

Broker's Opinion of Value

May 9, 2019

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Dade County Bar Association
123 NW 1st Avenue
Suite 214
Miami, FL 33128

We are pleased to present the attached Broker's Opinion of Value (BOV) for your consideration in reference to the property located at 123 NW 1st Avenue, Miami. Pricing strategy for this asset will involve demonstrating comparable closed sales in the Downtown submarket, as well as accurate and market appropriate financial analysis for repositioning the asset.

PROPERTY DESCRIPTION

Address: 123 NW 1st Avenue, Miami, FL 33128
Building Size: 18,067 SF
Land Size: 5,000 SF
Type: Boutique Office / Central Business District

DOWNTOWN MARKET CONDITIONS

The Downtown Miami submarket has historically gone through overt cycles of expansion and contraction. Present day market drivers include the Federal District, MiamiCentral office, residences and Brightline train, as well as the large institutional office buildings, and Miami World Center to the north. The Downtown Market today is experiencing a slow but steady resurgence, spurred by MiamiCentral, the densest zoning in Miami, and the proliferation of new Food and Beverage establishments. Specific to the subject property, the daily drivers of pedestrian traffic are the federal buildings and courthouses, and, of increasing importance, the traffic from the Brightline to other parts of Miami and South Florida.

SCENARIO 1: SALE AS BOUTIQUE OFFICE to be REPOSITIONED

Suggested List Price: \$5,000,000
Price Per Square Foot (Building): \$276.74
Price Per Square Foot (Land): \$1,000

Sale Notes: Downtown Miami is home to the most permissive zoning in the Miami 21 Zoning Code (T6-80-O) and has therefore fostered the development of large, institutional grade office properties. Boutique office buildings in Downtown (between 15,000-50,000 RSF) are therefore in very limited supply and limited to a small number of buildings. Due to the size and limited availability of these assets, the Dade Bar Association Building can be widely attractive to private investors and owner users.

Comparable sales of boutique office buildings in Downtown Miami tend towards approximately \$250 psf, building. The analysis presented herein assumes that the building is purchased by an investor that plans to comprehensively renovate the property and lease the asset. As mentioned, this building can also be highly attractive to an Owner-user, particularly a law firm that will occupy the property after renovating.

As this is a unique asset in one of the strongest locations in Downtown (across from MiamiCentral, surrounded by the Federal buildings), there is an intangible value that can be leveraged during the sales process.

SCENARIO 2: SALE AS DEVELOPMENT LAND or ASSEMBLAGE

Suggested List Price: \$3,000,000

Sale Notes: To analyze the sale of the asset as part of a development assemblage a developer will look at the price per square foot of land, price per unit, and price per buildable square foot (a function of floor-lot-ratio). The most direct metric to measure these correlating number is the price-per-square foot of land. Also, it is unlikely that a buyer will be able to assemble additional contiguous parcels with frontage along NW 1st Avenue in the near future.

Downtown Dev. Site Sales: Includes land sales, "covered" land sales for future development.

Average Price PSF Land \$ 599.60

Summary of Development Site Sales in Downtown Miami							
Address	Price	Bldg SF	Land SF	PPSF Bldg	PPSF Lan	Sale Notes	
41 E Flagler St	N/A	92,458	36,750	N/A	N/A	UNDER CONTRACT	Under contract with long closing period.
255 NE 1 St	\$ 18,500,000.00	257,712	37,471	\$ 71.79	\$ 493.72	9/12/2018	Income producing garage w/ development potential
30 SW 1 St	\$ 13,000,000.00	-	24,172	\$ -	\$ 537.81	8/13/2018	Multifamily development site.
1 NE 1 St	\$ 14,500,000.00	225,000	33,750	\$ 64.44	\$ 429.63	7/3/2018	Existing building to be rehabbed, future development
500 NE 1 AVE	\$ 28,300,000.00	7,207	104,581	\$ 3,926.74	\$ 270.60	4/13/2018	Church
400 Biscayne Blvd	\$ 55,000,000.00	-	50,244	\$ -	\$ 1,094.66	1/18/2018	Biscayne Blvd Frontage
151 NE 1 ST	\$ 9,725,000.00	-	15,000	\$ -	\$ 648.33	11/15/2017	
200 S Miami Ave	\$ 37,250,000.00	91,089	51,561	\$ 408.94	\$ 722.45	6/30/2017	appx. 5 CAP with NNN lease to FedEx
501 N MIAMI AVE	\$ 18,095,000.00		35,992		\$ 502.75	3/8/2017	

RELOCATION STRATEGY

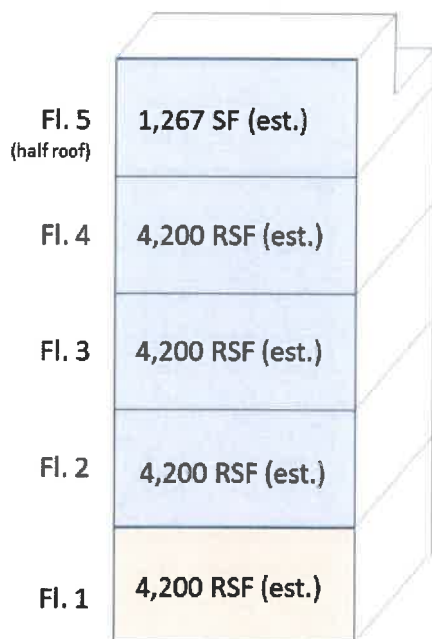
Reinvestment Strategy: There are numerous office condominium properties in Downtown Miami available for purchase with the proceeds of a potential sale, allowing the Dade County Bar Association to maintain ownership of their space, and reinvest the additional funds in their programing, members or other assets.

1. One Flagler Office Building 14 NE 1st Ave, Unit 1205 Miami, FL 33132 Office Condo	Sale Price: \$990,000 Price/SF: \$375.85 Cap Rate: - Sale Type: Investment	Sale Status: Active Days On Market: 400 Unit SF: 2,634 SF
2. One Flagler Office Building 14 NE 1st Ave, Unit 1401 Miami, FL 33132 Office Condo	Sale Price: \$1,450,000 Price/SF: \$440.60 Cap Rate: - Sale Type: Investment OR Owner/User	Sale Status: Active Days On Market: 313 Unit SF: 3,291 SF
3. One Flagler Office Building 14 NE 1st Ave, Unit 905 Miami, FL 33132 Office Condo	Sale Price: \$1,237,950 Price/SF: \$349.90 Cap Rate: - Sale Type: Owner/User	Sale Status: Active Days On Market: 229 Unit SF: 3,538 SF
4. One Flagler Office Building 14 NE 1st Ave, Unit 1200 Miami, FL 33132 Office Condo	Sale Price: \$1,040,000 Price/SF: \$394.84 Cap Rate: - Sale Type: Investment OR Owner/User	Sale Status: Active Days On Market: 208 Unit SF: 2,634 SF
5. One Flagler Office Building 14 NE 1st Ave, Unit 705 Miami, FL 33132 Office Condo	Sale Price: \$1,292,000 Price/SF: \$350.23 Cap Rate: - Sale Type: Investment OR Owner/User	Sale Status: Active Days On Market: 47 Unit SF: 3,689 SF
6. Concord 66 Building 66 W Flagler St, Unit 10th Fl Miami, FL 33130 Office Condo	Sale Price: \$680,000 Price/SF: \$180.08 Cap Rate: - Sale Type: Investment	Sale Status: Active Days On Market: 758 Unit SF: 3,776 SF
7. Concord 66 Building 66 W Flagler St, Unit 12th Floor Miami, FL 33130 Office Condo	Sale Price: \$550,000 Price/SF: \$194.28 Cap Rate: - Sale Type: Owner/User	Sale Status: Active Days On Market: 464 Unit SF: 2,831 SF

Figure 1 - available office condos between 2,500-5,000 SF in Downtown Miami, May, 2019.

DWNTWN REALTY ADVISORS

25 77°N -80 19°W



Scenario 1 (Single Tenant w/ Retail)						
Type	Units	RSF	Rate	Annual		
Office	2-5	13867	\$ 25.00	\$	346,675.00	
Retail	1	2000	\$ 40.00	\$	80,000.00	
Dade Count Bar Assc.	1	2200	0	\$	(55,000.00)	
Gross Income				\$	426,675.00	
Expenses				\$	(82,386.21)	
Vacancy & Credit Loss (5%)				\$	(21,333.75)	
NNN Offsets (from Retail)				\$	(9,120.08)	
NOI				\$	313,834.96	
Net Effective Rent				\$	17.37	

Scenario 2 (Multi Tenant w/ Retail)						
Type	Units	RSF	Rate	Annual		
Office	2-5	13867	\$ 28.00	\$	388,276.00	
Retail	1	2000	\$ 40.00	\$	80,000.00	
Dade Count Bar Assc.	1	2200	0	\$	(61,600.00)	
Gross Income				\$	406,676.00	
Expenses				\$	(82,386.21)	
Vacancy & Credit Loss (5%)				\$	(20,333.80)	
NNN Offsets (from Retail)				\$	(9,120.08)	
NOI				\$	294,835.91	
Net Effective Rent				\$	16.32	

Scenario 3 (Single Office Tenant)						
Type	Units	RSF	Rate	Annual		
Entire Building	1-5	15,867.00	\$ 22.00	\$	349,074.00	
Retail		N/A				
Dade Count Bar Assc.	1	2200	0	\$	(48,400.00)	
Gross Income				\$	300,674.00	
Expenses				\$	(82,386.21)	
Vacancy & Credit Loss (5%)				\$	(15,033.70)	
NNN Offsets (from Retail)				\$	-	
NOI				\$	203,254.09	
Net Effective Rent				\$	11.25	

Kind Regards,

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Occupancy Cost Comparison
Dade County Bar Association
123 NW 1st Avenue, Miami, FL 33128

	Scenario A Sell Existing Building New Lease Location	Scenario B Improve Existing Building Requiring Temporary Relocation	Scenario C Improve Existing Building New Lease Location Maintain Ownership
ANALYSIS PERIOD	10 Yrs	10 Yrs	10 Yrs
ANALYSIS START DATE	7/1/2019	7/1/2019	7/1/2019
BUILDING Square Feet (SF)	16,000 SF	24,000 SF	24,000 SF
ASSUMED BUILDING SALE			
Sale Date	7/1/2019	N/A	N/A
Fair Market Value	\$4,000,000		
Outstanding Principal	\$0		
Commission- 3%	\$120,000		
Net Sales Proceeds	\$3,880,000		
TOTAL RENOVATION COST			
Building Renovation Expense	N/A	\$3,600,000	\$3,600,000
Building Renovation PSF		\$150.00 PSF	\$150.00 PSF
Construction Period		18 Months	18 Months
Construction Start Date		7/1/2019	7/1/2019
Construction End Date		1/1/2021	1/1/2021
FINANCING			
Interest Rate	N/A	8.0%	8.0%
Amortization		20 Yrs	20 Yrs
Loan to Value		80.0%	80.0%
Initial Equity		\$720,000	\$720,000
Debt Before Finance Fees		\$2,880,000	\$2,880,000
Financing Cost - 1% of Total Debt		\$28,800	\$28,800
Annual Debt Service		\$291,964	\$291,964
Additional Annual Reserve		\$2.0 PSF	\$2.0 PSF
LEASED SF OCCUPIED BY DCBA	<u>DCBA New Class A Lease</u>	<u>DCBA Temp Relo Class B Lease</u>	<u>DCBA New Class A Lease</u>
Premises Size	4,000 SF	4,000 SF	4,000 SF
Full Service Rent	\$45.00 PSF	\$25.00 PSF	\$45.00 PSF
Annual Rent Escalation	3.0% annually	3.0% annually	3.0% annually
Term	10 Yrs	2 Yrs	10 Yrs
Tenant Improvement Costs	\$20.00 PSF	\$5.00 PSF	\$20.00 PSF
Lease Commissions	N/A	N/A	N/A
Move Out - Moving / FF&E / Cabling Costs	\$20.00 PSF	\$10.00 PSF	\$20.00 PSF
Parking	TBD	TBD	TBD
Signage	TBD	TBD	TBD
OPERATING EXPENSES (Opex)			
2019 Estimated Opex	\$12.00 PSF	\$12.00 PSF	\$12.00 PSF
Annual Escalation	3.0% annually	3.0% annually	3.0% annually
Passthrough	Base Year 2019	Base Year 2019	Base Year 2019
RENOVATED BUILDING LEASE TERMS			
DCBA Premises Size	N/A	4,000 SF	N/A
Full Service Rent		N/A	
Estimated Opex as Owner/Occupant		\$12.00 PSF	
TI / FF&E / Cabling		Included in Bldg Reno Expense	
Moving - Return to 123 NW 1st Ave		\$5.00 PSF	
SPECULATIVE LEASES		<u>5 Floors Available</u>	<u>6 Floors Available</u>
Begin Leaseup		1/1/2021	1/1/2021
Leaseup Quarterly:		1Q2021 - 4,000 SF	1Q2021 - 4,000 SF
		2Q2021 - 4,000 SF	2Q2021 - 4,000 SF
		3Q2021 - 4,000 SF	3Q2021 - 4,000 SF
		4Q2021 - 4,000 SF	4Q2021 - 4,000 SF
		1Q2022 - 4,000 SF	1Q2022 - 8,000 SF
Total Speculative Lease SF		20,000 SF	24,000 SF
Full Service Rent		\$35.00 PSF	\$35.00 PSF
Annual Escalation		3.0% annually	3.0% annually
Tenant Improvement Cost		\$10.00 PSF	\$10.00 PSF
Lease Commissions		6.0%	6.0%
DISCOUNT RATE / WACC		8.0%	