar*, Retail vacancies in Palm Beach were above the five-year average during the first quarter, and they trended upwards in the past year. The rate also sits above the overall market's average. Meanwhile, retail rents have inched up by 0.8% on a year-over-year basis. That is the weakest performance observed over the past five years.

As for construction activity, developers have not been particularly busy in Palm Beach over the past few years. Inventory has actually contracted over that span.

The retail investment market is not very dynamic in Palm Beach. Retail properties trade with little regularity, and that remained the case in the past year. Compared to the overall Palm Beach area, market pricing sits at \$511/SF, which is well above the region's average pricing. The metro's market pricing sits down at \$278/SF.

However, the commercial real estate environment, and particularly the retail sector, remains uncertain thanks to the pandemic. The vaccine rollout has begun, but it is probable retailers will continue to face turbulence in the coming quarters. Those effects will likely linger for the foreseeable future, impacting demand, rent growth, and the capital markets in the process.

Key indicators and annual trends for the submarket are shown on the following tables.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	149,104	11.0%	\$42.96	13.9%	0	0	0
Power Center	0	-	-	-	0	0	0
Neighborhood Center	231,073	5.4%	\$50.12	5.0%	720	0	0
Strip Center	11,815	0%	\$86.56	0%	0	0	0
General Retail	693,299	6.2%	\$73.19	6.7%	(444)	0	0
Other	0	-	-	-	0	0	0
<b>Submarket</b>	<b>1,085,291</b>	<b>6.6%</b>	<b>\$64.27</b>	<b>7.2%</b>	<b>276</b>	<b>0</b>	<b>0</b>

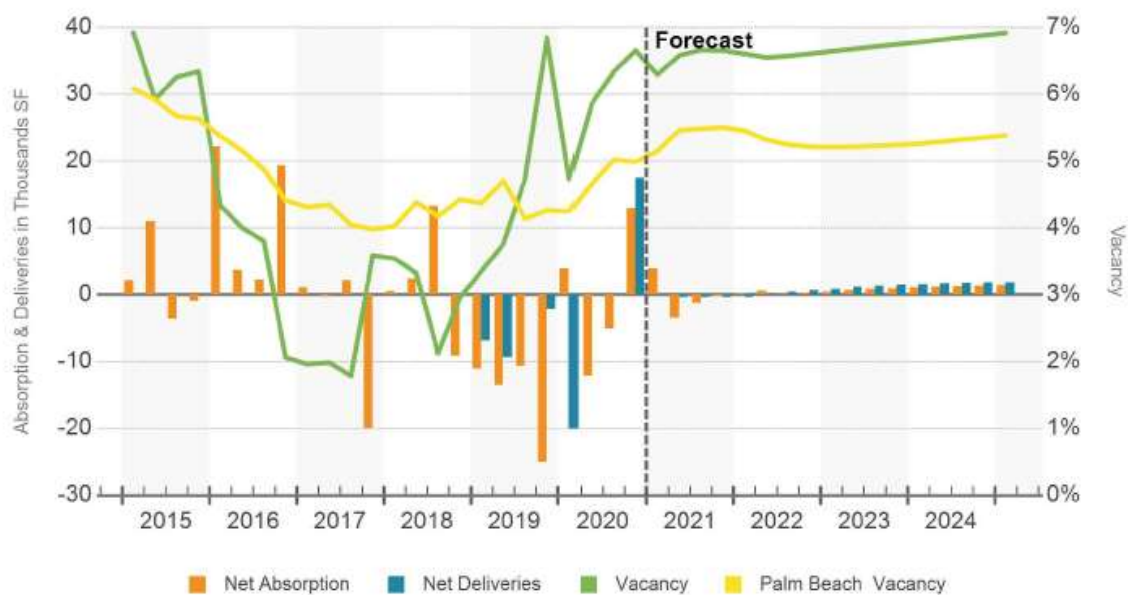
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.5%	5.0%	6.7%	11.8%	2013 Q2	0.2%	2007 Q3
Net Absorption SF	(3.3 K)	(2,911)	3,063	48,235	2015 Q3	(60,278)	2019 Q4
Deliveries SF	17.5 K	3,899	7,197	47,783	2011 Q4	0	2020 Q3
Rent Growth	1.2%	1.4%	2.4%	5.7%	2017 Q1	-5.8%	2009 Q3
Sales Volume	\$35.5 M	\$24.1M	N/A	\$175.8M	2014 Q2	\$0	2018 Q1

Source: CoStar

Leasing

Historical and forecast net absorption, net deliveries and vacancy rates are shown on the following chart.

NET ABSORPTION, NET DELIVERIES & VACANCY

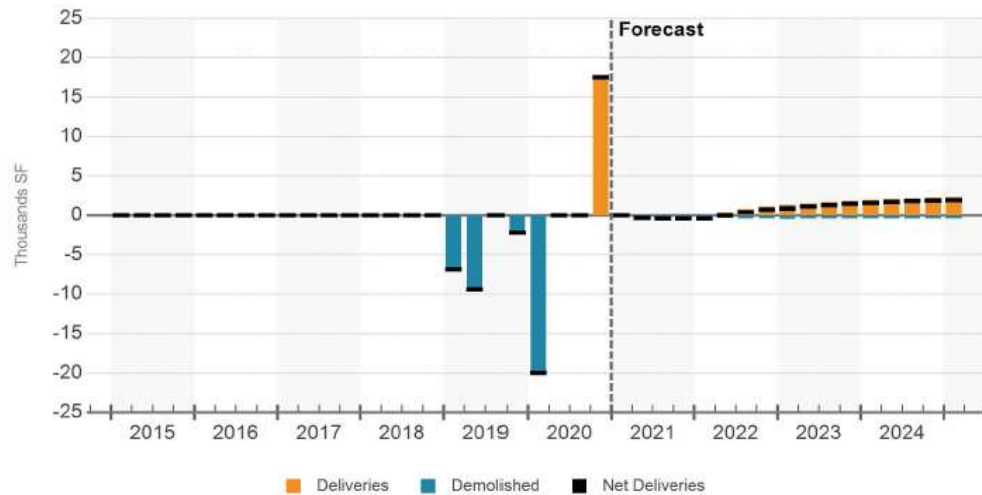


Source: CoStar

## Construction

Historical and forecast net deliveries are shown on the following chart.

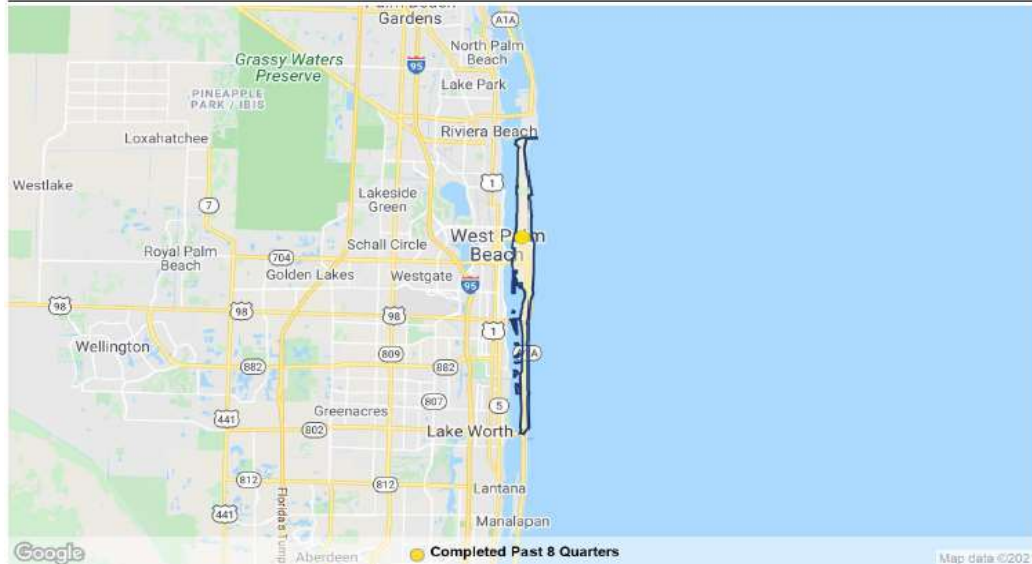
### DELIVERIES & DEMOLITIONS



Source: CoStar

All-Time Annual Avg. Square Feet	Delivered Square Feet Past 8 Qtrs	Delivered Square Feet Next 8 Qtrs	Proposed Square Feet Next 8 Qtrs
4,280	17,506	0	0

### PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



Source: CoStar

### RECENT DELIVERIES

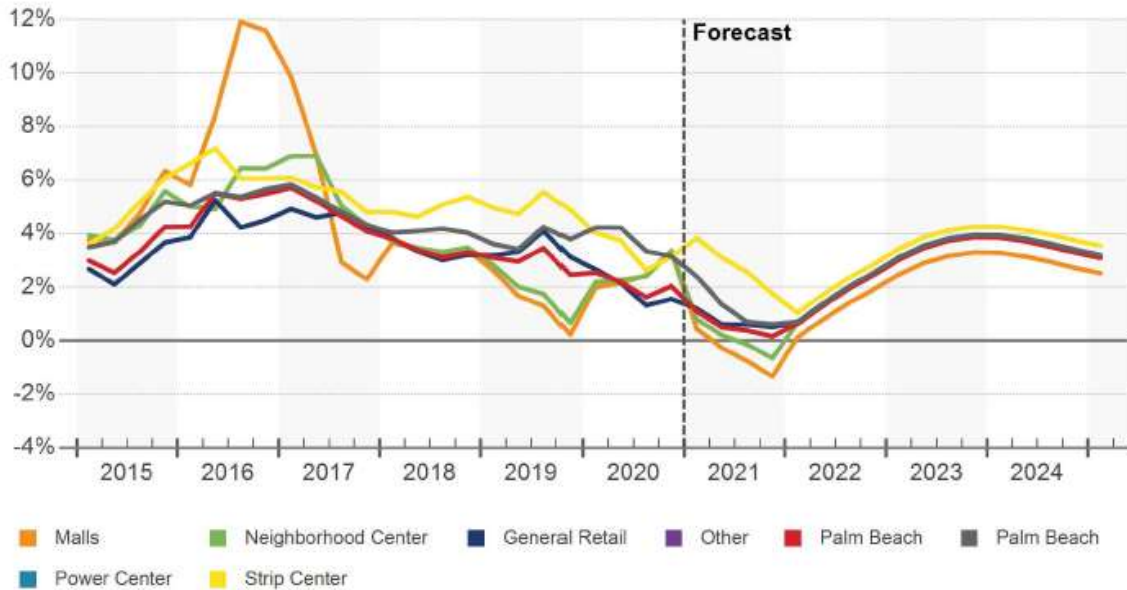
Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 Royal Poinciana Palm B... 221-231 Royal Poinciana...	★★★★☆	17,506	1	Dec 2017	Nov 2020	Frisbie Group The Breakers Palm Beach

Source: CoStar

## Rents

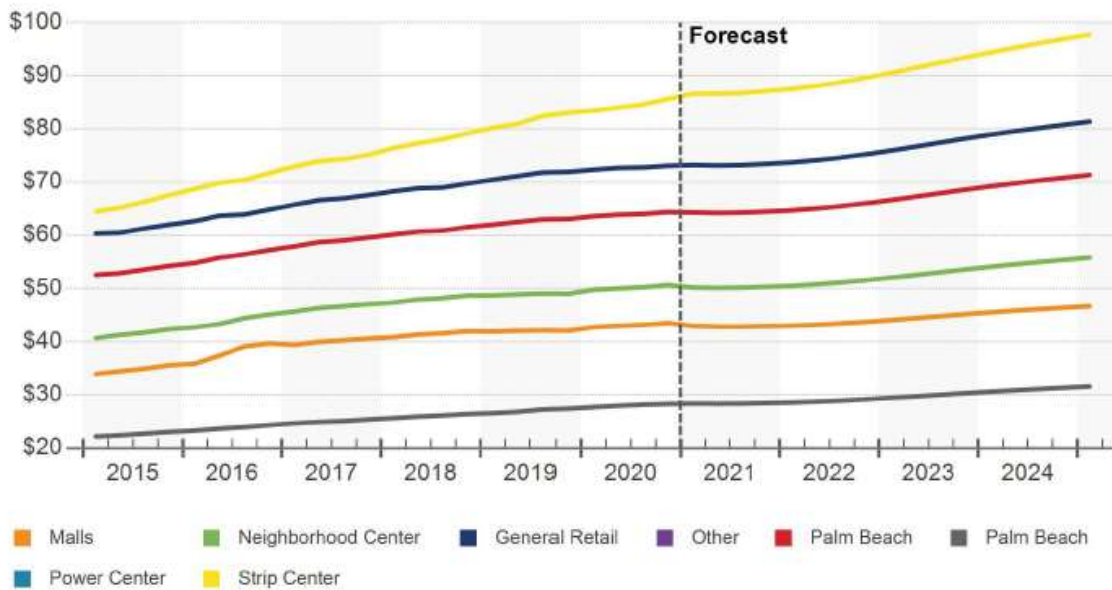
Historical and forecast rent levels and annual growth are shown on the following chart.

MARKET RENT GROWTH (YOY)



Source: CoStar

MARKET RENT PER SQUARE FEET

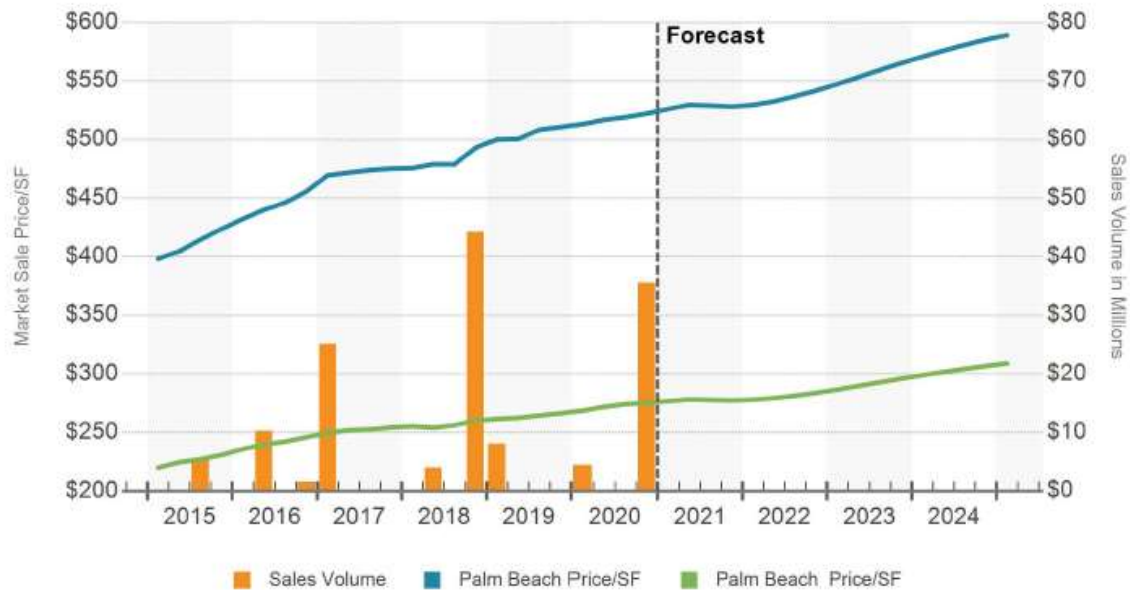


Source: CoStar

## Sales

Historical and forecast sales volume and median price are shown on the following chart.

SALES VOLUME & MARKET SALE PRICE PER SF



Source: CoStar

## SUBMARKET STATISTICS

### OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2025	1,104,082	7,676	0.7%	5,544	0.5%	1.4
2024	1,096,406	6,847	0.6%	4,678	0.4%	1.5
2023	1,089,559	4,715	0.4%	2,803	0.3%	1.7
2022	1,084,844	698	0.1%	1,128	0.1%	0.6
2021	1,084,146	(1,145)	-0.1%	(913)	-0.1%	-
YTD	1,085,291	0	0%	276	0%	0
2020	1,085,291	(2,494)	-0.2%	(256)	0%	-
2019	1,087,785	(18,508)	-1.7%	(60,278)	-5.5%	-
2018	1,106,293	0	0%	7,016	0.6%	0
2017	1,106,293	0	0%	(16,925)	-1.5%	-
2016	1,106,293	0	0%	47,342	4.3%	0
2015	1,106,293	0	0%	8,640	0.8%	0
2014	1,106,293	0	0%	45,071	4.1%	0
2013	1,106,293	0	0%	(36,379)	-3.3%	-
2012	1,106,293	0	0%	(492)	0%	-
2011	1,106,293	47,783	4.5%	39,070	3.5%	1.2
2010	1,058,510	0	0%	(18,852)	-1.8%	-
2009	1,058,510	0	0%	(40,962)	-3.9%	-

Source: CoStar

## OVERALL RENT &amp; VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2025	\$72.70	136	2.6%	13.0%	77,436	7.0%	0.1%
2024	\$70.85	133	3.3%	10.1%	75,478	6.9%	0.1%
2023	\$68.59	129	3.9%	6.6%	73,483	6.7%	0.1%
2022	\$66.04	124	2.4%	2.6%	71,656	6.6%	0%
2021	\$64.46	121	0.2%	0.2%	72,107	6.7%	0%
YTD	\$64.27	120	-0.1%	-0.1%	71,947	6.6%	0%
2020	\$64.36	121	2.0%	0%	72,223	6.7%	-0.2%
2019	\$63.07	118	2.5%	-2.0%	74,461	6.8%	3.9%
2018	\$61.56	115	3.3%	-4.4%	32,691	3.0%	-0.6%
2017	\$59.59	112	4.1%	-7.4%	39,707	3.6%	1.5%
2016	\$57.25	107	5.5%	-11.0%	22,782	2.1%	-4.3%
2015	\$54.27	102	4.2%	-15.7%	70,124	6.3%	-0.8%
2014	\$52.06	98	2.8%	-19.1%	78,764	7.1%	-4.1%
2013	\$50.63	95	3.0%	-21.3%	123,835	11.2%	3.3%
2012	\$49.14	92	1.0%	-23.7%	87,456	7.9%	0%
2011	\$48.66	91	-1.2%	-24.4%	86,964	7.9%	0.5%
2010	\$49.27	92	-2.8%	-23.4%	78,251	7.4%	1.8%
2009	\$50.67	95	-5.1%	-21.3%	59,399	5.6%	3.9%

Source: CoStar

## OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2025	-	-	-	-	-	-	\$599.79	192	5.8%
2024	-	-	-	-	-	-	\$585.18	187	5.8%
2023	-	-	-	-	-	-	\$565.20	181	5.8%
2022	-	-	-	-	-	-	\$541.83	173	5.8%
2021	-	-	-	-	-	-	\$528.04	169	5.8%
YTD	-	-	-	-	-	-	\$525.84	168	5.8%
2020	3	\$39.9M	2.0%	\$6,735,569	\$1,863.49	4.5%	\$522.11	167	5.8%
2019	1	\$8M	1.8%	\$8,000,000	\$400.00	-	\$510.69	163	5.9%
2018	8	\$48.2M	4.5%	\$6,023,500	\$974.28	-	\$493.26	158	5.9%
2017	3	\$25.1M	2.5%	\$12,550,000	\$1,050.43	-	\$475.21	152	5.9%
2016	6	\$11.8M	4.4%	\$2,050,000	\$239.29	-	\$455.62	146	5.9%
2015	1	\$5.3M	0.5%	\$5,250,000	\$1,012.93	-	\$423.66	135	6.0%
2014	7	\$165.1M	33.9%	\$23,580,711	\$439.62	-	\$385.41	123	6.3%
2013	6	\$37M	2.6%	\$6,169,236	\$1,289.15	4.0%	\$341.79	109	6.6%
2012	6	\$6.8M	1.9%	\$1,141,381	\$319.80	-	\$320.01	102	6.8%
2011	2	\$4.8M	1.7%	\$2,412,500	\$256.65	-	\$290.39	93	7.2%
2010	-	-	-	-	-	-	\$274.00	88	7.4%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.  
 (2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

Source: CoStar

## CONCLUSION

The subject is composed of two buildings, which are primarily used for retail space in the Palm Beach submarket along Worth Ave. In terms of overall market statistics, of the 13 submarkets analyzed, the submarket ranks 12<sup>th</sup> in terms existing inventory with approximately 1,085,000 SF. The overall average vacancy for all retail classes within the Palm Beach submarket is 6.6%, which is higher than the average vacancy for retail properties within Palm Beach County at 5.0%, which ranks 11<sup>th</sup> among the 13 submarkets analyzed. The average asking rental rate for retail properties within the subject's submarket is \$64.27/SF, which is the highest asking rental rate of the 13 submarkets analyzed, which is significantly higher than the average market rental rate for Palm Beach County, which is \$28.36/SF.

The Palm Beach retail submarket prior to the COVID-19 outbreak appeared to be performing well. However, retail locations identified as non-essential were forced to close at the onset of the pandemic. At the onset of the pandemic, rent deferment was common, as well as concessions by landlords.

In terms of vacancy, the overall retail average vacancy rate was 4.6% in 1Q2020, compared to the current overall retail average vacancy rate of 6.6%. However, along Worth Ave, there is currently minimal ground floor retail space available for lease. Many landlords elected to allow rent deferment and-or extend leases. In addition, based on household income levels of high-net worth individuals living around Worth Ave, retail locations appear to be operating at similar sales volume as compared to pre-COVID.

In terms of sales, there has been minimal sales over the past 12 months. Historically, improved sales along Worth Ave typically don't occur too often. However, there is some evidence of assemblage for redevelopment along adjacent roadways to Worth Ave.

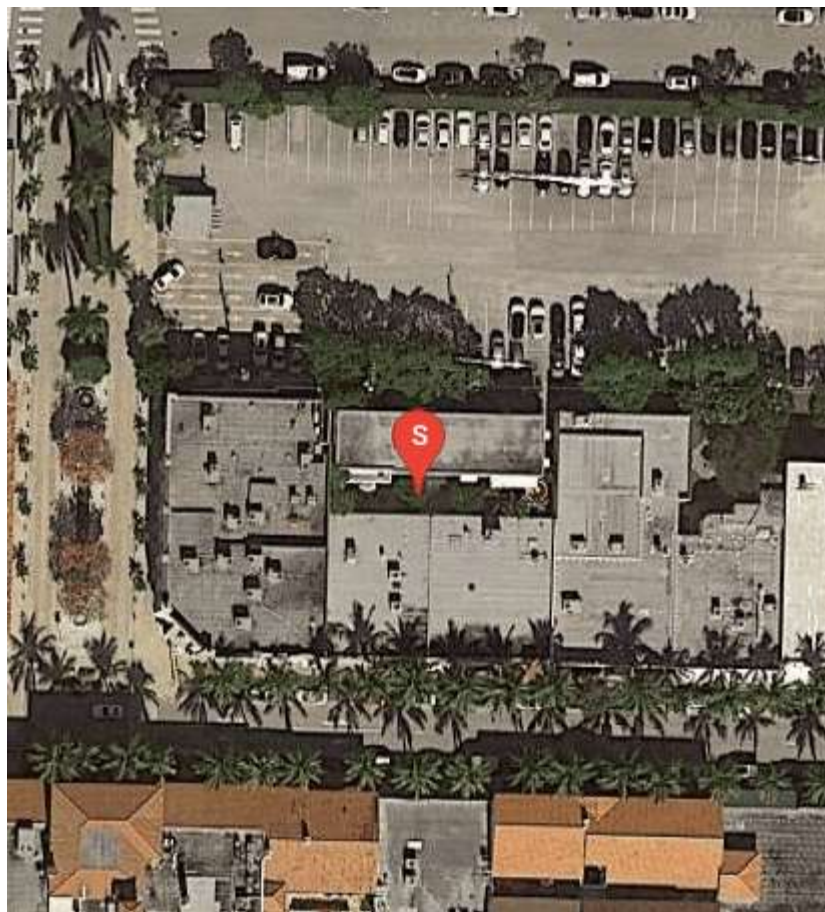
Land Summary				
Parcel ID/Tax ID	Gross Land Area (Acres)	Gross Land Area (SF)	Topography Type	Shape Type
50-43-43-23-05-015-0480	0.29	12,500	Level and below grade	Generally rectangular in shape

#### SITE DETAILS

<b>ADDRESS</b>	245-251 Worth Ave, Palm Beach, Palm Beach County, FL 33480
<b>PARCEL NUMBER</b>	50-43-43-23-05-015-0480
<b>LEGAL DESCRIPTION</b>	Included in Addenda
<b>LOCATION</b>	The subject is located along the north side of Worth Ave, east of Hibiscus Ave, in the City of Palm Beach, Palm Beach County, Florida.
<b>LOCATION TYPE</b>	Suburban
<b>MAP LATITUDE/LONGITUDE</b>	26.701147/-80.038343
<b>CENSUS TRACT</b>	12-099-0035.09
<b>SIZE</b>	12,500 SF or 0.29 acres
<b>ZONING</b>	The parcel is zoned "C-WA," under the jurisdiction of the Town of Palm Beach.
<b>PRIMARY FRONTAGE STREET</b>	Worth Ave
<b>ADJACENT PROPERTIES - NORTH</b>	Parking lot
<b>ADJACENT PROPERTIES - SOUTH</b>	Retail
<b>ADJACENT PROPERTIES - WEST</b>	Retail
<b>ADJACENT PROPERTIES - EAST</b>	Retail
<b>TRAFFIC COUNT</b>	4,350
<b>TRAFFIC COUNT YEAR</b>	2019
<b>VIEW</b>	Average
<b>ACCESS</b>	The subject does not contain any direct vehicular access, only pedestrian access. It is noted that directly north of the subject, a valet parking lot is available to retail tenants and customers.
<b>INGRESS/EGRESS</b>	The subject does not contain ingress/egress area for vehicles
<b>SITE VISIBILITY</b>	Good
<b>STREET LIGHTING</b>	The subject's adjacent roadways contain public pole-mounted electric lighting
<b>STREET CONDITION</b>	Paved with asphalt
<b>SIDEWALKS</b>	The subject's adjacent roadways contain concrete sidewalks in good condition
<b>CURBS AND GUTTERS</b>	The subject contains curbs and gutters
<b>LANDSCAPING</b>	The subject's landscaping is typical for the area.
<b>TOPOGRAPHY</b>	The subject's topography is level and below grade.
<b>SHAPE</b>	The subject site is generally rectangular in shape.
<b>SOIL CONDITIONS AND DRAINAGE</b>	The soil conditions observed at the subject appear to be typical of the region and adequate to support development.
<b>FLOOD ZONE</b>	The site lies within Zone AE. This information was obtained from the National Flood Insurance Rate Map Number 12099C0583F dated October 5, 2017.
<b>FLOOD ZONE DEFINITION</b>	The base floodplain where base flood elevations are provided. AE Zones are now used on new format FIRMs instead of A1-A30 Zones. In communities that participate in the NFIP, mandatory flood insurance purchase requirements apply to this zone.

<b>ENCUMBRANCES AND EASEMENTS</b>	There are no known adverse encumbrances or easements. Please reference Limiting Conditions and Assumptions.
<b>ENVIRONMENTAL HAZARDS</b>	There are no known adverse environmental conditions on the subject's site. Please reference Limiting Conditions and Assumptions.
<b>WETLANDS AND WATERSHEDS</b>	No wetlands were observed during our site inspection.
<b>ADEQUACY OF UTILITIES</b>	The subject's utilities are typical and adequate for the market area.
<b>PUBLIC ELECTRICITY</b>	Florida Public & Light
<b>WATER SUPPLY TYPE</b>	City water
<b>SEWER TYPE</b>	City sewer
<b>UNDERGROUND UTILITIES</b>	Yes
<b>POLICE AND FIRE PROTECTION</b>	Provided by the Town of Palm Beach
<b>CONCLUSION</b>	The subject site is considered well-suited to functionally support its current use.

AERIAL PHOTOGRAPH



Building Summary						
Building Name/ID	Year Built	Marshall Valuation		Condition	Number of Floors/Stories	Net Rentable
		Service	Building Quality			Area
245-251 Worth Ave - Front building	1950		Excellent	Good	one-story	6,000
245-251 Worth Ave - Rear building	1950		Excellent	Good	two-story	5,173
<b>Totals</b>						<b>11,173</b>
GENERAL DETAILS						

**DESCRIPTION** Briefly described, the subject consists of an excellent quality retail storefront property in good condition, consisting of two buildings with a total net rentable area of 11,173 SF. One building is a single-story structure that has direct frontage on Worth Avenue, with a net rentable area of 6,000 SF. The second building contains two-stories with a net rentable area of 5,173 SF, having no frontage or exposure to Worth Avenue. The second building was recently renovated to accommodate a new restaurant tenant and to update the remaining office/storage space within the second building. The subject is currently 100% occupied. According to public records, the subject was constructed in 1950. The subject's site consists of approximately 12,500 SF or approximately 0.29 acres of land. The site is generally rectangular in shape and is level and at street grade.

**LAND TO BUILDING RATIO** 1.12  
**FLOOR AREA RATIO** 0.89  
**NET RENTABLE AREA** 11,173

BUILDING DETAILS	
<b>BUILDING NAME</b>	245-251 Worth Ave - Front building
<b>BUILDING DESCRIPTION</b>	Retail Stores
<b>BUILDING CLASS</b>	C
<b>CONDITION</b>	Good
<b>YEAR BUILT</b>	1950
<b>EFFECTIVE AGE</b>	33
<b>TOTAL ECONOMIC LIFE</b>	50
<b>REMAINING ECONOMIC LIFE</b>	17
<b>NET RENTABLE AREA</b>	6,000
<b>CURRENT OCCUPANCY</b>	100%
<b>STABILIZED OCCUPANCY</b>	95%
<b>NET LEASED</b>	No
<b>TENANT TYPE</b>	Multi-Tenant
<b>APPEAL AND APPEARANCE</b>	Excellent
<b>DESIGN AND FUNCTIONAL UTILITY</b>	The overall layout of the improvements on the parcel is considered to be average.
<b>DEFERRED MAINTENANCE</b>	From an inspection of the property, no visible items of deferred maintenance were noted.

BUILDING DETAILS	
<b>BUILDING NAME</b>	245-251 Worth Ave - Rear building
<b>BUILDING DESCRIPTION</b>	Restaurants
<b>BUILDING CLASS</b>	C
<b>CONDITION</b>	Good
<b>YEAR BUILT</b>	1950
<b>EFFECTIVE AGE</b>	1
<b>TOTAL ECONOMIC LIFE</b>	50
<b>REMAINING ECONOMIC LIFE</b>	49
<b>NET RENTABLE AREA</b>	5,173
<b>CURRENT OCCUPANCY</b>	100%
<b>STABILIZED OCCUPANCY</b>	95%
<b>NET LEASED</b>	No
<b>TENANT TYPE</b>	Multi-Tenant
<b>APPEAL AND APPEARANCE</b>	Excellent
<b>DESIGN AND FUNCTIONAL UTILITY</b>	The overall layout of the improvements on the parcel is considered to be average.
<b>DEFERRED MAINTENANCE</b>	From an inspection of the property, no visible items of deferred maintenance were noted.

CONSTRUCTION DETAILS	
MARSHALL VALUATION SERVICE CLASS	C
MARSHALL VALUATION SERVICE QUALITY	Excellent
CONSTRUCTION TYPE	Concrete Block with Stucco
NUMBER OF STORIES	one-story
FOUNDATION	Poured concrete slab
FRAME	Poured Concrete
EXTERIOR WALLS/FINISH	Stucco
WINDOWS	Aluminum-framed insulated glass
ROOF TYPE	Flat
FLOOR PLAN LAYOUT	Average
FLOOR COVERING	Hardwood, Tile or Marble
INTERIOR WALLS	Painted drywall
CEILING COVER	Drywall
INTERIOR LIGHTING	Fluorescent fixtures
RESTROOMS	There are separate restrooms in each unit. The restrooms have tiled floors, tiled or painted walls and contain fixtures that are commercial quality.
HVAC	Electric
UTILITIES	All necessary utilities are available to the subject improvements, including public water & sewer, electricity, and telephone.
ELECTRICAL	Assumed to be in compliance with prevailing code requirements.
PLUMBING	Assumed to be in compliance with prevailing code requirements.
FIRE SPRINKLER	wet sprinkler heads
CAPITAL IMPROVEMENTS	The subject's rear building was recently renovated in October 2020. The renovations were made to the interior and exterior of the building, including the addition of an elevator and restaurant build-out. Based on information provided to us, the renovations added approximately 120 SF NRA to the rear building, which equates to 5,173 SF NRA total for the rear building. Details of the construction costs and specifications can be found in the following pages.

RENOVATION DETAILS

- Fire Sprinklers for 245A and 247A
- Impact- Rated Windows and Doors 245A and 247A
- Drainage and Exfiltration Trenches for Entire Property
- New Structural Metal
- Air Scrubber
- 3 New AC Units
- 600 Amp and 200 Amp Electrical Service
- Brand New Stucco
- New Paint
- Full Building Waterproofing and Flood Panels
- Stub-in of Future Utilities (Electrical Water and Sewer) for Future
- Elevator
- New Courtyard Paving
- New Courtyard Sub-base (Compacted Concrete)
- Asbestos Abatement – All Hazardous Material Removed
- All New Electrical System
- All New Plumbing System
- New Gas Meter and Utilities
- New Roof
- New Gutters

**According to information provided to us, the total cost of the renovation project was \$2,035,372.87. This cost did not include tenant improvements. In addition, approximately \$50,000 was spent on site improvements such as lighting and transfer switch for generator power**

The subject is zoned "C-WA," Worth Avenue District, under the jurisdiction of the Town of Palm Beach.

ZONE DETAILS	
<b>ZONING CODE</b>	C-WA
<b>ZONING DESCRIPTION</b>	Worth Avenue District
<b>PERMITTED USES</b>	Antiques, apparel and accessories, art galleries, crafts, pharmacy, hair styling, jewelry, perfumery, shoes, offices and professional and business services, among other similar uses.
<b>ZONED DENSITY</b>	A single dwelling unit, or multiple dwelling units not to exceed ten dwelling units per gross acre
<b>ZONED DENSITY/FAR</b>	For one and two-story buildings, the maximum gross floor area is 15,000 SF
<b>MAXIMUM LOT COVERAGE</b>	For one-story buildings, 75%; for two-story buildings 35%
<b>MINIMUM LOT AREA</b>	4,000 SF
<b>MINIMUM FRONTAGE</b>	30 feet
<b>LANDSCAPE OPEN SPACE</b>	For one-story buildings, minimum of 15%; for two-story buildings the minimum is 25%
<b>SET BACK DISTANCE</b>	All buildings shall be set back so as to provide at least a ten-foot wide pedestrian walkway between the street curbing and the building.
<b>SIDE YARD DISTANCE</b>	No minimum required for one-story structures, but a side yard shall be five feet if provided.
<b>REAR</b>	10 feet
<b>BUILDING HEIGHT</b>	15 feet for one-story buildings; 25 feet for two-story buildings
<b>COMMENTS</b>	The purpose of the 'C-WA,' Worth Avenue District, is to preserve and enhance an area of unique quality and character oriented to pedestrian comparison shopping and providing a wide range of retail and service establishments, to be developed whether as a unit or as individual parcels, serving the short-term and long-term needs of town persons. Drive-in facilities are not permitted. Further it shall be the intent of this district to enhance the town serving character of the area through use of limitations on maximum gross leasable area, thereby reducing the problems of parking and traffic congestion determined to result from establishments of a region-serving scale.

PARCEL DETAILS	
<b>CURRENT USE</b>	Retail development
<b>CURRENT USE LEGALLY CONFORMING?</b>	Is a legal and conforming use of the site.
<b>ZONING CHANGE MADE/REQUESTED?</b>	No

Based on a review of the subject in relation to the C-WA zoning district, it appears the subject is a legal and conforming use of the site. However, we are not experts in determining if a property is fully in compliance with all aspects of the zoning code. We suggest interested parties obtain a letter of zoning compliance from the Town of Palm Beach to determine if the subject is zoning compliant.

The subject is assessed by the Palm Beach County property appraiser's office, and is taxed by the Town of Palm Beach and Palm Beach County. According to public records, it appears there are no unpaid taxes as of the date of this report.

Assessments in the county are done by the any Florida County Property Appraiser's offices. The tax bills are sent in October, and paid by March of the following year. A 4% discount is given to bills paid in November, 3% to those paid in December, 2% if paid in January, and 1% if paid in February. Taxes paid after March are considered delinquent. Since assessments are completed annually, trends in assessed values have generally been increasing, as property values have increased.

School taxes are based on "market value." Non-school taxes are based on "assessed value." These values may be equal or may be different amounts, depending on the property.

The "market value" used to calculate school taxes can be increased with no cap, and is intended to be synonymous with the property's actual market value if it were to sell in the open market.

The "assessed value" used to calculate non-school taxes can be adjusted upward, but has a maximum cap. According to Florida law:

"Constitutional Amendment 1, approved by voters on January 29, 2008, was a provision to limit increases in the annual assessment of Non-Homestead properties to ten percent (10%). The base-year for implementing this change was 2008 and assessments were capped beginning in 2009.

- There is no application for the Non Homestead Cap as it applies automatically.
- Changes in ownership and use resets the Non Homestead Cap base year following the change. For example, filing a homestead exemption application removes the Non Homestead Cap.
- The Non-Homestead Cap limits increases in the assessed value to 10%, excluding School Board assessments."

Therefore, in times of increasing values, the "assessed value" (used to calculate non-school taxes) can fall below the "market value" (used to calculate school taxes).

The "market value" is multiplied by the millage rate(s) associated with the school district. The "assessed value" is multiplied by the millage rate associated with any non-school taxes. The two amounts are added together to arrive at the total ad valorem taxes. Any non-ad valorem taxes are then added to that amount to arrive at the total tax liability.

According to Florida law, if a property sells, then the "assessed value" will increase to the "market value." As we will demonstrate, the "market value" for tax purposes often falls below the actual sales price, and is not to be equated with our concluded opinion of market value.

The following table summarizes the subject's assessment and taxes:

Parcel ID	50-43-43-23-05-015-0480
Assessment Year	2020
Tax Authority Land Value	\$7,079,625
Tax Authority Improvements Value	\$4,679,410
Tax Authority Other Value	\$0
Total Market Value	\$11,759,035
Total Assessed Value	\$9,535,715
School Board Millage Rate	\$7.0100
Non-School Millage Rate	\$9.4839
School Board Millage Rate Taxes	\$82,431
Non-School Millage Rate Taxes	\$90,436
Total Tax Rate	\$16.4939
Tax Rate Per	\$1,000.00
Taxes	\$172,867
Special Assessments	\$27,799
Taxes with Special Assessments	\$200,665
Early Payment Discount Percentage	4%
Total Taxes	\$192,639

To estimate the subject's assessment and taxes, we have analyzed other properties in Palm Beach County. The tax comparables are outlined in the following table:

Address	223 Sunset Avenue	614 Brazilian Avenue	259 Worth Avenue	313 Worth Avenue	Average
Tax Parcel ID	50-43-43-22-31-000-1840	50-43-43-23-05-027-0320	50-43-43-23-05-015-0520	50-43-43-23-05-014-0190	
Date	02/20/2019	01/22/2019	10/01/2018	03/29/2017	
Price	\$10,200,000	\$8,000,000	\$20,000,000	\$19,500,000	\$14,425,000
Assessment Year	2020	2020	2019	2018	
Total Assessment	\$8,429,762	\$7,161,665	\$15,785,236	\$15,314,296	\$11,672,740
Assessment Percent	82.64%	89.52%	78.93%	78.53%	82.41%

Assessed value on properties with homestead exemption is the base year market value, adjusted for annual percentage factor (3% or Consumer Price Index (CPI), whichever is less), plus new construction.

- Assessed value cannot exceed market value.
- On properties that do not have homestead exemption, assessed value and market value are synonymous.

Florida law requires that the Property Appraiser assess all properties at market value as of January 1, of every year. To accomplish this task, sales from the prior years are used in valuing properties. For example, January 1, 2015 property assessments are based on sales activity from 2014.

In arriving at just valuation as required under section 4, Art. VII of the State Constitution, the property appraiser shall take into consideration eight criteria. The eight criteria states as follows:

"The net proceeds of the sale of the property, as received by the seller, after deduction of all of the usual and reasonable fees and costs of the sale, including the costs and expenses of financing, and allowance for unconventional or atypical terms of financing arrangements. When the net proceeds of the sale of any property are utilized, directly or indirectly, in the determination of just valuation of realty of the sold parcel or any other parcel under the provisions of this section, the property appraiser, for the purposes of such determination, shall exclude any portion of such net proceeds attributable to payments for household furnishings or other items of personal property."

As previously noted, within the State of Florida, assessments are supposed to approximate 100% of market value; however, in many instances, upon a sale of a property the assessed values equate to only 75% to 95% of market value. We therefore discussed the topic of assessments with the Palm Beach County Property Appraiser's office. They concurred that an assessment will typically fall at less than 100% of a property's market value when values are rising, but could not comment on a specific percent of value. In times when property values are falling, the actual assessed value will likely be at or close to 100% of the market value.

Based on our experience in various counties in Florida and in particular Palm Beach County, and considering the tax comparables presented, we estimate that upon reassessment, the subject's assessment would equate to approximately 75% to 95% of market value assuming a sale of the property. As the subject is under-assessed, we estimate the assessment would equate to 80% of the market value.

The subject's projected taxes are shown in the following table. Since our opinion of value is predicated on the assumption that the subject would sell (based on the definition of market value presented in the Introduction), we also estimate the subject would be reassessed and the school taxes and non-school taxes would be based on the new "market value," which would also equal the new "assessed value." Since "market value" equals "assessed value" after a sale, the combined millage rates (school tax millage and non-school tax millage) are multiplied by the new market value to arrive at the projected new taxes. Any non-ad valorem taxes are added to arrive at the total tax liability.

Parcel ID	50-43-43-23-05-015-0480
Projected Taxable Total Assessment	\$22,600,000
Percent Assessment	80%
Projected Total Assessment	\$18,080,000
Projected Millage Rate	\$16.4939
Tax Rate Per	\$1,000
Projected Taxes	\$298,210
Projected Special Assessments	\$27,799
Projected Total Taxes	\$326,008
Early Payment Discount Percentage	4%
Projected Total Taxes with Discount	\$312,968
Projected Taxes Rounded	\$310,000

The projected taxes are used in the Income Capitalization Approach.

The property appraiser typically relies on the comparable sales when concluding to an assessment. Therefore, we have relied on the results from our concluded market value for the subject in our estimation of the subject's future assessment and tax liability.

In determining the highest and best use of the property, consideration was given to the economic, legal, and social factors that motivate investors to develop, own, buy and sell, manage, and lease real estate.

In forming an opinion of the highest and best use of a vacant parcel of land, there are essentially four stages of analysis:

- **Physically Possible Use:** What uses of the site in question are physically possible?
- **Legally Permissible Use:** What uses are permitted by zoning and deed restrictions on the site in question?
- **Financially Feasible Use:** Which possible and permissible uses will produce a gross return to the owner of the site?
- **Maximally Productive:** Among the feasible uses, which will produce the highest return or highest present worth of the site in question?

The following tests must be met in estimating the highest and best use of a vacant parcel: the potential use must be physically possible and legally permissible, there must be a profitable demand for such a use, and it must return to the land the highest net return for the longest period of time. These tests have been applied to the subject's site and are discussed as follows:

#### PHYSICALLY POSSIBLE

The site is located on the north side of Worth Ave, in Palm Beach, FL. The underlying site consists of 12,500 SF or 0.29 acres. The subject's topography is level and below grade. As noted in the Assumptions and Limiting Conditions, we know of no environmental or engineering study that has been conducted on the site to determine subsoil conditions.

Upon analysis of all physical aspects, space, size, shape, terrain, location and others the most supportable highest and best uses of the site, as it relates to physical properties, are retail development.

#### LEGALLY PERMISSIBLE

The subject's site is zoned "C-WA," Worth Avenue District, under the jurisdiction of the Town of Palm Beach, FL. Reference is made to the Zoning section of this report. Permitted uses include Antiques, apparel and accessories, art galleries, crafts, pharmacy, hair styling, jewelry, perfumery, shoes, offices and professional and business services, among other similar uses..

Upon analysis of the permitted uses, the most supportable highest and best uses of the site, as it relates to what is legally permissible, are retail development.

#### FINANCIALLY FEASIBLE

Analysis for financially feasible uses for the site, as if vacant, involves consideration of several criteria. Unlike the physically possible and legally permissible aspects of the highest and best use analysis, many external economic factors serve to prove or disprove financial feasibility. The cost of acquisition, sources of capital, forecast of potential revenue/expenses, reversionary price forecast, property tax implications and measures of risk and yield are all determinant to this analysis. The above financial measures serve to eliminate the uses that would not provide a reasonable return to the land based on an investor's expectations.

The cost of land and its development limits the highest and best use of the site, generally to only those uses that are financially feasible.

We conclude that financially feasible uses of the site that are physically possible and legally permissible are retail development.

#### MAXIMALLY PRODUCTIVE

We considered those uses, as aforementioned, to meet the physically possible, legally permissible and financially feasible tests of the highest and best use definition. The final criteria for full compliance within the highest and best use of the subject, as vacant, is that of a maximally productive use. We conclude the maximally productive use of the site is retail development to the maximum allowable intensity.

#### HIGHEST AND BEST USE, AS IF VACANT

A final reconciliation of the analysis leads to the conclusion that the highest and best use of the site, as if vacant, is retail development to the maximum allowable intensity.

#### HIGHEST AND BEST USE, AS IMPROVED

We must also determine the highest and best use of the subject, as improved, by analyzing occupancy levels of various surrounding improvements, as well as the general needs within the area.

Similar buildings along Worth Avenue, such as the subject, typically have high-end retail along Worth Ave and additional retail and office within buildings that do not front along Worth Ave. The subject contains a separate rear building that was recently renovated. Prior to the recent renovations, the rear building was used as storage space for the retail tenants along Worth Ave, as well as office and retail space. Based on the current conditions of the subject's market, the highest and best use of the subject's rear building, as improved, are the current improvements.

Based on the current conditions of the subject's market, there appears to be no alternative use that would justify the removal or substantial alteration of the front building along Worth Ave. As such, the highest and best use of the front building, as improved, is the current improvements.

### IDENTIFICATION OF A LIKELY BUYER

The most likely buyer of a property such as the subject would be a large regional or national investor who would recognize the long-term economic potential of the property as market conditions improve. These factors will be considered in the valuation of the subject.

### VALUATION METHODOLOGIES

In appraising a property, there are three traditional valuation methodologies that can be applied: the Cost, Income Capitalization and Sales Comparison Approaches. Selection of one or more of the approaches in the appraisal of a property rests primarily upon the property type and its physical characteristics, as well as the quality and quantity of available market data.

The Cost Approach is based on the premise that an informed purchaser will not pay more for a property than it would cost him or her to construct a property of similar utility. This approach is most applicable when the subject is of new or nearly new construction and the improvements represent the highest and best use of the site. This approach is also particularly useful when appraising unique or special purpose properties where there are few, if any, comparable sales or leases.

The Income Capitalization Approach is based on the fundamental investment premise that the higher a property's earnings, the higher its value. Investment in an income-producing property represents the exchange of present dollars for the right to receive future dollars. In this approach, a value indication for an income-producing property is derived by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways: one year's income expectancy can be capitalized at a market-derived capitalization rate, or alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate. The Income Capitalization Approach typically provides the most meaningful estimate of value for income-producing properties.

The Sales Comparison Approach involves delineating appropriate units of measurement from comparable sales, in order to apply them to the subject's property. Adjustments are then made to the sales prices of the comparable properties based on various shared elements. This methodology may be used to value many different types of improved properties and vacant land, as long as there is a sufficient quantity of good-quality market data available. It becomes less reliable as the quantity and magnitude of adjustments increases, and it is generally not applicable to unique or special purpose properties.

The final step in the valuation process is the reconciliation or correlation of the value indications. In the reconciliation or correlation, we consider the relative applicability of each of the approaches used, examine the range between the value indications, and place major emphasis on the approach that appears to produce the most reliable and credible result.

### VALUATION METHODOLOGIES APPLICABLE TO THE SUBJECT PROPERTY

The Cost Approach was not utilized because the typical purchaser would not use this method when making a purchase decision, since the age of the improvements makes the depreciation highly subjective to accurately measure. The Cost Approach was not utilized based on the lack of land sales along Worth Ave. The Income Capitalization Approach was utilized because the subject is an income producing property and there is adequate data to develop a value estimate with this approach. The Sales Comparison Approach was utilized because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

Typically, a value estimate by the Income Capitalization Approach requires an analysis of the comparable and competing market for the type of property under appraisal and an estimate of market rent for that property.

Also required in the Income Capitalization Approach is an analysis of current investment policies relative to financing and rates of return for today's income property investor.

The subject is income-producing real estate purchased for the purpose of generating net annual income or cash flow to ownership. Net income or cash flow, the primary benefit of ownership, is the basis for determining value when value is recognized as the present worth of the future economic benefits arising out of ownership to typical users or investors.

The value indicated by the Income Capitalization Approach is a reflection of a prudent investor's analysis of an income-producing property. In this approach, the direct capitalization and discounted cash flow methods are used.

Future benefits are estimated by forecasting the gross earning potential of the property under prevailing and foreseeable market conditions. Appropriate allowances for vacancy and operating expenses, based on prevailing and foreseeable market trends, are then deducted from gross earnings. This process results in an estimate of net monetary benefits to ownership, which are then capitalized into a present worth.

### ECONOMIC PROFILE

Briefly described, the subject consists of an excellent quality retail storefront property in good condition, consisting of two buildings with a total net rentable area of 11,173 SF. One building is a single-story structure that has direct frontage on Worth Avenue, with a net rentable area of 6,000 SF. The second building contains two-stories with a net rentable area of 5,173 SF, having no frontage or exposure to Worth Avenue. The second building was recently renovated to accommodate a new restaurant tenant and to update the remaining office/storage space within the second building. The subject is currently 100% occupied. According to public records, the subject was constructed in 1950. The subject's site consists of approximately 12,500 SF or approximately 0.29 acres of land. The site is generally rectangular in shape and is level and at street grade.

To arrive at an estimate of market rental rates for the subject, we considered the comparables presented, as well as the actual leases in place at the subject. Often, the best indication of the subject's rental capability is the actual signed leases at the property. However, the majority of the leases are several years old. In addition, Sandro and Maje are currently paying 75% of the scheduled base rent. There was no agreement on behalf of the landlord to the reduced rent. Thus, we searched for recently signed ground floor retail comparables along Worth Ave, as well as asking retail rents and office rents. A summary of the subject's rent roll is shown in the following table.

Rent Roll													
Rent Roll Tenant/Unit Name	Suite No.	Space Type	# of Units	SF	% of Total	Lease Date End	Lease Term	Lease Type	Contract Rent*	Contract MG Rent/SF	Adjusted Contract		
											NNN Rent/SF	Market NNN Rent/SF	Cntr/Mkt Diff/SF
Loro Piana Storefront	245	Worth Ave Frontage	1	1,300	11.64%	5/15/2022	202 Mos.	Modified Gross	276,511	\$212.70	\$202.70	\$155	\$47.70
Sandro	247	Worth Ave Frontage	1	1,700	15.22%	5/1/2023	117 Mos.	Modified Gross	303,164	\$178.33	\$168.33	\$155	\$13.33
Daren Rubinfeld	247A	Rear 2nd Floor	1	250	2.24%	3/30/2024	61 Mos.	Modified Gross	27,872	\$111.49	\$101.49	\$60	\$41.49
Le Bilboquet	245A	Rear 1st Floor	1	4,423	39.59%	9/30/2035	180 Mos.	Modified Gross	220,000	\$49.74	\$39.74	\$70	(\$30.26)
Maje	249	Worth Ave Frontage	1	1,700	15.22%	5/1/2023	117 Mos.	Modified Gross	303,164	\$178.33	\$168.33	\$155	\$13.33
Brioni	251	Worth Ave Frontage	1	1,300	11.64%	4/30/2023	120 Mos.	Modified Gross	289,296	\$222.54	\$212.54	\$155	\$57.54
Loro Piana Storage	251B	Rear 2nd Floor	1	500	4.48%	5/15/2022	115 Mos.	Gross	35,691	\$71.38	\$66.38	\$60	\$6.38
		Totals	7	11,173	100.00%				\$1,455,698	\$130.29			
		Leased	7	11,173	100.00%								
		Vacant	0	0	0.00%								

\*Contract Rent = Annualized rent as of appraisal date

Recent Leases					
Tenant	Space Type	Lease Date Start	Lease Date End	Contract Rent*	Contract Rent/SF
Le Bilboquet	Rear 1st Floor	10/1/2020	9/30/2035	\$220,000	\$49.74
Daren Rubinfeld	Rear 2nd Floor	3/1/2019	3/30/2024	\$27,872	\$111.49

\*Contract Rent = Annualized rent as of appraisal date

Based on market rent comparables, the recent restaurant lease appears to be below market rent. Based on our conversation with the owner, there appears to be an affiliation between the restaurant tenant and the subject's owner.

Lease Expirations				
Year Ending	SF Expiring*	% of Total	Cumulative	% of Total
3/8/2022	0	0.00%	0	0.00%
3/8/2023	1,800	16.11%	1,800	16.11%
3/8/2024	4,700	42.07%	6,500	58.18%
3/8/2025	250	2.24%	6,750	60.41%
3/8/2026	0	0.00%	6,750	60.41%
3/8/2027	0	0.00%	6,750	60.41%
3/8/2028	0	0.00%	6,750	60.41%
3/8/2029	0	0.00%	6,750	60.41%
3/8/2030	0	0.00%	6,750	60.41%
3/8/2031	0	0.00%	6,750	60.41%

\*Existing leases only. Projected leases, if any, excluded

### MARKET RENT COMPARABLES

The subject is primarily composed of high-end retail tenants along Worth Ave. The subject also contains a rear building that is primarily occupied by a boutique restaurant tenant. We searched for similar comparable high-end retail rents within the subject's neighborhood.

A portion of the rear building is utilized as office space and storage. Along Worth Ave, space above ground retail is typically utilized as office space. Thus, we searched for 2<sup>nd</sup> floor Office rent comps.

Comparable Rents #1, 2, 3 and 4 were utilized for Worth Ave ground floor retail comparables. Comparable Rents #5, 6 and 7 were utilized for office space comparables. The pertinent data relating to these comparables can be found on the following pages.

Lease Comparable 1



Location

<b>Name</b>	244 Worth Ave	<b>County</b>	Palm Beach County
<b>Address</b>	244 Worth Ave	<b>Zip</b>	33480
<b>City</b>	Palm Beach	<b>Tax Parcel ID</b>	50-43-43-23-05-018-0050
<b>State</b>	FL		

Site & Improvements

<b>NRA</b>	32,380	<b>Year Built</b>	1931
<b>No. of Floors</b>	NA	<b>No. of Buildings</b>	8
<b>Land SF</b>	43,499	<b>Land Acres</b>	1.00
<b>MVS Quality</b>	Good	<b>Condition</b>	Good
<b>LTB Ratio</b>	1.34	<b>Parking Type</b>	NA

Asking Rental Data

<b>Rental Rate</b>	\$211.00	<b>Expenses</b>	NA
<b>Lease Type</b>	NNN	<b>Avg Lease Term</b>	2 years
<b>Escalation</b>	3% per annum	<b>Occupancy</b>	0%
<b>TI Allowance</b>	None	<b>Lease Concessions</b>	None
		<b>Verification</b>	Confidential- Actual lease

Comments

Unit 244 Worth Ave is located within the 224 Worth Ave retail development site. Unit 244 was recently vacated by Jimmy Choo, and a new retail lease was signed on 3/5/2021. The unit contains approximately 1,136 SF. Lease terms: 2 Yrs, \$20,000/month and reimbursement for CAM and RE taxes. The new tenant will utilize the space as an art gallery.

Lease Comparable 2



Location

<b>Name</b>	331 Worth Avenue	<b>County</b>	Palm Beach
<b>Address</b>	331 Worth Avenue	<b>Zip</b>	33480
<b>City</b>	Palm Beach	<b>Tax Parcel ID</b>	50-43-43-23-05-014-0430
<b>State</b>	FL		

Site & Improvements

<b>NRA</b>	2,655	<b>Year Built</b>	1925
<b>No. of Floors</b>	1	<b>No. of Buildings</b>	1
<b>Land SF</b>	3,123	<b>Land Acres</b>	0.07
<b>MVS Quality</b>	Good	<b>Condition</b>	Good
<b>LTB Ratio</b>	1.18	<b>Parking Type</b>	NA

Asking Rental Data

<b>Rental Rate</b>	\$99.45	<b>Expenses</b>	\$22.60
<b>Lease Type</b>	NNN	<b>Avg Lease Term</b>	3 - 5 Years
<b>Escalation</b>	CPI	<b>Occupancy</b>	
<b>TI Allowance</b>	Negotiable	<b>Lease Concessions</b>	None
		<b>Verification</b>	Broker

Comments

This property is currently asking \$22,000/month or \$99.44/SF and an additional \$22.60/SF for operating expenses reimbursement for a 2,655 SF ground-floor retail space with frontage on Worth Avenue.

Lease Comparable 3



Location

<b>Name</b>	243 Worth Avenue	<b>County</b>	Palm Beach County
<b>Address</b>	237-243 Worth Avenue	<b>Zip</b>	33480
<b>City</b>	Palm Beach	<b>Tax Parcel ID</b>	50-43-43-23-05-015-0440
<b>State</b>	FL		

Site & Improvements

<b>NRA</b>	8,528	<b>Year Built</b>	1925
<b>No. of Floors</b>	1	<b>No. of Buildings</b>	1
<b>Land SF</b>	12,500	<b>Land Acres</b>	0.29
<b>MVS Quality</b>	Good	<b>Condition</b>	Good
<b>LTB Ratio</b>	1.47	<b>Parking Type</b>	Street

Asking Rental Data

<b>Rental Rate</b>	\$130.00	<b>Expenses</b>	\$30.00
<b>Lease Type</b>	NNN	<b>Avg Lease Term</b>	5 - 10 years
<b>Escalation</b>	CPI or Stepped	<b>Occupancy</b>	52%
<b>TI Allowance</b>	Negotiable	<b>Lease Concessions</b>	Negotiable
		<b>Verification</b>	Leasing Agent

Comments

The available space within this building consists of the former Giorgio Armani store containing 4,878 SF. The space has been available for more than two years. The broker stated that the space is too large and they are considering creating a multi-tenant space. The broker stated that he projects this space will lease at a triple net rate of \$130/SF + pass through expenses of \$30/SF.

Lease Comparable 4



Location

<b>Name</b>	326 Peruvian Ave	<b>County</b>	Palm Beach County
<b>Address</b>	326 Peruvian Ave	<b>Zip</b>	33480
<b>City</b>	Palm Beach	<b>Tax Parcel ID</b>	50-43-43-23-05-014-0170
<b>State</b>	FL		

Site & Improvements

<b>NRA</b>	4,687	<b>Year Built</b>	1958
<b>No. of Floors</b>	1	<b>No. of Buildings</b>	1
<b>Land SF</b>	6,251	<b>Land Acres</b>	0.14
<b>MVS Quality</b>	Good	<b>Condition</b>	Average/Good
<b>LTB Ratio</b>	1.33	<b>Parking Type</b>	Street

Asking Rental Data

<b>Rental Rate</b>	\$106.56	<b>Expenses</b>	NA
<b>Lease Type</b>	NNN	<b>Avg Lease Term</b>	5 - 10 years
<b>Escalation</b>	CPI or Stepped	<b>Occupancy</b>	100%
<b>TI Allowance</b>	Negotiable	<b>Lease Concessions</b>	Negotiable
		<b>Verification</b>	Leasing Agent

Comments

The building is located one street north of Worth Ave. The building is composed of several retail suites with an overall 4,637 SF NRA. The most recent suite (#9) was lease at a triple net rate of \$106.56/SF + pass through expenses. The lease is for a one year term.

Lease Comparable 5



Location

<b>Name</b>	303 Worth Avenue	<b>County</b>	Palm Beach County
<b>Address</b>	301-303 Worth Avenue	<b>Zip</b>	33480
<b>City</b>	Palm Beach	<b>Tax Parcel ID</b>	50-43-43-23-05-014-0242
<b>State</b>	FL		

Site & Improvements

<b>NRA</b>	22,017	<b>Year Built</b>	1929
<b>No. of Floors</b>	2	<b>No. of Buildings</b>	1
<b>Land SF</b>	16,447	<b>Land Acres</b>	0.38
<b>MVS Quality</b>	Good	<b>Condition</b>	Good
<b>LTB Ratio</b>	0.75	<b>Parking Type</b>	Street

Asking Rental Data

<b>Rental Rate</b>	\$65.00	<b>Expenses</b>	\$25.00
<b>Lease Type</b>	NNN	<b>Avg Lease Term</b>	3 Years
<b>Escalation</b>	CPI	<b>Occupancy</b>	89.00%
<b>TI Allowance</b>	None	<b>Lease Concessions</b>	None
		<b>Verification</b>	Broker

Comments

This is a luxury retail property located at 303 Worth Avenue in Palm Beach, FL. There is a 2,500 SF second floor office space that is available for \$65.00/SF NNN.

Lease Comparable 6



Location

<b>Name</b>	150 Worth Avenue	<b>County</b>	Palm Beach
<b>Address</b>	150 Worth Avenue	<b>Zip</b>	33480
<b>City</b>	Palm Beach	<b>Tax Parcel ID</b>	50-43-43-23-05-017-0011
<b>State</b>	FL		

Site & Improvements

<b>NRA</b>	94,229	<b>Year Built</b>	1979
<b>No. of Floors</b>	3	<b>No. of Buildings</b>	1
<b>Land SF</b>	87,890	<b>Land Acres</b>	2.02
<b>MVS Quality</b>	Good	<b>Condition</b>	Good
<b>LTB Ratio</b>	0.93	<b>Parking Type</b>	Street

Asking Rental Data

<b>Rental Rate</b>	\$70.00	<b>Expenses</b>	NA
<b>Lease Type</b>	Modified Gross	<b>Avg Lease Term</b>	5 Years
<b>Escalation</b>	CPI	<b>Occupancy</b>	97.00%
<b>TI Allowance</b>	Negotiable	<b>Lease Concessions</b>	None
		<b>Verification</b>	Broker

Comments

This is the asking rental rate for second-floor office space. This open-air mall is anchored by Neiman Marcus and Saks Fifth Avenue. The mall also features designer boutiques like Louis Vuitton, Emilio Pucci, Hugo Boss, Christofle, Rene Caovilla, Caviarateria, Kieselstein-Cord, Lacoste, Georgette Klinger Spa and many more.

Lease Comparable 7



Location

<b>Name</b>	125 Worth Avenue	<b>County</b>	Palm Beach County
<b>Address</b>	125 Worth Avenue	<b>Zip</b>	33480
<b>City</b>	Palm Beach	<b>Tax Parcel ID</b>	50-43-43-23-05-016-0380
<b>State</b>	FL		

Site & Improvements

<b>NRA</b>	49,853	<b>Year Built</b>	1974
<b>No. of Floors</b>	3	<b>No. of Buildings</b>	1
<b>Land SF</b>	49,401	<b>Land Acres</b>	1.13
<b>MVS Quality</b>	Good	<b>Condition</b>	Good
<b>LTB Ratio</b>	0.99	<b>Parking Type</b>	NA

Asking Rental Data

<b>Rental Rate</b>	\$62.50	<b>Expenses</b>	\$20.00
<b>Lease Type</b>	NNN	<b>Avg Lease Term</b>	2 Years
<b>Escalation</b>	CPI	<b>Occupancy</b>	95.00%
<b>TI Allowance</b>	Negotiable	<b>Lease Concessions</b>	Negotiable
		<b>Verification</b>	Broker

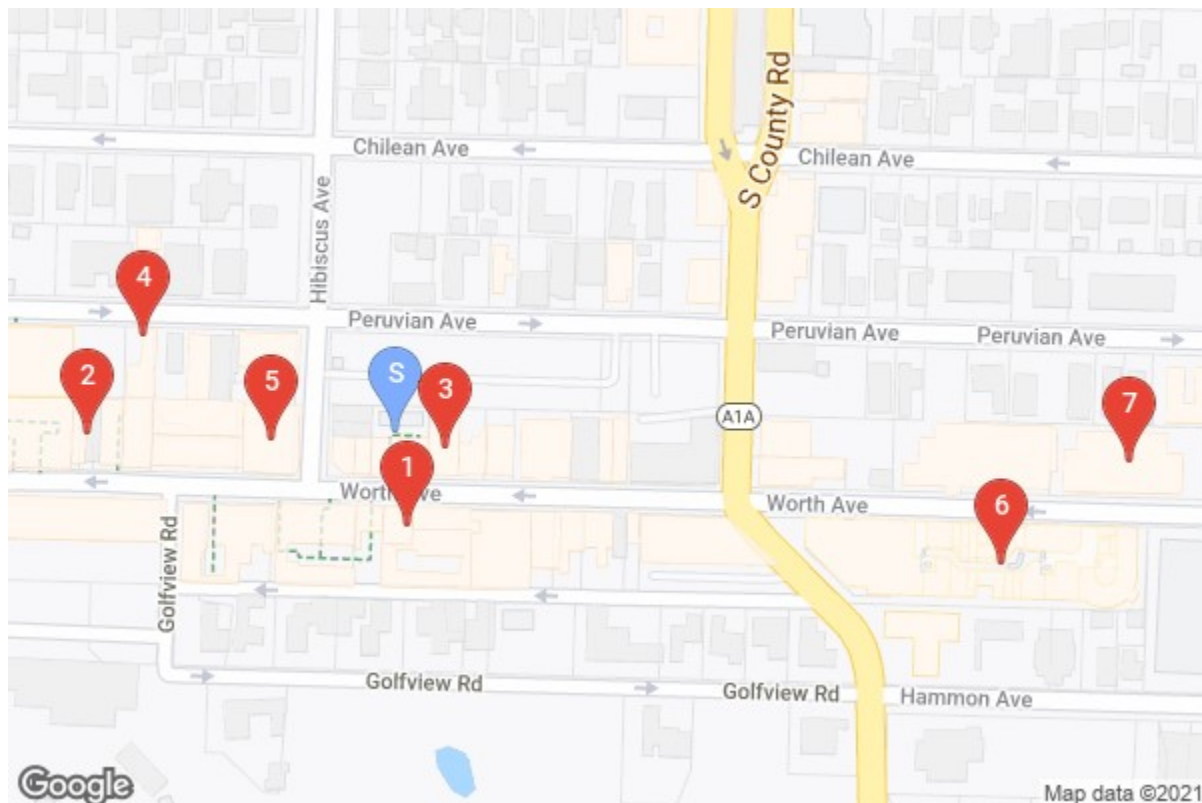
Comments

This is a mixed-use property with street-level retail space on the first floor and office space on the upper two floors. According to the listing broker, the asking rental rate for the street-level retail space is below that of the mid-block Worth Avenue properties since 125 Worth Avenue is located at the eastern end of the terminus of Worth Avenue where there is little foot traffic. The quoted rate for the office space is \$50.00/SF to \$75.00/SF.

RENT COMPARABLES SUMMARY

Comp	Name	Year Built	MVS Quality Condition	Rental Rate	Lease Type Avg Lease Term
1	244 Worth Ave	1931	Good	\$211.00	NNN 2 years
2	331 Worth Avenue	1925	Good	\$99.45	NNN 3 - 5 Years
3	243 Worth Avenue	1925	Good	\$130.00	NNN 5 - 10 years
4	326 Peruvian Ave	1958	Good	\$106.56	NNN 5 - 10 years
5	303 Worth Avenue	1929	Good	\$65.00	NNN 3 Years
6	150 Worth Avenue	1979	Good	\$70.00	Modified Gross 5 Years
7	125 Worth Avenue	1974	Good	\$62.50	NNN 2 Years

RENT COMPARABLES MAP



### ANALYSIS OF RENT COMPARABLES

To estimate the value of the subject, an analysis of the rent comparables and the adjustments made to them is utilized to estimate a market rental rate for the subject.

#### Conditions of Lease

The conditions of lease for each comparable are shown in the adjustment grid.

Comparables 1 and 4 represent recent actual signed leases, no adjustments are needed. The remaining comparables represent asking rents, and were adjusted downward for lease negotiations.

#### Expenses

All of the comparables except for Comp 6 is based on a NNN basis. Comp 6 is based on a Modified Gross basis and was adjusted downward to a NNN basis. The remaining comparables are based on NNN basis and no adjustments are needed.

#### Location

The adjustment for location reflects the trend that properties in areas of active growth and development, as well as those which offer good accessibility in terms of frontage on major thoroughfares, typically have a higher rental rate than properties which do not offer these attributes, with all other factors held constant.

Comparables 1, 2 and 3 are located along Worth Ave, similar to the subject, and no adjustments are needed. Comparable 4 is located on a secondary roadway along Peruvian Ave, and is considered inferior in terms of location. Comparables 5, 6 and 7 are also located along Worth Ave, and no adjustments are needed.

#### Age (Year Built)

Adjustments are applied to the comparables on the basis of age. Typically, the older a building's improvements, the lower the income it can achieve in the market and the shorter its remaining economic life; thus, it will generate a lower rental rate, with all other factors held constant. The subject was built in 1950. The effective age for the property is estimated to be 18 years old.

The comparables are of similar age of construction, and no adjustments are needed.

#### Construction Quality (MVS Quality)

Adjustments are applied to the comparables on the basis of quality of construction, design and market appeal. The more inferior a comparable's quality of improvements, the lower the rental rate it can achieve in the market, with all other factors held constant. The subject is a excellent quality property.

The comparables are considered to be inferior in construction quality compared to the subject and were adjusted upward.

#### Condition

Adjustments are applied to the comparables on the basis of relative condition. The more inferior a comparable's condition, the lower the rental rate it can achieve in the market, with all other factors held constant. The subject is in good condition.

Comparable 4 is considered to be Average/Good in condition, which is inferior to the subject, and was adjusted upward. The remaining comparables feature a similar condition as the subject, and no adjustments are needed.

#### No. of Floors

The subject is composed of two separate buildings. The primary retail building along Worth Ave is a one-story structure. The rear building is a two-story structure.

Comparable rents #1, 2, 3 and 4 are primarily a one-story structure and are considered superior compared to the subject and were adjusted downward. Comparable rents #5, 6 and 7 are primarily a two or three-story structure and are considered inferior compared to the subject and were adjusted upward.

### RENT COMPARABLES ANALYSIS CONCLUSION

The previously described adjustments are summarized in the following grid. The percentage adjustments are used to show the emphasis placed on each adjustment.

Lease Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6	Comp 7
Name	245-251 Worth Ave	244 Worth Ave	331 Worth Avenue	243 Worth Avenue	326 Peruvian Ave	303 Worth Avenue	150 Worth Avenue	125 Worth Avenue
Address	245-251 Worth Ave	244 Worth Ave	331 Worth Avenue	237-243 Worth Avenue	326 Peruvian Ave	301-303 Worth	150 Worth Avenue	125 Worth Avenue
City	Palm Beach	Palm Beach	Palm Beach	Palm Beach	Palm Beach	Palm Beach	Palm Beach	Palm Beach
State	FL	FL	FL	FL	FL	FL	FL	FL
<b>Asking Rents</b>								
Rental Rate		\$211.00	\$99.45	\$130.00	\$106.56	\$65.00	\$70.00	\$62.50
Lease Type		NNN	NNN	NNN	NNN	NNN	Modified Gross	NNN
Expenses		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$5.00	\$0.00
Avg Lease Term		2 years	3 - 5 Years	5 - 10 years	5 - 10 years	3 Years	5 Years	2 Years
Lease Concessions		None	None	Negotiable	Negotiable	None	None	Negotiable
Escalation		3% per annum	CPI	CPI or Stepped	CPI or Stepped	CPI	CPI	CPI
Date		3/5/2021	3/15/2021	3/15/2021	4/15/2020	3/1/2021	3/15/2021	3/15/2021
<b>Rent</b>		<b>\$211.00</b>	<b>\$99.45</b>	<b>\$130.00</b>	<b>\$106.56</b>	<b>\$65.00</b>	<b>\$65.00</b>	<b>\$62.50</b>
<b>Transactional Adjustments</b>								
Conditions of Lease		Actual 0%	Asking -10%	Asking -10%	Actual 0%	Asking -10%	Asking -10%	Asking -10%
<b>Adjusted Rent</b>		<b>\$211.00</b>	<b>\$89.51</b>	<b>\$117.00</b>	<b>\$106.56</b>	<b>\$58.50</b>	<b>\$53.50</b>	<b>\$56.25</b>
Location		Similar	Similar	Similar	Inferior	Similar	Similar	Similar
% Adjustment		0%	0%	0%	25%	0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$26.64	\$0.00	\$0.00	\$0.00
Year Built	1950	1931	1925	1925	1958	1929	1979	1974
% Adjustment		0%	0%	0%	0%	0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MVS Quality	Excellent	Good	Good	Good	Good	Good	Good	Good
% Adjustment		5%	5%	5%	5%	5%	5%	5%
\$ Adjustment		\$10.55	\$4.48	\$5.85	\$5.33	\$2.93	\$2.68	\$2.81
Condition	Good	Good	Good	Good	Average/Good	Good	Good	Good
% Adjustment		0%	0%	0%	5%	0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$5.33	\$0.00	\$0.00	\$0.00
No. of Floors	1 - 2	1	1	1	1	2	3	3
% Adjustment		-2.5%	-2.5%	-2.5%	-2.5%	2.5%	5%	5%
\$ Adjustment		-\$5.28	-\$2.24	-\$2.93	-\$2.66	\$1.46	\$2.68	\$2.81
<b>Adjusted Rent</b>		<b>\$216.28</b>	<b>\$91.74</b>	<b>\$119.93</b>	<b>\$141.19</b>	<b>\$62.89</b>	<b>\$58.85</b>	<b>\$61.88</b>
Property Adjustments (Net)		2.5%	2.5%	2.5%	32.5%	7.5%	10%	10%
Property Adjustments (Gross)		7.5%	7.5%	7.5%	37.5%	7.5%	10%	10%

We also considered additional confidential retail data of a similar high-end retail location near the subject. However, this location is located west of the subject and not along Worth Ave.

CONFIDENTIAL RETAIL DATA					
Tenant	SF	Lease Date Start	Lease Type	Contract Rent*	Contract Rent/SF
Retail Tenant	784	11/1/2018	NNN	\$ 112,321	\$ 143.27
Retail Tenant	1649	2/1/2018	NNN	\$ 204,930	\$ 124.28
Retail Tenant	1936	2/1/2019	NNN	\$ 226,536	\$ 117.01
Retail Tenant	2119	1/1/2020	NNN	\$ 264,875	\$ 125.00
Retail Tenant	993	11/1/2018	NNN	\$ 124,918	\$ 125.80
Retail Tenant	1089	1/1/2020	NNN	\$ 125,235	\$ 115.00
Average					\$ 125.06
Median					\$ 124.64

The confidential data ranges from \$115/SF to \$143/SF, with an average rental rate of \$125/SF.

### MARKET RENT CONCLUSION

The rent comparables are composed of retail space located within close proximity to the subject or similar high-end retail locations in South Florida. In the subject's neighborhood, the typical retail space along Worth Ave is leased on an NNN, with operating expense reimbursement. The typical expense reimbursements for NNN leases consists of real estate taxes, insurance and CAM.

The ground floor retail comparable rents, after adjustments, indicate a base rental rate between \$91.74/SF to \$216.28/SF, with an average of \$141/SF. Comparable rents 1 and 4 represent actual signed leases within the last 12 months. We placed 70% emphasis on Comparable rents 1 and 4 and 30% emphasis on Comparable rents 3 and 4. The weighted average equates to \$157/SF. Therefore, we conclude to \$155.00/SF NNN basis, with operating expenses being passed through to the tenants.

It is noted that the current leases in place for retail and office tenants are on a modified gross basis, with the tenants responsible for paying a percentage of any increase in RE taxes and-or CAM above a base year. Storage space on the second floor of the rear building is currently leased on a Gross basis.

We also considered rental rates for office and-or storage space for the subject's rear building. We placed primary emphasis on Comparable 5 for 2<sup>nd</sup> floor space as it represents second floor space along Worth Avenue. The office rent comparables range from \$62.50/SF to \$65/SF on a triple net basis, before property adjustments.

The recent renovations renovated the majority of the rear building with restaurant space. Newly renovated space typically commands a higher rental rate. It is our opinion that the market rent for the ground floor appears to be towards the higher end of the range. Considering the current rental rates being achieved at the subject, as well as the rent comparables, we have projected a market rental rate for restaurant space on the ground floor within the rear building at the subject of \$70.00/SF, NNN. Also, we have applied \$60/SF NNN to the space on the second floor occupied by office and storage tenants.

Therefore, based on the information presented, we conclude to the following market rate rental schedule. The following table summarizes market rent by space type at the subject.

Market Rent by Space Type					
Space Type	Rent	Method	Increases	Type	Term
Worth Ave Frontage	\$155.00	\$/SF/Year	3% per annum	NNN	10 years
Rear 1st Floor	\$70.00	\$/SF/Year	3% per annum	NNN	5 years
Rear 2nd Floor	\$60.00	\$/SF/Year	3% per annum	NNN	5 years

**Absorption**

The subject is currently 100% occupied. The subject has historically maintained 100% occupancy. We have applied no reduction for absorption or lease-up costs.

**Base Rent Loss**

As stated earlier, tenants Sandro and Maje are currently paying 75% of the scheduled base rent. The landlord never agreed to the reduced rent. In addition, the landlord is currently seeking to recover the unpaid rent by the tenants. The reduced rent by the tenants has been in place for the past several months. Based on the type of tenant and other potential locations along Worth Ave and-or in Palm Beach, there is a potential that the tenants could continue to pay 75% of their base rent until the lease expires. Thus, we considered and applied the 75% base rent for Sandro and Maje for their current lease term. Upon expiration, the leases were then rolled to market rate.

The appraisers' projected expense is exhibited below.

Projection - Base Rent Loss - Subject		
	Direct Cap Projection	DCF As Is
Amount	(\$154,234)	(\$154,234)
Per SF	(\$13.80)	(\$13.80)

**Expense Reimbursement Revenue**

The subject's current lease for storage space is on a gross basis, which does not reimburse for any operating expenses. Retail and office tenants are currently leased on a Modified Gross basis. The tenants on a modified gross basis lease are responsible for paying a percentage of any increases in real estate taxes and/or CAM above a base year. Our projections for the subject include the current percentage of any increases in real estate taxes and/or CAM above a base year. The subject's historical income and the appraisers' projected income are exhibited below.

Expense Reimbursement Revenue - Subject						
	Direct Cap Projection	DCF As Is	Actual 2020	Actual 2019	Actual 2018	Actual 2017
Amount	\$240,350	\$240,350	\$51,796	\$64,218	\$48,717	\$46,805
Per SF	\$21.51	\$21.51	\$4.64	\$5.75	\$4.36	\$4.19

**Vacancy and Collection Loss**

Vacancy and collection loss reflects the fact that most income-producing properties have a certain amount of vacancy and rental income loss. The vacancy factor is determined primarily by current market conditions; however, other determinants such as management competency can also affect this factor. As stated in the market analysis, the overall vacancy rate for retail space within Palm Beach County is 5.0%, while the subject's Palm Beach submarket has a vacancy rate of 6.6%. In the market analysis, we also discussed the availability of ground floor retail along Worth Ave. At this time, Worth Ave remains a highly sought-after corridor based on high-end retailers, as well as high-net worth individuals that reside near Worth Ave. Thus, we have utilized a vacancy and collection loss factor of 5% throughout our projection period.

Projection - Vacancy and Collection Loss - Subject		
	Direct Cap Projection	DCF As Is
Amount	(\$77,794)	(\$77,794)
Per SF	(\$6.96)	(\$6.96)
% of PGI	(5.00%)	(5.00%)

### POTENTIAL AND EFFECTIVE GROSS INCOME

The potential gross income figure includes base rent plus operating expenses reimbursements. Effective gross income is income remaining after an allowance for vacancy and collection loss has been made. The following displays our projected year one income based on the stabilized cash flow.

Unit/Space Type	SF/Units	Total	Rent
Base Rental Revenue:		\$1,469,772	
		Total	\$/SF
Base Rental Revenue		\$1,469,772	\$131.55
Base Rent Loss		(\$154,234)	(\$13.80)
Expense Reimbursement Revenue		\$240,350	\$21.51
Potential Gross Income		\$1,555,888	\$139.25
Vacancy and Collection Loss		(\$77,794)	(\$6.96)
Effective Gross Income		\$1,478,094	\$132.29

The subject's historical and projected EGI is exhibited below.

Effective Gross Income - Subject						
	Direct Cap Projection	DCF As Is	Actual 2020	Actual 2019	Actual 2018	Actual 2017
Amount	\$1,478,094	\$1,478,094	\$806,628	\$1,206,115	\$1,354,106	\$1,278,886
Per SF	\$132.29	\$132.29	\$72.19	\$107.95	\$121.19	\$114.46

The 2020 historical data reflects lost revenue related to non-essential retail tenants, as well as on going renovations to the rear building. Based on information presented to us by the owner and CPA, the subject is projected to have an effective gross income of \$1,456,021. This would indicate that our DCF projection for the subject falls in line with the owner's projection.

## EXPENSE PROJECTION

Typical deductions from the calculated effective gross income fall into two categories for real property, those being fixed and variable expenses. The subject's operating history, as well as data from competing properties in the subject's market, were analyzed in estimating appropriate expenses for the subject. The subject's historical expenses are summarized in the following table.

	Direct Cap		DCF		Actual		Actual		Actual		Actual	
	Projection		As Is		2020		2019		2018		2017	
	Amounts	\$/SF	Amounts	\$/SF	Amounts	\$/SF	Amounts	\$/SF	Amounts	\$/SF	Amounts	\$/SF
Base Rental Revenue	\$1,469,772	\$131.55	\$1,469,772	\$131.55	\$754,832	\$67.56	\$1,141,897	\$102.20	\$1,305,389	\$116.83	\$1,232,081	\$110.27
Base Rent Loss	(\$154,234)	(\$13.80)	(\$154,234)	(\$13.80)								
Expense Reimbursement Revenue	\$240,350	\$21.51	\$240,350	\$21.51	\$51,796	\$4.64	\$64,218	\$5.75	\$48,717	\$4.36	\$46,805	\$4.19
Potential Gross Income	\$1,555,888	\$139.25	\$1,555,888	\$139.25	\$806,628	\$72.19	\$1,206,115	\$107.95	\$1,354,106	\$121.19	\$1,278,886	\$114.46
Vacancy and Collection Loss	(\$77,794)	(\$6.96)	(\$77,794)	(\$6.96)								
Effective Gross Income	\$1,478,094	\$132.29	\$1,478,094	\$132.29	\$806,628	\$72.19	\$1,206,115	\$107.95	\$1,354,106	\$121.19	\$1,278,886	\$114.46
	Amounts	\$/SF	Amounts	\$/SF	Amounts	\$/SF	Amounts	\$/SF	Amounts	\$/SF	Amounts	\$/SF
Real Estate Taxes	\$310,000	\$27.75	\$310,000	\$27.75	\$192,638	\$17.24	\$184,082	\$16.48	\$169,181	\$15.14	\$163,485	\$14.63
Insurance	\$111,730	\$10.00	\$111,730	\$10.00	\$115,834	\$10.37	\$93,632	\$8.38	\$0	\$0.00	\$66,298	\$5.93
Utilities	\$3,911	\$0.35	\$3,911	\$0.35	\$4,184	\$0.37	\$3,308	\$0.30	\$3,799	\$0.34	\$3,980	\$0.36
Repairs and Maintenance	\$15,084	\$1.35	\$15,084	\$1.35	\$0	\$0.00	\$13,267	\$1.19	\$14,895	\$1.33	\$16,056	\$1.44
Contract Services	\$0	\$0.00	\$0	\$0.00	\$1,271	\$0.11	\$1,296	\$0.12	\$1,152	\$0.10	\$1,152	\$0.10
Management Fee	\$59,124	\$5.29	\$59,124	\$5.29	\$0	\$0.00	\$58,135	\$5.20	\$65,269	\$5.84	\$61,021	\$5.46
Payroll	\$0	\$0.00	\$0	\$0.00	\$17,548	\$1.57	\$51,054	\$4.57	\$9,000	\$0.81	\$0	\$0.00
Administrative	\$3,352	\$0.30	\$3,352	\$0.30	\$0	\$0.00	\$3,166	\$0.28	\$3,555	\$0.32	\$3,214	\$0.29
Total Operating Expenses (NOI)	\$503,201	\$45.04	\$503,201	\$45.04	\$331,475	\$29.67	\$407,940	\$36.51	\$266,851	\$23.88	\$315,206	\$28.21
Expense Ratio	34.04%		34.04%		41.09%		33.82%		19.71%		24.65%	
Net Operating Income	\$974,893	\$87.25	\$974,893	\$87.25	\$475,153	\$42.53	\$798,175	\$71.44	\$1,087,255	\$97.31	\$963,680	\$86.25
Reserves	\$1,676	\$0.15	\$1,676	\$0.15								
Tenant Improvements	\$0	\$0.00	\$0	\$0.00								
Commissions	\$0	\$0.00	\$0	\$0.00								
Total Operating Expenses (NCF)	\$504,877	\$45.19	\$504,877	\$45.19	\$331,475	\$29.67	\$407,940	\$36.51	\$266,851	\$23.88	\$315,206	\$28.21
Expense Ratio	34.16%		34.16%		41.09%		33.82%		19.71%		24.65%	
Net Cash Flow	\$973,217	\$87.10	\$973,217	\$87.10	\$475,153	\$42.53	\$798,175	\$71.44	\$1,087,255	\$97.31	\$963,680	\$86.25

The following table summarizes the comparable expense data:

Comparable	1	2	3	4	5
City	Delray Beach	Palm Beach	Miami	Miami	Miami Beach
County	Palm Beach	Palm Beach	Miami-Dade	Miami-Dade	Miami-Dade
NRA	9,819	10,928	11,628	13,175	13,867
Comparable	1	2	3	4	5
	\$/SF	\$/SF	\$/SF	\$/SF	\$/SF
Base Rental Revenue	\$24.04	\$112.75	\$60.40	\$62.28	\$0.00
Expense Reimbursement Revenue	\$3.88	\$4.28	\$19.58	\$12.73	\$0.00
Potential Gross Income	\$27.92	\$117.03	\$79.98	\$75.01	\$0.00
Vacancy and Collection Loss	\$0.00	\$0.00	\$0.00	(\$4.50)	\$0.00
Effective Gross Income	\$27.92	\$117.03	\$79.98	\$70.51	\$0.00
	\$/SF	\$/SF	\$/SF	\$/SF	\$/SF
Real Estate Taxes	\$8.39	\$14.96	\$11.90	\$16.10	\$17.28
Insurance	\$0.45	\$6.07	\$0.75	\$1.06	\$1.83
Utilities	\$1.11	\$0.36	\$0.46	\$1.59	\$0.98
Repairs and Maintenance	\$2.45	\$1.57	\$2.67	\$2.12	\$1.72
Contract Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Management Fee	\$2.81	\$5.58	\$3.80	\$2.12	\$1.30
Administrative	\$0.32	\$0.29	\$0.43	\$0.21	\$0.48
Total Operating Expenses (NOI)	\$15.52	\$28.84	\$20.01	\$23.21	\$23.59
Net Operating Income	\$12.40	\$88.18	\$59.97	\$47.31	\$0.00
Reserves	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tenant Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Commissions	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Operating Expenses (NCF)	\$15.52	\$28.84	\$20.01	\$23.21	\$23.59
Net Cash Flow	\$12.40	\$88.18	\$59.97	\$47.31	\$0.00
Expense Ratio	55.59%	22.67%	25.02%	32.91%	0.00%
NOI Ratio	44.41%	77.33%	74.98%	67.09%	0.00%

Normally, the most reliable information is that of the actual expense history of the property being appraised, along with competing properties in the marketplace. As demonstrated, the subject's historical operating expenses generally fall within the range of those of competing properties. Projections of first year expense amounts for individual expense categories are discussed as follows:

### FIXED EXPENSES

These are operating expenses that do not vary with occupancy. These expenses must be paid whether or not the property is occupied.

### Real Estate Taxes

The projected real estate taxes are calculated in the assessment and taxes section of this report. Our projected real estate taxes are higher than the historical amounts since we have utilized a market oriented assessed value based on the new market value.

The subject's estimated real estate taxes are detailed in the following table:

Real Estate Taxes - Subject						
	Direct Cap Projection	DCF As Is	Actual 2020	Actual 2019	Actual 2018	Actual 2017
Amount	\$310,000	\$310,000	\$192,638	\$184,082	\$169,181	\$163,485
Per SF	\$27.75	\$27.75	\$17.24	\$16.48	\$15.14	\$14.63

### Insurance

Insurance expense typically includes an owner's liability coverage, fire and extended coverage, and potentially other catastrophic insurance coverage. The subject expense data and the appraisers' projected expense are exhibited below.

Insurance - Subject						
	Direct Cap Projection	DCF As Is	Actual 2020	Actual 2019	Actual 2018	Actual 2017
Amount	\$111,730	\$111,730	\$115,834	\$93,632	\$0	\$66,298
Per SF	\$10.00	\$10.00	\$10.37	\$8.38	\$0.00	\$5.93

## VARIABLE EXPENSES

## Utilities

This expense accounts for electricity, fuel, telephone, and water and sewer. Often, the best indication of the subject's expense is the historical data. The expense comparables for this category, the subject expense data, and the appraisers' projected expense are exhibited below.

Utilities					
Expense Comp	1	2	3	4	5
Per SF	\$1.11	\$0.36	\$0.46	\$1.59	\$0.98

Utilities - Subject						
	Direct Cap Projection	DCF As Is	Actual 2020	Actual 2019	Actual 2018	Actual 2017
Amount	\$3,911	\$3,911	\$4,184	\$3,308	\$3,799	\$3,980
Per SF	\$0.35	\$0.35	\$0.37	\$0.30	\$0.34	\$0.36

## Repairs and Maintenance

This expense accounts for all items of general maintenance and repair, both interior and exterior. This includes building maintenance, maintenance salaries and supplies, security, landscaping, janitorial, trash removal and other miscellaneous operating expenses. The expense comparables for this category, the subject expense data, and the appraisers' projected expense are exhibited below.

Repairs and Maintenance					
Expense Comp	1	2	3	4	5
Per SF	\$2.45	\$1.57	\$2.67	\$2.12	\$1.72

Repairs and Maintenance - Subject						
	Direct Cap Projection	DCF As Is	Actual 2020	Actual 2019	Actual 2018	Actual 2017
Amount	\$15,084	\$15,084	\$0	\$13,267	\$14,895	\$16,056
Per SF	\$1.35	\$1.35	\$0.00	\$1.19	\$1.33	\$1.44

## Management Fee

The management fee expense is the fee paid to an outside agent for managing the building's operation. The expense comparables for this category, the subject expense data, and the appraisers' projected expense are exhibited below.

Management Fee					
Expense Comp	1	2	3	4	5
Per SF	\$2.81	\$5.58	\$3.80	\$2.12	\$1.30
% of EGI	10.07%	4.77%	4.75%	3.00%	NA

Management Fee - Subject						
	Direct Cap Projection	DCF As Is	Actual 2020	Actual 2019	Actual 2018	Actual 2017
Amount	\$59,124	\$59,124	\$0	\$58,135	\$65,269	\$61,021
Per SF	\$5.29	\$5.29	\$0.00	\$5.20	\$5.84	\$5.46
% of EGI	4.00%	4.00%	0.00%	4.82%	4.82%	4.77%

### Administrative

The expense comparables for this category, the subject expense data, and the appraisers' projected expense are exhibited below.

Administrative					
Expense Comp	1	2	3	4	5
Per SF	\$0.32	\$0.29	\$0.43	\$0.21	\$0.48

Administrative - Subject						
	Direct Cap Projection	DCF As Is	Actual 2020	Actual 2019	Actual 2018	Actual 2017
Amount	\$3,352	\$3,352	\$0	\$3,166	\$3,555	\$3,214
Per SF	\$0.30	\$0.30	\$0.00	\$0.28	\$0.32	\$0.29

### TOTAL OPERATING EXPENSES (NOI)

These expenses include those associated with the operation of the property and do not include any reserves for replacements, capital expenditure items or debt service payments.

The expense comparables for this category, the subject expense data, and the appraisers' projected expense are exhibited below.

Total Operating Expenses (NOI)					
Expense Comp	1	2	3	4	5
Per SF	\$15.52	\$28.84	\$20.01	\$23.21	\$23.59
% of EGI	55.59%	24.65%	25.02%	32.91%	NA

Total Operating Expenses (NOI) - Subject						
	Direct Cap Projection	DCF As Is	Actual 2020	Actual 2019	Actual 2018	Actual 2017
Amount	\$503,201	\$503,201	\$331,475	\$407,940	\$266,851	\$315,206
Per SF	\$45.04	\$45.04	\$29.67	\$36.51	\$23.88	\$28.21
% of EGI	34.04%	34.04%	41.09%	33.82%	19.71%	24.65%

### NET OPERATING INCOME

Net operating income is that amount of the annual income remaining after applying all expenses incurred in the operation of the subject. This net income affords the owner capital with which to satisfy the debt service and provide a return on the owner's equity.

The subject's historical and projected NOI are summarized in the following tables.

Net Operating Income - Subject						
	Direct Cap Projection	DCF As Is	Actual 2020	Actual 2019	Actual 2018	Actual 2017
Amount	\$974,893	\$974,893	\$475,153	\$798,175	\$1,087,255	\$963,680
Per SF	\$87.25	\$87.25	\$42.53	\$71.44	\$97.31	\$86.25

### Reserves

This expense category is often considered a hidden expense of ownership not normally found on an expense statement. From an appraisal standpoint, reserves must be set aside for future replacement of items such as heating and cooling systems, roof replacement, and other short-lived items. We have projected \$0.15/SF for reserves to account for this expense.

### Tenant Improvements

Based on recent activity within the area, tenant improvements are assumed to be \$5.00/SF for new tenants and \$2.00/SF for renewing tenants within the building fronting Worth Avenue. In the rear building, tenant improvements are input at \$3.00/SF for new tenants and \$1.00/SF for renewing tenants on the first floor, and \$3.00/SF for new tenants and \$0.00/SF for renewing tenants on the second floor.

### Leasing Commissions

Leasing commissions are calculated based on 6.00% for a new tenant, and 2.00% for a renewing tenant.

### DIRECT CAPITALIZATION MODEL

Direct Capitalization is used to convert an estimate of a single year's net operating income expectancy into an indication of value in one direct step. In this procedure, the income is divided by an appropriate overall capitalization rate (OAR or Cap Rate), which is derived from market evidence. The chosen rate represents the relationship between income and value as reported by participants in the market.

We have examined appropriate first year overall rates of return via three methods: the band of investment method, a survey of institutional investors active in the national market, and an examination of recent actual sales reflecting overall rates within the local market. Most emphasis is placed on the last method.

### Band of Investment-Debt Coverage Ratio

To estimate an overall rate, the debt coverage ratio can be multiplied by the mortgage capitalization rate and the loan-to-value ratio.

The formula is:

$$R_O = DCR \times R_M \times M$$

The following table indicates the mortgage rates and terms that were extracted from the most recent edition of the RealtyRates.com Investor Survey.

Commercial Mortgage Rates and Terms					
	Apt.	Industrial	Office	Restaurant	Retail
Spread Over Base					
Minimum	1.36%	1.40%	1.36%	2.36%	1.40%
Maximum	6.23%	6.10%	5.98%	11.25%	7.23%
Average	3.07%	3.47%	3.17%	5.27%	3.65%
Interest Rate					
Minimum	2.23%	2.27%	2.23%	3.23%	2.27%
Maximum	7.10%	6.97%	6.85%	12.12%	8.10%
Average	3.94%	4.34%	4.04%	6.14%	4.52%
Debt Coverage Ratio					
Minimum	1.10	1.15	1.15	1.10	1.05
Maximum	1.86	2.05	2.15	2.15	2.15
Average	1.43	1.46	1.65	1.59	1.39
Loan-to-Value Ratio					
Minimum	55%	50%	50%	50%	50%
Maximum	90%	80%	80%	80%	80%
Average	73%	70%	68%	66%	70%
Amortization (Years)					
Minimum	15	15	15	15	15
Maximum	40	40	40	30	40
Average	26	25	30	23	25
Terms (Years)					
Minimum	3	3	3	3	3
Maximum	40	30	30	15	10
Average	20.50	11.46	8.00	7.45	6.20
Equity Dividend Rates					
Minimum	6.20%	7.16%	7.52%	10.34%	7.88%
Maximum	14.75%	15.88%	16.18%	20.21%	17.87%
Average	10.90%	11.96%	12.28%	15.77%	13.38%

Source: RealtyRates.com Investor Survey, 1st Quarter 2021 (4th Quarter 2020 Data)

### Band of Investment Analysis – Mortgage and Equity

The band of investment technique is a capitalization method in which the overall capitalization rate is abstracted from the component parts of the real estate investment. This mortgage-equity capitalization depends on the mortgage and equity market demands for the individual segments of the cash flow generated by the investment.

The formula for calculating the overall rate using the mortgage-equity band of investment technique is as follows:

$$R_O = (M * R_M) + (E * R_E)$$

$R_O$  is the overall rate,  $M$  is the loan-to-value ratio,  $R_M$  is the mortgage capitalization rate or mortgage constant,  $E$  is the equity ratio, and  $R_E$  is the equity capitalization rate.  $R_E$  is also known as the investor's cash-on-cash rate.

Based on the information presented, we conclude to the following mortgage interest rate, loan term, loan to value ratio, debt coverage ratio and equity dividend rate. The resulting overall rate ( $R_O$ ) is calculated as follows:

Capitalization Rate Variables				
Mortgage Interest Rate	4.50%	Debt Coverage Ratio	1.40	
Loan Term (Years)	25	Equity Dividend Rate	13.00%	
Loan To Value Ratio	70.00%			
Band of Investment Analysis				
Mortgage Constant		Loan Ratio		Contributions
0.0667	x	0.7000	=	0.0467
Equity Dividend Rate		Equity Ratio		
0.1300	x	0.3000	=	0.0390
Band of Investment Capitalization Rate:				<b>0.0857</b>
Rounded:				<b>8.50%</b>
Debt Coverage Ratio Analysis				
Debt Coverage Ratio x Loan to Value Ratio x Mortgage Constant				
		1.4 x 0.70 x 0.0667	=	0.0654
Debt Coverage Ratio Capitalization Rate:				<b>0.0654</b>
Rounded:				<b>6.50%</b>

### SURVEY DATA

The following information was obtained from a survey of institutional investors active in the national market.

National Market Capitalization Rates for Real Estate Investments			
National Strip Shopping Center Market			
First Quarter 2021			
	Current Quarter	Last Quarter	Year Ago
Overall Cap Rate (OAR)	5.00%-10.00%	5.00%-10.00%	4.50%-10.00%
Average	7.35%	7.30%	6.81%
Residual Cap Rate	5.00%-10.00%	5.00%-10.00%	4.75%-10.00%
Average	7.33%	7.33%	6.92%

Source: PwC Real Estate Investor Survey, 1st Quarter 2021

**LOCAL SALES DATA**

The following table summarizes the capitalization rates of comparable sales.

Secondary Local Retail Capitalization Rates					
Sale	City/State	Price	Date	NOI	Cap Rate
1	Palm Beach, FL	\$26,400,000	12/24/2020	\$1,202,455	4.55%
2	Weston, FL	\$3,800,000	8/17/2020	\$189,383	4.98%
3	Tamarac, FL	\$1,825,000	3/30/2020	\$85,000	4.66%
4	Miramar, FL	\$2,620,000	4/22/2020	\$133,100	5.08%
5	Palm Beach, FL	\$30,700,000	10/31/2017	\$1,350,800	4.40%

**CONCLUSION**

A summary of overall rates is exhibited below.

Summary of Overall Rates		
		Average
Band of Investment	8.50%	
Debt Coverage Ratio	6.50%	
PWC National Market Participants	5.00% - 10.00%	7.35%
Secondary Local Retail Capitalization Rates	4.40% - 5.08%	4.73%

The Band of Investment and Debt Coverage Ratio would indicate a first-year capitalization of 8.50% to 6.50%. However, the Band of Investment and Debt Coverage Ratio do not take into account for local factors.

The National Strip Shopping Center survey quote overall rates ranging from 5.00% to 10.00%, with an average of 7.35%. However, the national survey does not consider the subject's location or anchor tenant.

The local improved sales cited are indicating capitalization rates that range from 4.40% to 5.08%, with an average rate of 4.73%.

Sales 1 and 5 represent improved sales of similar retail locations along Worth Ave. Sales 1 and 5 indicate a first-year capitalization rate that ranged from 4.40% to 4.55%. We have given most consideration to sales 1 and 5, with secondary weight placed on the rates calculated from the band of investment, debt coverage ratio, and the National Strip Shopping Center Market survey.

We must also consider the current COVID-19 outbreak. The subject's retail tenants along Worth Ave are primarily designer clothing stores with international appeal. These type of retail locations are considered non-essential. Non-essential retail appears to have been impacted the most as they were forced to close at the onset of COVID-19. This caused a loss in revenue, which then impacted operation responsibilities. As an example, Sandro and Maje, current tenants of the subject, are currently paying 75% of their base rent, likely due to lost revenue during the pandemic. According to the owner, there is ongoing negotiations with other retail tenants to occupy the Sandro and Maje units at market rent for 10 yrs.

It is our opinion, that an appropriate first-year capitalization rate for the subject would be towards the higher-end of the range for the indicated capitalization rates of sales 1 and 5. The typical buyer would likely pay a lower cap rate based on the recent 15-year lease for the restaurant space, as well the potential of signing new long-term leases for the Sandro and Maje units. In addition, the typical buyer would likely pay a lower cap rate considering the recent restaurant lease appears to be below market rate. Based on this information, an appropriate capitalization rate for the subject should be between 4.50% and 4.75%. We conclude to 4.50%.

The capitalization rates for the comparable properties were calculated based on NOI prior to the deduction of reserves. Therefore, we have applied the concluded capitalization rate to the subject's NOI.

STABILIZED PRO FORMA

Unit/Space Type	SF/Units	Total	Rent
Base Rental Revenue:		\$1,469,772	
		Total	\$/SF
Base Rental Revenue		\$1,469,772	\$131.55
Base Rent Loss		(\$154,234)	(\$13.80)
Expense Reimbursement Revenue		\$240,350	\$21.51
Potential Gross Income		\$1,555,888	\$139.25
Vacancy and Collection Loss		(\$77,794)	(\$6.96)
Effective Gross Income		\$1,478,094	\$132.29
		Total	\$/SF
Real Estate Taxes		\$310,000	\$27.75
Insurance		\$111,730	\$10.00
Utilities		\$3,911	\$0.35
Repairs and Maintenance		\$15,084	\$1.35
Management Fee		\$59,124	\$5.29
Administrative		\$3,352	\$0.30
Total Expenses (NOI)		\$503,201	\$45.04
Net Operating Income (NOI)		\$974,893	\$87.25
Reserves		\$1,676	\$0.15
Total Expenses (NCF)		\$504,877	\$45.19
Net Cash Flow (NCF)		\$973,217	\$87.10
DIRECT CAPITALIZATION METHOD			
NOI		\$974,893	
Divided by OAR		4.50%	
Indicated Value		\$21,664,289	

DIRECT CAPITALIZATION CONCLUSION

The indicated value estimate for the subject is calculated as follows.

"As Is" Value (3/8/2021)	
Indicated Value	\$21,664,289
<b>Rounded Final Value</b>	<b>\$21,700,000</b>

### DISCOUNTED CASH FLOW MODEL

In order to quantify the income potential of this property, a discounted cash flow analysis is employed. This analytical method estimates the present worth of future cash flow expectancies by individually discounting each anticipated collection at an appropriate discount rate. The analysis is typically applied to annual equity cash flow projections and is used to solve for the rate of return on invested capital that is generated, or is capable of being generated, in an investment during the period of ownership. Investors typically utilize a 10-year projection period in analyzing properties like the subject.

Discounted cash flow (DCF) models are used to value the subject based upon its income production. The subject's revenue-producing capability is a function of its present long-term leases plus the appropriate operating expense pass-throughs. Vacancy and collection loss factors are analyzed and applied to potential gross income, in order to determine effective gross income. Expenses are projected and applied against effective gross income, the income stream, and the present value of the reversion at the end of the holding period, forming the basis for estimating the property's market value.

In the analysis of the subject, a year-by-year breakdown of the effective gross income is processed against projected operating expenses. In the final year of the projection, a sale of the property is assumed. This reversionary interest in the property at resale, together with the series of cash flows, is then discounted back to a total present worth.

### Growth Rate Analysis

For the purpose of this valuation analysis, we have estimated separate revenue and expense growth rates. These growth rates are based on supply and demand and investor speculation. According to the *PwC Real Estate Investor Survey*, the following table represents both the income and expense growth rates for the national market.

National Market Change Rates for Real Estate Investments			
National Regional Mall Market			
First Quarter 2021			
	Current Quarter	Last Quarter	Year Ago
Market Rent Change Rate	(10.00%)-0.00%	(10.00%)-0.00%	(3.00%)-3.00%
Average	-1.80%	-1.80%	1.10%
Expense Change Rate	2.00%-4.00%	(5.00%)-4.00%	2.00%-5.00%
Average	2.80%	1.80%	2.90%

Source: PwC Real Estate Investor Survey, 1st Quarter 2021

Based on this data, in addition to information specific to the subject's local market, the subject's market rent is projected to change at an annual rate of 3.00% and the subject's expenses are projected to change at an annual rate of 3.00%.

**Yield Rate (IRR) and Terminal Capitalization Rate ( $R_N$ ) Analysis**

A yield rate differs from an income rate, such as cash-on-cash (dividend after debt service cash flow), in that it takes into consideration all benefits, including the reversion at time of resale, in addition to annual cash flows. The yield rate is the single rate (internal rate of return or IRR) that discounts all of the future benefits (cash flows and reversion) to the original investment. To estimate the market value of the subject, the terminal capitalization rate is used to estimate the resale value of the property. The yield rate currently accepted by investors in the market can be applied to a projected cash flow and any reversion proceeds.

<b>National Market Yield Rates for Real Estate Investments</b>			
<b>National Regional Mall Market</b>			
<b>First Quarter 2021</b>			
	Current Quarter	Last Quarter	Year Ago
Discount Rate (IRR)	6.00%-14.00%	5.75%-15.00%	5.00%-10.00%
Average	7.73%	7.75%	7.23%

Source: PwC Real Estate Investor Survey, 1st Quarter 2021

Considering the above rate range for yields on property, it is noted that there is a degree of speculation in the subject; therefore, we should utilize a discount rate that reflects this speculation.

The subject is located along Worth Avenue, which stretches approximately four blocks and is lined with high-end retailers. Worth Avenue is referred to as Rodeo Drive of Florida. The subject is occupied by local, national, and international tenants.

Therefore, we have concluded to a yield rate towards the lower-end of the range noted by the equity investors. We have based this rate on the location, size, quality, and condition of the subject. In comparing the physical, economic, and financial characteristics of comparable properties found in these equity investors' portfolios to the subject, we are of the opinion that a 5.75% yield rate is appropriate and well supported by the surveys found on the preceding pages.

We determined that an appropriate first year capitalization rate for the subject is 4.50%. Therefore, in the estimation of an appropriate terminal rate for the subject, we have added 25 basis points to the anticipated first year overall rate. We judge a terminal capitalization rate for the subject of 4.75% to be reasonable and supported by the market.

Consequently, a 5.75% yield rate and a 4.75% terminal capitalization rate have been utilized in the stabilized discounted cash flow analysis, which generates an overall stabilized rate for the subject of 4.31%. This supports our projected overall capitalization rate, as the subject is at stabilized operations.

Cash Flow Assumption	"As Is" Value (3/8/2021)
Property Size	11,173
Base Revenue Loss	Currently Sandro and Maje paying 75% of rent. Utilized 75% of base rent until lease expires, then rolled to market.
Analysis Start Date	3/8/2021
Reporting Start Date	3/1/2021
Projection Period	10 Years
Terminal Capitalization Year	11
Income Growth Rate	3.00%
Expense Growth Rate	3.00%
Absorption	None; the subject is 100% occupied
Vacancy Rate	4.00%
Credit & Collection Loss	1.00%
Management Fee	4.00%
Lease Terms	Subject leases are MG
Expense Reimbursements	Vary from MG to Gross
Renewal Probability	90% for Worth Ave; 80% for Rear units
Months Vacant	3
Tenant Improvements (New)	\$5.00/SF
Tenant Improvements (Renewals)	\$2.00/SF
Leasing Commissions (New)	6.00%
Leasing Commissions (Renewals)	2.00%
Reserves	\$1,676
Rent Abatements	None
Sale Cost at Reversion	3.00%
Yield Rate	5.75%
Terminal Cap Rate	4.75%
Computer Software	Argus, Excel
Existing Lease Data	The existing contractual lease terms have been utilized as the subject is 100% occupied; Market rent has been applied on rollover

### MARKET RENT SUMMARY

Market Rent by Space Type					
Space Type	Rent	Method	Increases	Type	Term
Worth Ave Frontage	\$155.00	\$/SF/Year	3% per annum	NNN	10 years
Rear 1st Floor	\$70.00	\$/SF/Year	3% per annum	NNN	5 years
Rear 2nd Floor	\$60.00	\$/SF/Year	3% per annum	NNN	5 years

## CASH FLOW - AS IS - 3/8/2021 - 245-251 WORTH AVE

For the Years Ending	Year 1 Feb-2022	Year 2 Feb-2023	Year 3 Feb-2024	Year 4 Feb-2025	Year 5 Feb-2026	Year 6 Feb-2027	Year 7 Feb-2028	Year 8 Feb-2029	Year 9 Feb-2030	Year 10 Feb-2031	Year 11 Feb-2032
Potential Gross Revenue											
Base Rental Revenue	\$1,469,772	\$1,450,786	\$1,319,047	\$1,302,803	\$1,340,597	\$1,380,815	\$1,422,241	\$1,464,817	\$1,508,761	\$1,553,976	\$1,600,595
Absorption & Turnover Vacancy		-2,575		-1,366			-2,985		-1,583		
Base Rent Loss	-154,234	-158,862									
Scheduled Base Rental Revenue	1,315,538	1,289,349	1,319,047	1,301,437	1,340,597	1,380,815	1,419,256	1,464,817	1,507,178	1,553,976	1,600,595
Expense Reimbursement Revenue											
RE Taxes	196,373	213,346	219,814	227,140	235,790	243,789	250,645	260,513	268,521	278,256	287,528
Insurance	41,294	57,117	68,492	74,304	77,561	80,443	82,914	86,469	89,355	92,864	96,207
Utilities	1,445	1,999	2,382	2,565	2,659	2,738	2,802	2,907	2,984	3,082	3,175
Repairs & Maintenance		1,819	7,782	9,897	10,256	10,566	10,814	11,207	11,507	11,889	12,247
Management		7,008	30,491	37,799	39,218	40,430	41,368	42,961	44,119	45,646	47,052
Administration	1,238	1,714	2,042	2,198	2,279	2,347	2,404	2,490	2,557	2,642	2,721
Total Reimbursement Revenue	240,350	283,003	331,003	353,903	367,763	380,313	390,947	406,547	419,043	434,379	448,930
Total Potential Gross Revenue	1,555,888	1,572,352	1,650,050	1,655,340	1,708,360	1,761,128	1,810,203	1,871,364	1,926,221	1,988,355	2,049,525
General Vacancy	-77,794	-76,171	-82,503	-81,469	-85,418	-88,056	-87,674	-93,568	-94,807	-99,418	-102,476
Effective Gross Revenue	1,478,094	1,496,181	1,567,547	1,573,871	1,622,942	1,673,072	1,722,529	1,777,796	1,831,414	1,888,937	1,947,049
Operating Expenses											
RE Taxes	310,000	319,300	328,879	338,745	348,908	359,375	370,156	381,261	392,699	404,480	416,614
Insurance	111,730	115,082	118,534	122,090	125,753	129,526	133,411	137,414	141,536	145,782	150,156
Utilities	3,911	4,028	4,149	4,273	4,401	4,533	4,669	4,809	4,954	5,102	5,255
Repairs & Maintenance	15,084	15,536	16,002	16,482	16,977	17,486	18,011	18,551	19,107	19,681	20,271
Management	59,124	59,847	62,702	62,955	64,918	66,923	68,901	71,112	73,257	75,557	77,882
Administration	3,352	3,452	3,556	3,663	3,773	3,886	4,002	4,122	4,246	4,373	4,505
Total Operating Expenses	503,201	517,245	533,822	548,208	564,730	581,729	599,150	617,269	635,799	654,975	674,683
Net Operating Income	974,893	978,936	1,033,725	1,025,663	1,058,212	1,091,343	1,123,379	1,160,527	1,195,615	1,233,962	1,272,366
Leasing & Capital Costs											
Tenant Improvements		3,389	11,468	164			358		190		
Leasing Commissions		61,695	212,642	2,437			5,325		2,825		
Reserves	1,676	1,726	1,778	1,831	1,886	1,943	2,001	2,061	2,123	2,187	2,252
Total Leasing & Capital Costs	1,676	66,810	225,888	4,432	1,886	1,943	7,684	2,061	5,138	2,187	2,252
Cash Flow Before Debt Service	\$973,217	\$912,126	\$807,837	\$1,021,231	\$1,056,326	\$1,089,400	\$1,115,695	\$1,158,466	\$1,190,477	\$1,231,775	\$1,270,114
& Taxes											

**PRESENT VALUE OF DISCOUNTED CASH FLOW AND FUTURE REVERSION PROCEEDS**

Year	Cash Flow		Present Value Factor @ 5.75%		Present Value
1	\$973,217	x	.945626	=	\$920,300
2	\$912,126	x	.894209	=	\$815,632
3	\$807,837	x	.845588	=	\$683,097
4	\$1,021,231	x	.799611	=	\$816,587
5	\$1,056,326	x	.756133	=	\$798,723
6	\$1,089,400	x	.715019	=	\$778,942
7	\$1,115,695	x	.676141	=	\$754,367
8	\$1,158,466	x	.639377	=	\$740,696
9	\$1,190,477	x	.604612	=	\$719,776
10	\$1,231,775	x	.571737	=	\$704,251
	\$10,556,550				\$7,732,372

Year 11 NOI	Terminal Overall Rate	Reversion
\$1,272,366	4.75%	\$26,786,653

Cost of Sale @ 3.00% (\$803,600)  
Net Reversion \$25,983,053

Net Reversion		Present Value		Present Value
\$25,983,053	x	.571737	=	\$14,855,471

Value of Income Stream \$7,732,372

Value of Reversion \$14,855,471

Value Estimate \$22,587,843

Value Estimate Rounded \$22,600,000

Value Estimate Rounded Per SF \$2,022.73

**First Year Capitalization Rate 4.31%**

**DISCOUNTED CASH FLOW CONCLUSION**

The indicated value estimate for the subject is calculated as follows.

<b>"As Is" Value (3/8/2021)</b>	
Indicated Value	\$22,587,843
<b>Rounded Final Value</b>	<b>\$22,600,000</b>

**INCOME CAPITALIZATION APPROACH CONCLUSION**

The direct capitalization and discounted cash flow methods are used to value the subject. We have relied on the discounted cash flow method for the subject's final value estimate via the Income Capitalization Approach.

"As Is" Value (3/8/2021)	
Final Value	\$22,600,000

The Sales Comparison Approach is based upon the assumption that a prudent buyer would not pay more for a property than it would cost him or her to acquire a comparable substitute property. This approach involves the direct comparison of the property being appraised to other similar properties that have sold or are currently being offered for sale. Since no two properties are ever identical, adjustments for differences in quality, location, size and market appeal are often necessary.

The reliability of this technique is dependent upon the availability of comparable sales data, the verification of the sales data, the degree of comparability between each sale and the subject, the date of the sale in relation to the date of the appraisal (taking into account market changes during the interim), and consideration of any atypical conditions affecting price or terms of the sale.

The price a typical purchaser pays is usually the result of an extensive process in which available alternatives are compared. The property that is ultimately purchased typically represents the best available balance between the buyer's specifications and the purchase price. Verified and analyzed data will generally provide good evidence of value, if it represents typical actions and reactions of buyers and sellers active in the market.

We search for similar improved retail sales within the subject's neighborhood. Our research uncovered four sales, which range in size between 5,576 SF to 142,000 SF. The results of our search and analysis can be found in the following pages.

Comparable 1



**Transaction**

<b>Name</b>	249-253 Royal Poinciana Way	<b>Date</b>	2/8/19
<b>Address</b>	249-253 Royal Poinciana Way	<b>Price</b>	\$3,968,000
<b>City</b>	Palm Beach	<b>Grantor</b>	MB Ventures of Palm Beach, Inc.
<b>County</b>	Palm Beach County	<b>Grantee</b>	Armata Holdings, LLC
<b>State</b>	FL	<b>Property Rights</b>	Leased Fee Estate
<b>Zip</b>	33480	<b>Financing</b>	Cash to Seller
<b>Tax Parcel ID</b>	50-43-43-22-32-000-0141	<b>Conditions of Sale</b>	Arm's length
<b>Recordation</b>	29863-1458	<b>Verification</b>	Broker

**Site & Improvements**

<b>NRA</b>	5,576	<b>Year Built</b>	1922
<b>No. of Buildings</b>	1	<b>No. of Floors</b>	2
<b>Land SF</b>	7,405	<b>Land Acres</b>	0.17
<b>MVS Quality</b>	Average	<b>Condition</b>	Average
<b>LTB Ratio</b>	1.33	<b>Parking Type</b>	Surface
<b>Parking Spaces</b>	2	<b>Parking Ratio</b>	

**Financial Data**

<b>Occupancy</b>	100.00%	<b>Price Per SF</b>	\$711.62
		<b>Cap Rate</b>	NA

**Comments**

The complex includes three retail shops facing the street on the ground floor. Its tenants include Peterbrooke Chocolatier, Grace Boutique and lil rapunzel's. The latter is a children's boutique owned by the seller's daughter. 249 Royal Poinciana Way was developed in 1922 on a ±0.14-acre site. The two-story building comprises 2,912 square feet of ground-floor retail and six recently renovated, second-story residential micro-units totaling 2,664 square feet.

Comparable 2



Transaction

<b>Name</b>	Via Bice	<b>Date</b>	3/29/17
<b>Address</b>	313 Worth Avenue	<b>Price</b>	\$19,500,000
<b>City</b>	Palm Beach	<b>Grantor</b>	Via 313.5 Worth Avenue, Ltd.
<b>County</b>	Palm Beach County	<b>Grantee</b>	Via Bice Worth Avenue, LLC
<b>State</b>	FL	<b>Property Rights</b>	Leased Fee Estate
<b>Zip</b>	33480	<b>Financing</b>	Cash to Seller
<b>Tax Parcel ID</b>	50-43-43-23-05-014-0190	<b>Conditions of Sale</b>	Arm's length
<b>Recordation</b>	28979-1081	<b>Verification</b>	Broker

Site & Improvements

<b>NRA</b>	18,712	<b>Year Built</b>	1987
<b>No. of Buildings</b>	5	<b>No. of Floors</b>	2
<b>Land SF</b>	24,642	<b>Land Acres</b>	0.57
<b>MVS Quality</b>	Good	<b>Condition</b>	Good
<b>LTB Ratio</b>	1.32	<b>Parking Type</b>	Surface
<b>Parking Spaces</b>	20	<b>Parking Ratio</b>	1

Financial Data

<b>Occupancy</b>	89.00%	<b>Price Per SF</b>	\$1,042.11
		<b>Cap Rate</b>	6.07%

Comments

This sale consists of five buildings known as Via Bice. This property has a pedestrian access way along the north side of Worth Avenue, however, the frontage and exposure to the buildings is located along Peruvian Avenue.

Comparable 3



Transaction

<b>Name</b>	150 and 151 Worth Avenue	<b>Date</b>	1/8/14
<b>Address</b>	150 and 151 Worth Avenue	<b>Price</b>	\$146,000,000
<b>City</b>	Palm Beach	<b>Grantor</b>	Worth Avenue Assoc. LTD, Second Worth Avenue
<b>County</b>	Palm Beach County	<b>Grantee</b>	Wilson 150 Worth, LLC, Wilson 151 Worth, LLC
<b>State</b>	FL	<b>Property Rights</b>	Leased Fee Estate
<b>Zip</b>	33480	<b>Financing</b>	Cash to Seller
<b>Tax Parcel ID</b>	50-43-43-23-05-017-0011, - 0012, 50-43-43-23-05-016- 0130	<b>Conditions of Sale</b>	Arm's length
<b>Recordation</b>	40	<b>Verification</b>	Knowledgeable Third Party

Site & Improvements

<b>NRA</b>	142,000	<b>Year Built</b>	1978
<b>No. of Buildings</b>	2	<b>No. of Floors</b>	2
<b>Land SF</b>	131,116	<b>Land Acres</b>	3.01
<b>MVS Quality</b>	Good	<b>Condition</b>	Good
<b>LTB Ratio</b>	0.92	<b>Parking Type</b>	Street
<b>Parking Spaces</b>	NA	<b>Parking Ratio</b>	NA

Financial Data

<b>Occupancy</b>	100.00%	<b>Price Per SF</b>	\$1,028.17
		<b>Cap Rate</b>	NA

Comments

This property is a luxury shopping center located on Worth Avenue in Palm Beach. O'Connor Capital Partners purchased the property from The Goodman Company in two separate transactions for a total of \$146M. 150 Worth Avenue sold for \$106M and 151 Worth Avenue sold for \$40M. The building appears to be currently under contract at \$26,400,000. The ground floor is occupied by Tiffany & Co. and Tory Burch. Tiffany & Co. occupies 5,444 SF and Tory Burch 1,882 SF, which equates to 7,326 SF NRA. The second floors is speculated to be built out for residential use. According to the listing broker flyer, the 2020 EGI is \$1,682,133 and operating expenses is \$479,678, which equates to an NOI of \$1,202,455. The retail building is speculated to be under contract at \$26,400,000, which equates to a 4.55% cap rate.

Comparable 4



Transaction

<b>Name</b>	225 Worth Avenue	<b>Date</b>	9/11/13
<b>Address</b>	225 Worth Avenue	<b>Price</b>	\$28,100,000
<b>City</b>	Palm Beach	<b>Grantor</b>	P/A Florida Associates
<b>County</b>	Palm Beach	<b>Grantee</b>	Love is Next Door, LLC
<b>State</b>	FL	<b>Property Rights</b>	Leased Fee Estate
<b>Zip</b>	33480	<b>Financing</b>	Cash to Seller
<b>Tax Parcel ID</b>	50-43-43-23-05-015-0380	<b>Conditions of Sale</b>	Assemblage
<b>Recordation</b>	26326-0407	<b>Verification</b>	Broker

Site & Improvements

<b>NRA</b>	10,000	<b>Year Built</b>	1950
<b>No. of Buildings</b>	1	<b>No. of Floors</b>	1
<b>Land SF</b>	42,573	<b>Land Acres</b>	0.98
<b>MVS Quality</b>	Good	<b>Condition</b>	Good
<b>LTB Ratio</b>	4.26	<b>Parking Type</b>	Street
<b>Parking Spaces</b>	NA	<b>Parking Ratio</b>	NA

Financial Data

<b>Occupancy</b>	100.00%	<b>Price Per SF</b>	\$2,810.00
		<b>Cap Rate</b>	4.17%

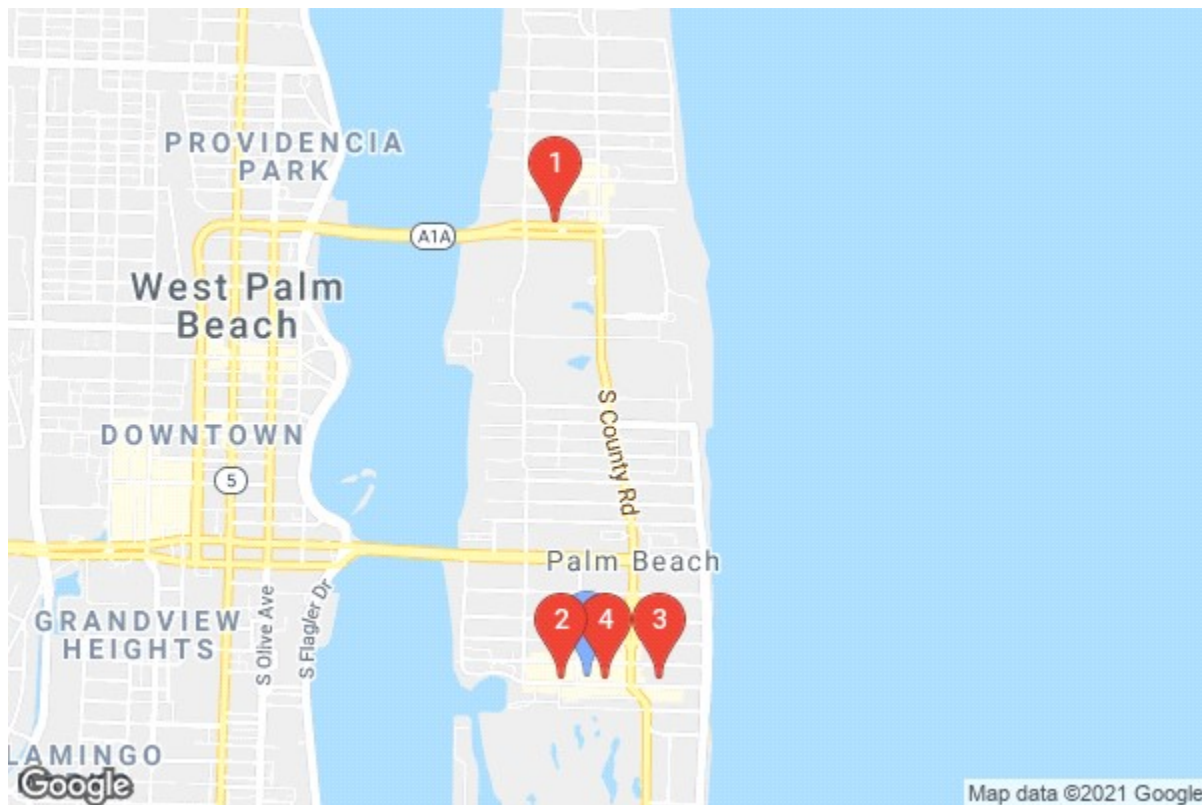
Comments

The property was 100% leased to two tenants, Brooks Brothers and Juicy Couture. The initial term of this lease commenced on April 1, 1999 and expires December 31, 2015. The reported OAR of 4.17% is based on the 2012 actual net operating income. The purchaser also owns 215 to 223 Worth Avenue and 309 to 319 Worth Avenue. As such, this transaction represents an assemblage.

IMPROVED SALES SUMMARY

Comp	Address City	Recordation Year Built	Price Date	Land SF LTB Ratio	NRA Price Per SF
1	249-253 Royal Poinciana Way Palm Beach	31322/1411 1922	\$3,968,000 05/17/2018	7,405 1.33	5,576 \$711.62
2	313 Worth Avenue Palm Beach	28979-1081 1987	\$19,500,000 03/29/2017	24,642 1.32	18,712 \$1,042.11
3	150 and 151 Worth Avenue Palm Beach	40 1978	\$146,000,000 01/08/2014	131,116 0.92	142,000 \$1,028.17
4	225 Worth Avenue Palm Beach	26326-0407 1950	\$28,100,000 09/11/2013	42,573 4.26	10,000 \$2,810.00

SALES COMPARABLES MAP



### IMPROVED SALES ANALYSIS

To estimate the value of the subject, we analyzed the sale comparables and have made adjustments for varying characteristics.

#### Property Rights Conveyed

The property rights conveyed for each sale are shown in the adjustment grid. The subject is valued in this report on the basis of a leased fee estate. The Sales sold with similar property rights and no adjustments are needed.

#### Financing Terms

The financing terms for each sale are shown in the adjustment grid. The subject is valued in this report on the basis of a cash to seller transaction. The Sales were sold with similar financing terms as the subject and no adjustments are needed.

#### Conditions of Sale

The conditions of sale for each sale are shown in the adjustment grid. The subject is valued in this report on the basis of an arm's length transaction. Sale 4 sold as part of an assemblage, which typically carries a premium. Thus, Sale 4 was adjusted downward for condition of sale.

#### Market Conditions

In terms of an adjustment for market conditions, from the sales shown, it is somewhat subjective to determine an exact adjustment. We have applied a 3% adjustment to each comparable, annualized from the date of each sale to October 1, 2021.

#### Location

The adjustment for location realizes that properties in areas of active growth and development, as well as those which offer good accessibility in terms of frontage on major thoroughfares, typically sell for a higher price per SF than properties which do not offer these attributes, with all other factors held constant. The relative desirability of each site in relation to the subject is shown in the adjustment grid.

Sale 1 is located within the same neighborhood as the subject, but is not located along Worth Ave. Sale 1 is considered inferior in terms of location compared to the subject, and was adjusted upward.

Sales 2, 3 and 4 are located along Worth Ave, and feature a similar location as the subject; No adjustments are needed for location.

#### Age (Year Built)

Logical adjustments are applied to the comparables on the basis of age. Typically, the older a building's improvements, the lower the income it can achieve in the market; thus, it will sell for a lower price, with all other factors held constant. The subject was built in 1950. The effective age for the property is estimated to be 18 years old.

The Sales are considered similar in age of construction and no adjustments are needed.

#### Construction Quality (MVS Quality)

Logical adjustments are applied to the comparables on the basis of quality of construction, design and market appeal. The more inferior a comparable's quality of improvements, the lower the value it can achieve in the market, with all other factors held constant. The subject is a excellent quality property, based on recent renovations.

The Sales are considered inferior in construction quality compared to the subject and were adjusted upward.

#### Condition

Logical adjustments are applied to the comparables on the basis of relative condition. The more inferior a comparable's condition, the lower the value it can achieve in the market, with all other factors held constant. The subject is in good condition.

Sale 1 is considered inferior in condition compared to the subject and was adjusted upward. The remaining sales feature a similar condition as the subject, and no adjustments are needed.

#### Occupancy

Adjustments must also be made for income characteristics, which appear to have a significant effect on sale price in the case of properties within the subject's market. Typically, properties that are fully leased generally sell for higher prices than those which are not at a stabilized occupancy level. The subject is currently 100% occupied.

The Sales featured a similar occupancy as the subject, and no adjustments are needed.

#### Land to Building Ratio

The subject has a land to building ratio of 1.12.

Sale 4 has a significantly higher land to building ratio compared to the subject and was adjusted downward.

#### No. of Floors

The subject is composed of two separate buildings. The primary retail building along Worth Ave is a one-story structure. The rear building is a two-story structure.

Sale 4 is primarily a one-story structure and is considered superior compared to the subject and was adjusted downward. Comparable Sales 1, 2 and 3 are primarily a two-story structure and are considered inferior compared to the subject and were adjusted upward.

#### Size

In terms of size, it is noted that smaller buildings typically sell for a higher price per SF than larger buildings, with all other factors held constant. The subject contains 11,173 SF of net rentable area.

Sale 4 features a similar size as the subject, and no adjustment is needed. Sale 1 features a smaller size than the subject, and was adjusted downward. Sales 2 and 3 feature a larger size than the subject, and were adjusted upward.

#### IMPROVED SALES ANALYSIS CONCLUSION

The previously-described adjustments are summarized in the following grid. The percentage adjustments are used to show the emphasis placed on each adjustment, and are not based on a paired sales analysis.

IMPROVED SALES ADJUSTMENT GRID (PRICE/SF)

Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4
Address	245-251 Worth Ave	249-253 Royal	313 Worth Avenue	150 and 151 Worth	225 Worth Avenue
City	Palm Beach	Palm Beach	Palm Beach	Palm Beach	Palm Beach
State	FL	FL	FL	FL	FL
Date		2/8/2019	3/29/2017	1/8/2014	9/11/2013
Price		\$3,968,000	\$19,500,000	\$146,000,000	\$28,100,000
NRA	11,173	5,576	18,712	142,000	10,000
Price per SF		\$712	\$1,042	\$1,028	\$2,810
Transactional Adjustments					
Property Rights	Leased Fee Estate	Leased Fee Estate	0%	Leased Fee Estate	0%
Financing	Cash to Seller	Cash to Seller	0%	Cash to Seller	0%
Conditions of Sale	Arm's Length	Arm's length	0%	Arm's length	0%
Market Trends Through	10/1/2021	3%	8.14%	14.27%	25.69%
Adjusted Price per SF		\$770	\$1,191	\$1,292	\$2,853
Property Adjustments					
Location		Inferior	Similar	Similar	Similar
% Adjustment		30%	0%	0%	0%
\$ Adjustment		\$231	\$0	\$0	\$0
Year Built	1950	1922	1987	1978	1950
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
MVS Quality	Excellent	Average	Good	Good	Good
% Adjustment		10%	5%	5%	5%
\$ Adjustment		\$77	\$60	\$65	\$143
Condition	Good	Average	Good	Good	Good
% Adjustment		5%	0%	0%	0%
\$ Adjustment		\$38	\$0	\$0	\$0
Occupancy	95.00%	100.00%	89.00%	100.00%	100%
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
LTB Ratio	1.12	1.33	1.32	0.92	4.26
% Adjustment		0%	0%	0%	-30%
\$ Adjustment		\$0	\$0	\$0	(\$856)
No. of floors	Front 1; Rear 2	2	2	2	1
% Adjustment		2.5%	2.5%	2.5%	-2.5%
\$ Adjustment		\$19	\$30	\$32	(\$71)
NRA	11,173	5,576	18,712	142,000	10,000
% Adjustment		-5%	10%	30%	0%
\$ Adjustment		(\$38)	\$119	\$388	\$0
Adjusted Price per SF		\$1,097	\$1,399	\$1,777	\$2,068
Property Adjustments (Net)		42.5%	17.5%	37.5%	-27.5%
Property Adjustments (Gross)		52.5%	17.5%	37.5%	37.5%

### PRICE/SF METHOD CONCLUSION

The comparables show a price/SF range of \$1,096.60 /SF to \$2,068.22 /SF on an adjusted basis, with an average of \$1,585.24 /SF.

The Comparable Sales represent recent high-end retail sales. The sales are located in the subject's submarket of Palm Beach.

We placed primary emphasis on Sale 4, as it represents a one-story retail location along Worth Ave with a similar size as the subject. After adjustments, Sale 4 would indicate a value of \$2,068/SF.

Secondary emphasis was placed on the remaining sales, which would indicate a value between \$1,097/SF to \$1,777/SF.

Before reaching a value conclusion for the subject, we considered recent sale activity within the Worth Ave corridor. 259 Worth Ave represents a retail condominium sale that occurred in December 2020. At the time of sale, the ground floor condominium was occupied Tiffany & Co. and Tory Burch. Based on information provided by the broker, the sale indicated a cap rate of 4.55%. Since the sale represents a retail condominium, we did not utilize this sale within the Sales Comparison Approach.

We would also consider current listings, but within the Worth Ave corridor there are no current listings.

Based on the comparables and the adjustments made to them, we conclude to \$2,000.00/SF.

Value Conclusion	\$2,000.00 /SF
Multiplied by Subject Size	11,173 SF
<b>Indicated Value</b>	<b>\$22,346,000</b>
<b>"As Is" Value (3/8/2021)</b>	
Indicated Value	\$22,346,000
<b>Rounded Final Value</b>	<b>\$22,300,000</b>

**SALES COMPARISON APPROACH CONCLUSION**

We have used the price per SF as the unit of comparison to value the subject. We have relied on the price per SF method for the subject's final value estimate via the Sales Comparison Approach.

"As Is" Value (3/8/2021)	
Final Value	\$22,300,000

The Sales Comparison and the Income Capitalization Approaches were employed in the valuation of the subject. The values derived via these methods are shown below:

<b>"As Is" Value (3/8/2021)</b>	
Income Capitalization Approach	\$22,600,000
Sales Comparison Approach	\$22,300,000
<b>Final Value Opinion</b>	<b>\$22,600,000</b>

In each of these approaches, we have attempted to summarize all the input data and have briefly explained our methodology in processing and/or analyzing this data. Insofar as we have been able to determine, this data has been obtained from reliable sources and was accepted as being accurate. We give full recognition to the inherent weaknesses in each of the approaches. It should be acknowledged that because the appraisal of real property is not an exact science, professional judgment on our part becomes a component of each of the recognized approaches.

The Sales Comparison Approach is dependent on a direct comparative technique of the sale, or offering of, similar properties. Since no two properties are ever identical, it is necessary to analyze and determine the degree of comparability between the subject and the sale properties for differences. The primary unit of comparison utilized in the valuation of the subject was the price per SF. A number of recent sales of comparable properties were uncovered, and after the adjustment process, we concluded to a value/SF for the subject. Based on the sales presented and their similarity to the subject, supporting emphasis is placed on the Sales Comparison Approach.

In the Income Capitalization Approach, the gross annual income potential of the subject is estimated via a comparison with the rents being charged at competitive properties, and with consideration to the existing leases at the property. After estimating gross income potential, deductions are made for the appropriate vacancy, collection loss, and all applicable expenses incurred through the ownership of the property.

The direct capitalization and discounted cash flow methods are employed in the Income Capitalization Approach. The discounted cash flow method is the primary method of valuation used by the class of investors that would potentially purchase or sell a property similar to the subject. Due to the subject's existing income and expense history, as well as the availability of data relating to rental rates, operating expenses, yield rates, growth rates and overall capitalization rates, a high level of reliability is placed on this method. The Income Capitalization Approach is given primary consideration in the reconciliation process.

In the final analysis of the subject, we consider the influence of the approaches used in relation to one another and in relation to the subject and, since buyers and sellers of similar properties are primarily interested in the monetary benefits of ownership, the Income Capitalization Approach is the most reliable technique in forming an opinion of the subject's value.

After an inspection of the subject, and analysis of pertinent physical and economic factors that affect value, we are of the opinion that the 'as is' market value of the leased fee estate of the subject, as of March 8, 2021, is:

**\$22,600,000**

**TWENTY-TWO MILLION SIX HUNDRED THOUSAND DOLLARS**

The 'As Is' value estimate in this appraisal is based on the extraordinary assumption that tenants Sandro and Maje will continue paying 75% of their scheduled base rent through the remaining term of their lease which expires on 5/31/23.

The use of the aforementioned Extraordinary Assumptions might have affected the assignment results.

This appraisal is not based on any hypothetical conditions.

As previously stated in certification of this report, we have performed appraisal services for the subject within the last three years. Further, we performed appraisal services for the subject on April 18, 2018. The previous appraisal assignment was performed for Bank of America.

The concluded value of the prior report was \$21,500,000 "As Is" value, which is lower in value compared to the concluded value in this report. The main factors that contributed to the increase in value are attributed to recent capital improvements to the rear building, as well as a new long-term lease. In addition, the occupancy increased to 100% at the end of 2020. At the time of the prior report, several tenants temporarily vacated the subject due to the renovations.

Retail locations along Worth Ave continues to attract high-end retail tenants and clients. This has driven the rental rates and Price/SF of sales in Palm Beach to be among the highest in Palm Beach County. The capitalization rates have remained steady along Worth Ave.



## Replacement Cost Value Worksheet

PROPERTY: 245-251 WORTH AVE

LOCATION/ADDRESS: 245-251 WORTH AVE

PROPERTY DESCRIPTION: RETAIL/RESTAURANT

DATE OF REPLACEMENT COST VALUE CALCULATIONS: March 8, 2021

## REPLACEMENT COST VALUE CALCULATIONS:

**Disclaimer:** This form is provided as an aid to Bank of America in determining a general estimate of the replacement cost of the improvements and is not intended as an equivalent of the services that could be provided by a professional cost estimator.

Building # (or MSI Number):	Worth Ave Building	Rear Building		
Tax Parcel ID (If available):	50-43-43-23-05-015-0480	50-43-43-23-05-015-0480		
Building Identifier (Address or Identifier and Source):	245-251 Worth Ave	245A-251B Worth Ave		
Building Size (SF):	6,000	5,173		
Source of Building Size (SF):	Site Survey	Renovation documents		
Building/Structure Class:	C	C		
TYPE (Quality of Construction):	Excellent - Retail	Excellent - Restaurant		
Marshall & Swift Section/Page (or source reference):	13/26	13/14		
Base Cost PSF:	\$ 157.00	\$ 286.00		
Additions/(Subtractions) (PSF)				
Sprinkler	\$ 5.62	\$ 5.62		
Elevator		\$ 10.67		
>				
>				
Subtotal:	\$ 162.62	\$ 302.29	\$ -	\$ -
Multipliers (default is 1)				
Number of Stories Multiplier:	1.000	1.000	1.000	1.000
Height Per Story Multiplier:	1.000	1.000	1.000	1.000
High Wind Multiplier:	1.100	1.100	1.000	1.000
Current Cost Multiplier:	1.090	1.090	1.000	1.000
Local Multiplier:	0.920	0.920	1.000	1.000
Adjusted Cost PSF:	\$ 179.38	\$ 333.45	\$ -	\$ -
Estimated Replacement Cost Value of Bldg./Structure*:	\$1,076,297	\$1,724,937	\$0	\$0

\* Do not round numbers

## Personal Property/FF&amp;E:

Estimated Replacement Cost of Personal Property FF&E (if applicable)\*

\* Do not round numbers

Sum of Individual Building RCVs \$2,801,234

\* Do not round numbers Report this unrounded figure as the Building RCV

Sum of Personal Property RCVs \$0

Actual Cash Value Worksheet				
<b>PROPERTY:</b> 245-251 WORTH AVE				
<b>LOCATION/ADDRESS:</b> 245-251 WORTH AVE				
<b>PROPERTY DESCRIPTION:</b> RETAIL/RESTAURANT				
<b>DATE OF ACTUAL CASH VALUE CALCULATIONS:</b> March 8, 2021				
<b>ACTUAL CASH VALUE CALCULATIONS:</b>				
Disclaimer: This form is provided as an aid to Bank of America in determining a general estimate of the actual cash value of the improvements for flood insurance purposes and is not intended as an equivalent of the services that could be provided by a professional cost estimator.				
<b>Building # (or MSI Number):</b>	Worth Ave Building	Rear Building	0	0
<b>Tax Parcel ID (if available):</b>	50-43-43-23-05-015-0480	50-43-43-23-05-015-0480	0	0
<b>Building Identifier (Address or Identifier and Source):</b>	245-251 Worth Ave	245A-251B Worth Ave	0	0
<b>Estimated Replacement Cost Value of Bldg./Structure (from RCV Worksheet):</b>	\$1,076,297	\$1,724,937	\$0	\$0
<b>Property Condition:</b>	Excellent	Excellent		
<b>Estimated Effective Age of the Building/Structure:</b>	33	1		
Source for Est. Effective Age of the Structure. Click on Box to the right	Inspection	Inspection		
<b>Estimated Physical Life of the Structure (Life Expectancy Guidelines in Marshall &amp; Swift):</b>	50	50		
Source for Est. Physical Life of the Structure. Click on Box to the right				
<b>Estimated % of Physical Depreciation:</b>	66.00%	2.00%	#DIV/0!	#DIV/0!
Source for Est. Physical Depreciation of the Structure. Click on Box to the right	Marshall & Swift	Marshall & Swift		
<b>Estimated Physical Depreciation:</b>	\$710,356	\$34,499	#DIV/0!	#DIV/0!
<b>Estimated Actual Cash Value (see definition of the Building/Structure)*</b>	\$365,941	\$1,690,438	\$0	\$0
<b>Personal Property/FF&amp;E:</b>				
<b>Estimated Replacement Cost Value of Personal Property/FF&amp;E (from RCV Worksheet):</b>	\$0	\$0	\$0	\$0
<b>Estimated % of Physical Depreciation for FF&amp;E:</b>				
<b>Estimated Actual Cash Value of Personal Property/FF&amp;E:</b>	\$0	\$0	\$0	\$0
<b>Comments on Sources or other items (if applicable):</b>				
* Do not round numbers				
<b>Sum of Individual Building ACVs</b>	\$2,056,379			
* Do not round numbers Report this unrounded figure as the Building ACV				
<b>Sum of Personal Property ACVs</b>	\$0			
* Do not round numbers Report this unrounded figure as the FF&E ACV				

Term	Definition	Source
Air Rights	The right to undisturbed use and control of designated air space above a specific land area within stated elevations. Air rights may be acquired to construct a building above the land or building of another or to protect the light and air of an existing or proposed structure on an adjoining lot. Air rights do not always include development rights. See also transferable development right (TDR).	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
As Is Market Value	The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Interagency Appraisal and Evaluation Guidelines) Note that the use of the “as is” phrase is specific to appraisal regulations pursuant to FIRREA applying to appraisals prepared for regulated lenders in the United States. The concept of an “as is” value is not included in the Standards of Valuation Practice of the Appraisal Institute, Uniform Standards of Professional Appraisal Practice, or International Valuation Standards.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
Band of Investment	A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment (i.e., debt and equity, land and improvements).	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
Condominium	A multiunit structure, or a unit within such a structure, with a condominium form of ownership.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
Debt Coverage Ratio (DCR)	The ratio of net operating income to annual debt service ( $DCR = NOI/I_M$ ), which measures the relative ability of a property to meet its debt service out of net operating income; also called debt service coverage ratio (DSCR). A larger DCR typically indicates a greater ability for a property to withstand a reduction of income, providing an improved safety margin for a lender.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
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.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
Depreciation	1. In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)

Term	Definition	Source
	2. In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques.	
Effective Gross Income (EGI)	The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
Effective Gross Income Multiplier (EGIM)	The ratio between the sale price (or value) of a property and its effective gross income.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
Entrepreneurial Profit	<p>1. A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.</p> <p>2. In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward. See also entrepreneurial incentive.</p>	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
Equity Capitalization Rate (R <sub>E</sub> )	An income rate that reflects the relationship between one year's equity cash flow and the equity investment; also called the cash-on-cash rate, cash flow rate, cash throw-off rate, or equity dividend rate. ( $R_E = I_E/V_E$ , or Pre-Tax Cash Flow/Equity Invested)	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)

Term	Definition	Source
Equity Ratio	The ratio between the down payment paid on a property and its total price; the fraction of the investment that is unencumbered by debt.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
Excess Land	Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
Exposure Time	An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.	Uniform Standards of Professional Appraisal Practice, 2020-2021 Ed.
External Obsolescence	A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
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. Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis.	Uniform Standards of Professional Appraisal Practice, 2020-2021 Ed.
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.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
Gross Building Area (GBA)	<ol style="list-style-type: none"> <li>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.</li> <li>2. Gross leasable area plus all common areas.</li> </ol>	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)

Term	Definition	Source
	3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space.	
Gross Leasable Area (GLA)	Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
Highest and Best Use	<ol style="list-style-type: none"> <li>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.</li> <li>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)</li> <li>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)</li> </ol>	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
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. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.	Uniform Standards of Professional Appraisal Practice, 2020-2021 Ed.
Insurable Value	A type of value for insurance purposes.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)

Term	Definition	Source
Internal Rate of Return (IRR)	The annualized yield rate or rate of return on capital that is generated within an investment or portfolio over a period of ownership. Alternatively, the indicated return on capital associated with a projected or pro forma income stream.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
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.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
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.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
Loan-to-Value Ratio (M)	The ratio between a mortgage loan and the value of the property pledged as security, usually expressed as a percentage; also called loan ratio or LTV.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
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.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
Market Rent	The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)

Term	Definition	Source
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 appraisers as applicable in an appraisal. Comment: Appraisers are cautioned to identify the exact definition of market value, and its authority, applicable in each appraisal completed for the purpose of market value.	Uniform Standards of Professional Appraisal Practice, 2020-2021 Ed.
Mortgage Capitalization Rate ( $R_M$ )	The capitalization rate for debt; the ratio of the annual debt service to the principal amount of the mortgage loan. The mortgage capitalization rate ( $R_M$ ) is equivalent to the periodic (monthly, quarterly, annual) mortgage constant times the number of payments per year on a given loan on the day the loan is initiated.  $R_M = \text{Annual Debt Service} / \text{Mortgage Principal}$	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
Mortgage Debt Service ( $I_M$ )	The periodic payment for interest on and retirement of the principal of a mortgage loan; also called total mortgage debt service. Generally, the abbreviation $I_M$ refers to the total debt service, whereas mortgage debt service can be used to refer to either the periodic payment or the total of the payments made in a year.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
Net Income Multiplier (NIM)	The relationship between price or value and net operating income expressed as a factor; the reciprocal of the overall capitalization rate.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
Net Operating Income (NOI or $I_O$ )	The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization).	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
Net Rentable Area (NRA, Rentable Area)	For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)

Term	Definition	Source
Overall Capitalization Rate ( $R_o$ )	The relationship between a single year's net operating income expectancy and the total property price or value ( $R_o = I_o / V_o$ ).	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
Prospective Market Value "As Completed" and "As Stabilized"	A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report. Prospective value opinions are intended to reflect the current expectations and perceptions of market participants, based on available data. Two prospective value opinions may be required to reflect the time frame during which development, construction, and occupancy will occur. The prospective market value—as completed—reflects the property's market value as of the time that development is expected to be completed. The prospective market value—as stabilized—reflects the property's market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (See USPAP Statement 4* and Advisory Opinion 17.) (Interagency Appraisal and Evaluation Guidelines)	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
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.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
Replacement Cost	The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)

Term	Definition	Source
Replacement Cost for Insurance Purposes	The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design, and layout for insurance coverage purposes guaranteeing that damaged property is replaced with new property (i.e., depreciation is not deducted).	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
Reproduction Cost	The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
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."	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
Sandwich Lease	A lease in which an intermediate, or sandwich, leaseholder is the lessee of one party and the lessor of another. The owner of the sandwich lease is neither the fee owner nor the user of the property; he or she may be a leaseholder in a chain of leases, excluding the ultimate sublessee.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
Sum of the Retail Values	The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. Also called the aggregate of the retail values or aggregate retail selling price.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)
Surplus Land	Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)

Term	Definition	Source
Terminal Capitalization Rate ( $R_N$ )	The capitalization rate applied to the expected net income for the year immediately following the end of the projection period to derive the resale price or value of a property. Also called a going-out, exit, residual, or reversionary capitalization rate.	Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th Ed. (Chicago: Appraisal Institute, 2015)

## QUALIFICATIONS OF THE APPRAISER

### TED ALLEN, MAI

Mr. Allen currently holds the position of Managing Partner with the Miami office of Joseph J. Blake and Associates, Inc., at 5201 Blue Lagoon Drive, Suite 270, Miami, Florida. Previous positions include Principal (1986 to 2011), Regional Manager Southeast Region (1984 to 1986), Senior Appraiser (1982 to 1983) and Associate Appraiser (1979 to 1981).

### FORMAL EDUCATION

University of Texas - Austin, Texas  
*Bachelor of Business Administration*

### PROFESSIONAL AFFILIATIONS

Affiliation	Number
Florida State-Certified General Real Estate Appraiser	No. RZ 426
Georgia State-Certified General Real Property Appraiser	No. CG 1855
Appraisal Institute, Designated Member	No. 6949
Royal Institution of Chartered Surveyors	No. 6329062

### CURRENT RESPONSIBILITIES

Responsibilities include the preparation and direction of a variety of full narrative real estate appraisals and consulting studies prepared on a national basis. Mr. Allen supervises all staff appraisers and consultants and directs all major assignments throughout the southeastern United States and the Caribbean.

### APPRAISAL EXPERIENCE

Mr. Allen has prepared and directed numerous appraisal and consulting assignments which include mixed-use properties, multifamily developments, proposed and existing condominiums and conversions, timeshares, office buildings, motels, hotels, industrial properties, regional malls, shopping centers, mobile home parks, market studies, feasibility studies, and investment analyses on a variety of institutional and non-institutional grade real property in over 15 states and 10 Caribbean nations.

He has appraised and has supervised appraisals, as well as prepared consulting studies of properties for a variety of public pension funds, large institutional investors, pension fund advisors, insurance companies and banks.

Mr. Allen has qualified as an expert witness for Federal Bankruptcy Court in the State of Florida and the State of Georgia and has given oral and written testimony in each. He has also been qualified in Florida State and County Courts.



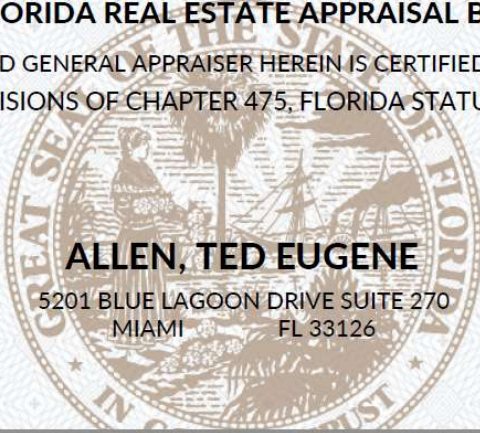

### LEADERSHIP AND ADDITIONAL EXPERIENCE

Mr. Allen is currently one of three executive committee members managing the operations of Joseph J Blake and Associates. This position oversees all aspects of the firms operations throughout the US. His duties including accounting oversight, IT oversight, marketing, short and long range planning, personnel staffing and budgeting.

Positions held at the Appraisal Institute include: former service on Chapter Admissions Committee Member, former service on National Admissions Committee, and former service on National Ethics Committee.

Additional real estate activities include NCREIF and Mortgage Bankers Association functions and service as Special Magistrate Miami Dade County Value Adjustment Board for the 2014 tax year.

CERTIFICATION

	Ron DeSantis, Governor	Halsey Beshears, Secretary	
<b>STATE OF FLORIDA</b> <b>DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION</b>			
<b>FLORIDA REAL ESTATE APPRAISAL BD</b>			
THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE PROVISIONS OF CHAPTER 475, FLORIDA STATUTES			
 <b>ALLEN, TED EUGENE</b> 5201 BLUE LAGOON DRIVE SUITE 270 MIAMI FL 33126			
<div style="border: 1px solid black; padding: 2px; display: inline-block;"><b>LICENSE NUMBER: RZ426</b></div>			
<b>EXPIRATION DATE: NOVEMBER 30, 2022</b>			
Always verify licenses online at <a href="http://MyFloridaLicense.com">MyFloridaLicense.com</a>			
	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.		

## QUALIFICATIONS OF THE APPRAISER

### EDGAR BARAJAS, PRACTICING AFFILIATE, APPRAISAL INSTITUTE

Mr. Barajas is a State-registered trainee real estate appraiser with the Miami office of Joseph J. Blake and Associates, Inc., at 5201 Blue Lagoon, Suite 270, Miami, Florida.

### FORMAL EDUCATION

Virginia Commonwealth University – Richmond, VA  
*Bachelor of Science in Real Estate*

Northern Virginia Community College – Arlington, VA  
*Associates in Arts in Business Administration*

### REAL ESTATE AND APPRAISAL EDUCATION

Course Name	Provider
Real Estate Principles	Virginia Commonwealth University
Real Estate Law	Virginia Commonwealth University
Real Estate Finance	Virginia Commonwealth University
Real Estate Appraisal	Virginia Commonwealth University
Real Estate Property Management	Virginia Commonwealth University
Real Estate Capital Markets	Virginia Commonwealth University
Sales Comparison Approach	Mckissock
Highest and Best Use	Mckissock
Cost Approach	Mckissock
Business Practices and Ethics	Appraisal Institute

### PROFESSIONAL AFFILIATIONS

Affiliation	Number
Florida - State-registered trainee real estate appraiser	No. RI24718
Practicing Affiliate, Appraisal Institute	

### APPRAISAL EXPERIENCE

Responsibilities include preparation of full narrative appraisal and market study reports for a wide variety of property types and purposes, including but not limited to business parks, office buildings, industrial buildings, shopping centers, multi-family projects, hotels and land.

CERTIFICATION

 Ron DeSantis, Governor

Halsey Beshears, Secretary



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

**FLORIDA REAL ESTATE APPRAISAL BD**

THE REGISTERED TRAINEE APPRAISER HEREIN HAS REGISTERED UNDER THE  
PROVISIONS OF CHAPTER 475, FLORIDA STATUTES



**BARAJAS, EDGAR**  
5201 BLUE LAGOON DRIVE  
SUITE 270  
MIAMI FL 33126

**LICENSE NUMBER: RI24718**

**EXPIRATION DATE: NOVEMBER 30, 2022**

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



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Prepared by:  
Daren Rubinfeld, Esq.  
Law Offices of Daren Rubinfeld, P.A.  
P.O. Box 30635  
Palm Beach Gardens, FL 33420

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Tax Folio Nos.: 50-43-43-23-05-015-0480

**Notice to Recorder: Documentary Stamps are being paid based upon the unpaid principal balance of that certain Mortgage, Assignment of Rents, Security Agreement, and Fixture Filing recorded at BK 27535/PG 0750 on May 14, 2015. The unpaid principal balance at the time of recording is \$9,437,274.09.**

### QUIT-CLAIM DEED

**THIS QUIT-CLAIM DEED** dated this 30 day of January, 2020, from Jane B. Holzer AND Jane B. Holzer, as Trustee under that certain Trust Agreement dated June 27, 1996 AND Jane B. Holzer, as to a life estate interest AND Ashley Holzer, as Trustee of the Emma Jane Holzer 2012 Dynasty Trust u/a dated December 27, 2012 AND Ashley Holzer, as Trustee of the Ian Harrison Holzer 2012 Dynasty Trust u/a dated December 27, 2012, the address for all of whom is 147 Dunbar Road, Palm Beach, Florida 33480 (hereby "**Grantor**" or "**Grantors**"), to **HOLBROOK REAL ESTATE, LLC**, a Florida Limited Liability Company, whose post office address is 147 Dunbar Road, Palm Beach, Florida 33480 (hereby "**Grantee**").

(Wherever used herein the terms "Grantor" and "Grantee" include all parties to this instrument and the heirs, legal representatives and assigns of individuals, and the successors and assigns of corporations.)

### WITNESSETH:

That the Grantor, for and in consideration of the sum of \$10.00 and other good and valuable considerations, receipt whereof by Grantor is hereby acknowledged, has remised, released and quitclaimed to Grantee, and Grantee's heirs, legal representatives, successors and assigns forever, all of the Grantor's right, title and interest in and to the following described land, situate, lying and being in the County of Palm Beach, State of Florida, to-wit:

**Lots 48, 49, 50 and 51, Block 15, Royal Park according to the map or plat thereof as recorded in Plat Book 4, Page 1, Public Records of Palm Beach County, Florida.**

**TOGETHER**, with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

**TO HAVE AND TO HOLD** the same together with all and singular the appurtenances thereto belonging or in anywise appertaining, and all the estate, right, title, interest, lien, equity and claim whatsoever of Grantor, either in law or equity, for the use, benefit and profit of the said Grantee, and Grantee's heirs, legal representatives, successors and assigns, forever.

(CONTINUED ON THE FOLLOWING PAGE)

QUITCLAIM: HOLBROOK RE

Said property is not the homestead property of Grantors.

IN WITNESS, WHEREOF, Grantor has hereunto set Grantor's hand and seal the day and year first above written.

Signed, sealed and delivered  
in the presence of:

GRANTOR:

Witness <u>[Signature]</u> Name(printed): <u>DARIN RUBENFELD</u> Witness <u>[Signature]</u> Name(printed): <u>DAVID FELD</u>	<u>[Signature]</u> Jane B. Holzer
Witness <u>[Signature]</u> Name(printed): <u>DARIN RUBENFELD</u> Witness <u>[Signature]</u> Name(printed): <u>DAVID FELD</u>	<u>[Signature]</u> Jane B. Holzer, as Trustee under that certain Trust Agreement dated June 27, 1996
Witness <u>[Signature]</u> Name(printed): <u>DARIN RUBENFELD</u> Witness <u>[Signature]</u> Name(printed): <u>DAVID FELD</u>	<u>[Signature]</u> Jane B. Holzer as to a life estate interest
Witness <u>[Signature]</u> Name(printed): <u>ARMEN TSOUKIS</u> Witness <u>[Signature]</u> Name(printed): <u>DARIN RUBENFELD</u>	<u>[Signature]</u> Ashley Holzer, as Trustee of the Emma Jane Holzer 2012 Dynasty Trust u/a dated December 27, 2012

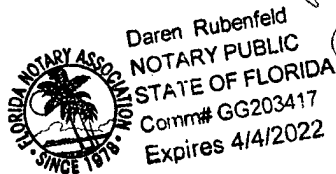
QUITCLAIM: HOLBROOK RE

Witness <u>AS</u>	<u>AS</u> Ashley Holzer, as Trustee of the Ian Harrison Holzer 2012 Dynasty Trust u/a dated December 27, 2012
Name(printed): <u>AYMEN TSOURI</u>	
Witness <u>DR</u>	
Name(printed): <u>DAREN RUBENFELD</u>	

STATE OF FLORIDA )  
COUNTY OF PALM BEACH ) SS:

The foregoing instrument was sworn and acknowledged before me this 30 day of January 2020, by Jane B. Holzer AND Ashley Holzer, in their respective capacities as designated herein above, who took are personally known to me.

NOTARY PUBLIC



DR  
State of Florida  
Name:  
Commission No.:

QUITCLAIM: HOLBROOK RE





LINE	CODE	PCT	SIZE
A 1	320	100	2366
MULTIPLE TENANT RETAIL SAL			
A1 2	500	100	2366
OFFICES			
A2 1	FOP		30
FINISHED OPEN PORCH			
A2 2	FEP		91
FINISHED ENCL. PORCH			
A2 3	FOP		105
FINISHED OPEN PORCH			
Review Meeting Backup 10-11-2023			
A10			
A11			
A12			
A13			
A14			
A15			
A16			
A17			
TOTAL SQ.FT			4958

320(A0CD26X91)500(A3U10CL91X26)  
 FOP(A1D26L1CD5L8VU3R3U2R5)FOP(A4L90D26CR21X5)FEP(A2D26L6CD2VL3D3L16U5R19)

VECTOR:

320(A0CD26X91)500(A3U10CL91X26)  
 FOP(A1D26L1CD5L8VU3R3U2R5)FOP(A4L90D26CR21X5)FEP(A2D26L6CD2VL3D3L16U5R19)

2	/	2	SYS CRD# /TOT BLDGS
371	ID	1	DOWNTOWN ROW
1			C&D
02			NBHD FACTOR
			LEVEL / UNIT TYPE
			UNIT HEIGHT / BLDG HEIGHT
1950		2005	YRBLT / EFFYR
7+			GRADE / CDU
97			% GOOD / DEPR TB
			EW1
			EW2
			RS
			RC
			IW1
			IW2
			FT1
			FT2
			MKT_ADJ
			FUNC
			ECON
			SOH%
0			

4,732	EFF BLDG AREA
4,732	SQ FT LIVING AREA
4,732	TOTAL EBA

NOTES:											
L#	COD	LENGTH	WIDTH	EL	ST	ID	UT	VALUE			
1	FOP	30					1	740			
			X	1							
1	FEP	91					1	2,970			
			X	1							
1	FOP	105					1	2,600			
			X	1							
									1 TOTAL ID UNIT VALUE		
									2,026,740 RCN		
									1,965,940 RCNLD		
									1,965,940 ADJRCNLD		

LN	SE	LEVEL	YR	EFF	AREA	EXTER	USE	NAME	WA	EXTERIOR	CN	INT	INT	INT	INT	PHY	FNC	FNC	ENC
NO	NO	FR	TO	YB	SIZE	PERM	TYPE		HT	WALL TYPE	TYPE	FIN	PAR	HT	AC	PLB	LGT	CND	UT
1	A	01	01	1950	2366	234	320	MULTIPLE TENANT	10	22	STUCCO ON MASONRY	2	100	2	2	2	3	3	
2	B	02	02	1950	2366	234	500	OFFICES	10	22	STUCCO ON MASONRY	2	100	2	2	2	3	3	

COUNTY OF PALM BEACH: NOTICE OF AD VALOREM TAXES AND NON-AD VALOREM ASSESSMENTS

PROPERTY CONTROL NO.	YEAR	BILL NO.	CMC	APPLIED EXEMPTION(S)	LEGAL DESCRIPTION
50-43-43-23-05-015-0480	2020	101479345	41		ROYAL PARK ADD LTS 48 TO 51 INC BLK 15



R 8 - 1481

HOLBROOK REAL ESTATE LLC  
147 DUNBAR RD  
PALM BEACH FL 33480-3712



ANNE M. GANNON  
CONSTITUTIONAL TAX COLLECTOR  
Serving Palm Beach County  
www.pbctax.com

2020 VAB REAL ESTATE PROPERTY TAX BILL

READ REVERSE SIDE BEFORE CALLING			AD VALOREM TAXES			READ REVERSE SIDE BEFORE CALLING		
TAXING AUTHORITY	TELEPHONE	ASSESSED	EXEMPTION	TAXABLE	MILLAGE	TAX AMOUNT		
COUNTY	561-355-3996	9,535,715		9,535,715	4.7815	45,595.02		
COUNTY DEBT	561-355-3996	9,535,715		9,535,715	0.0309	294.65		
TOWN OF PALM BEACH	561-838-5400	9,535,715		9,535,715	2.9962	28,570.91		
CHILDRENS SERVICES COUNCIL	561-740-7000	9,535,715		9,535,715	0.6497	6,195.35		
F.I.N.D.	561-627-3386	9,535,715		9,535,715	0.0320	305.14		
PBC HEALTH CARE DISTRICT	561-659-1270	9,535,715		9,535,715	0.7261	6,923.88		
SCHOOL LOCAL	561-434-8837	11,759,035		11,759,035	3.2480	38,193.35		
SCHOOL STATE	561-434-8837	11,759,035		11,759,035	3.7620	44,237.49		
SFWMD EVERGLADES CONST PROJECT	561-686-8800	9,535,715		9,535,715	0.0380	362.36		
SO FLA WATER MANAGEMENT DIST.	561-686-8800	9,535,715		9,535,715	0.1103	1,051.79		
SO FLA WATER MGMT - OKEE BASIN	561-686-8800	9,535,715		9,535,715	0.1192	1,136.66		

www.pbctax.com

TOTAL AD VALOREM 172,866.60

READ REVERSE SIDE BEFORE CALLING			NON-AD VALOREM ASSESSMENTS			READ REVERSE SIDE BEFORE CALLING		
LEVYING AUTHORITY	TELEPHONE	RATE	AMOUNT					
WORTH AVE LOCA IMPROVEMENTS	561-838-5400	23,123.03	23,123.03					
SOLID WASTE AUTHORITY OF PBC	561-640-4000	1,971.25	1,971.25					
SOLID WASTE - PALM BEACH	561-838-5440	1,960.88	1,960.88					
PALM BEACH UNDERGROUND UTILITIES	561-838-5400	743.44	743.44					

TOTAL NON-AD VALOREM 27,798.60

TOTAL AD VALOREM AND NON-AD VALOREM COMBINED 200,665.20

DETACH HERE

\*\*SEE REVERSE SIDE FOR INSTRUCTIONS AND INFORMATION\*\*

DETACH HERE

COUNTY OF PALM BEACH: NOTICE OF AD VALOREM TAXES AND NON-AD VALOREM ASSESSMENTS

PROPERTY CONTROL NO.	YEAR	BILL NO.
50-43-43-23-05-015-0480	2020	101479345

HOLBROOK REAL ESTATE LLC  
147 DUNBAR RD  
PALM BEACH FL 33480-3712

PAYMENT IS DUE FOR ALL VAB FILINGS. NO EXCEPTIONS.

20201014793450157448550

LEGAL DESCRIPTION	P.O. BOX 3353	MAKE PAYMENT TO:
ROYAL PARK ADD LTS 48 TO 51 INC BLK 15	WEST PALM BEACH, FL 33402-3353	TAX COLLECTOR, PALM BEACH COUNTY

AMOUNT DUE WHEN RECEIVED BY					
NOV 30, 2020	DEC 31, 2020	JAN 31, 2021	FEB 28, 2021	MAR 31, 2021	TAXES ARE DELINQUENT APRIL 1, 2021
\$151,150.62	\$152,725.09	\$154,299.58	\$155,874.06	\$157,448.55	
4%	3%	2%	1%	NO DISCOUNT	

2020 VAB REAL ESTATE PROPERTY TAX BILL

DETACH HERE

\*\*SEE REVERSE SIDE FOR INSTRUCTIONS AND INFORMATION\*\*

DETACH HERE

COUNTY OF PALM BEACH: NOTICE OF AD VALOREM TAXES AND NON-AD VALOREM ASSESSMENTS

PROPERTY CONTROL NO.	YEAR	BILL NO.
50-43-43-23-05-015-0480	2020	101479345

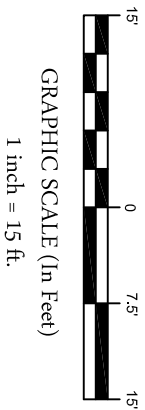
HOLBROOK REAL ESTATE LLC  
147 DUNBAR RD  
PALM BEACH FL 33480-3712

PAYMENT IS DUE FOR ALL VAB FILINGS. NO EXCEPTIONS.

20201014793450200665200

LEGAL DESCRIPTION	P.O. BOX 3353	MAKE PAYMENT TO:
ROYAL PARK ADD LTS 48 TO 51 INC BLK 15	WEST PALM BEACH, FL 33402-3353	TAX COLLECTOR, PALM BEACH COUNTY

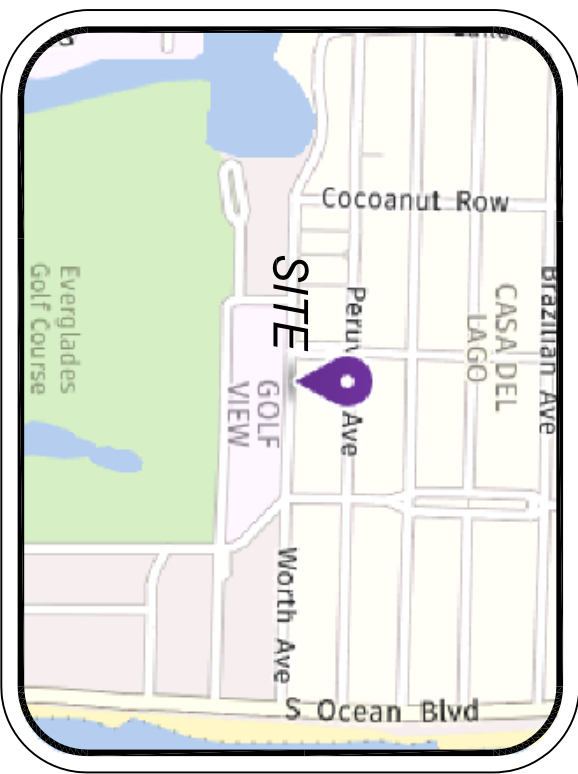
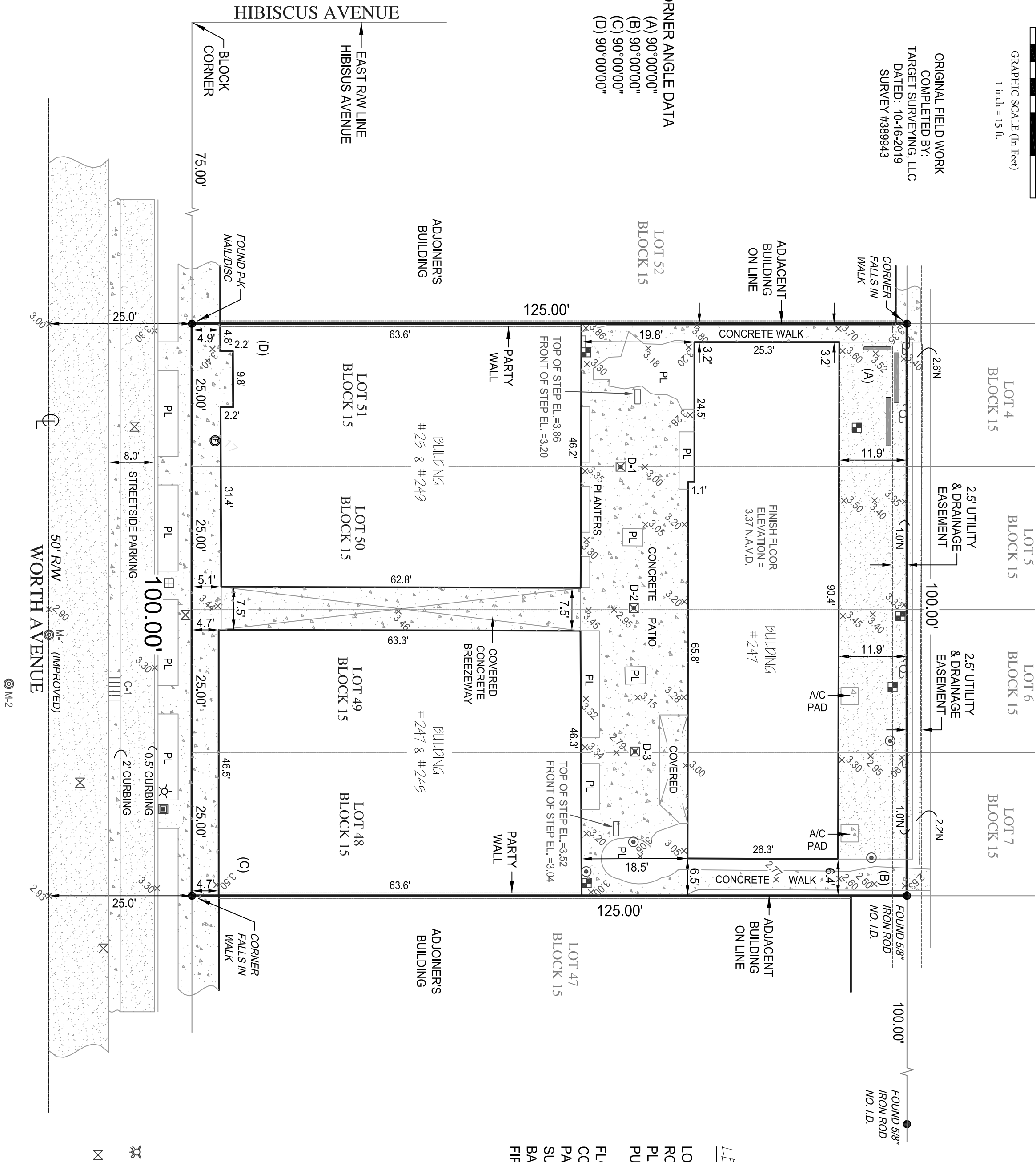
AMOUNT DUE WHEN RECEIVED BY					
NOV 30, 2020	DEC 31, 2020	JAN 31, 2021	FEB 28, 2021	MAR 31, 2021	TAXES ARE DELINQUENT APRIL 1, 2021
\$192,638.60	\$194,645.24	\$196,651.90	\$198,658.55	\$200,665.20	
4% Development Review Meeting Backup 10-11-2023	3%	2%	1%	NO DISCOUNT	



ORIGINAL FIELD WORK  
COMPLETED BY:  
TARGET SURVEYING, LLC  
DATED: 10-16-2019  
SURVEY #389943

1"=15'  
NORTH

CORNER ANGLE DATA  
(A) 90°00'00"  
(B) 90°00'00"  
(C) 90°00'00"  
(D) 90°00'00"



LEGAL DESCRIPTION:

LOTS 48, 49, 50 AND 51, BLOCK 15, OF THE REVISED MAP OF ROYAL PARK ADDITION TO PALM BEACH, ACCORDING TO THE PLAT THEREOF RECORDED IN PLAT BOOK 4, PAGE 1, OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

FLOOD ZONE: AE  
COMMUNITY NUMBER: 120220  
PANEL: 12099C0583  
SUFFIX: F  
BASE FLOOD ELEVATION: 6  
FIRM DATE: 10-05-2017

ABBREVIATION DESCRIPTION:

A/C AIR CONDITIONER  
C/L CENTERLINE  
I.D. IDENTIFICATION  
LB LICENSED BUSINESS  
N.A.V.D. NORTH AMERICAN VERTICAL DATUM  
P-K PARKER KYLON NAIL  
PL PLANTER  
PSM PROFESSIONAL SURVEYOR MAPPER  
RW RIGHT OF WAY  
TOPO TOPOGRAPHIC ELEVATION

UTILITIES SYMBOL LEGEND

	CLEANOUT
	CURB INLET
	DRAIN
	ELECTRIC BOX
	ELECTRIC PANEL
	FIRE HYDRANT
	FIRE LINE
	LIGHT POLE
	SANITARY MANHOLE
	UTILITY POLE
	UTILITY RISER
	WATER METER
	WATER VALVE

DRAIN DATA  
D-1 RIM ELEVATION: 2.95 N.A.V.D.  
INVERT: -2.55 N.A.V.D.  
PIPE SIZE: 0.3 METAL  
D-2 RIM ELEVATION: 2.95 N.A.V.D.  
INVERT: -2.55 N.A.V.D.  
PIPE SIZE: 0.3 METAL  
D-3 RIM ELEVATION: 2.80 N.A.V.D.  
INVERT: -2.40 N.A.V.D.  
PIPE SIZE: 0.3 METAL  
SANITARY MANHOLE DATA  
M-1 RIM ELEVATION: 2.92 N.A.V.D.  
WEST INVERT: (-) 0.63 N.A.V.D.  
EAST INVERT: (-) 0.68 N.A.V.D.  
PIPE SIZE: 0.3 METAL  
M-2 RIM ELEVATION: 2.71 N.A.V.D.  
WEST INVERT: (-) 4.29 N.A.V.D.  
PIPE SIZE: 2.70 METAL  
SOUTH INVERT: (-) 3.29 N.A.V.D.  
PIPE SIZE: 1.5" METAL  
EAST INVERT: (-) 3.99 N.A.V.D.  
PIPE SIZE: 2.70 METAL  
NORTH INVERT: (-) 3.29 N.A.V.D.  
PIPE SIZE: 1.5" METAL  
CURB INLET DATA  
C-1 RIM ELEVATION: 2.78 N.A.V.D.  
GRATE ELEVATION: 2.55 N.A.V.D.  
INVERT: (-) 2.63 N.A.V.D.  
PIPE SIZE: 1.3" METAL

ORIGINATOR: BENCHMARK  
PALM BEACH COUNTY BRASS DISK  
PALM BEACH 1932  
N.A.V.D. 1988 ELEVATION = 13.31

NOTES:

- LEGAL DESCRIPTION PROVIDED BY CLIENT
- NO SEARCH OF THE PUBLIC RECORD FOR THE PURPOSE OF ABSTRACTING TITLE WAS PERFORMED BY THIS OFFICE
- NO SUBSURFACE IMPROVEMENTS WERE LOCATED AS PART OF THIS SURVEY
- ALL ANGLES AND DISTANCES SHOWN HEREON ARE BOTH RECORD AND MEASURED UNLESS OTHERWISE NOTED

SPECIFIC PURPOSE SURVEY - "TOPOGRAPHY & ADDITIONAL UTILITIES DATA"

2245, 247, 249 & 251 WORTH AVENUE  
PALM BEACH, FL 33480

PREPARED FOR  
GAGE BATTEN



WWW.COMPASSSURVEYING.NET

6250 N. MILITARY TRAIL, SUITE 102  
WEST PALM BEACH, FL 33407  
PHONE: 561.640.4800  
FAX: 561.640.0576

LB #7463

Project: C-18525  
Date: 12-30-2019  
Scale: 1" = 15'  
Sheet: 1 OF 1

# National Flood Hazard Layer FIRMette



80°2'34"W 26°42'19"N

## Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

**SPECIAL FLOOD HAZARD AREAS**

Without Base Flood Elevation (BFE)  
Zone A, V, AE, AH, VE, AR  
With BFE or Depth  
Regulatory Floodway

**OTHER AREAS OF FLOOD HAZARD**

0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile  
Future Conditions 1% Annual Chance Flood Hazard  
Area with Reduced Flood Risk due to Levee. See Notes.  
Area with Flood Risk due to Levee

**OTHER AREAS**

Area of Minimal Flood Hazard  
Effective LOMR  
Area of Undetermined Flood Hazard  
Channel, Culvert, or Storm Sewer  
Levee, Dike, or Floodwall

**OTHER FEATURES**

Cross Sections with 1% Annual Chance Water Surface Elevation  
Coastal Transect  
Base Flood Elevation Line (BFE)  
Limit of Study  
Jurisdiction Boundary  
Coastal Transect Baseline  
Profile Baseline  
Hydrographic Feature

**MAP PANELS**

Digital Data Available  
No Digital Data Available  
Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 3/14/2021 at 4:22 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.



Holbrook Realty

Rent Roll as of March 2021

TENANT NAME	RENT	Annual RENT	Rent
Brioni Roman Style	24,108.00	289,296.00	5/1/2013
Loro Piana & Co.	23,042.60	276,511.20	7/15/2005
Loro Piana & Co.	2,974.27	35,691.24	10/1/2012
Maje/SMCP USA	25,263.65	303,163.80	8/1/2013
Sandro/SMCP USA	25,263.65	303,163.80	8/15/2013
Le Bilboquet	18,333.33	219,999.96	10/1/2020
Daren Rubenfeld	2,322.69	27,872.28	3/1/2020
	<u>\$121,308.19</u>	<u>\$1,455,698.28</u>	

Maje & Sandro paying 75% rent

Holbrook Real Estate LLC  
245-251 Worth Avenue

INCOME	2020	2021
Commercial Rent	754,832	1,380,858
Tenant Recover Real Estate Taxes	51,796	75,163
EFFECTIVE GROSS INCOME:	<u>806,628</u>	<u>1,456,021</u>
EXPENSES		
Real Estate Taxes	192,638	192,638
Water/Sewer	2,792	2,792
Insurance Annual	115,834	115,834
Utilities	1,392	1,373
Extermintor	1,271	1,300
Legal	17,548 *	5,000
TOTAL EXPENSES:	<u>331,475</u>	<u>318,937</u>
NET OPERATING INCOME:	<u>475,153</u>	<u>1,137,084</u>
Interest expense Bank OF America	<u>347,120</u>	<u>347,120</u>
NET OPERATING INCOME:	<u>128,033</u>	<u>789,964</u>

\* Due to resturant negotiating of the lease & eviction  
of Contressa



Monday, March 15, 2021

Mrs. Jane Holzer  
Holbrook Real Estate LLC  
247-251 Worth Ave  
Palm Beach FL 33480

Re: Resturant Project CO

As a follow-up to our phone conversation regarding a Certificate of Occupancy. The restaurant is currently operating under a Temporary CO as we are waiting on final paperwork and as-built plans to clear the town of palm beach plan review. This is more of a formality as all requisite inspections other than drainage have passed and logged a final inspection.

We expect to be able to get the drainage inspection at the end of this week or early next week. Once completed we will be able to formally close out this job and permit. TOPB now requires "record drawings" to be reviewed by their civil engineer before the final inspection even though the drainage has already been certified by the Civil Engineer of Record. These additional drawings were submitted 2 weeks ago and should be approved by the Town in a matter of days.

As soon as the official CO is issued I will email it to you. In the meantime, if there are any other questions, comments, or concerns regarding this project feel free to call me anytime or any other party can call me directly.

Regards,

*Gage T. Batten*

Batten Construction, Inc  
1400 Clare Ave  
West Palm Beach, FL 33401  
[gage@battenco.com](mailto:gage@battenco.com)  
(C)561-313-4007  
(O)561-820-0027 Ext 101

*Building upon a lifetime of experience*

Batten Construction, Inc. • CGC #037317 • 1400 Clare Avenue • West Palm Beach, FL 33401 • T: 561-820-0027 • F: 561-820-1510 • [www.battenco.com](http://www.battenco.com)

## Landlord Improvements

- Fire Sprinklers for 245 A and 247 A
- Impact- Rated Windows and Doors 245 A and 247 A
- Drainage and Exfiltration Trenches for Entire Property
- New Structural Metal
- Air Scrubber
- 3 New AC Units
- 600 Amp and 200 Amp Electrical Service
- Brand New Stucco
- New Paint
- Full Building Waterproofing and Flood Panels
- Stub-in of Future Utilities (Electrical Water and Sewer) for Future 2nd Floor Tenants
- Elevator
- New Courtyard Paving
- New Courtyard Sub-base (Compacted Concrete)
- Asbestos Abatement – All Hazardous Material Removed
- All New Electrical System
- All New Plumbing System
- New Gas Meter and Utilities
- New Roof
- New Gutters

Landlords Improvements Total \$2,035,372.87

- Tenant Improvements
- Grease Interceptor
- Awnings
- Screen Wall
- Make Up Air Fan

- Kitchen Equipment
- All New Drywall
- All New Framing
- Electrical System New
- Plumbing System New
- All New Flooring
- Walk-in Coolers
- New Landscaping + Smart Irrigation
- Fire Alarm System

Tenant Improvements \$2,243,797.03 + Walk-in Coolers + Kitchen Equipment (These items were not under Gc contract)

- There are additional approx. improvements of 50K Including Additional Site Lighting, additional electric and Transfer Switch for Generator Power

# Award Confirmation

Ted Allen MAI on behalf of Joseph J. Blake & Associates, Inc. is hereby authorized to perform the following Statement of Work (SOW) as further defined herein, execution of which must comply with all terms and conditions of this Order and master service agreement(s) VSIMS13789.19.1. Vendor acknowledges that this confirmation letter is a summary of select contract terms and conditions, which is provided for convenience. To view the complete agreement electronically accepted by Vendor, refer to Bank of America's Commercial Valuation Services Information Management System.

Supplier: Statement of Work			
<b>VSIMS ID:</b>	21-000996-APR-001	<b>Service Requested:</b>	Appraisal (Order)
<b>Project Description:</b>	Worth Avenue;245-251 Worth Avenue,FL,Palm Beach,USA		
<b>Borrower / Client:</b>	Emma Jane Holzer 2012 Dynasty Trust u/a		
<b>Sourcing Manager:</b>	Kathryn Robinson; (813-814-1053); kathryn.robinson@bofa.com		

Terms			
<b>Award Date</b>	<b>Delivery Due Date</b>	<b>Fee</b>	<b>Delivery Performance</b>
02/25/2021	03/18/2021	USD 3,500	All deliveries due by 6 PM local time unless otherwise specified.
Time is of the essence. Review of all attachments and initial communication with identified project or property contacts must occur within five days of engagement. Liquidated damages may be assessed if the Statement of Work (SOW), including the delivery of all reports and requested data, is incomplete by the listed due date. Damages will be assessed at a rate of 5% of the negotiated fee for each day (cumulative) the SOW remains incomplete. Damages will not be imposed for delays resulting from circumstances beyond the appraiser's control if timely notice is provided; such circumstances to be judged for their validity solely by the Sourcing Manager. Individual standalone reports to be provided for each listed property unless instructed otherwise in this agreement.			

Service Definition	
<b>Product:</b> Self-contained ;	<b>Appraisal Certification:</b> Contracted Appraiser Must Sign

#	CUR	Premise	Interest	Allocations
1	USD	Market Value As-Is	Leased Fee	Real Estate
2	USD	Replacement Cost Value As-Is	Not Applicable	Real Estate
3	USD	Actual Cash Value As-Is	Not Applicable	Real Estate

Policies, Procedures, Other Terms and Conditions	
1.	APPRAISAL PROPERTY INSPECTIONS: Vendor's intended scope of inspection must be specified with the bid proposal. In the event a complete inspection is not possible, the proposal must indicate how a credible report will be produced. Changes to assignment conditions, including alterations to the approved inspection process, must be escalated to the CVS Sourcing Manager and approved prior to execution. Refer to the attached Appraisal Inspection Guidance document for information detailing acceptable alternate inspection practices.
2.	APPRAISAL REQUIREMENTS: Appraisal reports must include: 1) Remaining economic life ----- 2) Exposure time ----- 3) Marketing time ----- 4) Identification and support of the most probable buyer (investor or owner-user). If the most probable buyer is an investor, the valuation should include appropriate deductions and discounts for vacant, owner-occupied and owner-affiliate-occupied space (treat as vacant and available for lease). ----- 5) The Cost Approach should be employed for proposed construction, new construction (24 months old or less) or "gut" renovation unless waived by Commercial Appraisal Services (CAS). ----- 6) Exclusion of any approach (Cost, Sales Comparison or Income) must be explained (not just stated). ----- 7) Reappraisals must explain differences in value for assignments completed for Bank of America within the last two years. ----- 8) Review CAS Appraisal Requirements prior to beginning an assignment and CAS Assignment Reminders prior to submitting assignment results.
3.	ARGUS: Submission of the Argus data file is required when Argus-based DCF analysis is part of the appraisal. Please ensure that the Argus file submitted is compatible with Argus AE version 12.0.
4.	INTENDED USE / USER: Include the following statement in the Letter of Transmittal and the Intended Use Section of the report: "The intended use of the report is to provide information for use in making business and credit decisions concerning an actual or prospective loan or line of credit, or making internal business decisions concerning a Bank of America owned or leased property. This report is for the use and benefit of, and may be relied upon by, Bank of America, N.A. as Lender, or Bank of America, N.A. as Administrative Agent for certain Lenders, and each actual and prospective Lender and Participant in such loan or line of credit, and their respective successors, assigns and affiliates."
5.	RCV / ACV: Provide Replacement Cost Value and/or Actual Cash Value as requested in the Award Letter. Use the attached Worksheet, segregated per structure, identified by address if possible, including those that may not have contributory market value. If flood hazard determination is attached, reconcile addresses in the worksheet and appraisal with the flood determination certificate.
6.	VALUATION APPROACHES: The scope of work must include the sales and income approaches to value. New construction and properties under renovation require a cost approach. Contact Commercial Appraisal Services immediately if property or market characteristics preclude the development of credible assignment results via the specified approaches.
7.	WARRANTIES AND REPS: Include the following statement in the Letter of Transmittal and/or other prominent section of the report: "Bank of America makes no warranties or representations regarding this document or the conclusions contained herein."

Documents (document content must be downloaded from VSIMS)	
SOW-specific Reference Documents	
1.	RCV_ACV_WORKSHEET_REVISED_20180718_08092018_075556.xlsx
2.	Appraisal_Requirements_20210106_132530117502.pdf
3.	APPRAISAL_INSPECTION_GUIDANCE_20200317_2204496672cf.pdf
4.	Appraisal_Assignment_Reminders_20210106_133337833474.pdf

Project-specific Documents	
1.	Rent Roll Holbrook_rent_roll_01-2021_20210224_143111930613.pdf

Addressee and Distribution Instructions			
<b>Report Distribution</b>	<b>Name</b>	<b>Address</b>	<b>Comments</b>
Addressee and Intended User	Kathryn Robinson	Commercial Valuation Services   Bank of America Corporate Center   NC1-007-14-33   100 N Tryon Street   Charlotte, NC 28255-0001	kathryn.robinson@bofa.com

Global Project Contact(s) (optional contacts listed where applicable)	
N/A	

Property 001	
<b>Property Name</b>	Emma Jane Holzer

<b>Property Address</b>	245-251 Worth Avenue; Palm Beach, Palm Beach County, FL 33480
<b>Site Owner</b>	Emma Jane Holzer 2012 Dynasty Trust u/a dated December 27 2012
<b>Tax Parcel ID(s)</b>	50-43-43-23-05-015-0480
<b>Property Type</b>	Retail-Commercial:Street Retail
<b>Property Use</b>	<b>Current Use:</b> Commercial / Retail; <b>Proposed Use:</b> Commercial / Retail
<b>Property Status</b>	Existing; <b>Year Built/Age:</b> 1950; <b>Occupancy:</b> 100%
<b>Tenancy</b>	Multi-Tenant (1 or more leases > 1yr); <b># of Tenants:</b> 6
<b>Property Measures</b>	<b>Building:</b> 2 Bldgs ; 11,053 SF-GBA ; <b>Land Area:</b> 0.29 Acres ;
<b>Marketing</b>	No
<b>Miscellaneous</b>	<b>Ground Lease:</b> N; <b>AOC:</b> N; <b>Built pre-1989:</b> Y; <b>Flood Hazard:</b> Y; <b>Single-family residences:</b> N;
<b>Other Comments</b>	
<b>Contacts</b>	Barbara Riggio (Property Contact for Borrower) ; ridge721@aol.com; 212-737-1753; Contact information for access to property (for appraisal purposes) Mobile # (917) 468-4234

**RECEIVED**

By Town of Palm Beach, Planning Zoning & Building Dept. at 1:37 pm, Oct 03, 2023

date: October 3, 2023  
to: James Murphy, Assistant Director of Planning and  
Zoning, Town of Palm Beach  
from: Eric Czerniejewski, P.E., ENV SP  
subject: 247 Worth Avenue Traffic Review

## MEMORANDUM

The Corradino Group, Inc (Corradino) has been requested to provide a traffic review of the Traffic Impact Analysis for the redevelopment of the commercial retail development located at 247 Worth Avenue in the Town of Palm Beach, Florida. The following are our traffic review comments based on the 09/19/23 submittal.

1. Please attach a copy of the Palm Beach County Traffic Division Traffic Performance Standard approval letter dated 07/28/23 for the 247 Worth Avenue redevelopment to the updated traffic impact analysis.

**Kimley Horn and Associates, Inc.'s 09/19/23 Response:** A copy of this letter has been attached to the updated traffic analysis.

**TCG 10/03/23 Response:** Addressed.

2. Please include additional narrative in the Traffic Assignment and Site Circulation that provides additional information related to the roadway characteristics of the adjacent roadway facilities. This additional information should include the number of lanes, direction, sidewalk, bicycle and transit infrastructure, speed limit and roadway ownership.

**Kimley Horn and Associates, Inc.'s 09/19/23 Response:** Additional detail has been added to the Traffic Assignment and Site Circulation section of the report to identify laneage, speed limits, roadway ownership, and bicycle, sidewalk and transit infrastructure.

**TCG 10/03/23 Response:** Addressed.

3. Please confirm if valet parking will be provided at the proposed redevelopment. If valet parking is being provided, a detailed valet traffic operational analysis and plan should be provided.

**Kimley Horn and Associates, Inc.'s 09/19/23 Response:** The owner is not proposing to provide valet service for this building.

**TCG 10/03/23 Response:** Addressed.

4. Please update the Site Circulation Figure 2 by labeling Hibiscus Avenue.

**Kimley Horn and Associates, Inc.'s 09/19/23 Response:** Site Circulation Figure 2 has been updated to include this label.

**TCG 10/03/23 Response:** Addressed.

5. Please provide details regarding the requirements for parking per the Town of Palm Beach Code of Ordinances Section 134-2175. Please provide a detailed narrative that outlines the principle of equivalency. This supplemental narrative should also outline the availability of ADA parking spaces. Please include a copy of the previously approved parking agreement for the existing development.

**Kimley Horn and Associates, Inc.'s 09/19/23 Response:** A section including parking calculations per Town of Palm Beach Code Section 134-2176 is included in the updated analysis. The evaluation also addresses the principle of equivalency, as detailed in Section 134-2715 of the Town's Code. A copy of correspondence from Apollo Parking, who manages the parking lot north of this site that provides parking for this site, is attached to the updated traffic analysis.

**TCG 10/03/23 Response:** Please provide an exhibit/location map (or modify Figure 1) that shows the Apollo Parking lot and its relation to the 247 Worth Avenue site. Please also provide a copy of the related valet parking agreement that the Apollo Parking Lot owners have with the Town for their parking lot.

6. Please provide a section in the traffic impact statement that discusses multimodal transportation options for the redevelopment including pedestrian, bicycle and transit modes.

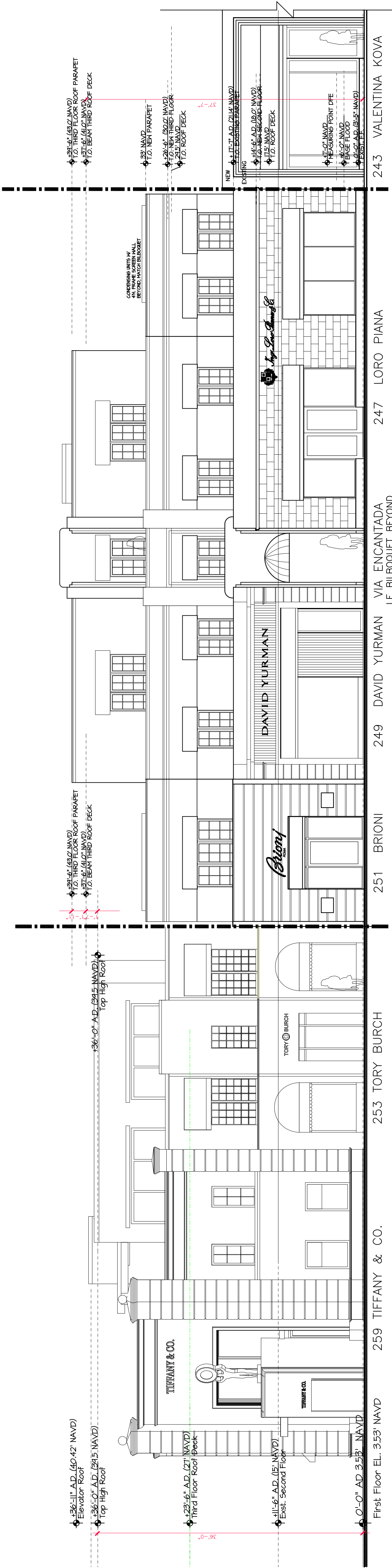
**Kimley Horn and Associates, Inc.'s 09/19/23 Response:** A section discussion pedestrian, bicycle and transit modes has been added on pages 4 and 5 of the updated analysis.

**TCG 10/03/23 Response:** Addressed.

7. Please confirm the location of the required loading spaces for the proposed redevelopment per the Town of Palm Beach Code of Ordinances Section 134-2211. Please provide maneuverability exhibits that depict the required vehicle turning movements for ingress and egress and loading for the various design vehicle.

**Kimley Horn and Associates, Inc.'s 09/19/23 Response:** The applicant is requesting a variance (See Variance #4) from the Loading Space requirement defined in the Town Code.

**TCG 10/03/23 Response:** Addressed.



# ADJACENT BUILDING HEIGHT COMPARISON

SCALE 1/8"=1'-0"