

ALLIED APPRAISAL SERVICES, INC.

COMMERCIAL PROPERTY APPRAISAL REPORT

MATHEWS STORAGE YARD PROPERTY
223 NORTHEAST 13 STREET
POMPANO BEACH, FLORIDA 33060

PREPARED FOR

OFFICE OF THE ASSISTANT CITY MANAGER
THE CITY OF POMPANO BEACH
100 WEST ATLANTIC BOULEVARD
POMPANO BEACH, FL 33060

Date of Inspection

July 13, 2016

Date of Valuation

September 16, 2016

September 19, 2016

Greg Harrison, Assistant City Manager
City of Pompano Beach, Florida
100 W. Atlantic Blvd. 4th Floor
Pompano Beach, Florida 33060

Dear Mr. Harrison:

In accordance with your request, we have personally inspected and appraised a commercial storage yard (The Subject Property) located at 223 NE 13th Street, Pompano Beach, Florida 33060 for the purpose of reporting to you the market value of the property in "as is" condition as of September 16, 2016, the date of valuation.

The appraiser was not provided a survey or site plan of the property and the following data is developed from a personal inspection of the property and public record information.

Based on its legal description, the subject property is a corner lot at the intersection of NE 13th Avenue and NE 3rd Street with 125 feet of frontage on the north side of NE 13th Street and 142.57 feet of frontage on the west side of NE 3rd Avenue, indicating a total land area of 17,821 square feet or approximately 0.41 acres. The site is chain link fenced with 3 gates and has visibility screening on all sides. The property appears to be mostly paved by previous users of the property.

The appraiser has been advised that the property is leased to a single tenant. A tenant employee on site indicated the tenant does business as Repossessions Unlimited, a vehicle towing and recovery business. The client has indicated that communication with the owner and tenant is not necessary for purposes of this appraisal.

The appraiser has not been provided with a contamination assessment report for the property and presumes no adverse environmental soil or sub-soil conditions are present on or near the subject property that would adversely affect the marketability or value of the property. His opinion of value could change if this premise should prove to be incorrect.

223 NE 13 St, Pompano Beach, Florida

ALLIED APPRAISAL SERVICES, INC.

Based on his analysis, it is the appraiser's opinion that the subject property market value as of September 16, 2016 is

\$315,000

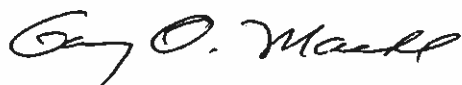
(THREE HUNDRED FIFTEEN THOUSAND DOLLARS)

The attached Appraisal Report has been prepared to conform to the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP). At the request of the client, the report contains condensed or summary discussions of the data, reasoning, and analysis that were used in the appraisal process to develop the appraisers' opinion of value. Supporting documentation concerning the data, reasoning and analysis is retained in the appraiser's file and this report can be expanded, at additional cost, to include more complete data and analysis.

This letter must remain attached to the report, which contains 34 pages including related exhibits, in order for the value opinion set forth to be considered valid.

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

Respectfully submitted,
Allied Appraisal Services, Inc.



Gary O. Maehl, ASA
State-Certified General Real Estate Appraiser #RZ728

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CERTIFICATION

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

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

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

I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

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

My engagement for this assignment and the 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.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP)

I have made a personal inspection of the property that is the subject of this report.

Garrett Langford, State Registered Trainee Appraiser # RI23994 provided significant professional assistance to the person signing this report. This assistance included property inspection, data gathering, sales research and analysis and report development under my direction and supervision.

As the supervisory appraiser of the registered trainee who contributed to the development or communication of this appraisal, I accept full and complete responsibility for any work performed by the registered appraiser trainee named in this report as if it were my own work.

Signature:



Gary O. Maehl, ASA
State-Certified General Real Estate Appraiser #RZ728

CLIENT

Office of the Assistant City Manager
City of Pompano Beach, Florida
100 West Atlantic Blvd. 4th Floor
Pompano Beach, Florida 33060

PURPOSE AND DATE OF APPRAISAL

The purpose of the appraisal is to estimate the market value of the fee simple estate in the subject property "as is" based on market conditions prevailing on July 13, 2016, the date of inspection of the property and the effective date of value.

INTENDED USERS OF THE REPORT

The intended users of the report are the Client and other authorized individuals or advisors.

INTENDED USE OF THE REPORT

It is the appraiser's understanding that the City of Pompano Beach is interested in negotiating with the property owner to acquire the property. The intended use of this appraisal is to assist the various parties in the decision making process

APPRAISERS' COMPETENCY RULE COMPLIANCE

The appraiser responsible for this appraisal report is sufficiently experienced and knowledgeable to accept and complete this appraisal assignment and has previously prepared and delivered appraisal reports for similar properties.

The appraiser has complied with the USPAP competency provision. Gary Maehl is a Florida State-Certified General Real Estate Appraiser #RZ728 and holds the professional ASA senior appraiser designation. For additional information about the appraiser's experience please refer to the Appraiser's Qualifications towards the end of this report.

APPRAISER'S HISTORY WITH PROPERTY

Gary Maehl has not appraised or provided any other services at the subject property within the past three years.

PERSONAL PROPERTY, FURNITURE, FIXTURES AND EQUIPMENT

This appraisal does not consider or value the business or any machinery, equipment, trade fixtures, inventory, furniture, or personal property located at the property.

SUMMARY OF KEY DATA

Client & Intended User:	Assistant City Manager, City of Pompano Beach, FL
Property Name:	Frederick, DJA, & Aimee Mathews Property Tenant: Kline's Towing and Recovery
Address:	223 NE 13 th Street Pompano Beach, FL 33060
Location:	Industrial and Heavy Business District
County Tax Parcel No:	4842-35-00-0041
Property Type:	Vacant Commercial & Industrial Land
Current Use:	Storage Yard for Autos
Occupancy:	100% Rented MTM
Owner of Record:	MATHEWS, FREDERICK LE MATHEWS, D J A & MATHEWS, AIMEE J
Site Area:	
Gross Area	17,821 Sq. Ft.
Usable Area	17,821 Sq. Ft.
Building Area:	N/A
Year Built:	N/A
Land to Bldg Ratio:	N/A
Parking:	N/A
Hazardous Waste Conditions:	None observed See Assumptions and Limiting Conditions Numbers 17 & 18
Flood Zone & Map Reference:	Zone "X500", Panel Number 12011C0376H Map dated 8/18/14
Zoning:	City of Pompano Beach B-4, Heavy Business

223 NE 13 St, Pompano Beach, Florida

ALLIED APPRAISAL SERVICES, INC.

Improvements Description:	Subject is vacant land used for automobile storage.
Highest & Best Use - Vacant:	Develop for industrial use or incorporate with adjacent City owned Public Works properties.
Highest & Best Use as Improved:	Continue present use
Property Rights Appraised:	Fee Simple
Marketing Time:	12 months
County Tax Values (2016)	
Total Market Value	\$149,090
Total Assessed Value	\$149,090
Real Estate Taxes (2015)	\$3,114.09
Sales History	No transfer recorded within the past three years
Date of Inspection:	July 13, 2016
Date of Value:	July 13, 2016
Market Value Opinion As Is:	\$315,000
Cost Approach	N/A
Market Comparison Approach	\$315,000
Income Approach	\$N/A
Appraiser:	Gary O. Maehl, ASA Florida State-Certified General Real Estate Appraiser #RZ728
Assistant Appraiser:	Garrett Langford Florida Registered Trainee Appraiser #RI23994

PROPERTY RIGHTS APPRAISED

The property rights appraised are those of a fee simple estate. "Fee Simple" is defined as absolute ownership unencumbered by any other interest or estate.

DEFINITION OF MARKET VALUE

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

SOURCE: The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, Page 123.

HIGHEST AND BEST USE

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

A site is always valued in terms of its highest and best use. The determination of the highest and best use of a property is a sequential process. Potential uses for a property are tested as being physically possible, legally permissible, financially feasible, and maximally productive. That use which provides the highest value and best use. The appraiser must determine the highest and best use of the site as though it were vacant as well as currently improved. Determining the highest and best use as vacant assumes that the land is already vacant or can be made vacant by demolition of the existing improvements. The highest and best use as vacant is generally used to determine the land value for the subject property. The four tests of highest and best use are as follows:

Physically Possible. An analysis of the physical characteristics of the site such as size, shape, location, topography and soil types is made to determine the suitability of the site for development.

Legally Permissible. The zoning regulations, future land use plan, building codes, deed restrictions, and any other governmental or environmental restriction that may apply are considered.

Financially Feasible. Uses must be found to be feasible, which is dependent on the demand for certain types of property, the existing supply, and the demographics of the surrounding area of influence.

Maximally Productive. The use which meets the previous criteria, and is expected to generate the greatest rate of return to the land over a given period of time, is maximally productive.

Highest and Best Use As Vacant

The subject property consists of a 17,821 square foot vacant land parcel, zoned B-4 Heavy Business. The B-4 zoning is intended to be used for a diverse range of business and trade shops, automotive services and similar business uses. The subject is located in an older commercial and industrial area having only a few privately owned properties in the midst of what is now the City of Pompano Beach Public Works facility. During the past 20 years or so the City of Pompano Beach has expanded its public works facility which at one time was some distance away, and which now nearly surrounds the subject property. Based on the physically possible, legally permissible, and character of the surrounding neighborhood, an office/warehouse is physically possible, legally permissible and the most likely use if not for the expansion of the City facilities.

Therefore, it is our opinion the highest and best use of the subject property "as vacant" is for some type of commercial development permissible by its zoning or for incorporation into the City Public Works facility properties adjacent to the subject.

Highest and Best Use As Improved

The subject site is not improved and no analysis is required.

ASSUMPTIONS AND LIMITING CONDITIONS

1. Unless otherwise stated, the value appearing in this appraisal represents our opinion of the market value or the value defined **AS OF THE DATE SPECIFIED**. Values of real estate are affected by national and local economic conditions and consequently will vary with future changes in such conditions.
2. Possession of this report or any copy thereof does not carry with it the right of publication nor may it be used for other than its intended use. The physical report(s) remains the property of the appraiser for the use of the client. The fee is for the analytical services only. The report may not be used for any purpose by any person or corporation other than the client or the party to whom it is addressed or copied without the written consent of an officer of the appraisal firm of Allied Appraisal Services Inc. and then only in its entirety.
3. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations efforts, news, sales or other media without written consent and approval of an officer of Allied Appraisal Services Inc.
4. The appraiser may not divulge the material contents of the report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his designee, as specified in writing except as may be required by the Appraisal Institute or the American Society of Appraisers, as they may request in confidence for ethics enforcement or by a court of law or body with the power of subpoena.
5. Liability of Allied Appraisal Services, Inc. and its employees is limited to the fee collected for the appraisal. There is no accountability or liability to any third party.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures, which make it more or less valuable. The appraiser assumes no responsibility for such conditions or the engineering which might be required to discover these facts.
7. This appraisal is to be used only in its entirety. All conclusions and opinions concerning the analysis which are set forth in the report were prepared by the appraisers whose signatures appear on the appraisal report. No change of any item in the report shall be made by anyone other than the appraiser and the appraiser and firm shall have no responsibility if any such unauthorized change is made.
8. No responsibility is assumed for matters legal in character or nature, or matters of survey, or of any architectural, structural, mechanical or engineering nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report.
9. No responsibility is assumed for accuracy of information furnished by or from others, the clients, his designee or public records. We are not liable for such information or the work of subcontractors. The comparable data relied upon in this report has been represented as being confirmed with one or more parties familiar with the transaction or from affidavit. All are considered appropriate for inclusion to the best of our knowledge and belief.

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

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

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

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

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

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

16. This appraisal report has been prepared for the exclusive benefit of the Client. Any party who uses or relies upon any information in this report, without the preparer's written consent, does so at his own risk. If this report is placed in the hands of anyone but the client, client shall make such party aware of all the assumptions and limiting conditions of this assignment.

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

18. Insurance Value Estimate Disclaimer. If specifically requested in the client's requested scope of work, an estimate of insurable value (may be/is) provided herein. In response to such a request the appraisal firm and those appraiser(s) responsible for this assignment will follow traditional appraisal standards such as construction cost reference manuals to develop a reasonable calculation. The insurance values developed in this manner are similar to but not the same as values developed in the Cost Approach to value.

If a replacement cost estimate is included in this appraisal it should not be relied upon to determine proper insurance coverage which can only be properly estimated by consultants considered experts in cost estimating and insurance underwriting. It is provided only as an aid to the client/reader/user as part of their overall decision making process and no representations or warranties are made by the appraiser or appraisal firm regarding the accuracy of this estimate. In order to properly insure a property, it is strongly recommended that other sources be utilized to develop an estimate of insurable value.

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

SCOPE OF ASSIGNMENT

The scope of this real estate appraisal includes the following:

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

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

LOCATION DATA – BROWARD COUNTY

Broward County is located on the coast of the Atlantic Ocean in the heart of the "Gold Coast" area of Florida which generally refers to the area from Palm Beach to Miami. It is the second most populous county in Florida with an estimated population of 1,839,000 as of 2013. It is geographically located just north of Miami-Dade County, the most populous Florida county.

Fort Lauderdale is the county seat and is the largest city in the county. There are 31 other cities and towns in the county and they range from ultra high value residential communities to more modest mixed residential and commercial and industrial areas. In all, there are about 810,000 housing units including single family homes and rental, co-op or condominium apartments and they range in value from less than \$50,000 to multi millions with a median value of \$181,500.

While the county has a significant number of retirees, there are more than 56,000 non government businesses employing more than 620,000 workers. The county has an international airport, a major seaport and its cruise ship port ranks in the top two or three nationally with millions of passengers annually. The county is served by two major railroads as well as a commuter rail system. Highway infrastructure is constantly being upgraded with good local and long distance roads and highways.

The county seat of Fort Lauderdale has a significant downtown business area with many high rise office buildings.

Tourism is still a major economic force in the county along with Latin American and Caribbean finance and trade activities. With its semi tropical location on the shores of the Atlantic Ocean, the area is developed with many large hotel and resort properties and high rise residential condominiums. Hundreds of miles of inland waterways and canals have made the area known as the Venice of America. The marinas and boatyards that serve boaters and yachtowners have evolved to a significant economic force and a source of thousands of jobs.

LOCATION DATA – CITY OF POMPANO BEACH

Pompano Beach is a coastal city of 105,000 residents. It is located in Broward County and contains 24 square miles of land area. While early 1900 - 1940 activities were agricultural in nature, the present finds a city with a well balanced economy having more than 14,000 licensed businesses. The Atlantic Ocean, the Intracoastal Waterway and the many connecting canals has great appeal and has resulted in development of many waterfront residential properties and a rapid increase in population from 1950 and continuing to the present. Its location at the latitude where the subtropics of North America begin gives the city its extraordinary climate and landscape.

Pompano Beach is a dynamic, multi-cultural city with a strong social and environmental consciousness. People are drawn to the city by its individualistic style, acceptance of different cultures and lifestyles and distinctive residential neighborhoods. The city has a rich history and is protective of its historic architectural fabric. There are designated historic districts in the city and a preservation code to protect buildings in those districts.

The city has a broad array of recreational opportunities, including the public beach, boating in fresh and saltwater, two municipally owned golf courses and a fishing pier, many parks and athletic facilities and a community amphitheater. A new "Arts and Activities" area is in early stages of development resulting in significant redevelopment of the historic older central business neighborhood.

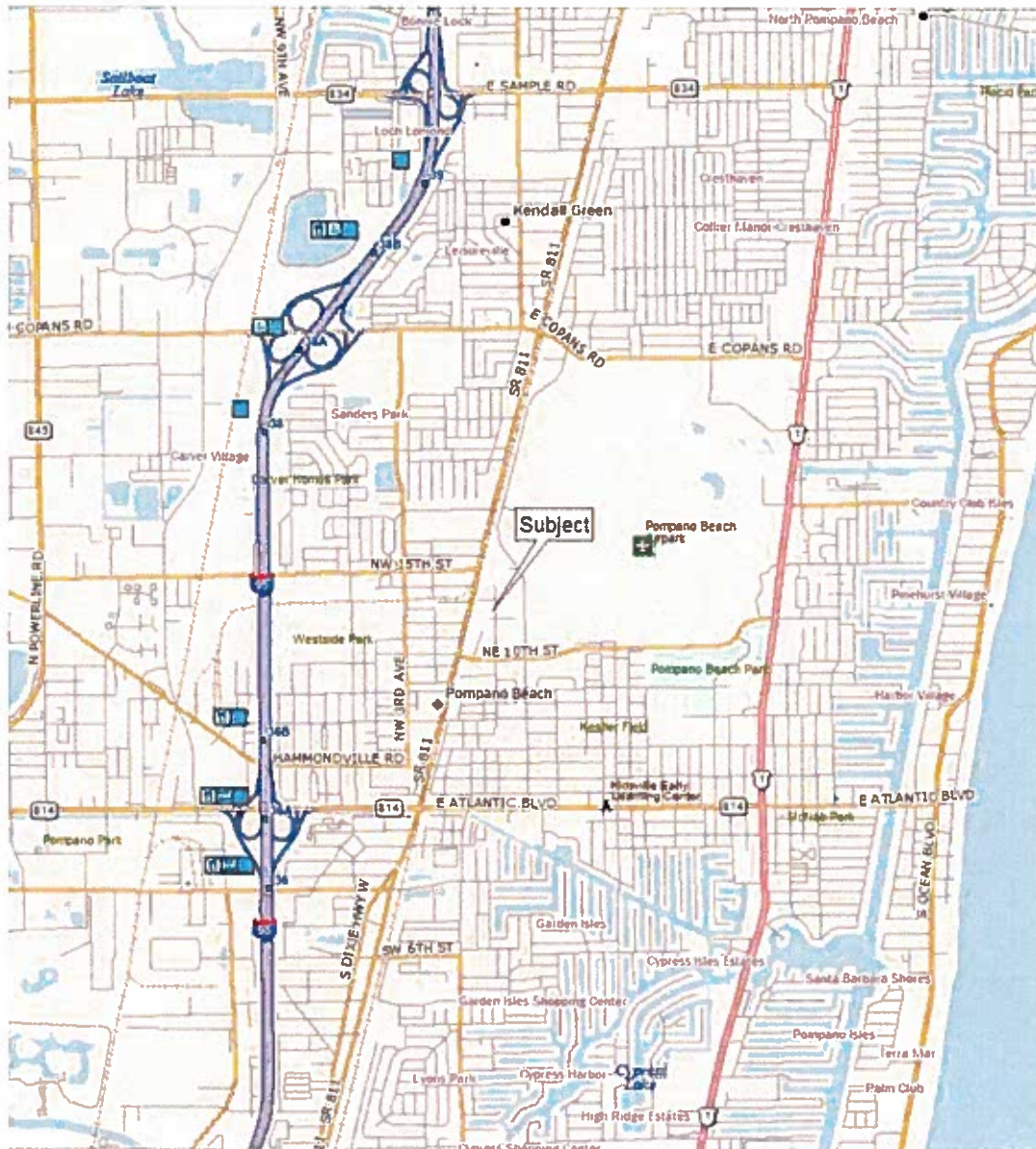
The city is well located in the heart of the Florida "Gold Coast" lying almost midway between Palm Beach and Miami. Any and all urban activities are just minutes away.

There are nearly 56,000 housing units in the city with 64% being in multi family condo, co-op or rental properties and the home ownership rate is 57% . About 23% of residents have a college education and, based on 2010 census data, the median per capita income is \$25,500 and the median household income is \$40,200.

The economic forces in the city include tourism, commercial and industrial enterprises ranging from small one person businesses to large scale employers such as the racetrack and casino with more than 1000 employees. The city government is also a major employer with about 700 employees not including the police force which is provided by the Broward County Sheriff's Department.

Road and highway transportation is good with three interchanges on Interstate 95 and one entrance to the Florida Turnpike. There is a commuter rail station that provides frequent trains to the Miami and West Palm Beach area. There is a general aviation airport in the city with runways that handle up to all but the largest commercial aircraft. There are several marinas in the city that provide services and dockage for boats of all sorts as well as deep sea fishing and reef diving. Access to the Atlantic Ocean is via the Hillsboro Inlet at the northern city limits.

AREA MAP SHOWING SUBJECT



PHOTOS OF THE SUBJECT PROPERTY



VIEW FROM 13TH STREET GATE



REAR VIEW FROM NORTH MAN GATE

STREET VIEWS



NE13TH STREET LOOKING WEST



NE 13TH STREET LOOKING EAST

STREET VIEWS



NE 3RD AVENUE LOOKING NORTH



NE 13TH AVENUE LOOKING SOUTH

DESCRIPTION OF THE PROPERTY

Site Analysis

The appraiser has not been provided a survey that shows boundaries, dimensions and existing easements. No apparent easements or encroachments are observed.

Based on its legal description, the subject property is a corner lot at the intersection of NE 13th Avenue and NE 3rd Street with 125 feet of frontage on the north side of NE 13th Street and 142.57 feet of frontage on the west side of NE 3rd Avenue, indicating a total land area of 17,821 square feet or approximately 0.41 acres. The site is chain link fenced and has opaque screening on all sides. The land area appears to be approximately 70% paved from previous uses of the property.

The property has driveway access to both NE 3rd Avenue and NE 13th Street and a man gate access to the property adjacent to the north.

The immediate neighborhood is commercial and industrial in nature with the largest user being the City of Pompano Beach Public Works Department. Other nearby uses are a few private commercial businesses in office warehouse type properties. Just south of the city's facilities are some residential rental apartment properties.

This area is located north of NE 10th Street and east of North Dixie Highway and the FEC Railroad tracks. Adjacent to the east of the subject site is Pompano Beach's water treatment facility and further east across NE 5th Avenue is the Goodyear Blimp Base, the city's Equestrian Center and Pompano Beach's general aviation airport and two Golf Courses.

The appraiser believes that public utility services such as water, sewer and electricity are available to the site should it be developed.

We have not been provided with a contamination assessment report on the subject property. We presumed that no adverse environmental soil or sub-soil conditions are present on or near the subject site that would adversely affect the value or marketability of the property. Our opinion of value could be impacted if this should prove to be incorrect.

Improvements Analysis

The subject property is considered as a vacant parcel of Commercial – Industrial Land.

There are no structural improvements of any sort and the only improvements are the perimeter fencing with visibility screening and miscellaneous paved areas from a prior use.

THE VALUATION PROCESS

There are three approaches to value normally used in developing a value for a property. These are the Cost Approach, the Direct Sales Comparison Approach and the Income approach. Each of the approaches to value is briefly described below.

The Cost Approach

The Cost Approach is a measure of value wherein current costs new for all the property improvements are estimated to determine the current cost of replacement new. Any loss in value due to depreciation from all causes such as physical, functional or economic is estimated and subtracted from the replacement cost new. This depreciated value of the improvements is then considered in combination with the current value of the land as though vacant, the sum of which is the total value estimate by the cost approach. When significant depreciation exists based on age or economic or functional obsolescence, this method is not highly reliable and is generally not used when appraising older properties.

This approach is not considered appropriate in the estimate of market value in this appraisal because of the age and condition of the improvements.

The Direct Sales Comparison Approach

The Direct Sales Comparison Approach analyzes recent sales transactions for similar type substitute comparable properties in the local or competitive marketplace and, utilizing common units of comparison, provides a measure of value for the subject property. This approach is useful when data concerning recently sold or currently offered properties similar to the subject property are available. Data are adjusted to reflect the difference between the comparable sales and the subject property.

The Income Approach

The premise of this approach is that value is created by the expectation of future benefits (income) produced by a property. This approach is effective for income-producing properties and when comparable market rental data are available. The Income Approach or Capitalization Method of Value is developed by an analysis whereby the estimated annual net income produced by the property, or attainable by the property, is capitalized at an appropriate rate into an indication of the property value.

Reconciliation of Indicated Values

The final step in the appraisal process is the reconciliation of the value indications in which the appraiser considers the relative applicability of each of the approaches used, and places more or less weight on each of the approaches to produce the most reliable solution to the appraisal problem.

VALUATION OF THE PROPERTY**DIRECT SALES COMPARISON APPROACH**

After a thorough search of various reference sources, the appraiser identified several recent sales of comparable commercial and industrial vacant land properties in neighborhoods more or less similar and proximate to the subject neighborhood. After an analysis of the various sales, adjustments were made to compare the subject property features to those of the sales selected. After the adjustments were made an indicated range in comparative value for the sales was developed.

The selected comparable sales identified are all considered comparable with reference to neighborhood but there were adjustments to be made for differences in the time of sale, zoning, street location, access to site and existing improvements and site conditions.

The comparable sales are briefly described on the following Comparable Sale Data Sheets.

Following the presentation of the comparable sales data will be a discussion of the adjustments considered and a spreadsheet analysis of the various comparables showing the adjustments and comparison of each comparable to the subject.

Comparable Sales & Listing Map

Comparable Sale 1

McNab Road
Pompano Beach

Sale price: \$1,300,000
Date of Sale June 20, 2013



This is the sale of the a vacant parcel located on McNab Road adjacent to the west of the Walgreens on the corner of Federal Highway. Directly adjacent to the west of this site is a FPL transformer substation that detract somewhat from its commercial appeal. It has 250 feet of frontage on McNab Road and a depth of about 297.5 ft., indicating a total gross land area of 74,382 sq. ft., more or less, as indicated in the county tax appraiser records..

It is located in a commercial area of southern Pompano Beach with all utilities available. The property is zoned B3-Business. It is located directly across the street from a neighborhood shopping center that has several nationally branded stores

McNab Road is a moderately busy arterial roadway that generally connects Federal Highway to the southern residential areas of Pompano Beach that lie east of the FEC Railway tracks.

The site is level, at or above road grade and, except for a few small trees, seems ready for development.

The indicated selling price per square foot of land area is \$17.78, and the time adjusted price is \$21.85.

223 NE 13 St, Pompano Beach, Florida

ALLIED APPRAISAL SERVICES, INC.

Comparable Sale 2

1730 NW 33 Street
Pompano Beach

Sale price: \$2,755,000
Date of Sale April 24, 2015



This is the sale of an interior lot on the south side of NW 33rd Street, about midway between Andrews Avenue and Powerline Road in Pompano Beach. It has 333 feet of frontage on NW 33rd St. and about 621 ft of depth, indicating a total gross land area of 206,833 sq. ft. or 4.75 acres, more or less.

It is located in an industrial area of NW Pompano Beach with all utilities available. It is zoned I-1X, Industrial. Because of its size and zoning, it has many possibilities for development.

Northwest 33rd Street is a lightly traveled arterial roadway that is only about two to three miles long. It is also the primary access road to several mobile home communities to the east of this property.

It has access only from NW 33rd Street, a two lane roadway, but the large frontage will likely allow more than one driveway. No turning restrictions are noted to and from the property.

The site is level, at or above road grade and with a grassy cover seems ready for development.

The indicated selling price per square foot of land area is \$13.32 and the time adjusted price is \$15.05.

223 NE 13 St, Pompano Beach, Florida

ALLIED APPRAISAL SERVICES, INC.

Comparable Sale 3

Martin Luther King Blvd
Pompano Beach

Sale price: \$450,000
Date of Sale: June 18, 2015



This is the sale of the SW corner lot at NW 12th Avenue and M.L.King Boulevard in Pompano Beach. It is a parallelogram shaped parcel with about 210 feet of frontage on MLK Blvd. and 175 ft of frontage on NW 12th Av. County Tax Appraiser records show an area of 31,220 sq. ft. or 0.71 acre of total gross land area more or less.

It is located in a commercial – industrial area of NW Pompano Beach with all utilities available. It is zoned I-1, Industrial.

MLK Boulevard is a fairly busy arterial that goes from Dixie Highway in central Pompano Beach northwest to the Florida Turnpike entrance where it changes its name to Coconut Creek Parkway and continues westerly.

The site has access from both MLK Blvd and NW 12th Avenue.

The site is level, at or above road grade, with some shrubs and small trees and seems ready for development.

The indicated selling price per square foot of land area is \$14.41 and the time adjusted price is \$16.14.

223 NE 13 St, Pompano Beach, Florida

ALLIED APPRAISAL SERVICES, INC.

Current Listing 1

261 S Andrews Ave
Pompano Beach

Listing price: \$585,000



This is a listing for an interior lot on Andrews Avenue between SW 3rd Street and Atlantic Boulevard in Pompano Beach. It has about 160 feet of frontage on Andrews and an average depth of 213 feet and a stated total gross land area of 34,428 sq. ft. or 0.79 acre, more or less. It was formerly the site of a printing company that was demolished as part of the re-alignment of Andrews Avenue.

It is located in a commercial, industrial and retail area of SW Pompano Beach with all utilities available. It is zoned I-1, Industrial.

It has access from Andrews Avenue. No turning restrictions are noted to and from the property. The rear boundary is a railroad spur track of the FEC Railroad System.

The site is level, at or above road grade and seems ready for development.

The indicated asking price per square foot of land area is \$16.98.

In his analysis, the appraiser assumes a sales price equal to 90% of the asking price or \$15.28 per square foot.

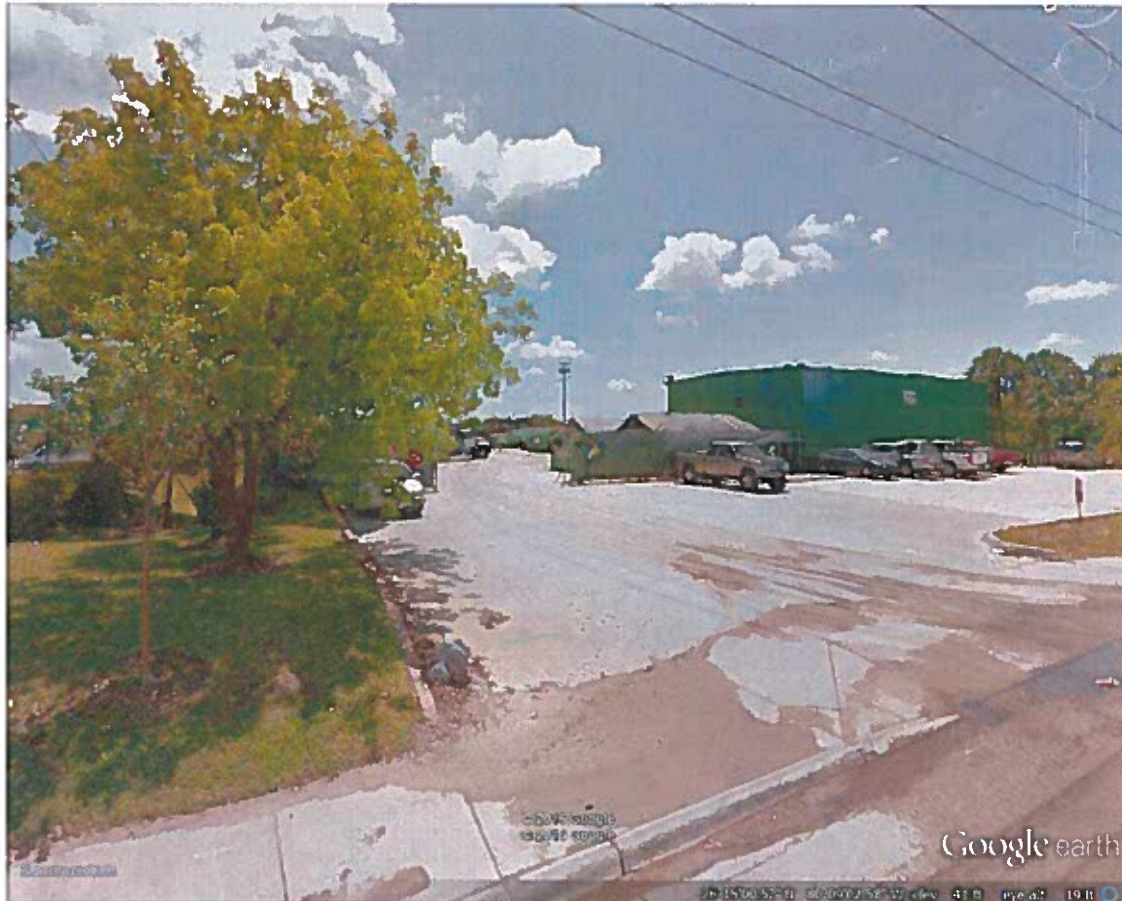
223 NE 13 St, Pompano Beach, Florida

ALLIED APPRAISAL SERVICES, INC.

Current Listing 2

1660 N. Powerline Road
Pompano Beach

Listing price: \$3,690,000
Land & Paving \$3,620,000



This is a listing for a similar to the subject fully paved site on Powerline Road in an industrial area. In addition to the similar paving and fencing compared to the subject, this site also has a 37 year old, 2,880 sq. ft. metal building that is valued at \$70,000, making the price of the land and paving only \$3,620,000. The site has 160,736 sq. ft. of land area used as a base for Southern Sanitation trucks and dumpsters.

The site is level, at road grade and seems ready for use as is or re-development.

The indicated asking price per square foot of paved land area is \$22.52.

In his analysis, the appraiser assumes a sales price equal to 90% of the asking price or \$20.27 per square foot.

Discussion of Adjustment Considerations

No adjustments are made for the following.

All sales are believed to be for fee simple titles.

All sales are believed to be market oriented with no extraordinary conditions.

All sales are considered to be either on a cash basis or have market oriented financing not requiring adjustments.

The appraiser has identified three sales and two listings of vacant land properties in similar commercial and/or industrial areas with similar zoning that would allow similar uses and commercial possibilities. Despite the similarities, the appraiser believes adjustments are required to identify the differences between the comparable sales and the subject property. These adjustments are for the following features.

Time Adjustment

Generally speaking, commercial real estate values in all of South Florida plummeted from 2007 to 2009 or even later. Since that time, recovery was slow until 2013 when commercial sales began reflecting increasing values of about 8 percent per year and now, since about mid 2014 prices are increasing at a rate estimated at 10 percent or more per year. This increase is a result of a loosening of credit and mortgage money for commercial projects and acquisitions. The appraiser notices significantly increasing activity in the commercial real estate market and believes that prices may be increasing at an even higher rate, possibly as much as 15% to 20% per year.

After the time adjustment is made, the time adjusted price and price per square foot will be calculated and then the following adjustments will be made.

Zoning

The subject property is zoned B-4, a heavy commercial use classification. Most of the comparable sales and listings are zoned I-1, an industrial use classification but Sale 1 is zoned B-3. A review of the B-4 and I-1 zoning codes show such a high degree of similarities that the appraiser believes there is no real difference in the economic or physical development potential for either of the code classifications. This is considered especially true for sites less than one acre in size. For this reason the appraiser makes no adjustment for zoning classifications B-4 and I-1. The B-3 zoning of sale 1 does not allow as intense uses as B-4 and I-1 but is more sensitive to location for the allowable heavy commercial uses.

Corner or Interior Site

The appraiser believes that there is positive factor for a corner site and believes a positive adjustment should be made for a corner location. The subject property is a corner site.

Busy Street

This feature may not be important to some heavy commercial or industrial users but the appraiser believes that the added exposure for a business on a busy street is a positive feature for many and a positive adjustment should be made for this feature. The subject is on side streets that would not normally be busy but much of the traffic here is generated by city owned vehicles from the Public Works Department coming and going at all times of the day and night which is not considered a positive feature.

Site Conditions

The subject site and listing 2 are fenced and are essentially fully paved which are considered as positives for outdoor storage sites. Likewise, sites with heavily vegetated areas or many trees will require removal or relocation prior to development which is considered as a negative adjustment.

Economic Features

The comparable listing 1 property has access to a railroad siding which, to some users, is a desirable feature. The appraiser has not seen instances when this feature has resulted in a premium or discount in value and makes no adjustment for this feature.

The subject property is rented or user owned to generate income. This is a positive feature and helps offset the costs of ownership and may even result in generating profit. None of the comparable sales are noted to have this feature.

Adjustment Procedure. The adjustments will be added together for each comparable sale and the total adjustment will be applied to the time adjusted sales price per square foot of land area, indicating the overall adjusted price per square foot of land area for each sale.

An analysis and grid showing the adjustments and adjusted comparative values for the comparable sales and listings is presented on the following page.

COMPARABLE SALES ANALYSIS AND ADJUSTMENT GRID

	SUBJECT	SALE 1	SALE 2	SALE 3	LISTING 1	LISTING 2
ADDRESS	223 NE 13 ST	E. MCNAB ROAD	1730 NW 33 ST	MARTIN LUTHER	261 S ANDREWS	1660 POWERLINE RD
CITY	POMPANO BCH	POMPANO BEACH	POMPANO BCH	POMPANO BCH	POMPANO BCH	POMPANO BCH
FOLIO	4842-35-00-0041	4942-12-28-0010	4842-22-40-0010	4842-34-39-0010	4942-02-00-0101	4842-27-09-0010
SALE PRICE	-	\$1,300,000	\$2,755,000	\$450,000	\$585,000	\$3,620,000
DATE OF SALE	-	6/20/2013	4/24/2015	6/18/2015	N/A	N/A
LAND SF	17,821	74,382	206,833	31,220	34,428	160,736
PRICE/SF		\$17.48	\$13.32	\$14.41	\$16.99	\$22.52
TIME ADJUSTMENT		1.25	1.13	1.12	0.90	0.90
TIME ADJ PRICE/SQ. FT.		\$21.85	\$15.05	\$16.14	\$15.29	\$20.27
ZONING	B-4	B-3	I-1X	I-1	I-1	I-1
ADJUSTMENTS (%)						
CORNER - INTERIOR	CORNER	5.00%	5.00%	0.00%	5.00%	5.00%
BUSY STREET	NO	-4.00%	-3.00%	-4.00%	-5.00%	-6.00%
SITE CONDITIONS	PAVMENT, FENCE	2.00%	2.00%	2.00%	2.00%	0.00%
ZONING & LOCATION	B-4	-5.00%	0.00%	0.00%	0.00%	-1.00%
TOTAL ADJ		-2.00%	4.00%	-2.00%	2.00%	-2.00%
AVERAGE PER SQ FT FOR SUBJECT	\$17.67	21.41	15.65	15.82	15.60	19.86
AVERAGE COMP VALUE FOR SUBJECT	\$314,884	\$381,543	\$278,962	\$281,939	\$277,983	\$353,994

Conclusion of Market Value by Sales Comparison Approach

A review of the above analysis and grid shows a high to low range for adjusted values to be about 30%. This wide range is the result of increasingly improving economic conditions and lending, resulting in an increase in demand for commercial and industrial properties.

Sales 1 has the highest comparative value, is the oldest sale and has a lower zoning class than other sales and listings considered in this analysis. The appraiser gives this sale the least consideration in this analysis.

Sales 2, 3 and listing 1 are closely similar as to comparative value and are believed to reflect the current and recent values for vacant land of this sort.

The subject and Listing 2 are the only properties that are fenced and paved and most suitable for outdoor storage. The listing may reflect the market at some time in the future but is given consideration because of its similarities to the subject property.

Based on the above analysis, it is the opinion of the appraiser that, after consideration of all sales, the subject should be valued at \$315,000, or \$17.68 per sq. ft. of land area.

Market Value by the Sales Comparison Approach: \$315,000.

INCOME CAPITALIZATION APPROACH

In the opinion of the appraiser, the property is not now used at its highest and best use and, even if rented at an amount enough to generate a profit, is not at the level attainable with the highest and best use if improved. For this reason, the Income Capitalization Approach is not used in this appraisal.

COST APPROACH

The subject property is vacant land and the cost approach is not considered applicable for use in this appraisal

FINAL CORRELATION OF PROPERTY VALUE

Although all approaches to value were considered by the appraiser, only the direct sales comparison approach is considered appropriate for this appraisal of essentially vacant land. The value developed by the direct sales comparison approach is supported by several comparable sales that have occurred within the past one and one half years as well as current listings and the result is considered to be reasonably reliable.

ESTIMATE BY THE COST APPROACH	N/A
ESTIMATE BY THE MARKET COMPARISON APPROACH	\$315,000
ESTIMATE BY THE INCOME APPROACH	N/A
FINAL CONCLUSION OF THE PROPERTY VALUE	\$315,000

Qualifications of the Appraiser

Gary O. Maehl, A.S.A.

Employment	President and Managing Appraiser Allied Appraisal Services, Inc. 929 SE First Street Deerfield Beach, FL 33060
Experience	Full Time Appraiser in Florida since 1973, including significant experience In the appraisal of land, buildings, structures, machinery, equipment, trade fixtures, utilities and special purpose systems for corporate, insurance, tax, financing and condemnation purposes.
Education	University of Wisconsin Bachelor of Business Administration United States Merchant Marine Academy Undergraduate Engineering
Licensing	State-Certified General Real Estate Appraiser, Florida License No. 728
Designation	ASA, (Accredited Senior Appraiser) , Real Estate American Society of Appraisers. Past president of local ASA chapter.
Technical Education	Real Estate Appraisal Courses Appraisal Institute Real Estate Appraisal (#1) Capitalization Techniques (#2) Standards of Professional Practice (#2-3) Society of Real Estate Appraisers Principles of Appraisal (#101) Income Property Appraisal (#201) Applied Income Property Appraisal (#202) Market Extractions Seminar Narrative Report Writing Seminar Continuing Education for Licensing Periodic courses and seminars to complete requirements For Real Estate and Appraisal Board Licensing

Qualifications of the Appraiser

Gary O. Maehl (Cont'd)

Technical Education (Cont'd)	Machinery and Equipment Appraisal Seminars American Society of Appraisers Various International Conferences 1979 to present Business Valuation Seminars Institute of Business Appraisers 1985
Other Qualifications	Expert witness, real estate appraisal Broward County, Florida Circuit Court Federal Bankruptcy Court, Ft. Lauderdale, FL Federal Bankruptcy Court, Tampa, Florida Sauk & Columbia Counties, Wisconsin, Circuit Courts Expert witness, machinery & equipment appraisal Broward County, Florida Circuit Court Palm Beach County, Florida Circuit Court Orange County, Florida Circuit Court Seminole County, Florida Circuit Court Minneapolis, Minnesota Circuit Court
Clients	Banks (Including) Bank of America EuroBank Southtrust Bank Government Florida Department of Transportation Broward County Miami-Dade County City of Fort Lauderdale City of Lauderhill Broward County School Board Attorneys Various attorneys and law firms for purposes of estate valuations, eminent domain, judgments, etc. Insurance Various insurance agencies, underwriters, companies and carriers for purposes of insurance placement, proof of loss claims settlement