



## ORIGINAL LOAN APPROVAL

*All dollar amounts are in USD, unless otherwise noted.*

**FILE NAME:** Blue Lagoon Miami FL  
**LOAN #:** 8830  
**TO:** Wesley Roitman, Mark Hilson, Blake Cassidy  
**FROM:** Sandra Baumann-Chadwick, Jeff Conti  
**DATE:** March 6, 2020

### 1. PROJECT OVERVIEW & RECOMMENDATION

Romspen has been requested to provide first mortgage financing on a 6.9 acre parcel of vacant land located on the north side of NW 7th Street, south of the Dolphin Expressway in Miami, Miami-Dade County, Florida 2 miles south of the Miami International Airport and 5 miles west of the Miami CBD. The subject has been owned by companies related to the guarantor since the 1970s and is one of the only undeveloped parcels in the area. Most new development in the area consists of redevelopment of existing sites. Funds will be used to refinance existing debt, repatriate \$2 million in equity, pay fees and transaction costs and provide funding necessary to take the property to the point where the Borrower could a) commence construction, b) ground lease the property to another developer for continuation of the development or c) sell the property. All these options are currently under consideration. The proposed development which will be known as Towers at Blue Lagoon will consist of a total of 888 residential units and 291 hotel keys.

The Borrowers 7 at Blue Lagoon (1), LLC and 7 at Blue Lagoon (2), LLC hold the subject property and are 100% owned by the guarantor Caroline Weiss. Caroline started The Weiss Group of Companies in 1969. The company has extensive multi-family, mixed use, waterfront and land development expertise with a focus on South Florida urban infill and waterfront locations. Caroline Weiss has developed 2,860 acres of land infrastructure for pre-developments, 5,159 units of combined garden, mid-rise and high-rise multi-family residential apartments and over 2 million sq. ft. of commercial space including hospitality. Caroline is 82 years old. Her daughter Alitza Warwar Weiss works with her.  
<https://theweissgroupofcompanies.com/>

There are two pending lawsuits relating to this property and the guarantor. One involves Caroline's daughter Adeena and the second the Blue Lagoon Condominium Association which is the property located next door to the subject. The lawsuit commenced by her daughter Adeena is still before the courts and there is no time frame for resolution of same. There have been no discussions to the effect that future advances will be contingent on this lawsuit being dealt with. With respect to the Blue Lagoon Condominium Association lawsuit, we have received an opinion from the borrower's attorney that it is unlikely that such lawsuit will be successful. Any future advance of funds by us after the initial advance will be contingent on Romspen being satisfied that the lawsuit will be dismissed.

## 2. LOAN SUMMARY & KEY METRICS

### 2.1 Credit Metrics

Loan Amount:	\$21,300,000
Interest Rate:	10.25%
Interest Payment	Interest Only
Loan Term:	24 months
Extension Option:	Two six-month extension options
Amortization:	n/a – Interest only
Lender Fees:	\$479,250 (2.25%)
LTV Range:	65% if fully advanced. 42% first advance plus interest reserve
Prepayment Terms:	On any payment date subject to one month written notice and one-month additional interest as bonus
Exit Fees:	n/a
FX Hedging:	Romspen
Deal Source:	Eyzenberg & Company

### 2.2 Primary Security Summary

1 <sup>st</sup> Mortgage Charge:	\$21,300,000
Description:	6.9 acres (300,564 sq. ft.) of land located at 4865 NW 7 <sup>th</sup> Street, Miami, Florida 33126. The property is fully entitled and zoned for up to 888 residential units, 291 hotel rooms and 1,380 parking spaces. The first phase of the master plan development for the property is construction of a two-building, 428-unit multi-family project including 551 structured parking spaces.
Subsequent Debt:	n/a

### 2.3 Collateral Security Summary

n/a

### 2.4 Borrowers & Covenantors

Borrower:	7 at Blue Lagoon (1), LLC and 7 at Blue Lagoon (2) LLC
Guarantors:	Caroline Weiss

## 3. SOURCES & USES OF FUNDS

Sources of Funds:		Uses of Funds:		First Advance	Reserves
Romspen mortgage	\$21,300,000	Refinance existing first mortgage	\$8,000,000	\$ 8,000,000.00	\$0
		Pre-development hard costs	\$1,850,000	\$ -	\$1,850,000
		Pre-development soft costs	\$5,400,000	\$ -	\$5,400,000
		Equity repatriation	\$2,000,000	\$ 2,000,000.00	\$0
		Interest Reserve	\$3,275,000	\$ -	\$3,275,000
		Romspen Fees	\$479,250	\$ 426,000.00	\$53,250
		Broker Fees	\$213,000	\$ 159,750.00	\$53,250
		Closing Costs	\$82,750	\$ 82,750.00	\$0
Total Sources	\$21,300,000	Total Uses	\$21,300,000	\$10,668,500	\$10,631,500

## 4. SECURITY DESCRIPTION & DETAILS

### 4.1

#### 4.1.1 Security Description

##### 4865 NW 7<sup>th</sup> Street, Miami, Florida 33126

The subject is a 6.9-acre parcel of vacant land located in the northeastern portion of Miami-Dade County. More specifically, it is located on the north side of NW 7th Street, south of the Dolphin Expressway in Miami, Miami-Dade County, Florida 2 miles south of the Miami International Airport and 5 miles west of the Miami CBD. All usual municipal services are available on site.

Miami-Dade is one of the three counties in South Florida that make up the Miami metropolitan area. Its estimated population in 2018 was about 2.76 million making it the most populous county in Florida and seventh most populous in the United States. The northern, central and eastern portions of the county are heavily urbanized with many high-rise buildings along the coastline including South Florida's CBD and downtown Miami. Top private employers in the county include the University of Miami, Baptist Health South Florida, American Airlines and Carnival Cruise Lines.

Primary regional access routes include Interstate 75 and 95, as well as Florida's Turnpike, a limited-access toll expressway with a north/south orientation that intersects with the Dolphin Expressway (State Route 836) running in an east/west direction through the subject market. The Dolphin Expressway provides highway access between Interstate 95 in Downtown Miami and Florida's Turnpike, to the west. Additional highway access is provided via Airport Expressway, which runs east/west from Interstate 95. The Palmetto Expressway located at the western boundary of the area is a north/south thoroughfare that provides access around the center of the city. This highway extends to Interstate 75 and also connects to Interstate 95 in northern Miami-Dade County. Access from the downtown Miami area to Miami Beach is provided primarily by an extension of State Route 836 (Interstate 395), known as the MacArthur Causeway; the John F. Kennedy Causeway; and Interstate 195 (also known as the Julia Tuttle Causeway).

Regional access to/from the city of Miami and the subject site is excellent. Access is provided by LeJeune Road (NW 42nd Avenue), which is a heavily traveled commercial corridor that intersects the Dolphin Expressway and the Airport Expressway and provides access to the Miami International Airport. Public transportation provided by Miami-Dade County provides access from the Florida Keys to the south and Fort Lauderdale to the north. Public transportation is considered average when compared to other areas; the primary mode of transportation in the area is the automobile.

The subject is one of the only undeveloped parcels in the area. Most new development in the area consists of redevelopment of existing sites.

The proposed improvements which will be known as Towers at Blue Lagoon are to include a half-dozen new buildings constructed in phases. The Miami City Commission approved a final reading of a request changing the zoning classification of the properties from T6-8L Urban Core - Limited to T6-12-L Urban Core Limited on March 28, 2019. The zoning amendment changes the allowable height of structures from 12 to 16 stories. Approvals are in place for up to 888 apartments and 291 hotel rooms. Covenants associated with the approval include:

- Developing substantially in accordance with a plan prepared by Kobi Karp Architecture & Interior Design Inc. dated August 16, 2018
- Nothing can be taller than 180 ft.
- Job creation and employment opportunities
- Affordable, workforce and market rate housing
- Contributions to local schools, public art funds and parks
- Construction of right-of-way improvements along the project entrance as well as ingress/egress lanes
- Installing an aerator in adjacent submerged lands in Blue Lagoon

The property was bought by a company related to the guarantor for \$1.65 million on December 1, 1979. Two parcels transferred between related parties for no monetary exchange on June 10, 2016. One parcel transferred between related parties for no monetary exchange on December 19, 2017.

#### **4.1.2 Location Maps**





#### 4.1.3 Site Pictures





#### 4.1.4 Market Analysis

- As indicated in the appraisal, the subject's immediate market is defined by its proximity to the Miami International Airport, one of South Florida's most traveled airports, within close proximity to Miami's downtown business district. This area is well-situated to take advantage of the surrounding tourist and business-related activities. Principal reasons for the area's positive outlook are its excellent access to major attractions serving the market, the area-wide highway system, and the nearby train station. The forecast growth in tourism and population for this community is seen as a positive. The area is in a growth stage of its life cycle and Miami-Dade County has been experiencing a significant increase in land values and sales over the past 2-3 years as developers realize the county is land-locked and is limited by the number of large sites available for future development. Most new development consists of redevelopment of existing sites. Location just south of the Miami International Airport in the middle of Miami-Dade County increases the future marketability of the site.
- Q22019 Quarterly Housing Report for Miami-Dade County prepared by Reinhold P. Wolff Economic Research Inc. Findings in the report are:
  - Housing market of Miami-Dade County improved somewhat from the fourth quarter of 2018 to the first quarter of 2019 as measured by housing absorption.
  - Vacancy rate in apartment developments declined from 3.7% to 3.6% from February to May 2019. Vacancy is considerably lower than the 5% rate in May 2018.
  - The overall average rent for apartments was 3.8% higher than the average rent a year ago.
  - Estimated demand for additional apartment units from 2019-2022 is 12,678 per year. At this demand level, the market could support up to 6,339 available new units.
  - Average rents per sq. ft. are:

	Average Rent/ Sq. Ft.	Average Size Market Sq. Ft.	Average Size Subject Phase I Sq. Ft.
All Apartments	\$2.11	918	860
Efficiency	\$3.06	502	480
One-bedroom	\$2.26	755	800
Two-bedroom	\$2.00	1,056	940
Three-Bedroom	\$1.92	1,283	1,250

- Rents from survey are not necessarily representative of rents in new rental development as project sample included some small and older complexes.
- Affordable developments are excluded from the regular survey. Miami-Dade has 117 developments containing 17,450 units. Vacancy rate is .5% and average rents are 50.4% lower than the average rents found in market rent developments.
- Current listing – Redevelopment Site for Sale – 2750 NW S. River Drive, Miami
  - Asking price \$15,000,000 or \$26,132 per unit.
  - 3.83-acre site along the Miami River currently operates as a Mobile Home Park with 100 sites.
  - Water Frontage on the Southern and Western Borders.

- o Contiguous to a high-density development known as "Miami River Rapids," with entitlements permitting up to 1,590 units in four towers ranging from 12—15 stories.
  - o The land allows up to 834,174 SF (1,042,717 SF with Bonus) under Miami 21 zoning T 6-8-0 permitting 574 units (150/units per acre).
  - o Site is contiguous to "Miami River Rapids" a +/- 12-acre development site with entitlements for 1,590 residential units.
  - o Close proximity to Miami's Largest Employment Centers - half mile to Miami International Airport, 2 miles to Miami Health District and 3.5 miles to Downtown/Brickell Financial District. .
- Hotel land hotel transactions not included in the appraisal:
  - o 8975 NW 25<sup>th</sup> Street, Dorval.
    - Closed March 2019
    - 83,200 sq. ft.
    - \$27,319.40/key
  - o NW 25th Street and NW 34<sup>th</sup> Avenue, Miami
    - Closed April 2019
    - 43,168 sq. ft.
    - \$21,837.93/key
- In their H1 2019 U.S. Multifamily report, CBRE reports that multi-family cap rates and expected returns on cost remained at historically low levels in the first half of 2019. The average cap rate for all stabilized infill assets at the end of H1 2019 was 5.20%, the lowest among all commercial real estate sectors and the lowest since CBRE began conducting the survey in 2009. Of the 50 multi-family markets surveyed, about 1/3 had average cap rates for Class B infill assets under 5%. San Jose and San Francisco had the lowest rates at 4.25% followed by Ft. Lauderdale, Miami, Orange County, Austin and Honolulu. They report cap rates for S. Florida: Miami as follows:

	<b>Class A</b>	<b>Class B</b>
Infill	4.25%-4.50%	4.25% - 4.75%
Suburban	4.50%-4.75%	4.25%-4.75%

- Residential rental rates in the neighbourhood:

<b>Project</b>	<b>Address</b>	<b>Rent range</b>	<b>Size Range</b>	<b>Per Sq. Ft.</b>	<b>Built</b>
Soleste Blue Lagoon	5375 NW 7th Street	\$ 1,534.00	400.00	\$ 3.84	2019
		\$ 3,260.00	1,140.00	\$ 2.86	
La Vida Apartments	6600 NW 7th Street	\$ 1,865.00	728.00	\$ 2.56	2018
		\$ 2,950.00	1,295.00	\$ 2.28	
Royal Palms	7707 NW 7th Street	\$ 1,662.00	845.00	\$ 1.97	2005
		\$ 2,321.00	1,426.00	\$ 1.63	

- Rents for affordable and workforce unit are dependant on income. The following applies to Miami-Dade County:



Miami Dade County		Rent Limit		Number of bedrooms		
Affordable - 60% and below.		Workforce 60% to 140%				
Percentage Category		0	1	2	3	
20%	\$	296.00	\$	317.00	\$	440.00
25%	\$	370.00	\$	397.00	\$	550.00
28%	\$	415.00	\$	444.00	\$	616.00
30%	\$	444.00	\$	476.00	\$	660.00
33%	\$	489.00	\$	524.00	\$	726.00
35%	\$	518.00	\$	556.00	\$	770.00
40%	\$	593.00	\$	635.00	\$	881.00
45%	\$	667.00	\$	714.00	\$	991.00
50%	\$	741.00	\$	794.00	\$	1,101.00
Average	\$	503.67	\$	539.67	\$	748.33
60%	\$	889.00	\$	953.00	\$	1,321.00
70%	\$	1,037.00	\$	1,112.00	\$	1,541.00
80%	\$	1,186.00	\$	1,271.00	\$	1,762.00
120%	\$	1,779.00	\$	1,906.00	\$	2,643.00
140%	\$	2,075.00	\$	2,224.00	\$	3,083.00
Average	\$	1,393.20	\$	1,493.20	\$	2,070.00

#### 4.1.5 Property Condition

n/a - land

#### 4.1.6 Environmental

Phase I Environmental Site Assessment Report prepared by Professional Services Industries, Inc. for Romspen dated December 11, 2019 on file. The property was undeveloped from at least 1945 to 1974. It was improved with a two-storey residential apartment structure from 1974 to 1998. Since 1999, the property is undeveloped land which has been cleared and graded. The report recommends no further assessment for Recognized Environmental Conditions in connection with the subject property at this time.

#### 4.1.7 Zoning and Planning Issues

T6-12-L Urban Core Limited which permits single-family and multi-family residences, hotels, bed & breakfasts, inns and office space (in a limited capacity).

#### 4.1.8 Geotechnical Issues

n/a – land only

#### 4.1.9 Property Inspection

January 7, 2020 by Wes Roitman and Jeff Conti

#### 4.1.10 Insurance Review

Reviewed by Proincon – no issues identified.

#### 4.1.11 Third Party Appraisal

Appraisal report addressed to Romspen prepared by Integra Realty Resources dated September 27, 2019 on file. The appraiser considers development of the site for mixed commercial/residential use to be the highest and best use. He uses the sales comparison approach to develop an opinion as if vacant and available to be developed to its highest and best use. The appraiser considers the highest and best use to be development of the site for mixed (commercial/residential) use. The value is subject to the extraordinary assumption and hypothetical condition that the property was rezoned from T6-8-L Urban Core – Limited to T6-12-L Urban Core limited which allows for a height increase from 12 to 16 stories. The appraiser indicates that the plan is for development of 884 apartments and 433 total hotel rooms (which is different from the actual approvals in place of 888 apartments and 291 hotel rooms). The appraiser uses the sale comparison approach in developing an opinion of value given that there is an active market for similar properties and sufficient sales data for the analysis.

#### Residential land

- The appraisal uses a price per unit as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis.
- The appraiser reviews 10 sales (found in the addenda) in Miami Dade that transacted between April 2017 and May 2018. Unadjusted sale prices ranged from \$20,260 per unit to \$82,972 per unit. Adjusted sale prices range from \$22,691 per unit to \$67,207 per unit.

- Considering the subject's location, they conclude towards the higher end of the arrange and arrive at a land value conclusion as follows:
  - \$55,000 x 884 units = \$48,600,000 (rounded)
  - Adjusted for 888 units (Romspen's understanding of allowable number of units) value would be \$48,840,000

#### Hotel land

- The appraisal uses a price per unit as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis.
- The appraiser reviews 6 sales (found in the addenda) in Miami Dade and Broward that transacted between January 2017 and July 2019. Unadjusted sale prices ranged from \$21,176 per unit to \$64,207 per unit. Adjusted sale prices range from \$21,388 per unit to \$79,057 per unit.
- The appraiser gives equal weight to all sales and arrive at a value conclusion as follows:
  - \$40,000 x 443 units = \$17,300,000 (rounded)
  - Adjusted for 291 units (Romspen's understanding) value would be \$11,640,000

Total appraised value (adjusted for correct number of units) is \$60,480,000. Loan to appraised value is 35%

## 5. BORROWERS & GUARANTORS

The Borrowers 7 at Blue Lagoon (1), LLC and 7 at Blue Lagoon (2), LLC hold the subject property. The companies are 100% owned by Caroline Weiss who will provide her personal guarantee. Caroline started The Weiss Group of Companies in 1969. The company has extensive multi-family, mixed use, waterfront and land development expertise with a focus on South Florida urban infill and waterfront locations. Caroline Weiss has developed 2,860 acres of land infrastructure for pre-developments, 5,159 units of combined garden, mid-rise and high-rise multi-family residential apartments and over 2 million sq. ft. of commercial space including hospitality. Caroline is 82 years old. Her daughter Alitza Weiss works with her. <https://theweissgroupofcompanies.com/>

Notwithstanding various requests, we have been unable to validated the Guarantor's net worth statement. A letter from Wald And Cohen, P.A., Certified Public Accountants dated January 6, 2020 indicates that the principal assets owned by Ms. Weiss are the 12 acres at Towers of Blue Lagoon and 5 residential acres at 3187 Royal Road. The 12 acres at Blue Lagoon include the subject as well as submerged lands which do not form part of our security. Part of her personal residence was appraised for \$2.8 million January 12, 2020. The guarantor reports no cash.

There are two pending lawsuits relating to this property and the guarantor. One involves Caroline's daughter Adeena and the second the Blue Lagoon Condominium Association which is the property located next door to the subject. The lawsuit commenced by her daughter Adeena is still before the courts and there is no time frame for resolution of same. There have been no discussions to the effect that future advances will be contingent on this lawsuit being dealt with. With respect to the Blue Lagoon Condominium Association lawsuit, we have received an opinion from the borrower's attorney that it is unlikely that such lawsuit will be successful. Any future advance of funds by us after the initial advance will be contingent on Romspen being satisfied that the lawsuit will be dismissed.

Equifax report for Caroline Weiss dated January 22, 2020 reports score of 601 and an R9 payment to Citi. All other dealings are satisfactory. We have been advised that there was a dispute between Caroline and Rooms to Go on furniture that they charged her that was never delivered but was billed during the ongoing dispute. Caroline advises that it was ultimately resolved a couple of months ago and that she requested the account be closed. The Equifax statement does state that the account was closed at owner's request.

## 6. AML

The file is AML compliant.

## 7. VALUATION

- We consider the appraised value to be unrealistically high. In order to arrive at the underwriting value, we estimate the residual value of the Phase I development and the value of the remaining undeveloped residential/hotel lands (which will be developed in later phases).



### Residual Value – Phase I

- Phase I of the project will comprise 428 residential units and 551 structured parking spaces. Suite mix is as follows:

Phase I	# of Units	Average Sq. Ft.
Studios	39	480
1 BR	190	800
2 BR	166	940
3BR	33	1,250
<b>Total/Average</b>	<b>428</b>	<b>860</b>
Affordable units	27	6%
Workforce units	42	10%

- Rental income for Phase I is estimated to be approximately \$11.38 million (refer to Appendix III). Income estimate considers the requirement that 6% of units in Phase 1 be affordable and 10% of units be workforce.
- We estimate Net Operating Income for Phase I to be approximately \$7.497 million (refer to Appendix IV). Applying a 5.15% capitalization rate, we arrive at a value for Phase I of \$145.6 million or approximately \$340,000/suite.
- The residual land value for Phase I is estimated to be \$14.5 million as follows:

Value per unit with 5.15% Capitalization Rate	\$ 145,588,116.90	\$ 340,159.15	5.15%
Hard Cost	\$ 92,002,500.00		
Soft Cost	\$ 11,040,300.00		
Developer	\$ 15,456,420.00		
Cost to bring to permit	\$ 12,570,000.00		
Residual Phase I Value	\$ 14,518,896.90		

Hard costs, soft costs and costs to bring to permit as based on budgets provided by the Borrower. Budgets have not been reviewed by a cost consultant.

### Undeveloped Residential Land

- We consider the most comparable residential trade in the appraisal to be Gibraltar Sites/Sonesta Blue Lagoon which traded at \$20,620 per unit on April 2017. In order to bring the value to today's dollar, we assume a 3% increase for 2018 and 2019 to arrive at a current price of \$21,875.76 per unit.
- 2750 NW S. River Drive, Miami is currently listed for sale at an asking price of \$15 million or \$26,132 per unit. We consider our site to be superior given its zoning and location and consider a price of \$28,000 to be reasonable for the subject.
- We estimate the land value to be the average of these transactions or \$24,950 per unit. The estimated value of the undeveloped residential land is \$11,477,000 ((888-428 units) x \$24,950).

### Undeveloped Hotel Land

- The most comparable hotel land trades in the appraisal range from \$19,249 per key to \$32,933 per key with an average of \$26,778.33
- The average of the two 2019 hotel land trades not listed in the appraisal is \$24,000 per key.
- We estimate the hotel land value to be the average of the current hotel listings or \$24,000 per key. The estimated value of the undeveloped hotel land is \$6,984,000.

### Total Value

Residual land value Phase 1	\$ 14,500,000.00
Land 460 residential @\$24,950	\$ 11,477,000.00
Hotel 291 units @ \$24,000	\$ 6,984,000.00
	\$ 32,961,000.00

Given a fully advanced loan of \$21.3 million, loan-to-value would be 64.6%

## 8. DEAL STRENGTHS & MAJOR RISKS

### Strengths

- Well located parcel of land which is the only undeveloped parcel in the area.
- Zoning in place to build 888 residential units and 291 hotel units.
- Parcels can be developed in phases.
- Experienced owners and developers of real estate.

### Major Risks

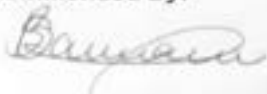
- Land loan which generates no income. No verifiable income from other sources provided which would be available to service the debt once the interest reserve is exhausted.
- Guarantor's age is not conducive to her development of the project.

### 9. EXIT STRATEGY & REPAYMENT

Loan will be repaid in full from proceeds of the sale of the asset or from the proceeds of construction financing when construction of Phase 1 commences.

### 10. RECOMMENDATION & APPROVAL

Recommended By:



Sandra Baumann-Chadwick  
Senior Mortgage Underwriter

Approved By:



Mark Hilson  
Managing General Partner

Originated By:

Jeff Conti

  
Wesley Roitman  
Managing General Partner  
Blake Cassidy  
Managing Partner

### LIST OF APPENDICES

APPENDIX I	Residential Land Comparables – Appraisal
APPENDIX II	Hotel Land Comparables – Appraisal
APPENDIX III	Rental Pro Forma Romspen – Phase I
APPENDIX IV	Phase I Residual Land Value – Romspen Estimate



## **Total Value**

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Given a fully advanced loan of \$21.3 million, loan-to-value would be 64.6%

## **8. DEAL STRENGTHS & MAJOR RISKS**

### **Strengths**

- Well located parcel of land which is the only undeveloped parcel in the area.
- Zoning in place to build 888 residential units and 291 hotel units.
- Parcels can be developed in phases.
- Experienced owners and developers of real estate.

### **Major Risks**

- Land loan which generates no income. No verifiable income from other sources provided which would be available to service the debt once the interest reserve is exhausted.
- Guarantor's age is not conducive to her development of the project.

## **9. EXIT STRATEGY & REPAYMENT**

Loan will be repaid in full from proceeds of the sale of the asset or from the proceeds of construction financing when construction of Phase 1 commences.

## **10. RECOMMENDATION & APPROVAL**

**Recommended By:**


**Approved By:**

\_\_\_\_\_  
**Sandra Baumann-Chadwick**  
**Senior Mortgage Underwriter**

\_\_\_\_\_  
**Mark Hilson**  
**Managing General Partner**

\_\_\_\_\_  
**Originated By:**

\_\_\_\_\_  
**Wesley Roitman**  
**Managing General Partner**

  
\_\_\_\_\_  
**Jeff Cont**

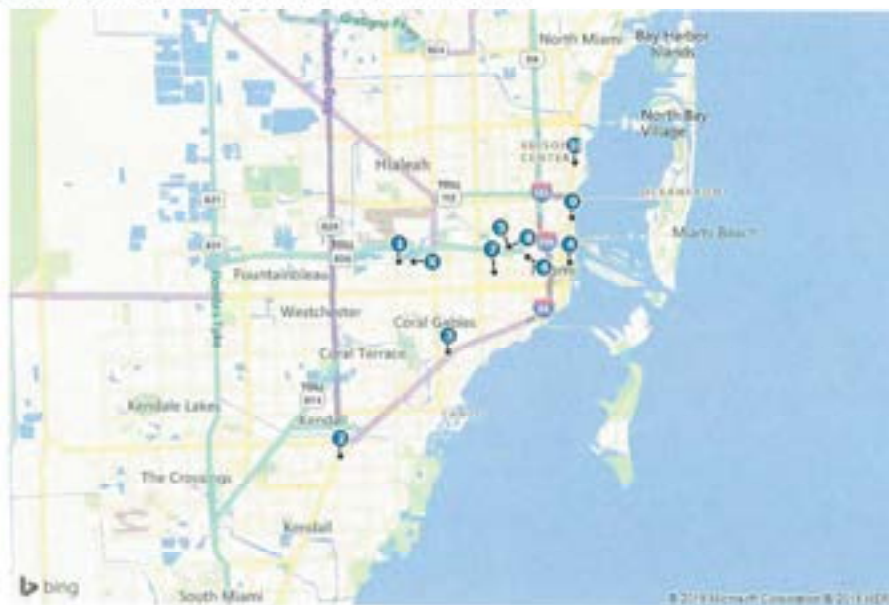
\_\_\_\_\_  
**Blake Cassidy**  
**Managing Partner**

## **LIST OF APPENDICES**

The following table summarizes the adjustments we make to each sale

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### Comparable Land Sales Map – Apartment Pad



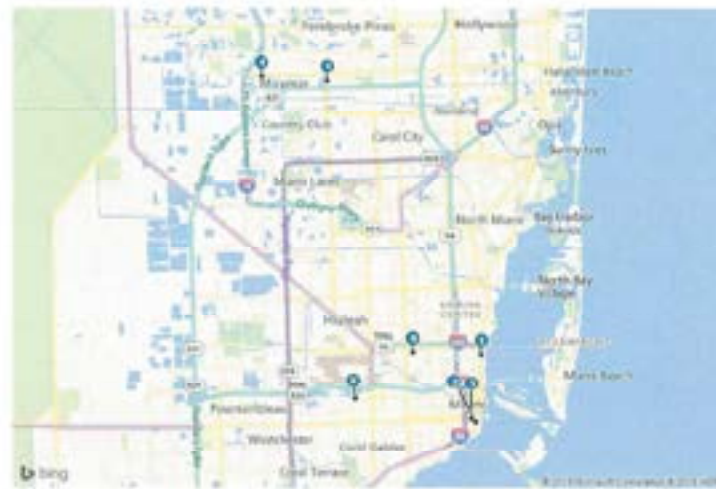


## APPENDIX II Hotel Land Comparables - Appraisal

Land Sales Adjustment Grid - Hotel Sites

Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6
Name	Timbers at Blue Springs	Palms Hotel Site	Perimeter's (Land)	Minner Hotel Land	Providence Land	31 Sites Site
Address	4815 NW 7th St.	3347 Wilkayne Blvd.	915 S. Miami Ave.	3612 NW 4th St.	506 S.W. 8th Ave.	315 SW 8th St.
City	Miami	Miami	Miami	Miami	Miami	Miami
County	Miami-Dade	Miami-Dade	Miami-Dade	Broward	Broward	Miami-Dade
State	Florida	FL	FL	FL	FL	FL
Sale Date	Jul-18	Apr-17	May-17	May-17	Jan-17	Jul-15
Sale Status	Closed	Closed	Closed	Closed	Closed	Closed
Sale Price	\$7,000,000	\$16,380,167	\$1,275,000	\$1,400,000	\$24,400,000	\$1,600,000
Price Adjustment	-	-	-	-	-	-
Description of Adjustment	-	-	-	-	-	-
Effective Sale Price	\$7,000,000	\$16,380,167	\$1,275,000	\$1,400,000	\$24,400,000	\$1,600,000
Square Feet	86,881	25,280	25,956	21,512	25,282	83,368
Acres	2.27	0.46	0.25	0.54	0.45	0.66
Number of Units	833	0.17	0.10	0.17	0.10	0.39
Price per Unit		\$11,895	\$44,267	\$17,116	\$12,656	\$40,942
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		-	-	-	-	-
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		-	-	-	-	-
Conditions of Sale		-	-	-	-	-
% Adjustment		-	-	-	-	-
Market Conditions	6/27/2019	Jul-18	Apr-17	May-17	May-17	Jan-17
Amount % Adjustment	1%	0%	0%	0%	0%	0%
Comparable Adjusted Price		\$16,342	\$70,628	\$79,042	\$15,594	\$79,817
Location		-25%	-25%	-20%	-20%	-25%
Access/Rampage		-	-	-	-	-
Size		-80%	-20%	-	-	-20%
Shape and Topography		-	-	-	-	-
Zoning		-	-	-	-	-
Set Backs		-	-	-	-	-
Adjustment F		-	-	-	-	-
Adjustment G		-	-	-	-	-
Net % Adjustment		\$16,356	\$70,739	\$79,094	\$15,559	\$79,670
Net % Adjustment		0%	0%	0%	0%	0%
Final Adjusted Price		\$16,354	\$70,808	\$79,093	\$15,557	\$79,669
Overall Adjustment		0%	0%	0%	0%	0%
Range of Adjusted Prices		\$15,349 - \$51,387				
Average		\$25,473				
Indicated Value		\$40,000				

Comparable Land Sales Map - Hotel Sites



**APPENDIX III      Rental Pro Forma – Romspen – Phase I**

<b>Phase I</b>	<b># of Units</b>	<b>Average Sq. Ft.</b>	<b>Rent Estimate Market Units</b>	<b>Per Sq. Ft.</b>
Studios	39	480	\$ 1,600.00	\$ 3.33
1 BR	190	800	\$ 2,200.00	\$ 2.75
2 BR	166	940	\$ 2,650.00	\$ 2.82
3BR	33	1,250	\$ 3,300.00	\$ 2.64
<b>Total/Average</b>	<b>428</b>	<b>860</b>		
Affordable units	27	6%		
Workforce units	42	10%		

<b>Rental Revenues</b>	<b>Units</b>	<b>Rent</b>	
Studios - Market	33	\$ 1,600.00	\$ 633,600.00
Studio Affordable	2	\$ 504.00	\$ 12,096.00
Studio Workforce	4	39 \$ 1,393.00	\$ 66,864.00
1 Bedroom - Market	159	\$ 2,200.00	\$ 4,197,600.00
1 bedroom - affordable	12	\$ 540.00	\$ 77,760.00
1 bedroom - Workforce	19	190 \$ 1,493.00	\$ 340,404.00
2 Bedroom - Market	139	\$ 2,650.00	\$ 4,420,200.00
2 bedroom - affordable	11	\$ 648.00	\$ 85,536.00
2 bedroom - workforce	16	166 \$ 1,793.00	\$ 344,256.00
3 Bedroom - Market	28	\$ 3,300.00	\$ 1,108,800.00
3 bedroom - affordable	2	\$ 748.00	\$ 17,952.00
3 bedroom - workforce	3	33 \$ 2,070.00	\$ 74,520.00
			\$ 11,379,588.00
Total workforce	42		
Total affordable	27		
Total market	359		
	428		



**APPENDIX IV Phase I Residual Value – Romspen Estimate**

<b>NOI Pro Forma Phase I Romspen</b>		<b>Per unit / month</b>	
Rental Income	\$ 11,379,588.00	\$ 2,215.65	
Vacancy 5%	\$ 568,979.40	\$ 110.78	
Collection 1%	\$ 113,795.88	\$ 22.16	
Net Rental Revenue	\$ 10,696,812.72	\$ 2,082.71	
Other Income	\$ 500,000.00	\$ 97.35	
Effective Gross Income	\$ 11,196,812.72	\$ 2,180.06	
Real Estate Taxes	\$ 1,560,000	\$ 303.74	
Insurance	\$ 256,800	\$ 50.00	
Repairs & Maintenance	\$ 642,000	\$ 125.00	
Utilities	\$ 385,200	\$ 75.00	
Management Fees	\$ 391,888	\$ 76.30	
General & Admin	\$ 223,936	\$ 43.60	
Advertising / Marketing	\$ 175,000	\$ 34.07	
Reserves	\$ 64,200	\$ 12.50	
<b>Total Operating Expenses</b>	\$ 3,699,025	\$ 720.22	33%
<b>NOI</b>	\$ 7,497,788.02	\$ 1,459.85	67%
Value per unit with 5.15% Capitalization Rate	\$ 145,588,116.90	\$ 340,159.15	5.15%
Hard Cost	\$ 92,002,500.00		
Soft Cost	\$ 11,040,300.00		
Developer	\$ 15,456,420.00		
Cost to bring to permit	\$ 12,570,000.00		
Residual Phase I Value	\$ 14,518,896.90		