



Investor Presentation

April 2020

Office Investment



Building Address:	137 2nd Ave, New York NY
Asset Class:	Office
Size:	21,896SFT
Aquisition Date:	Sep-07
Disposition Date:	May-19
Purchase Price:	\$9,000,000.00
Building Improvements to install 10 Year Tenant:	\$3,000,000.00
Annual Rent:	\$1,000,000.00
Sale Price:	18,000,000.00 NET

Sale achieved after installing The Wing as new tenant and simultaneously entering into a contract of sale with a buyer. This transaction was only possible by leveraging our experience and trust we earned through the buyer's attorney as well as The Wing patiently for the buyers to approve the final version of the lease. It was an extremely complicated and required the trust of us that we have earned in the industry over the past 60 years. Unleveraged return of 7.5% and levered return of 25%

Retail Investment



Building Address:	293 Tenth Avenue, New York NY
Asset Class:	Retail
Size:	7850SFT
Acquisition Date:	Aug-07
Disposition Date:	May-11
Purchase Price:	\$6,500,000.00
Sale Price:	\$8,300,000.00

Made an IRR of 10%. We were able to achieve this IRR by renewing the lease with the existing Tenant and nearly doubling the rent.

Retail Investment



Building Address:	3-5 South 4th, Mt Vernon NY
Asset Class:	Retail
Size:	6000
Acquisition Date:	Apr-10
Disposition Date:	Held
Purchase Price:	\$1,000,000.00

Unleveraged return of 9% and levered return of 25%. We identified a building that had a ton of frontage. We also recognized that strong tenants are more service industries as opposed to dry goods retail, so we divided the building into four stores to appeal to these tenants. By doing this, we were able to rent 2 of the 4 stores to large regional tenants in a 3rd tier market. Although this deal has little appeal on the resale side, it is a cash cow.

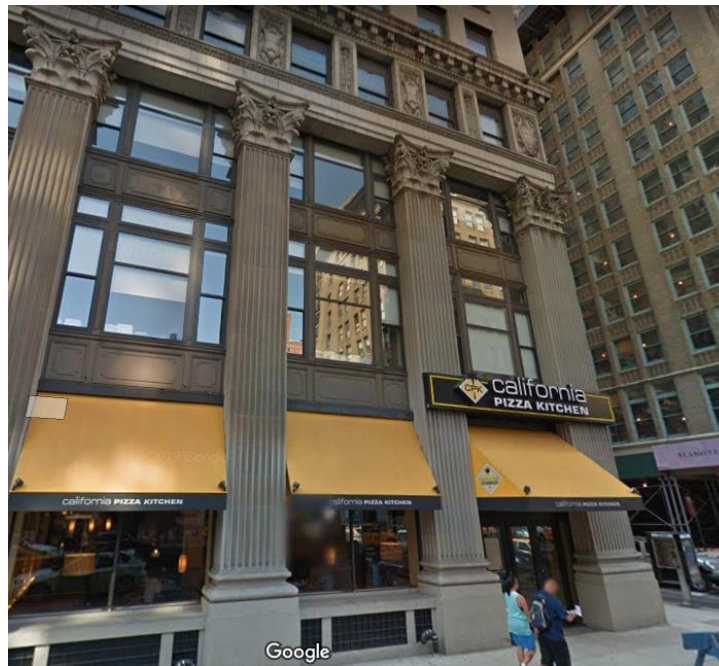
Mixed Use Investment



Building Address:	4906 Church Avenue, Brooklyn NY
Asset Class:	Mixed Use
Size:	2,500SFT
Aquisition Date:	May-12
Disposition Date:	Held
Purchase Price:	\$500,000.00
Building Improvements:	\$250,000.00
Mortgage Amount:	\$700,000.00

We purchased the note on the property \$500k and foreclosed on the building. We were offered after foreclosure the sum of \$1.3 million. We rejected the offer and instead rehabilitated the building installed a A+ health care tenant. After refinancing the property, we're making a 43% return on investment.

Commercial Leasing Expertise: 440 Park Ave South



Before



After

Building Address:	440 Park Avenue South
Asset Class:	Office
Size:	176000SFT
Deal Type:	Retail Lease
Tenant:	City National Bank
Term:	10 years + options

Previous restaurant approached ownership that they were not renewing their lease as they could not afford continued increases. Rather market an empty store in a dismal retail market. The ownership group renewed at lower rental rate with the caveat that ownership could cancel six months notice. 1 year into marketing process with a tenant in place, having passed on substitute restaurants and aggressive offers from national pharmacies, we landed a large bank (City National wholly owned by RBC). We accomplished this by establishing a relationship beyond traditional landlord and tenant relationship, by ownership making overtures to refer the bank business by way of introductions. We also went above and beyond in the negotiation process to help the bank evaluate this leasing opportunity by providing test fits, renderings, and feasibility studies. In addition, we installed a brand new store front which improved that overall curb appeal of the building and further impressed with bank with our commitment to doing business with them.

Commercial Leasing Expertise: 30 Irving Place



Before



After

Building Address:	30 Irving Place
Asset Class:	Office
Size:	108000SFT
Deal Type:	Retail, Office Lease
Tenant:	Pret A Manger
Term:	10 years + options

Marketed office space on second floor of property. We were approached by Pret a Manger for another property in our portfolio on a higher floor, that would also feature a test kitchen. We were unable to provide a commercial kitchen in the upper floors in an office space due to rigorous NYC building code. Rather than push Pret away, we considered our ability to provide a kitchen in the another building. Retail rents in this property were far below market, even in a slower market, and we approached a retail tenant offering to move them to another property while we negotiated a term sheet and lease with Pret for a 9,300SFT office lease and 3,000SFT ground floor office and test kitchen. This lease improved the visual appearance for the property as a new glass front was installed on the ground floor, and we improved the financial strength and increased the NOI of the property by bringing in a creditworthy tenant for a long term in the building.

Commercial Leasing Expertise: 333 Seventh Avenue



Before



After

Building Address:	333 Seventh Avenue
Asset Class:	Office
Size:	400,000SFT
Deal Type:	Retail Lease
Tenant:	Maison Kayser
Term:	10 years + options

Previous restaurant defaulted on lease, and was in landlord / tenant court with tenant and eventually bankruptcy. While navigating legal dispute with tenant, we actively marketed the space searching for a tenant which would add value beyond rent.

Eventually were introduced to Maison Kayser, and negotiated terms and a lease with prospective tenant while navigating bankruptcy court and landlord / tenant court with existing tenant. Upon recapture of space, we closed the deal with Maison Kayser. Maison Kayser had an immediate impact on leasing in the property, as this tenant brought an amenity to the property by the way of a high end bakery and café. This 3,000SFT lease benefitted the 350,000+ of office leasing taking place above the store helping the building land marquee tenants such as Barstool Sports, Marketlab, and Wolf Gordon, while supporting renewal efforts with existing tenants.

Commercial Leasing Expertise: Office Leasing

In the office leasing space, we have pivoted in our space offerings to match the new market expectations and to save landlord's the expense of massive tenant installation costs and downtime during the leasing process.

We have instituted a program of prebuilding and prefurnishing spaces in line with the market demands, which consists of a mostly open, densely seated layout, with a few private offices and one or two conference rooms. We elect to use premium products for the flooring, lighting, wall systems, bathrooms, and pantries, in order to speed up the leasing process and bring in better tenants at a better price point. With office rents at the current direct market rent figures, it pays to provide a more premium product to get rent quicker with less free rent and less lease negotiations as there no longer is a work letter to negotiate. By using premium finishes and a predetermined floorplan, our buildings save money in their ability to be "recycled" for the next tenant at the end of the existing tenant's term as minor cosmetic changes such as new paint or adding a phone booth can suit the next user.

Office tenant's expectations have changed as many tenants are coming out of high-end co-working spaces where they are accustomed to a premium product, without the lengthy design and build process (and they also are accustomed to paying a premium price per foot). They are not prepared to pay lofty architectural fees and the price of purchasing furniture, which landlords can budget into the rent schedule and mitigate the amount of free rent provided.

Commercial Leasing Expertise: Marketing

In the same way that we are changing our product offerings to tenants, we also have improved the way we communicate our offerings with tenants and brokers in order to get a busy tour schedule and offers for landlord's consideration.

We leverage every channel to market our spaces in a cost effective manner, using social media platforms such as linkedin, instagram, and youtube, in addition to the several multiple listing services out there including, but not limited to, Costar, Loopnet, 42Floors, and PropertyShark.

These marketing communications are supported by a content strategy in which we provide high quality images and videos, and showcase the features of offerings most important to the average consumer. Our communications tell the story of a space and a building, featuring all the possibilities of a space including furniture layouts and available finishes. By delivering this content in a concise and attractive format, we get our spaces into more space surveys and tenant tours, and often get our offerings directly to tenants – mitigating the cost of brokerage fees and providing wiggle room on the work letter and free rent.

Milsmith Team



Joshua Smith
President



Matt Mummert
Director

Milsmith Team



Bio:

Joshua, a native New Yorker, comes from a family of real estate professionals, as his grandfather Philip Smith started buying properties in 1959 and Joshua's father, Jeffrey Smith, serves as President runs the management and acquisition of properties for Samco Properties (Smith Affiliates Management Corporation). Josh followed the footsteps of his grandfather after obtaining his law degree from Brooklyn Law School and entering into the industry as a real estate attorney at Smith & Shapiro. Josh spent several years serving as landlord counsel to landlords in the New York metro area in both transactional and litigation matters. During this time, he served as counsel in over \$500 million worth of real estate transactions and 1 million square feet of leasing. Having learned the industry as landlord counsel, and being a partner in several properties himself, Joshua pivoted to focus on his family's management company Samco and his advisory services firm Milsmith. Serving as general counsel to Samco, he focuses on lease negotiations, covering more than 2 million square feet of office space under Samco's ownership. In his advisory services role at Milsmith, he has represented landlords in negotiations with publicly traded companies, large non for profits, and national retail tenants in leasing negotiations, including major deals such as the MAC makeup store at 506 Broadway and the leasing of 80,000 square feet of office space to the Department of Education at 333 Seventh Avenue.

Education:

Boston University, Class of 1999

Brooklyn Law School, Class of 2003

Milsmith Team



Bio:

Matt, a Brooklyn resident, joined Milsmith in 2016 to start his career in commercial real estate while simultaneously attending Brooklyn Law School full time in the evenings. Matt grew up in Crawfordsville, Indiana, and moved to New York to play Division I soccer at LIU's Brooklyn campus. While attending LIU, Matt was awarded a Watson Fellowship from IBM to spend summers in college working for organizations such as the NYC Parks Department Press Office, Shearman & Sterling LLP's Global Real Estate Department, and NESsT in Lima, Peru. With an interest in real estate development and urban planning, Matt attended Brooklyn Law School in the fall following graduation from LIU. While attending Brooklyn Law School, Matt worked in the school's Corporate Real Estate Coop, providing counsel to housing development fund corporations throughout the five boroughs in corporate matters and as borrower's counsel. In his role as Director at Milsmith, Matt handles all marketing communications with prospective tenants and broker representatives for Samco Properties and Milsmith development projects. Matt managed 137 Second Avenue in the final years of ownership, including correspondence with the existing tenant at the time and managing maintenance and upkeep up the property. Upon recapture, Matt worked with prospective tenants and purchasers, achieving an executed lease and contract of sale within 90 days of recapture. Matt's greatest contributions to the Milsmith team are in the marketing and research space. Matt is constantly combing through market reports and lease comps, and communicating with landlords, brokers, and tenants to learn what features of a deal got it to close, and which factors had the greatest impact on the outcome. These learnings from research and outreach inform the Milsmith leasing, marketing, and management process, keeping us ahead of our peers to deliver best outcomes for our partners.

Education:

LIU Brooklyn, Class of 2015

Brooklyn Law School, Class of 2018