

RESTRICTED APPRAISAL REPORT

LOCATED AT:

NW 9 St, Pompano Beach FL 33066



PREPARED FOR:

CITY OF POMPANO BEACH

AS OF:

September 28, 2019

PREPARED BY:

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Cert Gen RZ3065

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October 15, 2019

In accordance with your instructions, we have prepared a restricted appraisal report on the below described property. The objective of this report is to establish an opinion of market value subject to access to the street as of September 28, 2019.

The subject property consists of vacant land located at:

NW 9 St, Pompano Beach FL 33069

The short legal description of the property is as follows:

RENTERIA INC PLAT 166-33 B E 109.9 OF S 295 OF PARCEL A

Based upon our analysis it was concluded that the Opinion of Market Value of the subject property in fee simple for the property, subject to street access from the lot is:

(SAY) THREE HUNDRED SIXTY FIVE THOUSAND (\$365,000) DOLLARS

The analysis, opinions, and conclusions were developed, and this report has been prepared, and conformity with the Uniform Standards of Professional Appraisal Practice. Furthermore, no one other than the appraisers listed below prepared the analysis, opinions, or conclusions concerning real estate that are set forth in this appraisal report.

The appraisers certify they have no interest, past or present in the subject premises, and that our conclusion of value is based on professionally accepted techniques and methods. Our fee is not contingent upon any specific finding. The conclusion of value is also subject to our standard limiting conditions which are included in the report.

Jorge L. Canellas
Cert Gen # RZ-3065

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CERTIFICATION

The undersigned hereby certify(ies), to the best of his/her or our knowledge and belief:

He/she or we have/has relied on statements of facts furnished to him/her or us by others and has performed no independent verifications of any facts except as specifically set forth in the report. However, to the best of his/her or our knowledge and belief, the statements of facts in this report, upon which the analyses, opinions and conclusions expressed herein, are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and they are that of the appraiser(s) and /or his/hers or their employees or personnel, unbiased professional analyses, opinions, and conclusions.

The appraiser and/or his/her their employees and/or independent contractors have no (or specified) present or prospective interest in the property that is the subject of this report, and that the parties to this report and his/hers their employees and or independent contractors have no (or specified) personal interest or bias with respect to the parties involved.

The compensation is not contingent upon the reporting of a predetermined value or direction of value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event. That neither or employment nor our compensation for preparing this report is in anyway contingent upon the conclusions reported herein.

The appraiser (s) preparing this report and or his, theirs or its employees prepared the analysis, conclusions and opinions concerning real estate values that are set forth in this Appraisal Report.

To the best of our knowledge and belief, the statements of fact contained in this appraisal, upon which the analysis, opinions and conclusion expressed herein are based, are true and correct.

That neither our employment nor our compensation for making this report, are in any way contingent upon values reported herein, or the attainment of a stipulated results, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

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

That this report has been made in conformity with and is subject to the requirements of the Code of Professional Conduct of the Appraisal Institute Inc.

The scope of our assignment was to value the property hereinafter described and delineated.

That we have no direct or indirect, present or contemplated future personal interest in such property or in any way benefit from the sale of the subject.

CERTIFICATION CONTINUED

The analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

I have performed no (or the specified) other services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within the three year period immediately preceding acceptance of this assignment. The appraiser with no current or prospective interest in regarding the subject and/or parties involved.

The exposure time estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical assumption of a sale at market value on the effective date of the appraisal. Most types of commercial properties similar to the subject have marketing periods ranging from six to twelve months. Exposure time is a retrospective opinion on an analysis of past events assuming a competitive and open market.



Jorge L. Canellas
Cert Gen # RZ-3065

SUMMARY OF SALIENT FACTS & CONCLUSIONS

Retrospective Valuation Date:	September 28, 2019
Location:	NW 9 St, Pompano Beach FL 33069
Property Type:	Commercial Land
Client:	CITY OF POMPANO BEACH
Property Owner:	Maria Carbajal & Jose G Reteria
Three yr Property Sale History:	N/A
One Year Listing History:	None Recorded
Occupant	Vacant
Appraisal Type:	Restricted Appraisal Report
Scope of Work:	Valuation Utilizing Sales
Intended Use/Intended User:	Client's Sole Knowledge / Client
Property Rights Appraised:	Fee Simple Interest
Property Tax ID #:	48-42-34-27-0014
Legal Description:	See page 2
Tax Year 2018:	Recorded is \$0
Assessment 2018:	\$208,210
Year Built:	N/A
Effective Age:	N/A
Site Data:	52,052 +/- SF as per tax records
Zoning:	B-3
Highest and Best Use:	Build up as zoning permits, multi family, retail, etc.
Estimated Marketing Time:	Twelve to Eighteen Months.
Population:	Stable
Economic Conditions:	Stable

ASSUMPTION & LIMITING CONDITIONS

The value conclusions and the certification within this report are made expressly subject to the following assumptions and limiting conditions in this report, which are incorporated herein by reference.

1. No responsibility is accepted for matters legal in nature; titles are presumed to be good and assumed to be held in fee simple. All existing liens and encumbrances, if any, have been disregarded (unless otherwise stipulated within the report) and the property is appraised as though free and clear, under competent ownership and management.
2. The legal description and site drawings furnished (if provided) are assumed to be correct.
3. The maps and sketches are included to assist the reader (if provided). Unless a survey of the property has been provided, no responsibility, whatsoever, in connection with such matters will be recognized.
4. It is assumed that the project herein set forth is an allowable use under the zoning, and is further considered its highest and best use.
5. The land and soil of the area under the appraisal appears firm and solid. The analyst was not supplied with an engineering survey and under this condition this appraisal does not warrant this condition.
6. Existing buildings involved in this appraisal report have been inspected and damage, if any, by termites, dry rot, wet rot, or other infestations have been reported if discovered as a matter of information but no guarantee of the amount or degree of damage is intended.
7. In this appraisal of existing improvements, the physical condition of the improvements was based on visual inspections. No liability is assumed for the soundness of structural members since no engineering tests were made.
8. All furnishings and equipment, except those specifically indicated and typically considered as part of real estate, have been disregarded. Only the real estate has been considered.
9. Information furnished by others including comparable sales data is believed to be reliable, but the appraiser assumes no responsibility for its accuracy.
10. The fees received for preparation of this report were not contingent upon the final value estimate.
11. The appraiser is not required to give testimony or attendance in court by reason of this appraisal with reference to the property in question, unless arrangements have been made previously thereto.
12. Possession of the reports or copies thereof, does not carry with it the right to publications nor may be used for any purpose by any but the applicant, without the written consent of the appraiser and then with the proper qualifications.
13. The valuations may not be used in conjunction with any other appraisal. The conclusions are based upon the program of utilization described herein and have not been separated into parts.
14. This appraisal has been made in accordance with the rules of professional ethics of the Appraisal Institute Inc.
15. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the author, particularly as to the valuation conclusions, the identity of the appraiser or firms with which they are connected or any reference to the Appraisal Institute Inc., and /or the M.A.I. or S.R.A. designations.

ASSUMPTIONS & LIMITING CONDITIONS (CONTINUED)

16. The estimate of Market Value applies only to the date specified in the report. Market Value of Real Estate is affected by many related and unrelated economic conditions, local and national, which might necessarily affect the future market of the subject property. We, therefore, assume no liability for an unforeseen precipitous change in the economy, the project, region, or property.
17. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, agricultural chemicals, urea formaldehyde foam insulation, toxic waste, other contents of environmental conditions, which may or may not be present on the property has not been considered, they were not called to the attention of the Appraiser, not did the appraiser become aware of such during the Appraiser's inspection. The Appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. The value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it 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. An expert in this field should be retained by the property owner if deemed appropriate.
18. No environmental impact study has been ordered or made. The appraised property is assumed to be in compliance with all applicable regulations unless otherwise noted in the report.
19. 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 noncompliance with the requirements of ADA in estimating the value of the property.
20. The appraiser certifies and agrees that this appraisal report was prepared in accordance with the requirements of Title XI of the Financial Institutions, Reform, Recovery, and Enforcement Act (FIRREA) of 1989, as amended (12 U.S.C. 3331 et seq.), and any applicable implementing regulations in effect at the time the appraiser signs the appraisal certification. "
21. The appraiser has not performed any work on the subject within the last three years.
22. The subject is landlocked, therefore this report is subject to the lot having access to the main road.

INTRODUCTION TO THE APPRAISAL

CLIENT, PURPOSE AND FUNCTION OF THE APPRAISAL

The appraisal was requested by CITY OF POMPANO BEACH. The purpose of the appraisal is to estimate an opinion of the Market Value of the fee simple interest, unencumbered for the subject property. It is our understanding the appraisal is to be used for the purpose of client's sole knowledge.

PROPERTY RIGHTS/INTEREST APPRAISED

A right or interest in property is referred to as an estate. This interest may be a fee ownership interest or a lease interest for a period of years. An estate in land is the degree, nature or extent of interest, which a person has in it. An undivided ownership of a parcel of real estate embraces a great many rights such as the right to its occupancy and use; the right to sell it in whole or in part; the right to bequeath it; and the right to transfer it by contract for specified periods of time. These rights of occupancy and use are called beneficial interests. An owner who leases real estate to a tenant: transfers one of these rights in his bundle, namely the beneficial interest or the right to use or occupy to the tenant, in accordance with the provisions of the lease contract. He retains all other interest in the bundle.

In the subject instance the interest appraised herein is the market value in the fee simple. Title is assumed good and marketable. Ownership is assumed transferable and free from all encumbrances, except those specified in public records.

For an explanation of fee simple interest, we have consulted the Dictionary of Real Estate Appraisal, 3rd edition.

Fee simple interest is defined as: An absolute fee; without limitations to any particular heirs, or restrictions, but subject to the limitations of eminent domain, escheat, police power, taxation; an inheritable estate.

INSPECTION DATE

The subject property was an exterior inspected by Luis Canellas on September 28, 2019.

EFFECTIVE DATE OF VALUATION

The subject property is valued as of September 28, 2019.

FORMAT AND CONTENTS

This appraisal has been prepared conforming to the minimum standards of the *Uniform Standards of Professional Appraisal Practice* (USPAP), as adopted by the appraisal foundation and the *Supplemental Standards of Professional Practice* adopted by the appraisal institute.

DEFINITION OF MARKET VALUE

The most probable price which a property should bring in a competitive and open market requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably and assuming the price is not affected by the undue stimulus. Implicit in this 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 both acting in what they consider their own best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in cash in U.S. Dollars or in terms of financial arrangements comparable thereto.
5. The price represents the normal consideration for the property sold unaffected by the special or creative financing or sales concessions granted by anyone associated with the sale.

The definition of market value reiterates the Department of the Treasury, Office of the Comptroller of the Currency, under 12 CFR Part 34, dated August 24th, 1990. (Section 34.42 – Definitions)

As defined in the dictionary of Real Estate Appraisal, 3rd edition, Appraisal Institute 1993: the Value of specific ownership rights to an identified parcel of Real Estate as of the effective date of the appraisal: relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.

SCOPE OF THE APPRAISAL

An appraisal is generally defined as an estimate of value based upon the parameters of the assignment as of a specified date. The valuation of real estate is based on a process of data collection, and analysis and conclusions drawn by a third party. The purpose and data of this appraisal, along with the property rights appraised, have been previously defined.

Existing improvements are best valued through the application of the traditional approaches to value as applicable, i.e., The Cost Approach, the Sales Comparison Approach, and the Income Approach. The scope the appraiser utilized in this report was the market sales approach which was believed most reliable. Note, as per client, only the land is to be given value in this report. The subject is land locked, therefore this report is subject to the lot having access to the main road.

GENERAL MARKET DERIVED DATA

Data sources used to identify comparables sales, market rents and expense statistics have been obtained from various sources including our office files from properties previously appraised as well as other generally accepted as reliable sources such as Metroskan, Realtron, First American Data Solutions, Loopnet, and commercial and investment properties published by the Board of Realtors.

COMPETENCY PROVISION

In regard to this appraisal assignment, the appraisers have complied with the “Competency Provision” of the Uniform Standards of Professional Appraisal Practice. Reference is made to the “Appraisers’ Qualifications” in the addendum of this report.

DATA VERIFICATION

Every effort has been made to verify information obtained from secondary sources. However, in the time frame in which an appraisal is prepared, principals are not often available or do not wish to discuss information with an appraiser that is not part of the public records, knowing that some of the information might be disseminated, to the general public. Therefore the data used in this appraisal is believed to be true and correct but cannot be warranted. Data obtained from professional associates' sources often relates to properties they have personally appraised. This information is often confidential (Appraiser/Client) in nature, and may be referred to in this analysis as a general source of data with the client's permission, but retained in our files so that the confidentiality of the source is maintained, and the specific data is not disseminated to the public in a manner not authorized by the client. Verification of data may have come additionally from, surveyors, closing agents, attorneys, buyers, sellers, property owners & property management co's i.e.; leasing agents and/or realtors.

ISSUES OF GROWTH MANAGEMENT AND CONCURRENCY

Concurrency is an issue that affects development in the State of Florida. According to Florida's Growth Management Act; Section 163.3177 (10) (H), Florida Statutes; "It is the intent of the legislature that public facilities and services needed to support development shall be concurrent with the impact of development".

Issues of Growth Management are not completely understood by market participants, nor are they completely understood by local government employees. The appraisers have researched the issues of Growth Management and Compact Deferral Zones, and have found that the issues have certain adverse impacts on undeveloped property as well as reconstruction and/or expansion activities on improved properties. Zones of Compact Deferral are in constant change; that is, areas are under constant review for inclusion/and or exclusion from the zones. As amplified in the following sections, the appraisers have reported these issues and the effect (if any) on the subject as of the date of valuation, as related to the appraisers by local governments and their employees. The appraisers assume that the information they received is true and correct.

PERSONAL PROPERTY/FURNITURE, FIXTURES AND EQUIPMENT

To the best of our knowledge, the market data used in this appraisal was not impacted by the inclusion of personal property or furniture, fixtures and equipment (FF & E). The value estimated (s) for the subject excludes personal property, business equipment and FF & E. The equipment A/C, security systems, and the like referred to in this analysis is by method and attachment and function considered to be integrated components of the Real Estate and included in the overall value estimate.

MARKETING CONSIDERATIONS

Since Real Estate is a highly leveraged investment, the estimate of value contained herein is made with the assumption that some type of mortgage financing will be available or a cash transaction will result. Most types of commercial real estate have marketing periods ranging from six (6) months to a year or more. Value estimates would typically be discounted for extended marketing periods. These discounts may include deductions for holding costs or simple discounting based on the information available within the area for similar type properties.

Buyer and seller demand for a particular location and the desire to obtain same/or dispose of, are amongst many of the untold motivations that influence sellers to sell and buyer to buy in many a transaction.

TAX & ASSESSMENT ANALYSIS

In arriving at just valuation as required under Section 4, Article VII of the State Constitution, the Property appraiser is required to consider eight criteria, which are outlined below:

1. The present cash value of the property, which is the amount a willing purchaser would pay a willing seller, exclusive of reasonable fees and cost of purchase, in cash or the immediate equivalent thereof in a transaction at arms length;
2. The highest and best use to which the property can be expected to be put in the immediate future and the present use of the property, taking into consideration any applicable local or state land use regulation and law, ordinance, regulation, resolution, or proclamation adopted by any governmental body or agency of the Governor when the moratorium prohibits or restricts the or improvements of property as otherwise authorized by applicable law;
3. The location of said property;
4. The quantity or size of said property;
5. The cost of said property and the present replacement value of any improvement thereon;
6. The condition of said property;
7. The income from said property;
8. The net proceeds of the sale of property; is received by the seller, after deduction of all the usual and reasonable fees and costs of the sale, including the costs and expenses of financing and allowance from unconventional or typical terms of financing and arrangements. When the net proceeds of the sale of any property are utilized, directly or indirectly, in the determination of just valuation of realty of the sold parcel or any other parcel under the provision of this section, the property appraiser, for the purposes of such determination, shall exclude any portion of such net proceeds attributable to payments for household furnishings or other items of personal property.

NOTE: As amended by Section 6, Ch 79-334 applies to assessment rolls and taxes levied thereon for the year 1980 and each year thereafter.

It is mistakenly believed assessments are supposed to be at 100% of Market Value. In actuality, assessments should reflect net proceeds of sale to a seller subtracting selling expenses and allowances for typical financing. Therefore, a property could be over assessed even if it sells for an amount greater than the assessment.

Depending upon the specific property type, assessment to sale ratios should typically range from 80% to 95%. However, terms of the sale, selling expenses, and financing involved could dictate a lower or even higher assessed to sale ration.

Most properties are assessed via the Cost Approach with additional support from the Direct Sales Comparison and Income approaches (if available). Sometimes, because of the process of Mass Appraisal, relevant approaches were not relied upon primarily due to the absence of pertinent information such as an income statement or recent physical inspection of the property.

Consequently, the assessment is generally not representative of true 100% market value. The subject property is identified and subject of County Ad Valorem Taxes on Real and Personal Property. Taxes are payable in November with a 4% discount and become delinquent on April 1st of the following year. In our research of the subject property, we noted the property taxes were current.

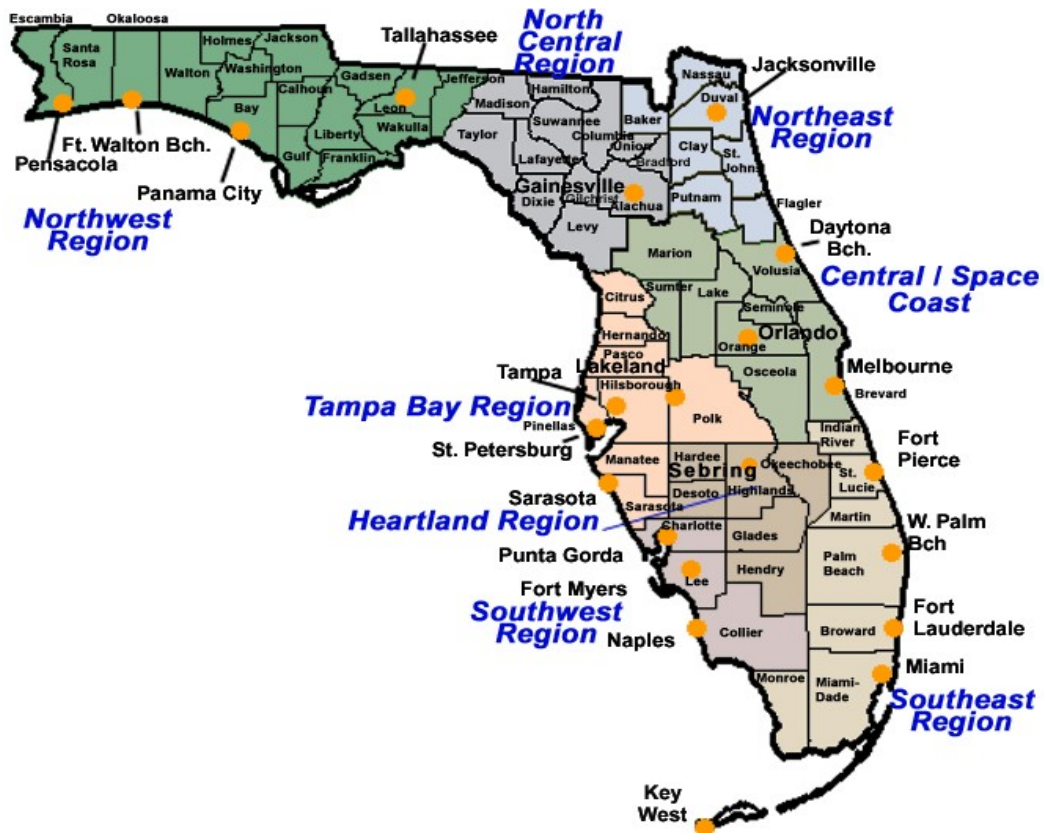
The tax assessment is not relative to the market value.

According to the County Tax Rolls, the subject properties are assessed as follows:

Year 2018 Assessment:

Assessment	Tax
\$208,210	Recorded as \$0

FLORIDA MAP



NEIGHBORHOOD DESCRIPTION

DEFINITION:

A neighborhood is defined in The Appraisal or Real Estate, Eleventh Edition, copyright 1996, by the Appraisal Institute, as follows:

A neighborhood is defined as a group of complementary land uses. The relative uniformity of a neighborhood may result from similarities in:

- Physical features, and physical barriers created by either the terrain or the
- Location of major arteries
- Transportation.
- Population characteristics
- Factors affecting land use and income-producing potential

Neighborhood analysis focuses on the four forces that influence value: social, economic, governmental, and environmental considerations.

- Social characteristics relate to the occupant;” reasons for living or working in a given neighborhood
- Economic characteristics refer to the occupant’s financial ability to own or rent property and maintain or rehabilitate it.
- Governmental characteristics pertain to the regulations and taxes imposed on property and the administrative machinery needed to enforce compliance.
- Environmental characteristics identify any natural or manmade features that are contained in, or exert an effect on a neighborhood.

Neighborhoods may be devoted to such uses as residential, commercial, industrial, agricultural, cultural and civic activities, or a mixture of these uses. Analysis of the neighborhood in which a particular property is located is important due to the various economic, social, political, and physical forces which affect the neighborhood and also directly influence the individual properties within it. An analysis of these various factors as they affect the value of the subject property is presented in the following discussion. The analysis of the neighborhood provides a bridge between the analysis of general influences on all property values and the study of a particular subject property.

The goal of a neighborhood analysis is to determine how the operations of social, government, economic, and environmental forces influence the property value in the specific area in which the property is located. Neighborhood analysis also provides a framework or context in which property value is estimated. It identifies and limits the area available for analysis and establishes potential limits or search for data to be utilized in applying the appropriate methods of valuation.

NEIGHBORHOOD DESCRIPTION (CONTINUED)

Identification of the Subject neighborhood enables the appraiser to determine whether comparable properties to be used in the valuation process are located inside or outside of the neighborhood. The comparable properties located in the neighborhood usually require little or no adjustment for location. Furthermore the analysis should assist the appraiser in determining levels of change or stability in a neighborhood or district. This analysis provides a basis for study of the effect of change on the stage of the life cycle evident in a neighborhood; thus helping an appraiser more accurately predict future values and land uses.

According to the Appraisal of Real Estate, 11th edition published by the American Institute of Real Estate Appraisers; a neighborhood is a group of complementary land uses as was stated earlier. A residential neighborhood for example may contain many single-family homes and commercial properties that provide services for local residents. A clear distinction can be drawn between a neighborhood and a district.

A district is a type of neighborhood that is characterized by homogeneous land use. Districts are commonly composed of apartments, commercial, industrial or agricultural properties. Neighborhood occupants usually have an observable commonality of interest. Usually a neighborhood grouping of inhabitants, buildings or business enterprises possess similar features or attributes. Therefore a neighborhood is relatively uniform.

That is, a neighborhood exhibits a greater commonality than the larger area. Consequently a specific definition of a neighborhood or a district is a grouping of complementary land uses affected by similar operations of the four forces that affect property value.

Neighborhood or district boundaries delineate the physical area that exerts relevant influence on a subject property's market value. The boundaries may coincide with changes in prevailing uses, occupant characteristics, or physical characteristics, such as structures, street patterns, terrain, vegetation and lot sizes. Because changes in natural or physical features often coincide with the change from one neighborhood area to another, features such as transportation arteries, bodies of water and changes in elevation often constitute neighborhood boundaries.

Pompano Beach (/ˈpɒmpənoʊ/ POMP-ə-noh) is a city in Broward County, Florida, United States, along the coast of the Atlantic Ocean just to the north of Fort Lauderdale. The nearby Hillsboro Inlet forms part of the Atlantic Intracoastal Waterway. As of the 2010 census the city's population was 99,845. Located 35 miles north of Miami, it is a principal city of the Miami metropolitan area, which was home to an estimated 6,012,331 people at the 2015 census.

There had been scattered settlers in the area from at least the mid-1880s, but the first documented permanent residents of the Pompano area were George Butler and Frank Sheen and their families, who arrived in 1896 as railway employees. The first train arrived in the small Pompano settlement on February 22, 1896. It is said that Sheen gave the community its name after jotting down on his survey of the area the name of the fish he had for dinner. The coming of the railroad led to development farther west from the coast. In 1906 Pompano became the southernmost settlement in newly created Palm Beach County. That year, the Hillsboro Lighthouse was completed on the beach.

On July 3, 1908, a new municipality was incorporated in what was then Dade County: the Town of Pompano. John R. Mizell was elected the first mayor. In 1915, Broward County was established, with a northern boundary at the Hillsboro Canal. Thus, within eight years, Pompano had been in three counties. Pompano Beach experienced significant growth during the Florida land boom of the 1920s. In 1940, the U.S. Supreme Court disallowed forced confessions in *Chambers v. Florida*, a dispute stemming from a murder in Pompano Beach.

Following the population boom due to World War II, in 1947 the City of Pompano merged with the newly formed municipality on the beach and became the City of Pompano Beach. In 1950, the population of the city reached 5,682. Like most of southeast Florida, Pompano Beach experienced great growth in the late 20th century as many people moved there from northern parts of the United States. A substantial seasonal population also spends its winters in the area. The city of Pompano Beach celebrated its centennial in 2008.

As of 2010, there were 55,885 households, of which 24.5% were vacant. As of 2000, 17.4% of households had children under the age of 18 living with them, 37.4% were married couples living together, 10.9% had a female householder with no husband present, and 47.6% were non-families. 38.6% of all households were made up of individuals and 17.1% had someone living alone who was 65 years of age or older. The average household size was 2.13 and the average family size was 2.85.

In 2000, the city the population was spread out with 17.7% under the age of 18, 7.4% from 18 to 24, 29.1% from 25 to 44, 22.5% from 45 to 64, and 23.4% who were 65 years of age or older. The median age was 42 years. For every 100 females, there were 97.3 males. For every 100 females age 18 and over, there were 96.2 males.

In 2000, the median income for a household in the city was \$36,073, and the median income for a family was \$44,195. Males had a median income of \$31,162 versus \$26,870 for females. The per capita income for the city was \$23,938.

SITE INFORMATION

ACCESS/FRONTAGE:

Access to subject property is via an access roadway from Martin Luther King Blvd, which is a major N/S thoroughfare. The access roadway also provides ingress and egress to the subject property, and has primarily local commercially oriented traffic. The subject is landlocked, therefore this report is subject to the lot having access to the main road

Aerial Map

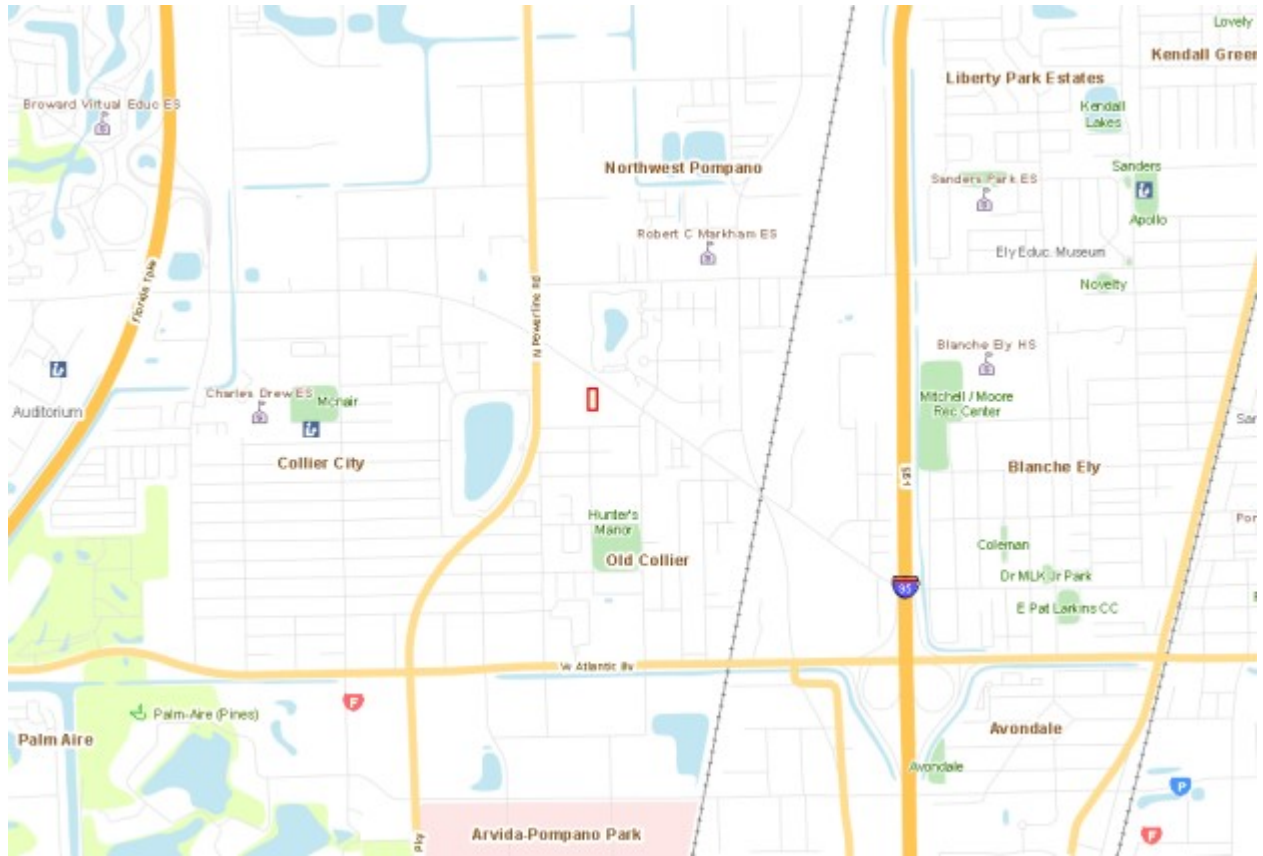


TOPOGRAPHY/SOIL CONTENT: The subject site is generally level, and appears to be lying just above the road grade with no observed drainage problems or adverse easements that would restrict or limit the use of the site. We have not been provided with soil surveys or subsurface analysis. However from our observations of the subject site, the surrounding developments, and County geological survey maps, prepared by the Department of Environmental Protection, we have assumed that there would pose no developmental adversities.

ENVIRONMENTAL CONDITIONS: Unless otherwise stated in this report, the existence of hazardous substances, including without limitation, asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals which may or may not be present on the property, or other environmental conditions, were not called to the attention of, nor did the appraiser become aware of such during the appraisers inspection. Furthermore, the appraisers are not qualified to test for such substances or conditions. We attempt to note, during our inspection of the subject property, any visual evidence of dumping, or potentially hazardous waste asbestos in improvements or underground storage tanks. We saw no such evidence during our inspection however, if additional environmental hazards are discovered at a later time, we reserve the right to amend our value estimate.

PARKING: The subject is vacant and no parking lot is prevalent. .

GENERAL AREA MAP



HIGHEST & BEST USE

Highest and Best use is defined by the Dictionary of Real Estate Appraisal, 3rd edition as: “The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, that results in the highest value”.

In a case where a site has existing improvements, the highest and best use may well be different from the existing use. The existing use however, will continue until the land value represents the majority of the property value, and there is justification for the removal or renovation of the existing improvements.

Additionally, it is implicit in the definition that the determination of highest and best use is a logical and well-supported conclusion resulting from the appraiser’s judgment and analytical skill. Furthermore the term highest and best use does not refer exclusively to the size of the structure that might be built and is not always measured in terms of money. The return or yield of a property can also be construed as the benefits derived from amenities such as historic significance or natural beauty.

Also implied within this definition of highest and best use is the contribution of a particular use to the community, and community development goals along with the benefits of that use to the individual property owner. With these underlying premises in mind, there are essentially four tests, which are applied to the use or uses being considered. These four tests are:

1. The site’s legally permissible use, which is permitted by zoning and deed restrictions on the site in question, along with any approval processes as permitted by various government agencies.
2. The physically possible uses for the site in question. Simply stated, that is, what can be constructed on the site, for example, an odd shaped parcel of land might have a total square foot size, which, under a given zoning would allow a certain size structure to be constructed. However, because of the sites configuration only a smaller structure would be possible.
3. Its probable use. This is simply what use will be compatible with other current and likely uses in the area.
4. The most profitable uses amongst the most feasible uses; that use which will produce the highest return or the highest present worth.

Highest and Best Use is further defined as that reasonable and probable use that will support the highest present value, as defined, as of the effective date of the appraisal.

Alternatively, that use, from among reasonably probable and legal alternative uses, found to be physically feasible, and which results in the highest land value. The definition immediately above applies specifically to the Highest and Best Use of land. It is to be recognized that in cases where a site has existing improvements on it, the Highest and Best Use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its Highest and Best Use exceeds the total value of the property in its existing use.

HIGHEST & BEST USE AS IF VACANT

Highest and Best Use is defined in the 11th Edition of the Appraisal of Real Estate, published by the Appraisal Institute follows:

1. Highest and Best Use of land is the most profitable likely use at the time of appraisal. It also may be defined as the available use and program of future utilization that produces the highest present land value.
2. Existing use may or may not conform to Highest and Best Use.
3. Highest and Best Use may comprise a combination of a profitable interim (transitional) use and a deferred, more profitable potential use.
4. Highest and Best Use may be limited by zoning or deed restriction.
5. The principle of increasing and decreasing return affirms the proper apportionment of land and improvements to achieve maximum land value.
6. The concept of Highest and Best Use may be extended to improved real estate for various decision-making situations but such application should not be confused with the underlying concept of Highest and Best Use of land only.
7. Balance and consistent use are important collateral considerations in the selection of Highest and Best use.

The preceding definition is specifically applied to the highest and best use of land as though it were vacant. When a site is improved, the improvement typically remains in use over its economic life. The discussion of highest and best use under the assumption of a vacant site should analyze what type and size improvements should be constructed when considering the basic definition and criteria. The factors that underline the highest and best use criteria will be discussed.

1. The present/existing use appears to be legal conforming use, currently under use as a commercial building.
2. As to possible uses or what could be constructed on the site, the site offers no developmental adversities. Moreover, based on our observation of surrounding development, there does not appear to be any adverse topographical condition that would preclude development with standard construction techniques. As a benefit, all utilities are to the site.
3. Probable use considerations include those uses that are compatible with surrounding development. Due to the nature of the area as outlined in the Neighborhood Analysis, the most likely use, would be predicated upon a zoning that would reflect the intended use of a developer looking to develop the site. Due to the size of the tract, it is believed that a commercially oriented use would be the most probable use.
4. In order to identify a specific use that would result in the highest return to the land, a feasibility analysis would have to be conducted. This however, is beyond the scope of the appraisal assignment. Therefore from the preceding factors considered, the highest and best use of the subject "as if vacant" would be oriented toward usages as permitted by zoning codes.

CONCLUSION

We have concluded that the highest and best use of the subject property as though vacant would be for development of a use commensurate with those activities permitted by the current zoning.

HIGHEST & BEST USE AS IMPROVED

Once a parcel of land is substantially improved, the two parts from an integrated unit, and from all practical purposes, they are inseparable. However, when the market value of the land alone if vacant and available for its highest and best use exceeds the value of the property as improved, the improvements are no longer a viable contribution to the property and a new use must be adopted. In analyzing the Highest and Best use of the subject property “as improved”, several principles of real estate value must be considered. They include conformity, supply and demand, change, and balance.

- Conformity – The subject’s improvements continue to conform to the general developmental pattern and architectural homogeneity of the district.
- Supply and Demand – Our analysis of the subject’s surrounding neighborhoods tends to indicate that there is demand for warehousing oriented space. Although it may have to be upgraded or modified to suit the new users needs.
- Change – This is the law of cause and effect at work. We note no changes occurring in the subjects’ use or improvements obsolete.
- Balance – Value is created and sustained when contrasting, or interacting elements are in a state of equilibrium. At present, the economic mix in the immediate area appears to be relatively harmonious. The subject, as improved, offers basically a large open shell structure that can be modified to suit a user’s need and is potentially capable of competing in the current environment. Thus, balance is sustained

CONCLUSION

In that the improvements have been carried out at the site, the subject property becomes an integral unit consisting of both land and building. This integration of land and improvements is related to the economic concept, of the marginal dollar. This theory implies that the existing usage as long as the property, as improved, has a market value, which is higher than that of the land, as if vacant and available for a higher usage. Inherent in this study of highest and Best Use is the principle of contribution, which states that the value of a component part of the overall property is dependent upon how much it contributes to the value as a whole.

The Highest and Best Use of the subject property could accommodate other commercial usages. The structure represents a significant portion of the total value of the whole property. Therefore, due to the contributory value of the improvements and our estimate of the Highest and Best Use of the subject property, as improved, it is the appraisers opinion that the Highest and Best Use of the subject property is as permits allowed, as would benefit an owner occupant, or a building may generate lease income.

VALUATION ANALYSIS – APPROACH TO APPRAISAL – INTRODUCTION

The appraisal process is the orderly program in which the data used to estimate the value of the subject property is acquired, classified, analyzed and presented. The scope of the assignment was to estimate the market value, based upon the highest and best legal use for the subject property, which we have concluded to be an office building.

To develop an appraised value, an appraiser studies a property from three different viewpoints, which correspond to the three traditional approaches to value. Each of the three traditional approaches to value will be considered in the case of the subject property. These are: The Cost Approach, The Market Comparison, or Sales Comparison Approach, and the Income Approach. The indications of each of these approaches will then be correlated into a final value estimate.

The three approaches to value are interrelated; each involves the gathering and analysis of sales, cost, and income data that pertain to the property being appraised. From the approaches applied, the appraiser derives separate indication of value for the property being appraised. Although the approaches are interrelated, the property type and use will determine which approach or approaches are the most appropriate.

The first: *the Cost Approach*. In this approach, the improvements are replaced as if new, and any applicable depreciation is deducted to arrive at a net improvement value. Added to this is the value of the land, and any site improvements or allied appurtenances in order to arrive at a value estimate.

The *Direct Sales Comparison or Market Approach* is based upon the principle of substitution; that is, when a property is replaceable in the market, its value tends to be set at the cost of acquiring an existing property with the same utility, assuming no costly delay in making the substitution. Since no two properties are ever identical, it is necessary to consider the differences in location, size, condition, age and etc. Adjustments are made by comparing the sales to the subject and are best determined by the actions of typical buyers and sellers in the marketplace.

The *Income Approach* involves an analysis of the anticipated benefits from the property in terms of dollar income or amenities. The estimated future income and/or reversion are then capitalized or discounted to a present worth figure at a rate commensurate with the quality and durability of the income stream and those anticipated benefits.

One or more of the approaches may not be applicable to a specific assignment or may be less significant due to the nature of the property, the decisions of the client, or the data available. We have given careful consideration to the Cost Approach and its applicability to the subject improvements. After consideration, the Cost Approach was not considered a relevant or reliable method of estimating the current market value of the subject.

One or more of the approaches may not be applicable to a specific assignment or may be less significant due to the nature of the property, the decisions of the client, or the data available.

To complete the valuation process, the appraisers integrate the information drawn from market research and data analysis from the application of the approaches to form a valuation conclusion. The value indications rendered by each approach provide a range of values that must be reconciled into a final value indication considering the appropriateness of each approach and the reliability of the data utilized to formulate the approach.

For the purpose of this analysis, each of these approaches provides an independent indication of value for the subject based on known and apparent investor criteria that have been derived from the market. The indications by each of these approaches will then be correlated into a final estimate of value.

COST APPROACH TO VALUE

Considered but not applied.

The Cost Approach is the process where the value of improved property is estimated on the basis of the cost to replace the structures, less applicable depreciation.

The appraiser must first estimate the cost to replace the structure. All components of the structure are taken into account. Then the appraiser must estimate depreciation from all sources, including physical deterioration (curable and incurable), structural obsolescence (curable and incurable) and economic obsolescence. The sum of the depreciated value is the indicated value of the property via the Cost Approach for improvements.

The following summary outlines the above process:

REPLACEMENT COST OF ALL IMPROVEMENTS

LESS DEPRECIATION

PHYSICAL (CURABLE & INCURABLE)
FUNCTIONAL OBSOLESCENCE (CURABLE
& INCURABLE)
ECONOMIC OBSOLESCENCE

EQUALS DEPRECIATED VALUE OF IMPROVEMENTS

PLUS SITE IMPROVEMENTS
PLUS LAND VALUE

RESULTS IN: INDICATED VALUE BY COST APPROACH

DIRECT SALES COMPARISON APPROACH TO VALUE

The Direct Sales Comparison, or Market Approach is the most commonly known and employed method of valuing Real Estate. The essence on this approach is based upon the principle of substitution i.e. that a prudent purchaser will pay a price for a particular piece of property, which is commensurate with the prices currently being paid for similar properties in similar locations. Thus, the appraiser assembles sales and offerings of properties containing generally similar uses, amenity and aesthetic features as are possessed by the subject property.

Analysis of the real estate market realizes that there are no two properties exactly alike. An adjustment process therefore is required to compensate for differences between comparable data employed by the appraiser and the subject property under analysis. Adjusting for tangible differences between two properties, the cost to reproduce the various items is used as a guide in making adjustments. Market experience also demonstrates that purchaser tend to pay less for purely cosmetic features that contribute little to the utility of property. The price paid for such peripheral improvements is usually less than the cost of reproduction therefore; the judgment of the analyst should reflect the reaction of typical prudent purchasers.

Other factors, besides structural detail, which bear upon the value of property, include the time of sale, zoning, terms and the circumstances of the sale and location.

The appraiser analyzes the market data employed in relation to the subject property, and in so doing takes into account all items, which contribute to or detract from value.

The Market Comparison Approach is a technique of finding sales of similar properties and carefully analyzing and comparing them by virtue of their differences and major similarities into an indication of value for the appraised property.

The comparable properties were observed for their possibility of similar functional potential utility. Size, area, age and condition of improvements were also analyzed and considered.

Comparable sales chosen were similarly located, similar use/purpose properties all located within the subject's competitive market area.

The validity of this approach is dependent upon the availability, quantity, relevancy and quality of the data. Procedurally, the steps in the Direct Sales Comparison Approach are as follows:

1. Research of the market to obtain information about transactions, listings and other offerings of properties similar to the subject.
2. Verify the Information by considering whether the data obtained is factually accurate and the transactions reflect arms length market considerations.
3. Determine relevant units of comparison e.g., price per unit or multiplier, and develop a comparative analysis for each unit. The unit of comparison utilized in this analysis is the price per square foot of improvements to the land area.
4. Compare the subject and the comparable sales according to the elements of comparison and adjust the sales price of each comparable as appropriate or eliminate the property from consideration.
5. Reconcile the value indications that result from the comparable sales into a single value indication.

In the case of the subject property, sufficient data was available in the area from which a meaningful Sales Comparison Approach could be developed. Primary emphasis was placed on finding transactions involving properties that were similar to the subject in use, location, access, and exposure factors. The sales cited offer a cross section of similar investments. Salient factors of the improved sales utilized in our analysis are presented on the following pages.

SALES COMPARISON GRID

Comparable Data	SUBJECT	SALE 1	SALE 2	SALE 3	
Building/ Location:	NW 9 St, Miami FL	NW 31 AVE, Pompano Beach, FL	700 NW 31 AVE, Pompano Beach, FL	NW 31 AVE, Pompano Beach, FL	
Folio #:	01-0200-040-1030	48-42-33-00-0328	48-42-33-05-3580	48-42-33-68-0030	
Sale Date:	N/A	06/27/2019	03/28/2018	06/12/2019	
Land Size:	52,052 SF	74,506 SF	50,992 SF	190,070 SF	
Improvements:	N/A	N/A	N/A	N/A	
Sales Price:	N/A	\$521,600	\$440,000	\$2,100,000	
Year Built	N/A	N/A	N/A	N/A	
Improvements:	N/A	N/A	N/A	N/A	
Zoning:	B-3	B-3	B-3	B-3	
ESTIMATED PSF:	N/A	\$7.00	\$8.62	\$11.04	
FINANCIAL ADJUSTMENTS					
Financing		0%	0%	0%	
Conditions of Sale:		0%	0%	0%	
Time of Sale:		0%	0%	0%	
Market Condition:		0%	0%	0%	
PSF:		\$7.00	\$8.62	\$11.04	
PHYSICAL ADJUSTMENTS					
Location:		0%	0%	0%	
Quality/Const.:		0%	0%	0%	
Age/Condition:		0%	0%	0%	
Zoning:		0%	0%	0%	
Building Size:		0%	0%	0%	
Land Size:		0%	0%	-	
Land/Bldg. Ratio:		0%	0%	0%	
Occupancy:		0%	0%	0%	
PSF:		\$7.00	\$8.62	\$11.04	

Due to the subjects condition the estimated price per square foot is approximately \$7.00

Estimated price PSF for the subject: @ \$7.00

X Subject Size: 52,052 SF

Estimated value for subject: **\$364,364 (say) \$365,000**

Estimated Opinion of Market Value in Fee Simple Interest , Subject to Road Access.

(SAY) THREE HUNDRED SIXTY FIVE THOUSAND (\$365,000) DOLLARS

CONCLUSION/COMMENTS ON SALES AND ADJUSTMENTS

Comparable Sale # 1 is vacant land appearing to be located in the marketplace of the subject. This property was chosen for its proximity to the subject, zoning, sale date.

Comparable Sale # 2 is vacant land appearing to be located in the marketplace of the subject. This property was chosen for its proximity to the subject, zoning, sale date.

Comparable Sale # 3 is vacant land appearing to be located in the marketplace of the subject. This property was chosen for its proximity to the subject, zoning, sale date.

Reconciliation: Due to lack vacant land sales, the appraiser has implemented the extrapolated method to comps #3 and #4. The adjustment grid presented has the relevant characteristics that drive the real estate prices. The adjustments are established in a Quantitative and/or Qualitative fashion. The Qualitative adjustments are applied to the price per square foot for each of the comparables. The adjustments are applied in plus (+), minus (-) or equal (=) manor. For example, a positive adjustment implies that a comparable is inferior when compared to the subject. Since the subject with the appeal of the newer type warehouse dwellings most weight was given to the higher end of the sales since they are most representative of the market place. Although the comparables maybe distant they are within the county and considered good indicators of the subjects opinion of market value. The comparables may be dated, no time adjustment was adequate, since the sales were negotiated in similar market conditions. The comparables are representative of the competitive market place, however more reliance was given to sale #1 in regards to final price per foot. The appraiser made a diligent effort to secure similar properties as the subject in regards to zoning and use. The sales selected are similar in use appeal and were considered among the best available during the time period.

INCOME APPROACH TO VALUE (NOT DEVELOPED)

The Income Approach to Value deals with the present worth of future benefits. This is measured by the net income, which a fully informed purchaser is warranted in assuming the property will produce during its remaining useful life. After comparison with investments of similar types and class, this net income is capitalized into a value estimate. Several analyses are necessary before a value estimate may be projected. Of prime importance is a careful scrutiny of the potential income stream. The appraiser must concern himself with three significant factors that pertain to the subject's income. These are the quantity, quality and durability of the income.

In the first instance, it must be determined whether the actual rent is proper or is similar space currently being rented for a higher or lower amount. The prudent purchaser certainly would be dubious of a high rent, which had no justification and in the same light he would be apprehensive of a rent well below that received for comparable properties. This comparison will lead the appraiser to a final conclusion, which enables him to ascribe a proper economic rent to the property under appraisal.

The quality of the subject's income stream is the second major item of concern to the typical purchaser. The more reliable and solvent the tenant, the less the risk involved. This factor has a direct relationship to the rate of return, which the investor requires.

The third element, durability, requires that the appraiser analyze the terms of tenancy involved. He must determine how secure the income is. Is it of a short-term nature, or is it secured by a long-term lease? He must arrive at whether the income shall retain the characteristics of annuity or will it decline as the property and area decline.

Once a proper economic rent is ascribed to the property under appraisal, careful weight must be given to the normal expenses incurred by the owner of similar properties. This requires an extensive market analysis and the execution of sound judgment on the part of the appraiser. Subtracting proper expense items from the Gross Income estimate results in a Net Income, which the property can be expected to produce.

This net income may then be capitalized into a value estimate by applying a capitalization rate, which expresses the normal return requirements of the typical prudent buyer. This rate or factor is directly related to the quality and durability of the income stream.

Briefly, it varies up or down based on the tenant's responsibility and the length of time during which the income flow is considered reasonably certain. The above analytical process has been applied to the subject property with the following resulting market comparisons, analyses and conclusion.

The Dictionary of Real Estate Appraisal, published by the Appraisal Institute, third edition defines the income approach as follows: "A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into a property value. This conversion can be accomplished in two ways.

INCOME APPROACH TO VALUE (NOT DEVELOPED)

One year's income expectancy can be capitalized at market-derived capitalization rate or at a capitalization rate, which reflects a specified income pattern, return on investment and change in the value of the investment. Alternatively, the annual cash flows for the holding period can be discounted at a specified yield rate.

The subject, at present is designed for single tenant occupancy, as of the date of valuation. The property is presently owner occupied. The value estimate is based on the capitalization of a stabilized Net Operating Income as estimated for the improvements.

The approach in each section is comprised of four steps:

1. Estimate the gross potential income that can be expected based on market rent levels.
2. Estimate the vacancy and expense deduction that can be expected.
3. Derive a stabilized net operating income estimate.
4. Capitalize the net operating income into a value indication.

The final estimates of income and expenses represent stabilized estimates that are based on mature or stabilized operations of the subject over reasonable periods of anticipated ownership. Stabilized income and expense figures are used for the following reasons:

- The property is expected to have experienced management, whereby earnings will be stabilized.
- A short –term projection of income tends to be more accurate, due to the greater degree of uncertainty typically involved with longer-term projections.
- Projection of income over a short term will produce the same total value as a longer projection, regardless of capitalization technique provided the assumptions involve the same income stream, the same rate of change in property value and the same rate of interest. Stated differently, any loss in value due to the shorter income stream will be offset by a gain in the present value of the reversion.
- Under normal circumstances, net cash flow fluctuates, irregularly, up and down, from year to year. A reasonable reliable (stabilized) net income over a short projection period can be termed as a level annuity. To stabilize income, when the projection is presumed to cover the total useful life of a structure is virtually impossible.

Two methods of capitalization are available to the appraiser in the analysis of income producing property; direct and yield capitalization. Direct capitalization is used to convert an estimate of a single year's income expectancy into an indication of value in one direct step.

Yield capitalization, on the other hand, uses the discounting procedure to convert specified annual income and future reversionary benefits to a present value on the premise of a required rate of return.

Direct capitalization assumes no allocation between the return on and of capital invested. Due to the proposed single or dual tenant viability of leasing this one large building, we have relied on the direct capitalization of income as the preferred method. The income approach, along with supporting documentation, is developed and explained on the following pages.

PARAMETERS OF VALUE CONCLUSION

An appraisal of real estate is an opinion of value certified by an individual representing himself to be an expert.

Due to the many influences that affect supply and demand and the imperfections that exist in the market, the appraisal of real estate remains an inexact science.

The appraiser's client must recognize that at any given moment in time before or after the effective date of value, the property value may be different from what the appraiser has estimated. Real estate investment has a high degree of risk and performance and success is dependent upon management, market liquidity, and all sorts of outside influences. Remember that if for any reason subsequent events (after the effective date) worldwide, national, regional, and local or neighborhood occur, the value of the property will change.

The developer, the lender, and subsequent property owners must each analyze and measure the risk as they see it, at any moment in time. The appraisal, therefore, is a judgment tool offering only a supported opinion of the present worth of anticipated benefits subject to the investment risks, measured mainly by such market data as are available at the effective date of appraisal.

The appraiser's client must further recognize that the market data, which are present in this report, are past sales that took place in a market place where tax shelter rules may have been substantially different from future rules and those probable changes could render conclusions of a comparable sales study invalid.

In conclusion, however, while an appraisal cannot be guaranteed or absolutely proven, if the opinion of value, as expressed and demonstrated, is not influenced by sentiment, sympathy, bias, personal interest, or lack of understanding, and is, in fact, a sincere effort by a competent impartial valuator, then the conclusions so developed may properly be considered as a basis of negotiation between owner and prospective purchaser, or between lender and borrower or between condemner and condemned.

The Direct Sales Comparison approach have been pursued and given most weight in regards to the final opinion of market value. The detailed analysis of all the pertinent facts and data which were considered to influence the value of the subject property have led to following value estimates:

COST APPROACH	N/A
DIRECT SALES COMPARISON	\$365,000
INCOME APPROACH	N/A
FINAL CONCLUSION OF VALUE	(say) \$365,000

RECONCILIATION & CONCLUSION OF VALUE

It can be observed that all approaches to value indicate that the property appraised is worth as was indicated above. Some approaches worked in conjunction with others.

It is appropriate first to recapitulate the procedures and conclusion of each of the approaches, and then reconcile them into final estimate of market value for the subject property.

The Direct Sales Comparison Approach identifies and measures the market reaction of typical buyers and sellers of similar and/or competitive properties.

This approach reflects the buyers' judgments about adverse economic influences, which when analyzed with adequate sales data left a narrow margin of error in estimating the market value of the subject property.

Since no two properties are exactly alike, adjustments for differences are typically necessary. As the magnitude of the adjustments increases the reliability of this approach tends to diminish.

All comparable sales were considered similar to the subject in use & marketability attributes. The prospects for error in this approach have been reduced to a minimum.

Conclusion:

After analyzing and reconsidering the subject's market place the market value of the land of the subject property subject to road access, as defined herein, September 28, 2019 is estimated to be:

(SAY) THREE HUNDRED SIXTY FIVE THOUSAND (\$365,000) DOLLARS

QUALIFICATIONS OF THE APPRAISER

J. LUIS CANELLAS

LICENSES

State Certified General Real Estate Appraiser No. RZ 3065
Real Estate Broker, State of Florida

APPRAISAL & REAL ESTATE EXPERIENCE

- Appraisal Zone Corp.
September 2805 to Present
- MAC Appraisal Corp, Pompano Beach, FLorida
January 2001 to March 2005
- Residential Appraisers, Pompano Beach, FLorida
January 1999-2001

Types of Appraisal Assignments

- Commercial
- Single Family Residence
- Condominium
- Multi-Family(1-4 Units)
- Vacant Land
- FHA Financed Properties

SPECIALIZED EDUCATION

- Real Estate Sales Person : 1996
- Sales Performance Systems : 1996
- Real Estate Mortgage : 2001
- Real Estate Sales Person Continued Education : 1998
- Real Estate Sales Person Continued Education : 2000
- Real Estate Sales Person Continued Education : 2002
- Course 520 Highest and Best Use and Market Analysis :2000
- Uniform Standards of Professional Appraisal Practice : 2001 :2004
- Investment Analysis for Appraisers:2004
- Valuation Analysis for Home Mortgage Insurance :2004
- Residential Appraiser (AB-2) 2001
- Residential Appraiser (AB2-B)2001
- Home Inspector : 2003
- Appraisal Board III: 2007
- Marshall & Swift trained Appraiser
- Techniques of Income Property 2006
- National USPAP 2007

MEMBERSHIP IN PROFFESIONAL ORGANIZATIONS

- The foundation of Real Estate Appraisers
- The Realtor Association of Miami
- Residential Associate of the Appraisal Institute
- E & O Insurance up to \$1,000,000.00

APPRAISER'S LICENSE



RICK SCOTT, GOVERNOR

JONATHAN ZACHEM, SECRETARY



**STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION**

FLORIDA REAL ESTATE APPRAISAL BD

THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE
PROVISIONS OF CHAPTER 475, FLORIDA STATUTES

CANELLAS, JORGE LUIS

18062 NW 87TH COURT
MIAMI FL 33018

LICENSE NUMBER: RZ3065

EXPIRATION DATE: NOVEMBER 30, 2020

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EXPLANATION OF TERMINOLOGY USED BY APPRAISER IN THIS REPORT

AN APPRAISAL is an indication of Market Value resulting from an analysis and evaluation of all available data found to relate to the appraised property directly or indirectly, with attention directed to those influences found to affect the property's use or appeal to persons who might constitute the market for the appraised property.

REAL ESTATE is the land and that which is permanently attached thereto by man or nature and would, in a normal arm's length transaction, be exchanged with the land without specification or separate and individual evaluation.

BUNDLE OF RIGHTS IS THE LEGALLY ENFORCEABLE rights of Ownership in real estate.

A MARKET exists when a choice of properties are offered for sale which are able to satisfy the needs of a number of willing buyers who are free of pressure and financially able to pay as much for a property as the benefits resulting from its use would appear to justify.

MARKET VALUE is defined as the most probable price, in terms of money, which a property should bring in a competitive and open market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently and knowledgeably and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and 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 each acting in what he considers his own best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and the price represents the normal consideration for the property sold unaffected by special or creative financing of sales concessions granted by anyone associated with the sale.

ASSESSED VALUE is the amount assigned to taxable property by an assessor.

APPROACH TO VALUE is one method or technique of appraising.

VACANT LAND, RAW LAND OR BARE LAND is land without improvement by man or by nature (such as timber).

HIGHEST AND BEST USE is the use to which the appraiser's research indicated the property can legally be put in the reasonably near future, which will most likely produce the greatest return over a period of time. It is applied to vacant land as well as to fully improved real estate.

- A. Highest and Best Use of Vacant land results when it is improved in a manner which may reasonably be expected to produce the greatest net return to the land over a given period of time.
- B. Highest and Best Use of Improved property is that use made by existing physical improvements, altered or remodeled, as indicated, which will produce the greatest net return on the required investment over a given period of time.

MARKET INTEREST RATE is that rate of return on capital invested by prudent buyers in a given type of Real Property at a specified time and place.

EXPLANATION OF TERMINOLOGY (CONTINUED)

CAPITAL RECAPTURE RATE is that rate which will return to the investor that portion of a real property's cost represented by its improvements during their anticipated future economic life.

CAPITALIZATION RATE is the sum of market Interest Rate and Capital Recapture Rate, which prudent investors are expecting, and receiving, from competitive properties.

SELL-OUT VALUE is the anticipated amount of the total of the selling prices of all individual units in a property. It is based on market-oriented surveys and feasibility studies including sales of comparable properties.

PROBABLE SELLING PRICE is that at which a property would most probably sell if exposed to the market for a reasonable time, under market conditions prevailing as of the date of the appraisal.

LEASE is a written document by which the rights of use and occupancy of land and/or structures are transferred by the owner another person or entity for a specified period of time in return for a specified rental.

Subject



