

Appraisal of Going Concern

Watson Island

Hotel Property

888 MacArthur Causeway

Miami, Miami Dade County, Florida 33132

Client Reference: PO 2405818 Req 411576

Prepared For:

City of Miami

Date of the Report:

November 17, 2025

Report Format:

Appraisal Report

IRR - Miami / Caribbean

File Number: 123-2025-0180



Subject Photographs



Watson Island
888 MacArthur Causeway
Miami, Florida

Aerial Photograph





November 17, 2025

Danny Lozano
Property Management Specialist
City of Miami
14 NE 1st Ave
Miami, FL 33132

SUBJECT: Market Value Appraisal
 Watson Island
 888 MacArthur Causeway
 Miami, Miami Dade County, Florida 33132
 Client Reference: PO 2405818 Req 411576
 IRR - Miami / Caribbean File No. 123-2025-0180

Dear Mr. Lozano:

Integra Realty Resources – Miami / Caribbean is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop the following opinions of value:

- The market value with use restrictions of the fee simple interest in the subject property as of the effective date of the appraisal, March 24, 2025
- The market value without use restrictions of the fee simple interest in the subject property as of the effective date of the appraisal, March 24, 2025
- The market value of the leased fee interest in the subject property as of the effective date of the appraisal, March 24, 2025

The client for the assignment is City of Miami. The intended user of this report is the client. The intended use of the report is for negotiations related to potential disposition of the site. No other party or parties may use or rely on the information, opinions, and conclusions contained in this report.

The subject is a 3.2-acre vacant site on the south side of the Macarthur Causeway, on Watson Island, in Miami, Florida. The 3.2-acre site is subject to a long-term 69-year ground

lease between the tenant and the City of Miami, with two consecutive 15-year extension options. The original lease is between the City of Miami and Flagstone Island Gardens. In 2023, the current tenant, BH3 Management and Merrimac Ventures (tenant) purchased the leasehold interest from Flagstone Island Gardens as part of the leasehold interest in the larger 10.8 acres under lease. The tenant plans to improve the subject site with a mixed-use luxury residential/hospitality tower consisting of 80 hotel units, 40 condo hotel units, and 102 residential condominium units along with related amenities and supporting spaces. The proposed hotel brand has not been announced but will reportedly be an ultra-luxury hotel brand. Lease terms with the City of Miami include prepaid rent, base rent, percentage rent of hotel operations, including hotel condominium units participating in the hotel rental program, and percentage rent of revenue from sales of residential condominium units. The tenant has expressed interest in buying the leased fee interest from the City of Miami, which combined with the tenant's leasehold interest yields a fee simple interest. A 1.53-acre portion of the site is zoned T6-36A-O, Urban Core Transect Open zone which allows for development density to a floor lot ratio (FLR) of 12 and 150 dwelling units per acre. The remaining 1.67 acres is zoned CS, Civic Space zone with development potential of building area not to exceed 25% of the lot area, with marina use the only use allowed as of right. The proposed development is part of a Master Development Agreement from 2020 between the prior owner and the City of Miami, which includes approvals for a Marina, Retail Component, Parking Component, two Hotels (Lifestyle Hotel and Luxury Hotel), and Residences, with 605 hotel and residence units combined.

The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, applicable state appraisal regulations, and the appraisal guidelines of City of Miami.

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis that were used to develop the opinion of value.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, the concluded opinions of value are as follows:

Value Conclusions			
Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value with Use Restrictions	Fee Simple	March 24, 2025	\$257,000,000
Market Value without Use Restrictions	Fee Simple	March 24, 2025	\$342,700,000
Market Value	Leased Fee	March 24, 2025	\$28,900,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. The subject is under a long-term lease with a related development agreement, with the leasehold tenant planning to improve the site with a mixed-use luxury residential condominium project with luxury hotel and hotel residence component. The lease agreement with the City of Miami includes a component of percentage rent from operation of the hotel component which includes participating hotel residences, as well as percentage revenue from sales of condominium residences. In development of our opinion of market value for the leased fee interest we assume the proposed improvements will be completed as herein described. We reserve the right to revise our opinion of leased fee market value should changes be made to the ground-lease lease terms or the proposed development plan.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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.

1. None noted

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

The opinions of value expressed in this report are based on estimates and forecasts which are prospective in nature and subject to considerable risk and uncertainty. Events may occur which could cause the performance of the property to differ materially from the estimates contained herein, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, the concluded opinions and forecasts are based partly on data obtained from interviews and third-party sources, which are not always completely reliable. Although the findings are considered reasonable based on available evidence, IRR is not responsible for the effects of future, unforeseen occurrences.

Danny Lozano
City of Miami
November 17, 2025
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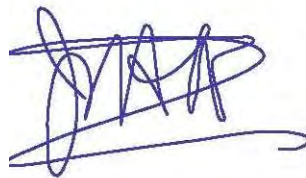
If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Miami / Caribbean



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Quality Assurance

IRR Quality Assurance Program

At IRR, delivering a quality report is a top priority. Integra has an internal Quality Assurance Program in which managers review material and pass an exam in order to attain IRR Certified Reviewer status. By policy, every Integra valuation assignment is assessed by an IRR Certified Reviewer who holds the MAI designation, or is, at a minimum, a named Director with at least ten years of valuation experience.

This quality assurance assessment consists of reading the report and providing feedback on its quality and consistency. All feedback from the IRR Certified Reviewer is then addressed internally prior to delivery. The intent of this internal assessment process is to maintain report quality.

Designated IRR Certified Reviewer

An internal quality assurance assessment was conducted by an IRR Certified Reviewer prior to delivery of this appraisal report. This assessment should not be construed as an appraisal review as defined by USPAP.

Executive Summary

Property Name	Watson Island
Address	888 MacArthur Causeway Miami, Miami Dade County, Florida 33132
Property Type	Hotel
Owner of Record	City of Miami
Tax ID	01-3231-061-0010 (a portion of)
Land Area	3.20 acres; 139,392 SF
Zoning Designation	T6-36 AO & CS, Urban Core Transect and Civic Space
Highest and Best Use - As if Vacant	Mixed-use luxury residential/hospitality use
Exposure Time; Marketing Period	6-12 months; 6-12 months
Date of the Report	August 19, 2025

Value Conclusions

Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value with Use Restrictions	Fee Simple	March 24, 2025	\$257,000,000
Market Value without Use Restrictions	Fee Simple	March 24, 2025	\$342,700,000
Market Value	Leased Fee	March 24, 2025	\$28,900,000

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than City of Miami may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. The subject is under a long-term lease with a related development agreement, with the leasehold tenant planning to improve the site with a mixed-use luxury residential condominium project with luxury hotel and hotel residence component. The lease agreement with the City of Miami includes a component of percentage rent from operation of the hotel component which includes participating hotel residences, as well as percentage revenue from sales of condominium residences. In development of our opinion of market value for the leased fee interest we assume the proposed improvements will be completed as herein described. We reserve the right to revise our opinion of leased fee market value should changes be made to the ground-lease lease terms or the proposed development plan.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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.

1. None noted

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Identification of the Appraisal Problem

Subject Description

The subject is a 3.2-acre vacant site on the south side of the MacArthur Causeway, on Watson Island, in Miami, Florida. The 3.2-acre site is subject to a long-term 69-year ground lease between the tenant and the City of Miami, with two consecutive 15-year extension options. The original lease is between the City of Miami and Flagstone Island Gardens. In 2023, the current tenant, BH3 Management and Merrimac Ventures (tenant) purchased the leasehold interest from Flagstone Island Gardens as part of the leasehold interest in the larger 10.8 acres under lease. The tenant plans to improve the subject site with a mixed-use luxury residential/hospitality tower consisting of 80 hotel units, 40 condo hotel units, and 102 residential condominium units along with related amenities and supporting spaces. The proposed hotel brand has not been announced but will reportedly be an ultra-luxury hotel brand. Lease terms with the City of Miami include prepaid rent, base rent, percentage rent of hotel operations, including hotel condominium units participating in the hotel rental program, and percentage rent of revenue from sales of residential condominium units. The tenant has expressed interest in buying the leased fee interest from the City of Miami, which combined with the tenant's leasehold interest yields a fee simple interest. A 1.53-acre portion of the site is zoned T6-36A-O, Urban Core Transect Open zone which allows for development density to a floor lot ratio (FLR) of 12 and 150 dwelling units per acre. The remaining 1.67 acres is zoned CS, Civic Space zone with development potential of building area not to exceed 25% of the lot area, with marina use the only use allowed as of right. The proposed development is part of a Master Development Agreement from 2020 between the prior owner and the City of Miami, which includes approvals for a Marina, Retail Component, Parking Component, two Hotels (Lifestyle Hotel and Luxury Hotel), and Residences, with 605 hotel and residence units combined.

According to a survey dated July 16, 2024, by Daniel C. Fortin, Jr., Surveyor and Mapper LS6435 State of Florida, of Fortin, Leavy, Skiles, Inc., the legal description for the site is as follows:

LEGAL DESCRIPTION:

A portion of Tract "A" and all of Tract "C", WATSON ISLAND SOUTHWEST, according to the Plat thereof, as recorded in Plat Book 166 at Page 11, of the Public Records of Miami-Dade County, Florida, being more particularly described as follows:

Commence at the South corner of said Tract "A", the following two (2) courses being along the Southeasterly line of said Tract "A"; 1) thence N 54°07'39" E for 105.55 feet to the Point of Beginning; 2) thence continue N 54°07'39" E for 44.59 feet to the West corner of said Tract "C"; thence S 35°54'03" E along the Southwesterly line of said Tract "C" for 134.36 feet to the South corner of said Tract "C"; thence N 54°07'39" E along the Southeasterly line of said Tract "C" for 531.61 feet to the East corner of said Tract "C"; the following two (2) courses being along the Northeasterly line of said Tracts "A" and "C", also being the Southwesterly right of way line of General Douglas MacArthur Causeway; 1) thence N 26°22'36" W for 196.59 feet to a point of curvature; 2) thence Northwesterly along a 600.00 foot radius curve leading to the left through a central angle of 5°09'29" for an arc distance of 54.02 feet to a point on a non-tangent line; thence S 54°07'39" W along a line 113 feet Northwesterly and parallel with said Southeasterly line of Tract "A" for 576.98 feet; thence S 17°12'21" E along a line 100 feet Easterly and parallel with the Westerly line of said Tract "A" for 119.43 to the Point of Beginning.

The site is a portion of the site identified by Folio number 01-3231-061-0010.

Sale History

There has been no sale or transfer of the fee simple interest in the subject property within a three-year period prior to the effective appraisal date.

The tenant, BH3 Management and Merrimac Ventures, acquired the leasehold interest of the subject property as part of their acquisition of the leasehold interest in a larger 10.8-acre site. A sales price for the leasehold interest was not disclosed.

Summary of Pertinent Hotel Component Lease Terms

Landlord: City of Miami, Florida

Tenant: BH3 & Merrimac Ventures

Premises: Real property in northwest quadrant of Watson Island, Miami-Dade County, Florida, including leasehold improvements and appurtenances.

Start Date: TBD.

Term: 99 years (consisting of a 69-year initial term with two 15-year extension options at Lessee's option) from execution of the Lease, subject to any tolling as the Lease Documents provide.

Base Rent: For the year beginning October 1, 2021, through the remainder of the Term \$293,600

Escalations: Commencing on the 6th anniversary of the date when Tenant opens for business, the Base Rent shall be adjusted to become an amount equal to the reference year Base Rent times the Change in CPI. In no event shall the Rent Bump result in Base Rent that is less than 101% or more than 105% of the annual Base Rent in the year immediately before the corresponding Rent Bump Date.

% Rent: Commencing on the 6th anniversary of the date when Tenant opens for business and continuing through the end of the Term, Percentage Rent equal to 1% of the Gross Revenues shall be paid in monthly installments, in arrears.

Summary of Pertinent Residential Component Lease Terms

Landlord: City of Miami, Florida

Tenant: BH3 & Merrimac Ventures

Premises: Real property in northwest quadrant of Watson Island, Miami-Dade County, Florida, including leasehold improvements and appurtenances.

Start Date: TBD.

Term:	99 years (consisting of a 69-year initial term with two 15-year extension options at Lessee's option) from execution of the Lease, subject to any tolling as the Lease Documents provide.
Base Rent:	For the year beginning October 1, 2021, through the remainder of the Term: \$523,000
Escalations:	Commencing on the 6th anniversary of the date when Tenant opens for business, the Base Rent shall be adjusted to become an amount equal to the reference year Base Rent times the Change in CPI. In no event shall the Rent Bump result in Base Rent that is less than 101% or more than 105% of the annual Base Rent in the year immediately before the corresponding Rent Bump Date.
% Rent:	In addition to the payment of Base Rent, Percentage Rent equal to 2.5% of the Gross Revenues shall be paid from the initial sales of the residences, excluding sales or transfers of previously sold residences. Percentage Rent shall be paid in monthly installments, in arrears.

Pending Transactions

Based on discussions with the appropriate contacts, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date.

Appraisal Purpose

The purpose of the appraisal is to develop the following opinion(s) of value:

- The market value with use restrictions of the fee simple interest in the subject property as of the effective date of the appraisal, March 24, 2025
- The market value without use restrictions of the fee simple interest in the subject property as of the effective date of the appraisal, March 24, 2025
- The market value of the leased fee interest in the subject property as of the effective date of the appraisal, March 24, 2025

The date of the report is November 17, 2025. The appraisal is valid only as of the stated effective date or dates.

Value Type Definitions

The definitions of the value types applicable to this assignment are summarized below.

Market Value

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

1. Buyer and seller are typically motivated;

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

Appraisal Premise Definitions

The definitions of the appraisal premises applicable to this assignment are specified as follows.

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.²

Property Rights Definitions

The property rights appraised which are applicable to this assignment are defined as follows.

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.³

Leasehold Estate

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.⁴

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 rights when the lease expires.⁵

Lease

A contract in which rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.⁶

¹ Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472

² Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

³ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

⁴ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

⁵ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

⁶ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

Client and Intended User(s)

The client and intended user is City of Miami. No other party or parties may use or rely on the information, opinions, and conclusions contained in this report.

Intended Use

The intended use of the appraisal is for negotiations related to potential disposition of the site. The appraisal is not intended for any other use.

Applicable Requirements

This appraisal report conforms to the following requirements and regulations:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute;
- Applicable state appraisal regulations;
- Appraisal guidelines of City of Miami.

Report Format

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis used to develop the opinion of value.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

Appraiser Competency

No steps were necessary to meet the competency provisions established under USPAP. The assignment participants have appraised several properties similar to the subject in physical, locational, and economic characteristics, and are familiar with market conditions and trends; therefore, appraiser competency provisions are satisfied for this assignment. Appraiser qualifications and state credentials are included in the addenda of this report.

Scope of Work

Introduction

The appraisal development and reporting processes require gathering and analyzing information about the assignment elements necessary to properly identify the appraisal problem. The scope of work decision includes the research and analyses necessary to develop credible assignment results, given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed.

To determine the appropriate scope of work for the assignment, the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors were considered. The concluded scope of work is described below.

Research and Analysis

The type and extent of the research and analysis conducted are detailed in individual sections of the report. The steps taken to verify comparable data are disclosed in the addenda of this report. Although effort has been made to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Subject Property Data Sources

The legal and physical features of the subject property, including size of the site, flood plain data, seismic zone designation, property zoning, existing easements and encumbrances, access and exposure, and condition of the improvements (as applicable) were confirmed and analyzed.

The financial data of the subject, including operating projections for the proposed development was analyzed. This information, as well as trends established by confirmed market indicators, is used to forecast future performance of the subject property.

Contacts

In addition to public records and other sources cited in this appraisal, information pertaining to the subject was obtained from the following parties:

Danny Lozano, Property Management Specialist, City of Miami

Greg Freedman, Co-Chief Executive Officer, BH3 Management

Inspection

Details regarding the property inspection conducted as part of this appraisal assignment are summarized as follows:

Property Inspection		
Party	Inspection Type	Inspection Date
Charles E. Badell, MAI	On-site	March 24, 2025
James Andrews, MAI, CRE, FRICS, ASA	None	N/A

Valuation Methodology

Three approaches to value are typically considered when developing a market value opinion for real property. These are the cost approach, the sales comparison approach, and the income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Applicable	Utilized

The purpose of the appraisal is to estimate the market value of fee simple interest in the site as restricted (as is) and as unrestricted, and to estimate the market value of the leased fee interest subject to the long-term ground lease. The cost approach is not applicable in valuing the hypothetical fee simple interest in the site, with and without restrictions, because no improvements are considered in this analysis. The cost approach is also not applicable in estimating the market value of the leased fee interest, subject to the long-term ground lease, because the lease considers percentage rent from operations of the proposed hotel and from sales of proposed residential condominium units, and not from a prospective value of the proposed improvements upon completion. The sales approach is used to support our conclusions of retail values for the for-sale residential condominium units, which are then used for our projection of future percentage rent. The income capitalization approach, discounted cash flow analysis, is used in development of our opinion of market value of the leased fee interest in the ground-leased site.

Miami-Dade County Area Analysis

Miami-Dade County is located in southeastern Florida approximately 50 miles south of Fort Lauderdale. It is 1,898 square miles in size and has a population density of 1,435 persons per square mile.

Population

Miami-Dade County has an estimated 2024 population of 2,723,579, which represents an average annual 0.2% increase over the 2020 census of 2,701,767. Miami-Dade County added an average of 5,453 residents per year over the 2020-2024 period, but its annual growth rate lagged the State of Florida rate of 1.3%.

Looking forward, Miami-Dade County's population is projected to increase at a 0.3% annual rate from 2024-2029, equivalent to the addition of an average of 6,847 residents per year. Miami-Dade County's growth rate is expected to lag that of Florida, which is projected to be 1.0%.

Population Trends					
	Population			Compound Ann. % Chng	
	2020 Census	2024 Estimate	2029 Projection	2020 - 2024	2024 - 2029
Miami-Dade County	2,701,767	2,723,579	2,757,812	0.2%	0.3%
Florida	21,538,187	22,724,182	23,916,544	1.3%	1.0%

Source: Claritas

Employment

Total employment in Miami-Dade County was estimated at 1,263,867 jobs at year-end 2023. Between year-end 2013 and 2023, employment rose by 215,881 jobs, equivalent to a 20.6% increase over the entire period. There were gains in employment in nine out of the past ten years. Although Miami-Dade County's employment rose over the last decade, it underperformed Florida, which experienced an increase in employment of 27.5% or 2,128,533 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Miami-Dade County unemployment rate has been slightly higher than that of Florida, with an average unemployment rate of 5.1% in comparison to a 4.9% rate for Florida. A higher unemployment rate is a negative indicator.

Recent data shows that the Miami-Dade County unemployment rate is 2.1% in comparison to a 3.2% rate for Florida, a positive sign that is consistent with the fact that Miami-Dade County has outperformed Florida in the rate of job growth over the past two years.

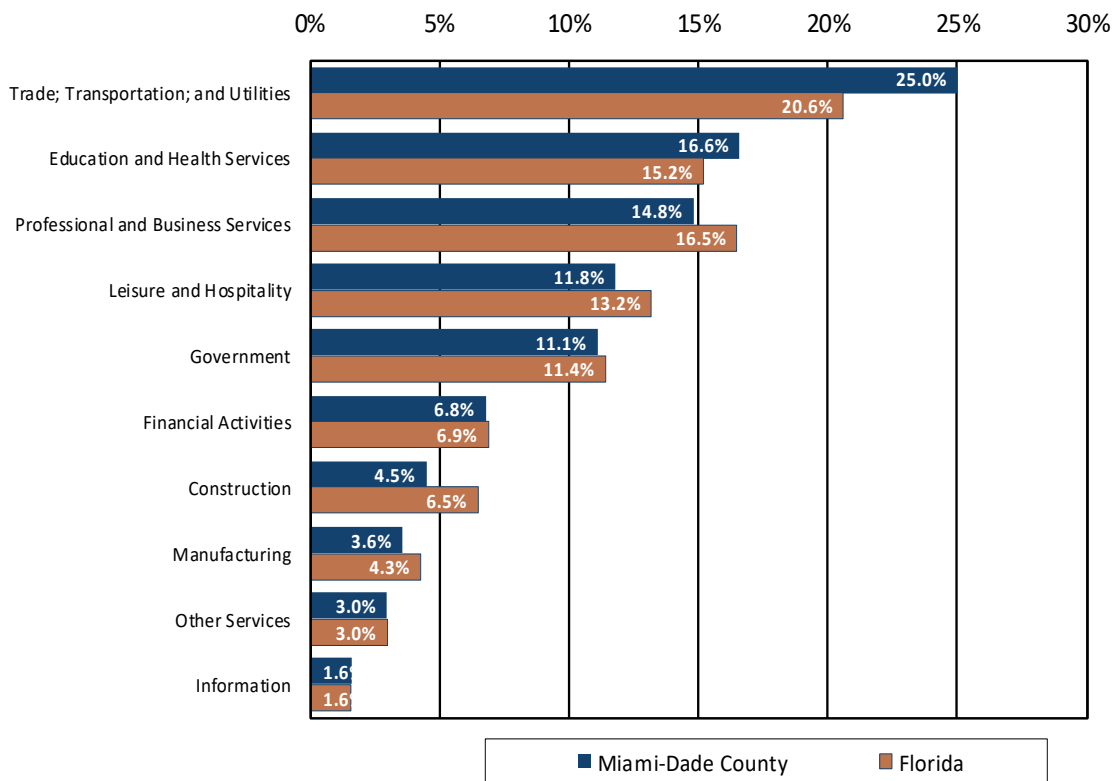
Employment Trends						
Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	Miami-Dade	%	Florida	%	Miami-Dade	Florida
	County	Change	County	Change	County	County
2013	1,047,986		7,741,539		7.6%	7.5%
2014	1,083,134	3.4%	8,012,496	3.5%	6.8%	6.5%
2015	1,117,022	3.1%	8,314,343	3.8%	6.1%	5.5%
2016	1,135,111	1.6%	8,542,086	2.7%	5.6%	4.9%
2017	1,149,091	1.2%	8,718,087	2.1%	4.8%	4.3%
2018	1,171,176	1.9%	8,907,904	2.2%	3.7%	3.6%
2019	1,189,201	1.5%	9,094,742	2.1%	2.9%	3.3%
2020	1,092,673	-8.1%	8,664,195	-4.7%	8.3%	8.2%
2021	1,176,195	7.6%	9,251,180	6.8%	5.6%	4.7%
2022	1,228,320	4.4%	9,627,996	4.1%	2.6%	3.0%
2023	1,263,867	2.9%	9,870,072	2.5%	1.8%	2.9%
Overall Change 2013-2023	215,881	20.6%	2,128,533	27.5%		
Avg Unemp. Rate 2013-2023					5.1%	4.9%
Unemployment Rate - April 2024					2.1%	3.2%

Source: U.S. Bureau of Labor Statistics and Moody's Analytics. Employment figures are from the Quarterly Census of Employment and Wages (QCEW). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

Employment Sectors

The composition of the Miami-Dade County job market is depicted in the following chart, along with that of Florida. Total employment for both areas is broken down by major employment sector, and the sectors are ranked from largest to smallest based on the percentage of Miami-Dade County jobs in each category.

Employment Sectors - 2023



Source: U.S. Bureau of Labor Statistics and Moody's Analytics

Miami-Dade County has greater concentrations than Florida in the following employment sectors:

1. Trade; Transportation; and Utilities, representing 25.0% of Miami-Dade County payroll employment compared to 20.6% for Florida as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
2. Education and Health Services, representing 16.6% of Miami-Dade County payroll employment compared to 15.2% for Florida as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.

Miami-Dade County is underrepresented in the following sectors:

1. Professional and Business Services, representing 14.8% of Miami-Dade County payroll employment compared to 16.5% for Florida as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
2. Leisure and Hospitality, representing 11.8% of Miami-Dade County payroll employment compared to 13.2% for Florida as a whole. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.

3. Government, representing 11.1% of Miami-Dade County payroll employment compared to 11.4% for Florida as a whole. This sector includes employment in local, state, and federal government agencies.
4. Financial Activities, representing 6.8% of Miami-Dade County payroll employment compared to 6.9% for Florida as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.

Major Employers

Major employers in Miami-Dade County are shown in the following table.

Major Employers - Miami-Dade County		
	Name	Number of Employees
1	Baptist Health South Florida	11,353
2	University of Miami	12,818
3	American Airlines	11,031
4	Florida Power & Light Company	3,011
5	Carnival Cruise Lines	3,500
6	Mount Sinai Medical Center	3,321
7	Miami Childrens Hospital	3,500
8	Royal Caribbean International/Celebrity Cruises	2,989
9	Bank of America Merrill Lynch	2,000
10	Wells Fargo	2,050

Source: Beacon Council 2020 (Private only)

Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area, and annual changes in Gross Domestic Product (GDP) are a gauge of economic growth.

Economic growth, as measured by annual changes in GDP, has been somewhat lower in Miami-Dade County than Florida overall during the past five years. Miami-Dade County has grown at a 3.0% average annual rate while Florida has grown at a 3.7% rate. However, Miami-Dade County has recently performed better than Florida. GDP for Miami-Dade County rose by 5.8% in 2022 while Florida's GDP rose by 4.6%.

Miami-Dade County has a per capita GDP of \$69,007, which is 26% greater than Florida's GDP of \$54,772. This means that Miami-Dade County industries and employers are adding relatively more value to the economy than their counterparts in Florida.

Gross Domestic Product				
	(\$,000s)		(\$,000s)	
Year	Miami-Dade County	% Change	Florida	% Change
2017	159,539,066	—	1,014,866,900	—
2018	166,478,173	4.3%	1,050,433,800	3.5%
2019	167,321,203	0.5%	1,079,271,000	2.7%
2020	156,638,289	-6.4%	1,068,377,500	-1.0%
2021	174,396,302	11.3%	1,164,778,200	9.0%
2022	184,513,444	5.8%	1,218,430,200	4.6%
Compound % Chg (2017-2022)		3.0%		3.7%
GDP Per Capita 2022	\$69,007		\$54,772	

Source: U.S. Bureau of Economic Analysis and Moody's Analytics; data released December 2023.

The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2017 dollars.

Household Income

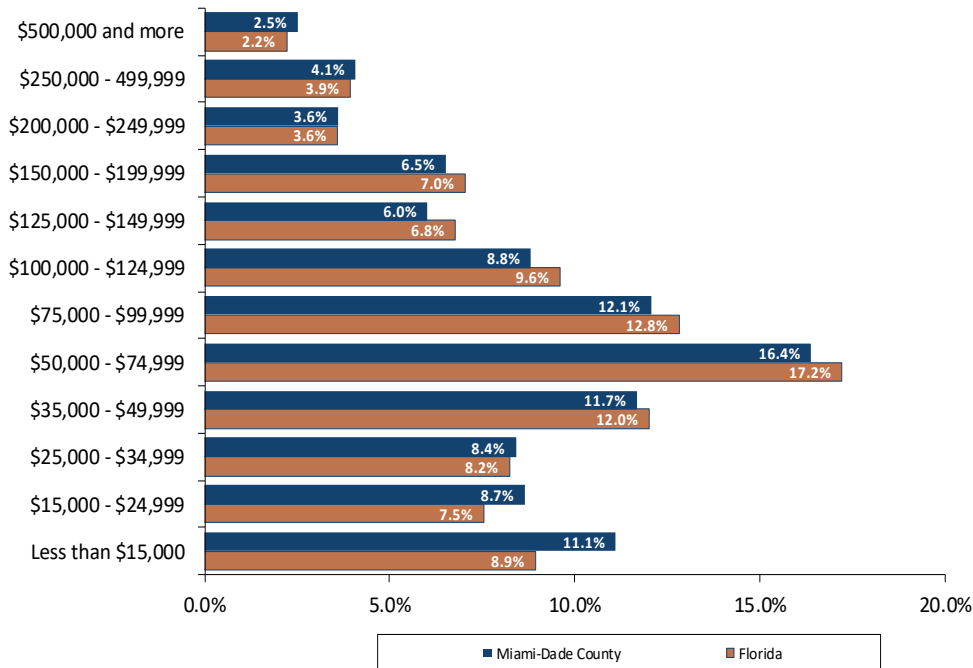
Miami-Dade County has a lower level of household income than Florida. Median household income for Miami-Dade County is \$64,649, which is 5.8% less than the corresponding figure for Florida.

Median Household Income - 2024	
	Median
Miami-Dade County	\$64,649
Florida	\$68,658
Comparison of Miami-Dade County to Florida	- 5.8%

Source: Claritas

The following chart shows the distribution of households across twelve income levels. Miami-Dade County has a greater concentration of households in the lower income levels than Florida. Specifically, 40% of Miami-Dade County households are below the \$50,000 level in household income as compared to 37% of Florida households. A lesser concentration of households is apparent in the middle income levels, as 43% of Miami-Dade County households are between the \$50,000 - \$150,000 levels in household income versus 46% of Florida households.

Household Income Distribution - 2024

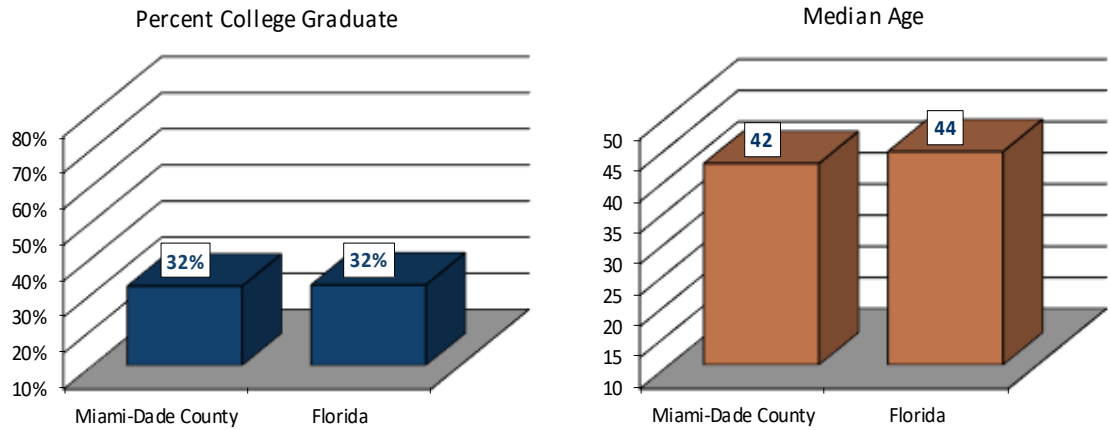


Source: Claritas

Education and Age

Residents of Miami-Dade County have a similar level of educational attainment to those of Florida. An estimated 32% of Miami-Dade County residents are college graduates with four-year degrees, which is the same percentage as Florida residents. People in Miami-Dade County are younger than their Florida counterparts. The median age for Miami-Dade County is 42 years, while the median age for Florida is 44 years.

Education & Age - 2024

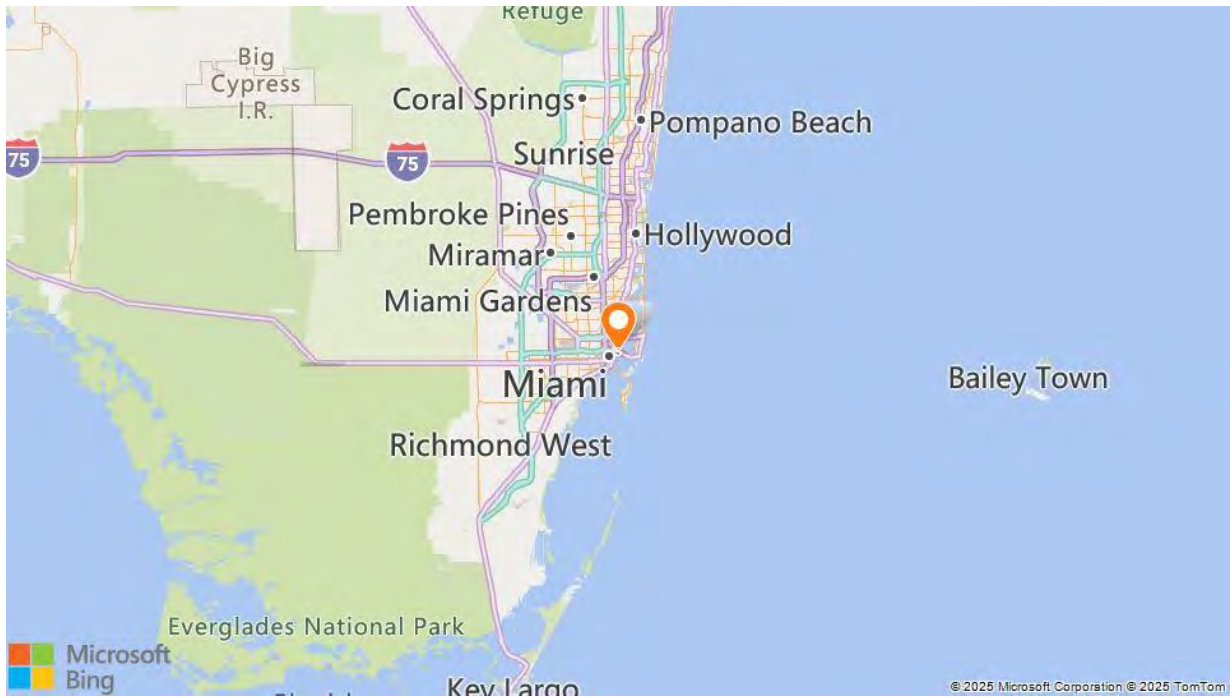


Source: Claritas

Conclusion

The Miami-Dade County economy will be affected by a stable to slightly growing population base and a lower level of median household income. Miami-Dade County experienced growth in the number of jobs over the past decade, and it is reasonable to assume that employment growth will occur in the future. It is anticipated that the Miami-Dade County economy will improve and employment will grow, strengthening the demand for real estate.

Area Map



Surrounding Area Analysis

The subject is located on Watson Island, a man-made island in Biscayne Bay located between Miami’s Urban Core and Miami Beach, connected to both via MacArthur Causeway.



The island was deeded to the City of Miami from the State of Florida in 1919 with the restriction that it only be use for public or municipal purposes. Area boundaries and delineation are indicated in the following table. A map identifying the location of the property follows this section.

Boundaries & Delineation	
Boundaries	
Market Area	Miami-Palm Beach, FL
Submarket	Miami/Miami Beach
Area Type	Urban
Delineation	
North	Macarthur Causeway
South	Biscayne Bay
East	Miami Beach
West	Downtown Miami

Access and Linkages

Primary access and linkages to the subject area, including highways, roadways, public transit, traffic counts, and airports, are summarized in the following table.

Access & Linkages	
Vehicular Access	
Major Highways	Dolphin Expy
Primary Corridors	MacArthur Cswy
Vehicular Access Rating	Average
Public Transit	
Providers	Miami-Dade Public Transit
Nearest Stop/Station	.9 Miles
Transit Access Rating	Average
Airport(s)	
Name	Miami International Airport
Distance	9 Miles
Driving Time	20 Minutes
Primary Transportation Mode	Automobile

The adjacent Downtown Miami area is also serviced by the Metrorail system, a heavy rail rapid transit system operated by Miami-Dade Transit (MDT). The Metrorail is currently composed of two lines of 23 stations on 24.4 miles track serving the urban core of Miami, and connecting the urban centers of Miami International Airport, the Civic Center, Downtown Miami, and Brickell with the northern developed neighborhoods of Hialeah and Medley to the northwest, and to suburban The Roads, Coconut Grove, Coral Gables, and South Miami, ending at urban Dadeland in Kendall.

The Metrorail connects to the Metromover in Downtown, which provides metro service to the entirety of the Downtown CBD and Brickell neighborhoods.

Demand Generators

The typical generators of demand affecting the subject property, and its market are discussed and analyzed below.

Employment and Employment Centers

The subject area is by its proximity to the Downtown Miami urban core, the largest employment center in Miami-Dade County and in the Miami-Fort Lauderdale metropolitan area, Port Miami shipping and cruise center, and its proximity to Miami Beach, the most popular tourist destination in the metropolitan area.

Downtown Miami's employment landscape is diverse and evolving, reflecting its role as a central business district and cultural hub in South Florida. Key industries in the Downtown area include:

- **Professional, Scientific, and Technical Services:** Approximately 29.8% of Downtown Miami's businesses operate in this sector, offering high-skill, high-wage jobs. As of 2015, the average income in this sector was \$80,677.
- **Finance and Insurance:** Downtown Miami serves as a financial hub, hosting numerous banks, investment firms, and insurance companies. The financial and insurance services sector employs about 7.3% of the local workforce.
- **Education and Health Services:** This sector employs approximately 9.9% of Downtown Miami's workforce, encompassing hospitals, clinics, and educational institutions.
- **Trade, Transportation, and Utilities:** The broader Miami metro area, including Downtown, has seen significant job gains in this sector, adding 9,400 jobs in February 2025 alone.
- **Construction:** Construction is a growing industry in the Miami area, with the sector adding 4,400 jobs in February 2025, reflecting ongoing development projects in and around Downtown.

Major Employers in the Miami Area include:

- **Miami-Dade County Public Schools:** The largest employer in the region, with 33,477 employees.
- **University of Miami:** A significant employer with 12,818 staff members.
- **Baptist Health South Florida:** Employs 11,353 individuals, contributing to the health services sector.
- **Carnival Cruise Line:** A major player in the tourism industry, headquartered in Miami.
- **Royal Caribbean International:** Another key cruise line headquartered in the city.

Key Employment Sectors in Miami Beach Tourism include:

- **Hospitality and Lodging:** Miami Beach boasts a high ratio of hotel rooms to residents, underscoring its heavy reliance on tourism. The city has a significant proportion of short-term rentals compared to similar destinations, indicating a robust demand for diverse lodging options.
- **Food and Beverage Services:** The vibrant culinary scene offers numerous roles, from chefs and servers to bartenders and restaurant managers, catering to both local patrons and international visitors.

- Entertainment and Recreation: Tourism fuels jobs in nightlife venues, cultural institutions, and recreational activities, including positions like tour guides, event coordinators, and performers.
- Retail and Shopping: Tourist spending supports employment in retail outlets, from luxury boutiques to souvenir shops, requiring sales associates, merchandisers, and store managers.
- Transportation and Travel Services: Roles in this sector include positions in travel agencies, airport services, and local transportation providers, essential for facilitating tourist mobility.

Life Cycle

Real estate is affected by cycles involving development trends within a market area as well as market and economic forces. Trends in demand for development in a particular market are described by the Market Area Life Cycle, while market and economic trends are described by the Real Estate Cycle.

A Market Area Life Cycle typically evolves through four stages:⁷

- Growth – a period during which the market area 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

The subject's market area is in the revitalization stage of the Market Area Life Cycle.

The Real Estate Cycle also impacts a neighborhood. The stages of the Real Estate Cycle include:

- Expansion – Sustained growth in demand, increasing construction
- Hypersupply – Positive but falling demand, increasing vacancy
- Recession – Falling demand, increasing vacancy
- Recovery – Increasing demand, decreasing vacancy

These stages are illustrated below, along with a summary of common characteristics of each stage of the Real Estate Cycle. The subject is in the hypersupply stage of the Real Estate Cycle.

⁷ Appraisal Institute, *The Appraisal of Real Estate*, 15th ed. (Chicago: Appraisal Institute, 2020)

Demographics

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics					
2025 Estimates	1-Mile Radius	3-Mile Radius	5-Mile Radius	Miami-Dade County	Florida
Population 2020	11,021	215,867	447,497	2,701,767	21,538,187
Population 2025	11,564	234,740	463,807	2,723,579	22,724,182
Population 2030	12,403	253,132	487,453	2,757,812	23,916,544
Compound % Change 2020-2025	1.0%	1.7%	0.7%	0.2%	1.1%
Compound % Change 2025-2030	1.4%	1.5%	1.0%	0.3%	1.0%
Households 2020	6,015	105,749	196,223	967,414	8,529,067
Households 2025	6,220	114,233	204,772	981,728	9,019,295
Households 2030	6,630	123,835	217,172	1,001,031	9,519,180
Compound % Change 2020-2025	0.7%	1.6%	0.9%	0.3%	1.1%
Compound % Change 2025-2030	1.3%	1.6%	1.2%	0.4%	1.1%
Median Household Income 2025	\$115,692	\$71,924	\$60,773	\$64,649	\$68,658
Average Household Size	1.9	2.0	2.2	2.7	2.5
College Graduate %	69%	49%	38%	32%	32%
Median Age	38	39	40	42	44
Owner Occupied %	36%	24%	28%	50%	65%
Renter Occupied %	64%	76%	72%	50%	35%
Median Owner Occupied Housing Value	\$822,176	\$743,502	\$670,054	\$441,950	\$339,410
Median Year Structure Built	2005	1997	1977	1979	1988
Average Travel Time to Work in Minutes	25	28	30	34	30

Source: Claritas

As shown above, the current population within a 3-mile radius of the subject is 234,740, and the average household size is 2.0. Population in the area has grown since the 2020 census, and this trend is projected to continue over the next five years. Compared to Miami-Dade County overall, the population within a 3-mile radius is projected to grow at a faster rate.

Median household income is \$71,924, which is higher than the household income for Miami-Dade County. Residents within a 3-mile radius have a considerably higher level of educational attainment than those of Miami-Dade County, while median owner-occupied home values are considerably higher.

Services and Amenities

The subject is served by the Miami-Dade County school district. The nearest public services, including police and fire departments, as well as public schools are summarized in the following table.

The closest colleges and universities are UM and FIU. They offer associate's through postgraduate programs, as well as various continuing education programs. Proximity to parks, golf courses, and other recreational activities is average. Of particular note is the proximity of Museum Park.

Land Use

Predominant land uses in the immediate vicinity of the subject include a mix of high-density residential, commercial, and institutional uses. Land use characteristics of the area are summarized below.

Surrounding Area Land Uses	
Character of Area	Coastal-Waterfront
Predominant Age of Improvements (Years)	1950's to new
Predominant Quality and Condition	Good
Approximate Percent Developed	95%
Land Use Allocation	
Single-Family	5%
Multifamily	35%
Retail	10%
Office	25%
Industrial	5%
Vacant Land	5%
Governmental	15%
Infrastructure and Planning	Good
Predominant Location of Undeveloped Land	Infill
Prevailing Direction of Growth	Infill

Development Activity and Trends

During the last five years, development has been predominantly of multifamily uses, and has included such project as Sawyer's Walk, Downtown 5th, The Elser, Aston Martin Residences, and Grand Station. A total of 3,923 multifamily units has been added to the Downtown Miami submarket in the past five years. Additional projects delivered to market in this time period include a variety of hospitality projects which have added 1,400 units of supply to the submarket, and retail projects, mostly as part of mixed-use buildings, which have added 990K square feet of retail to the submarket.

As of the effective date of this appraisal there are an additional 5,359 multifamily units under construction in the submarket. The pace of development has generally accelerated over this time.

Outlook and Conclusions

The area is in the redevelopment stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will remain stable or increase modestly in the near future.

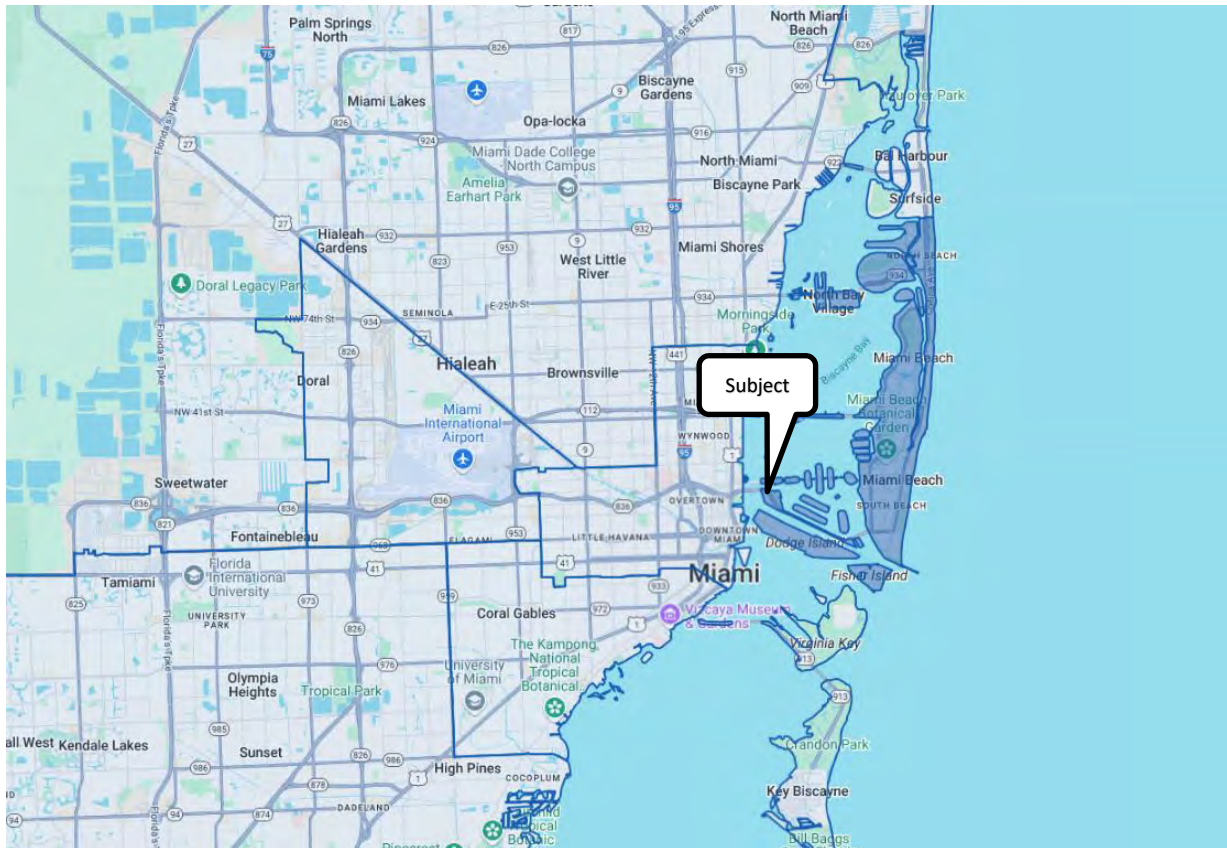
In comparison to other areas in the region, the area is rated as follows:

Surrounding Area Ratings	
Highway Access	Good
Demand Generators	Excellent
Convenience to Support Services	Good
Convenience to Medical Services	Good
Convenience to Public Transit	Average
Employment Stability	Average
Neighborhood Amenities	Good
Police and Fire Protection	Average
Barriers to Competitive Entry	Average
Price/Value Trends	Below Average
Property Compatibility	Average

Market Analysis

Lodging Market Analysis

Regional / Submarket Overview – Miami Beach



The Miami Beach submarket continued to experience positive performance through March 2025, with the 12-month RevPAR posting a 2.9% increase, primarily driven by occupancy gains. Continued recovery in group volume and elevated occupancy levels during compression nights, especially amidst a shrinking supply base, contributed to the favorable RevPAR performance.

However, the 2025 outlook for the submarket is anticipated to contract, with the 12-month RevPAR projected to record a -0.9% decline by year-end, driven by a loss of occupied rooms. Supply additions are expected to accelerate, outpacing demand growth in the fourth quarter. For comparison, the Miami market is forecast to achieve a 1.2% 12-month RevPAR growth by year-end.

Several factors could further weaken the negative forecast. International inbound travel from other countries into the United States will likely experience declines due to a stricter customs process. This trend would especially be damaging for Miami, as the city is an international gateway market. Also,

lower domestic consumer spending stemming from the recent tariffs could dampen the submarket's outlook.

Miami Beach is the largest submarket in Miami, with over 23,000 rooms. It typically achieves the second-highest RevPAR among all eight submarkets, trailing behind the significantly smaller North Beach submarket. More than half of the hotel inventory in Miami Beach falls under the luxury and upper upscale classes. Miami Beach is traditionally a transient market, with more than 80% of its demand from individual travelers.

Historically, February is one of the busiest months during South Florida's peak tourist season. For Miami Beach, events such as the Miami International Boat Show and South Beach Wine and Food Festival attract tens of thousands of visitors annually. In addition, the Miami International Auto Show in September and Art Basel Miami Beach in December bring significant attendees to the Miami Beach Convention Center. Furthermore, Miami is anticipated to host seven games during the FIFA World Cup 2026, including the Bronze Final. The series of events will contribute to demand for area hotels.

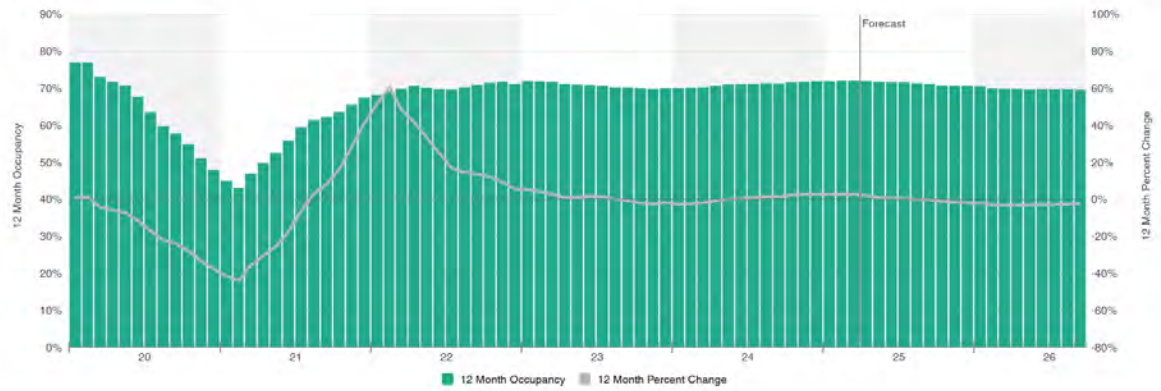
Miami Beach also benefited from the continued record growth of airline passenger volume. The Miami International Airport served nearly 56 million travelers in 2024, representing a 6.8% increase over 2023. The airport is ranked the second busiest in Florida, just behind Orlando International Airport.

Roughly 550 rooms across 4 hotels are under construction in the submarket, representing 2.4% of the existing inventory. Only 1 hotel opened last year, the 168-room CitizenM Miami South Beach. The 800-room Grand Hyatt Miami Beach Convention Center is anticipated to break ground this year.

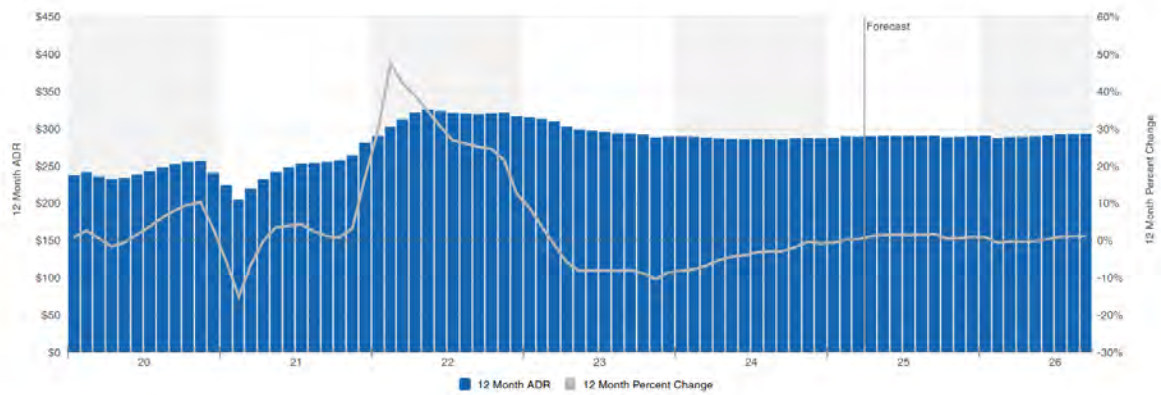
Year-to-date through March 2025, three independent hotels transacted in the submarket for a combined sales volume of \$7.1 million. In 2024, transaction activity in Miami Beach accelerated to \$672.6 million across 12 trades. However, one trade accounted for nearly two-thirds of the transaction volume.

INVENTORY	SUBMARKET	MARKET	PERFORMANCE	SUBMARKET	MARKET
Existing Buildings	243 ↓	590 ↓	Occupancy	82.9% ↓	83.2% ↓
Avg Rooms Per Building	96 ↓	114 ↓	ADR	\$359.69 ↑	\$284.30 ↓
12 Mo Delivered Rooms	168 ↓	578 ↓	RevPAR	\$298.07 ↑	\$236.44 ↑
12 Mo Delivered Buildings	1 ↓	5 ↓	3 Mo Occupancy	81.1% ↓	82.7% ↓
12 Mo Opened Rooms	280 ↓	788 ↓	3 Mo ADR	\$364.25 ↓	\$282.00 ↓
12 Mo Opened Buildings	2 ↓	6 ↓	3 Mo RevPAR	\$295.48 ↓	\$233.10 ↓
Under Construction Buildings	4 ↓	17 ↑	YTD Occupancy	81.1% ↓	82.7% ↓
			YTD ADR	\$364.25 ↓	\$282.00 ↓
			YTD RevPAR	\$295.48 ↓	\$233.10 ↓
SALES	SUBMARKET	MARKET	12 Mo Occupancy	72.1% ↓	74.1% ↓
12 Mo Transactions	9 ↓	23 ↓	12 Mo ADR	\$289.25 ↓	\$223.89 ↓
12 Mo Sales Volume	\$626M ↓	\$869M ↓	12 Mo RevPAR	\$208.64 ↓	\$165.83 ↓
12 Mo Average Price Per Building	\$63.8M ↓	\$36.5M ↓			
Market Sale Price/Room	\$690K ↓	\$442K ↓			
Market Cap Rate	7.8% ↓	8.2% ↓			

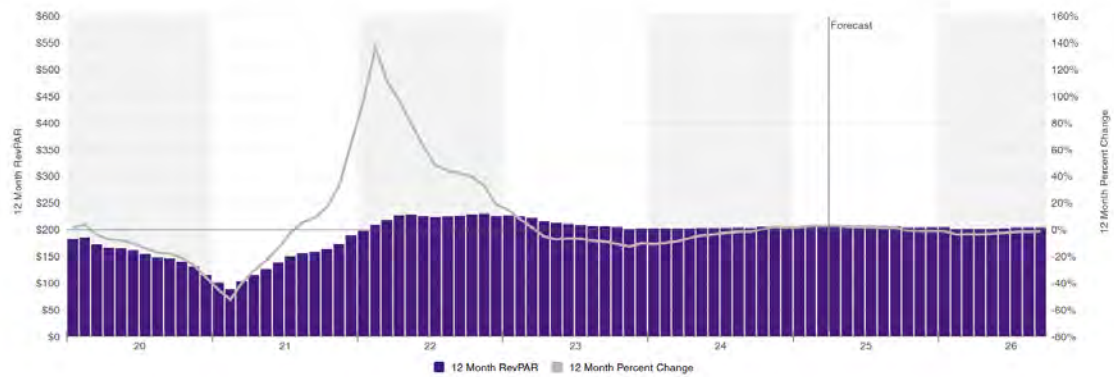
OCCUPANCY



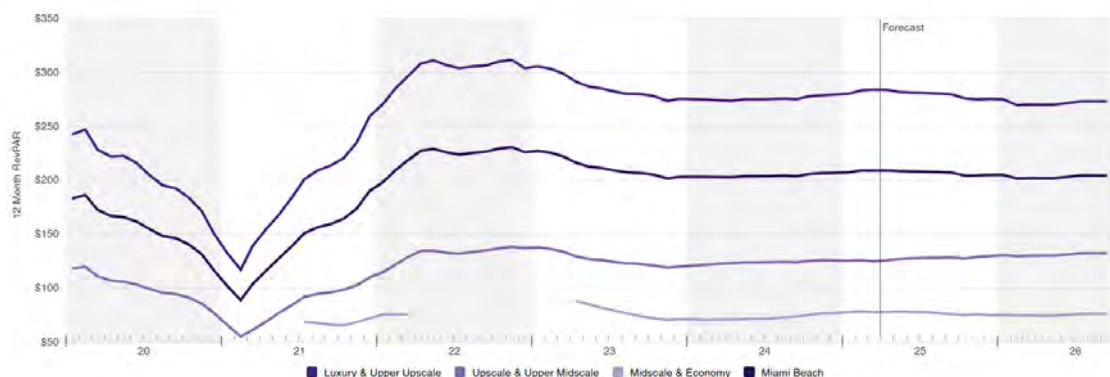
ADR



REVPAR



REVPAR BY CLASS



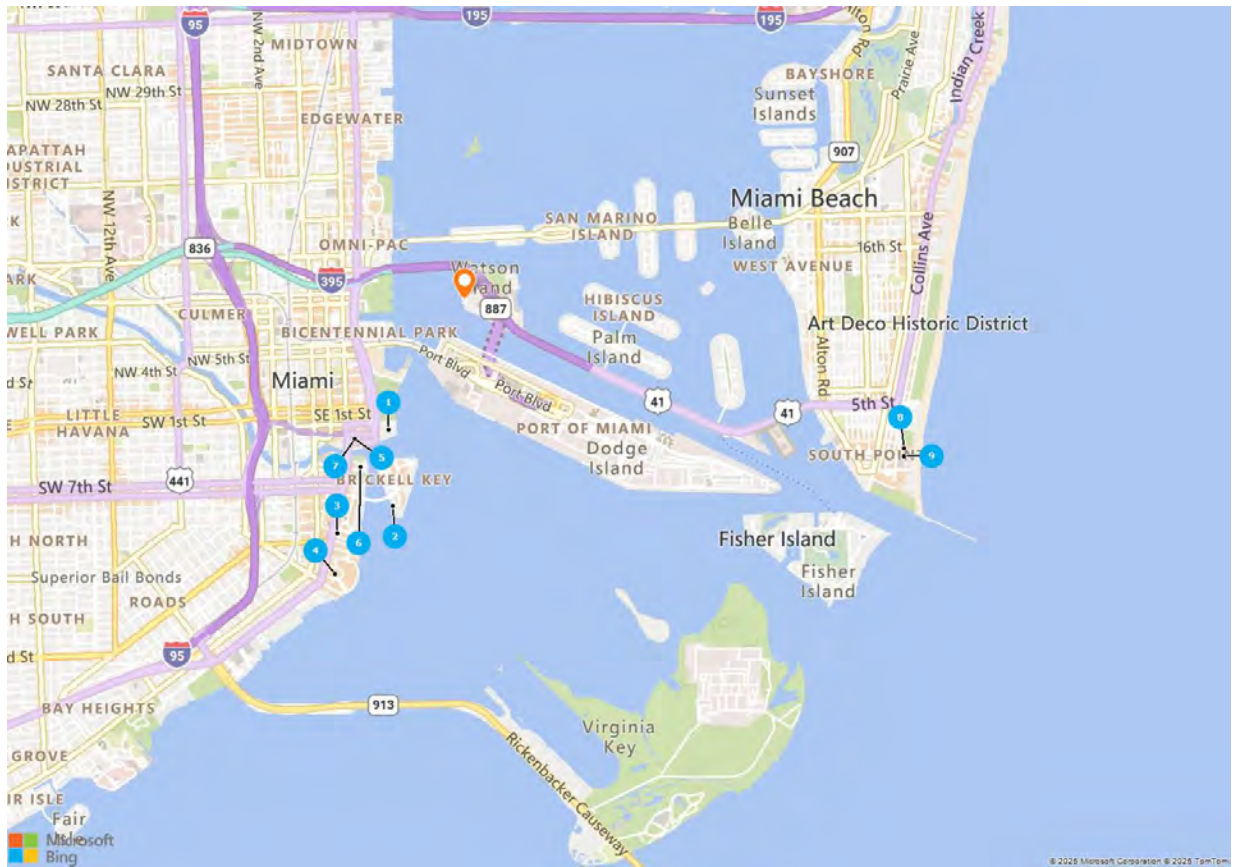
Market Supply

On a more “micro basis,” in order to assess the subject’s strengths and weaknesses with regard to the marketability, we have analyzed the subject in comparison to its competition in terms of its site characteristics and location. In addition, we studied the physical attributes such as building design and construction, as well as non-physical items such as amenities and brand positioning. The subject property is proposed to be a full-service hotel, to be operated under an established luxury-tier flag. The owner / developer indicated they are currently in talks with several flag but noted that all are considered luxury tier flags by STR and industry standards.

In our search for competitive properties, we focused primarily on hotels within the immediate surrounding area that were comprised of a similar unit mix and operating under luxury-tier flags. We have analyzed hotels in the subject neighborhood that are considered to compete directly with the subject. In this market area predominant demand is driven by leisure travel from nearby beaches as well as group and corporate segments from Miami’s Downtown and Brickell neighborhoods. The properties cited herein are considered to offer the most direct competition in the local market are summarized below.

Existing Market Area Supply

#	Name	Aff Date	Open Date	Rooms	% of Market
1	InterContinental Miami	Nov-82	Nov-82	652	27.9%
2	Mandarin Oriental Miami	Jul-20	Dec-00	326	13.9%
3	JW Marriott Miami	Nov-20	Sep-00	296	12.6%
4	Four Seasons Hotel Miami	Dec-20	Oct-03	247	10.6%
5	JW Marriott Marquis Miami	Nov-20	Oct-10	313	13.4%
6	W Miami	Jun-20	Feb-09	146	6.2%
7	Hotel Beaux Arts, Autograph Collection	Nov-20	Dec-10	44	1.9%
8	Marriott Stanton South Beach	Jun-20	Sep-00	226	9.7%
9	Hilton Bentley Miami/South Beach	Jun-20	Dec-04	91	3.9%
Total				2,341	100.0%



Watson Island



Lodging Fundamentals

Physical ranking of the competitive set is a methodology developed by Integra Realty Resources to array the competitive set in a subjective physical ranking. Certainly, management and marketing efforts can result in increased or diminished performance for individual competitors. However, all things being equal, assuming competent management, our ranking scale should array the competitive set within a reasonable fill pattern. The following chart compares the scoring for various components by comparison.

The Property Affiliation rating is based on the J.D. Power and Associates North American Hotel Guest Satisfaction Index Study.

Lodging Fundamentals Scorecard						
#	Name	Property Affiliation	Age / Condition / Amenities	Access / Exposure	Support Services & Demand Generators	Total
	Maximum Score	15	10	10	15	50
1	InterContinental Miami	15	7	9	15	46
2	Mandarin Oriental Miami	15	9	8	15	47
3	JW Marriott Miami	15	9	10	15	49
4	Four Seasons Hotel Miami	15	9	10	15	49
5	JW Marriott Marquis Miami	15	10	10	15	50
6	W Miami	14	10	10	15	49
7	Hotel Beaux Arts, Autograph Collection	12	10	10	15	47
8	Marriott Stanton South Beach	13	9	8	15	45
9	Hilton Bentley Miami/South Beach	13	9	8	15	45
Proposed Hotels						
1	Watson Island Hotel	15	10	10	14	49
Average Score Total						48

The qualitative analysis shows that the subject should score above the average of the comparable range, receiving a 48 out of a possible 50. The largest impact on the subject rating would be its somewhat isolated immediate location. Nonetheless, it is noted that, inclusive of the subject, all of the competitors have been able to attract guests and increase demand over the past several years. Over the long term the hotels within the area are expected to continue to perform well.

Competitive Set Rates & Segmentation

The comparable hotels are primarily located within Miami's Downtown, Brickell, and South of 5th neighborhoods. They include full-service hotels with comparable amenities to that of which are proposed at the subject property. All of these are branded by an industry-recognized national hotel companies and benefit from a corporate reservation system. All are considered comparable hotels. As indicated, it was difficult to obtain any specific ADR and occupancy figures for the individual comparables; however, the analysis to follow includes data provided by STR that pertains to the entire competitive set.

Performance of the competitive Market

The following table details the historic room nights available, room nights sold, ADR and RevPar for the area.

Historical Performance of Existing Market Supply										
Year	RNA	Change	RNS	Change	Occupancy	Change	ADR	Change	RevPar	Change
Annual Comparison										
2019	845,705	-	628,202	-	74.3%	-	\$279.08	-	\$207.30	-
2020	698,225	-17.4%	252,133	-59.9%	36.1%	-51.4%	\$285.59	2.3%	\$103.13	-50.3%
2021	845,491	21.1%	437,804	73.6%	51.8%	43.4%	\$331.09	15.9%	\$171.44	66.2%
2022	857,658	1.4%	592,698	35.4%	69.1%	33.5%	\$361.65	9.2%	\$249.93	45.8%
2023	857,142	-0.1%	569,001	-4.0%	66.4%	-3.9%	\$369.70	2.2%	\$245.42	-1.8%
2024	854,832	-0.3%	614,466	8.0%	71.9%	8.3%	\$363.31	-1.7%	\$261.15	6.4%
March Y-T-D Comparison										
2019	208,530	-	170,695	-	81.9%	-	\$356.28	-	\$291.64	-
2020	208,620	0.0%	135,530	-20.6%	65.0%	-20.6%	\$413.04	15.9%	\$268.33	-8.0%
2021	208,530	0.0%	88,131	-35.0%	42.3%	-34.9%	\$342.12	-17.2%	\$144.59	-46.1%
2022	211,500	1.4%	155,224	76.1%	73.4%	73.7%	\$429.22	25.5%	\$315.01	117.9%
2023	211,441	0.0%	157,786	1.7%	74.6%	1.7%	\$464.41	8.2%	\$346.56	10.0%
2024	210,873	-0.3%	169,844	7.6%	80.5%	7.9%	\$457.56	-1.5%	\$368.53	6.3%
2025	210,780	0.0%	174,182	2.6%	82.6%	2.6%	\$465.70	1.8%	\$384.84	4.4%

Room Supply

Over the past six years, the room supply in the market has remained relatively flat. While the statistics show slightly variations from year to year; however, these are primarily due to rooms being taken off-line during COVID market disruptions in 2020, then being brought back to the market shortly thereafter. Based on information gathered in STR, CoStar, and the Miami-Dade County Planning department, we are not aware of any new development within the subject's immediate market that would be a direct competitor of the subject. While there are several hotel-related projects currently at various stages of planning, there are none deemed directly comparable to the subject project that have a definitive timeline as of the effective date of value. Given the existing supply and performance in the market we do not anticipate the hotel inventory will grow over the near term, and we have left room supply flat moving forward through the analysis period.

Room Demand

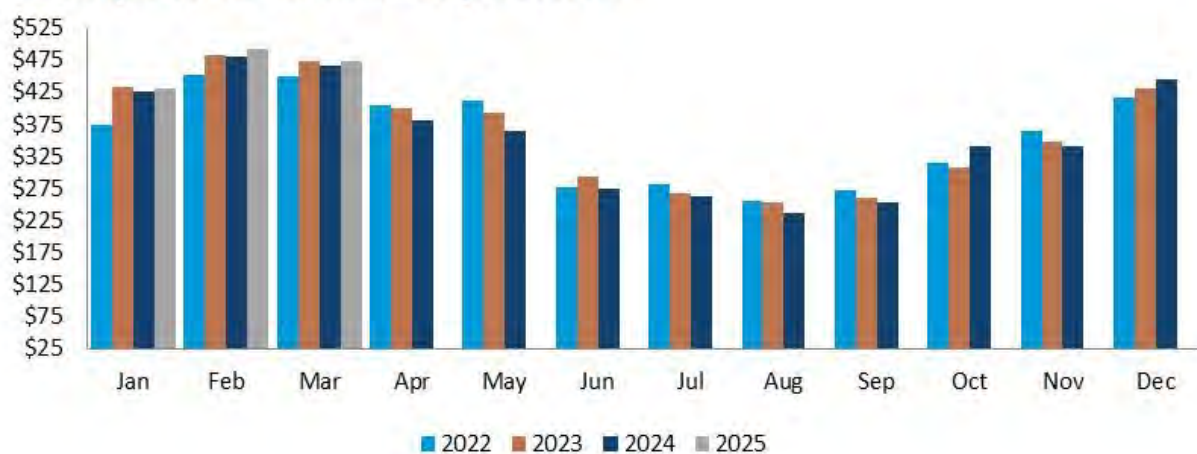
As shown in the previous chart, while falling slightly short of pre-pandemic (pre-2020) levels, occupancy within the market rebounded fairly quickly in 2021. This level was maintained in 2022, but began to decline in 2023. This more recent slight dip in occupancy is considered commonplace in most markets throughout Florida. This is caused by several factors, most notably continued inflationary pressures lowering buyers' spending power, together with spikes in ADR in 2021 and 2022. The subject market saw ADR levels increase to all-time highs in these years, before beginning to level off in 2023 and 2024.

Monthly Market Trends

As illustrated in the following chart, occupancy levels in the local market are the strongest from February through May. This coincides with several notable city-wide events that take place the first two quarters of the year, along with spring break travelers from throughout the country. Occupancy declines in the late summer months, before beginning to rebound in the winter.



Competitive Set ADR by Month



Competitive Set RevPar by Month



Segmentation of Demand

Demand for hotel accommodations among the competitive hotels is comprised of the following market segments:

Corporate demand is generated by the office, businesses, and commercial activity in the nearby area. This form of demand exhibits Monday to Thursday demand patterns and generally peaks on Tuesday and Wednesday nights.

Group demand is generated by corporate, commercial, or association groups that either meet at the individual competitive hotels, or meet at company offices. While the length of stay varies depending on the type of group, it is typically two or three nights and can sometimes include a weekend night. Group demand in the subject market area consists of training, corporate meetings, social, military, educational, retired and fraternal (SMERF) business, etc.

Leisure demand occurs primarily on weekends and is comprised of individual travelers, families and social groups. In the summer transient demand also occurs during the week but is still strongest on the weekends.

In the competitive market, demand is driven by the Leisure market. Friday and Saturday have the highest occupancy and ADR of any other night. RevPar for Friday and Saturday is nearly 9% higher than the next highest night which is Thursday.

Occupancy By Day of the Week

	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
Apr 22 - Mar 23	62.1%	66.6%	71.0%	71.9%	70.4%	72.5%	71.4%	69.4%
Apr 23 - Mar 24	60.1%	64.1%	69.1%	69.9%	67.6%	70.9%	73.2%	67.8%
Apr 24 - Mar 25	63.9%	68.4%	74.3%	75.0%	73.4%	76.1%	75.7%	72.4%
Average	62.0%	66.4%	71.5%	72.3%	70.5%	73.2%	73.4%	69.9%

ADR by Day of the Week

	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
Apr 22 - Mar 23	\$348.34	\$347.38	\$354.08	\$358.73	\$377.35	\$405.76	\$401.54	\$371.27
Apr 23 - Mar 24	\$356.36	\$348.09	\$353.21	\$360.75	\$372.29	\$394.81	\$396.43	\$369.66
Apr 24 - Mar 25	\$344.83	\$346.55	\$359.18	\$360.29	\$372.40	\$391.77	\$383.77	\$366.26
Average	\$349.76	\$347.32	\$355.57	\$359.92	\$374.02	\$397.43	\$393.76	\$369.02

RevPar by Day of the Week

	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
Apr 22 - Mar 23	\$216.16	\$231.33	\$251.42	\$257.85	\$265.53	\$294.10	\$286.81	\$257.70
Apr 23 - Mar 24	\$214.13	\$223.07	\$244.01	\$252.20	\$251.83	\$280.05	\$290.00	\$250.76
Apr 24 - Mar 25	\$220.35	\$237.10	\$266.90	\$270.28	\$273.36	\$298.14	\$290.56	\$265.16
Average	\$216.86	\$230.54	\$254.11	\$260.11	\$263.58	\$290.79	\$289.13	\$257.87

Demand Analysis

Demand for hotels in any given area is measured by occupancy percentages and average daily rates. Although these statistics vary between properties due to age, condition, location, franchise affiliation, marketing efforts and seasonality of the market area, a review of area occupancy levels and ADR is useful in determining the market potential for a property

We have used the previously identified competitive set and quantified their historical performance. Historical demand change was studied along with other demand factors such as population growth, household growth, employment growth, etc. for determination of an applicable demonstrated demand growth rate.

Conclusion – Forecast Market Demand and Average Daily Rate

Based on historic market performance we have projected occupancy and ADR growth as follows.

Historical and Projected Performance of Competitive Set										
Year	RNA	Change	RNS	Change	Occupancy	Change	ADR	Change	RevPar	Change
2019	845,705	-	628,202	-	74.3%	-	\$279.08	-	\$207.30	-
2020	698,225	-17.4%	252,133	-59.9%	36.1%	-51.4%	\$285.59	2.3%	\$103.13	-50.3%
2021	845,491	21.1%	437,804	73.6%	51.8%	43.4%	\$331.09	15.9%	\$171.44	66.2%
2022	857,658	1.4%	592,698	35.4%	69.1%	33.5%	\$361.65	9.2%	\$249.93	45.8%
2023	857,142	-0.1%	569,001	-4.0%	66.4%	-3.9%	\$369.70	2.2%	\$245.42	-1.8%
2024	854,832	-0.3%	614,466	8.0%	71.9%	8.3%	\$363.31	-1.7%	\$261.15	6.4%
2025	854,465	0.0%	614,466	0.0%	71.9%	0.0%	\$370.58	2.0%	\$266.49	2.0%
2026	854,465	0.0%	614,466	0.0%	71.9%	0.0%	\$377.99	2.0%	\$271.82	2.0%
2027	854,465	0.0%	614,466	0.0%	71.9%	0.0%	\$385.55	2.0%	\$277.26	2.0%
2028	854,465	0.0%	614,466	0.0%	71.9%	0.0%	\$393.26	2.0%	\$282.80	2.0%
2029	882,935	3.3%	639,045	4.0%	72.4%	0.6%	\$401.13	2.0%	\$290.33	2.7%
2030	882,935	0.0%	639,045	0.0%	72.4%	0.0%	\$409.15	2.0%	\$296.13	2.0%
2031	882,935	0.0%	639,045	0.0%	72.4%	0.0%	\$417.33	2.0%	\$302.05	2.0%
2032	882,935	0.0%	639,045	0.0%	72.4%	0.0%	\$425.68	2.0%	\$308.10	2.0%

Given the aforementioned market expectations, and the already positive market trends within the subject's immediate area, we consider 2025 to be a stable year for the subject market. As such, we have modeled a 0% RNS delta in 2025 over the previous year. This reflects an average occupancy for the complete year of 2025 at 71.9%. This is considered generally representative of a stabilized level the market should feasibly maintain moving forward, and in line with historic trends. Market average occupancy is projected at a stable level until the subject project enters the market in early 2029.

Upon the delivery of the subject project, the overall room nights available in the market is expected to increase accordingly in a similar manner to have what has taken place in the market historically. We have completed several historic studies in the past, almost always showing the delivery of new projects to a market also increases room nights sold. We have extracted the impact on the market of their construction, via information acquired through custom STR reports that we obtained for the individual markets. It is noted that there are many factors that contribute to a change in RNS that are

outside the scope of this analysis, but our goal of this analysis is to detail general trends. This data showed that RNS increased anywhere from 5.3% to 51.2% upon addition of a newly constructed property to the market. In addition, the ratio of the increase in RNS to the increase in RNA ranges from 52.9% to 218.8%, with an average of 118.9%. This indicates that there is significant new demand created by the addition of a newly constructed nationally branded hotel. Essentially, the average of 118.9% indicates that 100% of newly constructed RNA are absorbed, with an additional 18.9% in market growth.

Therefore, our analysis suggests that new construction of a hotel and addition of RNA to a market that has pent up demand will in itself create new demand for the market. Part of the factors that contribute to this is the seasonality of demand. For the subject market, there are many nights in peak season and other high demand nights throughout the year that the competitive set is at or near 100% occupancy. Therefore, the additional demand is unable to be accommodated. However, with construction of a new hotel, additional demand is able to be satisfied on these nights of high occupancy. In addition, for a market such as the subject that has a strong leisure market, potential visitors / hotel guests that have not had adequate lodging options in the market area in the past will now be more likely to visit the area, and accordingly, new demand is created. Based on this analysis, as the subject hotel enters the market in 2029, we also expect an increase in RNA and RNS that year.

Overall, we have projected an 4.00% RNS increase in 2029, accounting for the new subject hotel. As the demand is absorbed, the market is expected to re-stabilize in 2029 at 72.4%. This is in line with levels experienced over the survey period, but this recognizes the strong market and continued demand created. Market average occupancy is projected at 72.4% over the remainder of the projection period.

As stated, ADR in the subject's immediate market area saw an atypical percentage increase in 2021 and 2022, post-COVID-19 market disruption. These years have had spikes in ADR which are not considered sustainable levels of growth going much further forward. Moving forward, we project a more moderate ADR growth of 2.0% in 2025. This brings ADR for 2025 to a projected level of \$370.58. This is considered a stabilized leveling in that year. Moving forward, we project a continued moderate 2.0% ADR growth that year and every year thereafter.

The projected average market ADR in 2029 (upon completion of the subject project) is estimated to be at \$401.13, which is above historical levels reported. However, considering the improving market conditions and inflationary pressure, this is considered to be reasonable. This is confirmed by conversations with several market participants.

Subject Occupancy Penetration

The subject's fair share of the market is developed as follows.

Fair Share Analysis			
Year	Subject RNA	Market RNA	Subject Fair Share
2025 (Year end projection)	0	854,465	0.0%
2026	0	854,465	0.0%
2027	0	854,465	0.0%
2028	0	854,465	0.0%
2029	28,470	882,935	3.2%
2030	28,470	882,935	3.2%
2031	28,470	882,935	3.2%
2032	28,470	882,935	3.2%

A property achieves 100% occupancy penetration when it is earning its fair share of the market. For example, in a market of 1,000 rooms, a 100-room hotel constitutes 10% of total rooms ($100 \div 1000$). If there were 200,000 RNS, the hotel should sell 20,000 rooms ($10\% \times 200,000$). More than 20,000 RNS would indicate a penetration above 100%, less than 20,000 RNS would be a penetration of less than 100%.

Market penetration and ADR are related. For instance, the lower the ADR the higher the occupancy and vice-versa. A balance is typically sought by a specific property between penetration and yield. It must also be noted that the subject property offers a very competitive room rate to that experienced throughout the market. As such, it is our opinion that the subject property will likely capture a good portion of the local demand and any overflow that is experienced during those times of the year when rooms are difficult to find throughout the broader market area.

The subject site is well-positioned in the market, to be located along the MacArthur Causeway, on its own island between Downtown Miami and Miami Beach. Its planned opening date is projected to be in April of 2029. The first five years of occupancy projections were requested and provided by the owner / developer. The owner's Year 1 projection (**dedicated hotel rooms only**) provided their expected occupancy level after completion of 52.2%. This was projected to increase to 61.1% in Year 2, 69.1% in Year 3, and 76.0% in Years 4 and 5.

We have considered the positive factors of the subject project including the benefit from it being the newest hotel, once complete, with modern amenities, as well as its location in close proximity to major area demand draws. Accordingly, we have projected that the subject occupancy penetration rate will be 95% of the market in Year 1 of operation, aligning slightly below the expected subject market average. This is expected to increase to 100% in Year 2, as the subject establishes itself in the market before reaching a stabilized level of 105% by Year 3. We estimate the subject will maintain this level over the remainder of the projection period.

This results in occupancy ranging from 68.8% in the first year, to 76.0% by Year 3 (the forecasted period to reach stabilization). It is recognized that our projections are considered in line with the

owner's expectations upon stabilization. However, as will be shown in the next section we consider a more moderate ADR projection than their expectations. Our analysis considered a more balanced approach to both ADR and occupancy moving forward, based on all available data within the market.

The following table outlines our projection of subject market occupancy penetration.

Subject Room Night Penetration						
Year	Market RNS	Subject Fair Share	Fair Share RNS	Actual RNS	Occupancy	Penetration
Projected						
2025	614,466	0.0%	0	0	0.0%	
2026	614,466	0.0%	0	0	0.0%	
2027	614,466	0.0%	0	0	0.0%	
2028	614,466	0.0%	0	0	0.0%	
2029	639,045	3.2%	20,606	19,576	68.8%	95.0%
2030	639,045	3.2%	20,606	20,606	72.4%	100.0%
2031	639,045	3.2%	20,606	21,636	76.0%	105.0%
2032	639,045	3.2%	20,606	21,636	76.0%	105.0%

Subject ADR Yield

A property achieves 100% ADR yield when it is earning its fair share of the market. For example, in a market with a \$100 ADR, a hotel with a \$100 ADR has 100% yield. A \$90 ADR would represent 90% yield ($\$90 \div \100). A \$110 ADR would be 110% of the market ($\$110 \div \100).

After completion, the subject will be well positioned as a luxury full-service operation with strong surrounding demand. The projection provided by the owner/developer indicate an expected ADR of (**dedicated hotel rooms only**) \$870.36 in Year 1, \$932.33 in Year 2, \$979.50 in Year 3, \$1,018.98 in Year 4, and \$1,049.55 in Year 5.

Considering the subject owner's projection, as well as the marketplace and expected near-term trends, we have projected the ADR yield growth model similar to the occupancy penetration. Our analysis considers a 95% ADR market yield in Year 1 of operation. This reflects that the subject, once complete, should open at a level slightly below the market average. Moving forward, we estimate increasing this to a 100% yield in Year 2 (while the subject establishes itself in the market and occupancy increases), and finally stabilizing at 105% in Year 3. We project the ADR Yield to hold steady at 105% every year thereafter.

This results in an ADR of \$381.07 in Year 1 of operation. This is followed by \$409.15 in Year 2, further increasing to \$438.20 in Year 3, the first stabilized year. It is noted, our ADR estimates are notably below the owner's projection. Despite exhaustive research, we could not confirm the source of the owner's projects. Additional documentation was provided that supported their pro-forma figures, however, it appears that this data was sourced from Rack Rates, not a full year average.

Our more conservative ADR ramp up projection is reasonable given what we have been able to confirm within the subject market. The following table shows our projection for subject ADR and market yield.

Subject ADR Penetration			
Year	Market ADR	Subject ADR	Yield
Projected			
2025	\$370.58	\$0.00	0.0%
2026	\$377.99	\$0.00	0.0%
2027	\$385.55	\$0.00	0.0%
2028	\$393.26	\$0.00	0.0%
2029	\$401.13	\$381.07	95.0%
2030	\$409.15	\$409.15	100.0%
2031	\$417.33	\$438.20	105.0%
2032	\$425.68	\$446.96	105.0%

Conclusion

The occupancy and ADR projections for the subject property are shown in the following tables.

Room Revenue Projection

Year 1 - Upon Completion

Rooms	x	Days in year	=	RNA
78	x	365	=	28,470
RNA	x	Occupancy	=	RNS
28,470	x	68.8%	=	19,587
RNS	x	ADR	=	Room Revenue
19,587	x	\$381.07	=	\$7,464,018

Room Revenue Projection 2

Year 3 - Upon Stabilization

Rooms	x	Days in year	=	RNA
78	x	365	=	28,470
RNA	x	Occupancy	=	RNS
28,470	x	76.0%	=	21,637
RNS	x	ADR	=	Room Revenue
21,637	x	\$438.20	=	\$9,481,333

Revenue Projections

Year	Occupancy	ADR	Revenue	RevPar
2025	0.0%	\$0.00	\$0	\$0.00
2026	0.0%	\$0.00	\$0	\$0.00
2027	0.0%	\$0.00	\$0	\$0.00
2028	0.0%	\$0.00	\$0	\$0.00
2029	68.8%	\$381.07	\$7,464,018	\$262.17
2030	72.4%	\$409.15	\$8,430,872	\$296.13
2031	76.0%	\$438.20	\$9,481,333	\$333.03
2032	76.0%	\$446.96	\$9,670,477	\$339.67

Residential Condominium Market Analysis

Resale Market

A review of IRR's compilation of total transaction volume in the residential condominium market in Miami-Dade County provides some historical context to the size and pricing of the condominium market between 2011-2025. These statistics exclude developer sales on first generation units and represent resale units only unless specific units were marketed through the multiple listing service ("MLS"). The market velocity and price changes in the broader resale market are closely correlated with pricing trends of pre-sale new construction developments.

Residential Condominium Market Analysis

The subject is a proposed residential condominium in the City of Miami. Information regarding the Miami-Dade County Condo market, sourced from Trendgraphix, appears below.

Miami-Dade County Condominium Market Trends															
Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
All Condos															
For Sale	7,509	6,343	8,208	9,808	11,144	13,257	14,088	14,578	13,592	12,510	5,830	5,990	7,169	10,449	11,953
% Change		-16%	29%	19%	14%	19%	6%	3%	-7%	-8%	-53%	3%	20%	46%	14%
New Listing	24,527	24,610	27,599	29,038	29,140	29,358	28,732	28,721	27,236	25,215	28,268	24,037	21,454	25,657	10,018
% Change		0%	12%	5%	0%	1%	-2%	0%	-5%	-7%	12%	-15%	-11%	20%	-61%
Sold	15,130	14,982	15,401	14,485	13,769	11,508	11,037	11,733	11,369	10,513	21,210	17,302	11,570	10,000	2,819
% Change		-1%	3%	-6%	-5%	-16%	-4%	6%	-3%	-8%	102%	-18%	-33%	-14%	-72%
Inventory (mos.)		5	6	8	10	14	15	15	14	14	3	4	7	13	51
Avg. Sq. Ft. Price (Sold)	\$225	\$267	\$310	\$341	\$353	\$344	\$344	\$364	\$354	\$369	\$498	\$580	\$610	\$664	\$730
% Change		19%	16%	10%	4%	-3%	0%	6%	-3%	4%	35%	16%	5%	9%	10%
Sold/List Diff. %	94	95	95	95	95	94	94	93	92	92	95	96	94	94	94
Avg Days on Market	115	101	89	90	96	96	111	115	118	130	118	72	73	83	97
Median Sold Price (\$,000)	\$119	\$156	\$190	\$201	\$210	\$210	\$221	\$228	\$231	\$250	\$330	\$395	\$400	\$410	\$425
% Change		31%	22%	6%	4%	0%	5%	3%	1%	8%	32%	20%	1%	2%	4%
Condos Priced \$1 MM +															
For Sale	976	1,064	1,164	1,382	2,042	2,458	2,703	2,982	2,844	2,636	1,668	1,877	2,122	2,695	2,906
% Change		9%	9%	19%	48%	20%	10%	10%	-5%	-7%	-37%	13%	13%	27%	8%
New Listing	1,617	2,025	2,488	2,845	3,524	3,891	3,766	4,008	3,649	3,518	4,482	4,591	4,416	5,210	2,077
% Change		25%	23%	14%	24%	10%	-3%	6%	-9%	-4%	27%	2%	-4%	18%	-60%
Sold	619	832	1,024	1,033	929	721	691	835	804	829	2,753	2,500	1,672	1,696	551
% Change		34%	23%	1%	-10%	-22%	-4%	21%	-4%	3%	232%	-9%	-33%	1%	-68%
Inventory (mos.)		15	14	16	26	41	47	43	42	38	7	9	15	19	63
Avg. Sq. Ft. Price (Sold)	\$770	\$787	\$798	\$917	\$980	\$955	\$943	\$950	\$894	\$903	\$1,051	\$1,145	\$1,167	\$1,243	\$1,353
% Change		2%	1%	15%	7%	-3%	-1%	1%	-6%	1%	16%	9%	2%	7%	9%
Sold/List Diff. %	92	93	93	94	94	92	92	92	89	89	94	94	92	93	93
Avg Days on Market	183	184	147	132	145	143	184	182	201	217	188	115	115	116	114
Median Sold Price (\$,000)	\$1,575	\$1,550	\$1,453	\$1,550	\$1,620	\$1,624	\$1,600	\$1,600	\$1,600	\$1,640	\$1,650	\$1,675	\$1,650	\$1,725	\$1,850
% Change		-2%	-6%	7%	5%	0%	-1%	0%	0%	2%	1%	2%	-1%	5%	7%

Source: Trendgraphix.

The following definitions apply to the data chart(s) above and presented on the next page.

- For Sale:** The number of properties that were in the active status on the last day of the indicated period.
- New Listing:** The number of properties that had a listed date between the 1st day and the last day of the indicated period.
- Sold:** The number of properties that closed sale during the indicated period.

Inventory: Months of inventory calculated by dividing the number of properties that were active listings at the end of a period by the number of homes sold in the same period.

Following the great recession of 2007/2008, the broader country-wide real estate market stagnated for several years, with low prices, few sales, and no delivery of new homes or condominiums. Beginning around 2011/2012 the local real estate market began to recover, and new condominiums began to sell at pre-sale into 2012 and 2013. As these new projects began to deliver, a trend of increasing resale inventory is noted in the table, beginning in 2013 and continuing through about 2018 when construction began to slow as a result of a build-up of inventory, a shift in buyer demand, and rising construction costs. Indeed, inventory shrank in 2019 and again in 2020 as a result of a slow-down in delivery of new units while the sales pace remained elevated.

Heading into 2020 the condo market was a bit oversaturated, with record inventory noted in 2018 and a slight reduction in units for sale into 2020 resulting mostly from a slow-down in deliveries. Early 2020 the global market was impacted by the Coronavirus pandemic, and many markets including South Florida completely locked down in March of 2020.

As South Florida is a popular winter tourist destination for people living in northern cities in the US, including New York, Boston, and Chicago, many of these “snowbirds” found themselves unable to return home during the lockdowns, and vacations turned into extended stays away from home.

Local municipalities in South Florida, and really across the State, began reopening from Covid Lockdowns in May of 2020 while many of the northern states remained in tight lock down. By this time many jobs had accommodated for lockdowns by allowing employees to work remotely, and many snowbirds faced the choice of returning to locked down northern cities or remain in fully opened South Florida while continuing to work remotely.

Between 2020 and 2021, as a result of the work-from-home policies and the influx of northern residents either on prolonged winter vacations or simply fleeing northern locked-down cities, demand for real estate in South Florida, at all price points, doubled. The number of closed sales doubled from 2020 to 2021, median pricing for condo units increased 32% in a single year, and inventory of condo units decreased by just over 50%. The same trend is noted for single family homes and for luxury real estate across South Florida, perhaps even more so for waterfront homes and condominiums than for any other property type.

The condominium market has slowly returned to a level of demand, as reflected by closed sales, more aligned with the years which preceded the covid-induced sales boom of 2021, with 2024 YE closed sales tracking at 10,000 units for the year, tied with YE 2020 sales and slightly below the average for the five-year period from 2015 to 2019. Inventory levels remain low however, with 2024 YE inventory still 20% below the average for 2015 to 2019, but nearly double the low noted in 2022 after the 2021 record sales.

While inventory and closings are returning to levels approximating the recent five-year averages, pricing growth remains strong in the market, with 2024 average unit prices up 9% over 2023 levels, and up 80% over the pre-covid high of \$369 per square foot for 2020.

The current year's sales pace seems to be [off-down from](#) prior years, with an annualized figure of nearly 8,500 closed sales which would be a record low not noted in longer than a decade.

Strengthening demand from new to market buyers in the higher price-point units has been the result of the following notable factors:

1. Favorable state tax policies with no state income tax.
2. Favorable climate with no harsh winters.
3. Favorable social policies with no lockdowns implemented to battle the global COVID-19 Pandemic.
4. Growing acceptance of working remotely which has allowed residents from other states the flexibility of living in South Florida and keeping their same jobs.

In addition to the delivered product, IRR looked at the level of pre-sales in the projects under construction or in pre-sale in the PMA that are to be delivered by or after 2025. These projects represent the subject's primary competition.

Proposed & Planned Projects									
Project	Submarket	Units	Delivery	% Sold	Pre-Sold	Remaining	Avg. \$/PSF	Current \$/SF	Comments
Mandarin Oriental	Brickell	220	2029	20%	44	176	\$2,500	\$2,500	Comments for each project presented on the following pages.
St. Regis Residences Miami	Brickell	155	20026	65%	101	54	\$2,020	\$2,470	
Waldorf Astoria Residences	Miami CBD	360	2028	94%	338	22	\$2,100	\$2,620	
Baccarat Residences	Brickell	355	2027	95%	337	18	\$1,200	\$1,590	
Villa Miami	Edgewater	72	2027	45%	32	40	\$1,660	\$1,840	
Vita at Grove Isle	Coconut Grove	65	2025	80%	52	13	\$2,300	\$2,500	
Five Park	Miami Beach	98	what	20%	81	273	\$1,912	\$2,131	

There are six condominium projects in presale in the PMA that are competitive to the subject based on their location and price point. The competitive properties identified in the subject's primary market area contain a combined 451 residential condominium units. As of Q2 2025, the projects have reserved, contracted, or sold 182 units, leaving 269 developer-owned units of standing inventory to absorb.

Mandarin Oriental Residences Set on Miami's exclusive Brickell Key, The Residences at Mandarin Oriental, Miami is a landmark luxury development by Swire Properties, featuring two architecturally stunning towers. The 66-story South Tower offers 228 ultra-luxury residences, including a \$100 million duplex penthouse, with prices starting at \$4.9 million. The North Tower will become the new North American flagship Mandarin Oriental Hotel, including 66 private and 28 hotel-branded residences. Sales launched in April 2024, and by early 2025, the project had achieved over \$800 million in contracts, signaling strong demand. Amenities span 80,000+ square feet across a shared podium with wellness, entertainment, and social spaces. Construction will begin after the hotel closes in May 2025, with completion expected in 2030.

St. Regis Residences Located at 1809 Brickell Avenue, The St. Regis Residences, Miami is an ultra-luxury, two-tower development by Related Group and Integra Investments, with architecture by Robert A.M. Stern and interiors by Rockwell Group. Unlike other St. Regis properties, this is a purely residential offering—there is no hotel component. The development comprises the Astor Tower (50 stories, 152 units) and the William Tower (48 stories, 183 units), with residences ranging from 2,300 to 8,900 square feet. Prices start at \$2.8 million, with some of the larger residences commanding prices well into the tens of millions. Buyers enjoy over 50,000 square feet of curated amenities, including a bayfront infinity pool, spa, indoor lap pool, private marina, and a 31st-floor Sky Lounge with culinary offerings from Michelin-starred chef Fabio Trabocchi. The property also features a business center, children's and teen lounges, and pet spa. Sales began in 2022, and by early 2025, the project had already reached over 65% sold. Construction is expected to begin in late 2024, with completion anticipated by 2027.

Waldorf Astoria Residences Rising at 300 Biscayne Boulevard, the Waldorf Astoria Residences Miami is set to redefine luxury living as Miami's first supertall skyscraper. Developed by Property Markets Group and Greybrook Realty Partners, in collaboration with Hilton, this 100-story tower will soar to 1,049 feet, making it the tallest residential building south of New York City. Designed by architects Carlos Ott and Sieger Suarez, the building's distinctive silhouette comprises nine stacked glass cubes. It will house 387 private residences and 205 hotel rooms, with interiors crafted by BAMO. Residences range from studios to four-bedroom units, with prices starting at approximately \$3.3 million. A five-story penthouse, spanning over 30,000 square feet, has also been sold. Construction commenced in late 2022, and as of March 2025, the structure has reached the 19th floor. Completion is anticipated by early 2028.

Baccarat Residences Located at 444 Brickell Avenue, Baccarat Residences Miami is an ultra-luxury waterfront development by Related Group and GTIS Partners, marking the debut of the Baccarat brand in Miami. Designed by Arquitectonica with interiors by Meyer Davis Studio, this 75-story glass tower will feature 324 tower residences, 28 riverfront flats and duplexes, and 8 penthouses. Residences range from one to four bedrooms, with prices starting at approximately \$1.7 million. Penthouses are priced up to \$31.76 million. Amenities include a 12th-floor resort deck with a zero-entry heated saline pool, spa, cabanas, and summer kitchen; a private marina; a 10,000-square-foot waterfront restaurant; a hammam spa; a fitness center; a wine cellar and tasting room; a private screening room; and a children's playroom. Construction began in 2022, with completion anticipated in 2026.

Villa Miami Villa Miami is an ultra-luxury waterfront condominium tower rising 55 stories in Miami's Edgewater neighborhood. Developed by Terra and One Thousand Group in collaboration with Major Food Group (MFG), the building features a distinctive bronze exoskeleton designed by ODP Architects, with interiors by Vicky Charles of Charles & Co. The development offers 72 exclusive residences, including half-floor and full-floor units ranging from 3 to 5 bedrooms. Residences start at approximately \$4.8 million for half-floor units and \$8.5 million for full-floor units. Amenities span over 20,000 square feet and include a rooftop helipad, private marina, floating pool on Biscayne Bay, Italian-inspired spa, fitness center, and MFG-curated dining experiences, including a two-level waterfront restaurant. Construction is underway, with completion anticipated by late 2026.

Vita at Grove Isle is an exclusive luxury condominium development located on the private, 20-acre Grove Isle in Coconut Grove, Miami. Developed by CMC Group and designed by CallisonRTKL, the project features 65 ultra-luxury residences spread across three mid-rise buildings—Mare, Luce, and Sole—each standing seven stories tall. Residences range from 3 to 4 bedrooms, with spacious layouts between 2,500 and over 6,600 square feet. Each home offers private elevators, 13-foot-deep terraces, and floor-to-ceiling windows with unobstructed views of Biscayne Bay. Twelve penthouses include private rooftop terraces with pools and summer kitchens. Amenities include a bayfront pool, spa, wellness center, private marina, and a gourmet restaurant and bar. Residents also have access to the Grove Isle Club, featuring tennis, pickleball, and padel courts, a children’s playground, and additional recreational facilities. The project topped off in September 2024 and is slated for completion in late 2025. As of early 2025, around 80% of units are under contract, underscoring strong demand for this rare private-island living experience in the heart of Miami.

Five Park Miami Beach is a landmark luxury condominium tower located at 500 Alton Road, marking the gateway to South Beach. Developed by Terra Group and GFO Investments, and designed by Arquitectonica with interiors by Gabellini Sheppard, the 48-story tower stands at 519 feet, making it the tallest residential building in Miami Beach. The building comprises 98 fully finished residences ranging from 2 to 5 bedrooms, with sizes between 1,434 and 6,000 square feet. Each unit features private elevators, expansive terraces, and floor-to-ceiling windows offering panoramic views of the ocean, bay, and Miami skyline. Residents enjoy over 50,000 square feet of amenities, including a private beach club, wellness center, spa, fitness center, co-working spaces, screening room, children's learning lab, and a rooftop pool deck. The adjacent 3-acre Canopy Park offers a playground, dog park, outdoor gym, and art installations, enhancing the community's lifestyle. Construction of Five Park was completed in late 2024, with move-ins commencing shortly thereafter. Pricing for available residences starts at approximately \$1.5 million, with penthouse units reaching up to \$20 million.

Base Pricing Analysis

The data analyzed and presented on prior pages is demonstrative of the tendency for buyers of luxury condominium units' willingness to pay more per square foot for larger units. This is contrary to what is typically noted in the non-luxury condominium market, whereby pricing reflects a higher per square foot figure for smaller units. Consequently, smaller units will have lower per square foot pricing, and lower profit, in comparison to larger units. Studio floorplans are typically not offered in luxury and ultra-luxury projects, while one-bedroom floorplans are usually limited to a small number of units.

To estimate base pricing for the proposed units we have analyzed availability and pricing of resale units offered in the Multiple Listing Service as well as developer advertised pre-sale pricing on proposed and under construction projects in the PMA.

Two-Bedroom Units

Two-Bedroom Unit Pricing										
MLS Listings										
Project	Address	Year Built	Neighborhood	View	# of Listings	Status	Avg. List Price	Avg. Size	Avg. Price PSF	Comparison to Subject
Aston Martin Residences	300 Biscayne Blvd.	2024	Downtown	River/Bay	38	A	\$2,451,710	1,629	\$1,505	Inferior
Residences by Armani Casa	18975 Collins Ave.	2019	Sunny Isles Bch.	City	5	A	\$2,647,799	1,344	\$1,970	Superior
Ritz Carlton Residences	4701 N Meridian Ave.	2019	Miami Beach	Basin	6	A	\$3,582,500	2,195	\$1,632	Inferior
Five Park	500 Alton Road	2024	Miami Beach	Park/Bay	5	A	\$3,439,888	1,628	\$2,113	Superior
Missoni Baia	700 NE 26th Terr.	2023	Edgewater	Bay	23	A	\$2,071,086	1,134	\$1,826	Inferior
Mr. C's Tigertail	2655 S Bayshore Dr.	2024	Coconut Grove	City/Bay	10	A	\$2,121,300	1,010	\$2,100	Superior
Total					87					
Maximum							\$3,582,500	2,195	\$2,113	
Minimum							\$2,071,086	1,010	\$1,505	
Mean							\$2,719,047	1,490	\$1,858	
Median							\$2,549,755	1,486	\$1,898	
Developer Listings										
Vita @ Grove Isle	Three Bedroom	Under Const.	Coconut Grove	Bay			\$8,100,000	3,103	\$2,610	Very Superior
Villa Miami*	Three Bedroom	Proposed	Edgewater	Bay			\$6,300,000	2,981	\$2,113	Similar
Mandarin Oriental	Three Bedroom	Proposed	Brickell	Bay			\$5,000,000	2,300	\$2,174	Very Superior
Waldorf Astoria Residences*	Two Bedroom	Under Const.	Downtown	Bay			\$3,396,000	1,822	\$1,864	Superior
Five Park	Two Bedroom + Den	Completed	Miami Beach	Bay			\$2,325,000	1,451	\$1,602	Inferior
Maximum							\$8,100,000	3,103	\$2,610	
Minimum							\$2,325,000	1,451	\$1,602	
Mean							\$5,024,200	2,331	\$2,073	
Median							\$5,000,000	2,300	\$2,113	
Concluded Subject Base Pricing										
Unit Name	Avg. Unit Size	Unit Type	Base Price PSF	View	Base Price					
D - 2 BR/ 2.5 Bath	2,400	2/2.5	\$1,620	City/Bay	\$3,888,000					
Concluded pricing considers a 10% discount for leasehold interest										
* Pricing of a select unit on a unit with a high floor location, reflecting floor height premium for superior view.										

Existing inventory of resale units in recently delivered buildings total 90 units with pricing ranging from \$1,500 to \$2,115 per square foot with an average of \$1,858 per square foot. The upper end of the range of per square foot pricing, represented by Five Park which is located directly east of the subject property on Miami Beach, with park and bay views from units on higher floors. The low end of the resale dataset pricing range, per square foot, is reflected by the Aston Martin Residences, considered inferior mostly due to the overall size of the project, which, at 391 total units, achieves less favorable

pricing from a luxury condominium project perspective. All things considered; the most similar resale project profiled is Missoni Baia.

Pricing for developer sale units ranges from \$1,600 to \$2,610 per square foot with an average of \$2,073 per square foot. The upper end of the range is Vita @ Grove Isle, a boutique project on a private island off Coconut Grove.

Three-Bedroom Units

Three-Bedroom Unit Pricing										
MLS Listings										
Project	Address	Year Built	Neighborhood	View	# of Listings	Status	Avg. List Price	Avg. Size	Avg. Price PSF	Comparison to Subject
Aston Martin Residences	300 Biscayne Blvd.	2024	Downtown	River/Bay	35	A	\$3,901,114	2,553	\$1,528	Inferior
Residences by Armani Casa	18975 Collins Ave.	2019	Sunny Isles Bch.	City	5	A	\$4,666,000	2,350	\$1,986	Superior
Ritz Carlton Residences	4701 N Meridian Ave.	2019	Miami Beach	Basin	1	A	\$4,590,000	3,096	\$1,483	Inferior
Five Park (resale)	500 Alton Road	2024	Miami Beach	Park/Bay	14	A	\$5,265,615	2,586	\$2,036	Superior
Missoni Baia	700 NE 26th Terr.	2023	Edgewater	Bay	3	A	\$2,906,333	2,473	\$1,175	Inferior
Mr. C's Tigertail	2655 S Bayshore Dr.	2024	Coconut Grove	City/Bay	3	A	\$3,363,633	1,681	\$2,001	Superior
Total					61					
Maximum							\$5,265,615	3,096	\$2,036	
Minimum							\$2,906,333	1,681	\$1,175	
Mean							\$4,115,449	2,457	\$1,701	
Median							\$4,245,557	2,513	\$1,757	
Developer Listings										
Vita @ Grove Isle	Three Bedroom	Under Const.	Coconut Grove	Bay			\$8,100,000	3,103	\$2,610	Very Superior
Villa Miami*	Three Bedroom	Proposed	Edgewater	Bay			\$6,300,000	2,981	\$2,113	Generally Similar
Mandarin Oriental	Three Bedroom	Proposed	Brickell	Bay			\$6,000,000	2,700	\$2,222	Very Superior
Waldorf Astoria Residences*	Three Bedroom	Under Const.	Downtown	Bay			\$4,705,000	2,405	\$1,956	Superior
Five Park (developer)	Three Bedroom	Completed	Miami Beach	Bay			\$4,050,000	2,335	\$1,734	Inferior
Maximum							\$8,100,000	3,103	\$2,610	
Minimum							\$4,050,000	2,335	\$1,734	
Mean							\$5,831,000	2,705	\$2,127	
Median							\$6,000,000	2,700	\$2,113	
Concluded Subject Base Pricing										
Unit Name	Avg. Unit Size	Unit Type	Base Price PSF	View	Base Price					
B - 3 BR / 4 Bath + Den	3,200	3/4+Den	\$1,700	City/Bay	\$5,440,000					
Concluded pricing considers a 10% discount for leasehold interest										
* Pricing of a select unit on a unit with a high floor location, reflecting floor height premium for superior view.										

Existing inventory of resale units in recently delivered buildings total 61 units with pricing ranging from \$1,175 to \$2,036 per square foot with an average of \$1,701 per square foot. Notably, the price per square foot for these larger units is higher than it was for the smaller two-bedroom units, consistent with other research we've completed for luxury condominium unit pricing. The upper end of the range of per square foot pricing, represented again by Five Park which is located directly east of the subject property on Miami Beach, with park and bay views from units on higher floors. The low end of the resale dataset pricing range, per square foot, is reflected by the Missoni Baia, which is a recently completed building in Miami's Edgewater district.

Pricing for developer sale units ranges from \$1,735 to \$2,610 per square foot with an average of \$2,127 per square foot. The upper end of the range is again represented by Vita @ Grove Isle, a boutique project on a private island off Coconut Grove.

Four-Bedroom Units

Four-Bedroom Unit Pricing										
MLS Listings										
Project	Address	Year Built	Neighborhood	View	# of Listings	Status	Avg. List Price	Avg. Size	Avg. Price PSF	Comparison to Subject
Aston Martin Residences	300 Biscayne Blvd.	2024	Downtown	River/Bay	6	A	\$5,690,666	3,541	\$1,607	Inferior
Residences by Armani Casa	18975 Collins Ave.	2019	Sunny Isles Bch.	City	10	A	\$6,225,300	2,967	\$2,098	Superior
Ritz Carlton Residences	4701 N Meridian Ave.	2019	Miami Beach	Basin	1	A	\$8,900,000	4,153	\$2,143	Inferior
Five Park (resale)	500 Alton Road	2024	Miami Beach	Park/Bay	4	A	\$7,628,750	3,270	\$2,333	Superior
Missoni Baia	700 NE 26th Terr.	2023	Edgewater	Bay	5	A	\$4,950,000	3,917	\$1,264	Inferior
Mr. C's Tigertail	2655 S Bayshore Dr.	2024	Coconut Grove	City/Bay	0	A				Superior
Total					26					
Maximum							\$8,900,000	4,153	\$2,333	
Minimum							\$4,950,000	2,967	\$1,264	
Mean							\$6,678,943	3,570	\$1,889	
Median							\$6,225,300	3,541	\$2,098	
Developer Listings										
Vita @ Grove Isle	Four Bedroom	Under Const.	Coconut Grove	Bay			\$8,380,000	3,834	\$2,186	Very Superior
Villa Miami*	Four Bedroom	Proposed	Edgewater	Bay			\$5,950,000	2,964	\$2,007	Generally Similar
Mandarin Oriental	Four Bedroom	Proposed	Brickell	Bay			\$11,200,000	4,400	\$2,545	Very Superior
Waldorf Astoria Residences	Four Bedroom	Under Const.	Downtown	Bay			\$7,909,966	3,536	\$2,237	Superior
Five Park (developer)*	Four Bedroom	Completed	Miami Beach	Bay			\$7,915,000	3,521	\$2,248	Inferior
Maximum							\$11,200,000	4,400	\$2,545	
Minimum							\$5,950,000	2,964	\$2,007	
Mean							\$8,270,993	3,651	\$2,245	
Median							\$7,915,000	3,536	\$2,237	
Concluded Subject Base Pricing										
Unit Name	Avg. Unit Size	Unit Type	Base Price PSF	View	Base Price					
A - 4 BR /4.5 Bath	3,600	Four Bed	\$1,785	City/Bay	\$6,426,000					
C - 4 BR /4.5 Bath	3,600	Four Bed	\$1,607	City/Bay	\$5,783,400					
Concluded pricing considers a 10% discount for leasehold interest										
* Pricing of a select unit on a unit with a high floor location, reflecting floor height premium for superior view.										

Existing inventory of resale units in recently delivered buildings total 26 units with pricing ranging from \$1,260 to \$2,333 per square foot with an average of \$1,889 per square foot. Notably, the price per square foot for these larger units is higher than it was for the smaller two and three-bedroom units, consistent with other research we've completed for luxury condominium unit pricing. The upper end of the range of per square foot pricing, represented again by Five Park which is located directly east of the subject property on Miami Beach, with park and bay views from units on higher floors. The low end of the resale dataset pricing range, per square foot, is reflected by the Missoni Baia, which is a recently completed building in Miami's Edgewater district.

Pricing for developer sale units ranges from \$2,007 to \$2,545 per square foot with an average of \$2,245 per square foot. The upper end of the range is again represented by Mandarin Oriental Residences, a boutique project on a private island off Brickell.

Pricing Conclusions

A competitive pricing matrix combined with an optimal timing will favor absorption of the units. It is crucial for projects to be able to achieve the right level of pre-sales before starting construction, and to continue to be able to drive absorption during the construction period to insure sell-out upon completion.

We forecast the price per square foot for each unit line per floor based on the previous discussion of and analysis of the competitive set.

Pricing Matrix						
Type	A - 4 BR /4.5 Bath	B - 3 BR / 4 Bath + Den	C - 4 BR /4.5 Bath	D - 2 BR/ 2.5 Bath	PH1	PH2
View	West	North	East	South	Southwest	Northeast
SF	3,600	3,200	3,600	2,400	6,200	7,100
Base Price/SF	\$1,785	\$1,700	\$1,607	\$1,620	\$2,517	\$2,265
Level						
16	\$6,426,000	\$5,440,000	\$5,783,400	\$3,888,000		
17	\$6,458,130	\$5,467,200	\$5,812,317	\$3,907,440		
18	\$6,490,421	\$5,494,536	\$5,841,379	\$3,926,977		
19	\$6,522,873	\$5,522,009	\$5,870,585	\$3,946,612		
20	\$6,555,487	\$5,549,619	\$5,899,938	\$3,966,345		
21	\$6,588,265	\$5,577,367	\$5,929,438	\$3,986,177		
22	\$6,621,206	\$5,605,254	\$5,959,085	\$4,006,108		
23	\$6,654,312	\$5,633,280	\$5,988,881	\$4,026,138		
24	\$6,687,583	\$5,661,446	\$6,018,825	\$4,046,269		
25	\$6,721,021	\$5,689,754	\$6,048,919	\$4,066,500		
26	\$6,754,626	\$5,718,202	\$6,079,164	\$4,086,833		
27	\$6,788,400	\$5,746,793	\$6,109,560	\$4,107,267		
28	\$6,822,342	\$5,775,527	\$6,140,107	\$4,127,803		
29	\$6,856,453	\$5,804,405	\$6,170,808	\$4,148,442		
30	\$6,890,736	\$5,833,427	\$6,201,662	\$4,169,185		
31	\$6,925,189	\$5,862,594	\$6,232,670	\$4,190,030		
32	\$6,959,815	\$5,891,907	\$6,263,834	\$4,210,981		
33	\$6,994,614	\$5,921,367	\$6,295,153	\$4,232,036		
34	\$7,029,587	\$5,950,973	\$6,326,629	\$4,253,196		
35	\$7,064,735	\$5,980,728	\$6,358,262	\$4,274,462		
36	\$7,100,059	\$6,010,632	\$6,390,053	\$4,295,834		
37	\$7,135,559	\$6,040,685	\$6,422,003	\$4,317,313		
38	\$7,171,237	\$6,070,889	\$6,454,113	\$4,338,900		
39	\$7,207,093	\$6,101,243	\$6,486,384	\$4,360,594		
40	\$7,243,129	\$6,131,749	\$6,518,816	\$4,382,397		
41					\$15,604,238	\$16,082,432
Floor Premium	0.50%					
Penthouse Premium	1.5 x base price					
Total Sales Revenue	\$603,700,953					
Total Units	102					
Sale Revenue/Unit	\$5,918,637					
Total Sellable SF	333,300					
Sale Revenue/SF	\$1,811					

Property Analysis

Land Description and Analysis

Location

The property is located on the west side of Watson Island, south of the MacArthur Causeway.

We note the site does not reach the adjacent waterfront, rather is set back approximately 105 feet from the waterfront at its closest point. The owner of the leasehold interest in the subject site also owns the adjacent site and will be providing a waterfront promenade as part of the broader master development plan.



Land Area

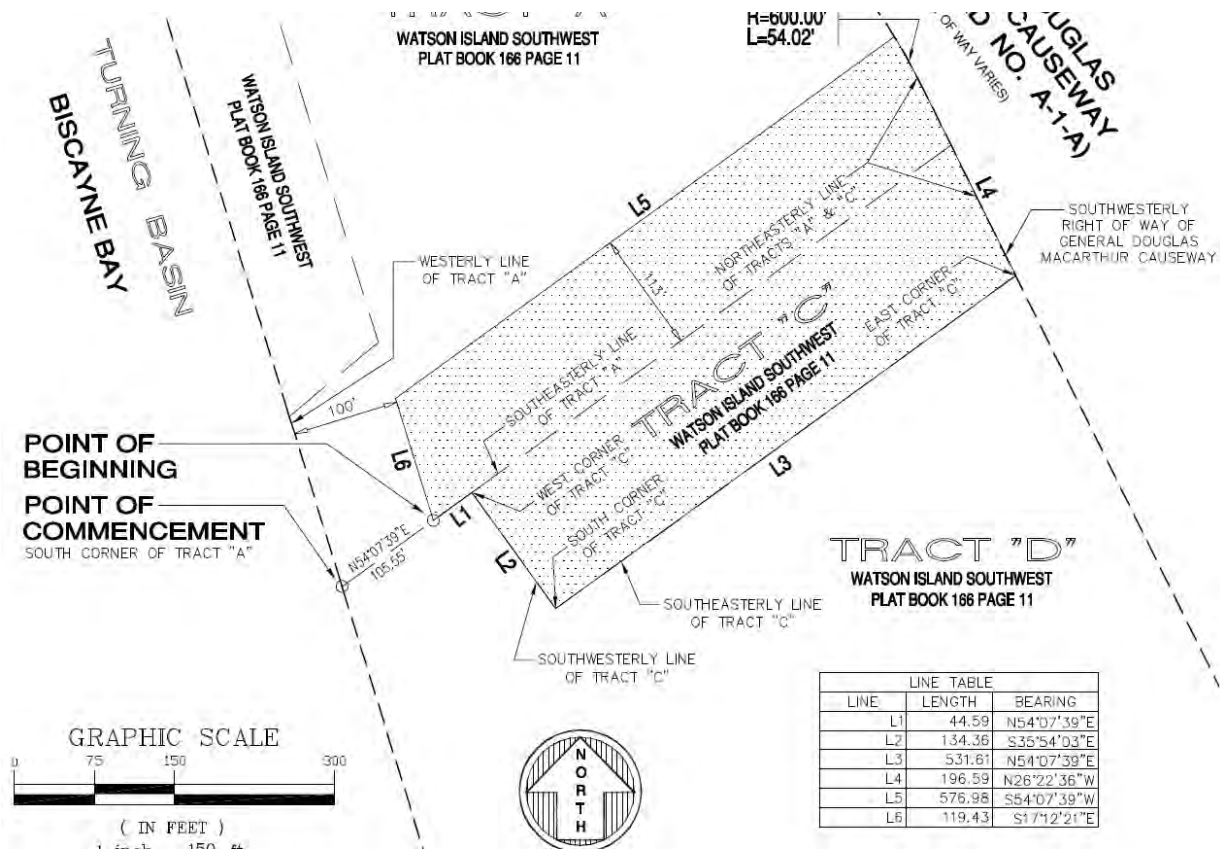
The following table summarizes the subject’s land area.

Land Area Summary		
Tax ID	SF	Acres
01-3231-061-0010 (a portion of)	139,392	3.20

Shape and Dimensions

The site is irregular in shape, with dimensions of approximately 200 feet in width and 530 feet in depth. Site utility based on shape and dimensions is average.

Site Dimensions



Topography

The site is generally level and at street grade. The topography does not result in any particular development limitations.

Drainage

No particular drainage problems were observed or disclosed at the time of field inspection. This appraisal assumes that surface water collection, both on-site and in public streets adjacent to the subject, is adequate.

Flood Hazard Status

The following table indicates applicable flood hazard information for the subject property, as determined by review of available flood maps obtained from the Federal Emergency Management Agency (FEMA).

Flood Hazard Status	
Community Panel Number	120650
Date	September 11, 2009
Zone	AE
Description	Within 100-year floodplain
Insurance Required?	Yes

FEMA Zone AE: Special flood hazard areas subject to inundation by the 100-year flood determined in a Flood Insurance Study by detailed methods. Base flood elevations are shown within these zones. Mandatory flood insurance purchase requirements apply.

Environmental Hazards

An environmental assessment report was not provided for review, and during the inspection, no obvious signs of contamination on or near the subject were observed. However, environmental issues are beyond the scope of expertise of the assignment participants. It is assumed the property is not adversely affected by environmental hazards.

Ground Stability

A soils report was not provided for review. Based on the inspection of the subject and observation of development on nearby sites, there are no apparent ground stability problems. However, soils analyses are beyond the scope of expertise of the assignment participants. It is assumed the subject's soil bearing capacity is sufficient to support the existing improvements.

Streets, Access and Frontage

The site is accessible from Macarthur Causeway, an asphalt paved arterial road which connects mainland Miami to Miami Beach. We note the site does not have direct frontage on Macarthur Causeway, rather the subject site is setback from the Causeway and accessible via an access road.

Utilities

Utilities available to the subject are summarized below.

Utilities	
Service	Provider
Water	Miami-Dade Water and Sewer
Sewer	Miami-Dade Water and Sewer
Electricity	Florida Power and Light
Natural Gas	Teco Gas and others
Local Phone	AT&T and others

Zoning

The subject has two zoning designations as follows. A 1.53-acre portion of the site is zoned T6-36 AO, Urban Core Transect Zone, and the remaining 1.67 acres is zoned CS, Civic Space Zone.

The following table summarizes the applicable zoning requirements affecting the subject.

Zoning Summary		
Zoning Jurisdiction	City of Miami	
Zoning Designation	T6-36 AO & CS	
Description	Urban Core Transect and Civic Space	
Legally Conforming?	Appears to be legally conforming	
Zoning Change Likely?	No	
Permitted Uses	Mixed-Use Residential and Commercial Uses in the T6-36 zone; Marina Uses in the CS zone	
Category	Zoning Requirement - T6-36 AO	Zoning Requirement - CS
Minimum Lot Area	5,000	None
Minimum Setbacks (Feet)	100' front	None
Maximum Building Height	36	None
Maximum Site Coverage	80%	25%
Maximum Density	150 units/acre	None
Maximum Floor Area Ratio	12	0.25
Parking Requirement	1.5 spaces per unit + 1 visitor space for each 10 units	None
Source: municode		

In addition, there is also a recorded deed restriction (No. 19447) that encumbers all of Watson Island, issued when Watson Island was deeded to the City of Miami. This deed included a significant restriction: the land was to be used exclusively for public and municipal purposes, explicitly prohibiting any sale, conveyance, or lease to private entities for private use. The deed stipulated that any violation of this condition would render the deed null and void, causing the property to revert to the state.

Over the years, this restriction has been a focal point in discussions about the development of Watson Island. In 2004, the State of Florida approved a partial modification of the deed restrictions, allowing the City of Miami to lease portions of the land for a proposed yacht marina and mixed-use development, provided that the public benefits were clearly demonstrated.

More recently, in November 2024, Miami voters approved two referendums that further addressed the use of Watson Island:

- **Referendum 2** authorized the sale or lease of 5.4 acres on the north side of Watson Island to Ecoresiliency Miami LLC for \$135 million for residential and commercial development. In return, 13 acres were returned to the city to construct a new public waterfront park, and the existing theme park and hotel lease were canceled. Additionally, the developer committed \$15 million for affordable housing, infrastructure, and other public benefits.
- **Referendum 3** approved the sale of 3.2 acres on the south side of Watson Island to BH3 Management and Merrimac Ventures for \$25 million. The developers plan to build two hotels, retail spaces, offices, residences, dining areas, and expansive public spaces, including a 2.2-acre public promenade on Biscayne Bay. They also committed \$9 million for affordable housing and public infrastructure improvements.

Referendum 3 above is the approval of the sale of the subject site to the developer.

Further interpretation of zoning ordinances is beyond the scope of expertise of the assignment participants. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

Other Land Use Regulations

There are no other known land use regulations that would affect the property.

Potential Development Density

The 1.53 acres of T6-36 AO zoned site area have development potential for 799,761 square feet of building area based on a FLR of 12 in the zoning code, along with 229 dwelling units OR 459 hotel keys (or any combination thereof).

In the CS zone, development potential is limited to a maximum of 25% of the lot area for building space. The subject's CS zoned site area is 1.67 acres, yielding development potential of 18,186 square feet.

In addition to the above As of Right development potential based on zoning, the subject site is party of a broader Master Development Agreement from 2020 between the prior owner and the City of Miami, which includes approvals for a Marina, Retail Component, Parking Component, two Hotels (Lifestyle Hotel and Luxury Hotel), and Residences, with 605 hotel and residence units combined. The subject development as proposed consists of 80 luxury hotel units, 40 hotel residences (condo hotel units), and 102 luxury condominium units with a gross building area of 965,342 square feet and a net rentable/sellable of 437,350 square feet.

For the valuation analysis which follows we consider the subject's development potential, as restricted and as unrestricted, at 965,342 square feet. Under the restricted scenario we consider the development agreement terms reflected by the development plans provided, and confirmed in communications with the City of Miami, which require the property to include hotel and hotel residence units. Under the unrestricted valuation we consider a developer would be free to choose the development scenario that would optimize their return.

Easements, Encroachments and Restrictions

Based upon a review of the deed and property survey, there are no apparent easements, encroachments, or restrictions that would adversely affect value. This valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Conclusion of Site Analysis

Overall, the physical characteristics and the availability of utilities result in a functional site, suitable for a variety of uses. The site is under a master development agreement as part of a larger master site of 10+ acres, of which the subject is a part. The site is proposed for development with a mixed-use luxury residential and hospitality tower which is consistent with both the underlying zoning and the master development agreement.



Development Site



Development Site



Development Site



Development Site



Development Site



Development Site



Development Site



Development Site



Access Road



Access Road



Access Road



Access Road

Improvements Description and Analysis

Overview

The subject is a 3.2-acre vacant site on the south side of the Macarthur Causeway, on Watson Island, in Miami, Florida. The 3.2-acre site is subject to a long-term 69-year ground lease between the tenant and the City of Miami, with two consecutive 15-year extension options. The original lease is between the City of Miami and Flagstone Island Gardens. In 2023, the current tenant, BH3 Management and Merrimac Ventures (tenant) purchased the leasehold interest from Flagstone Island Gardens as part of the leasehold interest in the larger 10.8 acres under lease. The tenant plans to improve the subject site with a mixed-use luxury residential/hospitality tower consisting of 80 hotel units, 40 condo hotel units, and 102 residential condominium units along with related amenities and supporting spaces. The proposed hotel brand has not been announced but will reportedly be an ultra-luxury hotel brand. Lease terms with the City of Miami include prepaid rent, base rent, percentage rent of hotel operations, including hotel condominium units participating in the hotel rental program, and percentage rent of revenue from sales of residential condominium units. The tenant has expressed interest in buying the leased fee interest from the City of Miami, which combined with the tenant's leasehold interest yields a fee simple interest. A 1.53-acre portion of the site is zoned T6-36A-O, Urban Core Transect Open zone which allows for development density to a floor lot ratio (FLR) of 12 and 150 dwelling units per acre. The remaining 1.67 acres is zoned CS, Civic Space zone with development potential of building area not to exceed 25% of the lot area, with marina use the only use allowed as of right. The proposed development is part of a Master Development Agreement from 2020 between the prior owner and the City of Miami, which includes approvals for a Marina, Retail Component, Parking Component, two Hotels (Lifestyle Hotel and Luxury Hotel), and Residences, with 605 hotel and residence units combined.

The following description of the proposed improvements are based on discussions with the developer and a review of plans and renderings.

The proposed improvements consist of a mixed-use residential/hospitality tower of 37 levels atop a six-level podium containing parking, restaurant, conference room, lobby, and amenities. Condominium units will be located on floors 16 through 41, with four units per floor on floors 16-40 and two penthouse units on the 41st floor. Hotel residences (condo hotel units) will be located on floors 9 through 14 (excluding 13), and hotel units will be located on floors 4-8. The parking and amenity podium will include conference room, amenity deck with two pools, fitness center, outdoor lounge, fitness center, hot tub, cold plunge, pool deck, spa, restaurant, and other amenities. The Spa will include beauty salon, treatment rooms, and changing rooms. The building will include one level of below-ground parking and one level of above-ground parking, with 405 combined parking spaces.

Specifics regarding unit and project finishes and amenities were limited as of the effective appraisal date. As a luxury waterfront project, we assume the quality of finishes and materials throughout the project, including inside hotel rooms, hotel residences, and condominium units will be commensurate with the competitive set of properties identified for each of the development components, including stone flooring, stone vanities and counter tops, luxury appliances, and high-end fixtures and lighting.

The proposed unit mix include the following:

Project Unit Mix			
Hotel Units Floors 4-6	Unit Size	No. of Units	Total Rentable
King	525	18	9,450
Queen	525	18	9,450
Deluxe King	800	6	4,800
1-Bedroom Suite	1,100	6	6,600
Hotel Units Floors 7-8			
King	525	14	7,350
Queen	525	10	5,250
Deluxe King	800	4	3,200
1-Bedroom Suite	1,100	2	2,200
VIP Suite	1,175	2	2,350
Hotel Residences Floors 9-12			
Studio (lockoffs)	400	4	1,600
1-Bedroom	1,100	4	4,400
2-Bedroom	1,600	4	6,400
Hotel Residences Floor 14			
Studio (lockoffs)	400	1	400
1-Bedroom	1,100	6	6,600
2-Bedroom	1,600	1	1,600
Presidential	2,400	1	2,400
Residential Units			
A - 4 BR /4.5 Bath	3,600	25	90,000
B - 3 BR / 4 Bath + Den	3,200	25	80,000
C - 4 BR /4.5 Bath	3,600	25	90,000
D - 2 BR/ 2.5 Bath	2,400	25	60,000
PH1	6,200	1	6,200
PH2	7,100	1	7,100
Total Rentable/Sellable			
Hotel	633	80	50,650
Hotel Residences	1,114	21	23,400
Residential Units	3,268	102	333,300
Combined	2,007	203	407,350

Operated Food & Beverage will include a 150-seat restaurant, 56-seat lobby bar and lounge, and an 80-seat pool bar & grill. Meeting and conference/ballroom space including two board rooms will total 16,705 square feet combine, along with hotel spa.

Improvements Description	
Name of Property	Watson Island
General Property Type	Miami Ground-Leased Waterfront Development Site
Property Sub Type	Specialty
Specific Use	Other
Competitive Property Class	A
Number of Buildings	1
Stories	40
Building Shape	Rectangular
Construction Class	A
Construction Type	Steel frame
Construction Quality	Excellent
Condition	New
Number of Rooms	209
Rooms per Acre (Density)	65.3
Gross Building Area (SF)	965,342
Building Area Source	Building Plans
Year Built	Proposed
Number of Parking Spaces	405
Source of Parking Count	Building Plans
Parking Type	Structured
Parking Spaces/1,000 SF GBA	0.42
Parking Spaces/Room	1.9
Landscaping	Assumed will be tropical

Construction Details

Foundation	Auger-cast piles are filled with concrete and reinforced with steel
Basement	None
Structural Frame	Steel
Corridor	Interior climate controlled
Exterior Walls	Masonry and Glass
Windows	Impact glass in metal frames
Roof	Flat, with thermoplastic olefin (TPO) or modified bitumen system
Ceiling Height in Feet	9 and 10

Interior Finishes	–
Floors	Stone
Walls	Painted drywall
Ceilings	Painted drywall
Lighting	LED

HVAC	Roof Central Mounted
Electrical	Assumed adequate
Plumbing	Assumed adequate
Hot Water	Assume adequate
Elevators	9 Passenger, 1 Freight, assumed adequate
Restrooms	Assumed adequate in public spaces
Sprinklers	Wet
Security	Onsite security, security cameras, controlled access

Improvements Analysis

The improvements as proposed are assumed will be of excellent quality construction and excellent/new condition upon completion.

Functional Utility

The improvements as proposed appear to be adequately suited to their intended use.

ADA Compliance

Based on the property inspection and information provided, there are no apparent ADA issues. However, ADA matters are beyond the scope of expertise of the assignment participants, and further study by an appropriately qualified professional would be recommended to assess ADA compliance.

Hazardous Substances

An environmental assessment report was not provided for review, and environmental issues are beyond the scope of expertise of the assignment participants. No hazardous substances were observed during the inspection of the improvements; however, detection of such substances is outside the scope of expertise of the assignment participants. Qualified professionals should be consulted. Unless otherwise stated, it is assumed no hazardous conditions exist on or near the subject.

Personal Property

The appraisal assignment is specifically focused on the value of the real property only. Items of personal property are excluded from consideration.

Conclusion of Improvements Analysis

In comparison to competitive properties in the market, the subject improvements are rated as follows:

Improvements Ratings	
Visibility/Exposure	Above Average
Design and Appearance	Above Average
Age/Condition	Above Average
% Sprinklered	Above Average
Lobby	Above Average
Interior Amenities	Above Average
Floor to ceiling heights	Above Average
Elevators	Above Average
Room Sizes and Layouts	Above Average
Bathrooms	Above Average
Parking Ratios	Above Average
Landscaping	Above Average
Room Features	Above Average
Hotel Amenities	Above Average

Overall, the quality, condition, and functional utility of the improvements as proposed are assumed will be of excellent quality materials and finishes, commensurate with the competitive set of luxury hotel and luxury condominium properties profiled in the following pages.

Real Estate Taxes

Real estate tax assessments are administered by City of Miami County and are estimated by jurisdiction on a countywide basis. Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property may be determined by dividing the assessed value by 1,000 and then multiplying the estimate by a composite rate. The composite rate is based on a consistent tax rate throughout the state in addition to one or more local taxing district rates. The assessed values are based upon the current conversion assessment of the City of Miami County Property Appraiser's market value.

State law requires that all real property be re-valued each year. The millage rate is generally finalized in October of each year, and tax bills are generally received in late October or early November. The gross taxes are due by March 31st of the following year. If the taxes are paid prior to November 30th, the State of Florida allows a 4% discount for early payment. The discount then becomes 3% if paid by December 31st, 2% if paid by January 31st, and 1% if paid by February 28th. After March 31st, the taxes are subject to late penalties and interest.

Real estate taxes and assessments for the current tax year are shown in the following table.

Taxes and Assessments - 2024							
Tax ID	Assessed Value			Taxes and Assessments			
	Land	Improvements	Total	Ad Valorem			Total
				Tax Rate	Taxes	Direct Assessments	
01-3231-061-0010 (a portion of)	\$211,380,938		\$211,380,938	2.003320%	\$4,234,637	\$0	\$4,234,637

As the subject does not have its own individual folio, for purposes of estimating the current real estate tax burden applicable to the subject site we have applied the assessed value of the parent tract on a per square foot basis to the subject site. Based on the concluded market value of the subject, the assessed value appears low.

Highest and Best Use

The highest and best use of a property is the reasonably probable use resulting in the highest value, and represents the use of an asset that maximizes its productivity.

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as though vacant, and as improved or proposed. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

As Though Vacant

First, the property is evaluated as though vacant, with no improvements.

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Legally Permissible

The site is zoned T6-36 AO & CS, Urban Core Transect and Civic Space. Permitted uses include mixed-Use Residential and Commercial Uses in the T6-36 zone; Marina Uses in the CS zone. There are no apparent legal restrictions, such as easements or deed restrictions, effectively limiting the use of the property. Given prevailing land use patterns in the area, only mixed-use luxury residential/hospitality use is given further consideration in determining highest and best use of the site, as though vacant.

Financially Feasible

Based on the accompanying analysis of the market, there is currently adequate demand for mixed-use luxury residential/hospitality use in the subject's area. It appears a newly developed mixed-use luxury residential/hospitality use on the site would have a value commensurate with its cost. Therefore, mixed-use luxury residential/hospitality use is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than mixed-use luxury residential/hospitality use. Accordingly, mixed-use luxury residential/hospitality use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Development of the site for mixed-use luxury residential/hospitality use is the only use which meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as though vacant.

As Improved

No improvements are situated on the subject. Therefore, a highest and best analysis as improved is not applicable.

Most Probable Buyer

Taking into account the characteristics of the site, as well as area development trends, the probable buyer is a developer.

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties and vacant land.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Applicable	Utilized

For the valuation analysis which follows we consider the subject's development potential, as restricted and as unrestricted, at 965,342 square feet. Under the restricted scenario we consider the development agreement terms reflected by the development plans provided, and confirmed in communications with the City of Miami, which require the property to include hotel and hotel residence units. Under the unrestricted valuation we consider a developer would be free to choose the development scenario that would optimize their return.

Sales Comparison Approach – Fee Simple Land Value Unrestricted

To develop an opinion of the subject's land value, as though vacant and available to be developed to its highest and best use, the sales comparison approach is used. This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties.

To apply the sales comparison approach to the Land Value Unrestricted, the research focused on transactions within the following parameters:

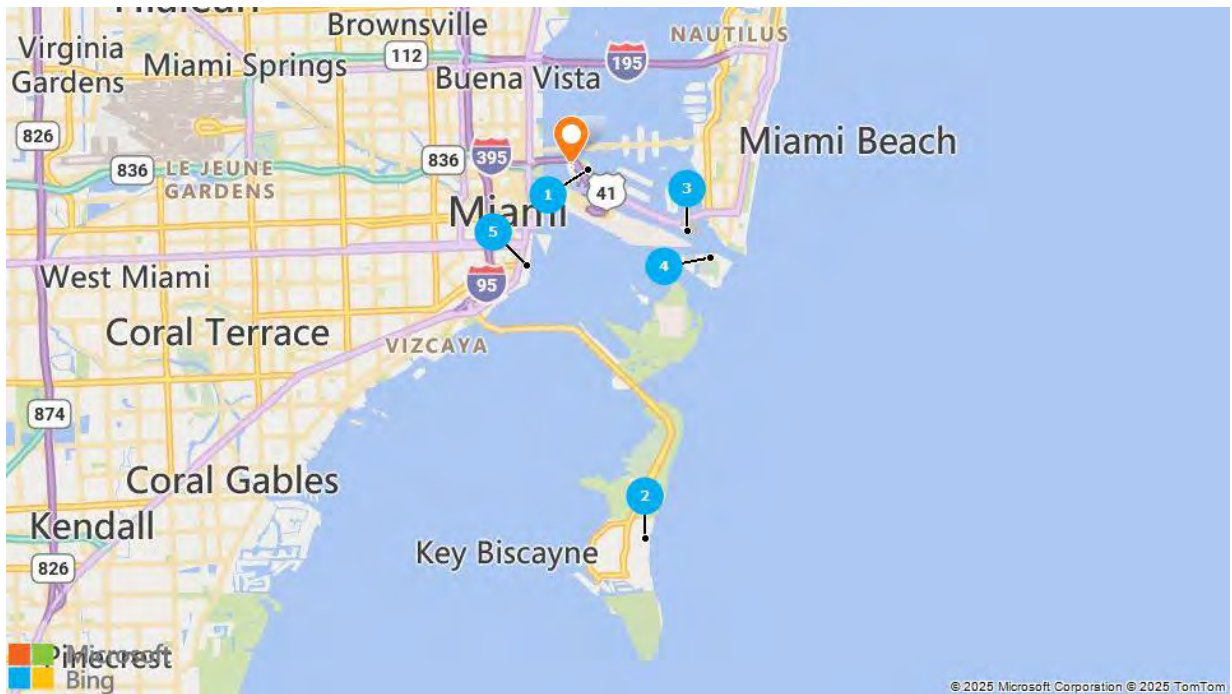
- Location: Waterfront development sites in Miami-Dade County
- Size: Development potential for greater than 100,000 square feet
- Use: Mixed-use residential/commercial or residential/hospitality
- Transaction Date: 2022 to present

For this analysis, price per building square foot is used as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table:

Summary of Comparable Land Sales - Land Value Unrestricted

No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Bldg. SF; FAR	Zoning	\$/SF Bldg.	\$/SF Land	\$/Acre
1	Jungle Island Development Site 1111 Parrot Jungle Trl. Miami Miami-Dade County	Aug-25 In-Contract	\$177,621,073	234,353 5.38	3,000,000 12.80	T6-12-O	\$59.21	\$757.92	\$33,015,069
	Comments: Non-Arm's Length transaction confirmed between the City of Miami (grantor) and a joint venture of Terra Group & ESJ Capital (grantee). ESJ had secured a long-term land lease on the site from the City of Miami and partneed with Terra Group prior to negotiating a purchase of the leased-fee interest (ground lease) from the City of Miami. The property was not openly marketed for sale, open to bid, or available to the open market. Terms of the long-term lease were not available. The purchase price includes a base price of \$135 million as well as other consideration required totalling \$42.62 million. Development potential for the site includes 600 condominium units, retail space, and nearly three million squire feet of gross building area.								
2	Silver Sands Beach Resort (Land) 301 Ocean Dr. Key Biscayne Miami-Dade County	Apr-25 Closed	\$205,000,000	169,388 3.89	376,753 2.22	HR	\$544.12	\$1,210.24	\$52,718,202
	Comments: Terra Group and Fortune International Group acquired the Silver Sands Beach Resort as a 3.88-acre redevelopment site for \$205,000,000 or \$52,835,051 per acre. Owned by the Rodriguez Lujan family since the early 1990's the oceanfront Silver Sands Beach Resort opened in 1956 and offered 56-rooms with direct beach access. The buyers/developers plan to demolish the resort to construct a thirteen-story ultra luxury residential condominium building with 56 units, three swimming pools, a spa, a gym, and several restaurants. The buyers secured \$145,000,000 acquisition and development loan financed by the sellers for this transaction.								
3	One Island Park / Terminal Island Site 120 MacArthur Causeway Miami Beach Miami-Dade County	Jun-23 Closed	\$77,000,000	161,716 3.71	162,000 1.00	I-1/GU	\$475.31	\$476.14	\$20,740,741
	Comments: Lincoln Property Company acquired 3.71 acres of land for \$77 million. The seller had originally planned to develop a 160,000 SF waterfront office project. The new development plans are currently unknown.								
4	6 Fisher Island Residences 6 Fisher Island Dr Miami Beach Miami/Dade County	Sep-22 Closed	\$122,600,000	283,575 6.51	380,788 1.34		\$321.96	\$432.34	\$18,832,565
	Comments: On September 14, 2022 Fisher Island Holdings, LLC sold 6.5 acres located at 6 Fisher Island Drive in Miami Beach, FL to a joint venture between Related Development, LLC, BH Group and Wanxiang America Real Estate Corporation for \$122.6 million, or approximately \$18.832 million per acre. The buyer plans to develop a luxury condominium at the site consisting of 50 units. The units will be priced at over \$60 million. The proposed development will offer private oceanfront, parking spaces for cars and golf carts, and multiple private two-car garages. Residents will have access to a members-only country club with a golf course and racquet club. This is the last multifamily development site available on Fisher Island which can only be reached by yacht, helicopter or private ferries. The buyer financed this acquisition with a loan provided by Madison Realty Capital, LP.								
5	Villa Magna Site 1201 Brickell Bay Drive Miami Miami-Dade County	Apr-22 Closed	\$363,000,000	108,726 2.50	1,287,000 11.84	T6-48a-O	\$282.05	\$3,338.67	\$145,432,692
	Comments: This comparable land ale is a record setting transaction for the South Florida region and is located at the southeast corner of Brickell Bay Drive and SE 12th Street, with unobstructed views of Biscayne Bay. The site is situated within an urban core location in the Brickell Financial District within the downtown Miami CBD, Miami-Dade County, Florida. The site is clear & level at road grade and is currently used as a surface parking lot. The site was entitled & proposed for a mixed-use, high-rise residential condominium development with ground retail known as the Towers that will consist of two, 81-story buildings with a total of 660 residential condominium units and 81,323-SF of commercial space. The as-of-right development is based on an FAR of 11, which totals 1,195,986 SF GBA. However, the proposed development is approved and will have a gross allowable building area of 1,788,222-SF including structured parking garage podium. The property sold April 2022 for an adjusted price of \$363,000,000, or \$3,338 per SF. The property was previously proposed and approved for a 787-unit mixed-use residential condominium development with a total allowable building area of 1,835,320 SF, inclusive of garage area as per the MUSP approval amended in 2004 (File Number: 04-00460/Enactment Number: R-04-0717). The MUSP development program was amended in 2017 and in June 2013 the Miami-Dade Water & Sewer Department previously approved utility connections for 1,208 apartment units plus 20,050-SF of retail & 14,450-SF of full service restaurant uses. In addition to the past development approval history, there is a developer obligation from the 2017 approval to purchase a development bonus to permit 161,486-SF of floor area to be paid to the affordable housing trust fund at an amount of \$12.40/SF or \$2,002,426.40, which we have added to the recorded sale price as a buyer obligation. The sellers previously purchased the property in October 2000 from Brickell Invest, JV (seller) and TWJ, LTD (buyer) for \$15,500,000 and in November 2014 McCourt Brickell LLC purchased a 50% interest of the TWJ LLC for \$132,500,000, which would value the site at \$265,000,000 in 2014.								
	Subject Watson Island Miami, FL			139,392 3.20	965,342 6.93	T6-36 AO & CS			

Comparable Land Sales Map – Land Value Unrestricted





Sale 1
Jungle Island Development Site



Sale 2
Silver Sands Beach Resort (Land)



Sale 3
One Island Park / Terminal Island Site



Sale 4
6 Fisher Island Residences



Sale 5
Villa Magna Site

Analysis and Adjustment of Sales

Adjustments are based on a rating of each comparable sale in relation to the subject. The adjustment process is typically applied through either quantitative or qualitative analysis, or a combination of both analyses. Quantitative adjustments are often developed as dollar or percentage amounts, and are most credible when there is sufficient data to perform a paired sales analysis.

While percentage adjustments are presented in the adjustment grid, they are based on qualitative judgment rather than empirical research, as there is not sufficient data to develop a sound quantitative estimate. Although the adjustments appear to be mathematically precise, they are merely intended to illustrate an opinion of typical market activity and perception. With the exception of market conditions, the adjustments are based on a scale, with a minor adjustment in the range of 1-5% and a substantial adjustment considered to be 20% or greater.

The rating of each comparable sale in relation to the subject is the basis for the adjustments. If the comparable is superior to the subject, its sale price is adjusted downward to reflect the subject's relative attributes; if the comparable is inferior, its price is adjusted upward.

Transactional adjustments are applied for property rights conveyed, financing, conditions of sale, expenditures made immediately after purchase, and market conditions. In addition, property adjustments include – but are not limited to – location, access/exposure, size, quality, effective age, economic and legal characteristics, and non-realty components of value. Adjustments are considered for the following factors, in the sequence shown below.

Transactional Adjustments

Real Property Rights Conveyed

The opinion of value in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts, and conditions, covenants and restrictions (CC&Rs). All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third-party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below-market financing terms, or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. The comparable sales represented cash-to-seller transactions and, therefore, do not require adjustment.

Conditions of Sale

Adverse conditions of sale can account for a significant discrepancy from the sale price actually paid, compared to that of the market. This discrepancy in price is generally attributed to the motivations of

the buyer and the seller. Certain conditions of sale are considered non-market and may include the following:

- a seller acting under duress (e.g., eminent domain, foreclosure);
- buyer motivation (e.g., premium paid for assemblage, certain 1031 exchanges);
- a lack of exposure to the open market;
- an unusual tax consideration;
- a sale at legal auction.

Please Note: Comparable sale one is confirmed a non-arm's length sale as the sale was negotiated between the tenant and landlord of the ground lease, with no exposure to the open market, thus the sale does not meet the definition of market value. The sale is included in our report by request from the client and is given no consideration in our conclusion of value as a result of its non-arm's length sale conditions.

Expenditures Made Immediately After Purchase

This category considers expenditures incurred immediately after the purchase of a property. There were no issues of deferred maintenance reported for any of the properties. No adjustments are required for expenditures after sale.

Market Conditions

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed.

In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required.

The sales took place from April 2022 to August 2025. Market conditions have generally been strengthening. The adjustment grid accounts for this trend with upward adjustments over this period through the effective date of value.

Property Adjustments

Location

Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values.

Sales 1, 3, 4 and 5 are similar to the subject. No adjustments are necessary. Sale 2 is adjusted downward for superior location.

Access/Exposure

Convenience to transportation facilities, ease of site access, and overall visibility of a property can have a direct impact on property value. High visibility, however, may not translate into higher value if it is not accompanied by good access. In general, high visibility and convenient access, including proximity to major linkages, are considered positive amenities when compared to properties with inferior attributes.

All of the comparables are similar to the subject. No adjustments are necessary.

Size

Due to economies of scale, the market exhibits an inverse relationship between land area and price per square foot, such that larger sites generally sell for a lower price per square foot than smaller lots, all else being equal. To account for this relationship, applicable adjustments are applied for differences in land area. The comparables that are larger than the subject are adjusted upward, and vice versa.

Sales 1, 2 and 4 are similar to the subject and require no adjustment. Sale 3 is smaller than the subject, and a downward adjustment is applied. Sale 5 is larger than the subject and requires an upward adjustment.

Shape and Topography

This category accounts for the shape of the site influencing its overall utility and/or development potential, as well as the grade of the land.

All of the comparables are similar to the subject. No adjustments are necessary.

Zoning

This element of comparison accounts for government regulations that can affect the types and intensities of uses allowable on a site. Moreover, this category includes considerations such as allowable density or floor area ratio, structure height, setbacks, parking requirements, landscaping, and other development standards. The subject has a zoning designation of T6-36 AO & CS - Urban Core Transect and Civic Space.

All of the comparables are similar to the subject. No adjustments are necessary.

View

Impact on pricing resulting from superior views available to residential units once constructed, implying superior potential end-unit pricing and superior land value.

Sales 1, 3 and 4 are similar to the subject and require no adjustment. Sales 2 and 5 are superior to the subject. Downward adjustments are applied.

Beachfront

Impact on pricing resulting from the site being beachfront with direct access to the beach as compared to waterfront with no beach access.

Sales 1, 3, 4 and 5 are similar to the subject and require no adjustment. Sale 2 is superior to the subject. A downward adjustment is applied.

Adjustments Summary

The sales are compared to the subject and adjusted to account for material differences that affect value. The following table summarizes the adjustments applied to each sale.

Land Sales Adjustment Grid - Land Value Unrestricted

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Name	Watson Island	Jungle Island Development Site	Silver Sands Beach Resort (Land)	One Island Park / Terminal Island Site	6 Fisher Island Residences	Villa Magna Site
Address	888 MacArthur Causeway	1111 Parrot Jungle Trl.	301 Ocean Dr.	120 MacArthur Causeway	6 Fisher Island Dr	1201 Brickell Bay Drive
City	Miami	Miami	Key Biscayne	Miami Beach	Miami Beach	Miami
County	Miami Dade	Miami-Dade	Miami-Dade	Miami-Dade	Miami/Dade	Miami-Dade
State	Florida	FL	FL	FL	FL	FL
Sale Date		Aug-25	Apr-25	Jun-23	Sep-22	Apr-22
Sale Status		In-Contract	Closed	Closed	Closed	Closed
Sale Price		\$177,621,073	\$205,000,000	\$77,000,000	\$122,600,000	\$363,000,000
Other Adjustment		—	—	—	—	—
Price Adjustment		—	—	—	—	—
Description of Adjustment						
Effective Sale Price		\$177,621,073	\$205,000,000	\$77,000,000	\$122,600,000	\$363,000,000
Square Feet	139,392	234,353	169,388	161,716	283,575	108,726
Acres	3.20	5.38	3.89	3.71	6.51	2.50
Building Square Feet	965,342	3,000,000	376,753	162,000	380,788	1,287,000
Number of Rooms	209	600	56	0	239	660
Beachfront	No	No	Yes	No	No	No
View	Waterway	Waterway	Ocean	Waterway	Waterway	Biscayne Bay
FAR	6.93	12.80	2.22	1.00	1.34	11.84
Database ID		3395825	3362684	3058232	2957817	2802162
Price per Building Square Foot		\$59.21	\$544.12	\$475.31	\$321.96	\$282.05
Transactional Adjustments						
Property Rights		Leased Fee	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		—	—	—	—	—
Financing Terms		Cash to seller	Seller financing	Cash to seller	Cash to seller	Cash to seller
% Adjustment		—	-10%	—	—	—
Conditions of Sale		NOT ARM'S LENGTH	Arm's-length	Arm's-length	Arm's-length	Arm's-length
% Adjustment		—	—	—	—	—
Expenditures Made Immediately After Purchase		None noted	None noted	None noted	None noted	None noted
\$ Adjustment		—	—	—	—	—
Market Conditions	3/24/2025	Aug-25	Apr-25	Jun-23	Sep-22	Apr-22
Annual % Adjustment	5%	—	—	—	13%	15%
Cumulative Adjusted Price		\$59.21	\$489.71	\$475.31	\$363.82	\$324.36
Property Adjustments						
Location		—	-10%	—	—	—
Access/Exposure		—	—	—	—	—
Size		—	—	-25%	—	20%
Shape and Topography		—	—	—	—	—
Zoning		—	—	—	—	—
View		—	-10%	—	—	-10%
Beachfront		—	-10%	—	—	—
Net Property Adjustments (\$)		\$0.00	-\$146.91	-\$118.83	\$0.00	\$32.44
Net Property Adjustments (%)		0%	-30%	-25%	0%	10%
Final Adjusted Price		\$59.21	\$342.80	\$356.48	\$363.82	\$356.79
Range of Adjusted Prices		\$59.21 - \$363.82				
Average		\$295.82				
Indicated Value		\$355.00				

Land Value Conclusion – Land Value Unrestricted

Prior to adjustments, the sales reflect a range of \$59.21 - \$544.12 per building square foot. After adjustment, the range is narrowed to \$59.21 - \$363.82 per building square foot, with an average of \$295.82 per building square foot.

To arrive at an indication of value, primary weight is given to Sales Two thru Five, with no consideration given to Sale One because of it is a non-qualified, non-arm's length sale and by definition not reflective of market value.

Based on the preceding analysis, the land value conclusion for the subject is presented as follows:

Land Value Conclusion	
Indicated Value per Building Square Foot	\$355.00
Building Square Feet	965,342
Indicated Value	\$342,696,410
Rounded	\$342,700,000

Land Value Restricted

Land Value Conclusion	
Land Value Restricted	
Indicated Value per Site	\$342,700,000
Lump Sum	1
Indicated Value	\$342,700,000
Adjustments	
Development Restrictions (-25%)	-\$85,675,000
Total Adjustments	-\$85,675,000
Indicated Value	\$257,025,000
Rounded	\$257,000,000

Under the restricted scenario we consider the development agreement terms reflected by the development plans provided, and confirmed in communications with the City of Miami, which require the property to include hotel and hotel residence units. Under the unrestricted valuation we consider a developer would be free to choose the development scenario that would optimize their return. A - 25% adjustment is applied to the unrestricted land value conclusion reflecting that the hotel component of development under the restricted scenario yields a lower land value than unrestricted.

Summary of Land Values

Based on this analysis, the individual values are combined into a final value as follows:

Summary of Land Values					
Parcel	Unit of Comparison	Units	Indicated Unit Value	Indicated Value	Rounded
Land Value Unrestricted	Bldg. SF	965,342	\$355.00	\$342,696,410	\$342,700,000
Land Value Restricted	Parcel	1	\$342,700,000	\$257,025,000	\$257,000,000

Income Capitalization Approach – Leased Fee Value

The income capitalization approach converts anticipated economic benefits of owning real property into a value estimate through capitalization. The steps taken to apply the income capitalization approach are:

- Analyze the revenue potential of the property.
- Consider appropriate allowances for vacancy, collection loss, and operating expenses.
- Calculate net operating income by deducting vacancy, collection loss, and operating expenses from potential income.
- Apply the most appropriate capitalization methods to convert anticipated net income to an indication of value.

The two most common capitalization methods are direct capitalization and discounted cash flow analysis. In direct capitalization, a single year's expected income is divided by an appropriate capitalization rate to arrive at a value indication. In discounted cash flow analysis, anticipated future net income streams and a future resale value are discounted to a present value at an appropriate yield rate.

In addition to providing an opinion of market value for the fee simple interest in the subject site as encumbered and unencumbered, the scope of work includes providing a market value of the leased fee interest in the subject site, subject to a long-term land lease with the tenant. A discounted cash flow analysis is used.

We were provided with two separate ground leases applicable to the subject site, one for the hotel component of the proposed development, and one for the residential condominium component of the proposed development. Pertinent lease terms considered in our analysis are presented.

Summary of Pertinent Hotel Component Lease Terms

Landlord:	City of Miami, Florida
Tenant:	BH3 & Merrimac Ventures
Premises:	Real property in northwest quadrant of Watson Island, Miami-Dade County, Florida, including leasehold improvements and appurtenances.
Start Date:	TBD.
Term:	99 years (consisting of a 69-year initial term with two 15-year extension options at Lessee's option) from execution of the Lease, subject to any tolling as the Lease Documents provide.
Base Rent:	For the year beginning October 1, 2021, through the remainder of the Term \$293,600

- Escalations: Commencing on the 6th anniversary of the date when Tenant opens for business, the Base Rent shall be adjusted to become an amount equal to the reference year Base Rent times the Change in CPI. In no event shall the Rent Bump result in Base Rent that is less than 101% or more than 105% of the annual Base Rent in the year immediately before the corresponding Rent Bump Date.
- % Rent: Commencing on the 6th anniversary of the date when Tenant opens for business and continuing through the end of the Term, Percentage Rent equal to 1% of the Gross Revenues shall be paid in monthly installments, in arrears.

Summary of Pertinent Residential Component Lease Terms

- Landlord: City of Miami, Florida
- Tenant: BH3 & Merrimac Ventures
- Premises: Real property in northwest quadrant of Watson Island, Miami-Dade County, Florida, including leasehold improvements and appurtenances.
- Start Date: TBD.
- Term: 99 years (consisting of a 69-year initial term with two 15-year extension options at Lessee's option) from execution of the Lease, subject to any tolling as the Lease Documents provide.
- Base Rent: For the year beginning October 1, 2021, through the remainder of the Term: \$523,000
- Escalations: Commencing on the 6th anniversary of the date when Tenant opens for business, the Base Rent shall be adjusted to become an amount equal to the reference year Base Rent times the Change in CPI. In no event shall the Rent Bump result in Base Rent that is less than 101% or more than 105% of the annual Base Rent in the year immediately before the corresponding Rent Bump Date.
- % Rent: In addition to the payment of Base Rent, Percentage Rent equal to 2.5% of the Gross Revenues shall be paid from the initial sales of the residences, excluding sales or transfers of previously sold residences. Percentage Rent shall be paid in monthly installments, in arrears.

Our projection of operating revenue from hotel operations is presented in the following pages, followed by a restatement of our projection of revenue from sales of residential condominium units, both of which are used in our calculation of percentage rent.

Hotel Operating Revenue

Economic rent is market rent, or the average room rate a potential patron is warranted in paying and the motel operator is warranted in receiving for services. Forecasting of the subject's economic income involves an analysis of room sales. This is best accomplished by stabilized historical operation in conjunction with comparison with other similar motel properties available within the subject's effective market area. **This was conducted in the Market Analysis section of this report.** Stabilized average daily rate (ADR) and occupancy levels on a stabilized basis were previously concluded.

Total room nights available (RNA), room nights sold (RNS) and room revenue is calculated as follows.

Room Revenue Projection				
Year 1 - Upon Completion				
Rooms	x	Days in year	=	RNA
78	x	365	=	28,470
RNA	x	Occupancy	=	RNS
28,470	x	68.8%	=	19,587
RNS	x	ADR	=	Room Revenue
19,587	x	\$381.07	=	\$7,464,018

Room Revenue Projection 2				
Year 3 - Upon Stabilization				
Rooms	x	Days in year	=	RNA
78	x	365	=	28,470
RNA	x	Occupancy	=	RNS
28,470	x	76.0%	=	21,637
RNS	x	ADR	=	Room Revenue
21,637	x	\$438.20	=	\$9,481,333

Income and Expense Data

To develop projections of stabilized income, we analyze industry benchmarks, the developers' financial projections, and data from comparable properties. Industry data from PKF Hospitality Research and Smith Travel Research are presented first in the following tables.

2023 CBRE Data - Resort Hotels

	Summary			South Atlantic			Under 200 Rooms			Over \$300		
	% of Revenue	\$ / Room	\$/Occ. Room	% of Revenue	\$ / Room	\$/Occ. Room	% of Revenue	\$ / Room	\$/Occ. Room	% of Revenue	\$ / Room	\$/Occ. Room
Revenue												
Rooms	54.3%	\$91,764	\$362.72	54.3%	\$85,512	\$319.57	58.9%	\$129,442	\$568.78	54.3%	\$122,035	\$497.60
Food and Beverage	30.8%	\$52,058	\$205.77	32.0%	\$50,302	\$187.98	24.6%	\$53,968	\$237.14	30.1%	\$67,610	\$275.68
Other Operated Departments	11.1%	\$18,715	\$73.98	10.7%	\$16,808	\$62.81	11.5%	\$25,331	\$111.31	11.9%	\$26,868	\$109.55
Miscellaneous Income	<u>3.8%</u>	<u>\$6,459</u>	<u>\$25.53</u>	<u>3.0%</u>	<u>\$4,744</u>	<u>\$17.73</u>	<u>4.9%</u>	<u>\$10,841</u>	<u>\$47.64</u>	<u>3.7%</u>	<u>\$8,377</u>	<u>\$34.16</u>
Total Revenues	100.0%	\$168,996	\$668.00	100.0%	\$157,366	\$588.09	100.0%	\$219,582	\$964.87	100.0%	\$224,890	\$916.99
Departmental Costs & Expenses												
Rooms	24.3%	\$22,279	\$88.06	21.6%	\$18,433	\$68.88	22.0%	\$28,435	\$124.95	23.1%	\$28,180	\$114.91
Food and Beverage	69.5%	\$36,206	\$143.11	65.4%	\$32,891	\$122.92	80.4%	\$43,386	\$190.64	71.6%	\$48,416	\$197.42
Other Operated Departments	<u>45.9%</u>	<u>\$8,594</u>	<u>\$33.97</u>	<u>39.8%</u>	<u>\$6,687</u>	<u>\$24.99</u>	<u>66.8%</u>	<u>\$16,913</u>	<u>\$74.32</u>	<u>48.5%</u>	<u>\$13,025</u>	<u>\$53.11</u>
Total Departmental Expenses	39.7%	\$67,079	\$265.14	36.9%	\$58,011	\$216.79	40.4%	\$88,734	\$389.91	39.9%	\$89,621	\$365.44
Total Departmental Profit	60.3%	\$101,917	\$402.86	63.1%	\$99,355	\$371.30	59.6%	\$130,848	\$574.96	60.1%	\$135,269	\$551.55
Undistributed Operating Expenses												
Administrative and General	6.8%	\$11,463	\$45.31	6.7%	\$10,547	\$39.42	8.0%	\$17,667	\$77.63	6.5%	\$14,689	\$59.90
Information and Telecommunications Systems	1.2%	\$1,946	\$7.69	1.0%	\$1,623	\$6.07	1.4%	\$3,028	\$13.30	1.1%	\$2,491	\$10.16
Sales and Marketing	6.3%	\$10,650	\$42.10	6.2%	\$9,819	\$36.69	6.8%	\$14,828	\$65.16	6.0%	\$13,480	\$54.96
Property Operation and Maintenance	3.9%	\$6,580	\$26.01	3.4%	\$5,352	\$20.00	4.1%	\$9,017	\$39.62	3.8%	\$8,449	\$34.45
Utility Costs	<u>2.7%</u>	<u>\$4,619</u>	<u>\$18.26</u>	<u>2.1%</u>	<u>\$3,330</u>	<u>\$12.44</u>	<u>2.4%</u>	<u>\$5,292</u>	<u>\$23.25</u>	<u>2.6%</u>	<u>\$5,902</u>	<u>\$24.07</u>
Total Undistributed Expenses	20.9%	\$35,258	\$139.37	19.5%	\$30,671	\$114.62	22.7%	\$49,832	\$218.96	20.0%	\$45,011	\$183.54
Gross Operating Profit	39.4%	\$66,659	\$263.49	43.6%	\$68,684	\$256.68	36.9%	\$81,016	\$356.00	40.1%	\$90,258	\$368.01
Management Fees	3.7%	\$6,331	\$25.02	3.9%	\$6,209	\$23.20	4.1%	\$9,036	\$39.70	4.0%	\$9,023	\$36.79
Income Before Non-Operating Income and Expenses	35.7%	\$60,328	\$238.47	39.7%	\$62,475	\$233.48	32.8%	\$71,980	\$316.30	36.1%	\$81,235	\$331.22
Non-Operating Income and Expenses												
Income	0.1%	\$245	\$0.97	0.1%	\$131	\$0.49	0.7%	\$1,592	\$7.00	0.1%	\$290	\$1.18
Rent	1.2%	\$1,998	\$7.90	1.7%	\$2,638	\$9.86	2.0%	\$4,438	\$19.50	1.1%	\$2,470	\$10.07
Property and Other Taxes	2.2%	\$3,684	\$14.56	2.2%	\$3,476	\$12.99	1.5%	\$3,364	\$14.78	2.1%	\$4,714	\$19.22
Insurance	1.7%	\$2,877	\$11.37	2.2%	\$3,477	\$12.99	2.8%	\$6,129	\$26.93	1.7%	\$3,767	\$15.36
Other	<u>2.5%</u>	<u>\$4,296</u>	<u>\$16.98</u>	<u>2.7%</u>	<u>\$4,207</u>	<u>\$15.72</u>	<u>4.9%</u>	<u>\$10,679</u>	<u>\$46.92</u>	<u>2.8%</u>	<u>\$6,403</u>	<u>\$26.11</u>
Total Non-Operating Income and Expenses	7.5%	\$12,609	\$49.84	8.7%	\$13,667	\$51.07	10.5%	\$23,017	\$101.14	7.6%	\$17,065	\$69.58
EBITDA	28.2%	\$47,719	\$188.63	31.0%	\$48,808	\$182.41	22.3%	\$48,963	\$215.16	28.5%	\$64,170	\$261.64
Percentage of Occupancy	69.3%			73.3%			62.3%			67.2%		
Average Daily Rate	\$362.72			\$319.57			\$568.78			\$497.60		
RevPAR	\$251.36			\$234.25			\$354.25			\$334.25		
Average Size (Rooms)	422			508			128			369		

Source: CBRE Hotels, *Trends in the Hotel Industry U.S. Edition 2024*

2023 STR Data - Full Service Hotels												
	South Atlantic			Urban			Resort			Luxury		
	% of Revenue	\$ / Room	\$/Occ. Room	% of Revenue	\$ / Room	\$/Occ. Room	% of Revenue	\$ / Room	\$/Occ. Room	% of Revenue	\$ / Room	\$/Occ. Room
Revenue												
Rooms	59.1%	\$59,441	\$237.84	66.5%	\$59,357	\$247.77	54.8%	\$86,939	\$342.41	57.1%	\$102,234	\$427.83
Food	18.2%	\$18,284	\$73.16	15.6%	\$13,925	\$58.13	18.4%	\$29,206	\$115.03	18.1%	\$32,453	\$135.81
Beverage	5.9%	\$5,921	\$23.69	4.8%	\$4,262	\$17.79	6.7%	\$10,651	\$41.95	7.0%	\$12,581	\$52.65
Other Food and Beverage	7.4%	\$7,460	\$29.85	6.8%	\$6,082	\$25.39	6.5%	\$10,321	\$40.65	6.6%	\$11,897	\$49.79
Food and Beverage Income	31.5%	\$31,666	\$126.70	27.2%	\$24,269	\$101.30	31.6%	\$50,178	\$197.62	31.8%	\$56,932	\$238.25
Other Operated Departments	4.0%	\$4,023	\$16.10	2.6%	\$2,352	\$9.82	6.2%	\$9,888	\$38.94	6.0%	\$10,748	\$44.98
Miscellaneous Income	<u>5.5%</u>	<u>\$5,495</u>	<u>\$21.99</u>	<u>3.7%</u>	<u>\$3,301</u>	<u>\$13.78</u>	<u>7.4%</u>	<u>\$11,723</u>	<u>\$46.17</u>	<u>5.1%</u>	<u>\$9,098</u>	<u>\$38.07</u>
Total Revenue	100.0%	\$100,625	\$402.62	100.0%	\$89,279	\$372.67	100.0%	\$158,729	\$625.15	100.0%	\$179,011	\$749.13
Departmental Expenses												
Rooms	24.8%	\$14,748	\$59.01	28.6%	\$16,986	\$70.90	24.3%	\$21,141	\$83.26	27.8%	\$28,386	\$118.79
Food and Beverage	67.4%	\$21,349	\$85.42	74.9%	\$18,185	\$75.91	69.2%	\$34,741	\$136.82	78.0%	\$44,415	\$185.87
Other Operated Departments	<u>65.5%</u>	<u>\$2,635</u>	<u>\$10.54</u>	<u>61.7%</u>	<u>\$1,451</u>	<u>\$6.06</u>	<u>69.9%</u>	<u>\$6,910</u>	<u>\$27.21</u>	<u>73.8%</u>	<u>\$7,932</u>	<u>\$33.19</u>
Total Departmental Expenses	38.5%	\$38,731	\$154.97	41.0%	\$36,622	\$152.87	39.6%	\$62,791	\$247.30	45.1%	\$80,732	\$337.85
Total Departmental Profit	61.5%	\$61,894	\$247.65	59.0%	\$52,658	\$219.81	60.4%	\$95,938	\$377.85	54.9%	\$98,279	\$411.28
Undistributed Operating Expenses												
Administrative & General	8.2%	\$8,253	\$33.02	8.9%	\$7,921	\$33.07	7.0%	\$11,112	\$43.77	8.3%	\$14,924	\$62.45
Information & Telecommunications Systems	1.1%	\$1,106	\$4.43	1.4%	\$1,212	\$5.06	1.0%	\$1,649	\$6.49	1.3%	\$2,325	\$9.73
Marketing	6.1%	\$6,167	\$24.68	6.6%	\$5,867	\$24.49	5.6%	\$8,822	\$34.74	6.5%	\$11,635	\$48.69
Franchise Fees	0.9%	\$874	\$3.50	0.9%	\$801	\$3.34	0.4%	\$634	\$2.50	0.2%	\$352	\$1.47
Sales & Marketing	7.0%	\$7,041	\$28.17	7.5%	\$6,667	\$27.83	6.0%	\$9,456	\$37.24	6.7%	\$11,987	\$50.16
Property Operations & Maintenance	4.0%	\$4,059	\$16.24	4.5%	\$3,976	\$16.60	4.0%	\$6,314	\$24.87	4.1%	\$7,426	\$31.08
Utilities	<u>2.7%</u>	<u>\$2,711</u>	<u>\$10.85</u>	<u>3.0%</u>	<u>\$2,667</u>	<u>\$11.13</u>	<u>2.7%</u>	<u>\$4,226</u>	<u>\$16.64</u>	<u>2.5%</u>	<u>\$4,476</u>	<u>\$18.73</u>
Total Undistributed Expenses	23.0%	\$23,170	\$92.71	25.1%	\$22,443	\$93.68	20.6%	\$32,757	\$129.01	23.0%	\$41,138	\$172.16
Gross Operating Profit	38.5%	\$38,724	\$154.94	33.8%	\$30,214	\$126.12	39.8%	\$63,181	\$248.84	31.9%	\$57,141	\$239.12
Management Fee	4.1%	\$4,134	\$16.54	3.6%	\$3,200	\$13.36	4.0%	\$6,428	\$25.32	3.6%	\$6,515	\$27.26
Income Before Fixed Charges	34.4%	\$34,590	\$138.40	30.3%	\$27,014	\$112.76	35.8%	\$56,753	\$223.52	28.3%	\$50,626	\$211.86
Selected Fixed Charges												
Non-Operating Income	0.2%	\$189	\$0.76	0.3%	\$277	\$1.16	0.4%	\$651	\$2.56	0.5%	\$862	\$3.61
Rent	2.2%	\$2,259	\$9.04	1.5%	\$1,317	\$5.50	2.5%	\$3,994	\$15.73	2.1%	\$3,677	\$15.39
Property Taxes	2.8%	\$2,840	\$11.36	3.9%	\$3,525	\$14.71	2.5%	\$3,939	\$15.51	3.2%	\$5,734	\$24.00
Insurance	<u>1.8%</u>	<u>\$1,845</u>	<u>\$7.38</u>	<u>1.4%</u>	<u>\$1,213</u>	<u>\$5.06</u>	<u>1.7%</u>	<u>\$2,748</u>	<u>\$10.82</u>	<u>1.5%</u>	<u>\$2,726</u>	<u>\$11.41</u>
EBITDA*	29.7%	\$29,904	\$119.65	25.0%	\$22,277	\$92.99	31.5%	\$50,066	\$197.19	23.6%	\$42,165	\$176.45
Less: Replacement Reserve	3.0%	\$3,034	\$12.14	2.7%	\$2,395	\$10.00	2.9%	\$4,530	\$17.84	2.6%	\$4,668	\$19.53
EBITDA Less Replacement Reserve	26.7%	\$26,871	\$107.52	22.3%	\$19,882	\$82.99	28.7%	\$45,537	\$179.34	20.9%	\$37,497	\$156.92
Occupancy (of Sample)	68.9%			65.8%			70.0%			65.7%		
Average Daily Rate	\$237.84			\$247.77			\$342.41			\$427.83		
RevPAR	\$163.83			\$163.07			\$239.60			\$281.01		

*EBITDA shown only includes property taxes and insurance. It does not include all fixed expenses or non-operating expenses.

Source: STR, 2024 Hotel Profitability Review

The owner projected (budgeted) income and expense statements for the subject property were obtained for the first five years of operation following completion. We reclassified the owner's income and expense items into standard categories and excluded items that do not reflect normal operating expenses for this type of property. The following table summarizes our analysis.

Operating History and Projections							
	Owner Budget 2029	Owner Budget 2030	Owner Budget 2031	Owner Budget 2032	Owner Budget 2033	IRR Year 1 Projection	IRR Stabilized Projection
Income							
Rooms	\$12,977,783	\$16,220,667	\$19,256,819	\$22,036,156	\$22,759,425	\$7,464,018	\$9,481,333
Food & Beverage	8,194,070	9,849,808	10,965,123	11,488,099	11,832,742	8,520,345	9,985,259
Other Operated Departments	2,985,830	3,456,882	3,830,851	4,098,172	4,221,917	1,866,005	2,370,333
Condo Hotel Participation	4,155,582	5,389,877	6,560,748	7,610,339	7,838,649	1,291,827	1,641,059
Total Income	\$28,313,265	\$34,917,234	\$40,613,541	\$45,232,765	\$46,652,733	\$19,142,195	\$23,477,985

Revenues

Rooms Revenue

Room revenue was projected at the beginning of this section at \$7,464,018 for Year 1, increasing to \$9,481,333 by stabilization. This is supported by a detailed penetration and yield study within the Market Analysis section.

	2023 STR				2023 CBRE			
	South Atlantic	Urban	Resort	Luxury	Summary	South Atlantic	Under 200 Rooms	Over \$300
% of Total Revenue	59.1%	66.5%	54.8%	57.1%	54.3%	54.3%	58.9%	54.3%
\$ / Occ Room Night	\$237.84	\$247.77	\$342.41	\$427.83	\$362.72	\$319.57	\$568.78	\$497.60
\$ / Room	\$59,441	\$59,357	\$86,939	\$102,234	\$91,764	\$85,512	\$129,442	\$122,035

Rooms Income												
	Comp 1 2024	Comp 2 2024	Comp 3 2024	Comp 4 2024	Comp 5 2024	Budget 2029	Budget 2030	Budget 2031	Budget 2032	Budget 2033	IRR Year 1 Projection	IRR Stabilized
Total	—	—	—	—	—	\$12,977,783	\$16,220,667	\$19,256,819	\$22,036,156	\$22,759,425	\$7,464,018	\$9,481,333
% of Total Income	50.8%	46.2%	58.5%	52.0%	28.7%	45.8%	46.5%	47.4%	48.7%	48.8%	41.8%	43.4%
\$/Room	\$295,603	\$148,488	\$483,933	\$113,995	\$88,842	\$123,598	\$154,483	\$183,398	\$209,868	\$216,756	\$71,086	\$90,298
\$/Occ. Room Night	\$1,016.15	\$626.84	\$1,932.72	\$433.17	\$342.34	\$689.28	\$733.54	\$768.74	\$796.39	\$820.78	\$381.07	\$438.20

Food and Beverage Income

This revenue includes all food and beverage sales from the restaurant as well as from meeting room rentals, banquets and room service.

The industry data indicates a wide range of food and beverage revenues, ranging from \$101.30 to \$275.68 per occupied room night. The comparable market properties indicated a higher range of \$307.17 to \$798.22 per occupied room night.

The owner / developer is projecting F&B income to range from \$415.18 to \$445.43 per occupied room night. This is considered within market standards and reasonable. Based on all available information, we have estimated a food & beverage income at \$435.00 per occupied room night for Year 1. This is projected to increase 3.0% per year to reach \$461.49 per occupied room upon stabilization in Year 3.

	2023 STR				2023 CBRE			
	South Atlantic	Urban	Resort	Luxury	Summary	South Atlantic	Under 200 Rooms	Over \$300
% of Total Revenue	31.5%	27.2%	31.6%	31.8%	30.8%	32.0%	24.6%	30.1%
\$ / Occ Room Night	\$126.70	\$101.30	\$197.62	\$238.25	\$205.77	\$187.98	\$237.14	\$275.68
\$ / Room	\$31,666	\$24,269	\$50,178	\$56,932	\$52,058	\$50,302	\$53,968	\$67,610

Food & Beverage Income												
	Comp 1 2024	Comp 2 2024	Comp 3 2024	Comp 4 2024	Comp 5 2024	Budget 2029	Budget 2030	Budget 2031	Budget 2032	Budget	IRR Year 1 Projection	IRR Stabilized
Total	—	—	—	—	—	\$8,194,070	\$9,849,808	\$10,965,123	\$11,488,099	\$11,832,742	\$8,520,345	\$9,985,259
% of Room Income	75.3%	87.2%	41.3%	70.9%	90.9%	63.1%	60.7%	56.9%	52.1%	52.0%	114.2%	105.3%
% of Total Income	38.3%	40.3%	24.2%	36.9%	26.1%	28.9%	28.2%	27.0%	25.4%	25.4%	47.7%	45.7%
\$/Room	\$222,647	\$129,499	\$199,866	\$80,835	\$80,756	\$78,039	\$93,808	\$104,430	\$109,410	\$112,693	\$81,146	\$95,098
\$/Occ. Room Night	\$765.36	\$546.68	\$798.22	\$307.17	\$311.18	\$435.21	\$445.43	\$437.73	\$415.18	\$426.73	\$435.00	\$461.49

Other Operated Departments

At the subject, this category includes miscellaneous sources that are offset by a corresponding expense, such as meeting and banquet rentals, entertainment, recreation, spa revenues, parking fees, retail market sales, and resort fees, among others. As shown in the following charts, the subject's projected revenue ranges from 18.6% to 23.0% of room revenue.

Comparable properties reported other operated department income ranges from 17.5% to 29.4% of room revenue, excluding Comparables 4 and 5 which appear to be outliers. Industry benchmarks indicate a range 2.6% to 11.9%. Overall, it appears that the subject's pro-forma is market supported. As such, primary weight was given to the owner's budget and the market comparables. Based on this, we have projected this income at 25.0% of room revenue.

	2023 STR				2023 CBRE			
	South Atlantic	Urban	Resort	Luxury	Summary	South Atlantic	Under 200 Rooms	Over \$300
% of Total Revenue	4.0%	2.6%	6.2%	6.0%	11.1%	10.7%	11.5%	11.9%
\$ / Occ Room Night	\$16.10	\$9.82	\$38.94	\$44.98	\$73.98	\$62.81	\$111.31	\$109.55
\$ / Room	\$4,023	\$2,352	\$9,888	\$10,748	\$18,715	\$16,808	\$25,331	\$26,868

Other Operated Departments Income												
	Comp 1 2024	Comp 2 2024	Comp 3 2024	Comp 4 2024	Comp 5 2024	Budget 2029	Budget 2030	Budget 2031	Budget 2032	Budget	IRR Year 1 Projection	IRR Stabilized
Total	—	—	—	—	—	\$2,985,830	\$3,456,882	\$3,830,851	\$4,098,172	\$4,221,917	\$1,866,005	\$2,370,333
% of Room Income	17.5%	29.4%	29.7%	9.7%	158.0%	23.0%	21.3%	19.9%	18.6%	18.6%	25.0%	25.0%
% of Total Income	8.9%	13.6%	17.4%	5.1%	45.3%	10.5%	9.9%	9.4%	9.1%	9.0%	10.5%	10.9%
\$/Room	\$51,683	\$43,644	\$143,751	\$11,106	\$140,354	\$28,436	\$32,923	\$36,484	\$39,030	\$40,209	\$17,771	\$22,575
\$/Occ. Room Night	\$177.66	\$184.24	\$574.11	\$42.20	\$540.83	\$158.58	\$156.33	\$152.93	\$148.11	\$152.26	\$95.27	\$109.55

Hotel-Condominium Participation

At the subject, the overall improvements will contain 78 dedicated hotel rooms. However, in addition to this, the development will also include 54 individually owned hotel condominium suites that will have the owner-elected option to enter into the hotel participation at any period of the year not occupied by the owner. According to information provided by the owner, the income generated from these units will be divided evenly between to individual condominium unit owner and the hotel operator (50/50).

Of this, based on the owners proforma and Miami being of transient demographics, we project that 50% of the hotel condominium suites (approximately 27 rooms at any given time) will participate in

hotel program. Based on market assumption previous discussed and applied to the standard / dedicated hotel rooms, we estimate total room nights available (RNA), room nights sold (RNS) and room revenue for the expected hotel-condominium participation at the subject as calculated on the following two charts.

Room Revenue Projection			Condominium Hotel Units		
Year 1 - Upon Completion					
Rooms	x	Days in year	=	RNA	
27	x	365	=	9,855	
RNA	x	Occupancy	=	RNS	
9,855	x	68.8%	=	6,780	
RNS	x	ADR	=	Room Revenue	Revenue to Hotel Operator (50%)
6,780	x	\$381.07	=	\$2,583,655	\$1,291,827

Room Revenue Projection 2			Condominium Hotel Units		
Year 3 - Upon Stabilization					
Rooms	x	Days in year	=	RNA	
27	x	365	=	9,855	
RNA	x	Occupancy	=	RNS	
9,855	x	76.0%	=	7,490	
RNS	x	ADR	=	Room Revenue	Revenue to Hotel Operator (50%)
7,490	x	\$438.20	=	\$3,282,118	\$1,641,059

The total revenue from condominium hotel units is reduced by the condominium unit owners share of revenue (50%) to reflect revenue to the hotel operator for inclusion in our revenue projection subject to percentage rent.

Total Revenue Projections

The following table summarizes the owner's budgeted and our projections of total revenue at the subject project.

Income History and Projections							
	Budget 2029	Budget 2030	Budget 2031	Budget 2032	Budget 2033	IRR Year 1 Projection	IRR Stabilized Projection
Rooms	\$12,977,783	\$16,220,667	\$19,256,819	\$22,036,156	\$22,759,425	\$7,464,018	\$9,481,333
Food & Beverage	\$8,194,070	\$9,849,808	\$10,965,123	\$11,488,099	\$11,832,742	\$8,520,345	\$9,985,259
Other Operated Departments	\$2,985,830	\$3,456,882	\$3,830,851	\$4,098,172	\$4,221,917	\$1,866,005	\$2,370,333
Total Income	\$28,313,265	\$34,917,234	\$40,613,541	\$45,232,765	\$46,652,733	\$19,142,195	\$23,477,985

Residential Condominium Unit Pricing Conclusions

A competitive pricing matrix combined with an optimal timing will favor absorption of the units. It is crucial for projects to be able to achieve the right level of pre-sales before starting construction, and to continue to be able to drive absorption during the construction period to insure sell-out upon completion.

We forecast the price per square foot for each unit line per floor based on the previous discussion of and analysis of the competitive set.

Pricing Matrix						
Type	A - 4 BR /4.5 Bath	B - 3 BR / 4 Bath + Den	C - 4 BR /4.5 Bath	D - 2 BR/ 2.5 Bath	PH1	PH2
View	West	North	East	South	Southwest	Northeast
SF	3,600	3,200	3,600	2,400	6,200	7,100
Base Price/SF	\$1,785	\$1,700	\$1,607	\$1,620	\$2,517	\$2,265
Level						
16	\$6,426,000	\$5,440,000	\$5,783,400	\$3,888,000		
17	\$6,458,130	\$5,467,200	\$5,812,317	\$3,907,440		
18	\$6,490,421	\$5,494,536	\$5,841,379	\$3,926,977		
19	\$6,522,873	\$5,522,009	\$5,870,585	\$3,946,612		
20	\$6,555,487	\$5,549,619	\$5,899,938	\$3,966,345		
21	\$6,588,265	\$5,577,367	\$5,929,438	\$3,986,177		
22	\$6,621,206	\$5,605,254	\$5,959,085	\$4,006,108		
23	\$6,654,312	\$5,633,280	\$5,988,881	\$4,026,138		
24	\$6,687,583	\$5,661,446	\$6,018,825	\$4,046,269		
25	\$6,721,021	\$5,689,754	\$6,048,919	\$4,066,500		
26	\$6,754,626	\$5,718,202	\$6,079,164	\$4,086,833		
27	\$6,788,400	\$5,746,793	\$6,109,560	\$4,107,267		
28	\$6,822,342	\$5,775,527	\$6,140,107	\$4,127,803		
29	\$6,856,453	\$5,804,405	\$6,170,808	\$4,148,442		
30	\$6,890,736	\$5,833,427	\$6,201,662	\$4,169,185		
31	\$6,925,189	\$5,862,594	\$6,232,670	\$4,190,030		
32	\$6,959,815	\$5,891,907	\$6,263,834	\$4,210,981		
33	\$6,994,614	\$5,921,367	\$6,295,153	\$4,232,036		
34	\$7,029,587	\$5,950,973	\$6,326,629	\$4,253,196		
35	\$7,064,735	\$5,980,728	\$6,358,262	\$4,274,462		
36	\$7,100,059	\$6,010,632	\$6,390,053	\$4,295,834		
37	\$7,135,559	\$6,040,685	\$6,422,003	\$4,317,313		
38	\$7,171,237	\$6,070,889	\$6,454,113	\$4,338,900		
39	\$7,207,093	\$6,101,243	\$6,486,384	\$4,360,594		
40	\$7,243,129	\$6,131,749	\$6,518,816	\$4,382,397		
41					\$15,604,238	\$16,082,432
Floor Premium	0.50%					
Penthouse Premium	1.5 x base price					
Total Sales Revenue	\$603,700,953					
Total Units	102					
Sale Revenue/Unit	\$5,918,637					
Total Sellable SF	333,300					
Sale Revenue/SF	\$1,811					

Discounted Cash Flow Analysis

We use Excel software to develop a projection of periodic cash flows from the property over the lease period. This analysis considers current market conditions and typical assumptions of market participants concerning future trends.

Discount Rate and Reversion Capitalization Rate Selection

Data from national investor surveys that we consider in selecting discount and reversion capitalization rates is shown in the exhibits that follow.

Discount Rate

The most current national survey data, according to the *RealtyRates.com Investor Survey Q4 of 2024*, indicates that discount rates for land leases for lodging properties ranges from 7.29% to 16.23% with an average of 9.81%, and for apartment (residential) properties ranges from 6.39% to 11.19% with an average of 9.15%.

Land Leases: Capitalization and Discount Rates

Property Type	Capitalization Rates			Discount Rates		
	Min.	Max.	Avg	Min.	Max.	Avg
Apartments	3.79%	10.69%	8.15%	6.39%	11.19%	9.15%
Golf	4.50%	15.85%	9.86%	7.10%	16.35%	10.86%
Health Care/Senior Housing	4.50%	11.90%	9.27%	7.10%	12.40%	10.27%
Industrial	4.35%	11.70%	8.76%	6.95%	12.20%	9.76%
Lodging	4.69%	15.73%	8.81%	7.29%	16.23%	9.81%
Mobile Home/RV Park/Camping	4.37%	14.33%	9.81%	6.97%	14.83%	10.81%
Office	4.35%	12.57%	8.76%	6.95%	13.07%	9.76%
Restaurants	4.76%	17.63%	10.49%	7.36%	18.13%	11.49%
Retail	4.05%	11.79%	9.00%	6.65%	12.29%	10.00%
Self-Storage	4.35%	11.80%	9.48%	6.95%	12.30%	10.48%
Special Purpose	4.73%	17.85%	10.77%	7.31%	19.82%	10.49%
All Properties	3.79%	17.85%	9.38%	6.39%	18.13%	10.24%

*3rd Quarter 2024 Data

Realty Rates Investor Survey 2024 Q4

Discount rates in general for South Florida properties trend lower than national survey averages given high demand for real estate in the area. As such, a discount rate below the mean would be expected. For the subject, we conclude to a discount rate of 9.00% .

The discounted cash flow analysis calculations for the hotel component rent, residential component rent, and reversion of land at the end of the lease term are presented on the following pages.

Hotel Component Discounted Cash Flow

Operating Status	Lease Year	Period	Base Rent	Projected Revenue	% Rent (1%)	Combined Rent	Present Value Factor	Present Value of Combined Rent
Planning	2025	0				\$0	1.0000	\$0
Planning	2026	1				\$0	0.9259	\$0
Planning	2027	2	\$293,600			\$293,600	0.8573	\$251,715
Construction	2028	3	\$293,600			\$293,600	0.7938	\$233,069
Construction	2029	4	\$293,600			\$293,600	0.7350	\$215,805
Construction	2030	5	\$293,600			\$293,600	0.6806	\$199,819
Open for Business	2031	6	\$293,600	\$19,142,195		\$293,600	0.6302	\$185,018
	2032	7	\$293,600	\$21,310,090		\$293,600	0.5835	\$171,313
Stabilized Operations	2033	8	\$293,600	\$23,477,985		\$293,600	0.5403	\$158,623
	2034	9	\$293,600	\$23,947,545		\$293,600	0.5002	\$146,873
	2035	10	\$293,600	\$24,426,496		\$293,600	0.4632	\$135,994
	2036	11	\$293,600	\$24,915,026		\$293,600	0.4289	\$125,920
	2037	12	\$302,408	\$25,413,326	\$254,133	\$556,541	0.3971	\$221,010
	2038	13	\$311,480	\$25,921,593	\$259,216	\$570,696	0.3677	\$209,844
	2039	14	\$320,825	\$26,440,024	\$264,400	\$585,225	0.3405	\$199,246
	2040	15	\$330,449	\$26,968,825	\$269,688	\$600,138	0.3152	\$189,188
	2041	16	\$340,363	\$27,508,201	\$275,082	\$615,445	0.2919	\$179,642
	2042	17	\$350,574	\$28,058,365	\$280,584	\$631,157	0.2703	\$170,582
	2043	18	\$361,091	\$28,619,533	\$286,195	\$647,286	0.2502	\$161,983
	2044	19	\$371,924	\$29,191,923	\$291,919	\$663,843	0.2317	\$153,820
	2045	20	\$383,081	\$29,775,762	\$297,758	\$680,839	0.2145	\$146,073
	2046	21	\$394,574	\$30,371,277	\$303,713	\$698,287	0.1987	\$138,719
	2047	22	\$406,411	\$30,978,703	\$309,787	\$716,198	0.1839	\$131,738
	2048	23	\$418,603	\$31,598,277	\$315,983	\$734,586	0.1703	\$125,111
	2049	24	\$431,161	\$32,230,242	\$322,302	\$753,464	0.1577	\$118,821
	2050	25	\$444,096	\$32,874,847	\$328,748	\$772,845	0.1460	\$112,849
	2051	26	\$457,419	\$33,532,344	\$335,323	\$792,743	0.1352	\$107,180
	2052	27	\$471,142	\$34,202,991	\$342,030	\$813,172	0.1252	\$101,798
	2053	28	\$485,276	\$34,887,051	\$348,871	\$834,147	0.1159	\$96,689
	2054	29	\$499,834	\$35,584,792	\$355,848	\$855,682	0.1073	\$91,838
	2055	30	\$514,829	\$36,296,488	\$362,965	\$877,794	0.0994	\$87,233
	2056	31	\$530,274	\$37,022,417	\$370,224	\$900,498	0.0920	\$82,860
	2057	32	\$546,182	\$37,762,866	\$377,629	\$923,811	0.0852	\$78,709
	2058	33	\$562,568	\$38,518,123	\$385,181	\$947,749	0.0789	\$74,767
	2059	34	\$579,445	\$39,288,485	\$392,885	\$972,330	0.0730	\$71,024
	2060	35	\$596,828	\$40,074,255	\$400,743	\$997,571	0.0676	\$67,470
	2061	36	\$614,733	\$40,875,740	\$408,757	\$1,023,491	0.0626	\$64,096
	2062	37	\$633,175	\$41,693,255	\$416,933	\$1,050,108	0.0580	\$60,891
	2063	38	\$652,170	\$42,527,120	\$425,271	\$1,077,442	0.0537	\$57,848
	2064	39	\$671,736	\$43,377,663	\$433,777	\$1,105,512	0.0497	\$54,959
	2065	40	\$691,888	\$44,245,216	\$442,452	\$1,134,340	0.0460	\$52,215
	2066	41	\$712,644	\$45,130,120	\$451,301	\$1,163,945	0.0426	\$49,609
	2067	42	\$734,024	\$46,032,722	\$460,327	\$1,194,351	0.0395	\$47,134
	2068	43	\$756,044	\$46,953,377	\$469,534	\$1,225,578	0.0365	\$44,784
	2069	44	\$778,726	\$47,892,444	\$478,924	\$1,257,650	0.0338	\$42,551

Hotel Component Discounted Cash Flow							
2070	45	\$802,087	\$48,850,293	\$488,503	\$1,290,590	0.0313	\$40,431
2071	46	\$826,150	\$49,827,299	\$498,273	\$1,324,423	0.0290	\$38,418
2072	47	\$850,935	\$50,823,845	\$508,238	\$1,359,173	0.0269	\$36,505
2073	48	\$876,463	\$51,840,322	\$518,403	\$1,394,866	0.0249	\$34,689
2074	49	\$902,756	\$52,877,129	\$528,771	\$1,431,528	0.0230	\$32,964
2075	50	\$929,839	\$53,934,671	\$539,347	\$1,469,186	0.0213	\$31,325
2076	51	\$957,734	\$55,013,365	\$550,134	\$1,507,868	0.0197	\$29,768
2077	52	\$986,466	\$56,113,632	\$561,136	\$1,547,603	0.0183	\$28,289
2078	53	\$1,016,060	\$57,235,904	\$572,359	\$1,588,419	0.0169	\$26,885
2079	54	\$1,046,542	\$58,380,623	\$583,806	\$1,630,348	0.0157	\$25,550
2080	55	\$1,077,938	\$59,548,235	\$595,482	\$1,673,421	0.0145	\$24,283
2081	56	\$1,110,277	\$60,739,200	\$607,392	\$1,717,669	0.0134	\$23,079
2082	57	\$1,143,585	\$61,953,984	\$619,540	\$1,763,125	0.0124	\$21,935
2083	58	\$1,177,892	\$63,193,063	\$631,931	\$1,809,823	0.0115	\$20,848
2084	59	\$1,213,229	\$64,456,925	\$644,569	\$1,857,798	0.0107	\$19,815
2085	60	\$1,249,626	\$65,746,063	\$657,461	\$1,907,087	0.0099	\$18,834
2086	61	\$1,287,115	\$67,060,984	\$670,610	\$1,957,725	0.0091	\$17,902
2087	62	\$1,325,728	\$68,402,204	\$684,022	\$2,009,750	0.0085	\$17,016
2088	63	\$1,365,500	\$69,770,248	\$697,702	\$2,063,203	0.0078	\$16,175
2089	64	\$1,406,465	\$71,165,653	\$711,657	\$2,118,122	0.0073	\$15,376
2090	65	\$1,448,659	\$72,588,966	\$725,890	\$2,174,549	0.0067	\$14,616
2091	66	\$1,492,119	\$74,040,746	\$740,407	\$2,232,526	0.0062	\$13,894
2092	67	\$1,536,882	\$75,521,560	\$755,216	\$2,292,098	0.0058	\$13,208
2093	68	\$1,582,989	\$77,031,992	\$770,320	\$2,353,309	0.0053	\$12,556
2094	69	\$1,630,479	\$78,572,631	\$785,726	\$2,416,205	0.0049	\$11,937
2095	70	\$1,679,393	\$80,144,084	\$801,441	\$2,480,834	0.0046	\$11,348
2096	71	\$1,729,775	\$81,746,966	\$817,470	\$2,547,244	0.0042	\$10,789
2097	72	\$1,781,668	\$83,381,905	\$833,819	\$2,615,487	0.0039	\$10,258
2098	73	\$1,835,118	\$85,049,543	\$850,495	\$2,685,613	0.0036	\$9,752
2099	74	\$1,890,171	\$86,750,534	\$867,505	\$2,757,677	0.0034	\$9,272
2100	75	\$1,946,877	\$88,485,545	\$884,855	\$2,831,732	0.0031	\$8,816
2101	76	\$2,005,283	\$90,255,256	\$902,553	\$2,907,835	0.0029	\$8,382
2102	77	\$2,065,441	\$92,060,361	\$920,604	\$2,986,045	0.0027	\$7,970
2103	78	\$2,127,405	\$93,901,568	\$939,016	\$3,066,420	0.0025	\$7,578
2104	79	\$2,191,227	\$95,779,599	\$957,796	\$3,149,023	0.0023	\$7,206
2105	80	\$2,256,964	\$97,695,191	\$976,952	\$3,233,916	0.0021	\$6,852
2106	81	\$2,324,673	\$99,649,095	\$996,491	\$3,321,163	0.0020	\$6,516
2107	82	\$2,394,413	\$101,642,077	\$1,016,421	\$3,410,833	0.0018	\$6,196
2108	83	\$2,466,245	\$103,674,919	\$1,036,749	\$3,502,994	0.0017	\$5,892
2109	84	\$2,540,232	\$105,748,417	\$1,057,484	\$3,597,717	0.0016	\$5,603
2110	85	\$2,616,439	\$107,863,385	\$1,078,634	\$3,695,073	0.0014	\$5,328
2111	86	\$2,694,933	\$110,020,653	\$1,100,207	\$3,795,139	0.0013	\$5,067
2112	87	\$2,775,781	\$112,221,066	\$1,122,211	\$3,897,991	0.0012	\$4,819
2113	88	\$2,859,054	\$114,465,487	\$1,144,655	\$4,003,709	0.0011	\$4,583
2114	89	\$2,944,826	\$116,754,797	\$1,167,548	\$4,112,374	0.0011	\$4,359
2115	90	\$3,033,170	\$119,089,893	\$1,190,899	\$4,224,069	0.0010	\$4,146
2116	91	\$3,124,165	\$121,471,691	\$1,214,717	\$4,338,882	0.0009	\$3,943
2117	92	\$3,217,890	\$123,901,125	\$1,239,011	\$4,456,902	0.0008	\$3,750
2118	93	\$3,314,427	\$126,379,147	\$1,263,791	\$4,578,219	0.0008	\$3,567
2119	94	\$3,413,860	\$128,906,730	\$1,289,067	\$4,702,927	0.0007	\$3,393
2120	95	\$3,516,276	\$131,484,865	\$1,314,849	\$4,831,124	0.0007	\$3,227
2121	96	\$3,621,764	\$134,114,562	\$1,341,146	\$4,962,910	0.0006	\$3,069
2122	97	\$3,730,417	\$136,796,853	\$1,367,969	\$5,098,385	0.0006	\$2,920
2123	98	\$3,842,329	\$139,532,790	\$1,395,328	\$5,237,657	0.0005	\$2,777
2124	99	\$3,957,599	\$142,323,446	\$1,423,234	\$5,380,834	0.0005	\$2,642
Net Present Value of Hotel Rent							\$6,182,752
Rounded to							\$6,200,000
Base Rent Growth		3.00%					
Hotel Revenue Growth		2.00%					
Discount Rate		8.00%					

Residential Component Discounted Cash Flow Analysis

Operating Status	Lease Year	Period	Base Rent	Projected Sales Revenue	% Rent (2.5%)	Combined Rent	Present Value Factor	Present Value of Combined Rent
Planning	2025	0				\$0	1.0000	\$0
Planning	2026	1				\$0	0.9259	\$0
Planning	2027	2				\$0	0.8573	\$0
Consruction	2028	3	\$523,000			\$523,000	0.7938	\$415,174
Consruction	2029	4	\$523,000			\$523,000	0.7350	\$384,421
Consruction	2030	5	\$523,000			\$523,000	0.6806	\$355,945
Completion	2031	6	\$523,000	\$572,014,284	\$14,300,357	\$14,823,357	0.6302	\$9,341,229
Remaining Unit Closings	2032	7	\$523,000	\$31,686,669	\$792,167	\$1,315,167	0.5835	\$767,387
Stabilized Operations	2033	8	\$523,000			\$523,000	0.5403	\$282,561
	2034	9	\$523,000			\$523,000	0.5002	\$261,630
	2035	10	\$523,000			\$523,000	0.4632	\$242,250
	2036	11	\$523,000			\$523,000	0.4289	\$224,306
	2037	12	\$538,690			\$538,690	0.3971	\$213,921
	2038	13	\$554,851			\$554,851	0.3677	\$204,017
	2039	14	\$571,496			\$571,496	0.3405	\$194,572
	2040	15	\$588,641			\$588,641	0.3152	\$185,564
	2041	16	\$606,300			\$606,300	0.2919	\$176,973
	2042	17	\$624,489			\$624,489	0.2703	\$168,780
	2043	18	\$643,224			\$643,224	0.2502	\$160,966
	2044	19	\$662,521			\$662,521	0.2317	\$153,514
	2045	20	\$682,396			\$682,396	0.2145	\$146,407
	2046	21	\$702,868			\$702,868	0.1987	\$139,629
	2047	22	\$723,954			\$723,954	0.1839	\$133,165
	2048	23	\$745,673			\$745,673	0.1703	\$126,999
	2049	24	\$768,043			\$768,043	0.1577	\$121,120
	2050	25	\$791,084			\$791,084	0.1460	\$115,512
	2051	26	\$814,817			\$814,817	0.1352	\$110,165
	2052	27	\$839,261			\$839,261	0.1252	\$105,064
	2053	28	\$864,439			\$864,439	0.1159	\$100,200
	2054	29	\$890,372			\$890,372	0.1073	\$95,561
	2055	30	\$917,084			\$917,084	0.0994	\$91,137
	2056	31	\$944,596			\$944,596	0.0920	\$86,918
	2057	32	\$972,934			\$972,934	0.0852	\$82,894
	2058	33	\$1,002,122			\$1,002,122	0.0789	\$79,056
	2059	34	\$1,032,186			\$1,032,186	0.0730	\$75,396
	2060	35	\$1,063,151			\$1,063,151	0.0676	\$71,906
	2061	36	\$1,095,046			\$1,095,046	0.0626	\$68,577
	2062	37	\$1,127,897			\$1,127,897	0.0580	\$65,402
	2063	38	\$1,161,734			\$1,161,734	0.0537	\$62,374
	2064	39	\$1,196,586			\$1,196,586	0.0497	\$59,486
	2065	40	\$1,232,484			\$1,232,484	0.0460	\$56,732
	2066	41	\$1,269,458			\$1,269,458	0.0426	\$54,106
	2067	42	\$1,307,542			\$1,307,542	0.0395	\$51,601
	2068	43	\$1,346,768			\$1,346,768	0.0365	\$49,212
	2069	44	\$1,387,171			\$1,387,171	0.0338	\$46,934

Residential Component Discounted Cash Flow Analysis						
2070	45	\$1,428,786	\$1,428,786	0.0313	\$44,761	
2071	46	\$1,471,650	\$1,471,650	0.0290	\$42,689	
2072	47	\$1,515,800	\$1,515,800	0.0269	\$40,712	
2073	48	\$1,561,274	\$1,561,274	0.0249	\$38,827	
2074	49	\$1,608,112	\$1,608,112	0.0230	\$37,030	
2075	50	\$1,656,355	\$1,656,355	0.0213	\$35,316	
2076	51	\$1,706,046	\$1,706,046	0.0197	\$33,681	
2077	52	\$1,757,227	\$1,757,227	0.0183	\$32,121	
2078	53	\$1,809,944	\$1,809,944	0.0169	\$30,634	
2079	54	\$1,864,242	\$1,864,242	0.0157	\$29,216	
2080	55	\$1,920,170	\$1,920,170	0.0145	\$27,863	
2081	56	\$1,977,775	\$1,977,775	0.0134	\$26,573	
2082	57	\$2,037,108	\$2,037,108	0.0124	\$25,343	
2083	58	\$2,098,221	\$2,098,221	0.0115	\$24,170	
2084	59	\$2,161,168	\$2,161,168	0.0107	\$23,051	
2085	60	\$2,226,003	\$2,226,003	0.0099	\$21,984	
2086	61	\$2,292,783	\$2,292,783	0.0091	\$20,966	
2087	62	\$2,361,566	\$2,361,566	0.0085	\$19,995	
2088	63	\$2,432,413	\$2,432,413	0.0078	\$19,070	
2089	64	\$2,505,386	\$2,505,386	0.0073	\$18,187	
2090	65	\$2,580,547	\$2,580,547	0.0067	\$17,345	
2091	66	\$2,657,964	\$2,657,964	0.0062	\$16,542	
2092	67	\$2,737,703	\$2,737,703	0.0058	\$15,776	
2093	68	\$2,819,834	\$2,819,834	0.0053	\$15,046	
2094	69	\$2,904,429	\$2,904,429	0.0049	\$14,349	
2095	70	\$2,991,562	\$2,991,562	0.0046	\$13,685	
2096	71	\$3,081,308	\$3,081,308	0.0042	\$13,051	
2097	72	\$3,173,748	\$3,173,748	0.0039	\$12,447	
2098	73	\$3,268,960	\$3,268,960	0.0036	\$11,871	
2099	74	\$3,367,029	\$3,367,029	0.0034	\$11,321	
2100	75	\$3,468,040	\$3,468,040	0.0031	\$10,797	
2101	76	\$3,572,081	\$3,572,081	0.0029	\$10,297	
2102	77	\$3,679,243	\$3,679,243	0.0027	\$9,820	
2103	78	\$3,789,621	\$3,789,621	0.0025	\$9,366	
2104	79	\$3,903,309	\$3,903,309	0.0023	\$8,932	
2105	80	\$4,020,409	\$4,020,409	0.0021	\$8,519	
2106	81	\$4,141,021	\$4,141,021	0.0020	\$8,124	
2107	82	\$4,265,251	\$4,265,251	0.0018	\$7,748	
2108	83	\$4,393,209	\$4,393,209	0.0017	\$7,389	
2109	84	\$4,525,005	\$4,525,005	0.0016	\$7,047	
2110	85	\$4,660,755	\$4,660,755	0.0014	\$6,721	
2111	86	\$4,800,578	\$4,800,578	0.0013	\$6,410	
2112	87	\$4,944,595	\$4,944,595	0.0012	\$6,113	
2113	88	\$5,092,933	\$5,092,933	0.0011	\$5,830	
2114	89	\$5,245,721	\$5,245,721	0.0011	\$5,560	
2115	90	\$5,403,093	\$5,403,093	0.0010	\$5,303	
2116	91	\$5,565,186	\$5,565,186	0.0009	\$5,057	
2117	92	\$5,732,141	\$5,732,141	0.0008	\$4,823	
2118	93	\$5,904,106	\$5,904,106	0.0008	\$4,600	
2119	94	\$6,081,229	\$6,081,229	0.0007	\$4,387	
2120	95	\$6,263,666	\$6,263,666	0.0007	\$4,184	
2121	96	\$6,451,576	\$6,451,576	0.0006	\$3,990	
2122	97	\$6,645,123	\$6,645,123	0.0006	\$3,805	
2123	98	\$6,844,477	\$6,844,477	0.0005	\$3,629	
2124	99	\$7,049,811	\$7,049,811	0.0005	\$3,461	
Net Present Value of Hotel Rent					\$16,824,301	
Rounded to					\$16,800,000	
Base Rent Growth		3.00%				
Discount Rate		8.00%				

Land Value Reversion

Present Value of Land	\$257,000,000
Projected Annual Growth	3.00%
Term (years)	99
Future Value Factor	18.6589
Value at Reversion	\$4,795,328,562
Discount Rate	7.00%
Present Value Factor	0.0012
Present Value of Reversion	\$5,913,225
Rounded to	\$5,900,000

The fee simple value of the land is nearly 10x the leased fee value of the site subject to the proposed lease terms, essentially reducing risk of default to nearly zero for the tenant as there is so much inherent value in the underlying land that is seemingly not being captured by the proposed lease terms, resulting in a significant leasehold value to the tenant. Base rent and percentage rent are tied to the master development agreement and as such the proposed development, carrying risk to the landlord that the project does not perform as projected. The reconciled land discount rate considers the broad delta between leased fee and fee simple values, reducing risk of default.

Combining the present value of cash flows and reversion reflects the leased fee value of the site, subject to the long-term lease at terms outlined earlier.

Leased Fee Value Conclusion

Development Component	Present Value
Hotel Component	\$6,200,000
Residential Component	\$16,800,000
Reversion of Land Value at Lease End	\$5,900,000
Leased Fee Value of Site	\$28,900,000

Conclusion of Value

The purpose of the appraisal is to estimate the market value of fee simple interest in the site as restricted (as is) and as unrestricted, and to estimate the market value of the leased fee interest subject to the long-term ground lease. The cost approach is not applicable in valuing the hypothetical fee simple interest in the site, with and without restrictions, because no improvements are considered in this analysis. The cost approach is also not applicable in estimating the market value of the leased fee interest, subject to the long-term ground lease, because the lease considers percentage rent from operations of the proposed hotel and from sales of proposed residential condominium units, and not from a prospective value of the proposed improvements upon completion. The sales approach is used to support our conclusions of retail values for the for-sale residential condominium units, which are then used for our projection of future percentage rent. The income capitalization approach, discounted cash flow analysis, is used in development of our opinion of market value of the leased fee interest in the ground-leased site.

Based on the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, the concluded value opinion follows:

Value Conclusions			
Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value with Use Restrictions	Fee Simple	March 24, 2025	\$257,000,000
Market Value without Use Restrictions	Fee Simple	March 24, 2025	\$342,700,000
Market Value	Leased Fee	March 24, 2025	\$28,900,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. The subject is under a long-term lease with a related development agreement, with the leasehold tenant planning to improve the site with a mixed-use luxury residential condominium project with luxury hotel and hotel residence component. The lease agreement with the City of Miami includes a component of percentage rent from operation of the hotel component which includes participating hotel residences, as well as percentage revenue from sales of condominium residences. In development of our opinion of market value for the leased fee interest we assume the proposed improvements will be completed as herein described. We reserve the right to revise our opinion of leased fee market value should changes be made to the ground-lease lease terms or the proposed development plan.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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.

1. None noted

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

The opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could

cause the performance of the property to differ materially from the stated estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, these opinions and forecasts are based partly on data obtained from interviews and third-party sources, which are not always completely reliable. Although the findings are considered reasonable based on available evidence, the assignment participants are not responsible for the effects of future occurrences that cannot reasonably be foreseen at this time.

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Based on the concluded market value / values stated previously, the probable exposure time is 6-12 months.

Marketing Period

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. The subject's marketing period is estimated at 6-12 months.

Certification

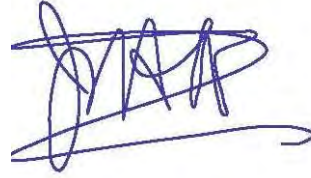
We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Charles E. Badell, MAI has made a personal inspection of the property that is the subject of this report. James Andrews, MAI, CRE, FRICS, ASA has not personally inspected the subject.
12. No one provided significant real property appraisal assistance to the persons signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.

14. As of the date of this report, Charles E. Badell, MAI and James Andrews, MAI, CRE, FRICS, ASA have completed the continuing education program for Designated Members of the Appraisal Institute.



Charles E. Badell, MAI
Florida State-Certified General Real Estate
Appraiser #RZ 3182



James Andrews, MAI, CRE, FRICS, ASA
Florida State Certified General Real Estate
Appraiser #RZ4094

Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal

- covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
 8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
 9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
 10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
 11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
 12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
 13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
 14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
 15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
 16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
 17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic

- conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
 19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
 20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. IRR - Miami / Caribbean, Integra Realty Resources, Inc., and their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
 21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
 22. We are not a building or environmental inspector. The Integra Parties do not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
 23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
 24. **IRR - Miami / Caribbean is an independently owned and operated company. The parties hereto agree that Integra shall not be liable for any claim arising out of or relating to any appraisal report or any information or opinions contained therein as such appraisal report is the sole and exclusive responsibility of IRR - Miami / Caribbean. In addition, it is expressly**

- agreed that in any action which may be brought against the Integra Parties arising out of, relating to, or in any way pertaining to the engagement letter, the appraisal reports or any related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further expressly agreed that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the assignment (unless the appraisal was fraudulent or prepared with intentional misconduct). It is expressly agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.**
25. IRR - Miami / Caribbean is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. The subject is under a long-term lease with a related development agreement, with the leasehold tenant planning to improve the site with a mixed-use luxury residential condominium project with luxury hotel and hotel residence component. The lease agreement with the City of Miami includes a component of percentage rent from operation of the hotel component which includes participating hotel residences, as well as percentage revenue from sales of condominium residences. In development of our opinion of market value for the leased fee interest we assume the proposed improvements will be completed as herein described. We reserve the right to revise our opinion of leased fee market value should changes be made to the ground-lease lease terms or the proposed development plan.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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.

1. None noted

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

29.

Addendum A

Appraiser Qualifications

James V. Andrews, MAI, CRE, FRICS, ASA

Experience

James Andrews is the Senior Managing Director of the Miami and Caribbean offices of Integra Realty Resources; the largest purely valuation and counseling firm in North America. Mr. Andrews has been actively engaged in valuation and consulting since 1987; both in the USA and the Caribbean.

Based in Miami, James Andrews has provided valuation and consulting services on various property types and business interests throughout South Florida and beyond, James was previously based in the Cayman Islands for more than two decades. He co-founded the IRR Caribbean office in 2012; now with offices in the Cayman Islands, U.S. Virgin Islands, and Puerto Rico.

Mr. Andrews has valued a variety of asset types but concentrates on hotels/resorts as well as other going concern assets such as marinas, restaurants, golf courses, quarry/mining operations, healthcare facilities, etc. He is also qualified in business valuation and regularly performs valuation and consulting assignments regarding business interests such as partial and full interests in operating companies, real estate holding companies, and intangible assets / intellectual property.

He is currently National Practice Leader of the Integra Hotels Specialty Practice Group and has been involved in hotel projects throughout the USA and Caribbean. Projects include all types of hotel assets from limited-service properties up to luxury resorts.

He earned his MAI designation with the Appraisal Institute in 1992. James became an RICS member in 2005 and a fellow in 2008. Other designations he holds include the American Society of Appraisers (ASA in Business Valuation) and the prestigious "CRE" credential from the Counselors of Real Estate.

James has served on the International Relations Committee of the Appraisal Institute, the RICS Americas Valuation Council, Vice President (Caribbean) for the International Virtual Chapter for the ASA, and formerly served on the Board of Directors of Integra Realty Resources, Inc.

Professional Activities & Affiliations

MAI Designation, Appraisal Institute , October 1992
CRE Designation, Counselors of Real Estate , August 2014
RICS Fellow (FRICS), RICS , April 2005 - September 2008
Chartered Member (MRICS), RICS , September 2008
ASA Designation, ASA ASA (Real Property), March 2014
ASA Designation, ASA ASA (Business Valuation), September 2015
IRR Certified Reviewer, December 2013
Board of Director: Integra Realty Resources, Inc., October 2017 - September 2019

Licenses

North Carolina, State Certified General Real Estate Appraiser, A2285, Expires June 2026
Virgin Islands, State Certified General Real Estate Appraiser, 0-14194-1B, Expires



Integra Realty Resources - Miami | Caribbean

9155 S. Dadeland Avenue, Suite 1208
Miami, FL 33156

T 305.670.0001

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jandrews@irr.com - 305.670.0001 x320



James V. Andrews, MAI, CRE, FRICS, ASA

Licenses (Cont'd)

December 2025

Puerto Rico, State Certified General Real Estate Appraiser, 357CG, Expires February 2028

Florida, State Certified General Real Estate Appraiser, RZ4094, Expires November 2026

Education

Bachelor of Business Administration, Belmont University, Nashville, TN (1985)

Appraisal Institute - Various Qualifying, Advanced, and CE Courses

American Society of Appraisers - Various Courses in Business Valuation and Intangible Assets

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Caribbean**

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Ron DeSantis, Governor

Melanie S. Griffin, Secretary



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

FLORIDA REAL ESTATE APPRAISAL BD

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

ANDREWS, JAMES VICTOR III

9155 S DADELAND BLVD STE 1208
MIAMI FL 33156

LICENSE NUMBER: RZ4094

EXPIRATION DATE: NOVEMBER 30, 2026

Always verify licenses online at MyFloridaLicense.com

ISSUED: 09/27/2024

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Charles E. Badell, MAI

Experience

Managing Director of Integra Realty Resources – Miami | Caribbean, a national real estate counseling and valuation firm with over 50 offices throughout the U.S. and Caribbean. Mr. Badell has been actively engaged in real estate valuation and consulting since 1999, spending the first part of his real estate career dedicated to residential properties, followed by a transition to commercial real estate in 2005. His experience and education in valuation disciplines include the following property interests and real estate asset types:

- Fee Simple, Leased Fee, Lease Hold property rights
- Industrial: including storage warehouse, transit warehouse, and refrigerated warehouse.
- Office: including high-rise, mid-rise, and low-rise in CBD/Urban and suburban submarkets, single-tenant corporate centers, and owner-occupied offices of all sizes.
- Multifamily: including high-rise, mid-rise, garden-style, walk-up, and subsidized (Hud, Hap, Section 8)
- Retail: including strip centers, neighborhood centers, community centers, grocery-anchored centers, and street-retail in CBD/Urban sub-markets.
- Special Purpose facilities including religious institutions, schools, and government facilities.
- Properties with going-concern components such as gas stations, truck stops, and hotels of all types from boutique limited-service hotels to full-service branded hotels.

Clients Mr. Badell has served include:

- Federally Insured Financial Institutions
- Life Insurance Companies
- CMBS Lenders
- Hard Money and Bridge Loan Lenders
- Local and national developers for economic studies including market, feasibility, and pricing studies.
- Local and national law firms for expert witness reports and testimony.

Professional Activities & Affiliations

Appraisal Institute LDAC Participant, January 2013 - December 2015

MAI Designation, Appraisal Institute Appraisal Institute MAI Designation, January 2014

Florida International University Guest Lecturer, January 2016 - November 2022

Board of Director: Appraisal Institute South Florida Chapter, January 2016 - December 2018

Member: Urban Land Institute - Leadership Institute, January 2018

Member: Appraisal Institute, March 2018

Vice President: Appraisal Institute, January 2021 - December 2021

President: Appraisal Institute, January 2022 - December 2022

Licenses

Florida, State-Certified General Real Estate Appraiser, RZ 3182, Expires November 2026

Education

cbadell@irr.com - 305.670.0001 x307

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Charles E. Badell, MAI

Education (Cont'd)

Florida International University, MBA
University of Florida, BBA

Mr. Badell has completed appraisal courses through the Appraisal Institute as well as other accredited education providers including:

Appraisal of Automobile Dealerships
Advance Hotel Appraising
Appraisal of Owner-Occupied Commercial Properties
Appraisal of Assisted Living Facilities
Appraisal of Self-Storage Facilities
Appraising and Analyzing Office Buildings for Mortgages
Trial Components, Recipe for Success or Disaster
Appraiser's Guide to Expert Witnessing
Business Practices and Ethics

Qualified Before Courts & Administrative Bodies

Qualified as an expert witness in the 17th Judicial Circuit Court of Broward County, Florida.

Qualified as an expert witness in the 11th Judicial Circuit Court of Miami-Dade County, Florida.

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Ron DeSantis, Governor

Melanie S. Griffin, Secretary



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

FLORIDA REAL ESTATE APPRAISAL BD

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

BADELL, CHARLES E

9155 S DADELAND BOULEVARD STE 1208
MIAMI FL 33156

LICENSE NUMBER: RZ3182

EXPIRATION DATE: NOVEMBER 30, 2026

Always verify licenses online at MyFloridaLicense.com

ISSUED: 11/28/2024

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About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

Local Expertise...Nationally!

irr.com



Addendum B

IRR Quality Assurance Survey

IRR Quality Assurance Survey

We welcome your feedback!

At IRR, providing a quality work product and delivering on time is what we strive to accomplish. Our local offices are determined to meet your expectations. Please reach out to your local office contact so they can resolve any issues.

Integra Quality Control Team

Integra does have a Quality Control Team that responds to escalated concerns related to a specific assignment as well as general concerns that are unrelated to any specific assignment. We also enjoy hearing from you when we exceed expectations! You can communicate with this team by clicking on the link below. If you would like a follow up call, please provide your contact information and a member of this Quality Control Team will call contact you.

Link to the IRR Quality Assurance Survey: quality.irr.com

Addendum C

Property Information



PROPERTY APPRAISER OF MIAMI-DADE COUNTY

Summary Report

Generated On: 01/14/2025

PROPERTY INFORMATION				
Folio	01-3231-061-0010			
Property Address	888 MACARTHUR CSWY MIAMI, FL 33132-0000			
Owner	CITY OF MIAMI /ASSET MGMT			
Mailing Address	444 SW 2 AVE #325 MIAMI, FL 33130-1910			
Primary Zone	6405 CEN HIGH DNSTY BORDERS CB			
Primary Land Use	2111 RESTAURANT OR CAFETERIA : RETAIL OUTLET			
Beds / Baths /Half	0 / 0 / 0			
Floors	1			
Living Units	0			
Actual Area	4,277 Sq.Ft			
Living Area	4,277 Sq.Ft			
Adjusted Area	4,277 Sq.Ft			
Lot Size	469,693 Sq.Ft			
Year Built	2016			
ASSESSMENT INFORMATION				
Year	2024	2023	2022	
Land Value	\$182,235,400	\$71,469,582	\$139,351,380	
Building Value	\$82,809	\$83,681	\$84,554	
Extra Feature Value	\$1,522,119	\$1,537,860	\$1,553,601	
Market Value	\$183,840,328	\$73,091,123	\$140,989,535	
Assessed Value	\$7,195,125	\$6,118,249	\$5,562,045	
BENEFITS INFORMATION				
Benefit	Type	2024	2023	2022
Non-Homestead Cap	Assessment Reduction	\$176,645,203	\$66,972,874	\$135,427,490
Note: Not all benefits are applicable to all Taxable Values (i.e. County, School Board, City, Regional).				
SHORT LEGAL DESCRIPTION				
WATSON ISLAND SOUTHWEST				
PB 166-11 T-21420				
TRACT A & B & C				
LOT SIZE 469693 SQ FT M/L				
FAU 01 3132 000 0010 & 0012				



TAXABLE VALUE INFORMATION				
Year		2024	2023	2022
COUNTY				
Exemption Value		\$0	\$0	\$0
Taxable Value		\$7,195,125	\$6,118,249	\$5,562,045
SCHOOL BOARD				
Exemption Value		\$0	\$0	\$0
Taxable Value		\$183,840,328	\$73,091,123	\$140,989,535
CITY				
Exemption Value		\$0	\$0	\$0
Taxable Value		\$7,195,125	\$6,118,249	\$5,562,045
REGIONAL				
Exemption Value		\$0	\$0	\$0
Taxable Value		\$7,195,125	\$6,118,249	\$5,562,045
SALES INFORMATION				
Previous Sale	Price	OR Book-Page	Qualification Description	

The Property Appraiser is continually editing and updating the tax roll. This website may not reflect the most current information on record. The Property Appraiser and Miami-Dade County assumes no liability, see full disclaimer and User Agreement at <http://www.miamidadefl.gov/info/disclaimer.asp>

Luxury Hotel Component Ground Lease (“Lease”) Abstract

Updated as of 01/21/2022

DISCLAIMER:

This Luxury Hotel Component Ground Lease Abstract (this “Abstract”) is provided for general information and reference only. It is not a representation or warranty. Readers must not rely on this Abstract and must independently confirm all statements in this Abstract. This Abstract does not include all material terms and conditions of the Island Gardens project and/or the Luxury Hotel Component Ground Lease. For further information, readers are referred to the Lease Documents and all other due diligence materials.

Term	75 years (consisting of a 45 year initial term with two 15 year extension options at Lessee’s option) from execution of the Lease, subject to any tolling as the Lease Documents provide. [Section 3.2, Rider 1] Note: The extension options are exercisable at any time following the Commencement Date.
Lease Documents	The Lease shall be subject to the Luxury Hotel Component Ground Lease, Rider 1 to Ground Lease, Master Development Agreement (“MDA”) and Mixed Use Project Declaration (together, the “Lease Documents”).
RFP	The Lease shall be subject to the City of Miami’s (the “City”) Request for Proposals titled Island Gardens at Watson Island RFP dated July 13, 2001.
Uses	500 hotel units total between the Luxury Hotel and Lifestyle Hotel, as per the terms and conditions of the Lease Documents, RFP and Major Use Special Permit (“MUSP”) as approved by City Resolution R04-0462 and as per approved minor modification per City Warrant No. PZ19- 3212 dated as of 09/06/2019. [Please, see attached MUSP Zoning Information Sheet for summary of uses for all Components] Note: The list of Permitted Uses and Prohibited Uses are further defined in the Project Declaration. [Section 5.1]
Lease Execution & Commencement of Construction Outside Dates	Lease execution deadline and commencement of construction deadlines are: • April 30, 2025 which date is extended by 339 days (the number of days between the effective date of the

	Settlement Agreement (May 10, 2019) and the effective date of the MDA (April 13, 2020)) to April 6, 2026; ▪ April 30, 2030 if first Hotel Extension Option is exercised which date is extended by 339 days (the number of days between the effective date of the Settlement Agreement (May 10, 2019) and the effective date of the MDA (April 13, 2020)) to April 4, 2031; ▪ April 30, 2035 if second Hotel Extension Option is exercised which date is extended by 339 days (the number of days between the effective date of the Settlement Agreement (May 10, 2019) and the effective date of the MDA (April 13, 2020)) to April 3, 2036. Per Section 2.5 of the MDA, all Signing Deadlines and Construction Deadlines are tolled for (a) any City-Related Delay (as defined in the MDA), and (b) Force Majeure (as defined in the Generic Ground Lease Terms (collectively, the "Tolling Period"). Notes: (a) The 339-day extension period should be confirmed by the City/Landlord Estoppel. (b) The extent of any Tolling Period should be confirmed by the City/Landlord Estoppel.
Completion of Construction Outside Dates	Construction completion deadlines are: ▪ April 30, 2027 which date is extended by 339 days (the number of days between the effective date of the Settlement Agreement (May 10, 2019) and the effective date of the MDA (April 13, 2020)) to April 3, 2028; ▪ April 30, 2032 if first Hotel Extension Option is exercised which date is extended by 339 days (the number of days between the effective date of the Settlement Agreement (May 10, 2019) and the effective date of the MDA (April 13, 2020)) to April 4, 2033; ▪ April 30, 2037 if second Hotel Extension Option is exercised which date is extended by 339 days (the number of days between the effective date of the

	Settlement Agreement (May 10, 2019) and the effective date of the MDA (April 13, 2020)) to April 4, 2038. Per Section 2.5 of the MDA, all Construction Deadlines are tolled for (a) any City-Related Delay (as defined in the MDA), and (b) Force Majeure (as defined in the Generic Ground Lease Terms (collectively, the "Tolling Period"). Notes: (a) The extent of any Tolling Period should be confirmed by the City/Landlord Estoppel. (b) The Completion Date is defined in Section 1.3, Rider 1 as "the date when a TCO or CO has been issued for the substantial completion of construction, excluding subtenant improvements."
Hotel Extension Options	There are two 5 Year options to extend the Outside Dates: First Hotel Extension Option annual fee for 5 years: \$175,000 to be paid in equal monthly installments starting on the date Tenant exercises the Hotel Extension Option and continuing until the earlier date that (a) Tenant commences construction or (b) Tenant notifies City that it has abandoned development of Hotel; Second Hotel Extension Option annual fee for 5 years: \$200,000 to be paid in equal monthly installments starting on the date Tenant exercises the Hotel Extension Option and continuing until the earlier date that (a) Tenant commences construction or (b) Tenant notifies City that it has abandoned development of Hotel. [MDA Section 4.1 and Fee Schedule]
Conditions to Execution of Lease	Per Section 10 of the MDA, the following conditions must be satisfied prior to Lease execution, unless deferred or waived by the party the Lease conditions benefit: - Approval of Plans and Specs sufficient for City to issue Foundation Permits; Note: See Section 4.3, Rider 1 for City approval process standards and procedures. - Tenant shall have given to City affidavit of self-funding or obtained Approved Construction Loan that, with any

	equity contribution, shall suffice to complete Development of the Hotel; ▪ Tenant shall have entered into agreements with (i) architect; (ii) general contractor satisfactory to the City and (iii) if Tenant engages a third-party construction manager, Tenant and construction manager shall have entered into a binding agreement; ▪ Tenant shall provide to City sufficient evidence that Tenant has entered into a Hotel Management Agreement for a Full Service Hotel (or a commitment to enter into such an agreement) with a Hotel Manager which may be, as Tenant determines, Tenant or an entity that is not a Prohibited Person. City has no right to consent to any Hotel Manager provided it is not a Prohibited Person; ▪ Tenant shall provide City with Construction Budget for Development of the Hotel; ▪ Tenant shall provide City Payment and Performance Bond and/or Letters of Credit; ▪ Tenant shall provide City with evidence of all insurance policies in accordance with the Lease Documents requirements; ▪ There shall be no uncured Tenant Event of Default under the Lease Documents. Note: Per Section 13.2 of the MDA, “any Flagstone Event of Default shall be limited to only the Component affected by that default and shall not affect Flagstone’s rights or obligations with respect to any other Component.” Notes: (a) The parties shall enter into the Ground Lease within 15 days after the City Manager reasonably determines that Flagstone/Tenant has met the applicable Ground Lease Conditions (or waived same). [Section 10.2 MDA]; (b) Parties shall record a Memorandum of Lease upon Ground Lease Execution Date. [Section 2.2, Rider 1]
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No Cross-Defaults	There are no cross-defaults between the Luxury Hotel Component Ground Lease and other Component Ground Leases of the Project. [Section 24.5, Rider 1]
Rent	<u>Base Rent:</u> Annual Base Rent to be paid in monthly installments in advance [subject to <u>Rent Bumps</u> noted below]: For the year beginning October 1, 2020: \$277,452 For the year beginning October 1, 2021 through the remainder of the Term: \$293,600 [Section 4.1] <u>Percentage Rent:</u> <u>In addition to the payment of Base Rent</u>, commencing on the 6th anniversary of the date when Tenant opens for business and continuing through the end of the Term, Percentage Rent equal to 1% of the Gross Revenues shall be paid in monthly installments, in arrears. [Section 4.2] <u>State of Florida (the "State") Remittance:</u> Tenant shall remit to Landlord 15% of the annual Base Rent in equal monthly installments in advance which Landlord shall remit to the State. Until the commencement of the Percentage Rent, payment of the State amount shall not reduce Tenant's Base Rent payments. After commencement of the Percentage Rent, payment of the State amount shall reduce Tenant's Base Rent payments and Tenant shall separately remit to Landlord the remainder of the Base Rent (85%) in equal monthly installments in advance. [Section 5.3, Rider 1] <u>Note: City/Landlord Estoppel should confirm the existence and applicability of any Prepaid Rent.</u>
CPI Adjustment ("Rent Bump")	Commencing on the 6th anniversary of the date when Tenant opens for business, the Base Rent shall be adjusted to become an amount equal to the reference year Base Rent times the Change in CPI. In no event shall the Rent Bump result in Base Rent that is less than 101% or more than 105% of the annual

	Base Rent in the year immediately before the corresponding Rent Bump Date. [Section 5.1(a), Rider 1]
Rent Security Deposit	Tenant has deposited with Landlord \$240,761.25 as rent security deposit. [Section 4.3] Note: City/Landlord Estoppel should confirm whether Rent Security Deposit has been deposited or will need to be deposited upon Ground Lease execution.
Required Improvements	Tenant <u>shall</u> construct, as part of the Development, the following improvements: (i) the Promenade; (ii) the Fish Market; (iii) the Kiosks (i.e., two (2) kiosks located within the Promenade of approximately 500-600 sf each); (iv) the Selling Space; and (v) the Gallery [Section 5.1, Rider 1] As well as: (vi) the Entrance Boulevard [Section 6.3, Rider 1] (vii) landscaping at the Promenade [Section 6.4, Rider 1] Note: It is not clear whether the above-listed additional improvements are a prerequisite for achieving the Completion Date.
Continuous Operation	Subject to closures due to Force Majeure, emergencies or other exigent circumstances, or on account of allowed repairs, Tenant shall, in Tenant's business judgment: (i) operate the Premises in such manner as will maximize Gross Revenues, and (ii) keep the Premises open for business during the days and hours that are ordinary and customary for the use operated at the Premises (but subject to adjustments for the "seasonal" nature of certain businesses and vacancies from time to time given then-market conditions, and the like). [Section 7.8, Rider 1]
Casualty	Tenant is responsible for restoring the Property to substantially the condition prior to such Damage, or as similar as is practicable and reasonable. Net Insurance Proceeds are to be deposited with the applicable Insurance Trustee. [Section 16.3(a), Rider 1]. Note: There is no concept that the restoration is to be to the extent of Net Insurance Proceeds received. There is a Tenant termination right, but only if the Damage occurs

	within the last 10 years of the Term and the budget for the Restoration Work exceeds 3% of the replacement cost.
Financing	Leasehold financing will be pursuant to approved lenders under the Lease. City to provide non-disturbance agreements to Approved Lenders, Tenant and Subtenants. Aggregate principal indebtedness of all Approved Permanent Loans shall not exceed 75% of Fair Market Value of the Premises. Aggregate principal indebtedness of all Approved Permanent Loans and Approved Mezzanine Financing shall not exceed 85% of the Fair Market Value of the Premises. Approved Permanent Loans and Approved Mezzanine Financing secured by Approved Subleasehold Mortgages shall be disregarded in that calculation. [Article VI, Rider 1]
Permitted Transfers	Permitted Transfers which do not require City approval and do not trigger a Transfer Fee include, but are not limited to Tenant Interest Transfers or Leasehold Transfers (i) made by any Person to an Affiliate of that Person; (ii) any Tenant Interest Transfer of 49% or less of the legal or beneficial ownership interests in Tenant as of April 13, 2020; (iii) between existing members, shareholders, partners or other direct or indirect beneficial owners of Tenant; (iv) that constitute a Public Offering under the MDA; or (v) to an Approved Lender or its designee. Permitted Transfers shall not result in any change in the Person(s) having Voting and Operational Control of Tenant. [Section 8.6, Rider 1]
Transfer Fee	A Transfer Fee for a Transfer that is not a Permitted Transfer shall be paid by Tenant to Landlord as follows: (a) In the period starting on April 13, 2020 and ending on the day before the 10th anniversary of April 13, 2020: 0.5% of all Transfer Consideration for that Transfer; (b) In the period starting on the 10th anniversary of April 13, 2020 and ending on the 20th anniversary of April 13, 2020: 1.0% of all Transfer Consideration for that Transfer; and (c) After the 20th anniversary of April 13, 2020, 3.0% of all Transfer Consideration for that Transfer. [Section 8.5, Rider 1]
Subleases	Except as otherwise expressly provided in the Lease, Tenant may enter into any Sublease, terminate any Sublease or evict

	any Subtenant, all without Landlord's consent. [Section 32.1, Rider 1] Note: There are multiple provisions throughout the Lease requiring that certain express provisions be included in each Sublease.
Property Expenses	The Lease is Triple Net
Landlord Remedies for Tenant's Default	In addition to every other right or remedy available at law or in equity, Landlord has: (i) Right to Completion of Work (i.e., self-help); and (ii) Right to terminate the Lease; (iii) Right to make a direct demand of rent upon Subtenants (which right must be expressly identified in each Sublease); (iv) Right to seek injunctive relief; (v) Right to seek recovery of damages. [Section 24.2, Rider 1]
Phase I at End of Term	Within 12 months before the Expiration Date, Tenant shall, at Landlord's request, obtain a Phase I audit of the Premises and pay all reasonable required Remediation Costs to the extent the presence of the applicable Hazardous Material contamination is found to have been caused by the acts or negligence of any Tenant Related Parties. [Section 19.7, Rider 1]
Civic Arts Contribution Requirement	The Master Association shall, pursuant to the Project Declaration, create a civic arts endowment trust (the "Trust"). Tenant shall fund the Trust in accordance with the requirements of Exhibit 6, Rider 1. [Section 36.29, Rider 1]

MUSP ZONING INFORMATION SHEET



Residences Component Ground Lease ("Lease") Abstract

Updated as of 01/21/2022

DISCLAIMER:

This Residences Component Ground Lease Abstract (this "Abstract") is provided for general information and reference only. It is not a representation or warranty. Readers must not rely on this Abstract and must independently confirm all statements in this Abstract. This Abstract does not include all material terms and conditions of the Island Gardens project and/or the Residences Component Ground Lease. For further information, readers are referred to the Lease Documents and all other due diligence materials.

Term	75 years (consisting of a 45 year initial term with two 15 year extension options at Lessee's option) from execution of the Lease, subject to any tolling as the Lease Documents provide. [Section 3.2, Rider 1] Note: The extension options are exercisable at any time following the Commencement Date.
Lease Documents	The Lease shall be subject to the Residences Component Ground Lease, Rider 1 to Ground Lease, Master Development Agreement ("MDA") and Mixed Use Project Declaration (together, the "Lease Documents").
RFP	The Lease shall be subject to the City of Miami's (the "City") Request for Proposals titled Island Gardens at Watson Island RFP dated July 13, 2001.
Uses	105 units total between the Luxury Hotel and Lifestyle Hotel, as per the terms and conditions of the Lease Documents, RFP and Major Use Special Permit ("MUSP") as approved by City Resolution R04-0462 and as per approved minor modification per City Warrant No. PZ19- 3212 dated as of 09/06/2019. [Please, see attached MUSP Zoning Information Sheet for summary of uses for all Components] Note: The list of Permitted Uses and Prohibited Uses are further defined in the Project Declaration. [Section 5.1]
Lease Execution & Commencement of Construction Outside Dates	Lease execution deadline and commencement of construction deadlines are: • April 30, 2025 which date is extended by 339 days (the number of days between the effective date of the

	Settlement Agreement (May 10, 2019) and the effective date of the MDA (April 13, 2020)) to April 6, 2026; ▪ April 30, 2030 if first Hotel Extension Option is exercised which date is extended by 339 days (the number of days between the effective date of the Settlement Agreement (May 10, 2019) and the effective date of the MDA (April 13, 2020)) to April 4, 2031; ▪ April 30, 2035 if second Hotel Extension Option is exercised which date is extended by 339 days (the number of days between the effective date of the Settlement Agreement (May 10, 2019) and the effective date of the MDA (April 13, 2020)) to April 3, 2036. Per Section 2.5 of the MDA, all Signing Deadlines and Construction Deadlines are tolled for (a) any City-Related Delay (as defined in the MDA), and (b) Force Majeure (as defined in the Generic Ground Lease Terms (collectively, the "Tolling Period"). Notes: (a) The 339-day extension period should be confirmed by the City/Landlord Estoppel. (b) The extent of any Tolling Period should be confirmed by the City/Landlord Estoppel.
Completion of Construction Outside Dates	Construction completion deadlines are: ▪ April 30, 2027 which date is extended by 339 days (the number of days between the effective date of the Settlement Agreement (May 10, 2019) and the effective date of the MDA (April 13, 2020)) to April 3, 2028; ▪ April 30, 2032 if first Hotel Extension Option is exercised which date is extended by 339 days (the number of days between the effective date of the Settlement Agreement (May 10, 2019) and the effective date of the MDA (April 13, 2020)) to April 4, 2033; ▪ April 30, 2037 if second Hotel Extension Option is exercised which date is extended by 339 days (the number of days between the effective date of the Settlement Agreement (May 10, 2019) and the effective

	date of the MDA (April 13, 2020)) to April 4, 2038. Per Section 2.5 of the MDA, all Construction Deadlines are tolled for (a) any City-Related Delay (as defined in the MDA), and (b) Force Majeure (as defined in the Generic Ground Lease Terms (collectively, the "Tolling Period"). Notes: (a) The extent of any Tolling Period should be confirmed by the City/Landlord Estoppel. (b) The Completion Date is defined in Section 1.3, Rider 1 as "the date when a TCO or CO has been issued for the substantial completion of construction, excluding subtenant improvements."
Hotel Extension Options	There are two 5 Year options to extend the Outside Dates: First Hotel Extension Option annual fee for 5 years: \$175,000 to be paid in equal monthly installments starting on the date Tenant exercises the Hotel Extension Option and continuing until the earlier date that (a) Tenant commences construction or (b) Tenant notifies City that it has abandoned development of Hotel; Second Hotel Extension Option annual fee for 5 years: \$200,000 to be paid in equal monthly installments starting on the date Tenant exercises the Hotel Extension Option and continuing until the earlier date that (a) Tenant commences construction or (b) Tenant notifies City that it has abandoned development of Hotel.
Conditions to Execution of Lease	Per Section 10 of the MDA, the following conditions must be satisfied prior to Lease execution, unless deferred or waived by the party the Lease conditions benefit: - Approval of Plans and Specs sufficient for City to issue Foundation Permits; Note: See Section 4.3, Rider 1 for City approval process standards and procedures. - Tenant shall have given to City affidavit of self-funding or obtained Approved Construction Loan that, with any

	equity contribution, shall suffice to complete Development of the Residences; ▪ Tenant shall have entered into agreements with (i) architect; (ii) general contractor satisfactory to the City and (iii) if Tenant engages a third-party construction manager, Tenant and construction manager shall have entered into a binding agreement; ▪ Tenant shall provide to City sufficient evidence that Residences Manager is a Qualified Residences Manager and provide City with Residences Management Agreement; [Section 7.1 of Lease] ▪ Tenant shall provide City with Construction Budget for Development of the Residences; ▪ Tenant shall provide City Payment and Performance Bond and/or Letters of Credit; ▪ Tenant shall provide City with evidence of all insurance policies in accordance with the Lease Documents requirements; ▪ There shall be no uncured Tenant Event of Default under the Lease Documents. <u>Note:</u> Per Section 13.2 of the MDA, “any Flagstone Event of Default shall be limited to only the Component affected by that default and shall not affect Flagstone’s rights or obligations with respect to any other Component.” <u>Notes:</u> (a) The parties shall enter into the Ground Lease within 15 days after the City Manager reasonably determines that Flagstone/Tenant has met the applicable Ground Lease Conditions (or waived same). [Section 10.2 MDA]; (b) Parties shall record a Memorandum of Lease upon Ground Lease Execution Date. [Section 2.2, Rider 1]
No Cross-Defaults	There are no cross-defaults between the Residences Component Ground Lease and other Component Ground Leases of the Project. [Section 24.5, Rider 1]
Rent	<u>Base Rent:</u>

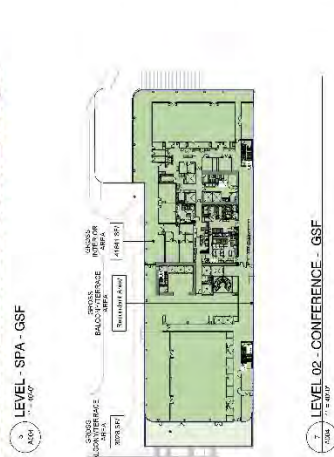
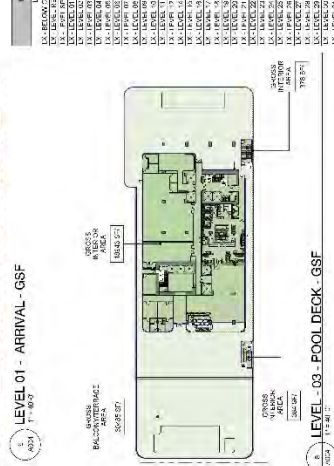
	Annual Base Rent to be paid in monthly installments in advance [subject to <u>Rent Bumps</u> noted below]: For the year beginning October 1, 2020: \$494,235 For the year beginning October 1, 2021 through the remainder of the Term: \$523,000 [Section 4.1] <u>Percentage Rent:</u> <u>In addition to the payment of Base Rent</u>, Percentage Rent equal to 2.5% of the Gross Revenues shall be paid from the initial sales of the residences, excluding sales or transfers of previously sold residences. Percentage Rent shall be paid in monthly installments, in arrears. [Section 4.2] <u>State of Florida (the "State") Remittance:</u> Tenant shall remit to Landlord 15% of the annual Base Rent in equal monthly installments in advance which Landlord shall remit to the State. Until the commencement of the Percentage Rent, payment of the State amount shall not reduce Tenant's Base Rent payments. After commencement of the Percentage Rent, payment of the State amount shall reduce Tenant's Base Rent payments and Tenant shall separately remit to Landlord the remainder of the Base Rent (85%) in equal monthly installments in advance. [Section 5.3, Rider 1] <u>Note: City/Landlord Estoppel should confirm the existence and applicability of any Prepaid Rent.</u>
CPI Adjustment ("Rent Bump")	Commencing on the 6th anniversary of the date when Tenant opens for business, the Base Rent shall be adjusted to become an amount equal to the reference year Base Rent times the Change in CPI. In no event shall the Rent Bump result in Base Rent that is less than 101% or more than 105% of the annual Base Rent in the year immediately before the corresponding Rent Bump Date. [Section 5.1(a), Rider 1]
Rent Security Deposit	Tenant has deposited with Landlord \$428,876.71 as rent security deposit. [Section 4.3]

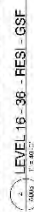
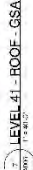
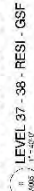
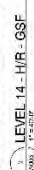
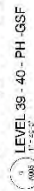
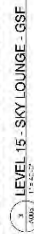
	Note: City/Landlord Estoppel should confirm whether Rent Security Deposit has been deposited or will need to be deposited upon Ground Lease execution.
Required Improvements	Tenant shall construct, as part of the Development, the following improvements: (i) the Promenade; (ii) the Fish Market; (iii) the Kiosks (i.e., two (2) kiosks located within the Promenade of approximately 500-600 sf each); (iv) the Selling Space; and (v) the Gallery [Section 5.1, Rider 1] As well as: (vi) the Entrance Boulevard [Section 6.3, Rider 1] (vii) landscaping at the Promenade [Section 6.4, Rider 1] Note: It is not clear whether the above-listed additional improvements are a prerequisite for achieving the Completion Date.
Continuous Operation	Subject to closures due to Force Majeure, emergencies or other exigent circumstances, or on account of allowed repairs, Tenant shall, in Tenant's business judgment: (i) operate the Premises in such manner as will maximize Gross Revenues, and (ii) keep the Premises open for business during the days and hours that are ordinary and customary for the use operated at the Premises (but subject to adjustments for the "seasonal" nature of certain businesses and vacancies from time to time given then-market conditions, and the like). [Section 7.8, Rider 1]
Casualty	Tenant is responsible for restoring the Property to substantially the condition prior to such Damage, or as similar as is practicable and reasonable. Net Insurance Proceeds are to be deposited with the applicable Insurance Trustee. [Section 16.3(a), Rider 1]. Note: There is no concept that the restoration is to be to the extent of Net Insurance Proceeds received. There is a Tenant termination right, but only if the Damage occurs within the last 10 years of the Term and the budget for the Restoration Work exceeds 3% of the replacement cost.

Financing	Leasehold financing will be pursuant to approved lenders under the Lease. City to provide non-disturbance agreements to Approved Lenders, Tenant and Subtenants. Aggregate principal indebtedness of all Approved Permanent Loans shall not exceed 75% of Fair Market Value of the Premises. Aggregate principal indebtedness of all Approved Permanent Loans and Approved Mezzanine Financing shall not exceed 85% of the Fair Market Value of the Premises. Approved Permanent Loans and Approved Mezzanine Financing secured by Approved Subleasehold Mortgages shall be disregarded in that calculation. [Article VI, Rider 1]
Permitted Transfers	Permitted Transfers which do not require City approval and do not trigger a Transfer Fee include, but are not limited to Tenant Interest Transfers or Leasehold Transfers (i) made by any Person to an Affiliate of that Person; (ii) any Tenant Interest Transfer of 49% or less of the legal or beneficial ownership interests in Tenant as of April 13, 2020; (iii) between existing members, shareholders, partners or other direct or indirect beneficial owners of Tenant; (iv) that constitute a Public Offering under the MDA; or (v) to an Approved Lender or its designee. Permitted Transfers shall not result in any change in the Person(s) having Voting and Operational Control of Tenant. [Section 8.6, Rider 1]
Transfer Fee	A Transfer Fee for a Transfer that is not a Permitted Transfer shall be paid by Tenant to Landlord as follows: (a) In the period starting on April 13, 2020 and ending on the day before the 10th anniversary of April 13, 2020: 0.5% of all Transfer Consideration for that Transfer; (b) In the period starting on the 10th anniversary of April 13, 2020 and ending on the 20th anniversary of April 13, 2020: 1.0% of all Transfer Consideration for that Transfer; and (c) After the 20th anniversary of April 13, 2020, 3.0% of all Transfer Consideration for that Transfer. [Section 8.5, Rider 1]
Subleases	Except as otherwise expressly provided in the Lease, Tenant may enter into any Sublease, terminate any Sublease or evict any Subtenant, all without Landlord's consent. [Section 32.1, Rider 1]

	Note: There are multiple provisions throughout the Lease requiring that certain express provisions be included in each Sublease.
Property Expenses	The Lease is Triple Net
Landlord Remedies for Tenant's Default	In addition to every other right or remedy available at law or in equity, Landlord has: (i) Right to Completion of Work (i.e., self-help); and (ii) Right to terminate the Lease; (iii) Right to make a direct demand of rent upon Subtenants (which right must be expressly identified in each Sublease); (iv) Right to seek injunctive relief; (v) Right to seek recovery of damages. [Section 24.2, Rider 1]
Phase I at End of Term	Within 12 months before the Expiration Date, Tenant shall, at Landlord's request, obtain a Phase I audit of the Premises and pay all reasonable required Remediation Costs to the extent the presence of the applicable Hazardous Material contamination is found to have been caused by the acts or negligence of any Tenant Related Parties. [Section 19.7, Rider 1]
Civic Arts Contribution Requirement	The Master Association shall, pursuant to the Project Declaration, create a civic arts endowment trust (the "Trust"). Tenant shall fund the Trust in accordance with the requirements of Exhibit 6, Rider 1. [Section 36.29, Rider 1]

MUSP ZONING INFORMATION SHEET

[illegible]

1847-1848

Addendum D

Comparable Data

Land Sales - Land Value Unrestricted

Location & Property Identification

Property Name:	Jungle Island Development Site
Sub-Property Type:	Residential, Multifamily Land
Address:	1111 Parrot Jungle Trl.
City/State/Zip:	Miami, FL 33132
County:	Miami-Dade
Submarket:	Miami/Miami Beach
Market Orientation:	Urban
IRR Event ID:	3395825



Sale Information

Sale Price:	\$177,621,073
Effective Sale Price:	\$177,621,073
Sale Date:	08/14/2025
Sale Status:	In-Contract
\$/Acre(Gross):	\$33,015,069
\$/Land SF(Gross):	\$757.92
\$/Acre(Usable):	\$33,015,069
\$/Land SF(Usable):	\$757.92
\$/Building SF:	\$59.21
\$/Unit (Potential):	\$296,035 /Unit
Grantor/Seller:	City of Miami
Grantee/Buyer:	Terra Group and ESJ Capital Partners
Property Rights:	Leased Fee
% of Interest Conveyed:	100.00
Exposure Time:	0 (months)
Financing:	Cash to seller
Conditions of Sale:	Not Arm's-length
Terms of Sale Comments:	Confirmed non-arm's length as the sale was purchased by the tenant and the property was not listed for sale or open to bidding to the open market.

Verified By:	Charles E. Badell, MAI
Verification Date:	08/13/2025
Confirmation Source:	City of Miami
Verification Type:	Confirmed-Seller

Occupancy

Occupancy at Time of Sale:	0.00%
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Improvement and Site Data

Legal/Tax/Parcel ID:	01-3231-000-0014 (a portion of)
Acres(Usable/Gross):	5.38/5.38
Land-SF(Usable/Gross):	234,353/234,353
Usable/Gross Ratio:	1.00
Potential Building SF:	3,000,000
No. of Units (Potential):	600
Zoning Code:	T6-12-O
Zoning Desc.:	Urban Core Zone
Source of Land Info.:	Owner

Comments

Non-Arm's Length transaction confirmed between the City of Miami (grantor) and a joint venture of Terra Group & ESJ Capital (grantee). ESJ had secured a long-term land lease on the site from the City of Miami and partneered with Terra Group prior to negotiating a purchase of the leased-fee interest (ground lease) from the City of Miami. The property was not openly marketed for sale, open to bid, or

Comments (Cont'd)

available to the open market. Terms of the long-term lease were not available. The purchase price includes a base price of \$135 million as well as other consideration required totalling \$42.62 million. Development potential for the site includes 600 condominium units, retail space, and nearly three million square feet of gross building area.

5.38 acre site on Watson Island, a portion of folio 01-3231-000-0014. The site is not waterfront.

Location & Property Identification

Property Name:	Silver Sands Beach Resort (Land)
Sub-Property Type:	Residential, Multifamily Land
Address:	301 Ocean Dr.
City/State/Zip:	Key Biscayne, FL 33149
County:	Miami-Dade
Submarket:	Coral Gables/Kendall
Market Orientation:	Coastal-Waterfront
IRR Event ID:	3362684



Sale Information

Sale Price:	\$205,000,000
Effective Sale Price:	\$205,000,000
Sale Date:	04/09/2025
Recording Date:	04/16/2025
Sale Status:	Closed
\$/Acre(Gross):	\$52,718,202
\$/Land SF(Gross):	\$1,210.24
\$/Acre(Usable):	\$52,718,202
\$/Land SF(Usable):	\$1,210.24
\$/Building SF:	\$544.12
\$/Unit (Potential):	\$3,660,714 /Unit
Grantor/Seller:	Red Dragon's Sands Ltd
Grantee/Buyer:	Environmental Resilient Communities LLC
Property Rights:	Fee Simple
Financing:	Seller financing
Conditions of Sale:	Arm's-length
Terms of Sale Comments:	Non Operating Hotel,Redevelopment Project
Recording No.:	34712-2655
Verification Type:	Secondary Verification
Secondary Verific. Source:	CoStar

Sale Analysis

Expenditures Description:	None noted
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Proposed Use Desc.: Apartment Units - Condo

Occupancy

Occupancy Type Before Sale:	Multi-Tenant
Occupancy at Time of Sale:	0.00%
Number of Tenants at T.O.S.:	1

Improvement and Site Data

Legal/Tax/Parcel ID:	24-4232-002-0160
Acres(Usable/Gross):	3.89/3.89
Land-SF(Usable/Gross):	169,388/169,388
Usable/Gross Ratio:	1.00
Potential Building SF:	376,753
No. of Units (Potential):	56
Zoning Code:	HR
Zoning Desc.:	Hotel Resort
Source of Land Info.:	Public Records

Comments

Terra Group and Fortune International Group acquired the Silver Sands Beach Resort as a 3.88-acre redevelopment site for \$205,000,000 or \$52,835,051 per acre. Owned by the Rodriguez Lujan family since the early 1990's the oceanfront Silver Sands Beach Resort opened in 1956 and offered 56-rooms with direct beach access. The buyers/developers plan to demolish the resort to construct a thirteen-story ultra luxury residential condominium building with 56 units, three swimming pools, a spa, a gym,

Comments (Cont'd)

and several restaurants. The buyers secured \$145,000,000 acquisition and development loan financed by the sellers for this transaction.

The information in the comparable has been sourced from parties involved in the transaction, public record and sources deemed reliable.

Location & Property Identification

Property Name:	One Island Park / Terminal Island Site
Sub-Property Type:	Commercial, Other
Address:	120 MacArthur Causeway
City/State/Zip:	Miami Beach, FL 33139
County:	Miami-Dade
Submarket:	Miami/Miami Beach
Market Orientation:	Coastal-Waterfront
IRR Event ID:	3058232



Sale Information

Sale Price:	\$77,000,000
Effective Sale Price:	\$77,000,000
Sale Date:	06/29/2023
Recording Date:	07/07/2023
Sale Status:	Closed
\$/Acre(Gross):	\$20,740,741
\$/Land SF(Gross):	\$476.14
\$/Acre(Usable):	\$20,740,741
\$/Land SF(Usable):	\$476.14
\$/Building SF:	\$475.31
Grantor/Seller:	MIAMI BEACH PORT LLC
Grantee/Buyer:	ONE ISLAND PARK LLC
Assemblage:	No
Portfolio Sale:	No
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Recording No.:	33783 / 1088
Verification Type:	Secondary Verification

Sale Analysis

Expenditures Description:	None noted
Current Use at T.O.S.:	Vacant

Proposed Use Change:	Yes
Proposed Use Desc.:	TBD

Improvement and Site Data

Legal/Tax/Parcel ID:	02-4204-000-0060
Acres(Usable/Gross):	3.71/3.71
Land-SF(Usable/Gross):	161,716/161,716
Usable/Gross Ratio:	1.00
Potential Building SF:	162,000
Zoning Code:	I-1/GU
Zoning Desc.:	Industrial/Civic
Source of Land Info.:	Public Records

Comments

Lincoln Property Company acquired 3.71 acres of land for \$77 million. The seller had originally planned to develop a 160,000 SF waterfront office project. The new development plans are currently unknown.

Location & Property Identification

Property Name:	6 Fisher Island Residences
Sub-Property Type:	Commercial
Address:	6 Fisher Island Dr
City/State/Zip:	Miami Beach, FL 33109
County:	Miami/Dade
Submarket:	Miami/Miami Beach
Market Orientation:	Urban
IRR Event ID:	2957817



Sale Information

Sale Price:	\$122,600,000
Effective Sale Price:	\$122,600,000
Sale Date:	09/14/2022
Recording Date:	09/15/2022
Sale Status:	Closed
\$/Acre(Gross):	\$18,832,565
\$/Land SF(Gross):	\$432.34
\$/Land SF(Usable):	\$9,705.51
\$/Building SF:	\$321.96
\$/Unit (Potential):	\$512,971 /Unit
Grantor/Seller:	PAR 7, LLC
Grantee/Buyer:	PRH Parcel 7 Owner, LLC
Property Rights:	Fee Simple
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Recording No.:	33385-3972
Verification Type:	Secondary Verification
Secondary Verific. Source:	CoStar

MSA:	Miami
Legal/Tax/Parcel ID:	Parcel Number(s): 30-4210-000-0021, 30-4210-000-0021
Acres(Gross):	6.51
Land-SF(Usable/Gross):	12,632/283,575
Potential Building SF:	380,788
No. of Units (Potential):	239
Zoning Desc.:	5000
Source of Land Info.:	Other

Comments

On September 14, 2022 Fisher Island Holdings, LLC sold 6.5 acres located at 6 Fisher Island Drive in Miami Beach, FL to a joint venture between Related Development, LLC, BH Group and Wanxiang America Real Estate Corporation for \$122.6 million, or approximately \$18.832 million per acre. The buyer plans to develop a luxury condominium at the site consisting of 50 units. The units will be priced at over \$60 million. The proposed development will offer private oceanfront, parking spaces for cars and golf carts, and multiple private two-car garages. Residents will have access to a members-only country club with a golf course and racquet club. This is the last multifamily development site available on Fisher Island which can only be reached by yacht, helicopter or private ferries. The buyer financed this acquisition with a loan provided by Madison Realty Capital, LP.

Sale Analysis

Expenditures Description:	None noted
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Occupancy

Occupancy at Time of Sale:	0.00%
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Improvement and Site Data

Location & Property Identification

Property Name:	Villa Magna Site
Sub-Property Type:	Residential, Multifamily Land
Address:	1201 Brickell Bay Drive
City/State/Zip:	Miami, FL 33131
County:	Miami-Dade
Submarket:	Miami/Miami Beach
Market Orientation:	CBD
IRR Event ID:	2802162



Secondary Verific. Source: Assessor, Deed, News Article

Sale Information

Sale Price:	\$363,000,000
Effective Sale Price:	\$363,000,000
Sale Date:	04/13/2022
Recording Date:	04/20/2022
Sale Status:	Closed
\$/Acre(Gross):	\$145,432,692
\$/Land SF(Gross):	\$3,338.67
\$/Acre(Usable):	\$145,432,692
\$/Land SF(Usable):	\$3,338.67
\$/Building SF:	\$282.05
\$/Unit (Potential):	\$550,000 /Potential Unit
Grantor/Seller:	TWJ 1201 LLC
Grantee/Buyer:	1201 BRICKELL BAY LLC
Assemblage:	No
Portfolio Sale:	No
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Terms of Sale Comments:	No financing recorded.
Document Type:	Warranty Deed
Recording No.:	33141 / 350
Verified By:	Daniel J. Bowen
Verification Date:	04/21/2022
Verification Type:	Secondary Verification

Sale Analysis

Current Use at T.O.S.:	Vacant
Proposed Use Change:	Yes
Proposed Use Desc.:	TBD - likely resi

Occupancy

Occupancy Type After Sale:	Multi-Tenant
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Improvement and Site Data

MSA:	Miami-Fort Lauderdale-Miami Beach, FL Metropolitan Statistical Area
Legal/Tax/Parcel ID:	01-4139-071-0010
Acres(Usable/Gross):	2.50/2.50
Land-SF(Usable/Gross):	108,726/108,726
Usable/Gross Ratio:	1.00
Potential Building SF:	1,287,000
No. of Units (Potential):	660
Shape:	Irregular
Topography:	Level
Vegetation:	Minimal
Corner Lot:	No
Frontage Desc.:	Waterfront.
Frontage Type:	2 way, 1 lane each way
Traffic Control at Entry:	None
Traffic Flow:	Low

Improvement and Site Data (Cont'd)

AccessibilityRating:	Above average
Visibility Rating:	Above average
Zoning Code:	T6-48a-O
Zoning Desc.:	Urban core, open
Utilities:	Electricity, Water Public, Sewer, Telephone, CableTV
Source of Land Info.:	Public Records

of \$12.40/SF or \$2,002,426.40, which we have added to the recorded sale price as a buyer obligation.

The sellers previously purchased the property in October 2000 from Brickell Invest, JV (seller) and TWJ, LTD (buyer) for \$15,500,000 and in November 2014 McCourt Brickell LLC purchased a 50% interest of the TWJ LLC for \$132,500,000, which would value the site at \$265,000,000 in 2014.

Comments

This comparable land ale is a record setting transaction for the South Florida region and is located at the southeast corner of Brickell Bay Drive and SE 12th Street, with unobstructed views of Biscayne Bay. The site is situated within an urban core location in the Brickell Financial District within the downtown Miami CBD, Miami-Dade County, Florida. The site is clear & level at road grade and is currently used as a surface parking lot. The site was entitled & proposed for a mixed-use, high-rise residential condominium development with ground retail known as the Towers that will consist of two, 81-story buildings with a total of 660 residential condominium units and 81,323-SF of commercial space. The as-of-right development is based on an FAR of 11, which totals 1,195,986 SF GBA. However, the proposed development is approved and will have a gross allowable building area of 1,788,222-SF including structured parking garage podium.

The property sold April 2022 for an adjusted price of \$363,000,000, or \$3,338 per SF..

The property was previously proposed and approved for a 787-unit mixed-use residential condominium development with a total allowable building area of 1,835,320 SF, inclusive of garage area as per the MUSP approval amended in 2004 (File Number: 04-00460/Enactment Number: R-04-0717). The MUSP development program was amended in 2017 and in June 2013 the Miami-Dade Water & Sewer Department previously approved utility connections for 1,208 apartment units plus 20,050-SF of retail & 14,450-SF of full service restaurant uses. In addition to the past development approval history, there is a developer obligation from the 2017 approval to purchase a development bonus to permit 161,486-SF of floor area to be paid to the affordable housing trust fund at an amount



Land Sales - Land Value Restricted

Addendum E

Engagement Letter

Integra Realty Resources
Miami | Caribbean

9155 S. Dadeland Boulevard
Suite 1208
Miami, FL 33156

T 305.670.0001
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March 17, 2025

Mr. Danny Lozano
City of Miami
444 SW 2nd Ave, 3rd Floor
Miami, FL 33130

SUBJECT: **Proposal/Authorization for Valuation and Consulting Services**
Watson Harbour (3.2 acre portion as defined by Client)
888 Macarthur Causeway
Miami, FL 33132 (the "Subject")

Dear Mr. Lozano:

Upon your acceptance of this letter agreement, Integra Realty Resources – Miami | Caribbean ("IRR –Miami | Caribbean"), noted below as the "Contractor" will prepare a valuation (appraisal) of the Subject. The client for the assignment is to be City of Miami. Additional intended users include State of Florida Board of Trustees. Liability to any other third parties is hereby excluded.

1. The purpose of the appraisal is to provide an opinion of the market value "as is" assuming current use restrictions on the site; and
2. To provide an opinion of the market value of the subject based on its highest and best use without use restrictions
3. To provide an opinion of the net present value of the income stream projected to be received by the City per the terms of the leases, based on a 99-year term, and based on the sale of residential units and operation of the hotel rooms and commercial space that is to be constructed on the site, including the reversionary interest value.

The appraisal will be prepared in conformance with and subject to, the latest edition of the *Uniform Standards of Professional Appraisal Practice* (USPAP) developed by the Appraisal Standards Board of the Appraisal Foundation, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, the RICS Valuation Professional Standards and the International Valuation Standards of the IVSC.



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In accordance with our correspondence, the scope of this assignment will require us to consider all relevant and applicable approaches to value as determined during the course of our research, Subject Property analysis and preparation of the report.

Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. Given that requirement, this appraisal may not be accepted by a federally regulated financial institution.

The appraisal will be communicated in an Appraisal Report format as defined by USPAP, and more specifically, the Standard Format according to our internal report type descriptions. The currency to be adopted with respect to the opinions of value is United States Dollars. All work will be performed under the direct supervision of the undersigned, together with other staff members. The appraisal and this letter agreement will be subject to our standard assumptions and limiting conditions a copy of which is attached as Attachment I, as well as the required RICS Required Disclosures which are attached as Attachment II. The appraisal will also comply with the Supplemental Appraisal Standards for the Board of Trustees dated March 2, 2016 which are recorded in will stay in our files.

The total fee for this assignment will be USD including expenses.

The delivery date will be within 4 to 6 weeks **from the date we receive the signed engagement**. The 4 to 6 weeks agreed delivery date is contingent upon the absence of events outside our control, timely access for inspection of the properties, as well as our receipt of all requested information. The appraisal report is to be delivered electronically in PDF format. If requested, two hard copies of each appraisal report will be provided.

Any remaining balance of the fees will be due and payable upon completion and delivery of report(s). It is understood that interest (at the rate provided for in the Florida Local Government Prompt Payment Act) will accrue on any unpaid balance for compensation due after 45 days from the date of the invoice, subject to reduction pursuant to any applicable usury law. If the assignment is canceled by either party prior to completion, you agree to pay us for all our expenses and our time to date based upon the amount of actual of work completed.

In addition to the terms and conditions contained herein, the parties agree to be bound by the terms included in the purchase order issued by the City, subject only to the modifications made in this Section. Any conflict between the terms of the Purchase Order and this Statement of Work shall be resolved in favor of this Statement of Work. The following provisions of the Purchase Order are deleted in their entirety: Section 10 (Warranty); Section 12 (Royalties and Patents); Section 13 (Payment); Section 23 (Uniform Commercial Code) and Section 25 (Bonding). Exhibit A-1 shall supersede and replace Section 24 (Insurance) of the Purchase Order for purposes of this Statement of Work.

IRR – Miami | Caribbean is an independently owned and operated company which is a trade name of the franchisee legally known as Florida Property Advisors, LLC. The parties hereto agree that its

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franchisor, Integra Realty Resources, Inc., ("Integra") shall not be liable for any claim arising out of or relating to any appraisal report or any information or opinions contained therein as such appraisal report is the sole and exclusive responsibility of IRR – Miami | Caribbean. In addition, it is expressly agreed that in any action which may be brought against IRR – Miami | Caribbean and/or any of its officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), arising out of, relating to, or in any way pertaining to this engagement letter, the appraisal reports or any related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further expressly agreed that the collective liability of the Integra Parties in any such action shall not exceed \$2,000,000 which is the extent of the coverage on our Errors and Omissions insurance policy (unless the appraisal was fraudulent or prepared with intentional misconduct).

The Ethics Rule of USPAP requires us to disclose to you any prior services we have performed regarding the Subject Property within a three-year period immediately preceding the acceptance of this assignment, either as an appraiser or in any other capacity. We have not performed any prior services regarding the subject property within the three year period preceding this letter of engagement.

Please be advised that we are not experts in the areas of building inspection (including mold), environmental hazards, ADA compliance (where applicable), or wetlands. Therefore, unless we have been provided with appropriate third-party expert reports, the appraisals will assume that there are no environmental, wetlands, or ADA compliance problems. The agreed-upon fees for our services assume the absence of such issues inasmuch as additional research and analysis may be required. If an expert is required, you are responsible for their selection, payment, and actions.

In the event that we receive a subpoena or are called to testify in any litigation, arbitration, or administrative hearing of any nature whatsoever or as a result of this engagement or the related report, to which we are not a party, you agree to pay our then-current hourly rates for such preparation and presentation of testimony.

Nothing in this agreement is intended to operate as a waiver of the City's sovereign immunity beyond the limitations set forth in Section 768.28, Florida Statutes.

• Should there be any conflict between the terms of this Agreement and its attachments, then the conflict shall be resolved in favor of the following priority order:

- o Purchase Order,
- o Attachment III,
- o This Agreement,
- o Attachment I, and
- o Attachment II.

If you are in agreement with the terms set forth in this letter (and the additional conditions in the attachments to this letter) and wish us to proceed with the engagement, please sign below and return one copy to us. Thank you for this opportunity to be of service and we look forward to working with you.

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IN WITNESS WHEREOF, the Parties have executed this Agreement, or have caused the same to be executed, as of the date and year first above written.

"Contractor"

Florida Property Advisors, LLC d/b/a Integra Realty Resources – Miami/Caribbean

ATTEST:

By: 
Name: Donna Thurman

Title: Office Manager

By: 
Name: James V. Andrews

Title: Senior Managing Director

"Client – City of Miami"

CITY OF MIAMI,
a Florida municipal corporation

ATTEST:

By: _____
Todd B. Hannon
City Clerk

By: _____
Arthur Noriega V.
City Manager

APPROVED AS TO LEGAL FORM AND
CORRECTNESS:

By: _____
Victoria Méndez
City Attorney

APPROVED AS TO INSURANCE
REQUIREMENTS:

By: _____
Ann-Marie Sharpe, Director
Risk Management

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ATTACHMENT I

ASSUMPTIONS & LIMITING CONDITIONS

This appraisal will be based on the following assumptions, except as otherwise noted in the report.

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements, and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos on the property.
4. The compensation amount (or amount of revenue stamps) indicated on any deed or conveyance referenced herein indicating the sale price is in correct relation to the actual financial consideration of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other applicable laws, regulations, and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
7. This appraisal is subject to the following limiting conditions, except as otherwise noted in the report.
8. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
9. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
10. No changes in any applicable laws, regulations, or codes (including, without limitation, the U.S. Internal Revenue Code) are anticipated.
11. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such a statement will be favorable and will be approved by the appropriate regulatory bodies.
12. We have made no boundary survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size.
13. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

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14. No opinion is expressed as to the value of subsurface oil, gas, or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
15. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability, and civil, mechanical, electrical, structural, and other engineering and environmental matters.
16. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
17. Information, estimates, and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
18. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
19. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
20. No consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
21. The current purchasing power of the currency being used is the basis for the value stated in our appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
22. The value found herein is subject to these and to any other assumptions or conditions set forth in the body of this report, but which may have been omitted from this list of Assumptions and Limiting Conditions.
23. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment, and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
24. For appraisals of properties in the United States and its territories: The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues and render no opinion regarding the compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost

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- to cure any deficiencies would be needed for the Department of Justice to determine compliance.
25. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries, and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
 26. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environmental hazards including, without limitation, hazardous wastes, toxic substances, and mold. No representations or warranties are made regarding the environmental condition of the subject property and the person signing the report shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
 27. The person signing the report may have reviewed available flood maps (where applicable and available) and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
 28. IRR – Miami | Caribbean is not a building or environmental inspector. IRR – Miami | Caribbean does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
 29. The appraisal report and value conclusion for an appraisal assumes the satisfactory completion of construction, repairs, or alterations in a workmanlike manner.
 30. IRR – Miami | Caribbean is an independently owned and operated company legally known as Florida Property Advisors, LLC which is a Franchisee of Integra Realty Resources, Inc. The parties hereto agree that its franchisor, Integra Realty Resources, Inc. ("Integra"), shall not be liable for any claim arising out of or relating to any appraisal report or any information or opinions contained therein as such appraisal report is the sole and exclusive responsibility of IRR – Miami | Caribbean. In addition, it is expressly agreed that in any action which may be brought against IRR – Miami | Caribbean and/or any of its officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), arising out of, relating to, or in any way pertaining to this engagement letter, the appraisal reports or any related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further expressly agreed that the collective liability of the Integra Parties in any such action shall not exceed \$2,000,000 which is the amount covered by Errors and Omissions Insurance (unless the appraisal was fraudulent or prepared with intentional misconduct). It is expressly agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.

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31. Integra (IRR) – Miami | Caribbean, an independently owned and operated company, has prepared the appraisal for the specific purpose stated elsewhere in the report. The intended use of the appraisal is stated in the General Information section of the report. We understand that our report may be disseminated to third parties for the clients' purposes, however, the reliance on the value conclusions stated in the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
32. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. Integra Realty Resources, Inc. and the undersigned are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
33. All prospective value estimates presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors, and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar to the future. As will be determined during the course of the assignment, additional extraordinary or hypothetical conditions may be required in order to complete the assignment. The appraisal shall also be subject to those assumptions.

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ATTACHMENT II
RICS REQUIRED DISCLOSURES

The valuation is to be in conformance with the latest edition of the RICS Valuation Professional Standards which incorporates the International Valuation Standards (IVS).

We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved. We confirm our independence with respect to the property that is the subject of this report or to the parties involved with this assignment. We confirm that we are acting as “external valuers” as defined by the RICS. In addition, we are in compliance with the RICS Valuer Registration Scheme, and IRR-Miami | Caribbean is registered as an RICS Regulated Firm.

We confirm that we have attained the knowledge and skills to perform the valuation competently. The Scope of Work and valuation methodology to be used is to include all that is deemed typically necessary within the area of the valuation profession in order to ensure credible results.

The client is not authorized to publish without the written consent of IRR-Miami | Caribbean the report in any form or provide copies to any parties other than the agreed intended users, and IRR-Miami | Caribbean is not to be held liable to anyone other than these stated parties unless otherwise agreed to. Any information provided by the client stated as confidential, and not obtainable by another source will be kept confidential and not provided to any parties other than the client and any agreed intended users.

If you wish to make a complaint, please provide this in writing to IRR-Miami | Caribbean. A copy of our complaints handling procedure is available on request. We also wish to point out that the valuation report may be subject to review by the RICS and their peer review representatives.

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ATTACHMENT III

ADDITIONAL PROVISIONS REQUIRED BY THE CITY OF MIAMI

ANTITRUST VIOLATOR VENDORS

A person or an affiliate who has been placed on the Antitrust Violator Vendors List following a conviction or being held civilly liable for an antitrust violation may not submit a bid, proposal, or reply on any agreement to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on any agreement with a public entity for the construction or repair of a public building or public work; may not submit a bid, proposal, or reply on leases of real property to a public entity; may not be awarded or perform work as a grantee, supplier, subcontractor, or consultant under an agreement with a public entity; and may not transact new business with a public entity.

ANTI-HUMAN TRAFFICKING

IRR - MIAMI | CARIBBEAN confirms and certifies that it is not in violation of Section 787.06, Florida Statutes, and that it does not and shall not use "coercion" for labor or services as defined in Section 787.06, Florida Statutes. IRR - MIAMI | CARIBBEAN shall execute and submit to the City an Affidavit, of even date herewith, in compliance with Section 787.06(13), Florida Statutes, attached and incorporated herein as "Anti-Human Trafficking Affidavit". If IRR - MIAMI | CARIBBEAN fails to comply with the terms of this Section, the City may suspend or terminate this Agreement immediately, without prior notice, and in no event shall the City be liable to IRR - MIAMI | CARIBBEAN for any additional compensation or for any consequential or incidental damages.

E-VERIFY

By entering into this Agreement, IRR - MIAMI | CARIBBEAN and its subcontractors are jointly and severally obligated to comply with the provisions of Section 448.095, Florida Statutes, as amended, titled "Employment Eligibility." IRR - MIAMI | CARIBBEAN affirms that (a) it has registered and uses the U.S. Department of Homeland Security's E-Verify system to verify the work authorization status of all new employees of IRR - MIAMI | CARIBBEAN; (b) it has required all subcontractors to this Agreement to register and use the E-Verify system to verify the work authorization status of all new employees of the subconsultant; (c) it has an affidavit from all subcontractors to this Agreement attesting that the subconsultant does not employ, contract with, or subcontract with, unauthorized aliens; and (d) it shall maintain copies of any such affidavits for the duration of the Agreement. Registration information is available at: <http://www.uscis.gov/e-verify>. If City has a good faith belief that IRR - MIAMI | CARIBBEAN has knowingly violated Section 448.09(1), Florida Statutes, then City shall terminate this Agreement in accordance with Section 448.095(5)(c), Florida Statutes. In the event of such termination, IRR - MIAMI | CARIBBEAN agrees and acknowledges that it may not be awarded a public contract for at least one (1) year from the date of such termination and that IRR - MIAMI | CARIBBEAN shall be liable for any additional costs incurred by the City because of such termination. In addition, if City has a good faith belief that a subcontractor has knowingly violated any provisions of Sections 448.09(1) or 448.095, Florida Statutes, but IRR - MIAMI | CARIBBEAN has otherwise complied with its requirements under those statutes, then IRR - MIAMI | CARIBBEAN agrees that it shall terminate its contract with the subcontractor upon receipt of notice from the City of such violation by subcontractor in accordance with Section 448.095(5)(c), Florida Statutes. Any challenge to termination under this provision must be

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filed in the Circuit or County Court by the City, IRR - MIAMI | CARIBBEAN, or subcontractor no later than twenty (20) calendar days after the date of Agreement termination.

NO THIRD-PARTY BENEFICIARY

No persons other than IRR - MIAMI | CARIBBEAN and the City (and their successors and assigns) shall have any rights whatsoever under this Agreement.

PUBLIC RECORDS

A. IRR - MIAMI | CARIBBEAN understands that the public shall have access, at all reasonable times, to all documents and information pertaining to City agreements, subject to the provisions of Chapter 119, Florida Statutes, and agrees to allow access by the City and the public to all documents subject to disclosure under applicable laws. IRR - MIAMI | CARIBBEAN's failure or refusal to comply with the provisions of this section shall result in the immediate cancellation of this Agreement by the City.

B. IRR - MIAMI | CARIBBEAN shall additionally comply with Section 119.0701, Florida Statutes, including without limitation: (1) keep and maintain public records that ordinarily and necessarily would be required by the City to perform this service; (2) if required, provide the public with access to public records on the same terms and conditions as the City would at the cost provided by Chapter 119, Florida Statutes, or as otherwise provided by law; (3) ensure that public records that are exempt or confidential and exempt from disclosure are not disclosed except as authorized by law; (4) meet all requirements for retaining public records and transfer, at no cost, to the City all public records in its possession upon termination of this Agreement and destroy any duplicate public records that are exempt or confidential and exempt from disclosure requirements; and, (5) provide all electronically stored public records that must be provided to the City in a format compatible with the City's information technology systems. Notwithstanding the foregoing, IRR - MIAMI | CARIBBEAN shall be permitted to retain any public records that make up part of its work product solely as required for archival purposes, as required by law, or to evidence compliance with the terms of the Agreement.

C. SHOULD IRR - MIAMI | CARIBBEAN DETERMINE TO DISPUTE ANY PUBLIC ACCESS PROVISION REQUIRED BY FLORIDA STATUTES, THEN IRR - MIAMI | CARIBBEAN SHALL DO SO AT ITS OWN EXPENSE AND AT NO COST TO THE CITY. IF IRR - MIAMI | CARIBBEAN HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO IRR - MIAMI | CARIBBEAN'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THE CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (305) 416-1800, VIA EMAIL AT PUBLICRECORDS@MIAMIGOV.COM, OR REGULAR MAIL AT CITY OF MIAMI OFFICE OF THE CITY ATTORNEY, 444 SW 2ND AVENUE, 9TH FLOOR, MIAMI, FL 33130. THE CONSULTANT MAY ALSO CONTACT THE RECORDS CUSTODIAN AT THE CITY OF MIAMI DEPARTMENT WHO IS ADMINISTERING THIS CONTRACT.

NO CONFLICT OF INTEREST

Pursuant to the City of Miami Code Section 2-611, as amended ("City Code"), regarding conflicts of interest, IRR - MIAMI | CARIBBEAN hereby certifies to the City that no individual member of IRR - MIAMI | CARIBBEAN, no employee, and no subcontractor under this Agreement nor any immediate family member of any of the same is also city employee or a member of any board, commission, or agency of

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the City. IRR - MIAMI | CARIBBEAN hereby represents and warrants to the City that throughout the term of this Agreement, IRR - MIAMI | CARIBBEAN, its employees, and its subcontractors will abide by this prohibition of the City Code.

IRR - MIAMI | CARIBBEAN additionally agrees during the term of this Agreement not to serve as a paid expert witness, affiant or otherwise furnish evidence adverse to the City in a Claim brought against the City by any third party.

VENUE

This Agreement shall be construed and enforced according to the laws of the State of Florida. Venue in any proceedings between the parties shall lie exclusively in the state and federal courts located in Miami-Dade County, Florida. For any disputes arising under this Agreement, excluding those regarding IRR - MIAMI | CARIBBEAN's indemnification obligations, each party shall bear its own attorney's fees. Each party waives any defense, whether asserted by motion, memorandum, or pleading, that the aforementioned courts are an improper or inconvenient venue. Moreover, the parties consent to the personal jurisdiction of the aforementioned courts and irrevocably waive any objections to said jurisdiction.

NOTICES

All notices or other communications required under this Agreement shall be in writing and shall be given by hand-delivery or by registered or certified U.S. Mail, return receipt requested, addressed to the other party at the address indicated herein or to such other address as a party may designate by notice given as herein provided. Notice shall be deemed given on the day on which personally delivered; or, if by mail, on the fifth day after being posted or the date of actual receipt, whichever is earlier.

AS TO IRR - MIAMI | CARIBBEAN

Name: James V. Andrews
Title: Senior Managing Director
Address 1: 9155 S. Dadeland Blvd
Address 2: Ste 1208, Miami, FL 33156
Email: jandrews@irr.com

AS TO THE CITY:

Art Noriega
City Manager
444 SW 2nd Avenue, 10th Floor
Miami, FL 33130
anoriega@miamigov.com

WITH A COPY TO:

George K. Wysong III
City Attorney
444 SW 2nd Avenue, 9th Floor
Miami, FL 33130
gwysong@miamigov.com

Annie Perez
Director of Procurement
444 SW 2nd Avenue, 6th Floor
Miami, FL 33130
Email

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INSURANCE

A. IRR - MIAMI | CARIBBEAN shall, at all times during the term hereof, maintain such insurance coverage(s) as may be required by the City. The insurance coverage(s) required as of the Effective Date of this Agreement are attached hereto as Exhibit "A" and incorporated herein by this reference. The City's agreement and title number must appear on each certificate of insurance. IRR - MIAMI | CARIBBEAN shall add the City of Miami as an additional insured to its commercial general liability, and auto liability policies, and as a named certificate holder on all policies. IRR - MIAMI | CARIBBEAN shall correct any insurance certificates as requested by the City Risk Management Director. All such insurance, including renewals, shall be subject to the approval of the City for adequacy of protection and evidence of such coverage(s) and shall be furnished to the City Risk Management Director on Certificates of Insurance indicating such insurance to be in force and effect and any cancelled or non-renewed policy will be replaced with no coverage gap and a current Certificate of Insurance will be provided. Completed Certificates of Insurance shall be filed with the City prior to the performance of Services hereunder, provided, however, that IRR - MIAMI | CARIBBEAN shall at any time upon request file duplicate copies of the Certificate of Insurance with the City.

B. If, in the judgment of the City, prevailing conditions warrant the provision by IRR - MIAMI | CARIBBEAN of additional liability insurance coverage or coverage which is different in kind, the City Risk Management Director reserves the right to require the provision by IRR - MIAMI | CARIBBEAN of an amount of coverage different from the amounts or kind previously required and shall afford written notice of such change in requirements thirty (30) days prior to the date on which the requirements shall take effect. Should IRR - MIAMI | CARIBBEAN fail or refuse to satisfy the requirement of changed coverage within thirty (30) days following the City's written notice, this Agreement shall be considered terminated on the date that the required change in policy coverage would otherwise take effect.

C. IRR - MIAMI | CARIBBEAN understands and agrees that any and all liabilities regarding the use of any of IRR - MIAMI | CARIBBEAN's employees or any of IRR - MIAMI | CARIBBEAN's subcontractors for Services related to this Agreement shall be borne solely by IRR - MIAMI | CARIBBEAN throughout the term of this Agreement and that this provision shall survive the termination of this Agreement. IRR - MIAMI | CARIBBEAN further understands and agrees that insurance for each employee of IRR - MIAMI | CARIBBEAN and each subcontractor providing Services related to this Agreement shall be maintained in good standing and approved by the City Risk Management Director throughout the duration of this Agreement.

D. IRR - MIAMI | CARIBBEAN shall be responsible for assuring that the insurance certificates required under this Agreement remain in full force and effect for the duration of this Agreement, including any extensions hereof. If insurance certificates are scheduled to expire during the term of this Agreement and any extension hereof, IRR - MIAMI | CARIBBEAN shall be responsible for submitting new or renewed insurance certificates to the City Risk Management Director as soon as coverages are bound with the insurers. In the event that expired certificates are not replaced, with new or renewed certificates which cover the term of this Agreement and any extension thereof:

- (i) the City shall suspend this Agreement until such time as the new or renewed certificate(s) are received in acceptable form by the City Risk Management Director; or
- (ii) the City may, at its sole discretion, terminate the Agreement for cause and seek re-procurement damages from IRR - MIAMI | CARIBBEAN in conjunction with the violation of the terms and conditions of this Agreement.

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E. Compliance with the foregoing requirements shall not relieve IRR - MIAMI | CARIBBEAN of its liabilities and obligations under this Agreement.

INDEMNIFICATION

A. IRR - MIAMI | CARIBBEAN shall indemnify, hold and save harmless, and defend (at its own cost and expense), the City, its officers, agents, directors, departments, and/or employees, from all liabilities, damages, losses, judgments, and costs, including, but not limited to, reasonable attorney's fees, to the extent caused by performance of this Agreement by IRR - MIAMI | CARIBBEAN, IRR - MIAMI | CARIBBEAN's compliance and/or noncompliance with the provisions of this Agreement, and all laws and regulations pertaining to IRR - MIAMI | CARIBBEAN's services which are applicable to the IRR - MIAMI | CARIBBEAN, negligence, recklessness, negligent act or omission, or intentional wrongful misconduct of IRR - MIAMI | CARIBBEAN and persons employed or utilized by IRR - MIAMI | CARIBBEAN in the performance of this Contract. IRR - MIAMI | CARIBBEAN shall further, hold the City, its officials and employees, indemnify, save and hold harmless for, and defend (at its own cost), the City its officials and/or employees against any civil actions, administrative, regulatory, statutory or similar claims, injuries or damages arising or resulting from the Services. In the event that any action, cause of action, claim, demand or proceeding (collectively "Claim(s)") is brought against the City by reason of any such Claim(s), IRR - MIAMI | CARIBBEAN shall, upon written notice from the City, resist and defend such action or proceeding by counsel reasonably satisfactory to the City Attorney. IRR - MIAMI | CARIBBEAN expressly understands and agrees that any insurance protection required by this Contract or otherwise provided by IRR - MIAMI | CARIBBEAN shall in no way limit the responsibility to indemnify, hold, keep and save harmless and defend the City or its officers, employees, agents, and instrumentalities as herein provided.

B. The indemnification provided above shall obligate IRR - MIAMI | CARIBBEAN to defend, at its own expense, to and through trial, mediation, arbitration, administrative, regulatory, appellate, supplemental or bankruptcy proceedings, or to provide for such defense, at the City's option, any and all claims of liability and all suits and actions of every name and description which may be brought against the City, whether performed by IRR - MIAMI | CARIBBEAN, or persons or entities employed or utilized by IRR - MIAMI | CARIBBEAN.

C. These duties will survive the cancellation or expiration of this Agreement. This Section will be interpreted under the laws of the State of Florida, including without limitation and interpretation, which conforms to the limitations of Sections 725.06 and/or 725.08, Florida Statutes, as they may be applicable, and as they may be amended.

D. IRR - MIAMI | CARIBBEAN shall require all subcontractor agreements to include a provision that each subcontractor will indemnify, hold harmless and defend the City in substantially the same language as this Section. IRR - MIAMI | CARIBBEAN agrees and recognizes that the City shall not be held liable or responsible for any claims which may result from any actions or omissions of IRR - MIAMI | CARIBBEAN in which the City participated either through review or concurrence of IRR - MIAMI | CARIBBEAN's actions. In reviewing, approving or rejecting any submissions by IRR - MIAMI | CARIBBEAN or other acts of IRR - MIAMI | CARIBBEAN, the City, in no way, assumes or shares any responsibility or liability of IRR - MIAMI | CARIBBEAN or subcontractor under this Contract.

E. Ten dollars (\$10) of the payments made by the City constitute separate, distinct, and independent consideration for the granting of this indemnification, the receipt and sufficiency of which is voluntarily and knowingly acknowledged by IRR - MIAMI | CARIBBEAN.

Mr. Danny Lozano
City of Miami
March 17, 2025
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ELECTRONIC SIGNATURES/COUNTERPARTS

This Agreement may be executed in three (3) or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute one and the same agreement. This Agreement may be executed in counterparts, each of which shall be an original as against either party whose signature appears thereon, but all of which taken together shall constitute but one and the same instrument. An executed facsimile or electronic scanned copy of this Agreement shall have the same force and effect as an original. The parties shall be entitled to sign and transmit an electronic signature on this Agreement (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. Any party providing an electronic signature agrees to promptly execute and deliver to the other parties an original signed Agreement upon request.

PURCHASE ORDER PROVISIONS

The parties agree that Contractor is not providing goods under this Statement of Work. The parties also agree that the following provisions of the Purchase Order are deleted in their entirety: Section 10 (Warranty); Section 12 (Royalties and Patents); Section 13 (Payment); Section 23 (Uniform Commercial Code) and Section 25 (Bonding). Exhibit A-1 shall supersede and replace Section 24 (Insurance) of the Purchase Order for purposes of this Statement of Work.