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June 26, 2020

To:

Related Commercial Portfolio Ltd.

RE: Value Appraisals – Consent to include within Financial Statements

We hereby give our full consent to Related Commercial Portfolio Ltd. (the "**Company**") to the inclusion of our Appraisal Report dated June 15, 2020 (Effective date – March 31, 2020) regarding **Bronx Terminal Market**, in its entirety, within the Company's Financial Statements for March 31, 2020, to be published by the Company no later than June 30, 2020, and any ensuing financial statements, and within any other filing to be filed and/or disclosed by the Company to the Israel Securities Authority and/or to be published by the Company.

In addition, we hereby give our full consent to the inclusion of a copy of this letter within the Company's Financial Statements and other filings as aforesaid.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Robert S. Nardella", written over a faint, light blue grid background.

Robert S. Nardella, MAI, MRICS
Executive Managing Director

RSN:pl



APPRAISAL OF REAL PROPERTY

Bronx Terminal Market
4-Story Retail Power Center
658 River Avenue
Bronx, Bronx County, NY 10451

IN AN APPRAISAL REPORT

As of March 31, 2020, Retrospective Value

Prepared For:

Related Commercial Portfolio, LTD. c/o Related Companies
60 Columbus Circle
New York, NY 10023

Prepared By:

Cushman & Wakefield, Inc.
Valuation & Advisory
1290 Avenue of the Americas, 9th Floor
New York, NY 10104-6178
C&W File ID: 20-12002-901124-002



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June 15, 2020

Mr. David Zussman
Related Commercial Portfolio, LTD. c/o Related Companies
60 Columbus Circle
New York, NY 10023

Re: Appraisal of Real Property
In An Appraisal Report

Bronx Terminal Market
4-Story Retail Power Center
658 River Avenue
Bronx, Bronx County, NY 10451

C&W File ID: 20-12002-901124-002

Dear Mr. Zussman:

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our appraisal of the above property in An Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP). In accordance with USPAP, the use of this report is restricted to the client only.

In recent times, the CRE market has been driven by investor demand and strong liquidity. Asset values can fall significantly in short periods of time if either of these two factors, often in conjunction with many others, change significantly. While Cushman & Wakefield is closely monitoring the latest developments resulting from the COVID-19 pandemic, and will continue to provide updates as events unfold, the reader is cautioned to consider that values and incomes are likely to change more rapidly and significantly than during standard market conditions. Furthermore, the reader should be cautioned and reminded that any conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property(ies) of this event, or any event, subsequent to the effective date of the appraisal.

The appraisal report is intended to provide an opinion of the market value of the leasehold estate of the subject property for an internal review by the client. This report is not intended for any other use. This report was prepared for the exclusive use of Related Commercial Portfolio, LTD. c/o Related Companies and their participant lenders are the intended users.

Client:	Mr. David Zussman Related Commercial Portfolio, LTD. c/o Related Companies 60 Columbus Circle New York, NY 10023
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Intended User:	Related Commercial Portfolio, LTD. c/o Related Companies and their participant lenders, are the only Intended Users.
Intended Use:	IFRS financial statements in connection with a potential corporate financing.
Identification of the Real Estate:	Bronx Terminal Market 4-Story Retail Power Center 658 River Avenue Bronx, NY 10451
Current Use:	<p>Bronx Terminal Market is a 4-story retail power center that contains a total of 918,778 square feet of gross leasable area (GLA) and a 6-level parking garage with 2,575 spaces. The subject property also includes two 1-story retail/commercial buildings. The subject improvements are situated on a 16.8-acre site. The subject retail center is anchored by Target, BJ's Wholesale Club, and Home Depot, which occupy 443,500 square feet or 48.3 percent of the property on a long-term basis.</p> <p>The subject property has been ground leased on a net basis for a base term of 49 years through September 13, 2055. In addition, the ground lease can be extended for five additional 10-year renewal terms extending the lease through September 13, 2105.</p>
Highest and Best Use (As If Vacant):	It is our opinion that the Highest and Best Use of the entire site as if vacant is a mixed-use development comprising of residential units on the upper floors, and multi-level retail space on the lower floors.
Highest and Best Use (As Improved):	It is our opinion that the Highest and Best Use of the site as improved is as it is currently improved.
Type of Value:	Market Value (defined later in this report)
Sales History:	To the best of our knowledge, the property has not transferred within the past three years.
Real Property Interest Valued:	Leasehold Estate
Date of Inspection:	April 30, 2020
Effective Date of Value:	March 31, 2020, Retrospective Value
Date of Report:	June 15, 2020

Extraordinary Assumptions:	This appraisal employs the following extraordinary assumptions: 1) The subject site is ground leased until September 13, 2055, with 5 consecutive 10 year renewal options by BTM Development Partners LLC (c/o Related Companies) from the City of New York. As per Section 12.1 of the ground lease, the tenant is responsible for transaction payments in the event of a sale or financing. Since our market value estimate assumes a sale of the property as of the date of value, we have adjusted our market value estimate by the defined 7.5 percent of net sale proceeds obligated to be distributed to the landlord (New York City). We have been provided with the information which details the anticipated transaction costs related to a potential sale of the subject property. Some of the deductions defined in the ground lease in calculating the transaction payment apply to both refinancing or a sale. Therefore, we have utilized the applicable deductions which were made available by the ownership in calculating the Net Sale Proceeds and the Transaction Payment. We have assumed that the information provided by the owner regarding the allowable deductions is accurate. If the provided information is not accurate, we reserve the right to amend our value conclusion 2) Due to the impact of the COVID-19/Coronavirus pandemic, an exterior inspection of the property was performed. This report is being completed under the extraordinary assumption that a full inspection of the property would not have revealed anything that would have materially impacted our analyses and/or value conclusions. The lack of the interior inspection did not have a negative impact on the creditability of the appraisal process or the value conclusion.
Hypothetical Conditions:	This appraisal does not employ any hypothetical conditions.
Valuation Indices:	
Sales Comparison Approach:	\$615,000,000
Income Capitalization Approach:	\$620,000,000
Opinion of Value:	\$620,000,000 (Market Value As Is on March 31, 2020)
Exposure & Marketing Time:	12 months

Market Value Definition

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:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
- Source: (12 C.F.R. Part 34.42(g) Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

Scope of Work

Scope of work is the type and extent of research and analyses involved in an assignment.¹ To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the relevant characteristics of the subject property, and other pertinent factors. Our concluded scope of work is summarized below, and in some instances, additional scope details are included in the appropriate sections of the report:

Research

- We inspected the exterior of the property and its environs. Physical information on the subject was obtained from the property owner's representative, public records, and/or third-party sources.
- Regional economic and demographic trends, as well as the specifics of the subject's local area were investigated. Data on the local and regional property market (supply and demand trends, rent levels, etc.) was also obtained. This process was based on interviews with regional and/or local market participants, primary research, available published data, and other various resources.
- Other relevant data was collected, verified, and analyzed. Comparable property data was obtained from various sources (public records, third-party data-reporting services, etc.) and confirmed with a party to the transaction (buyer, seller, broker, owner, tenant, etc.) wherever possible. It is, however, sometimes necessary to rely on other sources deemed reliable, such as data reporting services.

Analysis

- Based upon the subject property characteristics, prevailing market dynamics, and other information, we developed an opinion of the property's Highest and Best Use.
- We analyzed the data gathered using generally accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value.
- The results of each valuation approach are considered and reconciled into a reasonable value estimate.

¹ Uniform Standards of Professional Appraisal Practice. 2016-2017 edition. Washington, DC: The Appraisal Foundation 2012.

This report is intended to comply with the reporting requirements outlined under USPAP for a An Appraisal Report

Cushman & Wakefield, Inc. has an internal Quality Control Oversight Program. This Program mandates a “second read” of all appraisals. Assignments prepared and signed solely by designated members (MAIs) are read by another MAI who is not participating in the assignment. Assignments prepared, in whole or in part, by non-designated appraisers require MAI participation, Quality Control Oversight, and signature.

Report Option Description

USPAP identifies two written report options: Appraisal Report and Restricted Appraisal Report. This document is prepared as a Restricted Appraisal Report in accordance with USPAP guidelines. The terms “describe,” “summarize,” and “state” connote different levels of detail, with “describe” as the most comprehensive approach and “state” as the least detailed. As such, the following provides specific descriptions about the level of detail and explanation included within the report:

- States the real estate and/or personal property that is the subject of the appraisal, including physical, economic, and other characteristics that are relevant
- States the type and definition of value and its source
- States the Scope of Work used to develop the appraisal
- States the information analyzed, the appraisal methods used, and the reasoning supporting the analyses and opinions; explains the exclusion of any valuation approaches
- States the use of the property as of the valuation date
- States the rationale for the Highest and Best Use opinion (if included)

Appraisal Methodology

There are three generally accepted approaches to developing an opinion of value: Cost, Sales Comparison and Income Capitalization. In appraisal practice, an approach to value is included or eliminated based on its applicability to the property type being valued and the quality of information available. The reliability of each approach depends on the availability and comparability of market data as well as the motivation and thinking of purchasers.

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. Typical purchasers do not generally rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not utilized the Cost Approach to develop an opinion of market value.

We have relied on the Income Capitalization Approach to reflect the leasing profile and income characteristics associated with the property. Most purchasers of properties comparable to the subject would also rely on the Income Capitalization Approach. We have used the sales comparison approach as a test of reasonableness.

Assumptions and Limiting Conditions

"Report" means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"C&W" means Cushman & Wakefield, Inc. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of C&W who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.
- The information contained in the Report or upon which the Report is based has been gathered from sources the Appraiser assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Appraiser nor C&W shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of C&W any inaccuracies or errors that it believes are contained in the Report.
- The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions in the Report.
- The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of C&W is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. No part of the Report shall be conveyed to the public through advertising, or used in any sales, promotion, offering or SEC material without C&W's prior written consent. Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by C&W in writing to use or rely thereon, hereby agrees to indemnify and hold C&W, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).
- Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.
- The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.
- The physical condition of the improvements considered by the Report is based on visual inspection by the Appraiser or other person identified in the Report. C&W assumes no responsibility for the soundness of structural components or for the condition of mechanical equipment, plumbing or electrical components.
- The forecasted potential gross income referred to in the Report may be based on lease summaries provided by the owner or third parties. The Report assumes no responsibility for the authenticity or completeness of lease information provided by others. C&W recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.

- The forecasts of income and expenses are not predictions of the future. Rather, they are the Appraiser's best opinions of current market thinking on future income and expenses. The Appraiser and C&W make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the date of the Report, envisages for the future in terms of rental rates, expenses, and supply and demand.
- Unless otherwise stated in the Report, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not considered in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The Appraisers are not qualified to detect such substances. C&W recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.
- Unless otherwise stated in the Report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the Property. C&W recommends that an expert in this field be employed to determine the compliance of the Property with the requirements of the ADA and the impact of these matters on the opinion of value.
- If the Report is submitted to a lender or investor with the prior approval of C&W, such party should consider this Report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions and the Assumptions and Limiting Conditions incorporated in this Report.
- In the event of a claim against C&W or its affiliates or their respective officers or employees or the Appraisers in connection with or in any way relating to this Report or this engagement, the maximum damages recoverable shall be the amount of the monies actually collected by C&W or its affiliates for this Report and under no circumstances shall any claim for consequential damages be made.
- If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and C&W, its employees and the Appraiser have no liability to such recipients. C&W disclaims any and all liability to any party other than the party that retained C&W to prepare the Report.
- Unless otherwise noted, we were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
- Unless otherwise noted, we were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.
- Unless otherwise noted, we were not given a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.
- Unless otherwise noted, we observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.
- Unless otherwise noted, we did not inspect the roof nor did we make a detailed inspection of the mechanical systems. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.
- By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

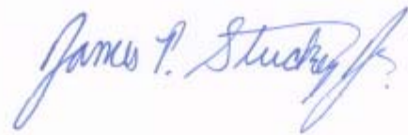
Certification of Appraisal

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

- The statements of fact contained in this report are true and correct.
- 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.
- 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 have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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.
- 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 & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- John A. Katinos, MAI, and James P. Stuckey Jr. did make a personal inspection of the property that is the subject of this report.
- We have performed prior services involving the subject property within the three-year period immediately preceding the acceptance of the assignment.
- Patricia Lohmus provided significant assistance in the preparation of this report.
- As of the date of this report, John A. Katinos, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
- As of the date of this report, James P. Stuckey Jr. has completed all the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.



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Addenda Contents

- Addendum A: Client Satisfaction Survey
- Addendum B: Valuation Methodology
- Addendum C: Comparable Improved Retail Sales
- Addendum D: Ground Rent Calculation
- Addendum E: Qualification of the Appraisers

Addendum A: Client Satisfaction Survey

Survey Link: <https://www.surveymonkey.com/r/LQKCGLF?c=20-12002-901124-002>

C&W File ID: 20-12002-901124-002

Fax Option: (716) 852-0890

1. Based on the scope and complexity of the assignment, please rate the development of the appraisal relative to the adequacy and relevance of the data, the appropriateness of the techniques used, and the reasonableness of the analyses, opinions, and conclusions:

- ☐ Excellent
- ☐ Good
- ☐ Average
- ☐ Below Average
- ☐ Poor

Comments: _____

2. Please rate the appraisal report on clarity, attention to detail, and the extent to which it was presentable to your internal/external users without revisions:

- ☐ Excellent
- ☐ Good
- ☐ Average
- ☐ Below Average
- ☐ Poor

Comments: _____

3. The appraiser communicated effectively by listening to your concerns, showed a sense of urgency in responding, and provided convincing support of his/her conclusions:

☐ Not Applicable

☐ Excellent

☐ Good

☐ Average

☐ Below Average

☐ Poor

Comments: _____

4. The report was on time as agreed, or was received within an acceptable time frame if unforeseen factors occurred after the engagement:

☐ Yes

☐ No

Comments: _____

5. Please rate your overall satisfaction relative to cost, timing, and quality:

☐ Excellent

☐ Good

☐ Average

☐ Below Average

☐ Poor

Comments: _____

6. Any additional comments or suggestions you feel our National Quality Control Committee should know?

7. Would you like a representative of our National Quality Control Committee to contact you?

☐ Yes

☐ No

Name & Phone (if contact is desired):

Contact Information: Rick Zbranek, MAI
Senior Managing Director, National Quality Control
T +1 (713) 963 2863
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Addendum B: Valuation Methodology

INCOME CAPITALIZATION APPROACH

Methodology

The Income Capitalization Approach determines the value of a property based on the anticipated economic benefits. The principle of “anticipation” is essential to this approach, which recognizes the relationship between an asset’s potential future income and its value. To value the anticipated economic benefits of a property, potential income and expenses must be projected, and the most appropriate capitalization method must be selected.

The most common methods of converting net income into value are Direct Capitalization and Discounted Cash Flow. In direct capitalization, net operating income is divided by an overall capitalization rate to indicate an opinion of market value. In the discounted cash flow method, anticipated future cash flows and a reversionary value are discounted to an opinion of net present value at a chosen yield rate (internal rate of return).

Investors acquiring this type of asset will typically look at year one returns but must also consider long-term strategies. Hence, depending on certain factors, each of the income approach methods has merit. Considering all of the aspects that would influence an investment decision in the subject property, both the Direct Capitalization Method and Discounted Cash Flow Methods are appropriate in this assignment.

Potential Gross Income

Potential gross income (income before operating and fixed expenses) is determined by existing contract rents as well as economic rents obtainable for the subject property’s vacant space and space at lease turnover. This income is estimated by forecasting the earning potential of the property under prevailing and foreseeable market conditions. Appropriate allowances for vacancy and operating expenses, based on market conditions, are then deducted from the potential gross income or gross earnings. This process results in an estimate of net monetary benefits to ownership, which can then be capitalized into value.

The total potential gross revenues generated by a retail property are composed of a number of distinct elements: minimum rent determined by lease agreement; additional overage rent based upon a percentage of retail sales; reimbursement of certain expenses incurred in the ownership and operation of the real estate; and other miscellaneous revenues. Minimum base rent represents a legal contract establishing a return to investors in the real estate, while the passing-on of certain expenses to tenants serves to maintain this return in an era of continually rising costs of operation. Additional rent based upon a percentage of retail sales at the subject serves to preserve the purchasing power of the residual income to an equity investor over time.

MINIMUM RENT

Minimum rents produced by the subject property are derived from that paid by the various tenant types. The projection utilized in this analysis is based upon the existing roll and our projected leasing schedule in-place as of the date of appraisal, together with our assumptions as to the absorption of the vacant space, market rent growth, and renewal/turnover probability.

The rental income that an asset such as the subject property will generate for an investor is analyzed as to its quality, quantity, and durability. The quality and probable duration of income will affect the amount of risk that an informed investor may expect over the property’s useful life. Segregation of the income stream along these lines allows us to control the variables related to the center’s forecasted performance with greater accuracy. Each tenant type lends itself to a specific weighting of these variables as the risk associated with each varies.

Minimum rents forecasted at the subject property are essentially derived from various tenant categories, namely specialty tenant revenues consisting of anchor, junior anchor, and in-line space. In our investigation and analysis of the marketplace, we have surveyed, and ascertained where possible, rent levels being commanded by competing centers. However, it should be recognized that large retail centers are generally considered to be separate entities by virtue of age and design, accessibility, visibility, tenant mix, and the size and purchasing power of their trade area. Consequently, the best measure of minimum rental income is its actual rent roll leasing schedule. As such, our analysis of recently negotiated leases for tenants at the subject provides important insight into perceived market rent levels for the property. Inasmuch as a tenant's ability to pay rent is based upon expected sales achievement, the level of negotiated rents is directly related to the individual tenant's perception of their expected performance at the center.

SPACE SUMMARY & OCCUPANCY STATUS

The following is a summary of the leased and vacant space within the subject property. The subject property contains 918,778 square feet of space, of which is 98.5 percent occupied by 27 tenants.

CURRENT SPACE SUMMARY & OCCUPANCY STATUS							
Tenant Category	SPACE SUMMARY				SPACE COUNT		
	Occ. SF	Vct. SF	Total SF	Occupancy	Occupied	Vacant	Total
Retail	77,731	13,497	91,228	85.2%	15	4	19
Anchor	443,500	-	443,500	100.0%	3	-	3
Junior Anchor	384,050	-	384,050	100.0%	9	-	9
Total	905,281	13,497	918,778	98.5%	27	4	31

Compiled by Cushman & Wakefield, Inc.

The chart summarizes the leased level based on the leases in place as of the date of value.

Minimum rents forecasted at the subject property are derived from various tenant categories. We have grouped the tenants into categories that enable us to make like-kind comparisons to other subject leases, which ultimately allow us to make a meaningful comparison of each tenant category to the appropriate set of comparable rents. As an aid to the reader, we preface our analysis of the subject's leases with a discussion of their lease structure.

LEASE STRUCTURE

A lease typically defines the responsibilities of landlord and tenant with regard to the payment of operating expenses. The Appraisal Institute advises that the following basic distinctions can be made:

- **Gross Lease** - landlord pays all operating expenses.
- **Modified Lease** - landlord and tenant share the cost of operating expenses.
- **Net Lease** - tenant pays all operating expenses.

These terms do not always mean the same thing in all markets, and there are many variations to these common terms. As each market has different nomenclature, it is important to understand the terms that are used locally, and the resulting expense obligations that apply to both tenant and landlord.

It is essential to understand expense reimbursement clauses when determining the value of a property. Leases can include expense stops, expense caps, specific billing pools and expense exclusions. The tenant's share of the expense can be pro-rata, derived by formula, or negotiated. Below we discuss the lease structures found in the local market, as well as the structure of the leases within the subject property.

LOCAL MARKET LEASE STRUCTURE

In the subject's market, leases for retail centers similar to the subject property type are typically written on a net basis. Under this lease structure, the tenant is obligated to pay its pro rata share of real estate taxes, and common area maintenance (CAM) charges.

Lease terms are generally between 10 and 25 years in length. Some leases were leased for 5 years, with renewal options that could extend the lease term to 10 or 15 years. Rent increase schedules vary, but typically include rent escalations of 3.0 percent per annum, or 10.0 percent every 5 years.

SUBJECT PROPERTY LEASE STRUCTURE

The existing leases at the subject property are written on a net basis. Under this lease structure, the majority of the tenants are responsible for their pro rata share of real estate taxes, and common area maintenance (CAM) charges excluding management. In addition, the remaining tenants are responsible for their pro rata share of real estate taxes, and operating expenses with caps in regards to their share of common area maintenance (CAM) charges. At the subject property, lease terms are generally between 10 and 25 years in length.

ATTAINED RENT SCHEDULE

The attained base rent listed for each tenant equals current monthly base rent annualized, excluding any future contractual rent increases, except for the contracted leases which start after the analysis start date, where the initial monthly base rent is annualized.

RENT ROLL SCHEDULE							MARKET RENT	
As Of Value Date:		Mar-20					Market Rent	
Tenant Name	Suite	Start Date	End Date	Area (SF)	Contract Rent/Year	Contract Rent/SF	Rent/SF	Annualized
Anchor								
BJ's Warehouse	B1a	Aug-09	Aug-29	130,099	\$5,482,368	\$42.14	\$40.00	\$5,203,960
Home Depot	A1a	Feb-09	Feb-34	124,955	\$6,047,820	\$48.40	\$45.00	\$5,622,975
Subtotal				255,054	\$11,530,188	\$45.21	\$42.45	\$10,826,935
Anchor-Target								
Target	A3a	Oct-08	Oct-33	188,446	\$1,147,632	\$6.09	\$40.00	\$7,537,840
Subtotal				188,446	\$1,147,632	\$6.09	\$40.00	\$7,537,840
Junior Anchor								
Bed, Bath & Beyond	B3b	Sep-09	Jan-25	37,692	\$1,287,324	\$34.15	\$45.00	\$1,696,140
Best Buy	B3c	Aug-09	Mar-25	52,086	\$2,083,440	\$40.00	\$55.00	\$2,864,730
Chuck E Cheese	A23	Jan-14	Dec-28	19,834	\$719,976	\$36.30	\$35.00	\$694,190
Marshalls	B3a	Aug-09	Aug-24	37,401	\$1,383,840	\$37.00	\$45.00	\$1,683,045
Burlington Coat Factory	A23	Jan-12	Jan-28	74,329	\$2,125,812	\$28.60	\$35.00	\$2,601,515
Michaels	A2b	Jan-14	Sep-23	23,204	\$719,328	\$31.00	\$45.00	\$1,044,180
Raymour & Flanigan	B2b	Apr-09	Oct-24	46,253	\$2,035,128	\$44.00	\$45.00	\$2,081,385
Staples	A1b	Jun-09	Jun-24	15,490	\$853,500	\$55.10	\$55.00	\$851,950
Bogopa (Food Bazaar)	B2a	Oct-18	Sep-38	77,761	\$2,488,356	\$32.00	\$32.00	\$2,488,352
Subtotal				384,050	\$13,696,704	\$35.66	\$41.68	\$16,005,487
Retail C- Irregular								
BTM Footwear	C1	Feb-10	May-20	4,585	\$144,000	\$31.41	\$65.00	\$298,025
CUNY	F1c	May-12	Jul-27	8,145	\$447,816	\$54.98	\$75.00	\$610,875
AT&T	C5a	May-09	Aug-24	3,412	\$320,724	\$94.00	\$110.00	\$375,320
GameStop	C5b	Aug-09	Jan-22	1,518	\$121,440	\$80.00	\$110.00	\$166,980
Sketchers	D1	Jun-10	Sep-20	8,741	\$218,520	\$25.00	\$40.00	\$349,640
TMobile	B1b	Mar-11	Jun-26	1,893	\$124,584	\$65.81	\$110.00	\$208,230
GNC	C2	Oct-09	Sep-24	1,980	\$99,000	\$50.00	\$110.00	\$217,800
Sprint	C6	Oct-11	Nov-21	2,511	\$193,344	\$77.00	\$80.00	\$200,880
T-Mobile	C7	May-09	Jun-23	2,728	\$286,440	\$105.00	\$65.00	\$177,320
Applebee's	F1g	Mar-09	Jul-29	6,661	\$564,192	\$84.70	\$75.00	\$499,575
CUNY	P1b	May-12	Jul-27	8,351	\$552,168	\$66.12	\$60.00	\$501,060
Marisco Centro	F1a	Mar-09	Feb-25	3,700	\$208,680	\$56.40	\$75.00	\$277,500
CUNY	E1-3	May-12	Jul-27	10,131	\$557,004	\$54.98	\$50.00	\$506,550
Jaba Furniture	P1a	Oct-10	Sep-20	12,000	\$528,000	\$44.00	\$60.00	\$720,000
Subway	F1b	Dec-09	Dec-21	1,375	\$54,996	\$40.00	\$100.00	\$137,500
Subtotal				77,731	\$4,420,908	\$56.87	\$67.51	\$5,247,255
GRAND-TOTALS	27 tenants in occupancy			905,281	\$30,795,432	\$34.02	\$43.76	\$39,617,517

Note: Attained rent equals current rent annualized for twelve months, and it excludes contractual rent increases

Compiled by Cushman & Wakefield, Inc.

A total of 27 tenants currently lease space within the property. The average rent for the existing tenants is \$34.02 per square foot. It should be noted that Target paid the developer \$46,394,000, which reflected a 75 percent prepayment of their entire contract rent throughout the 25-year lease term, in addition to the rent payments detailed in the lease agreement. The grand-totals exhibited in the attained rent schedule for contract rent do not incorporate lease-up or downtime provisions. Hence, the grand-totals might differ from the projections shown later in this section.

It should be noted that the tenant rent roll excludes a recent lease to Amazon for parking. Amazon has leased a vacant parcel previously used as event parking for a five year term with an initial base rent of \$55,432 or \$665,184

per annum with 2.5 percent annual escalations in base rent. The revenue from this new lease has been included in our parking revenue projection. The tenant rent roll also excludes a short term license agreement to American Hip Hop Museum, however this agreement is not anticipated to continue long-term and thereby has not been included in our analysis.

It should also be noted that the NYCEDC announced in 2017 its plan to develop a long-vacant site along the Harlem River into a mixed use development known as Bronx Point. The development is slated to feature public open spaces, affordable housing, a theater, the Universal Hip-Hop museum, and a food and beverage hall. The construction is scheduled to be completed in 2022 and if successful will bring new traffic and interest to the subject's area which could have a positive impact on the subject's current market rents.

ANALYSIS OF COMPARABLE ANCHOR RETAIL RENTS

The following table summarizes rental activity for comparable anchor space in comparable properties in the market.

MAJOR ANCHOR RENT COMPARABLES										
PROPERTY INFORMATION				LEASE INFORMATION						
NO	Property Name Address, City, State	CENTER GLA	YEAR BUILT	TENANT NAME	LEASE DATE	SIZE (NRA)	TERM (yrs.)	INITIAL RENT/SF	RENT STEPS	LEASE TYPE
1	Caesar's Bay Brooklyn, NY	300,000	1982	Target	2019	88,000	20	\$41.00	10% every 60 months	Net
2	Brooklyn Navy Yard, 399 Sands Street Brooklyn, NY	525,000	2019	Wegmans	9/18	85,113	25	\$40.00	6% every 5 years	Net
3	Douglaston Plaza 242-06 61st Avenue Little Neck, NY	302,468	1964-1994	Lowe's	10/17	94,176	15	\$39.00	10% every 60 months	Net
4	CityPoint Tower 1 Dekalb Avenue Brooklyn, NY	700,000	2015	Century 21	7/15	108,855	15	\$27.27	10% every 60 months	Net
5	Riverdale Crossings 184-190 West 237th Street Bronx, NY	159,037	2014	BJ Wholesale	8/13	107,000	20	\$39.00	10% every 60 months	Net
6	Gateway Center II 339-579 Gateway Drive Brooklyn, NY	600,646	2014	Burlington Coat Factory	10/14	73,864	15	\$34.00	10% every 60 months	Net
7	Gateway Center II 339-579 Gateway Drive Brooklyn, NY	600,646	2014	Shop Rite	8/14	89,774	20	\$27.50	10% every 60 months	Net
8	Gateway Center II 339-579 Gateway Drive Brooklyn, NY	600,646	2014	JC Penney	8/14	122,473	20	\$9.48	10% every 60 months	Net
9	East River Plaza 517 East 116th Street Upper Manhattan, NY	494,560	2009	Target	7/10	130,664	20	\$25.38	10% every 60 months	Net

MAJOR ANCHOR RENT COMPARABLES										
PROPERTY INFORMATION				LEASE INFORMATION						
NO	Property Name Address, City, State	CENTER GLA	YEAR BUILT	TENANT NAME	LEASE DATE	SIZE (NRA)	TERM (yrs.)	INITIAL RENT/SF	RENT STEPS	LEASE TYPE
10	East River Plaza 517 East 116th Street Upper Manhattan, NY	494,560	2009	Costco	11/09	110,074	20	\$45.42	10% every 60 months	Net
11	Rego Park Center 61-01 Junction Boulevard Queens, NY	926,180	2010	Costco	6/09	136,451	25	\$36.30	9% Every 3 Yrs	Net
12	Rego Park Center 61-01 Junction Boulevard Queens, NY	926,180	2010	Century 21	5/09	140,537	20	\$31.08	5% Yr. 2; 3% Inc. Annually	Net
13	Rego Park Center 61-01 Junction Boulevard Queens, NY	926,180	2010	Kohl's	2/08	132,925	20	\$35.00	5% Yr. 2; 3% Inc. Annually	Net
STATISTICS										
Low		159,037	1982		7/05	73,864	15	\$9.48		
High		926,180	2019		9/18	140,537	25	\$45.42		
Average		581,239	2010		10/04	109,224	20	\$33.11		

Compiled by Cushman & Wakefield, Inc.

DISCUSSION OF COMPARABLE ANCHOR TENANT RENTS

We have analyzed anchor leases negotiated in competitive buildings in the marketplace. The comparables range in size from 73,864 square feet to 140,537 square feet. These are all located in existing multi-level retail centers similar in class to the subject, and in competitive retail markets within New York City. The comparable leases have terms ranging from 15 to 25 years. The comparables exhibit a range of rents from \$9.48 to \$45.42 per square foot, with an average of \$33.11 per square foot. Rent escalation clauses vary, with most having percentage increases at 10 percent every 3 to 5 years. All of the comparables are net leases in which the tenant is required to pay its pro-rata share of real estate taxes and CAM expenses.

The subject's anchor tenant contract rents ranged between \$39.75 and \$48.40 per square foot, excluding the Target prepaid rent. Exclusive of the Target space, the subject's anchor tenants are leased within current market rent levels.

CONCLUSION OF MARKET RENT FOR ANCHOR RETAIL SPACE

Based on the leasing activity in the marketplace, the subject's anchor space, and our analysis of the comparables, we have concluded the following market rent range for the subject's anchor retail tenants:

CONCLUSION OF MAJOR ANCHOR SPACE MARKET RENT RANGES				
TENANT CATEGORY	MARKET RENT	LEASE TERM	LEASE TYPE	RENT INCREASE
Major Anchor	\$40 to \$45	20	Net	10% every 5 years

ANALYSIS OF COMPARABLE JR. ANCHOR RETAIL RENTS

The following table summarizes rental activity for comparable junior anchor space in comparable properties in the market.

JUNIOR ANCHOR RETAIL RENT COMPARABLES

PROPERTY INFO				LEASE INFORMATION						
NO.	Property Name Address, City, State	CENTER GLA	YEAR BUILT	TENANT NAME	LEASE DATE	SIZE (NRA)	TERM (yrs.)	INITIAL RENT/SF	RENT STEPS	LEASE TYPE
1	Cross Bay Plaza 16020 Crossbay Boulevard Howard Beach, NY	49,688	1990	Planet Fitness (Multi-Level)	2019	18,700	10	\$41.07	10% every 60 months	Net
2	Atlantic Center 625 Atlantic Avenue Brooklyn, NY	399,000	1996	Dave & Busters	2019	40,213	15	\$50.00	\$5/SF Inc. every 5 Yrs	Net
3	Atlantic Center 625 Atlantic Avenue Brooklyn, NY	399,000	1996	DMV (Renewal- Extension)	2019	50,416	15	\$78.83	\$7/SF Inc. every 5 Yrs	Net
4	Retail Building 232-240 Smith Street Brooklyn, NY	15,000	2019	Crunch Fitness (Multi-Level)	2019	15,000	15	\$57.00	10% every 60 months	Net
5	Mixed-Use Building 12442 Flatlands Avenue Spring Creek, Brooklyn	360,000	2017	Confidential- Lease Out	2018	11,035	10	\$35.00	10% every 60 months	Net
6	Mixed-use Building 1601 Kings Highway Sheepshead Bay, Brooklyn	68,383	2018	Modell's	2018	13,895	10	\$36.00	10% every 60 months	Net
7	Mixed-use Building 1601 Kings Highway Sheepshead Bay, Brooklyn	68,383	2018	Planet Fitness	2018	20,000	10	\$42.00	10% every 60 months	Net
8	Bay Terrace Shopping Center 211-05 26th Avenue Bayside, Queens	315,000	1958	Home Goods	2017	17,556	10	\$70.54	Annual Increases	Net
9	Forest Avenue Shopping Center 1489-1565 Forest Avenue Staten Island, NY	155,000	1957	PetSmart	2017	20,698	15	\$50.00	10% every 60 months	Net

JUNIOR ANCHOR RETAIL RENT COMPARABLES										
PROPERTY INFO				LEASE INFORMATION						
NO.	Property Name Address, City, State	CENTER GLA	YEAR BUILT	TENANT NAME	LEASE DATE	SIZE (NRA)	TERM (yrs.)	INITIAL RENT/SF	RENT STEPS	LEASE TYPE
10	Staten Island Mall 200 Richmond Avenue Staten Island, NY	1,085,000	1950	The Container Store	2017	35,000	15	\$50.00	10% every 60 months	Net
11	Rego Park Center 66-01 Junction Boulevard Rego Park, NY	616,820	2010	PETCO	2017	14,940	10	\$62.00	Annual Increases	Net
12	Throggs Neck Shopping Center 815 Hutchinson River Parkway Bronx, NY	285,299	2014	Party City	2017	10,760	10	\$48.56	Annual Increases	Net
13	Shops at Northern Boulevard 48-18 Northern Boulevard Queens, NY	159,037	2014	Petco	2016	9,566	10	\$65.00	10% every 60 months	\$0
14	Riverdale Crossings 180 West 237th Street Bronx, NY	159,037	2014	Buffalo Wild Wings	2016	9,564	10	\$68.00	10% every 60 months	\$0
STATISTICS										
Low		15,000	1950		2016	9,564	10	\$35.00		
High		1,085,000	2019		2019	50,416	15	\$78.83		
Average		295,332	1998		2018	20,525	12	\$53.86		

Compiled by Cushman & Wakefield, Inc.

DISCUSSION OF COMPARABLE JUNIOR ANCHOR RENTS

We have analyzed recent leases negotiated in competitive properties in the marketplace. The comparables range in size from 9,564 square feet to 50,416 square feet. These are all located in existing multi-level retail centers similar in class to the subject, and in competitive retail markets within New York City. The comparable leases have terms ranging from 10 to 20 years. The comparables exhibit a range of rents from \$35.00 to \$78.83 per square foot, with an average of \$53.86 per square foot. Rent escalation clauses vary, with most having annual percentage increases at 10 percent every 5 years, or annual increases. All of the comparables are net leases in which the tenant is required to pay its pro-rata share of real estate taxes and CAM expenses.

The subject junior anchor contract rents ranged between \$28.60 and \$55.10 per square foot, depending on the size, and location. The average rent for the junior anchor space is \$35.66 per square foot. Based on our review of the market, the average rent for the subject's junior anchor tenants are below current market rent levels.

CONCLUSION OF MARKET RENT FOR JUNIOR ANCHOR RETAIL SPACE

Based on the leasing activity in the marketplace, the subject junior anchor spaces configuration, location, and layout, and our analysis of the comparable leases, we have concluded the following market rent ranges for the subject's junior anchor retail tenants:

CONCLUSION OF JUNIOR ANCHOR MARKET RENT RANGES				
TENANT CATEGORY	MARKET RENT	LEASE TERM	LEASE TYPE	RENT INCREASE
Jr. Anchor	\$32.00 to \$55.00	15	Net	10% every 5 years

ANALYSIS OF COMPARABLE IN-LINE RETAIL RENTS

The following table summarizes rental activity for comparable in-line space in comparable retail centers in the market.

INLINE RETAIL RENT COMPARABLES

PROPERTY INFORMATION										
LEASE INFORMATION										
NO.	Property Name Address, City, State	CENTER GLA	YEAR BUILT	TENANT NAME	LEASE DATE	SIZE (NRA)	TERM (Yrs.)	INITIAL RENT/SF	RENT STEPS	LEASE TYPE
1	Cross Bay Plaza 16020 Crossbay Boulevard Howard Beach, NY	49,688	1990	Chipotle	2019	2,300	10	\$102.00	% Inc. every 5 Yrs.	Net
2	Atlantic Terminal 139 Flatbush Avenue Brooklyn, NY	400,000	2010	Sephora	2019	5,505	10	\$180.00	10% Inc. every 5 Yrs.	Net
3	Queens Place 88-01 Queens Boulevard Elmhurst, Queens	220,953	1960	Chipotle	2019	2,500	10	\$115.00	\$126.5 Yr. 6	Net
4	Cross Bay Plaza 16020 Crossbay Boulevard Howard Beach, NY	49,688	1990	NYC DOE	2019	8,000	15	\$72.50	% Inc. every 5 Yrs.	Net
5	Caesar's Bay Shopping Center Brooklyn, NY	302,319	1957	Olive Garden	2019	8,350	10	\$90.00	Ann. Inc.	Net
6	Shops at Richmond Avenue Staten Island, New York	77,000	1998	Coffee (LOI)	2018	1,751	10	\$75.00	Annual Increases	Net
7	Bay Terrace Shopping Center 211-05 26th Avenue Bayside, Queens	315,000	1958	Game Stop	2017	2,333	10	\$71.83	10% Inc. Yr. 6	Net
8	Bay Terrace Shopping Center 211-05 26th Avenue Bayside, Queens	315,000	1958	First National Bank of LI	2017	1,188	10	\$90.00	9% Inc. every 3 yrs.	Net
9	Parkchester Condominiums 1386 Metropolitan Avenue Bronx, NY	550,000	1939	City MD	2017	4,035	10	\$91.16	Annual Increases	Net
10	Throggs Neck Shopping Center 815 Hutchinson River Parkway Bronx, NY	285,299	2014	Havana Café	2017	2,122	10	\$72.00	Annual Increases	Net
11	Throggs Neck Shopping Center 815 Hutchinson River Parkway Bronx, NY	285,299	2014	Popeyes	2017	2,293	10	\$57.00	Annual Increases	Net
12	2875 West 8th Street Brooklyn, NY	52,000	1973	Confidential	2017	800	10	\$75.00	Annual Increases	Net
13	Parkchester Commercial Condo Bronx, NY	550,000	1939	Zaros Bakery	2017	788	10	\$115.75	Annual Increases	Net
14	Parkchester Commercial Condo Bronx, NY	550,000	1939	City MD	2017	4,035	15	\$85.00	Annual Increases	Net
15	820 Concourse Village West, Bronx, NY	76,710	2011	Dominos	2017	2,301	10	\$50.00	Annual Increases	Net
16	Parkchester Commercial Condo Bronx, NY	550,000	1939	Boston Market	2016	2,015	15	\$121.00	Annual Increases	Net
17	Parkchester Commercial Condo Bronx, NY	550,000	1939	American Beauty	2016	1,995	10	\$47.00	Annual Increases	Net
18	Jackson Heights Shopping Center 7507 31st Avenue Queens, NY	118,890	1960	Vision Works	2015	1,791	10	\$90.00	Annual Increases	Net

STATISTICS

Low	49,688	1939	2015	788	10	\$47.00	
High	550,000	2014	2019	8,350	15	\$180.00	
Average	294,325	1972	2017	3,006	11	\$88.90	

Compiled by Cushman & Wakefield, Inc.

DISCUSSION OF COMPARABLE IN-LINE RENTS

We have analyzed recent leases negotiated in competitive properties in the marketplace. The comparables range in size from 788 square feet to 8,350 square feet. These are all located in retail centers similar in class to the subject. The comparable leases have terms ranging from 10 to 15 years. The comparables exhibit a range of rents from \$47.00 to \$180.00 per square foot, with an average of \$88.90 per square foot. Rent escalation clauses vary, with most having percentage increases at 10 percent every 5 years, or annual increases. All of the comparable are net leases in which the tenant is required to pay pro-rata share of real estate taxes and CAM expenses.

The subject in-line tenant contract rents ranged between \$25.00 and \$105.00 per square foot, depending on the size, and location. Based on our review of the market, the average rent for the subject's in-line tenants are below current market rent levels.

CONCLUSION OF MARKET RENT FOR IN-LINE RETAIL SPACE

Based on leasing activity in the marketplace, the subject in-line spaces configuration, location, and layout, along with our analysis of the comparable leases, we have concluded the following market rents for the subject's in-line retail tenants:

CONCLUSION OF IN-LINE RETAIL SPACE MARKET RENTS				
TENANT CATEGORY	MARKET RENT	LEASE TERM	LEASE TYPE	RENT INCREASE
In-line – B	\$40.00 to \$110.00	15	Net	10% every 5 years
In-line - Retail C	\$65.00-\$110.00	15	Net	10% every 5 years
In-line - Retail E	\$50.00	15	Net	10% every 5 years
In-line - Retail F	\$75.00- \$100.00	10	Net	10% every 5 years
In-line - Retail P	\$60.00	10	Net	10% every 5 years

Considering the subject's construction, location, size, and condition, we are of the opinion that the existing average contract rents are below current market parameters as exhibited by comparable retail properties and market parameters.

CONCLUSION OF MARKET RENTS FOR THE SUBJECT RETAIL SPACE

After considering all of the above, relative to the subject's position in the market, we have developed a weighted average rental rate of approximately \$43.76 per square foot (exclusive of the Target tenant space) for the entire property based upon a relative weighting of tenant space by size, location, and visibility within the center. The existing base contract rents (exclusive of the Target tenant space) reflect an average contract rent of \$41.88 per square foot.

When a property is acquired with leases that are at or close to market rent levels, the level of risk involved with the investment is generally low. However, the potential increase to the income stream in this scenario is typically limited, which tends to normalize the investment parameters of participants for these types of properties.

When a property has attained rent levels that are below market, the early returns are generally limited but there is greater potential for the income stream to increase as the below market leases rollover. There is less risk involved with tenants with below market leases, as they have a greater ability to pay the lower rent than they would market

level rent. Buyers of properties with below market leases are often entering a lower risk investment with greater upside to their eventual income earning potential, resulting in overall rates that tend to be lower than normal.

Properties that are encumbered by leases with average rents that are significantly above market have increased risk in several key areas. When a property has an average rent that is above market, there is increased risk of default, slow payment or lack of payment by those tenants in that category. In addition, at some point, the above market leases will expire, at which time the spaces will be re-leased at market levels. When this occurs, there is a decline in rental revenue for the property, which many times leads to a declining net income stream. When this is the case, investors will require a higher initial return to offset the declining income stream, and to guard against the heightened risk of tenant defaults.

Considering the subject's construction, location, size, and condition, we are of the opinion that the existing contract rents are below current market parameters as exhibited by comparable retail properties and market parameters.

MARKET RENT SYNOPSIS

The following chart summarizes our market rent conclusion for each tenant category in the subject property.

LEASING ASSUMPTIONS				
TENANT CATEGORY	Anchor	Junior Anchor	Inline -Large	Inline-Small
WEIGHTED ITEMS				
Renewal Probability	70.00%	70.00%	70.00%	70.00%
Market Rent- Net	\$40-\$45	\$32-\$55	\$40-\$60	\$65-\$110
Months Vacant	12.00	12.00	12.00	12.00
Tenant Improvements				
New Leases	\$0.00	\$0.00	\$0.00	\$0.00
Renewal Leases	\$0.00	\$0.00	\$0.00	\$0.00
Leasing Commissions				
New Leases	3.50%	3.50%	3.50%	4.00%
Renewal Leases	1.75%	1.75%	1.75%	2.00%
Free Rent				
New Leases	6	6	6	3
Renewal Leases	3	3	3	1
NON-WEIGHTED ITEMS				
Lease Term (years)	20	15	15	10
Lease Type (reimbursements)	Net	Net	Net	Net
Contract Rent Increase Projection	10% Every 5 Years	10% Every 5 Years	10% Every 5 Years	3% Per Annum

Compiled by Cushman & Wakefield, Inc.

Market Rental Growth Rate

Our discussions with leasing brokers and owners active in the marketplace indicate there has been a pause in leasing at this time due the COVID-19 situation. Market participants are withholding making real estate decisions at this time and will reevaluate the situation as the events evolve over the next few months. Based on our recent survey, buyers' expectations in the New York City real estate retail market anticipate no growth in rents in the first year of the analysis. Thereafter, an increase in rental rates are projected in accordance with CPI.

These changes in market conditions result in C&W's leasing brokerage group to forecast the following rent growths:

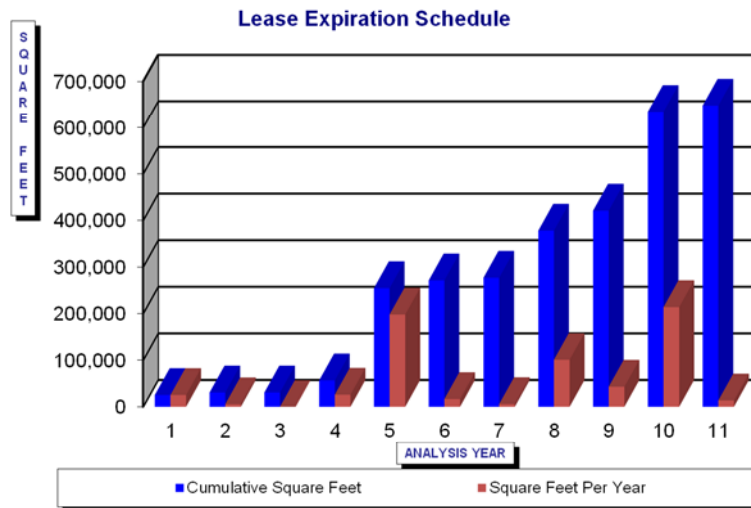
RENT GROWTH
RETAIL RENTS
Year 2 – 0%
Thereafter – 3%

LEASE EXPIRATIONS

The lease expiration schedule is an important investment consideration. As leases rollover, the landlord will be required to negotiate a renewal lease with the existing tenant, or to secure a new tenant for the space. The projected lease rollover for our investment period is exhibited on the following chart:

LEASE EXPIRATION SCHEDULE

Year	Square Feet Expiring	Percent of Property	Cumulative Sq Ft	Cumulative Percent
1	25,326	2.76%	25,326	2.76%
2	5,404	0.59%	30,730	3.34%
3	0	0.00%	30,730	3.34%
4	25,932	2.82%	56,662	6.17%
5	198,014	21.55%	254,676	27.72%
6	16,585	1.81%	271,261	29.52%
7	5,779	0.63%	277,040	30.15%
8	100,956	10.99%	377,996	41.14%
9	43,038	4.68%	421,034	45.83%
10	213,833	23.27%	634,867	69.10%
11	13,497	1.47%	648,364	70.57%



LEASE EXPIRATION ANALYSIS

Total NRA of Subject Property (SF)	918,778	100.00%
Year of Peak Expiration	10	
SF Expiring in Peak Year	213,833	23.27%
Five Year Cumulative Expirations (SF)	254,676	27.72%
Eleven Year Cumulative Expirations (SF)	648,364	70.57%

Compiled by Cushman & Wakefield, Inc.

**The above table reflects a time period that corresponds to the fiscal year in our analysis with year one starting 4/1/2020.*

Within the first five years of the analysis a total of 23.27 percent of the total net rentable area is scheduled to rollover. Extending to an eleven-year period, a total of 70.57 percent of the space is scheduled to expire. The peak expiration occurs in year 10, when a total of 213,833 square feet is scheduled to expire. Based on the significant roll over in years 10 through 11, we have extended the cash flow to 12 years to reflect a stabilized reversion. This is considered a moderate rollover exposure within this market. It should be noted that the above referenced chart does not account for tenants that are assumed to renew at their below market renewal options. This chart is mainly exhibited to show the potential lease exposure excluding any viable renewal options.

Tenant Renewal Options

Exhibited on the following chart is the renewal option schedule of the respective tenants that possess renewal options during our 11 year projection period that have been exercised in our analysis. Moreover, the chart exhibits the market and option rent at the time of the renewal option. We have modeled the cash flow to only exercise the renewal options that are below market levels which are represented in the chart below.

LEASE OPTION SUMMARY									
Tenant Name	Suite Number	Option Start Date	Option End Date	Option Term Years	Area SF	Initial Option Rent	Option Rent PSF	Market Rent at Option	Market Rent PSF at Option
Bed, Bath & Beyond	B3b	Feb-25	Jan-30	5.0	37,692	\$1,543,617	\$40.95	\$1,853,418	\$49.17
BTM Footwear	C1	Jun-20	May-25	5.0	4,585	\$132,510	\$28.90	\$298,025	\$65.00
Burlington Coat Factory	A23	Feb-28	Jan-33	5.0	74,329	\$2,572,527	\$34.61	\$3,106,345	\$41.79
Jaba Furniture	P1a	Oct-20	Sep-25	5.0	12,000	\$580,800	\$48.40	\$720,000	\$60.00
Marshalls	B3a	Sep-24	Aug-29	5.0	37,401	\$1,504,140	\$40.22	\$1,839,109	\$49.17
Michaels	A2b	Oct-23	Sep-28	5.0	23,204	\$1,069,704	\$46.10	\$1,107,771	\$47.74
Michaels	A2b	Oct-28	Sep-33	5.0	23,204	\$1,176,675	\$50.71	\$1,284,210	\$55.34
Sprint	C6	Dec-21	Nov-26	5.0	2,511	\$212,682	\$84.70	\$276,210	\$110.00
Subway	F1b	Jan-22	Dec-26	5.0	1,375	\$132,867	\$96.63	\$137,500	\$100.00

Compiled by Cushman & Wakefield, Inc.

EXPENSE REIMBURSEMENTS

The existing leases at the subject property are written on a net basis. Under this lease structure, the majority of the tenants are responsible for their pro rata share of real estate taxes, and common area maintenance (CAM) charges excluding management. In addition, the remaining tenants are responsible for their pro rata share of real estate taxes, and operating expenses with caps in regards to their share of common area maintenance (CAM) charges. At the subject property, lease terms are generally between 10 and 25 years in length.

VACANCY AND COLLECTION LOSS

Vacancy and collection loss is a function of the interrelationship between absorption, lease expiration, renewal probability, estimated downtime between leases, and a collection loss factor based on the relative stability and credit of the subject's tenant base.

Our cash flow projection assumes a tenant vacancy of 12 months upon lease expiration set against our probability of renewal estimated at 70.00 percent, in addition to a vacancy/global credit loss provision applied to the gross rental income. Based upon the current vacancy in the market, and our perception of future market vacancy, and the creditworthiness of the tenants in the subject property, we have also projected a total vacancy and credit loss of 5.0 percent. However, based on the current novel coronavirus (COVID-19) outbreak and the expected rent forgiveness currently discussed in the marketplace, we have increased our collection loss factor in Year 1 to 8.0%, and then adjusted to 5.0 % in Year 2 and thereafter. We have assumed a 0.5% credit loss for the following credit tenants, AT&T, BJ's Warehouse, CUNY, Target, and Home Depot, in our analysis. Marshall's and Best Buy, although credit, has not been included due to the current retail environment surrounding the COVID-19 pandemic and the vulnerability of many retail tenants.

CREDIT TENANT SUMMARY

The subject property has a total of 6 credit tenants occupying a total of 47 percent of the subject's space as detailed on the following chart.

CREDIT TENANT SUMMARY				
Tenant Name	Rating ⁽¹⁾	Outlook	Rating Agency	Size
Investment Grade Tenants				
Home Depot	A2	Stable	Moody's	124,955
Marshall's (TJX Companies)	A2	Negative	Moody's	37,692
Best Buy Inc.	Baa1	Stable	Moody's	52,086
Target	A2	Stable	Moody's	188,446
CUNY	Aa2	Stable	Moody's	26,627
AT&T	Baa2	Stable	Moody's	3,412
ANALYSIS				
Number of Investment Grade Credit Tenants				6
Total Credit Tenant NRA				433,218
% of Total Space				47.0%

Compiled by Cushman & Wakefield, Inc.

(1) Senior unsecured debt

Given this comparison, the investment rates selected will be slightly more aggressive than market indicators.

EXPENSE GROWTH RATE

Our cash flow projections assume that operating expenses and tenant improvement costs will grow at the rate of 3.00 percent per year during the holding period. Real estate taxes are projected to increase 3.0 percent per annum after the ICAP abatement expires.

RESERVES FOR REPLACEMENTS

It is customary and prudent to deduct an annual sum from effective gross income to establish a reserve for replacing short-lived items throughout the building. These costs may include roof repair, and HVAC upgrades. Our projection of \$0.20 per square foot of gross building area is a reasonable amount to cover the cost of capital expenditures over the course of the investment-holding period.

REVENUE & EXPENSE ANALYSIS

We have developed an opinion of the property's annual income and operating expenses after reviewing the historical expenses, the 2018 and 2019 historical expenses and the 2020 budget provided by ownership and the operating performance of similar properties. We analyzed each item of expense and developed an opinion regarding what an informed investor would consider typical. The historical revenue and expenses along with developer's budget for 2020 and our opinion of the subject's income and expenses are presented on the following chart.

SUMMARY OF INCOME & EXPENSE ANALYSIS										
	2017 Actual		2018 Actual		2019 Actual		2020 Budget		2020 C&W Forecast	
	Total	Per SF	Total	Per SF	Total	Per SF	Total	Per SF	Total	Per SF
Revenue										
Rental Income	\$29,910,947	\$32.56	\$29,136,884	\$31.71	\$29,509,675	\$32.12	\$31,143,020	\$33.90	\$30,639,400	\$33.35
Subtotal	\$29,910,947	\$32.56	\$29,136,884	\$31.71	\$29,509,675	\$32.12	\$31,143,020	\$33.90	\$30,639,400	\$33.35
Percentage Rent										
Additional Rent Income	\$53,880	\$0.06	\$53,880	\$0.06	\$56,380	\$0.06	\$63,880	\$0.07	\$0	\$0.00
Percentage Rent Income	\$310,768	\$0.34	\$400,358	\$0.44	\$322,857	\$0.35	\$322,968	\$0.35	\$569,132	\$0.62
Subtotal	\$364,648	\$0.34	\$454,238	\$0.44	\$379,237	\$0.35	\$386,848	\$0.35	\$569,132	\$0.62
Reimbursement Revenue										
CAM Income	\$7,405,143	\$8.06	\$9,952,016	\$10.83	\$9,977,026	\$10.86	\$10,141,322	\$11.04	\$9,290,733	\$10.11
Utility Income	\$573,068	\$0.62	\$578,303	\$0.63	\$574,416	\$0.63	\$533,439	\$0.58	\$605,212	\$0.66
Real Estate Tax Income	\$1,606,420	\$1.75	\$1,637,337	\$1.78	\$1,650,012	\$1.80	\$1,679,904	\$1.83	\$1,382,925	\$1.51
Subtotal	\$9,584,631	\$10.43	\$12,167,656	\$13.24	\$12,201,454	\$13.28	\$12,354,665	\$13.45	\$11,278,870	\$12.28
Parking Revenue										
Parking	\$4,765,866	\$5.19	\$4,804,436	\$5.23	\$4,688,212	\$5.10	\$5,131,892	\$5.59	\$4,200,000	\$4.57
Subtotal	\$4,765,866	\$5.19	\$4,804,436	\$5.23	\$4,688,212	\$5.10	\$5,131,892	\$5.59	\$4,200,000	\$4.57
Miscellaneous Revenue										
Other Miscellaneous Income	\$252,145	\$0.27	\$563,522	\$0.61	\$786,224	\$0.86	\$480,604	\$0.52	\$363,880	\$0.40
Subtotal	\$252,145	\$0.27	\$563,522	\$0.61	\$786,224	\$0.86	\$480,604	\$0.52	\$363,880	\$0.40
POTENTIAL GROSS REVENUE	\$44,878,237	\$48.79	\$47,126,736	\$51.23	\$47,564,802	\$51.71	\$49,497,029	\$53.80	\$47,051,282	\$51.21
Vacancy and Collection Loss	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	-\$2,694,311	-\$2.93
EFFECTIVE GROSS REVENUE	\$44,878,237	\$48.85	\$47,126,736	\$51.29	\$47,564,802	\$51.77	\$49,497,029	\$53.87	\$44,356,971	\$48.28
OPERATING EXPENSES										
CAM Expense	\$8,359,620	\$9.10	\$10,206,852	\$11.11	\$10,423,868	\$11.35	\$10,478,328	\$11.40	\$8,805,000	\$9.58
Direct Billed- Utilities	\$577,078	\$0.63	\$559,961	\$0.61	\$505,794	\$0.55	\$508,646	\$0.55	\$575,000	\$0.63
Operating Expenses	\$14,337	\$0.02	\$18,714	\$0.02	\$21,623	\$0.02	\$21,540	\$0.02	\$0	\$0.00
Sponsorship	\$429,018	\$0.47	\$426,701	\$0.46	\$461,663	\$0.50	\$401,500	\$0.44	\$150,000	\$0.16
Parking	\$769,223	\$0.84	\$845,914	\$0.92	\$870,916	\$0.95	\$800,102	\$0.87	\$0	\$0.00
Miscellaneous /Non Recoverable Expenses	\$482,979	\$0.53	\$580,498	\$0.63	\$476,372	\$0.52	\$332,126	\$0.36	\$300,000	\$0.33
Management Fees	\$1,699,392	\$1.85	\$1,837,656	\$2.00	\$1,851,134	\$2.01	\$2,448,055	\$2.66	\$1,330,709	\$1.45
Subtotal	\$12,331,647	\$13.42	\$14,476,296	\$15.76	\$14,611,370	\$15.90	\$14,990,297	\$16.32	\$11,160,709	\$12.15
Ground Rent	\$755,746	\$0.82	\$629,902	\$0.69	\$758,397	\$0.83	\$646,283	\$0.70	\$989,827	\$1.08
Real Estate Taxes	\$1,826,608	\$1.99	\$1,827,224	\$1.99	\$1,869,673	\$2.03	\$1,930,427	\$2.10	\$1,389,999	\$1.51
TOTAL EXPENSES	\$14,914,001	\$16.23	\$16,933,422	\$18.43	\$17,239,440	\$18.76	\$17,567,006	\$19.12	\$13,540,535	\$14.74
NET OPERATING INCOME	\$29,964,236	\$32.61	\$30,193,314	\$32.86	\$30,325,362	\$33.01	\$31,930,023	\$34.75	\$30,816,436	\$33.54

*Note the above Parking Revenue as part of the C&W forecast reflects a net revenue figure which assumes a gross revenue of \$5,075,000 and an expense of \$875,000 which is in line with budgeted and historic figures.

Investment Considerations

Before determining an appropriate capitalization rate to apply to the subject's net operating income, a review of recent market conditions, particularly in the financial markets, is warranted. The following subsection(s) provide a review of these trends, ending with a summary of the investment considerations impacting the subject property, based upon the appraiser's market research, discussions with participants in the market, and the relative position of the subject property within its market.

Overview

Prior to the current market disruption brought on by the Covid-19 pandemic, the U.S. economy had officially begun its eleventh consecutive year of growth in the second half of 2019; a new record for the longest economic expansion in history. Economic growth beat market expectations during the fourth quarter of 2019, and the unemployment rate hit a 50-year low as it sat at 3.5%. As the economy moved closer to full employment in what many viewed as late-cycle growth, the uncertainty of the global economy had raised the fears of a recession. During the year, American consumers continued to profit from the expansion, despite the threat of possible recession. The Federal Reserve cut interests rates for the third time in 2019 as a means of shielding the U.S. economy from global slowing. Additionally, payroll employment rose by 2.1 million in 2019, falling short of payroll employment gains in 2018, at 2.7 million, according to the Bureau of Labor Statistics. The trade war between the U.S. and China took a step in the right direction, as phase one of the deal was signed by President Donald Trump and senior Chinese leaders on January 15. Further considerations include:

- Despite global pandemic in early 2020, consumer confidence remains strong but further declines are expected to follow. During first quarter 2020, the Consumer Confidence Index came in at 130.4 in January, 132.6 in February and 120 in March. For perspective, the Consumer Confidence Index in March 2020 is the lowest reading since June 2017 and consumers are more confident in March than 2007 to 2008.
- Consumer spending growth estimates for the fourth quarter currently sit around 2.5%. Retail sales rose each month during the fourth quarter and in December retail sales increased 0.3%. Despite major big-box retailers reporting a decline in sales during the holiday period, coupled with a lack of mall foot traffic, retail sales improved in December.
- All major U.S. Indices rose during the fourth quarter, with the S&P 500, Dow Jones and Nasdaq improving by 0.3%. Materials and energy were the best-performing sectors in the S&P 500, while IBM, Cisco Systems and Apple led the Dow Jones. For the year, the S&P 500, Nasdaq and the Dow rose 28.9%, 35.2% and 22.3%, respectively.
- U.S. commercial real estate investment activity was generally down during 2019, as transaction volume sat 2% below 2018's year-end total. For the first quarter 2020, transaction volume was down 7% in a year-over-year comparison, ending the quarter with \$125.6 billion in activity, according to Real Capital Analytics.
- With Boris Johnson as the new United Kingdom Prime Minister, the United Kingdom left the European Union (EU) on January 31, 2020. The Brexit deal has been passed through the House of Commons and is now in the House of Lords and is expected to pass. During the United Kingdom's transition period, the UK will follow all of the EU's rules and the trading relationship will remain the same. The transition period will last until December 31, 2020 or until the two sides agree upon a United Kingdom-EU free trade deal.

Entering 2020 on a stable, if not strong economic footing, the novel coronavirus has clearly had a severe impact on the economy. Keeping in mind that a majority of the information in this report contains the latest concrete data available (typically as of 4Q 2019), events have been changing rapidly, and the latest statistical information available has been provided, as available. Some further thoughts on recent events:

- The commercial real estate sector is not the stock market. It is often slower moving and the leasing fundamentals do not swing wildly from day-to-day. If the virus has a sustained and material impact on the broader economy, it will have feed through impacts on property as well.
- The outbreak has prompted a flight to quality, driving investors into the bond markets, where lower rates are creating more attractive debt/refinance options.
- If past outbreaks are a useful guide, the expectation by governments, health care experts and, important to our analysis, is that COVID-19 should largely be contained by the first half of 2020. Most anticipate a strong rebound in markets in the second half of the year. This expectation hinges on phased re-opening of the economy not creating an extended waive of corona cases or further disruption to the economy.

Economic Conditions

Leading up to the current economic turbulence, the current U.S. economic expansion cycle was over a decade old and was, by general consent, a strong economy and getting stronger. Despite this, interest rates, which help determine the cost of borrowing money for investments, had lingered near historic lows since the 2008 recession. Interest rates went unchanged through December 2015, when the Federal Reserve increased the rate for the first time in almost a decade. Following more tariffs being implemented on trade and inventories, the Federal Reserve Chairman Jerome Powell had shown an openness to cutting rates based on how the economy responded to the new trade deals made during the past year. In turn, the Federal Reserve reduced interest rates for a third time in 2019 to combat the trade war and boost the economy. The benchmark interest rate was reduced to a range of 1.5% to 1.75%. As of Q4, the central bank did not see a recession coming in the near-term and the reduced rate looked to offer additional protection from global slowdown and uncertainty. The Federal Reserve spent much of 2019 providing the American economy with insurance through interest rate cuts.

In addition, the U.S.-China trade war appears to have come to halt, as the two sides reached agreement on a deal that will see the U.S. reduce tariffs on \$120 billion in Chinese products from 15% to 7.5%. China has agreed to purchase \$200 billion worth of U.S. products over the next two years as part of the deal. The deal is a huge win for the U.S. as total exports to China would increase to approximately \$260 billion 2020 and almost \$310 billion in 2021.

On March 11, 2020, the World Health Organization (WHO) declared the novel coronavirus (COVID-19) outbreak a global pandemic. Economies around the world face significant headwinds as seen by the severe drop in demand for some services (such as travel, hospitality and entertainment). Further reduced economic activity has resulted from increasing social distance measures, including quarantines or lockdowns, throughout Europe and North America, as governments have taken unprecedented actions to stop the spread of the virus. As the stock market remains extremely volatile and financial markets struggle to quantify events that are still unfolding, there remains a lack of comparable transactions and market data. This leaves many CRE participants reporting that they are not yet able to accurately assess risk. Proceeding through these uncertain times, the reader is asked to consider some key events that have transpired:

- In early March 2020, the disintegration of an alliance between OPEC and Russia caused crude oil prices to dip to their lowest level since 2016. By April 20th, demand dropped so much that oil prices fell below \$0 a barrel as producers are forced to pay to dispose of excess.
- On Thursday March 12, 2020, the Federal Reserve announced that it would inject up to \$5 trillion into short-term markets to offset economic impacts brought on by the novel coronavirus. The Federal Reserve will be providing up to \$2.3 trillion in additional funding to support the economy, as of April 9, 2020.

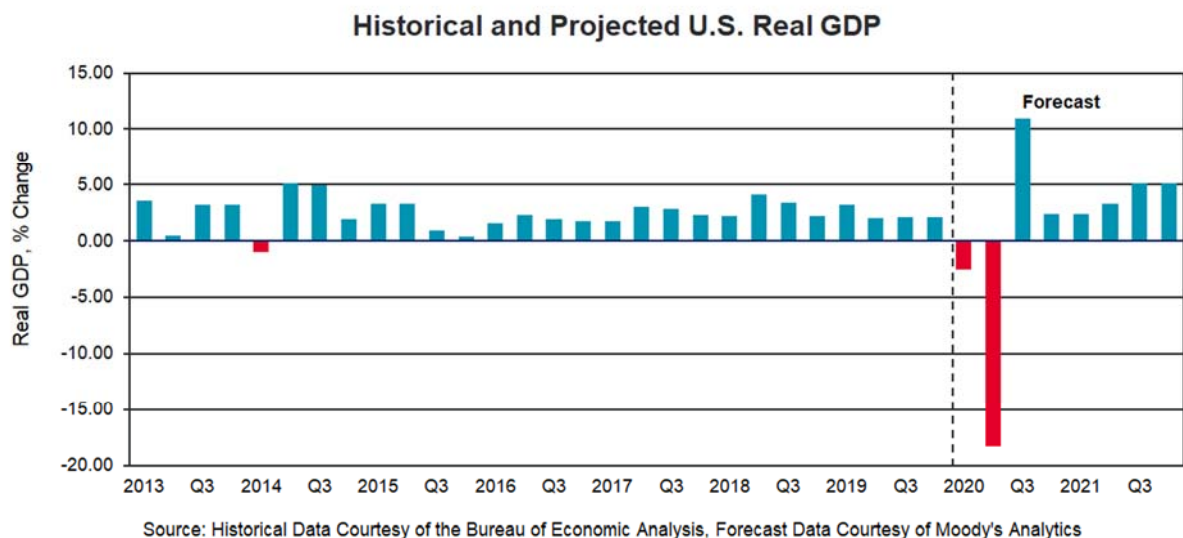
- On Sunday, March 15, 2020, the Federal Open Market Committee cut interest rates to near zero for the first time since the 2008 recession. Since then, it has announced dollar swap lines with various foreign central banks, as well as various credit facilities aimed at backstopping and providing liquidity to key parts of financial markets.
- On Tuesday, March 17, 2020, Amazon announced the hiring of 100,000 new distribution workers to keep up with the online shopping surge caused by the coronavirus. Amazon has stated that the coronavirus outbreak has caused a surge of online shopping in the United States to keep with the demand. The company will also invest more than \$355 million to raise pay for hourly employees in warehouse and distribution roles through April. Amazon is prioritizing medical supplies, household staples and other high-demand products through its warehouses until April 5, 2020. On April 13, Amazon announced they had filled the 100,000 jobs pledge and with increased demand the eCommerce retailer would be hiring an additional 75,000 workers to help serve customers during this unprecedented time.
- On Thursday, March 19, California Governor Gavin Newsom put into effect a shelter-in-place order to extend to all 40-million Californians. Then, on Friday March 20, New York Governor Andrew Cuomo ordered residents to shelter in their homes, which was subsequently followed by Illinois Governor J.B. Pritzker. Many other states increased precautions throughout the week as well.
- On Friday March 20, President Trump announced that he had invoked the Defense Production Act, a law that gives executive powers that can require and/or incentivize businesses to produce goods tied to national security.
- On Wednesday March 25, the White House and Congress agreed to deliver \$2 trillion in government relief. This is the largest stimulus in history and more than double the \$800 billion bill that was passed in 2008 during the financial crisis.
- On Friday March 27, the President signed the "Coronavirus Aid, Relief, and Economic Security Act," or "CARES Act" into law. The unparalleled \$2.2 trillion economic rescue package provides measures that include \$1,200 in direct payments to eligible Americans, and \$500 to children. The Treasury Department received \$500 billion that will support programs direct loans to airlines, cargo, and companies deemed important to national security. Additionally, the Treasury can provide loans or loan guarantees for other companies as well as provide funds to backstop lending programs to the Fed. Other funds will be divided as such: \$377 billion will go to loans and other forms of aid to small businesses; \$250 billion will help provide relief for unemployed workers; and \$100 billion has been assigned to boost healthcare. The bill finances a response with a price tag that amounts to 10% of 2019 nominal GDP.
- As of April 16, 2020, the administration and a number of governors have begun to introduce possible scenarios for how the U.S. economy could re-open and get back to work, leading to some optimism, along with further speculation as to how long the impacts of the virus will last.
- As of April 23, over 26 million Americans have filed for unemployment benefits in the last five weeks, increasing the nation's estimated unemployment rate to over 20%.
- On Friday April 24, the president signed a \$484 billion coronavirus relief package into law. This bill contains: \$370 billion in aid for small businesses in an effort to keep employees on the payroll, \$75 billion for hospitals, and \$25 billion to ramp up testing initiatives.
- On April 29, 2020 the Commerce Department estimated that the GDP fell at an annual rate of 4.8% in the first quarter of 2020. This is the first decline since 2014, and the largest in over a decade. They stated that because layoffs and closings did not come until the last month of the quarter, next quarter's GDP could drop by as much as 30%, a figure not seen since the Great Depression.

- Plans to reopen vary around the country. In some states, like New York and California, deadlines have been extended into May and June, while other states, such as Texas and Florida, have decided to reopen with limited capacity in late April and early May.

In recent times, the CRE market has been driven by investor demand and strong liquidity. Asset values can fall significantly in short periods of time if either of these two factors, often in conjunction with many others, change significantly. While Cushman & Wakefield is closely monitoring the latest developments resulting from the COVID-19 pandemic, and will continue to provide updates as events unfold, the reader is cautioned to consider that values and incomes are likely to change more rapidly and significantly than during standard market conditions. Furthermore, the reader should be cautioned and reminded that any conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property(ies) of this event, or any event, subsequent to the effective date of the appraisal.

While the consensus generally suggests that the U.S. is falling into recession, with GDP expected to decline significantly in Q2 2020, the market may be anticipating a second-half snap-back following the initial impacts of the Covid-19 pandemic. Although it is too soon to know how the economy will respond once the challenges pass, the world appears to be watching markets such as China to see how fast (or slow) the recovery may be. At this writing, there are a myriad of potential scenarios, some that include a sharp “V”-shaped recovery in the latter-part of 2020, and others that show a more moderate trend line for improvement. As an example, some forecasts show U.S. GDP declining as much as 10% (or more) during Q2 2020, while some recovery forecasts show GDP expanding by as much as 15% in Q4. Again, it is too soon to know.

The following graph displays historical and projected U.S. real GDP percentage change (annualized on a quarterly basis) from first quarter 2013 through fourth quarter 2021:



Further points regarding current economic conditions are as follows:

- Moody's baseline forecasts a 2.5% drop in GDP for 1Q 2020, followed by a drop of 18.3% in the second quarter. By 3Q 2020, Moody's is expecting a strong rebound at 11.0% as we move out of the bottleneck and then maintain healthy growth rates through the end of 2021.

- Gross domestic product grew by an annualized rate of 2.1% in the fourth quarter 2019, according to the “advance” estimate released by the Bureau of Economic Analysis. And prior to the current disruption, economists had forecast continued economic expansion through 2021. The National Association for Business Economics had forecast 1.8% GDP growth in 2020, while the Urban Land Institute’s annual forecast survey expected the economy to grow 1.9% in 2021. GDP correlates strongly with the commercial real estate sector, so a strong economy indicates strong support for our business going forward.
- Commercial and multifamily mortgage loan originations increased 7% in third quarter 2019 (latest data available) when compared to the end of 2018, according to the Mortgage Bankers Association’s Quarterly Survey of Commercial/Multifamily Mortgage Banker. Low interest rates are the cause for increased commercial and multifamily borrowing and lending and should lead to continued support into 2020.
- Commercial mortgage-backed securities (CMBS) have been spurred by measured investment sales activity and stable credit spreads. Commercial Mortgage Alert data indicates that U.S. CMBS issuance in first quarter 2020, at \$22.9 billion, was 38.5% higher when compared to CMBS issuance during the same period in 2019.

U.S. Real Estate Market Implications

The commercial real estate market’s sales volume totaled roughly \$125.6 billion during the first quarter of 2020 and increased by 11% from the first quarter 2019. In a year-over-year comparison, four out of the five property sectors saw a decrease in sales volume in the first quarter, according to Real Capital Analytics, and the industrial sector was the only property sector to increase sales volume over this time frame. Additionally, in first quarter 2020 pricing for commercial real estate sits at \$183 per square foot.

The industrial sector saw an increase in transaction volume in first quarter 2020 over first quarter 2019, rising by 23%. Retail transaction activity was down 13% through first quarter 2020, according to Real Capital Analytics. The apartment sector remained the largest investment market through the first quarter of 2020, with sales of approximately \$37.9 billion, while the office sector totaled \$29.4 billion in activity over the same time period. Through first quarter 2020, hotel sector sales volume fell by 17% in a year-over-year comparison and totaled roughly \$4.6 billion during the first quarter.

The following graph compares national transaction volume by property from 2010 through first quarter 2020:



According to PricewaterhouseCoopers (PwC) Real Estate Investor Survey average cap rates for all property types decreased in 17 survey markets, increased in nine, and held steady in eight over fourth quarter 2019, according to the PwC Real Estate Investor Survey for first quarter 2020. For the year, more than half of the market averages are lower today than they were a year ago. Given current market conditions, we expect that cap rates may move upward in certain markets and for certain property types during second quarter.

The following chart displays overall cap rate analysis of five distinct property classes during first quarter 2020:

Overall Cap Rate Analysis			
First Quarter 2020			
Asset Class	Q1 2020	Q1 2019	Basis Point Change
CBD Office	5.45%	5.48%	-3
Suburban Office	6.36%	6.64%	-28
National Warehouse	4.79%	4.64%	15
National Apartment	5.14%	5.03%	11
National Regional Mall	6.23%	6.31%	-8
National Full-Service Lodging	7.38%	7.43%	-5

Source: PwC Real Estate Investor Survey and Cushman & Wakefield Valuation & Advisory

Notable points for the U.S. real estate market include:

- Annual price growth in the six major metro areas rose 13.1% in first quarter of 2020, while annual price growth in the non-major metros rose by 18.6% in a year-over-year comparison.
- Most participants in the PwC Real Estate Investor Survey believe that current market conditions favor sellers in the national net lease market (100%).
- The national warehouse market climbed 15 basis points, while the national CBD office market fell by three basis points in a year-over-year comparison. The national net lease and national suburban office markets declined over the same period. At 7.7%, the Chicago office market improved by 20 basis points from the previous quarter and is still the highest, while Manhattan office market, at 4.8%, remains as the lowest cap rate but improved from first quarter 2019. Over the next six months, most surveyed investors foresee overall cap rates holding steady in 31 markets.

Conclusion

The U.S. economy entered 2020 in solid shape, although the pace of growth appeared to be slowing. However, as the first quarter has evolved, the emergence of the coronavirus global pandemic has clouded the outlook. As a result, economists have been steadily reducing their GDP growth forecasts. Oxford Economics has steadily reduced its global GDP growth forecast from 2.5% at the beginning of the year, to 2.3% at the end of January, to 2.0% as of early March. For the U.S., the 2020 GDP growth forecast has been reduced from 1.7% in early January to 1.3% in early March; for the eurozone, the GDP forecast has been revised down from 1.1% in 2020 to 0.6%. Given the aggressive actions being taken to restrict spread of the virus, it would not be surprising to see these figures revised down further. Other forecasting services are making similar downward adjustments.

Below are notes regarding the outlook for the U.S. national real estate market in 2020 and beyond:

- Investment activity is slowing across the globe. Many investors have “pushed the pause button” waiting for more clarity on economic conditions before determining their strategy. Investors are still flush with cash and will look for opportunity as the environment evolves.
- Monetary policy has been aggressively loosened across the board as global central banks lower interest rates and announce plans to purchase securities and take other actions to increase liquidity.

- The consumer confidence index dropped sharply, hitting 120 in March 2020, which is its lowest rating since June 2017. While consumer confidence remains strong on a historical level it is expected to decline as the full impact of the coronavirus pandemic are felt. At this moment, all signs point to a recover in the second half of the year as the pandemic is played out.
- Overall, the outlook for the U.S. economy is clouded with uncertainty, but due to the high unemployment rate projected GDP declines, and other high frequency data trends which are similarly bleak, it is widely believed that the U.S. has entered a recession. As of now, the expectation is that in the second half of the year, the tailwinds of the stimulus and pent-up demand will likely lead to healthy rebound.

INVESTMENT CONSIDERATIONS

The factors listed below have been considered in our valuation of this property and will have an impact on our selection of all investor rates.

INVESTMENT CONSIDERATIONS	
Attained Rents Versus Market:	The subject's attained rents (exclusive of expense contributions) are below levels. Given this comparison, the investment rates selected will slightly more aggressive than market indicators.
NOI Growth:	The subject's NOI is expected to grow 2.66 percent per annum from the first year of the analysis through the holding period. This rate of growth is considered acceptable.
Lease Expiration Exposure:	Within the first five years of the analysis a total of 27.71 percent of the total net rentable area is scheduled to rollover. Extending to an eleven-year period, a total of 70.35 percent of the space is scheduled to expire. The peak expiration occurs in year 10, when a total of 211,853 square feet is scheduled to expire. This is considered a moderate rollover exposure within this market.
Real Estate Market Trends:	Real estate market trends have a significant bearing on the value of real property. The real estate market in which the subject property is located is currently moderate.
Tenant Quality:	The quality of a property's tenant base is an important factor that is scrutinized by investors prior to acquiring real property. The quality of the subject's tenant roster is considered to be good.
Property Rating:	After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is excellent, when measured against other properties in this marketplace.
Location Rating:	After considering all of the locational aspects of the subject, including regional and local accessibility as well as overall visibility, we have concluded that the location of this property is good.
Overall Investment Appeal:	There are many factors that are considered prior to investing in this type of property. After considering all of these factors, we conclude that this property has good overall investment appeal.

Furthermore, we have researched the investment rates from comparable sales in the marketplace and detailed the sales in the following chart:

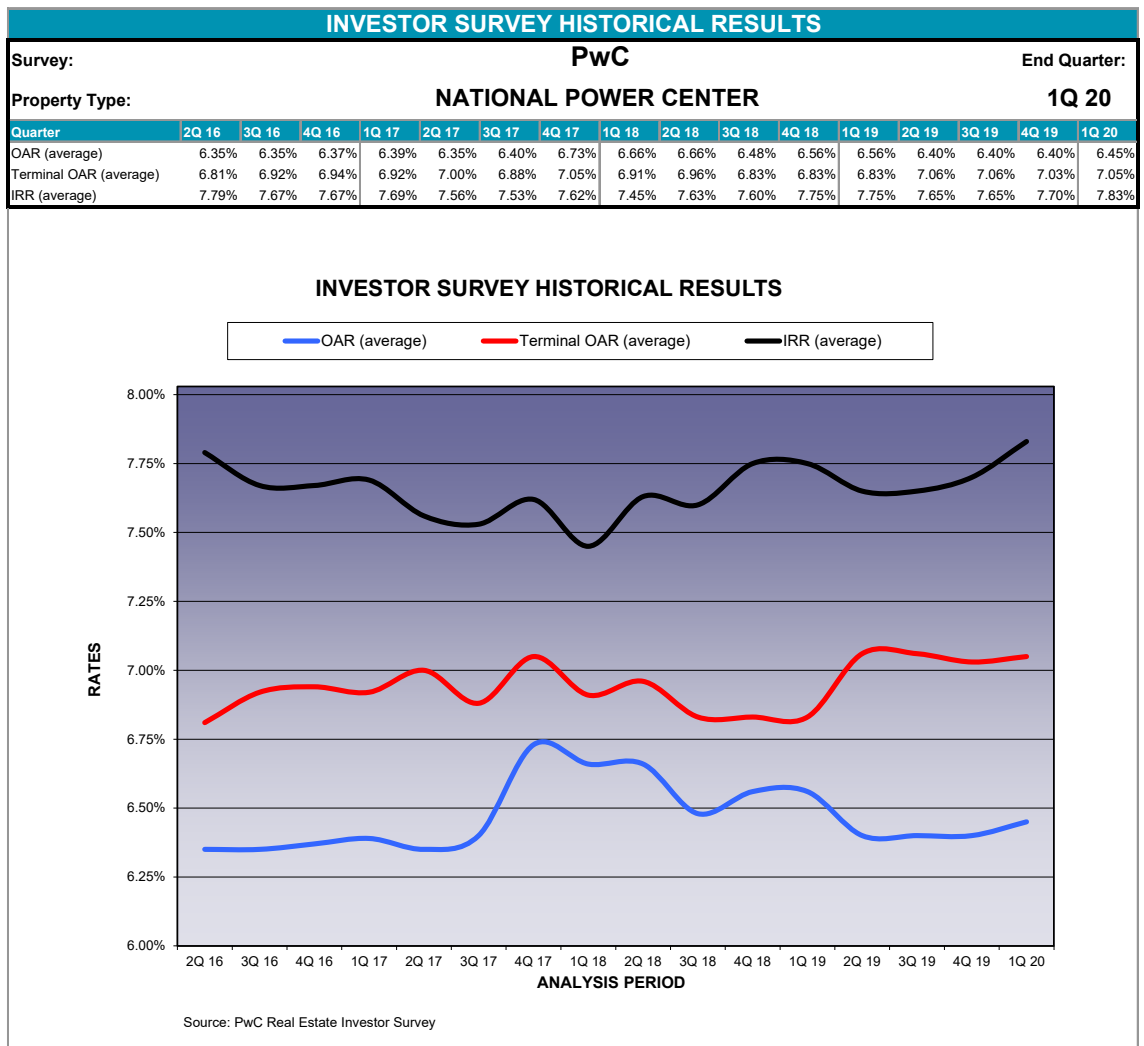
COMPARABLE SALES SUMMARY								
No.	Sale Date	Name and Location	Price	Price/NRA	OAR	Forecast	IRR	Terminal OAR
1	Jun-19	Nostrand Place	\$27,650,000	\$394.95	5.63%	-	-	-
2	Jan-19	Nostrand Avenue Shopping Center	\$38,250,000	\$472.27	5.48%	10	7.50%	6.00%
3	Jun-18	Caesar's Bay Bazaar	\$118,000,000	\$393.33	4.96%	10	8.50%	6.50%
4	May-18	1100 King's Highway & 2067 Coney Island Avenue	\$30,500,000	\$704.10	4.68%	11	7.50%	6.50%
5	Apr-18	2857 West 8th Street	\$23,000,000	\$439.75	5.39%	10	7.00%	6.00%
6	Sep-17	Harlem Center	\$103,000,000	\$815.94	4.93%	14	7.00%	5.50%
7	Sep-17	Atlantic Center	\$195,000,000	\$492.15	4.31%	14	7.50%	5.50%
8	Jan-17	Queens Place	\$175,000,000	\$792.02	4.75%	10	6.75%	5.50%
9	Jan-17	Shops at Bruckner Plaza	\$32,000,000	\$276.95	5.62%	11	7.00%	6.00%
10	Oct-15	Riverdale Crossings	\$132,925,000	\$835.29	5.30%	11	6.25%	5.25%
Low			\$23,000,000	\$276.95	4.31%	10	6.25%	5.25%
High			\$195,000,000	\$835.29	5.63%	14	8.50%	6.50%
Average			\$87,532,500	\$561.68	5.11%	11	7.22%	5.86%

Compiled by Cushman & Wakefield, Inc.

It should be noted that the internal rate of return and terminal overall capitalization rate information reflected in the above chart was extracted from cash flows prepared by Cushman & Wakefield, Inc. from appraisals they prepared of these properties. This information is not provided in publications, but is a technique which only Cushman & Wakefield, Inc. employs in their analysis of New York City retail sales from an appraisal standpoint. The Cushman & Wakefield, Inc. internal rate of return and terminal overall capitalization rate information are confirmed directly from the owners of the respective properties when the properties were appraised.

INVESTOR SURVEY TRENDS

Historic trends in real estate investment help us understand the current and future direction of the market. Investors' return requirements are a benchmark by which real estate assets are bought and sold. The following graph shows the historic trends for the subject's asset class spanning a period of four years as reported in the PwC Real Estate Investor Survey published by PricewaterhouseCoopers.



Terminal Capitalization Rate Selection

We based the estimate of property value at reversion on assumed resale at the end of Year 11, using our forecast of Year 12 net operating income. The reversion value was calculated by applying a capitalization rate of 5.25 percent to fiscal year 2031/32 NOI and subtracting sales expenses of 4.00 percent. The net cash flows and the net reversion were discounted to net present value using a discount rate of 6.25 percent, the derivation of which is discussed below.

A terminal capitalization rate was used to estimate the market value of the property at the end of the assumed investment-holding period. We estimated an appropriate terminal rate based on indicated rates in today's market. PricewaterhouseCoopers, Inc. periodically surveys national real estate investors to determine terminal capitalization rates considered acceptable by respondents. Exhibited below are the national terminal capitalization rates for Real Estate Investor Survey National Power Centers as of the most recent quarter:

TERMINAL CAPITALIZATION RATES (OAR _{out})			
Survey	Date	Range	Average
PwC	First Quarter 2020	5.50% - 9.00%	7.05%

PwC - Refers to National Power Center market regardless of class or occupancy

The terminal capitalization rates derived from the National Power Center Survey from PwC are between 5.50 and 9.00 percent, with an average of 7.06 percent.

In addition, we examined the terminal rates derived from the improved property sales exhibited in Addendum C of this report:

TERMINAL CAPITALIZATION RATE SUMMARY		
No.	Property	Capitalization Rate
1	Nostrand Place	-
2	Nostrand Avenue Shopping Center	6.00%
3	Caesar's Bay Bazaar	6.50%
4	1100 King's Highway & 2067 Coney Island Avenue	6.50%
5	2857 West 8th Street	6.00%
6	Harlem Center	5.50%
7	Atlantic Center	5.50%
8	Queens Place	5.50%
9	Shops at Bruckner Plaza	6.00%
10	Riverdale Crossings	5.25%
ANALYSIS		
Low		5.25%
High		6.50%
Average		5.86%
<i>Compiled by Cushman & Wakefield, Inc.</i>		

A premium was added to today's rate to allow for the risk of unforeseen events or trends which might affect our estimate of net operating income during the holding period, including a possible deterioration in market conditions for the property. Investors typically add 25 to 150 basis points to the "going-in" rate to arrive at a terminal capitalization rate, according to Cushman & Wakefield's periodic investor surveys.

The difference between going-in capitalization rates and terminal capitalization rates is typically risk related due to time (market conditions). In consideration of the subject's characteristics, and projected cash flow we have applied a 5.25 percent terminal capitalization rate.

Discount Rate Analysis

We estimated future cash flows, including property value at reversion, and discounted that income stream at an internal rate of return (yield rates) currently required by investors for similar-quality real property. The yield rate (internal rate of return or IRR) is the single rate that discounts all future equity benefits (cash flows and equity reversion) to an estimate of net present value.

The most recently published PricewaterhouseCoopers, Inc. survey indicates that investors considered acceptable internal rates of return within the following range:

DISCOUNT RATES (IRR)			
Survey	Date	Range	Average
PwC	First Quarter 2020	6.00% - 11.00%	7.83%

PwC - Refers to National Power Center market regardless of class or occupancy

In addition, we examined the discount rates derived from the improved property sales exhibited in Addendum C of this report:

DISCOUNT RATE (IRR) SUMMARY		
No.	Property	Capitalization Rate
1	Nostrand Place	-
2	Nostrand Avenue Shopping Center	7.50%
3	Caesar's Bay Bazaar	8.50%
4	1100 King's Highway & 2067 Coney Island Avenue	7.50%
5	2857 West 8th Street	7.00%
6	Harlem Center	7.00%
7	Atlantic Center	7.50%
8	Queens Place	6.75%
9	Shops at Bruckner Plaza	7.00%
10	Riverdale Crossings	6.25%
ANALYSIS		
Low		6.25%
High		8.50%
Average		7.22%

Compiled by Cushman & Wakefield, Inc.

Summary of Discount Rate Selection

Several sources of discount rate (internal rate of return) information were analyzed including Investor Survey data. The internal rates of return cited by the PricewaterhouseCoopers, Inc. survey ranged between 6.00 and 11.00 percent, with an average of 7.83 percent. The discount rates exhibited in the sales detailed in the Sales Comparison Approach exhibited a range of 6.25 to 8.50 percent. It should be noted that the upper end of the range are reflective of the leasehold interests, which are typically reflect higher discount rates than typical leased fee transactions.

In our selection of a discount rate for the subject property, we have examined mortgage rates available today. The interest rate for a 30-year fixed rate mortgage is currently below 5.00 percent. In addition, the current discount rate, or the interest rate charged by the Federal Reserve when banks borrow money, of 0.75 percent, although has increased recently, is still near historic lows.

The subject property is a multi-story urban retail power center that contains a total of 918,778 square feet of gross leasable area (GLA) retail space and a 6-level parking garage with 2,575 spaces located in The Bronx, adjacent to Yankee Stadium. The subject property also includes two 1-story commercial buildings. The subject improvements were constructed in 2009 and are situated on a 16.8-acre site. The subject is 98.5 percent leased at average rents below market levels on a long term basis and is anchored by Target, BJ's Wholesale Club, and Home Depot which occupy 48.3 percent (443,500 SF) of the property. In addition, the subject has strong tenancy as approximately 47.0 percent (433,218 SF) of the subject is leased to credit tenants. The subject's net operating income (NOI) is projected to increase 2.66 percent per annum through the analysis period. In addition, the subject has limited turnover during the next 10 years. Furthermore, 80 percent of the tenants with base lease terms expiring during the initial 10 years of our projection have renewal options at below market rents. The subject property also benefits from a 25-year PILOT tax abatement, which is passed directly along to the tenants since the subject is net leased.

Therefore, taking into consideration subject's construction, location, tenant quality, long term leases, contract rents, and returns expected by investors in the current market in relation to other comparable properties, we discounted our cash flow and reversionary value projections at an internal rate of return at 6.25 percent in our analysis. Our selected discount rate is considered reasonable given the respective cash flow of the subject property. In addition, an urban retail center such as the subject property would generally have a discount rate within the low end of the range of the comparable sales and referenced investor surveys. The selected discount rate is reflective of the overall quality of the real estate, and perceived durability of the income, along with the property's projected cash flow.

Discounted Cash Flow Analysis and DCF Summary Table

The ARGUS - Version 15 cash flow is presented on the following page. The cash flow commencement date is April 1, 2020. Based on the rates selected, the value via the Yield Capitalization analysis is estimated at \$655,000,000, rounded. The reversion contributes 60.04 percent to this value estimate. Our cash flow projections and valuation matrix are presented on the following pages.

ANNUAL CASH FLOW REPORT 4-Story Retail Power Center													Annual Growth
For the Years Beginning For the Years Ending	1 Apr-20 Mar-21	2 Apr-21 Mar-22	3 Apr-22 Mar-23	4 Apr-23 Mar-24	5 Apr-24 Mar-25	6 Apr-25 Mar-26	7 Apr-26 Mar-27	8 Apr-27 Mar-28	9 Apr-28 Mar-29	10 Apr-29 Mar-30	11 Apr-30 Mar-31	12 Apr-31 Mar-32	Year 1 - Year 11
Base Rental Revenue	\$ 30,994,038	\$ 32,008,694	\$ 32,534,131	\$ 32,881,488	\$ 34,254,649	\$ 36,329,926	\$ 36,704,562	\$ 36,989,318	\$ 37,582,255	\$ 39,733,186	\$ 41,663,999	\$ 42,094,606	3.00%
Absorption & Turnover Vacancy	(116,547)	(27,830)	(28,665)	(62,706)	(1,309,753)	(1,534,774)	(227,049)	(657,868)	(213,442)	(3,550,418)	(659,422)	(131,407)	18.92%
Base Rent Abatements	(238,091)	(48,890)	(22,932)	(25,083)	(578,506)	(1,791,951)	(32,186)	(752,294)	0	(2,551,241)	(1,373,569)	(172,280)	19.15%
Scheduled Base Rental Revenue	\$ 30,639,400	\$ 31,931,974	\$ 32,482,534	\$ 32,793,699	\$ 32,366,390	\$ 33,003,201	\$ 36,445,327	\$ 35,579,156	\$ 37,368,813	\$ 33,631,527	\$ 39,631,008	\$ 41,790,919	2.61%
Retail Sales Revenue	569,132	592,608	634,147	676,725	720,367	765,101	810,952	732,293	110,103	116,352	122,757	129,322	-14.22%
CAM	6,605,880	6,983,685	7,227,864	7,579,407	7,741,365	8,013,788	8,508,358	8,731,655	9,047,422	8,611,982	9,490,181	9,901,172	3.69%
Insurance	384,229	405,932	419,255	439,594	448,722	462,461	492,180	504,722	527,118	513,475	565,772	589,448	3.95%
Security	1,786,976	1,889,638	1,951,835	2,047,818	2,115,173	2,164,933	2,303,726	2,362,123	2,467,950	2,373,341	2,594,699	2,704,847	3.80%
Shared Facilities HVAC	356,110	386,751	403,185	417,315	415,705	409,585	436,142	457,222	473,903	459,570	449,639	472,283	2.36%
General and Administrative	9,313	9,999	10,706	11,434	13,333	21,658	26,329	27,526	28,758	43,689	82,592	86,991	24.39%
Direct Utilities	605,212	632,325	651,293	670,354	674,084	693,434	731,794	747,849	773,698	743,682	816,792	848,779	3.04%
Parking Expenses	148,225	152,672	157,252	161,969	166,829	171,833	176,988	182,298	187,767	80,583			-100.00%
RE Taxes-PILOT 1	1,382,925	1,453,623	2,847,743	4,378,886	5,892,713	7,572,883	9,563,020	11,373,138	13,499,332	14,807,904	18,057,239	20,624,081	29.30%
Total Reimbursement Revenue	\$ 11,278,870	\$ 11,914,625	\$ 13,669,133	\$ 15,706,777	\$ 17,467,924	\$ 19,510,575	\$ 22,238,537	\$ 24,386,533	\$ 27,005,948	\$ 27,634,226	\$ 32,056,914	\$ 35,227,601	11.01%
Net Parking Income	4,200,000	4,284,000	4,369,680	4,457,074	4,546,215	4,637,139	4,729,882	4,824,480	4,920,969	5,019,389	5,119,777	5,222,172	2.00%
Miscellaneous	300,000	306,000	312,120	318,362	324,730	331,224	337,849	344,606	351,498	358,528	365,698	373,012	2.00%
Marshalls	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100	0.00%
Bed Bath and Beyond	45,780	45,780	45,780	45,780	45,780	45,780	45,780	45,780	45,780	45,780	45,780	45,780	0.00%
Food Bazaar Additional Rent	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	0.00%
TOTAL GROSS REVENUE	\$ 47,051,282	\$ 49,093,087	\$ 51,531,494	\$ 54,016,517	\$ 55,489,506	\$ 58,311,120	\$ 64,626,427	\$ 65,930,948	\$ 69,821,211	\$ 66,823,902	\$ 77,360,034	\$ 82,806,906	5.10%
General Vacancy	(1,298,488)	(954,588)	(1,002,538)	(1,018,878)	0	0	(1,070,021)	(673,908)	(1,187,251)	0	(900,967)	(1,527,359)	-3.59%
Collection Loss	(1,395,823)	(936,237)	(982,256)	(1,029,191)	(1,035,741)	(1,086,324)	(1,246,806)	(1,280,466)	(1,331,935)	(1,310,415)	(1,462,381)	(1,576,524)	0.47%
EFFECTIVE GROSS REVENUE	\$ 44,356,971	\$ 47,202,262	\$ 49,546,700	\$ 51,968,448	\$ 54,453,765	\$ 57,224,796	\$ 62,309,600	\$ 63,976,574	\$ 67,302,025	\$ 65,513,487	\$ 74,996,686	\$ 79,703,023	5.39%
CAM	6,215,000	6,401,450	6,593,493	6,791,298	6,995,037	7,204,888	7,421,035	7,643,666	7,872,976	8,109,165	8,352,440	8,603,014	3.00%
Insurance	415,000	427,450	440,274	453,482	467,086	481,099	495,532	510,398	525,710	541,481	557,725	574,457	3.00%
Security	2,000,000	2,060,000	2,121,800	2,185,454	2,251,018	2,318,548	2,388,105	2,459,748	2,533,540	2,609,546	2,687,833	2,768,468	3.00%
General and Administrative	150,000	154,500	159,135	163,909	168,826	173,891	179,108	184,481	190,016	195,716	201,587	207,635	3.00%
Direct Utilities	575,000	592,250	610,017	628,318	647,168	666,583	686,580	707,177	728,393	750,245	772,752	795,934	3.00%
RE Taxes-PILOT 1	1,389,999	1,431,977	2,804,857	4,259,354	5,799,143	7,428,052	9,150,057	10,969,297	12,890,074	14,916,862	17,054,311	19,307,257	28.49%
Management Fee	1,330,709	1,416,068	1,486,401	1,559,053	1,633,613	1,716,744	1,869,288	1,919,297	2,019,061	1,965,405	2,249,901	2,391,091	5.39%
Ground Rent	989,827	1,014,784	1,094,593	1,411,271	1,861,388	2,097,012	2,130,232	2,149,167	2,194,925	2,295,426	2,394,875	2,420,153	9.24%
Legal & Professional Fees	175,000	180,250	185,658	191,227	196,964	202,873	208,959	215,228	221,685	228,335	235,185	242,241	3.00%
Miscellaneous	300,000	309,000	318,270	327,818	337,653	347,782	358,216	368,962	380,031	391,432	403,175	415,270	3.00%
TOTAL OPERATING EXPENSES	\$ 13,540,535	\$ 13,987,729	\$ 15,814,498	\$ 17,971,184	\$ 20,357,896	\$ 22,637,472	\$ 24,887,112	\$ 27,127,421	\$ 29,556,411	\$ 32,003,613	\$ 34,909,784	\$ 37,725,520	9.93%
NET OPERATING INCOME	\$ 30,816,436	\$ 33,214,533	\$ 33,732,202	\$ 33,997,264	\$ 34,095,869	\$ 34,587,324	\$ 37,422,488	\$ 36,849,153	\$ 37,745,614	\$ 33,509,874	\$ 40,086,902	\$ 41,977,503	2.66%
Capital Reserves	183,756	189,268	194,946	200,795	206,819	213,023	219,414	225,996	232,776	239,759	246,952	254,361	3.00%
Tenant Improvements	134,970	0	0	0	0	0	0	0	0	0	0	0	-100.00%
Leasing Commissions	526,379	0	65,024	71,122	1,442,887	1,634,354	91,264	689,831	0	4,757,584	827,042	396,456	4.62%
TOTAL LEASING & CAPITAL COSTS	\$ 845,105	\$ 189,268	\$ 259,970	\$ 271,917	\$ 1,649,706	\$ 1,847,377	\$ 310,678	\$ 915,827	\$ 232,776	\$ 4,997,343	\$ 1,073,994	\$ 650,817	2.43%
CASH FLOW BEFORE DEBT SERVICE	\$ 29,971,331	\$ 33,025,265	\$ 33,472,232	\$ 33,725,347	\$ 32,446,163	\$ 32,739,947	\$ 37,111,810	\$ 35,933,326	\$ 37,512,838	\$ 28,512,531	\$ 39,012,908	\$ 41,326,686	2.67%
Implied Overall Rate	4.70%	5.07%	5.15%	5.19%	5.21%	5.28%	5.71%	5.63%	5.76%	5.12%	6.12%		
Cash on Cash Return	4.58%	5.04%	5.11%	5.15%	4.95%	5.00%	5.67%	5.49%	5.73%	4.35%	5.96%		

DISCOUNTED CASH FLOW MODELING ASSUMPTIONS**VALUATION SCENARIO: Market Value As-Is****GENERAL CASH FLOW ASSUMPTIONS**

Cash Flow Software:	ARGUS - Version 15
Cash Flow Start Date:	April 1, 2020
Calendar or Fiscal Analysis:	Fiscal
Investment Holding Period:	11 Years
Analysis Projection Period:	12 Years

VACANCY & COLLECTION LOSS

Global Vacancy:	3% in Yr.1, 2% Thereafter
Global Collection Loss:	5% in Yr.1, 3% Thereafter
Total Vacancy and Collection Loss	8% in Yr.1, 5% Thereafter
Credit Tenants:	0.50%

CAPITAL EXPENDITURES

Reserves for Replacement (\$/SF):	\$0.20
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GROWTH RATES

Market Rent-Retail:	0% in Yr.2, 3% Thereafter
Consumer Price Index (CPI):	3.00%
Expenses:	3.00%
Tenant Improvements:	3.00%
Real Estate Taxes:	3% After Tax Abatement

RATES OF RETURN

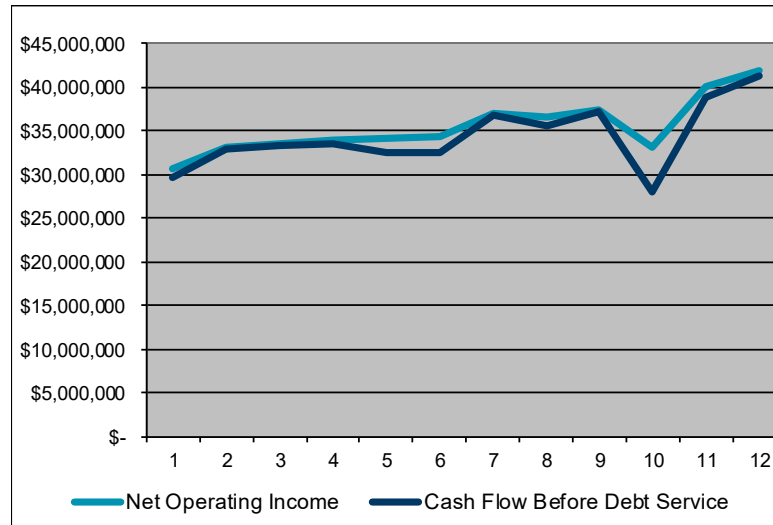
Internal Rate of Return: (Cash Flow)	6.25%
Internal Rate of Return: (Reversion)	6.25%
Terminal Capitalization Rate:	5.25%
Reversionary Sales Cost:	4.00%

VALUATION

Market Value As-Is	\$656,278,824
LESS Curable Depreciation	\$0
Adjusted Value	\$656,278,824
Rounded to nearest \$5,000,000	\$655,000,000
Value \$/SF	\$712.90

Compiled by Cushman & Wakefield, Inc.

The following graph depicts the forecasted change in both net income and net cash flow over the analysis period.



The results of the Yield Capitalization analysis are presented below:

PRICING MATRIX - Market Value As-Is						
Terminal Cap Rates	Discount Rate (IRR) for Cash Flow					
	5.75%	6.00%	6.25%	6.50%	6.75%	
4.75%	\$ 727,910,101	\$ 712,633,759	\$ 697,753,844	\$ 683,258,834	\$ 669,137,571	
5.00%	\$ 704,976,086	\$ 690,287,763	\$ 675,979,459	\$ 662,040,145	\$ 648,459,144	
5.25%	\$ 684,226,263	\$ 670,069,957	\$ 656,278,824	\$ 642,842,284	\$ 629,750,090	
5.50%	\$ 665,362,788	\$ 651,690,134	\$ 638,369,157	\$ 625,389,682	\$ 612,741,860	
5.75%	\$ 648,139,614	\$ 634,908,556	\$ 622,016,852	\$ 609,454,699	\$ 597,212,606	
IRR Reversion	5.75%	6.00%	6.25%	6.50%	6.75%	
Cost of Sale at Reversion:			4.00%			
Percent Residual:			60.04%			
Rounded to nearest \$5,000,000			\$655,000,000	\$712.90		

Based on the rates selected, the value via the Yield Capitalization analysis is estimated at \$655,000,000, rounded. The reversion contributes 60.04 percent to this value estimate.

Direct Capitalization Method

In the direct capitalization method, we estimated market value by dividing net operating income by an overall rate derived from our analyses of market sales and computed by dividing the net operating income from a sold property by its sale price. The overall capitalization rates derived from the sales detailed below are between 4.31 and 5.63 percent with an average of 5.11 percent. It should be noted that the lower end of the capitalization rates were derived from properties that had leases significantly below market rents. The overall capitalization rates derived from the most applicable improved property sales are shown below.

OVERALL CAPITALIZATION RATE SUMMARY - SALES COMPARISON APPROACH		
No.	Property	Capitalization Rate
1	Nostrand Place	5.63%
2	Nostrand Avenue Shopping Center	5.48%
3	Caesar's Bay Bazaar	4.96%
4	1100 King's Highway & 2067 Coney Island Avenue	4.68%
5	2857 West 8th Street	5.39%
6	Harlem Center	4.93%
7	Atlantic Center	4.31%
8	Queens Place	4.75%
9	Shops at Bruckner Plaza	5.62%
10	Riverdale Crossings	5.30%
ANALYSIS		
Low		4.31%
High		5.63%
Average		5.11%

Compiled by Cushman & Wakefield, Inc.

These sales are the most recent comparable transactions with the subject property and located within prime and secondary commercial corridors. These sales are the best indicators of current investment parameters in the market for retail centers throughout New York City.

Additional support can be drawn from the most recent PricewaterhouseCoopers, Inc. survey of overall capitalization rate survey:

CAPITALIZATION RATES			
Survey	Date	Range	Average
PwC	First Quarter 2020	5.25% - 8.25%	6.45%

PwC - Refers to National Power Center market regardless of class or occupancy

In our selection of the capitalization rate we have considered the subject's location, quality, and tenancy, below market contract rents, projected cash flow and quality of construction. Therefore, in the context of the direct capitalization method, a going-in rate of 5.00 percent is considered reasonable, compensating the typical buyer for the risk inherent in investing in this building. We have applied this rate in the direct capitalization method. A summary of the direct capitalization method is shown below.

DIRECT CAPITALIZATION METHOD		
Market Value As-Is		
NET OPERATING INCOME	\$30,816,436	\$33.54
Sensitivity Analysis (0.25% OAR Spread)	Value	\$/SF NRA
Based on Low-Range of 4.75%	\$648,767,074	\$706.12
Based on Most Probable Range of 5.00%	\$616,328,720	\$670.81
Based on High-Range of 5.25%	\$586,979,733	\$638.87
Reconciled Value	\$616,328,720	\$670.81
Rounded to nearest \$5,000,000	\$615,000,000	\$669.37

Compiled by Cushman & Wakefield, Inc.

Based on the rate selected, our value via the Direct Capitalization Method is estimated at \$615,000,000, rounded.

INCOME CAPITALIZATION APPROACH CONCLUSION

We have considered the Discounted Cash Flow and the Direct Capitalization Method in our analysis of the subject property. Our opinion of market values via the Income Capitalization Approach is as follows.

INCOME CAPITALIZATION APPROACH CONCLUSION		
Methodology	Market Value As-Is	PSF
Discounted Cash Flow	\$655,000,000	\$712.90
Direct Capitalization	\$615,000,000	\$669.37
Income Approach Conclusion	\$635,000,000	\$691.14

Compiled by Cushman & Wakefield, Inc.

As noted earlier, the leaseholder is obligated for various future transaction payments in the event of a property sale, refinance or equity disposition. **Since our market value estimate in our valuation assumes a sale of the property as of the date of value, and based on the defined Net Sale Proceeds calculation within Section 12.1b (vi) of the subject ground lease, we have adjusted our preliminary market value by the defined 7.5 percent of net proceeds obligated to be distributed to the landlord (New York City) by the lessee. Therefore, our reconciled overall market value of the leasehold interest in the subject property is as follows:**

Overall, we have estimated the market value of the subject property to be \$635,000,000 as detailed in the previous analysis within the Income Capitalization Approach section of this report. According to the Section 12.1b (vi) of the ground lease, the Net Sale Proceeds are defined as the Gross Sale Proceeds (market value of the subject property) less the following deductions:

- (1) the amount of any Mortgage (including accrued interest and other sums), or proportionate share thereof, satisfied with the proceeds of Sale or assigned or purchased by a new lender or assumed or to which the estate conveyed in such Sale is taken subject by the purchaser at such Sale,
- (2) accrued Operating Losses,
- (3) any reasonable or customary expenses incurred in effecting such Sale, including, but not limited to, brokerage commissions, attorneys' fees, transfer and transfer gains taxes, prepayment premiums, the costs of any repairs or restorations required in connection with such Sale and title insurance premiums, provided however, that with respect to any such expenses paid to Affiliates, such amounts shall be no more than would have been paid to an unrelated party in an arm's length transaction,
- (4) in the event that in connection with any foreclosure of a Mortgage or an Assignment, Transfer or Major Sublease in lieu of a foreclosure of a Mortgage, a Mortgagee or any Control Affiliate or nominee of a Mortgagee shall become Tenant hereunder and all or any portion of the indebtedness secured by such Mortgage shall have been discharged

or reduced without full payment of such indebtedness, an amount equal to the amount of the indebtedness so discharged or reduced, together with interest and other charges which would have accrued with respect thereto through the date of the Sale, absent such discharge or reduction,

(5) an amount equal to Net Sales Proceeds upon which a prior Transaction Payment was made,

(6) all cash equity of Tenant invested in the Premises and

(7) a developer's fee equal to 3% of Development Costs.

We have reviewed a letter dated January 16, 2014, from the ground lessee (BTM Development Partners LLC) to the City of New York (fee owner) which details the anticipated transactions costs related to the recent \$380,000,000 refinancing of the subject property. According to the ownership, the economics of the refinancing are consistent with the current deductions. The letter details the allowable deductions from the Gross Loan Proceeds and the calculation of the Net Cash Proceeds. Some of the deductions defined in the ground lease used in calculating the transaction payment apply to both refinancing and a sale transaction. However, based on the \$380,000,000 mortgage, we have utilized this amount as the mortgage amount in the calculation of Net Sale Proceeds. Therefore, we have utilized the applicable deductions (Nos. 1, 3, 6 & 7 referenced above) which total \$459,271,000 which were detailed by the lessee while calculating the Net Cash Proceeds from a refinance. In addition, we have also estimated transactions costs of 4.0 percent of the sales price (\$635,000,000) or \$25,400,000 (rounded) regarding sales commissions, sales transfer tax, legal, title, professional fees, and other miscellaneous costs. Overall, our estimated deductions totaled \$459,271,000. As a result, our Net Sale Proceeds reflected \$175,729,000. Based on the defined 7.5 percent formula in the ground lease, the transaction payment due the landlord was calculated to be \$13,179,675. We have rounded the transaction payment to \$13,000,000 for the income approach.

Exhibited below is our calculation of the actual "Net Sales Proceeds" and the Transaction Payment of 7.5 percent of net proceeds:

CALCULATION OF THE TRANSACTION PAYMENT FROM SALE

Market Value-Leasehold:	\$635,000,000
Less: Deductions Per Ground Lease	
1: Mortgage Amount:	\$380,000,000
2: Operating Losses:	N/A
3: Sale Costs @ 4% (sales commissions, transfer tax, legal, title, etc.)	\$25,400,000
4: Adjustment of any indebtedness discharged or reduced	N/A
5: Adjustment for prior Transaction Payment:	N/A
6: All cash equity of Tenant invested in the subject	\$40,500,000
7: Developer fee equal to 3% of development costs	<u>\$13,371,000</u>
Total Deductions:	\$459,271,000
Net Sale Proceeds from Sale	\$175,729,000
Transaction Payment due @7.5% from Sale	\$13,179,675
Rounded:	\$13,000,000

Therefore, our opinion of market value via the Sales Comparison Approach is as follows.

INCOME CAPITALIZATION APPROACH CONCLUSION-AFTER NET SALE PROCEEDS

As Is Market Value:	\$635,000,000
Less: Net Sale Proceeds Obligation	<u>\$ 13,000,000</u>
As Is Market Value, rounded,	\$622,000,000
Rounded:	\$620,000,000

Addendum C: Comparable Improved Retail Sales

On the following page, we present a summary of the improved properties that we compared to the subject property that reflect a range in price which reflect an unadjusted range of \$276.95 to \$835.29 per square foot with an average of \$561.68 per square foot. The first year overall capitalization rates of the sales range from 4.31 to 5.63 percent, with an average of 5.11 percent.

SUMMARY OF IMPROVED SALES

No.	Property Name Address, City, State	Property Sub-Type	Sold GLA	Grantor	Grantee	Sale Date	Sale Price	\$/SF	NOI/SF	OAR	Occup.
1	Nostrand Place 3780-3858 Nostrand Avenue Sheepshead Bay, Brooklyn	Power Center	70,009	Acadia Realty Trust	ECA Buglio Nostrand Partners, LP	Jun-19	\$27,650,000	\$394.95	\$22.24	5.63%	92%
2	Nostrand Avenue Shopping Center 3779-3861 Nostrand Avenue Sheepshead Bay, Brooklyn	Neighborhood Center	80,991	Country Leasing Limited Partners	Ashkenazy Acquisitions Co. LLC	Jan-19	\$38,250,000	\$472.27	\$25.89	5.48%	100%
3	Caesar's Bay Bazaar 8973 Bay Parkway Brooklyn, NY	Shopping Center	300,000	Cirillo Family Trust	Gazit Horizons	Jun-18	\$118,000,000	\$393.33	\$19.51	4.96%	100%
4	1100 King's Highway & 2067 Coney Island Avenue Brooklyn, NY	Neighborhood Center	43,318	New York REIT, Inc.	AB Capstone Development	May-18	\$30,500,000	\$704.10	\$32.97	4.68%	100%
5	2857 West 8th Street B/w Neptune & Surf Avenues Brooklyn, NY	Retail Center	52,302	Avid Asset Properties, LLC & Abigail Associates, LLC	Real Estate Discovery Ventures	Apr-18	\$23,000,000	\$439.75	\$23.70	5.39%	100%
6	Harlem Center 125 West 125th Street Upper Manhattan, NY	Power Center	126,234	Forest City Ratner	Madison International Realty	Sep-17	\$103,000,000	\$815.94	\$40.23	4.93%	98%
7	Atlantic Center 625 Atlantic Avenue Brooklyn, NY	Lifestyle Center	396,224	Forest City Ratner	Madison International Realty	Sep-17	\$195,000,000	\$492.15	\$21.20	4.31%	100%
8	Queens Place 88-01 Queens Boulevard Elmhurst, NY	Community Center	220,953	JLL Income Property Trust Inc.	Madison International Realty	Jan-17	\$175,000,000	\$792.02	\$34.61	4.75%	100%
9	Shops at Bruckner Plaza 845 White Plains Road Parkchester, Bronx	Community Center	115,545	Forest City / Madison International Realty /	Urban Edge Properties	Jan-17	\$32,000,000	\$276.95	\$15.50	5.62%	100%
10	Riverdale Crossings 184-190 West 237th Street Riverdale, Bronx	Neighborhood Center	159,137	Metropolitan Realty Associates	Vanbarton Group	Oct-15	\$132,925,000	\$835.29	\$44.30	5.30%	98%
STATISTICS											
Low			43,318			Oct-15	\$23,000,000	\$276.95	\$15.50	4.31%	92%
High			396,224			Jun-19	\$195,000,000	\$835.29	\$44.30	5.63%	100%
Average			156,471			Nov-17	\$87,532,500	\$561.68	\$28.01	5.11%	99%

Compiled by Cushman and Wakefield, Inc.

We have presented a summary of several transactions involving retail centers from which price trends may be identified for the extraction of value parameters. These transactions have been segregated by year of acquisition so as to lend additional perspective on our analysis. Comparability in both physical and economic characteristics are the most important criteria for analyzing sales in relation to the subject property. However, it is also important to recognize the fact that retail centers are distinct entities by virtue of age and design, visibility and accessibility, the market segmentation created by anchor stores and tenant mix, the size and purchasing power of the particular trade area, and competency of management. Thus, the Sales Comparison Approach, when applied to a property such as the subject can, at best, only outline the parameters in which the typical investor operates.

There have been no transactions since the recent events. Brokers indicated existing marketing processes are being either paused or slowed down. Investors indicated on long term horizon their views of the market have not changed. For premium assets that are well leased with strong fundamentals the investors view remains unchanged. At this time the focus is more on the short-term impact, which include existing vacancy, near term releasing exposure, tenant credit tenancy and the impact to cash flows with a focus on retail assets within the markets and the impact that COVID-19 will have on this sector of the market.

The sales that are included in this analysis occurred between December 2015 through April 2019. Based on our discussions with market participants, the market activity came to an abrupt halt due to the COVID-19 disruption. Since the recent developments, there have not been enough data points that would imply measurable adjustments in the marketplace. However, the disruption in rent collections, tapered rent growth, uncertainty in the retail market sector and limited financing availability has led participants belief that pricing had decreased. Therefore, given the impact of the COVID impact we have made a downward adjustment of 5 percent on March 11th, 2020, which was applied to all of the comparables. Therefore, after our analysis of the comparables sales and the market conditions, our opinion of market value via the Sales Comparison Approach is as follows:

APPLICATION TO SUBJECT	
Market Value As-Is	
Indicated Value per Square Foot NRA	\$685.00
Net Rentable Area in Square Feet	x 918,778
Preliminary Value:	\$629,362,930
Rounded to nearest \$5,000,000	\$630,000,000
Per square foot	\$685.69

However, the leaseholder is obligated for various future transaction payments in the event of a property sale, refinance or equity disposition. **Since our market value estimate in our valuation assumes a sale of the property as of the date of value, and based on the defined Net Sale Proceeds calculation within Section 12.1b (vi) of the subject ground lease, we have adjusted our preliminary market value by the defined 7.5 percent of net proceeds obligated to be distributed to the landlord (New York City) by the lessee. Therefore, our reconciled overall market value of the leasehold interest in the subject property is as follows:**

Overall, we have estimated the market value of the subject property to be \$630,000,000 as detailed in the previous analysis within the Income Capitalization Approach section of this report. According to the Section 12.1b (vi) of the ground lease, the Net Sale Proceeds are defined as the Gross Sale Proceeds (market value of the subject property) less the following deductions:

- (1) the amount of any Mortgage (including accrued interest and other sums), or proportionate share thereof, satisfied with the proceeds of Sale or assigned or purchased by a new lender or assumed or to which the estate conveyed in such Sale is taken subject by the purchaser at such Sale,*
- (2) accrued Operating Losses,*
- (3) any reasonable or customary expenses incurred in effecting such Sale, including, but not limited to, brokerage commissions, attorneys' fees, transfer and transfer gains taxes, prepayment premiums, the costs of any repairs or restorations required in connection with such Sale and title insurance premiums, provided however, that with respect to any such expenses paid to Affiliates, such amounts shall be no more than would have been paid to an unrelated party in an arm's length transaction,*
- (4) in the event that in connection with any foreclosure of a Mortgage or an Assignment, Transfer or Major Sublease in lieu of a foreclosure of a Mortgage, a Mortgagee or any Control Affiliate or nominee of a Mortgagee shall become Tenant hereunder and all or any portion of the indebtedness secured by such Mortgage shall have been discharged or reduced without full payment of such indebtedness, an amount equal to the amount of the indebtedness so discharged or reduced, together with interest and other charges which would have accrued with respect thereto through the date of the Sale, absent such discharge or reduction,*
- (5) an amount equal to Net Sales Proceeds upon which a prior Transaction Payment was made,*
- (6) all cash equity of Tenant invested in the Premises and*
- (7) a developer's fee equal to 3% of Development Costs.*

We have reviewed a letter dated January 16, 2014, from the ground lessee (BTM Development Partners LLC) to the City of New York (fee owner) which details the anticipated transactions costs related to the recent \$380,000,000 refinancing of the subject property. According to the ownership, the economics of the refinancing are consistent with the current deductions. The letter details the allowable deductions from the Gross Loan Proceeds and the calculation of the Net Cash Proceeds. Some of the deductions defined in the ground lease used in calculating the transaction payment apply to both refinancing and a sale transaction. However, based on the \$380,000,000 mortgage, we have utilized this amount as the mortgage amount in the calculation of Net Sale Proceeds. Therefore, we have utilized the applicable deductions (Nos. 1, 3, 6 & 7 referenced above) which total \$459,071,000 which were detailed by the lessee while calculating the Net Cash Proceeds from a refinance. In addition, we have also estimated transactions costs of 4.0 percent of the sales price (\$630,000,000) or \$25,200,000 (rounded) regarding sales commissions, sales transfer tax, legal, title, professional fees, and other miscellaneous costs. Overall, our estimated deductions totaled \$459,071,000. As a result, our Net Sale Proceeds reflected \$170,929,000. Based on the defined 7.5 percent formula in the ground lease, the transaction payment due the landlord was calculated to be \$12,819,675. We have rounded the transaction payment to \$13,000,000 for the income approach.

Exhibited below is our calculation of the actual “Net Sales Proceeds” and the Transaction Payment of 7.5 percent of net proceeds:

CALCULATION OF THE TRANSACTION PAYMENT FROM SALE	
Market Value-Leasehold:	\$630,000,000
Less: Deductions Per Ground Lease	
1: Mortgage Amount:	\$380,000,000
2: Operating Losses:	N/A
3: Sale Costs @ 4% (sales commissions, transfer tax, legal, title, etc.)	\$25,200,000
4: Adjustment of any indebtedness discharged or reduced	N/A
5: Adjustment for prior Transaction Payment:	N/A
6: All cash equity of Tenant invested in the subject	\$40,500,000
7: Developer fee equal to 3% of development costs	<u>\$13,371,000</u>
Total Deductions:	\$459,071,000
Net Sale Proceeds from Sale	\$170,929,000
Transaction Payment due @7.5% from Sale	\$12,819,675
Rounded:	\$13,000,000

Therefore, our opinion of market value via the Income Capitalization Approach is as follows.

SALES COMPARISON APPROACH CONCLUSION-AFTER NET SALE PROCEEDS	
As Is Market Value:	\$630,000,000
Less: Net Sale Proceeds Obligation	<u>\$ 13,000,000</u>
As Is Market Value, rounded,	\$617,000,000
Rounded:	\$615,000,000

Addendum D: Ground Rent Calculation

GATEWAY CENTER @ BRONX TERMINAL MARKET
Ground Rent Projection (Calendar Year)

	2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6	2026 Year 7	2027 Year 8	2028 Year 9	2029 Year 10	2030 Year 11	2031 Year 12	2032 Year 13
Potential Gross Revenue	\$30,830,370	\$31,875,807	\$32,428,276	\$32,673,828	\$33,918,771	\$35,963,681	\$36,762,374	\$37,002,988	\$37,472,443	\$39,139,603	\$41,793,683	\$42,451,396	\$42,556,420
Net Parking Revenue	\$4,200,000	\$4,284,000	\$4,369,680	\$4,457,074	\$4,546,215	\$4,637,139	\$4,729,882	\$4,824,480	\$4,920,969	\$5,019,389	\$5,119,777	\$5,222,172	\$5,326,616
License & Billboard Agreements	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275	\$57,964	\$59,703	\$61,494	\$63,339	\$65,239	\$67,196	\$69,212	\$71,288
Less Pass Through Rent Deduction	-\$650,000	-\$669,500	-\$689,585	-\$710,273	-\$731,581	-\$753,528	-\$776,134	-\$799,418	-\$823,401	-\$848,103	-\$873,546	-\$899,752	-\$926,745
Imputed Gross Revenue for Target (Buy down tenant)**	\$3,196,547	\$3,196,547	\$3,196,547	\$3,196,547	\$3,196,547	\$3,196,547	\$3,196,547	\$3,196,547	\$3,196,547	\$3,196,547	\$3,196,547	\$3,150,153	\$3,150,153
	\$37,626,917	\$38,738,354	\$39,357,963	\$39,671,812	\$40,986,227	\$43,101,803	\$43,972,371	\$44,286,090	\$44,829,897	\$46,572,674	\$49,303,656	\$49,993,181	\$50,177,732
Allowed Deductions													
Management Fee @ 3% of PGI	(\$1,128,807)	(\$1,162,151)	(\$1,180,739)	(\$1,190,154)	(\$1,229,587)	(\$1,293,054)	(\$1,319,171)	(\$1,328,583)	(\$1,344,897)	(\$1,397,180)	(\$1,479,110)	(\$1,499,795)	(\$1,505,332)
On-Site Costs	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)
Gross Revenue	\$36,348,109	\$37,426,203	\$38,027,224	\$38,331,658	\$39,606,641	\$41,658,748	\$42,503,200	\$42,807,507	\$43,335,000	\$45,025,494	\$47,674,547	\$48,343,385	\$48,522,400
Specified Percentage @	4.00%	4.00%	4.00%	4.00%	4.42%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Ground Rent	\$1,453,924	\$1,497,048	\$1,521,089	\$1,533,266	\$1,750,614	\$2,082,937	\$2,125,160	\$2,140,375	\$2,166,750	\$2,251,275	\$2,383,727	\$2,417,169	\$2,426,120
Less Ground Rent Abatement	-\$475,000	-\$485,417	-\$500,000	-\$291,667	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$978,924	\$1,011,631	\$1,021,089	\$1,241,600	\$1,750,614	\$2,082,937	\$2,125,160	\$2,140,375	\$2,166,750	\$2,251,275	\$2,383,727	\$2,417,169	\$2,426,120

**Target Buydown amount times 6.89% (buydown constant)

Addendum E: Qualification of the Appraisers



John A. Katinos, MAI Executive Director

Valuation & Advisory
Co-Leader New York Commercial Group
Cushman & Wakefield, Inc.

Professional Expertise

John A. Katinos is an Executive Director with Cushman & Wakefield, Inc. Valuation & Advisory. He joined Cushman & Wakefield, Inc. in August, 1989.

Appraisal and consulting assignments have included office buildings, retail centers, regional malls, vacant land, transferable development rights (TDRs), historic and preservation easements, cooperative, condominium and rental apartment buildings, feasibility and market studies, industrial properties, residential subdivisions and existing and proposed investment properties throughout the United States. Served as an arbitrator for numerous real estate matters including ground rent redetermination, office and retail space rent renewal determinations.

Memberships, Licenses, Professional Affiliations and Education

- Designated Member, Appraisal Institute (MAI #12185). As of the current date, John Katinos, MAI has completed the requirements of the continuing education program of the Appraisal Institute.
- Appraisal Institute
 - President, Metropolitan NY Chapter 2016
 - Member, Board of Directors, Metropolitan NY Chapter 2008-2016
- Certified General Real Estate Appraiser in the following state:
 - New York – 46000028780
- Master of Science in Real Estate, New York University
- Bachelor of Science in Business Administration, Drexel University

NEW YORK

UNIQUE ID NUMBER 46000028780	<i>State of New York</i> <i>Department of State</i> DIVISION OF LICENSING SERVICES	FOR OFFICE USE ONLY Control No. 110909
PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.		EFFECTIVE DATE MO. DAY YR. 10 08 18
KATINDS JOHN A C/O CUSHMAN & WAKEFIELD INC 1290 AVENUE OF THE AMERICAS 9TH FL NEW YORK, NY 10104-6178		EXPIRATION DATE MO. DAY YR. 10 07 20
HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R. E. GENERAL APPRAISER		In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed: ROSSANA ROSADO SECRETARY OF STATE
DOS-1098 (Rev. 3/01)		



James P. Stuckey Jr. Director

Valuation & Advisory
Practice Group Member | Retail
Cushman & Wakefield, Inc.

Professional Expertise

James Stuckey is an appraiser with Cushman & Wakefield, Inc. Valuation & Advisory Group. He joined Cushman and Wakefield, Inc. in August 2007.

Appraisal and consulting assignments have included office buildings, retail centers, regional malls, vacant land, transferable development rights (TDRs), historic and preservation easements, cooperative, condominium and rental apartment buildings, feasibility and market studies, industrial properties, residential subdivisions and existing and proposed investment properties throughout New York State.

Memberships, Licenses, Professional Affiliations and Education

- Practicing Affiliate, Appraisal Institute – Metropolitan New York Chapter
- Licensed Real Estate Appraiser Assistant in the following state:
 - New York – 48000049048
- Bachelor of Science in Political Science, University of Scranton, Pennsylvania

Appraisal Education

- Basic Appraisal Principles (R1)
- Fair Housing, Fair Lending and Environmental Issues (AQ1)
- 15-Hour National Uniform Standards of Professional Appraisal Practice (USPAP)
- Basic Appraisal Procedures (R2)

NEW YORK

UNIQUE ID NUMBER 48000049048	<i>State of New York</i> <i>Department of State</i> DIVISION OF LICENSING SERVICES	FOR OFFICE USE ONLY Control No. 114748
KNOW ALL MEN BY THESE PRESENTS THAT PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO REAL ESTATE APPRAISERS.		EFFECTIVE DATE MO. DAY YR. 03 04 19
STUCKEY JAMES P JR C/O CUSHMAN & WAKEFIELD 1290 AVENUE OF THE AMERICAS 9TH FL NEW YORK, NY 10104		EXPIRATION DATE MO. DAY YR. 03 03 21
HAS BEEN DULY LICENSED AS A REAL ESTATE APPRAISER ASSISTANT		In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed ROSSANA ROSADO SECRETARY OF STATE
DOS-1096 (Rev. 3/01)		



Patricia Lohmus, MBA Associate Director

1290 Avenue of the Americas, Suite 900 | New York, NY 10104
Direct: +1 212 713 6805
Email: patricia.lohmus@cushwake.com

Professional Expertise

Patricia Lohmus, B. Comm., MBA, is an Associate Director with Cushman & Wakefield ULC. Patricia works with the team of John Katinos, Executive Director, and James Stuckey, Director, on Valuation and Advisory assignments. Patricia previously worked within both Capital Markets and Valuation & Advisory in Cushman & Wakefield's Toronto office for 5 years. Patricia focuses on research and analysis for single and portfolio asset assignments including a variety of office, industrial, and retail properties. Patricia's role includes market and financial analysis of real estate assets within New York City and across Canada.

Work Experience

Patricia has worked on a wide variety of valuation assignments that have included the analysis of investment and institutional grade assets for the purposes of financial due diligence, valuation and quarterly IFRS reporting, and confidential information memorandums. Patricia has also worked with a variety of clients with valuation projects for IPO purposes and quarterly reporting including Canadian Tire, Choice Properties REIT, and Automotive Properties REIT.

Education

- Dalhousie University
 - Master of Business Administration; MBA
- McGill University
 - Bachelor of Commerce; BComm

Memberships, Licenses & Professional Affiliations

- Candidate Member, AIC & Associate Member of AI



Robert S. Nardella, MAI, MRICS
Executive Managing Director
V&A Regional Manager

1290 Avenue of the Americas
New York, NY 10104
Direct +1 212 841 5048
Fax +1 212 479 1878
robert.nardella@cushwake.com
cushmanwakefield.com

June 26, 2020

To:

Related Commercial Portfolio Ltd.

RE: Value Appraisals – Consent to include within Financial Statements

We hereby give our full consent to Related Commercial Portfolio Ltd. (the "**Company**") to the inclusion of our Appraisal Report dated June 15, 2020 (Effective date – March 31, 2020) regarding **Union Square Retail**, in its entirety, within the Company's Financial Statements for March 31, 2020, to be published by the Company no later than June 30, 2020, and any ensuing financial statements, and within any other filing to be filed and/or disclosed by the Company to the Israel Securities Authority and/or to be published by the Company.

In addition, we hereby give our full consent to the inclusion of a copy of this letter within the Company's Financial Statements and other filings as aforesaid.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Robert S. Nardella", written over a light blue grid background.

Robert S. Nardella, MAI, MRICS
Executive Managing Director

RSN:pl



APPRAISAL OF REAL PROPERTY

Retail Condominium Unit Within
One Union Square South
New York, New York County, NY 10003

IN AN APPRAISAL REPORT

As of March 31, 2020, Retrospective Value

Prepared For:

Related Commercial Portfolio, LTD. c/o Related Companies
60 Columbus Circle
New York, NY 10023

Prepared By:

Cushman & Wakefield, Inc.
Valuation & Advisory
1290 Avenue of the Americas, 9th Floor
New York, NY 10104-6178
C&W File ID: 20-12002-901124



1290 Avenue of the Americas, 9th Floor
NEW YORK, NY 10104-6178
Tel +1 212 841 7500
cushmanwakefield.com

June 15, 2020

Mr. David Zussman
Related Commercial Portfolio, LTD. c/o Related Companies
60 Columbus Circle
New York, NY 10023

Re: Appraisal of Real Property
In An Appraisal Report

Retail Condominium Unit Within
One Union Square South
New York, New York County, NY 10003

C&W File ID: 20-12002-901124

Dear Mr. Zussman:

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our appraisal of the above property in a restricted use appraisal report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP). In accordance with USPAP, the use of this report is restricted to the client only.

The appraisal report is intended to provide an opinion of the market value of the leasehold interest of the subject property for an internal review by the client. This report is not intended for any other use. This report was prepared for the exclusive use of Related Commercial Portfolio, LTD. c/o Related Companies and their participant lenders are the intended users.

In recent times, the CRE market has been driven by investor demand and strong liquidity. Asset values can fall significantly in short periods of time if either of these two factors, often in conjunction with many others, change significantly. While Cushman & Wakefield is closely monitoring the latest developments resulting from the COVID-19 pandemic, and will continue to provide updates as events unfold, the reader is cautioned to consider that values and incomes are likely to change more rapidly and significantly than during standard market conditions. Furthermore, the reader should be cautioned and reminded that any conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property(ies) of this event, or any event, subsequent to the effective date of the appraisal.

Client:	Mr. David Zussman Related Commercial Portfolio, LTD. c/o Related Companies 60 Columbus Circle New York, NY 10023
---------	---

Intended User:	Related Commercial Portfolio, LTD. c/o Related Companies and their participant lenders, are the only Intended Users.
Intended Use:	IFRS financial statements in connection with a potential corporate financing.
Identification of the Real Estate:	Retail Condominium Unit Within One Union Square South New York, NY 10003
Current Use:	<p>The subject property comprises a multi-level retail condominium unit totaling 236,215 square feet of net rentable area within five levels (inclusive of one below grade level) of the luxury mixed-use development located at One Union Square South. The subject is 100.0 percent leased to seven retail tenants. The subject is anchored by Regal Cinemas, Best Buy, and Nordstrom Rack, which occupy 83.7 percent of the subject. The subject site is ground leased through December 31, 2095, with no renewal options.</p> <p>One Union Square South is a 22-story luxury residential building, with a 5-level retail component (subject property) containing a total gross building area of 445,176 square feet on a 48,223 square foot square foot parcel of land. The entire mixed-use property contains approximately 240 residential rental apartment units (208,961 SF), and 236,215 square feet of multi-level retail space. The residential component of the building is not part of the subject property.</p>
Highest and Best Use (As If Vacant):	It is our opinion that the Highest and Best Use of the entire site as if vacant is a mixed-use development comprising residential units on the upper floors, and multi-level retail space on the lower floors.
Highest and Best Use (As Improved):	It is our opinion that the Highest and Best Use of the entire property as improved is as it is currently improved.
Type of Value:	Market Value (defined later in this report)
Sales History:	To the best of our knowledge, the property has not transferred within the past three years.
Real Property Interest Valued:	Leasehold Estate
Date of Inspection:	April 30, 2020
Effective Date of Value:	March 31, 2020, Retrospective Value
Date of Report:	June 15, 2020

Extraordinary Assumptions:	This appraisal employs the following extraordinary assumption: Due to the impact of the COVID-19/Coronavirus pandemic, an exterior inspection of the property was performed. This report is being completed under the extraordinary assumption that a full inspection of the property would not have revealed anything that would have materially impacted our analyses and/or value conclusions. The lack of the interior inspection did not have a negative impact on the creditability of the appraisal process or the value conclusion.
Hypothetical Conditions:	This appraisal does not employ any hypothetical conditions.
Valuation Indices:	
Sales Comparison Approach:	\$335,000,000
Income Capitalization Approach:	\$345,000,000
Opinion of Value:	\$345,000,000 (Market Value As Is on March 31, 2020)
Exposure & Marketing Time:	12 months

Market Value Definition

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:

- Buyer and seller are typically motivated;
 - Both parties are well informed or well advised, and acting in what they consider their best interests;
 - A reasonable time is allowed for exposure in the open market;
 - Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
 - The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
- Source: (12 C.F.R. Part 34.42(g) Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

Scope of Work

Scope of work is the type and extent of research and analyses involved in an assignment.¹ To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the relevant characteristics of the subject property, and other pertinent factors. Our concluded scope of work is summarized below, and in some instances, additional scope details are included in the appropriate sections of the report:

Research

- We inspected the exterior of the property and its environs. Physical information on the subject was obtained from the property owner's representative, public records, and/or third-party sources.
- Regional economic and demographic trends, as well as the specifics of the subject's local area were investigated. Data on the local and regional property market (supply and demand trends, rent levels, etc.) was also obtained. This process was based on interviews with regional and/or local market participants, primary research, available published data, and other various resources.
- Other relevant data was collected, verified, and analyzed. Comparable property data was obtained from various sources (public records, third-party data-reporting services, etc.) and confirmed with a party to the transaction (buyer, seller, broker, owner, tenant, etc.) wherever possible. It is, however, sometimes necessary to rely on other sources deemed reliable, such as data reporting services.

Analysis

- Based upon the subject property characteristics, prevailing market dynamics, and other information, we developed an opinion of the property's Highest and Best Use.
- We analyzed the data gathered using generally accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value.
- The results of each valuation approach are considered and reconciled into a reasonable value estimate.

¹ Uniform Standards of Professional Appraisal Practice. 2018-2019 edition. Washington, DC: The Appraisal Foundation 2012.

This report is intended to comply with the reporting requirements outlined under USPAP for a An Appraisal Report

Cushman & Wakefield, Inc. has an internal Quality Control Oversight Program. This Program mandates a “second read” of all appraisals. Assignments prepared and signed solely by designated members (MAIs) are read by another MAI who is not participating in the assignment. Assignments prepared, in whole or in part, by non-designated appraisers require MAI participation, Quality Control Oversight, and signature.

Report Option Description

USPAP identifies two written report options: Appraisal Report and Restricted Appraisal Report. This document is prepared as a Restricted Appraisal Report in accordance with USPAP guidelines. The terms “describe,” “summarize,” and “state” connote different levels of detail, with “describe” as the most comprehensive approach and “state” as the least detailed. As such, the following provides specific descriptions about the level of detail and explanation included within the report:

- States the real estate and/or personal property that is the subject of the appraisal, including physical, economic, and other characteristics that are relevant
- States the type and definition of value and its source
- States the Scope of Work used to develop the appraisal
- States the information analyzed, the appraisal methods used, and the reasoning supporting the analyses and opinions; explains the exclusion of any valuation approaches
- States the use of the property as of the valuation date
- States the rationale for the Highest and Best Use opinion (if included)

Appraisal Methodology

There are three generally accepted approaches to developing an opinion of value: Cost, Sales Comparison and Income Capitalization. In appraisal practice, an approach to value is included or eliminated based on its applicability to the property type being valued and the quality of information available. The reliability of each approach depends on the availability and comparability of market data as well as the motivation and thinking of purchasers.

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. Typical purchasers do not generally rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not utilized the Cost Approach to develop an opinion of market value.

We have relied on the Income Capitalization Approach to reflect the leasing profile and income characteristics associated with the property. Most purchasers of properties comparable to the subject would also rely on the Income Capitalization Approach. We have used the sales comparison approach as a test of reasonableness.

Assumptions and Limiting Conditions

"Report" means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"C&W" means Cushman & Wakefield, Inc. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of C&W who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.
- The information contained in the Report or upon which the Report is based has been gathered from sources the Appraiser assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Appraiser nor C&W shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of C&W any inaccuracies or errors that it believes are contained in the Report.
- The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions in the Report.
- The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of C&W is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. No part of the Report shall be conveyed to the public through advertising, or used in any sales, promotion, offering or SEC material without C&W's prior written consent. Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by C&W in writing to use or rely thereon, hereby agrees to indemnify and hold C&W, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).
- Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.
- The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.
- The physical condition of the improvements considered by the Report is based on visual inspection by the Appraiser or other person identified in the Report. C&W assumes no responsibility for the soundness of structural components or for the condition of mechanical equipment, plumbing or electrical components.
- The forecasted potential gross income referred to in the Report may be based on lease summaries provided by the owner or third parties. The Report assumes no responsibility for the authenticity or completeness of lease information provided by others. C&W recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.

- The forecasts of income and expenses are not predictions of the future. Rather, they are the Appraiser's best opinions of current market thinking on future income and expenses. The Appraiser and C&W make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the date of the Report, envisages for the future in terms of rental rates, expenses, and supply and demand.
- Unless otherwise stated in the Report, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not considered in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The Appraisers are not qualified to detect such substances. C&W recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.
- Unless otherwise stated in the Report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the Property. C&W recommends that an expert in this field be employed to determine the compliance of the Property with the requirements of the ADA and the impact of these matters on the opinion of value.
- If the Report is submitted to a lender or investor with the prior approval of C&W, such party should consider this Report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions and the Assumptions and Limiting Conditions incorporated in this Report.
- In the event of a claim against C&W or its affiliates or their respective officers or employees or the Appraisers in connection with or in any way relating to this Report or this engagement, the maximum damages recoverable shall be the amount of the monies actually collected by C&W or its affiliates for this Report and under no circumstances shall any claim for consequential damages be made.
- If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and C&W, its employees and the Appraiser have no liability to such recipients. C&W disclaims any and all liability to any party other than the party that retained C&W to prepare the Report.
- Unless otherwise noted, we were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
- Unless otherwise noted, we were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.
- Unless otherwise noted, we were not given a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.
- Unless otherwise noted, we observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.
- Unless otherwise noted, we did not inspect the roof nor did we make a detailed inspection of the mechanical systems. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.
- By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

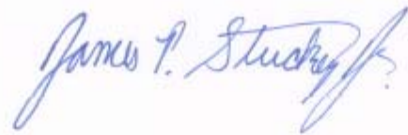
Certification of Appraisal

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

- The statements of fact contained in this report are true and correct.
- 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.
- 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 have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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.
- 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 & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- John A. Katinos, MAI and James P. Stuckey Jr. did make a personal inspection of the property that is the subject of this report.
- We have performed prior services involving the subject property within the three-year period immediately preceding the acceptance of the assignment.
- Patricia Lohmus provided significant real property appraisal assistance to the persons signing this report.
- As of the date of this report, John A. Katinos, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
- As of the date of this report, James P. Stuckey Jr. has completed all the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.



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Addenda Contents

Addendum A:	Client Satisfaction Survey
Addendum B:	Valuation Methodology
Addendum C:	Comparable Improved Retail Sales
Addendum D:	Ground Rent Calculation
Addendum E:	Qualifications of the Appraisers

Addendum A: Client Satisfaction Survey

Survey Link: <https://www.surveymonkey.com/r/LQKCGLF?c=20-12002-901124-003>

C&W File ID: 20-12002-901124

Fax Option: (716) 852-0890

1. Based on the scope and complexity of the assignment, please rate the development of the appraisal relative to the adequacy and relevance of the data, the appropriateness of the techniques used, and the reasonableness of the analyses, opinions, and conclusions:

- ☐ Excellent
- ☐ Good
- ☐ Average
- ☐ Below Average
- ☐ Poor

Comments: _____

2. Please rate the appraisal report on clarity, attention to detail, and the extent to which it was presentable to your internal/external users without revisions:

- ☐ Excellent
- ☐ Good
- ☐ Average
- ☐ Below Average
- ☐ Poor

Comments: _____

3. The appraiser communicated effectively by listening to your concerns, showed a sense of urgency in responding, and provided convincing support of his/her conclusions:

☐ Not Applicable

☐ Excellent

☐ Good

☐ Average

☐ Below Average

☐ Poor

Comments: _____

4. The report was on time as agreed, or was received within an acceptable time frame if unforeseen factors occurred after the engagement:

☐ Yes

☐ No

Comments: _____

5. Please rate your overall satisfaction relative to cost, timing, and quality:

☐ Excellent

☐ Good

☐ Average

☐ Below Average

☐ Poor

Comments: _____

6. Any additional comments or suggestions you feel our National Quality Control Committee should know?

7. Would you like a representative of our National Quality Control Committee to contact you?

☐ Yes

☐ No

Name & Phone (if contact is desired):

Contact Information: Rick Zbranek, MAI
Senior Managing Director, National Quality Control
T +1 (713) 963 2863
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Addendum B: Valuation Methodology

INCOME CAPITALIZATION APPROACH

Methodology

The Income Capitalization Approach determines the value of a property based on the anticipated economic benefits. The principle of “anticipation” is essential to this approach, which recognizes the relationship between an asset’s potential future income and its value. To value the anticipated economic benefits of a property, potential income and expenses must be projected, and the most appropriate capitalization method must be selected.

The most common methods of converting net income into value are Direct Capitalization and Yield Capitalization. In direct capitalization, net operating income is divided by an overall capitalization rate to indicate an opinion of market value. In the yield capitalization method, anticipated future cash flows and a reversionary value are discounted to an opinion of net present value at a chosen yield rate (internal rate of return).

Based upon the subject’s characteristics, it is our opinion that both the Discounted Cash Flow and Direct Capitalization methods are appropriate in this assignment.

Potential Gross Income

Potential gross income is generated by a number of distinct elements: minimum rent determined by lease agreement; and reimbursement of certain expenses incurred in the ownership and operation of the real estate. Minimum base rent is a legal contract between landlord and tenant establishing a return to investors in the real estate. Retail lease terms generally also dictate specific expense reimbursement charges that can be billed to the tenant. The first step in this appraisal is to analyze all potential gross income, starting with an analysis of the subject’s tenancy.

Local Market Lease Structure

In the subject’s market, leases for properties similar to the subject property type are typically written on a gross basis. Under this lease structure, the tenant is obligated to pay its pro rata share of real estate taxes, and condominium charges above their base year amount. Lease terms are generally between 5 and 15 years in length. Rent increase schedules vary, but typically include rent escalations of 3.0 percent per annum for smaller tenants or 10.0 percent every 5 years for larger tenants.

Subject’s Lease Structure

The majority of the subject’s tenants are gross leases whereby, the tenants are responsible for their pro-rata share of Common Area Maintenance (CAM) charges and real estate taxes above their base year. However, Best Buy and Regal Cinemas, are net leases whereby, the tenants are responsible for a pro-rata share of CAM charges and real estate taxes.

Space Summary & Occupancy Status

The subject property is currently 100.0 percent leased by 7 tenants. The following chart summarizes the subject’s 236,215 square feet of net rentable area (NRA) by level.

CURRENT SPACE SUMMARY & OCCUPANCY STATUS				
	SPACE SUMMARY			
Tenant Category	Occ. SF	Vct. SF	Total SF	Occupancy
Ground- Corner	9,755	-	9,755	100.0%
Ground- Union Square South	13,947	-	13,947	100.0%
Multi-Level- Theater	118,779	-	118,779	100.0%
Second Floor	46,088	-	46,088	100.0%
Lower Level-Retail	32,136	-	32,136	100.0%
Un Sq Wines	6,419	-	6,419	100.0%
MRI CENTER	9,091	-	9,091	100.0%
Total	236,215	-	236,215	100.0%

Compiled by Cushman & Wakefield, Inc.

ATTAINED RENT SCHEDULE

The following chart summarizes the attained rent level within the subject property as of the date of valuation.

RENT ROLL SCHEDULE							MARKET RENT		COMPARISON
As Of Value Date:		Mar-20					Market Rent		Comparison
Tenant Name	Suite	Start Date	End Date	Area (SF)	Contract Rent/Year	Contract Rent/SF	Rent/SF	Annualized	Contract Rent Versus Market Rent
Ground- Corner									
Citibank	100	Mar-10	Mar-28	9,755	\$5,365,248	\$550.00	\$500.00	\$4,877,500	10.00% above market
1 tenant subtotal				9,755	\$5,365,248	\$550.00	\$500.00	\$4,877,500	10.00% above market
Ground- Union Square South									
Duane Reade	110	Mar-10	Sep-30	13,947	\$3,657,504	\$262.24	\$425.00	\$5,927,475	38.30% below market
1 tenant subtotal				13,947	\$3,657,504	\$262.24	\$425.00	\$5,927,475	38.30% below market
Multi-Level- Theater									
Regal Cinemas	4 & 5	Apr-98	Apr-23	118,779	\$6,294,072	\$52.99	\$55.00	\$6,532,845	3.65% below market
1 tenant subtotal				118,779	\$6,294,072	\$52.99	\$55.00	\$6,532,845	3.65% below market
Second Floor									
Best Buy	G & 2	Jul-09	Jan-25	46,088	\$4,126,716	\$89.54	\$110.00	\$5,069,680	18.60% below market
1 tenant subtotal				46,088	\$4,126,716	\$89.54	\$110.00	\$5,069,680	18.60% below market
Lower Level-Retail									
Nordstrom	G & 2	Dec-09	Jun-20	32,136	\$4,320,000	\$134.43	\$150.00	\$4,820,400	10.38% below market
1 tenant subtotal				32,136	\$4,320,000	\$134.43	\$150.00	\$4,820,400	10.38% below market
Un Sq Wines									
Union Square Wines	120	Feb-06	Jan-30	6,419	\$800,004	\$124.63	\$125.00	\$802,375	0.30% below market
1 tenant subtotal				6,419	\$800,004	\$124.63	\$125.00	\$802,375	0.30% below market
MRI CENTER									
MidRockland Imagin	001	Feb-17	Jul-30	9,091	\$647,640	\$71.24	\$65.00	\$590,915	9.60% above market
1 tenant subtotal				9,091	\$647,640	\$71.24	\$65.00	\$590,915	9.60% above market
GRAND-TOTALS	7 tenants in occupancy			236,215	\$25,211,184	\$106.73	\$121.17	\$28,621,190	11.91% below market

Note: Attained rent equals current rent annualized for twelve months, and it excludes contractual rent increases

Compiled by Cushman & Wakefield, Inc.

The contract rents for the ground floor retail space along 14th Street exhibit a range of \$262.24 to \$550.00 per square foot, with an average \$380.67 per square foot. The Fourth Avenue retail space exhibits a contract rent of \$124.63 per square foot. The lower level retail space exhibits a contract rent of \$134.43 per square foot. The lower level office space exhibits a current rent of \$71.24 per square foot. The second floor retail space exhibits a contract rent of \$89.54 per square foot. Lastly, the multi-level movie theater space exhibits an average contract rent of \$52.99 per square foot. Overall, the subject property is leased at an average of \$106.73 per square foot.

Market Rental Rate – Retail Space

The subject property comprises a multi-level retail condominium unit that contains 236,215 square feet of retail space on the five levels, inclusive of one below grade level. Based on the property's size, configuration, and location, we have researched the Union Square market and other comparable prime retail corridors along with large multi-level retail leases in Manhattan, which have a varying degree of comparability to the subject's location. It should be noted that the above and below grade spaces associated with the retail space other than ground floor are generally leased at a discount to the ground floor space.

We have identified several comparable leases within Union Square and the surrounding corridors which occurred between March 2017 and October 2019. We have also identified several large multi-level retail spaces throughout Manhattan which occurred between February 2014 and February 2019 that are considered comparable. The retail comparables are exhibited on the summary charts and adjustment grids on the following pages.

Our adjustment for rent concessions considers the difference in the comparables for market standard free rent of six months and a \$40 per square foot allowance for work letters. The adjustment for rent concessions attempts to quantify (\$ per square foot) the differences between market free rent and work letter between the subject and the comparables. The differences between free rent and work letter (+/-) is divided by the comparables lease term, and applied to the beginning "face" rent of the comparable lease. Although this methodology does not take into account amortization of rental increases over the lease term, we believe this is a simplistic approach to understanding the effect of concessions on beginning base rent.

COMPARABLE RETAIL RENTS AND ADJUSTMENTS									
SUBJECT		RENTAL 1	RENTAL 2	RENTAL 3		RENTAL 4		RENTAL 5	
ADDRESS	1 Union Square South	29 Union Square West	52 East 14th Street	71 Fifth Avenue		29 Union Square West		142 Fifth Avenue	
CROSS STREET	B/w University Place & 4th Ave.	S/W/C E. 16th Street	S/E/C Broadway	S/E/C E. 15th Street		B/w Broadway & Fifth Aves.		B/w 19th & 20th	
LEASE INFO									
TENANT NAME		Chase	Citibank	City National Bank		by Chloe		Outdoor Voices	
FRONTAGE								Fifth Avenue	
BEGINNING DATE	March 2020	October 2019	March 2019	March 2019		January 2019		August 2018	
TERM		10	5	10		12		10	
LEASE TYPE	Gross	Gross	Gross	Gross		Gross		Gross	
TENANT SIZE		3,000	9,755	4,790	Grd	1,978	Grd	2,347	Grd.
				<u>1,000</u>	<u>LL</u>	<u>400</u>	<u>LL</u>	2,005	LL
				5,790	Total	2,378	Total	594	<u>Mezz</u>
								4,946	Total
RENT PER SF		\$533	\$500	\$305	Grd	\$225	Grd	\$375	Grd.
				<u>\$35</u>	<u>LL</u>	<u>\$25</u>	<u>LL</u>	\$30	LL
				\$258	Avg.	\$191	Avg.	<u>\$100</u>	<u>Mezz</u>
								\$202	Total
FREE RENT(MONTHS)	6	6	3	3		6		6	
WORKLETTER (PSF)	\$40.00	\$0.00	\$0.00	\$0.00		\$0.00		\$0.00	
ADJUSTMENTS									
RENT CONCESSIONS		\$4	\$33	\$12		\$3		\$4	
EFFECTIVE ADJUSTED									
RENT PER SF/GRADE LEVEL		\$537	\$533	\$317		\$228		\$379	
MONTHS FROM VALUE DATE		6	13	13		15		20	
TIME (MARKET CONDITIONS)		-5.1%	-11.0%	-11.0%		-12.6%		-16.9%	
TIME ADJUSTED									
RENT PER SF		\$510	\$474	\$282		\$199		\$315	
LOCATION		0%	0%	10%		0%		10%	
QUALITY		0%	0%	10%		15%		0%	
SIZE		0%	5%	0%		-5%		0%	
UTILITY		0%	0%	0%		0%		0%	
CORNER INFLUENCE		0%	0%	0%		0%		0%	
WINDOW FRONTAGE		<u>0%</u>	<u>0%</u>	<u>10%</u>		<u>15%</u>		<u>0%</u>	
TOTAL ADJUSTMENT		0%	5%	30%		25%		10%	
INDICATED RENT PER SF		\$510	\$498	\$366		\$249		\$346	

COMPARABLE RETAIL RENTS AND ADJUSTMENTS													
SUBJECT		RENTAL 6		RENTAL 7		RENTAL 8		RENTAL 9		RENTAL 10		RENTAL 11	
ADDRESS	1 Union Square South	136 Fifth Avenue		15 Union Square West		10 Union Square East		55 West 14th Street		135 Ffith Avenue		28 East 14th Street	
CROSS STREET	B/w University Place & 4th Ave.	B/w 18th & 19th		N/E/C East 15th Street		N/E/C East 14th Street		B/w 5th and 6th Aves.		N/E/C East 14th Street		B/w 5th & USW	
LEASE INFO													
TENANT NAME		Sleep Number		Vans		Sticky Fingers		Barber Buddy		Verizon		Lush Cosmetics	
FRONTAGE		Fifth Avenue		Union Square West		Union Square East		West 14th Street		East 14th Street		East 14th Street	
BEGINNING DATE	March 2020	March 2018		January 2018		December 2017		November 2017		September 2017		March 2017	
TERM		10		2		10		10		10		10	
LEASE TYPE	Gross	Gross		Gross		Gross		Gross		Gross		Gross	
TENANT SIZE		3,650	Grd.	3,368	Grd.	1,182	Grd.	400	Grd.	2,220	Grade	2,575	Grade
		3,650	2nd.							<u>1,150</u>	Bsmt	<u>2,000</u>	Bsmt
		<u>300</u>	<u>Mezz.</u>							3,380	Total	4,585	Total
		7,600	Total										
RENT PER SF		\$225	Grd.	\$223	Grd.	\$260	Grd.	\$188	Grd.	\$375	Grade	\$275	Grade
		\$80	2nd.							<u>\$30</u>	Bsmt	<u>\$20</u>	Bsmt
		<u>\$70</u>	<u>Mezz.</u>							\$260	Avg.	\$163	Avg.
		\$149	Total										
FREE RENT(MONTHS)	6	6		0		3		4		4		3	
WORKLETTER (PSF)	\$40.00	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	
ADJUSTMENTS													
RENT CONCESSIONS		\$4		\$76		\$11		\$7		\$10		\$11	
EFFECTIVE ADJUSTED													
RENT PER SF/GRADE LEVEL		\$229		\$299		\$271		\$195		\$385		\$286	
MONTHS FROM VALUE DATE		25		27		28		29		31		38	
TIME (MARKET CONDITIONS)		-21.1%		-22.8%		-23.6%		-24.5%		-26.2%		-31.3%	
TIME ADJUSTED													
RENT PER SF		\$181		\$231		\$207		\$147		\$284		\$196	
LOCATION		10%		0%		0%		10%		10%		0%	
QUALITY		10%		0%		10%		15%		10%		5%	
SIZE		0%		0%		-5%		-10%		0%		0%	
UTILITY		0%		0%		0%		0%		5%		10%	
CORNER INFLUENCE		0%		0%		0%		0%		0%		5%	
WINDOW FRONTAGE		<u>10%</u>		<u>0%</u>		<u>10%</u>		<u>15%</u>		<u>0%</u>		<u>0%</u>	
TOTAL ADJUSTMENT		30%		0%		15%		30%		25%		20%	
INDICATED RENT PER SF		\$235		\$231		\$238		\$192		\$356		\$236	

SUMMARY OF COMPARABLE MULTI-LEVEL RETAIL RENTS AND ADJUSTMENTS									
SUBJECT		RENTAL 1		RENTAL 2		RENTAL 3		RENTAL 4	
ADDRESS	1 Union Square South	1 Wall Street		200 Lafayette Street		5 Manhattan West		855 Avenue of the Americas	
CROSS STREETS	B/w Univ. Pl & 4th Avenue	S/E/C Broadway		N/W/C Broome Street		B/w 31st & 33rd Streets		B/w W. 30th & W. 32st Sts	
LEASE INFORMATION									
TENANT NAME		Lifetime Fitness		Chobani		Peloton		Nordstrom Rack	
FRONTAGE		Wall Street		Lafayette Street		Manhattan West		Avenue of Americas	
BEGINNING DATE	March 2020	February 2019		August 2018		May 2018		March 2017	
TERM		15		10		21		15	
LEASE TYPE		Gross		11,571 Grd		16,009 Grade		Gross	
TENANT SIZE		3,800 Grade		10,797 2nd		9,874 2nd		14,557 Grd	
		24,000 LL		<u>5,690</u> <u>LL</u>		<u>8,810</u> <u>3rd</u>		16,770 LL	
		<u>1,700</u> Sub-LL		28,058 Total		34,693 Total		<u>15,851</u> 2nd	
		29,500 Total						47,178 Total	
STARTING BASE ANNUAL RENT		\$2,600,000		\$3,000,000		\$1,900,000		\$4,840,000	
RENT PER SF		\$195 Grd LL		\$210 Grd		\$85 Grade		\$225 Grd LL	
		\$75 LL		\$50 2nd		\$40 2nd		\$60 LL	
		<u>\$45</u> Sub LL		<u>\$10</u> <u>LL</u>		<u>\$25</u> <u>3rd</u>		<u>\$35</u> 2nd	
		\$88 Avg.		\$107 Total		\$55 Total		\$103 Avg.	
FREE RENT(MONTHS)	6	12		18		6		6	
WORKLETTER (PSF)	\$40.00	\$200.00		\$178.20		\$0.00		\$40.00	
ADJUSTMENTS									
RENT CONCESSIONS		(\$17.17)		(\$34.82)		\$1.90		\$0.00	
AVERAGE RENT PER SF		\$71		\$72		\$57		\$103	
MONTHS FROM VALUE DATE		14		20		23		38	
TIME (MARKET CONDITIONS)		-5.8%		-8.3%		-9.6%		-15.4%	
TIME ADJUSTED									
AVERAGE RENT PER SF		\$66.85		\$66.10		\$51.24		\$86.77	
LOCATION		0%		-5%		0%		-10%	
QUALITY		0%		0%		0%		5%	
SIZE		5%		10%		5%		0%	
CORNER INFLUENCE		0%		0%		10%		10%	
WINDOW FRONTAGE		0%		0%		10%		-10%	
UTILITY		<u>0%</u>		<u>10%</u>		<u>0%</u>		<u>0%</u>	
TOTAL ADJUSTMENT		5%		15%		25%		-5%	
INDICATED AVG FLOOR RENT PER SF		\$70		\$76		\$64		\$82	

SUMMARY OF COMPARABLE MULTI-LEVEL RETAIL RENTS AND ADJUSTMENTS

	SUBJECT	RENTAL 5		RENTAL 6		RENTAL 7		RENTAL 8		RENTAL 9	
ADDRESS	1 Union Square South	483 Broadway		229 West 43rd Street		1 Wall Street		628 Broadway		3 Columbus Circle	
CROSS STREETS	B/w Univ. Pl & 4th Avenue	B/w Broome & Grand Sts		B.w 7th & 8th Aves		S/E/C Broadway		B/w Houston and Bleecker Sts		1775 Broadway	
LEASE INFORMATION											
TENANT NAME		TJ Maxx		National Geographic		Whole Foods		Urban Outfitters		Nordstrom Men's	
FRONTAGE		Broadway		West 43rd Street		Wall Sreet & Broadway		Broadway		Broadway	
BEGINNING DATE	March 2020	September 2017		October 2016		July 2016		June 2016		March 2016	
TERM		16		16		20		10		15	
LEASE TYPE		Gross		Gross		Net		Net		Net	
TENANT SIZE		9,365	Grd	4,550	Grd	8,000	Grd	10,000	Grd	5,279	Grd
		9,997	LL	34,238	LL	24,000	Grd-Side	10,000	LL	18,883	LL
		9,848	SubLL	<u>20,349</u>	Sub-LL	<u>12,500</u>	LL	<u>10,000</u>	2nd	1,556	2nd
		<u>10,000</u>	2nd	59,137	Total	44,500	Total	30,000	Total	<u>14,000</u>	3rd
		39,210	Total							39,718	Total
STARTING BASE ANNUAL RENT		\$3,840,000		\$6,000,000		\$4,300,000		\$3,900,000		\$10,000,000	
RENT PER SF		\$250	Grd	\$345	Grd LL	\$300	Grd	\$260	Grd	\$800	Grd
		\$65	LL	\$85	LL	\$70	Grd-Side	\$80	LL	\$75	LL
		\$15	Sub LL	<u>\$75</u>	Sub LL	<u>\$20</u>	LL	<u>\$50</u>	2nd	\$350	2nd
		<u>\$85</u>	2nd	\$101	Avg.	\$97	Avg.	\$130	Avg.	<u>\$275</u>	3rd
		\$98	Avg							\$252	Avg
FREE RENT(MONTHS)	6	6		12		6		6		12	
WORKLETTER (PSF)	\$40.00	\$48.46		\$101.46		\$0.00		\$0.00		\$50.00	
ADJUSTMENTS											
RENT CONCESSIONS		(\$0.53)		(\$14.62)		\$2.00		\$4.00		(\$27.33)	
AVERAGE RENT PER SF		\$97		\$87		\$99		\$134		\$224	
MONTHS FROM VALUE DATE		31		43		46		47		50	
TIME (MARKET CONDITIONS)		-12.9%		-17.5%		-18.8%		-19.2%		-20.4%	
TIME ADJUSTED											
AVERAGE RENT PER SF		\$84.84		\$71.65		\$80.13		\$108.32		\$178.61	
LOCATION		-10%		10%		-10%		-10%		-20%	
QUALITY		5%		15%		-20%		0%		-10%	
SIZE		-25%		5%		-30%		-10%		-25%	
CORNER INFLUENCE		10%		10%		0%		0%		0%	
WINDOW FRONTAGE		-10%		5%		5%		0%		-10%	
UTILITY		5%		<u>10%</u>		<u>5%</u>		<u>-5%</u>		<u>-5%</u>	
TOTAL ADJUSTMENT		-25%		55%		-50%		-25%		-70%	
INDICATED AVG FLOOR RENT PER SF		\$64		\$111		\$40		\$81		\$54	

Conclusion of Market Rental for Retail Space

We have analyzed the Union Square area leases negotiated in competitive buildings in the marketplace, along with other leases within comparable prime retail corridors, which range from \$188 to \$533 per square foot of ground floor area. After adjustments, these leases range from \$192 to \$510 per square foot.

The multi-level comparables reflected unadjusted blended rents ranging from \$55 and \$252 per square foot, with an average of \$114 per square foot. After adjustments, the multi-level spaces range in average rental rates between \$40 and \$111 per square foot, with an average of \$71 per square foot. The comparables generally have rent increases during the term. The upper level rents ranged between \$35 and \$350 per square foot. The lower level retail space exhibited rents ranging between \$10 and \$80 per square foot.

Based upon market leasing activity in the area, the subject's size, layout, construction, location, and condition along with our analysis of the comparables, it is our opinion that the market rent for the corner ground floor space (Citibank) is \$500 per square foot, while the Union Square South ground floor retail space is \$425 per square foot. Furthermore, the market rent for the ground floor space along East 13th Street and 4th Avenue (Union Square Wine) is estimated at \$125 per square foot. We have estimated a market rent for the second floor retail space (Best Buy) at \$110 per square foot. Furthermore, we have assumed the lower level office space market rent at \$65 per square foot. In addition, the market rent for the lower level retail space (Nordstrom Rack) is estimated at \$150 per square foot.

A summary of the market rent estimates for the various retail spaces are summarized below:

CONCLUSION OF IN-LINE RETAIL MARKET RENTS				
TENANT CATEGORY	MARKET RENT	LEASE TERM	LEASE TYPE	RENT INCREASE
Ground Corner	\$500.00	15	Gross	3% Per Annum
Ground- Union Square South	\$425.00	15	Gross	3% Per Annum
Second Floor	\$110.00	15	Gross	3% Per Annum
Lower Level Retail	\$150.00	15	Gross	3% Per Annum
Union Square Wines	\$125.00	10	Gross	3% Per Annum
MRI Center	\$65.00	10	Gross	3% Per Annum

Market Rental Rate- Movie Theatre Space

Market rent for the theater space within the property has been estimated by analyzing comparable leases exhibited on the summary chart and adjustment grid on the following page. In our analysis, we have considered several lease attributes: rent concessions, time (market conditions), location, utility, size, and quality. Our adjustment for rent concession considers differences in the comparables for market standard free rent period of three months with the space taken on an "as is" basis. Percentage adjustments between the subject property and the comparable leases were made for each of these factors.

Our adjustment for rent concessions considers the difference in the comparables for market standard free rent of six months and a \$40.00 per square foot tenant work letters. The adjustment for rent concessions attempts to quantify (\$ per square foot) the differences between market free rent and work letter between the subject and the comparables. The differences between free rent and work letter (+/-) is divided by the comparables lease term, and applied to the beginning “face” rent of the comparable lease. Although this methodology does not take into account amortization of rental increases over the lease term, we believe this is a simplistic approach to understanding the impact of concessions on beginning base rent. We have assumed a 5.0 percent annual increase within the market conditions adjustment.

There have been 4 recent leases to movie theaters in Manhattan and 1 within Downtown Brooklyn. We have included the Brooklyn, albeit a significantly inferior location, and adjusted accordingly. The leases included are the most comparable leases with respect to the subject’s size, location and utility.

The following table summarizes the most recent rental activity for movie theatres within the surrounding New York metropolitan region, albeit many at inferior locations as compared to the subject property. **The comparable leases reflect base rent amounts and do not consider any overage rent achieved.**

SUMMARY OF COMPARABLE MOVIE THEATRE RENTS						
PROPERTY INFO	SUBJECT	RENTAL 1	RENTAL 2	RENTAL 3	RENTAL 4	RENTAL 5
ADDRESS	1 Union Square South	28 Liberty Street	400 East 62nd Street	625 West 57th Street	Citypoint	South Street Seaport
CROSS STREETS	New York, NY	New York, NY	New York, NY	New York, NY	Brooklyn, NY	New York, NY
LEASE INFORMATION						
TENANT NAME		Alamo Draft House	Cinemex	Landmark Theatres	Alamo Draft House	Ipic
TERM	March 2020	November 2017	December 2016	June 2016	June 2016	June 2015
LEASE TYPE		20	15	15	20	15
LEASE TYPE		Net	Net	Net	Net	Net
TENANT SIZE		45,021	53,000	30,000	47,619	39,818
NO. OF SCREENS		6	6	8	7	8
ANNUAL RENT		\$2,435,000	\$1,800,000	\$1,950,000	\$2,000,000	\$1,275,000
RENT PER SCREEN		\$405,833	\$300,000	\$243,750	\$285,714	\$159,375
RENT PER SF		\$54.09	\$33.96	\$65.00	\$42.00	\$32.02
RENT STEPS		% Inc. Every 5 Years	% Inc. Every 5 Years	% Inc. Every 5 Years	% Inc. Every 5 Years	Annual Inc. % Rent
FREE RENT (MONTHS)	6	6	6	6	6	0
WORKLETTER	\$40.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ADJUSTMENTS						
RENT CONCESSIONS		\$2.00	\$2.67	\$2.67	\$2.00	\$3.73
EFFECTIVE ADJUSTED						
RENT PER SCREEN		\$420,840	\$323,556	\$253,750	\$299,320	\$177,960
RENT PER SF		\$56.09	\$36.63	\$67.67	\$44.00	\$35.75
MONTHS FROM VALUE DATE		29	41	47	47	59
TIME (MARKET CONDITIONS)		-7.3%	-10.1%	-11.7%	-11.7%	-14.7%
TIME ADJUSTED						
RENT PER SCREEN		\$389,944	\$290,769	\$224,167	\$264,424	\$151,785
RENT PER SF		\$51.97	\$32.92	\$59.78	\$38.87	\$30.50
LOCATION		20%	20%	20%	30%	25%
UTILITY		0%	5%	-5%	0%	5%
SIZE		-10%	-10%	-10%	-10%	-10%
QUALITY		-5%	0%	-5%	-5%	-5%
TOTAL ADJUSTMENT		5%	15%	0%	15%	15%
INDICATED RENT PER SCREEN		\$409,441	\$334,384	\$224,167	\$304,088	\$174,553
INDICATED RENT PER SF		\$54.57	\$37.85	\$59.78	\$44.70	\$35.07

Discussion of Comparable Movie Theatre Rents

We have analyzed recent movie theatre leases negotiated in comparable properties in the marketplace. The comparables range in size from 6 to 8 screens, or 30,000 to 53,000 square feet. The comparable rents had lease dates between June 2015 and November 2017 and were located in Manhattan and Brooklyn. The initial contract rents ranged from \$159,375 to \$405,833 per screen, with an average of \$262,803 per screen, or \$32.02 to \$65.00 per square foot, with an average of \$43.18 per square foot.

These comparables are either free-standing locations or located within the base of mixed-use developments. The comparables located within New York City are generally considered to have similar locations as the subject property. However, significant adjustments were required for the comparables located outside of Manhattan. Similarly, the movie theatres vary in construction date, quality and utility. The comparables were net leases whereby the tenants are required to pay its pro-rata share of real estate taxes and expenses. Rent escalation clauses vary, with most having annual percentage increases ranging from 5 to 10 percent every 5 years, or annual increases.

After our adjustments the comparables exhibited a range of \$174,553 to \$409,441 per screen, with an average of \$289,326 per screen, or \$35.07 to \$59.78 per square foot, with an average of \$46.39 per square foot.

Considering the subject's layout, construction, size, condition, and excellent location within Union Square, and the large multi-level retail leases throughout Manhattan exhibited earlier, it is our opinion the market rent for the multiplex movie theatre space is \$55.00 per square foot.

MOVIE THEATRE MARKET RENT	
TYPE SPACE	RENT/SF
Movie Theatre	\$55.00/SF

Market Rent Conclusion

Based on recent leasing activity in the marketplace and our analysis of the comparables, we have concluded the following market rents for the subject's retail tenants:

ONE UNION SQUARE SOUTH RETAIL FAIR MARKET RENT ESTIMATE				
SPACE	FLOOR	NET RENTABLE AREA (SF)	NET RENT/SF	TOTAL RENT
Citibank	Ground-Corner	9,755	\$500	\$4,877,500
Duane Reade	Ground-Union Square South	13,947	\$425	\$5,927,475
Union Square Wines	Ground-13th St.	6,419	\$125	\$802,375
Best Buy	2nd Floor	46,088	\$110	\$5,069,680
Regal Cinemas	3rd & 4th Floors	118,779	\$55	\$6,532,845
Park South Imaging	Lower Level Office	9,091	\$65	\$590,915
Nordstrom Rack	Lower Level Retail	32,136	\$150	\$4,820,400
TOTAL/AVG.		236,215	\$121.17	\$28,621,190
Rounded:			\$121.08	\$28,600,000

Overall, the subject's total market rent is projected at \$28,600,000 or an average of \$121.08 per square foot for the entire subject property (236,215 NRA-SF). The subject's current base rent \$25,070,028 or an average of \$106.13 per square foot, which is considered below current market levels. Considering the subject's construction, location, size, and condition, we are of the opinion that the total contract rent is below current market rents as exhibited by comparable retail spaces and market parameters.

Market Rent Synopsis

The following chart summarizes our market rent conclusion for each tenant category in the subject property.

LEASING ASSUMPTIONS							
TENANT CATEGORY	Ground- Corner	Ground- Union Square South	Multi-Level-Theater	Second Floor	Lower Level-Retail	Un Sq Wines	MRI CENTER
WEIGHTED ITEMS							
Renewal Probability	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%
Market Rent- Net	\$500.00	\$425.00	\$55.00	\$110.00	\$150.00	\$125.00	\$65.00
Months Vacant	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Tenant Improvements							
New Leases	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Renewal Leases	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
Leasing Commissions							
New Leases	3.50%	3.50%	3.50%	3.50%	3.50%	4.00%	4.00%
Renewal Leases	1.75%	1.75%	1.75%	1.75%	1.75%	2.00%	2.00%
Free Rent							
New Leases	6	6	6	6	6	6	6
Renewal Leases	3	3	3	3	3	3	3
NON-WEIGHTED ITEMS							
Lease Term (years)	15	15	15	15	15	10	10
Lease Type (reimbursements)	Gross	Gross	Gross	Gross	Gross	Gross	Gross
Contract Rent Increase Projection	3% Per Annum	3% Per Annum	10% Every 5 Years	3% Per Annum	3% Per Annum	3% Per Annum	3% Per Annum

Compiled by Cushman & Wakefield, Inc.

Market Rental Growth Rate

Our discussions with leasing brokers and owners active in the marketplace indicate there has been a pause in leasing at this time due the COVID-19 situation. Market participants are withholding making real estate decisions at this time and will reevaluate the situation as the events evolve over the next few months. Based on our recent survey, buyers' expectations in the New York City real estate retail market anticipate no growth in rents in the first year of the analysis. Thereafter, an increase in rental rates are projected in accordance with CPI.

These changes in market conditions result in C&W's leasing brokerage group to forecast the following rent growths:

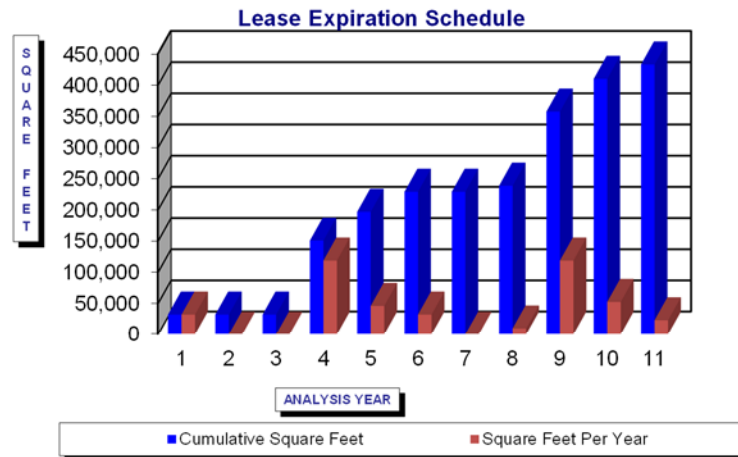
RENT GROWTH
RETAIL RENTS
Year 2 – 0%
Thereafter – 3%

Lease Expirations

The lease expiration schedule is an important investment consideration. As leases rollover, the landlord will be required to negotiate a renewal lease with the existing tenant, or to secure a new tenant for the space. The projected lease rollover is exhibited on the following chart:

LEASE EXPIRATION SCHEDULE

Year	Square Feet Expiring	Percent of Property	Cumulative Sq Ft	Cumulative Percent
1	32,136	13.60%	32,136	13.60%
2	0	0.00%	32,136	13.60%
3	0	0.00%	32,136	13.60%
4	118,779	50.28%	150,915	63.89%
5	46,088	19.51%	197,003	83.40%
6	32,136	13.60%	229,139	97.00%
7	0	0.00%	229,139	97.00%
8	9,755	4.13%	238,894	101.13%
9	118,779	50.28%	357,673	151.42%
10	52,507	22.23%	410,180	173.65%
11	23,038	9.75%	433,218	183.40%



LEASE EXPIRATION ANALYSIS

Total NRA of Subject Property (SF)	236,215	100.00%
Year of Peak Expiration	4	
SF Expiring in Peak Year	118,779	50.28%
Five Year Cumulative Expirations (SF)	197,003	83.40%
Eleven Year Cumulative Expirations (SF)	433,218	183.40%

Compiled by Cushman & Wakefield, Inc.

**The above table reflects a time period that corresponds to the fiscal year in our analysis with year one starting 4/1/2020.*

Within the first five years of the analysis a total of 83.40 percent of the total net rentable area is scheduled to rollover. Extending to an eleven-year period, a total of 183.40 percent of the space is scheduled to expire. The peak expiration occurs in years 4 and 9, when a total of 118,779 square feet is scheduled to expire. It should be noted that the lease expiration schedule is inclusive of tenants that have renewal options. The expiration schedule is intended to show the potential lease roll over exposure.

Expense Reimbursements

The majority of the subject's leases are gross, whereby the tenants are responsible for their pro-rata share of CAM charges and real estate taxes above their base year amounts. Two of the subject's tenants, Best Buy and the Regal Cinemas are leased on a net basis, whereby the tenants are responsible for their pro-rata share of CAM charges and real estate taxes. We have assumed that future leases in the subject property will be on a gross basis, whereby the tenants will be responsible for their pro-rata share of real estate taxes over a base year and a pro-rata of CAM charges.

Vacancy and Collection Loss

Our cash flow projection assumes a tenant vacancy of 9 months upon lease expiration set against our probability of renewal estimated at 65.00 percent, in addition to a vacancy/global credit loss provision applied to the gross rental income. Based upon the current vacancy in the market, and our perception of future market vacancy, and the creditworthiness of the tenants in the subject property, we have also projected a total vacancy and credit loss of 5.0 percent. However, based on the current novel coronavirus (COVID-19) outbreak and the expected rent forgiveness currently discussed in the marketplace, we have increased our collection loss factor in Year 1 to 5.0%, and then adjusted to 3.0 % in Year 2 and thereafter. We have assumed a 0.5% credit loss for the credit tenants (Duane Reade & Citibank) in our analysis.

Revenue & Expense Analysis

We have developed an opinion of the property's annual income and operating expenses after reviewing the historical income and expenses and the 2020 budget provided by ownership and the operating performance of similar properties. We analyzed each item of expense and developed an opinion regarding what an informed investor would consider typical. The real estate taxes reflect the FY 2020/21 assessment. Historical expenses, 2020 budget current and our opinion of the subject's income and expenses are presented on the following chart.

SUMMARY OF INCOME & EXPENSE ANALYSIS										
	Actual 2017		Actual 2018		Actual 2019		2020 Budget		2020 C&W Forecast	
	Total	Per SF	Total	Per SF	Total	Per SF	Total	Per SF	Total	Per SF
POTENTIAL GROSS REVENUE										
Rental Income	\$23,793,776	\$100.73	\$24,422,672	\$103.39	\$24,819,907	\$105.07	\$22,914,041	\$97.01	\$25,658,235	\$108.62
Percentage Rent	\$7,355	\$0.03	\$8,290	\$0.04	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00
CAM Reimbursement Income	\$939,460	\$3.98	\$915,717	\$3.88	\$1,167,496	\$4.94	\$1,246,795	\$5.28	\$1,877,217	\$7.95
Real Estate Tax Reimbursement Income	\$6,912,273	\$29.26	\$7,537,029	\$31.91	\$7,717,066	\$32.67	\$7,723,499	\$32.70	\$8,006,727	\$33.90
Other Miscellaneous Income	\$50	\$0.00	-\$21,841	-\$0.09	\$0	\$0.00	\$0	\$0.00	\$25,000	\$0.11
TOTAL POTENTIAL GROSS REVENUE	\$31,652,914	\$134.00	\$32,861,867	\$139.12	\$33,704,469	\$142.69	\$31,884,335	\$134.98	\$35,567,179	\$150.57
Vacancy and Collection Loss	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	(\$2,397,590)	-\$10.15
EFFECTIVE GROSS REVENUE	\$31,652,914	\$134.00	\$32,861,867	\$139.12	\$33,704,469	\$142.69	\$31,884,335	\$134.98	\$33,169,589	\$140.42
OPERATING EXPENSES										
Common Area Maintenance	\$1,098,368	\$4.65	\$1,777,899	\$7.53	\$1,717,979	\$7.27	\$1,831,061	\$7.75	\$1,800,000	\$7.62
Legal & Professional Fees	\$60,940	\$0.26	\$51,887	\$0.22	\$34,957	\$0.15	\$59,786	\$0.25	\$50,000	\$0.21
Management Fees	\$475,419	\$2.01	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$513,165	\$2.17
Subtotal	\$1,634,727	\$6.92	\$1,829,786	\$7.75	\$1,752,937	\$7.42	\$1,890,847	\$8.00	\$2,363,165	\$10.00
Ground Rent	\$3,512,320	\$14.87	\$3,723,059	\$15.76	\$3,933,798	\$16.65	\$3,933,798	\$16.65	\$3,933,798	\$16.65
Real Estate Taxes	\$8,130,302	\$34.42	\$8,670,409	\$36.71	\$8,990,880	\$38.06	\$9,558,967	\$40.47	\$9,503,084	\$173.26
TOTAL EXPENSES	\$13,277,349	\$56.21	\$14,223,254	\$60.21	\$14,677,616	\$62.14	\$15,383,612	\$65.13	\$15,800,047	\$234.27
NET OPERATING INCOME	\$18,375,565	\$77.79	\$18,638,613	\$78.91	\$19,026,853	\$80.55	\$16,500,723	\$69.85	\$17,369,542	\$257.54

Expense Growth Rate

Our cash flow projections assume that operating expenses, real estate taxes and tenant improvement costs will grow at the rate of 3.00 percent per year during the holding period.

Reserves for Replacements

It is customary and prudent to deduct an annual sum from effective gross income to establish a reserve for replacing short-lived items throughout the building. These costs may include roof repair, and HVAC upgrades. Our projection of \$0.25 per square foot of gross building area is a reasonable amount to cover the cost of capital expenditures over the course of the investment-holding period.

Ground Lease Summary

The subject site is encumbered by a 99-year ground lease, which terminates on December 31, 2095. The ground lease is summarized on the following chart:

GROUND LEASE ANALYSIS	
Lessor (landlord):	First Sterling Corporation and West Realty Co.
Lessee (tenant):	Union Square Retail Trust, in care of The Related Companies, L.P.
Lease Commencement Date:	December 13, 1996
Rent Commencement:	July 1, 1998
Lease Expiration Date:	December 31, 2095
Base Lease Term:	99 years
Renewal Options:	No renewal options
Base Rent:	The ground lease has an initial ground rent of \$2,500,000 per annum. The ground rent increases 12% every 5 years. In the 6 th , 11 th and 16 th rental periods the ground rent is reset based on a "Revaluation Rent" formula indicated below. Following the respective "Revaluation Periods" the ground rent increases 12 percent every 5 years.
First Period (July 1, 1998-June 30, 2003):	\$2,500,000
Two Period (July 1, 2003-June 30, 2008):	\$2,800,000
Third Period (July 1, 2008-June 30, 2013):	\$3,136,000
Fourth Period (July 1, 2013-June 30, 2018):	\$3,512,320
Fifth Period (July 1, 2018-June 30, 2023):	\$3,933,798

Sixth Period (July 1, 2023-June 30, 2028):

As mentioned above, the 6th rental period represents the first “Revaluation Period”. We have projected the ground rent to be reset to \$8,124,629 as of July 1, 2023 based on the following ground rent reset formula as defined in the agreement: For the period commencing on the day following the expiration of the Fifth Period (such day being sometimes herein referred to as the “First Revaluation Date”) and continuing for a period of five (5) Lease Years (the “Sixth Period”), Base Rent shall be payable at an annual rate equal to the greater of:

- (I) Revaluation Base Rate* as of the First Revaluation Date
- (II) An annual rate equal to the sum of “(x) the annual Lease Base Rental Rate as of the day immediately prior to the First Revaluation Date, plus (y) the Percentage Rent Payments** attributable to the Lease Year ending immediately prior to the First Revaluation Date.

* Revaluation Base Rate is contractually defined as the product of (i) the Subrent Rental rate multiplied by the Subrent Percentage. The contract states the Subrent Rental Rate is the aggregate of all the annual sublease rental rates at the revaluation date plus the market rental rate with respect to any unleased space. The contract states the Subrent percentage shall mean a percentage equal to the sum of (i) three percent (3%), plus, (ii) a fraction (expressed as a percentage), (A) the numerator is equal to the sum of \$2,500,000 and any percentage rent payments and (B) the denominator of which is an amount equal to \$9,027,000. As show in “addendum D” the calculation of the Subrent percentage is as follows: $3\% + 27.69\% (\$2,500,000/9,027,000) = 30.69\%$. Note the three percent (3%), \$2,500,000 and 9,027,000 are included in the definition of the Subrent Percentage and are fixed through the life of the agreement.

** Percentage Rent Payment is rental revenue that the tenants pay if they reach certain contractual sales thresholds. This revenue is determined based on actual tenant sales at the respective point in time. For purposes of determining the Percentage Rent Payments attributable to such Lease Year, the portion(s) of any Percentage Rent Payments which consist of Alternative Amounts (as opposed to actual payments of Sublease Percentage Rent) shall be deemed to be attributable to the periods for which the underlying Sublease Percentage Rent (i.e., the Sublease Percentage Rent in lieu of which the Alternative Amounts are in effect received) would be deemed attributable (determined on a pro-rated basis in the case of

	Alternative Amounts which are less than the underlying Sublease Percentage Rent which would — otherwise have been payable). Note percentage rent payments are forecasted to be zero.
	Based on our calculations of the market rent as of the 1 st “Revaluation Period” the contract rent for the subject retail space is \$26,469,163. Therefore, the reset ground rent reflects \$8,124,629. We have exhibited the ground rent reset calculation in the Addenda.
Seventh through Tenth Rental Periods:	12% increase every 5 years
Eleventh Rental Period:	Second Revaluation Period
Twelfth through Fifteenth Rental Periods:	12% increase every 5 years
Sixteenth Rental Period:	Third Revaluation Period
Seventeenth through ground lease expiration:	12% increase every 5 years
Operating Expenses:	The lease is triple net, whereby the tenant is responsible for all operating expenses and real estate taxes.

Investment Considerations

The factors listed below have been considered in our valuation of this property and will have an impact on our selection of all investor rates.

INVESTMENT CONSIDERATIONS

Attained Rents Versus Market:	The subject's attained rents (exclusive of expense contributions) are below market levels. Given this comparison, the investment rates selected will be slightly more aggressive than market indicators.
NOI Growth:	The subject's NOI is expected to increase 1.93 percent per annum from the first year of the analysis through the holding period. This rate of growth is below levels expected in this market.
Lease Expiration Exposure:	Within the first five years of the analysis a total of 83.39 percent of the total net rentable area is scheduled to rollover. Extending to a 12-year period, a total of 183.40 percent of the space is scheduled to expire. The peak expiration occurs in year 4, when a total of 118,779 square feet is scheduled to expire. This is considered a moderate rollover exposure within this market. It should be noted that the lease expiration considers each renewal option for respective tenants
Credit Tenants:	The subject property is 10.0 percent leased to two investment grade credit tenants (Citibank and Duane Reade). We have considered the subject's credit tenants when determining our investment rates.
Real Estate Market Trends:	Real estate market trends have a significant bearing on the value of real property. The real estate market in which the subject property is located is currently declining.
Tenant Quality:	The quality of a property's tenant base is an important factor that is scrutinized by investors prior to acquiring real property. The quality of the subject's tenant roster is considered to be good.
Property Rating:	After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is good, when measured against other properties in this marketplace.
Location Rating:	After considering all of the locational aspects of the subject, including regional and local accessibility as well as overall visibility, we have concluded that the location of this property is good.
Overall Investment Appeal:	There are many factors that are considered prior to investing in this type of property. After considering all of these factors, we conclude that this property has good overall investment appeal.

Investment Considerations

Before determining an appropriate capitalization rate to apply to the subject's net operating income, a review of recent market conditions, particularly in the financial markets, is warranted. The following subsection(s) provide a review of these trends, ending with a summary of the investment considerations impacting the subject property, based upon the appraiser's market research, discussions with participants in the market, and the relative position of the subject property within its market.

Overview

Prior to the current market disruption brought on by the Covid-19 pandemic, the U.S. economy had officially begun its eleventh consecutive year of growth in the second half of 2019; a new record for the longest economic expansion in history. Economic growth beat market expectations during the fourth quarter of 2019, and the unemployment rate hit a 50-year low as it sat at 3.5%. As the economy moved closer to full employment in what many viewed as late-cycle growth, the uncertainty of the global economy had raised the fears of a recession. During the year, American consumers continued to profit from the expansion, despite the threat of possible recession. The Federal Reserve cut interests rates for the third time in 2019 as a means of shielding the U.S. economy from global slowing. Additionally, payroll employment rose by 2.1 million in 2019, falling short of payroll employment gains in 2018, at 2.7 million, according to the Bureau of Labor Statistics. The trade war between the U.S. and China took a step in the right direction, as phase one of the deal was signed by President Donald Trump and senior Chinese leaders on January 15. Further considerations include:

- Despite global pandemic in early 2020, consumer confidence remains strong but further declines are expected to follow. During first quarter 2020, the Consumer Confidence Index came in at 130.4 in January, 132.6 in February and 120 in March. For perspective, the Consumer Confidence Index in March 2020 is the lowest reading since June 2017 and consumers are more confident in March than 2007 to 2008.
- Consumer spending growth estimates for the fourth quarter currently sit around 2.5%. Retail sales rose each month during the fourth quarter and in December retail sales increased 0.3%. Despite major big-box retailers reporting a decline in sales during the holiday period, coupled with a lack of mall foot traffic, retail sales improved in December.
- All major U.S. Indices rose during the fourth quarter, with the S&P 500, Dow Jones and Nasdaq improving by 0.3%. Materials and energy were the best-performing sectors in the S&P 500, while IBM, Cisco Systems and Apple led the Dow Jones. For the year, the S&P 500, Nasdaq and the Dow rose 28.9%, 35.2% and 22.3%, respectively.
- U.S. commercial real estate investment activity was generally down during 2019, as transaction volume sat 2% below 2018's year-end total. For the first quarter 2020, transaction volume was down 7% in a year-over-year comparison, ending the quarter with \$125.6 billion in activity, according to Real Capital Analytics.
- With Boris Johnson as the new United Kingdom Prime Minister, the United Kingdom left the European Union (EU) on January 31, 2020. The Brexit deal has been passed through the House of Commons and is now in the House of Lords and is expected to pass. During the United Kingdom's transition period, the UK will follow all of the EU's rules and the trading relationship will remain the same. The transition period will last until December 31, 2020 or until the two sides agree upon a United Kingdom-EU free trade deal.

Entering 2020 on a stable, if not strong economic footing, the novel coronavirus has clearly had a severe impact on the economy. Keeping in mind that a majority of the information in this report contains the latest concrete data available (typically as of 4Q 2019), events have been changing rapidly, and the latest statistical information available has been provided, as available. Some further thoughts on recent events:

- The commercial real estate sector is not the stock market. It is often slower moving and the leasing fundamentals do not swing wildly from day-to-day. If the virus has a sustained and material impact on the broader economy, it will have feed through impacts on property as well.
- The outbreak has prompted a flight to quality, driving investors into the bond markets, where lower rates are creating more attractive debt/refinance options.
- If past outbreaks are a useful guide, the expectation by governments, health care experts and, important to our analysis, is that COVID-19 should largely be contained by the first half of 2020. Most anticipate a strong rebound in markets in the second half of the year. This expectation hinges on phased re-opening of the economy not creating an extended waive of corona cases or further disruption to the economy.

Economic Conditions

Leading up to the current economic turbulence, the current U.S. economic expansion cycle was over a decade old and was, by general consent, a strong economy and getting stronger. Despite this, interest rates, which help determine the cost of borrowing money for investments, had lingered near historic lows since the 2008 recession. Interest rates went unchanged through December 2015, when the Federal Reserve increased the rate for the first time in almost a decade. Following more tariffs being implemented on trade and inventories, the Federal Reserve Chairman Jerome Powell had shown an openness to cutting rates based on how the economy responded to the new trade deals made during the past year. In turn, the Federal Reserve reduced interest rates for a third time in 2019 to combat the trade war and boost the economy. The benchmark interest rate was reduced to a range of 1.5% to 1.75%. As of Q4, the central bank did not see a recession coming in the near-term and the reduced rate looked to offer additional protection from global slowdown and uncertainty. The Federal Reserve spent much of 2019 providing the American economy with insurance through interest rate cuts.

In addition, the U.S.-China trade war appears to have come to halt, as the two sides reached agreement on a deal that will see the U.S. reduce tariffs on \$120 billion in Chinese products from 15% to 7.5%. China has agreed to purchase \$200 billion worth of U.S. products over the next two years as part of the deal. The deal is a huge win for the U.S. as total exports to China would increase to approximately \$260 billion 2020 and almost \$310 billion in 2021.

On March 11, 2020, the World Health Organization (WHO) declared the novel coronavirus (COVID-19) outbreak a global pandemic. Economies around the world face significant headwinds as seen by the severe drop in demand for some services (such as travel, hospitality and entertainment). Further reduced economic activity has resulted from increasing social distance measures, including quarantines or lockdowns, throughout Europe and North America, as governments have taken unprecedented actions to stop the spread of the virus. As the stock market remains extremely volatile and financial markets struggle to quantify events that are still unfolding, there remains a lack of comparable transactions and market data. This leaves many CRE participants reporting that they are not yet able to accurately assess risk. Proceeding through these uncertain times, the reader is asked to consider some key events that have transpired:

- In early March 2020, the disintegration of an alliance between OPEC and Russia caused crude oil prices to dip to their lowest level since 2016. By April 20th, demand dropped so much that oil prices fell below \$0 a barrel as producers are forced to pay to dispose of excess.
- On Thursday March 12, 2020, the Federal Reserve announced that it would inject up to \$5 trillion into short-term markets to offset economic impacts brought on by the novel coronavirus. The Federal Reserve will be providing up to \$2.3 trillion in additional funding to support the economy, as of April 9, 2020.

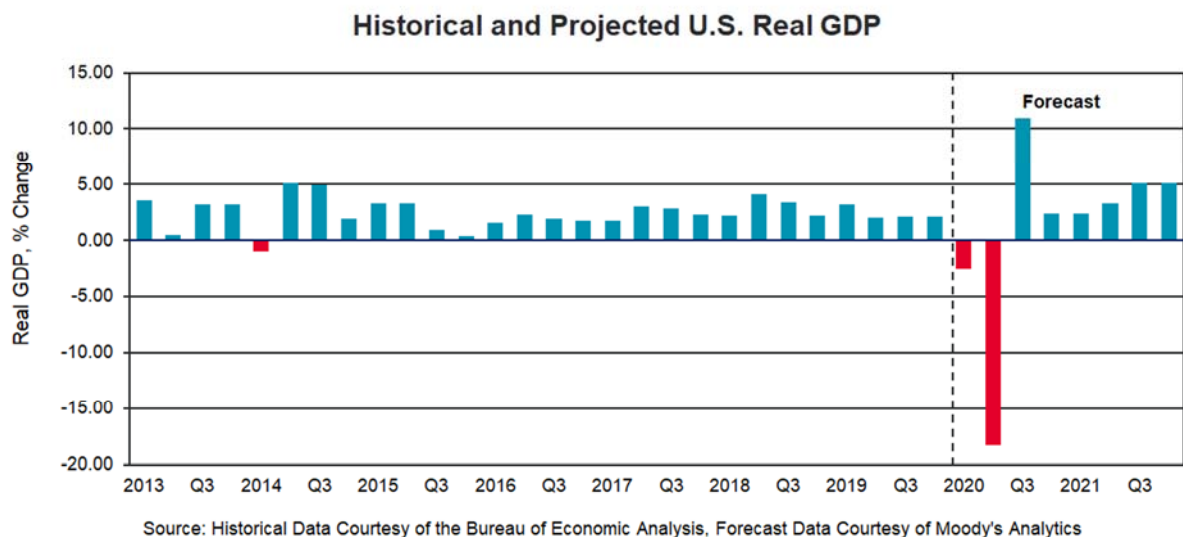
- On Sunday, March 15, 2020, the Federal Open Market Committee cut interest rates to near zero for the first time since the 2008 recession. Since then, it has announced dollar swap lines with various foreign central banks, as well as various credit facilities aimed at backstopping and providing liquidity to key parts of financial markets.
- On Tuesday, March 17, 2020, Amazon announced the hiring of 100,000 new distribution workers to keep up with the online shopping surge caused by the coronavirus. Amazon has stated that the coronavirus outbreak has caused a surge of online shopping in the United States to keep with the demand. The company will also invest more than \$355 million to raise pay for hourly employees in warehouse and distribution roles through April. Amazon is prioritizing medical supplies, household staples and other high-demand products through its warehouses until April 5, 2020. On April 13, Amazon announced they had filled the 100,000 jobs pledge and with increased demand the eCommerce retailer would be hiring an additional 75,000 workers to help serve customers during this unprecedented time.
- On Thursday, March 19, California Governor Gavin Newsom put into effect a shelter-in-place order to extend to all 40-million Californians. Then, on Friday March 20, New York Governor Andrew Cuomo ordered residents to shelter in their homes, which was subsequently followed by Illinois Governor J.B. Pritzker. Many other states increased precautions throughout the week as well.
- On Friday March 20, President Trump announced that he had invoked the Defense Production Act, a law that gives executive powers that can require and/or incentivize businesses to produce goods tied to national security.
- On Wednesday March 25, the White House and Congress agreed to deliver \$2 trillion in government relief. This is the largest stimulus in history and more than double the \$800 billion bill that was passed in 2008 during the financial crisis.
- On Friday March 27, the President signed the "Coronavirus Aid, Relief, and Economic Security Act," or "CARES Act" into law. The unparalleled \$2.2 trillion economic rescue package provides measures that include \$1,200 in direct payments to eligible Americans, and \$500 to children. The Treasury Department received \$500 billion that will support programs direct loans to airlines, cargo, and companies deemed important to national security. Additionally, the Treasury can provide loans or loan guarantees for other companies as well as provide funds to backstop lending programs to the Fed. Other funds will be divided as such: \$377 billion will go to loans and other forms of aid to small businesses; \$250 billion will help provide relief for unemployed workers; and \$100 billion has been assigned to boost healthcare. The bill finances a response with a price tag that amounts to 10% of 2019 nominal GDP.
- As of April 16, 2020, the administration and a number of governors have begun to introduce possible scenarios for how the U.S. economy could re-open and get back to work, leading to some optimism, along with further speculation as to how long the impacts of the virus will last.
- As of April 23, over 26 million Americans have filed for unemployment benefits in the last five weeks, increasing the nation's estimated unemployment rate to over 20%.
- On Friday April 24, the president signed a \$484 billion coronavirus relief package into law. This bill contains: \$370 billion in aid for small businesses in an effort to keep employees on the payroll, \$75 billion for hospitals, and \$25 billion to ramp up testing initiatives.

- On April 29, 2020 the Commerce Department estimated that the GDP fell at an annual rate of 4.8% in the first quarter of 2020. This is the first decline since 2014, and the largest in over a decade. They stated that because layoffs and closings did not come until the last month of the quarter, next quarter's GDP could drop by as much as 30%, a figure not seen since the Great Depression.
- Plans to reopen vary around the country. In some states, like New York and California, deadlines have been extended into May and June, while other states, such as Texas and Florida, have decided to reopen with limited capacity in late April and early May.

In recent times, the CRE market has been driven by investor demand and strong liquidity. Asset values can fall significantly in short periods of time if either of these two factors, often in conjunction with many others, change significantly. While Cushman & Wakefield is closely monitoring the latest developments resulting from the COVID-19 pandemic, and will continue to provide updates as events unfold, the reader is cautioned to consider that values and incomes are likely to change more rapidly and significantly than during standard market conditions. Furthermore, the reader should be cautioned and reminded that any conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property(ies) of this event, or any event, subsequent to the effective date of the appraisal.

While the consensus generally suggests that the U.S. is falling into recession, with GDP expected to decline significantly in Q2 2020, the market may be anticipating a second-half snap-back following the initial impacts of the Covid-19 pandemic. Although it is too soon to know how the economy will respond once the challenges pass, the world appears to be watching markets such as China to see how fast (or slow) the recovery may be. At this writing, there are a myriad of potential scenarios, some that include a sharp "V"-shaped recovery in the latter-part of 2020, and others that show a more moderate trend line for improvement. As an example, some forecasts show U.S. GDP declining as much as 10% (or more) during Q2 2020, while some recovery forecasts show GDP expanding by as much as 15% in Q4. Again, it is too soon to know.

The following graph displays historical and projected U.S. real GDP percentage change (annualized on a quarterly basis) from first quarter 2013 through fourth quarter 2021:



Further points regarding current economic conditions are as follows:

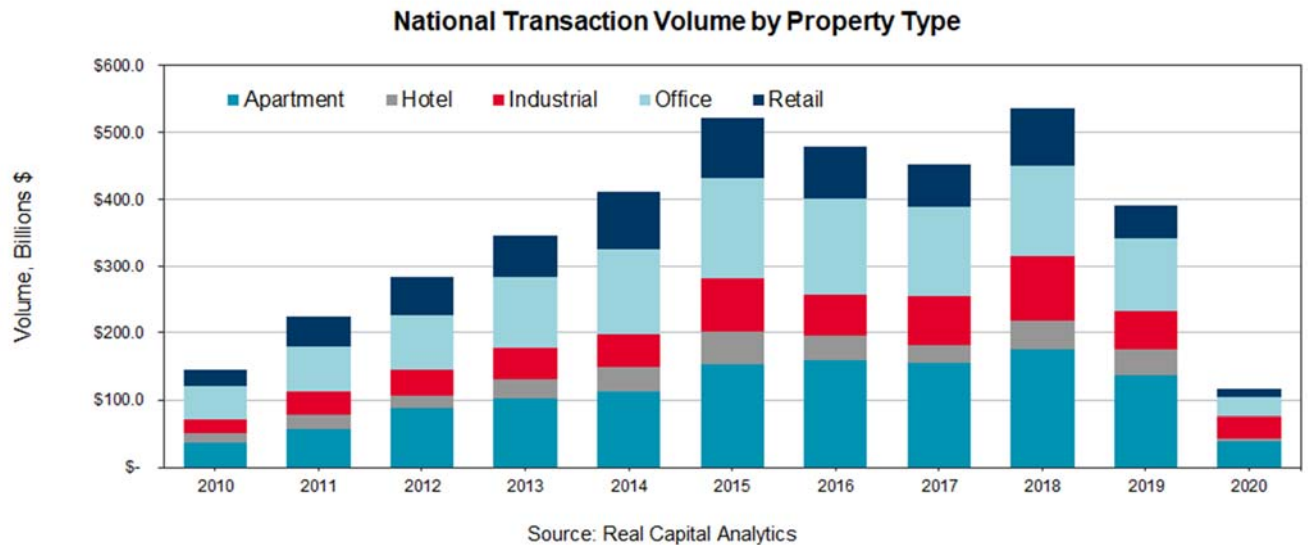
- Moody's baseline forecasts a 2.5% drop in GDP for 1Q 2020, followed by a drop of 18.3% in the second quarter. By 3Q 2020, Moody's is expecting a strong rebound at 11.0% as we move out of the bottleneck and then maintain healthy growth rates through the end of 2021.
- Gross domestic product grew by an annualized rate of 2.1% in the fourth quarter 2019, according to the "advance" estimate released by the Bureau of Economic Analysis. And prior to the current disruption, economists had forecast continued economic expansion through 2021. The National Association for Business Economics had forecast 1.8% GDP growth in 2020, while the Urban Land Institute's annual forecast survey expected the economy to grow 1.9% in 2021. GDP correlates strongly with the commercial real estate sector, so a strong economy indicates strong support for our business going forward.
- Commercial and multifamily mortgage loan originations increased 7% in third quarter 2019 (latest data available) when compared to the end of 2018, according to the Mortgage Bankers Association's Quarterly Survey of Commercial/Multifamily Mortgage Banker. Low interest rates are the cause for increased commercial and multifamily borrowing and lending and should lead to continued support into 2020.
- Commercial mortgage-backed securities (CMBS) have been spurred by measured investment sales activity and stable credit spreads. Commercial Mortgage Alert data indicates that U.S. CMBS issuance in first quarter 2020, at \$22.9 billion, was 38.5% higher when compared to CMBS issuance during the same period in 2019.

U.S. Real Estate Market Implications

The commercial real estate market's sales volume totaled roughly \$125.6 billion during the first quarter of 2020 and increased by 11% from the first quarter 2019. In a year-over-year comparison, four out of the five property sectors saw a decrease in sales volume in the first quarter, according to Real Capital Analytics, and the industrial sector was the only property sector to increase sales volume over this time frame. Additionally, in first quarter 2020 pricing for commercial real estate sits at \$183 per square foot.

The industrial sector saw an increase in transaction volume in first quarter 2020 over first quarter 2019, rising by 23%. Retail transaction activity was down 13% through first quarter 2020, according to Real Capital Analytics. The apartment sector remained the largest investment market through the first quarter of 2020, with sales of approximately \$37.9 billion, while the office sector totaled \$29.4 billion in activity over the same time period. Through first quarter 2020, hotel sector sales volume fell by 17% in a year-over-year comparison and totaled roughly \$4.6 billion during the first quarter.

The following graph compares national transaction volume by property from 2010 through first quarter 2020:



According to PricewaterhouseCoopers (PwC) Real Estate Investor Survey average cap rates for all property types decreased in 17 survey markets, increased in nine, and held steady in eight over fourth quarter 2019, according to the PwC Real Estate Investor Survey for first quarter 2020. For the year, more than half of the market averages are lower today than they were a year ago. Given current market conditions, we expect that cap rates may move upward in certain markets and for certain property types during second quarter.

The following chart displays overall cap rate analysis of five distinct property classes during first quarter 2020:

Overall Cap Rate Analysis			
First Quarter 2020			
Asset Class	Q1 2020	Q1 2019	Basis Point Change
CBD Office	5.45%	5.48%	-3
Suburban Office	6.36%	6.64%	-28
National Warehouse	4.79%	4.64%	15
National Apartment	5.14%	5.03%	11
National Regional Mall	6.23%	6.31%	-8
National Full-Service Lodging	7.38%	7.43%	-5

Source: PwC Real Estate Investor Survey and Cushman & Wakefield Valuation & Advisory

Notable points for the U.S. real estate market include:

- Annual price growth in the six major metro areas rose 13.1% in first quarter of 2020, while annual price growth in the non-major metros rose by 18.6% in a year-over-year comparison.
- Most participants in the PwC Real Estate Investor Survey believe that current market conditions favor sellers in the national net lease market (100%).
- The national warehouse market climbed 15 basis points, while the national CBD office market fell by three basis points in a year-over-year comparison. The national net lease and national suburban office markets declined over the same period. At 7.7%, the Chicago office market improved by 20 basis points from the previous quarter and is still the highest, while Manhattan office market, at 4.8%, remains as the lowest cap rate but improved from first quarter 2019. Over the next six months, most surveyed investors foresee overall cap rates holding steady in 31 markets.

Conclusion

The U.S. economy entered 2020 in solid shape, although the pace of growth appeared to be slowing. However, as the first quarter has evolved, the emergence of the coronavirus global pandemic has clouded the outlook. As a result, economists have been steadily reducing their GDP growth forecasts. Oxford Economics has steadily reduced its global GDP growth forecast from 2.5% at the beginning of the year, to 2.3% at the end of January, to 2.0% as of early March. For the U.S., the 2020 GDP growth forecast has been reduced from 1.7% in early January to 1.3% in early March; for the eurozone, the GDP forecast has been revised down from 1.1% in 2020 to 0.6%. Given the aggressive actions being taken to restrict spread of the virus, it would not be surprising to see these figures revised down further. Other forecasting services are making similar downward adjustments.

Below are notes regarding the outlook for the U.S. national real estate market in 2020 and beyond:

- Investment activity is slowing across the globe. Many investors have “pushed the pause button” waiting for more clarity on economic conditions before determining their strategy. Investors are still flush with cash and will look for opportunity as the environment evolves.
- Monetary policy has been aggressively loosened across the board as global central banks lower interest rates and announce plans to purchase securities and take other actions to increase liquidity.
- The consumer confidence index dropped sharply, hitting 120 in March 2020, which is its lowest rating since June 2017. While consumer confidence remains strong on a historical level it is expected to decline as the full impact of the coronavirus pandemic are felt. At this moment, all signs point to a recover in the second half of the year as the pandemic is played out.
- Overall, the outlook for the U.S. economy is clouded with uncertainty, but due to the high unemployment rate projected GDP declines, and other high frequency data trends which are similarly bleak, it is widely believed that the U.S. has entered a recession. As of now, the expectation is that in the second half of the year, the tailwinds of the stimulus and pent-up demand will likely lead to healthy rebound.

Investor Survey Trends

The investment criteria derived from the improved property sales within the Sales Comparison Approach section of this report also lend support to national investor surveys of investment parameters. Following is a brief review of effective gross income multipliers, overall rates, forecasted holding periods, internal rates of return and terminal overall rates from several Manhattan retail property sales.

COMPARABLE RETAIL SALES SUMMARY								
No.	Sale Date	Name and Location	Price	Price/NRA	OAR	Forecast	IRR	Terminal OAR
1	Apr-19	250 Bowery	\$25,000,000	\$2,437.84	--	--	--	--
2	Dec-18	212 Fifth Avenue	\$26,500,000	\$5,735.93	4.64%	--	--	--
3	Feb-18	412-414 West 14th Street	\$88,000,000	\$9,533.10	4.56%	10	5.75%	4.75%
4	Jan-18	766 Madison Avenue	\$37,000,000	\$6,142.10	4.00%	--	--	--
5	Apr-17	102 Greene Street	\$43,500,000	\$4,712.38	--	--	--	--
6	Apr-17	10 Madison Square West	\$97,500,000	\$4,730.94	4.58%	10	6.00%	4.75%
7	Nov-16	155 Mercer Street	\$93,000,000	\$6,374.67	2.75%	10	5.00%	4.00%
8	Mar-16	516 Eighth Avenue	\$25,000,000	\$3,333.33	--	--	--	--
9	Aug-16	123 East 86th Street	\$24,500,000	\$2,741.72	--	--	--	--
10	Jul-15	690 Madison Avenue	\$115,170,000	\$14,675.08	3.05%	10	6.00%	4.50%
11	Dec-15	730 Lexington Avenue	\$18,500,000	\$4,512.20	4.50%	10	6.00%	5.00%
Low			\$18,500,000	\$2,437.84	2.75%	10	5.00%	4.00%
High			\$115,170,000	\$14,675.08	4.64%	10	6.00%	5.00%
Average			\$53,970,000	\$5,902.66	4.01%	10	5.75%	4.60%

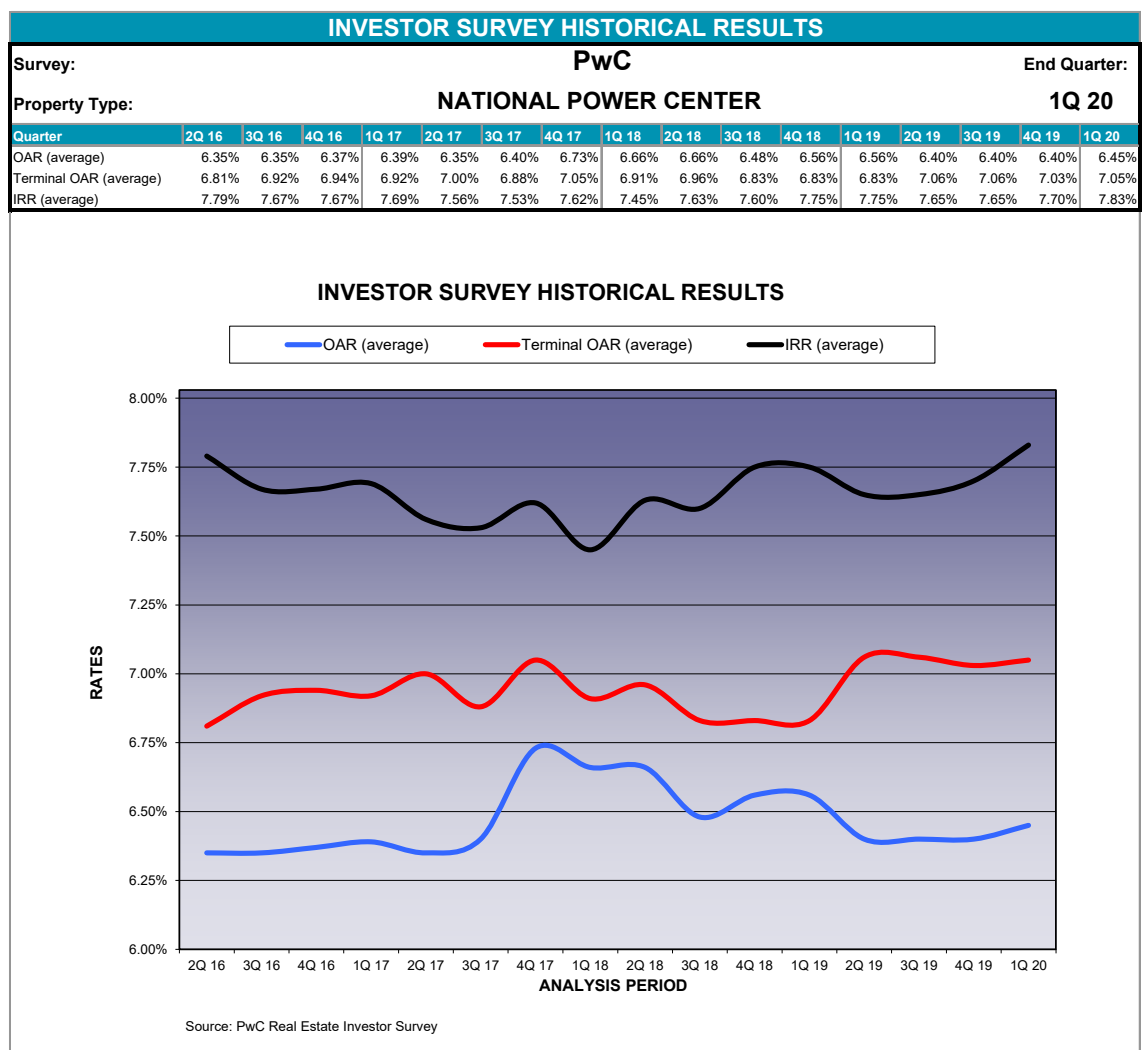
Compiled by Cushman & Wakefield, Inc.

It should be noted that the internal rate of return and terminal overall capitalization rate information reflected in the

above chart was extracted from cash flows prepared by Cushman & Wakefield, Inc. from appraisals they prepared of these properties. This information is not provided in publications, but is a technique which only Cushman & Wakefield, Inc. employs in their analysis of New York City retail building sales from an appraisal standpoint. The Cushman & Wakefield, Inc. internal rate of return and terminal overall capitalization rate information are confirmed directly from the owners of the respective properties when the properties were appraised.

Investor Survey Trends

Historic trends in real estate investment help us understand the current and future direction of the market. Investors' return requirements are a benchmark by which real estate assets are bought and sold. The following graph shows the historic trends for the subject's asset class spanning a period of four years as reported in the PwC Real Estate Investor Survey published by PricewaterhouseCoopers.



Terminal Capitalization Rate Selection

We based the estimate of property value at reversion on assumed resale at the end of Year 12, using our forecast of Year 13 net operating income. The reversion value was calculated by applying a capitalization rate of 5.00

percent to fiscal year 2031/32 NOI and subtracting sales expenses of 4.00 percent. The net cash flows and the net reversion were discounted to net present value using a discount rate of 6.00 percent, the derivation of which is discussed below.

A terminal capitalization rate was used to estimate the market value of the property at the end of the assumed investment-holding period. We estimated an appropriate terminal rate based on indicated rates in today's market. PricewaterhouseCoopers, Inc. periodically surveys national real estate investors to determine terminal capitalization rates considered acceptable by respondents. Exhibited below are the national terminal capitalization rates for Real Estate Investor Survey National Power Centers as of the most recent quarter:

TERMINAL CAPITALIZATION RATES (OAR _{out})			
Survey	Date	Range	Average
PwC	First Quarter 2020	5.50% - 9.00%	7.05%

PwC - Refers to National Power Center market regardless of class or occupancy

In addition, we examined the terminal rates derived from the improved property sales exhibited in Addendum C of this report:

MANHATTAN RETAIL SALES TERMINAL CAPITALIZATION RATE SUMMARY		
No.	Property	Terminal Rate
1	250 Bowery	--
2	212 Fifth Avenue	--
3	412-414 West 14th Street	4.75%
4	766 Madison Avenue	--
5	102 Greene Street	--
6	10 Madison Square West	4.75%
7	155 Mercer Street	4.00%
8	516 Eighth Avenue	--
9	123 East 86th Street	--
10	690 Madison Avenue	4.50%
11	730 Lexington Avenue	5.00%
ANALYSIS		
Low		4.00%
High		5.00%
Average		4.60%

Compiled by Cushman & Wakefield, Inc.

The terminal capitalization rates derived from the improved property sales exhibited above are between 4.00 and 5.00 percent, with an average of 4.60 percent. The terminal capitalization rates derived from the PwC investor survey ranged between 5.50 and 9.00 percent, with an average of 7.05 percent. A premium was added to today's rate to allow for the risk of unforeseen events or trends which might affect our estimate of net operating income during the holding period, including a possible deterioration in market conditions for the property. Investors typically add 25 to 150 basis points to the "going-in" rate to arrive at a terminal capitalization rate, according to Cushman & Wakefield's periodic investor surveys.

The difference between going-in capitalization rates and terminal capitalization rates is typically risk related due to time (market conditions). In consideration of the subject's characteristics, and projected cash flow we have applied

a 5.00 percent terminal capitalization rate.

Discount Rate Analysis

We estimated future cash flows, including property value at reversion, and discounted that income stream at an internal rate of return (yield rates) currently required by investors for similar-quality real property. The yield rate (internal rate of return or IRR) is the single rate that discounts all future equity benefits (cash flows and equity reversion) to an estimate of net present value.

The most recently published PricewaterhouseCoopers, Inc. survey indicates that investors considered acceptable internal rates of return within the following range:

DISCOUNT RATES (IRR)			
Survey	Date	Range	Average
PwC	First Quarter 2020	6.00% - 11.00%	7.83%
PwC - Refers to National Power Center market regardless of class or occupancy			

In addition, we examined the discount rates derived from the improved property sales exhibited in Addendum C of this report:

MANHATTAN RETAIL SALES DISCOUNT RATE SUMMARY (IRR)		
No.	Property	Discount Rate
1	250 Bowery	--
2	212 Fifth Avenue	--
3	412-414 West 14th Street	5.75%
4	766 Madison Avenue	--
5	102 Greene Street	--
6	10 Madison Square West	6.00%
7	155 Mercer Street	5.00%
8	516 Eighth Avenue	--
9	123 East 86th Street	--
10	690 Madison Avenue	6.00%
11	730 Lexington Avenue	6.00%
ANALYSIS		
Low		5.00%
High		6.00%
Average		5.75%
Compiled by Cushman & Wakefield, Inc.		

Summary of Discount Rate Selection

Several sources of discount rate (internal rate of return) information were analyzed including Investor Survey data. The internal rates of return cited by the PricewaterhouseCoopers, Inc. survey ranged between 6.00 and 11.00 percent, with an average of 7.83 percent. The discount rates derived from the sales exhibited above ranged from 5.00 percent to 6.00 percent, with an average of 5.75 percent.

In our selection of a discount rate for the subject property, we have examined mortgage rates available today. The

interest rate for a 30-year fixed rate mortgage is currently below 5.00 percent. In addition, the current discount rate, or the interest rate charged by the Federal Reserve when banks borrow money, of 0.75 percent, although has increased recently, is still near historic lows.

The subject property is a 5-level (inclusive of lower level) retail condominium unit within a luxury mixed use residential building located in the Union Square neighborhood of Manhattan. The property is 100.0 percent leased on a long-term basis at significantly below market rents to good quality tenants and is anchored by national retail tenants such as Regal Cinemas, Best Buy, and Nordstrom Rack. Furthermore, 43.1 percent of the subject is leased to credit tenants. The subject's Net Operating Income (NOI) is expected to increase 2.04 percent per annum from year one through the analysis period. Therefore, taking into consideration the subject's location, size, condition, long-term ground lease, below market contract rents, construction, tenant quality, and returns expected by investors in the current market in relation to other comparable properties, we discounted the cash flows at 6.00 percent. Our selection of discount rate is considered reasonable given the projected cash flow of the property and the subject ground lease.

In addition, an urban retail center such as the subject property would generally have a discount rate within the low end of the range of the comparable sales and referenced investor surveys. The selected discount rate is reflective of the overall quality of the real estate, and perceived durability of the income, along with the property's projected cash flow.

Discounted Cash Flow Analysis and DCF Summary Table

The ARGUS - Version 15 cash flow is presented on the following page. The cash flow commencement date is April 1, 2020. Based on the rates selected, the value via the Yield Capitalization analysis is estimated at \$345,000,000, rounded. The reversion contributes 65.05 percent to this value estimate. Our cash flow projections and valuation matrix are presented on the following pages.

ANNUAL CASH FLOW REPORT One Union Square South														Annual Growth
For the Years Beginning For the Years Ending	1 Apr-20 Mar-21	2 Apr-21 Mar-22	3 Apr-22 Mar-23	4 Apr-23 Mar-24	5 Apr-24 Mar-25	6 Apr-25 Mar-26	7 Apr-26 Mar-27	8 Apr-27 Mar-28	9 Apr-28 Mar-29	10 Apr-29 Mar-30	11 Apr-30 Mar-31	12 Apr-31 Mar-32	13 Apr-32 Mar-33	Year 1 - Year 12
Base Rental Revenue	\$ 25,658,235	\$ 25,957,464	\$ 26,001,601	\$ 26,403,844	\$ 26,695,281	\$ 27,720,375	\$ 28,499,229	\$ 28,917,995	\$ 30,367,189	\$ 31,210,200	\$ 35,140,930	\$ 37,298,679	\$ 38,176,601	3.46%
Absorption & Turnover Vacancy	0	0	0	0	0	(1,808,468)	0	0	(4,677,762)	(1,239,757)	(4,111,956)	\$ -	\$ -	
Base Rent Abatements	0	0	0	0	0	(1,831,073)	0	0	(4,736,234)	0	(4,131,829)	(1,324,440)	\$ -	
Scheduled Base Rental Revenue	\$ 25,658,235	\$ 25,957,464	\$ 26,001,601	\$ 26,403,844	\$ 26,695,281	\$ 24,080,834	\$ 28,499,229	\$ 28,917,995	\$ 20,953,193	\$ 29,970,443	\$ 26,897,145	\$ 35,974,239	\$ 38,176,601	3.12%
Real Estate Taxes	8,006,727	8,277,732	8,556,867	8,844,377	9,140,512	9,265,618	10,179,969	10,497,416	9,043,967	10,884,062	10,554,940	11,536,610	11,907,865	3.38%
Virgin RE Taxes	177,686	186,573	195,725	205,153	214,863	224,864	235,166	245,777	256,706	223,302	0	0	0 --	
CAM	75,450	77,713	80,045	82,446	84,919	79,613	79,304	81,682	47,849	39,091	2,635	0	0 --	
CAM less Rubbish	1,336,319	1,384,162	1,433,439	1,484,193	1,536,471	1,491,509	1,505,630	1,554,096	1,221,556	1,521,419	1,102,574	1,096,072	1,128,955	-1.79%
Management Fee	0	0	0	0	0	31,427	77,544	78,683	99,347	110,698	270,760	370,866	379,596	
Regal Mgmt	125,882	125,882	125,882	10,490	0	0	0	0	0	0	0	0	0 --	
Best Buy mgmt	41,267	41,267	41,267	41,267	34,390	0	0	0	0	0	0	0	0 --	
Citibank mgmt	52,305	52,305	52,305	52,305	52,305	52,305	52,305	52,305	0	0	0	0	0 --	
Duane Reade mgmt	68,308	71,965	71,965	71,965	71,965	75,988	80,012	80,012	80,012	80,012	56,548	0	0 --	
Total Reimbursement Revenue	\$ 9,883,944	\$ 10,217,599	\$ 10,557,495	\$ 10,792,196	\$ 11,135,425	\$ 11,221,324	\$ 12,209,930	\$ 12,589,971	\$ 10,749,437	\$ 12,858,584	\$ 11,987,457	\$ 13,003,548	\$ 13,416,416	2.53%
Miscellaneous Income	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598	34,606	35,644	3.00%
TOTAL GROSS REVENUE	\$ 35,567,179	\$ 36,200,813	\$ 36,585,619	\$ 37,223,358	\$ 37,858,844	\$ 35,331,140	\$ 40,739,010	\$ 41,538,713	\$ 31,734,299	\$ 42,861,646	\$ 38,918,200	\$ 49,012,393	\$ 51,628,661	2.96%
General Vacancy	(1,067,015)	(724,016)	(731,712)	(744,467)	(757,177)	0	(814,780)	(830,774)	0	0	0	(980,248)	(1,032,573)	-0.77%
Collection Loss	(1,330,575)	(831,740)	(842,407)	(860,635)	(878,768)	(796,848)	(952,967)	(975,941)	(767,629)	(992,468)	(928,538)	(1,111,933)	(1,145,658)	-1.62%
EFFECTIVE GROSS REVENUE	\$ 33,169,589	\$ 34,645,057	\$ 35,011,500	\$ 35,618,256	\$ 36,222,899	\$ 34,534,292	\$ 38,971,263	\$ 39,731,998	\$ 30,966,670	\$ 41,869,178	\$ 37,989,662	\$ 46,920,212	\$ 49,450,430	3.20%
Real Estate Taxes	9,503,084	9,788,177	10,081,822	10,384,276	10,695,805	11,016,679	11,347,179	11,687,595	12,038,222	12,399,369	12,771,350	13,154,491	13,549,125	3.00%
CAM	1,800,000	1,854,000	1,909,620	1,966,909	2,025,916	2,086,693	2,149,294	2,213,773	2,280,186	2,348,592	2,419,049	2,491,621	2,566,370	3.00%
Management Fee	513,165	519,149	520,032	528,077	533,906	554,408	569,985	578,360	607,344	624,204	702,819	745,974	763,532	3.46%
Ground Rent	3,933,798	3,933,798	3,933,798	7,031,223	8,063,695	8,063,695	8,063,695	8,063,695	8,926,535	9,031,338	9,031,338	9,031,338	9,031,338	7.85%
Miscellaneous	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239	67,196	69,212	71,288	3.00%
TOTAL OPERATING EXPENSES	\$ 15,800,047	\$ 16,146,624	\$ 16,498,317	\$ 19,965,121	\$ 21,375,597	\$ 21,779,439	\$ 22,189,856	\$ 22,604,917	\$ 23,915,626	\$ 24,468,742	\$ 24,991,752	\$ 25,492,636	\$ 25,981,653	4.44%
NET OPERATING INCOME	\$ 17,369,542	\$ 18,498,433	\$ 18,513,183	\$ 15,653,135	\$ 14,847,302	\$ 12,754,853	\$ 16,781,407	\$ 17,127,081	\$ 7,051,044	\$ 17,400,436	\$ 12,997,910	\$ 21,427,576	\$ 23,468,777	1.93%
Capital Reserves	59,054	60,825	62,650	64,530	66,466	68,459	70,513	72,629	74,808	77,052	79,363	81,744	84,197	3.00%
Tenant Improvements	0	0	0	0	0	1,005,870	0	0	4,396,221	0	2,741,206	0	0	
Leasing Commissions	0	0	0	0	0	2,340,659	0	0	5,665,405	0	6,736,569	0	0	
TOTAL LEASING & CAPITAL COSTS	\$ 59,054	\$ 60,825	\$ 62,650	\$ 64,530	\$ 66,466	\$ 3,414,988	\$ 70,513	\$ 72,629	\$ 10,136,434	\$ 77,052	\$ 9,557,138	\$ 81,744	\$ 84,197	3.00%
CASH FLOW BEFORE DEBT SERVICE	\$ 17,310,488	\$ 18,437,608	\$ 18,450,533	\$ 15,588,605	\$ 14,780,836	\$ 9,339,865	\$ 16,710,894	\$ 17,054,452	\$ (3,085,390)	\$ 17,323,384	\$ 3,440,772	\$ 21,345,832	\$ 23,384,580	1.92%
Implied Overall Rate	5.03%	5.36%	5.37%	4.54%	4.30%	3.70%	4.86%	4.96%	2.04%	5.04%	3.77%	6.21%		
Cash on Cash Return	5.02%	5.34%	5.35%	4.52%	4.28%	2.71%	4.84%	4.94%	-0.89%	5.02%	1.00%	6.19%		

DISCOUNTED CASH FLOW MODELING ASSUMPTIONS**VALUATION SCENARIO: Market Value As-Is****GENERAL CASH FLOW ASSUMPTIONS**

Cash Flow Software:	ARGUS - Version 15
Cash Flow Start Date:	April 1, 2020
Calendar or Fiscal Analysis:	Fiscal
Investment Holding Period:	12 Years
Analysis Projection Period:	13 Years

VACANCY & COLLECTION LOSS

Global Vacancy:	3.00%
Global Collection Loss:	5.00%
Total Vacancy and Collection Loss	8.00%
Total Vacancy and Collection Loss-Year 2	5.00%
Total Vacancy and Collection Loss-Credit	0.50%

CAPITAL EXPENDITURES

Reserves for Replacement (\$/SF):	\$0.25
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GROWTH RATES

Market Rent-Retail:	0% in Yr.2, 3% Thereafter
Consumer Price Index (CPI):	3.00%
Expenses:	3.00%
Tenant Improvements:	3.00%
Real Estate Taxes:	3.00%

RATES OF RETURN

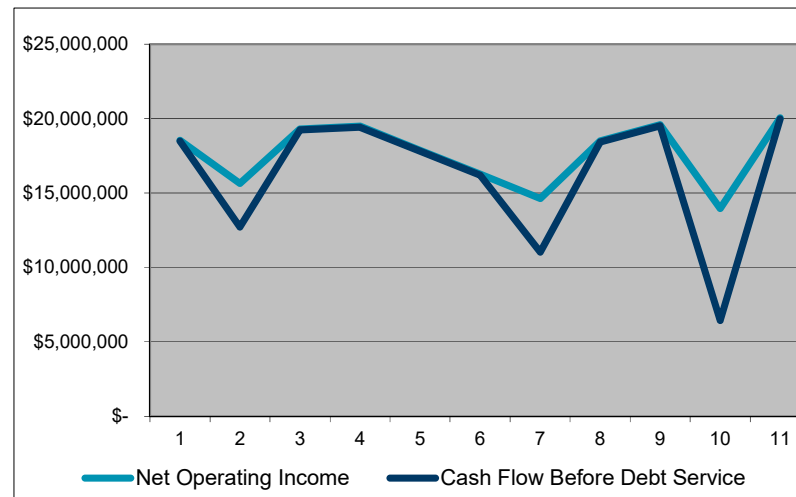
Internal Rate of Return: (Cash Flow)	6.00%
Internal Rate of Return: (Reversion)	6.00%
Terminal Capitalization Rate:	5.00%
Reversionary Sales Cost:	4.00%

VALUATION

Market Value As-Is	\$344,224,806
LESS Curable Depreciation	\$0
Adjusted Value	\$344,224,806
Rounded to nearest \$5,000,000	\$345,000,000
Value \$/SF	\$1,460.53

Compiled by Cushman & Wakefield, Inc.

The following graph depicts the forecasted change in both net income and net cash flow over the analysis period.



The results of the Yield Capitalization analysis are presented below:

PRICING MATRIX - Market Value As-Is					
Terminal Cap Rates	Discount Rate (IRR) for Cash Flow				
	5.50%	5.75%	6.00%	6.25%	6.50%
4.50%	\$ 386,667,398	\$ 377,760,032	\$ 369,106,434	\$ 360,698,574	\$ 352,528,699
4.75%	\$ 372,807,308	\$ 364,288,063	\$ 356,010,840	\$ 347,967,991	\$ 340,152,130
5.00%	\$ 360,333,227	\$ 352,163,291	\$ 344,224,806	\$ 336,510,466	\$ 329,013,217
5.25%	\$ 349,047,153	\$ 341,193,260	\$ 333,561,251	\$ 326,144,133	\$ 318,935,153
5.50%	\$ 338,787,086	\$ 331,220,504	\$ 323,867,110	\$ 316,720,195	\$ 309,773,277
IRR Reversion	5.50%	5.75%	6.00%	6.25%	6.50%
Cost of Sale at Reversion:	4.00%				
Percent Residual:	65.05%				
Rounded to nearest \$5,000,000	\$345,000,000		\$1,460.53		

Based on the rates selected, the value via the Yield Capitalization analysis is estimated at \$345,000,000, rounded. The reversion contributes 65.05 percent to this value estimate.

Direct Capitalization Method

In the direct capitalization method, we estimated market value by dividing net operating income by an overall rate derived from our analyses of market sales and computed by dividing the net operating income from a sold property by its sale price. The overall capitalization rates derived from the sales detailed below are between 2.75 and 4.64 percent with an average of 4.01 percent. It should be noted that the lower end of the capitalization rates were derived from properties that had leases significantly below market rents. The overall capitalization rates derived from the most applicable improved property sales are shown below.

MANHATTAN RETAIL SALES OVERALL CAPITALIZATION RATE SUMMARY		
No.	Property	Capitalization Rate
1	250 Bowery	--
2	212 Fifth Avenue	4.64%
3	412-414 West 14th Street	4.56%
4	766 Madison Avenue	4.00%
5	102 Greene Street	--
6	10 Madison Square West	4.58%
7	155 Mercer Street	2.75%
8	516 Eighth Avenue	--
9	123 East 86th Street	--
10	690 Madison Avenue	3.05%
11	730 Lexington Avenue	4.50%
ANALYSIS		
Low		2.75%
High		4.64%
Average		4.01%
<i>Compiled by Cushman & Wakefield, Inc.</i>		

These sales are the most recent comparable transactions with the subject property and located within prime and secondary commercial corridors. These sales are the best indicators of current investment parameters in the market for retail properties in Manhattan.

Additional support can be drawn from the most recent PricewaterhouseCoopers, Inc. survey of overall capitalization rate survey:

CAPITALIZATION RATES			
Survey	Date	Range	Average
PwC	First Quarter 2020	5.25% - 8.25%	6.45%
PwC - Refers to National Power Center market regardless of class or occupancy			

In our selection of the capitalization rate we have considered the subject's location, quality, and tenancy, below market contract rents, projected cash flow and quality of construction. Therefore, in the context of the direct capitalization method, a going-in rate of 5.00 percent is considered reasonable, compensating the typical buyer for the risk inherent in investing in this building. We have applied this rate in the direct capitalization method. A summary of the direct capitalization method is shown below.

DIRECT CAPITALIZATION METHOD		
Market Value As-Is		
NET OPERATING INCOME	\$	17,369,542
Sensitivity Analysis (0.25% OAR Spread)	Value	\$/SF NRA
Based on Low-Range of 4.75%	\$365,674,568	\$1,548.06
Based on Most Probable Range of 5.00%	\$347,390,840	\$1,470.66
Based on High-Range of 5.25%	\$330,848,419	\$1,400.62
Reconciled Value	\$347,390,840	\$1,470.66
Rounded to nearest \$5,000,000	\$345,000,000	\$1,460.53

Compiled by Cushman & Wakefield, Inc.

Based on the rate selected, our value via the Direct Capitalization Method is estimated at \$345,000,000, rounded.

Income Capitalization Approach Conclusion

We have considered the Discounted Cash Flow and the Direct Capitalization Method in our analysis of the subject property. Our opinion of market value via the Income Capitalization Approach are as follows.

INCOME CAPITALIZATION APPROACH CONCLUSION		
Methodology	Market Value As-Is	PSF
Discounted Cash Flow	\$345,000,000	\$1,460.53
Direct Capitalization	\$345,000,000	\$1,460.53
Income Approach Conclusion	\$345,000,000	\$1,460.53

Compiled by Cushman & Wakefield, Inc.

Addendum C: Comparable Improved Retail Sales

On the following page, we present a summary of the improved properties that we compared to the subject property that reflect a range in unadjusted unit prices of \$2,437.84 and \$14,675.08 per square foot. The first year overall capitalization rates of the sales range from 2.75 to 4.64 percent, with an average of 4.01 percent.

SUMMARY OF COMPARABLE RETAIL SALES								
Physical Data			Sale Data			Financial Data		
No.	Property Name Location	Net Rentable Area (SF)	Year Built	Sale Date	Grantor/ Grantee	Price	Price/NRA	Occupancy at Sale
1	250 Bowery B/w Prince and Houston Streets Lower East Side, Manhattan	10,255	2010	Apr-19	International Center of Photography DSA 250 Bowery LLC	\$25,000,000	\$2,437.84	0%
Sale of a 1-story, plus lower level, commercial condominium unit with 6,255 square feet on the ground floor (61%) and 4,000 square feet of lower level retail space (39%) totaling 10,255 square feet of net rentable area (NRA) between Prince and Houston Streets within the Lower East Side neighborhood of Manhattan. The lower level comprises selling retail space. The ceiling heights are 14 feet on the ground floor and 17 feet on the lower level. T The International Center of Photography (ICP) had purchased the subject property on February 25, 2015 from 250 Bowery Star, LLC for \$23,500,000. The property will be delivered vacant.								
2	212 Fifth Avenue S/W/C E. 26th Street NoMad, Manhattan	4,620	1913	Dec-18	Building and Land Technologies & Madison Equities/ Eunate Real Estate	\$26,500,000	\$5,735.93	100%
Comments: Sale of 4,620 square foot ground floor retail condominium fully occupied by 3 tenants. The property is throughblock to Broadway and goes by the 1134 Broadway address. The 212 Fifth Avenue space is leased for 15 years and 10 months to Togas House of Textiles, a luxury textile boutique. The space encompasses 2,331 rentable square feet, with 57' feet of frontage along Fifth Avenue and 64' of frontage along West 26th Street. The 1134 Broadway space, situated on the southeast corner of West 26th Street and Broadway, has been subdivided into two suites. The corner space is leased for 10 years and 10 months to DECIEM, a high-end cosmetics company backed by Estée Lauder. Their space encompasses 1,230 rentable square feet with 31' feet of frontage along Broadway and 64' feet of frontage along West 26th Street. The in-line Broadway space is leased for 10 years to Le' Tea and encompasses 1,059 rentable square feet with 30' of frontage along Broadway between 25th and 26th Streets. The property was purchased based on an overall capitalization rate of 4.64 percent.								
3	412-414 West 14th Street B/w Ninth Avenue & Washington Street Meatpacking, Manhattan	17,236	1900 2017	Feb-18	Thor Equities and Premier Equities / Union Investment (c/o DZ Bank)	\$88,000,000	\$9,533.10	100%
Comments: Sale of a 3-level retail condominium unit totaling 17,236 square feet along West 14th Street between Ninth Avenue and Washington Street in the Meatpacking District of Manhattan. The retail condominium unit contains 4,754 square feet on the ground floor (28%), 5,267 square feet on the second floor (30%), and 7,215 square feet on the third floor (42%) for a total of 17,236 square feet. The entire property is leased by Toyota Motors Sales USA Inc., an investment grade tenant, until April 2028 at an initial rent of \$4,300,000 per annum. The base rent increases to \$4.8 million in May 2021, \$5.2 million in May 2023, and \$5.5 million in May 2025. The tenant has a 5 year renewal option which could extend the lease until April 2023. The renewal rent is \$6.3 million in May 2028, and increases 3.0 percent per annum. In addition, the tenant has a termination option which could cancel the lease effective April 30, 2023, provided it gives one year notice. Furthermore, if the tenant exercises the termination option, it must pay a \$4.8 million termination fee by the termination date. The tenant is reportedly spending \$40.0 million (\$2,321/SF) for their build out which includes base building work. The property is proposed to be utilized as multi-use space for Intersect By Lexus NYC, which will highlight gallery and office space, a restaurant managed by Danny Myer's Union Square Hospitality Group, and a café. Based on the reported price, the overall going-in capitalization rate implies 4.56 percent.								
4	766 Madison Avenue B/w E 65th & 66th Sts Upper East Side, Manhattan	6,024	1923	Jan-18	James Rice / JV between W Brothers & Altmark	\$37,000,000	\$6,142.10	100%
Comments: Sale of a 5-story commercial building located on the west side of Madison Avenue between East 65th & 66th Streets within the Upper East Side neighborhood of Manhattan. At the time of sale, the property was leased to 6 tenants inclusive of Mardani Fine Minerals, Danvie Nail Salon & Spa, Shahin Design, 766 Madison Ave Realty Corp, and Academic Approach.								
5	102 Greene Street B/w Prince & Spring Streets SoHo, Manhattan	9,231	1910 2007	Apr-17	BLDG Management / Confidential	\$43,500,000 100% Interest	\$4,712.38	100%
Comments: Sale of a 3-story retail building totaling 9,231 rentable square feet of net rentable area located at 102 Greene Street on the eastern blockfront between Prince and Spring Streets located within SoHo neighborhood of Manhattan. The entire building is leased to Galeria Melissa, a footwear store. The property is under contract of sale for 90 percent equity interest in the property based on a valuation of \$43.5 million for the entire leased fee interest in the property. The property was previously purchased in 2014 for \$32.3 million.								
6	10 Madison Square West 1107 Broadway Northwest Corner of West 24th Street Flatiron/Union Sq., Manhattan	20,609	1915 2015	Apr-17	Savanna / TH Global Real Estate c/o TIAA Global Asset Management	\$97,500,000	\$4,730.94	100%
Comments: Sale of a 2-level retail condominium unit totaling 20,609 square feet of net rentable area located within 1107 Broadway, a former 16-story Class B office building that was recently converted into a luxury residential condominium building with retail space known as 10 Madison Square West. The subject comprises 16,341 square feet on the ground floor and 4,268 square feet on the lower level totaling 21,609 square feet of net rentable area. The subject property was 100.0 percent leased at the time of sale Citibank and Pet Smart. Citibank was leased through August 31, 2023 and possessed two 10-year renewal options that may extend the lease through August 31, 2043, at the time of sale. Furthermore, Pet Smart recently signed a 10-year lease and will occupy the entire corner retail unit (16,280 SF). The tenant received 5 months free rent. The property was purchased based on overall capitalization rate of 3.16 percent which will increase to 4.58 percent in year two, after the base rent abatement. The property was previously purchased in 2013 for \$60.0 million.								
7	155 Mercer Street B/w Prince & West Houston Streets SoHo, Manhattan	14,589	1854 / 2014	Nov-16	Thor Equities / ABS Real Estate Investments	\$93,000,000	\$6,374.67	100%
Comments: Sale of a 3-story retail building totaling 14,589 rentable square feet of net rentable area within a 3-story building located at 155 Mercer Street on the westerly blockfront of Mercer Street between West Houston and Prince Streets located within SoHo neighborhood of Manhattan. The building comprises 3,857 square feet on the ground floor, 3,506 square feet on the second floor, 2,774 square feet on the third floor and 4,452 square feet on the lower level totaling 14,589 square feet of net rentable area. The entire building is leased to Dolce & Gabbana through November 2022. The property was purchased based on an overall capitalization rate of 2.75 percent.								

SUMMARY OF COMPARABLE RETAIL SALES									
Physical Data				Sale Data		Financial Data			
No.	Property Name Location	Net Rentable Area (SF)	Year Built	Sale Date	Grantor/ Grantee	Price	Price/NRA	NOI/SF OAR	Occupancy at Sale
8	516 Eighth Avenue S/E/C West 36th Street Herald Square, Manhattan	7,500	1931	Mar-16	Jergil MFG Corp. / Walter & Samuels, Inc.	\$25,000,000	\$3,333.33	--	100%
Comments:		Sale of a 2-story retail building totaling 7,500 square feet of net rentable area located along Eighth Avenue on the southeast corner of West 36th Street within the Herald Square neighborhood of Manhattan. The property comprises 7,500 square feet of net rentable area. At the time of sale, the property was 100 percent leased to six tenants.							
9	123 East 86th Street B/w Lexington and Park Avenues Upper East Side, Manhattan	8,936	1927/1998	Aug-16	GA East 86th Street LLC njnam Asset Co LLC	\$24,500,000	\$2,741.72	--	100%
Comments:		Sale of a 3-story, plus lower level, retail building located within 123 East 86th Street between Park and Lexington Avenues within the Upper East Side neighborhood of Manhattan. The property comprises 2,234 on the ground, lower second and third floors totaling 8,936 square feet. The property is 100 percent net leased to Citibank through 2022. The property is locate along the prime East 86th Street and Third Avenue retail corridors.							
10	690 Madison Avenue N/W/C East 62nd Street Upper East Side, Manhattan	7,848	1900 / 2009	Jul-15	Madison Properties Group Ltd. / Ashkenazy Acquisition Corporation	\$115,170,000	\$14,675.08	\$447.59	3.05% 100%
Comments:		Sale of a 5-story single tenant retail building containing 7,848 rentable square feet (inclusive of an 848 square foot basement) on the northwest corner of East 62nd Street within the Upper East Side neighborhood of Manhattan. The property comprises 1,450 square feet on the ground floor (19%), 5,550 square feet on the second through fifth floors (72%) and 848 square feet in the basement (9%) totaling 7,848 square feet of net rentable area. The entire subject property is net leased by Hermes, as their Men's Flagship location, until June 30, 2024. The tenant also has two 10-year renewal options which could extend the lease until June 30, 2044. The property represents one of the few single tenant retail buildings located on the "Gold Coast" corridor along Madison Avenue, and is located across the street from the Hermes flagship store at 691 Madison Avenue. The property was purchased based on an overall capitalization rate of 3.05 percent.							
11	730 Lexington Avenue B/w 58th & 59th Streets East Side, Manhattan	4,100	1920 / 2005	Dec-15	730 Lexington LLC / Ashkenazy Acquisition Corporation	\$18,500,000	\$4,512.20	\$203.05	4.50% 0%
Comments:		Sale of a 4-story retail building totaling 4,100 square feet of net rentable area located along Lexington Avenue between 58th and 59th Streets within the West Side neighborhood of Manhattan. The property comprises 4,100 square feet of net rentable area. At the time of sale, the property was 100 percent leased to Aldo. The property was purchased based on an overall capitalization rate of 4.50 percent.							
STATISTICS									
LOW		4,100	1900	Mar-15			\$2,437.84	\$175.06	2.75% 0%
HIGH		20,609	2017	Apr-19			\$14,675.08	\$447.59	4.64% 100%
MEAN		10,111	1952				\$5,902.66	\$284.14	4.01% 92%

We have presented a summary of several transactions involving retail centers from which price trends may be identified for the extraction of value parameters. These transactions have been segregated by year of acquisition so as to lend additional perspective on our analysis. Comparability in both physical and economic characteristics are the most important criteria for analyzing sales in relation to the subject property. However, it is also important to recognize the fact that retail centers are distinct entities by virtue of age and design, visibility and accessibility, the market segmentation created by anchor stores and tenant mix, the size and purchasing power of the particular trade area, and competency of management. Thus, the Sales Comparison Approach, when applied to a property such as the subject can, at best, only outline the parameters in which the typical investor operates.

There have been no transactions since the recent events. Brokers indicated existing marketing processes are being either paused or slowed down. Investors indicated on long term horizon their views of the market have not changed. For premium assets that are well leased with strong fundamentals the investors view remains unchanged. At this time the focus is more on the short-term impact, which include existing vacancy, near term releasing exposure, tenant credit tenancy and the impact to cash flows with a focus on retail assets within the markets and the impact that COVID-19 will have on this sector of the market.

The sales that are included in this analysis occurred between December 2015 through April 2019. Based on our discussions with market participants, the market activity came to an abrupt halt due to the COVID-19 disruption. Since the recent developments, there have not been enough data points that would imply measurable adjustments in the marketplace. However, the disruption in rent collections, tapered rent growth, uncertainty in the retail market sector and limited financing availability has led participants belief that pricing had decreased. Therefore, given the impact of the COVID impact we have made a downward adjustment of 5 percent on March 11th, 2020, which was applied to all of the comparables. Therefore, after our analysis of the comparables sales and the market conditions, our opinion of market value via the Sales Comparison Approach is as follows:

APPLICATION TO SUBJECT	
Market Value As-Is	
Indicated Value per Square Foot NRA	\$1,425.00
Net Rentable Area in Square Feet	x 236,215
Preliminary Value:	\$336,606,375
Rounded to nearest \$5,000,000	\$335,000,000
Per square foot	\$1,418.20

Addendum D: Ground Rent Calculation

One Union Square South Ground Rent Reset Analysis

Supporting Schedule -- Scheduled Base Rental Revenue Contract Rent as of June 2023

For the Years Ending			
Tenant	Suite	Occupied Area	Jun-2023
Best Buy	G & 2	46,088	4,126,720
Best Buy	G & 2		
Citibank	100	9,755	
Citibank	100		5,365,250
Duane Reade	110	13,947	4,023,250
Nordstrom	G & 2	32,136	
Nordstrom	G & 2		4,665,600
Park South Imaging	1	9,091	813,902
Regal Cinemas	4 & 5	118,779	
Regal Cinemas	4 & 5		6,617,081
Union Square Wines	120	6,419	658,845
Total Amount Per Year		236,215	26,270,648
			=====
Weighted Average Per SqFt			115.07
			=====

Ground Rent as of July 2013 (12% Increase over Previous): \$3,512,320

Ground Rent as of July 2018 (12% Increase over Previous): \$3,933,798

Ground Rent as of July 2023 (30.69% of Base SubRent As of July 2023)*: \$8,063,695

*It should be noted that the subrent rental rate equates to the product of (i) the subrent rental rate multiplied by the subrent percentage. The subrent percentage rent shall mean a percentage equal to the sum of (i) three percent plus, (ii) a fraction (expressed as a percentage), (A) the numerator is equal to the sum of \$2,500,000 and any percentage rent payments and (B) the denominator of which is an amount equal to \$9,027,000.

SubRent Percentage Calculation

3% PLUS 3.00%

= \$2,500,000 / \$9,027,000, OR (27.69%) 27.69%

SubRent Percentage Calculation Conclusion: 30.69%

Addendum E: Qualifications of the Appraisers



John A. Katinos, MAI Executive Director

Valuation & Advisory
Co-Leader New York Commercial Group
Cushman & Wakefield, Inc.

Professional Expertise

John A. Katinos is an Executive Director with Cushman & Wakefield, Inc. Valuation & Advisory. He joined Cushman & Wakefield, Inc. in August, 1989.

Appraisal and consulting assignments have included office buildings, retail centers, regional malls, vacant land, transferable development rights (TDRs), historic and preservation easements, cooperative, condominium and rental apartment buildings, feasibility and market studies, industrial properties, residential subdivisions and existing and proposed investment properties throughout the United States. Served as an arbitrator for numerous real estate matters including ground rent redetermination, office and retail space rent renewal determinations.

Memberships, Licenses, Professional Affiliations and Education

- Designated Member, Appraisal Institute (MAI #12185). As of the current date, John Katinos, MAI has completed the requirements of the continuing education program of the Appraisal Institute.
- Appraisal Institute
 - President, Metropolitan NY Chapter 2016
 - Member, Board of Directors, Metropolitan NY Chapter 2008-2016
- Certified General Real Estate Appraiser in the following state:
 - New York – 46000028780
- Master of Science in Real Estate, New York University
- Bachelor of Science in Business Administration, Drexel University

NEW YORK

UNIQUE ID NUMBER 46000028780	<i>State of New York</i> <i>Department of State</i> DIVISION OF LICENSING SERVICES	FOR OFFICE USE ONLY Control No. 110909
PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.		EFFECTIVE DATE MO. DAY YR. 10 08 18
KATINDS JOHN A C/O CUSHMAN & WAKEFIELD INC 1290 AVENUE OF THE AMERICAS 9TH FL NEW YORK, NY 10104-6178		EXPIRATION DATE MO. DAY YR. 10 07 20
HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R. E. GENERAL APPRAISER		In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed: ROSSANA ROSADO SECRETARY OF STATE
DOS-1098 (Rev. 3/01)		



James P. Stuckey Jr. Director

Valuation & Advisory
Practice Group Member | Retail
Cushman & Wakefield, Inc.

Professional Expertise

James Stuckey is an appraiser with Cushman & Wakefield, Inc. Valuation & Advisory Group. He joined Cushman and Wakefield, Inc. in August 2007.

Appraisal and consulting assignments have included office buildings, retail centers, regional malls, vacant land, transferable development rights (TDRs), historic and preservation easements, cooperative, condominium and rental apartment buildings, feasibility and market studies, industrial properties, residential subdivisions and existing and proposed investment properties throughout New York State.

Memberships, Licenses, Professional Affiliations and Education

- Practicing Affiliate, Appraisal Institute – Metropolitan New York Chapter
- Licensed Real Estate Appraiser Assistant in the following state:
 - New York – 48000049048
- Bachelor of Science in Political Science, University of Scranton, Pennsylvania

Appraisal Education

- Basic Appraisal Principles (R1)
- Fair Housing, Fair Lending and Environmental Issues (AQ1)
- 15-Hour National Uniform Standards of Professional Appraisal Practice (USPAP)
- Basic Appraisal Procedures (R2)

NEW YORK

UNIQUE ID NUMBER 48000049048	<i>State of New York</i> <i>Department of State</i> DIVISION OF LICENSING SERVICES	FOR OFFICE USE ONLY Control No. 114748
KNOW ALL MEN BY THESE PRESENTS THAT PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO REAL ESTATE APPRAISERS.		EFFECTIVE DATE MO. DAY YR. 03 04 19
STUCKEY JAMES P JR C/O CUSHMAN & WAKEFIELD 1290 AVENUE OF THE AMERICAS 9TH FL NEW YORK, NY 10104		EXPIRATION DATE MO. DAY YR. 03 03 21
HAS BEEN DULY LICENSED AS A REAL ESTATE APPRAISER ASSISTANT		
In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed		ROSSANA ROSADO SECRETARY OF STATE
DOS-1096 (Rev. 3/01)		



Patricia Lohmus, MBA Associate Director

1290 Avenue of the Americas, Suite 900 | New York, NY 10104
Direct: +1 212 713 6805
Email: patricia.lohmus@cushwake.com

Professional Expertise

Patricia Lohmus, B. Comm., MBA, is an Associate Director with Cushman & Wakefield ULC. Patricia works with the team of John Katinos, Executive Director, and James Stuckey, Director, on Valuation and Advisory assignments. Patricia previously worked within both Capital Markets and Valuation & Advisory in Cushman & Wakefield's Toronto office for 5 years. Patricia focuses on research and analysis for single and portfolio asset assignments including a variety of office, industrial, and retail properties. Patricia's role includes market and financial analysis of real estate assets within New York City and across Canada.

Work Experience

Patricia has worked on a wide variety of valuation assignments that have included the analysis of investment and institutional grade assets for the purposes of financial due diligence, valuation and quarterly IFRS reporting, and confidential information memorandums. Patricia has also worked with a variety of clients with valuation projects for IPO purposes and quarterly reporting including Canadian Tire, Choice Properties REIT, and Automotive Properties REIT.

Education

- Dalhousie University
 - Master of Business Administration; MBA
- McGill University
 - Bachelor of Commerce; BComm

Memberships, Licenses & Professional Affiliations

- Candidate Member, AIC & Associate Member of AI



Robert S. Nardella, MAI, MRICS
Executive Managing Director
V&A Regional Manager

1290 Avenue of the Americas
New York, NY 10104
Direct +1 212 841 5048
Fax +1 212 479 1878
robert.nardella@cushwake.com
cushmanwakefield.com

June 26, 2020

To:

Related Commercial Portfolio Ltd.

RE: Value Appraisals – Consent to include within Financial Statements

We hereby give our full consent to Related Commercial Portfolio Ltd. (the "**Company**") to the inclusion of our Appraisal Report dated June 15, 2020 (Effective date – March 31, 2020) regarding **Gateway Center II**, in its entirety, within the Company's Financial Statements for March 31, 2020, to be published by the Company no later than June 30, 2020, and any ensuing financial statements, and within any other filing to be filed and/or disclosed by the Company to the Israel Securities Authority and/or to be published by the Company.

In addition, we hereby give our full consent to the inclusion of a copy of this letter within the Company's Financial Statements and other filings as aforesaid.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "R. S. Nardella", written over a light blue grid background.

Robert S. Nardella, MAI, MRICS
Executive Managing Director

RSN:pl



APPRAISAL OF REAL PROPERTY

Gateway Center II
1 and 2-Story Retail Power Center
550 Gateway Drive
Brooklyn, Kings County, NY 11217

IN AN APPRAISAL REPORT

As of March 31, 2020, Retrospective Value

Prepared For:

Related Commercial Portfolio, LTD. c/o Related Companies
60 Columbus Circle
New York, NY 10023

Prepared By:

Cushman & Wakefield, Inc.
Valuation & Advisory
1290 Avenue of the Americas, 9th Floor
New York, NY 10104-6178
C&W File ID: 20-12002-901124-001



1290 Avenue of the Americas, 9th Floor
NEW YORK, NY 10104-6178
Tel +1 212 841 7500
cushmanwakefield.com

June 15, 2020

Mr. David Zussman
Related Commercial Portfolio, LTD. c/o Related Companies
60 Columbus Circle
New York, NY 10023

Re: Appraisal of Real Property
In An Appraisal Report

Gateway Center II
1 and 2-Story Retail Power Center
550 Gateway Drive
Brooklyn, Kings County, NY 11217

C&W File ID: 20-12002-901124-001

Dear Mr. Zussman:

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our appraisal of the above property in An Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP). In accordance with USPAP, the use of this report is restricted to the client and their participant lenders only.

In recent times, the CRE market has been driven by investor demand and strong liquidity. Asset values can fall significantly in short periods of time if either of these two factors, often in conjunction with many others, change significantly. While Cushman & Wakefield is closely monitoring the latest developments resulting from the COVID-19 pandemic, and will continue to provide updates as events unfold, the reader is cautioned to consider that values and incomes are likely to change more rapidly and significantly than during standard market conditions. Furthermore, the reader should be cautioned and reminded that any conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property(ies) of this event, or any event, subsequent to the effective date of the appraisal.

The appraisal report is intended to provide an opinion of the market value of the leased fee interest of the subject property for an internal review by the client. This report is not intended for any other use. This report was prepared for the exclusive use of Related Commercial Portfolio, LTD. c/o Related Companies and their participant lenders are the intended users.

Client:	Mr. David Zussman Related Commercial Portfolio, LTD. c/o Related Companies 60 Columbus Circle New York, NY 10023
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Intended User:	Related Commercial Portfolio, LTD. c/o Related Companies and their participant lenders, are the only Intended Users.
Intended Use:	IFRS financial statements in connection with a potential corporate financing.
Identification of the Real Estate:	Gateway II 1 and 2-Story Retail Power Center 550 Gateway Drive Brooklyn, NY 11217
Current Use:	The subject property consists of a 1 and 2-story retail power center containing 600,646 square feet of gross leasable area (GLA) on a 40.24 acre site known as the Gateway Retail Center II. The center is 100 percent net leased and anchored by JC Penney, Burlington Coat Factory and ShopRite supermarket which occupy a total of 286,111 square feet, or 48 percent of the subject property on a long term basis. The subject is adjacent to the existing Gateway retail center, a 638,000 square foot retail power center anchored by Target, BJ's Wholesale Club, and Home Depot, just west of the Belt Parkway (a/k/a Shore Parkway).
Highest and Best Use (As If Vacant):	It is our opinion that the Highest and Best Use of the site as if vacant is a retail center developed to the highest feasible density possible.
Highest and Best Use (As Improved):	It is our opinion that the Highest and Best Use of the site as improved is as it is currently improved.
Type of Value:	Market Value (defined later in this report)
Sales History:	To the best of our knowledge, the property has not transferred within the past three years.
Real Property Interest Valued:	Leased Fee Interest
Date of Inspection:	April 30, 2020
Effective Date of Value:	March 31, 2020, Retrospective Value
Date of Report:	June 15, 2020

Extraordinary Assumptions:	This appraisal employs the following extraordinary assumptions: 1) Due to the impact of the COVID-19/Coronavirus pandemic, an exterior inspection of the property was performed. This report is being completed under the extraordinary assumption that a full inspection of the property would not have revealed anything that would have materially impacted our analyses and/or value conclusions. The lack of the interior inspection did not have a negative impact on the creditability of the appraisal process or the value conclusion 2) We have utilized two pending leases in our analysis totaling 19,962 square feet of net rentable area. We have used the terms provided by the client and if these terms were to change it could impact the valuation of the property.
Hypothetical Conditions:	This appraisal does not employ any hypothetical conditions.
Valuation Indices:	
Sales Comparison Approach:	\$430,000,000
Income Capitalization Approach:	\$430,000,000
Opinion of Value:	\$430,000,000 (Market Value As Is on March 31, 2020)
Exposure & Marketing Time:	12 months

Market Value Definition

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:

- Buyer and seller are typically motivated;
 - Both parties are well informed or well advised, and acting in what they consider their best interests;
 - A reasonable time is allowed for exposure in the open market;
 - Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
 - The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
- Source: (12 C.F.R. Part 34.42(g) Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

Scope of Work

Scope of work is the type and extent of research and analyses involved in an assignment.¹ To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the relevant characteristics of the subject property, and other pertinent factors. Our concluded scope of work is summarized below, and in some instances, additional scope details are included in the appropriate sections of the report:

Research

- We inspected the exterior of the property and its environment. Physical information on the subject was obtained from the property owner's representative, public records, and/or third-party sources.
- Regional economic and demographic trends, as well as the specifics of the subject's local area were investigated. Data on the local and regional property market (supply and demand trends, rent levels, etc.) was also obtained. This process was based on interviews with regional and/or local market participants, primary research, available published data, and other various resources.
- Other relevant data was collected, verified, and analyzed. Comparable property data was obtained from various sources (public records, third-party data-reporting services, etc.) and confirmed with a party to the transaction (buyer, seller, broker, owner, tenant, etc.) wherever possible. It is, however, sometimes necessary to rely on other sources deemed reliable, such as data reporting services.

Analysis

- Based upon the subject property characteristics, prevailing market dynamics, and other information, we developed an opinion of the property's Highest and Best Use.
- We analyzed the data gathered using generally accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value.
- The results of each valuation approach are considered and reconciled into a reasonable value estimate.

¹ Uniform Standards of Professional Appraisal Practice. 2018-2019 edition. Washington, DC: The Appraisal Foundation 2012.

This report is intended to comply with the reporting requirements outlined under USPAP for a An Appraisal Report

Cushman & Wakefield, Inc. has an internal Quality Control Oversight Program. This Program mandates a “second read” of all appraisals. Assignments prepared and signed solely by designated members (MAIs) are read by another MAI who is not participating in the assignment. Assignments prepared, in whole or in part, by non-designated appraisers require MAI participation, Quality Control Oversight, and signature.

Report Option Description

USPAP identifies two written report options: Appraisal Report and Restricted Appraisal Report. This document is prepared as a Restricted Appraisal Report in accordance with USPAP guidelines. The terms “describe,” “summarize,” and “state” connote different levels of detail, with “describe” as the most comprehensive approach and “state” as the least detailed. As such, the following provides specific descriptions about the level of detail and explanation included within the report:

- States the real estate and/or personal property that is the subject of the appraisal, including physical, economic, and other characteristics that are relevant
- States the type and definition of value and its source
- States the Scope of Work used to develop the appraisal
- States the information analyzed, the appraisal methods used, and the reasoning supporting the analyses and opinions; explains the exclusion of any valuation approaches
- States the use of the property as of the valuation date
- States the rationale for the Highest and Best Use opinion (if included)

Appraisal Methodology

There are three generally accepted approaches to developing an opinion of value: Cost, Sales Comparison and Income Capitalization. In appraisal practice, an approach to value is included or eliminated based on its applicability to the property type being valued and the quality of information available. The reliability of each approach depends on the availability and comparability of market data as well as the motivation and thinking of purchasers.

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. Typical purchasers do not generally rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not utilized the Cost Approach to develop an opinion of market value.

We have relied on the Income Capitalization Approach to reflect the leasing profile and income characteristics associated with the property. Most purchasers of properties comparable to the subject would also rely on the Income Capitalization Approach. We have used the Sales Comparison Approach as a test of reasonableness.

Assumptions and Limiting Conditions

"Report" means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"C&W" means Cushman & Wakefield, Inc. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of C&W who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.
- The information contained in the Report or upon which the Report is based has been gathered from sources the Appraiser assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Appraiser nor C&W shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of C&W any inaccuracies or errors that it believes are contained in the Report.
- The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions in the Report.
- The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of C&W is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. No part of the Report shall be conveyed to the public through advertising, or used in any sales, promotion, offering or SEC material without C&W's prior written consent. Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by C&W in writing to use or rely thereon, hereby agrees to indemnify and hold C&W, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).
- Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.
- The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.
- The physical condition of the improvements considered by the Report is based on visual inspection by the Appraiser or other person identified in the Report. C&W assumes no responsibility for the soundness of structural components or for the condition of mechanical equipment, plumbing or electrical components.
- The forecasted potential gross income referred to in the Report may be based on lease summaries provided by the owner or third parties. The Report assumes no responsibility for the authenticity or completeness of lease information provided by others. C&W recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.

- The forecasts of income and expenses are not predictions of the future. Rather, they are the Appraiser's best opinions of current market thinking on future income and expenses. The Appraiser and C&W make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the date of the Report, envisages for the future in terms of rental rates, expenses, and supply and demand.
- Unless otherwise stated in the Report, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not considered in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The Appraisers are not qualified to detect such substances. C&W recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.
- Unless otherwise stated in the Report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the Property. C&W recommends that an expert in this field be employed to determine the compliance of the Property with the requirements of the ADA and the impact of these matters on the opinion of value.
- If the Report is submitted to a lender or investor with the prior approval of C&W, such party should consider this Report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions and the Assumptions and Limiting Conditions incorporated in this Report.
- In the event of a claim against C&W or its affiliates or their respective officers or employees or the Appraisers in connection with or in any way relating to this Report or this engagement, the maximum damages recoverable shall be the amount of the monies actually collected by C&W or its affiliates for this Report and under no circumstances shall any claim for consequential damages be made.
- If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and C&W, its employees and the Appraiser have no liability to such recipients. C&W disclaims any and all liability to any party other than the party that retained C&W to prepare the Report.
- Unless otherwise noted, we were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
- Unless otherwise noted, we were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.
- Unless otherwise noted, we were not given a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.
- Unless otherwise noted, we observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.
- Unless otherwise noted, we did not inspect the roof nor did we make a detailed inspection of the mechanical systems. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.
- By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

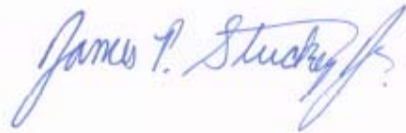
Certification of Appraisal

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

- The statements of fact contained in this report are true and correct.
- 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.
- 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 have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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.
- 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 & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- James P. Stuckey Jr. and John A. Katinos, MAI did make a personal inspection of the property that is the subject of this report.
- We have performed prior services involving the subject property within the three-year period immediately preceding the acceptance of the assignment.
- Patricia Lohmus provided significant assistance in the preparation of this report.
- As of the date of this report, John A. Katinos, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
- As of the date of this report, James P. Stuckey Jr. has completed all the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.



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Addenda Contents

Addendum A:	Client Satisfaction Survey
Addendum B:	Valuation Methodology
Addendum C:	Comparable Improved Retail Sales
Addendum D:	Qualification of the Appraisers

Addendum A: Client Satisfaction Survey

Survey Link: <https://www.surveymonkey.com/r/LQKCGLF?c=20-12002-901124-001>

C&W File ID: 20-12002-901124-001

Fax Option: (716) 852-0890

1. Based on the scope and complexity of the assignment, please rate the development of the appraisal relative to the adequacy and relevance of the data, the appropriateness of the techniques used, and the reasonableness of the analyses, opinions, and conclusions:

- ☐ Excellent
- ☐ Good
- ☐ Average
- ☐ Below Average
- ☐ Poor

Comments: _____

2. Please rate the appraisal report on clarity, attention to detail, and the extent to which it was presentable to your internal/external users without revisions:

- ☐ Excellent
- ☐ Good
- ☐ Average
- ☐ Below Average
- ☐ Poor

Comments: _____

3. The appraiser communicated effectively by listening to your concerns, showed a sense of urgency in responding, and provided convincing support of his/her conclusions:

☐ Not Applicable

☐ Excellent

☐ Good

☐ Average

☐ Below Average

☐ Poor

Comments: _____

4. The report was on time as agreed, or was received within an acceptable time frame if unforeseen factors occurred after the engagement:

☐ Yes

☐ No

Comments: _____

5. Please rate your overall satisfaction relative to cost, timing, and quality:

☐ Excellent

☐ Good

☐ Average

☐ Below Average

☐ Poor

Comments: _____

6. Any additional comments or suggestions you feel our National Quality Control Committee should know?

7. Would you like a representative of our National Quality Control Committee to contact you?

☐ Yes

☐ No

Name & Phone (if contact is desired):

Contact Information: Rick Zbranek, MAI
Senior Managing Director, National Quality Control
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Addendum B: Valuation Methodology

INCOME CAPITALIZATION APPROACH

Methodology

The Income Capitalization Approach determines the value of a property based on the anticipated economic benefits. The principle of “anticipation” is essential to this approach, which recognizes the relationship between an asset’s potential future income and its value. To value the anticipated economic benefits of a property, potential income and expenses must be projected, and the most appropriate capitalization method must be selected.

The most common methods of converting net income into value are Direct Capitalization and Discounted Cash Flow. In direct capitalization, net operating income is divided by an overall capitalization rate to indicate an opinion of market value. In the discounted cash flow method, anticipated future cash flows and a reversionary value are discounted to an opinion of net present value at a chosen yield rate (internal rate of return).

Investors acquiring this type of asset will typically look at year one returns but must also consider long-term strategies. Hence, depending on certain factors, each of the income approach methods has merit. Considering all of the aspects that would influence an investment decision in the subject property, we conclude that both the Direct Capitalization and Discounted Cash Flow Methods are appropriate in this assignment.

Potential Gross Income

Potential gross income (income before operating and fixed expenses) is determined by existing contract rents as well as economic rents obtainable for the subject property’s vacant space and space at lease turnover. This income is estimated by forecasting the earning potential of the property under prevailing and foreseeable market conditions. Appropriate allowances for vacancy and operating expenses, based on market conditions, are then deducted from the potential gross income or gross earnings. This process results in an estimate of net monetary benefits to ownership, which can then be capitalized into value.

The total potential gross revenues generated by a retail property are composed of a number of distinct elements: minimum rent determined by lease agreement; additional overage rent based upon a percentage of retail sales; reimbursement of certain expenses incurred in the ownership and operation of the real estate; and other miscellaneous revenues. Minimum base rent represents a legal contract establishing a return to investors in the real estate, while the passing-on of certain expenses to tenants serves to maintain this return in an era of continually rising costs of operation. Additional rent based upon a percentage of retail sales at the subject serves to preserve the purchasing power of the residual income to an equity investor over time.

Minimum Rent

Minimum rents produced by the subject property are derived from that paid by the various tenant types. The projection utilized in this analysis is based upon the existing roll and our projected leasing schedule in-place as of the date of appraisal, together with our assumptions as to the absorption of the vacant space, market rent growth, and renewal/turnover probability.

The rental income that an asset such as the subject property will generate for an investor is analyzed as to its quality, quantity, and durability. The quality and probable duration of income will affect the amount of risk that an informed investor may expect over the property’s useful life. Segregation of the income stream along these lines allows us to control the variables related to the center’s forecasted performance with greater accuracy. Each tenant type lends itself to a specific weighting of these variables as the risk associated with each varies.

Minimum rents forecasted at the subject property are essentially derived from various tenant categories, namely specialty tenant revenues consisting of anchor, junior anchor, and in-line space. In our investigation and analysis of the marketplace, we have surveyed, and ascertained where possible, rent levels being commanded by competing centers. However, it should be recognized that large retail centers are generally considered to be separate entities by virtue of age and design, accessibility, visibility, tenant mix, and the size and purchasing power of their trade area. Consequently, the best measure of minimum rental income is its actual rent roll leasing schedule. As such, our analysis of leases for tenants at the subject provides important insight into perceived market rent levels for the property. Inasmuch as a tenant's ability to pay rent is based upon expected sales achievement, the level of negotiated rents is directly related to the individual tenant's perception of their expected performance at the center.

SPACE SUMMARY & OCCUPANCY STATUS

The following is a summary of the leased and vacant space within the subject property. The subject property contains 600,646 square feet of space, of which is 100 percent is leased by 36 tenants.

CURRENT SPACE SUMMARY & OCCUPANCY STATUS				
	SPACE SUMMARY			
Tenant Category	Occ. SF	Vct. SF	Total SF	Occupancy
Anchor-Ground lease	122,473	-	122,473	100.0%
Anchor	163,638	-	163,638	100.0%
Junior Anchor	190,213	-	190,213	100.0%
Inline	113,630	-	113,630	100.0%
Outparcel	10,692	-	10,692	100.0%
Total	600,646	-	600,646	100.0%

Compiled by Cushman & Wakefield, Inc.

The chart summarizes the leased level based on the leases in place as of the date of value.

Minimum rents forecasted at the subject property are derived from various tenant categories. We have grouped the tenants into categories that enable us to make like-kind comparisons to other subject leases, which ultimately allow us to make a meaningful comparison of each tenant category to the appropriate set of comparable rents. As an aid to the reader, we preface our analysis of the subject's leases with a discussion of their lease structure.

LEASE STRUCTURE

A lease typically defines the responsibilities of landlord and tenant with regard to the payment of operating expenses. The Appraisal Institute advises that the following basic distinctions can be made:

- **Gross Lease** - landlord pays all operating expenses.
- **Modified Lease** - landlord and tenant share the cost of operating expenses.
- **Net Lease** - tenant pays all operating expenses.

These terms do not always mean the same thing in all markets, and there are many variations to these common terms. As each market has different nomenclature, it is important to understand the terms that are used locally, and the resulting expense obligations that apply to both tenant and landlord.

It is essential to understand expense reimbursement clauses when determining the value of a property. Leases can include expense stops, expense caps, specific billing pools and expense exclusions. The tenant's share of the expense can be pro-rata, derived by formula, or negotiated. Below we discuss the lease structures found in the local market, as well as the structure of the leases within the subject property.

LOCAL MARKET LEASE STRUCTURE

In the subject's market, leases for retail centers similar to the subject property type are typically written on a net basis. Under this lease structure, the tenant is obligated to pay its pro rata share of real estate taxes, and common area maintenance (CAM) charges.

Lease terms are generally between 10 and 25 years in length. Some leases were leased for 5 years, with renewal options that could extend the lease term to 10 or 15 years. Rent increase schedules vary, but typically include rent escalations of 3.0 percent per annum, or 10.0 percent every 5 years.

SUBJECT PROPERTY LEASE STRUCTURE

The majority of the existing leases at the subject property are written on a net basis. Under this lease structure, tenants are responsible for their pro rata share of real estate taxes, and common area maintenance (CAM) charges excluding management. In addition, the remaining tenants are responsible for their pro rata share of real estate taxes, and operating expenses with caps in regards to their share of common area maintenance (CAM) charges.

At the subject property, lease terms are generally between 10 and 25 years in length. Generally, rent increase reflects paying rent steps of 10 percent every 5 years.

ATTAINED RENT SCHEDULE

The attained base rent listed for each tenant equals current monthly base rent annualized, excluding any future contractual rent increases, except for the contracted leases which start after the analysis start date, where the initial monthly base rent is annualized.

RENT ROLL SCHEDULE							MARKET RENT	
As Of Value Date:		Mar-20					Market Rent	
Tenant Name	Suite	Start Date	End Date	Area (SF)	Contract Rent/Year	Contract Rent/SF	Rent/SF	Annualized
Anchor-Ground lease								
JC Penney	A	Aug-13	Aug-34	122,473	\$1,161,048	\$9.48	\$20.00	\$2,449,460
Subtotal				122,473	\$1,161,048	\$9.48	\$20.00	\$2,449,460
Anchor								
Burlington Coat Factory	C2.1	Feb-14	Feb-30	73,864	\$2,762,508	\$37.40	\$35.00	\$2,585,240
Shop Rite	G1	Sep-12	Oct-34	89,774	\$2,642,052	\$29.43	\$35.00	\$3,142,090
Subtotal				163,638	\$5,404,560	\$33.03	\$35.00	\$5,727,330
Junior Anchor								
PC Richards	G2.3	Nov-14	Jan-27	33,593	\$1,158,960	\$34.50	\$35.00	\$1,175,755
Raymour and Flanigan	C1.1A	Apr-14	Jul-27	31,479	\$1,592,832	\$50.60	\$35.00	\$1,101,765
Nordstrom Rack	G2.2	Oct-14	Oct-24	32,718	\$1,439,592	\$44.00	\$40.00	\$1,308,720
TJ Maxx	C1.2	Aug-14	Aug-24	32,960	\$1,450,236	\$44.00	\$40.00	\$1,318,400
Aldi	E1.3	Aug-14	Jul-29	16,859	\$927,240	\$55.00	\$50.00	\$842,950
DSW	G2.1	Jul-14	Jan-25	20,088	\$1,016,448	\$50.60	\$50.00	\$1,004,400
Michaels	C1.1	Jun-14	Aug-24	22,516	\$1,238,376	\$55.00	\$50.00	\$1,125,800
Subtotal				190,213	\$8,823,684	\$46.39	\$41.42	\$7,877,790
Inline								
Petco	E1.4	Jul-14	Sep-27	12,117	\$826,380	\$68.20	\$65.00	\$787,605
Buffalo Wild Wings	H1.1	Jun-14	Jul-20	8,075	\$621,780	\$77.00	\$70.00	\$565,250
Panera	E1.1b & c	Jan-15	Apr-25	4,208	\$252,480	\$60.00	\$70.00	\$294,560
Confidential Credit Tenant	C1.3B	Feb-21	Jan-26	11,940	\$477,600	\$40.00	\$75.00	\$895,500
The Gap	E1.2	May-14	Jul-24	10,597	\$874,248	\$82.50	\$80.00	\$847,760
Lane Bryant	C1.4	Jul-14	Dec-24	5,368	\$472,380	\$88.00	\$80.00	\$429,440
Loft Outlet	C1.3C	Oct-19	Dec-24	7,942	\$675,072	\$85.00	\$80.00	\$635,360
Bath and Body Works	L1.4	Jun-14	Jan-25	3,502	\$327,432	\$93.50	\$85.00	\$297,670
New York & Co.	C1.4b	Feb-15	Jan-25	6,006	\$561,564	\$93.50	\$85.00	\$510,510
Skechers	C1.3a	May-14	Apr-24	5,639	\$527,244	\$93.50	\$85.00	\$479,315
Five Below	L2	Aug-14	Jan-27	9,246	\$895,008	\$96.80	\$90.00	\$832,140
Children's Place	L1.1	Jun-14	Jan-25	4,049	\$423,120	\$104.50	\$95.00	\$384,655
Smash Burger	E1.1A	Jan-15	Mar-25	2,155	\$225,672	\$104.72	\$95.00	\$204,725
ATT	K2.3	Oct-14	Jan-24	3,563	\$391,932	\$110.00	\$100.00	\$356,300
Carter's	K1.4	May-14	Aug-22	4,041	\$444,516	\$110.00	\$100.00	\$404,100
Diamond Wireless	K2.2b	Jan-20	Dec-24	1,870	\$224,292	\$119.94	\$100.00	\$187,000
Sprint	K1.1	Jun-14	Jul-24	2,915	\$320,652	\$110.00	\$100.00	\$291,500
Gamestop	L1.3	Feb-15	Apr-23	1,332	\$139,860	\$105.00	\$110.00	\$146,520
GNC	K2.1	May-14	Aug-24	2,031	\$245,748	\$121.00	\$110.00	\$223,410
Pizza Studio	E1.1	Feb-15	Apr-25	1,156	\$121,380	\$105.00	\$110.00	\$127,160
Sally Beauty	K2.2	Sep-15	Nov-25	1,800	\$171,000	\$95.00	\$110.00	\$198,000
Davis Vision	K1.2	Jan-15	May-25	1,919	\$211,092	\$110.00	\$125.00	\$239,875
T-Mobile	C1.3	Aug-14	Oct-24	2,159	\$299,556	\$138.75	\$125.00	\$269,875
Subtotal				113,630	\$9,730,008	\$85.63	\$84.56	\$9,608,230
Outparcel								
Bank of America	J	Mar-14	Sep-34	2,811	\$492,996	\$175.38	\$160.00	\$449,760
Applebees	M	Oct-13	Aug-29	7,881	\$606,840	\$77.00	\$70.00	\$551,670
Subtotal				10,692	\$1,099,836	\$102.87	\$93.66	\$1,001,430
GRAND-TOTALS				600,646	\$26,219,136	\$43.65	\$44.39	\$26,664,240

Note: Attained rent equals current rent annualized for twelve months, and it excludes contractual rent increases

Compiled by Cushman & Wakefield, Inc.

*The above rent roll does not include any signage or antenna agreements.

The subject's anchor ground lease with JC Penney exhibits a contract rent of \$9.48 per square foot. However, it should be noted that JC Penney paid the developer \$10,000,000 which reflected a pre-payment of their rent throughout the 20-year lease term, in addition to the rent payments detailed in the lease agreement. The subject's two anchor leases range in rents from \$29.43 to \$37.40 per square foot, with an average of \$33.03 per square foot. The subject's seven junior anchor leases range in rents from \$34.50 to \$55.00 per square foot, with an average of \$46.39 per square foot. The subject's inline retail tenants range in rents from \$40.00 to \$138.75 per square foot, with an average of \$85.63 per square foot. The two outparcels tenants range in rents from \$77.00 to \$175.38 per square foot, with an average of \$102.87 per square foot. Overall, the subject's leases reflect an average contract net rent of \$43.65 per square foot.

ANALYSIS OF COMPARABLE ANCHOR TENANT GROUND RENT

Due to the fact that ground rent turnover for anchor tenant sites in an urban area is low the table below includes the most relevant comparables. The following table summarizes rental activity for comparable major anchor ground leases in comparable properties in the market.

ANCHOR GROUND LEASED SITE COMPARABLES								
PROPERTY INFO		LEASE INFORMATION						
NO.	Property Name Address, City, State	TENANT NAME	LEASE DATE	BUILDING AREA	TERM (yrs.)	INITIAL RENT/SF (GLA)	RENT STEPS	LEASE TYPE
1	Bay Plaza Mall Bronx, New York	Macy's	8/14	160,000	48	\$12.00	% Increases	Net
2	1759 Shore Parkway Brooklyn, New York	BJ's Warehouse	10/12	136,000	48	\$29.00	% Increases	Net
3	Kings Plaza 2565 Flatbush Avenue Brooklyn, New York	Lowe's	4/10	114,000	20	\$17.54	% Increases	Net
4	Bayone Crossings, Bayonne, NJ	Lowe's	10/09	146,583	20	\$8.95	Specific increases	Net
5	Bayone Crossings, Bayonne, NJ	Walmart	10/09	91,034	20	\$8.79	Specific increases	Net
STATISTICS								
Low			10/09	91,034	20	\$8.79		
High			8/14	160,000	48	\$29.00		
Average			6/11	129,523	31	\$15.26		

Compiled by Cushman & Wakefield, Inc.

DISCUSSION OF COMPARABLE ANCHOR TENANT GROUND RENTS

We have analyzed anchor ground leases negotiated in comparable properties in the marketplace. The comparables range in size from 91,034 square feet to 160,000 square feet. These are all located in existing multi-level retail centers similar in class to the subject or within free-standing department stores. Three of the comparables are located within New York, and two are in New Jersey. The comparable leases have terms ranging from 20 to 48 years. The comparables exhibit a range of rents from \$8.79 to \$29.00 per square foot of building area, with an average of \$15.26 per square foot. Rent escalation clauses vary, with most having percentage increases ranging from 5 to 10 percent every 3 to 5 years. All of the comparables are net leases in which the tenant is required to pay its pro-rata share of real estate taxes and CAM expenses.

The subject's ground leased anchor tenant (JC Penney) signed a lease for a 20 year base term at an initial ground rent of \$1,160,616 or \$9.48 per square foot of GLA (122,473 SF). The ground rent remains flat during the initial 10 years, and then increases to \$10.23 per square foot in September 2024, and then to \$11.05 per square foot in September 2029 for the remainder of the base term. Furthermore, the tenant also has eleven 5-year renewal options for an additional 55 years with fixed rent increases which reflect approximately 8.0 percent increases every 5 years. However, as previously noted JC Penney paid the developer \$10,000,000 which reflected a pre-payment of their rent throughout the 20-year lease term, in addition to the rent payments detailed in the lease agreement. We believe the contract rent for JC Penney's is below market levels.

CONCLUSION OF MARKET GROUND RENT FOR ANCHOR RETAIL SPACE

Based on the leasing activity in the marketplace, the subject's anchor ground leased space, and our analysis of the comparables, we have concluded the following market rent for the subject's ground leased anchor tenant:

CONCLUSION OF ANCHOR SPACE MARKET GROUND RENT				
TENANT CATEGORY	MARKET RENT	LEASE TERM	LEASE TYPE	RENT INCREASE
Anchor Ground Lease	\$20.00	20	Net	10% every 5 years

ANALYSIS OF COMPARABLE ANCHOR RETAIL RENTS

The following table summarizes rental activity for comparable anchor space in competing buildings in the market.

MAJOR ANCHOR RENT COMPARABLES

PROPERTY INFORMATION				LEASE INFORMATION						
NO	Property Name Address, City, State	CENTER GLA	YEAR BUILT	TENANT NAME	LEASE DATE	SIZE (NRA)	TERM (yrs.)	INITIAL RENT/SF	RENT STEPS	LEASE TYPE
1	Caesar's Bay Brooklyn, NY	300,000	1982	Target	2019	88,000	20	\$41.00	10% every 60 months	Net
2	Brooklyn Navy Yard, 399 Sands Street Brooklyn, NY	525,000	2019	Wegmans	9/18	85,113	25	\$40.00	6% every 5 years	Net
3	Douglaston Plaza 242-06 61st Avenue Little Neck, NY	302,468	1964-1994	Lowes	10/17	94,176	15	\$39.00	10% every 60 months	Net
4	CityPoint Tower 1 Dekalb Avenue Brooklyn, NY	700,000	2015	Century 21	7/15	108,855	15	\$27.27	10% every 60 months	Net
5	Riverdale Crossings 184-190 West 237th Street Bronx, NY	159,037	2014	BJ Wholesale	8/13	107,000	20	\$39.00	10% every 60 months	Net
6	East River Plaza 517 East 116th Street Upper Manhattan, NY	494,560	2009	Target	7/10	130,664	20	\$25.38	10% every 60 months	Net
7	East River Plaza 517 East 116th Street Upper Manhattan, NY	494,560	2009	Costco	11/09	110,074	20	\$45.42	10% every 60 months	Net
8	Rego Park Center 61-01 Junction Boulevard Queens, NY	926,180	2010	Costco	6/09	136,451	25	\$36.30	9% Every 3 Yrs	Net

MAJOR ANCHOR RENT COMPARABLES										
PROPERTY INFORMATION				LEASE INFORMATION						
NO	Property Name Address, City, State	CENTER GLA	YEAR BUILT	TENANT NAME	LEASE DATE	SIZE (NRA)	TERM (yrs.)	INITIAL RENT/SF	RENT STEPS	LEASE TYPE
9	Rego Park Center 61-01 Junction Boulevard Queens, NY	926,180	2010	Century 21	5/09	140,537	20	\$31.08	5% Yr. 2; 3% Inc. Annually	Net
10	Rego Park Center 61-01 Junction Boulevard Queens, NY	926,180	2010	Kohl's	2/08	132,925	20	\$35.00	5% Yr. 2; 3% Inc. Annually	Net
STATISTICS										
Low		159,037	1982		7/05	85,113	15	\$25.38		
High		926,180	2019		9/18	140,537	25	\$45.42		
Average		575,417	2009		10/01	113,380	20	\$35.95		
Compiled by Cushman & Wakefield, Inc.										

DISCUSSION OF COMPARABLE ANCHOR TENANT RENTS

We have analyzed anchor leases negotiated in comparable properties in the marketplace. The comparables range in size from 85,113 square feet to 140,537 square feet. These are all located in existing multi-level retail centers similar in class to the subject, and in competitive retail markets within New York City. The comparable leases have terms ranging from 15 to 25 years. The comparables exhibit a range of rents from \$25.38 to \$45.42 per square foot, with an average of \$35.95 per square foot. Rent escalation clauses vary, with most having percentage increases at 10 percent every 3 to 5 years. All of the comparables are net leases in which the tenant is required to pay its pro-rata share of real estate taxes and CAM expenses.

The subject's two anchor tenants (Shoprite & Burlington Coat Factory) signed leases with initial rents ranging between \$27.50 and \$34.00 per square foot, with an average of \$30.43 per square foot. Shoprite signed a 20-year lease for 89,774 square feet with an initial rent of \$27.50 per square foot. The tenant also has five 5-year renewal options for an additional 25 years. Burlington Coat Factory signed a 15-year lease for 74,864 square feet with an initial rent of \$34.00 per square foot. The tenant also has three 5-year renewal options for an additional 15 years.

CONCLUSION OF MARKET RENT FOR ANCHOR RETAIL SPACE

Based on the leasing activity in the marketplace, the subject's anchor space, and our analysis of the comparables, we have concluded the following market rent for the subject's anchor retail tenants:

CONCLUSION OF MAJOR ANCHOR SPACE MARKET RENT				
TENANT CATEGORY	MARKET RENT	LEASE TERM	LEASE TYPE	RENT INCREASE
Anchor > 70,000 SF	\$35.00	20	Net	10% every 5 years

ANALYSIS OF COMPARABLE JR. ANCHOR RETAIL RENTS

The following table summarizes rental activity for comparable junior anchor space in comparable properties in the market.

JUNIOR ANCHOR RETAIL RENT COMPARABLES

PROPERTY INFO				LEASE INFORMATION						
NO.	Property Name Address, City, State	CENTER GLA	YEAR BUILT	TENANT NAME	LEASE DATE	SIZE (NRA)	TERM (yrs.)	INITIAL RENT/SF	RENT STEPS	LEASE TYPE
1	Cross Bay Plaza 16020 Crossbay Boulevard Howard Beach, NY	49,688	1990	Planet Fitness (Multi-Level)	2019	18,700	10	\$41.07	10% every 60 months	Net
2	Atlantic Center 625 Atlantic Avenue Brooklyn, NY	399,000	1996	Dave & Busters	2019	40,213	15	\$50.00	\$5/SF Inc. every 5 Yrs	Net
3	Atlantic Center 625 Atlantic Avenue Brooklyn, NY	399,000	1996	DMV (Renewal- Extension)	2019	50,416	15	\$78.83	\$7/SF Inc. every 5 Yrs	Net
4	Retail Building 232-240 Smith Street Brooklyn, NY	15,000	2019	Crunch Fitness (Multi-Level)	2019	15,000	15	\$57.00	10% every 60 months	Net
5	Mixed-Use Building 12442 Flatlands Avenue Spring Creek, Brooklyn	360,000	2017	Confidential- Lease Out	2018	11,035	10	\$35.00	10% every 60 months	Net
6	Mixed-use Building 1601 Kings Highway Sheepshead Bay, Brooklyn	68,383	2018	Modell's	2018	13,895	10	\$36.00	10% every 60 months	Net
7	Mixed-use Building 1601 Kings Highway Sheepshead Bay, Brooklyn	68,383	2018	Planet Fitness	2018	20,000	10	\$42.00	10% every 60 months	Net
8	Bay Terrace Shopping Center 211-05 26th Avenue Bayside, Queens	315,000	1958	Home Goods	2017	17,556	10	\$70.54	Annual Increases	Net
9	Forest Avenue Shopping Center 1489-1565 Forest Avenue Staten Island, NY	155,000	1957	PetSmart	2017	20,698	15	\$50.00	10% every 60 months	Net

JUNIOR ANCHOR RETAIL RENT COMPARABLES										
PROPERTY INFO				LEASE INFORMATION						
NO.	Property Name Address, City, State	CENTER GLA	YEAR BUILT	TENANT NAME	LEASE DATE	SIZE (NRA)	TERM (yrs.)	INITIAL RENT/SF	RENT STEPS	LEASE TYPE
10	Staten Island Mall 200 Richmond Avenue Staten Island, NY	1,085,000	1950	The Container Store	2017	35,000	15	\$50.00	10% every 60 months	Net
11	Rego Park Center 66-01 Junction Boulevard Rego Park, NY	616,820	2010	PETCO	2017	14,940	10	\$62.00	Annual Increases	Net
12	Throggs Neck Shopping Center 815 Hutchinson River Parkway Bronx, NY	285,299	2014	Party City	2017	10,760	10	\$48.56	Annual Increases	Net
13	Shops at Northern Boulevard 48-18 Northern Boulevard Queens, NY	159,037	2014	Petco	2016	9,566	10	\$65.00	10% every 60 months	\$0
14	Riverdale Crossings 180 West 237th Street Bronx, NY	159,037	2014	Buffalo Wild Wings	2016	9,564	10	\$68.00	10% every 60 months	\$0
STATISTICS										
Low		15,000	1950		2016	9,564	10	\$35.00		
High		1,085,000	2019		2019	50,416	15	\$78.83		
Average		295,332	1998		2018	20,525	12	\$53.86		

Compiled by Cushman & Wakefield, Inc.

DISCUSSION OF COMPARABLE JUNIOR ANCHOR RENTS

We have analyzed recent leases negotiated in comparable properties in the marketplace. The comparables range in size from 9,564 square feet to 50,416 square feet. These are all located in existing multi-level retail centers similar in class to the subject, and in competitive retail markets within New York City. The comparable leases have terms ranging from 10 to 20 years. The comparables exhibit a range of rents from \$35.00 to \$78.83 per square foot, with an average of \$53.86 per square foot. Rent escalation clauses vary, with most having annual percentage increases at 10 percent every 5 years, or annual increases. All of the comparables are net leases in which the tenant is required to pay its pro-rata share of real estate taxes and CAM expenses.

The subject's seven junior anchor tenants signed leases within initial rents that range between \$34.50 and \$50.00 per square foot, with an average of \$42.71 per square foot. The junior anchor tenants greater than 30,000 square feet reflected an initial rental range from \$34.50 to \$46.00 per square foot. The junior anchor tenants less than 25,000 square feet reflected an initial rental range from \$46.00 to \$50.00 per square foot. The junior anchor leases ranged between 10 and 15 years. However, all of the junior anchor tenants have between two to five renewal options which will extend their base terms between 10 and 20 years.

CONCLUSION OF MARKET RENT FOR JUNIOR ANCHOR RETAIL SPACE

Based on leasing activity in the marketplace, the subject junior anchor spaces configuration, location, and layout, and our analysis of the comparable leases, we have concluded the following market rent range for the subject's junior anchor retail tenants:

CONCLUSION OF JUNIOR ANCHOR MARKET RENT				
TENANT CATEGORY	MARKET RENT	LEASE TERM	LEASE TYPE	RENT INCREASE
Jr. Anchor	\$35.00 to \$50.00	15	Net	10% every 5 years

ANALYSIS OF COMPARABLE IN-LINE RETAIL RENTS

The following table summarizes rental activity for comparable in-line space in comparable retail centers in the market.

INLINE RETAIL RENT COMPARABLES

PROPERTY INFORMATION										
LEASE INFORMATION										
NO.	Property Name Address, City, State	CENTER GLA	YEAR BUILT	TENANT NAME	LEASE DATE	SIZE (NRA)	TERM (Yrs.)	INITIAL RENT/SF	RENT STEPS	LEASE TYPE
1	Cross Bay Plaza 16020 Crossbay Boulevard Howard Beach, NY	49,688	1990	Chipotle	2019	2,300	10	\$102.00	% Inc. every 5 Yrs.	Net
2	Atlantic Terminal 139 Flatbush Avenue Brooklyn, NY	400,000	2010	Sephora	2019	5,505	10	\$180.00	10% Inc. every 5 Yrs.	Net
3	Queens Place 88-01 Queens Boulevard Elmhurst, Queens	220,953	1960	Chipotle	2019	2,500	10	\$115.00	\$126.5 Yr. 6	Net
4	Cross Bay Plaza 16020 Crossbay Boulevard Howard Beach, NY	49,688	1990	NYC DOE	2019	8,000	15	\$72.50	% Inc. every 5 Yrs.	Net
5	Caesar's Bay Shopping Center Brooklyn, NY	302,319	1957	Olive Garden	2019	8,350	10	\$90.00	Ann. Inc.	Net
6	Shops at Richmond Avenue Staten Island, New York	77,000	1998	Coffee (LOI)	2018	1,751	10	\$75.00	Annual Increases	Net
7	Bay Terrace Shopping Center 211-05 26th Avenue Bayside, Queens	315,000	1958	Game Stop	2017	2,333	10	\$71.83	10% Inc. Yr. 6	Net
8	Bay Terrace Shopping Center 211-05 26th Avenue Bayside, Queens	315,000	1958	First National Bank of LI	2017	1,188	10	\$90.00	9% Inc. every 3 yrs.	Net
9	Parkchester Condominiums 1386 Metropolitan Avenue Bronx, NY	550,000	1939	City MD	2017	4,035	10	\$91.16	Annual Increases	Net
10	Throggs Neck Shopping Center 815 Hutchinson River Parkway Bronx, NY	285,299	2014	Havana Café	2017	2,122	10	\$72.00	Annual Increases	Net
11	Throggs Neck Shopping Center 815 Hutchinson River Parkway Bronx, NY	285,299	2014	Popeyes	2017	2,293	10	\$57.00	Annual Increases	Net
12	2875 West 8th Street Brooklyn, NY	52,000	1973	Confidential	2017	800	10	\$75.00	Annual Increases	Net
13	Parkchester Commercial Condo Bronx, NY	550,000	1939	Zaros Bakery	2017	788	10	\$115.75	Annual Increases	Net
14	Parkchester Commercial Condo Bronx, NY	550,000	1939	City MD	2017	4,035	15	\$85.00	Annual Increases	Net
15	820 Concourse Village West, Bronx, NY	76,710	2011	Dominos	2017	2,301	10	\$50.00	Annual Increases	Net
16	Parkchester Commercial Condo Bronx, NY	550,000	1939	Boston Market	2016	2,015	15	\$121.00	Annual Increases	Net
17	Parkchester Commercial Condo Bronx, NY	550,000	1939	American Beauty	2016	1,995	10	\$47.00	Annual Increases	Net
18	Jackson Heights Shopping Center 7507 31st Avenue Queens, NY	118,890	1960	Vision Works	2015	1,791	10	\$90.00	Annual Increases	Net

STATISTICS

Low	49,688	1939	2015	788	10	\$47.00	
High	550,000	2014	2019	8,350	15	\$180.00	
Average	294,325	1972	2017	3,006	11	\$88.90	

Compiled by Cushman & Wakefield, Inc.

DISCUSSION OF COMPARABLE IN-LINE RENTS

We have analyzed recent leases negotiated in competitive properties in the marketplace. The comparables range in size from 788 square feet to 8,350 square feet. These are all located in retail centers similar in class to the subject. The comparable leases have terms ranging from 10 to 15 years. The comparables exhibit a range of rents from \$47.00 to \$180.00 per square foot, with an average of \$88.90 per square foot. Rent escalation clauses vary, with most having percentage increases at 10 percent every 5 years, or annual increases. All of the comparable are net leases in which the tenant is required to pay pro-rata share of real estate taxes and CAM expenses.

The subject's inline retail tenants signed leases within initial rents from \$40.00 to \$138.75 per square foot, with an average of \$85.05 per square foot, depending on the size, and location. The majority of the inline leases range between 10 and 15 years, and included one to three renewal periods for an additional 5 to 15 years.

CONCLUSION OF MARKET RENT FOR IN-LINE RETAIL SPACE

Based on recent leasing activity in the market place, the subject in-line spaces configuration, location, and layout, along with our analysis of the comparable leases, we have concluded the following market rent range for the subject's in-line retail tenants:

CONCLUSION OF IN-LINE RETAIL SPACE MARKET RENT RANGE				
TENANT CATEGORY	MARKET RENT	LEASE TERM	LEASE TYPE	RENT INCREASE
In-line spaces	\$65.00 - \$125.00	15	Net	10% every 5 years

OUTPARCEL SITES

The subject contains two outparcel sites that are improved with retail buildings. The developer has ground leased the two subject outparcel sites that have been improved with a 2,811 square foot Bank of America bank building and a 7,881 square foot Applebee's restaurant. The Bank of America outparcel is on the northern portion of the site facing Erskine Street. The outparcel space is leased to Bank of America for 20 years at an initial rent of \$450,000 per annum, or \$160.09 per square foot of building area. In addition, the tenant possesses two 10- year renewal options, plus one 9-year renewal options for an additional total of 29 years. The Applebee's outparcel is in the center of the subject parcel facing the retail center. The outparcel space is leased to Applebee's for 15 years at an initial rent of \$551,670 per annum, or \$70.00 per square foot of building area. In addition, the tenant possesses two 5- year renewal options for an additional total of 10 years.

CONCLUSION OF MARKET RENT FOR OUTPARCEL GROUND RENT

Due to the fact that lease turnover at outparcel sites in an urban area is low, there has been no recent outparcel leases within the competitive retail centers in the subject market place. However, we have reviewed some older comparable leased outparcel sites in locations within the market and exhibited the most relevant comparables on the following page:

LEASED OUTPARCEL SITE COMPARABLES

PROPERTY INFO		LEASE INFORMATION							
NO.	Property Name Address, City, State	TENANT NAME	LEASE DATE	LAND AREA	BUILDING AREA	TERM (yrs.)	INITIAL RENT/SF (GLA)	RENT STEPS	LEASE TYPE
1	CONFIDENTIAL Bronx, New York	Confidential	1/13	15,500	10,000	15	\$75.00	% Increases	Net
2	CONFIDENTIAL Bronx, New York	Confidential	8/09	15,500	5,000	15	\$102.00	% Increases	Net
3	CONFIDENTIAL Brooklyn New York	Confidential	8/09	16,444	5,000	15	\$117.00	% Increases	Net
4	CONFIDENTIAL Queens, New York	Confidential	8/11	31,417	6,000	15	\$87.50	% Increases	Net

STATISTICS

Low	8/09	15,500	5,000	15	\$75.00	
High	1/13	31,417	10,000	15	\$117.00	
Average	12/10	19,715	6,500	15	\$95.38	

Compiled by Cushman & Wakefield, Inc.

As shown, the outparcel sites ground rents range between \$75.00 and \$117.00 per square foot of building area, with an average rent of \$95.38 per square foot of building area.

CONCLUSION OF MARKET RENT FOR OUTPARCEL RETAIL SPACE

Based on leasing activity in the market, the subject outparcel retail spaces configuration, location, and layout, along with our analysis of the comparable leases, we have concluded the following market rents for the subject's outparcel retail tenants:

CONCLUSION OF OUTPARCEL MARKET RENTS				
TENANT CATEGORY	MARKET RENT	LEASE TERM	LEASE TYPE	RENT INCREASE
Outparcel - Small	\$150.00- \$160.00	15	Net	10% every 5 years
Outparcel - Large	\$65.00 - \$75.00	15	Net	10% every 5 years

CONCLUSION OF MARKET RENTS FOR THE SUBJECT RETAIL SPACE

Based on recent leasing activity in the marketplace and our analysis of the comparables, we have concluded the following market rents for the subject's retail tenants:

CONCLUSION OF IN-LINE RETAIL MARKET RENTS				
TENANT CATEGORY	MARKET RENT	LEASE TERM	LEASE TYPE	RENT INCREASE
Anchor-Ground Lease	\$20.00	20	Net	10% every 5 years
Anchor	\$35.00	20	Net	10% every 5 years
Junior Anchor	\$35.00 - \$50.00	15	Net	10% every 5 years
Inline	\$65.00 - \$125.00	15	Net	10% every 5 years
Outparcel – Small	\$150.00 - \$160.00	15	Net	10% every 5 years
Outparcel - Large	\$65.00 - \$75.00	15	Net	10% every 5 years

After considering all of the above, relative to the subject's position in the market, we have developed a weighted average market rental rate of approximately \$44.39 per square foot for the entire property based upon a relative weighting of tenant space by size, location, and visibility within the center. The existing base contract rent reflects an average contract rent of \$43.65 per square foot. Overall the subject is leased at an average rent within market levels.

When a property is acquired with leases that are at or close to market rent levels, the level of risk involved with the investment is generally low. However, the potential increase to the income stream in this scenario is typically limited, which tends to normalize the investment parameters of participants for these types of properties.

When a property has attained rent levels that are below market, the early returns are generally limited but there is greater potential for the income stream to increase as the below market leases rollover. There is less risk involved with tenants with below market leases, as they have a greater ability to pay the lower rent than they would market level rent. Buyers of properties with below market leases are often entering a lower risk investment with greater upside to their eventual income earning potential, resulting in overall rates that tend to be lower than normal.

Properties that are encumbered by leases with average rents that are significantly above market have increased risk in several key areas. When a property has an average rent that is above market, there is increased risk of default, slow payment or lack of payment by those tenants in that category. In addition, at some point, the above market leases will expire, at which time the spaces will be re-leased at market levels. When this occurs, there is a decline in rental revenue for the property, which many times leads to a declining net income stream. When this is the case, investors will require a higher initial return to offset the declining income stream, and to guard against the heightened risk of tenant defaults.

Considering the subject's construction, location, size, and condition, we are of the opinion that the existing contract rents are within current market parameters as exhibited by comparable retail properties and market parameters.

MARKET RENT SYNOPSIS

The following chart summarizes our market rent conclusion for each tenant category in the subject property.

LEASING ASSUMPTIONS						
TENANT CATEGORY	Anchor-Ground lease	Anchor	Jr Anchor	Inline	Outparcel-Small	Outparcel-Large
WEIGHTED ITEMS						
Renewal Probability	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Market Rent- Net	\$20.00	\$35.00	\$35-50	\$65-\$125	\$150-\$160	\$65-\$75
Months Vacant	12.00	12.00	12.00	12.00	12.00	12.00
Tenant Improvements						
New Leases	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Renewal Leases	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Leasing Commissions						
New Leases	3.50%	3.25%	3.50%	3.50%	3.50%	3.50%
Renewal Leases	1.75%	1.63%	1.75%	1.75%	1.75%	1.75%
Free Rent						
New Leases	6	6	6	6	6	6
Renewal Leases	3	3	3	3	3	3
NON-WEIGHTED ITEMS						
Lease Term (years)	20	20	15	15	15	15
Lease Type (reimbursements)	Net	Net	Net	Net	Net	Net
Contract Rent Increase Projection	10% Inc. Every 5 Yrs	10% Inc. Every 5 Yrs	10% Inc. Every 5 Yrs	10% Inc. Every 5 Yrs	10% Inc. Every 5 Yrs	10% Inc. Every 5 Yrs

Compiled by Cushman & Wakefield, Inc.

Market Rental Growth Rate

Our discussions with leasing brokers and owners active in the marketplace indicate there has been a pause in leasing at this time due the COVID-19 situation. Market participants are withholding making real estate decisions at this time and will reevaluate the situation as the events evolve over the next few months. Based on our recent survey, buyers' expectations in the New York City real estate retail market anticipate no growth in rents in the first year of the analysis. Thereafter, an increase in rental rates are projected in accordance with CPI.

These changes in market conditions result in C&W's leasing brokerage group to forecast the following rent growths:

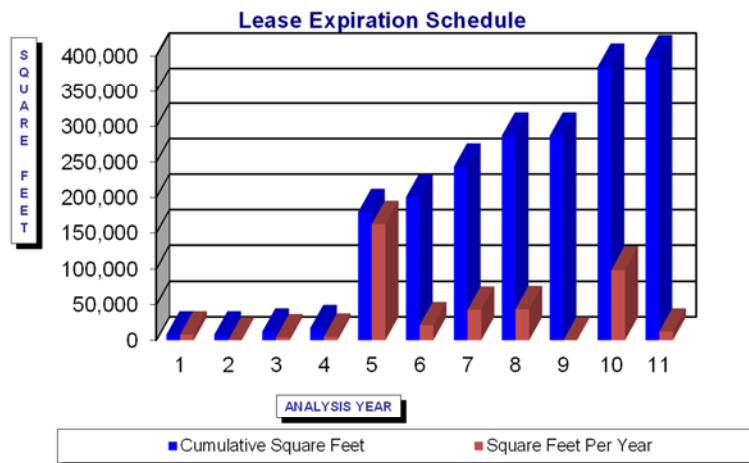
RENT GROWTH
RETAIL RENTS
Year 2 – 0%
Thereafter – 3%

LEASE EXPIRATIONS

The lease expiration schedule is an important investment consideration. As leases rollover, the landlord will be required to negotiate a renewal lease with the existing tenant, or to secure a new tenant for the space. The projected lease rollover for our investment period is exhibited on the following chart:

LEASE EXPIRATION SCHEDULE

Year	Square Feet Expiring	Percent of Property	Cumulative Sq Ft	Cumulative Percent
1	8,002	1.33%	8,002	1.33%
2	0	0.00%	8,002	1.33%
3	4,041	0.67%	12,043	2.01%
4	4,895	0.82%	16,938	2.82%
5	162,515	27.06%	179,453	29.88%
6	21,043	3.50%	200,496	33.38%
7	42,839	7.13%	243,335	40.52%
8	43,596	7.26%	286,931	47.77%
9	0	0.00%	286,931	47.77%
10	98,604	16.42%	385,535	64.19%
11	11,960	1.99%	397,495	66.18%



LEASE EXPIRATION ANALYSIS

Total NRA of Subject Property (SF)	600,593	100.00%
Year of Peak Expiration	5	
SF Expiring in Peak Year	162,515	27.06%
Five Year Cumulative Expirations (SF)	179,453	29.88%
Eleven Year Cumulative Expirations (SF)	397,495	66.18%

Compiled by Cushman & Wakefield, Inc.

**The above table reflects a time period that corresponds to the fiscal year in our analysis with year one starting 4/1/2020.*

It should be noted that the majority of the tenants that have leases expiring within the next 11 years, also have several below market renewal options, which will extend their terms and mitigate the majority of the expiration risk. Based on the lease expiration in Years 10 and 11, we have extended our projection period to 12 years to reflect a stabilized reversion.

TENANT RENEWAL OPTIONS

Exhibited on the following chart is the renewal option schedule of the respective tenants that possess below market renewal options during our 12 year projection period. Moreover, the chart exhibits the market and option rent at the time of the renewal option. We have modeled the cash flow to exercise the renewal options that are below market levels.

LEASE OPTION SUMMARY									
Tenant Name	Suite Number	Option Start Date	Option End Date	Option Term Years	Area SF	Initial Option Rent	Option Rent PSF	Market Rent at Option	Market Rent PSF at Option
Confidential Credit Tenant	C1.3B	Feb-26	Jan-31	5.0	11,940	\$526,240	\$44.07	\$1,007,893	\$84.41
Confidential Credit Tenant	C1.3B	Feb-31	Jan-36	5.0	11,940	\$578,864	\$48.48	\$1,168,424	\$97.86

Compiled by Cushman & Wakefield, Inc.

EXPENSE REIMBURSEMENTS

The majority of the existing tenants are leased on a net basis with the tenants responsible for their prorated share of real estate taxes and CAM over a base year. The future tenants will be responsible for their pro-rata share of real estate taxes and common area maintenance (CAM) expenses, excluding management fees.

MISCELLANEOUS REVENUE

The subject's miscellaneous income includes reimbursement income from tenant charges. The 2016 annualized expenses reflected miscellaneous income of \$459,459 (\$0.76/SF). The 2017 miscellaneous income reflects \$272,257, or \$0.45 per square foot. The 2018 historical expenses reflected miscellaneous income of \$454,338 (\$0.76/SF). The 2020 budget reflected miscellaneous income of \$663,080 (\$1.10/SF). Based on the subject property's historical expenses and 2020 budget for miscellaneous revenue, and our review of comparable properties, we have projected miscellaneous revenue of \$400,000 in Year 1. Our figure is within the subject's range of the historical expenses and budgeted figures.

VACANCY AND COLLECTION LOSS

Vacancy and collection loss is a function of the interrelationship between absorption, lease expiration, renewal probability, estimated downtime between leases, and a collection loss factor based on the relative stability and credit of the subject's tenant base.

Our cash flow projection assumes a tenant vacancy of 12 months upon lease expiration set against our probability of renewal estimated at 70.00 percent, in addition to a vacancy/global credit loss provision applied to the gross rental income. Based upon the current vacancy in the market, and our perception of future market vacancy, and the creditworthiness of the tenants in the subject property, we have also projected a total vacancy and credit loss of 5.0 percent. However, based on the current novel coronavirus (COVID-19) outbreak and the expected rent forgiveness currently discussed in the marketplace, we have increased our collection loss factor in Year 1 to 8.0%, and then adjusted to 5.0 % in Year 2 and thereafter. We have assumed a 0.5% credit loss for the following credit and anchor tenants, Bank of America and Shop Rite. The other credit tenants within the subject have been excluded from the 0.5% percent assumption due to the current retail environment surrounding the COVID-19 pandemic and the vulnerability of many retail tenants.

REVENUE & EXPENSE ANALYSIS

We have developed an opinion of the property's annual income and operating expenses after reviewing the historical expenses along with the 2020 budget provided by ownership and the operating performance of similar properties. We analyzed each item of expense and developed an opinion regarding what an informed investor would consider typical. The historical revenue and expenses along with owners budget and our opinion of the subject's income and expenses are presented on the following chart.

REVENUE AND EXPENSE ANALYSIS

	2017 Actual		2018 Actual		2019 Actuals		2020 Budget		C&W Forecast ⁽¹⁾	
REVENUE	Total	PSF	Total	PSF	Total	PSF	Total	PSF	Total	PSF
Base Rental Revenue	\$24,704,593	\$41.13	\$24,673,196	\$41.08	\$25,394,515	\$42.28	\$25,736,021	\$42.85	\$25,830,491	\$43.00
Subtotal	\$24,704,593	\$41.13	\$24,673,196	\$41.08	\$25,394,515	\$42.28	\$25,736,021	\$42.85	\$25,830,491	\$43.00
Reimbursement Revenue										
Utility Reimbursement	\$212,545	\$0.35	\$179,150	\$0.30	\$195,103	\$0.32	\$193,375	\$0.32	\$213,325	\$0.36
CAM Reimbursement	\$3,246,212	\$5.40	\$3,520,562	\$5.86	\$3,654,827	\$6.08	\$3,841,956	\$6.40	\$3,546,898	\$5.91
Real Estate Tax Reimbursement	\$2,501,182	\$4.16	\$2,957,418	\$4.92	\$3,464,334	\$5.77	\$3,850,953	\$6.41	\$5,062,266	\$8.43
Total Reimbursement Revenue	\$5,959,939	\$9.92	\$6,657,130	\$11.08	\$7,314,264	\$12.18	\$7,886,284	\$13.13	\$8,822,489	\$14.69
Miscellaneous Revenue										
Other Income	\$272,257	\$0.45	\$454,338	\$0.76	\$582,166	\$0.97	\$663,080	\$1.10	\$400,000	\$0.67
Total Miscellaneous Revenue	\$272,257	\$0.45	\$454,338	\$0.76	\$582,166	\$0.97	\$663,080	\$1.10	\$400,000	\$0.67
POTENTIAL GROSS REVENUE	\$30,936,789	\$51.51	\$31,784,664	\$52.92	\$33,290,945	\$55.43	\$34,285,385	\$57.08	\$35,052,980	\$58.36
Vacancy and Collection Loss	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	-\$2,467,688	-\$4.11
EFFECTIVE GROSS REVENUE	\$30,936,789	\$51.51	\$31,784,664	\$52.92	\$33,290,945	\$55.43	\$34,285,385	\$57.08	\$32,585,292	\$54.25
OPERATING EXPENSES										
CAM	\$3,505,736	\$5.84	\$3,524,625	\$5.87	\$3,687,837	\$6.14	\$4,259,571	\$7.09	\$3,685,000	\$6.14
Non-Recoverable	\$584,353	\$0.97	\$244,740	\$0.41	\$654,100	\$1.09	\$233,374	\$0.39	\$260,000	\$0.43
Management Fees	\$964,169	\$1.61	\$984,364	\$1.64	\$996,600	\$1.66	\$1,027,589	\$1.71	\$1,039,589	\$1.73
Total Operating Expenses	\$5,054,258	\$8.41	\$4,753,729	\$7.91	\$5,338,537	\$8.89	\$5,520,534	\$9.19	\$4,984,589	\$8.30
Real Estate Taxes	\$2,554,136	\$4.25	\$2,959,395	\$4.93	\$3,465,465	\$5.77	\$3,919,046	\$6.52	\$5,147,539	\$8.57
TOTAL EXPENSES	\$7,608,394	\$12.67	\$7,713,124	\$12.84	\$8,804,002	\$14.66	\$9,439,580	\$15.72	\$10,132,128	\$16.87
NET OPERATING INCOME	\$23,328,395	\$38.84	\$24,071,540	\$40.08	\$24,486,943	\$40.77	\$24,845,805	\$41.37	\$22,453,164	\$37.38

Cushman & Wakefield, Inc.

CREDIT TENANT SUMMARY

The subject property has a total of 6 credit tenants occupying a total of 30 percent of the subject's space as detailed on the following chart.

CREDIT TENANT SUMMARY				
Tenant Name	Rating ⁽¹⁾	Outlook	Rating Agency	Size
Investment Grade Tenants				
Confidential Retail	A1	Negative	Moody's	11,940
AT&T	Baa2	Positive	Moody's	3,563
Bank of America	A2	Stable	Moody's	2,811
JC Penney	D	Negative	S&P	122,473
The Gap	Ba3	Negative	Moody's	10,597
TJX Companies	A2	Negative	Moody's	32,960
ANALYSIS				
Number of Investment Grade Credit Tenants				6
Total Credit Tenant NRA				184,344
% of Total Space				30.0%
Compiled by Cushman & Wakefield, Inc.		(1) Senior unsecured debt		

Given this comparison, the investment rates selected will be slightly more aggressive than market indicators.

EXPENSE GROWTH RATE

Our cash flow projections assume that operating expenses and tenant costs will grow at the rate of 3.00 percent per year during the holding period. Real estate taxes are projected to increase 3.0 percent per annum after the ICAP abatement expires.

RESERVES FOR REPLACEMENTS

It is customary and prudent to deduct an annual sum from effective gross income to establish a reserve for replacing short-lived items throughout the building. These costs may include roof repair, and HVAC upgrades. Our projection of \$0.20 per square foot of gross building area is a reasonable amount to cover the cost of capital expenditures over the course of the investment-holding period.

Investment Considerations

Before determining an appropriate capitalization rate to apply to the subject's net operating income, a review of recent market conditions, particularly in the financial markets, is warranted. The following subsection(s) provide a review of these trends, ending with a summary of the investment considerations impacting the subject property, based upon the appraiser's market research, discussions with participants in the market, and the relative position of the subject property within its market.

Overview

Prior to the current market disruption brought on by the Covid-19 pandemic, the U.S. economy had officially begun its eleventh consecutive year of growth in the second half of 2019; a new record for the longest economic expansion in history. Economic growth beat market expectations during the fourth quarter of 2019, and the unemployment rate hit a 50-year low as it sat at 3.5%. As the economy moved closer to full employment in what many viewed as late-cycle growth, the uncertainty of the global economy had raised the fears of a recession. During the year, American consumers continued to profit from the expansion, despite the threat of possible recession. The Federal Reserve cut interests rates for the third time in 2019 as a means of shielding the U.S. economy from global slowing.

Additionally, payroll employment rose by 2.1 million in 2019, falling short of payroll employment gains in 2018, at 2.7 million, according to the Bureau of Labor Statistics. The trade war between the U.S. and China took a step in the right direction, as phase one of the deal was signed by President Donald Trump and senior Chinese leaders on January 15. Further considerations include:

- Despite global pandemic in early 2020, consumer confidence remains strong but further declines are expected to follow. During first quarter 2020, the Consumer Confidence Index came in at 130.4 in January, 132.6 in February and 120 in March. For perspective, the Consumer Confidence Index in March 2020 is the lowest reading since June 2017 and consumers are more confident in March than 2007 to 2008.
- Consumer spending growth estimates for the fourth quarter currently sit around 2.5%. Retail sales rose each month during the fourth quarter and in December retail sales increased 0.3%. Despite major big-box retailers reporting a decline in sales during the holiday period, coupled with a lack of mall foot traffic, retail sales improved in December.
- All major U.S. Indices rose during the fourth quarter, with the S&P 500, Dow Jones and Nasdaq improving by 0.3%. Materials and energy were the best-performing sectors in the S&P 500, while IBM, Cisco Systems and Apple led the Dow Jones. For the year, the S&P 500, Nasdaq and the Dow rose 28.9%, 35.2% and 22.3%, respectively.
- U.S. commercial real estate investment activity was generally down during 2019, as transaction volume sat 2% below 2018's year-end total. For the first quarter 2020, transaction volume was down 7% in a year-over-year comparison, ending the quarter with \$125.6 billion in activity, according to Real Capital Analytics.
- With Boris Johnson as the new United Kingdom Prime Minister, the United Kingdom left the European Union (EU) on January 31, 2020. The Brexit deal has been passed through the House of Commons and is now in the House of Lords and is expected to pass. During the United Kingdom's transition period, the UK will follow all of the EU's rules and the trading relationship will remain the same. The transition period will last until December 31, 2020 or until the two sides agree upon a United Kingdom-EU free trade deal.

Entering 2020 on a stable, if not strong economic footing, the novel coronavirus has clearly had a severe impact on the economy. Keeping in mind that a majority of the information in this report contains the latest concrete data available (typically as of 4Q 2019), events have been changing rapidly, and the latest statistical information available has been provided, as available. Some further thoughts on recent events:

- The commercial real estate sector is not the stock market. It is often slower moving and the leasing fundamentals do not swing wildly from day-to-day. If the virus has a sustained and material impact on the broader economy, it will have feed through impacts on property as well.
- The outbreak has prompted a flight to quality, driving investors into the bond markets, where lower rates are creating more attractive debt/refinance options.
- If past outbreaks are a useful guide, the expectation by governments, health care experts and, important to our analysis, is that COVID-19 should largely be contained by the first half of 2020. Most anticipate a strong rebound in markets in the second half of the year. This expectation hinges on phased re-opening of the economy not creating an extended waive of corona cases or further disruption to the economy.

Economic Conditions

Leading up to the current economic turbulence, the current U.S. economic expansion cycle was over a decade old and was, by general consent, a strong economy and getting stronger. Despite this, interest rates, which help determine the cost of borrowing money for investments, had lingered near historic lows since the 2008 recession. Interest rates went unchanged through December 2015, when the Federal Reserve increased the rate for the first

time in almost a decade. Following more tariffs being implemented on trade and inventories, the Federal Reserve Chairman Jerome Powell had shown an openness to cutting rates based on how the economy responded to the new trade deals made during the past year. In turn, the Federal Reserve reduced interest rates for a third time in 2019 to combat the trade war and boost the economy. The benchmark interest rate was reduced to a range of 1.5% to 1.75%. As of Q4, the central bank did not see a recession coming in the near-term and the reduced rate looked to offer additional protection from global slowdown and uncertainty. The Federal Reserve spent much of 2019 providing the American economy with insurance through interest rate cuts.

In addition, the U.S.-China trade war appears to have come to halt, as the two sides reached agreement on a deal that will see the U.S. reduce tariffs on \$120 billion in Chinese products from 15% to 7.5%. China has agreed to purchase \$200 billion worth of U.S. products over the next two years as part of the deal. The deal is a huge win for the U.S. as total exports to China would increase to approximately \$260 billion 2020 and almost \$310 billion in 2021.

On March 11, 2020, the World Health Organization (WHO) declared the novel coronavirus (COVID-19) outbreak a global pandemic. Economies around the world face significant headwinds as seen by the severe drop in demand for some services (such as travel, hospitality and entertainment). Further reduced economic activity has resulted from increasing social distance measures, including quarantines or lockdowns, throughout Europe and North America, as governments have taken unprecedented actions to stop the spread of the virus. As the stock market remains extremely volatile and financial markets struggle to quantify events that are still unfolding, there remains a lack of comparable transactions and market data. This leaves many CRE participants reporting that they are not yet able to accurately assess risk. Proceeding through these uncertain times, the reader is asked to consider some key events that have transpired:

- In early March 2020, the disintegration of an alliance between OPEC and Russia caused crude oil prices to dip to their lowest level since 2016. By April 20th, demand dropped so much that oil prices fell below \$0 a barrel as producers are forced to pay to dispose of excess.
- On Thursday March 12, 2020, the Federal Reserve announced that it would inject up to \$5 trillion into short-term markets to offset economic impacts brought on by the novel coronavirus. The Federal Reserve will be providing up to \$2.3 trillion in additional funding to support the economy, as of April 9, 2020.
- On Sunday, March 15, 2020, the Federal Open Market Committee cut interest rates to near zero for the first time since the 2008 recession. Since then, it has announced dollar swap lines with various foreign central banks, as well as various credit facilities aimed at backstopping and providing liquidity to key parts of financial markets.
- On Tuesday, March 17, 2020, Amazon announced the hiring of 100,000 new distribution workers to keep up with the online shopping surge caused by the coronavirus. Amazon has stated that the coronavirus outbreak has caused a surge of online shopping in the United States to keep with the demand. The company will also invest more than \$355 million to raise pay for hourly employees in warehouse and distribution roles through April. Amazon is prioritizing medical supplies, household staples and other high-demand products through its warehouses until April 5, 2020. On April 13, Amazon announced they had filled the 100,000 jobs pledge and with increased demand the eCommerce retailer would be hiring an additional 75,000 workers to help serve customers during this unprecedented time.
- On Thursday, March 19, California Governor Gavin Newsom put into effect a shelter-in-place order to extend to all 40-million Californians. Then, on Friday March 20, New York Governor Andrew Cuomo ordered residents to shelter in their homes, which was subsequently followed by Illinois Governor J.B. Pritzker. Many other states increased precautions throughout the week as well.

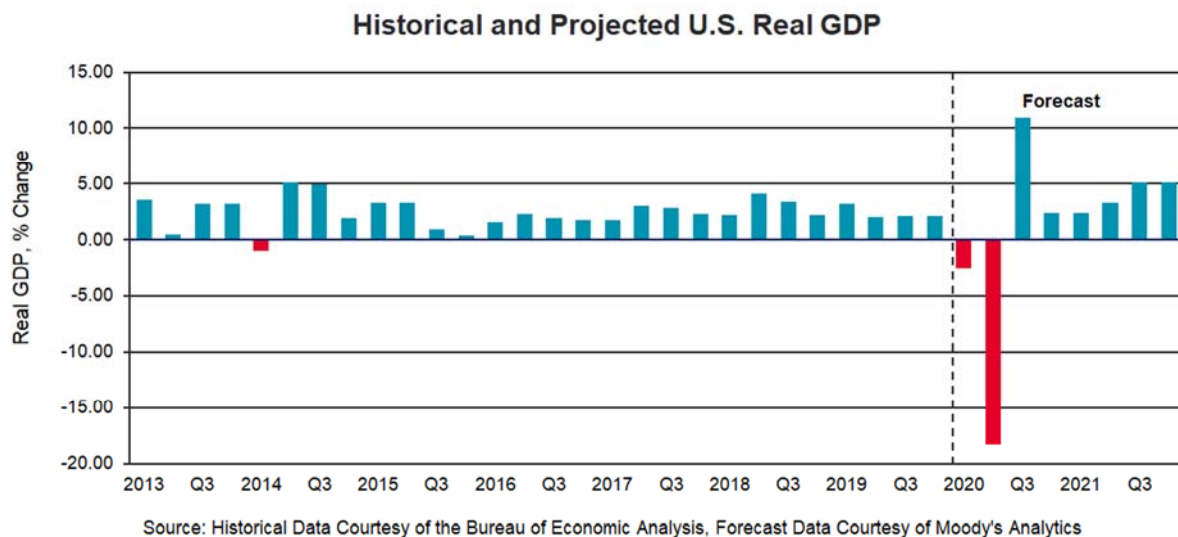
- On Friday March 20, President Trump announced that he had invoked the Defense Production Act, a law that gives executive powers that can require and/or incentivize businesses to produce goods tied to national security.
- On Wednesday March 25, the White House and Congress agreed to deliver \$2 trillion in government relief. This is the largest stimulus in history and more than double the \$800 billion bill that was passed in 2008 during the financial crisis.
- On Friday March 27, the President signed the "Coronavirus Aid, Relief, and Economic Security Act," or "CARES Act" into law. The unparalleled \$2.2 trillion economic rescue package provides measures that include \$1,200 in direct payments to eligible Americans, and \$500 to children. The Treasury Department received \$500 billion that will support programs direct loans to airlines, cargo, and companies deemed important to national security. Additionally, the Treasury can provide loans or loan guarantees for other companies as well as provide funds to backstop lending programs to the Fed. Other funds will be divided as such: \$377 billion will go to loans and other forms of aid to small businesses; \$250 billion will help provide relief for unemployed workers; and \$100 billion has been assigned to boost healthcare. The bill finances a response with a price tag that amounts to 10% of 2019 nominal GDP.
- As of April 16, 2020, the administration and a number of governors have begun to introduce possible scenarios for how the U.S. economy could re-open and get back to work, leading to some optimism, along with further speculation as to how long the impacts of the virus will last.
- As of April 23, over 26 million Americans have filed for unemployment benefits in the last five weeks, increasing the nation's estimated unemployment rate to over 20%.
- On Friday April 24, the president signed a \$484 billion coronavirus relief package into law. This bill contains: \$370 billion in aid for small businesses in an effort to keep employees on the payroll, \$75 billion for hospitals, and \$25 billion to ramp up testing initiatives.
- On April 29, 2020 the Commerce Department estimated that the GDP fell at an annual rate of 4.8% in the first quarter of 2020. This is the first decline since 2014, and the largest in over a decade. They stated that because layoffs and closings did not come until the last month of the quarter, next quarter's GDP could drop by as much as 30%, a figure not seen since the Great Depression.
- Plans to reopen vary around the country. In some states, like New York and California, deadlines have been extended into May and June, while other states, such as Texas and Florida, have decided to reopen with limited capacity in late April and early May.

In recent times, the CRE market has been driven by investor demand and strong liquidity. Asset values can fall significantly in short periods of time if either of these two factors, often in conjunction with many others, change significantly. While Cushman & Wakefield is closely monitoring the latest developments resulting from the COVID-19 pandemic, and will continue to provide updates as events unfold, the reader is cautioned to consider that values and incomes are likely to change more rapidly and significantly than during standard market conditions. Furthermore, the reader should be cautioned and reminded that any conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property(ies) of this event, or any event, subsequent to the effective date of the appraisal.

While the consensus generally suggests that the U.S. is falling into recession, with GDP expected to decline significantly in Q2 2020, the market may be anticipating a second-half snap-back following the initial impacts of the Covid-19 pandemic. Although it is too soon to know how the economy will respond once the challenges pass, the world appears to be watching markets such as China to see how fast (or slow) the recovery may be. At this writing, there are a myriad of potential scenarios, some that include a sharp "V"-shaped recovery in the latter-part of 2020,

and others that show a more moderate trend line for improvement. As an example, some forecasts show U.S. GDP declining as much as 10% (or more) during Q2 2020, while some recovery forecasts show GDP expanding by as much as 15% in Q4. Again, it is too soon to know.

The following graph displays historical and projected U.S. real GDP percentage change (annualized on a quarterly basis) from first quarter 2013 through fourth quarter 2021:



Further points regarding current economic conditions are as follows:

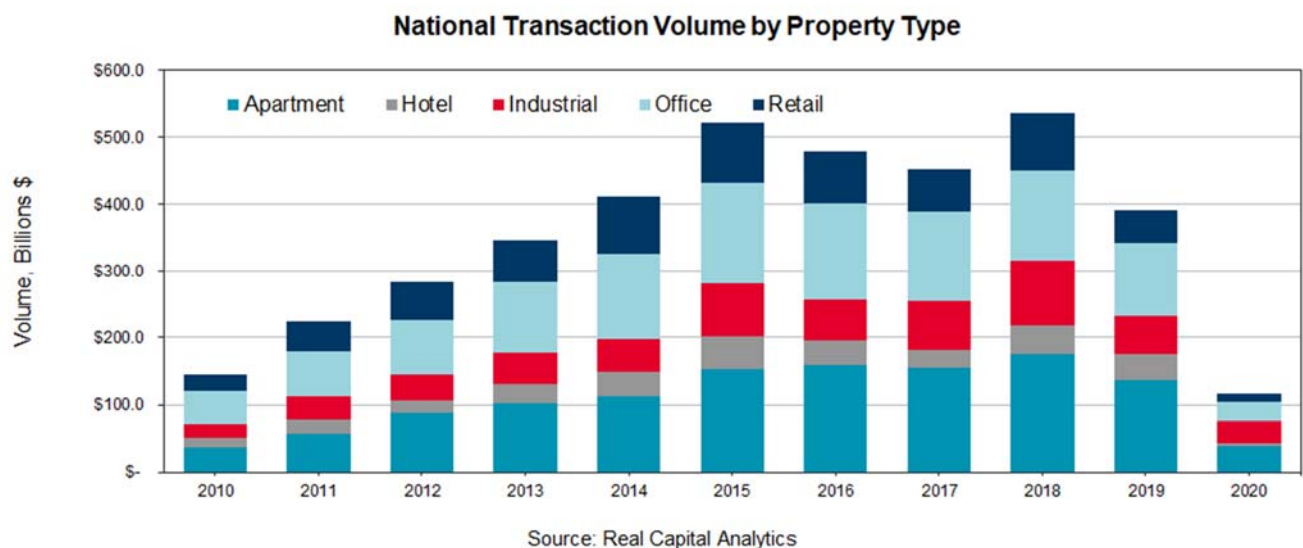
- Moody's baseline forecasts a 2.5% drop in GDP for 1Q 2020, followed by a drop of 18.3% in the second quarter. By 3Q 2020, Moody's is expecting a strong rebound at 11.0% as we move out of the bottleneck and then maintain healthy growth rates through the end of 2021.
- Gross domestic product grew by an annualized rate of 2.1% in the fourth quarter 2019, according to the "advance" estimate released by the Bureau of Economic Analysis. And prior to the current disruption, economists had forecast continued economic expansion through 2021. The National Association for Business Economics had forecast 1.8% GDP growth in 2020, while the Urban Land Institute's annual forecast survey expected the economy to grow 1.9% in 2021. GDP correlates strongly with the commercial real estate sector, so a strong economy indicates strong support for our business going forward.
- Commercial and multifamily mortgage loan originations increased 7% in third quarter 2019 (latest data available) when compared to the end of 2018, according to the Mortgage Bankers Association's Quarterly Survey of Commercial/Multifamily Mortgage Banker. Low interest rates are the cause for increased commercial and multifamily borrowing and lending and should lead to continued support into 2020.
- Commercial mortgage-backed securities (CMBS) have been spurred by measured investment sales activity and stable credit spreads. Commercial Mortgage Alert data indicates that U.S. CMBS issuance in first quarter 2020, at \$22.9 billion, was 38.5% higher when compared to CMBS issuance during the same period in 2019.

U.S. Real Estate Market Implications

The commercial real estate market's sales volume totaled roughly \$125.6 billion during the first quarter of 2020 and increased by 11% from the first quarter 2019. In a year-over-year comparison, four out of the five property sectors saw a decrease in sales volume in the first quarter, according to Real Capital Analytics, and the industrial sector was the only property sector to increase sales volume over this time frame. Additionally, in first quarter 2020 pricing for commercial real estate sits at \$183 per square foot.

The industrial sector saw an increase in transaction volume in first quarter 2020 over first quarter 2019, rising by 23%. Retail transaction activity was down 13% through first quarter 2020, according to Real Capital Analytics. The apartment sector remained the largest investment market through the first quarter of 2020, with sales of approximately \$37.9 billion, while the office sector totaled \$29.4 billion in activity over the same time period. Through first quarter 2020, hotel sector sales volume fell by 17% in a year-over-year comparison and totaled roughly \$4.6 billion during the first quarter.

The following graph compares national transaction volume by property from 2010 through first quarter 2020:



According to PricewaterhouseCoopers (PwC) Real Estate Investor Survey average cap rates for all property types decreased in 17 survey markets, increased in nine, and held steady in eight over fourth quarter 2019, according to the PwC Real Estate Investor Survey for first quarter 2020. For the year, more than half of the market averages are lower today than they were a year ago. Given current market conditions, we expect that cap rates may move upward in certain markets and for certain property types during second quarter.

The following chart displays overall cap rate analysis of five distinct property classes during first quarter 2020:

Overall Cap Rate Analysis			
First Quarter 2020			
Asset Class	Q1 2020	Q1 2019	Basis Point Change
CBD Office	5.45%	5.48%	-3
Suburban Office	6.36%	6.64%	-28
National Warehouse	4.79%	4.64%	15
National Apartment	5.14%	5.03%	11
National Regional Mall	6.23%	6.31%	-8
National Full-Service Lodging	7.38%	7.43%	-5

Source: PwC Real Estate Investor Survey and Cushman & Wakefield Valuation & Advisory

Notable points for the U.S. real estate market include:

- Annual price growth in the six major metro areas rose 13.1% in first quarter of 2020, while annual price growth in the non-major metros rose by 18.6% in a year-over-year comparison.
- Most participants in the PwC Real Estate Investor Survey believe that current market conditions favor sellers in the national net lease market (100%).
- The national warehouse market climbed 15 basis points, while the national CBD office market fell by three basis points in a year-over-year comparison. The national net lease and national suburban office markets declined over the same period. At 7.7%, the Chicago office market improved by 20 basis points from the previous quarter and is still the highest, while Manhattan office market, at 4.8%, remains as the lowest cap rate but improved from first quarter 2019. Over the next six months, most surveyed investors foresee overall cap rates holding steady in 31 markets.

Conclusion

The U.S. economy entered 2020 in solid shape, although the pace of growth appeared to be slowing. However, as the first quarter has evolved, the emergence of the coronavirus global pandemic has clouded the outlook. As a result, economists have been steadily reducing their GDP growth forecasts. Oxford Economics has steadily reduced its global GDP growth forecast from 2.5% at the beginning of the year, to 2.3% at the end of January, to 2.0% as of early March. For the U.S., the 2020 GDP growth forecast has been reduced from 1.7% in early January to 1.3% in early March; for the eurozone, the GDP forecast has been revised down from 1.1% in 2020 to 0.6%. Given the aggressive actions being taken to restrict spread of the virus, it would not be surprising to see these figures revised down further. Other forecasting services are making similar downward adjustments.

Below are notes regarding the outlook for the U.S. national real estate market in 2020 and beyond:

- Investment activity is slowing across the globe. Many investors have “pushed the pause button” waiting for more clarity on economic conditions before determining their strategy. Investors are still flush with cash and will look for opportunity as the environment evolves.
- Monetary policy has been aggressively loosened across the board as global central banks lower interest rates and announce plans to purchase securities and take other actions to increase liquidity.
- The consumer confidence index dropped sharply, hitting 120 in March 2020, which is its lowest rating since June 2017. While consumer confidence remains strong on a historical level it is expected to decline as the full impact of the coronavirus pandemic are felt. At this moment, all signs point to a recover in the second half of the year as the pandemic is played out.

- Overall, the outlook for the U.S. economy is clouded with uncertainty, but due to the high unemployment rate projected GDP declines, and other high frequency data trends which are similarly bleak, it is widely believed that the U.S. has entered a recession. As of now, the expectation is that in the second half of the year, the tailwinds of the stimulus and pent-up demand will likely lead to healthy rebound.

INVESTMENT CONSIDERATIONS

The factors listed below have been considered in our valuation of this property and will have an impact on our selection of all investor rates.

INVESTMENT CONSIDERATIONS	
Attained Rents Versus Market:	The subject's attained rents (exclusive of expense contributions) are within market levels. Given this comparison, the investment rates selected will be in line with market indicators.
NOI Growth:	The subject's NOI is expected to grow 1.43 percent per annum from the first year of the analysis through the holding period. This rate of growth is considered acceptable.
Lease Expiration Exposure:	Within the first five years of the analysis a total of 29.88 percent of the total net rentable area is scheduled to rollover. Extending to an eleven-year period, a total of 66.18 percent of the space is scheduled to expire. The peak expiration occurs in year 5, when a total of 162,515 square feet is scheduled to expire. This is considered a moderate rollover exposure within this market.
Credit Tenants:	The subject property has a total of 6 credit tenants occupying a total of 30.0 percent of the subject's space. Given this comparison, the investment rates selected will be in line with market indicators.
Real Estate Market Trends:	Real estate market trends have a significant bearing on the value of real property. The real estate market in which the subject property is located is currently declining.
Tenant Quality:	The quality of a property's tenant base is an important factor that is scrutinized by investors prior to acquiring real property. The quality of the subject's tenant roster is considered to be good.
Property Rating:	After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is excellent, when measured against other properties in this marketplace.
Location Rating:	After considering all of the locational aspects of the subject, including regional and local accessibility as well as overall visibility, we have concluded that the location of this property is average.
Overall Investment Appeal:	There are many factors that are considered prior to investing in this type of property. After considering all of these factors, we conclude that this property has good overall investment appeal.

Furthermore, we have researched the investment rates from comparable sales utilized within the comparable sales section of this report.

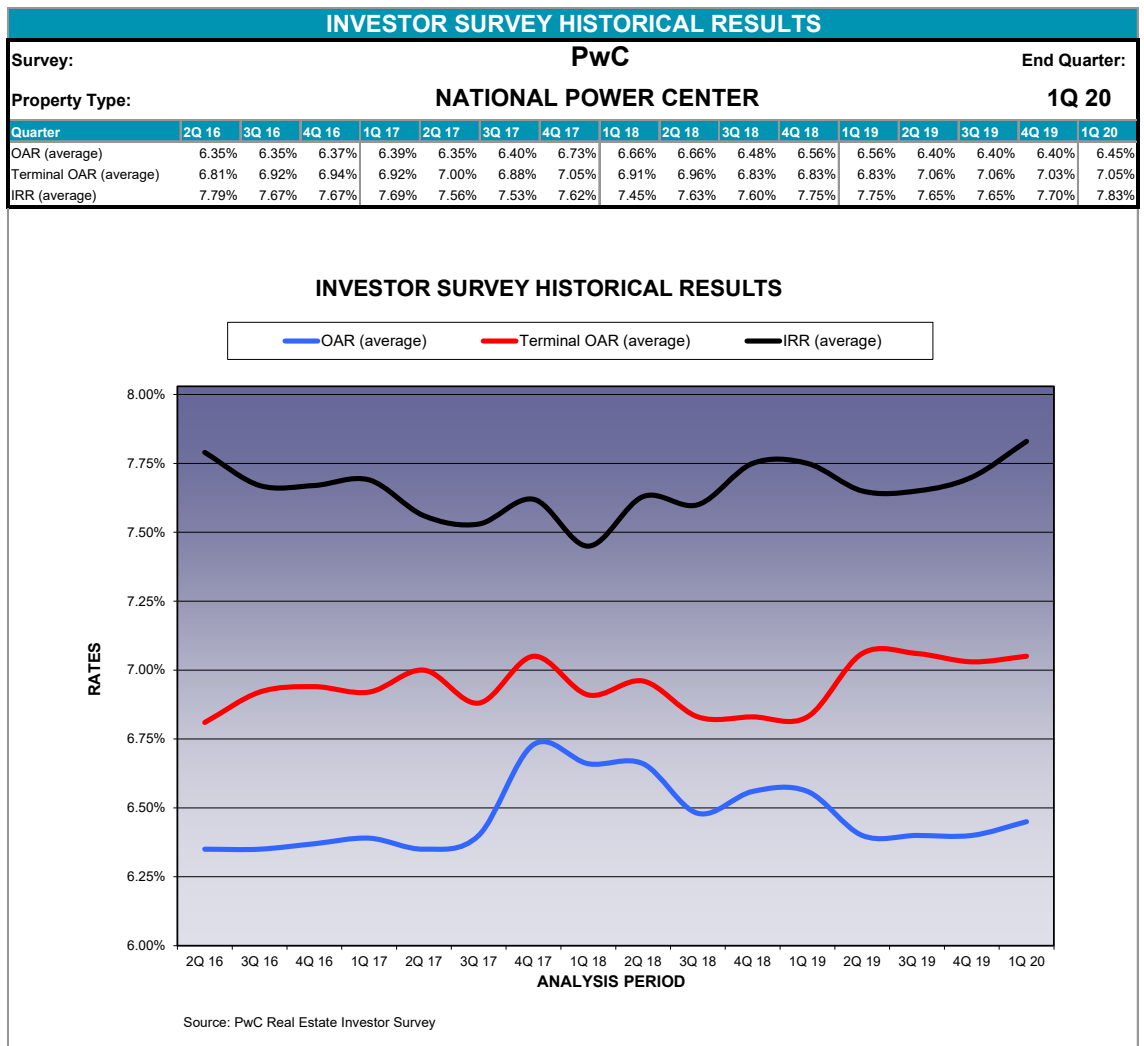
COMPARABLE SALES SUMMARY								
No.	Sale Date	Name and Location	Price	Price/NRA	OAR	Forecast	IRR	Terminal OAR
1	Jun-19	Nostrand Place	\$27,650,000	\$394.95	5.63%	-	-	-
2	Jan-19	Nostrand Avenue Shopping Center	\$38,250,000	\$472.27	5.48%	10	7.50%	6.00%
3	Jun-18	Caesar's Bay Bazaar	\$118,000,000	\$393.33	4.96%	10	8.50%	6.50%
4	May-18	1100 King's Highway & 2067 Coney Island Avenue	\$30,500,000	\$704.10	4.68%	11	7.50%	6.50%
5	Apr-18	2857 West 8th Street	\$23,000,000	\$439.75	5.39%	10	7.00%	6.00%
6	Sep-17	Harlem Center	\$103,000,000	\$815.94	4.93%	14	7.00%	5.50%
7	Sep-17	Atlantic Center	\$195,000,000	\$492.15	4.31%	14	7.50%	5.50%
8	Jan-17	Queens Place	\$175,000,000	\$792.02	4.75%	10	6.75%	5.50%
9	Jan-17	Shops at Bruckner Plaza	\$32,000,000	\$276.95	5.62%	11	7.00%	6.00%
10	Oct-15	Riverdale Crossings	\$132,925,000	\$835.29	5.30%	11	6.25%	5.25%
Low			\$23,000,000	\$276.95	4.31%	10	6.25%	5.25%
High			\$195,000,000	\$835.29	5.63%	14	8.50%	6.50%
Average			\$87,532,500	\$561.68	5.11%	11	7.22%	5.86%

Compiled by Cushman & Wakefield, Inc.

It should be noted that the internal rate of return and terminal overall capitalization rate information reflected in the above chart was extracted from cash flows prepared by Cushman & Wakefield, Inc. from appraisals they prepared of these properties. This information is not provided in publications, but is a technique which only Cushman & Wakefield, Inc. employs in their analysis of New York City retail center sales from an appraisal standpoint. The Cushman & Wakefield, Inc. internal rate of return and terminal overall capitalization rate information are confirmed directly from the owners of the respective properties when the properties were appraised.

Investor Survey Trends

Historic trends in real estate investment help us understand the current and future direction of the market. Investors' return requirements are a benchmark by which real estate assets are bought and sold. The following graph shows the historic trends for the subject's asset class spanning a period of four years as reported in the PwC Real Estate Investor Survey published by PricewaterhouseCoopers.



Terminal Capitalization Rate Selection

We based the estimate of property value at reversion on assumed resale at the end of Year 11, using our forecast of Year 12 net operating income. The reversion value was calculated by applying a capitalization rate of 5.50 percent to fiscal year 2031/32 NOI and subtracting sales expenses of 4.00 percent. The net cash flows and the net reversion were discounted to net present value using a discount rate of 6.00 percent, the derivation of which is discussed below.

A terminal capitalization rate was used to estimate the market value of the property at the end of the assumed investment-holding period. We estimated an appropriate terminal rate based on indicated rates in today's market. PricewaterhouseCoopers, Inc. periodically surveys national real estate investors to determine terminal capitalization rates considered acceptable by respondents. Exhibited below are the national terminal capitalization rates for Real Estate Investor Survey National Power Centers as of the most recent quarter:

TERMINAL CAPITALIZATION RATES (OAR _{out})			
Survey	Date	Range	Average
PwC	First Quarter 2020	5.50% - 9.00%	7.05%
PwC - Refers to National Power Center market regardless of class or occupancy			

The terminal capitalization rates derived from the national power center survey from PwC are between 5.50 and 9.00 percent, with an average of 7.05 percent.

In addition, we examined the terminal rates derived from the improved property sales exhibited in Addendum C of this report:

TERMINAL CAPITALIZATION RATE SUMMARY		
No.	Property	Capitalization Rate
1	Nostrand Place	-
2	Nostrand Avenue Shopping Center	6.00%
3	Caesar's Bay Bazaar	6.50%
4	1100 King's Highway & 2067 Coney Island Avenue	6.50%
5	2857 West 8th Street	6.00%
6	Harlem Center	5.50%
7	Atlantic Center	5.50%
8	Queens Place	5.50%
9	Shops at Bruckner Plaza	6.00%
10	Riverdale Crossings	5.25%
ANALYSIS		
Low		5.25%
High		6.50%
Average		5.86%
<i>Compiled by Cushman & Wakefield, Inc.</i>		

The terminal capitalization rates derived from the national power center survey from the sales within the Sales Comparison Approach are between 5.25 and 6.50 percent, with an average of 5.86 percent.

A premium was added to today's rate to allow for the risk of unforeseen events or trends which might affect our estimate of net operating income during the holding period, including a possible deterioration in market conditions for the property. Investors typically add 25 to 150 basis points to the "going-in" rate to arrive at a terminal capitalization rate, according to Cushman & Wakefield's periodic investor surveys.

The difference between going-in capitalization rates and terminal capitalization rates is typically risk related due to time (market conditions). In consideration of the subject's characteristics, and projected cash flow we have applied a 5.50 percent terminal capitalization rate.

Discount Rate Analysis

We estimated future cash flows, including property value at reversion, and discounted that income stream at an internal rate of return (yield rates) currently required by investors for similar-quality real property. The yield rate (internal rate of return or IRR) is the single rate that discounts all future equity benefits (cash flows and equity reversion) to an estimate of net present value.

The most recently published PricewaterhouseCoopers, Inc. survey indicates that investors considered acceptable internal rates of return within the following range:

DISCOUNT RATES (IRR)			
Survey	Date	Range	Average
PwC	First Quarter 2020	6.00% - 11.00%	7.83%
PwC - Refers to National Power Center market regardless of class or occupancy			

In addition, we examined the discount rates derived from the improved property sales exhibited in Addendum C of this report:

DISCOUNT RATE (IRR) SUMMARY		
No.	Property	Capitalization Rate
1	Nostrand Place	-
2	Nostrand Avenue Shopping Center	7.50%
3	Caesar's Bay Bazaar	8.50%
4	1100 King's Highway & 2067 Coney Island Avenue	7.50%
5	2857 West 8th Street	7.00%
6	Harlem Center	7.00%
7	Atlantic Center	7.50%
8	Queens Place	6.75%
9	Shops at Bruckner Plaza	7.00%
10	Riverdale Crossings	6.25%
ANALYSIS		
Low		6.25%
High		8.50%
Average		7.22%
Compiled by Cushman & Wakefield, Inc.		

Summary of Discount Rate Selection

Several sources of discount rate (internal rate of return) information were analyzed including Investor Survey data. The internal rates of return cited by the PricewaterhouseCoopers, Inc. survey ranged between 6.00 and 11.00 percent, with an average of 7.83 percent. The discount rates exhibited in sales in Addendum C exhibit a range of 6.25 to 8.50 percent.

In our selection of a discount rate for the subject property, we have examined mortgage rates available today. The interest rate for a 30-year fixed rate mortgage is currently below 5.00 percent. In addition, the current discount rate, or the interest rate charged by the Federal Reserve when banks borrow money, of 0.25 percent, although has increased recently, is still near historic lows.

The subject property comprises a 600,646 square foot retail center on a 40.24 acre site within the East New York neighborhood in Brooklyn, adjacent to the Belt Parkway (a/k/a Shore Parkway) and the existing Gateway retail center, a 638,000 square foot retail center anchored by Target, BJ's Wholesale Club, and Home Depot. The subject is 100.0 percent leased on a long term basis within market levels. The subject is anchored by JC Penney (122,743 SF), Shoprite supermarket (89,774 SF), and Burlington Coat Factory (73,864 SF) which occupy 47.6 percent (286,111 SF) of the property. In addition, the subject has good tenancy with several national brands and six credits tenants comprising 30.0 percent of the subject space. The subject has limited turnover during the next 15 years as the majority of the tenants have several below market renewal options. As a result, the subject's net operating income (NOI) is projected to increase 1.43 percent per annum from the year one through the analysis period. The subject property also benefits from a 25-year ICAP tax abatement, which will be passed directly along to the tenants since the subject is net leased.

Therefore, taking into consideration subject's construction, location, tenant quality, long term leases, contract rents, and returns expected by investors in the current market in relation to other comparable properties, we discounted our cash flow and reversionary value projections at an internal rate of return at 6.00 percent in our analysis. Our selected discount rate is considered reasonable given the respective cash flow of the subject property. In addition, an urban retail center such as the subject property would generally have a discount rate within the low end of the range of the comparable sales and referenced investor surveys. The selected discount rate is reflective of the overall quality of the real estate, and perceived durability of the income, along with the property's projected cash flow.

Discounted Cash Flow Analysis and DCF Summary Table

The ARGUS - Version 15 cash flow is presented on the following page. The cash flow commencement date is April 01, 2020. Based on the rates selected, the value via the Yield Capitalization analysis is estimated at \$430,000,000, rounded. The reversion contributes 57.95 percent to this value estimate. Our cash flow projections and valuation matrix are presented on the following pages.

ANNUAL CASH FLOW REPORT Gateway Center													Annual Growth
For the Years Beginning For the Years Ending	1 Apr-20 Mar-21	2 Apr-21 Mar-22	3 Apr-22 Mar-23	4 Apr-23 Mar-24	5 Apr-24 Mar-25	6 Apr-25 Mar-26	7 Apr-26 Mar-27	8 Apr-27 Mar-28	9 Apr-28 Mar-29	10 Apr-29 Mar-30	11 Apr-30 Mar-31	12 Apr-31 Mar-32	Year 1 - Year 11
Base Rental Revenue	\$ 25,830,491	\$ 26,362,289	\$ 26,539,378	\$ 26,628,131	\$ 27,468,409	\$ 28,196,493	\$ 27,877,844	\$ 27,946,912	\$ 27,960,451	\$ 28,546,598	\$ 30,011,964	\$ 29,721,549	1.51%
Absorption & Turnover Vacancy	0	0	(138,741)	(114,814)	(2,943,223)	(928,878)	(387,950)	(1,151,591)	0	(861,796)	(843,288)		
Base Rent Abatements	0	0	(104,056)	(81,736)	(1,573,840)	(2,214,006)	(74,599)	(1,363,497)	(148,903)	(521,753)	(1,148,687)		
Scheduled Base Rental Revenue	\$ 25,830,491	\$ 26,362,289	\$ 26,296,581	\$ 26,431,581	\$ 22,951,346	\$ 25,053,609	\$ 27,415,295	\$ 25,431,824	\$ 27,811,548	\$ 27,163,049	\$ 28,019,989	\$ 29,721,549	0.82%
Total Reimbursement Revenue	\$ 8,822,489	\$ 9,324,159	\$ 9,648,722	\$ 10,015,712	\$ 9,626,515	\$ 10,736,933	\$ 11,214,473	\$ 11,386,334	\$ 12,278,741	\$ 12,437,866	\$ 12,874,015	\$ 14,707,018	3.85%
Water Income	200,000	206,000	212,180	218,545	225,102	231,855	238,810	245,975	253,354	260,955	268,783	276,847	3.00%
Miscellaneous Income	200,000	206,000	212,180	218,545	225,102	231,855	238,810	245,975	253,354	260,955	268,783	276,847	3.00%
TOTAL GROSS REVENUE	\$ 35,052,980	\$ 36,098,448	\$ 36,369,663	\$ 36,884,383	\$ 33,028,065	\$ 36,254,252	\$ 39,107,388	\$ 37,310,108	\$ 40,596,997	\$ 40,122,825	\$ 41,431,570	\$ 44,982,261	1.69%
General Vacancy	(916,969)	(631,175)	(499,551)	(532,173)	0	0	(300,736)	0	(708,111)	0	0	(783,699)	-100.00%
Collection Loss	(1,550,719)	(969,462)	(976,244)	(990,286)	(870,639)	(962,651)	(1,046,696)	(991,174)	(1,088,124)	(1,069,467)	(1,103,413)	(1,204,535)	-3.35%
EFFECTIVE GROSS REVENUE	\$ 32,585,292	\$ 34,497,811	\$ 34,893,868	\$ 35,361,924	\$ 32,157,426	\$ 35,291,601	\$ 37,759,956	\$ 36,318,934	\$ 38,800,762	\$ 39,053,358	\$ 40,328,157	\$ 42,994,027	2.15%
Electricity - CAM	185,000	190,550	196,266	202,154	208,219	214,466	220,900	227,527	234,352	241,383	248,625	256,083	3.00%
Real Estate Taxes-ICAP	2,217,923	2,360,811	2,509,533	2,664,294	2,825,308	2,992,796	3,166,986	3,348,112	3,536,418	3,732,154	3,935,581	5,072,263	5.90%
Electricity - Limited CAM A	12,000	12,360	12,731	13,113	13,506	13,911	14,329	14,758	15,201	15,657	16,127	16,611	3.00%
Electricity - Limited CAM B	13,000	13,390	13,792	14,205	14,632	15,071	15,523	15,988	16,468	16,962	17,471	17,995	3.00%
RET - Parking (Lot 580)	2,929,616	3,017,504	3,108,030	3,201,271	3,297,309	3,396,228	3,498,115	3,603,058	3,711,150	3,822,484	3,937,159	4,055,274	3.00%
Alarm - CAM	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878	27,685	3.00%
Cleaning	450,000	463,500	477,405	491,727	506,479	521,673	537,324	553,443	570,047	587,148	604,762	622,905	3.00%
Cleaning - Parking Lot	65,000	66,950	68,959	71,027	73,158	75,353	77,613	79,942	82,340	84,810	87,355	89,975	3.00%
Parking Lot- Maint	100,000	103,000	106,090	109,273	112,551	115,927	119,405	122,987	126,677	130,477	134,392	138,423	3.00%
Alarm - Limited CAM	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598	34,606	3.00%
Exterminator	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598	34,606	3.00%
Landscaping	220,000	226,600	233,398	240,400	247,612	255,040	262,692	270,572	278,689	287,050	295,662	304,531	3.00%
Misc Maintenance	450,000	463,500	477,405	491,727	506,479	521,673	537,324	553,443	570,047	587,148	604,762	622,905	3.00%
Water & Sewer	100,000	103,000	106,090	109,273	112,551	115,927	119,405	122,987	126,677	130,477	134,392	138,423	3.00%
Rubbish Removal - CAM	175,000	180,250	185,658	191,227	196,964	202,873	208,959	215,228	221,685	228,335	235,185	242,241	3.00%
Rubbish Removal - Limited CAM	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598	34,606	3.00%
Snow Removal	575,000	592,250	610,017	628,318	647,168	666,583	686,580	707,177	728,393	750,245	772,752	795,934	3.00%
Insurance	195,000	200,850	206,876	213,082	219,474	226,058	232,840	239,825	247,020	254,431	262,064	269,926	3.00%
Security Expense	600,000	618,000	636,540	655,636	675,305	695,564	716,431	737,924	760,062	782,864	806,350	830,540	3.00%
Water - Direct Bill	160,000	164,800	169,744	174,836	180,081	185,484	191,048	196,780	202,683	208,764	215,027	221,477	3.00%
Salary Onsite Manager	310,000	319,300	328,879	338,745	348,908	359,375	370,156	381,261	392,699	404,480	416,614	429,112	3.00%
Legal	150,000	154,500	159,135	163,909	168,826	173,891	179,108	184,481	190,016	195,716	201,587	207,635	3.00%
Management Fee	1,039,589	1,070,593	1,085,643	1,099,315	1,112,848	1,168,003	1,172,770	1,179,997	1,207,176	1,229,534	1,286,579	1,332,857	2.15%
Bank Fee & Charge	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598	34,606	3.00%
Filing & Other Fees	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598	34,606	3.00%
Electricity Non Recoverable	7,000	7,210	7,426	7,649	7,879	8,115	8,358	8,609	8,867	9,133	9,407	9,690	3.00%
Other Non-Recoverable	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,063	8,305	3.00%
Non Recoverable Maintenance (R	7,000	7,210	7,426	7,649	7,879	8,115	8,358	8,609	8,867	9,133	9,407	9,690	3.00%
Holiday Decoration	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878	27,685	3.00%
TOTAL OPERATING EXPENSES	\$ 10,132,128	\$ 10,512,258	\$ 10,888,459	\$ 11,275,686	\$ 11,675,599	\$ 12,130,362	\$ 12,548,405	\$ 12,983,016	\$ 13,452,150	\$ 13,931,499	\$ 14,461,069	\$ 15,921,195	3.62%
NET OPERATING INCOME	\$ 22,453,164	\$ 23,985,553	\$ 24,005,409	\$ 24,086,238	\$ 20,481,827	\$ 23,161,239	\$ 25,211,551	\$ 23,335,918	\$ 25,348,612	\$ 25,121,859	\$ 25,867,088	\$ 27,072,832	1.43%
Capital Reserve	120,129	123,733	127,445	131,268	135,206	139,263	143,441	147,744	152,176	156,741	161,444	166,287	3.00%
Leasing Commissions	154,284	0	153,636	57,377	2,509,248	1,792,798	84,726	1,717,709	0	652,109	1,633,080		26.61%
TOTAL LEASING & CAPITAL COSTS	\$ 274,413	\$ 123,733	\$ 281,081	\$ 188,645	\$ 2,644,454	\$ 1,932,061	\$ 228,167	\$ 1,865,453	\$ 152,176	\$ 808,850	\$ 1,794,524	\$ 166,287	20.66%
CASH FLOW BEFORE DEBT SERVICE	\$ 22,178,751	\$ 23,861,820	\$ 23,724,328	\$ 23,897,593	\$ 17,837,373	\$ 21,229,178	\$ 24,983,384	\$ 21,470,465	\$ 25,196,436	\$ 24,313,009	\$ 24,072,564	\$ 26,906,545	0.82%
Implied Overall Rate	5.22%	5.58%	5.58%	5.60%	4.76%	5.39%	5.86%	5.43%	5.90%	5.84%	6.02%		
Cash on Cash Return	5.16%	5.55%	5.52%	5.56%	4.15%	4.94%	5.81%	4.99%	5.86%	5.65%	5.60%		

DISCOUNTED CASH FLOW MODELING ASSUMPTIONS**VALUATION SCENARIO:****Market Value As-Is****GENERAL CASH FLOW ASSUMPTIONS**

Cash Flow Software: ARGUS - Version 15
 Cash Flow Start Date: April 1, 2020
 Calendar or Fiscal Analysis: Fiscal
 Investment Holding Period: 11 Years
 Analysis Projection Period: 12 Years

VACANCY & COLLECTION LOSS

Global Vacancy: 3% in Yr.1, 2% Thereafter
 Global Collection Loss: 5% in Yr.1, 3% Thereafter
 Total Vacancy and Collection Loss: 8% in Yr.1, 5% Thereafter
 Credit Tenants:

CAPITAL EXPENDITURES

Reserves for Replacement (\$/SF): \$0.20

GROWTH RATES

Market Rent-Retail: 0% in Yr.2, 3% Thereafter
 Consumer Price Index (CPI): 3.00%
 Expenses: 3.00%
 Tenant Improvements: 3.00%
 Real Estate Taxes: 3% After ICAP Abatement

RATES OF RETURN

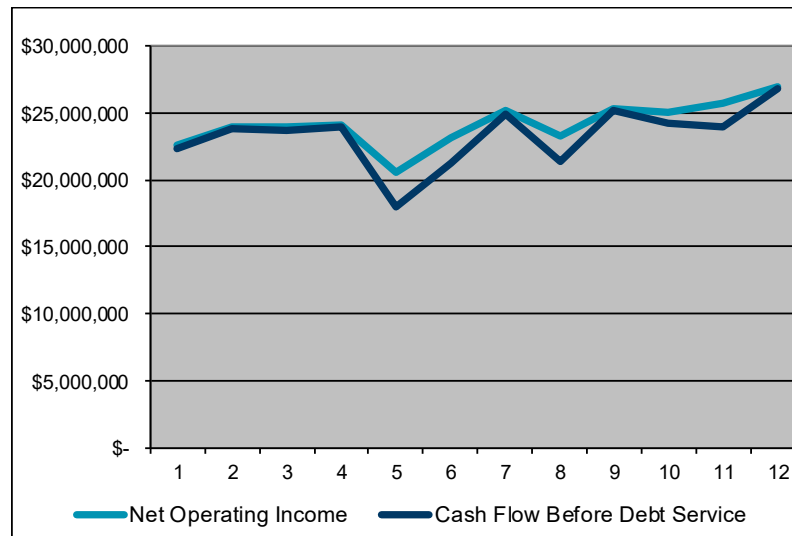
Internal Rate of Return: (Cash Flow) 6.00%
 Internal Rate of Return: (Reversion) 6.00%
 Terminal Capitalization Rate: 5.50%
 Reversionary Sales Cost: 4.00%

VALUATION

Market Value As-Is	\$429,491,276
LESS Curable Depreciation	\$0
Adjusted Value	\$429,491,276
Rounded to nearest \$5,000,000	\$430,000,000
Value \$/SF	\$715.90

Compiled by Cushman & Wakefield, Inc.

The following graph depicts the forecasted change in both net income and net cash flow over the analysis period.



The results of the Yield Capitalization analysis are presented below:

PRICING MATRIX - Market Value As-Is					
Terminal Cap Rates	Discount Rate (IRR) for Cash Flow				
	5.50%	5.75%	6.00%	6.25%	6.50%
5.00%	\$ 473,760,040	\$ 463,945,063	\$ 454,384,303	\$ 445,070,369	\$ 435,996,104
5.25%	\$ 460,024,727	\$ 450,562,741	\$ 441,345,098	\$ 432,364,707	\$ 423,614,699
5.50%	\$ 447,538,079	\$ 438,396,993	\$ 429,491,276	\$ 420,814,105	\$ 412,358,876
5.75%	\$ 436,137,226	\$ 427,289,137	\$ 418,668,221	\$ 410,267,904	\$ 402,081,821
6.00%	\$ 425,686,444	\$ 417,106,935	\$ 408,747,086	\$ 400,600,552	\$ 392,661,186
IRR Reversion	5.50%	5.75%	6.00%	6.25%	6.50%
Cost of Sale at Reversion:	4.00%				
Percent Residual:	57.96%				
Rounded to nearest \$5,000,000	\$430,000,000		\$715.90		

Based on the rates selected, the value via the Yield Capitalization analysis is estimated at \$430,000,000, rounded. The reversion contributes 57.96 percent to this value estimate.

Direct Capitalization Method

In the direct capitalization method, we estimated market value by dividing net operating income by an overall rate derived from our analyses of market sales and computed by dividing the net operating income from a sold property by its sale price. The overall capitalization rates derived from the sales detailed below are between 4.31 and 5.63 percent with an average of 5.11 percent. It should be noted that the lower end of the capitalization rates were derived from properties that had leases significantly below market rents. The overall capitalization rates derived from the most applicable improved property sales are shown below.

OVERALL CAPITALIZATION RATE SUMMARY - SALES COMPARISON APPROACH		
No.	Property	Capitalization Rate
1	Nostrand Place	5.63%
2	Nostrand Avenue Shopping Center	5.48%
3	Caesar's Bay Bazaar	4.96%
4	1100 King's Highway & 2067 Coney Island Avenue	4.68%
5	2857 West 8th Street	5.39%
6	Harlem Center	4.93%
7	Atlantic Center	4.31%
8	Queens Place	4.75%
9	Shops at Bruckner Plaza	5.62%
10	Riverdale Crossings	5.30%
ANALYSIS		
Low		4.31%
High		5.63%
Average		5.11%

Compiled by Cushman & Wakefield, Inc.

These sales are the most recent comparable transactions with the subject property and located within prime and secondary commercial corridors. These sales are the best indicators of current investment parameters in the market for retail centers throughout New York City.

Additional support can be drawn from the most recent PricewaterhouseCoopers, Inc. survey of overall capitalization rate survey:

CAPITALIZATION RATES			
Survey	Date	Range	Average
PwC	First Quarter 2020	5.25% - 8.25%	6.45%

PwC - Refers to National Power Center market regardless of class or occupancy

In our selection of the capitalization rate we have considered the subject's location, quality, and tenancy, below market contract rents, projected cash flow and quality of construction. Therefore, in the context of the direct capitalization method, a going-in rate of 5.25 percent is considered reasonable, compensating the typical buyer for the risk inherent in investing in this building. We have applied this rate in the direct capitalization method. A summary of the direct capitalization method is shown below.

DIRECT CAPITALIZATION METHOD		
Market Value As-Is		
NET OPERATING INCOME	\$	22,453,164
Sensitivity Analysis (0.25% OAR Spread)	Value	\$/SF NRA
Based on Low-Range of 5.00%	\$449,063,280	\$747.63
Based on Most Probable Range of 5.25%	\$427,679,314	\$712.03
Based on High-Range of 5.50%	\$408,239,345	\$679.67
Reconciled Value	\$427,679,314	\$712.03
Rounded to nearest \$5,000,000	\$430,000,000	\$715.90

Compiled by Cushman & Wakefield, Inc.

Based on the rate selected, our value via the Direct Capitalization Method is estimated at \$430,000,000, rounded.

INCOME CAPITALIZATION APPROACH CONCLUSION

We have considered both the Discounted Cash Flow and the Direct Capitalization Method in our analysis of the subject property. Our opinion of market values via the Income Capitalization Approach is as follows.

INCOME CAPITALIZATION APPROACH CONCLUSION		
Methodology	Market Value As-Is	PSF
Discounted Cash Flow	\$430,000,000	\$715.90
Direct Capitalization	\$430,000,000	\$715.90
Income Approach Conclusion	\$430,000,000	\$715.90

Compiled by Cushman & Wakefield, Inc.

Addendum C: Comparable Improved Retail Sales

On the following page, we present a summary of the improved properties that we compared to the subject property that reflect a range in price which reflect an unadjusted range of \$276.95 to \$835.29 per square foot with an average of \$561.68 per square foot. The first year overall capitalization rates of the sales range from 4.31 to 5.63 percent, with an average of 5.11 percent.

SUMMARY OF IMPROVED SALES

No.	Property Name Address, City, State	Property Sub-Type	Sold GLA	Grantor	Grantee	Sale Date	Sale Price	\$/SF	NOI/SF	OAR	Occup.
1	Nostrand Place 3780-3858 Nostrand Avenue Sheepshead Bay, Brooklyn	Power Center	70,009	Acadia Realty Trust	ECA Buglio Nostrand Partners, LP	Jun-19	\$27,650,000	\$394.95	\$22.24	5.63%	92%
2	Nostrand Avenue Shopping Center 3779-3861 Nostrand Avenue Sheepshead Bay, Brooklyn	Neighborhood Center	80,991	Country Leasing Limited Partners	Ashkenazy Acquisitions Co. LLC	Jan-19	\$38,250,000	\$472.27	\$25.89	5.48%	100%
3	Caesar's Bay Bazaar 8973 Bay Parkway Brooklyn, NY	Shopping Center	300,000	Cirillo Family Trust	Gazit Horizons	Jun-18	\$118,000,000	\$393.33	\$19.51	4.96%	100%
4	1100 King's Highway & 2067 Coney Island Avenue Brooklyn, NY	Neighborhood Center	43,318	New York REIT, Inc.	AB Capstone Development	May-18	\$30,500,000	\$704.10	\$32.97	4.68%	100%
5	2857 West 8th Street B/w Neptune & Surf Avenues Brooklyn, NY	Retail Center	52,302	Avid Asset Properties, LLC & Abigail Associates, LLC	Real Estate Discovery Ventures	Apr-18	\$23,000,000	\$439.75	\$23.70	5.39%	100%
6	Harlem Center 125 West 125th Street Upper Manhattan, NY	Power Center	126,234	Forest City Ratner	Madison International Realty	Sep-17	\$103,000,000	\$815.94	\$40.23	4.93%	98%
7	Atlantic Center 625 Atlantic Avenue Brooklyn, NY	Lifestyle Center	396,224	Forest City Ratner	Madison International Realty	Sep-17	\$195,000,000	\$492.15	\$21.20	4.31%	100%
8	Queens Place 88-01 Queens Boulevard Elmhurst, NY	Community Center	220,953	JLL Income Property Trust Inc.	Madison International Realty	Jan-17	\$175,000,000	\$792.02	\$34.61	4.75%	100%
9	Shops at Bruckner Plaza 845 White Plains Road Parkchester, Bronx	Community Center	115,545	Forest City / Madison International Realty /	Urban Edge Properties	Jan-17	\$32,000,000	\$276.95	\$15.50	5.62%	100%
10	Riverdale Crossings 184-190 West 237th Street Riverdale, Bronx	Neighborhood Center	159,137	Metropolitan Realty Associates	Vanbarton Group	Oct-15	\$132,925,000	\$835.29	\$44.30	5.30%	98%
STATISTICS											
Low			43,318			Oct-15	\$23,000,000	\$276.95	\$15.50	4.31%	92%
High			396,224			Jun-19	\$195,000,000	\$835.29	\$44.30	5.63%	100%
Average			156,471			Nov-17	\$87,532,500	\$561.68	\$28.01	5.11%	99%

Compiled by Cushman and Wakefield, Inc.

We have presented a summary of several transactions involving retail centers from which price trends may be identified for the extraction of value parameters. These transactions have been segregated by year of acquisition so as to lend additional perspective on our analysis. Comparability in both physical and economic characteristics are the most important criteria for analyzing sales in relation to the subject property. However, it is also important to recognize the fact that retail centers are distinct entities by virtue of age and design, visibility and accessibility, the market segmentation created by anchor stores and tenant mix, the size and purchasing power of the particular trade area, and competency of management. Thus, the Sales Comparison Approach, when applied to a property such as the subject can, at best, only outline the parameters in which the typical investor operates.

There have been no transactions since the recent events. Brokers indicated existing marketing processes are being either paused or slowed down. Investors indicated on long term horizon their views of the market have not changed. For premium assets that are well leased with strong fundamentals the investors view remains unchanged. At this time the focus is more on the short-term impact, which include existing vacancy, near term releasing exposure, tenant credit tenancy and the impact to cash flows with a focus on retail assets within the markets and the impact that COVID-19 will have on this sector of the market.

The sales that are included in this analysis occurred between December 2015 through April 2019. Based on our discussions with market participants, the market activity came to an abrupt halt due to the COVID-19 disruption. Since the recent developments, there have not been enough data points that would imply measurable adjustments in the marketplace. However, the disruption in rent collections, tapered rent growth, uncertainty in the retail market sector and limited financing availability has led participants belief that pricing had decreased. Therefore, given the impact of the COVID impact we have made a downward adjustment of 5 percent on March 11th, 2020, which was applied to all of the comparables. Therefore, after our analysis of the comparables sales and the market conditions, our opinion of market value via the Sales Comparison Approach is as follows:

APPLICATION TO SUBJECT	
Market Value As-Is	
Indicated Value per Square Foot NRA	\$715.00
Net Rentable Area in Square Feet	x 600,646
Preliminary Value:	\$429,461,890
Rounded to nearest \$5,000,000	\$430,000,000
Per square foot	\$715.90

Addendum D: Qualification of the Appraisers



John A. Katinos, MAI Executive Director

Valuation & Advisory
Co-Leader New York Commercial Group
Cushman & Wakefield, Inc.

Professional Expertise

John A. Katinos is an Executive Director with Cushman & Wakefield, Inc. Valuation & Advisory. He joined Cushman & Wakefield, Inc. in August, 1989.

Appraisal and consulting assignments have included office buildings, retail centers, regional malls, vacant land, transferable development rights (TDRs), historic and preservation easements, cooperative, condominium and rental apartment buildings, feasibility and market studies, industrial properties, residential subdivisions and existing and proposed investment properties throughout the United States. Served as an arbitrator for numerous real estate matters including ground rent redetermination, office and retail space rent renewal determinations.

Memberships, Licenses, Professional Affiliations and Education

- Designated Member, Appraisal Institute (MAI #12185). As of the current date, John Katinos, MAI has completed the requirements of the continuing education program of the Appraisal Institute.
- Appraisal Institute
 - President, Metropolitan NY Chapter 2016
 - Member, Board of Directors, Metropolitan NY Chapter 2008-2016
- Certified General Real Estate Appraiser in the following state:
 - New York – 46000028780
- Master of Science in Real Estate, New York University
- Bachelor of Science in Business Administration, Drexel University

NEW YORK

UNIQUE ID NUMBER 46000028780	<i>State of New York</i> <i>Department of State</i> DIVISION OF LICENSING SERVICES	FOR OFFICE USE ONLY Control No. 110909
PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.		EFFECTIVE DATE MO. DAY YR. 10 08 18
KATINDS JOHN A C/O CUSHMAN & WAKEFIELD INC 1290 AVENUE OF THE AMERICAS 9TH FL NEW YORK, NY 10104-6178		EXPIRATION DATE MO. DAY YR. 10 07 20
HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R. E. GENERAL APPRAISER		In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed: ROSSANA ROSADO SECRETARY OF STATE
DOS-1098 (Rev. 3/01)		



James P. Stuckey Jr. Director

Valuation & Advisory
Practice Group Member | Retail
Cushman & Wakefield, Inc.

Professional Expertise

James Stuckey is an appraiser with Cushman & Wakefield, Inc. Valuation & Advisory Group. He joined Cushman and Wakefield, Inc. in August 2007.

Appraisal and consulting assignments have included office buildings, retail centers, regional malls, vacant land, transferable development rights (TDRs), historic and preservation easements, cooperative, condominium and rental apartment buildings, feasibility and market studies, industrial properties, residential subdivisions and existing and proposed investment properties throughout New York State.

Memberships, Licenses, Professional Affiliations and Education

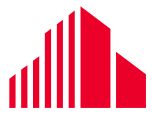
- Practicing Affiliate, Appraisal Institute – Metropolitan New York Chapter
- Licensed Real Estate Appraiser Assistant in the following state:
 - New York – 48000049048
- Bachelor of Science in Political Science, University of Scranton, Pennsylvania

Appraisal Education

- Basic Appraisal Principles (R1)
- Fair Housing, Fair Lending and Environmental Issues (AQ1)
- 15-Hour National Uniform Standards of Professional Appraisal Practice (USPAP)
- Basic Appraisal Procedures (R2)

NEW YORK

UNIQUE ID NUMBER 48000049048	<i>State of New York</i> <i>Department of State</i> DIVISION OF LICENSING SERVICES	FOR OFFICE USE ONLY Control No. 114748
KNOW ALL MEN BY THESE PRESENTS THAT PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO REAL ESTATE APPRAISERS.		EFFECTIVE DATE MO. DAY YR. 03 04 19
STUCKEY JAMES P JR C/O CUSHMAN & WAKEFIELD 1290 AVENUE OF THE AMERICAS 9TH FL NEW YORK, NY 10104		EXPIRATION DATE MO. DAY YR. 03 03 21
HAS BEEN DULY LICENSED AS A REAL ESTATE APPRAISER ASSISTANT		In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed ROSSANA ROSADO SECRETARY OF STATE
DOS-1096 (Rev. 3/01)		



CUSHMAN & WAKEFIELD



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Professional Expertise

Patricia Lohmus, B. Comm., MBA, is an Associate Director with Cushman & Wakefield ULC. Patricia works with the team of John Katinos, Executive Director, and James Stuckey, Director, on Valuation and Advisory assignments. Patricia previously worked within both Capital Markets and Valuation & Advisory in Cushman & Wakefield's Toronto office for 5 years. Patricia focuses on research and analysis for single and portfolio asset assignments including a variety of office, industrial, and retail properties. Patricia's role includes market and financial analysis of real estate assets within New York City and across Canada.

Work Experience

Patricia has worked on a wide variety of valuation assignments that have included the analysis of investment and institutional grade assets for the purposes of financial due diligence, valuation and quarterly IFRS reporting, and confidential information memorandums. Patricia has also worked with a variety of clients with valuation projects for IPO purposes and quarterly reporting including Canadian Tire, Choice Properties REIT, and Automotive Properties REIT.

Education

- Dalhousie University
 - Master of Business Administration; MBA
- McGill University
 - Bachelor of Commerce; BComm

Memberships, Licenses & Professional Affiliations

- Candidate Member, AIC & Associate Member of AI