

NEWMARK VALUATION & ADVISORY

The Met Philadelphia

858 North Broad Street
Philadelphia, PA 19130

Newmark Job No.: 24-0218239-1
Client Reference: C-28182-1

Appraisal Report Prepared For:

Richard Shorter
Fulton Bank
One Penn Square
Lancaster, PA 17602

Prepared By:

Newmark Valuation & Advisory
One Commerce Square
2005 Market Street, Suite 900
Philadelphia, PA 19103



NEWMARK

NEWMARK VALUATION & ADVISORY

February 11, 2025

Richard Shorter
Fulton Bank
One Penn Square
Lancaster, PA 17602

RE: Appraisal Of A Performing Arts Center Known As The Met Philadelphia Located At 858 North Broad Street, Philadelphia, PA 19130, Prepared By Newmark Valuation & Advisory, LLC (herein "Firm" or "Newmark")

Newmark Job No.: 24-0218239-1
Client Reference: C-28182-1

Dear Mr. Shorter:

The subject of this appraisal is the Philadelphia Metropolitan Opera House, locally referred to as The Met, a 133,419 square foot former opera house which was extensively renovated for use as a live performance venue that is leased and operated by Live Nation Entertainment. The building was designed by Oscar Hammerstein and originally constructed in 1908. The \$42.5 million renovation of the subject was completed in 2018. Live Nation is paying a fixed annual rent of \$1,815,579 plus additional rent predicated upon annual ticket sales as well as naming sponsorship revenue. In addition to the Live Nation space, the subject has a 719 SF street retail space that is currently owner occupied. The site area is 38,400 square feet.

Key Value Considerations

Strengths

1. Given the subject's overall favorable quality and condition due to its extensive renovation, the utility of the space, which features expansive ceiling heights, historic Oscar Hammerstein design, and favorable layout, the subject is one of the most unique properties, particularly a live performance venue, in the city of Philadelphia in terms of use, layout, and overall marketability. The subject has been well-received as a performance venue in the City of Philadelphia and has demonstrated strong ticket sales per performance post-pandemic.
2. The subject's main tenant is Live Nation Entertainment, Inc., a live-events company focused on concert and entertainment-show promotions. They are the largest producer of live music in the world, based on total fans that attend Live Nation events as compared to events of other promoters. The lease in-place is a long-term lease extending through 2047. In addition to base rent, Live Nation pays additional rent from the number of tickets sold as well as from Naming Rights sponsorships referred to as name-in-title or "NIT Sponsorships".
3. Strong upside potential for additional income streams from owner events which are now being scheduled for 2025 as well additional retail spaces on the basement floor and proposed roof deck which are anticipated to eventually be leased by separate entities that represent experienced food & beverage operators within Philadelphia. While considered speculative at present, there is a high potential for the development of these retail spaces to proceed in the near future as per our discussions with ownership who noted that they have prospective tenancy in hand.
4. The subject's site is located at the intersection of North Broad Street and Poplar Street, situated in between the Spring Garden and Poplar neighborhoods. This area, known as the North Broad Street corridor, has undergone revitalization over the past several years as Center City continues to gentrify.

Risk Factors

1. In 2019, ownership filed a lawsuit against Live Nation for reportedly not paying the full additional rent generated out of proceeds from live performances and private events as well as naming sponsorship proceeds as outlined in the lease. While the litigation is still ongoing, ownership indicated that negotiations aimed at settling this dispute are proceeding favorably.

National Trends and Uncertainties

1. Newmark Capital Markets assesses that there was a momentum shift in the 4th quarter, leading to both transaction volume and lending volume increasing year-over-year. However, they also note that the notable increase in interest rates since early December complicates matters.
2. Real Capital Analytics reported in their end of 2024 Capital Trends publication that "the commercial property markets turned a corner in 2024." Deal volume climbed in 2024 and price declines are coming to an end overall.
3. The uncertainty surrounding the new U.S. administration's economic policies will be an overhang and the Federal Reserve is expected to pause any additional rate reductions until the effects of these policies are better understood a drag on CRE performance.

Based on the analysis contained in the following report, the opinion of value for the subject is:

Value Conclusions			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Leased Fee	1/8/2025	\$44,700,000

Compiled by Newmark

Extraordinary Assumptions

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

- 1. None

Hypothetical Conditions

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

- 1. None

The appraisal was developed based on, and this report has been prepared in conformance with the Client’s appraisal requirements, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, Title XI of the Financial Institution Reform, Recovery and Enforcement Act (FIRREA) of 1989, and the Interagency Appraisal and Evaluation Guidelines (December 2, 2010).

The Appraisal shall be completed without regard to age, race, color, religion, national origin, sex, marital status or any other prohibited basis as identified under federal and/or state law; and will not contain vendor reports, narrative, surveys, descriptions, or references to any of the prohibited basis which could be regarded as discriminatory including, but not limited to, publicly available demographic data.

Certification

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. 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.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Pennsylvania.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, Michael Silverman, MAI, CRE, MRICS has completed the continuing education program for Designated Members of the Appraisal Institute.
12. Phil Maffei and Michael Silverman, MAI, CRE, MRICS made a personal inspection of the property that is the subject of this report.
13. No one provided significant real property appraisal assistance to the person(s) signing this certification.
14. The Firm operates as an independent economic entity. Although employees of other service lines or affiliates of the Firm may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
15. Within this report, "Newmark", "Newmark Valuation & Advisory", "Newmark, Inc.", and similar forms of reference refer only to the appraiser(s) who have signed this certification and any persons noted above as having provided significant real property appraisal assistance to the persons signing this report.

16. Phil Maffei has not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment. Michael Silverman, MAI, CRE, MRICS has not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.



Phil Maffei
Vice President
State Certified General Real Estate Appraiser
Pennsylvania # GA004672
Telephone: 215.825.3755
Email: Phil.Maffei@nmrk.com



Michael Silverman, MAI, CRE, MRICS
Senior Managing Director
Co-Market Leader Pennsylvania, Southern
New Jersey, & West Virginia
State Certified General Real Estate Appraiser
Pennsylvania # GA001541R
Telephone: 215.587.6002
Email: Michael.Silverman@nmrk.com

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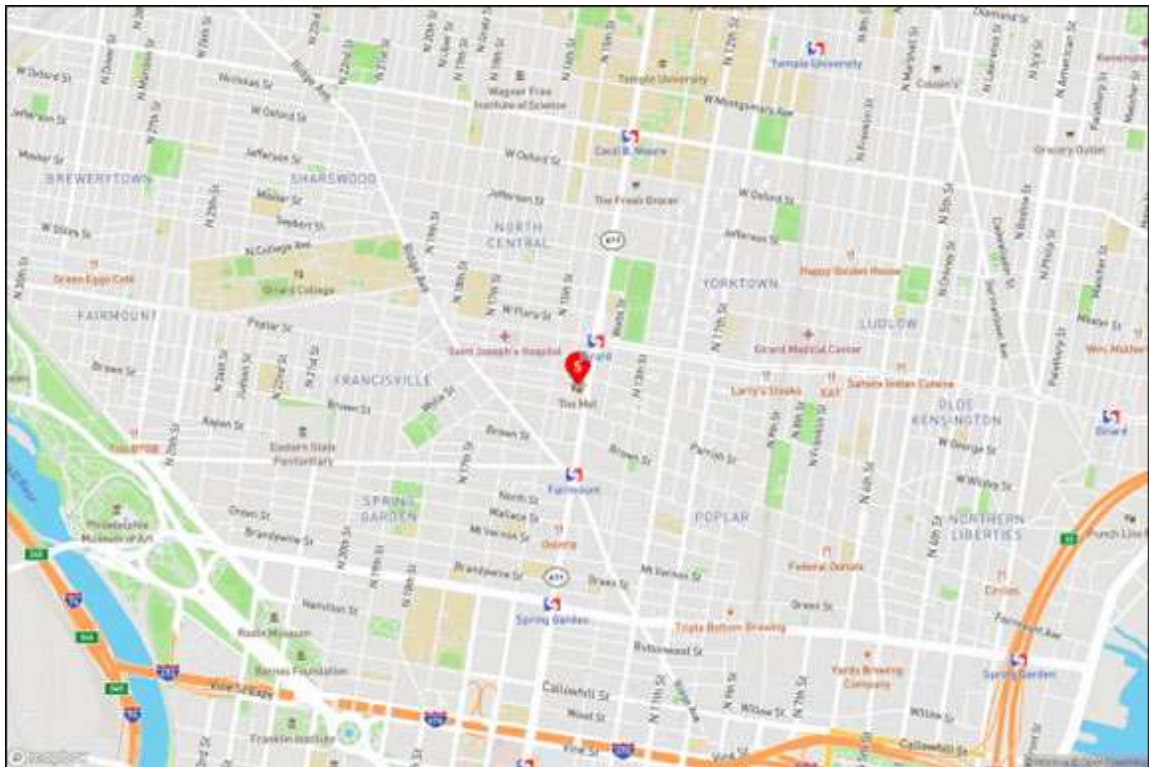
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- A. Glossary of Terms
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- C. Financials and Property Information
- D. Comparable Data
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 - Lease Comparables
- E. Appraiser Qualifications and Licenses



Aerial Photo



Location Map



Property Photo



Property Photo



Property Photo



Property Photo



Property Photo



Property Photo



Property Photo



Property Photo



Property Photo



Property Photo



Property Photo



Property Photo



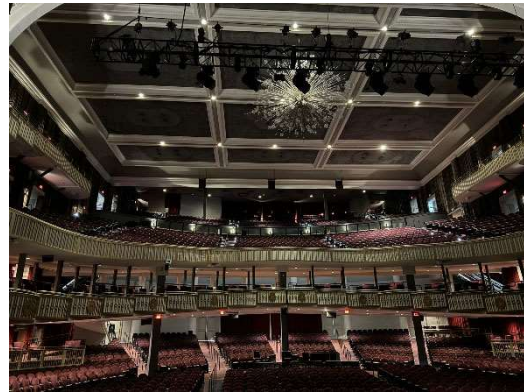
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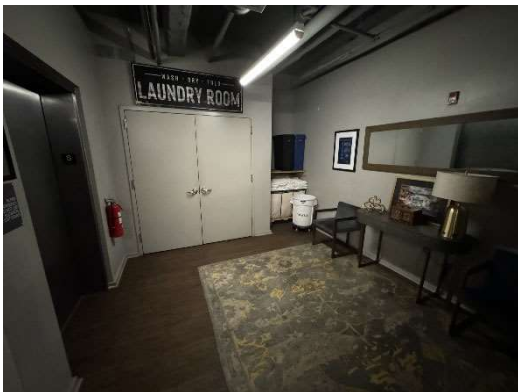
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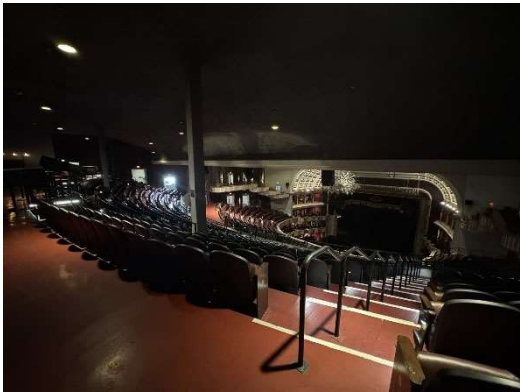
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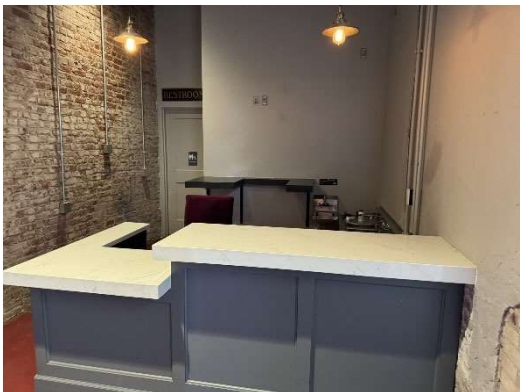
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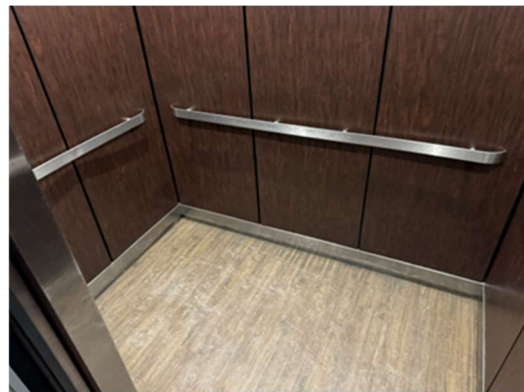
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Executive Summary

The Met Philadelphia

Property Type:	Specialty-Performing Arts Center
Street Address:	858 North Broad Street
City, State & Zip:	Philadelphia, PA 19130
Net Rentable Area (SF):	133,419
Year Built (Renovated):	1908 (2018)
Current Occupancy:	100.0%
Land Area:	0.882 acres; 38,400 SF
Zoning:	CMX-4
Highest and Best Use - As Vacant:	A Mixed Use Use
Highest and Best Use - As Improved:	Specialty Use

Analysis Details

Valuation Date:	January 8, 2025
Market Value "As Is"	January 8, 2025
Inspection Date and Date of Photos:	January 8, 2025
Report Date:	February 11, 2025
Report Type:	Appraisal Report
Client:	Fulton Bank
Intended Use:	Determining loan and credit underwriting decisions that will be made by fulton bank, its affiliates, successors, assigns, and any additional users including participants specified herein and no other use is permitted.
Intended User:	Fulton Bank and no other user is permitted by any other party for any other purpose.
Appraisal Premise:	Market Value "As Is"
Intended Use and User:	The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.
Interest Appraised:	Leased Fee
Exposure Time (Marketing Period) Estimate:	up to 12 Months (up to 12 Months)

Compiled by Newmark

Leasing Summary

Number of Tenants	2
Average Contract Rent/SF	\$13.61
Average Market Rent/SF	\$21.10

MLA Space Type Summary	Rentable SF	% Occupied	% of Total Contract Rent	Contract Rent PSF	Market Rent PSF	Contract as % of Market
Event Space Space:	132,700	100.0%	100.00%	\$13.68	\$21.00	65.2%
Street Retail Space:	719	100.0%	0.00%	\$0.00	\$40.00	0.0%
Total	133,419	100.0%	100.0%	\$13.61	\$21.10	64.5%

Valuation Summary

Sales Comparison Approach		\$/SF	\$ Total
Number of Sales			6
Range of Sale Dates			Aug-21 to Jan-25
Adjusted Range of Comparables (\$/SF)			\$304.31 to \$422.50
Indicated Sales Comparison Approach Value	As Is	\$335.03	\$44,700,000

Income Capitalization Approach - Direct Capitalization Method		\$/SF	\$ Total
Capitalization Rate Indicators and Conclusion			Indication
Comparable Specialty Sales Range			5.00% - 8.91%
Investor Surveys			6.00% - 6.50%
Market Participants			6.00% - 7.00%
Band of Investment			6.75%
Debt Coverage Ratio Analysis			6.21%
Concluded Going-In Capitalization Rate			6.25%
Stabilized Income Estimate			
Potential Gross Income		\$23.52	\$3,137,964
Stabilized % Vacancy & Collection Loss		-5.00%	(\$156,898)
Effective Gross Income		\$22.34	\$2,981,066
Operating Expenses		\$1.42	\$189,496
Operating Expense Ratio			6.4%
Net Operating Income		\$20.92	\$2,791,570
Capitalization Rate			6.25%
Indicated Income Capitalization Approach Value	As Is	\$335.03	\$44,700,000
Market Value Conclusions		As Is	\$335.03 \$44,700,000
Exposure / Marketing Time			
Concluded Exposure Time	up to 12	Months or Less	
Concluded Marketing Time	up to 12	Months or Less	

Compiled by Newmark

Extraordinary Assumptions and Hypothetical Conditions

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1. None

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Introduction

OWNERSHIP HISTORY

The current owner is Holy Ghost I LP. The following summarizes a three-year history of ownership, the current listing status, and pending transactions for the subject property (as applicable).

Ownership History

To the best of our knowledge, no sale or transfer of ownership has taken place within the three-year period prior to the effective date of the appraisal.

Listing Status:	Not Listed For Sale
Current or Pending Contract:	None Reported

Previous Sales

Sales in the Previous Three Years:	None
Most Recent Reported Sale:	February 28, 2013
Buyer:	Holy Ghost I LP

Compiled by Newmark

To the best of our knowledge, no other sale or transfer of ownership has taken place within a three-year period prior to the effective date of the appraisal.

INTENDED USE AND USER

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

- The intended use of the appraisal is for determining loan and credit underwriting decisions that will be made by Fulton Bank, its affiliates, successors, assigns, and any additional users including participants specified herein and no other use is permitted.
- The client is Fulton Bank.
- The intended user is Fulton Bank and no other user is permitted by any other party for any other purpose.

DEFINITION OF VALUE

Market value is defined as:

“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 own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. 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: Code of Federal Regulations, Title 12, Chapter I, § 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

APPRAISAL REPORT

This appraisal is presented in the form of an appraisal report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. This report incorporates sufficient information regarding the data, reasoning and analysis that were used to develop the opinion of value in accordance with the intended use and user.

PURPOSE OF THE APPRAISAL & INTEREST APPRAISED

The primary purpose of the appraisal is to develop an opinion of the Market Value "As Is" of the Leased Fee interest in the property. (Please see Glossary of Terms for definition(s) of interest(s) appraised)

Purpose of the Appraisal		
Appraisal Premise	Interest Appraised	Date of Value
Market Value "As Is"	Leased Fee	1/8/2025

Compiled by Newmark

SCOPE OF WORK

Extent to Which the Property is Identified

- Physical characteristics
- Legal characteristics
- Economic characteristics

Extent to Which the Property is Inspected

Newmark inspected the subject property on January 8, 2025 as per the defined scope of work. Phil Maffei and Michael Silverman, MAI, CRE, MRICS made a personal inspection of the property that is the subject of this report.

Type and Extent of the Data Researched

- Exposure and marketing time;
- Neighborhood and land use trends;
- Demographic trends;
- Market trends relative to the subject property type;
- Physical characteristics of the site and applicable improvements;
- Flood zone status;
- Zoning requirements and compliance;
- Real estate tax data;
- Relevant applicable comparable data; and
- Investment rates

Type and Extent of Analysis Applied

We analyzed the property and market data gathered through the use of appropriate, relevant, and accepted market-derived methods and procedures. Further, we employed the appropriate and relevant approaches to value, and correlated and reconciled the results into an estimate of market value, as demonstrated within the appraisal report. The applied scope of work is appropriate and sufficient to produce credible assignment results for the intended use of this report.

Economic Analysis

NATIONAL TRENDS AND UNCERTAINTIES

Newmark Capital Markets assesses that there was a momentum shift in the 4th quarter, leading to both transaction volume and lending volume increasing year-over-year. However, they also note that the notable increase in interest rates since early December complicates matters. Real Capital Analytics (RCA) concurred as they reported in their end of 2024 Capital Trends publication that “the commercial property markets turned a corner in 2024.” Deal volume climbed in 2024 and price declines are coming to an end overall. Along with higher interest rates, capitalization rates rose quickly starting in 2022, and bid-ask spreads widened. While these trends have moderated and cap rates are beginning to reverse direction, the impacts are still present and remain major drivers of current CRE market conditions.

Investors are adjusting to the new reality by modifying their investment strategies, leading to a narrowing of the bid-ask spread. Transaction volume for 2024 ended 9% above 2023 levels at \$420.4 billion according to RCA. RCA and Green Street have both observed that CRE property prices have started to inch higher again, despite the impacts of high borrower rates. The January 15, 2025 Federal Reserve Beige Book noted “cautious optimism continues to prevail among survey respondents given modestly positive trends in loan demand, wage growth, and consumer spending.” At the same time, RCA notes that distress continues to rise, with office properties accounting for 40-45% of the total value of distressed assets but multifamily dominating the most recent additions to the distress totals.

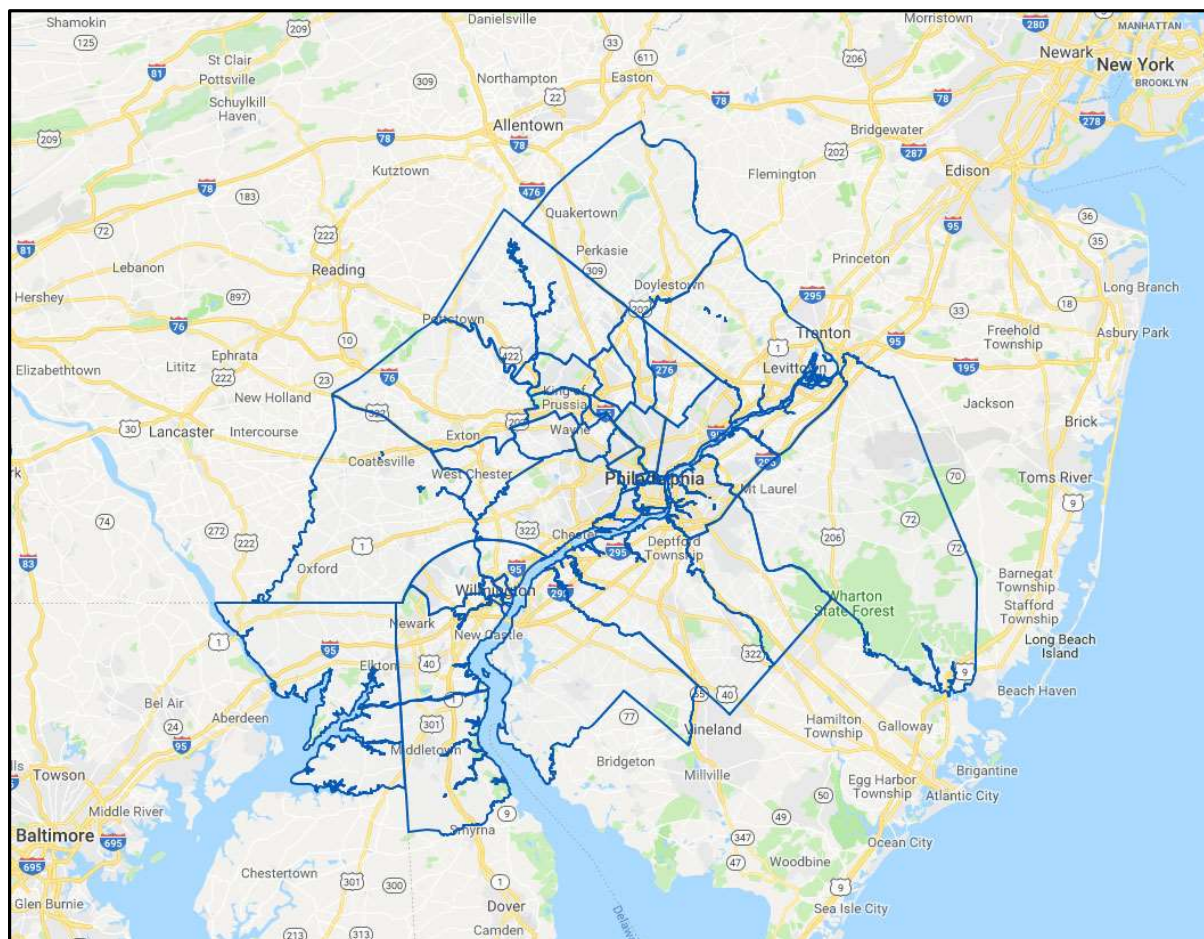
The Federal Reserve’s prior actions engineered the fastest increase in interest rates in their history - rising to a high of 5.25-5.50% for the Federal Funds rate in July 2023. Three reductions at the end of 2024 has brought this range to 4.25-4.50%. However, the 10 year Treasury rate did not follow suit. Moody’s Analytics Chief Economist Mark Zandi expects the Federal Reserve to pause interest rate reductions until late in the year. Zandi points to tariffs being likely to increase inflation and also that the Federal Reserve will be closely watching the new U.S. administration’s actions before moving. Other commentators expect faster reductions but the uncertainty of economic policies are part of the reason that long-term rates remain at elevated levels. Interest rates have been unusually low for upwards of 15 years but have now reversed to higher levels for the past two. As interest rates return to an equilibrium level, they will still likely be higher than those observed in the periods prior to 2022.

It will take time for the effects of higher interest rates to reverse. Interest rates have declined from their peak in October 2023, and debt market conditions have improved – at least marginally. The majority of investors surveyed by PwC expect capitalization rates to hold steady over the next six months. The RCA Commercial Property Pricing Index reflected only a -0.7% loss for the year.

While investors are taking a more optimistic view and metrics such as sales volume have improved, the uncertainty of economic policies remains an overhang. We have considered and will address these issues throughout this appraisal and report, including in our determinations of overall capitalization rates, discount rates, market rent assumptions, market conditions adjustments, and growth of rents and expenses where applicable.

PHILADELPHIA METRO AREA ANALYSIS

The subject is located within the Philadelphia-Camden-Wilmington Metropolitan Statistical Area, also known as Greater Philadelphia. This is the nation's seventh largest metropolitan area and benefits from central geography in the heart of the Northeast Corridor and is the keystone of major north-south, east-west highway and rail networks. More than 100 million people are within a one-day drive of Philadelphia. The Greater Philadelphia market area spans thirteen counties in Southeastern Pennsylvania, Southern New Jersey, and Northern Delaware (boundary lines are shown in the following map that comprises the Philadelphia MSA).



Source: Costar

The Greater Philadelphia Region is located at the heart of one of the nation's wealthiest and most populous areas. It ranks:

- 2nd largest urban density in the United States (Downtown Philadelphia)
- 4th largest media market
- 6th largest personal income & 6th largest in employment
- 7th in academic R&D expenditures
- 7th in gross metropolitan product (and ranked in the top 3 in the Northeast)



The chart on the left (produced by Select Philadelphia) demonstrates the excellent transportation access the Philadelphia region offers to other East Coast markets.

The strength and desirability of Greater Philadelphia is characterized by its economic diversity and population density. Its location, high concentration of educational, medical and government facilities, and a strong transportation network underscore these strengths. Residents of the Philadelphia area historically have enjoyed a quality of life ranked among the highest in the country. In addition to the numerous and growing number of high-quality urban housing opportunities, there are an abundance of desirable suburban communities that are easily accessible by some of the best highway and mass transit systems in the country.

Transportation Infrastructure

- New York City and Washington D.C. are within a 2.5-hour drive; high-speed Amtrak Acela and Metro liner provide fast service to both.
- Philadelphia is home to the 3rd busiest Amtrak station in the U.S. with 11,000 daily riders.
- Greater Philadelphia is at the intersection of the county's major highway infrastructures with over 100 interstate highways connecting the various submarkets throughout the Philadelphia region.
- 100 million people are located within a one-day drive.
- Served by 30 airlines offering more than 550 daily departures to 128 cities, including 40 international destinations.

- The Delaware River Port Complex, comprised of active, full-service marine terminals in Delaware, New Jersey and Pennsylvania, is an active conduit for international trade and comprises three major ports with full-service docking facilities and over 30 active port terminals.
- The Port of Philadelphia is the only major port on the East Coast served by two Class 1 railroads (CSX Transportation and Norfolk Southern) and provides easy access to the Midwest, Mid-Atlantic, and Northeast markets.

Other Factors Fueling the Growth of Greater Philadelphia

- Top 3 major Bio-Science clusters in the Northeast
- Lower cost of living than other major Northeast Metros (including New York, Boston, Washington D.C.)
- Lowest rental rates for Class A industrial space compared to other major East Coast cities.
- Lowest rental rates for Class A office space in the Northeast Corridor
- 25 Fortune 500 companies call the Philadelphia Region their home.
- One of the few regions in the Northeast with active Class 1 railroads
- Average of 125 cultural events take place every day.

Major Employers

The Greater Philadelphia Region is well known for its stable and broadly diversified economic base. This is best characterized by the following list of its major employers with “eds and meds,” the burgeoning bio-science employment base, and Comcast (Philadelphia is their world HQ) leading the charge, along with several major pharmaceutical companies in the Top 25.

Over the past six years, the Greater Philadelphia Region has experienced a surge in digital health innovation. The sector’s growth has both contributed to, and benefited from, the region’s strengths, with more than 2,000 medical technology companies based within the Greater Philadelphia market. Of those, over 100 companies are specifically focused on the digital health vertical, with more than half focusing on enhancing the efficiency of health care delivery and making medicine more personalized and precise by health care providers, including hospitals, physicians and other caregivers.

Selected Major Employers: Greater Philadelphia

Rank	Employer	Employees
1	University of Pennsylvania Health System	46,554
2	Thomas Jefferson University and TJU Health System Inc.	32,000
3	Children's Hospital of Philadelphia	22,051
4	Comcast	17,607
5	Drexel University	9,347
6	Independence Blue Cross	8,210
7	Wells Fargo	6,023
8	Einstein Healthcare Network	4,768
9	SAP America	3,292
10	Elwyn	3,243
11	Deloitte	1,825
12	Rivers Casino	1,680
13	Ernst & Young LLP	1,482
14	Widener University	1,374
15	Saint Joseph's University	1,341
16	KPMG LLP	1,274
17	Burns' Family Neighborhood Markets	1,095
18	The Protocall Group	975
19	La Salle University	930
20	Jacobs	892

Compiled by Newmark

Expansion of Life Sciences

Since the 1990s, early gene therapy research was underway at the University of Pennsylvania. Today, three FDA-approved therapies are on the market as a result of innovations in the region. They include the first FDA-approved cell therapy, first FDA-approved gene therapy, and the first FDA-approved aesthetic cell therapy.

More than thirty R&D companies in this space originated within Greater Philadelphia. Leading this expanding sector includes University of Pennsylvania Perelman School of Medicine, Children's Hospital of Philadelphia, The Coriell Institute for Medical Research, Christiana Care Gene Editing Institute, Jefferson Health, Temple University, and the Wistar Institute – all of which have the infrastructure and expertise to support the new medicines.

Labor Pool

With a labor force of approximately 3 million people, there is an abundant supply of skilled workers available in virtually all occupations.

- 16% of the population (25 years and older) have advanced degrees, compared with the U.S. average of 13%.
- Greater Philadelphia is the 7th largest labor force among the nation’s largest metro areas.
- Over 1.15 million workers worked in Knowledge Occupations as defined by the Economic Development Administration (EDA), comprising 40.6% of total employment.

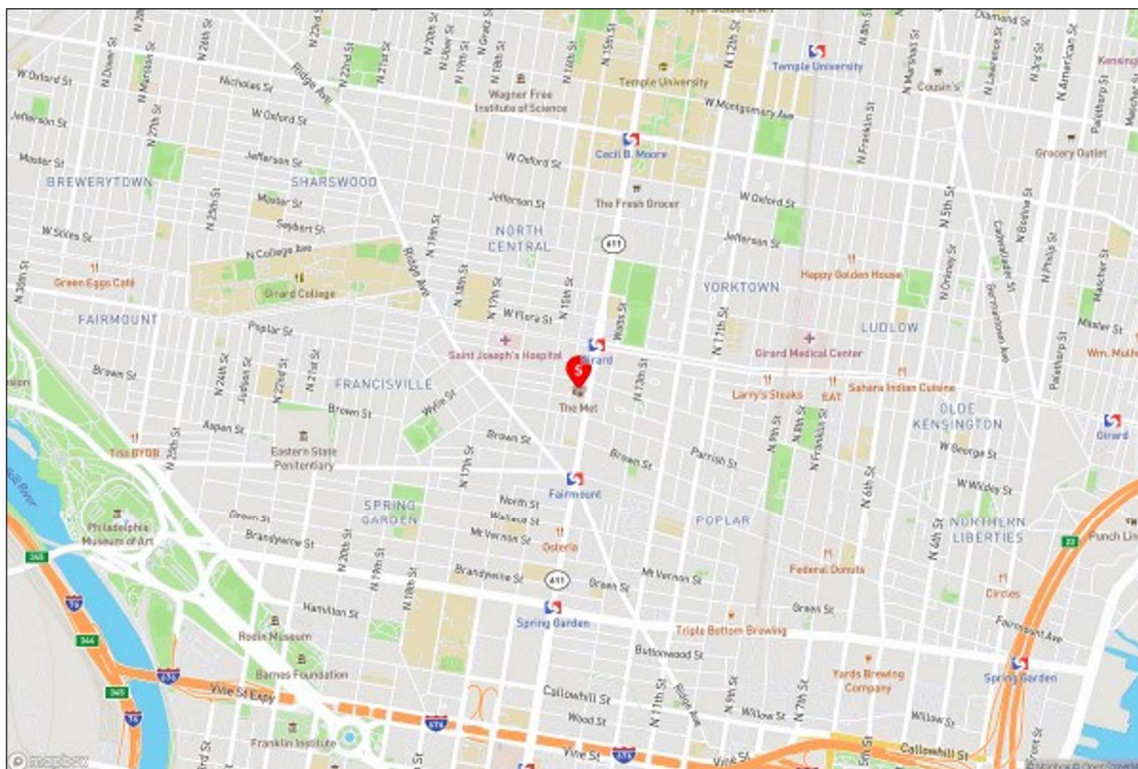
Greater Philadelphia is a National Leader in Higher Education

- Over 100 degree-granting institutions including Princeton University and University of Pennsylvania, two Ivy League universities plus three of the very top liberal arts colleges: Swarthmore, Haverford, and Bryn Mawr Colleges.
- Approximately 500,000 full- and part-time students.
- 6 medical schools, 3 pharmacy schools, and two dental schools.
- 39% of residents (25 years and older) hold a bachelor’s degree or higher, well above the national average of 33%.

Conclusion-Greater Philadelphia

Competitive accessibility and professional talent are hallmark attributes that drive the regional economy of the Greater Philadelphia Region. As the seventh largest metropolitan center in the United States, the region offers an extensive array of cultural, historical and recreational facilities. And from its strategic position in the center of the eastern megalopolis to its economic diversity, the Greater Philadelphia Region is poised for continued growth and prosperity into the 21st century. Despite some pandemic setbacks over the past 24 months, key industries are thriving in the region because of the region’s global access, deep talent pool, attractive cost of doing business, diversified customer markets, and high quality of residential life

NEIGHBORHOOD AREA ANALYSIS



Neighborhood Map

Boundaries

The subject is bounded by North Broad Street, Poplar Street, and North Carlisle Street, between the Spring Garden and Poplar neighborhoods in the city situated on the northern peripheral fringe of what is more commonly known as Extended Center City. This area, being situated just inside the northern edge of the “Extended” band of Center City is in the nascent stages of development. This area is slowly gentrifying as demand drivers in the form of gains in employment and housing (population) growth along with improvements in the demographic profile of Center City. These factors are creating much opportunity to the immediate subject location, which gives rise to development opportunity, especially for unique and very special properties like the subject property. Thus, we will describe the dynamics of Center City overall and then provide additional detail of the land uses currently in the subject immediate environs. Local real estate buyers and sellers generally identify the Center City CBD as follows:

North	Vine Street emerging northward toward Girard Avenue
South	South Street emerging southward towards Washington Avenue
East	Delaware River
West	Schuylkill River

Access

The subject benefits from its position at the intersection of North Broad Street and Poplar Street and its proximity with Girard Avenue, a major neighborhood arterial that runs east-west. Broad Street is the major north-south arterial that runs the length of the City of Philadelphia, and boasts major demand generators such as Temple University to the north of the subject, Hahnemann Hospital and Drexel University Medical School, many cultural organizations (closer to City Hall) and the Philadelphia Convention Center, to name a few.

The subject is exceedingly well served by public transportation with a subway station one block north of the subject at Girard Avenue and two blocks south and Fairmount Station. Both of these stations serve the Broad Street Line and are operated by the Southeastern Public Transportation Authority (SEPTA), which operates numerous additional bus lines, two intra-city subways and two major regional commuter rail stations in Center City.

The regional rail lines provide public transportation to numerous Pennsylvania suburban communities. The subject also benefits from linkage to Amtrak's 30th Street Station which provides access to several cities along the east coast, such as, New York City, Boston, and Washington D.C. 30th Street Station is pivotal for inbound and outbound workforce. Additionally, the SEPTA 4 and 16 buses stop at the subject intersection of North Broad Street and Poplar Street.

Land Use

North Broad Street Renaissance (2016-Present)

The surrounding area has undergone revitalization over the past several years as Center City continues to gentrify. The following examines several of the major projects along North Broad Street within ½ mile of the subject property which have been developed over the past 5-10 years. These projects have had a major positive transformational impact on the local neighborhood as this area becomes a more vibrant “24-hour” urban environment commensurate with the Philadelphia CBD core.

- **Divine Lorraine - 699 N. Broad Street** - Built early 1900’s, extensive renovation in 2016 by EB Realty converting a former hotel into 101 apartment units with restaurants on the ground level. See photo right.
- **Hanover North Broad - 322 N. Broad Street** - Two tower luxury class A complex comprising 339 units and 17,094 square feet of street-level retail space. Amenities include exterior courtyards with grilling areas, fitness center, conference room, resident lounge with bar and kitchen, movie theater, and others.
- **Philadelphia Police Headquarters, 400 N Broad Street** – The former home of the Philadelphia Inquirer, this ±450,000 sf office property was recently converted to house the Philadelphia Police Department and several other related governmental offices. Originally constructed in 1924, the restoration budget was reportedly over \$200 million and comprised a total interior renovation and restoration of the Art Deco façade. See photo right.
- **LVL North – 510 N Broad St** – newly-constructed 410-unit Class A apartment complex located at the NWC of North Broad and Spring Garden Streets. In addition to multifamily, the property also has 108,068 sf of retail space and 288 below-grade parking spaces. Retail tenants include Giant (grocery store) and Planet Fitness.



In the immediate vicinity of the subject, predominant land uses include a mix of residential, institutional (Temple University to the north of the subject), retail and other commercial uses along Broad Street.

Callowhill / Spring Arts Development Activity and Trends



The subject is also located adjacent to the Callowhill / Spring Arts neighborhood of Center City Philadelphia. This area is characterized by its industrial past, evident in the abundance of multi-story loft-type industrial buildings, many of which have undergone or are proposed to undergo conversion to multifamily use. Office/institutional uses are also

prevalent in many of the former industrial buildings in the area as well. Comprising the majority of the balance of land uses are the numerous surface parking lots and vacant parcels of land.



Also, of note are the various development projects of Arts + Crafts Holdings, a Philadelphia-based real estate company that redevelops blighted buildings into office space that caters to creative types otherwise priced out of Center City. Arts + Crafts currently owns in excess of 2 million square feet of commercial, residential, and mixed-use real estate, all concentrated in the subject's surrounding area. The most notable holdings in the area include 990

Spring Garden (creative office – shown above right), 448 North 10th Street (creative office and retail), 915 Spring Garden (creative office and retail) and Union Transfer (concert venue - below).



Reading Viaduct Rail Park

The subject also benefits from its proximity to the Reading Viaduct Rail Park, a planned green space located nearby. The Reading Viaduct is comprised of two branches of a former elevated rail line that were sitting unused and isolated above the Poplar/Callowhill neighborhood that they extend through for many years. After the success of the High Line in New York City,



greater impetus was placed on the proposed re-use of the Viaduct as an elevated greenway in a neighborhood where green space is severely lacking. Phase I rendering shown right.

The prospective Phase II project is to begin at Vine Street, between 11th and 12th Streets. The northeast leg continues north beyond 915 Spring Garden and into the Poplar neighborhood, reaching towards the rapidly developing Northern Liberties. This leg ends at the 800 block of Fairmount Avenue. The western leg begins at Callowhill Street, sloping down to the street level at 13th and Noble Streets, and leads directly to North Broad Street. Here, the Viaduct in this section was first in line for redevelopment.

Those late 19th and early 20th century industrial buildings that have undergone redevelopment in the area (former automobile, bicycle, shoe, glass, and balloon factories, to name a few), have attracted new investment, proposals for commercial development, and an ever-increasing number of new residents to the post-industrial neighborhood. However, as previously stated, the area has not begun to reach its full potential, a fact not lost on city government, which anticipates the new park to act as a catalyst for redevelopment in the area.

Phase I of the Rail Park first opened in 2018 and consists of a quarter mile stretch of the abandoned Reading Viaduct railroad that has been extensively renovated and converted into public green space. Phase I stretches from Callowhill Street between 11th and 12th Streets to the intersection of Broad and Noble Streets.



Existing Rail Park (Phase I)

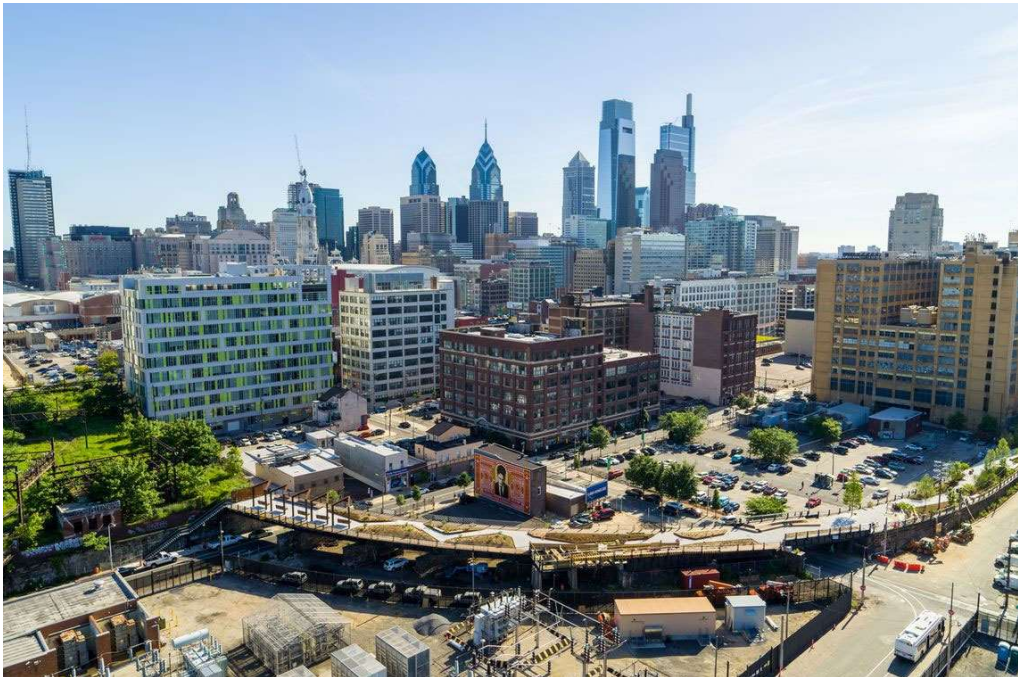


Photo Courtesy of Center City District

Demographics

A demographic summary for the defined area is illustrated as follows:

Demographic Analysis				
	19103	City of Philadelphia	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA	Pennsylvania
Population				
2020 Total Population	27,839	1,603,797	6,245,051	13,002,700
2024 Total Population	28,639	1,599,611	6,307,532	13,056,584
2029 Total Population	30,503	1,602,967	6,334,854	13,057,072
Projected Annual Growth %	1.3%	0.0%	0.1%	0.0%
Households				
2020 Total Households	18,262	658,075	2,413,835	5,210,598
2024 Total Households	18,815	662,261	2,460,883	5,267,804
2029 Total Households	20,316	680,741	2,518,376	5,343,857
Projected Annual Growth %	1.5%	0.6%	0.5%	0.3%
Income				
2024 Median Household Income	\$101,394	\$58,310	\$89,278	\$75,926
2024 Average Household Income	\$157,836	\$91,687	\$127,993	\$108,499
2024 Per Capita Income	\$103,775	\$38,102	\$50,057	\$43,931
Housing				
2024 Owner Occupied Housing Units	27.2%	43.9%	61.6%	61.7%
2024 Renter Occupied Housing Units	58.5%	45.6%	31.5%	28.7%
2024 Median Home Value	\$584,549	\$275,559	\$381,561	\$291,889
Median Year Structure Built	1960	1949	1965	1964
Miscellaneous Data Items				
2024 Average Household Size	1.49	2.33	2.49	2.40
2024 Median Age	34.8	35.5	39.6	41.4

Source: ESRI; Compiled by Newmark

Demand Generators

The subject's North Broad Corridor neighborhood is primarily influenced by its proximity to the Center City Core. The neighborhood is part of the Center City Core, a dynamic and growing "24-hour" market, one of only a few in the United States.

Comprising retail, office, residential and many other forms of institutional and commercial development, Center City has a diverse and balanced economic base containing multiple levels of demand generators ranging from office-related employment to retail, cultural, education, medical, entertainment, and residential. The center core of the CBD is City Hall, which is located at Penn Square at the intersection of Market and Broad Streets.

Some key facts regarding Greater Center City are summarized below:

- Is in the middle of the nation's Northeast Corridor and at the center of a nine-county region of about 6.1 million residents.
- Philadelphia is the second largest city along the East Coast. Greater Center City now ranks second only to Midtown Manhattan in size of population among U.S. downtown districts.
- Ease of Access. Center City is positioned at the center of a multimodal transportation network with 14 light rail lines connecting to three states, three rapid transit subway lines, five trolley lines, and 29 bus routes, with direct access from interstate highways I-76, I-676, and I-95.
- Amtrak's 30th Street Station is the third busiest in the Northeast Corridor.
- Close proximity to major colleges and universities also gives employers access to the latest research of colleges and steady stream of recent graduates and affords employees numerous opportunities for continuing education. University of Pennsylvania leads medical research with the assistance of federal grants in the region.
- Healthcare and education continue to be the largest source of employment in Philadelphia, accounting for one third of the city's jobs. The combined spending on research and development at University of Pennsylvania, Temple University, Thomas Jefferson University, and Drexel University exceed \$4.2 billion in 2020 (according to the SOCC 2022 report).
- Extraordinary Amenities: A wide array of arts, significant history and culture institutions, four public squares, historic public markets, shops, restaurants, and outdoor cafes adds to the vitality of the City. In fact, Center City was ranked 4th most walkable city in the United States behind New York, San Francisco, and Boston.

- Employment: Center City is the largest center of employment in Pennsylvania and is considered a major economic driver for the region. Major employers include the City of Philadelphia, University of Pennsylvania, Temple University, two major medical schools and three major hospitals. It is the headquarters for Comcast, Blue Cross of Pennsylvania, Delaware Valley Investments, and several others. Moreover, there are numerous City and Federal agencies located in Center City including EPA, HUD, Justice Department, U.S. Mint, The Federal Reserve and many others.

Employment

Center City is the largest center of employment in Pennsylvania and is considered a major economic driver for the region. The primary sectors in Center City office sector employment are education, health care, finance, insurance, real estate, engineering, and legal services. Office sector employment accounts for over 30% of downtown private-sector jobs.



Major employers include the City of Philadelphia, University of Pennsylvania, Temple University, two major medical schools and three major hospitals. It is the headquarters for Comcast, Blue Cross of Pennsylvania, Delaware Valley Investments, and several others. Moreover, there are numerous City and Federal agencies located in Center City including EPA, HUD, Justice Department, U.S. Mint, The Federal Reserve, and many others.

While office jobs are the largest employment sector in Center City, healthcare institutions are the largest segment of the balance of the city's economy, accounting for 30.5% of citywide employment. Thomas Jefferson University and Hospital is the largest private employer. Even Penn, with most of its employees in University City, also employs about 4,000 people in Center City.

Higher Education & Medical

Center City and the immediate surrounding urban areas, like North and West Philadelphia, are also home to numerous colleges and universities which include the Art Institute of Philadelphia, the Academy of the Arts, Thomas Jefferson University (medical school), the University of Pennsylvania, Drexel University, and Temple University. Enrollment at the major universities in and around Center City is currently about 116,000 students with Temple University being the largest at nearly 32,000, Penn being the second largest at nearly 25,000 students, and Drexel at 23,300 students.

Other major demand generators include Wills Eye Hospital, Thomas Jefferson University Medical School, and the Pennsylvania Hospital. Each of these properties is within walking distance of the subject.

Conclusion

- Two of the nation's largest demographic groups, empty nesters and millennials, have been attracted in large numbers to the dense and walkable urban setting of Center City and its surrounding neighborhoods. Moreover, the subject neighborhood is particularly appealing for its unique industrialized appeal for both residents, office users, and other users particularly in the millennial and Gen Z demographic.
- The positive trends reflected across Greater Center City and extending into the Fishtown, Olde Kensington, Northern Liberties, and North Broad Street Corridor areas will have an impact on the foreseeable future of the subject's immediate market area and ongoing urban renewal. We anticipate that property values will continue to increase over the long run at this location.
- Based upon the preceding analysis and positive economic growth, we would anticipate these trends to continue, considering the fundamental economics of supply and demand in place as of the effective appraisal date.

Market Analysis - Concert & Event Promotion in the US

The subject property consists of a live performance venue primarily leased by Live Nation.

Industry Overview

Industry analysts IBIS World published a report titled “Concert & Event Promotion in the US” that is dated February 2024.

This industry creates, manages and promotes live performances and events, ranging from concerts and theater performances to state fairs and air shows. Some promoters lease space from stadium-, arena- and theater-owners, while others own and operate venues.

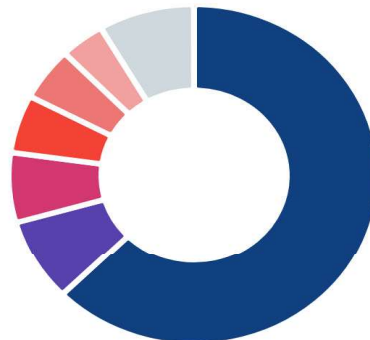
Demand for live events has skyrocketed since COVID-19 lockdown measures ceased. This pent-up demand led to a strong recovery, from falling over 47.0% in revenue in 2020 and then improving by nearly 35.0% in 2022.

SWOT

S	W	O	T
<p>Strengths</p> <ul style="list-style-type: none"> Low Imports High Revenue per Employee 	<p>Weaknesses</p> <ul style="list-style-type: none"> Medium & Decreasing Barriers to Entry Low & Steady Level of Assistance Very high Volatility Low Profit vs. Sector Average High Customer Class Concentration High Product/Service Concentration High Capital Requirements 	<p>Opportunities</p> <ul style="list-style-type: none"> High Revenue Growth (2023-2028) High Performance Drivers Domestic trips by US residents 	<p>Threats</p> <ul style="list-style-type: none"> Low Revenue Growth (2005-2023) Low Revenue Growth (2018-2023) Low Outlier Growth Consumer confidence index

Products & Services Segmentation

Industry revenue in 2023 broken down by key product and service lines.

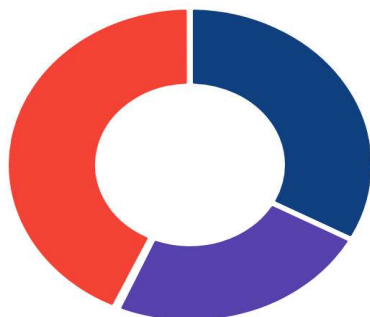


- Admission to live performing arts events (\$22.3bn) 62.6%
- Contracted live performances (\$2.9bn) 8.0%
- Admission to sporting events (\$2.4bn) 6.6%
- Food, beverages and merchandise (\$2.0bn) 5.5%
- Media rights, licensing and advertisement (\$1.8bn) 5.0%
- Rental services (\$1.4bn) 3.9%
- Other products and services (\$3.0bn) 8.4%

IBISWorld

Source: IBISWorld

Major Players



- Live Nation Entertainment, Inc. (\$11.7bn) 32.9%
- Anschutz Corp (\$8.4bn) 23.6%
- LiveStyle Inc. (\$108.8m) 0.3%
- Other Companies (\$15.4bn) 43.2%
- Another Planet Entertainment LLC (\$16.6m) 0.0%

IBISWorld

Source: IBISWorld

Highlights

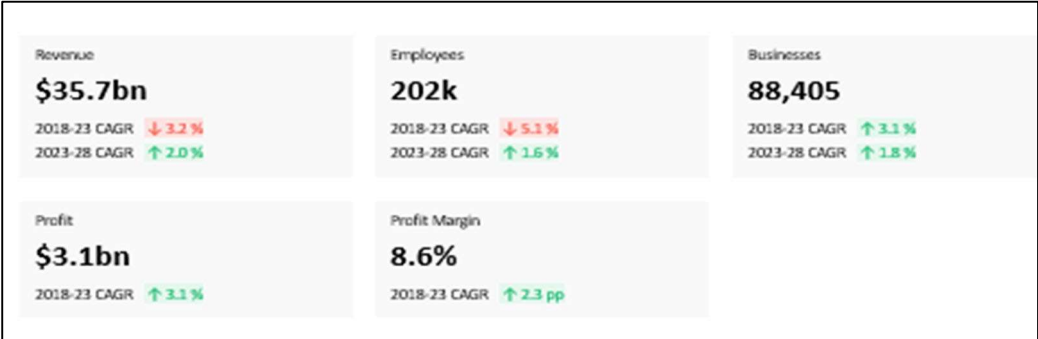


Executive Summary

Front row: Industry profit will rise as pent-up demand for concerts and live events boosts revenue

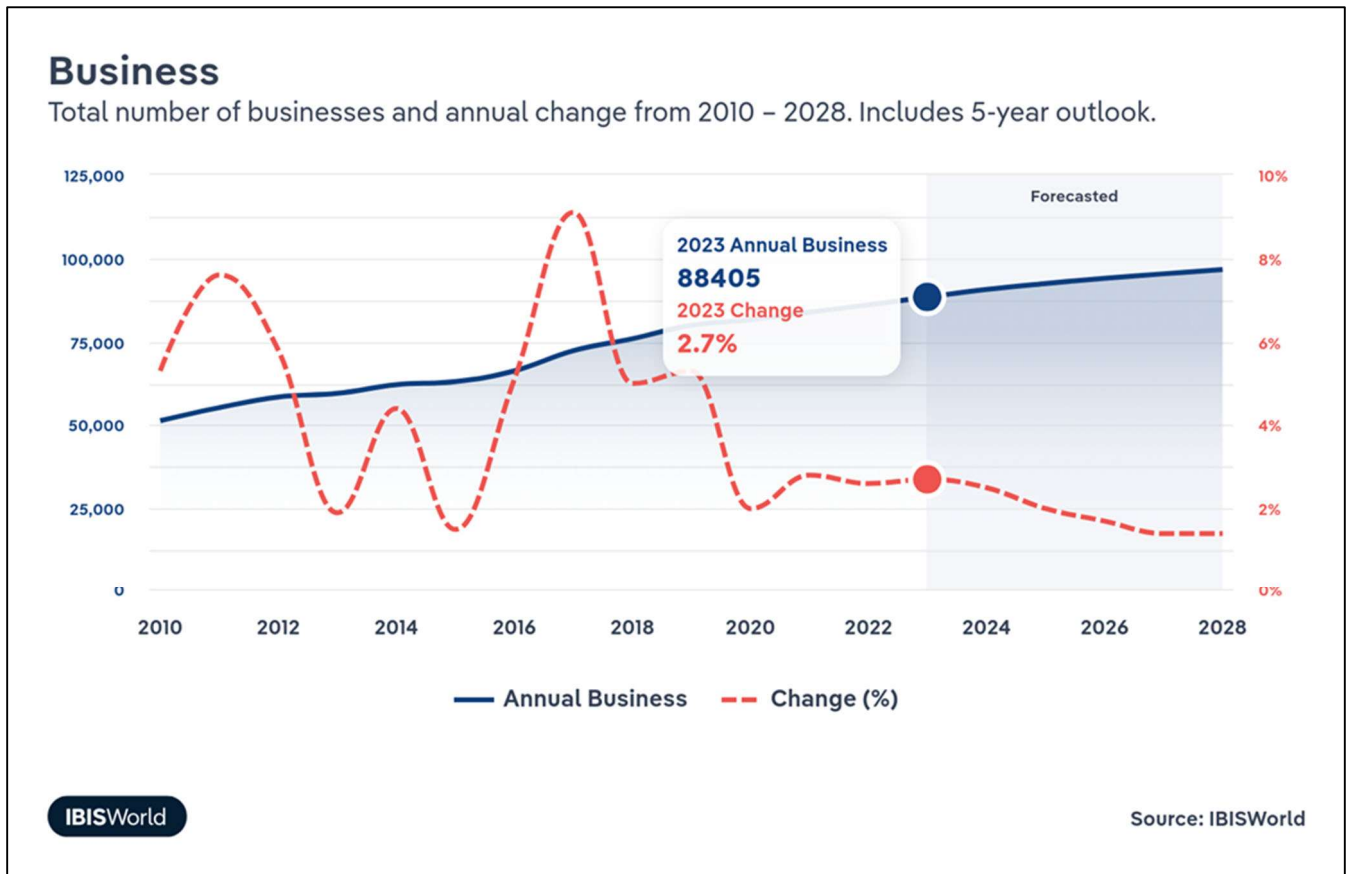
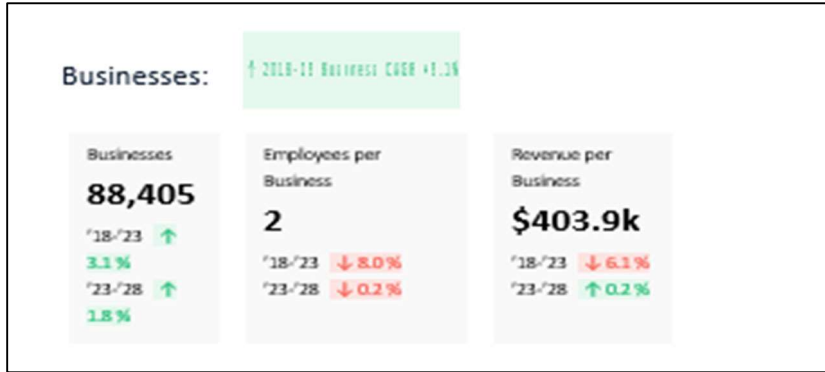
Concert and event promoters produce, advertise and manage a variety of live events and performances, including concerts, sporting events and public appearances. During the last few years, industry revenue has experienced significant growth. Positive economic expansion fueled consumer discretionary purchases on live events and related performances. In 2020, the outbreak of COVID-19 led to over 47.0% revenue decline, creating an unprecedented disruption for the industry. In the latter half of 2021, the easing of COVID-19 restrictions boosted demand for live events, leading to a year of record-level recovery. This recovery wasn't strong enough however, and revenue ultimately fell at a CAGR of 3.2% over the last five years, totaling \$35.7 billion. While strong economic factors contributed to industry success during the onset of the current period, the pandemic created turmoil for industry operators. Following public health guidelines, hundreds of scheduled events all across the country cancelled and were postponed, leading to substantial refund losses and sunk costs on purchased equipment, concessions and merchandise. With some strategic budgetary measures and government aid however, the industry has emerged strongly from the pandemic, resuming live events since the middle of 2021, when most COVID-19 restrictions ended. Driven by pent-up demand for social experiences, revenue will increase an estimated 5.8% in 2023. Over the next few years, demand will be driven by a sustained economic recovery, with total revenue increasing at a CAGR of 2.0%, reaching \$39.5 billion in 2028. Continued demand for live event experiences and new investment in alternative consumption options will drive industry revenue growth moving forward. As tech-savvy generations, which are increasingly embracing culture and creation, continue advance the live event space, growth will follow. Following period of instability, profit is expected to remain steady as favorable demand conditions sustain demand for promoters.

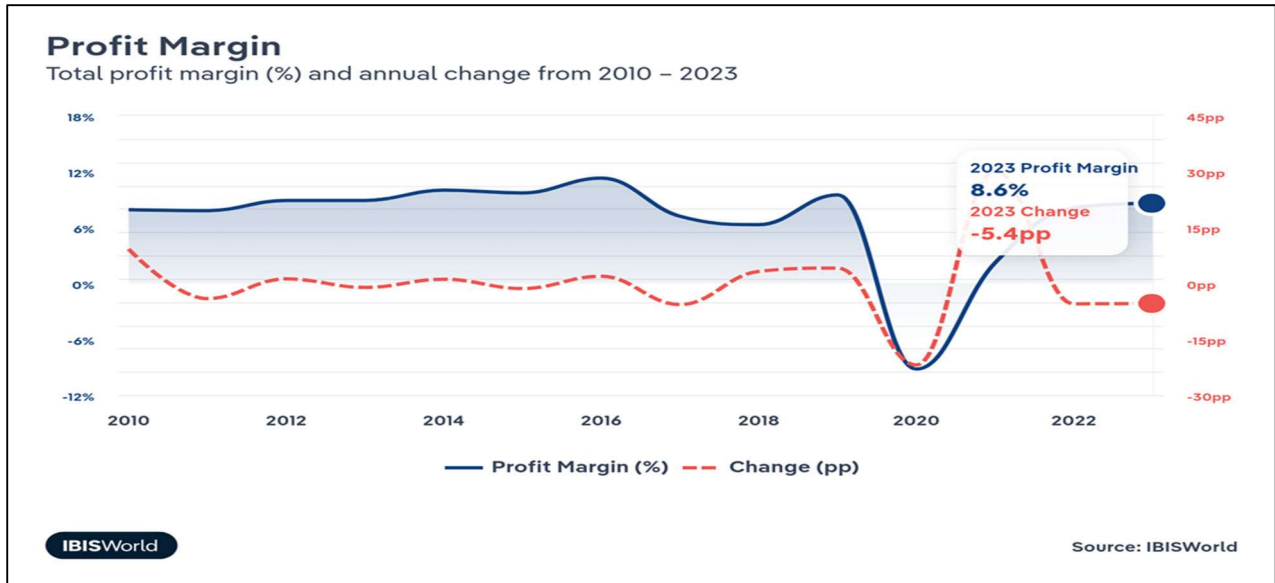
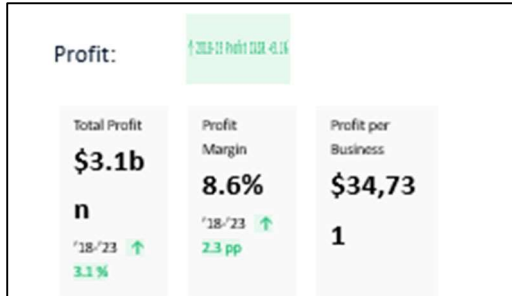
Performance



Performance Snapshot







CURRENT PERFORMANCE

What's driving current industry performance?

Quarantine measures in response to COVID-19 halted virtually all industry activity

- The pandemic created unprecedented turmoil because of the unique nature of the virus and the public health response it demanded.
- Since COVID-19 is highly contagious, the primary tactic to reduce the spread was to quarantine and follow social distancing mandates, leading to the cancellation of concerts and large events.
- The timing of the pandemic hit at the forefront of the major summer concert season, amplifying the potential negative effects.
- The cancellation of major events and annual festivals, like Coachella for example, shows the unprecedented actions taken by promoters, and contributed to the significant loss of revenue in 2020.

Recovery was swift following mass vaccination efforts

- Under the condition that venues require proof of vaccination, state and local governments enabled industry operators to resume event promoting in 2021, which led to extremely high turnout rates across the country that year.
- Substantial and record-level revenue growth is a direct result of the release of pent-up demand for events following the end of pandemic restrictions. Promoters benefited from heightened levels of demand, as the number of large gatherings soared when restrictions were lifted.
- More than 125,000 people attended 2022's Coachella Music Festival each of its six days, resembling pre-pandemic attendance levels. This confirms that apart from the disruption from COVID-19, demand for concerts and events is reliable and consistent.

Lack of experienced employees as a result of labor shortages

- There is a significant shortage of experienced tour and show techs, so promoters have been forced to turn to inexperienced and poorly trained employees to fill the void at many event locations.
- This scarcity can result in increased workloads for existing staff, potential delays in organizing events and a higher risk of errors or oversights. Unprofessional and dangerous security practices have become more and more common due to staff shortages.
- Security companies have increasingly been hiring personnel off of the street, reducing the qualifications and experience required. This has led to tragedy in the worst of cases, like in the case of Travis Scott's Astroworld Festival in November 2021, when

crowd surges throughout the concert's audience and a lack of security measures left 10 people dead.

Technology has helped promoters expand their reach to new markets

- Digital ticketing platforms like Eventbrite and Ticketmaster have gained prominence by establishing exclusivity contracts with venues, in addition to developing their interfaces. QR codes and mobile apps now streamline entry and enhance security.
- People discover new artists on social media by following music-related pages, stumbling upon fresh talent through shared posts, viral videos or collaborations with established musicians. Promoters can take advantage of this and partner with individuals with a strong social media presence to expand their reach.
- The advancement of live-streaming technology allows concerts and events to reach global audiences. Virtual events, webcasts and pay-per-view models have become a significant revenue stream.
- Though this trend was accelerated by the pandemic, it's likely to remain a part of event strategies.

Outlook

What's Driving the Industry Outlook?

The pandemic will have lasting effects on the industry

- During the extended period in lockdown, an ongoing demand for events and entertainment led many events to be hosted remotely. Moving forward, virtual and hybrid events will become an industry standard.
- Events will increasingly be accompanied by some virtual counterpart, accessible to consumers that are unable to attend in person. These virtual counterparts could be a means of promotion, or could be considered an event themselves, where operators can charge for virtual attendance.
- Consumer confidence is anticipated to rise over the coming years indicating that people will feel more comfortable as we gain distance from the pandemic. Confident consumers are far more likely to spend on discretionary events like concerts.

Industry activity will become increasingly digital

- Since the pandemic, a significant portion of live event promotion has shifted to utilize online streaming platforms and social media websites.
- Online stream volumes will continue to replace conventional metrics as the internet becomes the interim venue for performing artists.
- With concert films like Reinnisance and The Eras Tour making significant waves in 2023, concert films are expected to have a resurgence, creating a potential for collaboration with promoters and streaming services. Livestreaming concerts and

events has also become increasingly popular, and is a trend expected to continue in the next few years.

- While this dynamic began as a temporary industry solution until in-person restrictions were reduced, it is expected to grow as an alternative route for artists and promoters to reach audiences across the world.

Upgrades in safety measures must be implemented

- As safety becomes a greater concern at live events, industry operators are anticipated to emphasize security infrastructure at venues moving forward. The Astroworld disaster and subsequent discussion have led to promoters to understand the importance of investing heavily in security and crowd safety.
- Moving forward, promoters need to shift their procedures and invest in more intense training for inexperienced staff, even if it drives up their costs. Extra efforts must be made to reinforce effective crowd-management, barricade security and usher skills so on-site personnel have the knowledge to handle potentially dangerous situations.
- Concert and event promoters should also consider implementing advanced health and security measures like enhanced ventilation systems, contactless ticketing and crowd density monitoring to ensure the safety of attendees and staff.

Sustainability is a growing and essential trend in the industry

- Consumers' growing environmental consciousness will drive demand for sustainable event options.
- Promoters will prioritize eco-friendly event practices to reduce environmental impact, driven mostly by demand from environmentally conscious consumers who prefer sustainable event options.
- Sustainability in the industry is about reducing the environmental impact of large concerts and events. This entails various practices aimed at minimizing resource consumption, waste generation and carbon emissions.
- Promoters and venues have increasingly been implementing energy-saving technologies and using LED lighting; promoting recycling, composting and minimizing single-use plastics at events, diverting waste from landfills; even encouraging attendees to use public transport or carpooling to reduce the carbon footprint of traveling to events.

Life Cycle

WHY IS THE INDUSTRY MATURE?

Contribution to GDP

The industry is in a renewed growth stage of its economic life cycle, driven by significant growth in 2021 and 2022.

Market Saturation

Majority of promoters operate within smaller localized markets, while the major players make up just about a 10% share all together.

Innovation

Pent-up demand for live event experiences and a new generation of content creators has generated new avenues of revenue growth, such as the use of VR to experience live events.

Consolidation

There have been consolidation efforts between some of the bigger players, like between Live Nation and Ticketmaster. Consolidation is not common with smaller players as they serve localized markets.

Technology & Systems

Current improvements in facilities, including the installation of new audiovisual and lighting equipment, as well as new safety features have been embraced by industry operators. The industry is also becoming more reliant on the internet and digital platforms.

PRODUCTS AND MARKETS

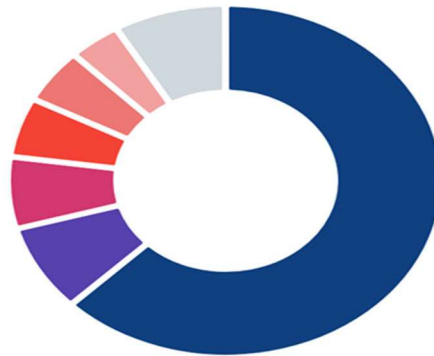
Key Takeaways

- **The internet has become a powerful tool for music discovery.** The expansion of social media trends and the introduction of new platforms have benefitted promoters as consumers are frequently exposed to new artists.
- **Concertgoers are most often between the ages of 25 and 54.** This group has the most discretionary income and is the most likely to spend it on events promoted by the industry.

Products and Services

Products & Services Segmentation

Industry revenue in 2023 broken down by key product and service lines.



IBISWorld

Source: IBISWorld

HOW ARE THE INDUSTRY'S PRODUCTS AND SERVICES PERFORMING?

Admission to live performing arts events has increased in line with consumers' growing use of the internet as a tool for music discovery

- Includes live music performances at clubs, music theaters, arenas and amphitheaters, in addition to local and regional music festivals and theatrical performances, such as plays, musicals and operas.
- A rise in theatre attendance is expected when consumer income and corporate profit are high, both of which fuel donations to support many Broadway and off-Broadway acts.
- Since the shutdown in 2020, Broadway shows have returned to New York City with shows selling tickets for full-capacity theaters. Artists increasingly use live events to generate revenue as album sales continue to plummet in the wake of streaming music services and per-song downloads.

Contracted live performances are a reliable source of revenue

- Many smaller-scale venues maintain contracted live performers in house to provide entertainment on a weekly basis.
- This is most common among operators that also own private hotels, casinos and other tourist establishments, like major industry operator Caesars Entertainment Corporation.
- These services aim to provide entertainment to enterprise guests in surrounding establishments and often include full-service dining options along with entertainment.

Admission to nonfranchise sporting events has increased as boxing and mixed-martial arts (MMA) gain popularity

- Nonfranchise sports, like boxing matches and rodeos are considered in this segment. It does not include sporting events pertaining to franchised teams, such as those in the NFL, MLB, NBA and NHL. Franchises in these leagues own and operate stadiums and any necessary outsourcing of the franchise's event promotions are performed by respective league offices.
- These events are generally inexpensive to attend so revenue earned from ticket sales needs to be heavily supplemented with concession sales

Food, beverage and merchandise sales are significant portion of revenue for smaller venues

- Smaller venues that dictate smaller attendance levels rely on these sales to generate bonus revenue on an event and cover payroll expenses
- Large-scale venue operators often contract these services to third-party providers and, therefore, do not benefit from the revenue of these sales

Media rights, licensing and advertising

- Media rights, licensing and advertisement revenue includes pushing information out, as well as standing sponsorships from external businesses.
- Large, multinational corporations will sponsor sporting events and live performances as an alternative method of brand advertising.
- Industry operators can negotiate with media outlets to secure exclusive coverage on a platform, inciting viewers on a particular channel or website.

Third-party rental of event space

- Revenue is generated by renting venues to third parties and consumers directly.
- This tactic is most common among small-scale venues that can rent to consumers for events, such as weddings, school events and private parties.
- Larger promoters often rent venue space for business conferences and political campaigns to generate revenue, streamlining a traditional seasonal industry.

WHAT ARE INNOVATIONS IN INDUSTRY PRODUCTS AND SERVICES?

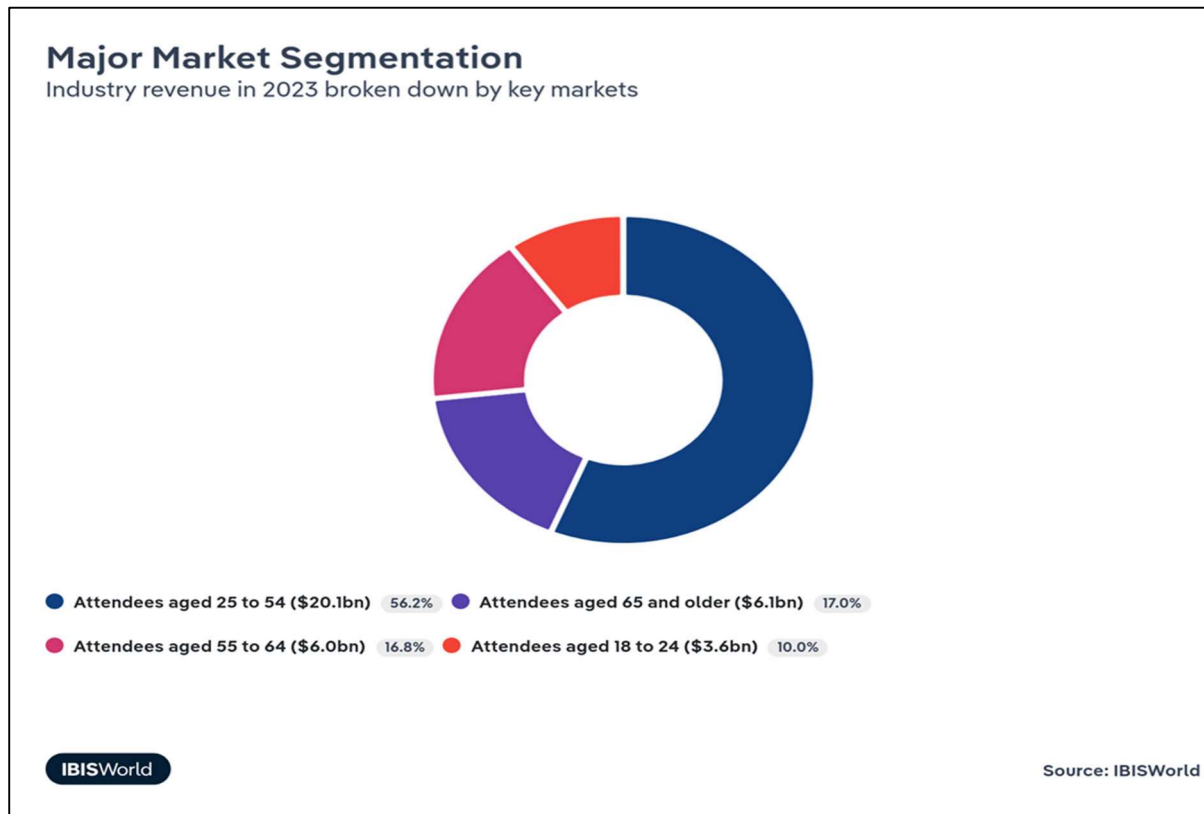
Algorithms for music discovery

- Developers have created different platforms for listening to and sharing music, where they collect data on what people listen to in order to suggest other things they might like.
- Apps like Spotify learn what sort of music you like, and along with suggestions you are also informed about which of your favorite artists are performing nearby.
- Spotify will also share presale codes with the most dedicated listeners who are in the top 1.0% listening to an artist.

Mobile ticketing apps

- Mobile ticketing has improved in recent years thanks to a variety of new apps entering the market.
- Apps like Dice or Resident Advisor let attendees browse upcoming events, as well send or exchange tickets between people with much more ease than before.

MAJOR MARKETS



WHAT'S INFLUENCING DEMAND FROM THE INDUSTRY'S MARKETS?

Attendees aged 18 to 24 spend the most on merchandise

- Consumers aged 18 to 24 are likely to attend all types of live performances, including concerts, stage productions, sporting events, festivals and other shows.
- Although this demographic is a major revenue generator for promoters that sell merchandise and concessions during events, ticket purchases and frequent attendances are more common among slightly older populations that maintain higher personal incomes.
- This group is expected to generate a larger portion of industry revenue moving forward, as potential health risks of coronavirus are low for younger age groups.

Attendees aged 25 to 54 spend the most on admissions and concessions

- The bulk of industry events, such as live music concerts and sporting events, target men and women aged 25 to 54.
- These consumers tend to spend more discretionary income on live events than any other demographic and are also likely to allocate the most money toward admissions, concessions and merchandise inside venues.
- Unlike demographic groups consisting of younger or older patrons, consumers currently in the labor force are expected to generate a comparatively larger portion of

the industry revenue. Additional disposable income as a result of employment enables these consumer groups.

Consumers aged 55 and older attend theatrical and orchestral performances

- While they do attend live sporting events, concerts and music festivals, these are not staples of this demographic's industry spending; theatrical and orchestral performances are more popular with these audiences.
- Because of the relative infrequency of concert attendance and greater disinterest in venue merchandise, this demographic does not draw the same level of advertising, food, beverage and merchandise revenue as younger audiences.

Attendees 65 and older make up the smallest market

- Individuals aged 65 and older are the population most at risk for developing severe cases of coronavirus.

WHERE ARE INDUSTRY BUSINESSES LOCATED?

The highly populated cities in the Mid-Atlantic region attract visitors and drive demand

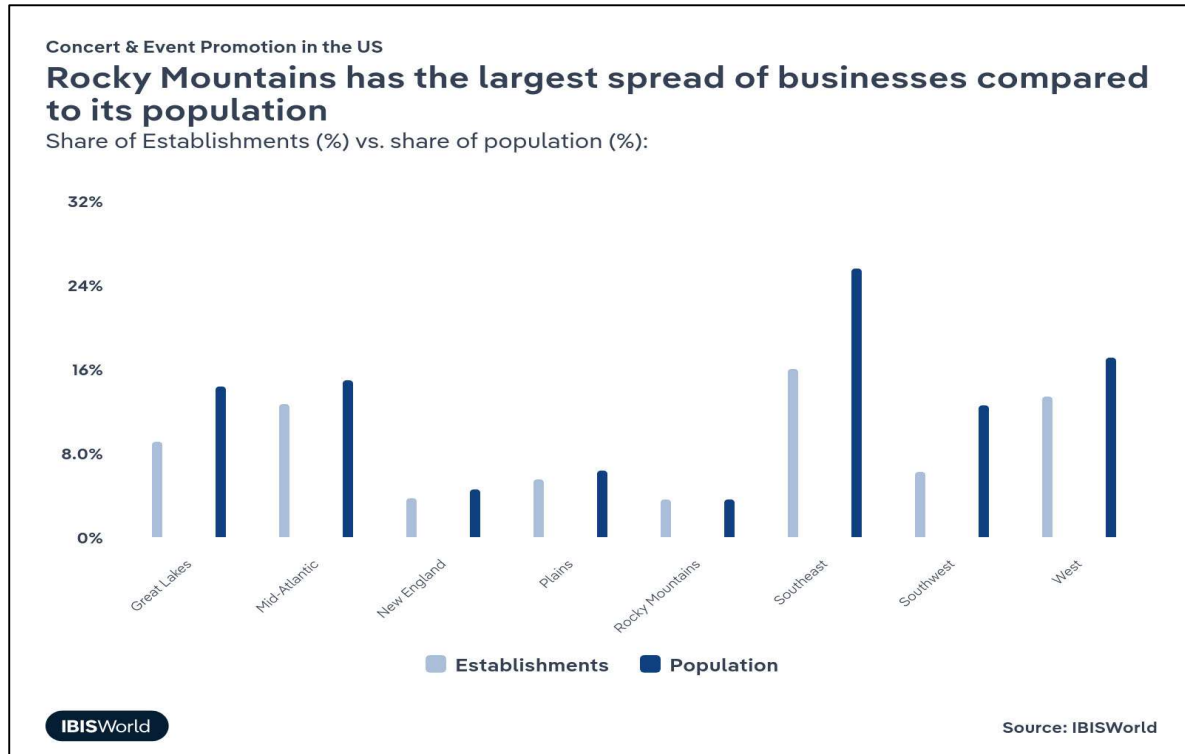
- The region is home to several high-profile US cities such as New York City and Philadelphia, both of which have a strong theatre scene.
- The highly concentrated populations in these cities make them ideal for concerts and other large events with high capacity.
- A highly concentrated population drives tourism, which creates further demand for cultural experiences and lesser-known artists.

In the Southeast, outdoor concerts and events can go on year round

- The area has a relatively smaller proportion of establishments compared with its population, as major events often go on in the Mid-Atlantic and West regions due to the profile of major cities in these areas.
- Many outdoor venues in the region can remain open throughout the year, maintaining that the Southeast will remain a lucrative area for event promoters and artists for many years.

California, in the Western region of the US, is a cultural hub

- This region is population dense, largely due to California
- It attracts a variety of events and therefore promoters, as a result of California's numerous metropolitan areas that contain a range of cultures, styles and climates.
- Just like the Mid-Atlantic and Southeast regions, the West has one of the highest concentrated populations and is one of the most coveted major metropolitan areas in the country for touring performers.



Philadelphia Live Music Market

The subject space is a one-of-a-kind venue in the City of Philadelphia in terms of uses, layout, and overall marketability. No other live performance venue combines the historic Hammerstein-design with a state-of-the-art renovated finish.

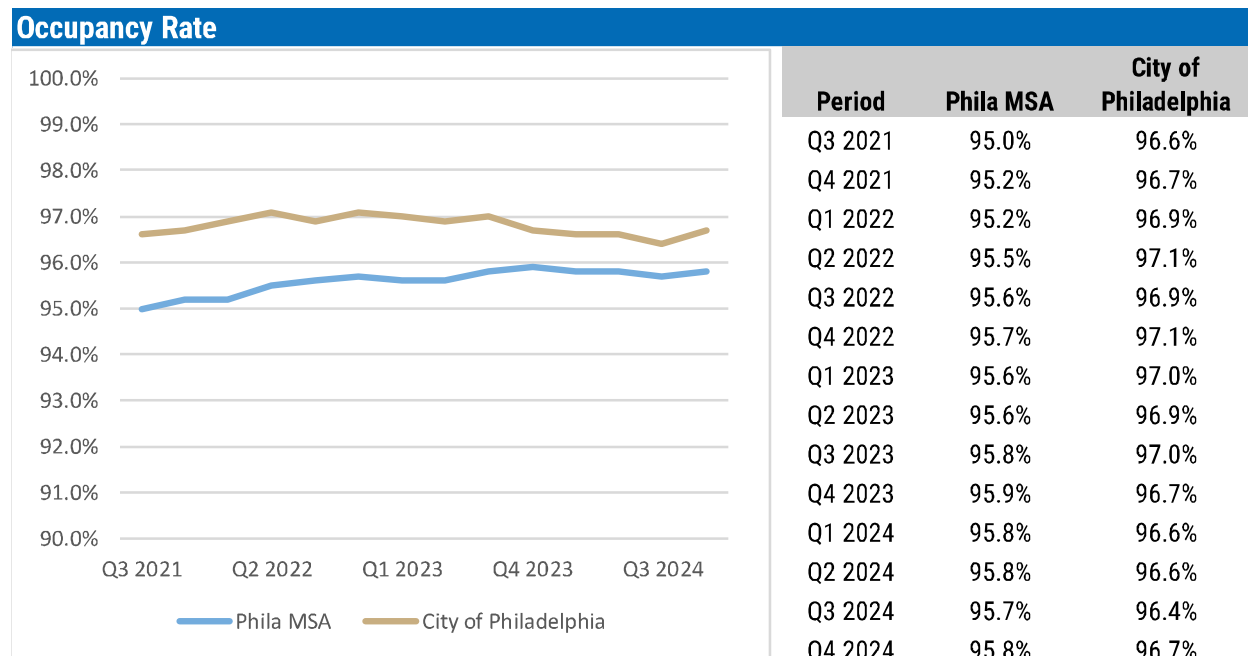
Despite the uniqueness of the subject property, there are many live entertainment venues throughout the city including Union Transfer, the Fillmore, the Trocadero Theater, the Electric Factory, and more institutional venues like the Kimmel Center, Walnut Street Theater, and the Pennsylvania Ballet.

Overall, the Philadelphia Live Music market is strong but the subject is uniquely positioned given its one-of-a-kind fit-out and that represents Live Nation’s largest theater in the area.

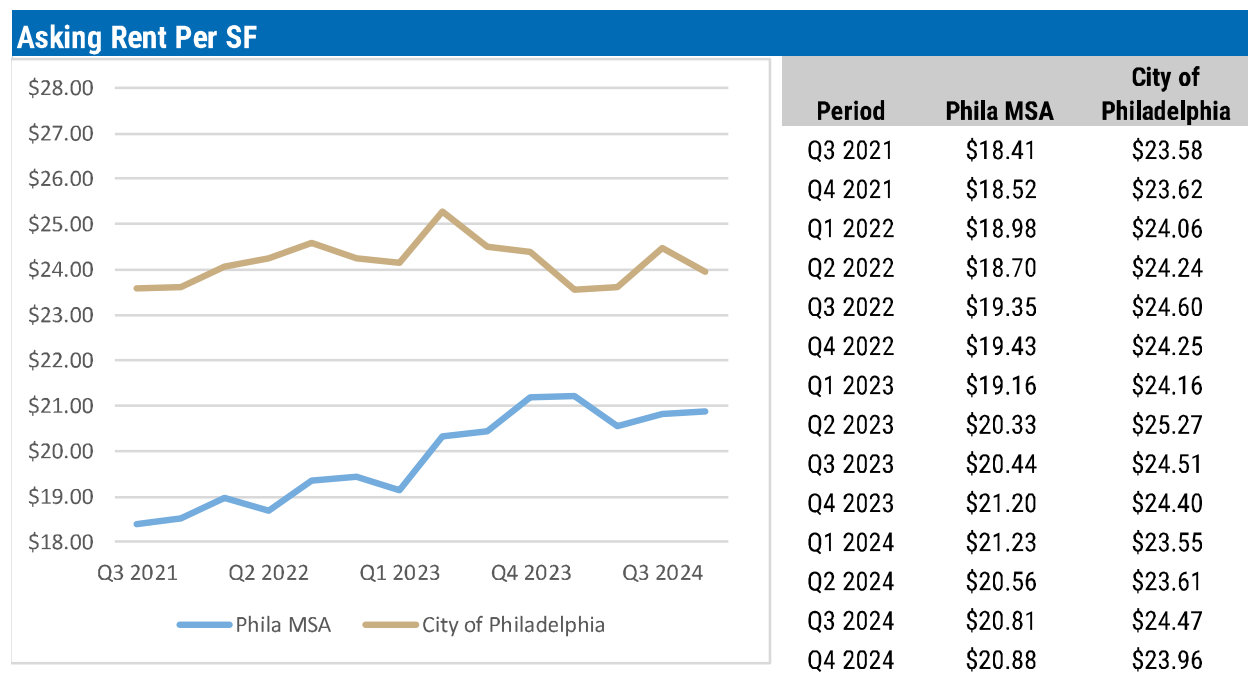
LOCAL RETAIL MARKET ANALYSIS

Retail Market Overview

The following discussion outlines overall market performance in the surrounding retail market using Costar market metric data. Presented are market statistics of the Phila MSA area and the subject City of Philadelphia submarket overall.



Source: Costar; Compiled by Newmark Valuation & Advisory



Source: Costar; Compiled by Newmark Valuation & Advisory

Retail Market Statistics

Trailing Four Quarters Ended Q4 2024

Market / Submarket	Inventory (SF)	Completions (SF)	Vacancy (%)	Net Absorption (SF)	NNN Rent Overall / SF
Phila MSA	349,393,428	663,548	4.20%	-224,052	\$20.88
City of Philadelphia	79,551,668	157,397	3.30%	-4,259	\$23.96

Source: Costar; Compiled by Newmark Valuation & Advisory

- The average vacancy rate for the subject submarket is lower than that of the overall market area.
- The average rental rate for the submarket is higher than the overall Phila MSA market. The subject City of Philadelphia submarket is considered an upper tier submarket as compared to the other submarkets in the overall Phila MSA area.
- Approximately 0.2% of the submarket inventory, and 0.2% of the market inventory, represents newer construction.
- Absorption for the last 12 months was negative for the overall market area and at the submarket level.

Market and Submarket Trends

Retail Market Trends

	Phila MSA				City of Philadelphia			
	Inventory (SF)	Completions (SF)	Vacancy %	NNN Rent Overall / SF	Inventory (SF)	Completions (SF)	Vacancy %	NNN Rent Overall / SF
Q4 2022	349,225,831	411,558	4.3%	\$19.43	79,323,014	162,344	2.9%	\$24.25
Q1 2023	349,494,188	277,065	4.4%	\$19.16	79,413,109	91,095	3.0%	\$24.16
Q2 2023	349,294,340	249,767	4.4%	\$20.33	79,472,964	63,285	3.1%	\$25.27
Q3 2023	349,086,022	42,534	4.2%	\$20.44	79,484,437	12,034	3.0%	\$24.51
Q4 2023	349,155,870	283,544	4.1%	\$21.20	79,485,763	7,221	3.3%	\$24.40
Q1 2024	349,348,705	226,718	4.2%	\$21.23	79,499,263	13,500	3.4%	\$23.55
Q2 2024	349,307,813	146,794	4.2%	\$20.56	79,466,081	27,564	3.4%	\$23.61
Q3 2024	349,234,616	133,830	4.3%	\$20.81	79,439,761	3,026	3.6%	\$24.47
Q4 2024	349,393,428	156,206	4.2%	\$20.88	79,551,668	113,307	3.3%	\$23.96

Source: Costar; Compiled by Newmark Valuation & Advisory

- The overall market area and submarket have been stagnant with respect to occupancy over the past year.
- Over the past several years, effective rental rates have been following a generally increasing trend within the metro market and have fluctuated within the submarket.
- As shown above, the submarket is outperforming against the market overall in terms of rental and vacancy rate.

Long Term Phila MSA Market Metrics

The following provides a longer term view of the market.

Phila MSA Market Metrics						
Period	Inventory (SF)	Vacancy %	Net Absorption (SF)	Completions (SF)	Nnn Rent Overall	All Service Type Rent Overall
Q2 2022	349,038,922	4.5%	899,760	353,981	\$18.70	\$18.73
Q3 2022	349,067,045	4.4%	364,530	120,633	\$19.35	\$19.59
Q4 2022	349,225,831	4.3%	570,433	411,558	\$19.43	\$19.62
Q1 2023	349,494,188	4.4%	32,346	277,065	\$19.16	\$19.38
Q2 2023	349,294,340	4.4%	-198,410	249,767	\$20.33	\$20.37
Q3 2023	349,086,022	4.2%	365,944	42,534	\$20.44	\$20.52
Q4 2023	349,155,870	4.1%	505,364	283,544	\$21.20	\$21.42
Q1 2024	349,348,705	4.2%	-191,116	226,718	\$21.23	\$21.49
Q2 2024	349,307,813	4.2%	-239,825	146,794	\$20.56	\$21.09
Q3 2024	349,234,616	4.3%	-280,960	133,830	\$20.81	\$21.13
Q4 2024	349,393,428	4.2%	487,849	156,206	\$20.88	\$20.95
Y 2006	322,588,121	6.3%	355,643	4,229,786	\$15.95	\$15.23
Y 2007	326,791,370	5.8%	5,378,752	4,439,389	\$16.27	\$15.76
Y 2008	330,933,284	5.6%	4,847,248	4,475,406	\$16.43	\$16.02
Y 2009	335,169,799	6.1%	2,117,842	4,672,972	\$15.80	\$15.56
Y 2010	337,362,379	5.4%	4,431,107	2,667,759	\$15.48	\$15.28
Y 2011	338,645,949	5.4%	1,389,155	1,763,966	\$15.35	\$15.10
Y 2012	339,767,031	5.4%	849,206	1,661,311	\$15.20	\$14.79
Y 2013	340,865,824	5.4%	1,128,813	1,623,110	\$15.12	\$14.78
Y 2014	341,505,328	5.1%	1,596,361	1,204,077	\$15.57	\$15.31
Y 2015	343,705,226	5.2%	1,858,020	3,034,175	\$15.26	\$15.12
Y 2016	344,911,902	4.8%	2,340,616	2,433,532	\$15.55	\$16.03
Y 2017	346,935,221	4.4%	3,281,330	2,468,922	\$15.69	\$15.67
Y 2018	348,270,138	4.3%	1,808,486	1,934,223	\$16.38	\$16.11
Y 2019	349,176,080	4.4%	359,355	1,435,805	\$17.10	\$17.06
Y 2020	349,955,285	5.4%	-2,595,937	1,392,086	\$17.27	\$17.14
Y 2021	349,162,957	4.8%	1,371,183	1,271,587	\$18.52	\$18.34
Y 2022	349,225,831	4.3%	1,739,104	1,078,832	\$19.43	\$19.62
Y 2023	349,155,870	4.1%	705,244	852,910	\$21.20	\$21.42
Y 2024	349,393,428	4.2%	-224,052	663,548	\$20.88	\$20.95
5 Year Average	349,378,674	4.6%	199,108	1,051,793	\$19.46	\$19.49
10 Year Average	347,989,194	4.6%	1,064,335	1,656,562	\$17.73	\$17.75
15 Year Average	345,202,563	4.8%	1,335,866	1,699,056	\$16.93	\$16.85

Source: Costar; Compiled by Newmark Valuation & Advisory

Supply & Demand

Construction Versus Absorption

Construction/Absorption Change									
Market / Submarket	Prior Calendar Years History								
	Prior Calendar Year History			Prior Three Year History			Prior Five Year History		
	SF Built	SF Absorbed	Const. / Abs. Ratio	SF Built	SF Absorbed	Const. / Abs. Ratio	SF Built	SF Absorbed	Const. / Abs. Ratio
Phila MSA	663,548	-224,052	-3.0	2,595,290	2,220,296	1.2	5,258,963	995,542	5.3
City of Philadelphia	157,397	-4,259	-37.0	823,855	439,664	1.9	1,597,075	496,319	3.2

Source: Costar; Compiled by Newmark Valuation & Advisory

- Absorption in the City of Philadelphia submarket has fallen behind construction over the past several years.

Trends and Projections

Subject and Market Historical and Forecast Trends

Market Vacancy Rate Indicators					
	Current	Most Recent Full Year	Trailing 3-Year	Trailing 5-Year	Trailing 10-Year
Costar					
Phila MSA	4.20%	4.20%	4.30%	5.40%	5.20%
City of Philadelphia	3.30%	3.30%	2.90%	3.60%	5.50%
Concluded Subject Vacancy Rate	4.00%				

Source: Costar, Newmark Valuation & Advisory

- Based on the preceding analysis, we conclude that a 4.00% vacancy factor is appropriate for the subject in the current environment (net of any allocation for collection loss).

Conclusion

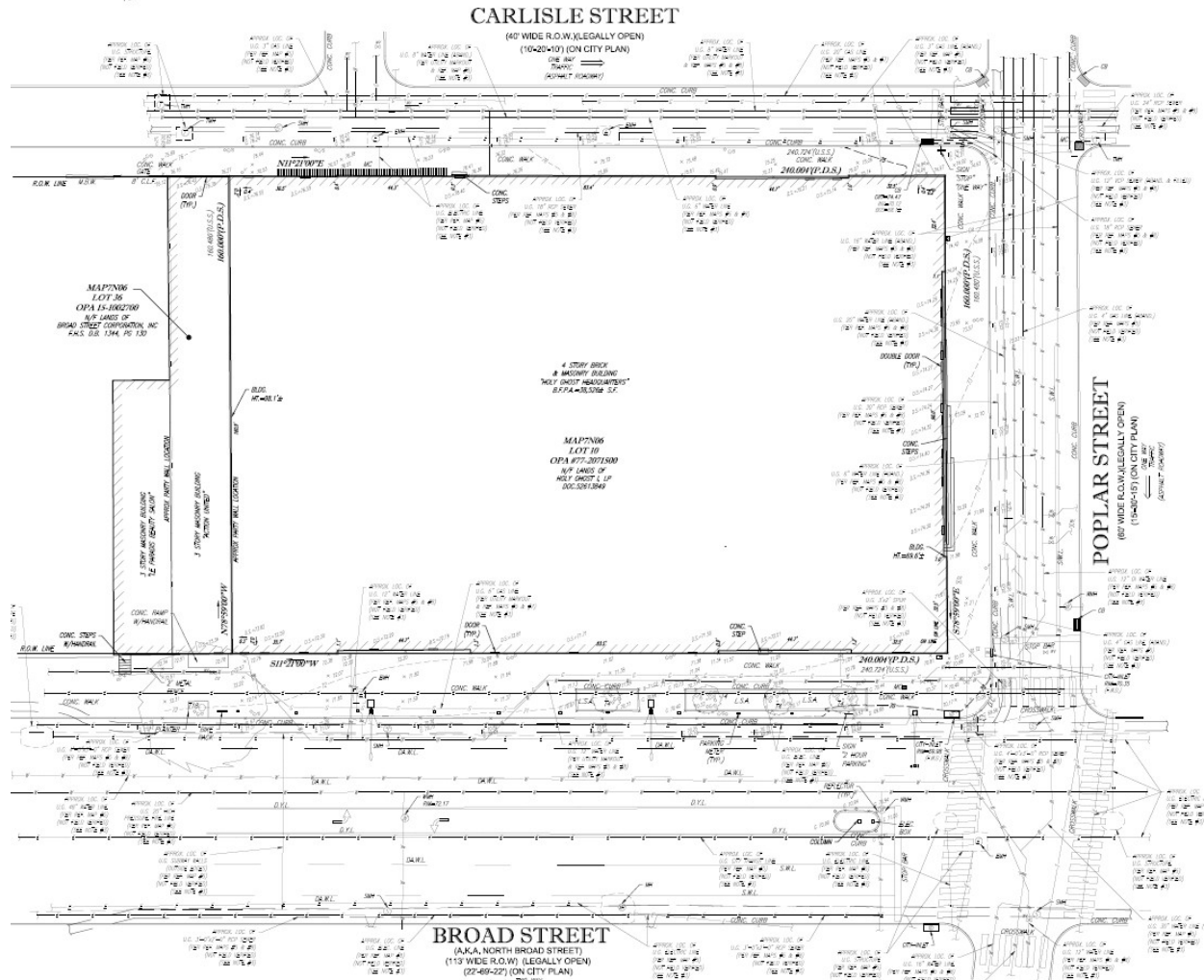
Occupancy Conclusions

Costar	
Phila MSA	95.80%
City of Philadelphia	96.70%
Subject Property's Stabilized Occupancy	96.00%

Source: Costar, Newmark Valuation & Advisory

- Based on the preceding analysis, the subject's stabilized occupancy level is projected at 96.00%.

Land and Site Analysis

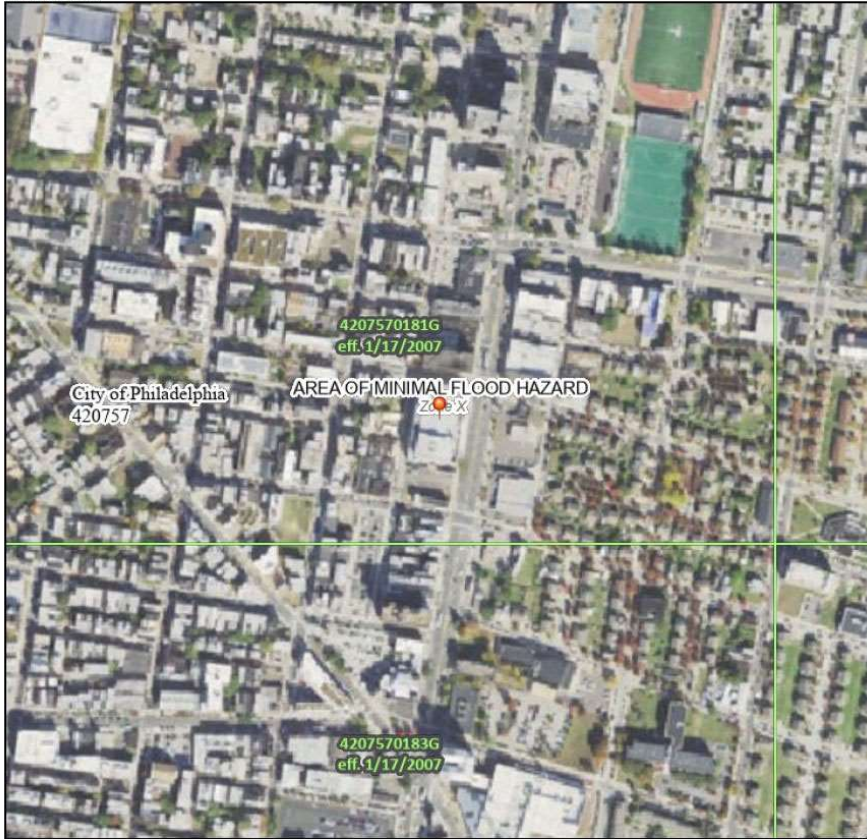


Site Plan

National Flood Hazard Layer FIRMette



75°9'56"W 39°58'25"N



0 250 500 1,000 1,500 2,000 Feet 1:6,000

Baseemap Imagery Source: USGS National Map 2023

Legend

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

SPECIAL FLOOD HAZARD AREAS	Without Base Flood Elevation (BFE) Zone A, V, APF
	With BFE or Depth Zone AE, AO, AH, VE, AR
	Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD	0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
	Future Conditions 1% Annual Chance Flood Hazard Zone X
	Area with Reduced Flood Risk due to Levee. See Notes, Zone X
	Area with Flood Risk due to Levee, Zone D
OTHER AREAS	NO SCREEN Area of Minimal Flood Hazard Zone X
	Effective LOMRS
	Area of undetermined Flood Hazard Zone D
GENERAL STRUCTURES	channel, culvert, or Storm Sewer
	Levee, Dike, or Floodwall
OTHER FEATURES	Cross Sections with 1% Annual chance Water Surface Elevation
	Coastal Transect
	Base Flood Elevation Line (BFE)
	Limit of study
	Jurisdiction Boundary
	Coastal Transect Baseline
	Profile Baseline
	Hydrographic Feature
MAP PANELS	Digital Data Available
	No Digital Data Available
	Unmapped

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

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 1/24/2025 at 8:07 AM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

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

Flood Map

Land Parcels

Parcel Summary	Associated APN(s)	Land Area (SF)	Land Area (Acres)
858 North Broad Street	772071500	38,400	0.8815

Compiled by Newmark

Land Description

Total Land Area	0.8815 Acres; 38,400 SF
Source of Land Area	Site Plan dated March 10, 2017 and prepared by Control Point Associates Inc.

Site Characteristics

Primary Street Frontage	Broad Street (240 FF)
Secondary Street Frontage	Carlisle Street (240 FF)
Additional Street Frontage	Poplar Street (160 FF)
Traffic Control at Entry	Traffic light
Traffic Flow	High
Accessibility Rating	Average
Visibility Rating	Good
Shape	Rectangular
Corner	Yes
Rail Access	No
Topography	Generally level and at street grade

Flood Zone Analysis

Flood Area Panel Number	4207570181G
Date	1/17/2007
Zone	Zone X
Description	Area of minimal flood hazard, usually depicted on Flood Insurance Rate Maps as above the 500-year flood level.
Insurance Required?	No

Utilities

Utility Service Providers	
Water	Philadelphia Water Department (PWD)
Sewer	Philadelphia Water Department (PWD)
Electricity	Philadelphia Electric Company (PECO)
Natural Gas	Philadelphia Gas Works (PGW)

Compiled by Newmark

EASEMENTS, ENCROACHMENTS AND RESTRICTIONS

We were not provided a current title report to review. Further, there do not appear to be any easements, encroachments, or restrictions other than those that are typical for the property type. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

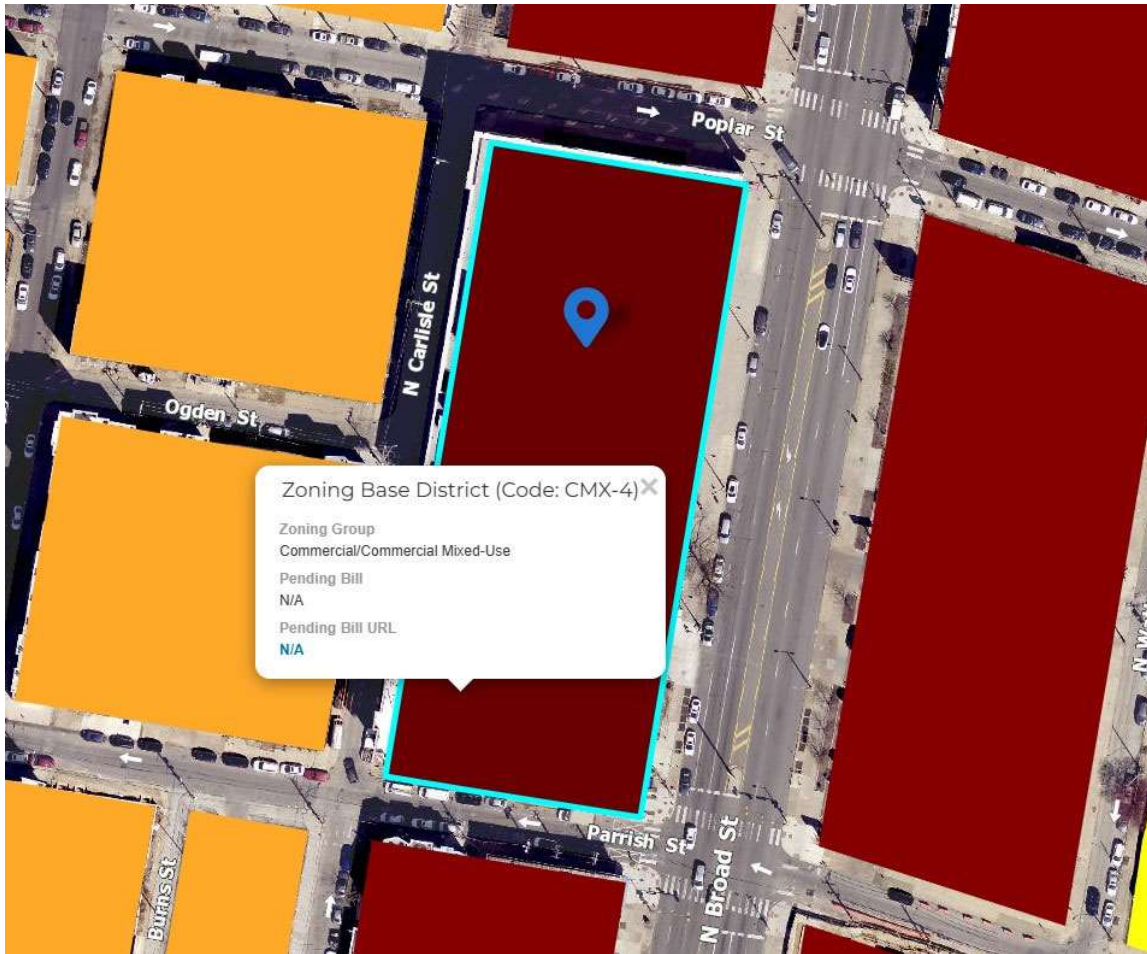
ENVIRONMENTAL ISSUES

No environmental issues were observed or reported. Newmark is not qualified to detect the existence of potentially hazardous issues such as soil contaminants, the presence of abandoned underground tanks, or other below-ground sources of potential site contamination. The existence of such substances may affect the value of the property. For this assignment, we have specifically assumed that any hazardous materials that would cause a loss in value do not affect the subject.

CONCLUSION

- Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.
- The subject benefits from its significant frontages along both North Broad and Poplar Streets.
- We are not aware of any other particular restrictions on development.

Zoning and Legal Restrictions



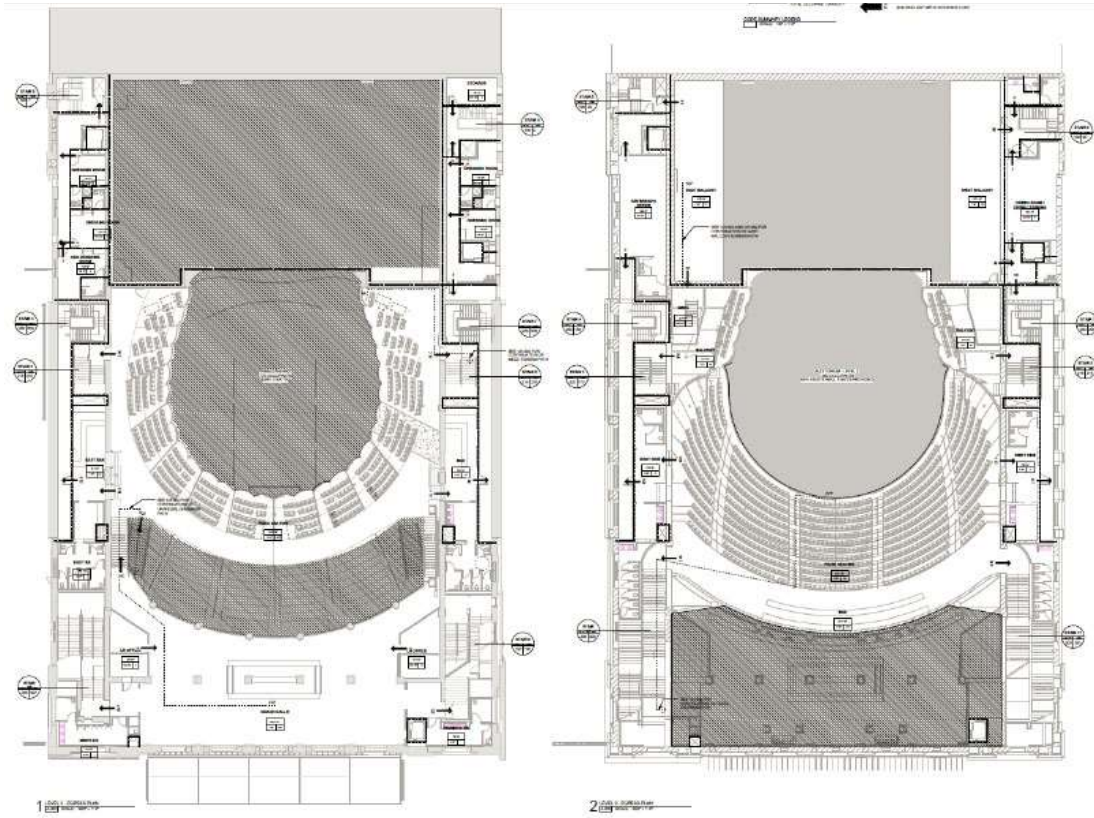
Zoning Map

Zoning Summary

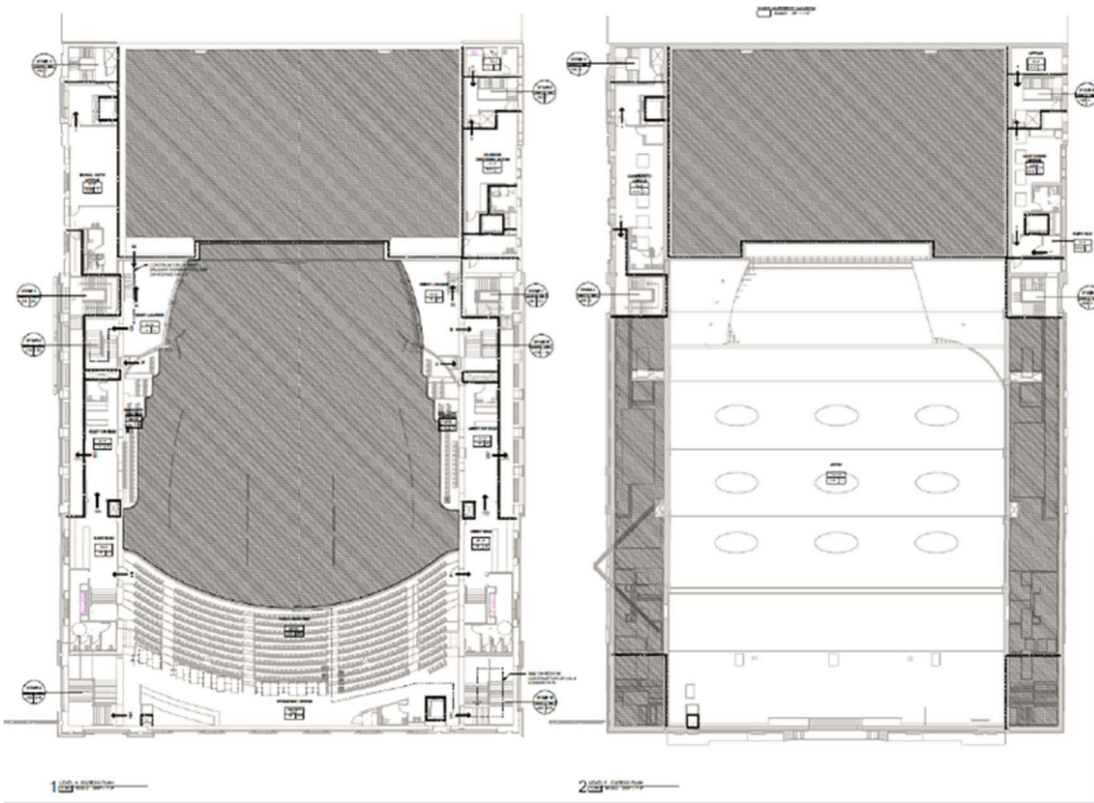
Category	Description
Zoning Jurisdiction	City of Philadelphia
Zoning Designation	CMX-4
Description	Center City Commercial Mixed-Use
Legally Conforming?	Yes
Zoning Change Likely?	Unlikely
Permitted Uses	A variety of commercial uses (office, retail, etc.), multifamily use, various public/ civic/ institutional uses, and mixed uses.
Maximum Floor Area Ratio	5.00
Allowable Building Area	192,000

Compiled by Newmark

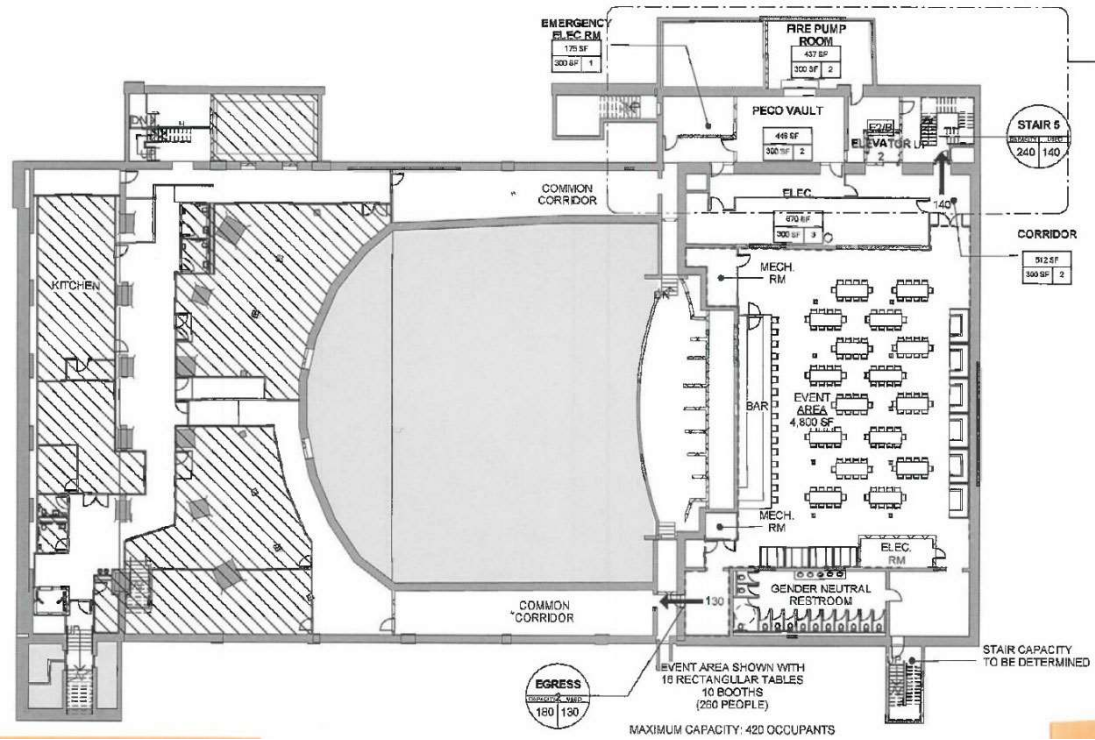
We are not experts in the interpretation of zoning ordinances. A qualified land use/zoning expert should be engaged if there are any zoning concerns or if a determination of compliance with zoning is required.



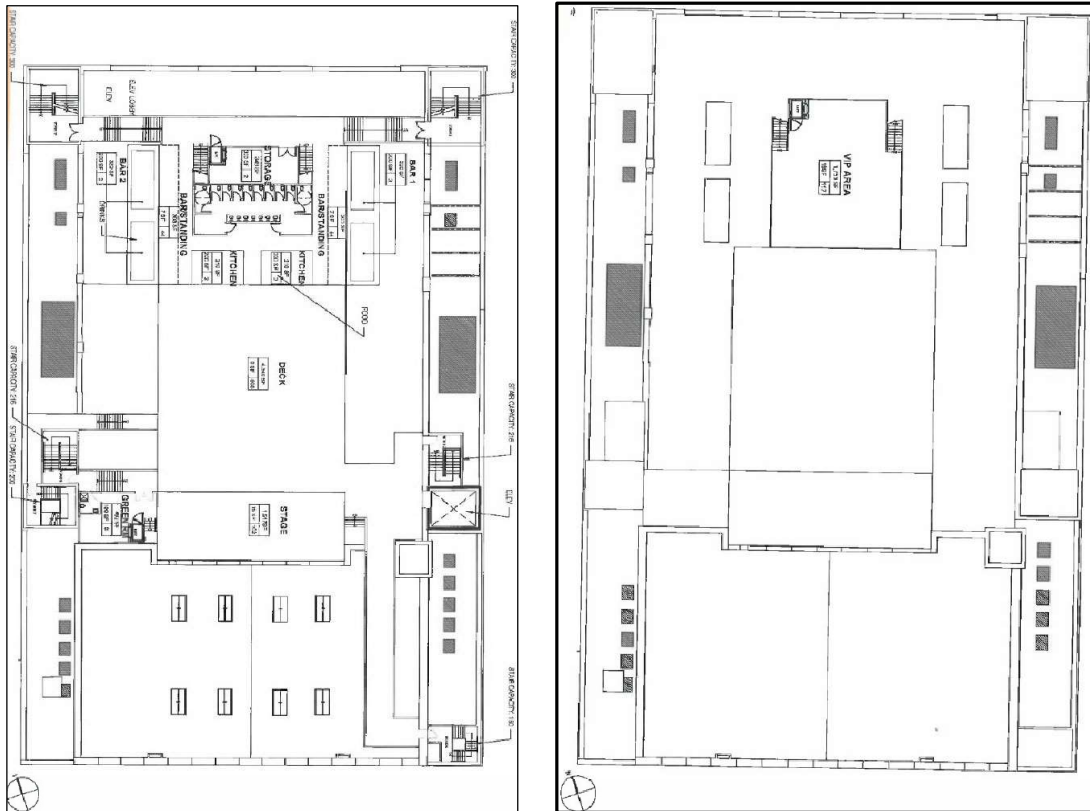
Floor Plan – Levels 2 and 3



Floor Plan – Levels 4 and 5



Basement Area (Oscar's) Proposed Plans



Roof Deck Proposed Plans



The subject of this appraisal is the Philadelphia Metropolitan Opera House, locally referred to as The Met, a 133,419 square foot former opera house which was extensively renovated for use as a live performance venue that is leased and operated by Live Nation Entertainment. The building was designed by Oscar Hammerstein and originally constructed in 1908. The \$42.5 million renovation of the subject was completed in 2018. In addition to the Live Nation space, the subject has a 719 SF street retail space that is currently owner occupied.

The improvements are more fully described in the following table.

Improvements Description

Component Structures

Improvements (Structures)	
General Improvement Type	Specialty
Use Description	Performing Arts Center
No. Buildings	1
Rentable SF	133,419
% Occupied	100.00%
Construction Status	Existing, Stabilized Operations
Construction Class	C
Quality	Good
Current Condition	Good

Age/Life Depreciation Analysis

Year Built	1908
Year Renovated	2018
Actual Age (Yrs.)	117
Economic Life (Yrs.)	45
Effective Age (Yrs.)	10
Remaining Economic Life (Yrs.)	35

Floor Area Analysis

Number of Stories	5
Attributed Site Area (SF)	38,400
Site Coverage	69.5%
Floor Area Ratio (FAR)	3.474
Land to Building Ratio	0.29:1
Parking Type	No on-site parking spaces. However, the ownership indicates that 954 spaces are available to the subject in various neighboring lots through several parking agreements; a valet service is offered to guests via North Broad Street. These parking agreements are excluded from our analysis as they are not part of the subject's collateral.

Construction Details

Foundation	Combination of cast-in-place reinforced concrete with poured concrete and brick floor slabs.
Basement	Full with cut-out for lower level seating bowl; basement houses kitchen and mechanical areas and will feature bar/restaurant space upon completion of proposed capital work.
Structural Frame/Construction Summary	Structured steel and cast-in-place reinforced concrete
Exterior Walls	Combination of stone, limestone, and brick
Windows	Insulated glass set in metal frames with ornate arched transom windows in some areas.
Roof	Built-up asphalt cover atop rubber membrane; parapets capped with decorative triangle stone.

Interior Finish	
Floors	Mostly commercial grade carpeting throughout seating levels and common areas; certain areas have exposed polished concrete and marble.
Walls	Exposed brick and concrete in seating levels, certain areas have painted sheetrock.
Ceilings	Seating areas have ornamental plaster that mirror the original finishes.
Lighting	Standard live entertainment auditorium lighting; combination of fluorescent and incandescent in other areas.
Engineering & Mechanical	
HVAC	Large rooftop units provide sufficient heating and cooling for the facility.
Electrical	Assumed adequate
Plumbing	Assumed adequate
Utility Meters	Individually metered
Elevators	Three elevators total, 1 with 2,500 lb capacity and 2 with 3,500 lb capacity.
Rest Rooms	Multiple located throughout each floor.
Fire Sprinklers	Wet
Improvement Features and Amenities	
Property Amenities	The main tenant (anchor tenant) is Live Nation. The space is one of the most unique in the city of Philadelphia in terms of use, layout, and overall marketability. The subject was designed by Oscar Hammerstein in 1908. Much of the original plaster on the ceiling had been tarnished and damaged though was repaired and now include K-13 acoustics. The developer replaced the stage's proscenium arch including the unique floret floral designs and coloring.
Site Features	The subject's main entrance is from North Broad Street. This entrance houses the ticket office, coat check, elevator, and check-in area. After the initial reception area is a central bar area with stairwells flanking on the sides providing access to the upper levels. The upper levels also feature an additional event space and multiple bars, as well as access to luxury boxes and the VIP area on the mezzanine balcony. The lower level seating bowl features seats on retractable sleds to accommodate different event types. All seating levels are gently sloping to allow for better views throughout the subject. Seating capacity is 4,300 with a total capacity of 7,000.

Compiled by Newmark

Quality, Condition, and Functional Utility

The improvements are of good quality construction and in good condition. During the major renovation completed in 2018, the developer carried out all plans and improvements to meet that objective and the demands of the tenant – Live Nation. As noted previously, ownership spent approximately \$42,500,000 in hard & softs costs renovating the subject property. The subject is one of the most unique properties in the city of Philadelphia in terms of use, layout, and overall marketability.

The building was designed by Oscar Hammerstein. This esteemed individual was an American theatrical producer, and theatre director of musicals for almost forty years. Hammerstein won eight Tony Awards and two Academy Awards for Best Original Song. He co-wrote 850 songs. Hammerstein was the lyricist and playwright in his partnerships; his collaborators wrote the music.

Hammerstein collaborated with numerous composers but he is best known for his collaborations with Richard Rodgers, as the duo Rodgers and Hammerstein their projects include Oklahoma!, Carousel, South Pacific, The King and I, and The Sound of Music.



In addition to the overall favorable quality and condition, the utility of the space which features expansive ceiling heights, historic Oscar Hammerstein design, and favorable layout, offers much appeal in the marketplace. Considering the above, the subject is considered to be superior to that of competing properties.

Deferred Maintenance

Our observation of the property indicated no significant items of deferred maintenance.

ADA Compliance

Based on our observation as well as any information provided, no ADA compliance issues were noted. However, the client is advised to obtain review by a qualified professional versed in ADA compliance as we do not have expertise.

Environmental Assessment

Although requested, we were not provided a Phase I Environmental Assessment. We did not observe any potentially hazardous materials such as lead paint, asbestos, urea formaldehyde foam insulation, or other potentially hazardous construction materials on or in the improvements.

However, it is noted that we did not search for such materials and are not qualified to detect such materials. The existence of said hazardous materials (if any) may have an effect on the value of the property. Therefore, for the purpose of this appraisal, we have specifically assumed that the property is not affected by any hazardous materials that may be present on or in the improvements. We strongly recommend that a qualified environmental engineering firm be retained by the Client prior to making a business decision.

Personal Property

No personal property items were observed that would have any material contribution to market value.

CONCLUSION

- The improvements are of good quality construction and are in good condition.
- The improvements are considered to be functional for the existing use.
- Overall, the improvements are well suited for the existing use.
- Overall, the quality, condition, and functional utility of the improvements are rated as above average for their age and location.

Real Estate Taxes

Real estate taxes in Pennsylvania are assessed under the jurisdiction of the individual counties that comprise the region. They are derived on an ad valorem basis with total taxation reflecting the application of appropriate tax rates to a proportion of perceived market value – known as assessed value. These tax rates, or millage rates, are assembled from three components, applicable to their specific county authorities, local municipalities and school districts. They are then applied on an annual dollar for dollar basis per \$1,000 of total assessed value. It is further noted that the counties and municipalities set their tax rates on a calendar year; school districts typically operate on a fiscal year. In the City of Philadelphia, the Office of Property Assessment (OPA) has affirmed a millage rate of 1.3998% through 2025.

In Pennsylvania, real property is not automatically mandated to be reassessed upon sale as in some states. Reassessments are either triggered by the issuance of building permits to significantly improve a property, or through the appeal by a proper authority (i.e. school district/municipality) or individual taxpayer or by announced county-wide reassessment. The City of Philadelphia recently released new assessment data effective for tax year 2025.

We note that the property benefits from the 10-year tax abatement pursuant to Council Ordinance 1130, as Amended 2 Section 19-1303(3) of the Philadelphia Code, which offers abatement of real estate taxes on improvements to properties whereby the property owner receives a ten-year tax abatement on 100% of the value added by the construction of the improvements.

Real estate taxes and assessments for the 2025 tax year are shown in the following table.

Taxes and Assessments									
Tax Year 2025	Taxable Assessment (Abated)			Total Assessment (Unabated)			Tax Rates	Taxes and Assessments	
Tax ID	Land	Improvements	Total	Land	Improvements	Total	Land & Improvements	Total Abated	Total Unabated
772071500	\$2,127,600	\$183,832	\$2,311,432	\$2,127,600	\$19,500,000	\$21,627,600	1.3998%	\$32,355	\$302,743

Compiled by Newmark

The subject property has approximately 4 years remaining on the original 10-year abatement term. We note that the subject’s tenants reimburse the landlord for their pro-rata share of real estate taxes. As such, it is not necessary to calculate the remaining value of the abatement as the benefit goes to the tenant.

Highest and Best Use

AS VACANT

The site is zoned CMX-4 which allows for a variety of commercial uses (office, retail, etc.), multifamily use, various public/ civic/ institutional uses, and mixed uses. Based on available data and analysis, no other legal restrictions such as easements or deed covenants are present which would impair the utility of the site. Given that surrounding properties have similar zoning and the future land use plan is focused on similar uses as well, it is unlikely that there would be a change of zoning classification.

The subject site contains 38,400 square feet, has favorable topography, adequate access, and all necessary utilities to support the range of legally permissible uses. No significant physical limitations were noted. The size of the site is typical for the categories of uses allowed under zoning. In total, the site is physically capable of supporting the legally permissible uses.

Of the legally permissible and physically possible uses, only mixed use is considered to be reasonably probable. Given the underlying market conditions and activity, it appears that a mixed use development would have a sufficient degree of feasibility.

The financially feasible analysis has yielded the conclusion that development of a mixed use is feasible and reasonably probable. The associated risk is typical and market conditions appear to be supportive. Therefore, the highest and best use of the subject as though vacant is the development of a mixed use. As noted, market and economic conditions are supportive of the near term development of this use on the site. The most likely buyer would be a developer.

AS IMPROVED

The existing improvements reflect a performing arts center and are legally conforming to zoning. There are no known legal restrictions to the continued use of the improvements as they were designed. As previously discussed, the improvements are rated as good for their age and location. The improvements conform to the expectations of the market and conform in general terms to the highest and best use as though vacant conclusion above. The improvements were designed for this use. Based on our analysis and review, the improvements do not appear to suffer from significant functional obsolescence. Therefore, continuation of the existing specialty property use is reasonably probable and appropriate.

In this case, the subject is an income producing property and is capable of generating sufficient income to support the continuation and maintenance of the use. This is demonstrated in the income capitalization approach by the fact that a positive income stream can be generated. Since the concluded value as though improved exceeds the value of the underlying land, it follows that

removal of the improvements for redevelopment or substantial conversion to an alternative use is not indicated.

The existing specialty improvements are legally permissible, physically possible, and financially feasible. The concluded value as though improved exceeds the value of the underlying land and removal of the improvements for redevelopment or substantial conversion to an alternative use is not indicated based on current neighborhood trends. Given no alternatives, the highest and best use of the subject as improved is the existing specialty property use. Market and economic conditions are supportive of this continued use.

Taking into account the specialty use of the facility as well as the size and characteristics of the property and its occupancy, the likely buyer is a local, regional, or national investor such as an individual or partnership comprised of high-net-worth investors given the quality of the construction and with the Live Nation lease in place.

Appraisal Methodology

COST APPROACH

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

SALES COMPARISON APPROACH

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the property units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value.

INCOME CAPITALIZATION APPROACH

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

Application of Approaches to Value	
Approach	Comments
Cost Approach	The Cost Approach is not applicable and is not utilized in this appraisal.
Sales Comparison Approach	The Sales Comparison Approach is applicable and is utilized in this appraisal.
Income Capitalization Approach	The Income Capitalization Approach is applicable and is utilized in this appraisal.

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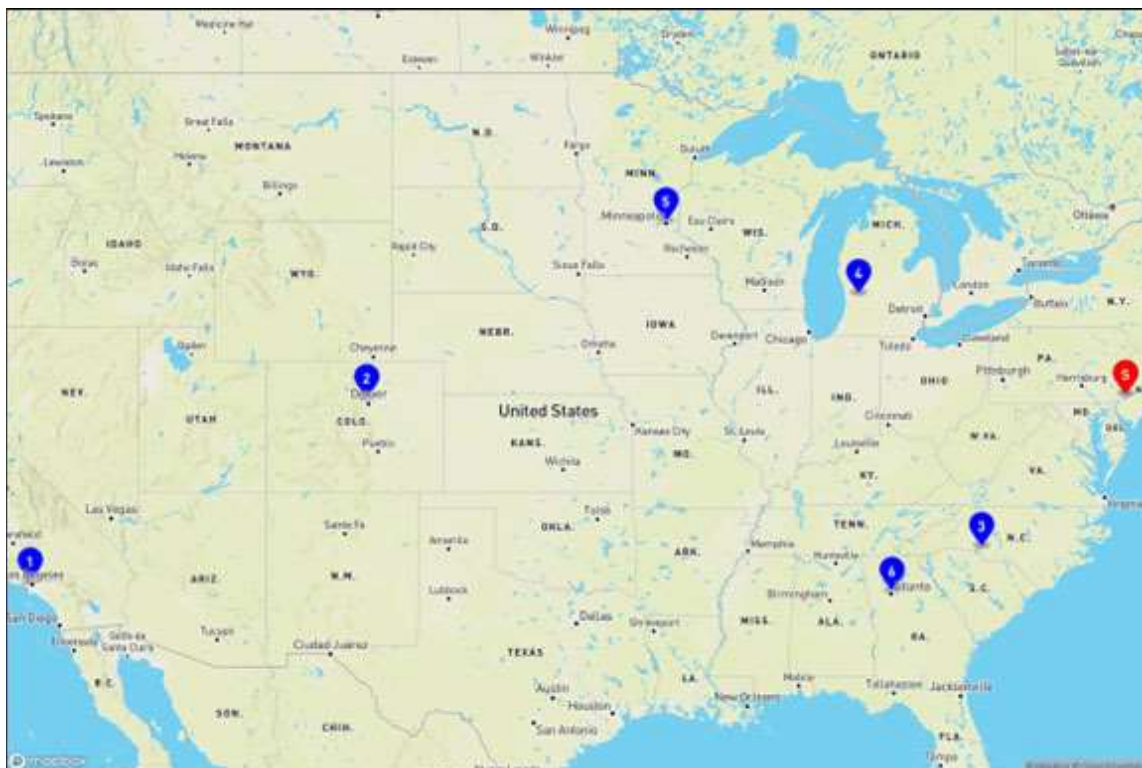
The cost approach was not utilized in this appraisal as market participants considering properties like the subject do not give consideration to the cost approach. In addition, the age and condition of the improvements makes depreciation highly speculative. The exclusion of this approach is not considered to impact the reliability of the appraisal.

Sales Comparison Approach

The sales comparison approach value is derived by analyzing closed sales, listings, or pending sales of properties that are similar to the subject. The sales comparison approach includes the following steps.

- Research and verify information on properties in the competitive market that are similar to the subject and that have recently sold, are listed for sale, or are under contract.
- Select the most relevant units of comparison in the market and develop a comparative analysis.
- Examine and quantify via adjustments differences between the comparable sales and the subject property using all appropriate elements of comparison.
- Reconcile the various value indications to a value bracket and then a single value indication.

The unit of comparison applied in this sales comparison analysis is price per square foot as it mirrors the primary comparison method used by market participants.



Comparable Map

Comparable Sales Summary							
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
							
Property Name	The Met Philadelphia	The Avalon Theatre	Alamo Drafthouse Cinema	AvidXchange Music	20 Monroe Live	The Fillmore	SCAD Building
Address	858 North Broad Street	1735 Vine Street	8905 Westminster Boulevard	1000 NC Music Factory Boulevard	11 Ottawa Avenue Northwest	525 N 5th St	173 14th Street NE
City, State	Philadelphia, PA	Los Angeles, CA	Westminster, CO	Charlotte, NC	Grand Rapids, MI	Minneapolis, MN	Atlanta, GA
Land Size	0.88 Acres	0.42 Acres	1.15 Acres	10.65 Acres	0.58 Acres	0.84 Acres	0.31 Acres
Rentable Area (SF)	133,419 SF	33,444 SF	43,815 SF	187,882 SF	42,760 SF	36,450 SF	21,708 SF
Year Built (Renovated)	1908 (2018)	1927 (2016)	2019	1900 (2006)	2000 (2017)	2020	1986
Occupancy/Owner Occ.	96%	100%	100%	94%	100%	100%	0%
Buyer	--	Confidential, In Escrow	N/A - Active Listing	Hessonite (AMF) LLC	GLC GR Live LLC	5500 S Soto Street LLC	Free Chapel Worship Center Inc
Seller	--	Ligny LLC (Kay Neill)	Alamo Westminster Buyer, LLC	Ark Group	20 Monroe Bldg Co Ltd Partnership	UPS TFS LLC	Savannah Clg Of Art & Design Inc
Interest Conveyed	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Fee Simple
Transaction Status	--	In-Contract	Listing	Closed	Closed	Closed	Closed
Transaction Date	--	Jan-25	Apr-24	May-22	Feb-22	Dec-21	Aug-21
Price	--	\$18,125,980	\$13,333,333	\$52,000,000	\$16,500,000	\$17,500,000	\$7,390,000
Price per SF	--	\$541.98	\$304.31	\$276.77	\$385.87	\$480.11	\$340.43
NOI/SF	\$20.92	\$27.10	\$22.82	\$24.66	\$27.98	\$29.05	N/A
Cap Rate	--	5.00%	7.50%	8.91%	7.25%	6.05%	N/A

Compiled by Newmark

ANALYSIS OF IMPROVED COMPARABLE DATA

Comparable One

Sale Comparable One represents the January 2025 pending contract of a 33,444 square foot performing arts center property located at 1735 Vine Street, Los Angeles, California. The Avalon Theatre has been at the heart of entertainment history since its grand opening in 1927. Nestled at the world famous intersection of Hollywood & Vine, this historic venue has hosted legendary performances and milestone moments, shaping the entertainment landscape for nearly a century. Former home to legendary radio, television, and variety shows, including The Hollywood Palace. Played host to The Beatles, Bob Hope, Bing Crosby, Judy Garland, The Rolling Stones, and countless other entertainment icons. Legendary nightclub destination for global stars. Originally opened as the Hollywood Playhouse, the theatre quickly became a beacon for Broadway's biggest stars, hosting acclaimed live shows throughout the 1920s. Its rich history includes rebranding as The WPA Federal Theatre, The El Capitan Theatre, and The Hollywood Palace—each name representing a new chapter in entertainment history. Renovated in 2002 and reimagined as AVALON Hollywood, this storied venue has continued to attract top talent and remains at the forefront of L.A.'s nightlife and entertainment scene, maintaining its position as a live entertainment powerhouse. The 2016 facelift has only further cemented its status, blending the original architectural beauty with cutting-edge technology. Property was being marketed by Jason Lamoreaux of Coldwell Banker Commercial Real Estate Solutions since September 2024 at an asking price of \$18,500,000 (roughly \$553 per SF). Property is fully leased to tenant Avalon Hollywood & Bardot Hollywood and has an NOI of \$906,299, thus reflective of a 4.9% cap rate relative to the listing price. As of January 6, 2025, there was an update to the listing status after an offer for the property was accepted which is now pending and being held in escrow accordingly. The selling broker was bound by an NDA so could not disclose much information pertaining to the pending transaction, though did note that the accepted offer was slightly below the asking

price and reflective of a 5% cap rate, indicating a purchase price of \$18,125,980 (roughly \$553 per SF) for the asset. The broker also noted that there was significant interest in the property prior to the offer being accepted and that interested parties considered the asking price and asking cap rate reasonable, with multiple offers made which were similar to or just below the accepted one in price.

No transaction adjustments were warranted.

After consideration of the individual elements of comparison, a net downward property adjustment was required. Applying transaction and property adjustments results in a price per SF indication of \$379.39.

Comparable Two

Sale Comparable Two represents the January 2025 listing of a 43,815 square foot performing arts center property located at 8905 Westminster Boulevard, Westminster, Colorado. Brian Brockman with Bang Realty is pleased to present the exclusive listing for an Alamo Drafthouse Cinema located at 8905 Westminster Boulevard in Westminster, Colorado. The site consists of roughly 43,815 rentable square feet of building space on an estimated 1.15-acre parcel of land. This Alamo Drafthouse Cinema is subject to a 15-year absolute triple-net (NNN) lease, which commences at the close of escrow, thus reflecting a sale leaseback transaction upon consummation. The initial annual rent is \$1,000,000 and is scheduled to increase by 10% every five years throughout the base term and in each of the three, 5-year renewal options. Current asking price is \$13,333,333 which is reflective of a 7.50% cap rate. Has been on the market since April 2024. Sony Pictures Entertainment acquired Alamo Drafthouse Cinema in June 2024 so is now parent company.

No transaction adjustments were warranted.

After consideration of the individual elements of comparison, no net property adjustment was indicated. Applying transaction and property adjustments results in a price per SF indication of \$304.31.

Comparable Three

Sale Comparable Three represents the May 2022 sale of a 187,882 square foot performing arts center property located at 1000 NC Music Factory Boulevard, Charlotte, North Carolina. The AvidXchange Music Factory (or AMF), is a mixed-use entertainment district that fully opened in 2006 through the adaptive redevelopment of a former textile mill. It is anchored by an EDM club and three Live Nation venues, including a 5,000 seat capacity amphitheater, a 2,000 capacity concert theater, a 1,000 capacity EDM club, a 700 capacity concert hall and a 400 seat comedy club. The complex is situated on a 10.65-acre site and comprises 5 buildings in total which also

include about 75,000 SF of food and beverage retail spaces including multiple fast-service-restaurants, bars, and clubs. The property also has roughly 70,000 SF of creative office space, a portion of which is leased by Live Nation as a corporate office. Property has in place three separate leases with Live Nation for the three concert venues located within the AMF complex: the 5,000 seat amphitheater (expires 2034), 11,500 SF Underground (expires 2031), and 19,400 SF Fillmore (expires 2031); ~\$1.6M in base rent + ~\$700k in ticket rent that scales with total tickets sold (\$1/ticket for first 75K, \$2 for next 100K, \$4 for next 50K, \$5 for next 75K, \$6 for each ticket >300K tickets). Overall complex reflects 94% occupancy as of the date of sale. While the property's 3 entertainment venues are fully occupied, the retail component is 91.5% leased and the office component is 99% leased, both to a number of tenants (10+ each). Sold as part of a two-property portfolio alongside another massive entertainment complex in Irving, TX comprising 414,613 SF overall for a combined price of \$290 million. The Toyota Music Factory (TMF) features an 8,000 seat amphitheater comprising over 100,00 SF as well as substantial office space and a number of complimentary retail spaces. Seller was Ark Group and Buyer is an affiliate of Canadian institutional investment group Brookfield Corporation, dba Hessonite (AMF) LLC. The \$52,000,000 sale price allocated to the AMF property (roughly \$277 psf) is reflective of an 8.91% cap rate based on the 2021 net operating income for the facility reported at \$4,632,845. Complementary streams from real estate, credit-worthy sponsors, and parking, all support stable performance.

A transaction adjustment was required for market conditions (time).

After consideration of the individual elements of comparison, a net upward property adjustment was required. Applying transaction and property adjustments results in a price per SF indication of \$334.89.

Comparable Four

Sale Comparable Four represents the February 2022 sale of a 42,760 square foot performing arts center property located at 11 Ottawa Avenue Northwest, Grand Rapids, Michigan. Since its debut in early 2017, 20 Monroe Live is the state-of-the-art venue in Grand Rapids. A new home for live music, entertainment and special events, 20 Monroe Live has features that allows the venue to accommodate nearly 2,600 patrons for live events but can also scale down to an intimate configuration for all types of special events. Most shows will feature a general admission standing floor with reserved mezzanine seating, while certain events will feature seating throughout. Seating charts can be found on the Event Details page for each show. The second level features the Vanguard, a beautiful VIP club with the amenities of a private bar, open air patio and access to the best seats in the house. The 2-story event center also features 7 bars scattered throughout the facility. While the property does not feature parking onsite, there are reportedly over 4,000 parking spots within 1,000 feet of the complex. Property was fully leased by Live Nation at the time of the transaction. Buyer is national investment group Great Lakes Capital and seller is local

individual John F. Gilmore (d.b.a. The Gilmore Collection). Listing broker Frank Melchert with Cawley Commercial Real Estate confirmed an approximate 7.25% capitalization rate was utilized for the transaction, noting that the sale was negotiated amidst the COVID-19 pandemic and that the asset would likely garner a lower rate in the current environment as venue performance metrics have improved since that timeframe. Particularly given that additional income was received from the tenant based on ticket sales, concessions, sponsorships, etc.

A transaction adjustment was required for market conditions (time).

After consideration of the individual elements of comparison, a net downward property adjustment was required. Applying transaction and property adjustments results in a price per SF indication of \$382.02.

Comparable Five

Sale Comparable Five represents the December 2021 sale of a 36,450 square foot performing arts center property located at 525 N 5th St, Minneapolis, Minnesota. The Fillmore is a Theater/Concert Hall located at 525 N 5th Street in Minneapolis, MN. A California based investor (Richard Koral) bought the 36,450 square foot property for \$17,500,000 cash in the up-leg of a 1031 exchange. The property is leased to Live Nation, a concert and event promoter for 23 years, with approximately 21 years remaining on the term at the time of sale. Cap rate was reported to be 6.05%. The property is part of the Element Hotel that was developed by United Properties (seller) in 2018, but the concert hall and hotel are operated as two separate entities, with operating agreements specifying responsibilities for building and grounds maintenance. The hotel portion was sold in Q4 2019 to a separate investor.

A transaction adjustment was required for market conditions (time).

After consideration of the individual elements of comparison, a net downward property adjustment was required. Applying transaction and property adjustments results in a price per SF indication of \$448.90.

Comparable Six

Sale Comparable Six represents the August 2021 sale of a 21,708 square foot performing arts center property located at 173 14th Street NE, Atlanta, Georgia. The property was formerly known as 14th Street Playhouse for several years, and now operates as SCAD Show. The property is located on the SE corner of 14th St and Juniper St just north of downtown Atlanta. The facility is used for plays, musicals and other events. The building also has classrooms for classes and two bars used for events. The comparable is a specialty use building situated on a 0.30 acre-site. The improvements were built in 1986 and were acquired by an owner-user. The comparable was

sold in August 2021 for \$7,390,000. The buyer was Free Chapel Worship Center Inc. and the seller was Savannah College Of Art & Design Inc.

A transaction adjustment was required for market conditions (time).

After consideration of the individual elements of comparison, no net property adjustment was indicated. Applying transaction and property adjustments results in a price per SF indication of \$374.47.

Property Rights Conveyed

All comparables are transfers of the leased fee interest or fee simple interest, and are deemed to be at market. The property rights appraised for the property in this case is that of the leased fee interest as well so no adjustment for property rights conveyed is necessary.

Financing Terms

All sales yielded cash to the seller so no adjustment for financing terms is necessary.

Conditions of Sale

No adjustments required.

Market Conditions

The sales took place from 2021 through 2025. Market conditions for live performance venues were substantially worse during 2021 and 2022 due to the adverse and still lasting impact of COVID-19 on this industry. As a result, upward adjustments of 10% were applied to sales occurring in 2021 and 5% for the sales occurring in early 2022 to account for this trend. Sale 1 is under contract and not yet closed and Sale 2 is an active listing, therefore do not require adjustment.

Location

Sale 1 is located in the Hollywood neighborhood of Los Angeles, California, long known as the heart of the entertainment industry and therefore required downward adjustment given that it is one of the most coveted major metropolitan areas in the country for touring performers. While the recent wildfires in Los Angeles could affect this location, the extreme damage caused by these events occurred after the effective date; thus, we are not considering any adverse impacts on pricing in this location as a result of this natural disaster. Sale 2 is located in Westminster, Colorado, just north of Denver and is not as densely populated of an urban area as Philadelphia, therefore requiring upward adjustment. Sales 4 and 5 are located in the Midwest which as not as popular of a touring area for performers and therefore warranted upward adjustment.

Size

Accounts for the inverse relationship that often exists between building size and unit value. Adjustments are made as appropriate.

Age/Condition/Quality

Sales 3 and 5 are reflective of more recent construction and therefore warranted downward adjustment for superior age. New is better but, although certainly not offset by the grandure associated with the vintage of construction, there is inherent obsolescence and reflected in this adjustment. Sales 3 and 6 are inferior regarding condition and quality and therefore required upward adjustment.

Economic Characteristics

Sale 2 is reflective of an upscale theater though the lease does not include additional income streams from items like percentage of ticket sales, concessions, and naming sponsorship revenue, and therefore required significant upward adjustment. Sale 6 was vacant at the time of the transaction and therefore required upward adjustment to account for the lack of revenue in place.

Summary of Adjustments / Adjustment Grid

Based on our comparative analysis, the following table summarizes the adjustments warranted to each comparable.

Comparable Sales Adjustment Grid							
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
Property Name	The Met Philadelphia	The Avalon Theatre	Alamo Drafthouse Cinema	AvidXchange Music	20 Monroe Live	The Fillmore	SCAD Building
Address	858 North Broad Street	1735 Vine Street	8905 Westminster Boulevard	1000 NC Music Factory Boulevard	11 Ottawa Avenue Northwest	525 N 5th St	173 14th Street NE
City	Philadelphia, PA	Los Angeles, CA	Westminster, CO	Charlotte, NC	Grand Rapids, MI	Minneapolis, MN	Atlanta, GA
Land Size	0.88 Acres	0.42 Acres	1.15 Acres	10.65 Acres	0.58 Acres	0.84 Acres	0.31 Acres
Size (Rentable Area)	133,419 SF	33,444 SF	43,815 SF	187,882 SF	42,760 SF	36,450 SF	21,708 SF
Year Built (Renovated)	1908 (2018)	1927 (2016)	2019	1900 (2006)	2000 (2017)	2020	1986
Transaction Type	-	In-Contract	Listing	Closed	Closed	Closed	Closed
Transaction Date	-	Jan-25	Apr-24	May-22	Feb-22	Dec-21	Aug-21
Actual Sale Price	-	\$18,125,980	\$13,333,333	\$52,000,000	\$16,500,000	\$17,500,000	\$7,390,000
Price per SF	-	\$541.98	\$304.31	\$276.77	\$385.87	\$480.11	\$340.43
Occupancy	96%	100%	100%	94%	100%	100%	0%
Transaction Adjustments							
Property Rights		0%	0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%	0%
Market Conditions (Time)	1/8/2025	0%	0%	10%	10%	10%	10%
Subtotal (adjustments are multiplied)		0%	0%	10.0%	10.0%	10.0%	10.0%
Transaction Adjusted Price per SF		\$541.98	\$304.31	\$304.45	\$424.46	\$528.12	\$374.47
Property Adjustments							
Location		-10%	5%	0%	5%	5%	0%
Size		-20%	-20%	5%	-20%	5%	-20%
Age/Condition/Quality		0%	-5%	5%	0%	-5%	10%
Economic Characteristics		0%	20%	0%	0%	0%	10%
Subtotal (adjustments are summed)		-30%	0%	10%	-15%	-20%	0%
Gross Adjustment		30%	50%	20%	35%	40%	50%
Overall Adjustment		-30.0%	0%	21.0%	-6.5%	-12.0%	10.0%
Indicated Price per SF		\$379.39	\$304.31	\$334.89	\$360.79	\$422.50	\$374.47

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SALES COMPARISON APPROACH CONCLUSION

- Prior to adjustments, the sales reflect a range of \$276.77 to \$541.98 per SF.
- After adjustment, the range is narrowed to \$304.31 to \$422.50 per SF, with an average of \$362.72 per SF.
- To arrive at an indication of value, primary emphasis is placed on comparable 3 which required the least amount of gross adjustment and is most similar to the subject in size, reflective of an adjusted sale price of \$334.89 per SF.

Based on the preceding analysis, the value indication by the sales comparison approach is as follows:

Sales Comparison Approach Conclusion		
Reconciliation of Price per SF Indication		Value Indication
Adjusted Value Range - Low		\$304.31
Adjusted Value Range - High		\$422.50
Reconciled As Stabilized Value - Price per SF	Effective Date: 1/8/2025	\$335.00
Subject Rentable Area (SF)		133,419
Reconciled As Stabilized Value - Price per SF Analysis		\$44,695,365
Reconciled As Stabilized Value - Sales Comparison Approach	Effective Date: 1/8/2025	\$44,695,365
Value Indications		
As Is		Value Indication
Reconciled As Stabilized Value	Effective Date: 1/8/2025	\$44,695,365
As Is Value	Effective Date: 1/8/2025	\$44,695,365
Rounded		\$44,700,000

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Income Capitalization Approach

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

The direct capitalization method is normally more appropriate for properties with relatively stable operating histories and expectations. The DCF analysis is more appropriate for investment properties with multiple or long-term leases, particularly leases with cancellation clauses or renewal options, and especially in volatile markets.

In this analysis, we utilized only direct capitalization because investors and market participants typically rely more on this method.

RENTABLE AREA SUMMARY

Occupancy Summary							
Type of Space (MLA Name)	Rentable Area		Leased			Contract Rent	
	(SF)	% Total	(SF)	% Leased	Vacant (SF)	% Vacant	(PSF)
Event Space	132,700	99.5%	132,700	100.0%	0	0.0%	\$13.68
Street Retail	719	0.5%	719	100.0%	0	0.0%	\$0.00
Total	133,419	100.0%	133,419	100.0%	0	0.0%	\$13.61

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RENT ROLL / TENANT OVERVIEW

A summary rent roll for the property is shown below, based on our review of leases.

Rent Roll								
Tenant	Rentable Area (SF)	Lease Term		MLA Category	Year 1 Market Rent		Year 1 Contract Rent	
		Start	End		\$ Total	\$ PSF	\$ Total	\$ PSF
Live Nation Entertainment, Inc.	132,700	Oct-18	Jun-47	Event Space	\$2,786,700	\$21.00	\$1,815,579	\$13.68
Street Retail	719			Street Retail	\$28,760	\$40.00		
Occupied	133,419				\$2,815,460	\$21.10	\$1,815,579	\$13.61
Vacant	0				\$0	#DIV/0!		
Total (Average)	133,419				\$2,815,460	\$21.10	\$1,815,579	\$13.61

Compiled by Newmark

- As of the effective valuation date, the subject's commercial space is fully occupied with the street retail space being utilized by the owner occupant, thus is set to market rent in our analysis herein.
- There is 1 commercial tenant with a base contract rent of \$13.68 per square foot, though we note that additional revenue streams are generated from this tenant from annual ticket sales as well as naming sponsorship revenue.

LEASE ABSTRACT

Lease Summary

Lessor:	Holy Ghost I LP
Lessee:	Live Nation Entertainment, Inc.
Leased SF:	133,419
Lease Type:	Triple Net
Tenant Paid Expenses:	Real Estate Taxes, CAM, Insurance, Utilities
Owner Paid Expenses:	Management Fees, General & Administrative Costs, Replacement Reserves
Lease Start Date:	10/1/2018
Lease Expiration Date:	6/30/2047
Cancellation Clause:	None
Renewal Options:	None
Lease Term (Months):	345
Remaining Lease Term (Months):	270
Monthly Effective Base Rent	\$151,298
Annual Effective Base Rent	\$1,815,579
Additional Percentage Rent	Tenant shall pay Additional Rent during each Lease Year as follows: \$2.42 per Ticket Sale for each of the first 200,000 Ticket Sales; \$3.63 per Ticket Sale for each additional Ticket Sale over 200,000
Purchase Option:	None

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Occupancy Status

- The property is considered to be at stabilized occupancy.

Expense Structure

- The lease is triple net in nature which is typical for tenants of this property type.

Lease Expiration Analysis

- There is over 22 years remaining on the current lease term, thus limited risk is associated with the lease expiration pattern.

Tenancy Analysis

Live Nation Entertainment is a public company headquartered in California with an estimated 12,800 employees. In the US, the company has a notable market share in at least two industries: Arts, Entertainment and Recreation, Concert & Event Promotion and Arts, Entertainment and Recreation. Their largest market share is in the Concert & Event Promotion industry, where they account for an estimated 32.9% of total industry revenue and are considered an All Star because they display stronger market share, profit and revenue growth compared to their peers

Company Details

Industry Revenue (2023)	\$11.7bn
Industry Profit (2023)	\$550.4m
Total Employees (2023)	12,800
Industry Market Share (2023)	32.9%

After COVID-19 (coronavirus) canceled all live concert events in 2020, Live Nation Entertainment Inc. (Live Nation) announced the creation of a Ticket Refund Plan for customers that received event cancellation notices. Despite cutting costs by \$850 million and announcing \$1.65 billion in cash savings, Live Nation suffered from revenue dropping 84% in 2020 compared with 2019. In 2021 however, the company has rebounded, announcing that revenue has tripled since 2020 and has grown to \$6.27 billion, with an improvement of \$1.2 billion in operating income.

Company's Industry Revenue, Market Share, and Profit Margin Over Time

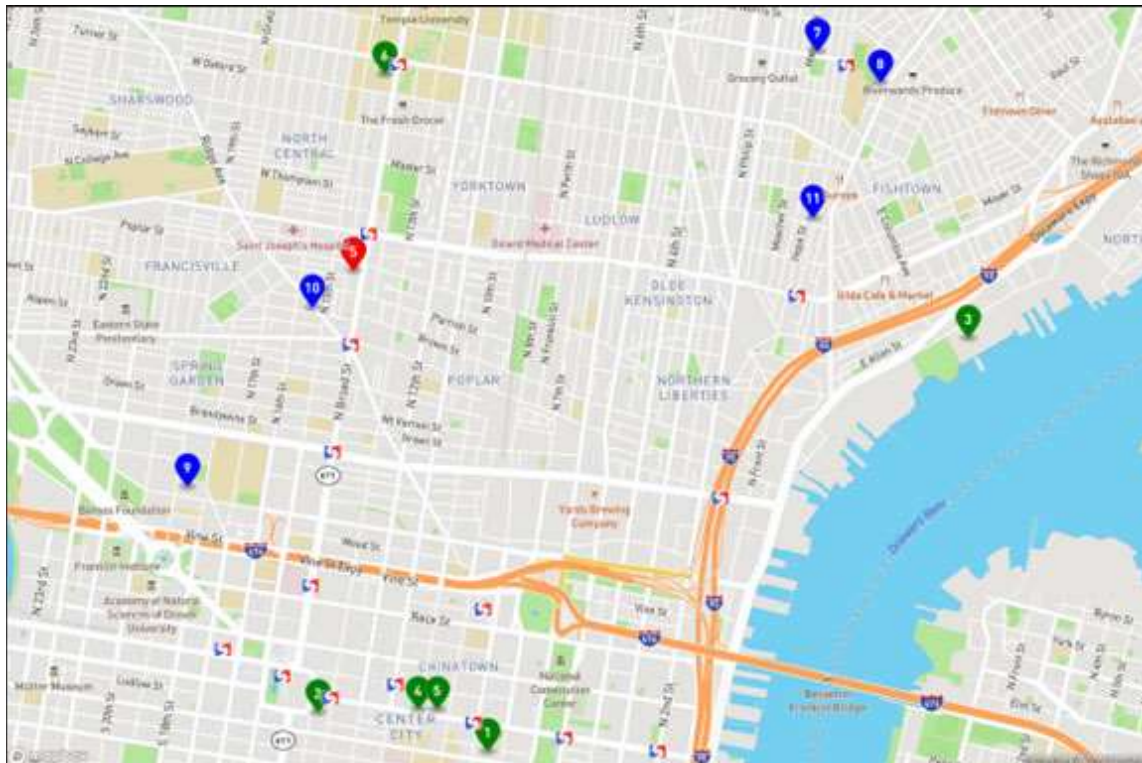
Year	Industry Revenue (\$ million)	Market Share (%)	Profit Margin (%)
2018	5794	16.6	2.5
2019	6231	16.4	2.8
2020	943	4.6	-88.8
2021	3829	13.5	-6.7
2022	8936	27.6	4.4
2023	11744	32.9	4.7

Overall, the quality of the tenancy appears to be at the very top of the live performance market segment.

MARKET RENT ANALYSIS

In estimating market rent for the subject property, we considered data and opinions from the following:

- actual recent leases from comparable buildings;
- asking rents from competitive properties (such as those presented in the specialty market analysis section of this report); and
- opinions of market rent derived from our interviews of leasing brokers active in the local market.



Comparable Map

No.	Name	Address
Subject	The Met Philadelphia	858 North Broad Street, Philadelphia, PA
Event Space Lease Comparables		
1	Union Trust	715-717 Chestnut Street, Philadelphia, PA
2	Wanamaker Building	100 Penn Square East, Philadelphia, PA
3	The Battery	1325 Beach Street, Philadelphia, PA
4	Gallery II at Market East	1001-19 Market Street, Philadelphia, PA
5	907 Market	907-37 Market Street, Philadelphia, PA
6	The Shops At Avenue North	1600-36 North Broad Street, Philadelphia, PA
Street Retail Lease Comparables		
7	1900 Waterloo Street	1900 Waterloo Street, Philadelphia, PA
8	1828 Frankford Avenue	1828 Frankford Avenue, Philadelphia, PA
9	The Baldwin Apartments	1825 Callowhill Street, Philadelphia, PA
10	The Gateway	1508 Ridge Avenue, Philadelphia, PA
11	1400 North Front Street	1400 North Front Street, Philadelphia, PA

Compiled by Newmark



Comparable One



Comparable Two



Comparable Three



Comparable Four



Comparable Five



Comparable Six



Comparable Seven



Comparable Eight



Comparable Nine



Comparable Ten



Comparable Eleven

Analysis of Market Rent for Event Space

Comparable Leases Summary							
Event Space	Subject	Lease 1	Lease 2	Lease 3	Lease 4	Lease 5	Lease 6
Property Name	The Met Philadelphia	Union Trust	Wanamaker Building	The Battery	Gallery II at Market East	907 Market	The Shops At Avenue North
Address	858 North Broad Street	715-717 Chestnut Street	100 Penn Square East	1325 Beach Street	1001-19 Market Street	907-37 Market Street	1600-36 North Broad Street
City, State	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA
Rentable Area (SF)	133,419 SF	14,186 SF	1,401,000 SF	171,719 SF	201,895 SF	160,444 SF	94,454 SF
Year Built (Renovated)	1908 (2018)	1888	1911 (1991)	1920 (2023)	1982 (2019)	1977 (2019)	2009
Lease Details							
Lease Status		Signed Lease	Signed Lease	Signed Lease	Signed Lease	Signed Lease	Signed Lease
Lease Date		Oct-24	Apr-24	Dec-23	Dec-19	Oct-19	Jan-19
Term (Mos.)		120	120	120	120	109	180
Lease Size (SF)		14,186	44,269	25,306	60,590	29,890	94,454
Tenant Name		Union Trust Events, Inc. (Finley Catering)	Finley Catering Company	Delaware River Events 1, LLC (Cescaphe)	Round One	City Winery	AMC Theater
Rates and Measures							
Base Rental Rate		\$25.38	\$24.26	\$27.50	\$24.76	\$15.29	\$16.31
Lease Reimbursement Method		Triple Net	Full Service + TE	Triple Net	Modified Gross	Triple Net	Triple Net

Compiled by Newmark

The following table summarizes the adjustments made to each comparable.

Comparable Leases Adjustment Grid							
Event Space	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6
Property Name	The Met Philadelphia	Union Trust	Wanamaker Building	The Battery	Gallery II at Market East	907 Market	The Shops At Avenue North
Address	858 North Broad Street	715-717 Chestnut Street	100 Penn Square East	1325 Beach Street	1001-19 Market Street	907-37 Market Street	1600-36 North Broad Street
Lease Date		Oct-24	Apr-24	Dec-23	Dec-19	Oct-19	Jan-19
Term (Mos.)		120	120	120	120	109	180
Size (SF)		14,186	44,269	25,306	60,590	29,890	94,454
Tenant Name		Union Trust Events, Inc. (Finley Catering)	Finley Catering Company	Delaware River Events 1, LLC (Cescaphe)	Round One	City Winery	AMC Theater
Base Rental Rate		\$25.38	\$24.26	\$27.50	\$24.76	\$15.29	\$16.31
Lease Reimbursement Method		Triple Net	Full Service + TE	Triple Net	Modified Gross	Triple Net	Triple Net
Financial Adjustments							
Expense Structure (\$ PSF Adjustment)		\$0.00	(\$3.00)	\$0.00	(\$3.00)	\$0.00	\$0.00
Expense Structure		0%	-12%	0%	-12%	0%	0%
Conditions of Lease		0%	0%	0%	0%	0%	0%
Market Conditions (Time)	1/8/2025	1%	2%	2%	11%	11%	13%
Subtotal		1%	-11%	2%	-2%	11%	13%
Financial Adjusted Rent Per SF		\$25.63	\$21.69	\$28.05	\$24.15	\$16.97	\$18.43
Physical Adjustments							
Location/Access/Exposure		-5%	-5%	0%	-5%	-5%	5%
Size		-10%	-5%	-10%	-5%	-10%	0%
Age/Condition/Quality		5%	10%	0%	0%	0%	5%
Economic Characteristics		0%	0%	0%	0%	0%	0%
Subtotal		-10%	0%	-10%	-10%	-15%	10%
Overall Adjustment		-9%	-11%	-8%	-12%	-6%	24%
Adjusted Rent Per SF		\$23.07	\$21.69	\$25.25	\$21.74	\$14.43	\$20.27
Range of Adjusted Rents	\$14.43 - \$25.25						
Average	\$21.08						
Indicated Rent	\$21.00						

Compiled by Newmark

Analysis of Market Rent for Street Retail Space

Comparable Leases Summary						
Street Retail Space	Subject	Lease 1	Lease 2	Lease 3	Lease 4	Lease 5
Property Name	The Met Philadelphia	1900 Waterloo Street	1828 Frankford Avenue	The Baldwin Apartments	The Gateway	1400 North Front Street
Address	858 North Broad Street	1900 Waterloo Street	1828 Frankford Avenue	1825 Callowhill Street	1508 Ridge Avenue	1400 North Front Street
City, State	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA	Philadelphia, PA
Rentable Area (SF)	133,419 SF	2,128 SF	6,350 SF	53,528 SF	10,200 SF	1,980 SF
Year Built (Renovated)	1908 (2018)	1915	2024	2023	2018	1945 (2023)
Lease Details - Street Retail						
Lease Status		Signed Lease	Signed Lease	Signed Lease	Signed Lease	Signed Lease
Lease Date		Sep-24	May-24	Oct-23	Sep-23	Apr-23
Term (Mos.)		36	120	60	60	60
Lease Size (SF)		500	1,650	1,495	1,500	1,980
Tenant Name		Sarang Head Spa	Taylor Chip Cookies	G-Strength	Jae Cafe	Liberty Kitchen
Rates and Measures						
Base Rental Rate		\$31.20	\$55.00	\$40.00	\$28.00	\$39.39
Lease Reimbursement Method		Triple Net	Triple Net	Triple Net	Triple Net	Triple Net

Compiled by Newmark

The following table summarizes the adjustments made to each comparable.

Comparable Leases Adjustment Grid						
Street Retail Space	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Property Name	The Met Philadelphia	1900 Waterloo Street	1828 Frankford Avenue	The Baldwin Apartments	The Gateway	1400 North Front Street
Address	858 North Broad Street	1900 Waterloo Street	1828 Frankford Avenue	1825 Callowhill Street	1508 Ridge Avenue	1400 North Front Street
Lease Date		Sep-24	May-24	Oct-23	Sep-23	Apr-23
Term (Mos.)		36	120	60	60	60
Size (SF)		500	1,650	1,495	1,500	1,980
Tenant Name		Sarang Head Spa	Taylor Chip Cookies	G-Strength	Jae Cafe	Liberty Kitchen
Base Rental Rate		\$31.20	\$55.00	\$40.00	\$28.00	\$39.39
Lease Reimbursement Method		Triple Net	Triple Net	Triple Net	Triple Net	Triple Net
Financial Adjustments						
Expense Structure (\$ PSF Adjustment)		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Expense Structure		0%	0%	0%	0%	0%
Conditions of Lease		0%	0%	0%	0%	0%
Market Conditions (Time)	1/8/2025	1%	1%	3%	3%	4%
Subtotal		1%	1%	3%	3%	4%
Financial Adjusted Rent Per SF		\$31.51	\$55.55	\$41.20	\$28.84	\$40.97
Physical Adjustments						
Location/Access/Exposure		-5%	-5%	-5%	5%	-5%
Size		0%	0%	0%	0%	0%
Age/Condition/Quality		20%	-5%	-5%	-5%	20%
Economic Characteristics		0%	0%	0%	0%	0%
Subtotal		15%	-10%	-10%	0%	15%
Overall Adjustment		16%	-9%	-7%	3%	20%
Adjusted Rent Per SF		\$36.24	\$50.00	\$37.08	\$28.84	\$47.11
Range of Adjusted Rents	\$28.84 - \$50.00					
Average	\$39.85					
Indicated Rent	\$40.00					

Compiled by Newmark

MARKET RENT CONCLUSION

Based on the preceding analysis, the following is the concluded market lease terms for the subject:

Concluded Market Lease Terms									
MLA Category	Rentable SF	Market Rent	Measure	Rent Escalations	Reimbursement Method	Term			
						(Mos.)	Mos. Free		
Event Space Space:	132,700	\$21.00	\$/SF/Year	3.00%/year	Triple Net	120	6		
Street Retail Space:	719	\$40.00	\$/SF/Year	3.00%/year	Triple Net	60	3		
MLA Category	Renewal %	Rollover Vacant Mos.	Weighted Down-time	TI/SF (New)	TI/SF (Renewal)	Weighted TI/SF	LC (New)	LC (Renewal)	Weighted LC
Event Space Space:	65%	12	4	\$30.00	\$10.00	\$17.00	6.00%	3.00%	4.05%
Street Retail Space:	65%	6	2	\$50.00	\$15.00	\$27.25	6.00%	3.00%	4.05%

Compiled by Newmark

GROSS INCOME ESTIMATE

Potential Gross Rent

Figures presented below reflect the 12-month period following the effective date of the appraisal.

Potential Gross Rent						
MLA Category	Total SF	Potential Rent At Contract Annual	Potential Rent At Contract \$/SF/Yr	Potential Rent At Market Annual	Potential Rent At Market \$/SF/Yr	Contract as % of Market
Event Space Space:	132,700	\$1,815,579	\$13.68	\$2,786,700	\$21.00	65.2%
Street Retail Space:	719	\$0	\$0.00	\$28,760	\$40.00	0.0%
Occupied Space Total	133,419	\$1,815,579	\$13.61	\$2,815,460	\$21.10	64.5%

Compiled by Newmark

- For the direct capitalization analysis, potential gross rent is based on contract rents in place plus market rent for the owner occupied vacant space, as is typical behavior amongst market participants for such spaces.
- While the event space base rental rate for Live Nation appears low relative to the concluded market rent, the total income amount from this tenant (inclusive of other income streams including percentage rent and from naming sponsorships, to be discussed in further detail below) is projected at \$21.43 per SF which, on balance, is in line with the concluded market rent.

Potential Base Rent		
Subject	\$/SF	Total
Newmark Projection	\$13.82	\$1,844,339

Compiled by Newmark

Operating History

Three years of historical operating data and a current budget for the property were requested. While the historical operating data was provided, there was no budget made available for our review. However, the historical operating data submitted does not include standard categories and is inconsistent in the reporting style from year-to-year, with many line items that are not reflective of real estate operations but instead the business operation of the ownership entity. While this data can be found in the addenda for reference, it was not given significant consideration in our analysis given the lack of consistency and lack of accuracy in classification for real estate operations.

Expense Recoveries

Given the triple net expense structure in place that is prevalent throughout the live performance venue market segment, we do not project expense recoveries nor the majority of expenses which are borne to the tenant in our analysis, as is typical with investor activity for similarly operated properties.

Percentage Rent

As previously mentioned, the subject will receive income in addition to the annual fixed minimum base rent from Live Nation. The amount of the additional rent is based on the sale of tickets as outlined in the lease and reflects the following structure at present: \$2.42 per Ticket Sale for each of the first 200,000 Ticket Sales; \$3.63 per Ticket Sale for each additional Ticket Sale over 200,000. The following tables show total ticket sale at the venue from 2019 through 2024.

Live Nation Ticket Sales				Live Nation Ticket Sales			
2024	# Sold	Rate	Revenue	2023	# Sold	Rate	Revenue
Jan	10,454	\$ 2.42	\$ 25,298.68	Jan	2,986	\$ 2.00	\$ 5,972.00
Feb	18,314	\$ 2.42	\$ 44,319.88	Feb	12,354	\$ 2.00	\$ 24,708.00
Mar	13,618	\$ 2.42	\$ 32,955.56	Mar	18,844	\$ 2.00	\$ 37,688.00
Apr	30,916	\$ 2.42	\$ 74,816.72	Apr	7,898	\$ 2.00	\$ 15,796.00
May	37,876	\$ 2.42	\$ 91,659.92	May	17,949	\$ 2.00	\$ 35,898.00
June	23,421	\$ 2.42	\$ 56,678.82	June	20,683	\$ 2.00	\$ 41,366.00
July	4,802	\$ 2.42	\$ 11,620.84	July	12,298	\$ 2.00	\$ 24,596.00
Aug	17,471	\$ 2.42	\$ 42,279.82	Aug	6,343	\$ 2.00	\$ 12,686.00
Sept	38,457	\$ 2.42	\$ 93,065.94	Sept	29,396	\$ 2.00	\$ 58,792.00
Oct	4,671	\$ 2.42	\$ 11,303.82	Oct	23,483	\$ 2.00	\$ 46,966.00
Oct	30,418	\$ 3.63	\$ 110,417.34	Nov	32,449	\$ 2.00	\$ 64,898.00
Nov	23,085	\$ 3.63	\$ 83,798.55	Dec	15,317	\$ 2.00	\$ 30,634.00
Dec	58,000	\$ 3.63	\$ 210,540.00		8,614	\$ 3.00	\$ 25,842.00
	-	\$ -	\$ -	Total	208,614		\$ 425,842.00
Total	311,503		\$ 888,755.89				

Live Nation Ticket Sales				Live Nation Ticket Sales			
2022	# Sold	Rate	Revenue	2021	# Sold	Rate	Revenue
Jan	7,433	\$ 2.00	\$ 14,866.00	Jan	-	\$ 2.00	\$ -
Feb	14,145	\$ 2.00	\$ 28,290.00	Feb	-	\$ 2.00	\$ -
March	17,007	\$ 2.00	\$ 34,014.00	March	-	\$ 2.00	\$ -
April	17,886	\$ 2.00	\$ 35,772.00	April	-	\$ 2.00	\$ -
May	30,924	\$ 2.00	\$ 61,848.00	May	-	\$ 2.00	\$ -
June	22,392	\$ 2.00	\$ 44,784.00	June	-	\$ 2.00	\$ -
July	13,906	\$ 2.00	\$ 27,812.00	June	-	\$ 2.00	\$ -
August	25,468	\$ 2.00	\$ 50,936.00	July	-	\$ 2.00	\$ -
September	38,070	\$ 2.00	\$ 76,140.00	August	6,774	\$ 2.00	\$ 13,548.00
October	12,769	\$ 2.00	\$ 25,538.00	September	23,239	\$ 2.00	\$ 46,478.00
	10,953	\$ 3.00	\$ 32,859.00	October	35,492	\$ 2.00	\$ 70,984.00
November	31,982	\$ 3.00	\$ 95,946.00	November	20,245	\$ 2.00	\$ 40,490.00
December	13,286	\$ 3.00	\$ 39,858.00	December	16,409	\$ 2.00	\$ 32,818.00
Actual 2022 Sales/Revenue	256,221		568,663	Actual 2021 Sales/Revenue	102,159		\$ 204,318.00

Live Nation Ticket Sales				Live Nation Ticket Sales			
2020	# Sold	Rate	Revenue	2019	# Sold	Rate	Revenue
Jan	20,222	\$ 2.00	\$ 40,444.00	Dec 2018	41,745	\$ 2.00	\$ 83,490.00
Feb	11,563	\$ 2.00	\$ 23,126.00	Jan	17,855	\$ 2.00	\$ 35,710.00
March	6,158	\$ 2.00	\$ 12,316.00	Feb	27,235	\$ 2.00	\$ 54,470.00
April	-	\$ 2.00	\$ -	March	45,532	\$ 2.00	\$ 91,064.00
May	-	\$ 2.00	\$ -	April	23,772	\$ 2.00	\$ 47,544.00
June	-	\$ 2.00	\$ -	May	30,962	\$ 2.00	\$ 61,924.00
June	-	\$ 3.00	\$ -	June	12,899	\$ 2.00	\$ 25,798.00
July	-	\$ 3.00	\$ -	June	14,099	\$ 3.00	\$ 42,297.00
August	-	\$ 3.00	\$ -	July	22,598	\$ 3.00	\$ 67,794.00
September	-	\$ 3.00	\$ -	August	25,335	\$ 3.00	\$ 76,005.00
October	-	\$ 3.00	\$ -	September	49,151	\$ 3.00	\$ 147,453.00
November	-	\$ 3.00	\$ -	October	32,825	\$ 3.00	\$ 98,475.00
December	-	\$ 3.00	\$ -	November	45,123	\$ 3.00	\$ 135,369.00
Actual 2020 Sales/Revenue	37,943		\$ 75,886.00	Actual 2019 Sales/Revenue	398,328		\$ 1,036,729.00

Ownership has reported that they are expecting ticket sales to total 400,000 in 2025. Based on the recent performance trends for the Live Nation lessee, we project a total of 350,000 ticket sales for 2025. This equates to a “percentage rent” of \$1,028,500 based on the current lease rate per ticket.

Percentage Rent		
Subject	\$/SF	Total
Newmark Projection	\$7.71	\$1,028,500

Compiled by Newmark

Other Income

The lease also addresses Naming Rights sponsorships for naming rights of the entire premises, referred to as name-in-title or “NIT Sponsorships.” The landlord has approval of the NIT sponsor and can reject a proposed NIT sponsor if deemed inappropriate/detrimental to reputation of the project or involves a competitor. These sponsorships generate NIT Sponsorship Revenue, meaning the total net amount of cash, goods, services, and barter paid by the NIT Sponsor. The revenue will be shared 50%-50% between the developer and Live Nation.

There is one contract in place for an NIT sponsorship with sponsor Highmark Health. As per the sponsorship agreement submitted for our review which was entered into and effective as of December 8, 2023. The total sponsor fee for Highmark Health in 2025 is \$530,250 as per the fee schedule detailed in the agreement. Ownership’s 50% share of this fee is reflective of \$265,125 which is projected as other income.

Other Income		
Subject	\$/SF	Total
Newmark Projection	\$1.99	\$265,125

Compiled by Newmark

Vacancy & Collection Loss Allowance

- The vacancy estimate for the subject was previously developed in the market analysis section of this report and totals 4.00%.
- Based on available data and analysis, the concluded collection loss allowance is 1.00%.
- Based on this analysis, the total stabilized vacancy and collection loss allowance for the subject is 5.00%.

Effective Gross Income

Effective Gross Income		
Subject	\$/SF	Total
Newmark Projection	\$22.34	\$2,981,066

Compiled by Newmark

OPERATING EXPENSE ANALYSIS

As is typical with investor activity, our projection of expenses includes only the costs borne to ownership which are not fully reimbursed by the tenant under the triple net lease structure in place that is also prevalent throughout the market. These expenses include only general and administrative costs, management fees, and structural reserves.

General and Administrative

General and Administrative			
Source	% of EGI	\$/SF	Total
Newmark Projection	2.2%	\$0.50	\$66,710

Compiled by Newmark

- General and administrative expenses consist of payroll and benefits expenses for on-site management staff and related office expenses. Also included are legal, accounting and other professional fees, license fees, and business taxes.

Management

Management			
Source	% of EGI	\$/SF	Total
Newmark Projection	3.0%	\$0.67	\$89,432

Compiled by Newmark

- Management fees are considered an expense of operation, whether the services are contracted or provided by the property owner.
- Considering that the subject is a single tenant live performance venue property with typical management needs, we project an overall management fee of 3.00% of effective gross income.

Replacement Reserves

Replacement Reserves			
Source	% of EGI	\$/SF	Total
Newmark Projection	1.1%	\$0.25	\$33,355

Compiled by Newmark

Total Operating Expenses

Total Operating Expenses			
Source	% of EGI	\$/SF	Total
Newmark Projection	6.4%	\$1.42	\$189,496

Compiled by Newmark

NET OPERATING INCOME

Net Operating Income			
Source	% of EGI	\$/SF	Total
Newmark Projection	93.6%	\$20.92	\$2,791,570

Compiled by Newmark

DIRECT CAPITALIZATION

Cap Rate and Value changes – Beginning of 1Q 2025

According to Mark Zandi, “The U.S. economy is performing exceptionally well to kick off 2025, and we can look forward to another strong year.”¹ The Federal Reserve raised the Federal Funds Rate to a high range of 5.25% to 5.50% in July 2023 and held them there until September 18, 2024 at which time the Fed began lowering rates culminating in a current range of 4.25% to 4.50%. The 10 year Treasury had moved downward to about 3.65% in the first half of September but immediately after the first rate reduction by the Fed began climbing again – and is now just above 4.5% - partly driven by expectations around the new U.S. administration’s economic policies.

The impacts to both the residential and commercial real estate markets from the period of higher interest rates have been material as borrowing costs have increased significantly. “Rescue equity” has been observed replacing some of the capital shortfalls as values decline and cost of debt rises. While lower than they were, rates remain at higher levels and negative leverage continues to occur since mortgage rates are above capitalization rates and this is unsustainable. Distress sales are increasing but still a small percentage of overall sales activity. Transactions slowed and deals stalled during the period from 2022 to mid-2024 and limited current data points reduced clarity with respect to price discovery and valuations.

However, there are positive signs. PwC reports the bid-ask pricing gap to be narrowing and investor sentiment is improving.² The majority of investors surveyed by PwC expect capitalization rates to hold steady over the next six months – but there continues to be a fairly large segment continuing to expect increases. The January 15, 2025 Federal Reserve Beige Book noted “cautious optimism continues to prevail among survey respondents given modestly positive trends in loan demand, wage growth, and consumer spending.”

Real Capital Analytics reported in their end of 2024 Capital Trends publication that “the commercial property markets turned a corner in 2024.” Deal volume climbed in 2024 and price declines are coming to an end overall. The RCA CPPI pricing index reflected no change from the 3rd Quarter 2024 and only a -0.7% loss for the year. RCA also noted, however, that distress reached \$107.0 billion at the end of 2024 – a \$20.9 billion increase. However, new inflows to distress only outpaced workouts by \$2.2 billion – the smallest net change since late 2022. Apartment properties were the source of much of the new distress in the fourth quarter although office continues to dominate the overall totals.

¹ 2024 U.S. Economic Outlook with Moody’s Analytics Chief Economist Dr. Mark Zandi, Traveler’s Institute, January 15, 2025 (2025 Economic Outlook | Travelers Institute)

² PwC Real Estate Investor Survey, 4th Quarter 2024

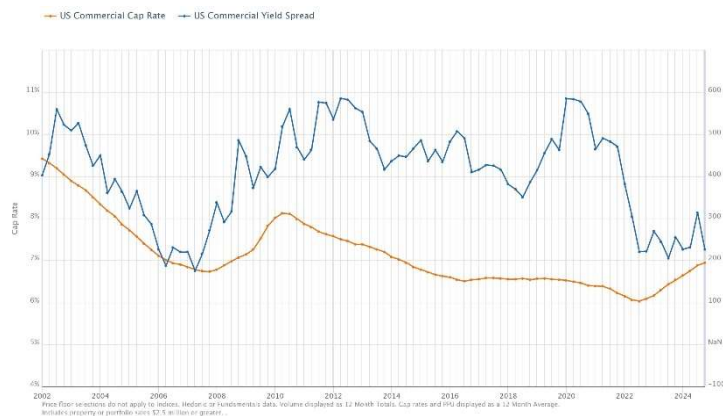
According to Moody’s, President Trump’s election, and the control of congress, “will result in meaningful changes to economic policy and, therefore, to the economic outlook.” Moody’s is most concerned with the effects of tariffs but also calls out immigration deportations and the impact that deficit-financed tax cuts would have. Moody’s view is that the new administration’s economic policies will “result in some combination of higher inflation and interest rates-and diminished growth.” A 90-basis point increase in the 10-year Treasury yield since the election is directly tied to this expectation, according to Moody’s. Zandi does not expect additional interest rate cuts until the end of 2025.

Cost of Capital

The increase in base interest rates directly affects financing rates. Mortgage rates for agency apartment debt had increased to near 7% while bank financing floated above. Recently, agency multifamily lending is falling around 6%. These rates also carry with them lower debt coverage ratios so the equity requirements are returning to more typical levels. That said, bank financing remains higher and lower leverage continues to be present. Equity funds generally carry higher rates of return than debt and this translates to higher capitalization rates as well. Moody’s projects that the 10 year Treasury yield will remain around 4.3% for the next three years implying that this will be the new normal.

Capitalization Rates

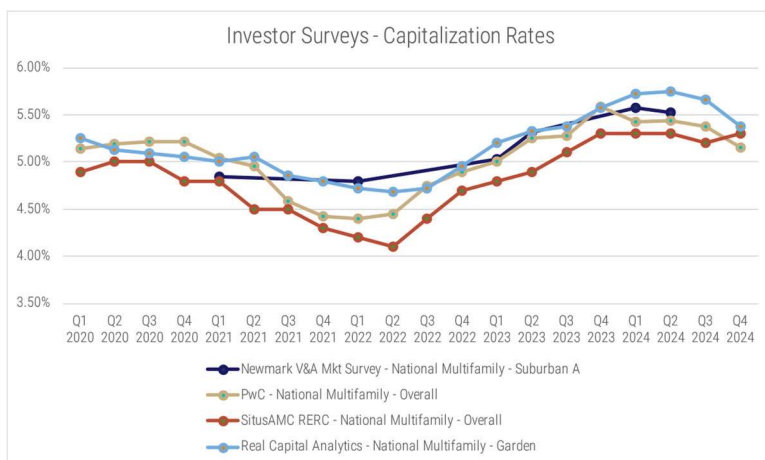
The majority of investors surveyed by PwC for their Four Quarter 2024 Real Estate Investor Survey expect capitalization rates to remain stable over the next six months while a sizable percentage does still expect increases – particularly in hard hit sectors such as office. Lower transaction volume than the past several years will continue. Still, PwC notes that investors believe that greater buying opportunities exist at this time and this tracks with other sources such as the Federal Reserve Biege Book.



In the past, there tended to be a noticeable lag between changes in capitalization rates and underlying financing rates. The graph to the left from Real Capital Analytics depicts the spread between capitalization rates and underlying interest rate yields (bond rates in this case). As interest rates began to climb into 2007, while capitalization rates continued a slow downtrend, the spread fell to below 200 basis points. This began occurring again in mid-

2022 and has continued even as cap rates have increased. Note that this spread could also be indicative of the fact that transaction volume is thin and focused on upper tier properties.

Cap rates have been reacting but at a slower pace than would have been expected. The graph to the right depicts investor survey data for multifamily properties from our investor survey, PwC, and SitusAMC RERC as well as the actual data from Real Capital Analytics. As shown, up to 1Q 2024, the prior seven quarters reflected increases in the Real Capital Analytics cap rate data (which is based on closed transactions). This trend has reversed over the course of 2024 with both the RCA (closed transaction based) and PwC data back to levels last seen in mid-2023.



Green Street tracks capitalization rates in six property types in the top 50 MSA's. Their September 2024 Cap Rate Observer reflects some moderation in cap rates over the past year as rates stabilized and have begun to decline. The following summarizes the weighted averages for various property types in these 50 top MSA's. Because the index does include REIT returns, it tends to be more reactionary to macro-economic conditions and stock market trends. This makes the Green Street data more reflective of near term trends as opposed to the lag of strictly transactional based metrics. March 2022 data is also provided for comparison against the approximate value peak. December 2023 is provided to illustrate changes over the course of 2024.

Green Street – Cap Rate Observer – December 2024				
Property Type Sector	Mar 22 Cap Rates	Dec 23 Cap Rates	Dec 24 Cap Rates	One Year ▲ (bps)
Apartment	3.9%	5.8%	5.2%	-60
Industrial	3.9%	5.1%	5.2%	+10
Office	6.5%	10.7%	10.7%	0
Strip Center	5.5%	7.3%	7.0%	-20
Self-Storage	4.3%	5.8%	5.8% (Sept 24)	0
Single-Family Rental	4.6%	4.9%	5.0%	+10
Lodging	N/A	N/A	9.1%	+20

Compiled by Newmark

The single-family rental sectors has performed well over time and has seen the smallest overall change from the March 2022 value peak. Apartments tend to be quite interest rate sensitive but are sliding back down in the one year comparison and since the end of 2023.

Property Values

Property values are declining both from transactional evidence and from REIT valuations. The graph to the right from Green Street is their most recent Commercial Property Price Index report January 7, 2025 and reflects the change from the recent peak and past 12 months. The past 12 months is notable given the 4.8% increase over the year.



Green Street CPPI®: Sector-Level Indexes

	Index Value	Change in Commercial Property Values		
		Past Month	Past 12 Mos	From '22 Peak
All Property	127.3	0.0%	5%	-18%
Core Sector	128.3	0.0%	6%	-20%
Apartment	153.4	0.0%	14%	-20%
Industrial	215.9	0.0%	1%	-15%
Mall	91.3	0.0%	17%	-6%
Office	72.6	0.0%	-1%	-36%
Strip Retail	117.0	0.0%	8%	-11%
Data Center	109.7	0.0%	5%	-15%
Health Care	125.4	0.0%	4%	-17%
Lodging	102.3	0.0%	-3%	-10%
Manufactured Home Park	278.5	0.0%	1%	-14%
Net Lease	94.3	0.0%	0%	-19%
Self-Storage	242.1	0.0%	-2%	-23%

All property sectors are negative since the recent peak as shown in the table to the left. The largest downturn is in the office sector with smaller but still significant declines in Apartment and Self Storage. The apartment sector has been impacted by financing availability since agency debt was priced higher forcing more bank and life insurance company financed transactions. However, recent quotes by the Agencies

have supported more transactions and this has at least marginally improved market conditions for multifamily. Lodging is one of the least impacted at this time but still down from its recent peak. The appearance of Malls in the significant positive increases over the past 12 months and the smallest value decline from the peak is at least partly driven by the large value losses which accelerated out of the pandemic for the shopping center sector in general – which were heavily focused on malls.

Again, note that the Green Street data is heavily REIT based and tends to be more volatile than the CRE market by itself. This data should be viewed as an indication of trends and not necessarily absolute change. For the alternate view, Real Capital Analytics data is reflective of closed transactions only.

Deal volume has been falling from recent peaks. According to Real Capital Analytics, transaction volume for the year was \$420.4 billion – 9% increase over 2023. Demand has fallen from 2022 and prior – which has driven price down just from a simple economics supply and demand model. On the other hand, pricing metrics from Real Capital Analytics have not been severely impacted – pricing is basically flat over the past 12 months. The graph to the right shows price per unit for apartments (orange line) and price per square foot for commercial properties (blue line). The downtrend leading into 2024 is noticeable but rebounding as 2024 draws to a close. Commercial properties are still pricing just the pre-Great Recession peak.



Final Thoughts

It is important to acknowledge that there continues to be a dearth of transactions in the marketplace and this makes it more difficult to determine the impact on values and cap rates. This is partly a function of the reported disconnect between sellers and buyers over the past several quarters – but PwC and other sources suggest this bid-ask gap is narrowing and, in addition to the moderation of credit conditions, the frozen CRE market is thawing.

- Investors have become selective, cautious, and tentative as cost of capital has increased.
- Volatility in the market has led to the disconnect between buyers and sellers thus reducing transaction volume – both in number of sales and overall price volume.
- Although the number of transactions has dropped precipitously, market participants are saying that price discovery is demonstrating that values trended lower but have recently stabilized in some sectors.
- Negative leverage is present in the market and this cannot be sustained which is putting downward pressure on values.
- Investors are taking a stance of cautious optimism given modestly positive trends in loan demand, wage growth, and consumer spending.

- According to Moody’s, the economic policies of the new U.S. administration will likely result in higher inflation and higher interest rates but, at a minimum, creates uncertainty in the market.

Comparable Sales

Comparable Specialty Sales Summary							
No.	Property Location	Yr. Built	Sale Date	Rentable		Price per SF	OAR
				Area	Occ. %		
1	1735 Vine Street, Los Angeles, CA	1927	Jan-2025	33,444	100%	\$542	5.00%
2	8905 Westminster Boulevard, Westminster, CO	2019	Jan-2025	43,815	100%	\$304	7.50%
3	1000 NC Music Factory Boulevard, Charlotte, NC	1900	May-2022	187,882	94%	\$277	8.91%
4	11 Ottawa Avenue Northwest, Grand Rapids, MI	2000	Feb-2022	42,760	100%	\$386	7.25%
5	525 N 5th St, Minneapolis, MN	2020	Dec-2021	36,450	100%	\$480	6.05%
6	173 14th Street NE, Atlanta, GA	1986	Aug-2021	21,708	100%	\$340	N/A
Average (Mean) Cap Rate:							6.94%

Compiled by Newmark

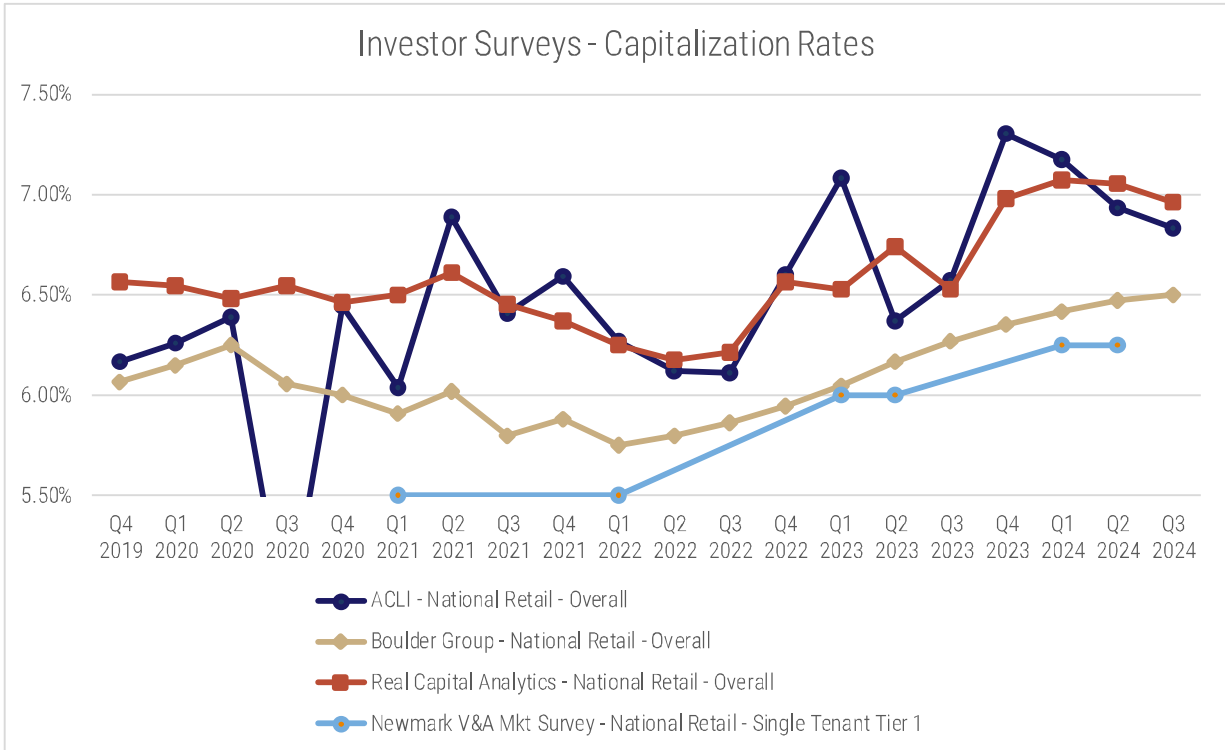
- Based on this information, a capitalization rate within a range of 5.00% to 8.91% could be expected for the subject, though we note that Sales 3, 4, and 5 occurred when the impacts of COVID-19 were still having a significantly adverse impact on the live performance venue market segment.

Investor Surveys and Trends

Given the uniqueness of the property type (performance venue, institutional use), very little national data is available. The property type is most similar to retail space given the high customer traffic and walkable location. Therefore, data pertaining to investment grade retail properties from various national surveys are summarized in the exhibits that follow.

Investor Surveys - Capitalization Rates					
Source	Period	Low	High	Average	
ACLI - National Retail - Overall	Q3 2024	N/A	N/A	6.83%	
Boulder Group - National Retail - Overall	Q3 2024	N/A	N/A	6.50%	
Real Capital Analytics - National Retail - Overall	Q3 2024	N/A	N/A	6.96%	
Newmark V&A Mkt Survey - National Retail - Single Tenant Tier 1	Q2 2024	N/A	N/A	6.25%	

Compiled by Newmark



- With Live Nation holding the largest market share in the concert and event promotion market segment, it is considered to be a top-tier tenant for this industry.
- Accordingly, based on the survey data, a capitalization rate within a range of 6.00% to 6.50% could be expected for the subject.

Market Participants

Market Participant Survey - Capitalization Rate

Respondent	Cap Rate
Broker #1	Around 7.00%
Broker #2	6.50% - 7.00%
Private Equity Investor	6.00% - 6.50%
Subject Indication	6.00% - 7.00%

Compiled by Newmark

- Market participants generally viewed the subject property favorably given its physical and locational attributes.
- Based on these responses, a capitalization rate within a range of 6.00% to 7.00% is indicated for the subject.

Band of Investment and Debt Coverage Ratio

Band of Investment						
Mortgage/Equity Assumptions						
Loan to Value Ratio						70%
Interest Rate						6.25%
Amortization (Years)						30
Mortgage Constant						0.0739
Equity Ratio						30%
Equity Dividend Rate						5.00%
Weighted Average Of Mortgage/Equity Requirements						
Mortgage Requirement	70%	x		7.39%	=	5.17%
Equity Requirement	30%	x		5.00%	=	1.50%
Indicated Capitalization Rate (Rounded)						6.75%
Debt Coverage Ratio Analysis						
Debt Coverage Ratio						1.20
Loan to Value Ratio						70%
Mortgage Constant						0.0739
Indicated Capitalization Rate (Debt Coverage Ratio Method)						6.21%

Compiled by Newmark

- For the band of investment and debt coverage ratio analyses, we considered insight based on our discussions with market participants as well as the most recently available data from RealtyRates for permanent fixed-rate financing, as shown below:

RealtyRates.com INVESTOR SURVEY - 4th Quarter 2024*											
PERMANENT FIXED-RATE FINANCING											
	Apt.	Golf	Health Senior Housing	Ind.	Lodging	RV/Camp Mfg Hsg MH Park	Office	Restaurant	Retail	Self Storage	Special Purpose
Spread Over Base**											
Minimum	0.54%	1.25%	1.25%	1.10%	1.44%	1.12%	1.10%	1.51%	0.80%	1.10%	1.48%
Maximum	4.84%	10.00%	6.05%	5.85%	9.88%	8.48%	6.72%	11.78%	5.94%	5.95%	12.00%
Average	2.80%	4.76%	3.92%	3.41%	3.46%	4.46%	3.41%	5.14%	3.65%	4.13%	5.42%
Interest Rate											
Minimum	4.39%	5.10%	5.10%	4.95%	5.29%	4.97%	4.95%	5.36%	4.65%	4.95%	5.33%
Maximum	8.69%	13.85%	9.90%	9.70%	13.73%	12.33%	10.57%	15.63%	9.79%	9.80%	15.85%
Average	6.65%	8.61%	7.77%	7.26%	7.31%	8.31%	7.26%	8.99%	7.50%	7.98%	9.27%
Debt Coverage Ratio											
Minimum	1.00	1.15	1.05	1.10	1.05	1.10	1.10	1.10	1.10	1.10	1.15
Maximum	1.86	2.15	2.25	2.05	2.85	2.05	2.15	2.15	2.15	2.50	2.15
Average	1.43	1.53	1.48	1.44	1.52	1.35	1.63	1.55	1.39	1.51	1.70
Loan-to-Value Ratio											
Minimum	55%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Maximum	90%	80%	90%	87%	80%	80%	80%	80%	80%	80%	80%
Average	73%	67%	70%	70%	67%	69%	68%	66%	70%	70%	66%
Amortization (Yrs.)											
Minimum	15	15	15	15	15	15	15	15	15	15	15
Maximum	40	40	40	40	40	40	40	40	30	40	40
Average	26	23	25	25	23	26	30	22	25	28	23
Term (Yrs.)											
Minimum	3	5	3	3	5	5	3	3	3	3	3
Maximum	40	30	25	30	30	30	30	15	10	10	20
Average	20.50	9.00	13.65	11.46	7.80	9.15	8.00	7.45	6.20	6.10	7.85

*3rd Quarter 2024 Data

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Capitalization Rate Conclusion

We have also taken the following into consideration in the selection of our concluded capitalization rate.

Key Value Considerations

Strengths

1. Given the subject's overall favorable quality and condition due to its extensive renovation, the utility of the space, which features expansive ceiling heights, historic Oscar Hammerstein design, and favorable layout, the subject is one of the most unique properties, particularly a live performance venue, in the city of Philadelphia in terms of use, layout, and overall marketability. The subject has been well-received as a performance venue in the City of Philadelphia and has demonstrated strong ticket sales per performance post-pandemic.
2. The subject's main tenant is Live Nation Entertainment, Inc., a live-events company focused on concert and entertainment-show promotions. They are the largest producer of live music in the world, based on total fans that attend Live Nation events as compared to events of other promoters. The lease in-place is a long-term lease extending through 2047. In addition to base rent, Live Nation pays additional rent from the number of tickets sold as well as from Naming Rights sponsorships referred to as name-in-title or "NIT Sponsorships".
3. Strong upside potential for additional income streams from owner events which are now being scheduled for 2025 as well additional retail spaces on the basement floor and proposed roof deck which are anticipated to eventually be leased by separate entities that represent experienced food & beverage operators within Philadelphia. While considered speculative at present, there is a high potential for the development of these retail spaces to proceed in the near future as per our discussions with ownership who noted that they have prospective tenancy in hand.
4. The subject's site is located at the intersection of North Broad Street and Poplar Street, situated in between the Spring Garden and Poplar neighborhoods. This area, known as the North Broad Street corridor, has undergone revitalization over the past several years as Center City continues to gentrify.

Risk Factors

1. In 2019, ownership filed a lawsuit against Live Nation for reportedly not paying the full additional rent generated out of proceeds from live performances and private events as well as naming sponsorship proceeds as outlined in the lease. While the litigation is still ongoing, ownership indicated that negotiations aimed at settling this dispute are proceeding favorably.

National Trends and Uncertainties

1. Newmark Capital Markets assesses that there was a momentum shift in the 4th quarter, leading to both transaction volume and lending volume increasing year-over-year. However, they also note that the notable increase in interest rates since early December complicates matters.
2. Real Capital Analytics reported in their end of 2024 Capital Trends publication that "the commercial property markets turned a corner in 2024." Deal volume climbed in 2024 and price declines are coming to an end overall.
3. The uncertainty surrounding the new U.S. administration's economic policies will be an overhang and the Federal Reserve is expected to pause any additional rate reductions until the effects of these policies are better understood a drag on CRE performance.

Based on the preceding analysis, we conclude to a capitalization rate for the subject as follows:

Capitalization Rate Conclusion	
Source	Indication
Comparable Specialty Sales Range	5.00% - 8.91%
Investor Surveys	6.00% - 6.50%
Market Participants	6.00% - 7.00%
Band of Investment	6.75%
Debt Coverage Ratio Analysis	6.21%
Concluded Going-In Capitalization Rate	6.25%

Compiled by Newmark

Direct Capitalization Summary

Net operating income is divided by the capitalization rate to derive the stabilized value of the subject. Valuation of the subject by direct capitalization is shown in the table immediately following.

Income Capitalization Approach			
Summary of Stabilized Net Operating Income			
Item Description	% of Income	\$ / SF	Total \$
Specialty Income		133,419 SF	
Potential Base Rent		\$13.82	\$1,844,339
Scheduled Base Rent		\$13.82	\$1,844,339
Percentage Rent		\$7.71	\$1,028,500
Other Income		\$1.99	\$265,125
Potential Gross Income		\$23.52	\$3,137,964
Vacancy Allowance	-4.00%	(\$0.94)	(\$125,519)
Collection Allowance	-1.00%	(\$0.24)	(\$31,380)
Effective Gross Income		\$22.34	\$2,981,066
Operating Expenses		133,419 SF	
General and Administrative		\$0.50	\$66,710
Management	3.00%	\$0.67	\$89,432
Replacement Reserves		\$0.25	\$33,355
Total Operating Expenses	6.36%	\$1.42	\$189,496
Net Operating Income		\$20.92	\$2,791,570
Direct Capitalization Method			
Value Indication		\$ / SF	Total \$
Stabilized Net Operating Income		\$20.92	\$2,791,570
Overall Capitalization Rate			6.25%
As Stabilized Value	Effective Date: 1/8/2025		\$44,665,113
Rounded		\$335.03	\$44,700,000

Valuation Matrix	
OAR	Value
5.75%	\$48,549,036
6.00%	\$46,526,160
6.25%	\$44,665,113
6.50%	\$42,947,224
6.75%	\$41,356,586

As Is		
As Stabilized Value as of Current Date	Effective Date: 1/8/2025	\$44,665,113
As Is Value	Effective Date: 1/8/2025	\$44,665,113
Rounded		\$335.03 \$44,700,000

Compiled by Newmark

Reconciliation of Value

The values indicated by our analyses are as follows:

Market Value Indications	
Market Value Premise	As Is
As of Date:	January 8, 2025
Cost Approach:	Not Used
Sales Comparison Approach:	\$44,700,000
Income Capitalization Approach:	\$44,700,000
Market Value Conclusion	\$44,700,000

Compiled by Newmark

Cost Approach

The Cost Approach has best applicability for properties with new or nearly new improvements. It is a summation approach in that the underlying land value is added to the depreciated replacement cost for the indicated value. In this case, the cost approach was not utilized due to the age of the improvements which results in significant depreciation thereby reducing the reliability of this approach. More significantly, however, market participants considering properties like the subject do not give consideration to the cost approach.

Sales Comparison Approach

The Sales Comparison Approach is focused on comparing the subject to sale and other market transactions with the aim to develop an indication of value that is founded on the theory of substitution. Basically, the intention is to determine value through considering the prices of properties which would be a substitute property to the subject. In this case, a selection of reasonably similar sales were obtained and the adjustment process was well founded by reasoning and direct evidence. Although this analysis is considered to be well founded and reliable, the subject property is an income producing property and the sales comparison approach, like the cost approach, is limited in its ability to directly consider the income levels of the subject and the sales. Accordingly, secondary weight is given to the sales comparison approach.

Income Capitalization Approach

The subject property is a leased live performance center. It is distinctly an income producing property and this approach is specifically designed to address the value of such a property. A direct capitalization analysis was developed in accordance with typical behavior amongst market

participants. The value indication from the income capitalization approach is supported by market data regarding income, expenses and required rates of return. Capitalization rates were developed from a number of sources including the sales used in the sales comparison approach. An investor is the most likely purchaser of the appraised property, and a typical investor would place greatest reliance on the income capitalization approach. In total, the income capitalization approach is considered to be most applicable to the subject and most reliable. This approach is given greatest weight for that reason.

FINAL VALUE CONCLUSIONS

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Leased Fee	1/8/2025	\$44,700,000

Compiled by Newmark

Extraordinary Assumptions and Hypothetical Conditions

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

1. None

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. None

Compiled by Newmark

EXPOSURE TIME

Exposure time is the estimated length of time the subject property would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. It is a retrospective estimate based on an analysis of past events assuming a competitive and open market.

Recent sales transaction data for similar properties, supply and demand characteristics for the live performance venue market, and the opinions of local market participants were reviewed and analyzed. Based on this data and analysis, it is our opinion that the probable exposure time for the subject at the concluded market value stated previously is up to 12 months.

MARKETING TIME

Marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. As no significant changes in market conditions are foreseen in the near term, it is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at up to 12 months.

Assumptions and Limiting Conditions

The Appraisal contained in this Report (herein “Report”) is subject to the following assumptions and limiting conditions:

1. Unless otherwise stated in this report, title to the property which is the subject of this report (herein “Property”) is assumed to be good and marketable and free and clear of all liens and encumbrances and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. No responsibility is assumed for the legal description, zoning, condition of title or any matters which are legal in nature or otherwise require expertise other than that of a professional real estate appraiser. This report shall not constitute a survey of the Property.
2. Unless otherwise stated in this report, it is assumed: that the improvements on the Property are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the Property and improvements conform to all applicable local, state, and federal laws, codes, ordinances and regulations including environmental laws and regulations. No responsibility is assumed for soil or subsoil conditions or engineering or structural matters. The Property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated. The physical condition of the Property reflected in this report is solely based on a visual inspection as typically conducted by a professional appraiser not someone with engineering expertise. Responsible ownership and competent property management are assumed.
3. Unless otherwise stated in this report, this report did not take into consideration the existence of asbestos, PCB transformers or other toxic, hazardous, or contaminated substances or underground storage tanks, or the cost of encapsulation, removal or remediation thereof. Real estate appraisers are not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials and substances may adversely affect the value of the Property. Unless otherwise stated in this report, the opinion of value is predicated on the assumption that there is no such material or substances at, on or in the Property.

4. All statements of fact contained in this report as a basis of the analyses, opinions, and conclusions herein are true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to and relies upon the accuracy of information and material furnished by the owner of the Property or owner's representatives and on information and data provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by such members. Such information and data obtained from third party sources are assumed to be reliable and have not been independently verified. No warranty is made as to the accuracy of any of such information and data. Any material error in any of the said information or data could have a substantial impact on the conclusions of this Report. The appraiser reserves the right to amend conclusions reported if made aware of any such error.
5. The opinion of value stated in this report is only as of the date of value stated in this report. An appraisal is inherently subjective and the conclusions stated apply only as of said date of value, and no representation is made as to the effect of subsequent events. This report speaks only as of the date hereof.
6. Any projected cash flows included in the analysis are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within this report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of market expectations of future income and expenses. The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. There is no warranty or assurances that these forecasts will occur. Projections may be affected by circumstances beyond anyone's knowledge or control. Any income and expense estimates contained in this report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
7. The analyses contained in this report may necessarily incorporate numerous estimates and assumptions regarding Property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by the analysis will vary from estimates, and the variations may be material.
8. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraphs, several events may occur that could substantially alter the outcome of the estimates such as, but not limited to changes

in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. In making prospective estimates and forecasts, it is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

9. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. This report shall be considered only in its entirety. No part of this report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the Firm. Possession of this report, or a copy hereof, does not carry with it the right of publication.
11. Client and any other Intended User identified herein should consider this report and the opinion of value contained herein as only one factor together with its own independent considerations and underwriting guidelines in making any decision or investment or taking any action regarding the Property. Client agrees that Firm shall not be responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other advisors or contractors. The use of this report and the appraisal contained herein by anyone other than an Intended User identified herein, or for a use other than the Intended Use identified herein, is strictly prohibited. No party other than an Intended User identified herein may rely on this report and the appraisal contained herein.
12. Unless otherwise stated in the agreement to prepare this report, the appraiser shall not be required to participate in or prepare for or attend any judicial, arbitration, or administrative proceedings.
13. The Americans with Disabilities Act (ADA) became effective January 26, 1992. No survey or analysis of the Property has been made in connection with this report to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. No expertise in ADA issues is claimed, and the report renders no opinion regarding the Property's compliance with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

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14. Acceptance and/or use of this report constitutes full acceptance of these Assumptions and Limiting Conditions and any others contained in this report, including any Extraordinary Assumptions and Hypothetical Conditions, and is subject to the terms and conditions contained in the agreement to prepare this report and full acceptance of any limitation of liability or claims contained therein.

Addendum A
Glossary of Terms

ADDENDA

The following definitions are derived from *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022).

- ◆ **Absorption Period:** The actual or expected period required from the time a property, group of properties, or commodity is initially offered for lease, purchase, or use by its eventual users until all portions have been sold or stabilized occupancy has been achieved.
- ◆ **Absorption Rate:** 1) Broadly, the rate at which vacant space in a property or group of properties for sale or lease has been or is expected to be successfully sold or leased over a specified period of time. 2) In subdivision analysis, the rate of sales of lots or units in a subdivision.
- ◆ **Ad Valorem Tax:** A tax levied in proportion to the value of the thing(s) being taxed. Exclusive of exemptions, use-value assessment provisions, and the like, the property tax is an ad valorem tax. (IAAO)
- ◆ **As Is Market Value:** The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Interagency Appraisal and Evaluation Guidelines) Note that the use of the “as is” phrase is specific to appraisal regulations pursuant to FIRREA applying to appraisals prepared for regulated lenders in the United States. The concept of an “as is” value is not included in the Standards of Valuation Practice of the Appraisal Institute, Uniform Standards of Professional Appraisal Practice, or International Valuation Standards.
- ◆ **Assessed Value:** The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.
- ◆ **Cash Equivalency Analysis:** An analytical process in which the sale price of a transaction with atypical financing or financing with unusual conditions or incentives is converted into a price equivalent or consistent with what a cash buyer would pay with all other factors the same.
- ◆ **Cash-Equivalent Price:** The sale price of a property that is equivalent to what a cash buyer would pay.
- ◆ **Contract Rent:** The actual rental income specified in a lease.
- ◆ **Disposition Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) 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. This definition can also be modified to provide for valuation with specified financing terms.
- ◆ **Economic Life:** The period over which improvements to real estate contribute to property value.
- ◆ **Effective Gross Income (EGI):** The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income.
- ◆ **Effective Rent:** Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.
- ◆ **Excess Land:** Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. See also *surplus land*.
- ◆ **Excess Rent:** The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties.

ADDENDA

- ◆ **Exposure Time:** 1) The time a property remains on the market. 2) An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. (USPAP, 2020-2021 ed.)
- ◆ **Extraordinary Assumption:** An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property, or conditions external to the property, such as market conditions or trends, or about the integrity of data used in an analysis. (USPAP, 2020-2021 ed.)
- ◆ **Fee Simple Estate:** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.
- ◆ **Floor Area Ratio (FAR):** The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.
- ◆ **Frictional Vacancy:** The amount of vacant space needed in a market for its orderly operation. Frictional vacancy allows for move-ins and move-outs.
- ◆ **Full Service (Gross) Lease:** See *gross lease*.
- ◆ **General Vacancy:** A method of calculating any remaining vacancy and collection loss considerations when using discounted cash flow (DCF) analysis, where turnover vacancy has been used as part of the income estimate. The combined effects of turnover vacancy and general vacancy relate to total vacancy and collection loss.
- ◆ **Going-Concern Premise:** One of the premises under which the total assets of a business can be valued; the assumption that a company is expected to continue operating well into the future (usually indefinitely).
- ◆ **Going-Concern Value:** An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern or market value of the total assets of the business. See also *Market Value of the Going Concern* and *Market Value of the Total Assets of the Business (MVTAB)*.
- ◆ **Going-In Capitalization Rate (R_o):** The overall capitalization rate obtained by dividing a property's net operating income for the first year after purchase by the present value of the property.
- ◆ **Gross Building Area (GBA):** 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. 2) Gross leasable area plus all common areas. 3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space.
- ◆ **Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called full-service lease.
- ◆ **Hypothetical Condition:** 1) A condition that is presumed to be true when it is known to be false. (Appraisal Institute: The Standards of Valuation Practice [SVP]) 2) A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2020-2021 ed.)
- ◆ **Intended Use:** 1) The valuer's intent as to how the report will be used. (SVP) 2) The use(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment. (USPAP, 2020-2021 ed.)

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- ◆ **Intended Users:** 1) The party or parties the valuer intends will use the report. (SVP) 2) The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment. (USPAP, 2020-2021 ed.)
- ◆ **Investment Value:** 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2) The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth). (International Valuation Standards [IVS])
- ◆ **Land-to-Building Ratio:** The proportion of land area to gross building area; one of the factors determining comparability of properties. See also *floor area ratio*.
- ◆ **Lease:** A contract in which the rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.
- ◆ **Leased Fee Interest:** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.
- ◆ **Leasehold Estate:** The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.
- ◆ **Lessee:** One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement.
- ◆ **Lessor:** One who conveys the rights of occupancy and use to others under a lease agreement.
- ◆ **Liquidation Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a short time period. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under extreme compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) 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. This definition can also be modified to provide for valuation with specified financing terms.
- ◆ **Market Rent:** The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby • Lessee and lessor are typically motivated; • Both parties are well informed or well advised, and acting in what they consider their best interests; • Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and • The rent reflects specified terms and conditions typically found in that market, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, frequency of payments (annual, monthly, etc.), and tenant improvements (TIs).
- ◆ **Market Value:** A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined.³
- ◆ **Market Value of the Going Concern:** The market value of an established and operating business including the real property, personal property, financial assets, and the intangible assets of the business.
- ◆ **Market Value of the Total Assets of the Business (MVTAB):** The market value of all of the tangible and intangible assets of a business as if sold in aggregate as a going concern.
- ◆ **Modified Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified

³ The actual definition of value used for this appraisal is contained within the body of the report.

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gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease. See also *net lease*.

- ◆ **Net Lease:** A lease in which the landlord passes on all expenses to the tenant. See also *gross lease*; *modified gross lease*.
- ◆ **Net Net Net Lease:** An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease*, *triple net lease*, or *fully net lease*.
- ◆ **Net Operating Income (NOI or I_o):** The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization).
- ◆ **Occupancy Rate:** 1) The relationship or ratio between the potential income from the currently rented units in a property and the income that would be received if all the units were occupied. 2) The ratio of occupied space to total rentable space in a building.
- ◆ **Operating Expenses:** The periodic expenditures necessary to maintain the real estate and continue production of the effective gross income, assuming prudent and competition management.
- ◆ **Overage Rent:** The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakpoint sales volume.
- ◆ **Percentage Rent:** Rental income received in accordance with the terms of a percentage lease; typically derived from retail store and restaurant tenants and based on a certain percentage of their gross sales.
- ◆ **Prospective Opinion of Value:** A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.
- ◆ **Rentable Area:** For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.
- ◆ **Retrospective Value Opinion:** A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."
- ◆ **Shell Rent:** The typical rent paid for retail, office, or industrial tenant space based on minimal "shell" interior finishes (called vanilla finish or white wall finish in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior build-out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes, mechanical systems, interior electricity, and plumbing. Typically these are long-term leases with tenants paying all or most property expenses.
- ◆ **Surplus Land:** Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. See also *excess land*.
- ◆ **Turnover Vacancy:** A method of calculating vacancy allowance that is estimated or considered as part of the potential income estimate when using discounted cash flow (DCF) analysis. As units or suites turn over and are available for re-leasing, the periodic vacancy time frame (vacancy window) to release the space is considered.

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- ◆ **Usable Area:** 1) For office buildings, the actual occupiable area of a floor or an office space; computed by measuring from the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area. See also floor area. 2) The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.
- ◆ **Usable Site Area:** The area of a site that can legally and physically accommodate buildings or significant site improvements. The usable site area equals the total site area less certain obstructions, such as flood hazard areas, required natural buffers, cemeteries, archeologically restricted areas, ecologically restricted areas, areas within certain restrictive easements, and other obstructions. The net site area or usable site area should be more precisely defined in each appraisal because the significance of improvements or the obstruction depends on the specific assignment.
- ◆ **Use Value:** The value of a property based on a specific use, which may or may not be the property's highest and best use. If the specified use is the property's highest and best use, use value will be equivalent to market value. If the specified use is not the property's highest and best use, use value will be equivalent to the property's market value based on the hypothetical condition that the only possible use is the specified use.
- ◆ **Value In Use:** 1. The amount determined by discounting the future cash flows (including the ultimate proceeds of disposal) expected to be derived from the use of an asset at an appropriate rate that allows for the risk of the activities concerned. (FASB Accounting Standards Codification, Master Glossary) 2. Formerly used in valuation practice as a synonym for contributory value or use value. See also *use value*.

Addendum B
Engagement Letter

12/12/2024

MICHAEL SILVERMAN**Newmark Valuation & Advisory****2005 Market Street Suite 900, Philadelphia, PA 19103****Re: Fulton Bank Appraisal File# C-28182-1**

Dear MICHAEL SILVERMAN - Newmark Valuation & Advisory:

This letter is your authorization to complete an appraisal assignment for Fulton Bank (FB) in accordance with the terms and conditions stated herein.

In accepting this assignment, you affirm that you:

- are in full compliance with all applicable laws and regulations
- have fully met the Competency Rule as contained in the current USPAP
- are acting independently
- are certified as required by federal and state law in the state where the subject property is located
- do not have an interest, direct or indirect, financial or otherwise in the subject property or transaction

The engaged individual appraiser (named above) to whom this engagement letter is addressed to is required to personally inspect the subject property, have full involvement in the appraisal process, and sign the written appraisal report including the certification and take full responsibility for the appraisal; unless otherwise approved in writing by the Fulton Bank Appraisal Group.

SUBJECT PROPERTY INFORMATION

Property Location and Identification

Street, City, State, Zip: 858 North Broad Street, Philadelphia, PA 19130
County: Philadelphia
Tax Parcel/Account Number(s): 77-2071500
Property Name: Holy Ghost I, L.P.

Property Description and Status

Property Description: The subject, known as The Met Philadelphia, is a Special Purpose (Theater/Performing Arts Facility) property totaling 143,587 square feet. The improvements were originally built in 1908 as a state of art Opera House with a seating capacity of approximately 4,300 that recently underwent extensive renovation that was completed in 2018.

The subject property has a multi-tenant design that is currently occupied by third-party tenants. The subject is primarily leased to Live Nation, a credit worthy international company that is one of the world leaders in bringing live entertainment to local stages.

Property Land Size : 0.88 acres

Number Separate Buildings :

Number of Units : 1

Total Building Area:

Property Improvement Size: 143,587 sq. ft.

Property Tenancy: Single Tenant

If Pending /or Recent Sale: No

VALUATION SCENARIOS REQUIRED

Value	Qualifier	Property Rights
Market Value Real Estate-Current	As-Is	Leased Fee

Anticipated Completion Date of Proposed Construction (if Applicable)

- The definition of Market Value that the appraisal must be based on the most recent Minimum Appraisal Standards and Required Supplemental Guidelines, which the appraiser to whom this engagement letter is addressed has previously accepted and acknowledged. The said acknowledgement is on file with the FB Appraisal Group.
- The Current Market Value must be included and reported as of a current date to be specified by the appraiser but such date shall not be earlier than the date of this engagement letter, nor later than the date of the appraiser's last inspection of the subject property.

FLOOD ZONES and INSURABLE REPLACEMENT COSTS / INSURABLE VALUES

FB requires the following when the subject property lies within:

FEMA designated flood zones A and AE - The estimated Actual Cash Value (ACV) of each individual improvement. For FB purposes, the methodology to be employed to estimate ACV follows below.

FEMA designated flood zones X*, X500* or any other zone which includes an asterisk (*) that specifies a partial flood zone and the improvements are permanently affixed – Individual descriptions of each improvement, its current use, dimensions, and an estimated (%) of physical depreciation.

- If the improvements have no contributory value, please state they are 100% depreciated.
- If the improvements are not permanently attached and are considered personal property, please include photos of the personal property to support your observations.

Notes

- Replacement Cost New (RCN) estimates are to be derived from the current Marshall and Swift (M&S) Valuation Service.
- References to the appropriate M&S improvement type, construction class, quality of construction, section, page, and date are required for each improvement.
- A single aggregate (% of RCN) adjustment for insurable exclusions is acceptable for each improvement. However, the items included in the adjustment are to be identified (e.g. foundations below grade, piping below grade, architect fees, etc.).
- Separate ACV estimates are required for each existing (as is) and proposed (as complete/stabilized) improvement.

For FB purposes, the estimated ACV is derived as follows:

Estimated ACV = Insurable Replacement Cost/Insurable Value – Estimated (%) of Physical depreciation.

HYPOTHETICAL CONDITIONS AND EXTRAORDINARY ASSUMPTIONS

The use of any Hypothetical Conditions and Extraordinary Assumptions must be submitted to and authorized (in writing) by a member of the FB Appraisal Group.

PROPERTY INTEREST APPRAISED

Leased Fee

REPORT TYPE AND FORMAT

Report Type: Appraisal - Appraisal Report
Report Format: Narrative

VALUATION APPROACHES REQUIRED

As required by USPAP, all relevant approaches (Cost, Income and Sales Comparison) necessary to produce a credible opinion of value are to be used in the appraisal report. The rationale for the exclusion of any valuation approach must be supported in the written appraisal report.

INTENDED USE AND USER

The intended use of this appraisal report is for determining loan and credit underwriting decisions that will be made by Fulton Bank, its affiliates, successors, assigns, and any additional users including participants specified herein.

When there are additional intended users other than Fulton Bank and/or its affiliates, appraisals@fultonbank.com is required to be copied on any responses to any within named additional intended users.

APPRAISAL REPORT ADDRESSEE

The appraisal report is to be addressed to:

Fulton Bank
FB Appraisal Group
One Penn Square
Lancaster, PA 17602

Attention: Richard Shorter

BORROWER/PROJECT IDENTIFICATION AND PROPERTY CONTACT INFORMATION

Type	Name	Phone Number	Email
Borrower (Primary)	Elizabeth Galvani	(215) 625-9950 (Work)	Elizabeth@cbrmcop.com

The appraiser is required to make contact with the property contact person within 3 business days of engagement and notify the FB Appraisal Group via email that contact has been made.

COMPLETED APPRAISAL DELIVERY DUE DATE

1/9/2025

APPRAISAL REVIEW

This appraisal report is subject to review and the engaged appraiser agrees to cooperate with reviewers in a timely manner as specified below. This includes discussing the appraisal, providing additional information that may be needed for supplemental and/or clarification purposes and making any necessary corrections.

APPRAISAL AND INVOICE DELIVERY INSTRUCTIONS

-
- Upload (1) Signed copy of the appraisal report in PDF format and (1) separate PDF copy of your invoice to the Fulton Financial appraisal portal by the appraisal due date specified above.
 - Upon review and acceptance of the appraisal, you will be notified by email from the FB Appraisal Group with your authorization to send 0 hard copies of the appraisal report directly to the address specified below within 48 hours of the notification. You will receive a notification from the Fulton Financial appraisal portal stating the order is in a Completed status. Please be sure to log into the appraisal portal to check for special instructions before sending hard copies.
 - If after the appraisal report is reviewed; corrections and or revisions are required, you will receive an email from the FB Appraisal Group and/or review appraiser on the behalf of FB notifying you of the issues found and you will need to address or respond to these review issues within (1) business days of the notification.
 - Upon review and acceptance of the revised report, you will be notified by email from the FB Appraisal Group and/or review appraiser on the behalf of FB to send 0 hard copies of the revised appraisal report directly to the address specified below within 48 hours of the notification.
-

DISTRIBUTION OF HARD COPIES

** Do not send hard copies of the appraisal report until notified as specified herein.*

After you receive notification that the appraisal has been reviewed and accepted, please send 0 hard copies of the Signed Final appraisal report directly to the following:

Jeff Wallace

APPRAISAL FEE PAYMENT

Appraisal Fee: \$7,500.00

FB agrees to pay the appraisal fee as specified above for the appraisal services rendered by the appraiser as set forth herein, provided the final appraisal report is prepared, completed, satisfactorily reviewed and delivered in accordance with the terms and conditions of this agreement.

FB reserves the right to reduce the appraisal fee specified above by \$100/day for every Calendar Day that the appraisal report is past due the completed appraisal delivery due date as previously specified herein. However, no appraisal fee penalty shall be imposed for any delay that is beyond the appraiser's control, providing the delay is promptly submitted in writing to the FB Appraisal Group. If the appraiser requires an extension due to circumstances beyond his/her control, then he/she is required to request an extension at least 5 Business days prior to the completed appraisal delivery due date. Any requests to extend the completed appraisal delivery due date must be directly submitted in writing to the FB Appraisal Group.

FB reserves the right to reduce the appraisal fee specified above by \$100/day for every Calendar Day that the appraiser is past due in responding to any review issues as previously specified herein.

If FB terminates/cancels this agreement prior to the completed appraisal delivery due date, written notification will be sent to the appraiser and upon receipt thereof, this agreement shall be terminated. In the event of such termination, FB shall pay the appraiser for reasonable expenses incurred for the work completed on this assignment prior to the appraiser's receipt of the written notification of termination unless otherwise agreed upon in writing. In the event that this agreement is terminated, the appraiser agrees to promptly furnish copies of working papers and file memoranda to the FB Appraisal Group, if requested.

CONFIDENTIALITY AND INDEPENDENCE

This appraisal was ordered by and prepared for the sole use and benefit of Fulton Bank. The fiduciary appraiser/client relationship is only with FB. The report is based in part on documents and information owned and possessed by FB and the information, analyses, conclusions, statements and appraised values contained within the report are strictly confidential. The unlawful interception, use or disclosure of such information is strictly prohibited under 18 USCA 2511 and the

Gramm-Leach-Bliley Act of 1999. The appraisal report may be made available to third parties who have been authorized to receive it including review appraisers, examiners, regulators, bank customers and other financial institutions in the regular course of business.

To ensure independence of the appraisal process, do not communicate or divulge in any manner the results or contents of the appraisal to anyone including the property owner(s), prospective borrower(s), broker(s), lending staff or other employees of FB or its affiliates, or anyone else other than the FB Appraisal Group or FB review appraiser as previously specified under the appraisal delivery instructions. The appraiser's opinion of value will be developed competently and with independence, impartiality and objectivity.

If you believe that your independence has been compromised or you have been subject to any measures of coercion or undue influence, please send a confidential email to appraisalindependence@fultonbank.com.

REVISIONS TO THIS ENGAGEMENT AGREEMENT

If after you review this engagement agreement and/or obtain information during the course of this assignment, you believe any of the above needs to be revised for credible results, immediately communicate the same with the FB Appraisal Group.

All changes to the herein specified valuation scenarios, property interest appraised, valuation approaches used and/or any other changes to the herein terms and conditions must be submitted to and authorized (in writing) by a member of the FB Appraisal Group.

ACCEPTANCE OF THIS ENGAGEMENT AGREEMENT

To acknowledge your acceptance of the terms and conditions of this engagement agreement including the FB Minimum Appraisal Standards and Required Supplemental Guidelines, please sign and date below. If this engagement letter is not electronically accepted in the appraisal portal within 2 business days of issuance, this agreement automatically becomes null and void.

All copies of the appraisal report must include a signed copy of this engagement letter. The appraisal will not be accepted without this included.

All correspondences regarding this assignment are required to be made to the FB Appraisal Group and should include the FB Appraisal File# C-28182-1 . In no case, without the written permission from the FB Appraisal Group, should contact be made with any other representatives of the bank.

Regards,

Richard Shorter

RShorter@fultonbank.com

(856) 787-6290 x 19090

Digitally signed by: Thawte RSA CA 2018

Date: 2024.12.12 11:32:51 -05:00

Reason: Engagement Letter Signed by MICHAEL SILVERMAN.

Location: Global Data Management Systems, LLC. Application

Addendum C
Financials and Property Information



858 N BROAD ST
 PHILADELPHIA, PA 19130-2234

Owner

HOLY GHOST I LP

OPA Account Number

772071500

Mailing Address

Ryan LLC
 Suite 550
 1000 Continental Dr
 King of Prussia PA 19406

Property assessment and sale information

Assessed Value	\$23,574,100
Sale Date	02/28/2013
Sale Price	\$1

Office of Property Assessment (OPA) was formerly part of the Board of Revision of Taxes (BRT) and some City records may still use that name. Source: [Office of Property Assessment \(OPA\). \(https://www.phila.gov/opa/pages/default.aspx\)](https://www.phila.gov/opa/pages/default.aspx)

Valuation History

Taxable and exempt land values can represent the contributory value of land in relation to the total market value, or were no structure is present, the value of vacant land. (Consistent with International Association of Assessing Officers (IAAO) standards, the value of an improved parcel is separated into the portion of value attributed to the improvement and the portion of value attributed to the land.)

To report issues or ask questions regarding your 2025 property assessment, call [\(215\) 686-9200 \(tel:2156869200\)](tel:2156869200) or visit [www.phila.gov/opa \(https://www.phila.gov/opa\)](https://www.phila.gov/opa).

Year	Market Value	Taxable Land	Taxable Improvement	Exempt Land	Exempt Improvement
2025	\$23,574,100	\$2,319,086	\$212,550	\$0	\$21,042,464
2024	\$23,574,100	\$2,319,086	\$212,550	\$0	\$21,042,464
2023	\$23,574,100	\$2,319,086	\$212,550	\$0	\$21,042,464
2022	\$21,627,600	\$2,127,600	\$183,832	\$0	\$19,316,168
2021	\$21,627,600	\$2,127,600	\$183,832	\$0	\$19,316,168
2020	\$21,627,600	\$2,127,600	\$183,832	\$0	\$19,316,168

Year	Market Value	Taxable Land	Taxable Improvement	Exempt Land	Exempt Improvement
2019	\$21,627,600	\$2,127,600	\$183,832	\$0	\$19,316,168
2018	\$208,900	\$25,068	\$183,832	\$0	\$0
2017	\$196,000	\$147,000	\$49,000	\$0	\$0
2016	\$196,000	\$147,000	\$49,000	\$0	\$0
2015	\$196,000	\$147,000	\$49,000	\$0	\$0


Sales History (1)

Date	Adjusted Total	Grantees	Grantors	Doc Id
02/28/2013	\$1	HOLY GHOST I LP	HOLY GHOST HEADQUARTERS REVIVAL CENTER AT THE MET INC	52613849

Property Details

Property characteristics described below are included for convenience, but may not reflect the most recent conditions at the property. For all property questions, [submit an official inquiry](#)

(https://opainquiry.phila.gov/opa/apps/help/PropInq.aspx?acct_num=772071500) or call OPA at (215) 686-9200 (tel:+12156869200).

Year Built	1908
Building Description	LEGITIMATE THEATER
Building Condition	Above Average
Number of Stories	Not Available
Number of Rooms	Not Available
Features	No basement No fireplace No garage
Heating and Utilities	Heater type n/a No central air Sewer type n/a
Lot Size	38,400 sq ft
Improvement Area	105,187 sq ft
Frontage	240 ft
Beginning Point	SWC POPLAR ST
Zoning	CMX4-Center City Commercial Mixed-Use  (https://atlas.phila.gov/858%20N%20BROAD%20ST/zoning.1)
OPA Account Number	772071500
OPA Address	858 N Broad St
Homestead Exemption	No

Local Details

Political Divisions	Ward: 15th Council District: 5th
School Catchment	Elementary: Waring, Laura W Middle: Waring, Laura W HS: Franklin Benjamin HS
Police District	9th District
Trash Day	Monday
Recycling Day	Monday
L&I District	NORTH
Census Tract	013300

You can download the property assessment dataset in bulk, and get more information about this data at metadata.phila.gov

Note: Taxable and exempt land values can represent the contributory value of land in relation to the total market value, or were no structure is present, the value of vacant land. (Consistent with International Association of Assessing Officers (IAAO) standards, the value of an improved parcel is separated into the portion of value attributed to the improvement and the portion of value attributed to the land.)

HOLY GHOST I, LP

Profit & Loss

January 2021 through December 2024

	Jan - Dec 21	Jan - Dec 22	Jan - Dec 23	Jan - Dec 24	TOTAL
Income					
Lease Income	5,363,107.50	4,499,324.10	4,499,324.40	2,689,317.94	17,051,073.94
Live Nation Fit Out Proceeds	977,349.12	977,349.12	977,349.12	0.00	2,932,047.36
Other Income	0.00	10,683.96	0.00	7,533.42	18,217.38
RACP Grant	1,000,000.00	0.00	0.00	0.00	1,000,000.00
Rent	0.00	750.00	0.00	0.00	750.00
Total Income	7,340,456.62	5,488,107.18	5,476,673.52	2,696,851.36	21,002,088.68
Expense					
Accounting Expense	20,500.00	14,000.00	20,600.00	21,300.00	76,400.00
Amortization	101,804.00	74,185.00	74,185.00	0.00	250,174.00
Appraisal Expense	0.00	7,500.00	0.00	0.00	7,500.00
bank fee	938.00	1,287.75	980.52	1,290.00	4,496.27
Basement-H2O remediation	0.00	53,065.23	0.00	0.00	53,065.23
BIRT - City of Phila Tax	17,989.09	13,628.00	7,794.29	-632.05	38,779.33
Charitable Contribution	5,055.68	540.00	0.00	0.00	5,595.68
Depreciation Expense	1,461,291.00	1,461,291.00	1,461,291.00	0.00	4,383,873.00
Interest Expense					
Direct Loan	1,128,039.05	1,101,633.08	1,073,856.24	1,045,594.47	4,349,122.84
HUD 108 Loan	148,726.60	143,699.34	138,328.42	132,590.43	563,344.79
Interest SSHOCF III PACE	319,300.00	377,915.67	0.00	0.00	697,215.67
PIDC Loan A	103,676.28	103,676.28	103,676.28	103,676.28	414,705.12
PIDC Loan B	46,759.08	46,759.08	46,759.08	46,759.08	187,036.32
Total Interest Expense	1,746,501.01	1,773,683.45	1,362,620.02	1,328,620.26	6,211,424.74
Miscellaneous Expense					
Oscar's expense	127,411.00	4,869.00	91.00	237.44	132,608.44
PIDC Annual Fees	0.00	27,000.00	0.00	0.00	27,000.00
Professional Expense	35,393.00	91,036.00	57,143.00	57,143.00	240,715.00
Property Tax Assessment	0.00	10,400.00	1,700.00	0.00	12,100.00
Repairs and Maintenance	0.00	0.00	377,916.67	378,949.92	756,866.59
Roof repairs	552.03	934.20	0.00	11,060.74	12,546.97
	0.00	12,657.00	0.00	0.00	12,657.00
Total Expense	3,517,434.81	3,546,076.63	3,364,321.50	1,797,969.31	12,225,802.25
Net Income	3,823,021.81	1,942,030.55	2,112,352.02	898,882.05	8,776,286.43

Holy Ghost Met Master Tenant LLC

Profit & Loss

01/07/25

January 2021 through December 2023

Accrual Basis

	Jan - Dec 21	Jan - Dec 22	Jan - Dec 23	TOTAL
Ordinary Income/Expense				
Income				
Commercial Rent	1,500,000.00	1,500,000.00	1,526,298.00	4,526,298.00
Common Area Maintenance	147,644.49	162,481.40	162,810.52	472,936.41
Flowthrough Income	370,492.00	194,203.00	0.00	564,695.00
Landlord discount U & O	5,632.82	0.00	0.00	5,632.82
Real Estate Tax	31,569.19	368,001.52	368,001.52	767,572.23
SVOG Grant	4,776,488.95	2,388,244.89	0.00	7,164,733.84
Ticket Sales	204,318.00	568,663.00	425,842.00	1,198,823.00
Utility Reimbursements	36,728.26	54,133.38	59,196.56	150,058.20
Total Income	7,072,873.71	5,235,727.19	2,542,148.60	14,850,749.50
Gross Profit	7,072,873.71	5,235,727.19	2,542,148.60	14,850,749.50
Expense				
Bank Service Charges	395.00	610.00	435.00	1,440.00
Insurance Expense	117,897.78	135,517.00	135,739.89	389,154.67
Lease Payments to Holy Ghost I	4,722,701.50	4,499,324.10	1,829,550.40	11,051,576.00
Management Fees	240,395.50	253,798.90	97,606.60	591,801.00
Professional Fees	146,683.30	109,988.58	253,067.47	509,739.35
Property Tax	32,355.43	0.00	0.00	32,355.43
Repairs and Maintenance	0.00	19,434.26	11,363.62	30,797.88
Taxes - City of Phila	2,518.88	3,848.00	2,297.75	8,664.63
Telephone Expense	2,580.83	2,270.88	385.44	5,237.15
Utilities	44,117.63	53,554.06	60,808.88	158,480.57
Total Expense	5,309,645.85	5,078,345.78	2,391,255.05	12,779,246.68
Net Ordinary Income	1,763,227.86	157,381.41	150,893.55	2,071,502.82
Other Income/Expense				
Other Income				
Other Expense/Revenues	0.00	28,978.00	0.00	28,978.00
Total Other Income	0.00	28,978.00	0.00	28,978.00
Net Other Income	0.00	28,978.00	0.00	28,978.00
Net Income	1,763,227.86	186,359.41	150,893.55	2,100,480.82

Addendum D
Comparable Data

Improved Sales

ADDENDA

Specialty Sale Comparable 1

The Avalon Theatre

Location Information

Location	1735 Vine Street Los Angeles, CA
Market	Valuation Properties
Submarket	Valuation Specialty
County	Los Angeles
APN	5546-004-403



Physical Property Summary

Property Type	Specialty (Performing Arts Center)
Gross Building Area	33,444 SF
Rentable Area	33,444 SF
Land Acres	0.42 Acres
Land SF	18,330 SF
Land to Building Ratio	0.55
No. of Buildings	1
No. of Stories	2
Year Built (Renovated)	1927 (2016)
Construction	Masonry
Condition	Average
Parking	None
Investment Class	Class B
Elevators	

Financial Data

Occupancy	100.0%
Property Operations Status	Stabilized Operations

Financial Indicators

NOI	\$906,299
Derived Cap Rate	5.00%
Reported Cap Rate	N/A

Sale Data

Transaction Type	In-Contract
Date	January 6, 2025
Marketing Time	3 months
Grantor	Ligny LLC (Kay Neill)
Grantee	Confidential, In Escrow
Document No.	0
Price	\$18,125,980
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$18,125,980
Price Per SF	\$541.98

Comments

The Avalon Theatre has been at the heart of entertainment history since its grand opening in 1927. Nestled at the world famous intersection of Hollywood & Vine, this historic venue has hosted legendary performances and milestone moments, shaping the entertainment landscape for nearly a century. Former home to legendary radio, television, and variety shows, including The Hollywood Palace. Played host to The Beatles, Bob Hope, Bing Crosby, Judy Garland, The Rolling Stones, and countless other entertainment icons. Legendary nightclub destination for global stars. Originally opened as the Hollywood Playhouse, the theatre quickly became a beacon for Broadway's biggest stars, hosting acclaimed live shows throughout the 1920s. Its rich history includes rebranding as The WPA Federal Theatre, The El Capitan Theatre, and The Hollywood Palace—each name representing a new chapter in entertainment history. From hosting CBS radio broadcasts to the variety show The Hollywood Palace, where stars like Judy Garland and Louis Armstrong performed, this stage has seen the giants of show business grace its boards. Over the decades, the theatre evolved into a premier concert venue and nightclub, becoming a hub for global music legends. The Palace (as it was known in the '70s and '80s) became a West Coast answer to New York's famed Studio 54, attracting icons like Prince, Madonna, David Bowie, and The Rolling Stones. It was also ground zero for the British Invasion, introducing the U.S. to The Clash, Eurythmics, Culture Club, and Duran Duran, among others. Renovated in 2002 and reimagined as AVALON Hollywood, this storied venue has continued to attract top talent and remains at the forefront of L.A.'s nightlife and entertainment scene, maintaining its position as a live entertainment powerhouse. The 2016 facelift has only further cemented its status, blending the original architectural beauty with cutting-edge technology. For the first time in over 50 years, one of Hollywood's most celebrated landmarks is now on the market. This rare opportunity to own a piece of Hollywood history offers unparalleled potential. With its storied past, prime location, and state-of-the-art facilities, the Avalon Theatre is not just a building—it's an institution with a legacy that continues to evolve. Property was being marketed by Jason Lamoreaux of Coldwell Banker Commercial Real Estate Solutions since September 2024 at an asking price of \$18,500,000 (roughly \$553 per SF). Property is fully leased to tenant Avalon Hollywood & Bardot Hollywood and has an NOI of \$906,299, thus reflective of a 4.9% cap rate relative to the listing price. As of January 6, 2025, there was an update to the listing status after an offer for the property was accepted which is now pending and being held in escrow accordingly. The selling broker was bound by an NDA so could not disclose much information pertaining to the pending transaction, though did note that the accepted offer was slightly below the asking price and reflective of a 5% cap rate, indicating a purchase price of \$18,125,980 (roughly \$553 per SF) for the asset. The broker also noted that there was significant interest in the property prior to the offer being accepted and that interested parties considered the asking price and asking cap rate reasonable, with multiple offers made which were similar to or just below the accepted one in price.

ADDENDA

Specialty Sale Comparable 2

Alamo Drafthouse Cinema

Location Information

Location	8905 Westminster Boulevard Westminster, CO
Market	Valuation Properties
Submarket	Valuation Specialty
County	Jefferson
APN	29-244-22-016



Physical Property Summary

Property Type	Specialty (Performing Arts Center)
Gross Building Area	44,283 SF
Rentable Area	43,815 SF
Land Acres	1.15 Acres
Land SF	50,281 SF
Land to Building Ratio	1.14
No. of Buildings	1
No. of Stories	2
Year Built (Renovated)	2019
Construction	Masonry
Condition	Average
Parking	None
Investment Class	Class B
Elevators	

Sale Data

Transaction Type	Listing
Listing Date	April 25, 2024
Marketing Time	8 months
Grantor	Alamo Westminster Buyer, LLC
Grantee	N/A - Active Listing
Document No.	0
Listing Price	\$13,333,333
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$13,333,333
Price Per SF	\$304.31

Financial Data

Occupancy	100.0%
Property Operations Status	Stabilized Operations

Financial Indicators

NOI	\$1,000,000		
Derived Cap Rate	7.50%		
Reported Cap Rate	N/A	Verification	Confirmed-Seller Broker

Comments

Brian Brockman with Bang Realty is pleased to present the exclusive listing for an Alamo Drafthouse Cinema located at 8905 Westminster Boulevard in Westminster, Colorado. The site consists of roughly 43,815 rentable square feet of building space on an estimated 1.15-acre parcel of land. This Alamo Drafthouse Cinema is subject to a 15-year absolute triple-net (NNN) lease, which commences at the close of escrow, thus reflecting a sale leaseback transaction upon consummation. The initial annual rent is \$1,000,000 and is scheduled to increase by 10% every five years throughout the base term and in each of the three, 5-year renewal options. Current asking price is \$13,333,333 which is reflective of a 7.50% cap rate. Has been on the market since April 2024. Sony Pictures Entertainment acquired Alamo Drafthouse Cinema in June 2024 so is now parent company.

ADDENDA

Specialty Sale Comparable 3

AvidXchange Music Factory

Location Information

Location	1000 NC Music Factory Boulevard Charlotte, NC
Market	Valuation Properties
Submarket	Valuation Specialty
County	Mecklenburg
APN	07842501 and 514, 513, 402, 111 and 112



Physical Property Summary

Property Type	Specialty (Performing Arts Center)
Gross Building Area	205,259 SF
Rentable Area	187,882 SF
Land Acres	10.65 Acres
Land SF	463,953 SF
Land to Building Ratio	2.26
No. of Buildings	5
No. of Stories	2
Year Built (Renovated)	1900 (2006)
Construction	Masonry
Condition	Average
Parking	200 owned parking spaces, with cross easement
Investment Class	Class B
Elevators	

Sale Data

Transaction Type	Closed
Date	May 27, 2022
Marketing Time	N/A
Grantor	Ark Group
Grantee	Hessonite (AMF) LLC
Document No.	37379-056
Price	\$52,000,000
Financing Terms	Cash to Seller - Buyer Obtained Financing
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$52,000,000
Price Per SF	\$276.77

Financial Data

Occupancy	94.0%
Property Operations Status	Stabilized Operations

Financial Indicators

NOI	\$4,632,845
Derived Cap Rate	8.91%
Reported Cap Rate	N/A

Verification Confirmed-Buyer

Comments

The AvidXchange Music Factory (or AMF), is a mixed-use entertainment district that fully opened in 2006 through the adaptive redevelopment of a former textile mill. It is anchored by an EDM club and three Live Nation venues, including a 5,000 seat capacity amphitheater, a 2,000 capacity concert theater, a 1,000 capacity EDM club, a 700 capacity concert hall and a 400 seat comedy club. The complex is situated on a 10.65-acre site and comprises 5 buildings in total which also include about 75,000 SF of food and beverage retail spaces including multiple fast-service-restaurants, bars, and clubs. The property also has roughly 70,000 SF of creative office space, a portion of which is leased by Live Nation as a corporate office. Property has in place three separate leases with Live Nation for the three concert venues located within the AMF complex: the 5,000 seat amphitheater (expires 2034), 11,500 SF Underground (expires 2031), and 19,400 SF Fillmore (expires 2031); ~\$1.6M in base rent + ~\$700K in ticket rent that scales with total tickets sold (\$1/ticket for first 75K, \$2 for next 100K, \$4 for next 50K, \$5 for next 75K, \$6 for each ticket >300K tickets). Overall complex reflects 94% occupancy as of the date of sale. While the property's 3 entertainment venues are fully occupied, the retail component is 91.5% leased and the office component is 99% leased, both to a number of tenants (10+ each). Sold as part of a two-property portfolio alongside another massive entertainment complex in Irving, TX comprising 414,613 SF overall for a combined price of \$290 million. The Toyota Music Factory (TMF) features an 8,000 seat amphitheatre comprising over 100,00 SF as well as substantial office space and a number of complimentary retail spaces. Seller was Ark Group and Buyer is an affiliate of Canadian institutional investment group Brookfield Corporation, dba Hessonite (AMF) LLC. The \$52,000,000 sale price allocated to the AMF property (roughly \$277 psf) is reflective of an 8.91% cap rate based on the 2021 net operating income for the facility reported at \$4,632,845. Complementary streams from real estate, credit-worthy sponsors, and parking, all support stable performance.

ADDENDA

Specialty Sale Comparable 4

20 Monroe Live

Location Information

Location	11 Ottawa Avenue Northwest Grand Rapids, MI
Market	MI - West
Submarket	Downtown
County	Kent
APN	41-13-25-290-009



Physical Property Summary

Property Type	Specialty (Performing Arts Center)
Gross Building Area	42,760 SF
Rentable Area	42,760 SF
Land Acres	0.58 Acres
Land SF	25,206 SF
Land to Building Ratio	0.59
No. of Buildings	1
No. of Stories	2
Year Built (Renovated)	2000 (2017)
Construction	Concrete
Condition	Average
Parking	
Investment Class	Class B
Elevators	

Sale Data

Transaction Type	Closed
Date	February 28, 2022
Marketing Time	N/A
Grantor	20 Monroe Bldg Co Ltd Partnership
Grantee	GLC GR Live LLC
Document No.	220303018525
Price	\$16,500,000
Financing Terms	Cash to Seller - Buyer Obtained Financing
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$16,500,000
Price Per SF	\$385.87

Financial Data

Occupancy	100.0%
Property Operations Status	Stabilized Operations

Financial Indicators

NOI	N/A	Verification	Confirmed-Seller Broker
Derived Cap Rate	N/A		
Reported Cap Rate	7.25%		

Comments

Since its debut in early 2017, 20 Monroe Live is the state-of-the-art venue in Grand Rapids. A new home for live music, entertainment and special events, 20 Monroe Live has features that allows the venue to accommodate nearly 2,600 patrons for live events but can also scale down to an intimate configuration for all types of special events. Most shows will feature a general admission standing floor with reserved mezzanine seating, while certain events will feature seating throughout. Seating charts can be found on the Event Details page for each show. The second level features the Vanguard, a beautiful VIP club with the amenities of a private bar, open air patio and access to the best seats in the house. The 2-story event center also features 7 bars scattered throughout the facility. While the property does not feature parking onsite, there are reportedly over 4,000 parking spots within 1,000 feet of the complex. Property was fully leased by Live Nation at the time of the transaction. Buyer is national investment group Great Lakes Capital and seller is local individual John F. Gilmore (d.b.a. The Gilmore Collection). Listing broker Frank Melchert with Cawley Commercial Real Estate confirmed an approximat 7.25% capitalization rate was utilized for the transaction, noting that the sale was negotiated amidst the COVID-19 pandemic and that the asset would likely garner a lower rate in the current environment as venue performance metrics have improved since that timeframe. Particularly given that additional income was received from the tenant based on ticket sales, concessions, sponsorships, etc.

ADDENDA

Specialty Sale Comparable 5

The Fillmore

Location Information

Location	525 N 5th St Minneapolis, MN
Market	MN - Minneapolis/St. Paul
Submarket	Minneapolis
County	Hennepin
APN	22-029-24-31-0085, 22-029-24-31-0074, 22-029-24-3



22-029-24-31-007

Physical Property Summary

Property Type	Specialty (Performing Arts Center)
Gross Building Area	36,450 SF
Rentable Area	36,450 SF
Land Acres	0.84 Acres
Land SF	36,590 SF
Land to Building Ratio	1.00
No. of Buildings	1
No. of Stories	2
Year Built (Renovated)	2020
Construction	Masonry
Condition	Excellent
Parking	Covered
Investment Class	Class A
Elevators	

Sale Data

Transaction Type	Closed
Date	December 14, 2021
Marketing Time	N/A
Grantor	UPS TFS LLC
Grantee	5500 S Soto Street LLC
Document No.	5921374
Price	\$17,500,000
Financing Terms	Cash to Seller
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$17,500,000
Price Per SF	\$480.11

Financial Data

Occupancy	100.0%
Property Operations Status	Stabilized Operations

Financial Indicators

NOI	\$1,058,750		
Derived Cap Rate	6.05%		
Reported Cap Rate	6.05%	Verification	Confirmed-Other

Comments

The Fillmore is a Theater/Concert Hall located at 525 N 5th Street in Minneapolis, MN. A California based investor (Richard Koral) bought the 36,450 square foot property for \$17,500,000 cash in the upleg of a 1031 exchange. The property is leased to Live Nation, a concert and event promoter for 23 years, with approximately 21 years remaining on the term at the time of sale. Cap rate was reported to be 6.05%. The property is part of the Element Hotel that was developed by United Properties (seller) in 2018, but the concert hall and hotel are operated as two separate entities, with operating agreements specifying responsibilities for building and grounds maintenance. The hotel portion was sold in Q4 2019 to a separate investor.

ADDENDA

Specialty Sale Comparable 6

SCAD Building

Location Information

Location	173 14th Street NE
	Atlanta, GA
Market	GA - Atlanta
Submarket	Midtown
County	Fulton
APN	17-0106-0006-1363



Physical Property Summary

Property Type	Specialty (Performing Arts Center)
Gross Building Area	21,708 SF
Rentable Area	21,708 SF
Land Acres	0.31 Acres
Land SF	13,495 SF
Land to Building Ratio	0.00
No. of Buildings	1
No. of Stories	2
Year Built (Renovated)	1986
Construction	Concrete
Condition	Average
Parking	Off site
Investment Class	Class C
Elevators	

Sale Data

Transaction Type	Closed
Date	August 20, 2021
Marketing Time	N/A
Grantor	Savannah Clg Of Art & Design Inc
Grantee	Free Chapel Worship Center Inc
Document No.	64352-0349
Price	\$7,390,000
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$7,390,000
Price Per SF	\$340.43

Financial Data

Occupancy	100.0%
Property Operations Status	Stabilized Operations

Financial Indicators

NOI	N/A		
Derived Cap Rate	N/A		
Reported Cap Rate	N/A	Verification	Confirmed-Seller Broker

Comments

Property Remarks: The property was formerly known as 14th Street Playhouse for several years, and now operates as SCAD Show. The property is located on the SE corner of 14th St and Juniper St just north of downtown Atlanta. The facility is used for plays, musicals and other events. The building also has classrooms for classes and two bars used for events. The comparable is a specialty use building situated on a 0.30 acre-site. The improvements were built in 1986 and were acquired by an owner-user. The comparable was sold in August 2021 for \$7,390,000. The buyer was Free Chapel Worship Center Inc. and the seller was Savannah College Of Art & Design Inc.

Lease Comparables

ADDENDA

Retail Rental Survey Comparable 1

Union Trust

Location Information

Location	715-717 Chestnut Street Philadelphia, PA
Market	PA - Philadelphia - Greater
Submarket	Philadelphia - Greater
County	Philadelphia
APN	882491900



Physical Property Summary

Property Type	Retail (Other)
Gross Building Area	14,186 SF
Rentable Area	14,186 SF
No. of Stories	4
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1888
Construction	Brick
Condition	Good
Parking	No off-street parking
Investment Class	Class B
Elevators	1

Lease Availability Details

Survey Date	Oct-2024
Overall Occupancy at Survey	0.0%
Leasing Agent	0
Company	0

Lease Summary

Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
10/1/24 - 120 Mos.	Union Trust Events, Inc. (Finley Catering)	Signed Lease: 14,186	\$25.38	Triple Net	3% per year	No Free Rent; No TI

Lease Comments: Tenant renewed their original 10-year lease which expired in 2024 for an additional 10-year base term through 2034 (plus one 5-year option period).

Comments

The four-story structure was originally constructed in 1888 as The Union Trust Company Bank. Since that time, the property has operated as various retail uses including a jewelry store, restaurant, and most recently an event venue. The improvements are in good condition and are of good quality, having been adequately maintained over the years. The property has been fully leased to single tenant Union Trust Events, Inc. (Finley Catering) since 2014 who operates an event venue and catering business out of the property.

ADDENDA

Office Rental Survey Comparable 2

Wanamaker Building

Location Information

Location	100 Penn Square East Philadelphia, PA
Market	PA - Philadelphia - Greater
Submarket	CBD-East Market
County	Philadelphia
APN	883130040



Physical Property Summary

Property Type	Office (General Purpose)
Gross Building Area	1,401,000 SF
Rentable Area	1,401,000 SF
No. of Stories	12
Max Ceiling Height (Feet)	12
Year Built (Renovated)	1911 (1991)
Construction	Concrete
Condition	Average
Parking	Covered
Investment Class	Class A
Elevators	23

Lease Availability Details

Survey Date	Oct-2023
Overall Occupancy at Survey	47.00%
Leasing Agent	Sidney Smith
Company	Newmark

Lease Summary

Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
4/1/24 - 120 Mos.	Finley Catering Company	Signed Lease: 44,269	\$24.26	Full Service + T	2.5% every 9 months	No Free Rent; No TI

Comments

ADDENDA

Multifamily Rental Survey Comparable 3

The Battery

Location Information

Location	1325 Beach Street Philadelphia, PA
Market	PA - Philadelphia - Greater
Submarket	Philadelphia - Greater
County	Philadelphia
APN	88-1000348



Physical Property Summary

Property Type	Multifamily (Mid/High Rise)
Gross Building Area	506,377 SF
Rentable Area	171,719 SF
Number of Units	235
Average Unit Size	731 SF
No. of Stories	8
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1920 (2023)
Construction	Concrete
Condition	Excellent
Parking	Surface
Investment Class	Class A
Elevators	0

Lease Availability Details

Survey Date	Dec-2023
Overall Occupancy at Survey	0.00%
Leasing Agent	0
Company	0.0%

Lease Summary

Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
12/1/23 - 120 Mos.	Delaware River Events 1, LLC (Cescaphe)	Signed Lease: 25,306	\$27.50	Triple Net	2% per year	12 mos. free; \$60.00/SF
Lease Comments: Event space leased by local catering/event company Cescaphe, known as The Switch House by Cescaphe and featuring a 7,000 SF main ballroom, 300-person sitdown capacity with dance floor (adjustable up to 350-person sitdown capacity without dance floor), or cocktail style allows for 1,200+						

Comments

Former power plant site converted into an 8-story Class A mixed-use development of 235 apartment units and 201,830 SF retail/office space. Of the total 235 apartment units, there are 128 standard apartment units and an additional 107 apartment units that are under long-term master lease with two separate tenants. 45 apartment units identified as the Switch House Block of units are under lease with a related entity of the specialty retail tenant Cescaphe. 62 apartment units identified as the Casino Block units are under long-term lease with an affiliate of the Rivers Casino.

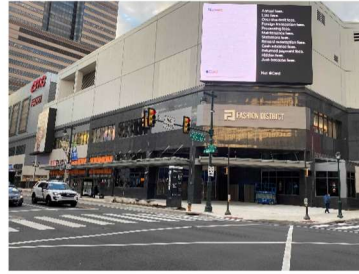
ADDENDA

Retail Rental Survey Comparable 4

Gallery II at Market East

Location Information

Location	1001-19 Market Street Philadelphia, PA
Market	PA - Philadelphia - Greater
Submarket	Philadelphia - Greater
County	Philadelphia
APN	882508010



Physical Property Summary

Property Type	Retail (Urban Retail)
Gross Building Area	333,000 SF
Rentable Area	201,895 SF
No. of Stories	3
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1982 (2019)
Construction	Steel
Condition	Average
Parking	0
Investment Class	Class B
Elevators	10

Lease Availability Details

Survey Date	Apr-2020
Overall Occupancy at Survey	71.10%
Leasing Agent	N/A
Company	PREIT

Lease Summary

Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
12/15/19 - 120 Mos.	Round One	Signed Lease: 60,590	\$24.76		Modified Gross 10% Midterm	No Free Rent; \$41.26/SF

Comments

The subject includes 201,895 square feet of gross leasable area, comprising the concourse through third floor of 1001-19 Market Street. The improvements were constructed in 1982 and redeveloped in 2019 and are 71.1% leased and 54.8% occupied as of the effective appraisal date due to pre-leasing of space to Divert (LOI), Lovisa, Francesca's, Go Sit Fry Express, Windsor, Torrid, Wetzel's Pretzels, Good Karma and Claire de Lune. These tenants are expected to take occupancy later in 2020 and 2021 upon completion of demised space fitouts. The site area is 1.32 acres. The subject property is an integral part of Fashion District Philadelphia, an urban shopping center located on Market Street and spanning between 8th and 11th Streets. The mall was recently extensively redeveloped on the site of a previous property known as the Gallery at Market East.

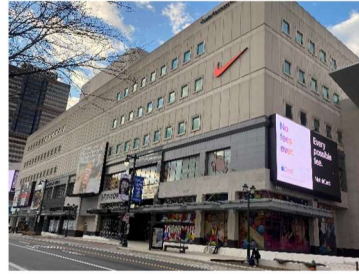
ADDENDA

Retail Rental Survey Comparable 5

907 Market

Location Information

Location	907-37 Market Street Philadelphia, PA
Market	PA - Philadelphia - Greater
Submarket	Philadelphia - Greater
County	Philadelphia
APN	882506610



Physical Property Summary

Property Type	Retail (Regional)
Gross Building Area	240,692 SF
Rentable Area	160,444 SF
No. of Stories	2
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1977 (2019)
Construction	Masonry
Condition	Average
Parking	0
Investment Class	Class B
Elevators	10

Lease Availability Details

Survey Date	Apr-2020
Overall Occupancy at Survey	72.60%
Leasing Agent	0
Company	PREIT

Lease Summary

Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
10/1/19 - 109 Mos.	City Winery	Signed Lease: 29,890	\$15.29	Triple Net	None	2 mos. free; \$200.00/SF

Comments

The subject space includes 160,444 square feet of gross leasable area, comprising the concourse through second floor of 907 Market Street. The improvements were constructed in 1977 and redeveloped in 2019 and are 72.6% leased and 61.7% occupied as of the effective appraisal date due to pre-leasing of space to Kate Spade, Eddie Bauer, Sephora and Starbucks. These tenants are expected to take occupancy later in 2020 upon completion of demised space fitouts. The site comprises 36,026 square feet. The subject property is an integral part of Fashion District Philadelphia, an urban shopping center located on Market Street and spanning between 8th and 11th Streets. The mall was recently extensively redeveloped on the site of a previous property known as the Gallery at Market East.

ADDENDA

Retail Rental Survey Comparable 6

The Shops At Avenue North

Location Information

Location	1600-36 North Broad Street Philadelphia, PA
Market	PA - Philadelphia - Greater
Submarket	Philadelphia - Greater
County	Philadelphia
APN	882938305



Physical Property Summary

Property Type	Retail (Movie Theater)
Gross Building Area	94,454 SF
Rentable Area	94,454 SF
Number of Units	1
Average Unit Size	94,454 SF
No. of Stories	1
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	2009
Construction	Masonry
Condition	Average
Parking	Surface
Investment Class	Class B
Elevators	0

Lease Availability Details

Survey Date	Jan-2016
Overall Occupancy at Survey	100.00%
Leasing Agent	Metro Commercial Real Esta
Company	Metro Commercial Real Esta

Lease Summary

Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
1/1/19 - 180 Mos.	AMC Theater	Signed Lease: 94,454	\$16.31	Triple Net	None	No Free Rent; No TI

Lease Comments: This AMC is located in the Shops at Avenue North which is adjacent to the Temple University campus. The majority of the theater is on the second floor with a small lobby area on the first floor.

Comments

ADDENDA

Multifamily Rental Survey Comparable 7

117 Chestnut Street

Location Information

Location	117 Chestnut Street Philadelphia, PA
Market	PA - Philadelphia - Greater
Submarket	Philadelphia - Greater
County	Philadelphia
APN	881003252



Physical Property Summary

Property Type	Multifamily (Mid/High Rise)
Gross Building Area	18,800 SF
Rentable Area	17,280 SF
Number of Units	12
Average Unit Size	1,440 SF
No. of Stories	6
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1810
Construction	Masonry
Condition	Average
Parking	0
Investment Class	Class B
Elevators	0

Lease Availability Details

Survey Date	Mar-2024
Overall Occupancy at Survey	0.00%
Leasing Agent	0

Lease Summary

Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
7/1/24 - 120 Mos.	Eleven Social	Signed Lease: 7,800	\$38.46	Triple Net	3% annually	No Free Rent; No TI

Lease Comments: Eleven Social will occupy the two-story space previously home to 2nd Story Brewing Co. They are aiming for a June or July opening.

Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	\$/SF	Comments
4	4	0BR/1BA - Studio	710	\$1,556	\$2.19	
4	4	2BR/2BA - 2BR/2BA	1,443	\$3,295	\$2.28	
8			1,077	\$2,426	\$2.25	

Comments

ADDENDA

Retail Rental Survey Comparable 8

1625-27 North Howard Street

Location Information

Location	1625-27 North Howard Street Philadelphia, PA
Market	PA - Philadelphia - Greater
Submarket	Philadelphia - Greater
County	Philadelphia
APN	Tax ID: 183069905



Physical Property Summary

Property Type	Retail (Restaurant)
Gross Building Area	6,048 SF
Rentable Area	4,032 SF
Number of Units	1
Average Unit Size	4,032 SF
No. of Stories	2
Max Ceiling Height (Feet)	15
Year Built (Renovated)	1925 (2024)
Construction	Masonry
Condition	Excellent
Parking	None
Investment Class	Class C
Elevators	0

Lease Availability Details

Survey Date	Mar-2023
Overall Occupancy at Survey	0.00%
Leasing Agent	0
Company	0.0%

Lease Summary

Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
4/1/24 - 132 Mos.	Jaffa Bar	Signed Lease: 4,032	\$44.64	Absolute Net	2.5% annual increases 12 mos. free;	\$45.75/SF

Lease Comments: Tenant is 81 Montgomery Partners, LLC who uses the facility as an oyster bar/restaurant known as Jaffa Bar.

Comments

ADDENDA

Retail Rental Survey Comparable 9

1831-33 Frankford Avenue

Location Information

Location	1831-33 Frankford Avenue Philadelphia, PA
Market	Valuation Properties
Submarket	Valuation Retail
County	Philadelphia
APN	882968660



Physical Property Summary

Property Type	Retail (Restaurant)
Gross Building Area	2,600 SF
Rentable Area	2,600 SF
No. of Stories	1
Max Ceiling Height (Feet)	16
Year Built (Renovated)	1950 (2023)
Construction	Block
Condition	Good
Parking	Street parking only
Investment Class	Class C
Elevators	0

Lease Availability Details

Survey Date	Jun-2023
Overall Occupancy at Survey	0.00%
Leasing Agent	0
Company	0.0%

Lease Summary

Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
1/1/24 - 84 Mos.	Mural City Cellars	Signed Lease: 2,600	\$34.85	Triple Net	None	No Free Rent; No TI

Lease Comments: New wine bar tenant (Shackamaxon Wines, LLC) operating under the name of Mural City Cellars. Landlord had redeveloped the former auto repair garage and costs were built into rental rate, so no separate TI line item was identified in the lease.

Comments

ADDENDA

Office Rental Survey Comparable 10

The Steele Building

Location Information

Location	15 S. 11th St Philadelphia, PA
Market	PA - Philadelphia - Greater
Submarket	CBD-East Market
County	Philadelphia
APN	883018010



Physical Property Summary

Property Type	Office (Mid Rise)
Gross Building Area	40,527 SF
Rentable Area	32,548 SF
No. of Stories	5
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1912 (2017)
Construction	Masonry
Condition	Excellent
Parking	None
Investment Class	Class A
Elevators	0

Lease Availability Details

Survey Date	Jun-2022
Overall Occupancy at Survey	0.00%
Leasing Agent	0
Company	0.0%

Lease Summary

Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
2/1/23 - 120 Mos.	Bagels & Co.	Signed Lease: 5,385	\$37.14	Triple Net	3% after Year 3	No Free Rent; \$58.50/SF

Lease Comments: Tenant is Glu Hospitality who leased this bi-level retail space and operates under the name of Bagels & Co. Ground level (1,835 SF) plus Basement (3,550 SF) restaurant space. TI allowance of \$58.50 psf.

Comments

ADDENDA

Office Rental Survey Comparable 11

Hale Building

Location Information

Location	1326 Chestnut Street Philadelphia, PA
Market	PA - Philadelphia - Greater
Submarket	CBD-East Market
County	Philadelphia
APN	882497305



Physical Property Summary

Property Type	Office (Mixed Use)
Gross Building Area	51,520 SF
Rentable Area	50,045 SF
No. of Stories	8
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1887 (2020)
Construction	Masonry
Condition	Excellent
Parking	None
Investment Class	Class A
Elevators	5

Lease Availability Details

Survey Date	Apr-2022
Overall Occupancy at Survey	0.00%
Leasing Agent	0
Company	0.0%

Lease Summary

Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
6/1/22 - 126 Mos.	Barcade	Signed Lease: 8,117	\$33.85	Triple Net	None	6 mos. free; \$33.88/SF

Lease Comments: Lease for restaurant/bar with arcade to comprise 3,317 SF on street level, 2,000 SF mezzanine, and 2,800 SF of basement space. The overall blended rental rate is \$34.02 psf NNN, with a TI allowance of \$33.88 psf. Rent commencement is expected for early 2023 after 6 months free rent period.

Comments

ADDENDA

Office Rental Survey Comparable 12

1900 Waterloo Street

Location Information

Location	1900 Waterloo Street Philadelphia, PA
Market	Valuation Properties
Submarket	Valuation Office
County	Philadelphia
APN	871524970



Physical Property Summary

Property Type	Office (Creative/Loft)
Gross Building Area	2,128 SF
Rentable Area	2,128 SF
No. of Stories	3
Max Ceiling Height (Feet)	12
Year Built (Renovated)	1915
Construction	Brick
Condition	Average
Parking	0
Investment Class	Class C
Elevators	0

Lease Availability Details

Survey Date	Nov-2024
Overall Occupancy at Survey	0.00%
Leasing Agent	0
Company	0.0%

Lease Summary

Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
9/1/24 - 36 Mos.	Sarang Head Spa	Signed Lease: 500	\$31.20	Triple Net	None	No Free Rent; No TI

Comments

ADDENDA

Multifamily Rental Survey Comparable 13

1828 Frankford Avenue

Location Information

Location	1828 Frankford Avenue Philadelphia, PA
Market	PA - Philadelphia - Greater
Submarket	Philadelphia - Greater
County	Philadelphia

Physical Property Summary

Property Type	Multifamily (Mid/High Rise)
Gross Building Area	8,000 SF
Rentable Area	6,350 SF
Number of Units	9
Average Unit Size	706 SF
No. of Stories	0
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	2024
Construction	0
Condition	Good
Parking	0
Investment Class	Class A
Elevators	0

Lease Availability Details

Survey Date	May-2024
Overall Occupancy at Survey	0.00%
Leasing Agent	0
Company	0.0%

Lease Summary

Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
5/1/24 - 120 Mos.	Taylor Chip Cookies	Signed Lease: 1,650	\$55.00	Triple Net	None	No Free Rent; No TI

Comments

ADDENDA

Multifamily Rental Survey Comparable 14

The Baldwin Apartments

Location Information

Location	1825 Callowhill Street Philadelphia, PA
Market	Valuation Properties
Submarket	Valuation Apartment / Multi
County	Philadelphia
APN	881551135



Physical Property Summary

Property Type	Multifamily (Mid/High Rise)
Gross Building Area	63,481 SF
Rentable Area	53,528 SF
Number of Units	57
Average Unit Size	939 SF
No. of Stories	6
Max Ceiling Height (Feet)	9
Year Built (Renovated)	2023
Construction	0
Condition	New
Parking	Street parking only
Investment Class	Class A
Elevators	2

Lease Availability Details

Survey Date	Sep-2024
Overall Occupancy at Survey	0.00%
Leasing Agent	0

Lease Summary

Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
10/1/23 - 60 Mos.	G-Strength	Signed Lease: 1,495	\$40.00	Triple Net	Increases by 3% year	No Free Rent; No TI

Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	\$/SF	Comments
30	27	1BR/1BA - 1BR/1BA	626	\$2,215	\$3.54	
27	25	2BR/2BA - 2BR/2BA	1,021	\$3,415	\$3.35	
57			813	\$2,783	\$3.42	

Comments

ADDENDA

Multifamily Rental Survey Comparable 15

The Gateway

Location Information

Location	1508 Ridge Avenue Philadelphia, PA
Market	PA - Philadelphia - Greater
Submarket	Philadelphia - Greater
County	Philadelphia
APN	881442497



Physical Property Summary

Property Type	Multifamily (Mid/High Rise)
Gross Building Area	10,930 SF
Rentable Area	10,200 SF
Number of Units	8
Average Unit Size	1,275 SF
No. of Stories	0
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	2018
Construction	0
Condition	Good
Parking	0
Investment Class	Class B
Elevators	0

Lease Availability Details

Survey Date	Mar-2024
Overall Occupancy at Survey	0.00%
Leasing Agent	0

Lease Summary

Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
9/18/23 - 60 Mos.	Jae Cafe	Signed Lease: 1,500	\$28.00	Triple Net	None	No Free Rent; No TI

Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	\$/SF	Comments
8	8	2BR/2BA - 45690	1,075	\$2,024	\$1.88	
8			1,075	\$2,024	\$1.88	

Comments

ADDENDA

Retail Rental Survey Comparable 16

1400 North Front Street

Location Information

Location	1400 North Front Street Philadelphia, PA
Market	PA - Philadelphia - Greater
Submarket	Philadelphia - Greater
County	Philadelphia
APN	Tax ID: 882017680



Physical Property Summary

Property Type	Retail (Restaurant)
Gross Building Area	1,980 SF
Rentable Area	1,980 SF
Number of Units	1
Average Unit Size	1,980 SF
No. of Stories	1
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1945 (2023)
Construction	Brick
Condition	Good
Parking	None
Investment Class	Class C
Elevators	0

Lease Availability Details

Survey Date	Apr-2023
Overall Occupancy at Survey	0.00%
Leasing Agent	0
Company	0.0%

Lease Summary

Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
4/1/23 - 60 Mos.	Liberty Kitchen	Signed Lease: 1,980	\$39.39	Triple Net	None	No Free Rent; No TI

Comments

Addendum E

Appraiser Qualifications and Licenses



Philip Maffei

*Vice President
Valuation & Advisory*

t 610-389-7387
phil.maffei@nmrk.com

YEARS OF EXPERIENCE

10+

AREAS OF SPECIALTY

Valuation & Appraisal
Portfolio Valuations
Market Feasibility Studies

Philip Maffei is a Vice President in the Philadelphia office of Newmark Valuation & Advisory, which covers the eastern half of Pennsylvania and the southern half of New Jersey.

Phil specializes in appraisals, portfolio valuations, and market feasibility studies. He is extensively experienced in the valuation and analysis of proposed commercial development taking place within a rapidly changing urban market, including institutional grade CBD and suburban properties of all types.

Actively engaged in real estate valuation and consulting since 2015, Phil has prepared valuations and market studies on proposed, partially completed, renovated and existing structures. These include office buildings, shopping centers, power centers, multifamily residences, vacant land, mixed-use, industrial, and special purpose properties.

His experience includes valuations for tax appeals, condemnation purposes, financing, equity participation and due diligence support.

Phil joined Newmark from Integra Realty Resources when Newmark acquired the Philadelphia office along with several other IRR offices in 2017.

Professional Affiliations

– Member, Beta Gamma Sigma

Licenses and Designations

– Certified General Appraiser, Commonwealth of Pennsylvania

Education

Phil graduated magna cum laude from Temple University, Fox School of Business where he earned a Bachelor of Business Administration in legal studies. He has also completed numerous real estate and valuation courses and seminars sponsored by the Appraisal Institute.

DISPLAY THIS CERTIFICATE PROMINENTLY • NOTIFY AGENCY WITHIN 10 DAYS OF ANY CHANGE

Commonwealth of Pennsylvania
Department of State
Bureau of Professional and Occupational Affairs
PO BOX 2649 Harrisburg PA 17105-2649

23 0047112



License Type
Certified General Appraiser
PHILIP MICHAEL MAFFEI
537 W ROLLING RD
SPRINGFIELD, PA 19064

License Status
Active
Initial License Date
08/22/2022

Expiration Date
06/30/2025

License Number
GA004672

Arion R. Claggett

Acting Commissioner Arion R. Claggett

[Signature]

Signature

ALTERATION OF THIS DOCUMENT IS A CRIMINAL OFFENSE UNDER 18 PA.C.S. §. 4911



Michael Silverman

MAI, CRE, MRICS

*Senior Managing Director
Market Co-Leader – PA, WV,
Southern New Jersey*

t 215-587-6002
m 215-588-2014
michael.silverman@nrmk.com

YEARS OF EXPERIENCE

30+

AREAS OF SPECIALTY

Valuation & Advisory

Michael Silverman, MAI, CRE, MRICS is a Senior Managing Director at Newmark Valuation & Advisory, and Market Co-Leader for Pennsylvania, West Virginia and southern New Jersey.

Silverman brings to his position more than 30-years providing real estate valuation and counseling services focused on real property. These services reflect a variety of property types, primarily located in Pennsylvania and New Jersey, including unapproved / unimproved land, approved / unimproved & improved land, proposed development sites (single-family subdivisions, multi-family, office, retail, special-purpose / institutional, industrial, and many other uses). In addition, services are performed on many types of owners occupied and investment real estate spanning from local operator / users to large national or international credit tenant occupied facilities.

Assignments have been prepared in connection with financing, assessment appeals, condemnation/eminent domain, litigation support, market studies, acquisition and disposition opportunities, equity participation, due diligence support, appraisal reviews, lease negotiations, title issues, matrimonial, estate planning, gift tax purposes, and solving for a variety of many complex real estate issues.

Clients include individual property owners, corporate services, law firms, financial institutions, life insurance companies, pension funds, quasi government and government agencies, (PennDOT, SEPTA, City of Philadelphia, Center City District - Philadelphia, Bristol Township, and Radnor Township), development companies, regional and national investors, Universities, and many others.

Silverman joined Newmark from Integra Realty Resources in 2017, when the firm acquired several affiliate offices. At the time of acquisition, he was serving as Managing Director / Partner.

Additionally, Silverman is qualified as an expert witness before the Court of Common Pleas in the City of Philadelphia, Delaware, Lehigh, Berks, Chester, and Montgomery Counties; Superior Court in the City of Camden and Washington D.C.; Federal Bankruptcy Court in Philadelphia, various Tax Assessment Appeal Boards throughout the Commonwealth of Pennsylvania, and Boards of View in connection with condemnation / eminent domain in the City of Philadelphia, Berks, Montgomery, and Delaware Counties.

Professional Affiliations

– Appraisal Institute Philadelphia Metro Chapter:

- President, 2011
- Vice president, 2010
- Treasurer, 2009
- Education chair, 2007 – 2009
- Secretary, 2008

– Counselors of Real Estate – Delaware Valley Chapter

- Chair, 2017

Michael Silverman

MAI, CRE, MRICS

Licenses and Designations

- MAI designation, Appraisal Institute
- CRE designation, the Counselors of Real Estate
- Member, Royal Institution of Chartered Surveyors (MRICS)
- Certified general real estate appraiser, Commonwealth of Pennsylvania and State of New Jersey
- Licensed real estate broker, Commonwealth of Pennsylvania

Education

Silverman earned a Bachelor of Science degree in Real Estate from the Smeal College of Business at Pennsylvania State University in 1993. He has successfully completed numerous real estate and valuation courses and seminars sponsored by the Appraisal Institute, accredited universities and others. Silverman served as an instructor at Temple University Real Estate Institute for several years where he taught Real Estate Principles and has educated many real estate brokers, appraisers, and tax assessors in the Philadelphia market area.

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Commonwealth of Pennsylvania
Department of State
Bureau of Professional and Occupational Affairs
PO BOX 2649 Harrisburg PA 17105-2649

23 0002816

License Type
Certified General Appraiser

MICHAEL SILVERMAN
523 OTT ROAD
BALA CYNWYD, PA 19004



License Status
Active
Initial License Date
09/04/1996

Expiration Date
06/30/2025

License Number
GA001541R

Arion R. Claggett

Acting Commissioner Arion R. Claggett

Arion R. Claggett
Signature

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