

APPRAISAL REPORT

VACANT COMMERCIAL LAND
6XX NW SISTRUNK BOULEVARD
FORT LAUDERDALE, FL 33311

FOR

CITY OF FORT LAUDERDALE
PARKS & RECREATION DEPARTMENT
1350 WEST BROWARD BOULEVARD
FORT LAUDERDALE, FL 33312

DATE OF VALUE: APRIL 23, 2015
DATE OF INSPECTION: APRIL 23, 2015
DATE OF REPORT: MAY 5, 2015

May 5, 2015

City of Fort Lauderdale
Parks & Recreation Department
1350 West Broward Boulevard
Fort Lauderdale, FL 33312

Attention: Ms. Stacey Daley

Dear Ms. Daley:

In response to your request and our assignment, we have appraised the subject property for the purpose of reporting to you our opinion of its market value, fee simple estate, in "as is" condition, as of April 23, 2015. Harvel Gray inspected the property on this date. Based on our analyses, our opinion is that the subject market value, fee simple estate, "as is" as of April 23, 2015 is:

\$282,000

(TWO HUNDRED EIGHTY TWO THOUSAND DOLLARS)

The subject is vacant commercial land that is located at 6XX Sistrunk Blvd, Fort Lauderdale, Florida. The property consists of two rectangular shaped contiguous lots that contain a total of 23,460 square feet or 0.539 acre. The property is in average condition.

Harvel W Gray has not appraised the subject property in the past three years.

We have complied with the USPAP competency provision and Harvel W. Gray is a State-Certified General Real Estate Appraiser (Cert Gen) in the state of Florida. He also holds the professional designations of MAI, FRICS, and ASA.

The following presents an appraisal report. This letter must remain attached to the report, which contains 43 pages, including related exhibits, in order for the value opinion set forth to be valid.

Your attention is directed to the ***Assumptions and Limiting Conditions***, which follow later in this report.

Respectfully submitted,

Allied Appraisal Services, Inc.

A handwritten signature in black ink, appearing to read 'Harvel W. Gray', with a long horizontal flourish extending to the right.

Harvel W. Gray, FRICS, MAI, ASA
Cert Gen RZ 2166

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EXECUTIVE SUMMARY

Property Name: Vacant Commercial Land

Address: 6XX Sistrunk Blvd, Fort Lauderdale, FL

Location: NEC of Sistrunk Blvd and NW 7th Ave

Property Type: Vacant commercial land

Current Use: Vacant commercial land

Occupancy: NA

Proposed Use: Vacant commercial land

Owner Of Record (s): JPG Investment Properties LLC

Special Assumptions Reference: See Assumptions and Limiting Conditions Numbers 14 - 20

Unusual Market Externality: None

Site Area:

Gross 23,460 square feet or 0.539 acre

Usable 23,460 square feet or 0.539 acre

Building Area:

Gross 0 square feet

Rentable 0 square feet

Year Built: NA

Improvements Description: None

Property Condition: Average

Land to Bldg Ratio: NA

Floor Area Ratio (FAR): NA

Parking: NA

Purpose Of The Appraisal: Provide the client with our opinion of the market value of the fee simple estate of the subject property, as of April 23, 2015

Intended Use Of The Appraisal: It is our understanding that the intended use of this appraisal will be used to assist in business decision making

Intended User Of The Report: Client

County Property Control Number(s): 4942 34 07 7520 and 4942 34 07 7540

County Tax Values (2014):

Total Market Value \$231,090

Total Assessed Value - \$168,550

County Property Taxes: \$3,832

Sales History: No transfer noted in the past three years

Assignment History: No assignment within the past three years.

Hazardous Waste Conditions: See Assumptions and Limiting Conditions Numbers 14 – 20

Census Tract: 0415.00

Flood Zone Panel & Code: Zone "AH", Panel Number 12011C0369H

Zoning: CB: Community Business District, City of Fort Lauderdale

Conforming/Nonconforming Use: Appears to be legal use

Highest & Best Use - Vacant: Hold for future develop with commercial improvements when feasibility supports development

Highest & Best Use - Improved: NA

Excess/Surplus Land: No

Property Rights Appraised: Fee Simple Estate

Marketing Time: 12 months

Date of Inspection: April 23, 2015

Date of Value: April 23, 2015

Date of Report: May 5, 2015

Value Summary:

Cost Approach: NA

Income Approach: NA

Sales Comparison Approach: \$282,000

Market Value: \$282,000

Appraiser(s):
Harvel W. Gray, FRICS, MAI, ASA
Cert Gen RZ2166

CERTIFICATION

I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, impartial unbiased professional analyses, opinions, and conclusions.

I 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.

I have no bias with respect to the property that is the subject of this report or the parties involved with the assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors that 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.

My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and the Uniform Standards of Professional Appraisal Practice of the Appraisal Institute, and the American Society Appraisers.

The use of this report is subject to the requirements of the Appraisal Institute, American Society of Appraisers, and the Royal Institute of Chartered Surveyors Americas, and the State of Florida Division of Real Estate, Florida Real Estate Appraisal Board, relating to review by their duly authorized representatives.

The appraiser has performed no 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 acceptance of this assignment.

No one provided significant assistance in completing this assignment.

The appraiser has performed within the context of the competency provision of the Uniform Standards of Professional Appraisal Practice.



Harvel W Gray, FRICS, MAI, ASA
Cert Gen RZ 2166

Digitally signed by Harvel W. Gray, FRICS, MAI, ASA
DN: cn=Harvel W. Gray, FRICS, MAI, ASA, c=US, o=Allied Appraisal Services, Inc., email=harvel@alliedappraisals.com
Date: 2015.05.04 11:07:17 -04'00'

ASSUMPTIONS AND LIMITING CONDITIONS

1. Unless otherwise stated, the value appearing in this appraisal represents our opinion of the market value or the value defined **AS OF THE DATE SPECIFIED**. Values of real estate are affected by national and local economic conditions and consequently will vary with future changes in such conditions.

2. Possession of this report or any copy thereof does not carry with it the right of publication nor may it be used for other than its intended use. The physical report(s) remains the property of the appraiser for the use of the client. The fee is for the analytical services only. The report may not be used for any purpose by any person or corporation other than the client or the party to whom it is addressed or copied without the written consent of an officer of the appraisal firm of Allied Appraisal Services Inc. and then only in its entirety.

3. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations efforts, news, sales or other media without written consent and approval of an officer of Allied Appraisal Services Inc.

4. The appraiser may not divulge the material contents of the report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his designee, as specified in writing except as may be required by the Appraisal Institute or the American Society of Appraisers, as they may request in confidence for ethics enforcement or by a court of law or body with the power of subpoena.

5. Liability of Allied Appraisal Services, Inc. and its employees is limited to the fee collected for the appraisal. There is no accountability or liability to any third party.

6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures, which make it more or less valuable. The appraiser assumes no responsibility for such conditions or the engineering, which might be required to discover these facts.

7. This appraisal is to be used only in its entirety. All conclusions and opinions concerning the analysis which are set forth in the report were prepared by the appraisers whose signatures appear on the appraisal report. No change of any item in the report shall be made by anyone other than the appraiser and the appraiser and firm shall have no responsibility if any such unauthorized change is made.

8. No responsibility is assumed for matters legal in character or nature, nor matters of survey, nor of any architectural, structural, mechanical or engineering nature. No opinion is rendered as to the title, which is presumed to be Average and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report.

9. No responsibility is assumed for accuracy of information furnished by or from others, the clients, his designee or public records. We are not liable for such information or the work of subcontractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit. All are considered appropriate for inclusion to the best of our knowledge and belief.

10. The contract for appraisal, consultation or analytical service is fulfilled and the total fee payable upon completion of the report. The appraiser or those assisting the preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal in full or in part; nor engaged in post-appraisal consultation with client or third parties, except under separate and special arrangement and at an additional fee.

11. The sketches and maps in this report are included to assist the reader and are not necessarily to scale. Various photos, if any, are included for the same purpose and are not intended to represent the property in other than actual status, as of the date of the photos.

12. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

13. The distribution of the total valuation of this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal, no matter how similar and are invalid if so used.

14. No environmental or impact studies, special market studies or analysis, highest and best use analysis study or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report. The appraiser reserves the unlimited right to alter, amend, revise or rescind any of the statements, findings, opinions, values, estimates or conclusions upon any subsequent such study or analysis or previous study or analysis, subsequently becoming known to him.

15. The value estimated in this appraisal report is gross without consideration given to any encumbrance, restriction or question of title, unless specifically defined. The estimate of value in the appraisal report is not based in whole or in part upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

16. This appraisal report has been prepared for the exclusive benefit of the Client. It may not be used or relied upon by any other party. Any party who uses or relies upon any information in this report, without the preparer's written consent, does so at his own risk. If this report is placed in the hands of anyone but the client, client shall make such party aware of all the assumptions and limiting conditions of this assignment.

17. SOIL/ENVIRONMENTAL CONDITIONS:

We have not been provided with a contamination assessment report on the subject property. We are not aware of site contamination. If more details and/or greater accuracy are required, the reader should consult an appropriate expert. We assumed that no adverse environmental soil or sub-soil conditions are present on or near the subject site that would adversely affect the value or marketability of the property. Our opinion of value could be impacted, if this should prove to be incorrect.

18. **INSURANCE VALUE ESTIMATE DISCLAIMER** As part of the client's requested scope of work, an estimate of insurable value may be provided herein. In response to such a request, the appraisal firm and those appraiser(s) responsible for this assignment will follow traditional appraisal standards to develop a reasonable calculation based upon industry practices and industry accepted publications such as the Marshall Valuation Service handbook. The methodology employed as a derivation of the cost approach which is primarily used as an academic exercise to help support the market value estimate and therefore is not reliable for Insurable Value estimates. Actual construction costs and related estimates can vary greatly from this estimate.

19. **WHEN A REPLACEMENT COST ESTIMATE IS INSERTED IN THE ADDENDUM** it should not be relied upon to determine proper insurance coverage which can only be properly estimated by consultants considered experts in cost estimation and insurance underwriting. It is provided to aid the client/reader/user as part of their overall decision-making process and no representations or warranties are made by the appraisal firm or any of its appraisers regarding the accuracy of this estimate and it is strongly recommended that other sources be utilized to develop any estimate of insurable value.

20. ACCEPTANCE OF, AND/OR USE OF THIS APPRAISAL REPORT CONSTITUTES ACCEPTANCE OF THE PRECEDING CONDITIONS.

SUBJECT PHOTOS



Subject



Subject



Subject



Subject



Street View



Street View

PURPOSE AND DATE OF APPRAISAL

The purpose of this appraisal is to provide the client with our opinion of the “as is” market value of the fee simple estate of the subject, as of April 23, 2015. Harvel Gray inspected the property on this date.

DESCRIPTION OF SUBJECT PROPERTY APPRAISED

The subject is vacant commercial land that is located at 6XX Sistrunk Blvd, Fort Lauderdale, Florida. The property consists of two rectangular shaped contiguous lots that contain a total of 23,460 square feet or 0.539 acre. They are zoned CB for Community Business, and their future land use designation is NWRAC-MUe for Northwest Regional Activity Center-Mixed Use. The subject is in average condition.

LEGAL DESCRIPTION (FROM PUBLIC RECORDS)

PROGRESSO 2-18 D LOT 21,22,23,24 LESS RD R/W BLK 325

And

PROGRESSO 2-18 D LOT 25 LESS W 15 & S 17 FOR ST, LOT 26 LESS W 15 FOR ST, LOT 27 LESS W 15 FOR ST, LOT 28 LESS W 15 FOR ST BLK 325

FUNCTION, INTENDED USE AND INTENDED USER OF THE REPORT

The function of this report is to provide the client with a supportable opinion of the market value, "as is", of the subject fee simple estate. It is our understanding that the intended use of this appraisal is to assist the client in possible purchase and/or business decision making. The intended user is the Client.

This report has been prepared utilizing generally accepted appraisal techniques, as contained within the current Uniform Standards of Professional Appraisal Practice (USPAP) and of the recognized professional organizations of which the appraisers are members.

This appraisal report has been prepared in a manner believed to be consistent with the guidelines contained in Title XI of the Financial Institution Reform Recovery and Enforcement Act of 1989 (FIRREA) and Federal Regulation 12CFR Part 34.43 (b).

CLIENT

City of Fort Lauderdale
Parks & Recreation Department
1350 West Broward Boulevard
Fort Lauderdale, FL 33312

Attention: Ms. Stacey Daley

DEFINITION OF MARKET VALUE

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, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (A) Buyer and seller are typically motivated;
- (B) Buyer and seller are well informed or well advised, and each is acting in what he considers his and/or her own best interest;
- (C) A reasonable time is allowed for exposure in the open market;
- (D) Payment is made in cash in U. S. dollars or in terms of financial arrangements comparable thereto; and
- (E) The price represents normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

SOURCE (S): Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA").
The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, Page 123.

PROPERTY RIGHTS APPRAISED

The property rights appraised are those of fee simple estate. "Fee Simple" is defined as absolute ownership unencumbered by any other interest or estate, subject only to the limitation imposed by governmental powers of taxation, eminent domain, police power, and escheat.

SOURCE: The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, Page 78.

TYPICAL BUYER PROFILE

An important part of an appraisal is the selection of comparable sales that can be used to reach an opinion of the market value of the subject property through the appraisal process. Comparable sales are selected based upon the highest and best use of a property and generally. Sellers and buyers come together on the common ground of this highest and best use. This involves buyers that are attracted to the property being offered for sale based upon the criteria that a buyer uses to make this decision. Thus, comparable sales must be competitive alternatives in the eyes of typical buyers.

Typically, properties of the subject size and location are real estate investors. In our analysis of comparable sales, and in our experience with past sales of properties of this size and quality, the typical buyer is a private investor(s). The property is not of the quality to be of interest to the typical institutional buyers. We have considered the typical buyer in our analysis.

PERSONAL PROPERTY, FURNITURE, FIXTURES AND EQUIPMENT

This appraisal does not consider or value the business of the subject, nor personal property, furniture, or equipment.

SCOPE OF ASSIGNMENT

The purpose of this appraisal is to provide the client with our opinion of the “as is” market value of the fee simple estate of the subject property, as of April 23, 2015. Harvel Gray inspected the subject property on this date.

The scope of this real estate appraisal includes the following:

- A physical inspection of the property.
- A search of the public records relative to the subject. This search encompasses, among other things, tax and assessment information, easement, and other private, as well as public, deed restrictions, zoning, history of the property, etc.
- A discussion of neighborhood and regional area characteristics, as well as an analysis of supply and demand within the subject's market segment.
- Analysis of physically possible uses, legally permissible uses, and all feasible uses in order to estimate the highest and best use of the subject.
- Research of public records for comparable sales and listings. Telephone verification, where possible, of all the sales and listings with the buyer, seller, or their representative.
- A physical inspection of each of the comparable properties, as well as deed verification. Comparison of the comparable properties to the subject with consideration of such differences as legal encumbrances, financing terms, conditions of sale, market conditions, location, physical characteristics, availability of utilities, zoning, and highest and best use.
- The preparation of a narrative appraisal report in compliance with the USPAP and the Standards of the recognized professional organizations of which the appraisers are members. We have also followed the guidelines promulgated by the appropriate regulatory agency or agencies that are mentioned elsewhere in this report.

In keeping with the scope of the appraisal and the appraisal process, the appraisers have engaged in original research to provide a complete analysis for the client. Data for analysis has been gathered from various sources, such as the sales of similar properties found in the County through Realquest data, Loopnet Real Estate, and the Multiple Listing Service, local realtors, property owners, and other appraisal offices. County and local planning and zoning departments and websites provided zoning and land use information.

The product of this research and analysis is formulated within this report for analysis of and direct comparison with the subject appraised. Additionally, we have used original research performed in preparation of other appraisals by this office, which is considered appropriate for the subject. This is an appraisal report.

APPRAISERS' COMPETENCY RULE COMPLIANCE

The Scope of the Assignment as outlined in the Appraisal Development and Reporting Procedures section is well within the range of experience and knowledge of the responsible appraiser(s). The appraiser(s) responsible for this appraisal report are (is) sufficiently experienced and knowledgeable to accept and complete this appraisal assignment. We (I) have previously prepared and delivered appraisal reports and have provided consultation for similar properties. For additional information about our experience please refer to our Appraisal Qualifications toward the rear of this report.

NEIGHBORHOOD ANALYSIS

Introduction and Boundaries

The subject's neighborhood is a residential and commercial area located east of NW/SW 9th Avenue, west of Federal Highway, south of Sunrise Boulevard, and north of Davie Boulevard (SE/SW 12th Street). The neighborhood is located within the City of Fort Lauderdale and it includes a portion of the City's downtown area. The subject property is located in the northwestern section of the neighborhood.

Access

Access to the subject neighborhood is good. Main east-to-west access is provided via Broward and Sunrise Boulevards, and Davie Boulevard (SW/SE 12th Street) to the south. Broward Boulevard is the main arterial in Broward County and runs from Victoria Park Road in the east, to Flamingo Road in the west, which is about one mile east of Sawgrass Expressway. Sunrise Boulevard runs from Ocean Drive (AIA) in the east to I-75 in the west county area. Davie Boulevard runs from U.S. 1 in the east to State Road 7 (U.S. 411), where it becomes Peters Road. Peters Road continues west to Pine Island Road in the City of Plantation. All of the east-to-west arterials have access ramps with I-95, which is just west the western boundary of the neighborhood. Sunrise Boulevard also has an interchange with the Florida Turnpike, which is about three miles west of the neighborhood. Andrews Avenue and U.S. Highway provide the main north-to-south access to the neighborhood. Interstate 95 and the Florida Turnpike are located west of the neighborhood and provide fast north-south access. These expressways run from Miami-Dade County in the south, to the northern area of the state. Interstate 95 continues northward beyond the State of Florida to many other states in the U.S.

Neighborhood Development

The neighborhood is about 98 percent developed, with residential properties occupying about 85 percent of the developed land, and commercial and/or demolish and hold for redevelopment properties occupying the remaining 15 percent.

Residential properties range from middle-income in the neighborhood northwest to upper middle income single-family dwellings in the central area to the south of Davie Boulevard. The neighborhood has seen some conversion of older multifamily dwellings to townhouses in the early to middle 2000's. Commercial and/or demolished and hold for redevelopment properties are developed mostly along main arterials such as Sunrise Boulevard, Davie and Broward Boulevards, Federal Highway and Andrews Avenue.

The downtown area of the neighborhood is the home to some landmark structures that include the Broward Center for the Performing Arts, the Museum of Art, the Museum of Discovery and Science, the Fort Lauderdale Historical Museum, Stranaham House, Broward County Government Center and the Sun-Sentinel building. High-rise multifamily/mixed-use properties are under construction in this market/ neighborhood. The surrounding land uses include residential and commercial properties.

SUBJECT PROPERTY DATA

Taxpayer of Record

JPG Investment Properties LLC
PO Box 950
Fort Lauderdale FL 33302

Census Tract: The subject is located in the 2015 Census Tract No. 0415.00

County Property Control Number(s): 4942 34 07 7520 and 4942 34 07 7540

Assessed Value and Real Estate Taxes (2014)

The 2014 just/market value for the subject was \$231,090, of which \$231,090 is attributed to the land and \$0 to the improvements. The 2014 assessed value was \$168,550. Total gross real estate taxes for 2014 were \$3,832, rounded, according to the County Tax Collector. The values and taxes appear low, based on our opinion of value.

Flood Zone Designation

The subject parcel is located on the National Flood Insurance Program Map, Community Panel Number 12011C0369H, which was revised as of August 18, 2014. This map indicates that the subject is situated within the flood zone area, Zone "AH". This is a flood zone.

Zoning

The subject property is zoned CB: Community Business District, City of Fort Lauderdale. Permitted uses include, but not limited to, commercial recreation, food and beverage sales and service, lodging, mixed use developments, public purpose facilities, retail sales, services/office facilities, and accessory uses. The subject is vacant land, and is therefore a legal use.

Comprehensive Land Use Plan

Each county, city, and town has been required by the State Legislature to have a Land Use Plan in order to organize and control growth. According to the City Future Land Use Plan, the subject area is designated as NWRAC-MUe for Northwest Regional Activity Center-Mixed Use. The use and zoning of the subject appears to comply with the existing future land use and thus no conflict between current and future usage is foreseen.

Concurrency

The strongest growth control measure ever imposed on Broward County was passed by the Florida Legislature and became effective on February 1, 1990. This was mandated by Chapter 163, Florida Statutes, otherwise known as the "Growth Management Law." One provision of this law is referred to as "Concurrency" which dramatically limits the ability to develop real property. It is basically the requirement that adequate infrastructure be available to serve new development. Eight types of infrastructure are affected including; traffic, potable water, sewer, drainage, solid waste, recreation and open space, mass transit, and fire rescue. No concurrency issues that are known to currently affect the subject. *Our opinion of value could be impacted if our presumption were proven to be incorrect.*

Utilities

The subject property is serviced with all the customary public utilities, including; water, sewer, electric, and telephone that proximate to the subject.

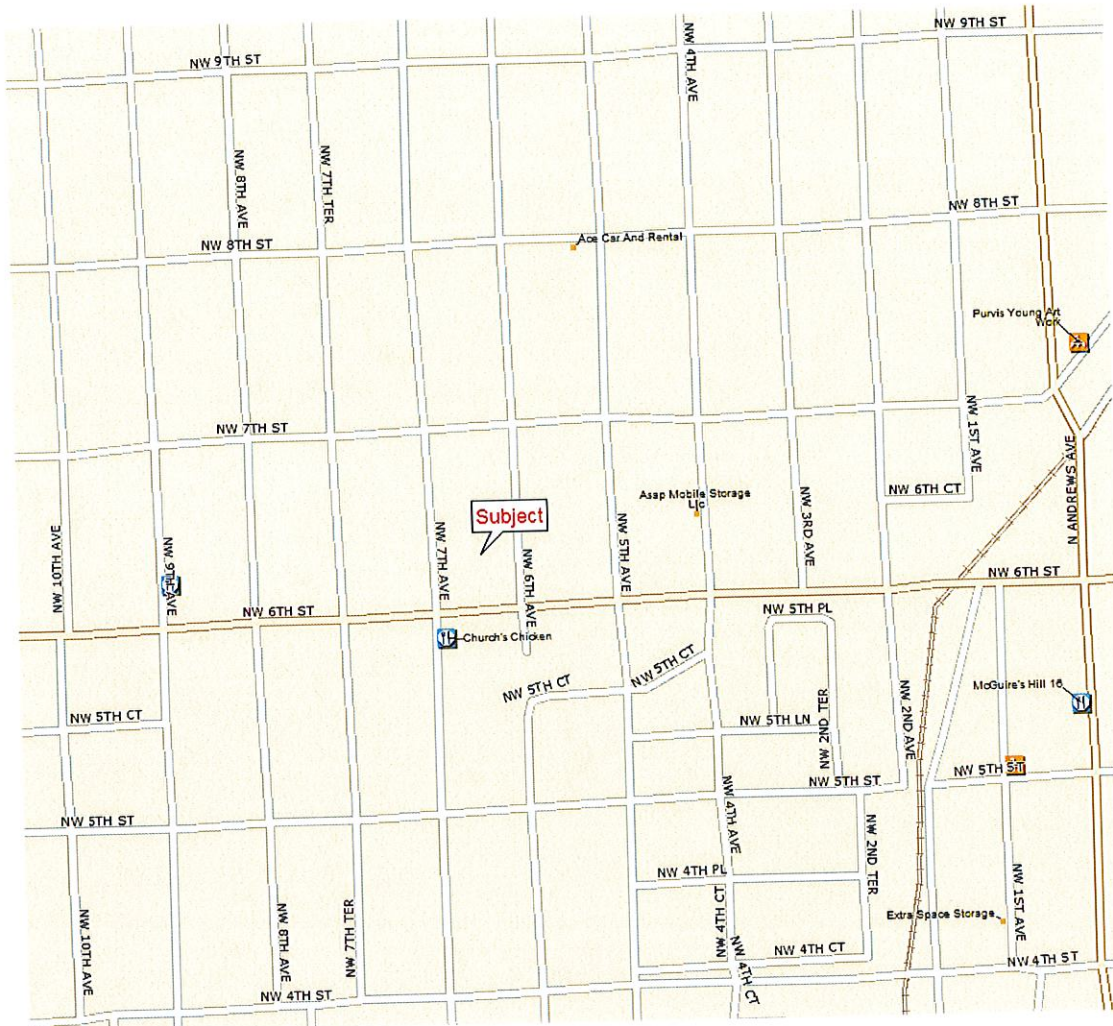
Sales History

The appraisers have not been provided with a title abstract on the property appraised, nor have they conducted a title search of their own. However, based on the County Tax Rolls research, the subject property was not transferred in the past three years. The subject is listed for sale by Rio Vista Realty (954-727-7128). The listing agent states that the asking price is \$25/square foot, which equates to a total price of \$586,500. We found no support in the market for this asking price.

We are aware of no other current listings, contract for sale or options on the subject.

Site Analysis

We were not provided with a site survey or site plan of the subject. Therefore, we relied upon the County Records and our site inspection for our description.



Location Map

The subject is located at 6XX Sistrunk Blvd, Fort Lauderdale, FL 33311.



Subject Plat In Red Outline

Size and Shape

The subject site is mostly rectangular shaped and contains 23,460 square feet. This equates to 0.539 acre. The above size and shape information is based on the County tax rolls data.

Access

The site has access along the north side of Sistrunk Boulevard (NW 6th Street). Access to the subject property is good compared to other properties in the area.

Topography and Drainage

The site appears to be above road grade. Drainage at the time of inspection appeared adequate.

Easements & Encroachments

We were not provided with a site survey or site plan of the subject property. However, utility easements are typical in the area. They do not typically adversely impact value. We observed no encroachments.

Soil/Environmental Conditions

We have not been provided with a contamination assessment report on the subject property. We are not aware of site contamination. If more details and/or greater accuracy are required, the reader should consult an appropriate expert. We assumed that no adverse environmental soil or sub-soil conditions are present on or near the subject site that would adversely affect the value or marketability of the property. Our opinion of value could be impacted, if this should prove to be incorrect.

Parking

Spaces are available for parking on the subject site.

Surrounding Uses

The subject is surrounded by residential properties all sides.

Summary of Subject Improvements

The subject is vacant commercial land and has no improvements.

HIGHEST AND BEST USE

The Dictionary of Real Estate Appraisal, Third Edition 1993, by the Appraisal Institute defines Highest and Best Use as follows:

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability."

In estimating the Highest and Best Use there are essentially four stages of analysis.

1. *Permissible Use (Legal)* -what uses of the site in question are legally permissible.
2. *Possible Use* -what uses of the site in question are physically possible.
3. *Feasible Use* -which possible and permissible use will produce a positive return to the owner of the site.
4. *Maximum Productivity* -among the feasible uses, which use will produce the highest net return.

The analysis of highest and best use normally applies these considerations in a three step process, involving the analysis of the highest and best use of the site as vacant, determination of the ideal improvement, and a comparison of the existing improvement with the ideal improvement in order to estimate the highest and best use as improved. The highest and best use of the subject property was analyzed both "as if vacant" as well as in its present use, "as developed".

Legally Permissible Use:

The subject property is zoned CB: Community Business District, City of Fort Lauderdale. The subject is vacant land, and is therefore a legal use.

Physically Possible Use:

The subject Property contains 23,460± square feet or 0.539 acre. The size, shape, and topography of this parcel would accommodate some commercial and mixed-development uses permitted under this zoning requirement.

Conclusion

The subject is vacant commercial land. There are several surrounding vacant parcels that are awaiting development. The most recently developed property in the immediately locale is situated across the street from the subject. It contains about 36,000 square feet of space, and is about 20% vacant, and it is rumored that one of the current anchor tenant is considering moving out due to lack of support. No obvious demand for new development exists. After analyzing all of the data we concluded that the highest and best use for the subject is to hold for future development when feasibility supports it. Our conclusion is supported by the fact that the site for an eight-story mixed-use development that is also situated across the street from the subject is being offered for sale, rather than constructing the project. The project is called Heritage Plaza and was proposed for 700 Sistrunk Blvd.

EXPOSURE TIME/MARKETING TIME

Exposure time is the estimated length of time 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: a hypothetical estimate based upon an analysis of past events assuming a competitive and open market. Exposure time exists before the effective date of the appraisal.

Source: Appraisal Standards Board ASB Advisory Bulletin Volume III, Number 4, November, 1995.

Marketing time is defined in Advisory Opinion G-7 as "an estimate of the amount of time it might take to sell a property interest in real estate at the estimated market value level during the period immediately after the effective date of an appraisal". The advisory opinion also states "the request to estimate a reasonable marketing time exceeds the normal information required for the conduct of the appraisal process, and should be treated separately from that process."

The real estate market was in a steady expansion for several years and current exposure times were short. However, since 2008 the market has declined and exposure times are longer than several years ago. Average marketing time of nine months is typical for the subject property type. Further, the PWC/Korpacz Real Estate Investor Survey, an authoritative source, indicated that marketing (exposure) time runs from one to 12 months, with an average of six months for most development land in the fourth quarter of 2014.

The above data support our conclusion. Therefore, the marketing time and exposure time for the subject is estimated to be 12 months.

THE VALUATION PROCESS

Generally, the appraiser uses three approaches to value in estimating the market value of a particular property. These approaches are the Cost Approach, the Income Approach, and the Sales Comparison Approach.

The Cost Approach is based upon the principle of substitution that affirms that a prudent purchaser will pay no more for a property than the cost of constructing an equally desirable substitution. This approach is most applicable for new properties that represent the highest and best use and for special purpose properties when no comparisons are available. In this case the Cost Approach is not applicable. This approach considers developing the subject property as an alternative to purchasing a similar substitute. A typical investor would not make a buying decision based on this approach. Therefore, the Cost Approach to Value is not utilized. The omission of this approach is not considered misleading to the client.

The Income Approach is based upon capitalization of the net income attributable to the real estate into an estimate of the present worth of the anticipated future benefits. This approach views the property through the eyes of the typical rational investor and is most applicable for investment type properties.

The Sales Comparison Approach requires that the appraisers locate recent sales of similar properties and through an adjustment process, arrive at an indication of what these properties would have sold for if they possessed all of the salient characteristics of the subject property. These adjusted sales prices are then correlated into an estimate of the market value of the property via the Sales Comparison Approach to Value.

The final step in the appraisal process is the reconciliation or correlation of the value indications. In the reconciliation or correlation, the appraisers consider the relative applicability of each of the three approaches used, examines the range between the value indications, and places major emphasis on the approach that appears to produce the most reliable solution to the specific appraisal problem.

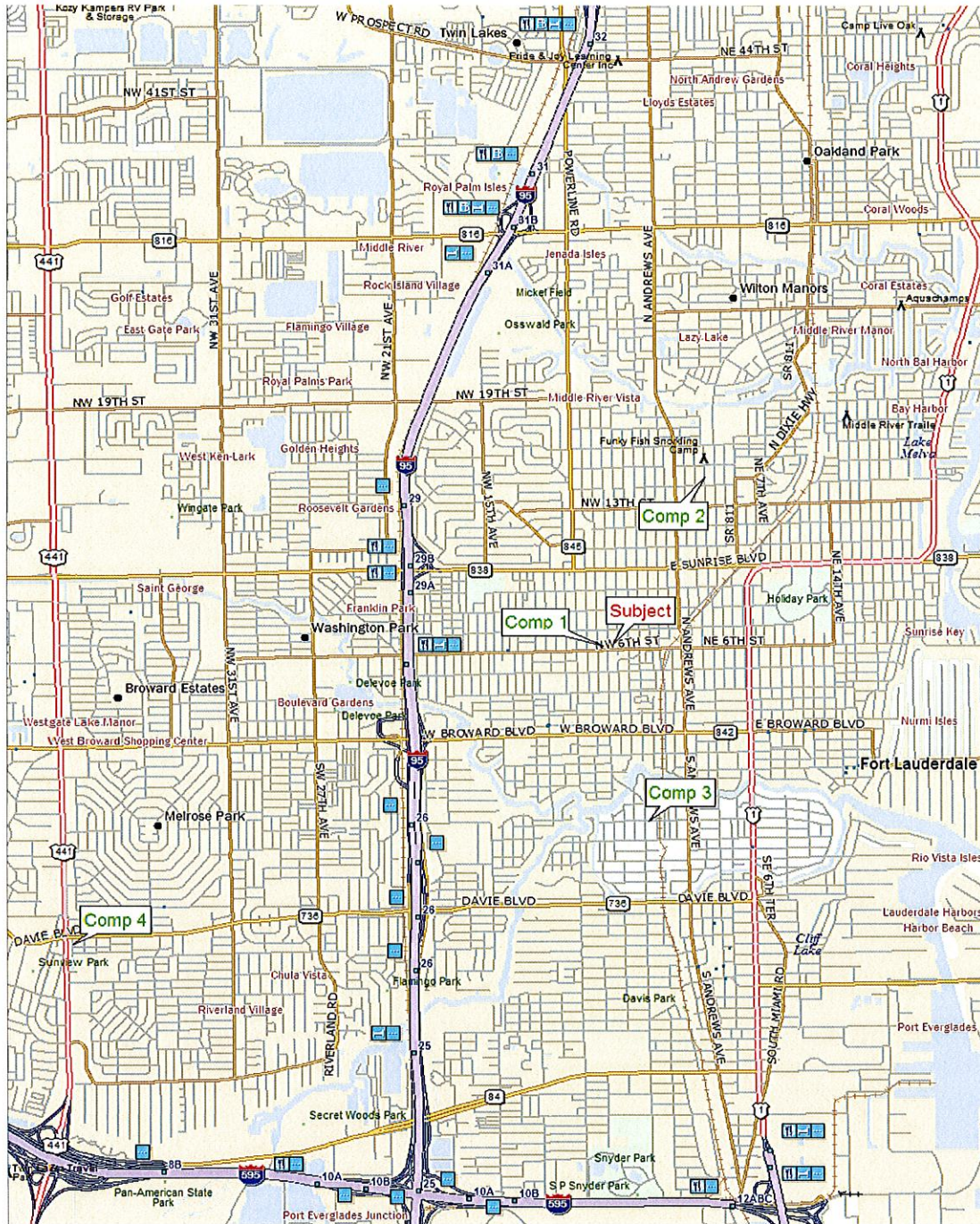
The applicable approaches are described in the following section of the report.

SALES COMPARISON APPROACH

A search of the County Official Records, local multiple listing service records, discussions with local brokers and appraisers and a personal inspection of the subject area produced several sales of similar property types as the subject. The sales used in the analysis were the best comparables that we were able to verify with a party to the transaction.

We compared the selected sales with the subject, considering differences and possible adjustments. We utilized a qualitative process to compare the subject property with the comparables to reflect a value for the subject property.

| Comp No | Location | City | OR Book & Page | Sale Date | Site Size (sq ft) | Sale Price | Price /Sq Ft | Site Size (Acres) | Zoning |
|----------------|--|------------------------|----------------|------------------|-------------------|------------|--------------|-------------------|-----------|
| 1 | 601 NW. 7th Ave. | Fort Lauderdale | 111957003 | 11/27/2013 | 13,551 | \$148,000 | \$10.92 | 0.311 | CB |
| 2 | 1412 - 1416 NE. 4th Ave. | Fort Lauderdale | 51288-0019 | 11/25/2014 | 19,244 | \$475,000 | \$24.68 | 0.442 | CB |
| 3 | 519 SW 4 Avenue | Fort Lauderdale | 112005284 | 12/19/2013 | 5,750 | \$75,000 | \$13.04 | 0.132 | ROC |
| 4 | 1268 - 1280 SW. 40th Ave. | Fort Lauderdale | 112897710 | 3/23/2015 | 22,392 | \$550,000 | \$24.56 | 0.514 | B-2 |
| Subject | 6XX Sistrunk Blvd (NW 6th St) | Fort Lauderdale | NA | 4/23/2015 | 23,460 | NA | NA | 0.539 | CB |



Sales Comparables Map

SALE NO. 1 – 601 NW 7th Ave, Fort Lauderdale, Florida
Our File No. 1504-029



Comments:

This information was obtained from the Costar Realty MLS Public Records and Deed.

SALE NO. 2 – 1412 – 1416 NE 4th Ave, Fort Lauderdale, Florida
Our File No. 1504-029



Comments:

This information was obtained from the Costar Realty MLS Public Records and Deed.

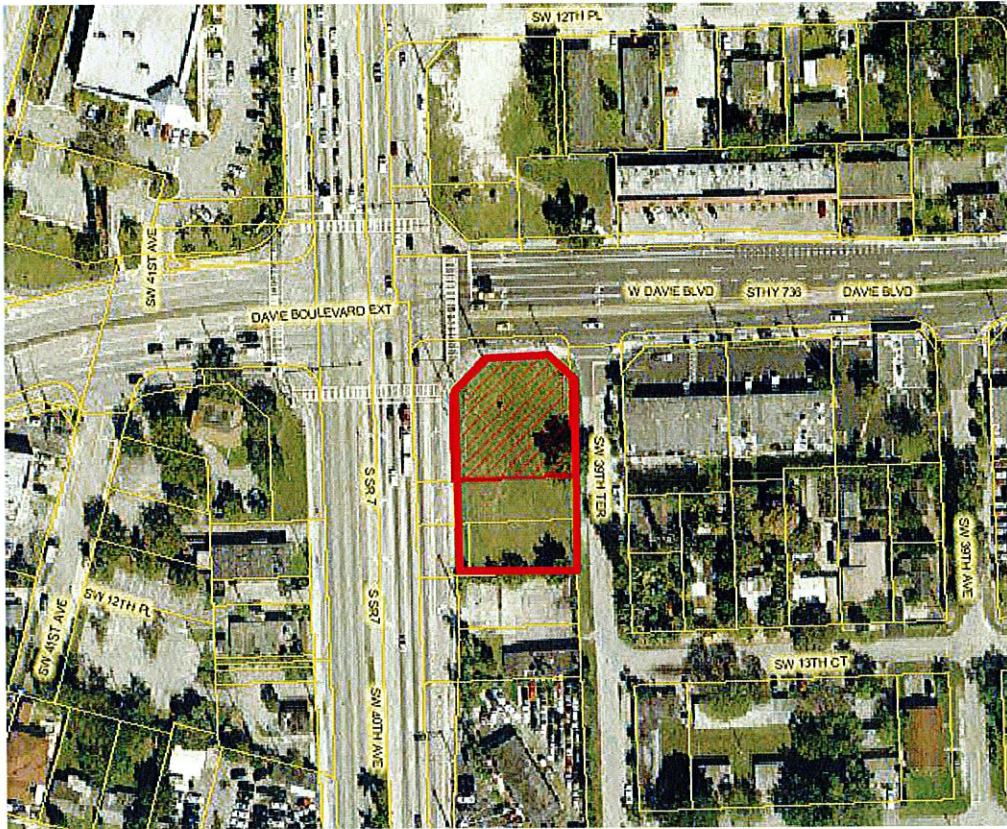
SALE NO. 3 – 519 SW 4th Ave, Fort Lauderdale, Florida
Our File No. 1504-029



Comments:

This information was obtained from the Costar Realty MLS Public Records and Deed.

SALE NO. 4 1268 – 1280 S. State Rd 7 (SW 40 Ave), Fort Lauderdale, Florida
Our File No. 1504-029



Comments:

This information was obtained from the Costar Realty MLS Public Records and Deed.

Discussion of Adjustment Considerations

In this analysis, we considered differences between the sales and the subject in terms of property rights sold, financing, conditions of sale, market conditions (trend or time adjustment), location, size, quality and condition of the improvements and land to building ratio.

Because the sales vary in size, we based the comparisons on a standardized unit of measure, the price per square foot of building area. The per square foot of building area unit of measure is typically used by investors in this type of analysis.

All of the sales were fee simple since they were either purchased by an owner-user or were leased at market rent. No adjustments were warranted to these sales.

Conditions of Sale

All sales were market oriented. Because of this, no adjustments were necessary.

Financing

We considered an adjustment for any indication of favorable financing. All sales were either on a cash basis, or had market oriented financing, and, therefore, no adjustments were necessary.

Market Conditions

The South Florida real estate market has indicated mostly downward movement in the prices paid for the subject property type since the first quarter of 2008. However, the subject property type has seen upward movement in this market in the past 12 months or more. Comparables 1 through 3 were sold during inferior market conditions. Therefore, we adjusted them upward for this factor of 5% per year.

Land to Building Ratio

Not applicable.

Location/Access

The location consideration involves traffic volume, access to arterial roads, and quality of the surrounding neighborhood. Comparable 1 is situated across the street from the subject and does not warrant adjustment. Comparable 2 through Comparable 4 are situated in locales that are superior to the subject. We adjusted for the superior locations downward.

Age/Condition And Quality

Not applicable.

Site Condition

Comparable 3 has inferior zoning designation compared to the subject. We adjusted it upward for this factor. Comparable 2 sold with a small old building on site that contributed little to the value. We estimated \$40,000 as the contributed value and deducted it from the purchase price of \$515,000 for an estimated land value of \$475,000. No other adjustments were warranted.

Building Size

No adjustments were warranted.

Analysis And Correlation

Adjustment Table

| Comp No | Location | Sale Date | Site Size (sq ft) | Price /Sq Ft | Market Conditions | Market Cond Adj | Adj Price / Sq Ft | Location | Physical Characteristics | Site Condition | Overall Rating | Dollar Amount |
|---------|-------------------------------|------------|-------------------|--------------|-------------------|-----------------|-------------------|----------|--------------------------|----------------|------------------------------|---------------|
| 1 | 601 NW. 7th Ave. | 11/27/2013 | 13,551 | \$10.92 | Inferior + | \$0.77 | \$11.69 | \$0.00 | Similar | Similar | Inferior, subject more than: | \$11.69 |
| 2 | 1412 - 1416 NE. 4th Ave. | 11/25/2014 | 19,244 | \$24.68 | Inferior + | \$0.51 | \$25.19 | -\$12.60 | Similar | Similar | Superior, subject less than: | \$12.60 |
| 3 | 519 SW 4 Avenue | 12/19/2013 | 5,750 | \$13.04 | Inferior + | \$0.88 | \$13.92 | -\$2.78 | Similar | Inferior + | Inferior, subject more than: | \$11.14 |
| 4 | 1268 - 1280 SW. 40th Ave. | 3/23/2015 | 22,392 | \$24.56 | Similar | \$0.00 | \$24.56 | -\$12.28 | Similar | Similar | Superior, subject less than: | \$12.28 |
| Subject | 6XX Sistrunk Blvd (NW 6th St) | 4/23/2015 | 23,460 | NA | NA | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | Subject = | \$12.00 |

We consider the sales price per square foot of land area. The comparables in the table above reflect an unadjusted price range of \$11/square foot to \$25/square foot, rounded. The property at the low end is situated the closest to the subject. It is similarly zoned and had similar future land use designation like the subject, RAC for Regional Activity Center. The two properties at the high end are situated at locations that are very superior to the subject. We feel that the subject would sell for significantly less than these comparables. After completing the selling prices adjustments, we reached an adjusted selling price range of \$11/square foot to \$13/square foot, rounded.

Based on the preceding data and analysis, we have formed the opinion that the market value for the subject property is @ \$12/square foot of land area. The value on a per square foot basis, 23,460 square feet @ \$12/square foot: = \$281,520, rounded to: \$282,000

Market Value, Fee Simple Estate, As Of April 23, 2015: \$282,000

\$282,000

(TWO HUNDRED EIGHTY TWO THOUSAND DOLLARS)

ADDENDUM

QUALIFICATIONS FOR HARVEL W. GRAY, FRICS, MAI, CCE, Leed AP**EXPERIENCE**

Harvel Gray has been actively engaged in property valuation since 1983 on a part-time Machinery and Equipment (Personal Property) Appraiser and since 1993 has been full-time Real Estate, and Machinery and Equipment Appraiser, and part-time Business Appraiser. Prior to full-time valuation practice Harvel was a consulting engineer.

His valuation experience for real estate include: office building, **green office building**, office warehouse, mixed use commercial, warehouse, strip shopping center, shopping mall, yacht building/repair facility, mini-storage warehouse, retail property, golf course, hotel/motel, cold storage facility, produce packing plant, restaurant, automotive dealership, automotive repair facility, apartment building, gas service station, veterinary hospital, vacant land including environmentally sensitive land, wetlands, agricultural acreages and subdivision analysis; condemnation, feasibility study, market study, agricultural farms, and residential property.

Machinery and equipment experience include: cement processing equipment, sugar manufacturing plant, food processing plant, bauxite mining equipment, water treatment facility, wastewater treatment facility, construction equipment, gas service station, automotive repairs and servicing, medical office, retail trades, steel fabrication shop, machine shop, metal plating, night clubs, restaurant, produce packing plant, broadcast services equipment, water well, and brick manufacturing.

He has performed real estate appraisals for buy-sell agreements, estate and gift tax purpose, loan transactions, proposed commercial development, insurance placements, and city zoning compliance purposes. Machinery and equipment appraisals have been performed for buy-sell agreements, eminent domain, loan transactions, insurance claims, insurance placements, property tax appeal, liquidation, and estate and gift tax purposes.

Special Magistrate: Harvel Gray served as special master for property tax appeal in Broward County and Fort Lauderdale-Dade County. He has presided over cases in both real estate and machinery and equipment tax appeals cases since 1996.

License: *Florida State-Certified General Appraiser, License #RZ2166*

Professional Designations

- **M.A.I.** *Designated a Member of the Appraisal Institute , Real Estate, by the Appraisal Institute*
- **F.R.I.C.S** *Designated a Fellow of the Royal Institute of Chartered Surveyors, by the RICS Americas*
- **A.S.A.** *Designated an Accredited Senior Appraiser, Real Estate, by the American Society of Appraisers*
- **A.S.A.** *Designated an Accredited Senior Appraiser, Machinery & Equipment by the American Society of Appraisers*
- **LEED AP** Accredited Professional - United States Green Building Council (USGBC)
- **C.C.E.** *Designated a Certified Cost Engineer by The American Association of Cost Engineers*

Education

Diploma of Membership of Imperial College, Engineering, Imperial College, London, England

Master of Science Degree, Mechanical Engineering – University of London

Bachelor of Science, Industrial-Mechanical Engineering, Kingston Polytechnic University, London, England

Graduate Diploma in Management Studies – University of the West Indies, Kingston, Jamaica

Appraisal and Related Education

- *Residential Real Estate Appraising 1*, Gold Coast School of Real Estate
- *Residential Real Estate Appraising 2*, Gold Coast School of Real Estate
- *Residential Income Property Appraising*, Gold Coast School of Real Estate
- *Income (Commercial) Property Appraising*, Gold Coast School of Real Estate
- *Uniform Standard of Professional Appraisal Practice*, Gold Coast School of Real Estate
- *Uniform Standard of Professional Appraisal Practice, A and B*, The Appraisal Institute
- *Advanced Income Capitalization - 510*, The Appraisal Institute
- *Market Analysis and Highest and Best Use - 520*, The Appraisal Institute
- *Sales Comparison (Market) and Cost Approaches - 530*, The Appraisal Institute
- *Report Writing and Valuation Analysis - 540*, The Appraisal Institute
- *Advanced Applications – 550*, The Appraisal Institute
- *Condemnation Appraising: Basic Principles & Applications*, - 710, The Appraisal Institute
- *Condemnation Appraising: Advanced Topics & Applications*, - 720, The Appraisal Institute
- *Separating Real & Personal Property from Intangible Business Assets*, - 800, The Appraisal Institute
- *Report Writing Seminar*, The Appraisal Institute
- *Effective Appraisal Writing Seminar*, The Appraisal Institute
- *Lease Abstracting and Analysis*, The Appraisal Institute
- *Introduction to Appraising & Analysis of Proposed Subdivisions & Condominiums*, The Appraisal Institute
- *Machinery and Equipment Appraising, Level 4 (Audit)*, American Society of Appraisers
- *Inventory Appraising*, American Society of Appraisers
- *Advanced Cost Approach: Machinery & Equipment*, American Society of Appraisers
- *Introduction to Computer Valuation*, American Society of Appraisers
- *Business Valuation Level 1* American Society of Appraisers
- *Business Valuation Level 2 (Audit)* American Society of Appraisers
- *Appraisers as Expert Witnesses Seminar*, American Society of Appraisers
- *Mastering Appraisal Skills for Valuing Closely-Held Business*, 8000 Institute of Business Appraisers
- *The Valuation of Health Care Entities*, 1011 Institute of Business Appraisers
- *Fundamentals & Direct Market Data Methods*, 1012 Institute of Business Appraisers
- *Report Writing and Analysis*, 1010 Institute of Business Appraisers
- *Litigation Support*, 1019 Institute of Business Appraisers

- *Valuing Intangibles*, 1035 Institute of Business Appraisers
- *Advanced Financial Statement Analysis*, 1039 Institute of Business Appraisers
- *Forecasting Net Cash Flow*, 1040 Institute of Business Appraisers
- *Critiquing Business Valuation Report*, 1044 Institute of Business Appraisers
- *Advanced Application Of The Market Approach*, 1045 Institute of Business Appraisers
- *Investment and Security Analysis*, Fort Lauderdale Adult Institute
- *Regression Analysis for Appraisers*, McKissock Data Systems
- *Environmental Auditing*, Lincoln Graduate Center
- *Fundamentals Skills of Cost Engineering*, Iowa State University – Continuing Education
- *Construction Cost Estimating 1*, Florida International University
- *Construction Cost Estimating 2*, Florida International University
- *Construction Unit Cost Estimating*, RS Means Construction
- *Construction Cost Segregation Analysis*, RS Means Construction
- *Construction Cost Works*, RS Means Construction
- *Construction Estimating*, Xactimate Construction Data
- *Energy Conservation Course*, College of Arts Science & Technology
- *An Introduction to Valuing Green Buildings Seminar*, The Appraisal Institute
- *LEED for New Construction & Major Renovations Technical Review Workshop*, USGBC
- *Elements of Green Leases Webinar*, BOMA
- *Energy Star & The Appraisal Process Seminar*, Energy Star & The Appraisal Institute 11/2008, 3 hours
- *The Canary in the Coal Mine Seminar*, Energy Star & The Appraisal Institute 10/2006, 3 hours
- *LEED 101: Green Building Basics Online Seminar*, USGBC 09/2008, 1 hour
- *Introduction to LEED for Homes, Online Seminar*, USGBC 10/2008, 2.5 hours
- *Mediation/Mediator Training – 20 Hours*, National Association of Realtors

Professional Organizations

- Appraisal Institute
- American Society of Appraisers (Past Chapter President, 1st Vice President, 2nd Vice President, Secretary, Treasurer – South Florida Atlantic Chapter)
- Institute of Business Appraisers, Inc.
- The American Association of Cost Engineers
- United States Green Building Council (USGBC), South Florida Chapter
- The Institution of Mechanical Engineers – UK

Community Organizations

- iwanis Club of Lauderdale lakes/West Sunrise

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Conferences

- American Association of Cost Engineers: 1997
- Institute of Business Appraisers: 2002 Business Valuation Conference
- American Society of Appraisers: 2004 and 2005