

ALLIED APPRAISAL SERVICES, INC.

NARRATIVE APPRAISAL REPORT

SIXTH STREET PLAZA OFFICE PROPERTY
900 - 930 NW 6TH STREET & 901 – 909 NW 5TH COURT
FORT LAUDERDALE, FLORIDA 33311

FOR

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY
914 NW 6TH STREET
FORT LAUDERDALE, FLORIDA 33311
ATTENTION: BOB CASS WOJCIK, AICP

DATE OF VALUE: MAY 23, 2016
DATE OF INSPECTION: MAY 23, 2016
DATE OF REPORT: JUNE 1, 2016

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June 1, 2016

Fort Lauderdale Community Redevelopment Agency
914 NW 6th Street
Fort Lauderdale, Florida 33311

Attention: Bob Cass Wojcik, AICP

Dear Mr. Wojcik:

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 May 23, 2016.

The subject property is located at 900 - 930 NW 6th Street and 901 - 909 NW 5th Court, Fort Lauderdale, Florida 33311. This location is on the southwest quadrant of NW 6th St and NW 9th Ave. The subject site is developed with two two-story and one one-story office buildings that contain a total of 22,437 +/- square feet of gross building area. The leasable area is 21,854 +/- square feet. The buildings and other site improvements are situated on eight rectangular shaped lots that are combined into one L-shaped parcel that contains a total of 52,332 +/- square feet or 1.201 acres of commercially zoned land, according to the county public records. The subject property is in average to good condition on an overall basis.

Based on our analyses, our opinion is that the subject fee simple estate, in As Is condition" as of May 23, 2016, is:

\$1,850,000

(ONE MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS)

The first of the three buildings is 900 - 906 NW 6th Street that was built in 1955 according to the County records, and contains 12,296 +/- square feet of gross building area. The leasable area contains 11,936 +/- square feet. This two-story office building is in the process of being remodeled. The second floor is completed as of the date of value. The first floor is currently about 40% complete, the remaining 60% or 3,500 +/- square feet of the leasable area needs interior build-out. Our estimate to complete the build-out is \$210,000, which equates to \$60/square foot. The agent for the owner's Realtor reported that a general contractor gave a verbal estimate of \$200,000 to do the build-out.

The second of the three buildings is 914 - 920 NW 6th Street that was built in 2008 according to the County records. This is a two-story office building that contains 8,181 +/- square feet of gross building area. The leasable area contains 7,958 +/- square feet. Approximately 2,030 square feet of the leasable first floor area need build-out. Our estimate to complete the build-out is \$80,000, rounded, which equates to \$40/square foot. The agent for the owner's Realtor reported that a general contractor gave an estimate of \$75,000 to do this build-out.

The third of the three buildings is 930 NW 6th Street that was built in 1965 according to the County records. This is a one-story office building that contains 1,960 +/- square feet. **This building was remodeled prior to the date of value, but we observed water stain on a small portion of the acoustical tile ceiling.**

We estimated 74 parking spaces to be available on the subject site. In addition to the on-site parking space, four street parking spaces are outside of the subject fence. Therefore, a total of 78 parking spaces are available to the subject property. The subject buildings were built in 1955, 1965 and 2008. The weighted average age of these buildings is 41 years old. We estimated the effective age to be 25 years old.

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 appraisers have not been provided with a title abstract on the property appraised, nor have they conducted a title search of their own. We are aware of no transfer in the past three years. We are aware of no current listings, contracts for sale or options on the subject.

The following presents a narrative appraisal report. This letter must remain attached to the report, which contains 102 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.



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

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EXECUTIVE SUMMARY

Property Name:	Sixth Street Plaza Office Property
Address:	900 - 930 NW 6th Street & 901 - 909 NW 5th Court, Fort Lauderdale, FL 33311
Location:	Southwest quadrant of NW 6th St and NW 9th Ave
Property Type:	Professional office
Current Use:	Professional office
Occupancy:	63%
Proposed Use:	Professional office
Owner Of Record (s):	Regent Bank Project Finance, Inc
Special Assumptions Reference:	See Assumptions and Limiting Conditions Numbers 16 - 20
Site Area:	
Gross Area	52,332 SF
Usable Area	52,332 SF
Building Area:	
Gross Area	22,437 SF
Leasable Area	21,854 SF
Year Built:	1955, 1965 and 2008 (The weighted average age is 41 years)
Land to Bldg Ratio:	2.33
Floor Area Ratio (FAR):	0.43
Site Coverage Ratio:	0.23
Existing Improvements:	Professional office
Property Condition:	Average to good
Parking:	Assumed adequate
Purpose of the Appraisal:	Provide the client with our opinion of the market value of the fee simple estate of the subject property, as May 23, 2016.

Intended Use Of The Appraisal:	It is our understanding that the intended use of this appraisal is to assist the client in the possible acquisition process of and business decision-making of the subject property.
Intended User of the Report:	The client, Fort Lauderdale Community Redevelopment Agency
County Property Control Number(s):	5042 04 05 0010, 5042 04 05 0030, 5042 04 05 0040, 5042 04 05 0100, 5042 04 05 0090 and 5042 04 05 0082
County Tax Values (2015):	
Total Market Value	\$1,957,120
Total Assessed Value	\$1,957,120
Real Estate Taxes (2015):	\$44,248, based on the County Records
Sales History:	No sale observed within the past three years. We are not aware of active current listing for sale.
Assignment History:	None in the past three years.
Hazardous Waste Conditions:	See Assumptions and Limiting Conditions Numbers 14 - 20
Flood Zone Panel & Code:	Zone "AH", Panel Number 12011C0369H
Zoning:	CB: Community Business District, City of Fort Lauderdale
Conforming/Nonconforming Use:	Appears to be a legal use
Highest & Best Use - Vacant:	Develop with mixed-use property
Highest & Best Use – As Improved:	Continue current use
Excess/Surplus Land:	No
Property Rights Appraised:	Leased Fee and Fee simple estate
Exposure & Marketing Time:	12 months
Date of Inspection:	May 23, 2016
Date of Value:	May 23, 2016
Date of Report:	June 1, 2016
Appraisal Report Type:	Narrative Report

Value Summary

Land Value, As If Vacant:	\$600,000
Cost Approach:	\$2,250,000
Income Approach:	\$2,185,000
Sales Comparison Approach:	\$2,240,000

Value Before Discount For Build-Out: \$2,200,000

Value Before Discount For Build-Out:	\$2,200,000
Less Discount For Build-Out:	\$350,000 (Build-out of unfinished space)
Value After Discount For Build-Out:	\$1,850,000 (Value in Current Condition)

Market Value Opinion As Is \$1,850,000**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

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 good 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. 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 presumed that no adverse environmental soil or sub-soil conditions are present on or near the subject site that would tend to adversely impact the value or marketability of the subject. ***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/is) 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



Front/ North Elevation



Rear/North Elevation



Rear/South Elevation



Rear/Southwest Elevation



Side/East Elevation



Side/East Elevation



Front of 900 – 906 Building Built 1955



Rear of 900 – 906 Building



Front of 914 – 920 Building Built 2008



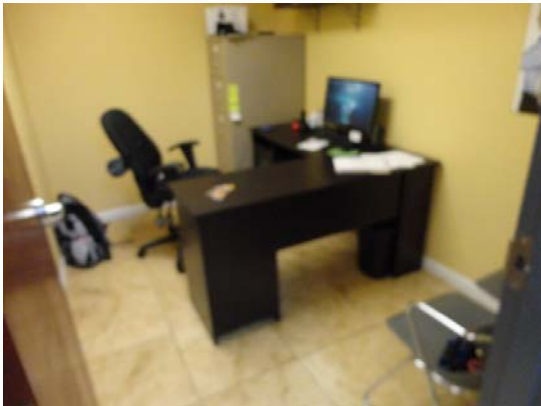
Side And Rear of 914 – 920 Building



Front of 930 Building Built 1960



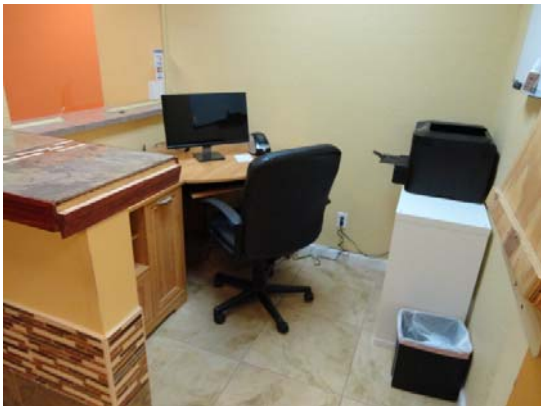
Rear of 930 Building



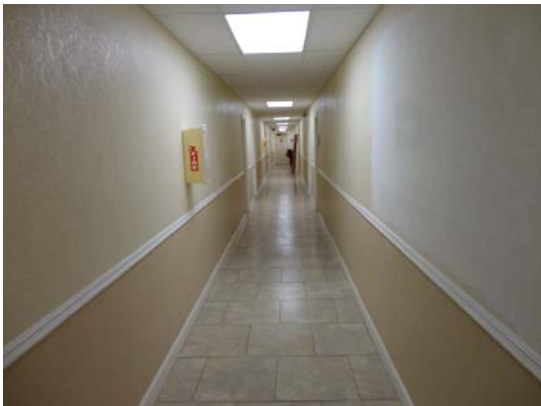
Interior



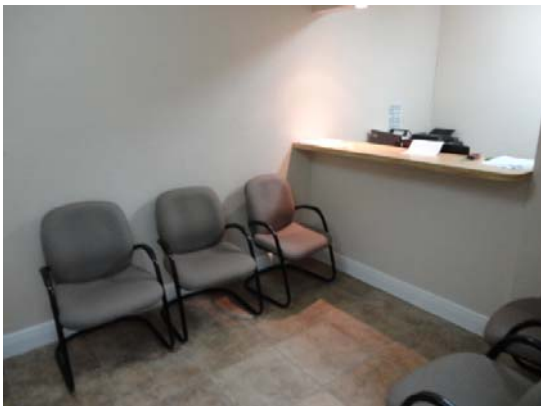
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Interior



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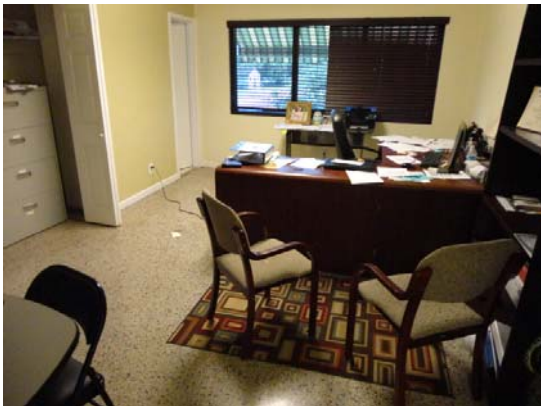
Interior



Interior



Interior



Interior



Interior



Interior



Interior



Interior



NW 6th Street Looking East



NW 6th Street Looking West



NW 9th Avenue Looking North



NW 9th Avenue Looking South

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 leased fee interest and fee simple estate of the subject property, as of May 23, 2016.

DESCRIPTION OF SUBJECT PROPERTY APPRAISED

The subject property is located at 900 - 930 NW 6th Street and 901 - 909 NW 5th Court, Fort Lauderdale, Florida 33311. This location is on the southwest quadrant of NW 6th St and NW 9th Ave. The subject site is developed with two two-story and one one-story office buildings that contain a total of 22,437 +/- square feet of gross building area. The leasable area is 21,854 +/- square feet.

The first of the three buildings is 900 - 906 NW 6th Street that was built in 1955 according to the County records, and contains 12,296 +/- square feet of gross building area. The leasable area contains 11,936 +/- square feet. This two-story office building is in the process of being remodeled. The second floor is completed as of the date of value. The first floor is currently about 40% complete, the remaining 60% or 3,500 +/- square feet of the leasable area needs interior build-out. Our estimate to complete the build-out is \$210,000, which equates to \$60/square foot. The agent for the owner's Realtor reported that a general contractor gave a verbal estimate of \$200,000 to do the build-out.

The second of the three buildings is 914 - 920 NW 6th Street that was built in 2008 according to the County records. This is a two-story office building that contains 8,181 +/- square feet of gross building area. The leasable area contains 7,958 +/- square feet. Approximately 2,030 square feet of the leasable first floor area need build-out. Our estimate to complete the build-out is \$80,000, rounded, which equates to \$40/square foot. The agent for the owner's Realtor reported that a general contractor gave an estimate of \$75,000 to do this build-out.

The third of the three buildings is 930 NW 6th Street that was built in 1965 according to the County records. This is a one-story office building that contains 1,960 +/- square feet. **This building was remodeled prior to the date of value, but we observed water stain on a small portion of the acoustical tile ceiling.**

We estimated 74 parking spaces to be available on the subject site. In addition four street parking spaces are outside of the subject fence. Therefore, a total of 78 parking spaces are available to the subject property. The subject buildings were built in 1955, 1965 and 2008. The weighted average age of these buildings is 41 years old. We estimated the effective age to be 25 years old. The buildings and other site improvements are situated on eight rectangular shaped lots that are combined into one L-shaped parcel that contains a total of 52,332 +/- square feet or 1.201 acres of commercially zoned land, according to the county public records. The above information is based on GIS measurements taken from the County tax rolls aeriels. We used the County data because no site survey or plan was provided. The subject property is in average to good condition on an overall basis.

LEGAL DESCRIPTION (FROM PUBLIC RECORDS)

TUSKEGEE PARK 3-9 B LOT 1, 2 LESS RD, LOT 3 & 4 LESS RD R/W, LOT 5 LESS RD R/W, LOT 10, LOT 11 and LOT 12, BLK 1

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, of the subject fee simple estate. It is our understanding that the intended use of this appraisal is to assist the client in the purchase decision-making process and/or possible future utilization of the property. The intended user is the Fort Lauderdale Community Redevelopment Agency.

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 1953 (FIRREA) and Federal Regulation 12CFR Part 34.43 (b).

CLIENT

Fort Lauderdale Community Redevelopment Agency
914 NW 6th Street
Fort Lauderdale, Florida 33311

Attention: Bob Cass Wojcik, AICP

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 good 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 1953 ("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.

HYPOTHETICAL CONDITION

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions 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. A hypothetical condition may be used in an assignment only if:

- Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
- Use of the hypothetical condition results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions. (USPAP, 2002 Ed.)

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 May 23, 2016. Harvel Gray inspected the subject property on this date. The subject consists of two two-story and one one-story office buildings that contain a total of 22,437 +/- square feet of gross building area and other site improvement that are situated on 52,332 +/- square feet or 1.201 acres of commercially zoned land, according to the public records.

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.

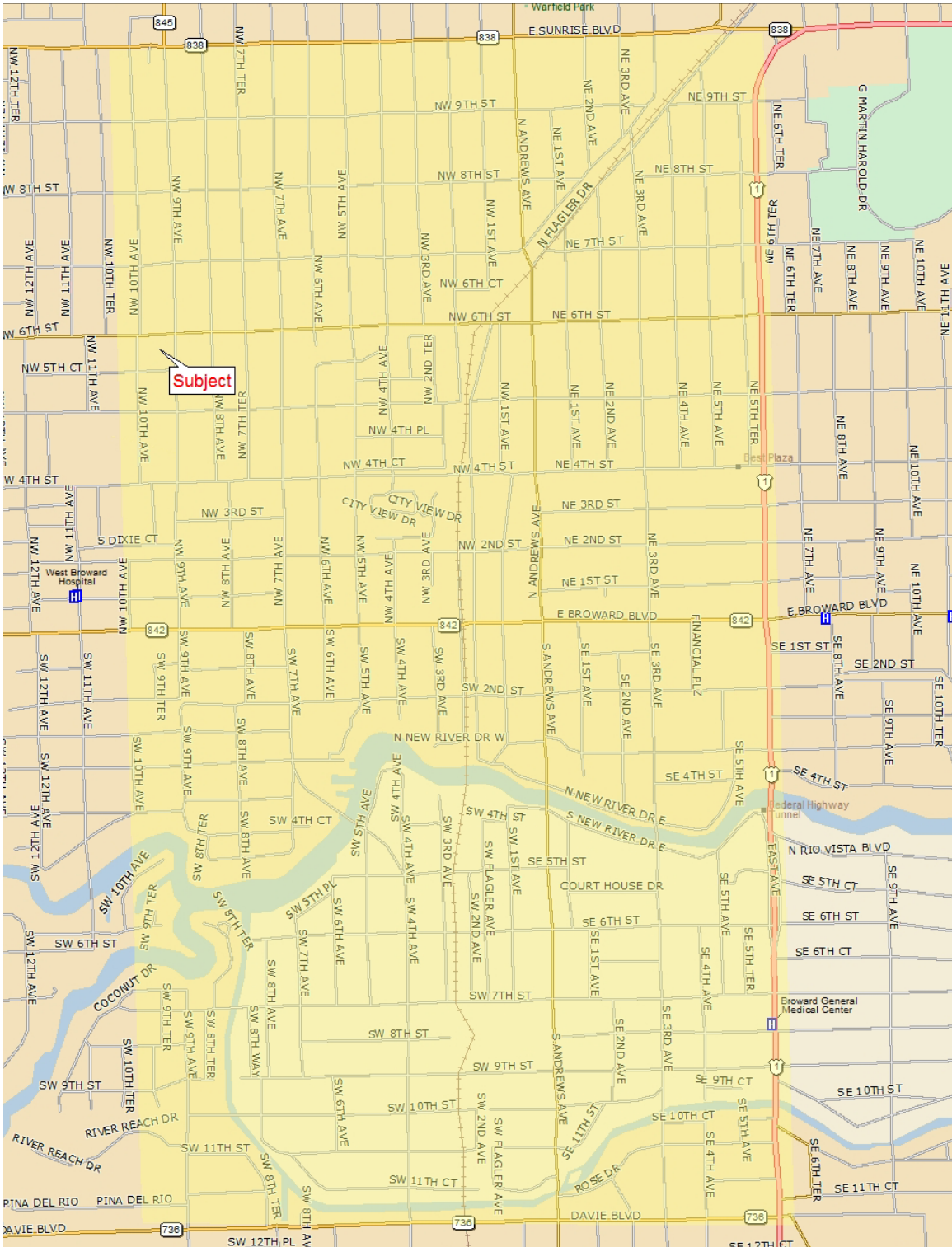
In keeping with the scope of the appraisal and the appraisal process, the appraisers have engaged in original research to provide a complete analysis for the client. Data for analysis has been gathered from various sources, such as the sales of similar properties found in the County through Realquest 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 a narrative 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



Neighborhood Map

Introduction and Boundaries

The subject's neighborhood is a residential and commercial area located east of NW/SW 9th Avenue corridor, 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 western 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.

Conclusion

In general, the neighborhood is mostly a middle income to upper income residential area that was developed primarily from the 1960's to the current time. Because all of the sites have been developed, practically all new developments are on redeveloped lands. We believe that the neighborhood will remain middle to upper end residential. With increasing demand for residential properties and no more land to build new dwellings, it is likely that the neighborhood will see re-gentrification in the future. We anticipate that the real estate and business activities in this neighborhood remain strong, particular to the east of the subject.

OFFICE MARKET ANALYSIS:

The following data on the next several pages was extracted from CoStar Realty publications.

Class A Market Statistics						First Quarter 2016			
Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
CBD	21	4,460,791	531,712	562,221	12.6%	29,271	0	0	\$36.58
Suburban	106	12,119,552	1,703,580	1,806,591	14.9%	267,744	284,377	467,429	\$28.75
Totals	127	16,580,343	2,235,292	2,368,812	14.3%	297,015	284,377	467,429	\$30.33
Source: CoStar Property®									
Class B Market Statistics						First Quarter 2016			
Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
CBD	93	2,125,181	154,764	158,904	7.5%	21,757	0	44,562	\$26.82
Suburban	1,083	30,441,954	3,705,039	3,843,397	12.6%	61,663	8,792	33,613	\$22.76
Totals	1,176	32,567,135	3,859,803	4,002,301	12.3%	83,420	8,792	78,175	\$22.95
Source: CoStar Property®									
Class C Market Statistics						First Quarter 2016			
Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
CBD	497	2,576,075	168,855	168,855	6.6%	1,404	0	0	\$23.50
Suburban	2,289	18,161,230	1,314,267	1,331,461	7.3%	19,164	0	0	\$19.78
Totals	2,786	20,737,305	1,483,122	1,500,316	7.2%	20,568	0	0	\$20.25
Source: CoStar Property®									
Class A & B Market Statistics						First Quarter 2016			
Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
CBD	114	6,585,972	686,476	721,125	10.9%	51,028	0	44,562	\$34.13
Suburban	1,189	42,561,506	5,408,619	5,649,988	13.3%	329,407	293,169	501,042	\$25.00
Totals	1,303	49,147,478	6,095,095	6,371,113	13.0%	380,435	293,169	545,604	\$26.02
Source: CoStar Property®									
Total Office Market Statistics						First Quarter 2016			
Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
CBD	611	9,162,047	855,331	889,980	9.7%	52,432	0	44,562	\$32.33
Suburban	3,478	60,722,736	6,722,886	6,981,449	11.5%	348,571	293,169	501,042	\$24.21
Totals	4,089	69,884,783	7,578,217	7,871,429	11.3%	401,003	293,169	545,604	\$25.14

Class C Market Statistics						First Quarter 2016			
Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Commercial Blvd	28	585,872	38,453	38,453	6.6%	570	0	0	\$15.67
Cypress Creek	107	1,194,806	85,847	85,847	7.2%	(17,830)	0	0	\$19.08
Downtown Fort Lauderdale	497	2,576,075	168,855	168,855	6.6%	1,404	0	0	\$23.50
Fort Lauderdale	832	5,261,438	504,172	510,838	9.7%	6,218	0	0	\$17.54
Hallandale	134	943,962	121,924	121,924	12.9%	(400)	0	0	\$23.14
Hollywood	508	3,113,572	149,075	154,790	5.0%	39,890	0	0	\$20.55
NW Broward/Coral Springs	120	1,561,304	104,141	104,691	6.7%	(2,885)	0	0	\$20.93
Outlying Broward County	0	0	0	0	0.0%	0	0	0	\$0.00
Plantation	189	2,170,178	148,595	148,595	6.8%	(4,930)	0	0	\$20.53
Pompano Beach	263	2,088,968	134,336	138,599	6.6%	(11,062)	0	0	\$20.30
Sawgrass Park	12	339,253	0	0	0.0%	0	0	0	\$0.00
Southwest Broward	96	901,877	27,724	27,724	3.1%	9,593	0	0	\$26.56
Totals	2,786	20,737,305	1,483,122	1,500,316	7.2%	20,568	0	0	\$20.25
Source: CoStar Property®									

Total Office Market Statistics						First Quarter 2016			
Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Commercial Blvd	49	1,418,922	275,068	275,068	19.4%	(46,023)	0	0	\$19.53
Cypress Creek	243	8,227,457	1,163,229	1,191,784	14.5%	32,629	0	0	\$23.28
Downtown Fort Lauderdale	611	9,162,047	855,331	889,980	9.7%	52,432	0	44,562	\$32.33
Fort Lauderdale	999	11,188,523	1,271,876	1,293,743	11.6%	53,854	8,792	0	\$22.08
Hallandale	150	1,532,130	143,819	145,779	9.5%	6,442	0	0	\$23.92
Hollywood	621	5,927,553	466,711	472,426	8.0%	35,404	0	0	\$24.36
NW Broward/Coral Springs	259	5,144,273	666,765	667,315	13.0%	(53,363)	0	11,613	\$23.10
Outlying Broward County	2	28,296	2,802	2,802	9.9%	(2,802)	0	0	\$32.71
Plantation	344	9,145,130	1,109,986	1,211,454	13.2%	173,750	215,000	0	\$26.02
Pompano Beach	432	6,256,645	520,085	548,539	8.8%	18,473	0	22,000	\$20.76
Sawgrass Park	68	3,833,818	368,327	423,390	11.0%	74,114	69,377	400,000	\$28.04
Southwest Broward	311	8,019,989	734,218	749,149	9.3%	56,093	0	67,429	\$27.91
Totals	4,089	69,884,783	7,578,217	7,871,429	11.3%	401,003	293,169	545,604	\$25.14

Total Office Market Statistics							First Quarter 2016				
Period	Existing Inventory		Vacancy			Net	Deliveries		UC Inventory		Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	# Blds	Total RBA	# Blds	Total RBA	Rates
2016 1q	4,089	69,884,783	7,578,217	7,871,429	11.3%	401,003	3	293,169	6	545,604	\$25.14
2015 4q	4,087	69,596,433	7,695,588	7,984,082	11.5%	274,650	3	215,784	8	771,344	\$24.79
2015 3q	4,085	69,382,149	7,819,577	8,044,448	11.6%	99,639	0	0	11	987,128	\$24.74
2015 2q	4,085	69,382,149	8,000,833	8,144,087	11.7%	243,137	2	41,103	11	987,128	\$24.46
2015 1q	4,083	69,341,046	8,150,084	8,346,121	12.0%	(59,184)	2	53,888	9	561,669	\$24.37
2014	4,081	69,287,158	8,037,872	8,233,049	11.9%	1,073,966	3	411,218	8	319,567	\$24.08
2013	4,080	68,930,418	8,662,606	8,950,275	13.0%	418,190	4	50,220	4	433,662	\$23.06
2012	4,076	68,880,198	9,031,593	9,318,245	13.5%	210,863	3	18,119	2	384,060	\$23.46
2011	4,074	68,863,800	9,273,944	9,512,710	13.8%	(131,180)	3	33,530	3	18,119	\$24.06
2010	4,074	68,840,722	8,947,560	9,358,452	13.6%	181,167	7	143,145	2	9,049	\$24.81
2009	4,068	68,704,260	8,934,179	9,403,157	13.7%	(1,046,078)	22	849,707	6	107,408	\$24.67
2008	4,047	67,868,166	7,170,418	7,520,985	11.1%	(72,302)	48	1,260,301	21	779,754	\$25.81
2007	4,000	66,614,479	5,832,697	6,194,996	9.3%	118,452	56	1,503,335	48	1,565,237	\$25.90
2006	3,945	65,114,789	4,557,729	4,813,758	7.4%	911,248	55	1,106,119	54	1,519,371	\$24.62
2005	3,890	64,008,670	4,467,595	4,618,887	7.2%	2,075,603	50	941,114	53	1,142,265	\$22.61
2004	3,840	63,067,556	5,326,724	5,753,376	9.1%	2,135,281	62	1,036,184	45	944,044	\$21.84
Source: CoStar Property®											

In Summary:

1. Average office rents have increased over the past two years, all of 2014 through first quarter 2016, in the subject market/city and Broward County for office properties in general, per CoStar data.
2. Vacancy rates for office property have declined during the same period in the subject market/city and Broward County.

State, Metro, County and Neighborhood Office Property Price Trends

Below is an extract from Loopnet Realty. It is a comparative analysis of office property activities within the state of Florida, the Miami – Fort Lauderdale-Miami Beach Metropolitan area, which includes Broward County market area. The subject neighborhood lies in City of Fort Lauderdale, which is located in Broward County.

Loopnet Realty also indicates that the “the current (March 2016) City of Fort Lauderdale median asking price for office properties is 5.2% higher at \$238.42 per square foot compared to the prior three months. The Citywide current median asking price is 25.5% higher than a year ago, February 2015. The next tables and next charts indicate these trends.

According to Loopnet Realty, “the current (March 2016) Countywide, the current median asking price for office properties is 2.0% higher at \$193.06 per square foot compared to the prior three months. The county-wide current median asking price is 6.1% higher than a year ago, March 2015. The next tables and next charts indicate these trends.

Loopnet Realty also indicates that the “the current (March 2016) Metropolitan area current median asking price for office properties is 1.8% higher at \$224.74 per square foot compared to the prior three months. The Metro-wide current median asking price is 5.9% higher than a year ago, March 2015. The next tables and next charts indicate these trends.

Loopnet Realty further indicates that the “the current (March 2016) Metropolitan area current median sale price for office properties is 4.1% higher at \$185.45 per square foot compared to the prior three months. The Metro-wide current median sale price is 24.6% higher than a year ago, March 2015. The next tables and next charts indicate these trends.

The City of Fort Lauderdale current average asking rental rate is 0.6% higher than a year ago at \$17.62/square foot. The prior three-month data indicates a 2.4% increase in asking rent. The chart ahead indicates these trends.

The Countywide current average asking rental rate is 3.2% higher than a year ago at \$18.19/square foot. The prior three-month data indicates a 1.7% increase in asking rent. The chart ahead indicates these trends.

The Metropolitan area current average asking rental rate is 3.1% higher than a year ago at \$21.12/square foot. The prior three-month data indicates a 1.7% increase in asking rent. The chart ahead indicates these trends.

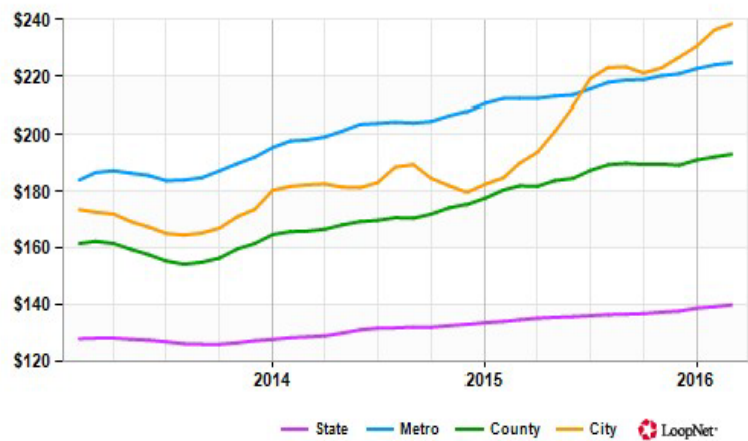
OFFICE PROPERTY MARKET ASKING SELLING PRICE TREND AS OF 03-2016			
Market / Sub-Market	Asking Price /Sq Ft	March Versus 3-Month Prior	Year-Over-Year
State of Florida	\$139.91	1.6%	3.9%
Miami-Fort Lauderdale Metro	\$224.74	1.8%	5.9%
Broward County	\$193.06	2.0%	6.1%
City of Fort Lauderdale	\$238.42	5.2%	25.5%
Source: Loopnet Real Estate MLS			

OFFICE PROPERTY MARKET SALE PRICE TREND AS OF 03-2016			
Market / Sub-Market	Asking Price /Sq Ft	March Versus 3-Month Prior	Year-Over-Year
State of Florida	\$133.54	-0.1%	14.4%
Miami-Fort Lauderdale Metro	\$185.45	4.1%	24.6%
Broward County	NA	NA	NA
City of Fort Lauderdale	NA	NA	NA
Source: Loopnet Real Estate MLS			

OFFICE PROPERTY MARKET ASKING RENTAL RATE TREND FOR 03-2016			
Market / Sub-Market	Asking Rental Rate/Sq Ft	March Versus 3-Month Prior	Year-Over-Year
State of Florida	\$17.36	1.1%	2.7%
Miami-Fort Lauderdale Metro	\$21.12	1.7%	3.1%
Broward County	\$18.19	1.7%	3.2%
City of Fort Lauderdale	\$17.62	2.4%	0.6%
Source: Loopnet Real Estate MLS			

OFFICE PROPERTY MEDIAN DAYS ON MARKET TREND AS OF 03-2016			
Market / Sub-Market	Median Days on Market	March Versus 3-Month Prior	Year-Over-Year
State of Florida	221	5.6%	-5.3%
Miami-Fort Lauderdale Metro	178	-1.6%	-16.6%
Broward County	N/A	N/A	N/A
City of Fort Lauderdale	N/A	N/A	N/A
Source: Loopnet Real Estate MLS			

Asking Prices Office for Sale Fort Lauderdale, FL (\$/SF)



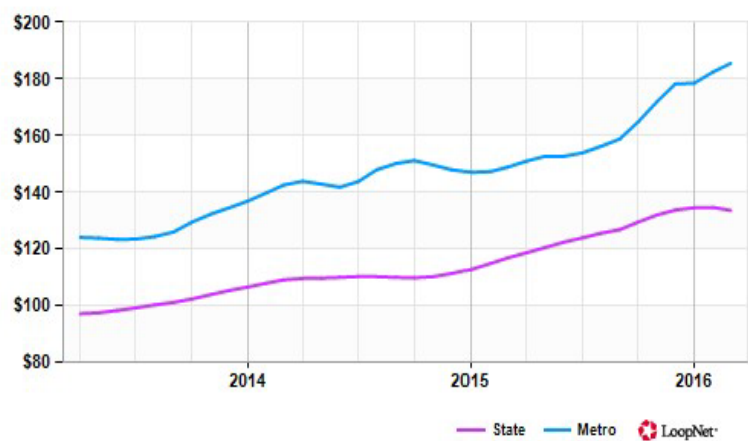
	Mar 16	vs. 3 mo. prior	Y-O-Y
State	\$139.91	+1.6%	+3.9%
Metro	\$224.74	+1.8%	+5.9%
County	\$193.06	+2.0%	+6.1%
City	\$238.42	+5.2%	+25.5%

Current Fort Lauderdale market trends data indicates an increase of +5.2% in the median asking price per sq ft for Office properties compared to the prior 3 months, with an increase of +25.5% compared to last year's prices. County-wide, asking prices for Office properties are 2.0% higher at \$193 per sq ft compared to the current median price of \$238 per sq ft for Office properties in Fort Lauderdale, FL.

Office Property Sale Prices - Sale Trends

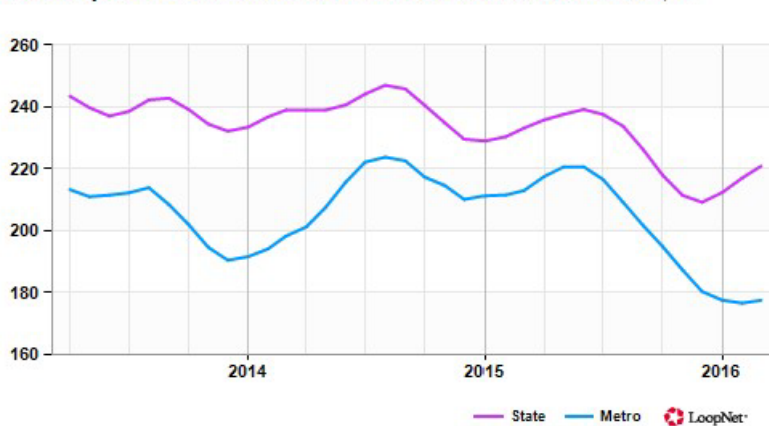
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Median Sale Price Office Miami-Fort Lauderdale-Miami Beach, FL (\$/SF)



	Mar 16	vs. 3 mo. prior	Y-O-Y
State	\$133.54	-0.1%	+14.4%
Metro	\$185.45	+4.1%	+24.6%

Median Days on Market Office for Sale Miami-Fort Lauderdale-Miami Beach, FL

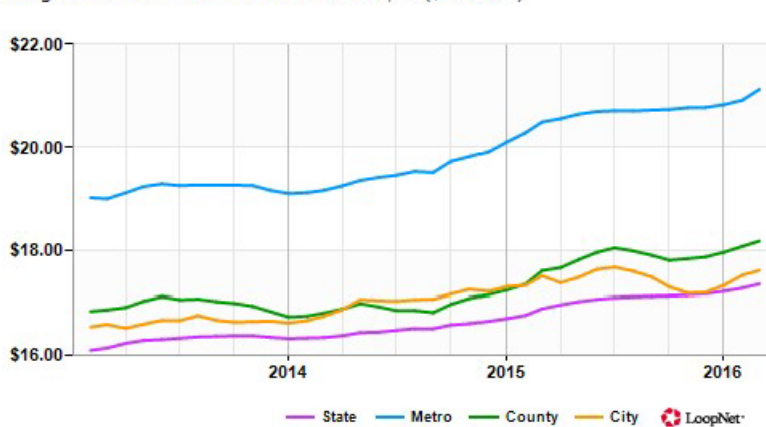


	Mar 16	vs. 3 mo. prior	Y-O-Y
State	221	+5.6%	-5.3%
Metro	178	-1.6%	-16.6%

Office Property Asking Rent - Lease Trends

[Embed](#)

Asking Rent Office for Lease Fort Lauderdale, FL (\$/SF/Year)



	Mar 16	vs. 3 mo. prior	Y-O-Y
State	\$17.36	+1.1%	+2.7%
Metro	\$21.12	+1.7%	+3.1%
County	\$18.19	+1.7%	+3.2%
City	\$17.62	+2.4%	+0.6%

The average asking rental rate per sq ft/year for Office properties in Fort Lauderdale, FL as of Mar 16 was \$17.62. This represents an increase of 2.4% compared to the prior 3 months, with an increase of +0.6% year-over-year. County-wide, average rental rates in Fort Lauderdale are +1.7% higher at \$18.19 per sq ft/year for Office properties currently for lease.

In summary, the LoopNet data indicate that the state of Florida, and particularly the Miami-Fort Lauderdale Metro area (including Broward County) current (March 2016) median asking prices and sale prices are increasing. The average asking rental rate is also increasing, according to the Loopnet data.

Sources: CoStar Property and LoopNet Real Estate

SUBJECT PROPERTY DATA

Taxpayer of Record

Regent Bank Project Finance, Inc
2205 S. University Dr
Davie, Florida 33324

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

County Property Control Number(s):

5042 04 05 0010, 5042 04 05 0030, 5042 04 05 0040, 5042 04 05 0100
5042 04 05 0090 and 5042 04 05 0082

Assessed Value and Real Estate Taxes (2015)

The 2015 just values for the subject is \$1,957,120, of which \$449,660 is attributed to the land and \$1,507,460 to the improvements. The assessed value was \$1,957,120. The values and taxes appear high, 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 for Community Business District, and X-P for Exclusive Parking; City of Fort Lauderdale. Permitted uses for the CB zoning 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 X-P zoning is used exclusively for parking. The subject is developed with a commercial building that is being used as a professional office, and therefore appears to be 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 Regional Activity Center. 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 the 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 infrastructures are affected including; traffic, potable water, sewer, drainage, solid waste, recreation and open space, mass transit, and fire rescue. The subject was mostly built in 1955, 1965 and 2008, which is prior to the effective date of the law, and we presumed that it was grandfathered into the law. *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.

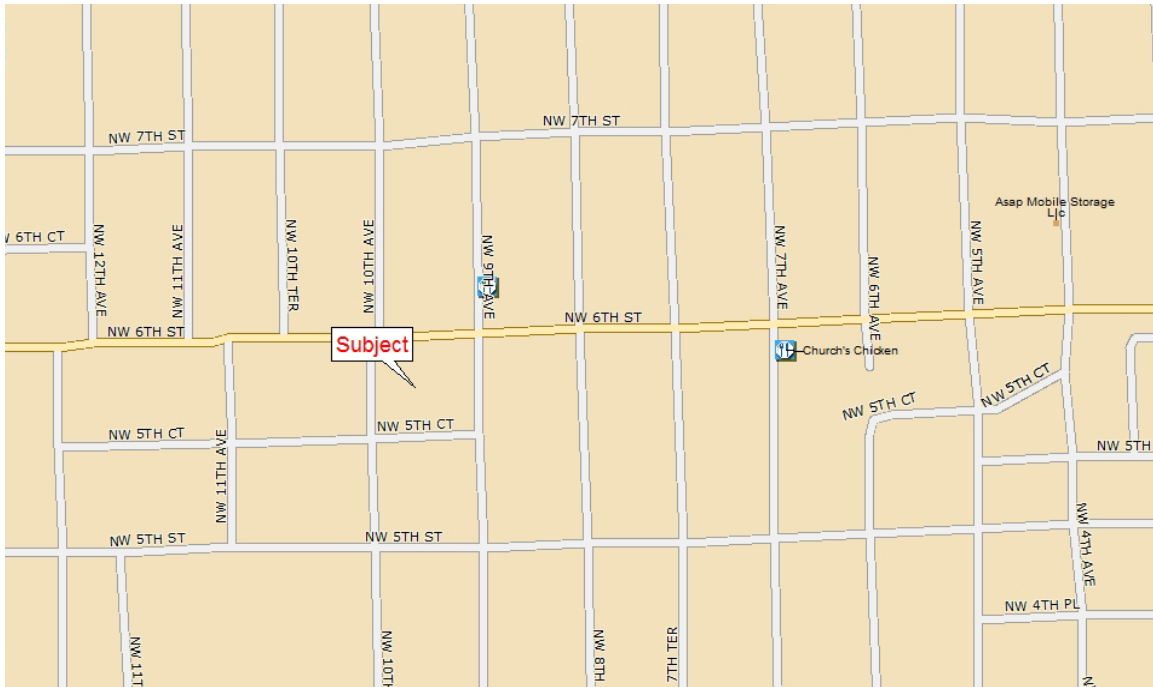
Sales History

The appraisers have not been provided with a title abstract on the property appraised, nor have they conducted a title search of their own. We are aware of no transfer in the past three years. We are aware of no current listings, contracts for sale or options on the subject.

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

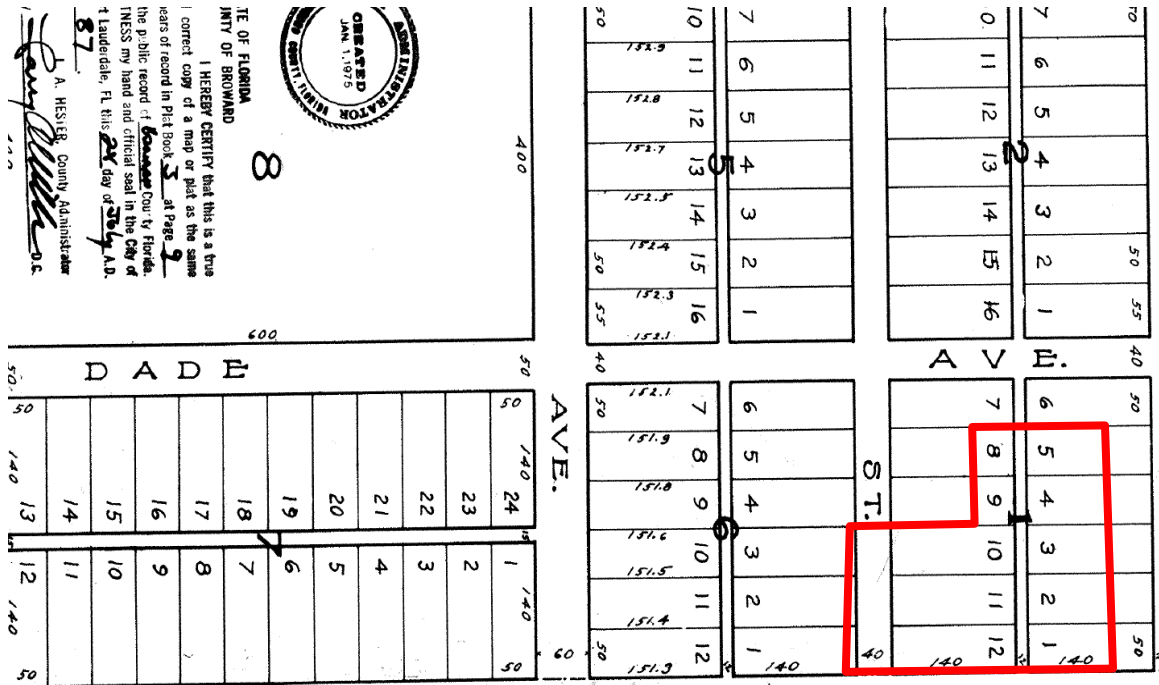
Site Analysis

No site survey was provided. Therefore, we relied upon the County Tax Rolls and personal inspection of the site for our description. Please see subject plat and aerial on the next page for further site details.



Location Map

The subject is situated at 900 - 930 NW 6th St and 901 - 909 NW 5th Ct, Fort Lauderdale, FL 33311. This location is on the southwest quadrant of NW 6th St and NW 9th Ave.



Subject Plat Shown In Red Outline



Subject Aerial In Red Outline

Size and Shape

The subject site consists of eight rectangular shaped lots that are combined into one L-shaped parcel that contains a total of 52,332 +/- square feet or 1.201 acres of commercially zoned land. The dimensions are 250 \pm feet wide along the south side of NW 6th Street by 280 \pm feet deep along the west side of NW 9th Ave. The above information is based on GIS measurements taken from the County tax rolls aerials. We used the County data because no site survey or plan was provided.

Access

The subject site has frontage on south side of NW 6th Street and on the west side of NW 9th Avenue. The access is good for the area and similar to other proximate properties.

Topography and Drainage

The site appears to be above road grade. Drainage at the time of inspection appeared adequate. We observed drainage basins on site.

Easements & Encroachments

No survey or other documents were provided to assist us in analyzing the site easements or encroachments. Utility easements are typical in the area, but they do not typically adversely impact value.

A current site survey is required to assist the users and/or readers of this report with the determination of possibly encroachment on this subject site, along the west property line.

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 presumed that no adverse environmental soil or sub-soil conditions are present on or near the subject site that would tend to adversely impact the value or marketability of the subject. ***Our opinion of value could be impacted, if this should prove to be incorrect.***

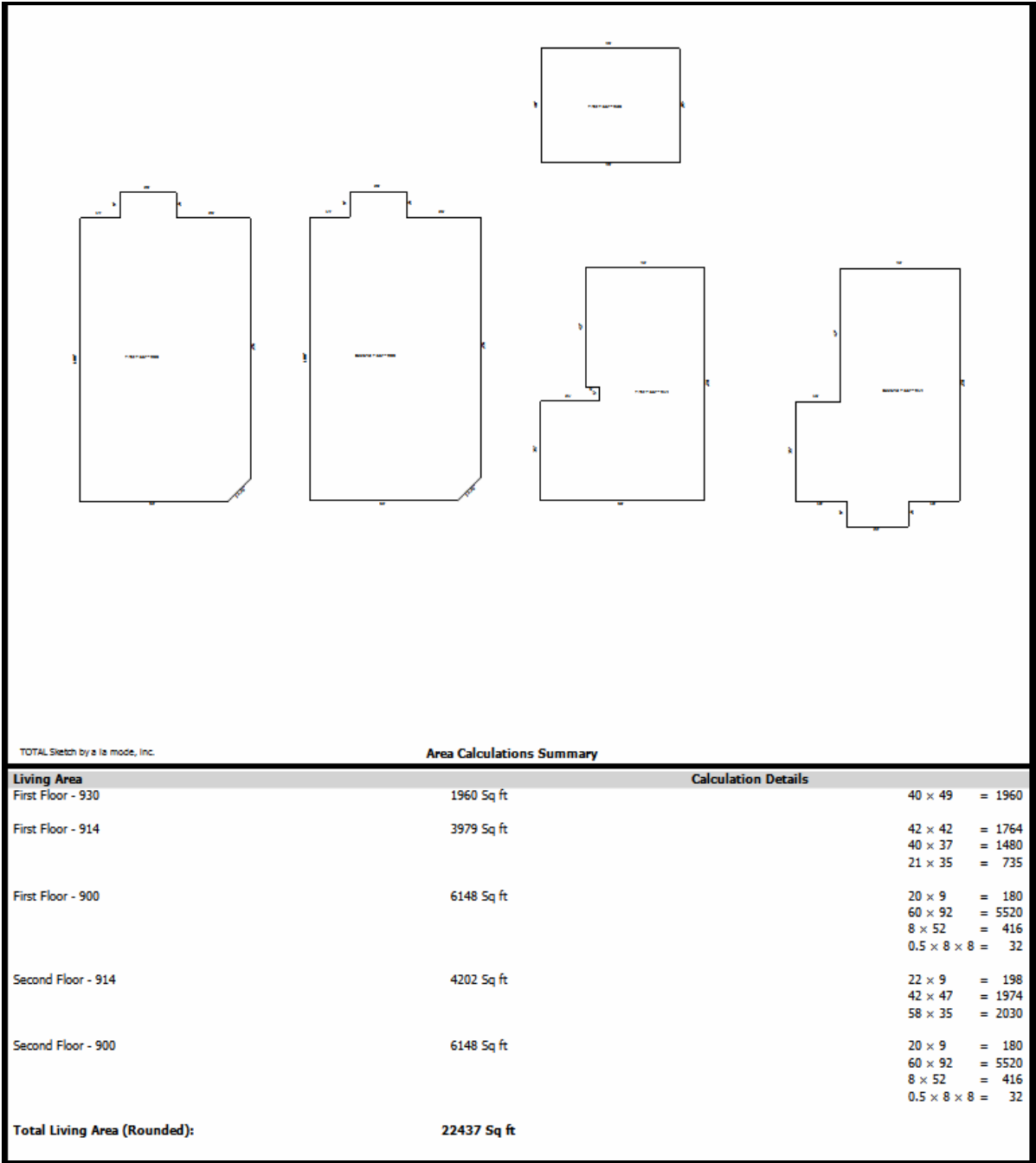
Parking

We estimated 74 parking spaces to be available on the subject site. In addition to the 74 parking space on site, four street parking spaces are outside of the subject fence. Therefore, a total of 78 parking spaces are available to the subject property.

Surrounding Uses

The subject is surrounded by residential properties to the south and west and street to the north and east.

Building Improvements



Floor Plan Sketch

Building Improvements

Building Type:	Professional office
Year Built:	1955, 1965 and 2008
Basic Construction Shell:	Concrete block structure
Foundation:	Poured Concrete
Roof:	Built-up
Interior Walls:	Drywall and Plaster
Ceiling:	Acoustic tiles
Lighting:	Florescent
Floors:	Tile, terrazzo, finished seamless poured concrete, and carpet
Windows:	Plate glass
HVAC:	Central air-conditioning, three-zone
Electricity:	110/220 Volts, assumed to be adequate
Plumbing:	19 restrooms, assumed to be adequate
Elevators:	None
Building Size:	22,437square feet
Condition:	Average to good
Effective Age:	25 years
Remaining Economic Life:	25 years
Physical Depreciation:	50%
Actual Age:	8 to 61 years
Functional Obsolescence:	None observed
External Obsolescence:	None

Summary

The subject site is developed with two two-story and one one-story office buildings that contain a total of 22,437 +/- square feet of gross building area. The leasable area is 21,854 +/- square feet. The subject property is in average to good condition on an overall basis. Below is our analysis of the subject buildings.

BUILDING SIZE ANALYSIS			
Description	Gross Building Size (SF)	Leasable Building Size (SF)	Year Built
900-906 NW. 6th St. - First Floor	6,148	5,968	1955
900-906 NW. 6th St. - Second Floor	6,148	5,968	1955
914-920 NW. 6th St. - First Floor	3,979	3,979	2008
914-920 NW. 6th St. - Second Floor	4,202	3,979	2008
930 NW. 6th St.	1,960	1,960	1965
901 NW. 5th Court	0	0	0
905 NW. 5th Court	0	0	0
909 NW. 5th Court	0	0	0
Total Size (SF)	22,437	21,854	0

Subject Build-out Status

The subject building that is situated at 900 - 906 NW 6th Street is in the process of being remodeled. The second floor is completed as of the date of value. The first floor is currently about 40% complete, the remaining 60% or 3,500 +/- square feet needs interior build-out. Our estimate to complete the build-out is \$210,000, which equates to \$60/square foot. The agent for the owner's Realtor reported that a general contractor gave a verbal estimate of \$200,000 to do the build-out.

The building that is situated at 914 - 920 NW 6th Street needs approximately 2,030 square feet of build-out on the first floor. Our estimate to complete the build-out is \$80,000, rounded, which equates to \$40/square foot. The agent for the owner's Realtor reported that a general contractor gave an estimate of \$75,000 to do this build-out.

Based on the about estimates the costs of the build-out are as follows:

Appraisers' Estimate: \$290,000 (\$210,000 + \$80,000)

Owners' Estimate: \$275,000 (\$200,000 + \$75,000)

We relied on our estimate of \$290,000 and added 20% or \$58,000 of the cost estimate for entrepreneurial profit. We reached an opinion of Discount for Build-Out of \$348,000, rounded to \$350,000 (\$290,000 + \$58,000).

HIGHEST AND BEST USE

The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, 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 productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value."

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 if 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 for Community Business District, and X-P for Exclusive Parking; City of Fort Lauderdale. Permitted uses for the CB zoning 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 X-P zoning is used exclusively for parking. The subject is developed with a commercial building that is being used as a professional office, and therefore appears to be a legal use.

Physically Possible Use:

The subject site contains 52,332 +/- square feet commercially zoned land. There is access to utilities and the subsoil conditions are assumed to be adequate to support the development of improvements. The surrounding uses consist of residential, commercial and mixed-use properties. The subject 52,332 +/- square feet or 1.201 acres of land can be developed with many commercial or mixed-use properties.

Marketable And Feasible Use:

The highest and best use of this property as if vacant, is for mixed-use development that would be compatible with recently developed uses in the surrounding areas.

Most Probable And Highest And Best (Maximally Productive) Use:

Having considered the legally permissible, physically possible, and economically feasible use alternatives, the maximally productive use of this parcel as if vacant, is for mixed-use development that would be compatible with uses in the surrounding areas.

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 Korpacz Real Estate Investor Survey, an authoritative source, indicated that marketing time runs from two to 12 months, with an average of 5.2 months for the Southeast Florida Office market for the first quarter of 2016. In addition, comparables found during our research were on the market for less than 12 months, and Loopnet Real Estate data that estimate the median days on market for the subject metro area to be 178 days or six months for the period ending February 2016, a decline of 16.6% year-over-year. This supports our conclusion. Therefore, the exposure time and marketing time for the subject, which is in an active market area, is estimated to be 12 months.

THE VALUATION PROCESS

Generally, the appraiser uses three approaches in estimating the value of a particular property. These are the cost approach, the income capitalization approach, and the sales comparison approach.

The three approaches are interrelated with each requiring the collection and analysis of data that are relevant to the assignment, such as income, sales, and costs. Each approach provides an indication of value, however one or more may not be reliable or may be less reliable based on the assignment, availability of data, or needs of the client.

The Approaches To Value

The cost approach is based on the principle of opportunity cost, or substitution. The premise of the cost approach is that the value of a property is highly affected by the cost to develop a property of equal utility. This approach to value is particularly applicable to the appraisal of special purpose properties or other property types that are not frequently exchanged in the market. The subject is not a special purpose property. This approach is also useful in valuing new improvements for most of the typical property types. However, it is not very reliable for valuing older properties. The subject is older property, 1955, 1965 and 2008, but we have used the cost approach for support of the other two approaches due to few current comparable sales.

The income capitalization approach is based on the principle of anticipation. The premise of this approach is that, value is created by the expectation of future benefits (income) produced by a property. This approach is effective for income-producing properties and when market data are available.

A property's income streams and its resale value upon reversion may be capitalized into a present, lump-sum value. This approach to value is not applicable to the appraisal of most special purpose properties. It is not applicable to the subject property type.

The sales comparison approach is that the value of a property is directly related to the prices of substitute comparable properties. This approach is useful when data concerning recently sold or currently offered properties similar to the subject property are available. Data are adjusted to reflect the difference between the comparable sales and the subject property. This is an appropriate approach for valuing most property type, including vacant land and special purpose properties. It is applicable to the subject property type and we used it this appraisal.

The final step in the appraisal process is the reconciliation of the value indications. In the reconciliation, the appraiser considers the relative applicability of each of the approaches used, and places major emphasis on the approach that appears to produce the most reliable solution to the appraisal problem. The applicable approaches are described in the following section of the report.

COST APPROACH

The Dictionary of Real Estate Appraisal, Fifth Edition 2010, Appraisal Institute, defines the cost approach on page 67 as follows:

"A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (replacement for) the existing structure; including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised."

The following discussion describes this process, beginning with the analysis of land value, through the estimation of reproduction costs, depreciation, and profit.

The sales comparison approach is the preferred method for valuing land when comparable sales are available. In the sales comparison approach, land is valued as if vacant and available for development to its highest and best use. Parcels of vacant land similar to the subject property, that were recently sold or are being offered for sale in the open market, are analyzed and compared to it. Appropriate adjustments are made to the parcels being compared to the subject for dissimilarity, if any, to ensure that they are as similar to the subject as practicable. Among the factors considered and analyzed are location, size, shape, topography, zoning, available utilities, and prospective use.

Typically, appraisers analyze each value characteristic of a transaction, such as location, size, title transferred, etcetera, and apply appropriate adjustments to each aspect of each sale, in order to derive an indicated value for the property appraised. This can be a quantitative or a mathematical process. However, we feel a qualitative method is considered a more realistic way to analyze the data. Applying this method, we took into account all aspects of each transaction, as they relate to the subject property. This was to determine if the indicated sales price is reflective of an overall superior or inferior of the property, when compared to the subject. We reviewed and analyzed the vacant land sales that were found in the subject market. We compared these to the subject and considered adjustments for differences, in order to arrive at an opinion of the subject's land value. These comparable sales are discussed on the following pages, and summarized on the table that follows.

Land Value Analysis

VACANT LAND SALE SUMMARY TABLE

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	2900 West Broward Blvd.	Fort Lauderdale	113209092	8/25/2015	110,455	\$1,600,000	\$14.49	2.536	B-1
3	2890 West Broward Blvd.	Fort Lauderdale	113199137	8/25/2015	47,266	\$608,700	\$12.88	1.085	B-1
4	3351 W. Oakland Park Blvd.	Lauderdale Lakes	112719643	12/19/2014	43,802	\$571,200	\$13.04	1.006	B-2
5	140 NW. 31st Ave.	Pompano Beach	113459983	1/15/2016	36,158	\$300,000	\$8.30	0.830	B-3
Subject	900 - 930 NW 6 St & 901 - 909 NW 5 Ct	Fort Lauderdale	NA	5/23/2016	52,332	NA	NA	1.201	CB & X-P



Sales Comparables Map

SALE NO. 1 – 601 NW 7th Ave, Fort Lauderdale, Florida

Our File No. 1605-025, 1605-036



Comments:

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

SALE NO. 2 – 2900 West Broward Blvd., Fort Lauderdale, Florida

Our File No. 1605-036



Comments:

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

SALE NO. 3 – 2890 West Broward Blvd., Fort Lauderdale, Florida

Our File No. 1605-025, 1605-036



Comments:

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

SALE NO. 4 – 3351 W. Oakland Park Blvd., Lauderdale Lakes, Florida

Our File No. 1605-025, 1605-036



Comments:

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

SALE NO. 5 – 140 NW. 31st Ave., Pompano Beach, Florida

Our File No. 1605-025, 1605-036



Comments:

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

Adjustment Discussion

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/access, size, site conditions that includes zoning and the overall use potential of each site. The key items of comparison are shown on the sales analysis chart. Because the sales vary in size, we based the comparisons on a standardized unit of measure, the price per square foot of land that is typically used by purchasers of small vacant sites. The analysis is summarized in the table several pages above.

Property Rights

The property rights transferred were fee simple in all cases. Therefore, no further consideration of this factor was necessary.

Conditions of Sale

All sales were reportedly market oriented and no adjustment was warranted.

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 stabilized in the prices paid for the subject property. However, Sale 1 was purchased in inferior market conditions and we adjusted upward for this. No adjustment was warranted to the other sales for this factor.

Location

We considered location differences based on surrounding population, vehicular traffic flow, and nearby competition. Sale 2 through Sale 4 are at superior locations compared to the subject. We adjusted them downward for this. Sale 5 is at an inferior location compared to the subject. We adjusted it downward for this.

The other comparable sale is at a similar location on overall bases, compared to the subject and no adjustment is warranted.

Physical Characteristics - Size

We consider and adjusted this factor, and no adjustments were necessary.

Site Conditions

We considered differences in site conditions. Consideration includes such items as zoning, the physical condition, approval status of the site, and availability of adequate water and sewer connections, and other utilities at the site. Sale 1 has very long frontage along Broward Blvd, which made it superior to the subject. We made subjective and quantitative downward adjustment for this. All of the other comparable sales are similar on an overall basis compared to the subject with utilities. Therefore, we made no adjustment for this factor.

Analysis and Correlation

Considering all of these differences, we developed the following quantitative and qualitative comparison table listing the sales as they compare to the subject property. Not all categories considered are depicted. Those omitted reflect no differences between the sale and the subject property. The table that follows is a quantitative and qualitative analysis of the comparables.

VACANT LAND SALES 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	\$0.82	\$11.74	\$0.00	Similar	\$0.00	Superior, subject less than:	\$11.74
2	2900 West Broward Blvd.	8/25/2015	110,455	\$14.49	Similar	\$0.00	\$14.49	-\$1.45	Similar	-\$1.45	Superior, subject less than:	\$11.59
3	2890 West Broward Blvd.	8/25/2015	47,266	\$12.88	Similar	\$0.00	\$12.88	-\$1.29	Similar	\$0.00	Superior, subject less than:	\$11.59
4	3351 W. Oakland Park Blvd.	12/19/2014	43,802	\$13.04	Similar	\$0.00	\$13.04	-\$1.30	Similar	\$0.00	Superior, subject less than:	\$11.74
5	140 NW. 31st Ave.	1/15/2016	36,158	\$8.30	Similar	\$0.00	\$8.30	\$2.07	Similar	\$0.00	Inferior, subject more than:	\$10.37
Subject	900 - 930 NW 6 St & 901 - 909 NW 5 Ct	5/23/2016	52,332	NA	NA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	Subject =	\$11.50

Value Per Square-Foot Method

The comparable sales indicate an unadjusted price range of \$8 to \$14/square foot, rounded. Sale 1 has the same zoning and future land use as the subject, and is located two blocks away from the subject on the same street. It sold for \$10.92/square foot in November 2013, and has an adjusted selling price of \$11.74/square foot. Sale 1 and Sale 2 are located in the subject property city. We placed most weight on these comparables.

Based on the preceding information, data and analysis, our opinion of the market value of the Fee Simple Estate of the subject, as of May 23, 2016 is \$11.50/square foot. The market value for the 52,332 +/- square-foot is \$11.50/square feet = \$601,818, Rounded to:

Market Value, Fee Simple Estate, Via The Value Per Square Foot Method, As If Vacant Land, as of May 23, 2016 is: \$600,000.

\$600,000

(SIX HUNDRED THOUSAND DOLLARS)

Estimated Replacement Cost

The client did not provide construction costs estimate for the subject. The appraiser estimated replacement cost from Marshall Valuation Service data. Based on our analysis of these costs, the subject replacement costs are \$2,703,603, via Marshall Valuation Service data.

The cost estimate from *Marshall* includes both hard construction costs (including contractor's profit) and soft costs such as architectural and engineering fees, some financing costs, legal and professional fees, etcetera. We used the average Class "C" office building costs for the subject. Construction interest is included but not construction loan fee, or real estate taxes during the planning and construction period. We estimated these costs separately. The cost of normal site preparation is included in the total building costs. The costs of site improvements such as the parking lot are estimated separately based also on cost data in *Marshall*. The total costs are calculated in the Cost Approach Summary following this discussion.

REPLACEMENT COSTS ESTIMATES: USING MARSHALL VALUATION SERVICE DATA			
Cost Category	Construction Class/Quality	Marshall Valuation Reference	Cost/Sq. F.
Office Building:	C: Average	Section 15, page 17 x	\$ 109.26
Multipliers were applied as follows:	Current Cost	Section 99, page 3	1.0300
	Local Multiplier	Section 99, page 7 x	0.9800
	Height Multiplier	Section 15, page 26 x	1.0000
	Area/Perimeter	Section 16, page 26 x	1.0000
		Aggregate Multiplier	1.0094
Adjusted Building Cost Per Square Foot			\$ 110.29
Site Improvement and other costs			
Paving - Cost Per Square Foot (Concrete)	Average	Section 66, page 2	\$ 3.00
Curb	Average	Section 64, page 3	\$ 8.25
Landscaped area, based on 20% green area	Average	Section 66, page 8	\$ 3.50
Site Lights	Average	Section 64, page 3	\$ 950.00
Marked Parking with Wheel Stops, Per Space	Average	Section 66, page 3	\$ 15.00
Perimeter Fence	Average	Section 66, page 4	\$ 10.00

Miscellaneous Soft Costs

These costs include the construction loan fee, and real estate tax during planning and construction as estimated below.

Physical Deterioration

This is the loss in value due to the normal aging of the structural components. We estimated 50% deterioration for the subject improvements.

Functional and External Obsolescence

Functional obsolescence is a loss of value caused by a defect, deficiency or superadequacy in the structure or design. The subject property is well designed.

External obsolescence is any loss in value caused by conditions outside the improvements. No detrimental conditions impacting the property have been observed. Therefore, no deduction is needed for external obsolescence to the improvements.

Entrepreneurial Incentive

A real estate developer would not undertake a project without a profit incentive. A developer's profit requirement for typical investment properties, is normally 10% to 25% of the building cost or total project cost, although profit requirements vary significantly among developers, depending upon market conditions and other factors.

We estimated this incentive at 15% of developers, which is towards the lower end of the profit scale. Development of the cost estimated and our opinion of value are on the next page.

COST APPROACH SUMMARY						
Building costs	Column1	Column2	Column3	Column4	Column5	Column6
Office Building:	22,437	Sq. Ft. @	\$ 110.29	/Sq. Ft.	\$2,474,577	
Total replacement costs new, buildings					\$2,474,577	
Site improvement costs						
Paving	18,000	Sq. Ft. @	\$ 3.00	/Sq. Ft.	\$54,000	
Curb	850	Lin. Ft. @	\$ 8.25	/Lin Ft	\$7,013	
Landscaped area, based on 20% green area	10,000	Sq. Ft. @	\$ 3.50	/Sq. Ft.	\$35,000	
Site Lights	1	Each @	\$ 950.00	Each	\$950	
Marked Parking with Wheel Stops, Per Space	74	Each @	\$ 15.00	Each	\$1,110	
Perimeter Fence	700	LF @	\$ 10.00	Each	\$7,000	
Total replacement costs new, Site Improvements					\$105,073	
Total costs of buildings, site, and other improvements (Line 4+Line 11)						\$2,579,650
Soft and miscellaneous costs (5% of Line 12)						\$128,983
Total hard & soft costs: (Line 12 + Line 13)						\$2,708,633
Plus Market Value of Land:						\$600,000
Total Costs (Line 14 + Line 15)						\$3,308,633
Add entrepreneurial incentive @ 15% of all costs (Line G16 x 15%)						\$496,295
Total Project Costs (Line 16 + Line 17)						\$3,804,927
Less physical depreciation, building, site improvements & other costs (Cell J16 x 50%)						-\$1,557,464
Less functional obsolescence						\$0
Less external obsolescence						\$0
Value Based on Cost Approach (Depreciated Costs + Land Value)						\$2,247,464
Rounded to:						
VALUE OPINION VIA THE COST APPROACH:						\$ 2,250,000

Conclusion

In our experience, Marshall has been a reliable and accurate guide. We believe that these costs are reasonable. We have also compared these costs with those provided by local contractors. We therefore conclude that the estimate of replacement cost new and the depreciated replacement costs are reasonable. Finally, we believe that the construction cost, when added to the land value, is a good indicator of the subject property market value.

OPINION OF MARKET VALUE VIA THE COST APPROACH: \$2,250,000

INCOME CAPITALIZATION APPROACH

The premise behind the income capitalization approach is that typical investors value a property based upon its ability to generate anticipated net income or future benefits.

The *Dictionary Of Real Estate Appraisal*, Fifth Edition, 2010, by the Appraisal Institute, defines income capitalization approach as follows:

"A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate." The definition indicates that there are two methods, which may be applied under this approach: Direct Capitalization and Discounted Cash Flow (DCF).

Direct capitalization involves estimating the market rent, vacancy and collection losses, and expenses by comparing the subject property, with comparable properties, in order to arrive at an estimate of net operating income. The estimated net operating income is then capitalized at a market-oriented rate to estimate value.

According to the Appraisal Institute's definition, one year's income expectancy can be capitalized at a rate, which reflects a specific income pattern.

We derived capitalization rates both from national survey data, and from local comparable property sales, based on an analysis of the sale property's actual income and expenses at the time of sale, or on the buyer's estimate of income and expenses, when it could be ascertained.

We then applied an appropriate cap rate, derived from the sales data, to an estimate of the subject's net operating income, as if leased at market rent.

Direct capitalization has the advantage of showing, in a simple format, all that is currently known and expected about a subject investment. In the direct cap, the income, expense, and occupancy projections are based on actual property performance, and current market data, thereby narrowing the appraiser's field of subjectivity, and reducing the probability of error.

The capitalization rate, properly estimated, reflects everything, which can be reasonably surmised about future performance, without requiring the forecasting of a wide variety of measures, 10 or 11 years into the future, as is done in the DCF.

In selecting the cap rate, we evaluate the reasonableness of the subject's estimated income and expenses, in the context of current and reasonably foreseeable market factors, as one of the risk factors. We consider other risk factors, as well as the growth potential of the investment.

Most institutional investors use discounted cash flow analysis as a valuation method, particularly where a substantial portion of the property is encumbered by long term leases at fixed rates or specific fixed increases. However, many private investors do not use discounted cash flow, particularly for smaller properties like the subject, and the USPAP advises that the method be used with extreme care, and primarily as a reasonableness test.

In the discounted cash flow the appraiser applies investment assumptions based on national surveys of investors, and whatever local data is available.

The investor surveys cover expectations as to initial and terminal capitalization rates, future growth of income and expenses, and desired internal rate of return (discount rate). Survey results are reported in ranges and as averages.

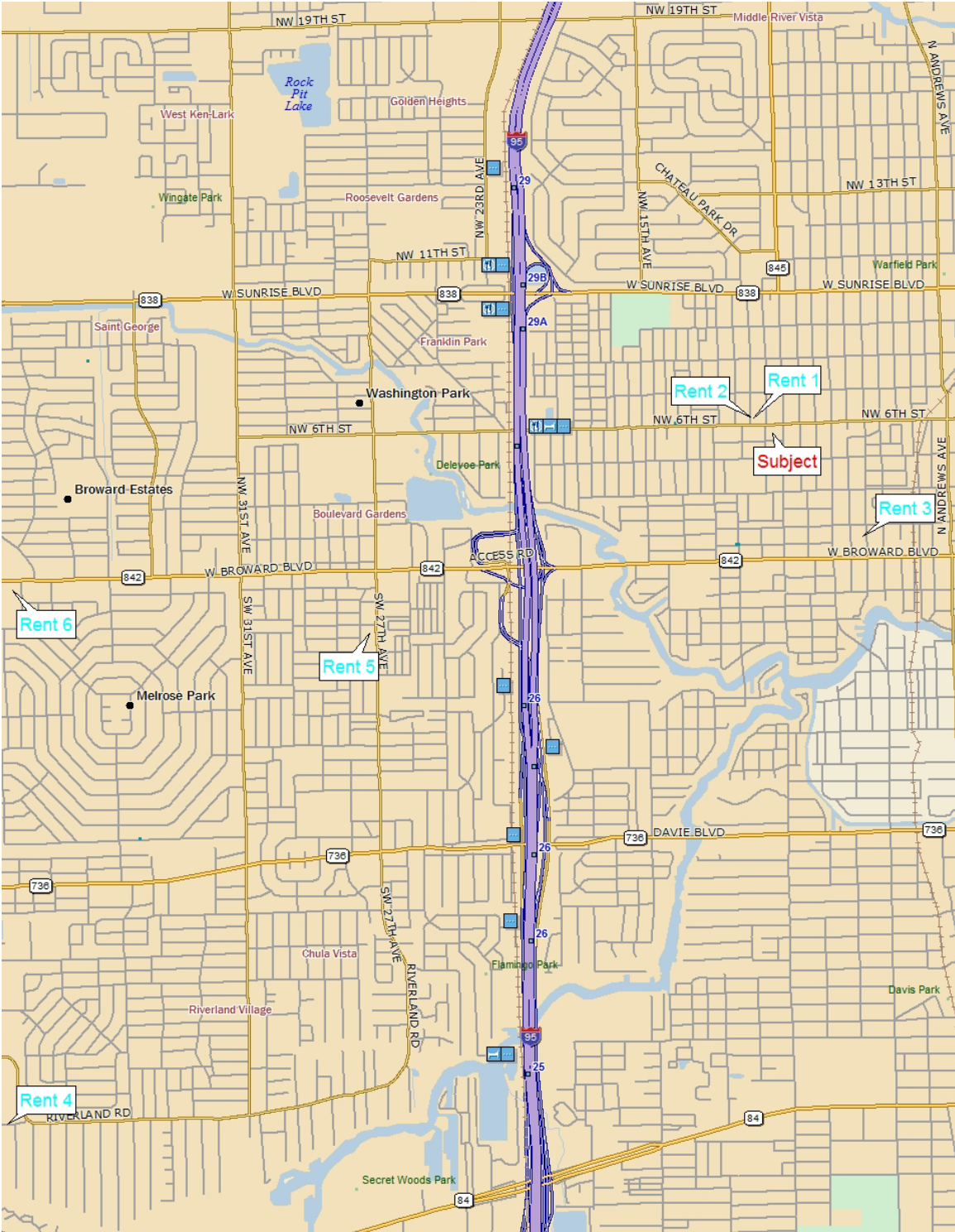
The application of specific individual assumptions to any one property usually cannot be directly supported from local market evidence. Such data is rarely available, particularly in the case of smaller properties where investors do not use this method.

In order to estimate market rent we surveyed rents in the subject's and similar proximate neighborhoods. Rental rates in this market are quoted on both net and gross bases, although some are net, with the tenant paying a base rent plus a pro rata share of operating expenses.

A summary table of the rental comparables is on the next page.

Rent Comparables Summary

RENT COMPARABLES SUMMARY TABLE							
Description	Subject	Rent 1	Rent 2	Rent 3	Rent 4	Rent 5	Rent 6
Address	900 - 930 NW 6 St & 901 - 909 NW 5 Ct	1033 NW. 6th St. #101	1033 NW. 6th St. #103	101-105 NW. 5th Ave.	3920 Riverland Rd.	315-353 SW 27 Avenue	3740 West Broward Blvd.
City	Fort Lauderdale	Fort Lauderdale	Fort Lauderdale	Fort Lauderdale	Fort Lauderdale	Fort Lauderdale	Fort Lauderdale
Rental Rate/SF/Year	NA	\$18.00	\$18.00	\$15.63	\$13.10	\$12.24	\$8.97
Rental/CAM Expenses/SF	NA	N/A	N/A	N/A	N/A	N/A	N/A
Gross Rent/SF	NA	\$18.00	\$18.00	\$15.63	\$13.10	\$12.24	\$8.97
Leasing Basis	Gross	Full-service	Full-service	Full-service	NNN	NNN	NNN
Occupancy	63%	81%	81%	100%	100%	100%	33%
Bldg Size (sf)	21,854	11,716	11,716	6,520	2,250	15,119	2,165
Leased Size (sf)	3,500	1,100	1,100	4,000	2,250	833	1,070
Year Built	1955, 1965 & 2008	2010	2010	1952	1965	1970	1968
Land Size (ft)	52,332	28,038	28,038	15,930	9,252	40,800	5,178
Land to Bldg Ratio	2.39	2.39	2.39	2.44	4.11	2.70	2.39
No Stories	2	2	2	1	1	1	1
Property Condition	Average to good	Good	Good	Average	Average to good	Average to good	Average to fair
Tenant Expenses	NA	None	None	None	All	All	All



Rent Comparables Map

Rent 1

Comparable Rent Number 1 – is located at 1033 NW. 6th St., Suite 101, Fort Lauderdale, Florida. This is a two-story office was built in 2010 and contains 11,716 square feet of enclosed space. It is 81% occupied, and the remaining 19% is being offered for rent. The rental rate is \$18.00 per square foot, full-service, and the space rented contained 1,100 square feet. It is in good condition and the land to building ratio is 2.39 to one. This land to building ratio is similar to the subject land to building ratio. This comparable is slightly superior to the subject.

Rent 2

Comparable Rent Number 2 – is located at 1033 NW. 6th St., Suite 103, Fort Lauderdale, Florida. This is a two-story office was built in 2010 and contains 11,716 square feet of enclosed space. It is 81% occupied, and the remaining 19% is being offered for rent. The rental rate is \$18.00 per square foot, full-service, and the space rented contained 1,100 square feet. It is in good condition and the land to building ratio is 2.39 to one. This land to building ratio is similar to the subject land to building ratio. This comparable is slightly superior to the subject.

Rent 3

Comparable Rent Number 3 - is located at 101-105 NW. 5th Ave., Fort Lauderdale, Florida. This is a one-story office was built in 1952 and contains 6,520 square feet of enclosed space. It is 100% occupied. The rental rate is \$15.63 per square foot, full-service, and the space rented contained 4,000 square feet. It is in average condition and the land to building ratio is 2.44 to one. This land to building ratio is similar to the subject land to building ratio. This comparable is inferior to the subject.

Rent 4

Comparable Rent Number 4 - is located at 3920 Riverland Rd., Fort Lauderdale, Florida. This is a one-story office was built in 1965 and contains 2,250 square feet of enclosed space. It is 100% occupied. The rental rate is \$13.10 per square foot, triple net, and the space rented contained 2,250 square feet. It is in average to good condition and the land to building ratio is 4.11 to one. This land to building ratio is superior to the subject land to building ratio. This comparable is similar to the subject.

Rent 5

Comparable Rent Number 5 - is located at 315-353 SW 27 Avenue, Fort Lauderdale, Florida. This is a one-story strip center was built in 1970 and contains 15,119 square feet of enclosed space. It is 100% occupied. The rental rate is \$12.24 per square foot, triple net, and the space rented contained 833 square feet. It is in average to good condition and the land to building ratio is 2.70 to one. This land to building ratio is superior to the subject land to building ratio. This comparable is similar to the subject.

Rent 6

Comparable Rent Number 6 - is located at 3740 West Broward Blvd., Fort Lauderdale, Florida. This is a one-story strip center was built in 1968 and contains 2,165 square feet of enclosed space. It is 33% occupied. The rental rate is \$8.97 per square foot, triple net, and the space rented contained 1,070 square feet. It is in average to fair condition and the land to building ratio is 2.39 to one. This land to building ratio is similar to the subject land to building ratio. This comparable is inferior to the subject.

Rental Comparables Discussion

The rental comparables consist of office properties. Owners, realtors and leasing agents, quoted rental rates on gross, modified and net bases. We have analyzed the market rent on gross basis. The comparables ranged from \$8.97/square foot, triple net, to \$18.00/square foot, full service or gross. The comparables are similar to the subject property.

After analyzing the comparable rents we believe that the rental rates support an average of \$16.50/square foot, rounded, gross. Therefore, the subject rental rate is also the market rental rate.

Income and Expense Analysis

The subject is currently 63 per cent occupied by tenants, who are mostly on a month-to-month rental basis, according John Halliday, the owners' realtor.

Vacancy and Collection Loss

The subject is 63% occupied by tenants as of the date of inspection. Furthermore, about 10% of the vacant space is being prepared for lease to an existing tenant. And the current property managers are aggressively seeking new tenants for the remainder of the vacant space. We estimated that the remainder of the vacant space will be leased to about 90% occupancy within six months. It is unrealistic to assume that 100% occupancy can be achieved and maintained over the long run. Therefore, it is concluded that a stabilized occupancy rate of 90% is a realistic reflection of the market for the subject size and property type. This is reasonable in a local where the current predominant occupancy is 80% to 100%. We added 2% collection loss to the 10% vacancy for 12% vacancy and collection loss. The subject contains 21,854 \pm square feet of leasable area, which is 63% occupied by tenants.

Operating Expenses

The subject is 63% occupied by tenants and no income or expenses were provided. We researched our information and data from the market because of this. The details of our analyses follow.

Real Estate Tax

The subject is currently assessed for a total value of \$1,957,120. The total gross real estate taxes for 2015 were \$44,248, rounded, according to the County Tax Collector. This amount is high based on our opinion of value. Therefore, we estimated the subject taxes based on the millage rate and our value opinion. We estimated \$37,500, and used it in our operating expenses analysis.

Insurance

The building insurance was estimated, based on other properties appraised in the recent past, and estimates from insurance agents. We estimated this to be \$1.60/square foot, which equates to \$34,966, rounded.

Maintenance and Repairs

We estimated \$17,483/year or \$0.80/square foot for this factor. The items included in this expense are the building foundation, roof repairs, exterior walls, and other structural elements, and all other items related to this factor.

Management Expense

Professional property management rates are generally 4% to 6%. Some owners self-manage, and pay this fee to a related company. *Korpacz* reports that investors apply this item at between 2.5% and 4%. We have applied 6%, for this expense and leasing commission combined.

Utilities

We estimated \$27,318/year or \$1.25/square foot for this factor.

Janitorial and Garbage

We estimated \$10,927/year or \$0.50/square foot for this factor.

Administrative, Office, Professional and Legal, Etc.

The owners have not budgeted for these expenses, which would include legal fees, accounting fees, advertising, and other sundry items. These expenses can be substantial in some years because of attorney fees, while almost non-existent in others when the building is operating smoothly. We have estimated this expense to be \$6,346, or 2% of the effective gross income for the subject.

Reserves for Replacements

Based on my knowledge of this market, owners of buildings of this type do not actually hold reserves for replacement, especially in newly constructed buildings with warranties on items such as roof and air conditioning.

The typical investor would not include this as an expenses item in his analysis. Long-lived items such as roofs and air conditioning equipment are typically paid on an as needed basis. An offset for this expense is proper maintenance.

Total Expenses

The total expense for the subject is \$153,580 or \$7.03/square foot. This equates to about 48% of the effective gross income; and compares well with properties of this type. The income and expense formulation summary is below.

Expense Support

We compared the above expense of \$7.03/square foot with 1700 NW 122 Terrace,. for which the expense was \$7.38/square foot for a building that has lots of medical office tenants, 2301 N. University Dr, Pembroke Pines,. for which the expense was \$8.18/square foot for a building that has mostly medical office tenants.

Overall Capitalization Rate Selection

Capitalization is the process of converting income into value. The estimated net operating income is capitalized by dividing it by an appropriate rate (overall cap rate). The cap rate is an expression of the ratio between net operating income and the value of a property. This rate typically reflects an investor's expectations from the anticipated net income as well as future appreciation.

Generally, the stronger a property's growth prospects are, the lower is the capitalization rate. Likewise, the lower the quality of the risk, the higher the rate. Since properties such as the subject are typically leveraged, the availability and cost of mortgage funds can have a significant impact on the overall rate. The overall rate is normally derived via three methods; a) extraction from the market; b) band of investment; and c) investor surveys. Three of the methods are used in this appraisal.

Market Extraction

Primarily, a property's location, age, condition, and other risk factors determine cap rates. Newer properties in the best locations have the lowest rates, because the risk is lower, and the potential for appreciation greater, and vice versa. Properties with below market leases will usually have a lower cap rate, reflecting the potential for rent increases on rollover. Below is a table of the market extracted capitalization rates

MARKET EXTRACTED CAPITALIZATION RATE						
No.	Location	Year Built	Building Size (sf)	Sale Date	Price	Cap Rate (OAR)
1	1650 NE 26 St, Wilton Manors	1974	7,600	Jun-15	\$1,250,000	7.00%
2	1881 NE 26 St, Wilton Manors	1973	28,560	Jul-15	\$4,200,000	8.00%
3	2300 W Oakland Pk Blvd, Oakland Park	1971	22,240	Jul-15	\$2,210,100	7.48%
Subj	900 - 930 NW 6 St & 901 - 909 NW 5 Ct, Ft Lauderdale	1955, 1965 & 2008	218,554	NA	NA	NA

National Publication

In addition to both the market abstraction and band of investment, the appraisers have consulted a national real estate survey publication known as *PWC Real Estate Investor Survey*, published by Price Waterhouse Coopers.

PWC Real Estate Investor Survey Data (Published Data)

The Overall Cap Rate (OAR) range for the Southeast Florida Office Market (First Quarter 2016), is from 4.50% to 10.00%, with the average rate being 7.18% for office properties. Local properties indicated a range from 6.12% to 7.05%, with the average rate being 6.60%. The subject is situated close to a downtown area. The downtown area has high occupancy and low vacancy rates. Based on these factors, we estimated a cap rate of 7.50% from the local data.

Our cross-section of comparable sales is more typical of the subject property type as to size and location than PWC. It follows that greater weight is placed on the local sales. *The PWC rates support our market-extracted rate of 7.50%.*

Debt Coverage Formula Method

Another method of determining an overall rate is the debt coverage formula. This formula states that $R_O = DCR \times R_M \times M$, where R_O is the overall capitalization rate, DCR is the debt coverage ratio, R_M is the mortgage constant and M is the loan to value ratio. This method is mostly used by real estate lenders. The debt coverage formula estimates an overall rate by multiplying the debt coverage ratio, mortgage constant and loan to value ratio. The debt coverage ratios ranged from 1.20 – 1.30, while typical interest rates ranged from 5.50% to 6.50%. The amortization period is estimated to be 25 years, based on typical market; and loan to value ratios were quoted at 70% to 80%. Based on financing survey, and the subject type the components of the debt coverage formula are as follows:

Debt Coverage Ratio (DCR):	1.20
Amortization Period:	25 yrs.
Loan to Value Ratio (M):	80%
Equity Ratio (E):	20%
Interest Rate:	5.75%

The resultant annual mortgage constant (R_M) is 0.075493.

$$R_O = DCR \times R_M \times M = 1.20 \times 0.075493 \times 0.80 = 7.25\%.$$

Therefore, the indicated overall capitalization rate via this method is 7.25%, rounded.

Band of Investment Method

Available Loan Interest Rate =	5.75%
M =	80%
Amortization Period (Yrs)	25
R_m =	7.55%
E =	20%
R_e =	8.00%
$R_o = (M \times R_m) + (E \times R_e)$	7.64%

Capitalization Rate Summary

<i>Method</i>	<i>Conclusion</i>
Market Extraction	7.50%
Market Survey – Published Rates	7.50%
Band of Investment (R_o)	7.64%
Debt Coverage Formula	7.25%

PROFORMA OPERATING STATEMENT BASED ON 12% V & C

Description	Column2	Column3	Column4
Income			
Leasable Size of Building: 21,854 sf			
21,854		\$16.50 x 21,854 =	\$360,591
Other Income: @		\$0	\$0
Potential Gross Income:			\$360,591
Less Vacancy & Collection Loss @ 12%			-\$43,271
Effectivel Gross Income:			\$317,320
Expenses			
Real Estate Taxes			\$37,500
Property Insurance			\$34,966
Maintenance & Repairs			\$17,483
Management & Leasing			\$19,039
Utilities			\$27,318
Janitorial & Garbage			\$10,927
Administrative: Office, Professional, Legal, Etc			\$6,346
Total Expenses:			\$153,580
Net Operating Income:			\$163,740
Capatialization Into Value:	Value Indication @ 7.25% Cap Rate		\$2,258,488
	Value Indication @ 7.50% Cap Rate		\$2,183,205
	Value Indication @ 7.75% Cap Rate		\$2,112,779

Capitalization into Market Value, As Is, As Of May 23, 2016 :

The net income of \$163,740 capitalized at an overall rate of 7.50% yields a value of \$2,183,205. Based on this, our opinion of the fee simple estate market value, as of May 23, 2016, via the Income Capitalization Approach is, rounded to:

Via The Income Approach:

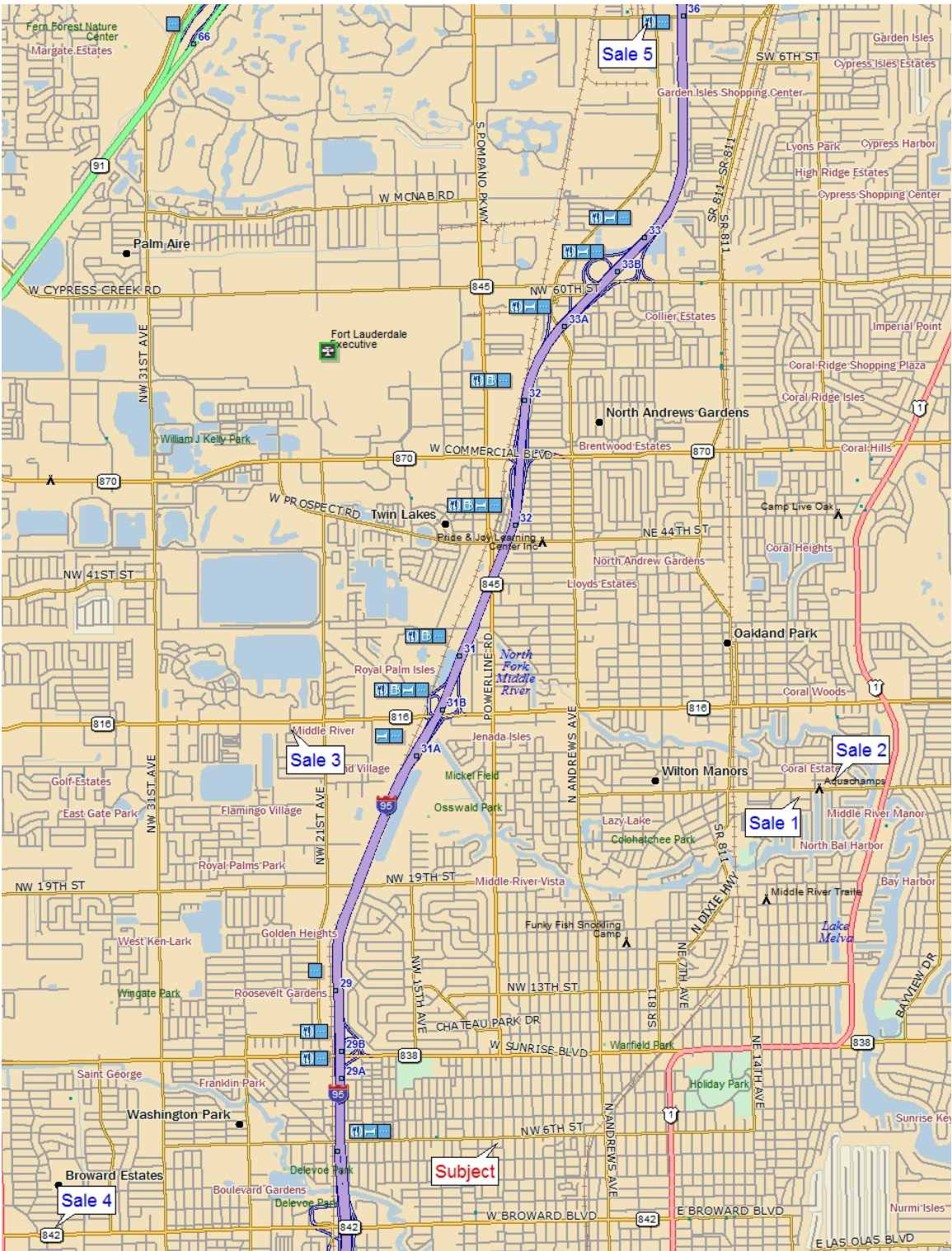
\$2,185,000.

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.

SALES SUMMARY TABLE						
Description	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Address	900 - 930 NW 6 St & 901 - 909 NW 5 Ct	1650 NE. 26th St.	1881 NE. 26th St.	2300-2350 W. Oakland Park Blvd.	11 NW. 36th Ave.	1200 SW. 3rd St.
City	Fort Lauderdale	Wilton Manors	Wilton Manors	Oakland Park	Lauderhill	Pompano Beach
Zip Code	33311	33305	33305	33311	33311	33069
Sales Price	\$0	\$1,250,000	\$4,200,000	\$2,210,100	\$600,000	\$1,160,000
Sale Date	N/A	6/9/2015	7/31/2015	7/9/2015	1/10/2014	1/14/2014
O R Book/Page	N/A	113041838	113147314	113104965	112037578	112046613
Building Size (SF)	21,854	7,600	28,560	22,240	7,332	10,456
Price/SF (\$)	0	\$164.47	\$147.06	\$99.38	\$81.83	\$110.94
Land Size (SF)	52,332	15,003	50,854	56,967	13,914	55,705
Land to Building Ratio	2.39	1.97	1.78	2.56	1.90	5.33
Year Built	1955, 1965 & 2008	1974	1973	1971	1974	1973
No. Stories	2	2	2	1	2	2
Property Condition/Quality	Average to good	Good	Average to good	Average	Average	Average
Floor Area Ratio	0.42	0.51	0.56	0.39	0.53	0.19
Zoning	CB	B-2	B-2	B-1	CG	I-1



Sales Comparables Map

SALE NO. 1 – 1650 NE 26 Street, Wilton Manors, Florida.

Our File No. 1605-036



Comments:

This information was obtained from CoStar MLS, Public Records and Deed. This is a multi-user two-story CBS office building that was built in 1974 and contained 15,003 square feet of enclosed space. It was in good condition, and the land to building ratio is 1.97 to one. This land to building ratio is inferior to the subject land to building ratio. This comparable is in good on an overall basis.

SALE NO. 2 – 1881 NE 26 Street, Wilton Manors, Florida.

Our File No. 1605-036



Comments:

This information was obtained from CoStar MLS, Public Records and Deed. This is a multi-user two-story CBS office building that was built in 1973 and contained 28,560 square feet of enclosed space. It was in average to good condition, and the land to building ratio is 1.78 to one. This land to building ratio is inferior to the subject land to building ratio. This comparable is in average to good on an overall basis.

SALE NO. 3 – 2300-2350 W. Oakland Park Blvd., Oakland Park, Florida.

Our File No. 1605-036



Comments:

This information was obtained from CoStar MLS, Public Records and Deed. This is a multi-user one-story CBS strip center building that was built in 1971 and contained 22,240 square feet of enclosed space. It was in average condition, and the land to building ratio is 2.56 to one. This land to building ratio is superior to the subject land to building ratio. This comparable is in average on an overall basis.

SALE NO. 4 – 3101 11 NW 36th Ave, Lauderdale, Florida.

Our File No. 1605-036



Comments:

This information was obtained from CoStar MLS, Public Records and Deed. This is a two-story CBS office building that was built in 1974 and contained 7,332 square feet of enclosed space, and is used as a single-user building. It was in average condition, and the land to building ratio is 1.90 to one. This land to building ratio is inferior to the subject land to building ratio. This comparable is in average on an overall basis.

SALE NO. 5 – 1200 SW 3rd Street, Pompano Beach, Florida

Our File No. 1605-036



Comments:

This information was obtained from CoStar MLS, Public Records and Deed. This is a two-story CBS office building that was built in 1973 and contained 10,456 square feet of enclosed space, and is used as a single-user building. It was in average condition, and the land to building ratio is 5.33 to one. This land to building ratio is superior to the subject land to building ratio. This comparable is in average on an overall basis.

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 upward movement in the prices paid for the subject property type since the last quarter of 2011. However, the indicated appreciation appears to have slowed since the last quarter of 2015. Therefore, only sales that occurred in 2014 warranted upward adjustments. We adjusted Sale 4 and Sale 5.

Land to Building Ratio

All the sales have different land to building ratios, compared to the subject. We made appropriate adjustments to the sales that warranted this.

Location/Access

The location consideration involves traffic volume, access to arterial roads, and quality of the surrounding neighborhood. The subject is situated just north of downtown Fort Lauderdale. Comparable Sales 1, 2 and 3 are situated at superior locations to the subject and warranted downward adjustments for this. Comparable Sales 4 is situated at an inferior location to the subject and warranted upward adjustment for this. The other comparable is situated at a similar location to the subject and warranted no adjustment.

Age/Condition and Quality

The subject was built in 1955, 1965 and 2008. It is in average to good condition as of the date of value. Comparable Sales 1 and 2 were superior, and we adjusted them downward for this. The other three sales were inferior and we adjusted them upward for this.

Site Condition

No adjustments were warranted.

Building Size

Sale 1 and Sale 4 were significantly smaller than the subject and warranted downward adjustments. No other adjustments were warranted to the other comparables.

Analysis and Correlation

Considering all of these differences, we developed the following quantitative and qualitative comparison table listing the sales as they compare to the subject property. Not all categories considered are depicted. Those omitted reflect no differences between the sale and the subject property. The table is on the next page.

SALES ADJUSTMENT TABLE								
Description	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	
Address	900 - 930 NW 6 St & 901 - 909 NW 5 Ct	1650 NE. 26th St.	1881 NE. 26th St.	2300-2350 W. Oakland Park Blvd.	11 NW. 36th Ave.	1200 SW. 3rd St.		212 SE 8 St
Sales Price	\$0	\$1,250,000	\$4,200,000	\$2,210,100	\$600,000	\$1,160,000		\$960,000
Sale Date	N/A	6/9/2015	7/31/2015	7/9/2015	1/10/2014	1/14/2014		7/30/2015
Building Size (SF)	22,437	7,600	28,560	22,240	7,332	10,456		3,391
Land to Building Ratio	2.33	1.97	1.78	2.56	1.90	5.33		4.13
Year Built	1955, 1965 & 2008	1974	1973	1971	1974	1973		1990
Elements of Comparison								
Property Rights	Fee Simple	Fee Simple.	Fee Simple.	Fee Simple.	Fee Simple.	Fee Simple.		Fee Simple.
Adjustments for Property Rights	0	0	0	0	0	0		0
Adjusted Price	0	1,250,000	4,200,000	2,210,100	600,000	1,160,000		960,000
Financing	0	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller		Cash to Seller
Adjustment for Financing	0	0	0	0	0	0		0
Adjusted Price	0	1,250,000	4,200,000	2,210,100	600,000	1,160,000		960,000
Condition of Sale	0	0	0	0	0	0		0
Adjustment for Condition of Sale	0	0	0	0	0	0		0
Adjusted Price	0	1,250,000	4,200,000	2,210,100	600,000	1,160,000		960,000
Expenditures after Sales	0	0	0	0	0	0		0
Adj for Expenditures after Sales	0	0	0	0	0	0		0
Adjusted Price	0	1,250,000	4,200,000	2,210,100	600,000	1,160,000		960,000
Market Conditions	Current	Similar	Similar	Similar	Inferior	Inferior		Similar
Adjustment for Market Conditions	0	0	0	0	42,660	82,128		0
Total Adjusted Price	0	1,250,000	4,200,000	2,210,100	642,660	1,242,128		960,000
Total Adjusted Price/Square Foot	0.00	164.47	147.06	99.38	87.65	118.80		283.10
Adjustments/SF for:								
Land To Building Ratio	0	3.58	5.52	-2.29	4.35	-29.95		-8.98
Location/Exposure	0	-34.99	-34.99	-11.66	7.00	0.00		-93.30
Age/Condition & Quality	0	-20.00	-15.00	10.00	10.00	10.00		20.00
Site Condition	0	0.00	0.00	0.00	0.00	0.00		0.00
Building Size	0	-5.00	0.00	0.00	-5.00	0.00		0.00
Overall Rating	\$0.00	\$108.07	\$102.59	\$95.42	\$104.00	\$98.84		\$200.83
Mean	\$102		Median:	\$103				

We consider the sales price per square foot of enclosed building area. The comparables reflect an unadjusted price range from \$82/square foot to \$164/square foot, rounded. The adjusted price range is \$95/square foot to \$108/square foot, rounded, for the sales. This is a close range for the comparable sales and we placed weight on all of the sales. We also considered the mean and median of the sales. They indicate \$102/square foot and \$103/square foot, rounded, respectively.

Based on the preceding data and analysis, we have formed the opinion that the market value for the subject property is \$100/square foot of building area, as of May 23, 2016. The market value for the 22,437 square feet @ \$100/square foot, in average to good condition, is: = \$2,243,700 rounded to:

Market Value, Before Discount For Buildout:

\$2,240,000.

(\$2,240,000)

TWO MILLION TWO HUNDRED FORTY THOUSAND DOLLARS

CORRELATION AND FINAL VALUE OPINION

Value Via Cost Approach, Before Discount For Buildout:	\$2,250,000
Value Via Income Approach, Before Discount For Buildout:	\$2,185,000
Value Via Sales Approach, Before Discount For Buildout:	\$2,240,000

The subject appraisal assignment involves a commercial office property with a building that was built in 1955, 1965 and 2008. The subject consists of three building that have a weighted average age of 41years old and suffers from physical depreciation that is very difficult to estimate. 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. In this case the Cost Approach is used to support the other two approaches.

The Income Approach to Value was based upon a review of the income and expense data of the subject as well as comparable rentals, deductions for reasonably anticipated vacancies and expenses and capitalization of the net income into an indication of value. This approach to value is a good indicator of value for straight investment type properties where sufficient rental and expense information is available and capitalization rates were of a sufficient number to indicate an appropriate rate. We researched reliable rent comparables from the market that we used in this approach. This approach is typically given more weight by the investor than by the owner-user. We placed weight on this approach.

The Sales Comparison Approach is a good indicator of value when there is an active market and there are sales for comparison to the subject property. This was the case with our sales research. This approach reflects what buyers and sellers are actually doing in the open market. We were able to develop a value from sales that compared well with the subject property.

Both owner-user purchasers and investors give considerable weight to this approach. We used this approach and placed weight on it.

Based on the preceding and giving most weight to the income and sales comparison approaches, our opinion of the market value of the subject fee simple estate, before discount for build-out, as of May 23, 2016 is:

(\$2,200,000)

TWO MILLION TWO HUNDRED THOUSAND DOLLARS

Value Before Discount For Build-Out:	\$2,200,000
Discount For Build-Out: (See Pages 46 and 47 For Details)	\$350,000
Value After Discount For Build-Out:	\$1,850,000

Market Value, Fee Simple Estate, As Is, as of May 23, 2016 is:

\$1,850,000

(ONE MILLION EIGHT HUNDRED FIFTY 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, Demolish and hold for redevelopment-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

- Kiwanis Club of Lauderdale Lakes/West Sunrise

Conferences

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