

**AN APPRAISAL
OF
THE 6TH STREET PLAZA
LOCATED AT
900 - 930 NW 6TH STREET
FORT LAUDERDALE, FL 33311**

(OUR FILE #16-50589)

FOR

MR. BOB CASS WOJCIK, AICP
ECONOMIC INVESTMENT COORDINATOR
PLANNER III – LEED GREEN ASSOCIATE
FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY
914 NW 6TH STREET, SUITE 200
FORT LAUDERDALE, FL 33311

BY

MEACHAM AND ASSOCIATES, INC.
100 SE 12TH STREET
FORT LAUDERDALE, FL 33316

meacham and associates, inc.

Michael B. Meacham, MAI
President
State-Certified General Real Estate Appraiser
RZ824

100 S.E. 12th Street (Davie Boulevard)
Fort Lauderdale, FL 33316
(954) 463-3091

Appraisers and Consultants
Fax (954) 463-8741
mmeacham@bellsouth.net

June 10, 2016

Mr. Bob Cass Wojcik, AICP
Economic Investment Coordinator
Planner III – LEED Green Associate
Fort Lauderdale Community Redevelopment Agency
914 NW 6th Street, Suite 200
Fort Lauderdale, FL 33311

RE: An Appraisal of the 6th Street Plaza Located at 900 - 930 NW 6th Street, Fort Lauderdale, FL 33311

Dear Mr. Wojcik:

In accordance with your request, we have performed an appraisal written in a summary report format for the above-referenced property. A summary report format presents data findings in an abbreviated format while the underlying support data is retained within the appraiser's work file.

The value estimated within this appraisal report is market value. We have estimated the market value of the leased fee interest in the subject property as of the May 31, 2016 date of our last exterior inspection.

An exterior inspection of the subject property has been made by Mark Peter Olson, Associate Appraiser on May 31, 2016. All data considered pertinent to the making of the appraisal has been investigated and analyzed. Mark Peter Olson, Associate Appraiser, inspected the interior and exterior of the property on March 18, 2016. The date of value of this appraisal is May 31, 2016. The exterior was the same on May 31 as it was on March 18 and based on a limited interior inspection, (looking through windows), the interior was the same on May 31 as it was on March 18. This appraisal is based on the extraordinary assumption that the subject property was in similar overall condition on May 31, 2016, to what it was on March 18, 2016. Application of this extraordinary assumption may impact the value of estimated in this appraisal. The results of the investigation together with conclusions can be found in the 95-page report following. This appraisal is subject to the extraordinary assumptions that the City of Fort Lauderdale CRA will contribute 40% of the cost up to a maximum of \$200,000 for the interior buildout of Suite 900B. This extraordinary assumption may have an effect on value.



Mr. Bob Cass Wojcik
Page 2
June 10, 2016

This appraisal is made subject to assumptions and limiting conditions found in this report. Other than what is specified above and in the Limiting Conditions section of this report, this appraisal is not subject to any extraordinary assumptions or hypothetical conditions.

This is a summary appraisal report format conforming to all USPAP and Appraisal Institute standards and guidelines.

In our opinion, the market value of the leased fee interest in the subject property, as of May 31, 2016, is:

**ONE MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$1,700,000).**

Respectfully submitted,



Michael B. Meacham, MAI, President
State-Certified General Real Estate Appraiser RZ 824



Mark Peter Olson, Associate Appraiser
State-Certified General Real Estate Appraiser RZ 1825

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Project Name/No.:	6 th Street Plaza File No. 16-50589
Property Location:	900 - 930 NW 6 th St, Fort Lauderdale, FL 33311
Date of Report:	June 10, 2016
Legal Description:	Lots 1 - 5 less road right of way and all of Lots 10, 11 and 12, Block 1 of TUSKEGEE PARK as recorded in Plat Book 3, Page 9 of the Broward County Public Records together with the vacated alley located between Lots 1, 2 and 3 and Lots 10, 11 and 12.
Property Rights Appraised:	Leased fee interest
Owner(s) of Record:	Regent Bank Project Finance Inc.
Inspection Date:	March 18, 2016
Valuation Date:	November 19, 2015
Site Description:	An L-shaped parcel containing 54,050 SF or 1.24 acres; all utilities available; paved road access
Improvements:	A two-story building (900 - 906 NW 6 th St) containing 12,422 SF gross built in 1955 according to public records, totally renovated in 2007; a two-story building (914 NW 6 th St) that was constructed in 2007 and contains 8,197 SF gross with the front portion of the interior of the ground floor remaining to be built-out; a one-story building (930 NW 6 th St) containing 1,968 SF and constructed per public records in 1965. This building was completely renovated in 2007. The total gross building area is 22,587 square feet.
Zoning:	NWRAC-MUw - Northwest Regional Activity Center—Mixed Use west and XP
Land Use Plan:	RAC, Regional Activity Center.

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS
(Continued)

Highest and Best Use:	As vacant" - Commercial/retail "As improved" - Commercial/retail
Value Indicators:	
Cost Approach:	N/A
Sales Comparison Approach:	N/A
Income Approach:	\$1,700,000
Final Estimate of Value:	\$1,700,000

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AN APPRAISAL

This is an appraisal report written in a summary format which is intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice. As such it presents only summary discussions of the data and the reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained within the appraiser's work file. The depth of discussion contained in this report is specific to the needs of the client and for the intended usage stated below. The appraisers are not responsible for the unauthorized use of this report.

CLIENT: Fort Lauderdale Community Redevelopment Agency
914 NW 6th Street, Suite 200
Fort Lauderdale, FL 33311

APPRAISERS: Meacham and Associates, Inc.
3409 NW 9th Avenue, Suite 1106
Oakland Park, FL 33309

SUBJECT: The 6th Street Plaza
900 - 930 NW 6th Street
Fort Lauderdale, FL 33311

TYPE OF VALUE ESTIMATED AND DATE OF VALUE

The type of value estimated in this appraisal is the market value of the leased fee interest in the subject property as of May 31, 2016.

The term "market value" is defined herein. Market value is defined as "the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus." Implicit in this

TYPE OF VALUE ESTIMATED AND DATE OF VALUE
(Continued)

definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

PROPERTY RIGHTS APPRAISED

Property rights appraised are the leased fee interest which are defined as “the ownership interest held by the lessor which includes the right to the contract rent specified in the lease plus the reversionary right when the lease expires²

¹ The Interagency Appraisal and Evaluation Guidelines, Federal Register, Volume 75, No. 237, December 10, 2010.

² The Appraisal of Real Estate, 13th Edition, Page 114, Appraisal Institute

SCOPE OF THE APPRAISAL

In preparing this appraisal, the appraiser:

1. inspected the subject site and building (see attached photographs). This included an exterior inspection of the subject property by Mark Peter Olson, Associate Appraiser on May 31, 2016 who also inspected the interior and exterior of the property on March 18, 2016. The date of value of this appraisal is May 31, 2016. The exterior was the same on May 31 as it was on March 18 and based on a limited interior inspection, (looking through windows), the interior was the same on May 31 as it was on March 18. This appraisal is based on the extraordinary assumption that the subject property was in similar overall condition on May 31, 2016, to what it was on June 26, 2015 and March 18, 2016. Application of this extraordinary assumption may impact the value of estimated in this appraisal. The subject buildings were measured in conjunction with prior appraisals this office has done on the subject property and there have been no structural changes to the buildings since those measurements were taken;
2. reviewed the public records as well as dimensions on a survey prepared by Tuthill Architecture dated April 14, 2004 regarding the site size. The area calculations were made by the appraiser.
3. spoke with the owner's agent and analyzed subject property data provided;
4. gathered information on comparable leases, as well as comparable listings;
5. confirmed and analyzed the data and applied the income approach;
6. researched, analyzed and considered relevant county and neighborhood data as well as value trends, particularly of properties comparable to the subject;

Only the income approach has been used in this appraisal. The cost approach is not considered to be applicable. Although one of the subject buildings is relatively new, two of the buildings are older having been constructed in 1955 and 1965 and have been renovated but are considered to be legal conforming uses. Additionally, due to the fact that the area has been nearly 100% developed for many years, there have been few

SCOPE OF THE APPRAISAL
(Continued)

recent land sales from which to derive an accurate land value. Finally, because of the current soft real estate market, the cost approach typically estimates a value that is significantly higher than the sales comparison and income approach. This is due to the existence of external obsolescence created by the still struggling subject area real estate market. For this reason, buyers and sellers typically pay no attention to the cost approach in the valuation of most properties. The sales comparison approach has not been used at the client's request. The subject consists of two completely-renovated buildings and one relatively-new building in a market area that consists primarily of much older buildings. There have been few, if any, recent sales of similar buildings in this area or similar neighborhoods in the City of Fort Lauderdale. For this reason, the accuracy of the sales comparison approach would be significantly compromised. Because the subject is a multi-tenant office/retail property which would be purchased by an investor, the income approach is by far the most applicable approach. Exclusion of the sales comparison and cost approaches do not have a negative impact on the accuracy of this appraisal.

This summary appraisal report is a brief recapitulation of the appraiser's data, analyses and conclusions. Supporting documentation is retained in the appraiser's file.

INTENDED USE/INTENDED USER

This appraisal is intended for the sole purpose of assisting the intended user, the Fort Lauderdale Community Redevelopment Agency, in a potential purchase of the subject property. Use of this report by anyone other than the stated intended user is not intended by the appraisers and should not be relied upon without the express written consent of Meacham and Associates, Inc.

OWNER OF RECORD: Regent Bank Project Finance Inc.

EFFECTIVE DATE OF VALUE: May 31, 2016

DATE OF INSPECTION: May 31, 2016

DATE OF REPORT: March 10, 2016

5/31/2016 SUBJECT PHOTOGRAPHS



SUBJECT LOOKING SOUTHWEST



FRONT ELEVATION 900 - 906 NW 6TH STREET

SUBJECT PHOTOGRAPHS



FRONT ELEVATION 914 NW 6TH STREET



FRONT ELEVATION 914 NW 6TH STREET

SUBJECT PHOTOGRAPHS



REAR ELEVATION 900 - 906 NW 6TH STREET



EAST ELEVATION OF 914 NW 6TH STREET

SUBJECT PHOTOGRAPHS



REAR ELEVATION 930 NW 6TH STREET



PARKING LOT

SUBJECT PHOTOGRAPHS



NW 6TH STREET LOOKING EAST



NW 6TH STREET LOOKING WEST

SUBJECT PHOTOGRAPHS



NW 9TH AVENUE LOOKING NORTH



NW 5TH COURT LOOKING WEST

SUBJECT PHOTOGRAPHS



NW 10TH AVENUE LOOKING SOUTH

MARCH 18, 2016 SUBJECT PHOTOGRAPHS



900 BUILDING – 2ND FLOOR OFFICE



900 BUILDING – 2ND FLOOR OFFICE

SUBJECT PHOTOGRAPHS

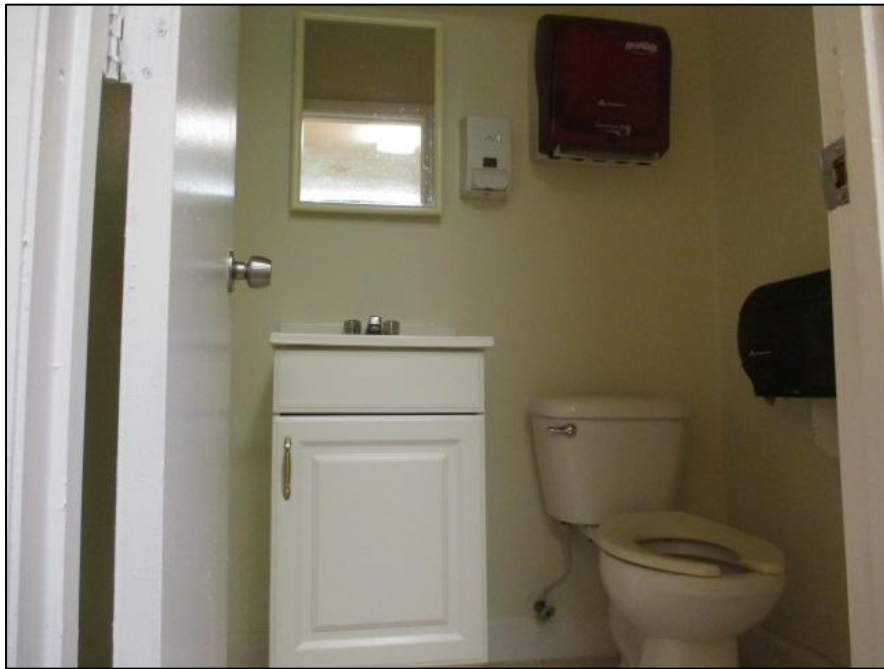


900 BUILDING – 2ND FLOOR OFFICE



900 BUILDING – 2ND FLOOR COMMON CONFERENCE ROOM

SUBJECT PHOTOGRAPHS



900 BUILDING – TYPICAL RESTROOM



900 BUILDING – 2ND FLOOR CENTER HALLWAY

SUBJECT PHOTOGRAPHS



SUITE 904/906



SUITE 900

SUBJECT PHOTOGRAPHS



SUITE 900



TYPICAL EXAM ROOM

SUBJECT PHOTOGRAPHS



SUITE 914 2ND FLOOR



SUITE 914 2ND FLOOR

SUBJECT PHOTOGRAPHS



SUITE 914 2ND FLOOR



SUITE 914 1ST FLOOR

SUBJECT PHOTOGRAPHS



SUITE 914 1ST FLOOR



BUILDING 914 – LOBBY

SUBJECT PHOTOGRAPHS



SUITE 918/920



SUITE 918/920

SUBJECT PHOTOGRAPHS



SUITE 930A

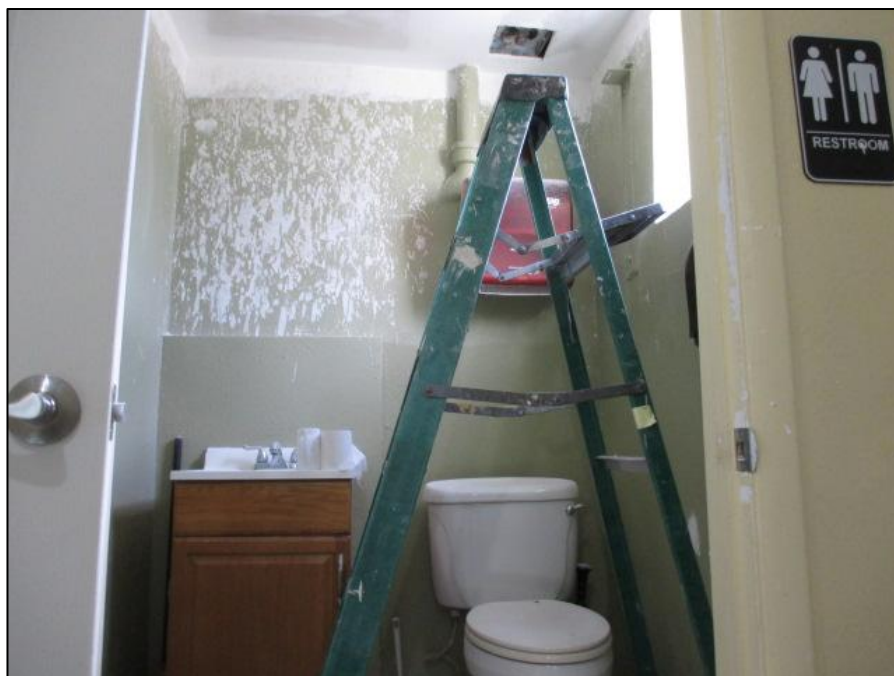


SUITE 930A

SUBJECT PHOTOGRAPHS



SUITE 930B



SUITE 930B

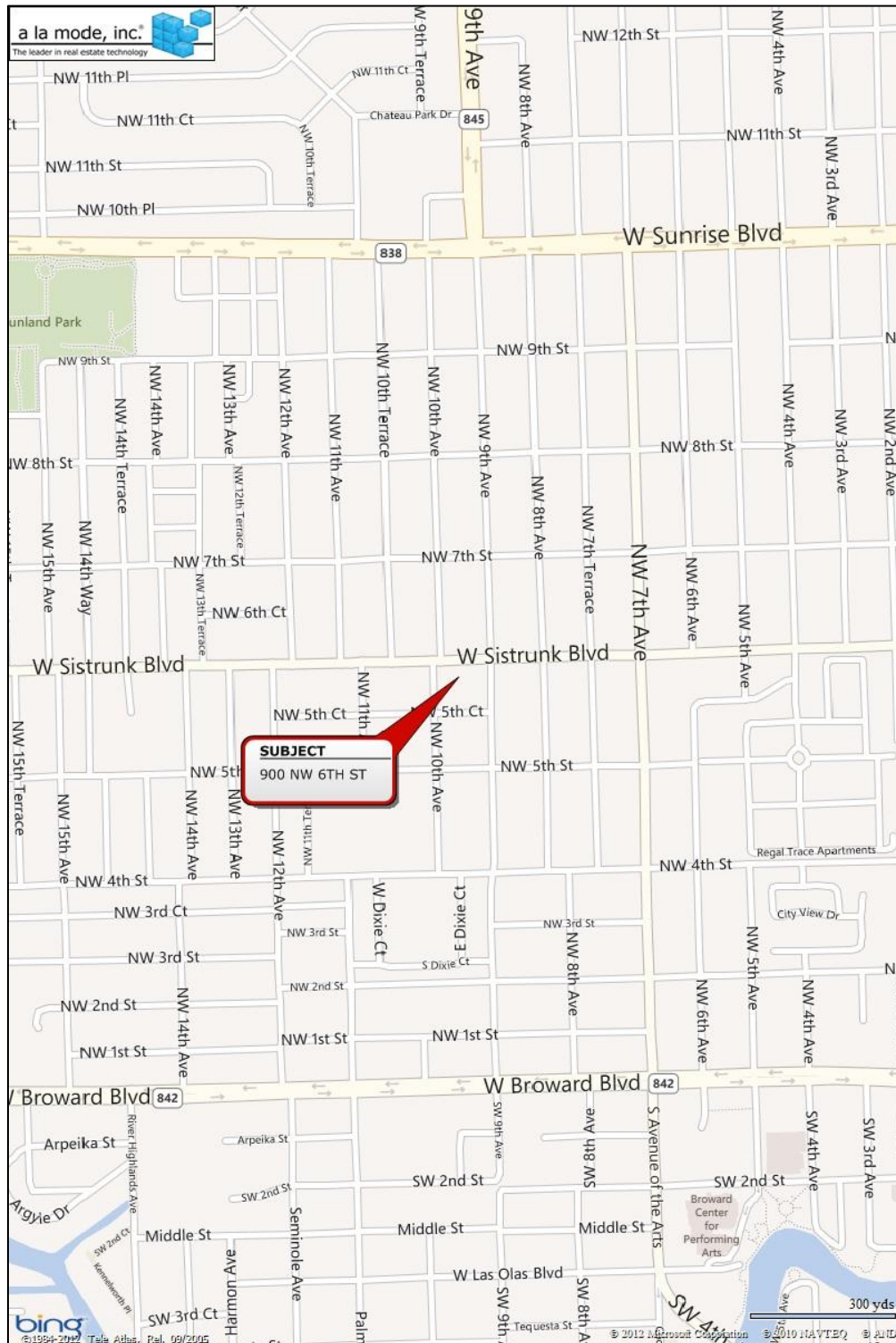
IDENTIFICATION OF PROPERTY

The subject property consists of a two-story building (900 - 906 NW 6th Street) containing 12,422 square feet gross constructed in 1955 according to public records, totally renovated in 2007; a two-story building (914 NW 6th Street) constructed in 2008 containing 8,197 square feet gross and a one-story building (930 NW 6th Street) containing 1,968 square feet and constructed per public records in 1965. This building was completely renovated in 2007.

The legal description is as follows:

Lots 1 - 5 less road right of way and all of Lots 10, 11 and 12, Block 1 of TUSKEGEE PARK as recorded in Plat Book 3, Page 9 of the Broward County Public Records together with the vacated alley located between Lots 1, 2 and 3 and Lots 10, 11 and 12.

GENERAL LOCATION MAP



LOCATION DESCRIPTION

The subject neighborhood is located in east central Broward County in central Fort Lauderdale. The subject property is located on the southwest corner of NW 6th Street, also known as Sistrunk Boulevard and NW 9th Avenue. This is a major intersection for the neighborhood. Neighborhood boundaries are Sunrise Boulevard to the north, Broward Boulevard to the south, the FEC railroad tracks to the east and Interstate 95 to the west.

The subject neighborhood is an older relatively low-income primarily residential area just to the northwest of downtown Fort Lauderdale. In the past 10 years, there has been a significant amount of redevelopment of both residential and commercial properties within the area. The Fort Lauderdale Community Redevelopment Agency (CRA) has been involved in renovating a number of commercial properties along Sistrunk Boulevard within several blocks of the subject. Additionally, both the county and city have constructed numerous new single-family residences throughout the area in an effort to revitalize the neighborhood.

Properties along Sistrunk Boulevard consist primarily of a variety of office and retail improvements. Most of the remainder of the area consists of single-family and low-density multifamily residences which have ages typically ranging from new to 60 years. There is also a significant amount of light industrial development within the area, most of which is located south of Sunrise Boulevard and on both sides of NW 9th Avenue. Overall condition of residential, commercial and industrial properties ranges from poor to good with most being fair to average.

LOCATION DESCRIPTION
(Continued)

Surrounding neighborhoods to the north, south and west are primarily single-family and low-density multifamily residential developments with supporting commercial improvements along major traffic arteries. To the east is the Flagler Heights area which is just north of the downtown Fort Lauderdale business district. This area has been redeveloped substantially in recent years with various new office buildings as well as mid to high-rise residential condominium projects. To the southeast of the subject neighborhood is the Fort Lauderdale downtown business district.

Access to the neighborhood is considered to be good. The primary north/south traffic arteries include NW 7th Avenue and NW 9th Avenue. The primary east/west traffic arteries are Broward Boulevard, Sistrunk Boulevard and Sunrise Boulevard. Interstate 95 borders the neighborhood on the west and has junctions with both Broward Boulevard and Sunrise Boulevard.

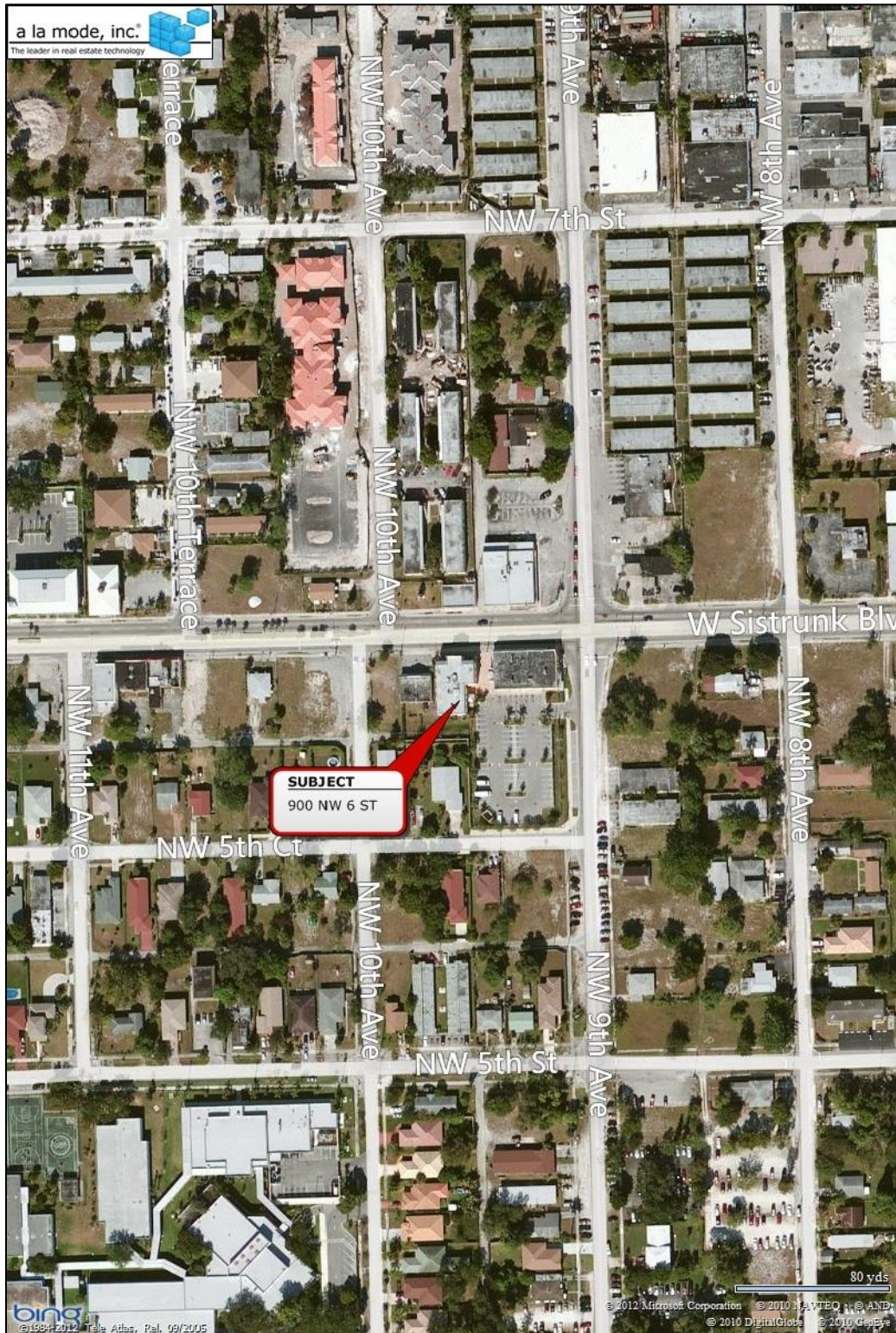
It should be noted that the subject buildings are part of the Sistrunk Boulevard Infrastructure project by the City of Fort Lauderdale which was completed a few years ago. This was a major capital improvement project to upgrade the infrastructure and beautify Sistrunk Boulevard. The area of the project encompassed Sistrunk Boulevard from Federal Highway on the east to NW 24th Avenue on the west. The project reduces Sistrunk Boulevard from four lanes to three lanes, placed overhead utilities underground, provides more on-street parking, wider sidewalks, decorative street lights, create median and landscaping enhancements and provide new bus shelters. All of these improvements

LOCATION DESCRIPTION
(Continued)

are expected to enhance the overall beauty and utility of the Sistrunk Boulevard commercial corridor.

Schools, shopping, churches, parks and other amenities are convenient to the area. Current trends of residential improved and vacant property values had been decreasing since early 2006 following several years of very strong appreciation. This is typical in Broward County and most of South Florida in general. The housing market in this and most other areas has stabilized and in some areas has seen some appreciation. Commercial, industrial and community facility values had also been declining in recent years, stabilized within the past 36 – 48 months and shown some appreciation in better areas. In the future, as the market continues to improve, values are expected to begin a much slower rate of appreciation than was seen in the years leading up to the recent decline.

AERIAL PHOTOGRAPH



OFFICE 88 YF I
912-91



SITE DATA

The appraised property is comprised of a single L-shaped parcel which is aggregated from eight individual lots plus a vacated alley. The property dimensions are as follows:

North Boundary	250 feet
South Boundary	150 feet along NW 5 th Court and 100 feet along the alley
East Boundary	277 feet
West Boundary	152 feet and 125 feet

NOTE: The dimensions were taken from the survey prepared by Tuthill Architecture, 701 E Broward Boulevard #G, Fort Lauderdale, FL dated April 14, 2004. The area calculations were made by the appraiser.

Total area for the site is 54,050 square feet or 1.24 acres including the vacated alley.

There is an electrical utility easement along the vacated alley bisecting the parcel. This does not create an obstacle to development which is proposed for the north side of the parcel. Other utility easements are typical for the area.

Topography

The site is relatively level and at road grade. Soil composition appears to be sandy. Soil tests were not submitted to the appraisers. Drainage appears to be adequate.

Flood Zone

The subject lies in the AE flood zone according to Community Panel 125105-0369H dated August 18, 2014. Flood insurance is not required.

Census Tract

The subject is within Census Tract 412.

SITE DATA
(Continued)

Zoning

The site is zoned NWRAC-MUw - Northwest Regional Activity Center—Mixed Use west and XP – Exclusive Use Parking. The NWRAC-MUw zoning is for the portion of the parcel north of the alley and XP is for the portion south of the alley. NWRAC-MU Northwest Regional Activity Center Mixed Use is intended to promote and enhance the existing commercial and residential character of the main corridors of the NWRAC by providing a wide range of employment, shopping, services, cultural and residential opportunities through allowing a mix of residential and non-residential uses. These areas include higher densities along the corridors transitioning to the lower densities and intensities of the surrounding zoning districts subject to adopted regulations. Permitted uses include a wide variety of cultural and entertainment developments, professional offices, financial institutions, hotels and motels, restaurants, multifamily, retail uses and mixed-use properties. The XP district is for ancillary parking. Parking requirements for the subject project, according to the site plan, are 43 spaces and a total of 76 spaces are provided, including three handicapped spaces. The 76 spaces include 72 in the fence-enclosed rear parking lot and four spaces in front of the one-story building. The property as improved is considered to be legal and conforming uses under current zoning. It should be noted that the City of Fort Lauderdale website has an old zoning map dated January 22, 2014 which indicates the portion of the subject site north of the alley is zoned CB, Community Business; however, their Property Reporter GIS system, which is

SITE DATA
(Continued)

more current, indicates this area is zoned NWRAC-MUw - Northwest Regional Activity Center—Mixed Use west.

The Broward County Land Use Plan designates the site for Northwest RAC. The zoning conforms to the Land Use Plan.

The subject site is located along Sistrunk Boulevard which is in the heart of the Northwest-Progresso-Flagler Heights CRA (NPF-CRA). The CRA offers various development incentive programs to stimulate positive development.

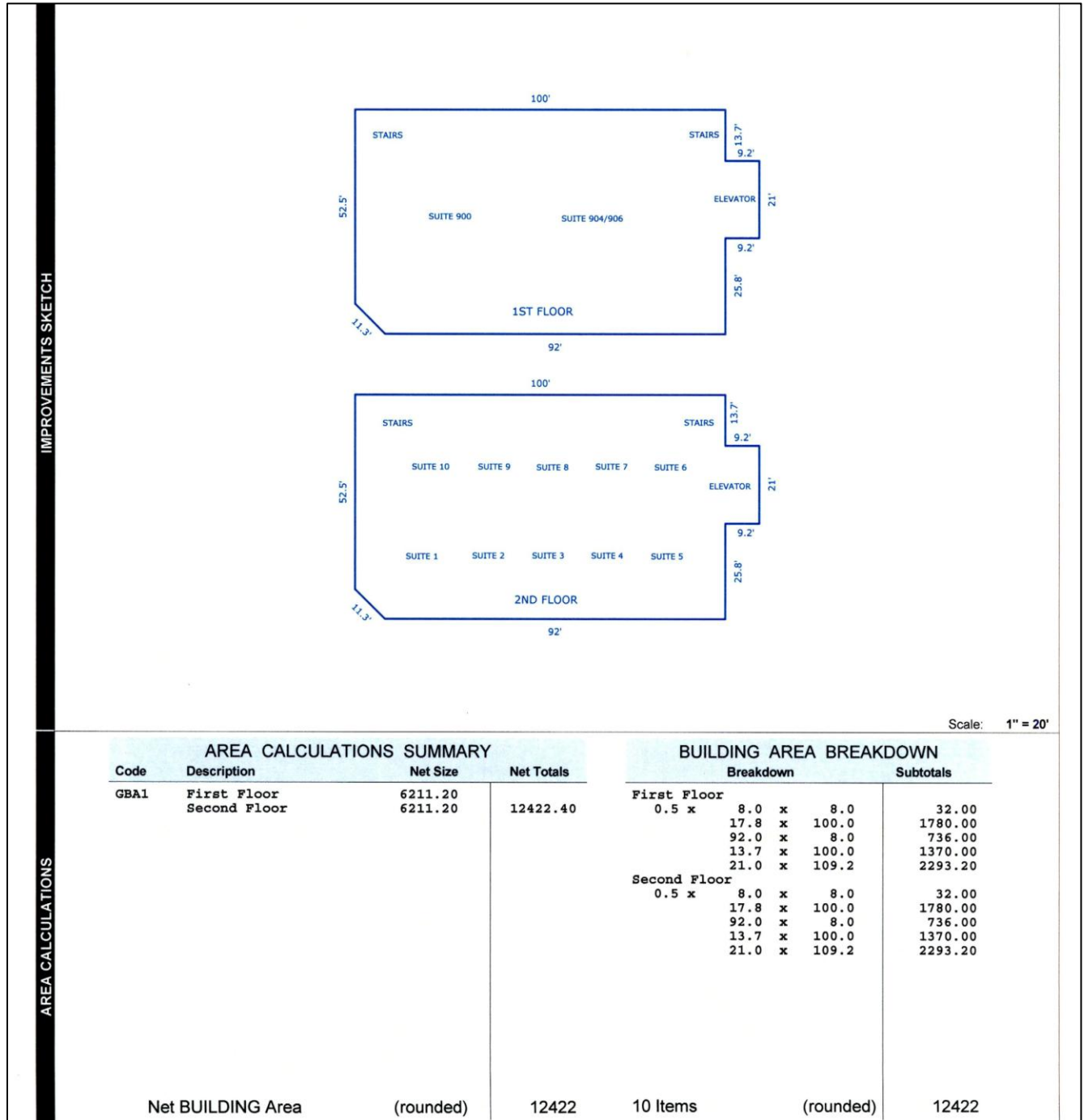
Assessment

The subject's 2015 assessed values are listed in the Broward County Tax Rolls as follows:

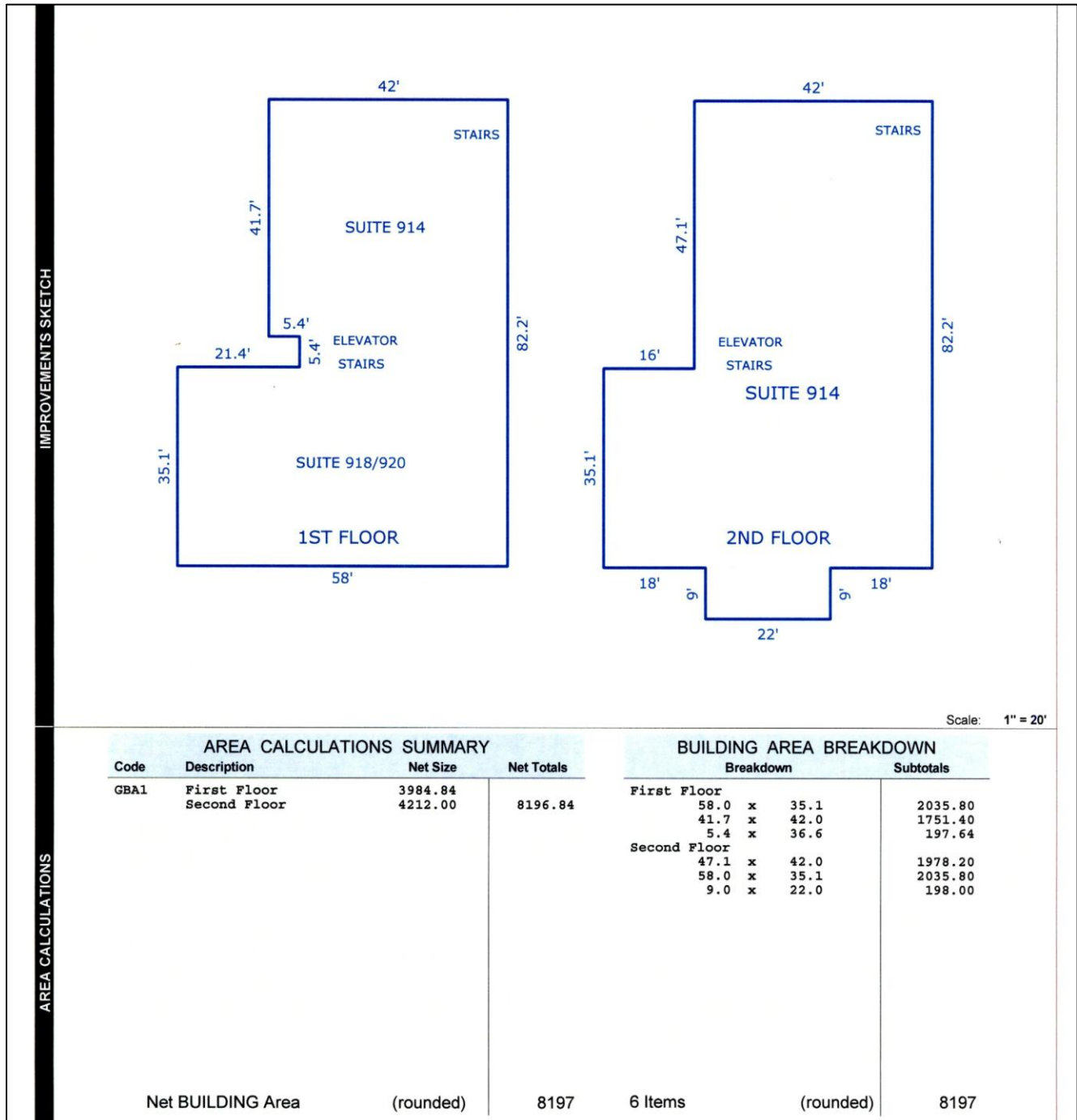
Folio No.	Land	Building	Just/Market Value	Assessed/SOH Value	Real Estate Taxes*	Real Estate Taxes* Less 4%
50-42-04-05-0010	\$137,700	\$828,270	\$965,970	\$965,970	\$22,394.67	\$21,498.88
50-42-04-05-0030	\$137,920	\$541,950	\$679,870	\$679,870	\$15,058.26	\$14,455.93
50-42-04-05-0040	\$69,040	\$104,960	\$174,000	\$174,000	\$4,103.15	\$3,939.02
50-42-04-05-0082	\$35,000	\$11,960	\$46,960	\$46,960	\$920.89	\$884.05
50-42-04-05-0090	\$35,000	\$11,450	\$46,450	\$46,450	\$910.89	\$874.45
50-42-04-05-0100	\$35,000	\$8,870	\$43,870	\$43,870	\$860.29	\$825.88
TOTAL	\$449,660	\$1,507,460	\$1,957,120	\$1,957,120	\$44,248.15	\$42,478.21

The last column includes a 4% deduction for early payment and is the real estate tax expense used in our analysis. The assessed value is reasonable based on the estimated market value stated in this appraisal report.

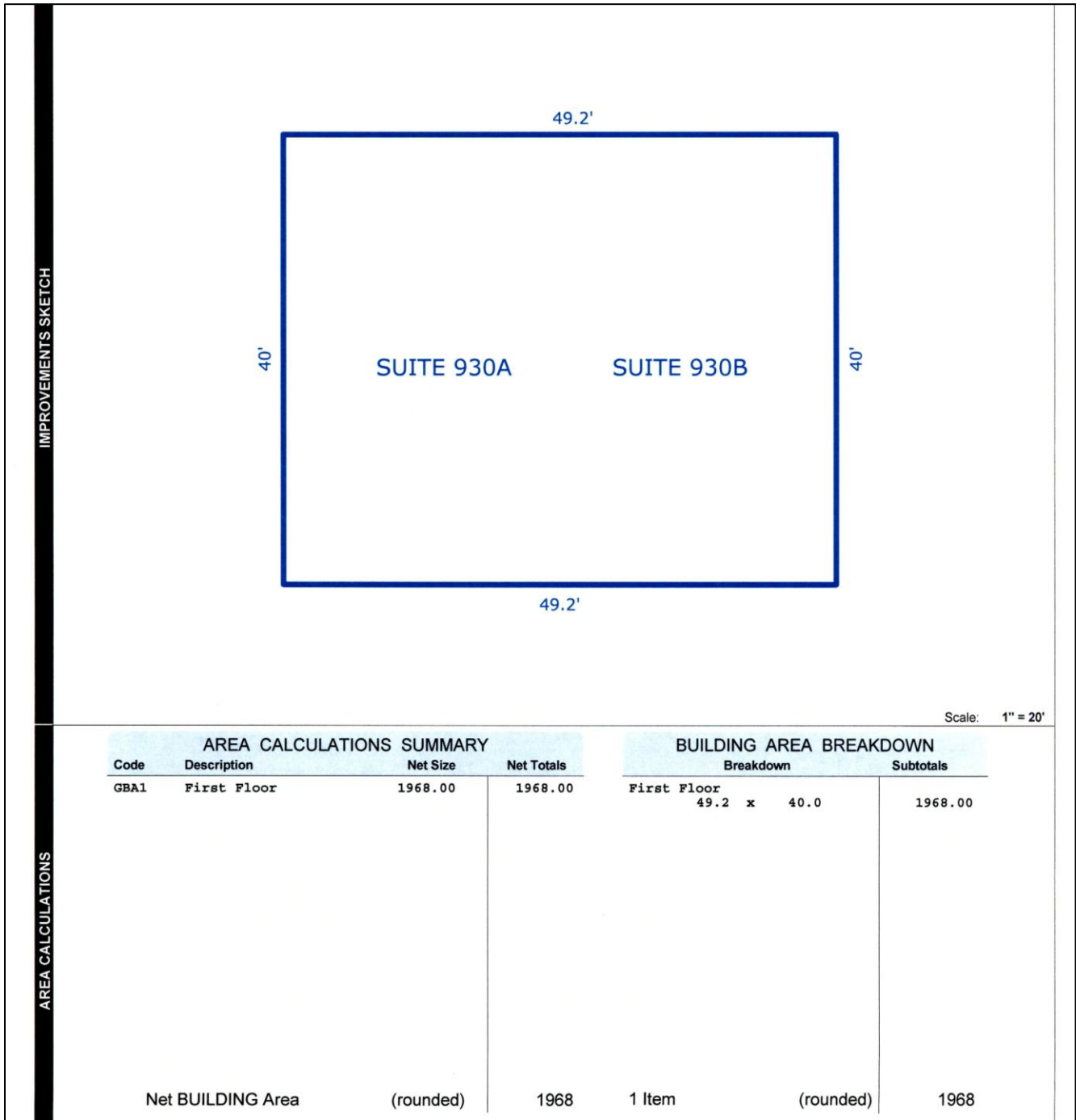
IMPROVEMENT SKETCH – 900 BUILDING



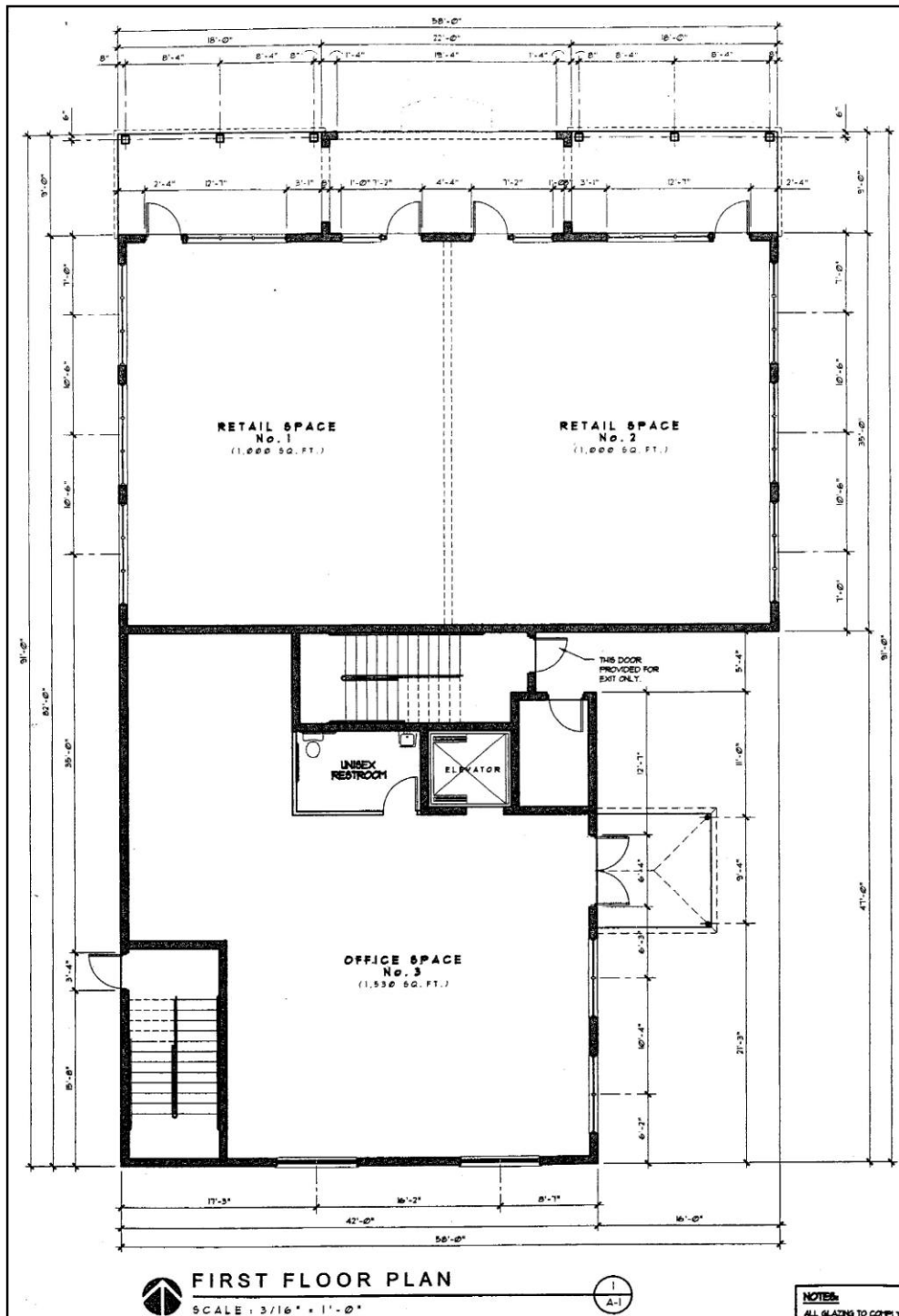
IMPROVEMENT SKETCH - 914 BUILDING



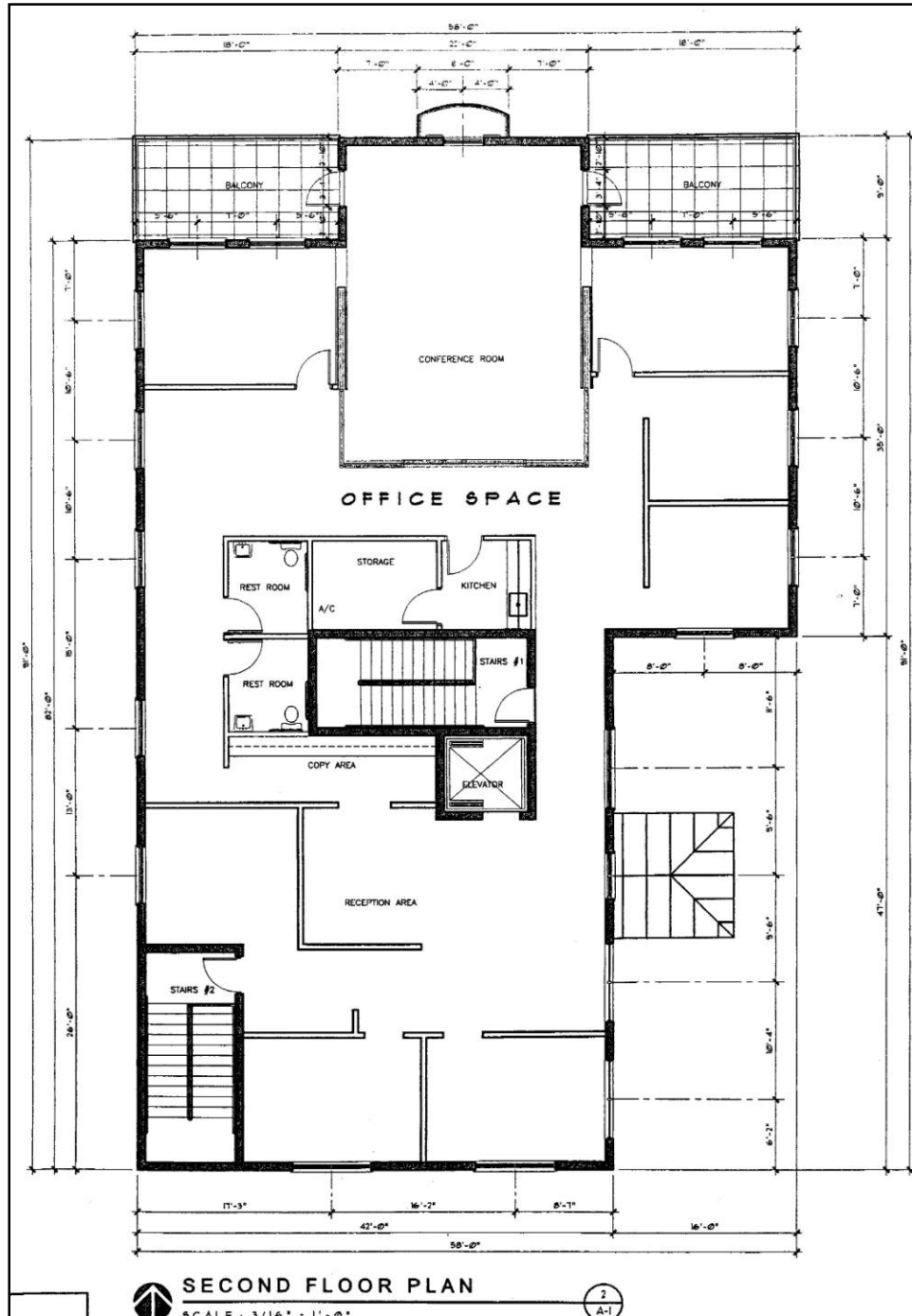
IMPROVEMENT SKETCH - 930 BUILDING



FIRST FLOOR PLAN - 914 BUILDING



SECOND FLOOR PLAN - 914 BUILDING



IMPROVEMENTS

The subject building improvements consists of three separate buildings. The 900 building, which is the easternmost building, is a two-story retail/office building which according to public records was built in 1955. Although commonly known as the 900 Building, per the subject property manager, the address of the second floor is 547 NW 9th Avenue whereas the first floor has a 900 NW 6th Street address. Based on the appraiser's measurements, total gross building area is 12,422 square feet. Total leasable area, which is gross building area excluding elevator and stairwells, is 11,552 square feet. According to the rent roll, the rentable building area is 11,200 square feet. This building was completely renovated, inside and out, in 2007. It should be noted that the interior renovations on the second floor were relatively minimal. Interior renovations on one of the first-floor bays (Suite 900A) have been completed with average quality medical office build-out. Suite 900B is vacant and is in shell condition and the concrete slab is yet to be installed. The second floor is divided into 10 office suites. Suite 7 is currently being used as a common conference room for the existing tenants, but could be potentially leased in the future depending on the terms of the other tenants. There is a central hallway which accesses the individual office units. It should be noted that the second floor of this building was previously occupied as apartment units and most suites have a full bathroom (with a shower stall) and several individual offices.

The 914 building which is the middle building is a recently-constructed two-story retail/office building constructed in 2007. Based on the appraiser's measurements, total gross building area is 8,197 square feet. Leasable building area, excluding the elevator

IMPROVEMENTS
(Continued)

and stairwell shafts, is 7,515 square feet. According to the rent roll, the rentable building area is 8,000 square feet. The first-floor front is currently all open space reported to contain 2,000 square feet. The concrete floors and some interior walls have been installed and the prior owner stated that she had permits to finish the work to this bay and estimated that the cost would be \$8,000 to finish the interior build-out. The rear of the first floor and the entire second floor is average to good quality office area, both of which are leased to the Fort Lauderdale CRA; however the Fort Lauderdale Parks and Recreation Department is currently using the first floor area of this suite.

The third building which is at the western end of the site is the 930 building. This is a one-story two-tenant retail/office building which according to public records was originally constructed in 1965. Total gross building area and leasable building area is 1,968 square feet as per our measurements. According to the rent roll, the leasable building area is 1,960 square feet. The building is divided into two 980 square foot bays with average quality office finish. The eastern bay is currently occupied by Newbridge Insurance and the western bay is occupied by 3rd Step Recovery Group.

The subject building areas are summarized on the following chart.

IMPROVEMENTS
(Continued)

Building/Floor	Gross SF	Leasable SF	Rent Roll SF
900 & 547			
1 ST - 900 NW 6 th St.	6,211	5,761	6,000
2 ND – 547 NW 9 th Ave.	6,211	5,761	5,200
Total	12,422	11,552	11,200
914	8,197	7,515	8,000
1 ST	3,985	3,653	3,889
2 ND	4,212	3,862	4,111
Total	8,197	7,515	8,000
930	1,968	1,968	1,960
Total	22,587	21,035	21,160

It should be noted that the rent roll did not break down the CRA Suite into first and second floor area and we have allocated the rent roll area based on the pro-rata floor sizes measured by the appraiser.

Some construction details are as follows:

Foundation:	Reinforced concrete slabs over compacted fill
Exterior Walls:	Painted stucco over concrete block
Interior Walls:	Drywall over metal studs and plaster furred over wood studs
Ceilings:	Typically acoustic tile with recessed florescent lighting fixtures along with exposed structure in the 900B and 914-100 Suites; concrete ceiling in the 930 building
Roof:	Flat with built-up cover; S-tile and metal mansard in the front

IMPROVEMENTS
(Continued)

900/547 Building - steel joist roof with lightweight concrete, built-up cover

914 Building - twin-T concrete roof structure with lightweight concrete and built up cover

930 Building - flat concrete roof, built up cover and metal mansard

Flooring:	Typically commercial-grade carpet, ceramic tile or terrazzo
Windows:	Impact fixed plate glass with aluminum frames
HVAC:	Reverse cycle central air
Restrooms:	Individual bays in the 930 building have at least one restroom or full bath; the 914 building has restrooms on the first and second floors with roughed in plumbing in the 914-100 Suite; the 900/547 building has a single restroom in each office suite with the exception of the 9000B suite which is shell space

The overall condition and construction quality of the interior and exterior of all three buildings is considered to be good. Functional design of the buildings is average to good. The 900/547 and 914 buildings both have two interior stairwells and a single elevator which is considered to be functionally adequate.

The actual age of the 900/547 building is 61 years. The estimated effective age is 20 years. Based on a total economic life of 60 years, the remaining economic life is 40 years. The actual age of the 914 building is nine years. Effective age is also nine years. Based on a total effective age of 60 years, the remaining economic is estimated to be 51 years. The actual age of the 930 building is 51 years. The effective age is 20 years. Based on a total effective life of 60 years, the remaining effective age is estimated to be 40 years.

IMPROVEMENTS (Continued)

Site improvements consist of a large parking area behind the 900/547 building, a smaller parking area in front of the 930 building, various walkways, landscaping, sprinkler system and a five-foot CBS wall running along the west side of Lot 10 and the south side of Lots 4 and 5. There is also an aluminum fence located on the south and east side of Lots 10, 11 and 12. The parking lot in front of the 930 building contains four parking spaces and the parking lot behind the 900/547 building contains 72 parking spaces. Total parking for the three buildings is 76 spaces which equates to 3.36 spaces per gross square foot and 3.61 spaces per leasable square foot as calculated by the appraiser. Parking is considered to be adequate and typical for the subject property. Based on the fact that the site plan specifically designates 74 parking spaces and approvals were granted to build the subject building, it is the appraiser's opinion that parking is also considered to be legal.

Based on the site area of 54,050 square feet and the gross building area is 22,587 square feet the land to building ratio is 2.39:1.

PROPERTY HISTORY

Per our review of the Public Records of Broward County, there have been no sales of the subject property in the preceding five years. There has, however, been a foreclosure and a Certificate of Title on the subject property which is dated November 19, 2015, and recorded January 20, 2016. This was part of a foreclosure process with Regent Bank being the plaintiff and Sixth Street Plaza, Inc., et al, being the defendant. The property sold to Regent Bank on November 19, 2015, for \$300.

Current ownership of the property per the Broward County Public Records is as follows:

Regent Bank Project Finance Inc.
2205 S University Drive
Davie, FL 33324.

Based upon our review of the local MLS as well as several other listing sources including Loopnet.com, it does not appear that the subject property is currently listed for sale. The subject is also not listed for rent in traditional listing services including LoopNet and MLS. We are aware, however, that the current owner is interested in selling the property.

HIGHEST AND BEST USE

I. As Vacant - The highest and best use must meet basic criteria. Each is discussed herein.

1. Legal Use - The site is zoned NWRAC-MUw - Northwest Regional Activity Center—Mixed Use west and XP – Exclusive Use Parking. The NWRAC-MUw zoning is for the portion of the parcel north of the alley and XP is for the portion south of the alley. Permitted uses under the NWRAC-MUw zoning include a wide variety of cultural and entertainment developments, professional offices, financial institutions, hotels and motels, restaurants, multifamily, retail uses and mixed-use properties. The XP district is for ancillary parking. The Broward County Land Use Plan designates the site for Northwest RAC for Regional Activity Center. The zoning conforms to the Land Use Plan. There are no known deed restrictions or other legal controls which would limit use of the subject.
2. Physically Possible Use - The subject property is comprised of eight individual lots plus a vacated alley containing a total of 54,050 square feet or 1.24 acres. The property is located at the southwest corner of NW 6th Street and NW 9th Avenue in Fort Lauderdale. Topography of the parcel is level, providing for good utilization of the site. The property is L-shaped which provides for some design considerations for the property overall but is not considered to limit the development potential of the site. There do not appear to be any significant soil problems. Soil tests were not made available to the appraiser. Utility services (electric, telephone, water and sewer) are available to the parcel. Location of the parcel is also considered. As previously mentioned, the property is located at a prominent corner in its neighborhood at the intersection of two of the major thoroughfares through the neighborhood. Visibility and access to the parcel is considered to be good. The physical characteristics of the subject parcel are conducive to a variety of commercial/retail/office and mixed use developments.
3. Financially Feasible/Maximally Productive - Current demand for commercial/retail/office development in the subject neighborhood is considered to be somewhat speculative. There has been considerable new multifamily and mixed use development activity in the area east of Andrews Avenue and west of Federal Highway; however, the immediate appraised area has yet to experience new

HIGHEST AND BEST USE (Continued)

development on that scale and there has been limited development since the recession and real estate market decline. The subject area is considered to provide relatively good long-term potential for neighborhood-oriented uses due to its proximity to downtown and location east of Interstate 95. Available land for new development is anticipated to continue to be constricted in areas east of Interstate 95 in the coming years. Currently, rental and occupancy rates in the area indicate that there is some demand for smaller offices by professionals and government agencies. Demand by the private sector for both office, retail, residential and mixed use is not considered strong enough to warrant new construction. Demand in the downtown area for land suitable for multifamily residential has been strong over the past two years. However, agents active in the area have stated that prominent residential developers were beginning to pause on land purchases and new construction because of the significant inventory of units coming on the market. It is therefore questionable as to whether or not new multifamily residential or mixed use development would be financially feasible on the subject. As previously mentioned, the subject site is located in the Northwest-Progresso-Flagler Heights CRA (NPF-CRA). The CRA offers various development incentive programs to stimulate positive development. This area is targeted by the City of Fort Lauderdale for redevelopment and the incentive programs are considered to provide some support for new development making it marginally feasible, but with some risk. Based on the preceding, uses considered physically possible, legally permissible and financially feasible for the subject site includes office and some retail uses and potentially some mixed use developments particularly with affordable housing units, considering the potential governmental support and potential leases by government agencies.

Based on the above, the maximally productive and highest and best use of the subject site as vacant would be for future retail, office or mixed use development once the market demand was sufficient to warrant such development.

HIGHEST AND BEST USE
(Continued)

II. As Improved - An improved property must meet the same basic criteria as a vacant parcel. They are:

1. Legal Use - Based upon zoning, the current use is considered to be a legal and conforming property use.
2. Physically Possible Use - The three subject buildings are considered physically possible by virtue of their existence. These buildings are new or have been substantially renovated and are in good overall condition and typical of other office and retail buildings in the general area.
3. Economic Feasible/Maximally Productive Use - Most of the newest building is occupied by a governmental agency. As was discussed, with the proper assistance from governmental agencies as occupants, it is considered that the subject improvements are financially feasible as well as the maximally productive use of the site. The subject buildings fully develop the site and there is no excess land.

Based on the above, the existing subject buildings with completion of the interior finish in the 900B and 914-100 Suites, are considered to be the maximally productive and highest and best use of the subject site as improved.

THE VALUATION PROCESS

The valuation process is a systematic procedure an appraiser follows to provide answers to a client's questions about real property values. The steps in the valuation process include: (1) Identification of the Problem, (2) Scope of Work Determination, (3) Data Collection and Property Description, (4) Data Analysis, (5) Site Value Opinion, (6) Application of the Approaches to Value, (7) Reconciliation of Value Indications and Final Opinion of Value and (8) Report of Defined Value.³

As discussed previously, the purpose of this appraisal is to estimate the market value of the leased fee interest of the subject property. One of the three approaches to value (income approach) has been considered for application in the development of the subject's market value.

The sales comparison approach is based on the proposition that an informed purchaser would pay no more for a property than the cost of acquiring an existing property with the same utility. It is considered most viable when an adequate number of similar properties have recently sold. The sales comparison approach is a direct comparison of relatively-recent sales of similar buildings to the subject property. As discussed previously in this report, the sales comparison approach has not been used in this appraisal. The subject buildings are newer and completely renovated older buildings in an area which has relatively few such buildings, and no known sales of similar properties. Additionally, other areas similar to the subject neighborhood have had few, recent sales of buildings comparable to the subject. This is compounded by the fact that due to the soft real estate

³ The Appraisal of Real Estate, 13th Edition, Pages 129 and 131, Appraisal Institute

THE VALUATION PROCESS (Continued)

market, there have been relatively-few sales of retail and office buildings in general, much fewer than past years when the market was strong. Because of the lack of good sales and because this is a multi-tenant income-producing property, it is felt that a typical investor would pay very little if any attention to the sales comparison approach. Valuation of the subject by the sales comparison approach, therefore, is limited in terms of accuracy.

The income approach is based on the proposition that the price an informed purchaser would pay for an investment is based on the income stream which the investment will produce over the holding period of the investment. It is an appraisal process that converts potential benefits of net income into a value estimate by the application of a discounted cash flow.

The cost approach is based on the Principle of Substitution which essentially states that an informed purchaser would pay no more for a property than the cost of producing a substitute property with the same utility as the subject property. It can be particularly applicable when the property appraised involves relatively-new improvements with minimal depreciation or when relatively-unique or specialized improvements are located on the site and for which no comparable sales of similar properties exist in the market. Also as discussed previously in this report, the cost approach is not considered applicable for this appraisal. There are few recent site sales of comparable properties in similar neighborhoods which would make estimating the market value of the subject site difficult. Additionally, two of the three subject buildings are older in terms of age but have been completely renovated and are considered to be legal non-conforming uses

THE VALUATION PROCESS
(Continued)

regarding setbacks, etc. The cost approach, therefore, is not considered applicable to this appraisal.

The income approach is by far the most applicable approach for an appraisal for this type of property. The subject buildings are multi-tenant and would be typically purchased by an investor looking at the income stream and cash flow. It is therefore felt that this approach would be primarily, if not exclusively, used by a typical buyer in purchasing the subject property.

INCOME APPROACH

INCOME APPROACH

The income approach is defined as "a set of procedures in which an appraiser derives a value indication for income producing property by converting anticipated benefits into property value".⁴ This approach, which is related to investor thinking and motivation, is a basic tool for the valuation of income producing real estate. It is based on the principal of anticipation which is "the perception that value is created by the expectation of benefits to be derived in the future".⁵ These future benefits consist of some pattern of annual net income for a projected period of years, plus a capital sum at the end of this period. This capital sum consists of land value or of land plus some remaining improvement value. The projection period may represent an economic life estimate for the improvements, the term of a lease or a projected investment holding period to the resale of the property.

The steps required to estimate property value by the income approach are as follows:

1. Estimate potential gross income
2. Estimate and deduct vacancy and rent loss resulting in effective gross income.
3. Estimate and deduct fixed and variable operating expenses and replacement allowance resulting in net operating income.
4. Develop an appropriate capitalization technique and rate.
5. Apply the related capitalization rate to the estimated net income to arrive at an indication of value.

⁴ The Dictionary of Real Estate Appraisal, Fifth Edition 2010, Page 99, Appraisal Institute

⁵ The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, Page 9, Appraisal Institute

INCOME APPROACH
(Continued)

Potential Gross Income

In order to value the subject via the income approach, it will be necessary to estimate a potential gross income. This is the estimated income that the property owner could be expected to receive from leasing the subject. In order to estimate market (or economic) rent for the subject property, a thorough investigation of current lease rates in the subject and comparable neighborhoods has been made. Seven comparable rentals which are a blend of retail and office properties were included for analysis. Each has been discussed on the following pages. A map showing the location of the comparable rentals along with front photographs of each rental is located in this section.

RENTAL 1



RENTAL 1

Location: 16 NE 4th Street, Fort Lauderdale, FL 33301

Total Leasable Area: 29,066 SF

Typical Tenant Area: 1,000 – 5,000 SF

Current Rental Rate: \$14/SF NNN + \$5.15/SF CAM = \$19.15/SF
Gross Asking
\$12/SF NNN + \$5.15/SF CAM = \$17.15/SF
Gross Actual

Lease Term: 3 years

Other Tenant Expenses: Electric, janitorial, minor interior maintenance
and a \$5.15/SF CAM

Lease Escalation Terms: CPI or 3%

Lease Concession Terms: Negotiable

Year Built: 1957

Current Vacancy: 28%

Confirmed: Eugene Popow, leasing agent

Comments: This is an older two and one-story office building that also has limited first floor retail potential. It was reported to be in average condition; however, the owners are holding the property for ultimate redevelopment. Exposure is inferior and surrounding development is superior. Overall condition and appeal are inferior to the subject. Parking is considered to be adequate. In March 2016 the property went under contract for sale and the buyer will reportedly demolish the building and construct a high-rise condominium project with first-floor retail space. As of the May 31, 2016 appraisal date the sale had not closed.

RENTAL 2



RENTAL 2

Project Name: Lauderdale Manor

Location: 1909 NW 9th Avenue (Powerline Road), Fort Lauderdale, FL 33311

Total Leasable Area: 78,606 SF

Typical Tenant Area: 1,200 – 20,000 SF

Current Rental Rate: \$16 - \$18/SF NNN + \$4.95/SF CAM = \$20.95/SF Gross Asking
\$15/SF NNN + \$4.95/SF CAM = \$19.95/SF Gross Actual

Lease Term: 2 - 5 years, negotiable

Other Tenant Expenses: Electric, janitorial, minor interior maintenance and a \$4.95/SF CAM

Lease Escalation Terms: CPI

Lease Concession Terms: Negotiable

Year Built: 1951

Current Vacancy: 20%

Confirmed: Mitch Boxer, leasing agent

Comments: This property is a one-story retail/office center anchored by a Price Choice Foodmarket, Family Dollar and dd's Discounts. The property was reported to be in average to good condition. The building is primarily leased to a variety of local retail and office users. Location appeal at the intersection of Powerline Road and NW 19th Street is considered to be relatively similar to the subject. Overall building appeal is inferior. There is ample parking.

RENTAL 3



RENTAL 3

Project Name:	Sunrise Plaza
Location:	1395 W Sunrise Blvd, Fort Lauderdale, FL
Total Leasable Area:	8,096 SF
Typical Tenant Area:	1,400 SF
Current Rental Rate:	\$17.14 Net + \$2.40 CAM = \$19.54/SF Gross actual for the most recent lease. Older existing leases range from approximately \$17 to \$20/SF Gross.
Lease Term:	1 - 3 years
Other Tenant Expenses:	Electric and janitorial
Lease Escalation Terms:	CPI
Lease Concession Terms:	None
Year Built:	2002
Current Vacancy:	0%
Confirmed:	Santiago Lizarazo, leasing agent
Comments:	This is a one-story retail/office building located on Sunrise Blvd to the northwest of the subject. This is an average to good-quality building that is inferior to the subject. Location appeal on Sunrise Blvd but further to the west is relatively similar. Parking is average for this building.

RENTAL 4



RENTAL 4

Location:	300 W Sunrise Blvd, Fort Lauderdale, FL
Total Leasable Area:	12,288 SF
Typical Tenant Area:	700 – 1,100 SF
Current Rental Rate:	Asking - \$18/SF Gross, actual rents are similar or slightly higher.
Lease Term:	Typically 1 - 3 years
Other Tenant Expenses:	Electric and janitorial
Lease Escalation Terms:	3%
Lease Concession Terms:	Negotiable
Year Built:	1984
Current Vacancy:	26%
Confirmed:	Alicia, representative of the owner
Comments:	This is a one-story retail/office building located on W Sunrise Blvd to the north of the subject. Location appeal with direct exposure along W Sunrise Blvd, but with most bays being back off Sunrise Blvd, is considered similar. Building condition and appeal are somewhat inferior to the subject. Parking is considered to be average. One bay was leased in early 2016 at \$18/SF gross. As of March 2016 the vacancy is 20% and the asking rent is still \$18/SF gross.

RENTAL 5



RENTAL 5

Project Name: Shoppes on Arts Avenue

Location: 540 NW 7th Avenue, Fort Lauderdale, FL 33311

Total Leasable Area: 35,190 SF

Typical Tenant Area: 750 SF – 15,680 SF

Current Rental Rate: \$25 - \$30/SF net + \$5.00/SF CAM = \$30 - \$35/SF gross asking

Lease Term: 2 - 5 years

Other Tenant Expenses: Electric, janitorial and a CAM of \$5.00/SF

Lease Escalation Terms: CPI, negotiable

Lease Concession Terms: Negotiable

Year Built: 2012

Current Vacancy: 26% (Occupied by three anchor tenants with all local space being vacant)

Confirmed: Milton Jones, Owner

Comments: This is a one-story retail/office center located on Sistrunk Boulevard two blocks east of the subject. It is anchored by a Save-A-Lot, Family Dollar and a Bank of America. Our office appraised this property in 2010 for the construction loan. The rental rates for the Save-A-Lot and Family Dollar are below the current asking rates which is typical for national and regional junior anchor tenants as they are credit tenants with limited risk that provide a draw for the center. The owner stated that there has been interest in leasing space; however most prospective tenants have only offered in the \$15/SF net range which was not accepted. Building condition and appeal are superior to

RENTAL 5
(Continued)

the subject. Parking is adequate. The asking rental rates and vacancy rate remain unchanged in June 2016. The building is available for lease by the owner and is not found on traditional listing services.

RENTAL 6



RENTAL 6

Location:	33 NE 2 nd St, Fort Lauderdale, FL
Total Leasable Area:	23,012 SF
Typical Tenant Area:	254 – 4,867 SF
Current Rental Rate:	\$21.75 SF Gross Asking; \$20.00/SF Actual
Lease Term:	1 - 3 years
Other Tenant Expenses:	Tenants pay their own electric, janitorial and interior maintenance
Lease Escalation Terms:	CPI
Lease Concessions:	None
Year Built:	1970
Current Vacancy:	15%
Confirmed:	Judy Dolan, leasing agent
Comments:	This is a professional office building located in a superior area along NE 2 nd St and Andrews Ave, close to the central business district of downtown. Condition and quality are considered to be similar or better than the older subject buildings and inferior to the newer subject building. Onsite parking is average.

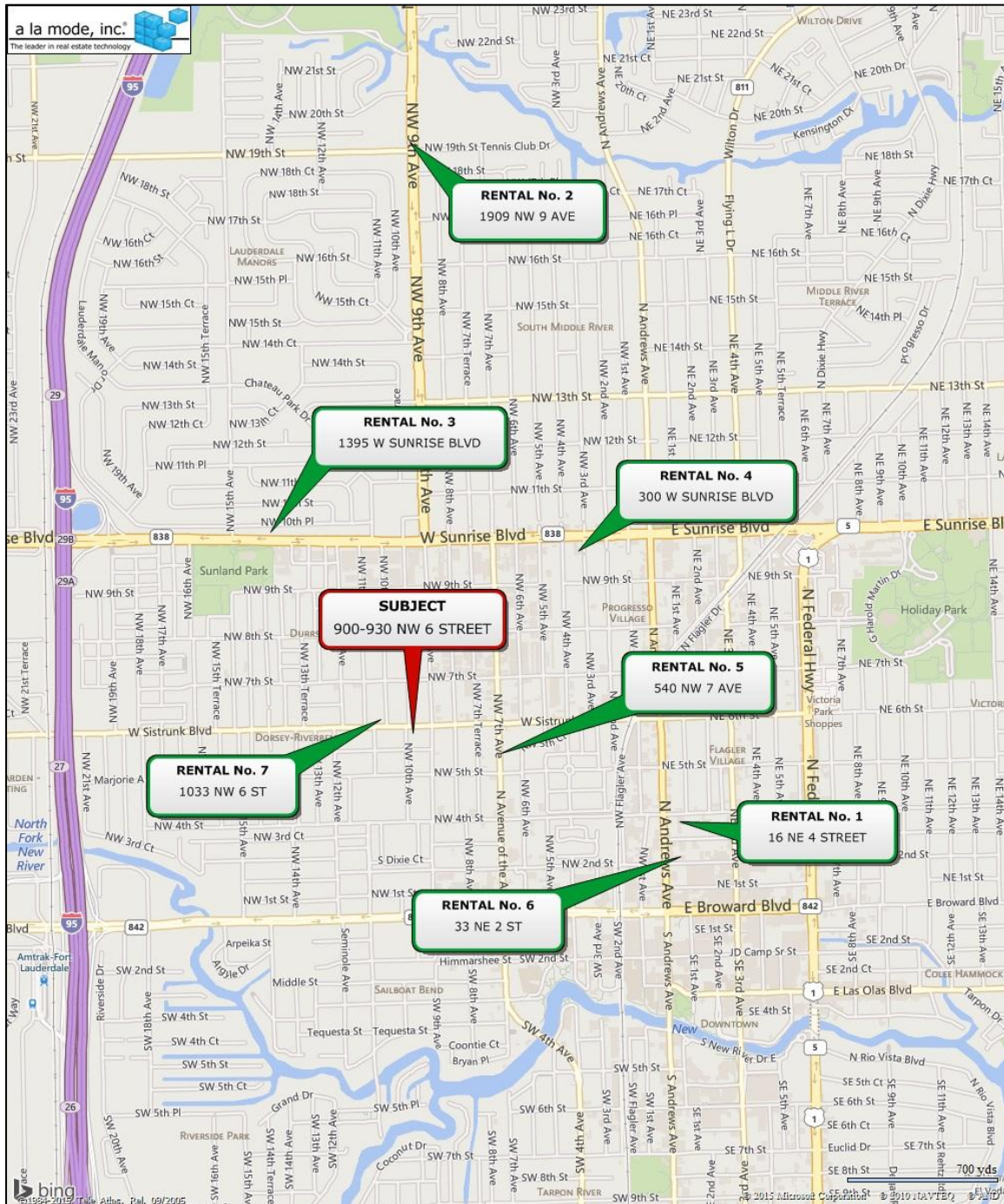
RENTAL 7



RENTAL 7

Location:	1033 NW 6 th Street, Fort Lauderdale, FL 33311
Total Leasable Area:	11,647 SF
Typical Tenant Area:	1,060 – 2,120 SF
Current Rental Rate:	1 st Floor Retail - \$18.11/SF full service asking 2 nd Floor office - \$13.23/SF full service asking
Lease Term:	Negotiable
Other Tenant Expenses:	Full Service all expenses paid by the lessor
Lease Escalation Terms:	CPI
Lease Concession Terms:	Negotiable
Year Built:	2010
Current Vacancy:	Unknown
Confirmed:	Shanise, representative of the owner. Bob Wojeik, City of Fort Lauderdale CRA regarding prior restaurant lease.
Comments:	Two-story retail/office center located on Sistrunk Boulevard one block west of the subject. There was a prior lease signed approximately two years on a first floor space occupied as a restaurant at a rental rate \$18.97/SF net + \$5.00/SF estimated CAM = \$24.97/SF gross; however, that tenant vacated the property approximately one year ago. The building is partially owner occupied. Information on actual lease rates was not available. The building is available for lease by the owner and is not found on traditional listing services. Building condition and appeal are similar to slightly superior to the newer subject building and superior to the older subject buildings. Parking is adequate.

RENTAL MAP



SUMMARY OF RENTAL COMPARABLES

RENTAL NO	ADDRESS	BLDG. SIZE BAY SIZE	VACANCY YEAR BLT	RENT/SF	OVERALL COMPARABILITY
1	16 NE 4 th Street Fort Lauderdale, FL 33301	<u>29,066</u> 1,000-5,000	<u>28%</u> 1957	\$14 NNN + \$5.15 CAM = \$19.15 Gross Asking \$12 NNN + \$5.15 CAM = \$17.15 Gross Actual	Older two and one-story office building with limited 1 st floor retail potential, average condition; inferior exposure, superior surrounding development, inferior condition and appeal, adequate parking.
2	1909 NW 9 th Avenue Fort Lauderdale, FL 33311	<u>78,606</u> 1,200–20,000	<u>20%</u> 1951	\$16 - \$18 NNN + \$4.95 CAM = \$20.95 - \$22.95 Gross Asking \$15 NNN + \$4.95 CAM = \$19.95 Gross Actual	One-story anchored retail/office center, average to good condition, similar location, inferior appeal, adequate parking.
3	1395 W Sunrise Blvd Fort Lauderdale, FL 33311	<u>8,096</u> 1,400	<u>0%</u> 2002	\$17.14 + \$2.40 CAM = \$19.54 Gross Actual	One-story retail/office building, average to good-quality, location appeal is relatively similar, inferior appeal, adequate parking.
4	300 W Sunrise Blvd Fort Lauderdale, FL 33311	<u>12,288</u> 700–1,100	<u>26%</u> 1984	\$18 Gross Actual and Asking	One-story retail/office building, average to good-quality, location appeal is relatively similar, inferior appeal, adequate parking.
5	540 NW 7 th Avenue Fort Lauderdale, FL 33311	<u>35,190</u> 1,100–15,680	<u>26%</u> 2012	\$25-\$30 NNN + \$5.00 CAM = \$30-\$35 Gross Asking \$15 NNN + \$5.00 CAM = \$20.00 Gross Offered	One-story anchored retail/office center, similar location, superior condition and appeal, parking is adequate.
6	33 NE 2 nd St Fort Lauderdale, FL 33301	<u>23,012</u> 254 – 2,200	<u>15%</u> 1970	\$21.75 Gross Asking \$20.00 Gross Actual	Older two-story office building, average condition; inferior exposure, superior surrounding development, inferior condition and appeal relative to new subject building and similar or better than old subject buildings, adequate parking.
7	1033 NW 6 th Street Fort Lauderdale, FL 33311	<u>11,647</u> 1,060 - 2,120	<u>N/A</u> 2010	1 st Floor - \$18.11 Full Service Asking 2 nd Floor - \$13.23 - Full Service Asking	1 st floor restaurant bay, similar location appeal, similar or better condition and appeal relative to new subject building and superior to old subject buildings, adequate parking.

ANALYSIS OF RENTAL COMPARABLES

The subject improvements are in good condition and reflect good-quality construction. The appraisers have estimated a market rent for the subject based on the preceding comparable rental properties. The asking rental rates range from \$13.23 - \$35 per square foot quoted on or converted to a gross basis with actual rental rates ranging from \$17.15 - \$20.00 per square foot quoted on or converted to on a gross basis.

Rentals 1 and 6 are located just north of the downtown Fort Lauderdale core to the east of the subject neighborhood. The immediate surrounding area is superior and exposure is inferior. They have ample parking. Rental 2 is located in a similar area at the intersection of Powerline Road and NW 19th Street. This is an anchored center with inferior building appeal. There is ample parking. Rentals 3 and 4 are along Sunrise Boulevard in a similar surrounding area and neighborhood as the subject. Exposure is superior and parking is adequate. Rental 5 is located on Sistrunk Boulevard two blocks east of the subject. It is anchored by a Save-A-Lot, Family Dollar and a Bank of America. Our office appraised this property in 2010 for the construction loan. The rental rates for the Save-A-Lot and Family Dollar are below the current asking rates which is typical for national and regional junior anchor tenants as they are credit tenants with limited risk that provide a draw for the center. The owner stated that there has been interest in leasing space; however prospective tenants have only offered in the \$15/SF net range which was not accepted. Building condition and appeal are superior to the subject. Parking is adequate. Rental 7 is located on Sistrunk Boulevard one block west of the subject. Actual rental information is not available to the appraiser. Building condition and appeal are similar to slightly superior to the subject.

ANALYSIS OF RENTAL COMPARABLES
(Continued)

Parking is adequate. Rental 8 is located on NW 9th Avenue one-half block north of the subject. Location, condition and appeal are inferior to the subject. Parking is adequate.

Subject Rents

A draft rent roll as of 2/26/2016 provided by the subject property manager can be found in the addenda to this report. We requested a current rent roll on multiple occasions; however, one has not been provided. A summary of the rent roll is as follows:

Suite	Tenant	SF	Annual Base Rent	Base Rent/SF	Annual CAM	Annual Gross Rent	Gross Rent/SF
547-1,2&3	Daly	1,560	\$25,200	\$16.15	\$0	\$25,200	\$16.15
547-4	A-1	520	\$7,500	\$14.42	\$0	\$7,500	\$14.42
547-5	Adams	520	\$8,736	\$16.80	\$0	\$8,736	\$16.80
547-6	Vacant	520	\$0	\$0	\$0	\$0	\$0
547-7	Common Conf Rm	520	\$0	\$0.00	\$0	\$0	\$0.00
547-8	Vacant	520	\$0	\$0	\$0	\$0	\$0
547-9&10	Team	1,040	\$15,600	\$15.00	\$0	\$15,600	\$15.00
900-A	Vacant	2,360	\$0	\$0	\$0	\$0	\$0
900-B	Vacant	3,640	\$0	\$0	\$0	\$0	\$0
914-200	CRA	6,000	\$96,000	\$16.00	\$18,375	\$114,375	\$19.06
914-100	Vacant	2,000	\$0	\$0	\$0	\$0	\$0
930A	Newbridge	980	\$14,976	\$15.28	\$0	\$14,976	\$15.28
930B	Vacant	980	\$0	\$0	\$0	\$0	\$0
Total		21,160	\$168,012	\$7.94	\$18,375	\$186,387	\$8.81
Occupied	52.6%	11,140	\$168,012	\$15.08	\$18,375	\$186,387	\$16.73

It should be noted that the draft rent roll provided indicated Suite 547-1 to be vacant; however, it also had a note indicating that the tenant in Suites 547-2 & 3 occupied this suite and that they were in the process of amending the lease. We have included Suite 547-1

ANALYSIS OF RENTAL COMPARABLES
(Continued)

along with Suites 547-2 & 3 at the same rental rate per square foot in the preceding rent roll summary. The draft rent roll indicated that Team Saving Our Youth occupied Suite 547-9 and half of Suite 547-10 with Fidelity Financial occupying the other half of Suite 547-10. We have information from the prior owner that Team Saving Our Youth occupied both Suite 547-9 and Suite 547-10 and consolidated the suites under this tenant at the same overall rental rate in the preceding rent roll summary as the draft rent roll. Suite 900A was previously occupied by Quick Clinic Medical Center, a clinic owned by the prior owner of the subject building. She in turn subleased the suite to ChiroCare reportedly at the same rental rate. The rent roll in the addenda indicated this sublease tenant to be occupying the space at \$8.13 per square foot which is well below the rate indicated by the prior owner of \$13.98 per square foot. At our prior two interior inspections the chiropractor appeared to be significantly underutilizing the suite and no patients were noted at either inspection. We have assumed this suite to be vacant in the preceding rent roll summary. Information that the prior owner indicated that Suites 547-1 through 10 all contained 520 square feet. The rent roll provided by the current property manager indicated that some of the second-floor suites contained 528 square feet; however, the rental rate per square foot in one of the suites was based on 520 square feet. We have adjusted the preceding rent roll summary to reflect 520 square feet for each of the suites. An additional variation in the preceding rent roll summary from that of the draft rent roll found in the addenda is the suite sizes for Suites 930-A and 930-B. The draft rent roll indicated that these suites containing 960 square feet each; however, the prior owner indicated sizes of 980 square feet each. Since the rent roll found in the addenda

ANALYSIS OF RENTAL COMPARABLES
(Continued)

is a draft we have used the sizes of 980 square feet reported by the prior owner. There are no other variations between our rent roll summary and the draft rent roll found in the addenda. Based on our analysis, the subject rents as indicated on the preceding rent roll summary, with the exception of the CRA rent, are considered to be within the market range and will be used our analysis. This includes Suite 547-7 being used as a conference room by the tenants. It is considered an amenity and attributes additional potential rent to the other second-floor suites. The CRA rent will be discussed below.

Regarding the vacant suites, Suites 547-6 and 8 are considered to have market rental rates of \$15 per square foot. Suite 900-A is a relatively large medical office space and it is possible that in order to lease the suite it may have to be converted to professional office space. We have estimated a market rental rate of \$14 per square foot. Suite 900-B, was supposed to be leased and occupied as a restaurant. The prior owner reported that she had planned on doing approximately \$300,000 (\$82.42/SF) in build out prior to the tenant occupying the space and that they were in the process of acquiring an approximate \$200,000 grant from the City of Fort Lauderdale to be used for most of the build out. She stated that her portion would be +/- \$100,000, however, we were not provided with any documentation regarding the possible grant. It should be noted that Mr. Bob Wojeik with the City of Fort Lauderdale CRA stated in a phone call in June 2015, that the contribution for interior finish from the City is limited to 40% of the cost up to a maximum of \$200,000. The previously build out cost projected by the buyer was \$82.42/SF; however, this was for restaurant space which has a higher build out cost than standard retail space. It is possible

ANALYSIS OF RENTAL COMPARABLES
(Continued)

that the suite could be leased for restaurant use; however, we have estimated a rental rate for typical retail space for this size bay of \$14 per square foot. In addition, we have estimated a build out cost of \$40 per square foot for typical retail space with the owner's share being 60% or \$24 per square foot. This appraisal is subject to the extraordinary assumption that the City of Fort Lauderdale CRA will contribute 40% of the cost up to a maximum of \$200,000 for the interior buildout of Suite 900-B.

The newest building (914 NW 6th Street) has one primary tenant which is the Fort Lauderdale Community Redevelopment Agency (CRA). This tenant occupies Suite 914-200 at a rental rate is \$16 per square foot plus the CAM charge of \$3.06 per square foot for a total of \$19.06 per square foot on a gross basis. The prior owner basically built this building to suit this tenant. The CRA is currently in negotiations to expand into Suite 914-100 which would also consistently extending and amending the lease on Suite 914-200. Considering the relatively new condition and good-quality building as well as the size of the combined suites we have estimated a market rental rate of \$15 per square foot plus the CAM charge of \$3.06 per square foot for a total of \$18.06 per square foot on a gross basis.

The final subject building is the small 930 building which is somewhat inferior to the other two buildings due to the age and overall condition. Newbridge Insurance occupies Suite 930A at a rental rate of \$15.28 per square foot on a gross basis which is considered to be within the market range considering the size of the suite. We have estimated a market rental rate for Suite 930B at \$15 per square foot on a gross basis.

ANALYSIS OF RENTAL COMPARABLES
(Continued)

Based on the preceding, the potential gross income for the subject building is estimated as follows:

POTENTIAL GROSS INCOME

Suite	Tenant	SF	Annual Base Rent	Base Rent/SF	Annual CAM	Annual Gross Rent	Gross Rent/SF
547-1,2&3	Daly	1,560	\$25,200	\$16.15	\$0	\$25,200	\$16.15
547-4	A-1	520	\$7,500	\$14.42	\$0	\$7,500	\$14.42
547-5	Adams	520	\$8,736	\$16.80	\$0	\$8,736	\$16.80
547-6	Vacant	520	\$7,800	\$15.00	\$0	\$7,800	\$15.00
547-7	Common Conf Rm	520	\$0	\$0.00	\$0	\$0	\$0.00
547-8	Vacant	520	\$7,800	\$15.00	\$0	\$7,800	\$15.00
547-9&10	Team	1,040	\$15,600	\$15.00	\$0	\$15,600	\$15.00
900-A	Vacant	2,360	\$33,040	\$14.00	\$0	\$33,040	\$14.00
900-B	Vacant	3,640	\$50,960	\$14.00	\$0	\$50,960	\$14.00
914-200	CRA	6,000	\$90,000	\$15.00	\$18,375	\$108,375	\$18.06
914-100	Vac./CRA	2,000	\$30,000	\$15.00	\$6,125	\$36,125	\$18.06
930A	Newbridge	980	\$14,976	\$15.28	\$0	\$14,976	\$15.28
930B	Vacant	980	\$14,700	\$15.00	\$0	\$14,700	\$15.00
Total		21,160	\$306,312	\$14.48	\$24,500	\$330,812	\$15.63
Occupied	52.6%	11,140	\$162,012	\$14.54	\$18,375	\$180,387	\$16.19
Vacant	47.4%	10,020	\$144,300	\$14.40	6,125	\$150,425	\$15.01

VACANCY AND ABSORPTION

The seven rental comparables which are a blend of retail and office space used in our analysis indicated vacancy factors ranging from 0% - 28%. We have also consulted several market studies for the subject and surrounding areas. The CBRE MARKETVIEW Broward County Office, Q1 2016 indicated a total office vacancy rate for the Fort Lauderdale submarket of 16.4% and there was 13,273 square feet of positive net absorption in Q1 2016. The total Broward County vacancy rate was 15.2% and there was 96,001 square feet of positive net absorption in Q1 2016. The CBRE MARKETVIEW Broward County Retail, Q1 2016 indicated a retail vacancy rate for the Fort Lauderdale submarket of 5.6%; however, there was 49,985 square feet of negative net absorption in Q1 2016. The total Broward County vacancy rate was 5.4% and there was 43,998 square feet of positive net absorption in Q1 2016.

The survey stated that the outlook for the Broward County office market is continuing its positive trend. The survey stated that positive job growth, a vibrant tourism market and increased consumer spending are helping to drive the County's retail sector.

The subject consists of a newer good-quality building and two older buildings which have been substantially renovated and are in average to good condition with average to good overall appeal. Location appeal for the subject varies, with numerous governmental agencies and a segment of office and retail users finding the location very favorable while many private businesses would shy away from this area.

The current vacancy rate for the subject is 47.4% with 10,020 square feet unoccupied. Suite 900A was reportedly subleased by the prior owner to a chiropractor.

VACANCY AND ABSORPTION
(Continued)

We have assumed this suite to be vacant. The CRA is in negotiations to expand into Suite 914-100 and amend and extent the lease on Suite 914-200. This would lower the vacancy rate to 37.9%. Overall, we have estimated a 15% annualized vacancy factor for the subject. The lease-up of the vacant spaces is projected to be as follows:

The owner of Rental 5, a newer superior quality project with a slightly superior location two blocks east of the subject, stated that he could have achieved stabilized occupancy if they had been willing to lease spaces at \$15 per square foot on a net basis which equates to \$20 per square foot on a gross basis if he had been willing; however, he has stuck to his asking rates of \$25-\$30 per square foot net which equates to \$30 - \$35 per square foot on a gross basis. Suites 547-6 and 8 are small second-floor office suites and we have projected that these suites would be vacant for periods of three months and six months, respectively. The market rent was previously estimated at \$15 per square foot on a gross basis. We have also considered that based on the condition and layout of these small suites the owner would not provide any tenant improvement allowance. Suite 900-A is a relatively large medical office space that awarded the rent it may have to be converted to professional office space. The market rent was previously estimated at \$14 per square foot on a gross basis. We've estimated that the suite will be vacant for a period of 12 months and included a tenant improvement allowance of \$10 per square foot. Suite 900-B is relatively large first floor space which we have attributed a market rent of \$14 per square foot on a gross basis. As previously discussed we have also considered a tenant improvement allowance of \$60 per square foot, \$24 per square foot of which would be the

VACANCY AND ABSORPTION
(Continued)

responsibility of the subject property owner and the remainder by the CRA. We have estimated that this suite would be vacant for a period of 18 months. Suite 914-100 is proposed to be occupied by the CRA and we have previously estimated a market rental rate as combined with Suite 914-200 of \$18.06 per square foot on a gross basis. We will also consider this suite to be vacant for six months and have applied a landlord contribution for tenant improvements of \$10 per square foot. Suite 930 B was considered to have a market rental rate of \$15 per square foot on a gross basis. We have estimated that the suite would be vacant for a period of nine months. The interior was recently renovated and we have not applied a landlord contribution for tenant improvements. We have also included leasing commissions of 3% of total base rent on three year lease for each of the suites. The total rent loss attributable the vacant space is calculated below.

Suite	SF	Annual Gross Rent	Gross Rent/SF	Months Vacant	Rent Loss	TIs/SF	Tenant Improvements	Leasing Commissions	Total
547-6	520	\$7,800	\$15.00	3	\$1,950	\$0	\$0	\$702	\$2,652
547-8	520	\$7,800	\$15.00	6	\$3,900	\$0	\$0	\$702	\$4,602
900-A	2,360	\$33,040	\$14.00	12	\$33,040	\$10	\$23,600	\$2,974	\$59,614
900-B	3,640	\$50,960	\$14.00	18	\$76,440	\$24	\$87,360	\$4,586	\$168,386
914-100	2,000	\$36,125	\$18.06	6	\$18,063	\$10	\$20,000	\$3,251	\$41,314
930B	980	\$14,700	\$15.00	9	\$11,025	\$0	\$0	\$1,323	\$12,348
Total	10,020	\$150,425	\$15.01		\$144,418		\$130,960	\$13,538	\$288,916
Rounded									\$290,000

The preceding rent loss will be deducted from the capitalized value at stabilized occupancy subsequently estimated in this report.

OPERATING EXPENSES

Operating expenses include fixed and variable categories. Fixed expenses include real estate taxes and property insurance. Variable expenses include maintenance of the building and grounds, management, accounting, etc. Expenses for the subject are based on projections by the appraisers based on analysis of similar projects locally and the actual expenses submitted by the owner.

The appraisers have discussed the operating expenses for the subject property individually based on the rent roll area of 21,160 square feet as follows:

Real estate taxes were previously estimated in the Site Data section at \$42,478 which is the amount included in our analysis.

Building insurance was reported by the owner to total \$21,530 reflecting approximately \$1.02 per square foot of gross building area. This is considered to be reasonable, as all three buildings have impact windows and are either relatively or have been totally updated and remodeled.

The prior owner reported a maintenance and repair cost of \$3,000 which equates to \$.13 per square foot and is on the low side. We have estimated the maintenance and repairs cost of \$1.00 per square foot or \$21,160 which is considered to be reasonable for buildings such as the subject.

Common area electric was reported by the prior owner to be \$2,240 per year. This is considered to be adequate for common areas (parking lot, walkways, hallways, etc.) and has been utilized as reported.

OPERATING EXPENSES
(Continued)

Utilities consisting of common water, sewer and trash expenses were projected by the prior owner to be \$2,780 per year or \$231.67 per month. This is considered to be too low given the number of tenants, building sizes, etc. We have projected this expense to be \$1,200 per month or \$14,400 per year which is adequate for the subject buildings.

Management for the building is estimated at 5% of effective gross income. Several management firms contacted quoted rates ranging from 3% - 5%. Considering that the subject is a multi-tenant mixed-use commercial building, 5% is considered reasonable. This is the amount reported by the landlord to operate the building. This is considered to be a landlord expense not reimbursed by the tenants.

Accounting and legal expense was reported by the prior owner to be \$1,000 annually which is considered to be lower than typical. We have estimated this expense to be \$2,000 per year.

We have also estimated a reserves expense of \$.20 per square foot of leasable building area of \$4,232. Considering the fact that one of the subject buildings is new and the other two have been completely renovated recently, these expenses are considered to be reasonable.

Total expenses are \$122,100 or \$5.77 per square foot of rent roll area. Given the new age and good condition of the subject buildings, this is considered to be reasonable. The CRA is projected to reimburse \$24,500 which is \$3.06 per square foot of their leased area and \$1.16 per square foot of the total leasable area. Tenant electric and minor interior maintenance has not been included as these will be paid by the individual tenants.

CAPITALIZATION OF NET OPERATING INCOME

Capitalization is defined as the conversion of income into value.⁶ This appraisal will utilize the direct capitalization method which converts an estimate of a single-year's income expectancy into an indication of value. This is the simplest of the two primary capitalization methods (direct and yield), to apply and understand and is considered to be very reliable when sufficient market data exists. The basic formula for the direct capitalization method is as follows:

$$\text{Value} = \frac{\text{Annual Net Operating Income}}{\text{Overall Rate}}$$

The overall rates reflect the relationship of value to net income for various types of properties. There are various methods of deriving an overall rate. Derivation of an overall rate from comparable sales is the technique considered to be most accurate. As an alternate methodology, we have also consulted with several national data services which provide rate information for the various types of properties. The applicable overall rates used in valuing the components of the subject property under the valuation scenarios requested by the client are discussed below.

We were not able to locate sufficiently similar comparable sales in order to perform a sales comparison approach. Therefore, we have included overall rates from sales of other properties not considered to be adequately comparable to be used in a comparable sales analysis, but none the less provide some indication of an appropriate overall rate for the subject property. They are summarized as follows:

6 The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, Page 28, Appraisal Institute

CAPITALIZATION OF NET OPERATION INCOME
Continued

Sale	Address	Sale Date	Sale Price	NOI	OAR
A	1395 W Sunrise Blvd Fort Lauderdale, FL	01/14	\$975,000	\$81,900	8.40%
B	2692 N University Dr. Sunrise, FL	01/15	\$1,907,000	\$143,025	7.50%
C	777 E Oakland Park Blvd Oakland Park, FL	03/14	\$1,150,000	\$85,330	7.42%
D	3650 W Broward Blvd Fort Lauderdale, FL	12/14	\$1,214,000	\$76,482	6.30%
E	4600 Sheridan St. Hollywood, FL	03/15	\$4,700,000	\$329,000	7.00%

The sales have superior locations and would generally have lower overall rates than that applicable to the subject.

As an alternate methodology, we have also consulted with several national data services which provide rate information for the various types of properties. These data services are discussed below.

The Real Estate Research Corporation (RERC) is a nationally-recognized investment research firm which researches and obtains data on investment parameters including capitalization rates for a variety of properties. PwC, formerly known as Price Waterhouse Coopers, provides similar analyses.

These surveys analyze various purchases and anticipated rates of return for a variety of properties. They are for medium and large properties and are considered to be appropriate for the subject property. RERC defines First Tier investment properties as new or newer-quality construction in prime to good locations. They define Second Tier investment properties as aging former First Tier properties in good to average locations. The subject building is in very good condition and has a good location. Considering these

CAPITALIZATION OF NET OPERATION INCOME
Continued

factors, the subject is considered to fall between the First and Second Tier RERC property categories and the institutional grade and non-institutional grade PwC categories.

The overall rates from the RERC surveys of South Region and Miami Neighborhood/Community Shopping Centers and Suburban Office Buildings and the PwC survey of the National Strip Shopping Center and Southeast Florida Office Markets for the Fourth Quarter of 2015 are summarized in the following charts. In general, the Miami rates are lower than the South Region. RERC does not survey Second Tier investment properties in the Miami area. This column is our adjusted estimate based on the differential between the South Region and Miami First Tier surveys. PwC also does not publish the rate spreads between institutional and non-institutional investments for the Southeast Florida Office Market. Therefore, we have used the typical published spreads for other office markets which would be relatively similar.

Neighborhood/Community Shopping Centers and National Strip Shopping Center Rates	RERC First Tier South Region	RERC Second Tier South Region	RERC First Tier Miami	RERC Est. Second Tier Miami	PwC Institutional Grade	PwC Non-Institutional Grade
<u>Going-In Cap%</u> Range Average	5.5%–9.0% 7.0%	6.0%–9.5% 7.8%	N/A 6.5%	N/A 7.3%	4.50%–9.50% 6.38%	4.75%–14.50% 7.72%
Suburban Office and Southeast Florida Office Rates	RERC First Tier South Region	RERC Second Tier South Region	RERC First Tier Miami	RERC Est. Second Tier Miami	PwC Institutional Grade	PwC Non-Institutional Grade
<u>Going-In Cap%</u> Range Average	6.0%–9.5% 7.3%	7.0%–10.0% 8.1%	N/A 7.1%	N/A 7.9%	4.50%–10.00% 7.18%	5.00%–12.50% 8.68

The subject consists of relatively good-quality buildings one of which is recently built and two of which have been recently renovated and are in good condition. It has

CAPITALIZATION OF NET OPERATION INCOME

Continued

good location appeal. We have also considered the size of the improvements which warrant a slightly lower rate than the larger buildings in the published surveys. Based on the preceding as well as the comparable sales, the PwC and RERC surveys and considering the characteristics of the subject property, we have estimated an overall capitalization rate of 8.00% to be applicable to the subject property. The income approach is summarized as follows.

SUMMARY OF INCOME APPROACH

6TH STREET PLAZA	Square Feet (Rent Roll)		21,160
Income/Expense	\$/Year		\$/SF
Base Rent		\$306,312	\$14.48
Expense Reimbursement		\$24,500	\$1.16
Potential Gross Income		\$330,812	\$15.63
Vacancy (15%)		\$49,622	\$2.35
Effective Gross Income		\$281,190	\$13.29
Expenses:			
Real Estate Taxes	\$42,478		\$2.01
Insurance	\$21,530		\$1.02
Maintenance	\$21,160		\$1.00
Electric	\$2,240		\$0.11
Water/Sewer/Trash	\$14,400		\$0.68
Management	\$14,060		\$0.66
Professional Fees	\$2,000		\$0.09
Reserves	\$4,232		\$0.20
Total Expenses		\$122,100	\$5.77
Net Operating Income		\$159,091	\$7.52
Overall Rate		0.08	\$0.00
Estimated Value		\$1,988,634	\$93.98
Rounded		\$1,990,000	\$94.05
Less Rent Loss		\$290,000	\$13.71
Value As Is		\$1,700,000	\$80.34

CAPITALIZATION OF NET OPERATION INCOME
Continued

Based on this, the estimated value of the subject property via the income approach as is as of May 31, 2016, is:

ONE MILLION SIX HUNDRED NINTY-FIVE THOUSAND DOLLARS
(\$1,700,000).

FINAL RECONCILIATION

Reconciliation is defined as “the last phase in the development of a value opinion in which two or more value indications derived from market data are resolved into a final value opinion, which may be either a final range of value or a single point estimate.”⁷ The process involves a review of approaches used, quantity and quality of data and methods and techniques of analysis. A conclusion of value is reached based on the appraiser’s opinion of the reliability of each approach used.

One of the three traditional approaches to value has been used in this appraisal. The following value is indicated.

Income Approach

\$1,700,000

The sales comparison approach involves the research and analysis of sales of improved properties that are considered similar to the subject. The reliability of this approach is dependent on the quantity and quality of sales data. As discussed previously, there have been few if any sales of comparable buildings in similar neighborhoods that have sold recently. For this reason, the sales comparison approach is not considered applicable.

Also, as discussed previously, the cost approach was not used in this appraisal due to the lack of available comparable land sales and the fact that two of the three subject buildings are older buildings which have been renovated and are most likely legal non-conforming uses.

The income approach is based on the principal of anticipation with value reflecting worth of future income. This approach is considered applicable as a portion of the subject

⁷ The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, Page 79, Appraisal Institute

FINAL RECONCILIATION
(Continued)

market purchases properties similar to the subject for investments. The seven comparable rental buildings are a blend of retail and office space similar to the subject property. All were located in the same general market area and are considered to reflect the same general market.

Vacancy, collection loss and estimated expenses were derived from information obtained in the market. The overall capitalization rate was also obtained from the market and are considered to be accurate. Overall, the income approach is considered well supported.

The income approach is by far the most applicable approach for a property like the subject. This approach is considered to be well supported and reflective of current market values. Based on the preceding, the estimated value of the leased fee interest of the subject as of May 31, 2016, is estimated to be:

ONE MILLION SEVEN HUNDRED THOUSAND DOLLARS


(\$1,700,000).

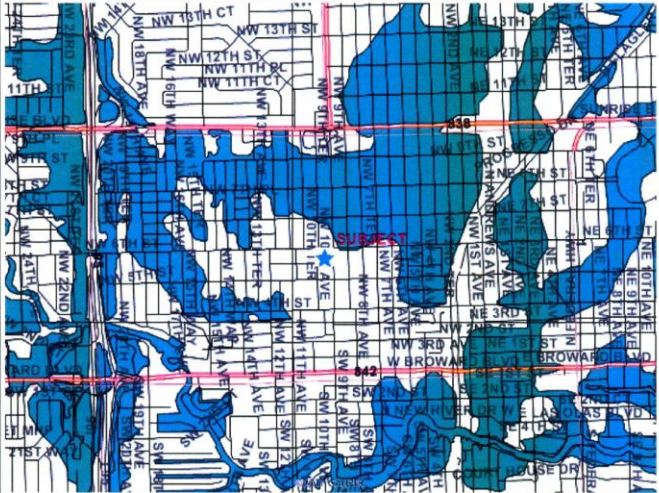
ESTIMATE OF EXPOSURE TIME/MARKETING TIME

In estimating the exposure time for the subject property, we have considered current market and economic conditions, the subject's location, quality and marketability and held discussions with real estate brokers active in the subject market. As we did not include a comparative sales analysis, we were unable to ascertain the marketing periods for the any improved sales. The subject property has average location and market appeal. Current market and economic conditions are relatively soft. Based on discussions with real estate brokers active in the subject area, an exposure time for the subject property would typically range between 12 - 18 months. Based on the preceding, we have estimated the exposure time for the subject property at 12 - 18 months. In this case, the marketing time and the exposure time would be considered to be the same.

ADDENDA

Zone Definitions		How to move star			
Address:	City:	State:	ZIP Code:		
				Find Property	



PROPERTY INFORMATION	
<div> <div> Info Zoom In Zoom Out Pan Initial Map </div> <div> Once map has loaded..select info tool & click on your property to display flood & census data </div> </div>	
	FLOOD DATA: COMMUNITY: 126105 PANEL: 0369H ZONE: x DATE: 20140818 <small>Year/Month/Day</small> CENSUS DATA: TRACT: 416 NAME: 12011041600 POPULATION: 5572 MEDIAN AGE: 29.7999992370605 HOUSING UNITS: 2545 UNITS OCCUPIED: 2098 UNITS VACANT: 447
<div> Add Label SUBJECT Hide Label </div> <div> <input checked="" type="checkbox"/> Floods <input checked="" type="checkbox"/> Streets <input checked="" type="checkbox"/> Hiways <input type="checkbox"/> Census Redraw Map </div>	<div>Type in a label and click to place on area.</div> <div>Layers checked are visible. To change layers check/uncheck and click redraw map</div>

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Subject: Re: Notice to Proceed with Expedited Appraisal for Sixth Street Plaza property
From: Mike Meacham (mmeacham@bellsouth.net)
To: BWojcik@fortlauderdale.gov;
Cc: JonathanBr@fortlauderdale.gov;
Date: Friday, May 13, 2016 12:57 PM

The cost approach is not applicable because the project would not be financially feasible to be developed by the market. We will proceed with the appraisal.

Michael B. Meacham, MAI
Meacham & Associates, Inc.
Real Estate Appraisers/Consultants
3409 NW 9 Avenue, Suite 1106
Oakland Park, FL 33309
954-463-3091 ~Phone
954-463-8741 ~ Fax
mmeacham@bellsouth.net

From: Bob Wojcik <BWojcik@fortlauderdale.gov>
To: Mike Meacham <mmeacham@bellsouth.net>
Cc: Jonathan Brown <JonathanBr@fortlauderdale.gov>; Bob Wojcik <BWojcik@fortlauderdale.gov>
Sent: Friday, May 13, 2016 11:26 AM
Subject: Notice to Proceed with Expedited Appraisal for Sixth Street Plaza property

Mike, Please proceed with the expedited appraisal for Sixth Street Plaza property below.
Why cant you also do the cost approach?

From: Mike Meacham [mailto:mmeacham@bellsouth.net]
Sent: Friday, May 13, 2016 10:09 AM
To: Bob Wojcik
Subject: Re: NEED PRICE PROPOSAL FOR EXPEDITED APPRAISAL

Bob,

The fee is \$2,500 and time frame is 3 weeks. As you may know we have appraised this property several times for Regent Bank in the past. We are therefore very familiar with this property. The reason that I didn't get back to you sooner is that I wanted to get the bank's approval to do this for the city which I got this morning. Due to the uniqueness of this property we will do the income approach only as there are not any good comparable sales. Please advise if you wish for us to proceed. Thanks.

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1/1

Mike

Michael B. Meacham, MAI
Meacham & Associates, Inc.
Real Estate Appraisers/Consultants
3409 NW 9 Avenue, Suite 1106
Oakland Park, FL 33309
954-463-3091 ~Phone
954-463-8741 ~ Fax
mmeacham@bellsouth.net

From: Bob Wojcik <BWojcik@fortlauderdale.gov>
To: "mmeacham@bellsouth.net" <mmeacham@bellsouth.net>
Cc: Bob Wojcik <BWojcik@fortlauderdale.gov>
Sent: Wednesday, May 11, 2016 3:21 PM
Subject: FW: NEED PRICE PROPOSAL FOR EXPEDITED APPRAISAL

Mike:

Please provide a price proposal for an appraisal report in narrative format for the Sixth Street Plaza property. This is the property where our offices are located that we lease from Regent Bank, who foreclosed the property in January 2016. Their deed is attached along with Broward County Property Appraiser information. It consists of 6 folio numbers with three buildings and parking. The purpose of the appraisal is to make a determination whether we may want to purchase the property. Because this item will be up for discussion at the City Commission meeting on June 6, this is a **PRIORITY PROJECT** and will need to be **EXPEDITED**. I will need both an electronic copy of the appraisal as a pdf and hard copy. Please provide your price proposal by May 16th and I will be issuing a Notice to proceed at that time.

Thank you

Bob Cass Wojcik, AICP
Economic Reinvestment Coordinator
Planner III - LEED Green Associate
Fort Lauderdale Community Redevelopment Agency
914 NW Sixth Street, Suite 200
Fort Lauderdale, FL 33311
Phone: (954) 828-4521
Fax: (954) 828-4500
bwojcik@fortlauderdale.gov
<http://www.fortlauderdale.gov>

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Rent Roll as of 2/26/16 - DRAYT

Bldg - Suite - Tenant	Status	Total RSF	% Total RSF	Lease Term	Lease Begin	Lease End	Bar Rent PSF	Lease PSF	CAM PSF	Total Rent & CAM PSF	Annual Base Rent	Annual CAM	Total Annual Rent & CAM	Monthly Rent	Monthly CAM	Monthly Total Rent & CAM	Annual Escalation	Renewal Options
547 - 1	Vacant	528	2.46%															
Lease was with Quik Clinic moved out. Law Office John Daly 547-2-3] occupying space. 1 Holiday to prepare Amendment to add Unit 1 to Units 2-3.																		
547 - 2 - 3	Occupied	1,056	4.59%	3	7/1/15	7/1/15	15.91			15.91	\$ 16,800.00	\$ -	\$ 16,800.00	\$ -	\$ -	\$ 1,400.00	0%	One 1-Yr, 6.1%
547 - 4	Occupied	528	2.46%	1 Yr	3/1/15	2/29/16	14.42			14.42	\$ 7,500.00	\$ -	\$ 7,500.00	\$ 625.00	\$ -	\$ 625.00	0%	One 1-Yr, 4%
547 - 5	Occupied	520	2.46%	2 Yrs	5/1/14	4/30/16	16.80			16.80	\$ 8,756.00	\$ -	\$ 8,756.00	\$ 728.00	\$ -	\$ 728.00	4%	One 1-Yr, 4%
547 - 9	Occupied	528	2.46%	TBD	TBD	TBD	21.59			21.59	\$ 11,400.00	\$ -	\$ 11,400.00	\$ 950.00	\$ -	\$ 950.00	Unknown	Need Lease. Lease terms unknown; May be using 12 of 547-10-Fidelity Financial
547 - 10	Occupied	528	2.46%	TBD	TBD	TBD	7.95			7.95	\$ 4,200.00	\$ -	\$ 4,200.00	\$ 350.00	\$ -	\$ 350.00	Unknown	Need Lease. Lease terms unknown. Believe Lease is for 12 of 547-10; 547-9 Team Savings Youth uses 12 of 547-10
900 - A	Occupied	2,560	11.44%	TBD	TBD	TBD	8.13			8.13	\$ 19,188.00	\$ -	\$ 19,188.00	\$ 1,599.00	\$ -	\$ 1,599.00	Unknown	Quik Clinic moved-out. Subleased to ChiroCare, used Lease, terms unknown; Sales Tax status unknown
914 - 200	Occupied	6,000	28.33%	7 Yrs	9/1/08	9/8/08 +/-	16.00			16.00	\$ 96,000.00	\$ 18,375.00	\$ 114,375.00	\$ 8,000.00	\$ 1,531.25	\$ 9,531.25	0%	One 7-Yr, 4% Renewed-term unknown
920 - A	Occupied	960	4.53%	23.5 Mo	10/15/13	11/1/13	15.60			15.60	\$ 14,976.00	\$ -	\$ 14,976.00	\$ 1,248.00	\$ -	\$ 1,248.00	4%	One 2-Yr, 4% Expired 9/30/15; Month to Month
920 - B	Vacant	960	4.53%															
Total - Occupied		13,968	65.94%								\$ 178,800.00	\$ 18,275.00	\$ 197,075.00	\$ 14,900.00	\$ 1,631.25	\$ 16,431.25		
Vacant Space																		
547 - 6	Vacant	520	2.46%															
547 - 7	Vacant	520	2.46%															
547 - 8	Vacant	528	2.49%															
500 - B	Vacant	3,640	17.19%															
914 - 100	Vacant	2,000	9.44%															
Total - Vacant Space		7,208	34.04%															
Total Occupied and Vacant		21,176	100%															

02/26/2016

CERTIFICATION

The undersigned appraisers, in accordance with the Standards of Professional Practice and Code of Professional Ethics of the Appraisal Institute, and with the Uniform Standards of Professional Appraisal Practice, certify to the following.

1. Mark Peter Olson, Associate Appraiser and Michael B. Meacham, MAI, have personally inspected the subject building located at 900 - 930 NW 6th Street, Fort Lauderdale, FL.
2. The statements of fact contained in this report are true and correct.
3. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and is our personal, impartial and unbiased professional analyses, opinions and conclusions.
4. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. No one provided significant real property appraisal assistance to the person signing this certification.

CERTIFICATION
(Continued)

11. As of the date of this report, Michael B. Meacham, has completed the continuing education program of the Appraisal Institute.
12. We have previously appraised the subject property on June 26, 2015, August 6, 2013, June 22, 2012 and June 27, 2011. We also inspected the interior and exterior of the property on March 18, 2016 in conjunction with another appraisal assignment that has not yet been completed. Other than that, we have not performed any other appraisal 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.

All work done in the making of this appraisal, excluding processing, was performed by Michael B. Meacham, MAI, and Mark Peter Olson, Associate Appraiser.

Respectfully submitted,



Michael B. Meacham, MAI, President
State-Certified General Real Estate Appraiser RZ 824



Mark Peter Olson, Associate Appraiser
State-Certified General Real Estate Appraiser RZ 1825

LIMITING CONDITIONS

1. The legal description used in this report is assumed to be correct.
2. No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.
3. No responsibility is assumed for matters of a legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable.
4. Information furnished by others is assumed to be true, correct and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the appraiser.
5. All mortgages, liens, encumbrances, leases and servitudes have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless non-compliance is stated, defined, and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report.
9. It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries of property lines of the property described and that there is no encroachment or trespass unless noted within the report.

LIMITING CONDITIONS
(Continued)

11. The appraiser will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made thereof.
12. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with properly written qualifications and only in its entirety.
13. The distribution of the total value in this report between land and improvements applied only under the reported highest and best use of the property. The allocation of value for land and improvements must not be used in conjunction with any other appraisal and is invalid if so used.
14. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the appraiser nor shall the appraisal, firm or professional organization of which the appraiser is a member, be identified without written consent of the appraiser.
15. 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.
16. Liability of Meacham and Associates, Inc. and its employees, independent and subcontractors, is limited to the fee collected for preparation of the appraisal. There is no accountability, or liability, to any third party.

LIMITING CONDITIONS
(Continued)

17. 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.
18. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

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

QUALIFICATIONS OF MICHAEL B. MEACHAM

Professional Memberships

MAI Designated Member of The Appraisal Institute (MAI designation number 9690)
State-Certified General Real Estate Appraiser - Certificate No. RZ 824
Registered Real Estate Broker with the Florida Board of Real Estate
Realtor with the Fort Lauderdale Area Board of Realtors, Florida Association of Realtors,
and the National Association of Realtors
Member of Society of Commercial Realtors of Greater Fort Lauderdale
All continuing education requirements for the MAI designation, state appraiser
certification and Real Estate Broker's license have been met

Education

Bachelor of Science Degree - Business Administration Major - Real Estate, Florida
Atlantic University, Boca Raton, 1980

Real Estate Appraisal Courses

Society of Real Estate Appraiser Course 101, "An Introduction to Appraising Real
Property"
American Institute of Real Estate Appraisers Course 1-A, "Basic Principles, Methods and
Techniques of Real Estate Appraisal"
American Institute of Real Estate Appraisers Course 1B-A, "Capitalization Theory and
Techniques, Part A"
American Institute of Real Estate Appraisers Course 1B-B, "Capitalization Theory and
Techniques, Part B"
American Institute of Real Estate Appraisers Course 2-1, "Case Studies in Real Estate
Valuation"
American Institute of Real Estate Appraisers Course SPP, "Standards of Professional
Practice"
Appraisal Institute Course 2-2, "Valuation Analysis and Report Writing"
Appraisal Institute Course 11430, "Standards of Professional Practice, Page C"
Attended various real estate seminars

Appraisal Experience

Real Property Appraiser for Meacham and Associates, 1976, 1978, 1979 part time,
1980 to present full time

Qualified as expert witness in Broward County, Miami-Dade County and Palm Beach
County Circuit Court, and in Broward County and Dade County Bankruptcy Court

QUALIFICATIONS OF MICHAEL B. MEACHAM
(Continued)

Various Types of Property Appraised

Airplane Hangar Facilities	Leased Fee & Leasehold Interests
Apartment Buildings	Marinas
Asphalt Plants	Medical Offices
Automobile Dealerships	Mini Bay Warehouses
Automobile Rental Facilities	Office Buildings
Automobile Service Facilities	Planned Office/Industrial Parks
Branch Bank Facilities	Planned Unit Developments
Churches	Preschool Facilities
Condominium Apartments	Residences
Condominium Projects	Restaurants
Co-operative Apartments	Retail Stores
Easements	Service Stations
Eminent Domain	Shopping Centers
Funeral Homes	Shopping Malls
Golf Courses	Subdivisions
Hospitals	Townhouse Projects
Hotels	Vacant Land
Industrial Properties	Warehouses

QUALIFICATIONS OF MICHAEL B. MEACHAM
(Continued)

Partial List of Appraisal Clients

American National Bank	Greenberg Traurig P.A.
BAC Florida Bank	Gibraltar Private Bank
BB&T Bank	Huizenga Holdings
Banco Popular	Iberia Bank
Banesco Bank	Intercredit Bank
Bank of America	Interinvest Bank
Bank United	Ironstone Bank
Brinkley Morgan P.A.	Katz Baskies
Broward Bank of Commerce	Kirschbaum, Birnbaum, Lippman &
Brydger and Perras	Gregoire
Bunnell Wolfe	Landmark Bank
CNL Bank	Legacy Bank of Florida
CT Capital	Lydian Bank
Camp & Camp P.A.	M&T Bank
Capital Bank	Marcus & Millichap
Catholic Housing Management	Morgan Carrett and O'Connor
Citibank N.A.	NAT Bank
City of Deerfield Beach	Niles, Dobbin, Meeks P.A.
City of Fort Lauderdale	Northern Trust Bank
City of Hollywood	Palm Beach Community Bank
City of Miramar	Paradise Bank
City of Plantation	Regent Bank
City of Pompano Beach	Regions Bank
City of Sunrise	Rogers Morris and Zeigler
City of Tamarac	Ruden McClosky, P.A.
Coconut Grove Bank	So. Florida Water Management District
Comerica Bank	Sterling Bank
Continental National Bank	Stonegate Bank
Cushman and Wakefield	SunTrust Bank
Euro Bank	TD Bank
Federal Deposit Insurance Corp.	Total Bank
First Citizens Bank	U.S. General Services Administration
First National Bank of Florida	U.S. Postal Service
First Southern Bank	USAmeribancorp Inc.
First United Bank	Valuation Administrators
Florida Bond and Mortgage	Wells Fargo Bank
Florida Dept. of Environmental Protection	
Florida Dept. of Governmental Protection	
Florida Dept. of Transportation	
Florida Shores Bank	
Great Eastern Bank	

QUALIFICATIONS OF MARK PETER OLSON

Education

University of Miami, Miami, Florida; B.S. degree in business administration; major in accounting.

Completed the following courses/exams of the American Institute of Real Estate Appraisers:

1A-1 Real Estate Appraisal Principles
1A-2 Basic Valuation Procedures
8-2 Residential Valuation
1B-A Capitalization Theory and Techniques, Part A
1B-B Capitalization Theory and Techniques, Part B
530 Advanced Sales Comparison and Cost Approaches, Appraisal Institute
540 Report Writing, Appraisal Institute

Completed Course 101 (Introduction to Real Estate Appraisal) of the Society of Real Estate Appraisers

Licensed

Real Estate Salesman - State of Florida
State-Certified General Real Estate Appraiser, Cert No RZ 1825

Experience

1991 -
Present Meacham and Associates, Inc., Fort Lauderdale, FL, Real Property Appraiser
1987-1991 Real Property Analysts, Inc., Fort Lauderdale, FL, Real Property Appraiser
1986-1987 Robert Half, Fort Lauderdale, FL, Accountant
1983-1986 Business Opportunities, Unlimited, San Diego, CA, Sales Consultant
1981-1983 Brown and Root, Inc., Houston, TX, Accountant
1980 U.S. Home, Houston, TX, Internal Auditor



Has Completed

Appraisal assignments for residential and commercial properties.

Apartment buildings	Office Buildings	Single-family residences
Commercial buildings	Outdoor advertising	Unimproved residential,
Condemnation	Service stations	commercial, industrial and
Industrial buildings	Shopping centers	community facility sites and
Hotels and motels	restaurants	land

RICK SCOTT, GOVERNOR

KEN LAWSON, SECRETARY

STATE OF FLORIDA DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION FLORIDA REAL ESTATE APPRAISAL BD	
LICENSE NUMBER	
RZ824	
The CERTIFIED GENERAL APPRAISER Named below IS CERTIFIED Under the provisions of Chapter 475 FS. Expiration date: NOV 30, 2016	
MEACHAM, MICHAEL B 100 SE 12TH STREET FORT LAUDERDALE FL 33316	
	
	



ISSUED: 11/25/2014

DISPLAY AS REQUIRED BY LAW

SEQ # L1411250002282

RICK SCOTT, GOVERNOR

KEN LAWSON, SECRETARY

STATE OF FLORIDA DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION FLORIDA REAL ESTATE APPRAISAL BD	
LICENSE NUMBER	
RZ1825	
The CERTIFIED GENERAL APPRAISER Named below IS CERTIFIED Under the provisions of Chapter 475 FS. Expiration date: NOV 30, 2016	
OLSON, MARK PETER 100 SE 12TH STREET FORT LAUDERDALE FL 33316	
	
	

ISSUED: 11/20/2014

DISPLAY AS REQUIRED BY LAW

SEQ # L1411200002248